TINKA RESOURCES LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
MARCH 31, 2010

(Unaudited **-** *Prepared by Management)*

MANAGEMENT’S COMMENTS ON UNAUDITED FINANCIAL STATEMENTS

The accompanying unaudited interim consolidated financial statements of Tinka Resources Limited for the six months ended March 31, 2010, 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)

	March 31, 2010 $	September 30, 2009 $
A S S E T S		
CURRENT ASSETS		
Cash	1,145,738	75,106
Amounts receivable	5,502	1,995
Prepaids	6,808	6,913
	1,158,048	84,014
MINERAL PROPERTY INTERESTS (Note 3)	2,120,683	2,037,674
EQUIPMENT (Note 4)	6,395	8,683
OTHER	-	33,710
	3,285,126	2,164,081
L I A B I L I T I E S		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	77,327	69,353
S H A R E H O L D E R S' E Q U I T Y		
SHARE CAPITAL (Note 5)	9,587,270	8,335,738
CONTRIBUTED SURPLUS (Note 7)	1,046,574	799,524
DEFICIT	(7,426,045)	(7,040,534)
	3,207,799	2,094,728
	3,285,126	2,164,081

ON BEHALF OF THE BOARD

"Andrew Carter" , Director

"Nick DeMare" , Director

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

TINKA RESOURCES LIMITED

INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS AND DEFICIT

(Unaudited - Prepared by Management)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2010 $	2009 $	2010 $	2009 $
EXPENSES				
Accounting and administration	14,000	8,896	20,000	14,296
Amortization	436	503	872	1,250
Audit	5,000	29,489	23,000	29,489
Consulting	7,121	9,844	12,671	17,740
Corporate development	-	1,503	-	8,949
General exploration	17,397	22,006	42,931	43,846
Investment conferences	7,002	-	12,418	-
Investor relations	2,032	-	2,032	5,000
Legal	639	679	1,279	1,428
Management fees	24,000	24,000	48,000	48,000
Office	4,330	3,923	7,363	7,814
Regulatory	6,253	4,268	7,548	5,663
Rent	1,200	1,350	2,450	2,700
Shareholder costs	3,163	1,604	3,413	1,934
Stock-based compensation (Note 6)	154,444	70,650	189,965	70,650
Transfer agent	3,624	1,952	4,210	2,582
Travel and related	6,048	5,040	9,083	10,325
	256,689	185,707	387,235	271,666
LOSS BEFORE OTHER ITEMS	(256,689)	(185,707)	(387,235)	(271,666)
OTHER ITEMS				
Interest income	-	1,968	35	2,363
Foreign exchange (loss) gain	(2,068)	8,655	1,689	7,356
Write-off of mineral property interests	-	(292,358)	-	(292,358)
	(2,068)	(281,735)	1,724	(282,639)
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(258,757)	(467,442)	(385,511)	(554,305)
DEFICIT - BEGINNING OF PERIOD	(7,167,288)	(6,112,844)	(7,040,534)	(6,025,981)
DEFICIT - END OF PERIOD	(7,426,045)	(6,580,286)	(7,426,045)	(6,580,286)
LOSS PER SHARE - BASIC AND DILUTED	$(0.01)	$(0.02)	$(0.01)	$(0.02)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED	37,372,589	24,361,511	31,604,352	24,361,511

