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**TINKA RESOURCES LIMITED**

INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED  
JUNE 30, 2008

*(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 nine months ended June 30, 2008, 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>June 30, 2008 \$</b>	<b>September 30, 2007 \$</b>
<b>A S S E T S</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	875,308	1,645,671
Amounts receivable	14,707	14,609
Prepays	<u>20,643</u>	<u>16,670</u>
	910,658	1,676,950
<b>MINERAL PROPERTY INTERESTS</b> (Note 3)	1,968,029	1,249,034
<b>EXPLORATION BONDS</b>	38,366	-
<b>EQUIPMENT</b> (Note 4)	<u>29,130</u>	<u>36,543</u>
	<u><u>2,946,183</u></u>	<u><u>2,962,527</u></u>

**L I A B I L I T I E S**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	<u>27,705</u>	<u>104,904</u>

**S H A R E H O L D E R S ' E Q U I T Y**

<b>SHARE CAPITAL</b> (Note 5)	8,129,788	7,737,621
<b>CONTRIBUTED SURPLUS</b> (Note 7)	684,786	497,411
<b>DEFICIT</b>	<u>(5,896,096)</u>	<u>(5,377,409)</u>
	<u>2,918,478</u>	<u>2,857,623</u>
	<u><u>2,946,183</u></u>	<u><u>2,962,527</u></u>

**SUBSEQUENT EVENTS** (Note 12)

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)*

	<u>Three Months Ended June 30</u>		<u>Nine Months Ended June 30</u>	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>EXPENSES</b>				
Accounting and administration	4,700	3,350	16,500	19,950
Amortization	747	3,792	2,241	11,376
Audit	-	224	28,300	2,224
Consulting and professional	7,499	6,000	23,287	25,000
Corporate development	13,391	1,941	31,386	12,850
General exploration	16,927	26,069	77,150	75,399
Investor relations	15,000	15,000	45,000	39,000
Legal	1,375	635	3,260	1,835
Management fees	24,000	24,000	72,000	72,000
Office	3,223	575	13,198	12,954
Regulatory	4,053	4,705	8,054	10,395
Rent	1,350	1,350	4,050	4,050
Shareholder costs	5,259	1,414	10,919	6,778
Stock based compensation (Note 6)	3,225	103,450	187,375	128,400
Transfer agent	2,602	4,131	4,755	7,486
Travel and related	6,802	3,372	37,299	21,705
	<u>110,153</u>	<u>200,008</u>	<u>564,774</u>	<u>451,402</u>
<b>LOSS BEFORE OTHER ITEMS</b>	<u>(110,153)</u>	<u>(200,008)</u>	<u>(564,774)</u>	<u>(451,402)</u>
<b>OTHER ITEMS</b>				
Interest income	2,682	15,445	20,770	33,900
Foreign exchange gain (loss)	(6,626)	(38,252)	25,317	(12,498)
	<u>(3,944)</u>	<u>(22,807)</u>	<u>46,087</u>	<u>21,402</u>
<b>NET LOSS FOR THE PERIOD</b>	(114,097)	(222,815)	(518,687)	(430,000)
<b>DEFICIT - BEGINNING OF PERIOD</b>	<u>(5,781,999)</u>	<u>(4,979,099)</u>	<u>(5,377,409)</u>	<u>(4,771,914)</u>
<b>DEFICIT - END OF PERIOD</b>	<u><u>(5,896,096)</u></u>	<u><u>(5,201,914)</u></u>	<u><u>(5,896,096)</u></u>	<u><u>(5,201,914)</u></u>
<b>LOSS PER SHARE</b>				
<b>- BASIC AND DILUTED</b>	<u><u>\$(0.00)</u></u>	<u><u>\$(0.01)</u></u>	<u><u>\$(0.02)</u></u>	<u><u>\$(0.02)</u></u>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>				
<b>- BASIC AND DILUTED</b>	<u><u>23,878,178</u></u>	<u><u>20,783,817</u></u>	<u><u>23,083,733</u></u>	<u><u>19,536,354</u></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)*

