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**TINKA RESOURCES LIMITED**

INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED  
DECEMBER 31, 2007

*(Unaudited - Prepared by Management)*

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## **MANAGEMENT'S COMMENTS ON UNAUDITED FINANCIAL STATEMENTS**

The accompanying unaudited interim consolidated financial statements of Tinka Resources Limited for the three months ended December 31, 2007, have been prepared by and are the responsibility of the Company's management. These statements have not been reviewed by the Company's external auditors.

**TINKA RESOURCES LIMITED**  
**INTERIM CONSOLIDATED BALANCE SHEETS**

*(Unaudited - Prepared by Management)*

	<b>December 31,</b> <b>2007</b>	<b>September 30,</b> <b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>A S S E T S</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	1,104,916	1,645,671
Amounts receivable	15,417	14,609
Prepays	<u>11,120</u>	<u>16,670</u>
	1,131,453	1,676,950
<b>MINERAL PROPERTY INTERESTS</b> (Note 3)	1,602,855	1,249,034
<b>EQUIPMENT</b> (Note 4)	<u>33,721</u>	<u>36,543</u>
	<u><u>2,768,029</u></u>	<u><u>2,962,527</u></u>

**LIABILITIES**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	<u>25,488</u>	<u>104,904</u>

**SHAREHOLDERS' EQUITY**

<b>SHARE CAPITAL</b> (Note 5)	7,737,621	7,737,621
<b>CONTRIBUTED SURPLUS</b> (Note 7)	500,261	497,411
<b>DEFICIT</b>	<u>(5,495,341)</u>	<u>(5,377,409)</u>
	<u>2,742,541</u>	<u>2,857,623</u>
	<u><u>2,768,029</u></u>	<u><u>2,962,527</u></u>

**SUBSEQUENT EVENT** (Note 11)

ON BEHALF OF THE BOARD

“Andrew Carter” , Director

“Nick DeMare” , Director

*The accompanying notes are an integral part of these interim consolidated financial statements.*

**TINKA RESOURCES LIMITED**  
**INTERIM CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT**  
*(Unaudited - Prepared by Management)*

	<b>Three Months Ended</b>	
	<b>December 31,</b>	
	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>EXPENSES</b>		
Accounting and administration	3,600	7,600
Amortization	747	3,792
Consulting	7,500	4,500
Corporate development	7,851	4,232
General exploration	21,570	26,160
Investor relations	15,000	9,000
Legal	634	565
Management fees	24,000	24,000
Office	4,471	5,622
Regulatory	1,189	925
Rent	1,350	1,350
Shareholder costs	4,044	3,113
Stock based compensation (Note 6)	2,850	1,333
Transfer agent	1,194	844
Travel and related	19,273	10,980
	<u>115,273</u>	<u>104,016</u>
<b>LOSS BEFORE OTHER ITEMS</b>	<u>(115,273)</u>	<u>(104,016)</u>
<b>OTHER ITEMS</b>		
Interest income	7,106	9,617
Foreign exchange (loss) gain	(9,765)	27,794
	<u>(2,659)</u>	<u>37,411</u>
<b>NET LOSS FOR THE PERIOD</b>	<u>(117,932)</u>	<u>(66,605)</u>
<b>DEFICIT - BEGINNING OF PERIOD</b>	<u>(5,377,409)</u>	<u>(4,771,914)</u>
<b>DEFICIT - END OF PERIOD</b>	<u>(5,495,341)</u>	<u>(4,838,519)</u>
<b>LOSS PER SHARE - BASIC AND DILUTED</b>	<u>\$(0.01)</u>	<u>\$(0.00)</u>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED</b>	<u>22,686,511</u>	<u>18,614,012</u>

*The accompanying notes are an integral part of these interim consolidated financial statements.*

**TINKA RESOURCES LIMITED**  
**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

*(Unaudited - Prepared by Management)*

	<b>Three Months Ended</b>	
	<b>December 31,</b>	
	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>CASH PROVIDED FROM (USED FOR)</b>		
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	(117,932)	(66,605)
Adjustment for items not involving cash		
Amortization	747	3,792
Stock-based compensation	2,850	1,333
	(114,335)	(61,480)
Increase in amounts receivable	(808)	(1,070)
Decrease in prepaids	5,550	684
Decrease in accounts payable and accrued liabilities	(7,014)	(3,668)
	(102,579)	(65,534)
<b>INVESTING ACTIVITIES</b>		
Purchase of equipment	-	(5,296)
Expenditures on mineral property interests	(438,176)	(157,963)
	(438,176)	(163,259)
<b>DECREASE IN CASH DURING THE PERIOD</b>	(540,755)	(228,793)
<b>CASH AND CASH EQUIVALENTS- BEGINNING OF PERIOD</b>	1,645,671	1,330,783
<b>CASH AND CASH EQUIVALENTS- END OF PERIOD</b>	1,104,916	1,101,990
<b>CASH AND CASH EQUIVALENTS COMPRISE</b>		
Cash	354,916	1,101,990
Short-term deposit	750,000	-
	1,104,916	1,101,990

*The accompanying notes are an integral part of these interim consolidated financial statements.*

**TINKA RESOURCES LIMITED**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED DECEMBER 31, 2007**  
*(Unaudited - Prepared by Management)*

**1. NATURE OF OPERATIONS**

The Company is in the process of exploring mineral properties located in Peru and Australia. The Company presently has no proven or probably 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.

