TINKA RESOURCES LIMITED

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
SEPTEMBER 30, 2009 AND 2008

AUDITORS' REPORT

To the Shareholders of
Tinka Resources Limited

We have audited the consolidated balance sheets of Tinka Resources Limited as at September 30, 2009 and 2008 and the consolidated statements of loss and comprehensive loss and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Vancouver, B.C.
January 25, 2010

*"**D&H Group** LLP"*
Chartered Accountants

TINKA RESOURCES LIMITED
CONSOLIDATED BALANCE SHEETS
AS AT SEPTEMBER 30

	2009 $	2008 $
A S S E T S		
CURRENT ASSETS		
Cash	75,106	428,335
Amounts receivable	1,995	19,376
Prepaids	6,913	22,546
	84,014	470,257
MINERAL PROPERTY INTERESTS (Note 3)	2,037,674	2,442,307
EQUIPMENT (Note 4)	8,683	21,710
OTHER	33,710	33,710
	2,164,081	2,967,984
L I A B I L I T I E S		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	69,353	111,653
S H A R E H O L D E R S' E Q U I T Y		
SHARE CAPITAL (Note 5)	8,335,738	8,177,788
CONTRIBUTED SURPLUS (Note 7)	799,524	704,524
DEFICIT	(7,040,534)	(6,025,981)
	2,094,728	2,856,331
	2,164,081	2,967,984

NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN (Note 1)

SUBSEQUENT EVENTS (Note 14)

ON BEHALF OF THE BOARD

"Andrew Carter" , Director

"Nick DeMare" , Director

The accompanying notes and schedule are an integral part of these consolidated financial statements.

TINKA RESOURCES LIMITED

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS AND DEFICIT

FOR THE YEARS ENDED SEPTEMBER 30

	2009 $	2008 $
EXPENSES		
Accounting and administration	22,996	21,700
Amortization	2,254	3,100
Audit	29,489	28,300
Consulting	31,277	35,529
Corporate development	13,680	26,279
General exploration	98,655	98,118
Investor relations	5,000	60,000
Legal	4,107	4,539
Management fees	96,000	96,000
Office	13,649	18,519
Regulatory	8,208	10,832
Rent	5,400	5,400
Shareholder costs	9,268	11,713
Stock-based compensation (Note 6)	95,000	207,113
Transfer agent	5,395	6,307
Travel and related	13,436	47,298
	453,814	680,747
LOSS BEFORE OTHER ITEMS	(453,814)	(680,747)
OTHER ITEMS		
Interest income	2,363	22,758
Foreign exchange gain	3,985	9,417
Write-off of mineral property interests (Note 3)	(565,895)	-
Write-off of equipment	(1,192)	-
	(560,739)	32,175
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	(1,014,553)	(648,572)
DEFICIT - BEGINNING OF YEAR	(6,025,981)	(5,377,409)
DEFICIT - END OF YEAR	(7,040,534)	(6,025,981)
LOSS PER SHARE - BASIC AND DILUTED	$(0.04)	$(0.03)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED	24,804,251	23,171,306

The accompanying notes and schedule are an integral part of these consolidated financial statements.

TINKA RESOURCES LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30

	2009 $	2008 $
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
Net loss for the year	(1,014,553)	(648,572)
Adjustment for items not involving cash		
Amortization	2,254	3,100
Stock-based compensation	95,000	207,113
Write-off of mineral property interests	565,895	-
Write-off of equipment	1,192	-
	(350,212)	(438,359)
Decrease (increase) in amounts receivable	17,381	(4,767)
Decrease (increase) in prepaids	15,633	(5,876)
Decrease in accounts payable and accrued liabilities	(51,460)	(46)
	(368,658)	(449,048)
INVESTING ACTIVITIES		
Expenditures on mineral property interests	(140,987)	(1,128,092)
Purchase of equipment	(1,534)	(1,053)
Other	-	(33,710)
	(142,521)	(1,162,855)
FINANCING ACTIVITIES		
Issuance of common shares	160,000	412,500
Share issue costs	(2,050)	(17,933)
	157,950	394,567
DECREASE IN CASH DURING THE YEAR	(353,229)	(1,217,336)
CASH - BEGINNING OF YEAR	428,335	1,645,671
CASH - END OF YEAR	75,106	428,335

SUPPLEMENTAL CASH FLOW INFORMATION - See Note 13

The accompanying notes and schedule are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

The Company is a junior resource company engaged in the acquisition and exploration of unproven mineral interests and is considered a development stage company as defined by Accounting Guideline No. 11 of the Canadian Institute of Chartered Accountants ("CICA") Handbook. The Company presently has no proven or probable reserves and on the basis of information to date, it has not yet determined whether these properties contain economically recoverable ore reserves. Consequently the Company considers itself to be an exploration stage company. The amounts shown as mineral property interests represent costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values. The underlying value of the mineral properties and related deferred costs is entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to complete development, and upon future profitable production.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At September 30, 2009, the Company had working capital of $14,661, had not yet achieved profitable operations, has accumulated losses of $7,040,534 since inception and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. While the Company has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future.

See also Note 14.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These consolidated financial statements have been prepared by management in accordance with Canadian GAAP. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Tinka Resources S.A. (Peru). Intercompany balances and transactions are eliminated on consolidation.

Use of Estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Examples of significant estimates made by management include amortization, the provision for income taxes, composition of future income tax assets, future income tax liabilities and asset retirement obligations and valuations of mineral property interests, equipment and stock-based compensation. Actual results could differ from these estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Mineral Property Costs

Mineral property costs and exploration, development and field support costs directly relating to mineral properties are deferred until the property to which they relate is placed into production, sold or abandoned. The deferred costs will be amortized over the life of the orebody following commencement of production or written off if the property is sold or abandoned. Administration costs and other exploration costs that do not relate to any specific property are expensed as incurred.

