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**TUMI RESOURCES LIMITED**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED  
SEPTEMBER 30, 2011

*(Unaudited - Expressed in Canadian Dollars)*

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**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)*

	Note	September 30, 2011 \$	December 31, 2010 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		513,477	833,472
Short-term investment	4	1,503,649	-
Amounts receivable	5	37,815	42,400
Prepaid expenses		<u>9,621</u>	<u>18,714</u>
<b>Total current assets</b>		<u>2,064,562</u>	<u>894,586</u>
<b>Non-current assets</b>			
Property, plant and equipment	6	40,427	119,652
Exploration and evaluation assets	7	3,722,482	4,021,421
Other		<u>11,656</u>	<u>14,073</u>
<b>Total non-current assets</b>		<u>3,774,565</u>	<u>4,155,146</u>
<b>TOTAL ASSETS</b>		<u>5,839,127</u>	<u>5,049,732</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	8	<u>168,416</u>	<u>149,626</u>
<b>TOTAL LIABILITIES</b>		<u>168,416</u>	<u>149,626</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	8	16,721,593	15,114,818
Share-based payments reserve		2,062,021	2,062,265
Deficit		<u>(13,112,903)</u>	<u>(12,276,977)</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<u>5,670,711</u>	<u>4,900,106</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u>5,839,127</u>	<u>5,049,732</u>

**Nature and continuance of operations** - see Note 1

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on November 29, 2011 and are signed on its behalf by:

/s/ David Henstridge  
David Henstridge  
Director

/s/ Nick DeMare  
Nick DeMare  
Director

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

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

	Note	Three Months Ended September 30		Nine Months Ended September 30	
		2011 \$	2010 \$	2011 \$	2010 \$
<b>Expenses</b>					
Accounting and administration		4,000	4,250	24,875	18,650
Amortization		-	1,661	-	4,983
Audit		-	-	27,138	10,000
Consulting		10,500	16,500	75,568	34,971
Corporate development		-	-	3,795	-
General exploration		77,666	33,253	163,172	118,051
Investment conferences		350	350	4,612	3,211
Investor relations		7,500	7,500	22,500	22,500
Legal		-	622	2,793	2,113
Management fees		24,000	24,000	72,000	72,000
Office		2,422	1,851	8,135	7,520
Regulatory		1,375	1,250	11,182	6,890
Rent		1,200	1,200	3,600	3,600
Salaries and benefits		(1,650)	(793)	4,068	3,443
Shareholder costs		1,156	54	4,294	1,213
Share-based compensation	8(d)	-	5,975	32,762	54,199
Transfer agent		2,656	2,118	6,550	5,180
Travel and related		10,420	523	28,766	11,752
		<u>141,595</u>	<u>100,314</u>	<u>495,810</u>	<u>380,276</u>
<b>Loss before other items</b>		<u>(141,595)</u>	<u>(100,314)</u>	<u>(495,810)</u>	<u>(380,276)</u>
<b>Other items</b>					
Interest and other income		3,673	5,821	3,673	13,493
Gain on sale of property, plant and equipment	6	-	-	158,793	-
Write-off of exploration and evaluation assets	7	(226,140)	-	(575,020)	-
Gain on sale of exploration and evaluation assets	7(d)	-	-	78,023	-
Foreign exchange		18,382	10,711	(6,016)	7,692
		<u>(204,085)</u>	<u>16,532</u>	<u>(340,547)</u>	<u>21,185</u>
<b>Net loss and comprehensive loss for the period</b>		<u>(345,680)</u>	<u>(83,782)</u>	<u>(836,357)</u>	<u>(359,091)</u>
<b>Basic and diluted loss per common share</b>		<u>\$(0.01)</u>	<u>\$(0.00)</u>	<u>\$(0.02)</u>	<u>\$(0.01)</u>
<b>Basic and diluted weighted average number of common shares outstanding</b>		<u>50,655,039</u>	<u>34,447,039</u>	<u>46,983,143</u>	<u>33,547,039</u>

*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)

