

TINKA RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2007

Background

This discussion and analysis of financial position and results of operation is prepared as at January 18, 2008, and should be read in conjunction with with the audited consolidated financial statements and the accompanying notes for the years ended September 30, 2007 and 2006 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 and Australia 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 project remains as part of the Company's property portfolio:

Colquipucro Project

The Company has staked 40 claims totalling 6,579 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 last 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 staked an additional six claims around the existing property.

An induced polarization (“IP”) geophysical survey was completed early in 2007 consisting of 10 lines totaling 8 km in length. The inversion model of the IP data produced a zone of high chargeabilities from surface to a depth of greater than 150m over an area roughly 400m east-west by 700m north-south. Some of the chargeability conductors correlate with the strongly mineralized zones in the 3870 level adit while others can be related to mineralized zones found in the surface trenches.

A fifteen hole (2,670 metre) diamond drill program commenced on May 15, 2007, and after a change of drilling contractors, was completed early November 2007. All but one drill hole intersected significant silver values with silver mineralization occurring over substantial widths in many of the drill holes. Drilling has identified mineralization that extends across an east-west strike of about 200 meters, a width up to 500 meters north-south and to a depth ranging from 100 meters to 200 meters.

Significant silver assays from the Phase 1 drill program (CDD1 to CDD15) at Colquipucro using a 30 g/t cut-off are as follows:

HOLE NO.	SECTION	UTME	UTMN	FROM (m)	TO (m)	TOTAL (m)	SILVER (g/t)
CDD1	332600E	332600E	8847705N	0	4	4	154
				12	14	2	50
				16	20	4	71
				24	34	10	67
				38	40	2	38
				60	62	2	53
				70	72	2	61
				74	76	2	30
				82	84	2	61
				98	100	2	40
				102	106	4	146
				126	130	4	154

HOLE NO.	SECTION	UTME	UTMN	FROM (m)	TO (m)	TOTAL (m)	SILVER (g/t)	
CDD2	332600E	332600E	8847765N	36	38	2	40	
				66	78	12	90	
				80	84	4	54	
				86	92	6	70	
				106	108	2	37	
				112	116	4	42	
				152	154	2	0.2	
				156	158	2	2.0	
CDD3	332600E including	332600E	8847825N	0	4	4	276	
				2	4	2	486	
				14	18	4	54	
				20	26	6	76	
				28	30	2	42	
				66	70	4	36	
				76	78	2	35	
				146	148	2	664	
				164	174	10	131	
				including	166	170	4	250
	176	182	6	82				
CDD4	332700E	332700E	8847748N	0	2	2	66	
				10	38	28	105	
				including	18	26	8	210
				46	48	2	77	
CDD4				66	68	2	46	
				96	104	8	125	
				110	116	6	174	
				118	128	10	625	
				including	122	128	6	1003
				166	170	4	73	
	180	184	4	38				
CDD5	332800E	332800E	8847548N	44	48	4	62	
CDD6	332700E	332700E	8847670N	0	8	8	103	
				10	16	6	54	
				18	26	8	63	
				28	34	6	178	
				36	62	26	93	
				64	66	2	70	
				112	116	4	212	
CDD7	332800E	332800E	8847680N	80	86	6	145	
CDD8	332900E	332900E	8847744N	No	Sig.	Min.		
CDD9	332800E	332800E	8847875N	8	10	2	53	
				44	48	4	41	
				50	54	4	85	
				56	58	2	100	
				90	92	2	45	
				100	104	4	37	
				156	162	6	51	
CDD10	332900E	332900E	8848001N	120	124	4	47	
				128	130	2	41	
				132	134	2	47	
				140	142	2	42	

HOLE NO.	SECTION	UTME	UTMN	FROM (m)	TO (m)	TOTAL (m)	SILVER (g/t)
CDD11	332700E	332700E	8847840N	0	44	44	95
	including			2	8	6	221
				56	60	4	43
				74	80	6	47
				88	90	2	38
				94	110	16	91
	including			94	106	12	103
				126	134	8	76
				138	146	8	551
	CDD12	332600E	332600E	8847919N	20	22	2
				26	28	2	33
				30	34	4	49
				36	42	6	45
				50	52	2	52
				60	62	2	48
				72	74	2	50
				80	92	12	108
CDD13		332700E	332700E	8847900N	6	8	2
				18	20	2	172
				28	88	60	135
	including			50	62	12	240
				104	110	6	161
				116	118	2	93
CDD14	332900E	332900E	8848078N	0	2	2	30
				6	8	2	34
				24	30	6	96
				56	58	2	33
				66	76	10	37
				78	82	4	41
	CDD15	332800E	332800E	8847757N	74	76	2
				100	104	4	44
CDD15				106	108	2	31
				114	120	6	43
				134	136	2	44
				160	162	2	35
				168	170	2	42
			248	250	2	82	

Significant base metals assays from drillholes CDD3-CDD15 using a cut-off of 0.1% for both lead and zinc are as follows:.

