



# **Management Discussion and Analysis**

**FOR THE NINE MONTHS ENDED JUNE 30, 2013**

# **TINTINA RESOURCES INC.**

## **Management Discussion and Analysis**

### **For the nine months ended June 30, 2013**

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#### ***Introduction***

This Management Discussion and Analysis (“MD&A”) of Tintina Resources Inc. (“Tintina” or the “Company”) has been prepared by management as of August 13, 2013 and should be read in conjunction with the accompanying consolidated financial statements and related notes thereto of the Company for the nine months ended June 30, 2013, which were prepared in accordance with IAS 34 ‘Interim Financial Reporting’ (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). All dollar figures are expressed in Canadian dollars unless otherwise stated. These documents and additional information on the Company are available on the Company’s website at [www.tintinaresources.com](http://www.tintinaresources.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).

#### ***Forward-looking Statements***

This MD&A contains “forward-looking information” within the meaning of applicable Canadian securities legislation and “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, “forward-looking information”). In certain cases, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes”, or variations or the negative of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved” or the negative of these terms or comparable terminology. By their very nature, forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information.

Forward-looking information includes, but is not limited to, statements regarding:

- analyses and other information based on expectations of future performance and planned work programs;
- possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action;
- timing, costs and potential success of future exploration activities on the Company's properties;
- the PEA (as defined herein), including estimates of capital, sustaining and operating costs, anticipated internal rates of return, mine production, estimated recoveries, mine life, estimated payback period and net present values;
- permitting time lines and requirements, requirements for additional capital, and the potential effect of any notices of environmental conditions relating to mineral claims;
- planned exploration and development of properties and the results thereof;
- planned expenditures and budgets and the execution thereof;
- completion of any new technical reports, including any update of the PEA;
- evaluation of the potential impact of future accounting changes; and
- estimates concerning the carrying value of properties.

Statements concerning mineral resource estimates may also be deemed to constitute forward-looking information to the extent that such statements involve estimates of the mineralization that may be encountered if a property is developed. Any forward-looking information is stated as of the date of this document or as of the date of the effective date of information described in this MD&A, as applicable, and the Company does not intend, and does not assume any obligation, to update such forward-looking information to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events unless required to do so by law or regulation.

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#### ***Forward-looking Statements (continued)***

With respect to forward-looking information contained herein, the Company has applied several material factors or assumptions that the Company believes are reasonable. Such material factors and assumptions include, but are not limited to, in addition to other assumptions set out in the PEA, that any additional financing needed will be available on reasonable terms; that the exchange rates for the U.S. and Canadian currencies will be consistent with the Company's expectations; that the current exploration and other objectives concerning the Black Butte Copper project can be achieved and that the Company's other corporate activities will proceed as expected; that the assumptions underlying mineral resource estimates are valid and that no unforeseen accident, fire, ground instability, flooding, labor disruption, equipment failure, metallurgical, environmental or other events that could delay or increase the cost of development will occur; that capital, sustaining and operating costs will be as estimated; that the proposed mine plan and recoveries will be achieved; that the current price and demand for copper and other metals will be sustained or will improve; that general business and economic conditions will not change in a materially adverse manner and that all necessary governmental approvals for the planned exploration and development of the Black Butte Copper project will be obtained in a timely manner and on acceptable terms; and the continuity of economic and political conditions and operations of the Company.

The forward-looking information contained herein is subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ materially from those expressed or implied by such forward-looking information. In addition to those discussed in the Company's public disclosure record, such risks and other factors include, among others, those related to:

- fluctuations in capital markets and share prices;
- the Company's ability to obtain necessary financing to fund the completion of further exploration programs or the development of its mineral properties and the expected use of proceeds;
- the Company's dependence on a limited number of mineral projects;
- the Company's dependence on key personnel;
- the Company's operations and contractual obligations;
- results of exploration activities not being consistent with management's expectations;
- changes in estimated mineral reserves or mineral resources;
- future prices of metals;
- availability of third party contractors, supplies and equipment;
- availability of equipment;
- failure of equipment to operate as anticipated;
- accidents, effects of weather and other natural phenomena and other risks associated with the mineral exploration industry;
- interference with the Company's exploration or development activities by environmental activists or other special interest groups;
- the Company's principal property being located in the USA, including political, economic and regulatory uncertainty;
- environmental risks, including environmental matters under, or changes to, U.S. federal and Montana rules and regulations;
- impact of environmental remediation requirements;
- the Company's mineral properties being subject to prior unregistered agreements, transfers, or claims and other defects in title;
- community relations;

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***Forward-looking Statements (continued)***

- delays in obtaining governmental approvals, licenses, permits or financing;
- the nature of mineral exploration and mining and the uncertain commercial viability of certain mineral deposits;
- the Company's lack of operating revenues;
- governmental regulations and the ability to obtain necessary licenses and permits;
- currency fluctuations (particularly the Canadian dollar and United States dollar); and
- estimates used in the Company's financial statements proving to be incorrect.