	<u>Three Months Ended June 30</u>		<u>Nine Months Ended June 30</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	\$	\$	\$	\$
<b>CASH PROVIDED FROM (USED FOR)</b>				
<b>OPERATING ACTIVITIES</b>				
Net loss for the period	(114,097)	(222,815)	(518,687)	(430,000)
Adjustment for items not involving cash				
Amortization	747	3,792	2,241	11,376
Stock-based compensation	<u>3,225</u>	<u>103,450</u>	<u>187,375</u>	<u>128,400</u>
	(110,125)	(115,573)	(329,071)	(290,224)
Increase in amounts receivable	(8,268)	(5,332)	(98)	(6,791)
Decrease (increase) in prepaids	(8,102)	(4,411)	(3,973)	1,633
Decrease in accounts payable and accrued liabilities	<u>(24,431)</u>	<u>(5,949)</u>	<u>(2,649)</u>	<u>(44,105)</u>
	<u>(150,926)</u>	<u>(131,265)</u>	<u>(335,791)</u>	<u>(339,487)</u>
<b>INVESTING ACTIVITIES</b>				
Purchase of equipment	(1,053)	(3,285)	(1,053)	(8,581)
Expenditures on mineral property interests	(251,781)	(183,772)	(787,320)	(433,773)
Exploration bonds on deposit	<u>(19,546)</u>	<u>-</u>	<u>(38,366)</u>	<u>-</u>
	<u>(272,380)</u>	<u>(187,057)</u>	<u>(826,739)</u>	<u>(442,354)</u>
<b>FINANCING ACTIVITIES</b>				
Issuance of common shares	412,500	730,967	412,500	1,657,000
Share issue costs	<u>(20,333)</u>	<u>-</u>	<u>(20,333)</u>	<u>(42,237)</u>
	<u>392,167</u>	<u>730,967</u>	<u>392,167</u>	<u>1,614,763</u>
<b>(DECREASE) INCREASE IN CASH DURING THE PERIOD</b>	(31,139)	412,645	(770,363)	832,922
<b>CASH - BEGINNING OF PERIOD</b>	<u>906,447</u>	<u>1,751,060</u>	<u>1,645,671</u>	<u>1,330,783</u>
<b>CASH - END OF PERIOD</b>	<u><u>875,308</u></u>	<u><u>2,163,705</u></u>	<u><u>875,308</u></u>	<u><u>2,163,705</u></u>

**SUPPLEMENTAL CASH FLOW INFORMATION** - See Note 11.

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

**TINKA RESOURCES LIMITED**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED JUNE 30, 2008**  
*(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.

Although management considers that the Company has adequate resources to maintain its core operations over the next twelve months, it is expected it will need to raise additional equity financings to provide sufficient working capital to conduct all of its planned exploration programs. In addition, the Company also recognizes that exploration expenditures may change with ongoing results. 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**

	June 30, 2008			September 30, 2007		
	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$
Peru:						
Colquipucro	37,981	1,372,055	1,410,036	22,588	804,405	826,993
Other	14,809	332,596	347,405	12,416	257,230	269,646
Australia:						
Strathbogie	104,000	44,914	148,914	104,000	-	104,000
Golden Mountain	48,395	13,279	61,674	48,395	-	48,395
	<u>205,185</u>	<u>1,762,844</u>	<u>1,968,029</u>	<u>187,399</u>	<u>1,061,635</u>	<u>1,249,034</u>

**TINKA RESOURCES LIMITED**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED JUNE 30, 2008**  
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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 June 30, 2008, the Company maintains and is actively conducting exploration activities on the Colquipucro Project, comprising 42 mineral claims totaling 6,679 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 June 30, 2008, the Company has staked and continues to maintain the Tingo Este Prospect, covering 3,700 hectares. In addition the category includes \$304,087 of foreign value added taxes.

(c) Australia - Strathbogie South Project

On June 5, 2007, as amended August 13, 2008, 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 (issued subsequent to June 30, 2008). The Company must also incur a total minimum expenditure of \$400,000 on or before June 5, 2009. 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

On October 29, 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 NINE MONTHS ENDED JUNE 30, 2008**  
*(Unaudited - Prepared by Management)*

**4. EQUIPMENT**

	<b>June 30, 2008</b>	<b>September 30, 2007</b>
	\$	\$
Vehicles	51,590	51,590
Office equipment	29,414	28,361
	<u>81,004</u>	<u>79,951</u>
Less: accumulated amortization	<u>(51,874)</u>	<u>(43,408)</u>
	<u><u>29,130</u></u>	<u><u>36,543</u></u>