HOLE NO.	SECTION	UTME	UTMN	FROM (m)	TO (m)	TOTAL (m)	Lead (%)	Zinc (%)
CDD3	332600E	332600E	8847825N	146	148	2	1.2	4.2
				164	174	10	0.4	1.3
				176	182	6	0.3	1.0
CDD4	332700E	332700E	8847748N	122	128	6	1.2	0.1
				150	160	10	trace*	2.2
CDD5	332800E	332800E	8847548N	44	48	4	0.5	1.1
CDD9	332800E	332800E	8847875N	156	161	6	1.1	trace*
CDD11	332700E	332700E	8847840N	138	146	8	1.0	trace*
				158	176	18	trace*	1.1
CDD13	332700E	332700E	8847900N	134	142	8	1.1	0.2
				140	172	32	0.2	1.9
	including			160	172	12	0.1	4.4

HOLE NO.	SECTION	UTME	UTMN	FROM (m)	TO (m)	TOTAL (m)	Lead (%)	Zinc (%)
CDD14	332900E	332900E	8848078N	66	76	10	0.1	1.6
CDD15	332800E	332800E	8847757N	114	120	6	1.8	trace*
				128	190	62	0.2	1.2
	including			158	182	24	trace*	2.2

*trace = below cut off grade

All diamond drilling was performed using either HQ or NQ diameter drill rods. All core was logged and split at 2 metre intervals on site under the supervision of the Company's geologists. Samples were transported by Company staff to Plenge Laboratories in Lima, Peru for assay by multi-acid digestion methods and AA finish. Analytical standards and blanks, as per industry standards, were routinely introduced in the sample suites sent to the laboratory. It is not yet possible to make a conclusive statement defining true widths in the reported down-hole intercepts.

The Company is now compiling the data from this drilling program and will prepare a follow-up work program for this silver and base metal project.

The Company's Qualified Person as defined in National Instrument 43-101, John Nebocat (P.Eng.), has visited the drill site to observe the drilling and sampling procedures.

The Company has also identified two new areas of surface mineralization at Colquipucro. The two new areas, called Colquisur and Ayawilca, lie 1km SE of and from 1.5km and 2km SSE of the recently drilled Zone 1 area respective. 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.

Colquisur 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. The Company will continue the grid sampling program and surface exploration to further delineate these zones.

Tingo Este Project

This 3,700 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 detailed mapping, rock chip sampling and trenching to further delineate the extent of copper mineralization.

Strathbogie South Project - Australia

The Company has entered into a heads of agreement (the “Strathbogie HOA”) dated June 5, 2007 with an arm’s length private company, that provides the Company with the right to earn an initial 49% interest and the right to acquire the remaining 51% interest in four mineral exploration claims located in north-eastern Victoria, Australia (the “Strathbogie South Project”). The Strathbogie South Project claims total approximately 960 square kilometres, situated 150 kilometres to the north-east of Melbourne, the capital of Victoria.

The goldfields of central Victoria are the second largest in Australia with regard to historic production. Victoria is famous for quartz reef-associated vein mineralization, including the active mining centres of Bendigo, Ballarat and Stawell. Gold exploration has seen a strong recent resurgence, following the discovery of extensive sediment hosted gold mineralization, including the Fosterville (2.5M oz gold resource) and Nagambie deposits, and the recent discovery of buried mineralization at Lockwood.

Sediment hosted gold mineralization was not historically identified, due to the lack of quartz and the fine grained nature of the gold. Gold mineralization is disseminated within sandstone and siltstone, grade is well distributed, and mineralization is associated with pyrite and arsenopyrite and therefore provides a geophysical target. Mineralization is believed associated with the Devonian age Strathbogie Granite, and is developed around contacts, cupolas and major structures that link the granite with the overlying sediment sequence.

The Strathbogie South Project covers the southern boundary of the Strathbogie Granite where mineralization is developed within a sandstone-bearing sedimentary sequence at the contact of the granite. Numerous historic small scale workings are recorded within the claims, including the extensive Merton and Yea goldfields. An example of the potential of the claim at Yea is indicated by historic records which include a drill intersection of 18m grading 2.75 g/t gold. Historic production is estimated in excess of 500,000 oz of gold from alluvial and hard rock workings within the Strathbogie South Project area.