On a periodic basis, management reviews the carrying values of deferred mineral property acquisition and exploration expenditures with a view to assessing whether there has been any impairment in value. Management takes into consideration various information including, but not limited to, results of exploration activities conducted to date, estimated future metal prices, and reports and opinions of outside geologists, mine engineers and consultants. When it is determined that a project or interest will be abandoned or its carrying value has been impaired, a provision is made for any expected loss on the project or interest.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, according to the usual industry standards for the stage of exploration of such properties, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee and, accordingly, are recorded as mineral property costs or recoveries when the payments are made or received.

The Company also accounts for foreign value added taxes as part of deferred costs. The recovery of these taxes will commence on the beginning of foreign commercial operations. Should these amounts be recovered they would be treated as a reduction in the carrying costs of mineral property interests.

Cash Equivalents

Cash equivalents includes short-term deposits maturing within 90 days of the original date of acquisition.

Equipment

Office equipment and vehicles are recorded at cost less accumulated amortization calculated using the straight-line method over their estimated useful lives of four to five years.

Impairment of Long-Lived Assets

Long-lived assets are assessed for impairment when events and circumstances warrant. The carrying value of a long-lived asset is impaired when the carrying amount exceeds the estimated undiscounted net cash flow from use and fair value. In that event, the amount by which the carrying value of an impaired long-lived asset exceeds its fair value is charged to earnings. Fair value is generally determined using a discounted cash flow analysis.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Asset Retirement Obligations

The fair value of a liability for an asset retirement obligation is recognized when a reasonable estimate of fair value can be made. The asset retirement obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement cost is charged to earnings using a systematic and rational method and is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and revisions to either the timing or the amount of the original estimate of undiscounted cash flow. As at September 30, 2009 and 2008, the Company had no asset retirement obligations.

Stock-Based Compensation

Stock-based compensation is accounted for at fair value as determined by the Black-Scholes option pricing model using amounts that are believed to approximate the volatility of the trading price of the Company's stock, the expected lives of awards of stock-based compensation, the fair value of the Company's stock and the risk-free interest rate. The estimated fair value of awards of stock-based compensation are charged to expense as awards vest, with offsetting amounts recognized as contributed surplus.

Income Taxes

Future income tax liabilities and assets are recognized for the estimated income tax consequences attributable to differences between the amounts reported in the consolidated financial statements and their respective tax bases, using substantially enacted income tax rates. The effect of a change in income tax rates on future income tax liabilities and assets is recognized in income in the period that the change occurs. Future income tax assets and liabilities are recognized for temporary differences between the tax and accounting basis of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes only if it is more likely than not that they can be realized.

Translation of Foreign Currencies

As the Company's foreign subsidiary has been dependent on funding from its parent, the operation is considered to be integrated. As a result, the temporal method of translating the accounts of the foreign subsidiary has been adopted. Under this method, the Company translates monetary items at the rate of exchange in effect at the balance sheet date. Non-monetary items are translated at average rates in effect during the period in which they were earned or incurred. Revenues and expenses are translated at average rates in effect during the period except for depreciation and amortization which are translated at historical rates. Gains and losses resulting from the fluctuation of foreign exchange rates have been included in the determination of income.

Loss Per Share

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is calculated in accordance with the treasury stock method which assumes that proceeds received from the exercise of stock options and warrants would be used to repurchase common shares at the prevailing market rate. Under the treasury stock method, the basic and diluted loss per share are the same, as the effect of common shares issuable upon the exercise of warrants and stock options of the Company would be anti-dilutive.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments

Under Section 3251, *Equity,* Section 3855, *Financial Instruments - Recognition and Measurement* and Section 3861, *Financial Instruments - Disclosure and Presentation,* all financial instruments are classified into one of the following five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale assets or other financial liabilities. All financial instruments, including derivatives, are included on the balance sheet and are measured at fair market value upon inception with the exception of certain related party transactions. Subsequent measurement and recognition of change in the fair value of financial instruments depends on their initial classification. Held-for-trading financial investments are measured at fair value and all gains and losses are included in operations in the period in which they arise. Available-for-sale financial instruments are measured at fair value with revaluation gains and losses included in other comprehensive income until the asset is removed from the balance sheet. Loans and receivables, held-to-maturity investments and other financial liabilities are measured at amortized cost using the effective interest method. Gains and losses upon inception, derecognition, impairment write-downs and foreign exchange translation adjustments are recognized immediately. Transaction costs related to financing will be expensed in the period incurred.

The Company has designated its cash as held-for-trading, which is measured at fair value. Amounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

Comprehensive Income

Section 1530, *Comprehensive Income,* provides standards for the reporting and presentation of comprehensive income, which is defined as the change in equity, from transactions and other events and circumstances from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income but that are excluded from net income calculated in accordance with generally accepted accounting principles. A statement of comprehensive income has not been presented as no components of comprehensive income have been identified and therefore have not affected the current or comparative period balances on the consolidated financial statements.

Adoption of New Accounting Standards

Assessing Going Concern

The Accounting Standards Board ("AcSB") amended Section 1400, *General Standards of Financial Statement Presentation*, to include requirements for management to assess and disclose an entity's ability to continue as a going concern. This section applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008. The adoption of Section 1400 had no impact on the Company's consolidated financial statements.

Goodwill and Intangible Assets

The AcSB issued Section 3064, *Goodwill and Intangible Assets*, which replaces Section 3062, *Goodwill and Other Intangible Assets*, and Section 3450, *Research and Development Costs*. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008. The adoption of Section 3064 had no impact on the Company's consolidated financial statements.

Future Accounting Policies

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, *Business Combinations,* Section 1601, *Consolidated Financial Statements,* and Section 1602, *Non-Controlling Interests*. These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards.

