

TINKA RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED DECEMBER 31, 2006

Background

This discussion and analysis of financial position and results of operation is prepared as at February 23, 2007 and should be read in conjunction with the unaudited interim consolidated financial statements and the accompanying notes for the three months ended December 31, 2006 and the audited consolidated financial statements and the accompanying notes for the years ended September 30, 2006 and 2005 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".

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

On May 27, 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 provided the Company with the right of first refusal on all targets defined by Sierra for a period of two years. Sierra identified a number of prospects for the Company which were explored and the following three remain as part of the Company's property portfolio:

i) Colquipucro Project

The Company has staked 34 claims totalling 2,079 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 Uchucchacua 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.

Reconnaissance sampling of vein and mantos has yielded strong base metal and silver anomalism with lesser gold values. Mineralogy is not known at this time. A 1 m X 2 m panel sample of oxidized and pyritic rock yielded 64 g/t Ag, 0.7 % Pb and 0.4% Zn; a 0.5 m wide channel sample from a quartz vein returned 460 g/t Ag, 12.3% Pb, 1.9% Zn and 0.2 g/t Au. Two grab samples taken from old mine dumps ran 500 g/t Ag each, 1.8% and 1% Pb, 0.8% and 0.1 % Zn, respectively. From 41 rock chip and soil samples, Ag values ranged from trace to 500 g/t, Au from trace to 0.2 g/t, Pb from trace to 12.3%, and Zn from trace to 1.9%.

Since the end of the financial year comprehensive exploration has followed both in the main adit and on the surface. Numerous east-west trending and steeply northerly dipping fault/breccia zones crosscut the adit at fairly regular intervals along its length. The host rock is a banded sandstone unit of the Chimu Formation which has been extensively fractured between the adjacent fault zones, resulting in a series of parallel, closely-spaced fractures resembling a stockwork texture. Surface workings along these faults have been traced over approximately 500m in strike length to at least 300m north-south.

A total of 127 samples were taken over a 245m length along the adit at regular 2m intervals, except where either narrow high grade shear zones or pillars occur at old workings. It appears that the mineralizing event that produced the high grade silver mineralization along the fault zones also produced mineralization over large widths in the intervening host rock. Anomalous lead and zinc values occur with the high grade silver. These faults and fractures are filled with limonites derived from sulphides and no associated vein material, like quartz, carbonates or barite, are observed. Sampling of the mineralized wallrock included 25m averaging 171 g/t Ag, 5m channels up to 300 metres long were cut on the surface using a diamond saw. The results confirmed the presence of a large silver system with values such as 17m averaging 88 g/t Ag, 10m averaging 117 g/t Ag, and 10m averaging 130 g/t Ag. Zn and Pb were also found in highly anomalous numbers with one 15m section returning 4% Zn.

Another zone of interest was discovered approximately 200m northeast of the area being explored. This area contains limonite and manganese “clinker” derived from what appears to have been fairly massive sulphides over widths ranging from 30m to 80m. The Company’s Peruvian geological staff indicate that this type of gossan is similar to those found in and around some of the deposits of the famous Cerro de Pasco mining camp located to the southeast. Due to these very encouraging results, the Company has staked an additional six claims around the existing property. Late in the calendar year, an induced polarization (IP) geophysical survey was completed and the Company awaits the interpretation of the results.

It is the Company’s objective to aggressively advance this project to the drill stage as quickly as possible and the application for a drilling permit has been lodged.

ii) *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 eight claims totaling 7,575 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

iii) *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 km south of the town of Huancavelica and 250 km southeast of Lima. 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 km by 1 km 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. Pb averaged 0.35% and Zn averaged 0.8%. As a result of these initial anomalous results, the field crew will return to the Chunumayo Project to undertake further surface sampling.

Tingo Este Project

This 3,000 hectare property was identified by Company staff and staked in late August 2006. Porphyry copper mineralization has been discovered within a creek bed and mapped over a distance of at least 300 metres. Chalcopyrite has been identified, occurring as grains along fractures. Host rocks are well fractured. Mapping and prospecting have defined copper mineralization within a 1,000m by 800m area. Eighty two channel samples were collected over 2m widths to sample the dominantly fracture-controlled mineralization. These sites were taken at nominal 50m intervals along the major drainages within the target area. Results ranged from 0.012% to 0.9% copper with 20 samples assaying greater than 0.1% copper.

Mineralization is hosted by granodiorite and quartz monzonite of the Coastal Batholith (largely biotite granodiorite) which has intruded Jurassic to Cretaceous age sediments and volcanics. Quartz, limonite, goethite, pyrite, chalcopyrite, copper oxide and molybdenite were found along the fractures.

The Company is planning further work on the property which will involve further detailed mapping, rock chip sampling and trenching to further delineate the extent of copper mineralization.

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 2007	Fiscal 2006				Fiscal 2005			
	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	
Expenses	(104,016)	(137,785)	(157,738)	(116,036)	(105,105)	(106,376)	(125,162)	(282,274)	
Other items	37,411	(1,037,940)	46,107	(6,595)	18,845	(124,026)	4,742	(97,065)	
Net loss	(66,605)	(1,175,725)	(111,631)	(122,631)	(86,260)	(230,362)	(120,420)	(379,339)	
Loss per share-basic and diluted	(0.00)	(0.07)	(0.01)	(0.01)	(0.01)	(0.07)	(0.01)	(0.04)	
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Balance Sheet:									
Working capital	1,062,004	1,286,743	1,504,185	445,141	923,418	1,263,896	1,459,708	1,591,962	
Total assets	1,616,522	1,685,462	2,797,108	1,636,208	1,763,633	1,881,819	2,008,818	2,036,599	
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	

Results of Operations

During the three months ended December 31, 2006 (the "2006 period") the Company reported a net loss of \$66,605 (\$0.00 per share), compared to a net loss of \$86,260 (\$0.01 per share) for the three months ended December 31, 2005 (the "2005 period"), a decrease in loss of \$19,655.