**5. SHARE CAPITAL**

Authorized - unlimited common shares without par value

	<b>June 30, 2008</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	1,375,000	412,500	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	-	-	-	50,400
	<u>1,375,000</u>	<u>412,500</u>	<u>4,072,499</u>	<u>1,805,400</u>
Less share issue costs	<u>-</u>	<u>(20,333)</u>	<u>-</u>	<u>(42,237)</u>
	<u>1,375,000</u>	<u>392,167</u>	<u>4,072,499</u>	<u>1,763,163</u>
Balance, end of period	<u><u>24,061,511</u></u>	<u><u>8,129,788</u></u>	<u><u>22,686,511</u></u>	<u><u>7,737,621</u></u>

(a) During the nine months ended June 30, 2008, the Company completed a non-brokered private placement financing of 1,375,000 units at \$0.30 per unit for gross proceeds of \$412,500. Each unit consisted of one common share and one half share purchase warrant. Each whole warrant is exercisable at a price of \$0.50 per share expiring on June 4, 2009. The warrants are subject to a forced conversion which comes into effect once the shares trade above a weighted average price of \$0.60 for any 20 consecutive trading-day period. The expiry date of the warrants will then be 30 days from the date the Company issues a news release announcing the forced conversion. The Company paid finders' fees totalling \$17,520 and incurred share issue costs of \$2,813 relating to this financing.

A director of the Company purchased 75,000 units of this private placement.

**TINKA RESOURCES LIMITED**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED JUNE 30, 2008**  
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**5. SHARE CAPITAL** (continued)

- (b) A summary of the number of common shares reserved pursuant to the Company's warrants outstanding at June 30, 2008 and 2007, and the changes for the nine months ending on those dates is as follows:

	June 30, 2008		June 30, 2007	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance, beginning of period	1,327,501	0.54	2,095,000	0.40
Issued	687,500	0.50	945,000	0.60
Exercised	-	-	(1,712,499)	0.40
Expired	<u>(382,501)</u>	0.40	<u>-</u>	-
Balance, end of period	<u><u>1,632,500</u></u>	0.56	<u><u>1,327,501</u></u>	0.60

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at June 30, 2008:

Number	Exercise Price \$	Expiry Date
702,500	0.60	February 28, 2009
242,500	0.60	March 21, 2009
<u>687,500</u>	0.50	June 4, 2009
<u><u>1,632,500</u></u>		

On February 13, 2008, the Company received regulatory approval to extend the expiry dates on 702,500 warrants from February 28, 2008 to February 28, 2009, and 242,500 warrants, from March 21, 2008 to March 21, 2009.

**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 nine months ended June 30, 2008, the Company granted stock options to purchase 1,025,000 (2007 - 515,000) common shares and recorded compensation expense of \$187,375 (2007 - \$128,400) on the granting and vesting of stock options. The fair value of the stock options is estimated using the Black-Scholes option pricing model with the following assumptions used for the granting or vesting during the nine months ended June 30, 2008 and 2007:

**TINKA RESOURCES LIMITED**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED JUNE 30, 2008**  
*(Unaudited - Prepared by Management)*

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

	June 30, 2008	June 30, 2007
Risk-free interest rate	2.64% - 4.16%	3.97% - 4.05%
Estimated volatility	70% - 80%	82% - 90%
Expected life	2 years - 3 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 \$0.18 (2007 -\$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.

A summary of the Company's stock options at June 30, 2008 and 2007, and the changes for the nine months ended on those dates is presented below:

	<u>June 30, 2008</u>		<u>June 30, 2007</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	1,025,000	0.30	515,000	0.45
Exercised	-	-	(270,000)	0.45
Expired	<u>(890,000)</u>	0.47	<u>(100,000)</u>	0.37
Balance, end of period	<u><u>1,960,000</u></u>	0.34	<u><u>1,825,000</u></u>	0.43

The following table summarizes information about the stock options outstanding and exercisable at June 30, 2008:

Number Outstanding	Number Exercisable	Exercise Price \$	Expiry Date
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	310,000	0.50	April 5, 2010
35,000	35,000	0.50	May 8, 2010
50,000	50,000	0.30	January 18, 2011
<u>975,000</u>	<u>918,750</u>	0.30	March 1, 2011
<u><u>1,960,000</u></u>	<u><u>1,903,750</u></u>		

**TINKA RESOURCES LIMITED**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED JUNE 30, 2008**  
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**7. CONTRIBUTED SURPLUS**

The Company's contributed surplus for the nine months ended June 30, 2008 and 2007, is comprised of the following:

