

TINKA RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED DECEMBER 31, 2005

Background

This discussion and analysis of financial position and results of operation is prepared as at February 22, 2006 and should be read in conjunction with the unaudited interim consolidated financial statements and the accompanying notes for the three months ended December 31, 2005 and audited consolidated financial statements and the accompanying notes for the years ended September 30, 2005 and 2004 of Tinka Resources Limited (the "Company"). Those 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 proved 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".

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

Sierra Exploration Alliance, Peru

In June 2004, the Company entered into an agreement with Sierra Peru Pty Ltd. ("Sierra"), a privately held Australian corporation at arms-length to the Company, to form an exploration alliance to define gold and silver targets throughout Peru. The agreement provides the Company with the right of first refusal on all targets defined by Sierra for a period of two years.

To date Sierra has identified a number of prospects for the Company, as follows:

i) *Luminaria Project*

The Company has 12 claims totalling 8,100 hectares. Luminaria is located 30 kilometres south of Barrick's 7 million ounce Pierina gold mine and 270 kilometres north of Lima. The gold mineralization at Luminaria is hosted by an altered granodiorite that intrudes sediments of the Goyllarisquizga Group at an altitude between 3,200 metres and 3,600 metres.

Surface channel sampling and pitting results identified gold mineralization within a "manto" horizon covering an area of about 230 m by 270 m that averaged 7 g/t Au over an average depth of 2 m. A geophysical program at Luminaria was also completed and a six hole drill program was commenced in November. The first stage of the diamond drill program targeted the northern chargeable bodies identified by the geophysical program,

and four holes were drilled for a total of 1,175 metres. The geophysical anomalies have been attributed to pyritic black shales and altered porphyry. No significant assay values were returned.

Two further drill holes have been completed targeting the known surface gold mineralization. At the time of this report the Company is waiting for the results which will determine further work programs.

ii) *Chunumayo Project*

The Company has staked 900 hectares, known as the Chunumayo Project, located in the Department and Province of Huancavelica, Peru.

The Chunumayo Project lies within the richly mineralized Castrovirreyna-Julcani mining district, 20 kilometres south of the town of Huancavelica and 250 kilometres southeast of Lima. The property is situated only 14 km from the Julcani Mine, which has produced in excess of 81 million ounces of silver and 0.2 million ounces of gold, at grades of approximately 590 g/t Ag, 1.2 g/t Au, 0.9% Cu, 0.6% Pb, 0.5% Zn.

Recent mapping and prospecting of the claim area discovered a series of low-sulphidation epithermal vein/stockwork occurrences developed within limestone of the Pucara Group and overlying Tertiary-age volcanic rocks. Both rock sequences are host to mineralization in the district. Extensive areas of silification, brecciation and alteration with associated veins were located and sampled. Twenty-one grab samples taken within an area of 3.3 kilometres by 1 kilometres ranged from <0.2 g/t Ag to 595 g/t Ag and averaged 70 g/t Ag, <0.005 g/t Au to 2.4 g/t Au and averaged 0.2 g/t Au. Lead averaged 0.35% and Zinc averaged 0.8%.

As a result of these initial anomalous results, the field crew will return to the Chunumayo Project in 2006 to undertake further surface sampling.

iii) *Tibillos Project*

The Company has staked an area of intrusive-hosted copper mineralization located along the coastal batholith in the Ayacucho Department and province of Lucanas, Peru. The property consists of three claims totalling 2,900 hectares. The Tibillos Project lies within a belt along the coast of Peru which contains several porphyry copper deposits.

Recent reconnaissance work yielded stream sediment and grab rock samples anomalous in copper from an area underlain by quartzite and andesite porphyry intruded by diorite and granodiorite. Further detailed mapping and sampling will be conducted during 2006.

Pampa Project, Peru

The Company has staked ten claims, totaling 7,000 hectares, in the Puquio district of central-southern Peru. The project is located within the Ayacucho Department, 25 kilometres northwest of the village and mine of San Juan de Lucanas, and approximately 400 kilometres southeast of Lima. All the claims lie within the Southern Peru Epithermal Gold-Silver Belt and were acquired following a regional prospecting and ASTER interpretation program.

The Pampa Project claims (Pampa, Pampa 1, Pampa 2) of 2,500 hectares, were staked to secure a high sulphidation epithermal target with strong alunite, silica and iron oxide alteration, associated with this style of mineralization. The Pampa claims lie on the northern end of the controlling structures of the recently closed San Juan de Lucanas mine. Reconnaissance exploration of the Pampa project has identified a 2 x 2 kilometre area of argillized, silicified and ferruginous volcanics. Preliminary grab sampling of these volcanics has returned consistently anomalous gold and silver values.

The Vado Project claims (Pampa 3, Pampa 4, Pampa 5) of 1,500 hectares, cover the northern and southern extensions of alteration associated with the Anta intrusive stock, 12 kilometres north of the San Juan de Lucanas mine.

Claims that comprise the Chincheja Project (Pampa 6, Pampa 7, Pampa 8, Pampa 9) total 3,000 hectares, and cover a series of alunite, kaolinite, iron oxide and silica alteration anomalies in structural settings conducive to the formation of gold - silver mineralization.