The Company believes that the addition of the Strathbogie South Gold Project in Australia provides country diversification as well as a rare opportunity to work on an important project in the famous goldfields of Victoria. The project area is nearly 1000 square kilometres in size and contains sediment hosted gold mineralization that was overlooked historically by the many gold miners active in the region.

Pursuant to the terms of the Strathbogie HOA, the Company may earn a 49% interest in the Claims by making one cash payment of \$6,000 (paid) on signing of the Strathbogie HOA and issuing 200,000 common shares upon TSXV acceptance (issued) and a further 300,000 common shares on June 5, 2008. The Company must also incur a total minimum expenditure of \$400,000 within the one-year option period, including a minimum of \$150,000 expenditure on two of the licences known as Merton and Yea. The Company will have the option to acquire the remaining 51% interest in the Strathbogie South Project once the Company has earned the initial 49% interest, at a price still to be negotiated.

The Company will pay a bonus of 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 as defined in the JORC code. The vendor will also retain a 1% NSR on any production from the Strathbogie South Project which the Company has the exclusive right to purchase for \$1,000,000.

Golden Mountain Project - Australia

Further to this, on October 29, 2007 a heads of agreement (the “Golden Mountain HOA”) was entered into with an arm’s length private company, providing the Company with the right to acquire an 80% interest in the 202 hectare Golden Mountain Mining Licence (“MIN4683”) located approximately 150 kilometres to the north-east of Melbourne, the capital of Victoria, Australia. The Mining Licence lies within the Exploration Licences that comprise the Company’s previously announced Strathbogie South project area.

Golden Mountain is a sediment - hosted gold project, with a hard rock and alluvial mining history of approximately 140,000 oz of gold production from operations that concluded in the 1920’s. Since the cessation of mining, the project has been extensively drilled, with a total of 177 holes testing the Meade’s Mine area between the 1950’s and 1980’s. One hundred and thirty-two of these holes contain intersections in excess of 0.5 g/t gold. Significant intersections from drilling and trenching include:

- 86.9 m @ 3.6 g/t Au from 37.9 m in GMDDH1
- 37.8 m @ 5.6 g/t Au from 168.5 m in GMDDH12
- 39.0 m @ 3.5 g/t Au from 16.0 m in GMRC72
- 45.0 m @ 3.0 g/t Au from 181.0 m in GMDDH21
- 88.0 m @ 1.5 g/t Au from 0.0 m in GMRC18
- 20.0 m @ 6.0 g/t Au from 75.0 m in T1
- 24.9 m @ 4.5 g/t Au from 102.2 m in GMDDH2
- 52.0 m @ 2.1 g/t Au from 44.0 m in GMRC41
- 40.0 m @ 2.6 g/t Au from 32.0 m in GMRC74
- 74.1 m @ 7.8 g/t Au in trench TUD-22
- 8 m @ 16.8 g/t Au in trench TUD-4

Mineralization in drilling and outcrop defines a gold enriched corridor some 300 metres in length, 150 metres in width and to 300 metres in depth.

During January 1998, an historic resource was completed for Golden Mountain, using an ordinary kriged block model based on two sets of structural domains. The reported historic resource using a 0.7 g/t Au lower cutoff was:

- Measured 830,000 tonnes @ 1.5 g/t Au
- Indicated 248,250 tonnes @ 1.6 g/t Au
- Inferred 391,750 tonnes @ 1.8 g/t Au

The quoted resources are based on the report, "Resource Estimate for the Golden Mountain Project - Unpublished Consultants Report" by N. Hanson of Visionary Earth Science, dated January 1998. These data are historical in nature and were compiled prior to the implementation of Canadian NI 43-101 reporting standards. The Company has not completed sufficient exploration to verify the estimates and is not treating them as National Instrument compliant resources or reserves verified by a qualified person and the historical estimate should not be relied upon. The Company believes this historical resource and the data used to compile the estimate - which represent the most recent estimates and data available - are generally reliable and relevant.

Gold mineralization is developed within a sequence of Devonian - age metamorphosed sedimentary rocks close to the contact with the Strathbogie Granite, most commonly within the nose of a steeply north plunging anticline where it is associated with dip-slip and oblique slip faults. Gold is fine grained, associated with pyritic alteration, and concentrated in ferruginized joints, fault pug and disseminated within psammitic sedimentary strata. Vein quartz is generally absent or poorly developed.