Management considers that the Company has adequate resources to maintain its core operations and planned exploration programs over the next twelve months. However, the Company recognizes that exploration expenditures may change with ongoing results and, as a result, it may be required to obtain additional financing. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future.

**2. SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Presentation*

These interim consolidated financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the amounts reported in the interim financial statements and accompanying notes. Actual results could differ from those estimates. These interim consolidated financial statements have, in management's opinion, been properly prepared using careful judgement with reasonable limits of materiality. These interim consolidated financial statements should be read in conjunction with the most recent annual consolidated financial statements. The significant accounting policies follow that of the most recently reported annual financial statements.

**3. MINERAL PROPERTY INTERESTS**

	December 31, 2007			September 30, 2007		
	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$
Peru:						
Colquipucro	22,588	1,098,454	1,121,042	22,588	804,405	826,993
Other	12,416	311,933	324,349	12,416	257,230	269,646
Australia:						
Strathbogie	104,000	5,069	109,069	104,000	-	104,000
Golden Mountain	48,395	-	48,395	48,395	-	48,395
	187,399	1,415,456	1,602,855	187,399	1,061,635	1,249,034

**TINKA RESOURCES LIMITED**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED DECEMBER 31, 2007**  
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**3. MINERAL PROPERTY INTERESTS (continued)**

(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 which the Company staked a number of prospects in Peru.

As at December 31, 2007, the Company maintains and is actively conducting exploration activities on the Colquipucro Project, comprising 40 mineral claims totaling 6,579 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, which can be purchased for US \$1,000,000.

(b) Peru - Other

As at December 31, 2007, the Company has staked and continues to maintain the Tingo Este Prospect, covering 3,700 hectares. In addition the category includes \$283,424 of foreign value added taxes.

(c) Australia - Strathbogie South Project

On June 5, 2007, the Company 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 can earn a 49% interest in four mineral exploration claims, covering approximately 960 square kilometres, located in north-eastern Victoria, Australia (the "Strathbogie South Project"). Pursuant to the terms of the Strathbogie HOA, the Company may earn a 49% interest in the Strathbogie South Project by making a cash payment of \$6,000 (paid) and issuing 200,000 common shares (issued at an ascribed value of \$98,000) upon TSX Venture Exchange ("TSXV") acceptance and a further 300,000 common shares on June 5, 2008. The Company must also incur a total minimum expenditure of \$400,000 on or before June 5, 2008. The Company will also issue 500,000 common shares of the Company should the Company define a gold resource within the Strathbogie South Project in excess of 1,000,000 ounces of gold in the proven or probable category. Flinders will also retain a 1% NSR on any production from the Strathbogie South Project, which can be purchased for \$1,000,000.

(d) Australia - Golden Mountain Project

During fiscal 2007, the Company entered into negotiations with Flinders, under which the Company has agreed, subject to regulatory approval, to earn an 80% interest in the 202 hectares Golden Mountain Mining License (the "Golden Mountain Project") located in north-eastern Victoria, Australia. On October 29, 2007 the Company and Flinders finalized a heads of agreement (the "Golden Mountain HOA"), pursuant to which the Company may earn its 80% interest by making a cash payment of AUS \$55,000 (paid) and issuing 200,000 common shares. The Company must also incur a total minimum expenditure of AUS \$900,000 within a four year period including a minimum AUS \$100,000 expenditure in year one. The Company will also issue 300,000 common shares of the Company should the Company define a gold resource within the Golden Mountain Project in excess of 1,000,000 ounces of gold in the proven or probable category. Flinders will also retain a 1% NSR on any production from the Golden Mountain Project, which the Company can purchase for \$1,000,000.