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

TINKA RESOURCES LIMITED

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited - Prepared by Management)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2010 $	2009 $	2010 $	2009 $
CASH PROVIDED FROM (USED FOR)				
OPERATING ACTIVITIES				
Net loss for the period	(258,757)	(467,442)	(385,511)	(554,305)
Adjustment for items not involving cash				
Amortization	436	503	872	1,250
Stock-based compensation	154,444	70,650	189,965	70,650
Write-off of mineral property interests	-	292,358	-	292,358
	(103,877)	(103,931)	(194,674)	(190,047)
(Increase) decrease in amounts receivable	(1,463)	5,165	(3,507)	6,877
Decrease (increase) in prepaids	1,156	(1,055)	105	9,528
Increase (decrease) in accounts payable and accrued liabilities	(10,794)	(50,187)	8,796	(58,135)
	(114,978)	(150,008)	(189,280)	(231,777)
INVESTING ACTIVITIES				
Expenditures on mineral property interests	(77,555)	46,575	(82,415)	(97,521)
Exploration bonds on deposit	-	(1,347)	-	(1,347)
Purchase of equipment	-	-	-	(1,535)
Other	-	-	33,710	-
	(77,555)	45,228	(48,705)	(100,403)
FINANCING ACTIVITIES				
Issuance of common shares	765,250	-	1,395,250	-
Share issue costs	(76,667)	-	(86,633)	-
	688,583	-	1,308,617	-
INCREASE (DECREASE) IN CASH DURING THE PERIOD	496,050	(104,780)	1,070,632	(332,180)
CASH - BEGINNING OF PERIOD	649,688	200,935	75,106	428,335
CASH - END OF PERIOD	1,145,738	96,155	1,145,738	96,155

SUPPLEMENTAL CASH FLOW INFORMATION (Note 12)

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

1. NATURE OF OPERATIONS

The Company is a junior resource company engaged in the acquisition and exploration of unproven mineral interests and is considered a development stage company as defined by Accounting Guideline No. 11 of the Canadian Institute of Chartered Accountants ("CICA") Handbook. The Company presently has no proven or probable reserves and on the basis of information to date, it has not yet determined whether these properties contain economically recoverable ore reserves. Consequently the Company considers itself to be an exploration stage company. The amounts shown as mineral property interests represent costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values. The underlying value of the mineral properties and related deferred costs is entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to complete development, and upon future profitable production.

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

2. SIGNIFICANT ACCOUNTING POLICIES

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 consolidated financial statements.

Future Accounting Policies

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, *Business Combinations*, Section 1601, *Consolidated Financial Statements*, and Section 1602, *Non-Controlling Interests*. These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards.

Section 1582 replaces Section 1581, *Business Combinations*, and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standards ("IFRS") 3, *Business Combinations*. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace Section 1600, *Consolidated Financial Statements*. Section 1601, establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27, *Consolidated and Separate Financial Statements,* and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

International Financial Reporting Standards

The AcSB has announced that Canadian publicly accountable enterprises will be required to adopt IFRS effective January 1, 2011. Although IFRS employs a conceptual framework that is similar to Canadian GAAP, there are significant differences in recognition, measurement and disclosure. The Company has undertaken a project to assess the potential impacts of the transition to IFRS and has developed a detailed project plan to ensure compliance with the new standards. The Company has completed the initial phase of the implementation project including the detailed diagnostic analysis which included a high-level impact assessment to identify key areas that may be impacted by the adoption of IFRS. This analysis resulted in the prioritization of areas to be evaluated in the next phase of the project plan, component evaluation. This phase, which is currently in progress, includes the analysis of accounting policy alternatives available under IFRS as well as the determination of changes required to existing information systems and business processes. The Company is currently assessing the impact of the adoption of IFRS on our results of operations, financial position and financial statement disclosures.

3. MINERAL PROPERTY INTERESTS

	March 31, 2010			September 30, 2009		
	Acquisition Costs $	Deferred Exploration Costs $	Total $	Acquisition Costs $	Deferred Exploration Costs $	Total $
Peru:						
Colquipucro	61,190	1,701,896	1,763,086	33,706	1,678,031	1,711,737
Anita de Tibillos	24,331	-	24,331	-	-	-
Other	-	333,266	333,266	-	325,937	325,937
	85,521	2,035,162	2,120,683	33,706	2,003,968	2,037,674

(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 to which the Company staked a number of prospects in Peru. As at March 31, 2010, the Company holds 46 mineral claims (the "Colquipucro Project"), which had been identified by Sierra, totaling 10,235 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. The NSR can be purchased at any time for US $1,000,000.

