TUMI RESOURCES LIMITED

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
MARCH 31, 2011

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed consolidated interim financial statements they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

TUMI RESOURCES LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

(Unaudited - Expressed in Canadian Dollars)

	Notes	March 31, 2011 $	December 31, 2010 $	January 1, 2010 $
ASSETS				
Current assets				
Cash		1,275,153	833,472	265,713
Amounts receivable	4	38,063	42,400	47,341
Prepaid expenses		13,085	18,714	4,662
Total current assets		1,326,301	894,586	317,716
Non-current assets				
Property, plant and equipment	5	27,616	119,652	120,512
Exploration and evaluation assets	6	3,986,083	4,021,421	3,800,501
Other		11,656	14,073	14,908
Total non-current assets		4,025,355	4,155,146	3,935,921
TOTAL ASSETS		5,351,656	5,049,732	4,253,637
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	9	205,985	149,626	104,300
TOTAL LIABILITIES		205,985	149,626	104,300
SHAREHOLDERS' EQUITY				
Common shares	7	15,281,018	15,114,818	13,897,174
Reserves		2,062,072	2,061,834	1,981,277
Deficit		(12,197,419)	(12,276,546)	(11,729,114)
TOTAL SHAREHOLDERS' EQUITY		5,145,671	4,900,106	4,149,337
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,351,656	5,049,732	4,253,637

Nature and continuance of operations (Note 1)

Subsequent events (Note 13)

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on June 21, 2011 and are signed on its behalf by:

/s/ David Henstridge	*/s/ Nick DeMare*
David Henstridge	Nick DeMare
Director	Director

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

TUMI RESOURCES LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (LOSS)
(Unaudited - Expressed in Canadian Dollars)

	Notes	Three Months Ended March 31 2011 $	Three Months Ended March 31 2010 $
Expenses			
Accounting and administration		6,875	6,600
Amortization		-	1,661
Consulting		15,186	8,471
Corporate development		3,795	-
General exploration		51,215	37,573
Investment conferences		4,162	2,861
Investor relations		7,500	7,500
Legal		2,176	-
Management fees		24,000	24,000
Office		3,026	1,964
Regulatory		3,920	1,295
Rent		1,200	1,200
Salaries and benefits		3,487	-
Shareholder costs		1,650	-
Share-based compensation	7(d)	238	157
Transfer agent		1,142	1,125
Travel and related		14,621	5,512
		144,193	99,919
Loss before other items		(144,193)	(99,919)
Other items			
Interest and other income		-	3,444
Gain on sale of exploration and evaluation assets	6(d)	78,023	-
Gain on sale of property, plant and equipment	5	158,793	-
Foreign exchange		(13,496)	354
		223,320	3,798
Net income (loss) and comprehensive income (loss) for the period		79,127	(96,121)
Basic and diluted income (loss) per common share		$0.00	$(0.00)
Basic and diluted weighted average number of common shares outstanding		42,421,306	31,647,039

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

TUMI RESOURCES LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended March 31, 2010				
	Common Shares				
	Number of Shares	Amount $	Reserves $	Deficit $	Total Equity $
Balance on January 1, 2010	31,447,039	13,897,174	1,981,277	(11,729,114)	4,149,337
Common shares issued for:					
Cash - private placement	3,000,000	300,000	-	-	300,000
Share issue costs	-	(3,950)	-	-	(3,950)
Share-based compensation	-	-	157	-	157
Net loss and comprehensive loss	-	-	-	(96,121)	(96,121)
Balance at March 31, 2010	34,447,039	14,193,224	1,981,434	(11,825,235)	4,349,423

	Three Months Ended March 31, 2011				
	Common Shares				
	Number of Shares	Amount $	Reserves $	Deficit $	Total Equity $
Balance on January 1, 2011	42,197,039	15,114,818	2,061,834	(12,276,546)	4,900,106
Common shares issued for:					
Cash - exercise of warrants	1,108,000	166,200	-	-	166,200
Share-based compensation	-	-	238	-	238
Net income and comprehensive income	-	-	-	79,127	79,127
Balance at March 31, 2011	43,305,039	15,281,018	2,062,072	(12,197,419)	5,145,671

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

TUMI RESOURCES LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Notes	Three Months Ended March 31, 2011 $	Three Months Ended March 31, 2010 $
Operating activities			
Net income (loss) and comprehensive income (loss) for the period		79,127	(96,121)
Adjustments for:			
Amortization		-	1,661
Share-based compensation		238	157
Gain on sale of exploration and evaluation assets		(76,086)	-
Gain on sale of property, plant and equipment		(158,793)	-
		(155,514)	(94,303)
Changes in non-cash working capital items:			
Decrease (increase) in amounts receivable		4,337	(7,216)
Decrease (increase) in prepaid expenses		5,629	(3,081)
Increase (decrease) in accounts payable and accrued liabilities		(3,560)	29,952
		6,406	(74,648)
Net cash used in operating activities		(149,108)	(168,951)
Investing activities			
Expenditures on exploration and evaluation assets		(150,526)	(39,987)
Additions to property, plant and equipment		(1,028)	-
Proceeds on sale of exploration and evaluation assets		325,276	-
Proceeds on sale of property, plant and equipment		248,450	-
Other		2,417	-
Net cash provided by (used in) investing activities		424,589	(39,987)
Financing activities			
Issuance of common shares		166,200	300,000
Share issue costs		-	(3,950)
Net cash generated by financing activities		166,200	296,050
Net change in cash and cash equivalents		441,681	181,415
Cash and cash equivalents at beginning of period		833,472	265,713
Cash and cash equivalents at end of period		1,275,153	447,128

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

1. NATURE OF AND CONTINUANCE OF OPERATIONS

Tumi Resources Limited (the "Company") was incorporated on January 11, 2000 under the provisions of the Company Act (British Columbia). The Company is listed and traded on the TSX Venture Exchange ("TSXV") under the symbol "TM". The Company's principal office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7 Canada.

The Company is a junior mineral exploration company currently engaged in the acquisition and exploration of precious metals on mineral properties located in Mexico and Sweden. On the basis of information to date, the Company has not yet determined whether these properties contain economically recoverable ore reserves. The underlying value of the mineral resource interests is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production. Mineral resource interests represent costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values.

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business operations for the foreseeable future. The Company's ability to continue as a going concern is dependent upon the ability of the Company to obtain the necessary financing to develop properties and to establish future profitable production. To date the Company has not earned significant revenues and is considered to be in the exploration stage. The Company's operations are funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. Although management considers that the Company has adequate resources to maintain its core operations and planned exploration programs on its existing mineral resource interests for the next twelve months. 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. BASIS OF PREPARATION AND ADOPTION OF IFRS

Statement of Compliance and Conversion to International Financial Reporting Standards

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. These condensed consolidated interim financial statements represent the Company's initial presentation of its results and financial position under IFRS. These condensed consolidated interim financial statements for the three months ended March 31, 2011 have been prepared in accordance with IAS 34 *Interim Financial Reporting* and IFRS 1 *First-time Adoption of IFRS* along with the accounting policies the Company expects to adopt in its December 31, 2011 financial statements. Those accounting policies are based on the IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations that the Company expects to be applicable at that time. The policies set out below were consistently applied to all the periods presented unless otherwise noted below.

As these are the Company's first condensed consolidated interim financial statements prepared in accordance with IFRS, the Company's disclosures exceed the minimum requirements under IAS 34. The Company has elected to exceed the minimum requirements in order to present the Company's accounting policies in accordance with IFRS and the additional disclosures required under IFRS, which also highlight the changes from the Company's 2010 annual consolidated financial statements prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). In 2012 and beyond, the Company may not provide the same amount of disclosure in the Company's condensed consolidated interim financial statements under IFRS as the reader will be able to refer to the annual consolidated financial statements which will be prepared in accordance with IFRS.