Section 1582 replaces Section 1581, *Business Combinations,* and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standards ("IFRS") 3, *Business Combinations*. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace Section 1600, *Consolidated Financial Statements*. Section 1601, establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27, *Consolidated and Separate Financial Statements,* and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

International Financial Reporting Standards

In 2006, the AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Companies will be required to provide comparative IFRS information for the previous fiscal year. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

3. MINERAL PROPERTY INTERESTS

	2009			2008		
	Acquisition Costs $	Deferred Exploration Costs $	Total $	Acquisition Costs $	Deferred Exploration Costs $	Total $
Peru:						
Colquipucro	33,706	1,678,031	1,711,737	33,706	1,555,599	1,589,305
Other	-	325,937	325,937	12,416	346,055	358,471
Australia:						
Strathbogie	-	-	-	152,000	70,275	222,275
Golden Mountain	-	-	-	48,395	223,861	272,256
	33,706	2,003,968	2,037,674	246,517	2,195,790	2,442,307

(a) Peru - Colquipucro Project

On May 27, 2004, the Company entered into an agreement (the "Sierra Alliance Agreement") with Sierra Peru Pty Ltd. ("Sierra") pursuant to which the Company staked a number of prospects in Peru. As at September 30, 2009, the Company holds 46 mineral claims (the "Colquipucro Project"), which had been identified by Sierra, totaling 10,235 hectares, in the Province of Daniel Alcides Carrion.

Under the terms of the Sierra Alliance Agreement the Company will issue 500,000 common shares to Sierra in the event that the Colquipucro Project be subject to a successful feasibility study. Sierra also retains a right to a 1% net smelter return royalty ("NSR") from any production from the Colquipucro Project. The NSR can be purchased at any time for US $1,000,000.

(b) Peru - Other

During fiscal 2009, the Company wrote off $40,924 of acquisition and deferred exploration costs for other mineral property interests in Peru. As at September 30, 2009, the category comprises solely of foreign value added taxes.

(c) Australia - Strathbogie South Project

The Company had entered into a heads of agreement (the "Strathbogie HOA") with Flinders Resources Pty Ltd. ("Flinders"), an arm's length private company, under which the Company could earn a 49% interest in four mineral exploration claims, covering approximately 960 square kilometres, located in north-eastern Victoria, Australia, by making a cash payment of $6,000 (paid), issuing a total of 500,000 common shares (issued at a total ascribed value of $146,000) and incur a total minimum expenditure of $400,000 on or before June 5, 2009.

During fiscal 2009, the Company withdrew from the Strathbogie HOA and wrote-off $232,613 of acquisition and exploration costs.

3. MINERAL PROPERTY INTERESTS (continued)

(d) Australia - Golden Mountain Project

The Company and Flinders had entered into a heads of agreement (the "Golden Mountain HOA"), pursuant to which the Company could earn an 80% interest in the 202 hectare Golden Mountain Mining License (the "Golden Mountain Project") located in north-eastern Victoria, Australia, by making a cash payment of AUS $55,000 (paid), incurring a total minimum expenditure of AUS $900,000 within a four year period and issuing 200,000 common shares after an independent geologic report was prepared recommending further exploration work and regulatory approval.

During fiscal 2009, the Company terminated the Golden Mountain HOA and wrote-off $292,358 of acquisition and exploration costs.

4. EQUIPMENT

	2009 $	2008 $
Vehicles	51,590	51,590
Office equipment	27,066	29,414
	78,656	81,004
Less: accumulated amortization	(69,973)	(59,294)
	8,683	21,710

5. SHARE CAPITAL

Authorized - unlimited common shares without par value

Issued

	2009		2008	
	Shares	$	Shares	$
Balance, beginning of year	24,361,511	8,177,788	22,686,511	7,737,621
Issued during the year				
For cash				
Private placements	1,600,000	160,000	1,375,000	412,500
For mineral property interests	-	-	300,000	48,000
	1,600,000	160,000	1,675,000	460,500
Less share issue costs	-	(2,050)	-	(20,333)
	1,600,000	157,950	1,675,000	440,167
Balance, end of year	25,961,511	8,335,738	24,361,511	8,177,788

(a) During fiscal 2009, the Company completed a non-brokered private placement of 1,600,000 units at $0.10 per unit for gross proceeds of $160,000. Each unit consisted of one common share of the Company and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional share at a price of $0.15 per share on or before December 22, 2010.

The Company incurred share issue costs of $2,050 for filing fees relating to this financing.

5. SHARE CAPITAL (continued)

(b) During fiscal 2008, the Company completed a non-brokered private placement financing of 1,375,000 units at $0.30 per unit for gross proceeds of $412,500. Each unit consisted of one common share and one half share purchase warrant. Each whole warrant was exercisable at a price of $0.50 per share expiring on June 4, 2009. The warrants expired on June 4, 2009 without exercise.

The Company paid finders' fees totalling $17,520 and incurred share issue costs of $2,813 relating to this financing. A director of the Company purchased 75,000 units of this private placement.

(c) A summary of the number of common shares reserved pursuant to the Company's outstanding warrants outstanding September 30, 2009 and 2008, and the changes for the years ending on those dates is as follows:

	2009		2008	
	Number	Weighted Average Exercise Price $	Number	Weighted Average Exercise Price $
Balance, beginning of year	1,632,500	0.56	1,327,501	0.54
Issued	1,600,000	0.15	687,500	0.50
Expired	(1,632,500)	0.56	(382,501)	0.40
Balance, end of year	1,600,000	0.15	1,632,500	0.56

As at September 30, 2009, there were warrants outstanding to purchase 1,600,000 common shares at an exercise price of $0.15, expiring December 22, 2010.

(d) See also Note 14.

6. STOCK OPTIONS AND STOCK-BASED COMPENSATION

The Company has established a rolling stock option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts in accordance with the policies of the TSX Venture Exchange ("TSXV"). The options have a maximum term of five years.

During fiscal 2009, the Company granted stock options to purchase 1,770,000 (2008 - 1,260,000) common shares and recorded compensation expense of $95,000 (2008 - $207,113) on the granting and vesting of stock options. The fair value of the stock options is estimated using the Black-Scholes option pricing model with the following assumptions used during fiscal 2009 and 2008:

	2009	2008
Risk-free interest rate	1.81%	2.64% - 4.16%
Estimated volatility	127%	70% - 82%
Expected life	3 years	2 years - 3 years
Expected dividend yield	0%	0%
Estimated forfeiture rate	0%	0%

6. STOCK OPTIONS AND STOCK-BASED COMPENSATION (continued)

The weighted average fair value of all stock options granted or vested during fiscal 2009 to the Company's directors and consultants was $0.05 (2008 -$0.16) per share.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measure of the fair value of the Company's stock options.