**TINKA RESOURCES LIMITED**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED DECEMBER 31, 2007**  
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**4. EQUIPMENT**

	<b>December 31, 2007</b>	<b>September 30, 2007</b>
	\$	\$
Vehicles	51,590	51,590
Office equipment	<u>28,361</u>	<u>28,361</u>
	79,951	79,951
Less: accumulated amortization	<u>(46,230)</u>	<u>(43,408)</u>
	<u><u>33,721</u></u>	<u><u>36,543</u></u>

**5. SHARE CAPITAL**

Authorized - unlimited common shares without par value

	<b>December 31, 2007</b>		<b>September 30, 2007</b>	
	Shares	\$	Shares	\$
Issued				
Balance, beginning of period	<u>22,686,511</u>	<u>7,737,621</u>	<u>18,614,012</u>	<u>5,974,458</u>
Issued during the period				
For cash				
Private placements	-	-	1,890,000	850,500
Exercise of options	-	-	270,000	121,500
Exercise of warrants	-	-	1,712,499	685,000
For mineral property interests	-	-	200,000	98,000
Reallocation from contributed surplus on exercise of options	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,400</u>
	-	-	4,072,499	1,805,400
Less share issue costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>(42,237)</u>
	<u>-</u>	<u>-</u>	<u>4,072,499</u>	<u>1,763,163</u>
Balance, end of period	<u><u>22,686,511</u></u>	<u><u>7,737,621</u></u>	<u><u>22,686,511</u></u>	<u><u>7,737,621</u></u>

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants outstanding December 31, 2007 and 2006 and the changes for the three months ending on those dates is as follows:

	<b>December 31, 2007</b>		<b>December 31, 2006</b>	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance, beginning and end of period	<u><u>1,327,501</u></u>	0.54	<u><u>2,095,000</u></u>	0.40

**TINKA RESOURCES LIMITED**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED DECEMBER 31, 2007**  
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**5. SHARE CAPITAL (continued)**

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at December 31, 2007:

Number	Exercise Price \$	Expiry Date
702,500	0.60	February 28, 2008
242,500	0.60	March 21, 2008
<u>382,501</u>	0.40	May 8, 2008
<u><u>1,327,501</u></u>		

**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 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 TSXV. The options have a maximum term of five years.

During the three months ended December 31, 2007, the Company recorded compensation expense of \$2,850 (2006 - \$1,333) on the 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 for the granting or vesting during the three months ended December 31, 2007 and 2006:

	<u>December 31, 2007</u>	<u>December 31, 2006</u>
Risk-free interest rate	4.16%	3.84%
Estimated volatility	79%	93%
Expected life	2 years - 2.5 years	3 years
Expected dividend yield	0%	0%

The weighted average fair value of all stock options granted or vested during the period to the Company's directors and consultants was \$0.11 (2006 -\$0.25) 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.

**TINKA RESOURCES LIMITED**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED DECEMBER 31, 2007**  
*(Unaudited - Prepared by Management)*

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

A summary of the Company's stock options at December 31, 2007 and 2006 and the changes for the three months ended on those dates is presented below:

	<u>December 31, 2007</u>		<u>December 31, 2006</u>	
	Number of Options Outstanding	Weighted Average Exercise Price \$	Number of Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of period	1,825,000	0.43	1,680,000	0.42
Granted	-		<u>60,000</u>	0.35
Balance, end of period	<u><u>1,825,000</u></u>	0.43	<u><u>1,740,000</u></u>	0.42

The following table summarizes information about the stock options outstanding and exercisable at December 31, 2007:

Number Outstanding	Number Exercisable	Exercise Price \$	Expiry Date
50,000	50,000	0.50	January 17, 2008
605,000	605,000	0.50	February 22, 2008
235,000	235,000	0.40	June 8, 2008
20,000	20,000	0.40	December 5, 2008
100,000	100,000	0.30	May 12, 2009
300,000	300,000	0.30	May 23, 2009
60,000	60,000	0.35	November 29, 2009
110,000	110,000	0.35	January 18, 2010
310,000	290,000	0.50	April 5, 2010
<u>35,000</u>	<u>35,000</u>	0.50	May 8, 2010
<u><u>1,825,000</u></u>	<u><u>1,805,000</u></u>		

See also Note 11(b).

**7. CONTRIBUTED SURPLUS**

The Company's contributed surplus for the three months ended December 31, 2007 and 2006 is comprised of the following:

	<u>December 31, 2007</u>	<u>December 31, 2006</u>
	\$	\$
Balance, beginning of period	497,411	413,761
Stock-based compensation on stock options (Note 6)	<u>2,850</u>	<u>1,333</u>
Balance, end of period	<u><u>500,261</u></u>	<u><u>415,094</u></u>

**TINKA RESOURCES LIMITED**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED DECEMBER 31, 2007**  
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**8. RELATED PARTY TRANSACTIONS**

- (a) During the three months ended December 31, 2007 and 2006, the Company incurred the following expenditures to directors and corporations controlled by directors of the Company:

	December 31, 2007 \$	December 31, 2006 \$
Management fees	24,000	24,000
Accounting and administration	3,600	7,600
Consulting services	4,500	1,500
Rent	1,350	1,350

- (b) During the three months ended December 31, 2007, the Company reimbursed \$3,000 (2006 - \$3,000) and \$1,500 (2006 - \$1,693) to Tumi Resources Limited ("Tumi") for shared office personnel and other costs, respectively. Tumi is a public company with certain common directors.