The Company's consolidated financial statements were previously prepared in accordance with Canadian GAAP. Canadian GAAP differs in some respects from IFRS. In preparing these condensed consolidated interim financial statements, management has amended certain accounting and valuation methods previously applied in the Canadian GAAP financial statements to comply with IFRS. The comparative figures for 2010 were restated to reflect these adjustments.

2. BASIS OF PREPARATION AND ADOPTION OF IFRS (continued)

Note 14 presents reconciliations and descriptions of the effects of the transition from Canadian GAAP and IFRS on the statement of financial position and statement of comprehensive income (loss) as at January 1, 2010 and as at, and for the year ended December 31, 2010 and as at, and for the three months ended March 31, 2010.

These condensed consolidated interim financial statements are prepared on a going concern basis.

The preparation of financial statements in accordance with IAS 34 requires the use of estimates and the exercise of judgment in applying the Company's accounting policies.

Basis of Presentation

The Company's condensed consolidated interim financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value. The comparative figures presented in these condensed consolidated interim financial statements are in accordance with IFRS and any changes from figures previously reported under Canadian GAAP have been disclosed in Note 14.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Accounting Standards and Interpretations Issued but Not Yet Adopted

The following accounting standards, amendments and interpretations have been issued but are not effective until annual periods beginning after January 1, 2011, unless otherwise indicated, earlier application is permitted. As at the date of these financial statements, the following standards, amendments and interpretations have not been applied in these financial statements.

(i) IFRS 1 *First-time adoption of International Financial Reporting Standards, amendments regarding Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*; effective for annual periods beginning on or after July 1, 2011.

(ii) IFRS 7 *Financial Instruments: Disclosures, amendments regarding Disclosures - Transfers of Financial Assets;* effective for annual periods beginning on or after July 1, 2011.

(iii) IFRS 9 *Financial Instruments* (New; to replace IAS 39); effective for annual periods beginning on or after January 1, 2013.

(iv) IAS 12 *Income Taxes, amendments regarding Deferred Tax: Recovery of Underlying Assets*; effective for annual periods beginning on or after January 1, 2012.

Management is currently assessing the impact of these new standards on the Company's accounting policies and financial statement presentation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Details of the Group

In addition to the Company, the condensed consolidated interim financial statements include all subsidiaries. Subsidiaries are all corporations over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Inter-company transactions and balances are eliminated upon consolidation. They are de-consolidated from the date that control by the Company ceases.

During the three months ended March 31, 2011 the Company disposed of its 100% interest in Kay Metals Ltd. ("Kay Metals"), as described in Note 5. As at March 31, 2011 the subsidiaries of the Company are as follows:

Company	Location	Ownership Interest
TMXI Resources S.A. de C.V.	Mexico	100%
TM Resources A.B.	Sweden	100%

Use of Estimates

The preparation of financial statements in conformity IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Examples of significant estimates made by management include the determination of mineralized reserves, plant and equipment lives, estimating the fair values of financial instruments, impairment of long-lived assets, reclamation and rehabilitation provisions, valuation allowances for future income tax assets and assumptions used for share-based compensation. Actual results may differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consists of cash and money market instruments with terms to maturity not exceeding 90 days at date of acquisition. The Company is not exposed to significant credit or interest rate risk although cash and cash equivalents are held in excess of federally insured limits with major financial institutions.

Amounts Receivable

Receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. Receivables are classified as loans and receivable. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Accounts Payable and Accrued Liabilities

Payables are obligations to pay for materials or services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Payables are classified as other financial liabilities initially at fair value and subsequently measured at amortized cost using the effective interest method.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and Evaluation Assets

The Company is in the exploration stage with respect to its investment in mineral properties and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral claims and crediting all proceeds received against the cost of the related claims. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves. The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment, or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farmout of the property result in a revised estimate of the recoverable amount, but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes in income costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets.

All capitalized exploration and evaluation expenditure is monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the results of operations.

Property, Plant and Equipment

Property, plant and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Property, plant and equipment are depreciated annually on a straight-line basis over the estimated useful life of the assets, at a rate of 5% for the condominium and 20% for the office furniture and equipment and vehicles.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the condensed consolidated statement of comprehensive income or loss.

Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of plant and equipment. Expenditures incurred to replace a component of an item of plant and equipment that is accounted for separately, including major inspection and overhaul expenditures are capitalized.

The Company compares the carrying value of property, plant and equipment to estimated net recoverable amounts, based on estimated future cash flows, to determine whether there is any indication of impairment whenever events or circumstances warrant

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Decommissioning Provision

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral interest by or on behalf of the Company. Costs for restoration of site damage which is created on an ongoing basis during exploration and evaluation are provided for at their net present values and charged against profits in the period such exploration and evaluation occurs. Discount rates using a risk-free rate that reflects the time value of money are used to calculate the net present value. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. As at March 31, 2011 the Company does not have any decommissioning obligations.

Financial Instruments

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss.

Financial assets classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized through comprehensive loss. Cash and cash equivalents is classified as fair value through profit or loss.

Financial assets classified as loans and receivables and held to maturity are measured at amortized cost. Amounts receivable are classified as loans and receivables.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. At March 31, 2011 the Company has not classified any financial assets as available for sale.

Transaction costs associated with fair value through profit or loss are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

All financial liabilities are initially recorded at fair value and designated upon inception as fair value through profit or loss or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Trade payables and current provisions are classified as other financial liabilities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized through comprehensive loss. At March 31, 2011 the Company has not classified any financial liabilities as fair value through profit or loss.

Share Capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as a deduction from equity, net of any related income tax effects.

Share-Based Payment Transactions

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of share options granted is recognized as a share-based compensation expense with a corresponding increase in the equity settled share-based payments reserve in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

For employees the fair value is measured at grant date and each tranche is recognized on a straight line basis over the period during which the share options vest. The fair value of the share options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the share options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Equity-settled share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

Current and Deferred Income Taxes

The tax expense comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

(a) Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company’s subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred tax

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Loss Per Share

Basic loss per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the “if converted” method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method.

Foreign Currency Translation

Functional and Presentation Currency

The financial statements of each of the Company’s subsidiaries are prepared in the local currency of their home jurisdictions. Consolidation of each subsidiary includes re-measurement from the local currency to the Company’s functional currency. The Company’s functional currency, being the currency of the primary economic environment in which the Company operates, is the Canadian dollar. The condensed consolidated interim financial statements are presented in Canadian dollars.

Exchange rates published by the Bank of Canada were used to translate subsidiary financial statements into the consolidated financial statements. Income and expenses for each statement of comprehensive loss presented are translated using the rates prevailing on the transaction dates. All resulting foreign exchange differences are recognized in comprehensive loss.

Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in comprehensive loss.

4. AMOUNTS RECEIVABLE

	March 31, 2011 $	**December 31, 2010 $**
Value added taxes receivables	34,945	29,909
Other	3,118	12,491
	38,063	42,400

(Unaudited - Expressed in Canadian Dollars)

5. PROPERTY, PLANT AND EQUIPMENT

Cost:	Condominium $	Office Furniture and Equipment $	Vehicles $	Total $
Balance at January 1, 2010	132,840	13,337	67,966	214,143
Additions	-	2,064	23,439	25,503
Disposals	-	(4,258)	(37,721)	(41,979)
Balance at December 31, 2010	132,840	11,143	53,684	197,667
Additions	-	1,028	-	1,028
Disposal	(132,840)	-	-	(132,840)
Balance at March 31, 2011	-	12,171	53,684	65,855

Accumulated Amortization:	Condominium $	Office Furniture and Equipment $	Vehicles $	Total $
Balance at January 1, 2010	(36,539)	(6,277)	(50,815)	(93,631)
Amortization	(6,644)	(2,122)	(12,227)	(20,993)
Disposals	-	1,911	34,698	36,609
Balance at December 31, 2010	(43,183)	(6,488)	(28,344)	(78,015)
Amortization	-	(470)	(2,937)	(3,407)
Disposal	43,183	-	-	43,183
Balance at March 31, 2011	-	(6,958)	(31,281)	(38,239)

Carrying Value:	Condominium $	Office Furniture and Equipment $	Vehicles $	Total $
Balance at January 1, 2010	96,301	7,060	17,151	120,512
Balance at December 31, 2010	89,657	4,655	25,340	119,652
Balance at March 31, 2011	-	5,213	22,403	27,616

During the three months ended March 31, 2011 the Company sold its 100% interest in Kay Metals Ltd. ("Kay Metals") to Mawson Resources Limited, a public company with directors and officers in common, for $248,450 (US $250,000) for a gain of $158,793. The only asset of Kay Metals is the condominium in Peru.