This is not an exhaustive list of the factors that may affect the Company's forward-looking information. Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in the forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on such forward-looking information.

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# **TINTINA RESOURCES INC.**

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#### **1. Executive Summary**

Tintina is a Vancouver based resource company focused on the exploration and development of its 100% owned Black Butte Copper high grade copper project in central Montana. Black Butte Copper is a high grade copper deposit in development in North America, with M&I resources of 1.176 billion pounds of copper (Cu) at a grade of 3.40%, and Inferred Resources of 140 million pounds of copper (Cu) at a grade of 2.80%.

On July 17, 2012 the Company announced the positive results of a Preliminary Economic Assessment ("PEA") for the Johnny Lee deposit on its 100% owned Black Butte Copper project located in central Montana, USA. The Black Butte Copper project is comprised of 4,947.3 hectares (12,225 acres) of private ranch lands and unpatented Federal mining claims hosting a number of copper deposits. Private ranch lands contain all currently known deposits including the high-grade copper-cobalt-silver Johnny Lee deposit which is the focus of the PEA. The Company has carried out an updated PEA ("Updated PEA") and filed a National Instrument 43-101 compliant updated technical report on SEDAR on July 23, 2013.

#### **Updated PEA Highlights**

- Initial estimated startup capital of \$217.8 million including a 22% contingency of \$33.3 million. Estimated sustaining capital is \$114.7 million over an 11 year mine life.
- Pre-tax NPV of \$218 million at an 8% discount rate with an IRR of 30.5% using a \$3.05/pound copper price and 3.6 year payback.
- Post-tax NPV of \$110 million at an 8% discount rate with an IRR of 20.2% using a \$3.05/pound copper price and 4.7 year payback.
- Underground mining operation with 11-year mine life at a nominal processing rate of 3,300 tonnes per day using a conventional flotation circuit producing a single copper concentrate.
- Average annual payable metal production estimated at 62.06 million pounds of copper
- Life-of-mine payable metal production estimated at 682.62 million pounds of copper
- Operating cost \$66.48/t milled; cash cost \$1.81/lb copper (including royalty)
- The Life of Mine copper recovery is estimated to average 88.3%

#### **Updated Resource Highlights**

On November 13, 2012 the Company announced a new Measured, Indicated, and Inferred resource estimate for the Johnny Lee deposit. In addition, on March 19, 2013, the Company announced an Indicated and Inferred resource estimate for the Lowry deposit. Both are part of the Black Butte Copper Project, Montana, USA.

- Johnny Lee Upper Zone Measured, Indicated and Inferred resources are as follows:
  - Measured: 2.66 MMt @ 2.99% Cu, 0.12% Co, and 16.3 g/tonne Ag
  - Indicated: 6.52 MMt @ 2.77% Cu, 0.13% Co, and 15.5 g/tonne Ag
  - Inferred: 1.25 MMt @ 2.52% Cu, 0.10% Co, and 15.2 g/tonne Ag
- Johnny Lee Lower Zone Indicated and Inferred resources are as follows:
  - Indicated: 2.39 MMt @ 6.40% Cu, 0.03% Co, and 4.5 g/tonne Ag
  - Inferred: 0.21 MMt @ 5.33% Cu, 0.03% Co, and 4.1 g/tonne Ag

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#### **1. Executive Summary (continued)**

##### **Updated Resource Highlights (continued)**

- Indicated and Inferred resource for the Lowry Middle Zone is as follows:
  - Indicated: 4.09 MMt @ 2.94% Cu, 0.10% Co, 15.1 g/tonne Ag, and 0.006 g/tonne Au
  - Inferred: 0.80 MMt @ 2.58% Cu, 0.10% Co, 14.1 g/tonne Ag and 0.008 g/tonne Au