A summary of the Company's stock options at September 30, 2009 and 2008, and the changes for the years ended on those dates is presented below:

	2009		2008	
	Number of Options Outstanding	Weighted Average Exercise Price $	Number of Options Outstanding	Weighted Average Exercise Price $
Balance, beginning of year	2,195,000	0.34	1,825,000	0.43
Granted	1,770,000	0.10	1,260,000	0.30
Expired	(1,672,500)	0.34	(890,000)	0.47
Forfeited	(37,500)	0.30	-	-
Balance, end of year	2,255,000	0.14	2,195,000	0.34

The following table summarizes information about the stock options outstanding and exercisable at September 30, 2009:

Number Outstanding and Exercisable	Exercise Price $	Expiry Date
360,000	0.30	March 1, 2011
125,000	0.30	July 18, 2011
1,120,000	0.10	January 30, 2012
650,000	0.10	March 2, 2012
2,255,000		

See also Note 14(b).

7. CONTRIBUTED SURPLUS

The Company's contributed surplus for fiscal 2009 and 2008, is comprised of the following:

	2009 $	2008 $
Balance, beginning of year	704,524	497,411
Stock-based compensation on stock options (Note 6)	95,000	207,113
Balance, end of year	799,524	704,524

8. RELATED PARTY TRANSACTIONS

(a) During fiscal 2009 and 2008, the Company incurred the following expenditures to directors and corporations controlled by directors of the Company:

	2009 $	2008 $
Management fees	96,000	96,000
Accounting and administration	22,996	21,700
Consulting services	18,000	19,500
Rent	5,400	5,400
	142,396	142,600

(b) During fiscal 2009, the Company reimbursed $17,031 (2008 - $24,932) to a public company with certain common directors for shared office and other costs.

The above transactions have been recorded at the exchange amounts which is the amount agreed to by the related parties.

As at September 30, 2009, $53,021 (2008 - $10,190) remained outstanding and was included in accounts payable and accrued liabilities.

9. INCOME TAXES

The income tax effects of temporary differences that give rise to significant components of future income tax assets and liabilities are as follows:

	2009 $	2008 $
Future income tax assets:		
Losses available for future periods	1,259,000	1,256,000
Fixed assets	3,000	3,000
Net book value of assets in excess of tax basis	(358,000)	(475,000)
Other	11,000	23,000
	915,000	807,000
Valuation allowance for future income tax assets	(915,000)	(807,000)
	-	-

9. INCOME TAXES (continued)

The recovery of income taxes shown in the statements of loss and deficit differ from the amounts obtained by applying statutory rates to the loss before provision for income taxes due to the following:

	2009 $	2008 $
Income tax rate reconciliation		
Combined federal and provincial income tax rate	30.00%	31.91%
Expected income tax recovery	(304,000)	(207,000)
Permanent differences	22,000	18,000
Effect of income tax rate changes	49,000	43,000
Effect of different income tax rates in Peru and Canada	-	(2,000)
Change in valuation allowance	233,000	95,000
Other	-	53,000
	-	-

As at September 30, 2009, the Company has non-capital losses of approximately $2,200,000 (2008- $1,750,000) and cumulative resource and other tax pools of approximately $591,000 carried forward for Canadian income tax purposes and are available to reduce Canadian taxable income in future years. The non-capital losses expire commencing 2010 through 2029. The cumulative resource and certain other tax pools can be carried forward indefinitely.

The Company also has non-capital losses of approximately $2,367,000 (2008 - $2,325,000) for Peruvian income tax purposes, which are available for application against future taxable income. These non-capital losses expire commencing December 31, 2009 through December 31, 2013.

Future income tax benefits which may arise as a result of these losses have not been recognized in the financial statements as their realization is unlikely.

10. SEGMENTED INFORMATION

Substantially all of the Company's operations are in one industry, the exploration for precious metals. Management reviews the financial results according to expenditures by property. As at September 30, 2009, the Company's mineral properties are located in Peru and its corporate assets are located in Canada. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results.

	2009			
	Corporate Canada $	Mineral Operations Peru $	Mineral Operations Australia $	Total $
Current assets	78,164	5,850	-	84,014
Mineral property interests	-	2,037,674	-	2,037,674
Equipment	4,787	3,896	-	8,683
Other	-	-	33,710	33,710
	82,951	2,047,420	33,710	2,164,081

10. SEGMENTED INFORMATION

	2008			
	Corporate Canada $	Mineral Operations Peru $	Mineral Operations Australia $	Total $
Current assets	438,404	31,853	-	470,257
Mineral property interests	-	1,947,776	494,531	2,442,307
Equipment	5,507	16,203	-	21,710
Other	-	-	33,710	33,710
	443,911	1,995,832	528,241	2,967,984

11. FINANCIAL INSTRUMENTS

The fair values of financial instruments at September 30, 2009, were estimated based on relevant market information and the nature and terms of financial instruments. Management is not aware of any factors which would significantly affect the estimated fair market amounts, however, such amounts have not been comprehensively revalued for purposes of these consolidated financial statements. Disclosure subsequent to the balance sheet dates and estimates of fair value at dates subsequent to September 30, 2009, may differ significantly from that presented.

Fair value approximates the amounts reflected in the consolidated financial statements for cash, amounts receivable and accounts payable and accrued liabilities.

The Company may be subject to currency risk due to the fluctuations of exchange rates between the Canadian dollar and other foreign currencies. However, the Company is not subject to significant interest and credit risks arising from these instruments.

12. CAPITAL MANAGEMENT

The Company's objective when managing capital, defined as equity, is to safeguard the entity's ability to continue as a going concern, so that it can continue to acquire and explore mineral interests. The Company funds all administration and exploration programs from the issue of shares, generally through private placements. The Company prepares a budget for seasonal exploration programs and initiates equity offerings to ensure sufficient funds for each season's programs. If the Company is unsuccessful in raising sufficient capital, exploration programs are extended, delayed or cancelled. In order to conserve cash, the Company may issue shares to pay for properties or compensate directors, employees and contractors through stock options.