(Unaudited - Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

	Sweden	Mexico			
	Bergslagen District $	La Trini $	Mezquite $	Sonora $	Total $
Balance at January 1, 2010	1,562,876	1,990,372	-	247,253	3,800,501
Exploration costs					
Amortization	7,231	-	7,117	-	14,348
Assays	-	-	832	4,264	5,096
Camp costs	-	-	10,687	-	10,687
Consulting	-	-	2,006	857	2,863
Database	1,154	-	-	-	1,154
Equipment rental	-	-	12,281	-	12,281
Exploration site costs	493	-	1,597	149	2,239
Fuel	334	-	4,219	-	4,553
General labour	-	-	17,532	279	17,811
Geological	30,471	75	-	563	31,109
Geophysics	33,981	-	28,160	-	62,141
Maps	1,029	-	-	-	1,029
Property holding costs	-	6,475	946	12,922	20,343
Repair and maintenance	-	-	5,112	-	5,112
Salaries and benefits	-	-	3,843	-	3,843
	74,693	6,550	94,332	19,034	194,609
Acquisition costs					
Option payments	-	-	31,353	-	31,353
Staking and related costs	7,163	-	-	-	7,163
	7,163	-	31,353	-	38,516
Write-offs	(12,205)	-	-	-	(12,205)
Balance at December 31, 2010	1,632,527	1,996,922	125,685	266,287	4,021,421
Exploration costs					
Amortization	1,757	-	1,650	-	3,407
Assays	-	-	-	1,845	1,845
Camp costs	-	3,721	1,896	-	5,617
Consulting	-	-	2,051	-	2,051
Database	493	-	-	-	493
Drilling	-	-	54,074	-	54,074
Equipment rental	-	-	6,799	-	6,799
Exploration site costs	-	-	2,213	484	2,697
Fuel	273	-	4,648	-	4,921
General labour	-	7,030	17,875	-	24,905
Geological	27,377	-	4,725	2,625	34,727
Logging and drill site preparation	2,908	-	-	-	2,908
Maps	917	-	-	-	917
Property holding costs	-	3,227	1,098	6,734	11,059
Repair and maintenance	-	-	3,571	-	3,571
Salaries and benefits	-	-	2,741	-	2,741
Travel	-	-	9,607	-	9,607
	33,725	13,978	112,948	11,688	172,339
Acquisition costs					
Option payments	-	-	-	29,928	29,928
Staking and related costs	9,648	-	-	-	9,648
	9,648	-	-	29,928	39,576
Disposition	-	-	-	(247,253)	(247,253)
Balance at March 31, 2011	1,675,900	2,010,900	238,633	60,650	3,986,083

6. EXPLORATION AND EVALUATION ASSETS (continued)

(a) Bergslagen District, Sweden

The Company has acquired, through staking, mineral concessions in Sweden.

On April 28, 2008, as amended, the Company entered into an agreement with Goldsearch Limited ("Goldsearch"), whereby Goldsearch was granted an option to earn an undivided 70% interest in the Company's Jugansbo, Sala 4, and Hallefors mineral concessions in the Bergslagen District, Sweden, by incurring a total of 1,000,000 Euros on exploration expenditures by April 28, 2012.

As at March 31, 2011 the Company maintains ten exploration properties located in the Bergslagen District in south-central Sweden.

(b) La Trini, Mexico

The Company owns a 100% interest in the La Trini and Mololoa mineral claims ("La Trini Project"). The La Trini Project covers 356 hectares and is located in the Jalisco silver belt approximately 100 kilometres northwest of Guadalajara, Jalisco State, Mexico.

The La Trini Project is subject to a 1% net smelter return royalty ("NSR") and the Company has the right to reduce the NSR to 0.5% through a cash payment of US $1,000,000.

(c) Mezquite, Mexico

On May 7, 2010 the Company entered into option agreements to acquire a 90% interest in three mineral claims (the "Mezquite Project") comprising 167 hectares located east of Hermosillo, Sonora., Mexico, under which the Company has paid US $30,000 and had agreed to pay a further US $300,000 in staged payments by May 7, 2014.

Subsequent to March 31, 2011 the Company completed a planned drill program and, based on the results, management determined to terminate the option agreement.

(d) Sonora, Mexico

On June 1, 2007 the Company signed a letter agreement with Minera Genminmex S.A. ("Genminmex"), under which, Genminmex could earn a 60% interest in two exploration concessions covering the Batamote 1 and 2 (the "Batamote Concessions"), located in Sonora, Mexico, by incurring expenditures of US $2,000,000 over five years. On January 21, 2011 the Company entered into a sale and purchase agreement and sold the Batamote Concessions to Genminmex for $325,276 (US $330,000) for a gain of $78,023. The Company retains a 3% NSR.

On February 18, 2011 the Company entered into an option agreement to acquire a 100% interest in two mineral claims (the "La Gloria Project") comprising 200 hectares located east of Hermosillo, Sonora, Mexico, under which the Company paid US $30,000 and has agreed to pay a further US $1,300,000 over five years. The La Gloria Project is subject to a 1.5% NSR and the Company has the right to reduce the NSR to 1% through a cash payment of US $500,000.

As at March 31, 2011 the Company maintains a portfolio of three mineral prospects located in Sonora State, Mexico.

(Unaudited - Expressed in Canadian Dollars)

7. CAPITAL

(a) *Authorized Share Capital*

At March 31, 2011 the Company's authorized share capital consisted of an unlimited number of common shares without par value. All issued common shares are fully paid.

(b) *Reconciliation of Changes in Share Capital*

Common shares issued:	**Number of Shares**	**Amount $**
Balance at January 1, 2010	31,447,039	13,897,174
Shares issued for cash		
Private placements	10,500,000	1,200,000
Exercise of warrants	250,000	37,500
Share issue costs	-	(19,856)
Balance at December 31, 2010	42,197,039	15,114,818
Shares issued for cash		
Exercise of warrants	1,108,000	166,200
Balance at March 31, 2011	43,305,039	15,281,018

During fiscal 2010 the Company completed non-brokered private placement financings of:

(i) 3,000,000 units, at a price of $0.10 per unit, for gross proceeds of $300,000. Each unit consisted of one common share and one non-transferable share purchase warrant. Each warrant entitled the holder to purchase one additional share for a period of two years, at a price of $0.15 per share on or before March 25, 2012. The Company paid a finder's fee of $1,200. The Company also incurred $2,750 for filing fees on this private placement.

Certain directors of the Company purchased 300,000 units of this private placement; and

(ii) 7,500,000 units, at a price of $0.12 per unit, for gross proceeds of $900,000. Each unit consisted of one common share and one non-transferable share purchase warrant. Each warrant entitled the holder to purchase one additional share for a period of two years, at a price of $0.15 per share on or before November 3, 2011 and, thereafter, at a price of $0.20 per share on or before November 3, 2012. The Company paid $10,656 cash as finder's fees on a portion of the financing. The Company also incurred $5,250 for filing fees on this private placement.

Certain directors of the Company and their family members purchased 483,000 units of this private placement.

See also Note 13(a).