General and administrative expenses decreased by \$1,089 from \$105,105 during the 2005 period to \$104,016 during the 2006 period. Specific expenses of note are as follows:

- The Company has been engaged in an ongoing 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' services are provided through his company, Mining Interactive Corp. During the 2006 period, the Company paid \$9,000 (2005 - \$9,000).
- During the 2006 period, the Company reimbursed \$3,000 (2005 - \$3,000) to Tumi Resources Limited ("Tumi"), a public company with common directors, for shared office personnel and \$1,693 (2005 - \$1,750) for other costs.
- During the 2006 period, management fees of \$24,000 (2005 - \$21,000) were paid to the Company's President in his capacity as such.

- During the 2006 period the Company paid \$7,600 (2005 - \$6,350) 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 (2005 - \$1,350) to Chase for office space provided.
- Travel and related costs increased by \$5,992, from \$4,998 during the 2005 period to \$10,980 during the 2006 period, reflecting increased travel by the President and a geologist to Peru to oversee the Company’s ongoing exploration programs and travel costs incurred for attendance at an investment conference in San Francisco.
- General exploration decreased by \$10,287 from \$36,447 during the 2005 period to \$26,160 during the 2006 period, reflecting an increase in direct exploration activities on the Company’s existing properties.
- Stock based compensation of \$1,333 was recorded in the 2006 period relating to the vesting of 20,000 stock options previously granted. During the 2005 period, the Company recorded \$6,950 as stock based compensation on the granting of 20,000 stock options and vesting of stock options previously granted.

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 2006 period, the Company reported interest income of \$9,617 as compared to \$4,130 during the 2005 period. The increase is attributed to higher levels of cash held during the 2006 period.

During the 2006 period, the Company incurred \$157,963 (2005 - \$261,555) for mineral property interests expenditures, comprising of \$132,901 on the Colquipucro Prospect, \$689 on the Tibillos Project and \$24,373 for exploration, IVA tax and staking costs on other prospects.

Financial Condition / Capital Resources

As at December 31, 2006, the Company had working capital of \$1,062,004. Subsequent to December 31, 2006, the Company announced that it had arranged a non-brokered private placement of up to 2,000,000 units at \$0.45 per unit to raise \$950,000. The Company has received regulatory approval to complete the private placement and expects to do so shortly. 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. Exploration activities may change however, 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, 2006 audited consolidated financial statements.

Changes in Accounting Policies

The Company has no proposed changes in accounting policies.

Transactions With Related Parties

- (a) The Company incurred the following expenditures to directors and corporations controlled by directors of the Company during the 2006 and 2005 periods:

	2006	2005
	\$	\$
Management fees	24,000	21,000
Accounting and administration	7,600	6,350
Consulting services	1,500	-
Rent	1,350	1,350

- (b) The Company reimbursed \$3,000 (2005 - \$3,000) and \$1,693 (2005 - \$1,750) to Tumi for shared office personnel and other costs, respectively.

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 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.

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. Mr. Nicolaas' services are provided through his company, Mining Interactive Corp. During the 2006 period, the Company paid \$9,000 (2005 - \$9,000).

Outstanding Share Data

The Company's authorized share capital is unlimited common shares with no par value. As at February 23, 2007, there were 18,614,012 issued common shares and 1,750,000 stock options outstanding, at exercise prices ranging from \$0.30 to \$0.50 per share expiring between April 2, 2007 and January 18, 2010 and 2,095,000 warrants outstanding with an exercise price of \$0.40 per share in year one, expiring on May 8, 2007 and \$0.60 per share in year two, expiring on May 8, 2008.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer and acting Chief Financial Officer, as appropriate to permit timely decisions regarding public disclosure.

Management, including the Chief Executive Officer and acting Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on this evaluation, the Chief Executive Officer and acting Chief Financial Officer has concluded that the Company's disclosure controls and procedures, as defined in Multilateral Instrument 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings ("52-109"), are effective to ensure that the information required to be disclosed in reports that are filed or submitted under Canadian Securities legislation are recorded, processed, summarized and reported within the time period specified in those rules. In conducting the evaluation it has become apparent that management relies upon certain informal procedures and communication, and upon "hands-on" knowledge of senior management. Management intends to formalize certain of its procedures. Due to the small staff, however, the Company will continue to rely on an active Board and management with open lines of communication to maintain the effectiveness of the Company's disclosure controls and procedures. Lapses in the disclosure controls and procedures could occur and/or mistakes could happen. Should such occur, the Company will take whatever steps necessary to minimize the consequences thereof.

Internal Controls and Procedures over Financial Reporting

Management is also responsible for the design of the Company's internal control over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles. During the process of management's review and evaluation of the design of the Company's internal control over financial reporting, it was determined that certain weaknesses existed in internal controls over financial reporting. In addition, the Company has not fully completed its review and evaluation of the design of internal control over financial reporting as envisioned under 52-109. The Company expects to complete its assessment in Fiscal 2007. As is indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring which exists. The Company is taking steps to augment and improve the design of procedure and controls impacting these areas of weakness over internal control over financial reporting. It should be noted that a control system, no matter how well conceived or operated, can only provide reasonable assurance, not absolute assurance, that the objectives of the control system are met.