3. MINERAL PROPERTY INTERESTS (continued)

(b) Peru - Anita de Tibillos Project

On March 8, 2010, the Company entered into an option agreement to purchase up to a 100% interest in the Anita de Tibillos project ("Tibillos Project") comprising 1,000 hectares and located south of Lima, Peru. The Company has the right to acquire an initial 75% interest in the Tibillos Project by making cash payments totaling US $600,000 over a period of five years, including an initial cash payment of US $11,000 (paid), payment of outstanding mineral claim fees (paid), and undertaking certain exploration programs in the first year of the agreement. Upon earning the 75% interest the Company has the right to purchase the remaining 25% interest in the Tibillos Project by making cash payments of US $500,000 over a further five year period. The vendor retains no royalties

The Company has also staked a further 2,900 hectares surrounding the Tibillos Project.

(c) Peru - Other

During fiscal 2009, the Company wrote off $40,924 of acquisition and deferred exploration costs for other mineral property interests in Peru. As at March 31, 2010, the category comprises solely of foreign value added taxes.

4. EQUIPMENT

	March 31, 2010 $	September 30, 2009 $
Vehicles	51,590	51,590
Office equipment	27,066	27,066
	78,656	78,656
Less: accumulated amortization	(72,261)	(69,973)
	6,395	8,683

5. SHARE CAPITAL

Authorized - unlimited common shares without par value

Issued

	March 31, 2010		September 30, 2009	
	Shares	**$**	**Shares**	**$**
Balance, beginning of period	25,961,511	8,335,738	24,361,511	8,177,788
Issued during the period				
For cash				
Private placements	13,500,000	1,350,000	1,600,000	160,000
Exercise of stock options	452,500	45,250	-	-
For finder's fees	652,000	30,233	-	-
Reallocation from contributed surplus on exercise of stock options	-	26,150	-	-
	14,604,500	1,451,633	1,600,000	160,000
Less share issue costs	-	(200,101)	-	(2,050)
	14,604,500	1,251,532	1,600,000	157,950
Balance, end of period	40,566,011	9,587,270	25,961,511	8,335,738

(a) In January 2010, the Company completed a private placement financing totalling 13,500,000 units at $0.10 per unit for gross proceeds of $1,350,000 as follows:

(i) 4,500,000 units on a non-brokered basis. Each unit consisted of one common share and one warrant, with each warrant entitling the holder to purchase an additional common share at a price of $0.15 per share for a period of eighteen months. The Company paid finders' fees of $8,000; and

(ii) 9,000,000 units on a brokered basis. Each unit consisted of one common share and one warrant, with each warrant entitling the holder to purchase an additional common share at a price of $0.15 per share for a period of eighteen months. The Company paid the agent a commission of $28,800 cash, issued 432,000 agent units in payment of the remaining commission of $43,200, and issued 900,000 agent warrants. The Company also paid the agent a corporate finance fee of $22,000 by issuance of 220,000 finance units. The agent units, agent warrants, and finance units have the same terms as the units and warrants issued on the brokered portion of the private placement. The fair value of the agent warrants and the underlying warrants to the agent units and finance units has been estimated using the Black-Scholes option pricing model. The assumptions used were: dividend yield - 0%; expected volatility - 141.43%; a risk-free interest rate of 1.13%; and an expected life of 18 months. The values assigned to the agent warrants and the underlying warrants to the agent units and finance units were $48,268, $23,168 and $11,799, respectively.

Directors and officers of the Company purchased 324,000 units for $32,400.

The Company also incurred costs of $49,833 relating to this financing.

5. SHARE CAPITAL (continued)

(b) A summary of the number of common shares reserved pursuant to the Company's outstanding warrants outstanding March 31, 2010 and 2009, and the changes for the six months ending on those dates is as follows:

	March 31, 2010		March 31, 2009	
	Number	Weighted Average Exercise Price $	Number	Weighted Average Exercise Price $
Balance, beginning of period	1,600,000	0.15	1,632,500	0.56
Issued	15,052,000	0.15	-	-
Expired	-	-	(945,000)	0.60
Balance, end of period	16,652,000	0.15	687,500	0.50

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at March 31, 2010:

Number	Exercise Price $	Expiry Date
1,600,000	0.15	December 22, 2010
3,000,000	0.15	July 4, 2011
1,500,000	0.15	July 19, 2011
10,552,000	0.15	July 25, 2011
16,652,000		

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 minimum 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 TSX Venture Exchange ("TSXV"). The options have a maximum term of five years.