(Unaudited - Expressed in Canadian Dollars)

7. CAPITAL (continued)

(c) *Warrants*

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at March 31, 2011 and 2010 and the changes for the three months ended on those dates is as follows:

	2011		2010	
	Number	Weighted Average Exercise Price $	Number	Weighted Average Exercise Price $
Balance, beginning of period	13,968,333	0.16	3,718,333	0.20
Issued	-	-	3,000,000	0.15
Exercised	(1,108,000)	0.15	-	-
Expired	(67,000)	0.25	-	-
Balance, end of period	12,793,333	0.18	6,718,333	0.20

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at March 31, 2011:

Number	Exercise Price $	Expiry Date
2,500,000	0.25	February 18, 2012
800,000	0.25	March 25, 2012
351,333	0.25	December 23, 2011
2,750,000	0.15	March 25, 2012
6,392,000	0.15 / 0.20	November 3, 2011 / 2012
12,793,333		

During the three months ended March 31, 2011 the Company extended the expiry terms of certain warrants, whereby 2,500,000 warrants were extended from February 18, 2011 to February 18, 2012 and 800,000 warrants were extended from March 25, 2011 to March 25, 2012. All other terms of these warrants remained unchanged.

(d) *Share Option Plan*

The Company has established a rolling stock option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts in accordance with the policies of the TSX Venture Exchange. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of five years.

During the three months ended March 31, 2011 and 2010 the Company did not grant any stock options. The Company recorded compensation expense of $238 (2010 - $325) on the vesting of stock options previously granted.

(Unaudited - Expressed in Canadian Dollars)

7. CAPITAL (continued)

The fair value of stock options vested during the three months ended March 31, 2011 and 2010 is estimated using the Black-Scholes option pricing model using the following assumptions:

	2011	2010
Risk-free interest rate	1.93%	1.66%
Estimated volatility	112%	145%
Expected life	2.25 years	2.50 years
Expected dividend yield	0%	0%
Expected forfeiture rate	0%	0%

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 share options.

A summary of the Company's share options at March 31, 2011 and 2010 and the changes for the three months ended on those dates, is as follows:

	2011		2010	
	Number of Options Outstanding	Weighted Average Exercise Price $	Number of Options Outstanding	Weighted Average Exercise Price $
Balance, beginning and end of period	3,201,600	0.21	2,639,600	0.31

The following table summarizes information about the stock options outstanding and exercisable at March 31, 2011:

Number Outstanding	Number Exercisable	Exercise Price $	Expiry Date
565,600	565,600	0.50	April 9, 2011
250,000	250,000	0.15	April 9, 2011
30,000	30,000	0.10	April 9, 2011
171,000	171,000	0.30	July 20, 2011
853,000	853,000	0.15	March 5, 2012
70,000	70,000	0.10	July 14, 2012
335,000	335,000	0.15	July 14, 2012
615,000	611,250	0.10	June 14, 2013
62,000	62,000	0.10	August 3, 2013
250,000	250,000	0.10	October 6, 2013
3,201,600	3,197,850		

See also Notes 13(b) and 13(c).

8. TAXATION

(a) Provision for Current Tax

No provision has been made for current income taxes as the Company has no taxable income.

(b) Provision for Deferred Tax

As at March 31, 2011 the Company has non-capital losses of approximately $4,266,900 (December 31, 2010 - $3,880,300), capital losses of approximately $1,420,100 (December 31, 2010 - $1,535,800) and accumulated tax pools of approximately $2,592,000 (December 31, 2010 - $2,592,000) carried forward for Canadian income tax purposes and are available to reduce Canadian taxable income in future years. The non-capital losses expire commencing 2011 through 2030. The capital losses and the majority of the accumulated tax pools can be carried forward indefinitely.

The Company also has non-capital losses of approximately $1,217,400 (December 31, 2010 - $1,064,500) for Mexican income tax purposes and $322,400 (December 31, 2010 - $319,500) for Swedish income tax purposes.

9. RELATED PARTY TRANSACTIONS AND BALANCES

(a) *Transactions with Key Management Personnel*

The President of the Company is provided a remuneration of $8,000 per month. During the three months ended March 31, 2011 the Company incurred $24,000 (2010 - $24,000) for these services. As at March 31, 2011, $98,500 (2010 - $89,500) remained unpaid and has been included in accounts payable and accrued liabilities.

(b) *Transactions with Other Related Parties*

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period. The terms of conditions of the transactions with key management personnel and those entities were no more favourable than those available, or which might reasonably be expected to be available, for similar transactions with non-related entities on an arm's length basis.

During the three months ended March 31, 2011 the Company incurred a total of $11,705 (2010 - $11,200) for administration, management, accounting and consulting services and office rent provided by directors and officers of the Company or their related parties. As at March 31, 2011, $8,300 (2010 $3,300) remained unpaid and has been included in accounts payable and accrued liabilities.

(c) During the three months ended the Company received $nil (2010 - $3,444) from Tinka Resources Limited ("Tinka") for rental of its condominium in Peru, and was reimbursed $9,900 (2010 - $2,550) for shared office personnel from public companies with certain directors in common.

(d) See also Notes 5 and 7.

(Unaudited - Expressed in Canadian Dollars)

10. SEGMENTED INFORMATION

The Company is involved in mineral exploration and development activities in Mexico and Sweden. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results.

The Company's total assets are segmented geographically as follows:

	March 31, 2011			
	Canada $	**Mexico** $	**Sweden** $	**Total** $
Current assets	1,193,577	93,114	39,610	1,326,301
Property, plant and equipment	-	26,026	1,590	27,616
Exploration and evaluation assets	-	2,310,183	1,675,900	3,986,083
Other	-	-	11,656	11,656
	1,193,577	2,429,323	1,728,756	5,351,656

	December 31, 2010				
	Canada $	**Mexico** $	**Peru** $	**Sweden** $	**Total** $
Current assets	838,203	41,478	-	14,905	894,586
Property, plant and equipment	-	26,649	89,657	3,346	119,652
Exploration and evaluation assets	-	2,388,894	-	1,632,527	4,021,421
Other	-	-	-	14,073	14,073
	838,203	2,457,021	89,657	1,664,851	5,049,732

11. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash activities were conducted by the Company for the three months ended March 31, 2011 and 2010, as follows:

	2011 $	**2010** $
Operating activities		
Amortization	3,407	4,015
Accounts payable for exploration and evaluation assets	59,919	4,993
	63,326	9,008
Investing activity		
Expenditures on exploration and evaluation assets	(63,326)	(9,008)

(Unaudited - Expressed in Canadian Dollars)

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following five categories: held for trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets and other financial liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	March 31, 2011 $	December 31, 2010 $
Cash	Held-for-trading	1,275,153	833,472
Amounts receivable	Loans and receivables	38,063	42,400
Accounts payable and accrued liabilities	Other liabilities	(205,985)	(149,626)

The recorded amounts for cash, amounts receivable and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The Company's carrying value and fair value of cash under the fair value hierarchy is measured using Level 1 inputs.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in cash and amounts receivable is remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

	Contractual Maturity Analysis at March 31, 2011				
	Less than 3 Months $	3 - 12 Months $	1 - 5 Years $	Over 5 Years $	Total $
Cash	1,275,153	-	-	-	1,275,153
Amounts receivable	38,063	-	-	-	38,063
Accounts payable and accrued liabilities	(205,985)	-	-	-	(205,985)

	Contractual Maturity Analysis at December 31, 2010				
	Less than 3 Months $	3 - 12 Months $	1 - 5 Years $	Over 5 Years $	Total $
Cash	833,472	-	-	-	833,472
Amounts receivable	42,400	-	-	-	42,400
Accounts payable and accrued liabilities	(149,626)	-	-	-	(149,626)

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash and cash equivalents bear floating rates of interest. The interest rate risk on cash and cash equivalents and on the Company's obligations are not considered significant.

(b) Foreign Currency Risk

The Company has operations in Canada, Mexico and Sweden subject to foreign currency fluctuations. The Company's operating expenses are incurred in Canadian Dollars, Swedish Krona and Mexican Pesos, and the fluctuation of the Canadian dollar in relation to these other currencies will have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks. At March 31, 2011, 1 Canadian Dollar was equal to 12.27 Mexican Pesos and 6.51 Swedish Krona.