Petrographic studies of drill core and outcrop samples demonstrate the gold is non-refractory, contained typically within electrum and calaverite (AuTe₂) which are present as fine grained (15 µm) disseminations in the host rocks. Preliminary metallurgical test-work indicates the ore is amenable to conventional CIL techniques.

The Company was pleased to add a project of the merit of Golden Mountain to its Strathbogie South project, where the Company now holds 58 kilometres of the prospective granite - sediment contact with more than 75 gold prospects already defined. The area of MIN4683 has been held under continuous tenure since the area was discovered during Australia's first gold rush in the 1860's. The Mining Licence contains many significant intersections of gold mineralization, the follow up of which will be the initial focus of exploration, as will the numerous untested surface geochemical anomalies that are known from within a few kilometres of the drilled area. Resource development work is required to define the structural controls, grade distribution and metallurgical properties of the gold mineralization, in addition to potentially expanding the resource at Golden Mountain and the surrounding mineralized areas.

Pursuant to the terms of the Golden Mountain HOA, the Company may earn an 80% interest in MIN4683 by making a cash payment of AUS \$55,000 to the Vendor on signing of the Golden Mountain HOA and issuing 200,000 common shares upon TSXV acceptance. The Company must incur a total minimum expenditure of AUS \$900,000 within a four-year period, including a minimum of AUS \$100,000 expenditure in Year 1. The Company will pay a bonus of 500,000 common shares should the Company define a gold resource within MIN4683 in excess of 1,000,000 ounces of gold in the proven or probable category as defined in the JORC code. The Vendor will also retain a 1% NSR on any production from MIN4683 which the Company has the right to purchase for \$1,000,000.

The Company will collate all of the historic work undertaken within the areas and undertake a detailed stream sediment geochemical survey of the licence areas. Targets identified will be subjected to detailed geological mapping and sampling and will be advanced to the initial drill stage as soon as possible.

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,		
	2007 \$	2006 \$	2005 \$
Operations:			
Revenues	Nil	Nil	Nil
Expenses	(543,591)	(516,664)	(583,447)
Other items	(61,904)	(979,583)	(235,686)
Net loss	(605,495)	(1,496,247)	(819,133)
Loss per share - basic and diluted	(0.03)	(0.09)	(0.06)
Dividends per share	Nil	Nil	Nil
Balance Sheet:			
Working capital	1,572,046	1,286,743	1,263,896
Total assets	2,962,527	1,685,462	1,881,819
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 2007				Fiscal 2006			
	Sept. 30 \$	Jun. 30 \$	Mar. 31 \$	Dec. 31 \$	Sept. 30 \$	Jun. 30 \$	Mar. 31 \$	Dec. 31 \$
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(92,189)	(200,008)	(147,378)	(104,016)	(137,785)	(157,738)	(116,036)	(105,105)
Other items	(83,306)	(22,807)	6,798	37,411	(1,037,940)	46,107	(6,595)	18,845
Net loss	(175,495)	(222,815)	(140,580)	(66,605)	(1,175,725)	(111,631)	(122,631)	(86,260)
Loss per share -basic and diluted	(0.01)	(0.01)	(0.01)	(0.00)	(0.07)	(0.01)	(0.01)	(0.01)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Balance Sheet:								
Working capital	1,572,046	2,168,928	1,740,591	1,062,004	1,286,743	1,504,185	445,141	923,418
Total assets	2,962,527	3,052,520	2,348,867	1,616,522	1,685,462	2,797,108	1,636,208	1,763,633
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

Three Months Ended September 30, 2007 Compared to Three Months Ended September 30, 2006

During the three months ended September 30, 2007 (the "2007 Quarter") the Company reported a net loss of \$175,495, compared to a net loss of \$1,175,725 for the three months ended September 30, 2006 (the "2006 Quarter"), a decrease in loss of \$1,000,230. The primary factor for the fluctuation was the write-off of mineral properties interests in the 2006 Quarter.

Year Ended September 30, 2007 Compared to Year Ended September 30, 2006

During the year ended September 30, 2007 ("fiscal 2007"), the Company reported a net loss of \$605,495 (\$0.03 per share), compared to a net loss of \$1,496,247 (\$0.09 per share) for the year ended September 30, 2006 ("fiscal 2006"), a decrease in loss of \$890,752. The primary factor for the fluctuation in loss was the write-off of mineral properties interests in fiscal 2006 partially offset against an increase in corporate overhead in 2007.

