

Tinka and Darwin join forces and set to gain from Chinese hunger for resources in Peru



Tinka Resources Limited ('Tinka, TSXV: TK) and Darwin Resources Corp. ('Darwin' TSXV: DAR | OTCPK: DARWF | Frankfurt: DWU) are in the final stage of the arrangement under which Tinka will acquire all outstanding shares of Darwin Resources Corporation while also undertaking the second tranche of a private placement in the amount of CAD\$ 4.54 million, in which up to 16,509,090 Units will be issued at a price of \$ 0.275 per unit. The arrangement will be presented for approval to shareholders on July

11.

Both Tinka and Darwin have projects in Peru and the companies complement each other well. Tinka primary focus is on its combined 100% owned Colquipucro and Ayawilca projects consisting of 46 contiguous mineral tenements covering an area of 9,827 hectares, located in west-central Peru. The Colquipucro project consists of a silver oxide deposit with mineralization starting from the surface, which may be the first such type ever documented in Peru. Last year, the Ayawilca project was expanded to include zinc; diamond drilling at the site also revealed significant copper potential. Zinc has become ever more important in the list of critical metals as demand has risen due to falling supplies due to mine closings and predictions that the price of zinc could surge in the next two years. Tinka has also expanded the

original scope of the Ayawilca project, completing an Environmental Impact Analysis (EIA) in order to acquire an entirely 'fresh' drilling permit for more drilling at a new platform to the east of the original one.

Gold, despite the slightly uninspired performance in the first week of June, is still considered a safe haven from the vagaries of the equities markets and the gold mining companies, big and small cap alike, have worked with intensity in developing new resources. Peru generates some two thirds of its national income from gold, having some of the largest gold resources in the world and its northern areas have attracted a number of juniors to develop new gold projects. Darwin Resources has been working alongside giants Newmont Mining and Barrick Gold. While the latter two have huge budgets and acreage, Darwin offers certain advantages over them in a politically and socially complex environment as the High Andes Mountains of northern Peru can be. In northern Peru, more than huge plans and big drilling machines, a successful mining venture must operate within a framework that contributes to the well being of the local population. It means employing locals as much as possible, training, sharing equipment, services and facilities with the community in the towns near the mining operations.

It is essential for locals to receive benefits that help raise the whole community's standards the form of jobs and improved social services from health to education and infrastructure. This ensures that local communities, rather than being suspicious of foreign miners, will be welcoming and willing partners in the process. Junior companies like Darwin and Tinka are more flexible because of their smaller size. They can quickly react to the changing social environment, addressing the communities' concerns promptly and personably, which ensures their long term viability. At the Suriloma Project, featuring an 8km x 3km area of exploration, where Darwin has identified gold-silver mineralization along at

least 500 meters of strike, Darwin has also devoted a great effort to ensuring good relations with the community – in an area where other miners have had to deal with many social difficulties and labor action – facilitating the securing of drill permits. Darwin's project has also been 'in tune' with the times. Indeed, the Peruvian government has favored mining projects that contribute to the local communities helping to improve social and physical infrastructure along with the local authorities. In Peru, increasingly, mining companies must see themselves as part of a wider process and Darwin Resources has embarked on such a course.

In the wider scheme, Chinese gold demand and Chinese interest in South America are both increasing at a very fast pace. The World Gold Council, in a recent report on China and gold, expects that Chinese private sector demand for gold is at least 1,350 tons by 2017. Today, China is the largest market for gold bullion, thanks in part to the success of development initiatives of major Chinese banks. In many ways, it can be said that China controls the future of gold and its market, operating officially and unofficially at retail and market level. That said, China needs a low price but it is also accumulating large amounts. The World Gold Council, in fact, suggested that "The major increase in physical gold in the Chinese market in 2012 and especially in 2013 may be partly related to massive government purchases". China has also been buying gold mines worldwide and it has also been increasingly targeting investments in Peru – as well as other South American countries. Peru maintains an open and liberal investment policy; it has minor inflation and unemployment has been dropping for the past 10 years. Peru is one of the fastest growing economies in Latin America and a producer of raw materials, especially silver, zinc and gold. In this sense the strength that comes from unity will benefit the Darwin and Tinka's combined resources, making them even more valuable as a whole in light of Peru's attraction as a major gold and silver investment destination.