During the six months ended March 31, 2010, the Company granted stock options to directors, employees and consultants to purchase 1,430,000 (2009 - 1,770,000) common shares and recorded compensation expense of $189,965 (2009 - $70,650). 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 six months ended March 31, 2010 and 2009:

	March 31, 2010	March 31, 2009
Risk-free interest rate	1.83% - 1.96%	1.81%
Estimated volatility	122.8% - 153.8%	127%
Expected life	3 years	3 years
Expected dividend yield	0%	0%

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

The weighted average fair value of all stock options granted or vested during the six months ended March 31, 2010 to the Company's directors, employees and consultants was $0.15 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 March 31, 2010 and 2009, and the changes for the six months ended on those dates is presented below:

	2010		2009	
	Number of Options Outstanding	Weighted Average Exercise Price $	Number of Options Outstanding	Weighted Average Exercise Price $
Balance, beginning of period	2,255,000	0.14	2,195,000	0.34
Granted	1,430,000	0.16	1,770,000	0.10
Exercised	(452,500)	0.10	-	-
Expired	-	-	(1,530,000)	0.35
Balance, end of period	3,232,500	0.16	2,435,000	0.15

The following table summarizes information about the stock options outstanding and exercisable at March 31, 2010:

Number Outstanding	Number Exercisable	Exercise Price $	Expiry Date
360,000	360,000	0.30	March 1, 2011
125,000	125,000	0.30	July 18, 2011
1,020,000	1,020,000	0.10	January 30, 2012
297,500	297,500	0.10	March 2, 2012
200,000	200,000	0.16	December 23,2012
1,080,000	1,080,000	0.15	January 26, 2013
150,000	-	0.23	March 18, 2013
3,232,500	3,082,500		

7. CONTRIBUTED SURPLUS

The Company's contributed surplus for the six months ended March 31, 2010 and 2009 is comprised of the following:

	2010 $	2009 $
Balance, beginning of period	799,524	704,524
Stock-based compensation on stock options (Note 6)	189,965	70,650
Stock-based compensation on agent warrants (Note 5(a))	48,268	-
Stock-based compensation on finders' fees (Note 5(a))	34,967	-
Reallocation on exercise of stock options	(26,150)	-
Balance, end of period	1,046,574	775,174

8. RELATED PARTY TRANSACTIONS

(a) During the six months ended March 31, 2010 and 2009, the Company incurred the following expenditures to directors and corporations controlled by directors of the Company:

	2010 $	2009 $
Management fees	48,000	48,000
Accounting and administration	20,000	14,296
Consulting services	9,000	9,000
Rent	2,450	2,700
	79,450	73,996

(b) During the six months ended March 31, 2010, the Company reimbursed $6,894 (2009 - $9,720) to a public company with certain common directors for shared office and other costs.

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

As at March 31, 2010, $63,235 (2009 - $18,950) remained outstanding and was included in accounts payable and accrued liabilities.

9. SEGMENTED INFORMATION

Substantially all of the Company's operations are in one industry, the exploration for precious metals. Management reviews the financial results according to expenditures by property. As at March 31, 2010, the Company's mineral properties are located in Peru 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.