Based on these new resource numbers, the Johnny Lee deposit contains a Measured and Indicated resource of 11.56M tonnes at 3.57% copper or 910 million pounds of copper, with an additional Inferred resource of 1.46M tonnes @ 2.91% or 94 million pounds of copper. The Lowry deposit contains an Indicated Resources of 266 million pounds of copper with an additional Inferred resource of 46 million pounds of copper. The property Measured and Indicated resource categories total 1.176 billion pounds of copper. Readers should note that the PEA referred to herein is preliminary in nature and includes the use of inferred mineral resources. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Inferred mineral resources are considered to be too speculative geologically to be used in an economic analysis. There is no guarantee that inferred mineral resources can be converted to indicated or measured mineral resources and, as such, there is no guarantee certainty the Black Butte Copper project economics described in the PEA will be realized.

In November 2012, the Company submitted to the Montana Department of Environmental Quality (“MT DEQ”) an amendment to its exploration license to construct a 1,500-meter long exploration decline to provide ramp access into the Johnny Lee high grade copper deposit. This decline would afford several advantages to the project including access for a bulk tonnage sample (up to 10,000 tonnes) for metallurgical and mill testing purposes, and access for more detailed drilling of areas of the Johnny Lee deposit in preparation for mining. The MT DEQ completed an Environmental Assessment of the proposal and granted preliminary approval for the amendment on July 15, 2013, and is expected to grant final approval after a 45-day comment period. The Company anticipates beginning construction of the decline later in 2013.

Construction of an exploration decline at the Black Butte Copper project will represent a real milestone as the Company transitions the project from the resource definition stage to the permitting and development stage.

#### **2. Third Quarter 2013 Highlights**

During the three months ended June 30, 2013, Tintina continued to advance its Black Butte Copper project.

The Company incurred \$817,088 of exploration and evaluation costs during the three months ended June 30, 2013, representing a decrease of \$2,561,577 from \$3,378,665 during the three months ended June 30, 2012. During the nine months ended June 30, 2013, the Company incurred \$4,912,331 of exploration and evaluation costs, representing a decrease of \$2,933,026 from \$7,845,357 during the nine months ended June 30, 2012.

##### **Black Butte Copper Summary**

Black Butte Copper exploration and evaluation costs decreased \$1,546,347 from \$6,308,494 during the nine months ended June 30, 2012 to \$4,762,147 during the nine months ended June 30, 2013. The Company completed an Updated PEA during the nine months ended June 30, 2013 and continues to advance the project.

During the nine months ended June 30, 2013, the Company completed an additional drilling campaign on the Lowry deposit with the intent of converting the Inferred Resource to an Indicated Resource. However, the Company has decided to focus on the Johnny Lee deposit and delay the Lowry deposit until a later date.

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#### **2. *Third Quarter 2013 Highlights (continued)***

Tintina also carried out an airborne magnetic and Electro-Magnetic ("EM") survey over the district and a ground magnetic survey over the resource area, worked to refine geologic models of the Johnny Lee and Lowry deposits, and completed surface geologic work and geologic interpretations of historic maps, samples and drill hole information throughout the area to develop exploration targets.

Tintina completed an Updated PEA on the Johnny Lee deposit and issued the National Instrument ("NI") 43-101 compliant technical report in July 2013. The financial analysis showed a pre-tax Net Present Value ("NPV"), based on an 8% discount rate and \$3.05 copper price ("Base Case"), of approximately \$218,000,000 and an Internal Rate of Return ("IRR") of 30.5% and 3.6 year payback. Using a copper price of \$3.05, the post-tax NPV based on an 8% discount rate approximated \$110,000,000 with an IRR of 20.2% and 4.7 year payback.

The Company applied to the State of Montana for an amendment to the current Exploration License to allow the Company to develop an exploration decline to the Johnny Lee deposit. Subsequent to period end, the Company obtained preliminary approval for an Exploration Decline Permit at its Black Butte Copper Project subject to a 45-day comment period.

Further discussion of each property is found in section 3 (Results of Operations).

#### ***Qualified Persons***

Jerry Zieg, Vice President of Exploration for the Company is a Qualified Person for the purposes of National Instrument 43-101 ("NI 43-101") and has reviewed and approved the information of a scientific or technical nature contained in this MD&A. The exploration activities at Black Butte Copper during the nine months ended June 30, 2013 were carried out under the supervision of Jerry Zieg, P.Geol. and Vince Scartozzi, P.Geol. Mr. Zieg and Mr. Scartozzi are "qualified persons" within the meaning of such term in NI 43-101.