Any cash raised that is surplus to immediate requirements is invested in low-risk liquid instruments which may include Bankers' Acceptances or Guaranteed Investment Certificates.

13. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash activities were conducted by the Company during fiscal 2009 and 2008, as follows:

	2009 $	2008 $
Operating activities		
Amortization	11,115	12,786
Increase in accounts payable and accrued liabilities	9,160	93,225
	20,275	106,011
Financing activities		
Share issue costs	-	(2,400)
Shares issued for mineral property interests	-	48,000
	-	45,600
Investing activity		
Expenditures on mineral property interests	(20,275)	(151,611)
Other supplemental cash flow information:		
Interest paid in cash	-	-
Income taxes paid in cash	-	-

14. SUBSEQUENT EVENTS

(a) In January 2010, the Company completed a private placement financing totalling 13,500,000 units at $0.10 per unit for gross proceeds of $1,350,000 as follows:

(i) 4,500,000 units on a non-brokered basis. Each unit consisted of one common share and one warrant, with each warrant entitling the holder to purchase an additional common share at a price of $0.15 per share for a period of eighteen months. The Company paid finders' fees of $8,000; and

(ii) 9,000,000 units on a brokered basis. Each unit consisted of one common share and one warrant, with each warrant entitling the holder to purchase an additional common share at a price of $0.15 per share for a period of eighteen months. The Company paid the agent a commission of $28,800 cash and issued 432,000 agent units and 900,000 agent warrants. The Company also paid the agent a corporate finance fee of 220,000 finance units. The agent units, agent warrants, and finance units have the same terms as the units and warrants issued on the brokered portion of the private placement.

(b) Subsequent to September 30, 2009, the Company:

(i) granted a consultant stock options to purchase 200,000 shares of the Company at an exercise price of $0.16 per share exercisable for a period of three years; and

(ii) issued 57,500 shares on the exercise of stock options for $5,750 proceeds.

SCHEDULE 1

TINKA RESOURCES LIMITED

CONSOLIDATED SCHEDULE OF MINERAL PROPERTY INTERESTS

FOR THE YEARS ENDED SEPTEMBER 30

	2009					2008
	Peru		Australia			
	Colquipucro $	Other $	Strathbogie $	Golden Mountain $	Total $	Total $
BALANCE - BEGINNING OF YEAR	1,589,305	358,471	222,275	272,256	2,442,307	1,249,034
EXPLORATION EXPENDITURES DURING THE YEAR						
Amortization	11,115	-	-	-	11,115	12,786
Assays	6,030	-	6,290	4,180	16,500	41,942
Camp costs	4,465	-	-	-	4,465	22,171
Consulting	3,759	-	-	-	3,759	13,810
Drilling	-	-	-	-	-	420,304
Environment studies	6,019	-	-	-	6,019	5,828
Exploration site	6,801	-	1,278	-	8,079	61,013
Field workers	-	-	-	-	-	19,098
Fuel	2,142	-	-	-	2,142	9,861
Geological	27,560	-	1,659	10,245	39,464	133,867
IVA tax	-	8,390	-	-	8,390	88,825
Permit and filing fees	-	-	-	4,427	4,427	50,352
Road access	5,264	-	-	-	5,264	27,298
Salaries	23,497	-	-	-	23,497	138,176
Supplies	-	-	-	-	-	8,468
Topography	-	-	-	-	-	7,219
Travel	16,991	-	665	254	17,910	43,441
Vehicles	8,789	-	446	996	10,231	29,696
	122,432	8,390	10,338	20,102	161,262	1,134,155
ACQUISITION COSTS DURING THE YEAR						
Staking and related costs	-	-	-	-	-	11,118
Shares issued	-	-	-	-	-	48,000
	-	-	-	-	-	59,118
	122,432	8,390	10,338	20,102	161,262	1,193,273
BALANCE - BEFORE WRITE-OFFS	1,711,737	366,861	232,613	292,358	2,603,569	2,442,307
LESS WRITE-OFFS	-	(40,924)	(232,613)	(292,358)	(565,895)	-
BALANCE - END OF YEAR	1,711,737	325,937	-	-	2,037,674	2,442,307

TINKA RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Background

This discussion and analysis of financial position and results of operation is prepared as at January 25, 2009, and should be read in conjunction with the audited consolidated financial statements and the accompanying notes for the years ended September 30, 2009 and 2008, of Tinka Resources Limited (the "Company"). The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities, can be found on SEDAR at www.sedar.com .

Company Overview

The Company is a junior mineral exploration company engaged in the acquisition and exploration of precious metals on mineral properties located in Peru with the aim of developing them to a stage where they can be exploited at a profit or to arrange joint ventures whereby other companies provide funding for development and exploitation. As of the date of this MD&A, the Company has not earned any production revenue, nor found any proven reserves on any of its properties. The Company is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange ("TSXV") as a Tier II issuer, under the symbol "TK" and on the Frankfurt Exchange under the symbol "TLD".

At September 30, 2009, the Company had working capital of $14,661, had not yet achieved profitable operations, has accumulated losses of $7,040,534 since inception and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. While the Company has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future.

Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Exploration Projects

Colquipucro Project, Peru

The Company has staked 46 claims covering 10,234.85 hectares in the Department of Pasco approximately 190 km NE of Lima and 65 km NW of Cerro de Pasco. The Colquipucro mining district lies some 25 km northwest of the famed Cerro de Pasco and Colquijirca Pb-Zn-Cu mines, and 35 km east of the Raura mine, a Cu-Pb-Zn-Ag skarn deposit mined since 1958. The project is 25 km SW of Buenaventura's high grade 150 million oz Uchuccahacua silver mine.

A first field visit identified numerous gossanous mantos and veins over an area of 20 sq km within a sequence of limestone, shale and carbonaceous sandstone. Two dominant vein orientations were identified with widths up to 1 m, containing galena, sphalerite and pyrite as the principal sulphide minerals. Mapping identified propylitic alteration associated with intrusives northeast of the vein and gossanous occurrences, suggesting a mineralizing intrusive source may exist nearby.