General and administrative expenses increased by \$26,927 from \$516,664 during fiscal 2006 to \$543,591 during fiscal 2007. Specific expenses of note are as follows:

- During fiscal 2007 the Company paid \$23,550 (2006 - \$18,000) 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 \$5,400 (2006 - \$5,400) to Chase for office space provided.
- Management fees of \$96,000 during fiscal 2007 (2006 - \$88,000) were paid to the Company’s President in his capacity as such.
- General exploration decreased by \$27,937 from \$119,004 during fiscal 2006 to \$91,067 during fiscal 2007 reflecting an increase in direct exploration activities on the Company’s existing properties.
- Audit expense decreased by \$29,914, from \$32,138 during fiscal 2006 to \$2,224 during fiscal 2007. The decrease is attributed to the timing of billings of the audit conducted on the Company’s year end financial statements.
- Consulting fees increased by \$15,860, from \$16,640 during fiscal 2006 to \$32,500 during fiscal 2007. The increase is primarily attributed to the commencement in late fiscal 2006 of payment to the Company’s directors for their services.
- 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 fiscal 2007, the Company paid \$54,000 (2006 - \$36,000).
- Corporate development expenses increased by \$11,217 from \$14,839 during fiscal 2006 to \$26,056 during fiscal 2007 due to market awareness campaigns conducted in fiscal 2007.
- Regulatory fees increased by \$3,895 from \$7,600 during fiscal 2006 to \$11,495 during fiscal 2007. The increase is attributed to the filing fees required for the mineral property agreements.
- Amortization expense decreased by \$12,467 from \$14,826 during fiscal 2006 to \$2,359 during fiscal 2007. The decrease reflects the amortization capitalized to mineral property interests during fiscal 2007.
- Stock based compensation of \$134,050 (2006 - \$97,900) was recorded in fiscal 2007 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 2007, the Company reported interest income of \$49,308 as compared to \$27,884 during fiscal 2006. The increase is attributed to higher levels of cash held during fiscal 2007.

During fiscal 2007, the Company incurred \$1,043,438 (2006 - \$797,323) for mineral property interests expenditures, comprising of \$775,908 on the Colquipucro Prospect and \$267,530 on other prospects in Peru and Australia. See “Exploration Projects”.

Financial Condition / Capital Resources

As at September 30, 2007, the Company had working capital of \$1,572,046. 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, 2007 audited consolidated financial statements.

Changes in Accounting Policies

Effective October 1, 2006 the Company has adopted two new accounting standards related to financial instruments that were issued by the Canadian Institute of Chartered Accountants. These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are as follows:

Financial Instruments - Recognition and Measurement (Section 3855)

In accordance with this new standard, the Company now classifies all financial instruments as either held-to-maturity, available-for-sale, held-for-trading, loans and receivables, or other financial liabilities. Financial assets held-to-maturity, loans and receivables and financial liabilities other than those held-for-trading are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Instruments classified as held-for-trading are measured at fair value with unrealized gains and losses recognized on the statement of loss.

Upon adoption of this new standard, the Company has designated its cash and cash equivalents as held-for-trading, which are measured at fair value. Exploration advances and other receivables 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. As at September 30, 2007, the Company did not have any financial assets classified as available-for-sale and therefore the adoption of the standards noted above had no effect on the presentation of the Company's financial statements.

The Company has no proposed changes in accounting policies.

Comprehensive Income (Section 1530)

Comprehensive income is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources. In accordance with this new standard, the Company now reports a statement of comprehensive income and a new category, accumulated other comprehensive income, in the shareholders' equity section of the balance sheet. The components of this new category will include unrealized gains and losses on financial assets classified as available-for-sale.

Transactions With Related Parties

- (a) The Company has incurred the following expenditures to directors and corporations controlled by directors of the Company:

	2007	2006
	\$	\$
Management fees	96,000	88,000
Accounting and administration	23,550	18,000
Consulting services	20,500	2,000
Rent	5,400	5,400

- (b) During fiscal 2007, the Company reimbursed \$12,000 (2006 - \$12,000) and \$6,716 (2006 - \$6,761) 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 September 30, 2007, \$14,067 (2006 - \$6,132) 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.

The Company's mineral properties are located in Peru and Australia 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 \$5,000 per month. Mr. Nicolaas' services are provided through his company, Mining Interactive Corp. During fiscal 2007, the Company paid \$54,000 (2006 - \$36,000).

Outstanding Share Data

The Company's authorized share capital is unlimited common shares with no par value. As at January 18, 2008, there were 22,686,511 issued common shares and 1,775,000 stock options outstanding, at exercise prices ranging from \$0.30 to \$0.50 per share expiring between February 22, 2008 and May 8, 2010 and 1,327,501 warrants outstanding at exercise prices ranging from \$0.40 to \$0.60 per share expiring between February 28, 2008 to 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. 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.