<b>Nine Months Ended September 30, 2011</b>					
	<b>Share Capital</b>		<b>Share-Based Payments Reserve \$</b>	<b>Deficit \$</b>	<b>Total Equity \$</b>
	<b>Number of Shares</b>	<b>Amount \$</b>			
<b>Balance on January 1, 2011</b>	42,197,039	15,114,818	2,061,834	(12,276,546)	4,900,106
Common shares issued for:					
Cash - private placement	6,250,000	1,250,000	-	-	1,250,000
Cash - exercise of warrants	2,008,000	301,200	-	-	301,200
Cash - exercise of share options	200,000	30,000	-	-	30,000
Share-based compensation	-	-	32,762	-	32,762
Transfer to common shares on exercise of share options	-	32,575	(32,575)	-	-
Share issue costs	-	(7,000)	-	-	(7,000)
Net loss for the period	-	-	-	(836,357)	(836,357)
<b>Balance at September 30, 2011</b>	<b>50,655,039</b>	<b>16,721,593</b>	<b>2,062,021</b>	<b>(13,112,903)</b>	<b>5,670,711</b>

<b>Nine Months Ended September 30, 2010</b>					
	<b>Share Capital</b>		<b>Share-Based Payments Reserve \$</b>	<b>Deficit \$</b>	<b>Total Equity \$</b>
	<b>Number of Shares</b>	<b>Amount \$</b>			
<b>Balance on January 1, 2010</b>	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	-	-	54,199	-	54,199
Net loss for the period	-	-	-	(359,091)	(359,091)
<b>Balance at September 30, 2010</b>	<b>34,447,039</b>	<b>14,193,224</b>	<b>2,035,476</b>	<b>(12,088,205)</b>	<b>4,140,495</b>

*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)*

	<b>Nine Months Ended</b>	
	<b>September 30,</b>	
<b>Note</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>Operating activities</b>		
Net loss for the period	(836,357)	(359,091)
Adjustments for:		
Amortization	-	4,983
Share-based compensation	32,762	54,199
Write-off of exploration and evaluation assets	575,020	-
Gain on sale of exploration and evaluation assets	(78,023)	-
Gain on sale of property, plant and equipment	(158,793)	-
	<u>(465,391)</u>	<u>(299,909)</u>
Changes in non-cash working capital items:		
Decrease (increase) in amounts receivable	4,585	(15,139)
Decrease (increase) in prepaid expenses	9,093	(3,687)
Increase in accounts payable and accrued liabilities	27,505	34,985
	<u>41,183</u>	<u>16,159</u>
<b>Net cash used in operating activities</b>	<u>(424,208)</u>	<u>(283,750)</u>
<b>Investing activities</b>		
Short-term investment	(1,503,649)	-
Expenditures on exploration and evaluation assets	(522,374)	(146,043)
Additions to property, plant and equipment	(20,107)	(6,548)
Proceeds on sale of exploration and evaluation assets	325,276	-
Proceeds on sale of property, plant and equipment	248,450	-
Other	2,417	835
<b>Net cash used in investing activities</b>	<u>(1,469,987)</u>	<u>(151,756)</u>
<b>Financing activities</b>		
Issuance of common shares	1,581,200	300,000
Share issue costs	(7,000)	(3,950)
<b>Net cash provided by financing activities</b>	<u>1,574,200</u>	<u>296,050</u>
<b>Net change in cash and cash equivalents</b>	(319,995)	(139,456)
<b>Cash and cash equivalents at beginning of period</b>	<u>833,472</u>	<u>265,713</u>
<b>Cash and cash equivalents at end of period</b>	<u>513,477</u>	<u>126,257</u>

**Supplemental cash flow information** (Note 11)

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

**TUMI RESOURCES LIMITED**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011**  
*(Unaudited - Expressed in Canadian Dollars)*

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**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 trades 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 exploration and evaluation assets 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. Exploration and evaluation assets 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. 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 exploration and evaluation assets 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**

***Statement of Compliance to International Financial Reporting Standards***

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”), and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”).

The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2010, and the Company’s unaudited condensed consolidated interim financial statements for the three months ended March 31, 2011, which were the Company’s first financial statements prepared in accordance with IFRS.

The Company’s consolidated financial statements were prepared in accordance with accounting principles generally accepted in Canada (“Canadian GAAP”) until December 31, 2010. Canadian GAAP differs from IFRS in some areas and, accordingly, the significant accounting policies applied in the preparation of these condensed consolidated interim financial statements are set out below and have been consistently applied to all periods presented except in instances where IFRS 1 either requires or permits an exemption. An explanation of how the transition from Canadian GAAP to IFRS has affected the reported consolidated financial statements of the Company is provided in Note 13.