	<b>June 30, 2008</b>	<b>June 30, 2007</b>
	\$	\$
Balance, beginning of period	497,411	413,761
Stock-based compensation on stock options (Note 6)	187,375	128,400
Stock options exercised	<u>-</u>	<u>(50,400)</u>
Balance, end of period	<u><u>684,786</u></u>	<u><u>491,761</u></u>

**8. RELATED PARTY TRANSACTIONS**

(a) During the nine months ended June 30, 2008 and 2007, the Company incurred the following expenditures to directors and corporations controlled by directors of the Company:

	<b>June 30, 2008</b>	<b>June 30, 2007</b>
	\$	\$
Management fees	72,000	72,000
Accounting and administration	16,500	19,950
Consulting services	13,500	16,000
Rent	<u>4,050</u>	<u>4,050</u>
	<u><u>106,050</u></u>	<u><u>112,000</u></u>

(b) During the nine months ended June 30, 2008, the Company reimbursed \$9,000 (2007 - \$9,000) and \$4,500 (2007 - \$5,149) 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 June 30, 2008, \$3,000 (2007 - \$nil) remained outstanding and was included in accounts payable and accrued liabilities.

See also Note 5(a).

**TINKA RESOURCES LIMITED**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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*(Unaudited - Prepared by Management)*

**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 June 30, 2008, 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.

	<b>June 30 2008</b>			
	<b>Corporate Canada \$</b>	<b>Mineral Operations Peru \$</b>	<b>Mineral Operations Australia \$</b>	<b>Total \$</b>
Current assets	866,426	44,232	-	910,658
Mineral property interests	-	1,757,441	210,588	1,968,029
Equipment	6,367	22,763	-	29,130
Exploration bonds	-	-	38,366	38,366
	<u>872,793</u>	<u>1,824,436</u>	<u>248,954</u>	<u>2,946,183</u>
	<b>September 30, 2007</b>			
	<b>Corporate Canada \$</b>	<b>Mineral Operations Peru \$</b>	<b>Mineral Operations Australia \$</b>	<b>Total \$</b>
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 June 30, 2008, 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 June 30, 2008, may differ significantly from that presented.

Fair value approximates the amounts reflected in the financial statements for cash, amounts receivable, exploration bonds 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.

**TINKA RESOURCES LIMITED**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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**11. SUPPLEMENTAL CASH FLOW INFORMATION**

Non-cash activities were conducted by the Company during the nine months ended June 30, 2008 and 2007 as follows:

	<u>Nine Months Ended June 30,</u>	
	<u>2008</u>	<u>2007</u>
	\$	\$
Operating activity		
Increase in accounts payable and accrued liabilities	<u>11,880</u>	<u>-</u>
Financing activities		
Shares issued for mineral property interests	-	98,000
Shares issued on exercise of options	-	50,400
Contributed surplus	<u>-</u>	<u>(50,400)</u>
	<u>-</u>	<u>98,000</u>
Investing activity		
Expenditures on mineral property interests	<u>(11,880)</u>	<u>(98,000)</u>

**12. SUBSEQUENT EVENTS**

Subsequent to June 30, 2008, the Company granted stock options to directors and consultants of the Company to acquire 235,000 common shares of the Company at \$0.30 per share, expiring on July 18, 2011.

See also Note 3(c).