Comprehensive exploration followed which included, geochemical surface and underground sampling, geophysical survey and a phase 1 diamond drill program which was completed in October 2007. The results of the program were included in the end of year report.

The Company has identified new areas of surface mineralization at Colquipucro. Two of the new areas, called Colquisur and Ayawilca, lie 1km SE of and from 1.5km and 2km SSE, respectively, from the recently drilled Zone 1 area. A total of 384 soil and rock chip samples were collected from the new areas on a grid covering both areas measuring roughly 1,500 metres by 1,900 metres. Results returned values ranging from trace to 85 g/t silver, trace to 0.39% lead and trace to 4.9% zinc. These geochemically anomalous areas are still open to the east, but geological mapping and soil sampling suggest that the mineralized areas are faulted-off along the western edge of the grid.

The Ayawilca zone is underlain mostly by sandstones and siltstones containing finely disseminated pyrite throughout. Other sulphide minerals have not yet been identified in the matrix of these rocks, but the highly anomalous soil sample results suggest they are there (galena, sphalerite). It is believed that this sequence of east-west structures could be a similar setting to the Zone 1 area just drilled, where faults served as conduits for reprecipitating and enriching the mineralization both along the faults and in intervening fractures.

The Colquisur zone sits in the valley immediately south of Zone 1. There is extensive overburden cover, but preliminary mapping and sampling indicates that it is underlain mostly by the Pucara limestone, host to the lead and zinc mineralization encountered in the deeper parts of some holes at Zone 1.

A third area, know as Colquicocha, of surface mineralization was discovered during the last quarter. This area lies 2 km SE of the recently identified Ayawilca zone and approximately 3.75 km SE of Zone 1 that was drilled during 2007. At Colquicocha, nine channel samples ranging from 1 metre to 3 metres wide were collected from surface outcrops and old workings. Results returned values ranging from trace to 222 g/t silver, trace to 9.10% lead and trace to 8.0% zinc. Two contiguous samples from one underground working, taken perpendicular to the bedding in the sandstone, averaged 136 g/t silver, 5.86% lead and 4.82% zinc. About 300 metres SE from this working, a 3.0 metre wide sample taken from another working along a north-south trending, easterly dipping structure, assayed 146 g/t silver, 8.78% lead and 0.57% zinc.

Of interest, also, are two other sample sites located during reconnaissance exploration. The first one, about 300 metres south of the centre of the Ayawilca zone, yielded 55 g/t silver and highly anomalous lead over 8 metres, sampled obliquely across the bedding. Previous mapping has identified a NE-trending structure that passes through this site and projects towards some anomalous soil samples, a distance in excess of 400 metres. The other site, located about 1.3 km ENE from here, returned 64 g/t silver and highly anomalous lead and zinc over 15 metres width. This site is described as a “manto” in sandstone which hosts pyrite and iron oxides.

The Colquicocha zone is underlain mostly by sandstones and siltstones containing finely disseminated pyrite throughout. Other sulphide minerals have not yet been identified in the matrix of these rocks, but the highly anomalous soil sample results suggest they are there (galena, sphalerite). It is believed that this sequence of east-west structures could be a similar setting to the Zone 1 area just drilled, where faults served as conduits for reprecipitating and enriching the mineralization both along the faults and in intervening fractures.

The Company has now completed a grid sampling program and surface exploration to further delineate this new zone and samples are now at the laboratory in Lima. The Company is continuing a grid sampling program and surface exploration to further delineate these zones.

In April 2008, an independent NI43-101 report was completed which determined an inferred silver resource of 20.3 million ounces silver with an immediate potential contiguous target.

Category	Ag Cut-off (g/t)	Tonnes	Avg. Grade Ag (g/t)	Troy Ounces Ag/Short Ton	Contained Troy Ounces
Inferred	30	5,669,853	111.4	3.25	20,311,120

The report recommended an extensive drilling program to further define the existing resource, to test the target north of the resource and to drill some exploration holes at the Zone2/Ayawilca anomaly. A copy of the full report can be viewed on the Company's website www.tinkaresources.com

The Company has continued exploration at Colquipucro to identify further areas of surface mineralization. The Company is currently reviewing the property and data to identify priority drill targets with the potential to increase the resource and design a work program to advance the project further. During February, 2009, a review of the project was undertaken and it concluded that significant silver mineralization at Colquipucro is controlled by the complicated main regional fault and that future exploration must be directed at testing this 12 km long structural trend within the Company's permit area. It recommended a work program prior to drilling consisting of: metallurgical testing of Zone 1 drill core, petrographic analysis, detailed airphoto interpretation on a 1 km corridor of the main thrust fault and detailed follow-up mapping and sampling of the Ayawilca zone and any further targets.

Initial metallurgical test work was undertaken during April 2009 and produced positive results. Highlights from this work include:

- Silver recovery ranged from 90 to 97% with cyanide consumptions of 3.5 to 8.0 kg/t after leaching for 72 hours.
- Silver leaching kinetics was extremely fast for both composites.
- Although reagent consumption was moderate to high the leaching time was extremely rapid, suggesting further test work may allow cyanide consumption to be reduced with only a small loss in recoverable silver.

Test work was completed by Plenge Laboratories in Lima, Peru on two composite samples from the Colquipucro main mineralized zone ("Zone 1''). The samples were composited from 63 samples from two separate sections of pulps taken from diamond drill holes CDD6 and CDD13 that passed through Zone 1. Tests included head grade analysis, gravity separation and cyanidation. The samples were subjected to six conventional bottle roll techniques. Sample head grades averaged 79.7g/t Ag (CDD6) and 132.1g/t Ag (CDD13). Head grades for the metallurgical samples are in the same range as those of the recently calculated NI 43-101 inferred resource of 5.7 Mt at a grade of 111 g/t silver (20.3 Moz silver) at Zone 1.

The information obtained so far, including a recent interpretation done with satellite imagery, indicate that the geological setting at Zone 1 is strongly influenced by structural preparation, particularly by a large, complex fault system that marks the southwest margin of the prospective exploration area.