***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 13.

**TUMI RESOURCES LIMITED**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011**  
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**2. BASIS OF PREPARATION AND ADOPTION OF IFRS (continued)**

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) IFRS 10 *Consolidated Financial Statements*; effective for annual periods beginning on or after January 1, 2013. Early application is permitted. IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 supersedes IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidated - Special Purpose Entities*.
- (v) IFRS 11 *Joint Arrangements*; effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. IFRS 11 establishes principles for financial reporting by parties to a joint arrangement. IFRS supersedes the current IAS 31 *Interest in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-Monetary Contributions by Ventures*.
- (vi) IFRS 12 *Disclosure of Interest in Other Entities*; effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity.
- (vii) IFRS 13 *Fair Value Measurements*; to be applied for annual periods beginning on or after January 1, 2013. Earlier application is permitted. IFRS 13 defines fair value, sets out in a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements).
- (viii) 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.

**TUMI RESOURCES LIMITED**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011**  
*(Unaudited - Expressed in Canadian Dollars)*

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**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 nine months ended September 30, 2011 the Company disposed of its 100% interest in Kay Metals Ltd. ("Kay Metals"), as described in Note 5. The subsidiaries of the Company are as follows:

<u>Company</u>	<u>Location of Incorporation</u>	<u>Ownership Interest</u>	
		<u>September 30, 2011</u>	<u>September 30, 2010</u>
TMXI Resources S.A. de C.V.	Mexico	100%	100%
TM Resources A.B.	Sweden	100%	100%
Kay Metals Ltd.	Barbados	0%	100%

***Use of Estimates***

The preparation of financial statements in conformity with 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 recoverability of amounts capitalized to exploration and evaluation assets, plant and equipment lives, estimating the fair values of financial instruments, impairment of long-lived assets, decommissioning provisions, valuation allowances for deferred 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.

**TUMI RESOURCES LIMITED**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011**  
*(Unaudited - Expressed in Canadian Dollars)*

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Exploration and Evaluation Assets***

The Company follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral properties and crediting all proceeds received against the cost of the related properties. 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 properties 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 interim 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

**TUMI RESOURCES LIMITED**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011**  
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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Impairment of Assets***

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, 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 September 30, 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.

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. Account payables and accrued liabilities are classified as other financial liabilities.

**TUMI RESOURCES LIMITED**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011**  
*(Unaudited - Expressed in Canadian Dollars)*

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**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 September 30, 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 separately 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 statement of comprehensive loss, 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 statement of financial position 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 statement of financial position 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.

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, 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 subsidiary's functional currency. Each subsidiary's functional currency, being the currency of the primary economic environment in which the subsidiary 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. SHORT-TERM INVESTMENT**

	September 30, 2011 \$	December 31, 2010 \$
<b>Redeemable GIC</b>		
Due July 17, 2012 at cost plus accrued interest at prime less 1.80% per annum	<u>1,503,649</u>	<u>-</u>

The GIC is redeemable after 30 days from the date of purchase.

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**5. AMOUNTS RECEIVABLE**

	<b>September 30, 2011</b>	<b>December 31, 2010</b>
	<b>\$</b>	<b>\$</b>
Value added taxes receivables	26,846	29,909
Other	<u>10,969</u>	<u>12,491</u>
	<u><u>37,815</u></u>	<u><u>42,400</u></u>