Balances are as follows:

	Mexican Pesos	**Swedish Krona**	**CDN $ Equivalent**
Cash	886,878	212,609	104,939
Amounts receivable	255,391	45,067	27,737
Accounts payable and accrued liabilities	(591,194)	(65,485)	(58,241)
	551,075	192,191	74,435

Based on the net exposures as of March 31, 2011 and assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the Mexican Peso and Swedish Krona would result in an increase or decrease of approximately $6,500.

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of oil and gas properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital, cash equivalents and short-term investments. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

13. SUBSEQUENT EVENTS

(a) On May 11, 2011 the Company completed a non-brokered private placement of 6,250,000 units, at a price of $0.20 per unit, for gross proceeds of $1,250,000. Each Unit consists of one common share of the Company and one-half non-transferable share purchase warrant. Each whole warrant entitles the holder to purchase one additional share for a period of two years, at a price of $0.23 per share on or before May 13, 2011 and at a price of $0.30 per share on or before May 13, 2012, subject to a forced conversion that comes into effect once the shares trade on a weighted average price of $0.40 per common share for a period of 10 consecutive trading days.

13. SUBSEQUENT EVENTS (continued)

(b) On May 4, 2011 the Company granted stock options to a director of the Company to purchase 250,000 common shares at an exercise price of $0.185 per share, expiring May 4, 2014.

(c) Subsequent to March 31, 2011 stock options to purchase 1,250,000 common shares expired without exercise.

(d) See also Note 6(c).

14. TRANSITION TO IFRS

The Company's financial statements for the year ending December 31, 2011 will be the first annual financial statements that comply with IFRS and these condensed consolidated interim financial statements were prepared as described in Note 2, including the application of IFRS 1. IFRS 1 requires an entity to adopt IFRS in its first annual financial statements prepared under IFRS by making an explicit and unreserved statement, in those financial statements, of compliance with IFRS. The Company will make this statement when it issues its 2011 annual consolidated financial statements.

IFRS 1 also requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was January 1, 2010 (the "transition date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company will be December 31, 2011. However, it also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adoption. The Company has applied the following exemptions to its opening statement of financial position dated January 1, 2010:

Business Combinations

IFRS1 indicates that a first-time adopter may elect not to apply IFRS 3 'Business Combinations' retrospectively to business combinations that occurred before the date of transition to IFRS. The Company has taken advantage of this election and will apply IFRS 3 to business combinations that occur on or after January 1, 2010. There is no adjustment required to the January 1, 2010 statement of financial position on the transition date.

Share-based Payment

IFRS 1 encourages, but does not require, first-time adopters to apply IFRS 2 Share-based Payment to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the later of the date of transition to IFRS and January 1, 2005. The Company has elected not to apply IFRS 2 to awards that vested prior to January 1, 2010.

IAS 27 – Consolidated and Separate Financial Statements

In accordance with IFRS 1, if a company elects to apply IFRS 3 'Business Combinations' retrospectively, IAS 27 Consolidated and Separate Financial Statements must also be applied retrospectively. As the Company elected to apply IFRS 3 prospectively, the Company has also elected to apply IAS 27 prospectively.

IFRS 1 also outlines specific guidelines that a first-time adopter must adhere to under certain circumstances. The Company has applied the following guidelines to its opening statement of financial position dated January 1, 2010:

Estimates

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of January 1, 2010 are consistent with its GAAP estimates for the same date.

(Unaudited - Expressed in Canadian Dollars)

14. TRANSITION TO IFRS (continued)

Reconciliations of Canadian GAAP to IFRS

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The Company's first time adoption of IFRS did not have an effect on the total operating, investing and financing cash flows. The following represents the reconciliations from Canadian GAAP to IFRS for the respective periods noted for equity and comprehensive income.

Reconciliation of Assets, Liabilities and Equity

	As at January 1, 2010			
	Notes	**Canadian GAAP $**	**Effect of Transition to IFRS $**	**IFRS $**
ASSETS				
Current assets				
Cash		265,713		265,713
Amounts receivable		47,341		47,341
Prepaid expenses		4,662		4,662
Total current assets		317,716		317,716
Non-current assets				
Exploration and evaluation assets		3,800,501		3,800,501
Property, plant and equipment		120,512		120,512
Other		14,908		14,908
Total non-current assets		3,935,921		3,935,921
TOTAL ASSETS		4,253,637		4,253,637
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities		104,300		104,300
TOTAL LIABILITIES		104,300		104,300
SHAREHOLDERS' EQUITY				
Common shares		13,897,174		13,897,174
Reserves		1,980,735	542	1,981,277
Deficit		(11,728,572)	(542)	(11,729,114)
TOTAL SHAREHOLDERS' EQUITY		4,149,337		4,149,337
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,253,637		4,253,637

(Unaudited - Expressed in Canadian Dollars)

14. TRANSITION TO IFRS (continued)

Reconciliation of Assets, Liabilities and Equity (continued)

	As at March 31, 2010			
	Notes	**Canadian GAAP $**	**Effect of Transition to IFRS $**	**IFRS $**
ASSETS				
Current assets				
Cash		447,128		447,128
Amounts receivable		54,557		54,557
Prepaid expenses		7,743		7,743
Total current assets		509,428		509,428
Non-current assets				
Exploration and evaluation assets		3,844,818		3,844,818
Property, plant and equipment		114,836		114,836
Other		14,908		14,908
Total non-current assets		3,974,562		3,974,562
TOTAL ASSETS		4,483,990		4,483,990
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities		134,567		134,567
TOTAL LIABILITIES		134,567		134,567
SHAREHOLDERS' EQUITY				
Common shares		14,193,224		14,193,224
Reserves		1,981,060	374	1,981,434
Deficit		(11,824,861)	(374)	(11,825,235)
TOTAL SHAREHOLDERS' EQUITY		4,349,423		4,349,423
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,483,990		4,483,990

(Unaudited - Expressed in Canadian Dollars)

14. TRANSITION TO IFRS (continued)

Reconciliation of Assets, Liabilities and Equity (continued)

	As at December 31, 2010			
	Notes	Canadian GAAP $	Effect of Transition to IFRS $	IFRS $
ASSETS				
Current assets				
Cash		833,472		833,472
Amounts receivable		42,400		42,400
Prepaid expenses		18,714		18,714
Total current assets		894,586		894,586
Non-current assets				
Exploration and evaluation assets		4,021,421		4,021,421
Property, plant and equipment		119,652		119,652
Other		14,073		14,073
Total non-current assets		4,155,146		4,155,146
TOTAL ASSETS		5,049,732		5,049,732
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities		149,626		149,626
TOTAL LIABILITIES		149,626		149,626
SHAREHOLDERS' EQUITY				
Common shares		15,114,818		15,114,818
Reserves		2,061,745	89	2,061,834
Deficit		(12,276,457)	(89)	(12,276,546)
TOTAL SHAREHOLDERS' EQUITY		4,900,106		4,900,106
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,049,732		5,049,732

(Unaudited - Expressed in Canadian Dollars)

14. TRANSITION TO IFRS (continued)

Reconciliation of Comprehensive Loss

	Three Months Ended March 31, 2010			
	Notes	Canadian GAAP $	Effect of Transition to IFRS $	IFRS $
Expenses				
Accounting and administration		6,600		6,600
Amortization		1,661		1,661
Consulting		8,471		8,471
General exploration		37,573		37,573
Investment conferences		2,861		2,861
Investor relations		7,500		7,500
Management fees		24,000		24,000
Office		1,964		1,964
Regulatory		1,295		1,295
Rent		1,200		1,200
Share-based compensation		325	(168)	157
Transfer agent		1,125		1,125
Travel and related		5,512		5,512
		100,087	(168)	99,919
Loss before other items		(100,087)	168	(99,919)
Other items				
Interest and other income		3,444		3,444
Foreign exchange		354		354
		3,798		3,798
Comprehensive loss for the period		(96,289)	168	(96,121)

(Unaudited - Expressed in Canadian Dollars)

15. TRANSITION TO IFRS (continued)

Reconciliation of Comprehensive Loss (continued)