	March 31, 2010		
	Corporate Canada $	Mineral Operations Peru $	Total $
Current assets	1,148,237	9,811	1,158,048
Mineral property interests	-	2,120,683	2,120,683
Equipment	3,915	2,480	6,395
	1,152,152	2,132,974	3,285,126

	September 30, 2009			
	Corporate Canada $	Mineral Operations Peru $	Mineral Operations Australia $	Total $
Current assets	78,164	5,850	-	84,014
Mineral property interests	-	2,037,674	-	2,037,674
Equipment	4,787	3,896	-	8,683
Other	-	-	33,710	33,710
	82,951	2,047,420	33,710	2,164,081

10. FINANCIAL INSTRUMENTS

The fair values of financial instruments at March 31, 2010, 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 consolidated financial statements. Disclosure subsequent to the balance sheet dates and estimates of fair value at dates subsequent to March 31, 2010, may differ significantly from that presented.

Fair value approximates the amounts reflected in the consolidated financial statements for cash, amounts receivable and accounts payable and accrued liabilities.

The Company may be subject to currency risk due to the fluctuations of exchange rates between the Canadian dollar and other foreign currencies. However, the Company is not subject to significant interest and credit risks arising from these instruments.

11. CAPITAL MANAGEMENT

The Company's objective when managing capital, defined as equity, is to safeguard the entity's ability to continue as a going concern, so that it can continue to acquire and explore mineral interests. The Company funds all administration and exploration programs from the issue of shares, generally through private placements. The Company prepares a budget for seasonal exploration programs and initiates equity offerings to ensure sufficient funds for each season's programs. If the Company is unsuccessful in raising sufficient capital, exploration programs are extended, delayed or cancelled. In order to conserve cash, the Company may issue shares to pay for properties or compensate directors, employees and contractors through stock options.

Any cash raised that is surplus to immediate requirements is invested in low-risk liquid instruments which may include Bankers' Acceptances or Guaranteed Investment Certificates.

12. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash activities were conducted by the Company during the six months ended March 31, 2010 and 2009 as follows:

	2010 $	2009 $
Operating activities		
Amortization	1,416	4,000
Decrease in accounts payable and accrued liabilities	(822)	(6,179)
	594	(2,179)
Investing activity		
Expenditures on mineral property interests	(594)	2,179
Financing activities		
Issuance of common shares for finders' fees	30,233	-
Common share issue costs	(113,468)	-
Reallocation from contributed surplus on exercise of stock options	26,150	-
Contributed surplus	57,085	-
	-	-

SCHEDULE 1

TINKA RESOURCES LIMITED

INTERIM CONSOLIDATED SCHEDULE OF MINERAL PROPERTY INTERESTS

(Unaudited - Prepared by Management)

	Six Months Ended March 31, 2010				Year Ended September 30, 2009
	Peru				
	Colquipucro $	Anita de Tibillos $	Other $	Total $	Total $
BALANCE - BEGINNING OF PERIOD	1,711,737	-	325,937	2,037,674	2,442,307
EXPLORATION EXPENDITURES					
Amortization	1,416	-	-	1,416	11,115
Assays	2,145	-	-	2,145	16,500
Camp costs	736	-	-	736	4,465
Consulting	462	-	-	462	3,759
Environment studies	5,001	-	-	5,001	6,019
Exploration site	4,371	-	-	4,371	8,079
Fuel	970	-	-	970	2,142
Geological	542	-	-	542	39,464
IVA tax	-	-	7,329	7,329	8,390
Permit and filing fees	-	-	-	-	4,427
Road access	-	-	-	-	5,264
Salaries	4,065	-	-	4,065	23,497
Travel	3,680	-	-	3,680	17,910
Vehicles	477	-	-	477	10,231
	23,865	-	7,329	31,194	161,262
ACQUISITION COSTS					
Option payments	-	11,253	-	11,253	-
Claims and rights	27,484	13,078	-	40,562	-
	27,484	24,331	-	51,815	-
BALANCE - BEFORE WRITE-OFFS	1,763,086	24,331	333,266	2,120,683	2,603,569
LESS WRITE-OFFS	-	-	-	-	(565,895)
BALANCE - END OF PERIOD	1,763,086	24,331	333,266	2,120,683	2,037,674