The Updated PEA and resource estimates have been prepared in accordance with the Standards of Disclosure for Mineral Projects as defined by National Instrument (NI) 43-101 of the Canadian Securities Administrators. All technical information relating to the Updated PEA have been reviewed and approved by Srikant Annavarapu, P.Eng. (AMEC), Art Winckers, P.Eng. (Arthur H. Winckers and Associates Inc.), Mike Lechner, P.Geol. (Resource Modeling Inc.), Wayne Stoyko, P.Eng. (Tetra Tech), and Jianhui Huang, P.Eng. (Tetra Tech), the Qualified Persons responsible for preparation of the Updated PEA, each of whom have verified the technical data, qualifications, and assumptions in this release and are independent of Tintina. For readers to fully understand the technical information in this MD&A, it should be read in conjunction with the Updated PEA Technical Report in its entirety. The Updated PEA Technical Report is available for viewing under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Assays for this program have been completed by ALS Chemex including duplicates, standards, and blanks for QA/QC purposes.



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**2. Third Quarter 2013 Highlights (continued)**

The following table presents the total expenditures incurred on each property to date, excluding Colorado Creek as it was dropped in fiscal year 2012. Baird, Kugruk and Other remain for comparative purposes.

	<b>Black Butte</b>	<b>Baird</b>	<b>Kugruk</b>	<b>Other</b>	<b>Total</b>
Resource Properties, net of currency translation	663,732	386,323	729,347	-	1,779,402
Accumulated Exploration Costs project to date	13,079,997	3,355,165	3,313,718	37,776	19,786,656
Accumulated Engineering & Environment Costs project to date	1,878,264	-	-	-	1,878,264
<b>Total expenditure at September 30, 2012</b>	<b>\$ 15,621,993</b>	<b>\$ 3,741,488</b>	<b>\$ 4,043,065</b>	<b>\$ 37,776</b>	<b>\$ 23,444,322</b>
Resource Properties	268,460	948	844	-	270,252
Resource Properties - currency translation	57,901	10,120	(24,457)	-	43,564
Exploration Costs in the period	3,621,239	138,907	7,564	3,713	3,771,423
Engineering & Environment Costs in the period	1,140,908	-	-	-	1,140,908
<b>Total expenditure for the nine months ended June 30, 2013</b>	<b>\$ 5,088,508</b>	<b>\$ 149,975</b>	<b>\$ (16,049)</b>	<b>\$ 3,713</b>	<b>\$ 5,226,147</b>
Resource Properties, net of currency translation	990,093	397,391	705,734	-	2,093,218
Accumulated Exploration Costs project to date	16,701,236	3,494,072	3,321,282	41,489	23,558,079
Accumulated Engineering & Environment Costs project to date	3,019,172	-	-	-	3,019,172
<b>Total expenditure at June 30, 2013</b>	<b>\$ 20,710,501</b>	<b>\$ 3,891,463</b>	<b>\$ 4,027,016</b>	<b>\$ 41,489</b>	<b>\$ 28,670,469</b>

**3. Results of Operations**

**Black Butte Copper**

The Company incurred \$4,762,147 of expenditures on the Black Butte Copper property during the nine months ended June 30, 2013 primarily due to its infill and exploration drilling program, and engineering and environmental study program.

**i) Black Butte Copper Exploration**

The property contains sediment-hosted zones of massive sulfide mineralization originally explored by Cominco American Inc. ("Cominco") and BHP/Utah International ("BHP") during the 1980's and early 1990's. The drilling undertaken by Cominco American Inc. and BHP had encountered significant zones of stratabound copper sulfide with cobalt in multiple bedded pyrite zones in the lower part of the Precambrian Belt Supergroup; this same stratigraphic unit hosts the Sullivan zinc-lead-silver deposit. The Company began core drilling on the property on September 15, 2010. Since then, the Company has drilled a total of 54,417 meters on the property.