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

As at December 31, 2007, \$12,500 (2006 - \$nil) remained outstanding and was included in accounts payable and accrued liabilities.

Other related party transactions are disclosed elsewhere in these consolidated financial statements.

**9. SEGMENTED INFORMATION**

Substantially all of the Company's operations are in one industry, the exploration for gold. Management reviews the financial results according to expenditures by property. As at December 31, 2007, the Company's mineral properties are located in Peru and Australia 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.

	December 31 2007			
	Corporate Canada \$	Mineral Operations Peru \$	Mineral Operations Australia \$	Total \$
Current assets	1,032,031	99,422	-	1,131,453
Mineral property interests	-	1,445,391	157,464	1,602,855
Equipment	7,861	25,860	-	33,721
	<u>1,039,892</u>	<u>1,570,673</u>	<u>157,464</u>	<u>2,768,029</u>

**TINKA RESOURCES LIMITED**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED DECEMBER 31, 2007**  
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**9. SEGMENTED INFORMATION (continued)**

	September 30, 2007			
	Corporate Canada \$	Mineral Operations Peru \$	Mineral Operations Australia \$	Total \$
Current assets	1,664,572	12,378	-	1,676,950
Mineral property interests	-	1,096,639	152,395	1,249,034
Equipment	8,608	27,935	-	36,543
	<u>1,673,180</u>	<u>1,136,952</u>	<u>152,395</u>	<u>2,962,527</u>

**10. FINANCIAL INSTRUMENTS**

The fair values of financial instruments at December 31, 2007, 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 financial statements. Disclosure subsequent to the balance sheet dates and estimates of fair value at dates subsequent to December 31, 2007, may differ significantly from that presented.

Fair value approximates the amounts reflected in the 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.

**11. SUBSEQUENT EVENTS**

- (a) Subsequent to December 31, 2007, the Company received regulatory approval to extend the expiry date on 702,500 warrants from February 28, 2008 to February 28, 2009 and 242,500 warrants from March 21, 2008 to March 21, 2009.
- (b) Stock options to acquire 655,000 common shares of the Company expired subsequent to December 31, 2007.

SCHEDULE 1

**TINKA RESOURCES LIMITED**  
**INTERIM CONSOLIDATED SCHEDULE OF MINERAL PROPERTY INTERESTS**

	Three Months ended December 31, 2007				Year Ended September 30, 2007	
	Peru		Australia		Total \$	Total \$
	Colquipucro Prospect \$	Other \$	Strathbogje \$	Golden Mountain \$		
<b>BALANCE</b>						
- BEGINNING OF PERIOD	826,993	269,646	104,000	48,395	1,249,034	290,849
<b>EXPLORATION EXPENDITURES DURING THE PERIOD</b>						
Amortization	2,075	-	-	-	2,075	9,393
Assays	13,616	-	-	-	13,616	28,741
Camp costs	8,104	-	-	-	8,104	27,962
Consulting	6,578	-	-	-	6,578	91,763
Drilling	208,162	-	-	-	208,162	259,055
Exploration site	4,651	-	-	-	4,651	79,205
Field workers	20,066	-	-	-	20,066	63,297
Geological	13,335	-	5,069	-	18,404	92,375
Geophysical	-	-	-	-	-	16,952
IVA tax	-	54,703	-	-	54,703	85,240
Permit and filing fees	1,709	-	-	-	1,709	30,989
Salaries	3,926	-	-	-	3,926	14,174
Supplies	1,828	-	-	-	1,828	27,598
Travel	-	-	-	-	-	12,687
Vehicles	9,999	-	-	-	9,999	33,826
	<u>294,049</u>	<u>54,703</u>	<u>5,069</u>	<u>-</u>	<u>353,821</u>	<u>873,257</u>
<b>ACQUISITION COSTS DURING THE PERIOD</b>						
Staking and related costs	-	-	-	-	-	17,786
Option payment	-	-	-	-	-	54,395
Shares issued	-	-	-	-	-	98,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,181</u>
	<u>294,049</u>	<u>54,703</u>	<u>5,069</u>	<u>-</u>	<u>353,821</u>	<u>1,043,438</u>
<b>BALANCE BEFORE WRITE-OFFS</b>	1,121,042	324,349	109,069	48,395	1,602,855	1,334,287
<b>LESS WRITE-OFF MINERAL PROPERTY INTERESTS</b>	-	-	-	-	-	(85,253)
<b>BALANCE - END OF PERIOD</b>	<u>1,121,042</u>	<u>324,349</u>	<u>109,069</u>	<u>48,395</u>	<u>1,602,855</u>	<u>1,249,034</u>