TINKA RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED MARCH 31, 2010

Background

This discussion and analysis of financial position and results of operation is prepared as at May 20, 2010, and should be read in conjunction with the unaudited interim consolidated financial statements and the accompanying notes for the six months ended March 31, 2010, of Tinka Resources Limited (the "Company"). The interim 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

Colquipucro Project, Peru

The Company has staked 46 claims covering 10,234.85 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 Uchuccahacua 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, know 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 2008, 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 copy of the full report can be viewed on the Company’s website www.tinkaresources.com

During February 2009, a review of the project was undertaken and it concluded that significant silver mineralization at Colquipucro is controlled by the complicated main regional fault and that future exploration must be directed at testing this 12 km long structural trend within the Company’s permit area. It recommended a work program prior to drilling consisting of: metallurgical testing of Zone 1 drill core, petrographic analysis, detailed airphoto interpretation on a 1 km corridor of the main thrust fault and detailed follow-up mapping and sampling of the Ayawilca zone and any further targets.

Initial metallurgical test work was undertaken during April 2009 and produced positive results. Highlights from this work include:

- Silver recovery ranged from 90 to 97% with cyanide consumptions of 3.5 to 8.0 kg/t after leaching for 72 hours.
- Silver leaching kinetics was extremely fast for both composites.
- Although reagent consumption was moderate to high the leaching time was extremely rapid, suggesting further test work may allow cyanide consumption to be reduced with only a small loss in recoverable silver.

Test work was completed by Plenge Laboratories in Lima, Peru on two composite samples from the Colquipucro main mineralized zone ("Zone 1''). The samples were composited from 63 samples from two separate sections of pulps taken from diamond drill holes CDD6 and CDD13 that passed through Zone 1. Tests included head grade analysis, gravity separation and cyanidation. The samples were subjected to six conventional bottle roll techniques. Sample head grades averaged 79.7g/t Ag (CDD6) and 132.1g/t Ag (CDD13). Head grades for the metallurgical samples are in the same range as those of the recently calculated NI 43-101 inferred resource of 5.7 Mt at a grade of 111 g/t silver (20.3 Moz silver) at Zone 1.

The information obtained so far, including a recent interpretation done with satellite imagery, indicate that the geological setting at Zone 1 is strongly influenced by structural preparation, particularly by a large, complex fault system that marks the southwest margin of the prospective exploration area.

The exploration area is defined as a zone ranging from 1 km to 2 km in width, bounded by two large northwest-southeast trending fault systems and underlain by the Pucura limestone and Goyllarisquisga sandstone formations. So far, the Ayawilca zone located 2 km to the south of the known resource, has shown some structural and geochemical similarities to Zone 1. In August, a detailed structural mapping and geological interpretation study was completed by the Company's independent consulting geologists on the Ayawilca zone.
The interpretations and conclusions provided include:

- The structural setting and mineralization found at the Ayawilca zone has a direct correlation with the system found at Zone 1.

- The area, approximately 500m north-south by 200m east-west, defined as prospective for hosting bulk-tonnage silver mineralization at Ayawilca is sufficient for an exploration target equal to or greater than that established at Zone 1. The potential quantity and grade is conceptual in nature, and there has been insufficient exploration to define this target at this time. It is uncertain that drilling will result in further discoveries in this area. The target referred to is based on follow up of currently untested known strike length and down dip potential of the host sandstone.

- Ayawilca is believed to be higher in the Goyllar sandstone stratigraphy; hence, there may be potential for a thicker sequence of mineralization than at Zone 1.

- An 8-hole reverse circulation drill program, totalling not less than 1,600m, is recommended as a first phase test of the Ayawilca zone.

An amendment to the 50 hole diamond drill permit has been submitted to the authorities to include eight reverse circulation drill holes. Once this approval has been received drilling will commence. An induced polarisation (IP) survey will be undertaken shortly covering the Ayawilca zone.

Anita de Tibillos, Peru

The Company has signed an option agreement to purchase 100% interest in the Anita de Tibillos Copper Porphyry property ("Tibillos") from an arm's length private owner in Peru (the "Vendor"). Tibillos totals 1,000 hectares and is located about 40 km northeast of the town of Palpa, situated 50 km northwest of Nazca, along the Pan American highway.