	Notes	Year Ended December 31, 2010 Canadian GAAP $	Effect of Transition to IFRS $	IFRS $
Expenses				
Accounting and administration		22,150		22,150
Amortization		6,644		6,644
Audit		25,500		25,500
Consulting		54,716		54,716
General exploration		154,236		154,236
Investment conferences		8,112		8,112
Investor relations		30,000		30,000
Legal		2,622		2,622
Management fees		96,000		96,000
Office		13,797		13,797
Regulatory		8,910		8,910
Rent		4,800		4,800
Salaries and benefits		7,017		7,017
Shareholder costs		2,148		2,148
Share-based compensation		81,010	89	81,099
Transfer agent		7,205		7,205
Travel and related		22,915		22,915
		547,782	89	547,871
Loss before other items		(547,782)	(89)	(547,871)
Other items				
Gain on disposal of property, plant and equipment		6,085		6,085
Interest and other income		18,986		18,986
Foreign exchange		(12,969)		(12,969)
Write-off of exploration and evaluation assets		(12,205)		(12,205)
		(103)		(103)
Comprehensive loss for the year		(547,885)	(89)	(547,974)

IFRS Adjustment

Share Based Options

Previously, under Canadian GAAP, the Company used the straight-line method of calculating vested options and the share-based compensation arising therefrom. Under this method, the fair value of share-based awards with graded vesting was calculated as one grant and the resulting fair value was recognised on a straight line basis over the vesting period.

However, IFRS requires that each tranche of an award with different vesting dates be considered a separate grant for the calculation of fair value, and the resulting fair value is recognised over the vesting period of the respective tranche using the graded vesting method.

TUMI RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2011

Background

This discussion and analysis of financial position and results of operation is prepared as at June 21, 2011 and should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2011 of Tumi Resources Limited (the "Company"). The Company adopted International Financial Reporting Standards ("IFRS") and the following disclosure and associated financial statements are presented in accordance with IFRS. All comparative information provided is in accordance with IFRS. 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 .

Adoption of International Financial Reporting Standards ("IFRS")

The Company's financial statements and the financial data included in the interim MD&A have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee that are expected to be effective as at December 31, 2011, the date of the Corporation's first annual reporting under IFRS. The adoption of IFRS does not impact the underlying economics of the Company's operations.

The IFRS accounting polices set forth in Note 3 of the condensed consolidated interim financial statements have been applied in preparing the financial statements for the three months ended March 31, 2011 and comparative information as at and for the three months ended March 31, 2010, as at and for the year ended December 31, 2010 and an opening Statement of Financial Position at January 1, 2010. Note 14 to the condensed consolidated interim financial statements contains a detailed description of the Company's adoption of IFRS, including a reconciliation of the financial statements previously prepared under Canadian Generally Accepted Accounting Principles ("Canadian GAAP") to those under IFRS. The adoption of IFRS has not had an impact on the Company's strategic decisions, operations, or cash flow. Further information on the IFRS impacts is provided in the Accounting Changes and Pronouncements section of this MD&A as well as in Note 14 to the unaudited condensed consolidated interim financial statements.

Comparative information in this interim MD&A has been restated to comply with IFRS requirements, unless otherwise indicated.

Company Overview

The Company is a junior mineral exploration company primarily engaged in the acquisition and exploration of precious metals on mineral properties located in Mexico and Sweden 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") under the symbol "TM", on the Frankfurt Exchange under the symbol "TUY" and on the Pink Sheets under the symbol "TUMIF".

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 Update

Sweden

The Company has been operating within Bergslagen District of Sweden looking for undiscovered silver and base metal deposits. Bergslagen lies immediately to the northwest of Stockholm and covers an area of approximately 200kms east-west by 150kms north-south. Bergslagenis highly mineralized and is one of the most important ore districts in Europe, containing deposits of iron, manganese, base-metals and silver.

The Company maintains ten properties in the Bergslagen District where five projects are undergoing detailed exploration:

Sala

Sweden's largest historic silver producer, the Sala mine operated for nearly 400 years and produced some of the richest silver ores in the world. More than 200 million ounces of silver are estimated to have been recovered with reported grades of up to 7,000 g/t Ag.

At Sala, the Company has completed a literature search of all historical data from the area, detailed ground mapping and 44 line-kms of detailed ground EM covering the old mine and surrounding prospective ground. As a result of this work a drill target was defined immediately to the west of and parallel to the old mine and extending to the southwest. The potential target strike length is about one kilometre. There is evidence of old drill holes in this area; no information about these holes has been found in the public domain.

During 2008, ten holes totalling 2,282m have been completed on this target zone. Best results from the program include:

- 6.6m at 76 g/t silver, 7% zinc and 1.1% lead (Hole 08-001)
- 7.1m at 81 g/t silver and 10.4% zinc (Hole 08-003)
- 22.1m at 34 g/t silver and 6.3% zinc (Hole 08-003)
- 9.85m at 203 g/t silver and 6.4% zinc (Hole 08-003)
- 6.9m at 66 g/t silver and 7.1% zinc (Hole 08-008)

The mineralization intersected in holes 08-004, 08-006 and 08-008, at a distance of up to 500m along strike from the initial intersection in hole 08-001, demonstrates a one kilometre long massive sulphide target zone to the west of the Sala mine. With funding, this target zone deserves further drilling.

More recently, Tumi has agreed with Boliden Mineral AB to obtain information on 46 drill holes totalling 9,108m in the Sala licence area. This data is a significant cost saving to the Company and is being assessed.

Tomtebo

Earliest records indicate that the Tomtebo mine was first discovered and developed in the mid-17th century producing ores containing copper, zinc, silver and gold. Following an airborne electromagnetic ("EM") survey completed last autumn, flown along lines spaced 100m apart, the data has been reviewed, modelled and interpreted by an independent geophysicist in Australia. Numerous conductive zones were identified in the database; most were of "cultural" origin (powerlines, culverts, electric fences, buildings), but a few appear to be legitimate targets near the old workings at Tomtebo.

In December of 2007, the Company completed an induced polarization ("IP") survey covering an area of 1,000m by 800m centered on an airborne electromagnetic ("EM") anomaly located by the survey as worthy of follow-up. The IP survey supports the existence of the EM anomaly and, in addition, several previously unknown anomalies with high chargeability and low resistivity were detected.

A drill permit has been approved for an initial drill program at Tomtebo and a drill contract has been signed by a Swedish drill contractor. Two diamond drill holes totalling 227.3 m have now been completed, exploring the old workings and a previously untested electromagnetic ("EM") and induced polarisation ("IP") anomaly. The drilling has confirmed the geophysical anomalies, and the core is now being logged and sampled for assaying. The drill has been relocated to Vitturn, also located in the Bergslagen District.

Vitturn

One of the better known historic mineral fields in the Bergslagen District is Stollberg where there are deep abandoned base metal and silver mines. Numerous old mines and workings occur along this north-south trending belt over a distance of 12kms. At the northern end of the field the Company owns the Vitturn 1, 2 and 3 licences and believes the host mineral sequence may extend under till cover into this licence area. In order to test the theory, the Company let a contract for a gradient array IP survey totalling about 19 line kms over the zone of interest. The results have been received and interpretation underway.

The induced polarization survey to test the Company's theory that the favourable mineral horizon extends northwards under till cover into Vitturn 1 and 2 was completed in June, 2008. An independent geophysicist has interpreted the results on behalf of the Company and has reported: "The data quality for the survey is of a very high standard with both the observed resistivity and chargeability data very coherent. The most obvious feature delineated by the data is the coincident high chargeable-low resistivity body that strikes in NNW orientation for approximately 400m. The correlation of the elevated chargeability and the low resistivity, with the good levels of data quality and the high coherency of the chargeability decays makes this a priority anomaly".

A drill permit has been approved for an initial drill program at Vitturn to test this anomaly. Drilling has commenced, to test the 400 m long IP target previously defined in this licence area.