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**3. Results of Operations (continued)**

**i) Black Butte Copper Exploration (continued)**

Also during calendar 2012, Tintina completed a 1,429.8 line-kilometer airborne magnetics and EM survey across the district, including the resource area, which covered 323.48 square kilometers at 250 meter line spacing, and an additional 263.1 line kilometers over 69.56 square kilometers at a perpendicular line orientation centered over the resource area. The Company completed a helicopter LIDAR survey over the central part of the district, including the resource area. The Company also contracted a ground magnetic survey over the resource area to better outline distribution of faults, intrusive rocks, and sulfide concentrations. Tintina geologists have re-logged some historic drill core, completed new mapping on a portion of the leases, constructed a series of geologic cross sections through the resource area and across the remainder of the district, and engaged in geologic modeling of the copper deposits, in order to develop exploration targets on the property.

**ii) Black Butte Copper Preliminary Economic Assessment**

On July 17, 2012, the Company issued a news release announcing the positive results of a PEA on the Johnny Lee deposit at the Black Butte copper-cobalt-silver property. The PEA dated August 30, 2012 was SEDAR filed. As the resource in the Johnny Lee deposit has improved significantly as a result of further drilling, the Board has requested an Updated PEA using the new resource. The Updated PEA, dated July 12, 2013, was SEDAR filed on July 23, 2013, and supersedes the previously filed PEA dated August 30, 2012 which was based only on the Indicated and Inferred resources estimate on the Johnny Lee deposit.

The Updated PEA incorporates the results of recent diamond drilling on the Johnny Lee Deposit and a revised sequence of mining based on the updated resource estimate disclosed in the Company's press release dated November 13, 2012. The Updated PEA does not include the Lowry deposit. The Company decided to focus on the Johnny Lee deposit and delay the Lowry deposit until a later date.

**Table 1: Undiluted Measured and Indicated ("M&I") Resources  
at Black Butte Copper Project, MT, USA**

<b>Undiluted Measured Mineral Resources<sup>1</sup> - Johnny Lee Deposit</b>		
	Tonnes (in millions)	Estimated Cu Grade (%)
Johnny Lee Upper Zone	2.66	2.99
<b>Undiluted Indicated Mineral Resources<sup>1</sup> - Johnny Lee Deposit</b>		
Johnny Lee Upper Zone	6.52	2.77
Johnny Lee Lower Zone	2.39	6.40
<b>TOTAL<sup>1</sup></b>	<b>11.57</b>	<b>3.57</b>
<b>Undiluted Inferred Mineral Resources<sup>1</sup> - Johnny Lee Deposit</b>		
Johnny Lee Upper Zone	1.25	2.52
Johnny Lee Lower Zone	0.21	5.33

<sup>1</sup> Mineral Resource estimates for the Johnny Lee Upper and Lower zones were prepared by Mike Lechner P. Geo., President of Resource Modeling Inc., who is an independent Qualified Person as defined by NI 43-101. The effective date of the resource estimates is November 13, 2012. The drill hole database that was used to estimate Mineral Resources consists of 106 drill holes totaling 23,705 meters for the Johnny Lee Upper Zone and 47 drill holes totaling 21,783 meters for the Johnny Lee Lower Zone.

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**3. Results of Operations (continued)**

**ii) Black Butte Copper Preliminary Economic Assessment (continued)**

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral Resource estimates were completed for each zone by constructing three dimensional computer block models with block sizes of 5 m x 5 m in the X and Y dimensions and 1 m in the Z dimension. Three-dimensional wireframes were constructed representing the Johnny Lee Upper and Lower copper zones using logged massive sulfide lithologies and a nominal copper cutoff grade of 1%. One-meter-long drill hole composites were generated from the assay data after capping high-grade outliners and were subsequently used to estimate copper, cobalt, gold, and silver grades using a dynamic anisotropy search strategy and an inverse distance weighting estimator. The block grades were validated visually and by comparing the inverse distance grades with a nearest neighbor model.

**Table 2: Johnny Lee Deposit Updated Preliminary Economic Assessment Overview  
- Johnny Lee Mine Metrics<sup>1</sup>**

Mill Feed <sup>2</sup>	11.84 M tonnes <sup>1</sup>
Average Copper Grade	3.11% <sup>1</sup>
Total Dry Concentrate Production	1.38 M tonnes
Average Annual Payable Copper Production	62.06 M pounds
Life of Mine Payable Copper Production	682.62 M pounds
Mine Operating Cost	\$45.83/tonne
Mill Operating Cost	\$15.83/tonne
G&A, Surface Services, and Tailings Management	\$4.82/tonne
Total Site Operating Cost	\$66.48/tonne
Direct Capital Costs <sup>3</sup>	\$152.2 M
Indirect and Owners <sup>3</sup>	\$32.2 M
Contingency <sup>3</sup>	\$33.3 M
Total Pre Production Capital Costs <sup>3,4</sup>	\$217.8 M
Total Sustaining Capital <sup>4</sup>	\$114.7 M

<sup>1</sup> Figures reflect assumed mine dilution and mine recovery factors.