The Company has the right to acquire 75% interest in Tibillos by making cash payments totalling US $600,000 over a period of five years, including a cash payment of US $11,000, payment of outstanding mineral claim fees, and undertake certain exploration programs in the first year of the agreement. The Company has the exclusive right to purchase the remaining 25% interest in Tibillos by making cash payments of US $500,000 over a further five year period provided that the Company has earned the initial 75% interest. The Vendor retains no royalties.

Tibillos is located within the coastal batholith and falls along a contiguous line of porphyry deposits including Lara, Tingo, Puquio and Los Pinos. Tibillos was sampled by Noranda in the 1990's who took 87 rock chip samples over an area of 2.5 km x 1 km . Within a 1 km x 1 km area, 64 of these rock samples averaged 640 ppm Cu with the highest being 3,150 ppm Cu. The granodiorite host rock is extremely leached; experience gained elsewhere, in similar environments, shows that surface copper values do not reflect the actual copper grades found in primary sulphides at depth or in any supergene zone, yet to be identified. These results are very encouraging, and Tibillos has never been drill tested. The granodiorite subcrop has been traced for over 4 km east-west by 2 km north-south and is covered by quartzites and younger volcanics on all sides.

An induced polarisation (IP) survey, covering approximately 25 line-kilometres, will be undertaken shortly in conjunction with a detailed mapping program to further define the limits of the porphyry target prior to an initial drill program.

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 2010		Fiscal 2009				Fiscal 2008	
	Mar. 31 2010 $	Dec. 31 2009 $	Sept. 30 2009 $	Jun. 30 2009 $	Mar. 31 2009 $	Dec. 31 2008 $	Sept. 30 2008 $	Jun. 30 2008 $
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(256,689)	(130,546)	(115,290)	(66,858)	(185,707)	(85,959)	(115,973)	(110,153)
Other items	(2,068)	3,792	(43,755)	(234,345)	(281,735)	(904)	(13,912)	(3,944)
Net loss	(258,757)	(126,754)	(159,045)	(301,203)	(467,442)	(86,863)	(129,885)	(114,097)
Loss per share -basic and diluted	(0.01)	(0.00)	(0.01)	(0.01)	(0.02)	(0.00)	(0.01)	(0.00)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Balance Sheet:								
Working capital	1,080,721	574,576	14,661	135,559	74,333	204,467	358,604	882,953
Total assets	3,285,126	2,720,610	2,164,081	2,294,738	2,420,015	2,795,563	2,967,984	2,946,183
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

During the six months ended March 31, 2010 (the "2010 period"), the Company reported a net loss of $385,511 ($0.01 per share), compared to a net loss of $554,305 ($0.02 per share) for the six months ended March 31, 2009 ("the 2009 period"), an decrease in loss of $168,794. The decrease in loss during the 2010 period is mainly attributed to the Company recording a $292,358 write-off of mineral property interests in the 2009 period and no write-off in the 2010 period.

Specific expenses of note are as follows:

- during the 2010 period the Company was billed $20,000 (2009 - $14,296) 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 was billed $2,450 (2009 - $2,700) by Chase for office space provided;
- management fees of $48,000 during the 2010 period (2009 - $48,000) were billed by the Company's President in his capacity as such;

- general exploration decreased by $915 from $43,846 during the 2009 period to $42,931 during the 2010 period;
- corporate development expenses decreased by $8,949, from $8,949 in the 2009 period to $nil in the 2010 period;
- investment conferences costs incurred in the 2010 period were $12,418 when the Company participated in conferences in San Francisco and Toronto. The Company did not attend any investor conferences during the 2009 period;
- stock-based compensation of $189,965 was recorded during the 2010 period relating to the granting of stock options compared to $70,650 during the 2009 period; and
- audit fees decreased by $6,489 from $29,489 in the 2009 period to $23,000 in the 2010 period.