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

	Nine Months ended June 30, 2008				Year Ended September 30, 2007	
	Peru		Australia		Total \$	Total \$
	Colquipucro \$	Other \$	Strathbogie \$	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	6,225	-	-	-	6,225	9,393
Assays	33,099	-	-	-	33,099	28,741
Camp costs	14,091	-	-	-	14,091	27,962
Consulting	12,141	-	-	-	12,141	91,763
Drilling	253,496	-	-	-	253,496	259,055
Environment studies	5,755	-	-	-	5,755	-
Exploration site	46,920	-	-	-	46,920	79,205
Field workers	24,560	-	-	-	24,560	63,297
Fuel	7,379	-	-	-	7,379	-
Geological	31,035	-	35,634	8,754	75,423	92,375
Geophysical	-	-	-	-	-	16,952
IVA tax	-	75,366	-	-	75,366	85,240
Permit and filing fees	42,035	-	-	2,892	44,927	30,989
Salaries	65,193	-	-	-	65,193	14,174
Supplies	6,106	-	-	-	6,106	27,598
Travel	4,479	-	3,320	1,633	9,432	12,687
Vehicles	15,136	-	5,960	-	21,096	33,826
	<u>567,650</u>	<u>75,366</u>	<u>44,914</u>	<u>13,279</u>	<u>701,209</u>	<u>873,257</u>
<b>ACQUISITION COSTS DURING THE PERIOD</b>						
Staking and related costs	15,393	2,393	-	-	17,786	17,786
Option payment	-	-	-	-	-	54,395
Shares issued	-	-	-	-	-	98,000
	<u>15,393</u>	<u>2,393</u>	<u>-</u>	<u>-</u>	<u>17,786</u>	<u>170,181</u>
	<u>583,043</u>	<u>77,759</u>	<u>44,914</u>	<u>13,279</u>	<u>718,995</u>	<u>1,043,438</u>
<b>BALANCE BEFORE WRITE-OFFS</b>	1,410,036	347,405	148,914	61,674	1,968,029	1,334,287
<b>LESS WRITE-OFF MINERAL PROPERTY INTERESTS</b>	-	-	-	-	-	(85,253)
<b>BALANCE - END OF PERIOD</b>	<u><u>1,410,036</u></u>	<u><u>347,405</u></u>	<u><u>148,914</u></u>	<u><u>61,674</u></u>	<u><u>1,968,029</u></u>	<u><u>1,249,034</u></u>

# TINKA RESOURCES LIMITED

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED JUNE 30, 2008

### Background

This discussion and analysis of financial position and results of operation is prepared as at August 21, 2008, and should be read in conjunction with the unaudited interim consolidated financial statements and the accompanying notes for the nine months ended June 30, 2008, of Tinka Resources Limited (the "Company"). The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities, can be found on SEDAR at [www.sedar.com](http://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

#### *Colquipucro Project, Peru*

The Company has staked 42 claims totaling 6,679 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.

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

The Company has identified new areas of surface mineralization at Colquipucro. Two of the new areas, called Colquisur and Ayawilca, lie 1km SE of and from 1.5km and 2km SSE, respectively, from the recently drilled Zone 1 area. A total of 384 soil and rock chip samples were collected from the new areas on a grid covering both areas measuring roughly 1,500 metres by 1,900 metres. Results returned values ranging from trace to 85 g/t silver, trace to

0.39% lead and trace to 4.9% zinc. These geochemically anomalous areas are still open to the east, but geological mapping and soil sampling suggest that the mineralized areas are faulted-off along the western edge of the grid.

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

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

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

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

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

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

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

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

The report recommended an extensive drilling program to further define the existing resource, to test the target north of the resource and to drill some exploration holes at the Zone2/Ayawilca anomaly. A multi-phase drill program over the next 14 months is currently being planned. A copy of the full report can be viewed on the Company’s website [www.tinkaresources.com](http://www.tinkaresources.com)

During the last quarter, the Company continued surface exploration at Colquipucro to identify further areas of surface mineralization. At the time of writing this report, further geochemical surface work has been completed and 323 soil and rock samples are now at the laboratory for analysis. Results will be announced when they are completed. The application for the Phase 2 drill permit has been completed and submitted to the authorities for approval.

### ***Tingo Este Project - Peru***

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. No further work was undertaken during the quarter.

### ***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.

A comprehensive program of soil and stream sediment sampling began during April to locate new areas of mineralization in similar geological settings to that known at Golden Mountain. The program is now 80% complete and samples will be submitted for analysis as soon as possible. Once targets have been identified, the project will be advanced to the initial drill stage as soon as possible.

### ***Golden Mountain Project - Australia***

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. MIN4683 lies within the exploration claims that comprise the Company’s Strathbogie South Project.

During July, diamond drilling commenced at the project. Holes will test within the footprint of previous drilling to confirm previously reported mineralization, undertake assaying with modern techniques and protocols, and gain fresh sample for future metallurgical testing