Jonsmossen

The Company has received all results from the 2008 airborne electromagnetics ("EM") and magnetic surveys over two of the Company's 100% owned licence areas in the Bergslagen District of Sweden. The licence areas were flown on a 100 m line spacing. Preliminary interpretation of the geophysical results suggests significant EM anomalies underlie both areas. At Jonsmossen, a thorough analysis of the data has revealed the existence of two significant EM anomalies in a prospective stratigraphic horizon, extending from ground level to more than 100m below the surface. A surface inspection of the area has revealed the absence of anthropogenic (cultural) causes for the anomalies suggesting that they may be caused by conductive minerals below the ground surface.

The Jonsmossen licence is located at the southern end of the well known Stollberg historic mineral field and has a similar geological setting, where numerous deep, abandoned silver and base metal mines are found along a north-south trending belt over a distance of 12km. Production records indicate that the historic Stollberg mine produced 3.7 million tons of lead-zinc-silver ore until its closure in 1981.

Three lines of pole-dipole IP were completed over the area of the EM anomalies. The results suggest that the EM anomaly is real.

Lovasen

The results of a line of pole-dipole IP previously undertaken over the area of an EM anomaly suggest the EM anomaly is real and should be drill tested.

Jugansbo, Hällefors and Sala 4

These three licenses have been farmed out to Goldsearch Limited (ASX-GSE) who may earn up to a 70% interest in the properties by incurring exploration expenditures of 1 million Euros by April 28, 2012.

Mexico

As at March 31, 2011 the Company maintained the 100% rights to five properties located in the Mexican states of Jalisco and Sonora. There are three high priority projects which will be the focus of the Company's immediate ongoing Mexican exploration program, these projects are as follows:

La Trini

Between December 2005 and October 2007 the Company undertook three reverse circulation drill programs at La Trini. At the completion of analyses of all Phase 3 drill holes, a resource calculation was undertaken which has increased the historical resources by about 25%. The calculation was undertaken by an independent qualified geologist in keeping with NI43-101 requirements. Current resources are:

Category	Ag Cut-off (g/t)	Tonnes	Avg. Grade Ag (g/t)	Avg. Grade Au (g/t)	Troy Ounces Ag/Short Ton	Troy Ounces Au/Short Ton
Indicated	30	1,661,359	121.3	0.88	3.54	0.026
Inferred	30	192,880	98.6	0.92	2.88	0.027

Sonora - Batamote

During February 2011 the Company sold the Batamote concessions to High Desert Gold for US $330,000 plus a 2% NSR.

Sonora - Mezquite

In May 2010, the Company entered into option agreements to acquire the Mezquite silver-zinc-lead project located about 250 kms by road east of Hermosillo, Sonora. Three mineral claims totalling 167 hectares were optioned from two private Mexican owners. The agreement gave the Company the right to acquire a 90% interest for a total of US $330,000 over four years of which US $30,000 was paid. The Company retained the first right of refusal to purchase the remaining 10% interest. The vendors retained no royalties. The claims are underlain by historical workings, principally La Perla (aka Mezquite) shaft and surrounding surface workings.

The disseminated nature of the mineralization is ideal for a geophysical exploration method such as induced polarization (IP). The Company completed 11.7 line kms of 3D IP on a 100m line spacing across the claims. The results discovered four high priority drill targets spatially coincident with the known surface workings and elevated geochemistry. RC drilling of the anomalies plus surface mineralization commenced in March 2011 and completed in May 2011. Six holes totalling 980 m tested four chargeable zones defined by a three dimensional IP survey as well as one hole each under the main pit and shaft in the centre of the Mezquite mineralized area. The drilling confirmed the IP anomalies, intersecting wide zones of veinlet quartz with enveloping hematite and fine sulphides. Although the drill holes intersected wide zones of zinc mineralization, ranging from 200 ppm to 1500 ppm, lead and silver values were generally quite low. No massive sulphides were observed in any of the drill hole cuttings. It is believed that the mineralization at Mezquite is very distal to the source.

Based on the results obtained from the completion of the drill program in May 2011, Management has determined to abandon the Mezquite property. The write-off will be reflected in the second quarter of 2011.

Sonora - La Gloria

The La Gloria gold-tungsten-tin project is located about 250 km by road east of Hermosillo, Sonora, and 47 km north of the Company's Mezquite property. Two contiguous mineral claims totalling 200 hectares have been optioned from a private Mexican owner. The agreement gives TMXI Resources S.A. de C.V., the Company's wholly-owned Mexican subsidiary, the right to acquire 100% interest for a total of US $1,330,000 over five years of which US $30,000 is payable in the first year. A 1.5% NSR is in place of which 0.5% can be purchased for US $500,000.

A report from 1959 states that La Gloria was discovered around 1955 by a group of Mexican prospectors. During a three week period in 1956, they reportedly produced 120 tons of 65% WO_3 (tungsten oxide) using very crude mining and concentrating methods.

Several companies examined the property, but Union Carbide performed the most work, including mapping, minor blast-hole drilling and sampling over a 2 month period. A report by an engineer in 1957 stated that the property contained an estimated 208,000 tons of 1.5% WO_3 and a potential 3 million tons of undetermined grade, requiring little or no stripping. *These estimates are historical in nature and were compiled prior to the implementation of NI 43-101 reporting standards. Tumi has not completed sufficient exploration to verify the estimates and is not treating them as NI 43-101 defined resources or reserves verified by a Qualified Person; the historical estimate should not be relied upon.*

La Gloria is hosted by a massive garnet-pyroxene skarn spanning an area of at least 600 m NE-SW by 300 m NW-SE and of undetermined thickness. Numerous trenches, pits and adits are found within this area, and the skarn is believed to continue for some distance to the east. A granodioritic to quartz monzonitic intrusive is in contact with the skarn along its southern and western boundaries. The skarn is locally strongly weathered to limonites and jarosite and contains visible pyrite. Scheelite (tungsten-bearing mineral) and molybdenite were noted in the historical records, as was the presence of gold, silver and copper.

As part of a due diligence process, Tumi conducted three campaigns of rock sampling for a total of 117 samples collected from the skarn, nearby intrusive and younger volcanics. At the main workings near the north end of the documented skarn body, a contiguous set of 16 channel samples (32 m) across strike averaged 3.3 g/t gold, 958 ppm (c. 0.1%) tungsten and 498 ppm (0.05%) tin. Highly anomalous bismuth was also noted in these samples. In this area, there is evidence of extensive surface workings extending more than 100 m in length and up to 50 m in width.

A trench near the eastern part of the skarn returned 17.3 m averaging 0.63 g/t gold, 0.23% copper and 467 ppm (c. 0.05%) tungsten, and near the south-central part of skarn, an adit located on marble averaged 724 ppm tungsten (0.07%) and anomalous gold over 10 m. Immediately west of this adit is a roadcut that exposes over 100 m of skarn that abuts the intrusive body along its western contact. This zone was sampled at 5 m intervals and yielded anomalous gold (up to 0.6 g/t) and locally anomalous tungsten. The anomalous tungsten interval was analyzed for tin as well and returned 390 ppm tin over 35 m. The remainder of this roadcut and the two workings described above have not yet been analyzed for tin. Highly anomalous levels of gold, tungsten and tin were discovered elsewhere, spread throughout the extent of the known skarn occurrences.

The access road into La Gloria has been rehabilitated and a regional mapping in the project area to define the limits of the skarn mineralization has been completed. Detailed mapping and sampling within the main zone of interest has commenced.

The qualified person for all of the Company's projects is David Henstridge, the Company's president and CEO, a fellow of the Australasian Institute of Mining and Metallurgy and a member of the Australian Institute of Geoscientists.