**6. PROPERTY, PLANT AND EQUIPMENT**

<b>Cost:</b>	<b>Office Furniture and Equipment</b>			<b>Total</b>
	<b>Condominium</b>	<b>Equipment</b>	<b>Vehicles</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at January 1, 2010	132,840	13,337	67,966	214,143
Additions	-	2,064	23,439	25,503
Disposals	<u>-</u>	<u>(4,258)</u>	<u>(37,721)</u>	<u>(41,979)</u>
Balance at December 31, 2010	132,840	11,143	53,684	197,667
Additions	-	1,045	19,062	20,107
Disposal	<u>(132,840)</u>	<u>-</u>	<u>-</u>	<u>(132,840)</u>
Balance at September 30, 2011	<u><u>-</u></u>	<u><u>12,188</u></u>	<u><u>72,746</u></u>	<u><u>84,934</u></u>
		<b>Office Furniture and Equipment</b>		
	<b>Condominium</b>	<b>Equipment</b>	<b>Vehicles</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Accumulated Amortization:</b>				
Balance at January 1, 2010	(36,539)	(6,277)	(50,815)	(93,631)
Amortization	(6,644)	(2,122)	(12,227)	(20,993)
Disposals	<u>-</u>	<u>1,911</u>	<u>34,698</u>	<u>36,609</u>
Balance at December 31, 2010	(43,183)	(6,488)	(28,344)	(78,015)
Amortization	-	(1,593)	(8,082)	(9,675)
Disposal	<u>43,183</u>	<u>-</u>	<u>-</u>	<u>43,183</u>
Balance at September 30, 2011	<u><u>-</u></u>	<u><u>(8,081)</u></u>	<u><u>(36,426)</u></u>	<u><u>(44,507)</u></u>
		<b>Office Furniture and Equipment</b>		
<b>Carrying Value:</b>	<b>Condominium</b>	<b>Equipment</b>	<b>Vehicles</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at January 1, 2010	<u>96,301</u>	<u>7,060</u>	<u>17,151</u>	<u>120,512</u>
Balance at December 31, 2010	<u>89,657</u>	<u>4,655</u>	<u>25,340</u>	<u>119,652</u>
Balance at September 30, 2011	<u><u>-</u></u>	<u><u>4,107</u></u>	<u><u>36,320</u></u>	<u><u>40,427</u></u>

During the nine months ended September 30, 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) and recognized a gain of \$158,793. The only asset of Kay Metals is the condominium in Peru.

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**7. EXPLORATION AND EVALUATION ASSETS**

	<u>Sweden</u>	<u>Mexico</u>			<u>Total</u> <u>\$</u>
	<u>Bergslagen</u> <u>District</u> <u>\$</u>	<u>La</u> <u>Trini</u> <u>\$</u>	<u>Mezquite</u> <u>\$</u>	<u>Sonora</u> <u>\$</u>	
<b>Balance at January 1, 2010</b>	<u>1,562,876</u>	<u>1,990,372</u>	<u>-</u>	<u>247,253</u>	<u>3,800,501</u>
<b>Exploration costs</b>					
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
	<u>74,693</u>	<u>6,550</u>	<u>94,332</u>	<u>19,034</u>	<u>194,609</u>
<b>Acquisition costs</b>					
Option payments	-	-	31,353	-	31,353
Staking and related costs	7,163	-	-	-	7,163
	<u>7,163</u>	<u>-</u>	<u>31,353</u>	<u>-</u>	<u>38,516</u>
<b>Write-offs</b>	<u>(12,205)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,205)</u>
<b>Balance at December 31, 2010</b>	<u>1,632,527</u>	<u>1,996,922</u>	<u>125,685</u>	<u>266,287</u>	<u>4,021,421</u>
<b>Exploration costs</b>					
Amortization	3,346	-	3,386	2,943	9,675
Assays	-	-	10,059	7,475	17,534
Camp costs	-	7,391	2,494	9,652	19,537
Consulting	-	-	9,654	14,547	24,201
Database	1,677	-	-	-	1,677
Drilling	85,936	-	54,518	-	140,454
Equipment rental	-	-	12,554	6,197	18,751
Exploration site costs	1,411	5,167	9,386	6,008	21,972
Fuel	968	1,995	5,113	9,171	17,247
General labour	-	26,566	23,188	25,453	75,207
Geological	49,515	10,053	4,725	9,150	73,443
Logging and drill site preparation	6,275	-	-	-	6,275
Maps	2,118	-	-	-	2,118
Property holding costs	-	3,887	1,125	-	5,012
Repair and maintenance	-	-	5,184	3,094	8,278
Salaries and benefits	-	-	7,420	12,606	20,026
Travel	-	-	11,067	-	11,067
	<u>151,246</u>	<u>55,059</u>	<u>159,873</u>	<u>106,296</u>	<u>472,474</u>
<b>Acquisition costs</b>					
Option payments	-	-	-	29,767	29,767
Staking and related costs	21,093	-	-	-	21,093
	<u>21,093</u>	<u>-</u>	<u>-</u>	<u>29,767</u>	<u>50,860</u>
<b>Disposition</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(247,253)</u>	<u>(247,253)</u>
<b>Write-offs</b>	<u>(289,462)</u>	<u>-</u>	<u>(285,558)</u>	<u>-</u>	<u>(575,020)</u>
<b>Balance at September 30, 2011</b>	<u>1,515,404</u>	<u>2,051,981</u>	<u>-</u>	<u>155,097</u>	<u>3,722,482</u>

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**7. 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 September 30, 2011 the Company maintains nine exploration properties located in the Bergslagen District in south-central Sweden.