The exploration area is defined as a zone ranging from 1 km to 2 km in width, bounded by two large northwest-southeast trending fault systems and underlain by the Pucura limestone and Goyllarisquisga sandstone formations. So far, the Ayawilca zone located 2 km to the south of the known resource, has shown some structural and geochemical similarities to Zone 1. In August, a detailed structural mapping and geological interpretation study was completed by the Company's independent consulting geologists on the Ayawilca zone.
The interpretations and conclusions provided include:

- The structural setting and mineralization found at the Ayawilca zone has a direct correlation with the system found at Zone 1.

- The area, approximately 500m north-south by 200m east-west, defined as prospective for hosting bulk-tonnage silver mineralization at Ayawilca is sufficient for an exploration target equal to or greater than that established at Zone 1. The potential quantity and grade is conceptual in nature, and there has been insufficient exploration to define this target at this time. It is uncertain that drilling will result in further discoveries in this area. The target referred to is based on follow up of currently untested known strike length and down dip potential of the host sandstone.

- Ayawilca is believed to be higher in the Goyllar sandstone stratigraphy; hence, there may be potential for a thicker sequence of mineralization than at Zone 1.

- An 8-hole reverse circulation drill program, totalling not less than 1,600m, is recommended as a first phase test of the Ayawilca zone.

An amendment to the 50 hole diamond drill permit is being submitted to the authorities to include 8 reverse circulation drill holes. Once this approval has been received drilling will commence.

Selected Financial Data

The following selected consolidated financial information is derived from the audited consolidated financial statements and notes thereto. The information has been prepared in accordance with Canadian GAAP.

	Years Ended September 30,		
	2009 $	2008 $	2007 $
Operations:			
Revenues	Nil	Nil	Nil
Expenses	(453,814)	(680,747)	(543,591)
Other items	(560,739)	32,175	(61,904)
Net loss	(1,014,553)	(648,572)	(605,495)
Loss per share - basic and diluted	(0.04)	(0.03)	(0.03)
Dividends per share	Nil	Nil	Nil
Balance Sheet:			
Working capital	14,661	358,604	1,572,046
Total assets	2,164,081	2,967,984	2,962,527
Total long-term liabilities	Nil	Nil	Nil

The following selected financial information is derived from the unaudited interim consolidated financial statements of the Company prepared in accordance with Canadian GAAP.

	Fiscal 2009				Fiscal 2008			
	Sept. 30 2009 $	Jun. 30 2009 $	Mar. 31 2009 $	Dec. 31 2008 $	Sept. 30 2008 $	Jun. 30 2008 $	Mar. 31 2008 $	Dec. 31 2007 $
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(115,290)	(66,858)	(185,707)	(85,959)	(115,973)	(110,153)	(339,348)	(115,273)
Other items	(43,755)	(234,345)	(281,735)	(904)	(13,912)	(3,944)	52,690	(2,659)
Net loss	(159,045)	(301,203)	(467,442)	(86,863)	(129,885)	(114,097)	(286,658)	(117,932)
Loss per share -basic and diluted	(0.01)	(0.01)	(0.02)	(0.00)	(0.01)	(0.00)	(0.01)	(0.01)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Balance Sheet:								
Working capital	14,661	135,559	74,333	204,467	358,604	882,953	885,171	1,105,965
Total assets	2,164,081	2,294,738	2,420,015	2,795,563	2,967,984	2,946,183	2,677,439	2,768,029
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

Three Months Ended September 30, 2009 Compared to Three Months Ended September 30, 2008

During the three months ended September 30, 2009 (the "2008 Quarter") the Company reported a net loss of $159,045, compared to a net loss of $129,885 for the three months ended September 30, 2008 (the "2008 Quarter"), an increase in loss of $29,160. The primary factors for the fluctuation were a $40,924 write-off of mineral property interests, a $13,154 increase in general exploration and a $5,960 increase in shareholder costs. The increase in loss was partially offset by a $15,000 decrease in investor relations, a $6,205 decrease in consulting and a $8,130 decrease in travel costs.

Year Ended September 30, 2009 Compared to Year Ended September 30, 2008

During the year ended September 30, 2009 ("fiscal 2009"), the Company reported a net loss of $1,014,553 ($0.04 per share), compared to a net loss of $648,572 ($0.03 per share) for the year ended September 30, 2008 ("fiscal 2008"), an increase in loss of $365,981. The increase in loss during fiscal 2009 is mainly attributed to the write-off of mineral property interests of $565,895 and partially offset by a $112,113 decrease in stock based compensation expense.

General and administrative expenses decreased by $226,933, from $680,747 during fiscal 2008 to $453,814 during fiscal 2009. Specific expenses of note are as follows:

- during fiscal 2009 the Company was billed $22,996 (2008 - $21,700) for accounting and administration services provided by Chase Management Ltd. ("Chase") a private company owned by a director of the Company. In addition, the Company was billed $5,400 (2008 - $5,400) by Chase for office space provided;
- management fees of $96,000 during fiscal 2009 (2008 - $96,000) were billed by the Company's President in his capacity as such;
- general exploration increased by $537 from $98,118 during fiscal 2008 to $98,655 during fiscal 2009;
- the Company had retained Mining Interactive Corp ("Mining Interactive") to provide investor relations activities on behalf of the Company. During fiscal 2009 the Company paid Mining Interactive $5,000 (2008 - $60,000). On September 30, 2008, the Company terminated its agreement with Mining Interactive;
- corporate development expenses decreased by $12,599, from $26,279 in fiscal 2008 to $13,680 in fiscal 2009. During fiscal 2008, the Company participated in several market awareness campaigns;
- travel expenses decreased by $33,862 from $47,298 during fiscal 2008 to $13,436 during fiscal 2009. During fiscal 2008 travel expenses were incurred by the Company's President to Peru and Australia to oversee the mineral property interests; and
- stock-based compensation of $95,000 (2008 - $207,113) was recorded in fiscal 2009 relating to the granting and vesting of stock options.

As the Company is in the exploration stage of investigating and evaluating its mineral property interests, it has no revenue. Interest income is generated from cash held with the Company's financial institution. During fiscal 2009 the Company reported interest income of $2,363 as compared to $22,758 during fiscal 2008.