<sup>2</sup> Mill feed includes Measured, Indicated, and Inferred mined material.

<sup>3</sup> Total Pre-Production Capital Costs may not add due to rounding.

<sup>4</sup> Estimate considered accurate to +40% and -40%.

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**3. Results of Operations (continued)**

**ii) Black Butte Copper Preliminary Economic Assessment (continued)**

The table below highlights the pre-tax IRR and NPV at an 8% discount for a selection of copper prices.

**Table 3: Economic Sensitivity Summary<sup>1</sup>**

<b>Copper Price (\$)</b>	<b>Pre-Tax IRR (%)</b>	<b>Pre-Tax NPV @ 8% (in millions \$)</b>	<b>Pre-Tax Payback (Years)</b>	<b>Post-Tax IRR(%)</b>	<b>Post-Tax NPV @ 8% (in millions \$)</b>	<b>Post-Tax Payback (Years)</b>
2.50	11.3	28	6.2	5.5	-21	8.3
3.05	30.5	218	3.6	20.2	110	4.7
3.50	44.7	373	2.8	30.4	210	3.6

<sup>1</sup> Post-tax economic values were calculated by applying the following taxes based on enacted tax law and regulations as of June 10, 2013: United States Federal corporate income taxes, Montana State income taxes, Montana metalliferous mines license taxes, and Montana mines gross proceeds taxes. The calculation of post-tax economic values did not account for loss carry forwards and unutilized tax pools which would be expected to reduce actual taxes payable.

**iii) Alaska Properties**

The Company entered into an agreement dated August 27, 2008 with affiliates of NovaGold Resources Inc. ("NovaGold") to purchase a 100% interest in mineral claims comprising over 390,000 acres in Alaska. On March 6, 2009, the Company completed and closed the acquisition.

The agreement with NovaGold entitling the Company to acquire an interest in five mineral properties in Alaska, United States, as outlined below, was amended on November 27, 2008 to change the closing date from November 30, 2008 to December 31, 2008 and to allow for separate closings for the five mineral properties in Alaska. The five Alaska mineral properties comprise Colorado Creek, Kugruk, Tintina, Baird, and Omilak. The Tintina and Omilak properties were dropped during fiscal 2009 and 2010 respectively. Colorado Creek was dropped during fiscal 2012.

**a) Baird**

During the nine months ended June 30, 2013, the Company incurred \$138,907 of exploration costs primarily due to salary and wages paid and fees paid to contractors who performed work on the Baird property. The Company has commissioned an NI 43-101 report on the Baird project and it was completed during January 2013.

As at June 30, 2013, the Company wrote off \$397,391 of its mineral property interest in Baird as the Company focuses its efforts on the Black Butte Copper project.

**b) Kugruk**

During the nine months ended June 30, 2013, the Company incurred \$7,564 for fees paid to contractors who performed work on the Kugruk property. An updated NI 43-101 report was completed during the period ended December 31, 2012.

As at June 30, 2013, the Company wrote off \$705,734 of its mineral property interest in Kugruk as the property was sold to an unrelated third party. The Company retains a royalty interest in the mineral claims in the form of a 1.5% net smelter returns ("NSR") on any proceeds derived from mining and sale of minerals. Further, the Company retains a first right of refusal for a period limited to 10 years, in the event the mineral claims were elected to be transferred to another third party or allowed to lapse.

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**3. Results of Operations (continued)**

**Corporate Expenditure Summary**

- The Company incurred a comprehensive loss of \$8,521,494 or \$0.06 per share during the nine months ended June 30, 2013 as compared to a comprehensive loss of \$12,296,099 or \$0.08 per share during the nine months ended June 30, 2012, representing a decrease in comprehensive loss of \$3,774,605.