Alteration mapped at the Pampa Project shows similarity to the low sulphidation epithermal deposits of the region. Systematic mapping and sampling will begin later in 2006.

Selected Financial Data

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

	Fiscal 2006	Fiscal 2005				Fiscal 2004		
	Dec. 31 \$	Sept. 30 \$	Jun. 30 \$	Mar. 31 \$	Dec. 31 \$	Sept. 30 \$	Jun. 30 \$	Mar. 31 \$
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
General and administration	105,105	106,376	125,162	282,274	69,635	70,559	151,246	109,337
Other items	18,845	(124,026)	4,742	(97,065)	(19,337)	4,910	(317,770)	1,787
Net income (loss)	(86,260)	(230,362)	(120,420)	(379,339)	(89,012)	(65,649)	(469,016)	(107,550)
Basic and diluted loss per share	(0.01)	(0.07)	(0.01)	(0.04)	(0.01)	(0.01)	(0.05)	(0.01)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Balance Sheet:								
Working capital	923,418	1,263,896	1,459,708	1,591,962	942,361	1,186,332	1,309,261	449,530
Total assets	1,763,633	1,881,819	2,008,818	2,036,599	1,440,372	1,403,559	1,724,269	736,875
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

During the three months ended December 31, 2005, the Company reported a net loss of \$86,260 (\$0.01 per share), a decrease of \$2,752 from the net loss of \$89,012 (\$0.01 per share) for the three months ended December 31, 2004. During the three months ended December 31, 2005, the net loss included the recognition of \$6,950 (2004 - \$1,800) non-cash stock based compensation on granting and vesting of stock options.

Excluding stock based compensation, general and administrative expenses increased by \$30,320 from \$67,835 during the three months ended December 31, 2004 to \$98,155 during the three months ended December 31, 2005. Specific expenses of note are as follows:

- The Company has been engaged in an active program in communicating with its investors and investment community. The Company retained Mr. Nick Nicolaas to provide investor relations activities on behalf of the Company. Mr. Nicolaas was paid \$9,000 during the three months ended December 31, 2005 (2004 - \$7,500).
- During the three months ended December 31, 2005 the Company reimbursed \$3,000 (2004 - \$5,375) to Tumi Resources Limited ("Tumi"), a public company with common directors, for shared office personnel and \$1,750 (2004 - \$nil) for other costs. During the three months ended December 31, 2004, the Company paid \$5,000 for consulting services provided by a director of the Company. No consulting services were provided for the comparable 2005 period.
- Management fees of \$21,000 during the three months ended December 31, 2005 (2004 - \$15,000) was paid to the Company's President in his capacity as such.
- During the three months ended December 31, 2005 the Company paid \$6,350 (2004 - \$1,675) 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 paid \$1,350 to Chase (2004 - \$1,350) for office space provided.
- Travel and related costs decreased by \$9,508 from \$14,506 during the three months ended December 31, 2004 to \$4,998 during the three months ended December 31, 2005. The Company participated in one investment conference in 2005; however in 2004 the Company participated in two investment conferences.
- General exploration increased by \$32,530, from \$3,917 during the three months ended December 31, 2004 to \$36,447 during the three months ended December 31, 2005 as a result of increase in mineral property evaluations.

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 the three months ended December 31, 2005, the Company reported interest income of \$4,130 as compared to \$2,329 during the

three months ended December 31, 2004. The increase is attributed to higher levels of cash held throughout the three months ended December 31, 2005.

During the three months ended December 31, 2005, the Company incurred \$261,555 for mineral property interests expenditures, comprising of \$133,436 on the Luminaria Prospect, \$276 on the Chunumayo Prospect, \$44,443 on the Tibillos Project and \$83,400 for IVA tax and staking costs on other prospects.

Financial Condition / Capital Resources

As at December 31, 2005, the Company had working capital of \$923,418. The Company believes that it currently has sufficient financial resources to undertake by itself all of its anticipated exploration activities and ongoing level of corporate activities for the ensuing year. However, exploration activities may change due to ongoing results and recommendations or the Company may acquire additional mineral properties, which may entail significant funding or exploration commitments. In the event that the occasion arises, the Company may be required to obtain additional financing. 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.

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, 2005 audited consolidated financial statements.

Changes in Accounting Policies

The Company has no proposed changes in accounting policies.

Transactions With Related Parties

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

	Three Months Ended December 31, 2005 \$	Three Months Ended December 31, 2004 \$
Management fees	21,000	15,000
Accounting and administration	6,350	1,675
Consulting services	-	5,000
Rent	1,350	1,350

- (b) During the three months ended December 31, 2005 the Company reimbursed \$3,000 (2004 - \$5,375) and \$1,750 (2004 - \$nil) 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.

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 in 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.

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 has retained Mr. Nick Nicolaas to provide market awareness and investor relations activities at a current rate of \$3,000 per month. During the three months ended December 31, 2005, the Company paid \$9,000 to Mr. Nicolaas.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares with no par value. As at February 22, 2006, there were 14,354,012 issued common shares and 1,426,000 stock options outstanding, at exercise prices ranging from \$0.25 to \$0.50 per share.