During fiscal 2009 the Company capitalized $161,262 (2008 - $1,193,273) for mineral property interests expenditures, comprising of $122,432 ($762,312) on the Colquipucro Prospect and $38,830 (2008 - $430,961) on other prospects in Peru and Australia. See "Exploration Projects".

During fiscal 2009 the Company terminated or withdrew from its projects in Australia and accordingly wrote-off $524,971 of acquisition and exploration costs and the Company also wrote-off $40,924 of acquisition and deferred exploration costs for other mineral property interests in Peru.

Financial Condition / Capital Resources

As at September 30, 2009, the Company had working capital of $14,661 and accumulated losses of $7,040,534 since inception. The Company is not generating any revenues and expects to incur further losses in the development of its business. In light of the current financial market conditions the Company is taking steps to reduce ongoing corporate overhead, reducing personnel and minimizing non-essential expenditures, including the postponement of exploration activities until market condition improve. The Company believes that it will need to raise additional financings to meet ongoing level of corporate activities, meet its expenditure commitments under its option agreements and conduct planned exploration activities on all of its mineral resource interest projects for the ensuing year. In addition, exploration activities may change due to ongoing results and recommendations or the Company may acquire additional mineral properties, which may entail additional significant funding or exploration commitments. The Company has relied solely on equity financing to raise the requisite financial resources. While it has been successful in the past, there can be no assurance that the Company will be successful in raising future financings should the need arise.

Subsequent to September 30, 2009, the Company completed a brokered and non-brokered private placement of 13,500,000 units for gross proceeds totalling $1,350,000.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Critical Accounting Estimates

A detailed summary of all the Company's significant accounting policies is included in Note 2 to the September 30, 2009 audited consolidated financial statements.

Changes in Accounting Policies

Adoption of New Accounting Standards

Assessing Going Concern

The Accounting Standards Board ("AcSB") amended Section 1400, *General Standards of Financial Statement Presentation*, to include requirements for management to assess and disclose an entity's ability to continue as a going concern. This section applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008. The adoption of Section 1400 had no impact on the Company's consolidated financial statements.

Goodwill and Intangible Assets

The AcSB issued Section 3064, *Goodwill and Intangible Assets*, which replaces Section 3062, *Goodwill and Other Intangible Assets*, and Section 3450, *Research and Development Costs*. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008. The adoption of Section 3064 had no impact on the Company's consolidated financial statements.

Future Accounting Policies

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, *Business Combinations,* Section 1601, *Consolidated Financial Statements,* and Section 1602, *Non-Controlling Interests*. These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards.

Section 1582 replaces Section 1581, *Business Combinations,* and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standards ("IFRS") 3, *Business Combinations*. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace Section 1600, *Consolidated Financial Statements*. Section 1601, establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27, *Consolidated and Separate Financial Statements,* and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

International Financial Reporting Standards

In 2006, the AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Companies will be required to provide comparative IFRS information for the previous fiscal year.

The Company has commenced the scoping and planning phase of its changeover plan. The Company has designated the appropriate resources to the project to develop an effective plan and will continue to assess resource and training requirements as the project progresses. The Company has identified the following four phases of its conversion plan: scoping and planning, detailed assessment, operations implementation and post implementation. The scoping and planning phase involves establishing a project management team, mobilizing organizational support for the conversion plan, identifying major areas affected and developing an implementation plan. The Company expects to complete the scoping and planning phase during the 2010 fiscal year. The detailed assessment phase (“Phase 2”) will result in accounting policies and transitional exemptions decisions, quantification of financial statement impact, preparation of shell financial statements and identification of business processes and resources impacted. The operations implementation phase (“Phase 3”) includes the design of business, reporting and system processes to support the compilation of IFRS compliant financial data for the opening balance sheet at October 1, 2010 and thereafter. Phase 3 also includes ongoing training, testing of the internal control environment and updated processes for disclosure controls and procedures. Post implementation (“Phase 4”) will include sustainable IFRS compliant financial data and processes for fiscal 2011 and beyond. The Company will continue to monitor changes in IFRS throughout the duration of the implementation process and assess their impacts on the Company and its reporting.

Transactions with Related Parties

(a) During fiscal 2009 and 2008, the Company incurred the following expenditures to directors and corporations controlled by directors of the Company:

	2009 **$**	**2008** **$**
Management fees	96,000	96,000
Accounting and administration	22,996	21,700
Consulting services	18,000	19,500
Rent	5,400	5,400
	142,396	142,600

(b) During fiscal 2009, the Company reimbursed $17,031 (2008 - $24,932) to public companies with certain common directors for shared office and geological personnel and other costs.

The above transactions have been recorded at the exchange amounts which is the amount agreed to by the related parties.

As at September 30, 2009, $53,021 (2008 - $10,190) remained outstanding and was included in accounts payable and accrued liabilities.

Risks and Uncertainties

The Company competes with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral concessions, claims and other interests, as well as for the recruitment and retention of qualified employees.

The Company is in compliance with all material regulations applicable to its exploration activities. Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

As at September 30, 2009, the Company’s mineral properties are located in Peru and consequently the Company is subject to certain risks, including currency fluctuations and possible political or economic instability which may result in the impairment or loss of mining title or other mineral rights, and mineral exploration and mining activities may be affected in varying degrees by political stability and governmental regulations relating to the mining industry.

Investor Relations Activities

The Company provides information packages to investors; the package consists of materials filed with regulatory authorities. The Company updates its website (www.tinkaresources.com) on a continuous basis. The Company had retained Mining Interactive Corp ("Mining Interactive") to provide market awareness and investor relations activities at a rate of $5,000 per month. On September 30, 2008 the Company terminated its agreement with Mining Interactive and will use Mining Interactive as needed. During fiscal 2009 the Company paid Mining Interactive $5,000 (2008 - $60,000).

Outstanding Share Data

The Company's authorized share capital is unlimited common shares with no par value. As at January 25, 2010, there were 40,171,011 issued common shares and 2,397,500 stock options outstanding, at exercise prices ranging from $0.10 to $0.30 per share and 16,652,000 warrants outstanding at an exercise price of $0.15 per share.