During the nine months ended June 30, 2013:

- Director and management fees increased \$173,446 from \$257,083 during the nine months ended June 30, 2012 to \$430,529 during the nine months ended June 30, 2013 primarily due to CEO and directors changes that occurred in April 2013.
- Salary and wages decreased \$248,402 from \$600,395 during the nine months ended June 30, 2012 to \$351,993 during the nine months ended June 30, 2013 primarily due to employee decreases at the head office.
- Exploration and evaluation costs decreased \$2,933,026 from \$7,845,357 during the nine months ended June 30, 2012 to \$4,912,331 during the nine months ended June 30, 2013 primarily due to reduced exploration drilling programs on the Black Butte Copper and Baird properties.
- Office, administration and miscellaneous costs increased \$114,212 from \$276,848 during the nine months ended June 30, 2012 to \$391,060 during the nine months ended June 30, 2013 primarily due to an insurance premium refund related to workers compensation during the nine months ended June 30, 2012.
- Professional fees increased \$70,160 from \$178,893 during the nine months ended June 30, 2012 to \$249,053 during the nine months ended June 30, 2013 primarily due to increased legal fees incurred with respect to the Black Butte Copper PEA.
- Foreign currency reserve represents the revaluation of all United States denominated ("USD") net assets and intercompany USD monetary items for the period ended June 30, 2013.

The Company's cash and cash equivalents at June 30, 2013 totalled \$7,882,040 compared to \$14,969,000 at September 30, 2012.

The Company had an accumulated deficit as at June 30, 2013 of \$55,646,938 compared to \$46,936,712 as at June 30, 2012 which has been funded primarily by the issuance of equity. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

**4. Summary of Quarterly Results**

The following is a summary of certain financial information concerning the Company for each of the last eight reported quarters:

Quarter Ended	Total Revenues	Loss for the Period	Basic and Diluted Loss Per share
September 30, 2011	Nil	(4,683,791)	(0.03)
December 31, 2011	Nil	(2,429,868)	(0.02)
March 31, 2012	Nil	(4,958,531)	(0.03)
June 30, 2012	Nil	(3,964,660)	(0.03)
September 30, 2012	Nil	(3,732,190)	(0.03)
December 31, 2012	Nil	(3,944,114)	(0.03)
March 31, 2013	Nil	(3,293,151)	(0.02)
June 30, 2013	Nil	(1,472,961)	(0.01)

# **TINTINA RESOURCES INC.**

## **Management Discussion and Analysis**

### **For the nine months ended June 30, 2013**

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#### **4. Summary of Quarterly Results (continued)**

During the fiscal year ended September 30, 2011, the Company conducted exploration drilling programs at the Kugruk property and the Black Butte Copper property.

During the quarter ended December 31, 2011, the Company continued its infill and exploration drilling program at the Black Butte Copper property, and evaluated data collected from geological, geochemical, and geophysical work on the Kugruk property.

During the quarter ended March 31, 2012, in addition to the drilling program at the Black Butte Copper property, the Company planned an exploration drill program at the Baird property, which was completed in the quarter ended September 30, 2012.

During the quarter ended December 31, 2012, the Company further advanced the Black Butte Copper project by completing the drilling program. With respect to the Baird project, Tintina evaluated the data collected from the drill program completed during the previous quarter.

During the quarter ended March 31, 2013, the Company wrote off the Baird and Kugruk properties.

During the quarter ended June 30, 2013, the Company sold its interest in the mineral claims of the Kugruk property to an unrelated third party. The Company is looking for an alternative to market the Baird property. With respect to the Black Butte Copper project, the Company completed an Updated PEA, which was dated July 12, 2013 and was filed on SEDAR on July 23, 2013.

#### **5. Liquidity and Capital Resources**

As at June 30, 2013, the Company reported working capital of \$7,824,500. Net decrease in cash and cash equivalents for the nine months ended June 30, 2013 was \$7,188,428 leaving cash on hand in the amount of \$7,882,040.

Current assets excluding cash at June 30, 2013 consist of amounts receivable of \$68,042, amounts due from related party of \$26,867 and prepaid expenses and other assets of \$183,204.

Current liabilities as at June 30, 2013 consist of accounts payable and accrued liabilities of \$325,135 and provision for asset retirement obligation of \$10,518.

The Company expects its current capital resources will be sufficient to carry its planned exploration activities and operations through fiscal year 2013.

#### **6. Off-Balance Sheet Arrangements and Commitments**

At the date of this MD&A, the Company had no off-balance sheet obligations. Commitments to incur exploration and evaluation costs are detailed in Note 5 of the Interim Condensed Consolidated Financial Statements for the three and nine months ended June 30, 2013.