Selected Financial Data

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

	Fiscal 2011	Fiscal 2010				Fiscal 2009		
	Mar. 31 $	Dec. 31 $	Sep. 30 $	Jun. 30 $	Mar. 31 $	Dec. 31 $	Sep. 30 $	Jun. 30 $
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(144,193)	(167,595)	(100,313)	(180,044)	(99,919)	(88,085)	(132,856)	(126,504)
Other items	223,320	(21,288)	16,532	855	3,798	413	(449,887)	(5,405)
Net income (loss)	79,127	(188,883)	(83,781)	(179,189)	(96,121)	(87,672)	(582,743)	(131,909)
Basic and diluted loss per share	0.00	(0.01)	(0.00)	(0.01)	(0.00)	(0.00)	(0.02)	(0.00)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Balance Sheet:								
Working capital	1,120,316	744,960	59,646	194,970	374,861	213,416	271,792	470,143
Total assets	5,351,656	5,049,732	4,277,935	4,339,091	4,483,990	4,253,637	4,260,781	4,799,378
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

During the three months ended March 31, 2011 (the "2011 period") the Company reported a net income of $79,127 ($0.00 per share), an increase in income of $175,248 from the net loss of $96,121 ($0.00 per share), for the three months ended March 31, 2010 (the "2010 period"). The increase in income in the 2011 period is primarily attributed to the gain on the sale of the condominium in Peru and the Batamote concessions.

General and administrative expenses increased by $44,274 from $99,919 during the 2010 period to $144,193 during the 2011 period. Specific expenses of note are as follows:

- general exploration costs increased by $13,642, from $37,573 during the 2010 period to $51,215 during the 2011 period. Fluctuations in general exploration costs is primarily affected by allocations to direct property costs;
- the Company has retained Mining Interactive Corp ("Mining Interactive") to provide investor relations activities on behalf of the Company, at a cost of $2,500 per month. During the 2011 period the Company paid Mining Interactive $7,500 (2010 - $7,500);
- stock based compensation of $238 (2010 - $157) was recorded in the 2011 period relating to the vesting of stock options previously granted;
- the President of the Company is remunerated at a rate of $8,000 per month. Management fees of $24,000 (2010 - $24,000) were paid in the 2011 period; and
- accounting and administration fees of $6,875 (2010 - $6,600) were paid for bookkeeping and accounting services provided by Chase Management Ltd. ("Chase") a private company owned by a director of the Company. In addition, the Company paid $1,200 (2010 - $1,200) to Chase for office space provided.

During the 2010 period the Company reported interest and other income of $3,444 from the rental of its condominium in Peru. During the 2011 period the Company sold its condominium in Peru for $248,450 (US $250,000) for a gain of $158,793.

During the 2010 period the Company incurred $211,915 (2010 - $44,317) on acquisition costs and exploration activities on its mineral resource interests. In aggregate, the Company capitalized $43,373 (2010 - $5,459) on its Swedish properties and $168,542 (2010 - $5,459) on its Mexican Properties. See "Exploration Projects Update". On January 21, 2011 the Company entered into a sale and purchase agreement and sold the Batamote Concessions to Genminmex for $325,276 (US $330,000) for a gain of $78,023.

Financial Condition / Capital Resources

Management considers that the Company has adequate resources to maintain its core operations and planned exploration programs on its existing mineral resource interests for the next twelve months. 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.

Subsequent to March 31, 2011 the Company completed a non-brokered private placement of 6,250,000 units for gross proceeds of $1,250,000.

Contractual Commitments

The Company has no contractual commitments.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company does not have any proposed transactions.

Critical Accounting Estimates

The preparation of financial statements in conformity IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Examples of significant estimates made by management include the determination of mineralized reserves, plant and equipment lives, estimating the fair values of financial instruments, impairment of long-lived assets, reclamation and rehabilitation provisions, valuation allowances for future income tax assets and assumptions used for share-based compensation. Actual results may differ from those estimates

Changes in Accounting Principles

IFRS Implementation - Changes in Accounting Policies Including Initial Adoption

The Canadian Accounting Standards Board established 2011 as the year that Canadian companies' financial reporting requirements should comply with IFRS. Accordingly, the Company has commenced reporting on an IFRS basis in the current condensed consolidated interim financial statements. The transition date, January 1, 2011, has required the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010.

The Company has completed its internal review of the impact of the adoption of IFRS. This review considered potential differences between applicable IFRS policies and those currently used by the Company. Accounting policy changes were made due to IFRS in the areas of exploration and evaluation assets, impairment testing, property, plant and equipment, provision for site restorations, and share-based compensation. Available elections under IFRS minimized the impact of these changes such that the financial reporting impact of the transition to IFRS is not material to the Company's financial results. The impact of the changes to IFRS is detailed in Note 14 to the condensed consolidated interim financial statements and none of these are considered material.

Accounting Standards and Interpretations Issued but Not Yet Adopted

The following accounting standards, amendments and interpretations have been issued but are not effective until annual periods beginning after January 1, 2011, unless otherwise indicated, earlier application is permitted. As at the date of these financial statements, the following standards, amendments and interpretations have not been applied in these financial statements.

(i) IFRS 1 *First-time adoption of International Financial Reporting Standards, amendments regarding Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*; effective for annual periods beginning on or after July 1, 2011.

(ii) IFRS 7 *Financial Instruments: Disclosures, amendments regarding Disclosures - Transfers of Financial Assets;* effective for annual periods beginning on or after July 1, 2011.

(iii) IFRS 9 *Financial Instruments* (New; to replace IAS 39); effective for annual periods beginning on or after January 1, 2013.

(iv) IAS 12 *Income Taxes, amendments regarding Deferred Tax: Recovery of Underlying Assets*; effective for annual periods beginning on or after January 1, 2012.

Management is currently assessing the impact of these new standards on the Company's accounting policies and financial statement presentation.

Transactions with Related Parties

(a) *Transactions with Key Management Personnel*

The President of the Company is provided a remuneration of $8,000 per month. During the three months ended March 31, 2011 the Company incurred $24,000 (2010 - $24,000) for these services. As at March 31, 2011, $98,500 (2010 - $89,500) remained unpaid and has been included in accounts payable and accrued liabilities.

(b) *Transactions with Other Related Parties*

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period. The terms of conditions of the transactions with key management personnel and those entities were no more favourable than those available, or which might reasonably be expected to be available, for similar transactions with non-related entities on an arm's length basis.

During the three months ended March 31, 2011 the Company incurred a total of $11,705 (2010 - $11,200) for administration, management, accounting and consulting services and office rent provided by directors and officers of the Company or their related parties. As at March 31, 2011, $8,300 (2010 $3,300) remained unpaid and has been included in accounts payable and accrued liabilities.

(c) During the three months ended the Company received $nil (2010 - $3,444) from Tinka Resources Limited ("Tinka") for rental of its condominium in Peru, and was reimbursed $9,900 (2010 - $2,550) for shared office personnel from public companies with certain directors in common.

(d) During the three months ended March 31, 2011 the Company sold its 100% interest in Kay Metals Ltd. ("Kay Metals") to Mawson Resources Limited, a public company with directors and officers in common, for $248,450 (US $250,000) for a gain of $158,793. The only asset of Kay Metals is the condominium in Peru.

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 in all material regulations applicable to its exploration activities. Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

The Company's mineral properties are located in Mexico and Sweden and consequently the Company is subject to certain risks, including currency fluctuations and possible political or economic instability which may result in the impairment or loss of mining title or other mineral rights, and mineral exploration and mining activities may be affected in varying degrees by political stability and governmental regulations relating to the mining industry.

Investor Relations Activities

The Company provides information packages to investors; the package consists of materials filed with regulatory authorities. The Company updates its website (www.tumiresources.com) on a continuous basis. The Company has an arrangement with Mining Interactive to provide market awareness and investor relations activities at a current monthly fee of $2,500. The arrangement may be terminated by either party on 15 days notice. During the 2011 period, the Company paid Mining Interactive $7,500 (2010 - $7,500).

Outstanding Share Data

The Company's authorized share capital is unlimited common shares with no par value. As at June 21, 2011, there were 44,405,039 outstanding common shares, 2,356,000 stock options outstanding with exercise prices ranging from $0.10 to $0.30 per share and 11,893,333 warrants outstanding with exercise prices ranging from $0.15 to $0.25 per share.