During the 2010 period the Company capitalized $83,009 (2009 - $95,342) for mineral property interests exploration expenditures and acquisition costs, comprising of $51,349 (2009 - $60,831) on the Colquipucro Prospect, $24,331 (2009 - $nil) on the Anita de Tibillos Project and $7,329 (2009 - $34,511) for IVA tax in Peru. See "Exploration Projects".

Financial Condition / Capital Resources

As at March 31, 2010, the Company had working capital of $1,080,721 and accumulated losses of $7,426,045 since inception. The Company is not generating any revenues and expects to incur further losses in the development of its business. With the recent financing completed in January 2010 the Company now has sufficient financing to implement a Phase 1 drill program to test the Ayawilca zone and meet ongoing corporate activities for the ensuring year. However, exploration activities may change due to ongoing results and recommendations or the Company may acquire additional mineral properties, which may entail additional significant funding or exploration commitments. 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, 2009 audited consolidated financial statements.

Changes in Accounting Policies

Future Accounting Policies

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, *Business Combinations,* Section 1601, *Consolidated Financial Statements,* and Section 1602, *Non-Controlling Interests*. These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards.

Section 1582 replaces Section 1581, *Business Combinations,* and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standards ("IFRS") 3, *Business Combinations*. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace Section 1600, *Consolidated Financial Statements*. Section 1601, establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27, *Consolidated and Separate Financial Statements,* and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

International Financial Reporting Standards

In 2006, the AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Companies will be required to provide comparative IFRS information for the previous fiscal year.

The Company has commenced the scoping and planning phase of its changeover plan. The Company has designated the appropriate resources to the project to develop an effective plan and will continue to assess resource and training requirements as the project progresses. The Company has identified the following four phases of its conversion plan: scoping and planning, detailed assessment, operations implementation and post implementation. The scoping and planning phase involves establishing a project management team, mobilizing organizational support for the conversion plan, identifying major areas affected and developing an implementation plan. The Company expects to complete the scoping and planning phase during the 2010 fiscal year. The detailed assessment phase ("Phase 2") will result in accounting policies and transitional exemptions decisions, quantification of financial statement impact, preparation of shell financial statements and identification of business processes and resources impacted. The operations implementation phase ("Phase 3") includes the design of business, reporting and system processes to support the compilation of IFRS compliant financial data for the opening balance sheet at October 1, 2010 and thereafter. Phase 3 also includes ongoing training, testing of the internal control environment and updated processes for disclosure controls and procedures. Post implementation ("Phase 4") will include sustainable IFRS compliant financial data and processes for fiscal 2011 and beyond. The Company will continue to monitor changes in IFRS throughout the duration of the implementation process and assess their impacts on the Company and its reporting.

Transactions with Related Parties

(a) During the six months ended March 31, 2010 and 2009, the Company incurred the following expenditures to directors and corporations controlled by directors of the Company:

	2010 **$**	**2009** **$**
Management fees	48,000	48,000
Accounting and administration	20,000	14,296
Consulting services	9,000	9,000
Rent	2,450	2,700
	79,450	73,996

(b) During the six months ended March 31, 2010, the Company reimbursed $6,894 (2009 - $9,720) to a public company with certain common directors for shared office and other costs.

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

As at March 31, 2010, $63,235 (2009 - $18,950) 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.

As at March 31, 2010, 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

On March 20, 2010, the Company entered into an investor relations agreement with Bay Street Connect ("Bay Street"), at $3,000 per month, for an initial term of nine months. The Company also granted options to Bay Street to purchase 150,000 common shares of the Company at $0.23 per share for a period of three years. During the six months ended March 31, 2010 the Company paid a total of $2,032 to Bay Street.

In addition the Company updates its website (www.tinkaresources.com) on a continuous basis.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares with no par value. As at May 20, 2010, there were 40,566,011 issued common shares and 3,232,500 stock options outstanding, at exercise prices ranging from $0.10 to $0.30 per share and 16,652,000 warrants outstanding at an exercise price of $0.15 per share.