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**Management Discussion and Analysis**  
**For the nine months ended June 30, 2013**

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**7. Transactions with Related Parties**

The Company entered into the following transactions with related parties:

	<b>Nine months ended June 30,</b>	
	<b>2013</b>	<b>2012</b>
<b>Payments to related party:</b>		
Service agreement fees (a)	4,363	11,707
	\$ 4,363	\$ 11,707
<b>Services provided to related party:</b>		
Rental income (b)	\$ 9,000	\$ 18,000
Administration and finance income (b)	17,867	55,273
	\$ 26,867	\$ 73,273

- a) NovaGold is a related party, having a director and a major shareholder in common with the Company. Service fees were incurred and paid to NovaGold under an arms-length market-based service agreement for exploration services, human resource and land management services. The agreement was terminated effective June 3, 2013. As at June 30, 2013, outstanding balance was \$nil (September 30, 2012 - \$nil).
- b) Rental fees, geological services fees, and administration and finance fees were charged to related parties as follows:

AsiaBaseMetals Inc. is a related party having two directors and a major shareholder in common with the Company. The Company earned \$9,000 and \$17,867 of rental income and administrative and finance income respectively during the nine months ended June 30, 2013. As at June 30, 2013, rent and administrative fees of \$26,867 (September 30, 2012 - \$nil) were due from AsiaBaseMetals Inc. for office space and services rendered.

Key management personnel compensation:

The remuneration of directors and other members of key management is as follows:

	<b>Nine months ended</b>	
	<b>June 30, 2013</b>	<b>June 30, 2012</b>
Short-term benefits	\$ 544,086	\$ 733,212
Share-based payments	650,770	612,812
<b>Total remuneration</b>	<b>\$ 1,194,856</b>	<b>\$ 1,346,024</b>

**8. Changes in Accounting Policies**

The preparation of financial statements in conformity with IFRS requires the Company to establish accounting policies and to make estimates that affect both the amount and timing of the recording of assets, liabilities, revenues and expenses.

A detailed summary of the Company's significant accounting policies is included in Note 2 of the Consolidated Financial Statements for the year ended September 30, 2012.

# **TINTINA RESOURCES INC.**

## **Management Discussion and Analysis**

### **For the nine months ended June 30, 2013**

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#### **9. *Financial Instruments and Other Instruments***

##### a) Financial Instruments

As at June 30, 2013, the Company's financial instruments include cash and cash equivalents, short-term investments, amounts receivable, amounts due from related party, accounts payable and amounts due to related parties. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

##### b) Financial Risks

The Company is exposed to a number of risks arising from financial instruments. The types of risk the Company is exposed to and the Company's principal risk management strategies are detailed in the Consolidated Financial Statements for the year ended September 30, 2012.

#### **10. *Business Operations***

The Company was incorporated on July 30, 1998 under the laws of British Columbia and is a mining exploration and development company. The address of the Company's corporate office and its principal place of business is Suite 2560-200 Granville Street, Vancouver, British Columbia, V6C 1S4, Canada.

The Company is in the process of exploring its resource properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for resource properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

#### **11. *Outstanding Share Data***

Summary of Outstanding Share Data at August 13, 2013:

- a. Authorized: Unlimited common shares without par value.  
Issued and outstanding: 142,139,580 common shares
- b. Stock options:  
Options outstanding: 13,202,294
- c. Warrants:  
Warrants outstanding: 12,500,000

#### **12. *Disclosure Controls***

Management has designed disclosure controls and procedures, or has caused them to be designed under its supervision to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is made known to management, particularly during the period in which the annual filings are being prepared.

Management has also designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of the financial statements for the year ended September 30, 2012, in accordance with IFRS. There has been no change in the Company's disclosure controls and procedures or in the Company's internal control over financial reporting that occurred during the most recently completed period that has materially affected, or is reasonably likely to materially affect, the Company's disclosure controls and procedures or internal control over financial reporting.



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**12. Disclosure Controls (continued)**

The Chief Executive Officer and Chief Financial Officer of the Company have evaluated the effectiveness of the Company's disclosure controls and procedures in place as at September 30, 2012. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer of the Company concluded that the design and operations of these controls and procedures were effective.

Additional disclosures pertaining to the Company's management information circulars, material change reports, press releases and other information are available on the SEDAR website at [www.sedar.com](http://www.sedar.com). The shareholders will be kept informed of any material changes.

**13. Subsequent Events**

There were no subsequent events after June 30, 2013.