### **Selected Financial Data**

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

	Fiscal 2008			Fiscal 2007			Fiscal 2006	
	Jun. 30 \$	Mar. 31 \$	Dec. 31 \$	Sept. 30 \$	Jun. 30 \$	Mar. 31 \$	Dec. 31 \$	Sept. 30 \$
<b>Operations:</b>								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(110,153)	(339,348)	(115,273)	(92,189)	(200,008)	(147,378)	(104,016)	(137,785)
Other items	(3,944)	52,690	(2,659)	(83,306)	(22,807)	6,798	37,411	(1,037,940)
Net loss	(114,097)	(286,658)	(117,932)	(175,495)	(222,815)	(140,580)	(66,605)	(1,175,725)
Loss per share -basic and diluted	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(0.07)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Balance Sheet:</b>								
Working capital	882,953	885,171	1,105,965	1,572,046	2,168,928	1,740,591	1,062,004	1,286,743
Total assets	2,946,183	2,677,439	2,768,029	2,962,527	3,052,520	2,348,867	1,616,522	1,685,462
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Results of Operations

During the nine months ended June 30, 2008 (the “2008 period”) the Company reported a net loss of \$518,687 (\$0.02 per share), compared to a net loss of \$430,000 (\$0.02 per share) for the nine months ended June 30, 2007 (the “2007 period”), an increase in loss of \$88,687. The increase in loss is mainly attributed to the recognition of stock-based compensation of \$187,375 in the 2008 period versus \$128,400 in the 2007 period, and a general increase in corporate expenses.

General and administrative expenses increased by \$113,372 from \$451,402 during the 2007 period to \$564,774 during the 2008 period. Specific expenses of note are as follows:

- during the 2008 period the Company paid \$16,500 (2007 - \$19,950) 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 \$4,050 (2007 - \$4,050) to Chase for office space provided;
- management fees of \$72,000 during the 2008 period (2007 - \$72,000) were paid to the Company’s President in his capacity as such;
- general exploration increased slightly by \$1,811 from \$75,339 during the 2007 period to \$77,150 during the 2008 period due to ongoing costs of the Company’s exploration office in Peru. Fluctuations in general exploration is also affected by allocations to direct property costs;
- the Company has 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 2008 period, the Company paid \$45,000 (2007 - \$39,000);
- corporate development expenses increased by \$18,536 from \$12,850 during the 2007 period to \$31,386 during the 2008 period due to an ongoing market awareness program and participation in several investment conferences;
- travel expenses increased by \$15,594 from \$21,705 during the 2007 period to \$37,299 during the 2008 period. The increase is attributed to travel by the Company’s President to Peru and Australia to oversee the mineral property interests;
- stock based compensation of \$187,375 (2007 - \$128,400) was recorded in the 2008 period relating to the granting and vesting of stock options; and
- incurred audit fees of \$28,300 for the audit of the Company’s year-end financial statements, an increase of \$26,076 from \$2,224 incurred in 2007. During the 2007 period the recorded audit fees were lower due to the change in the basis for recording audit fees.

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 2008 period, the Company reported interest income of \$20,770 as compared to \$33,900 during the 2007 period.

During the 2008 period, the Company capitalized \$718,995 for mineral property interests expenditures, comprising of \$583,043 on the Colquipucro Prospect and \$135,952 on other prospects in Peru and Australia. See “Exploration Projects”.

## Financial Condition / Capital Resources

During the period the Company completed a non-brokered private placement financing of 1,375,000 units at \$0.30 per unit for total gross proceeds of \$412,500. As at June 30, 2008, the Company had working capital of \$882,953. The Company believes that it will have sufficient financial resources to undertake ongoing levels of corporate activities and its anticipated exploration activities on its core project, the Colquipucro Project. In addition, 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. The Company will 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

The Company has no proposed changes in accounting policies.

## Transactions With Related Parties

- (a) During the nine months ended June 30, 2008 and 2007, the Company incurred the following expenditures to directors and corporations controlled by directors of the Company:

	2008	2007
	\$	\$
Management fees	72,000	72,000
Accounting and administration	16,500	19,950
Consulting services	13,500	16,000
Rent	4,050	4,050
	<u>106,050</u>	<u>112,000</u>

- (b) During the nine months ended June 30, 2008, the Company reimbursed \$9,000 (2007 - \$9,000) and \$4,500 (2007 - \$5,146) 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 June 30, 2008, \$3,000 (2007 - \$nil) 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](http://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 the 2008 period, the Company paid \$45,000 (2007 - \$39,000).

### **Outstanding Share Data**

The Company's authorized share capital is unlimited common shares with no par value. As at August 21, 2008, there were 24,361,511 issued common shares and 2,195,000 stock options outstanding, at exercise prices ranging from \$0.30 to \$0.50 per share and 1,632,500 warrants outstanding at exercise prices ranging from \$0.50 to \$0.60 per share.