During the nine months ended September 30, 2011 the Company relinquished certain mineral licenses and wrote-off \$289,462 in exploration and evaluation assets.

(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 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”) located east of Hermosillo, Sonora State, 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.

During the nine months ended September 30, 2011 the Company determined to terminate the option agreements and wrote-off \$285,558 for previously capitalized exploration and evaluation assets.

(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 State, 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 realized 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”) located east of Hermosillo, Sonora State, 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 September 30, 2011 the Company maintains a portfolio of three mineral prospects located in Sonora State, Mexico.

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**8. CAPITAL**

(a) *Authorized Share Capital*

At September 30, 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*

<b>Common shares issued:</b>	<b>Number of Shares</b>	<b>Amount \$</b>
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	<u>42,197,039</u>	<u>15,114,818</u>
Shares issued for cash		
Private placement	6,250,000	1,250,000
Exercise of warrants	2,008,000	301,200
Exercise of share options	200,000	30,000
Transfer to common shares on exercise of share options	-	32,575
Share issue costs	-	(7,000)
Balance at September 30, 2011	<u><u>50,655,039</u></u>	<u><u>16,721,593</u></u>

During the nine months ended September 30, 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, 2012 and at a price of \$0.30 per share on or before May 13, 2013, 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. The Company incurred \$7,000 for filing fees on this private placement.

A Director of the Company and their family member purchased 250,000 units of this private placement.

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 cash 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.

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**8. CAPITAL (continued)**

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

(c) *Warrants*

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at September 30, 2011 and 2010 and the changes for the nine 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	3,125,000	0.23	3,000,000	0.15
Exercised	(2,008,000)	0.15	-	-
Expired	(67,000)	0.25	-	-
Balance, end of period	15,018,333	0.19	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 September 30, 2011:

Number	Exercise Price \$	Expiry Date
5,492,000	0.15 / 0.20	November 3, 2011 / 2012
351,333	0.25	December 23, 2011
2,500,000	0.25	February 18, 2012
800,000	0.25	March 25, 2012
2,750,000	0.15	March 25, 2012
3,125,000	0.23 / 0.30	May 13, 2012 / 2013
15,018,333		

During the nine months ended September 30, 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 share 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 nine months ended September 30, 2011 the Company granted 250,000 (2010 - 677,000) share options to the Company's employees, directors, officers and consultants and recorded compensation expense of \$32,500 (2010 - \$52,960). In addition the Company recorded compensation expense of \$262 (2010 - \$1,150) on the vesting of share options previously granted.

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**8. CAPITAL (continued)**

The fair value of share options granted and vested during the nine months ended September 30, 2011 and 2010 is estimated using the Black-Scholes option pricing model using the following assumptions:

	<u>2011</u>	<u>2010</u>
Risk-free interest rate	1.76% - 2.08%	1.66% - 2.47%
Estimated volatility	88% - 134%	134% - 155%
Expected life	2 years - 3 years	2 years - 3 years
Expected dividend yield	0%	0%
Expected forfeiture rate	0%	0%

The weighted average grant date fair value of all share options granted during the nine months ended September 30, 2011 to the Company's directors, employees and consultants was \$0.13 (2010 - \$0.08) per option.

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 September 30, 2011 and 2010 and the changes for the nine months ended on those dates, is as follows:

	<u>2011</u>		<u>2010</u>	
	<b>Options Outstanding</b>	<b>Weighted Average Exercise Price \$</b>	<b>Options Outstanding</b>	<b>Weighted Average Exercise Price \$</b>
Balance, beginning of period	3,201,600	0.21	2,639,600	0.31
Granted	250,000	0.185	677,000	0.10
Exercised	(200,000)	0.15	-	-
Expired	<u>(816,600)</u>	0.42	<u>(365,000)</u>	0.68
Balance, end of period	<u>2,435,000</u>	0.13	<u>2,951,600</u>	0.21

The following table summarizes information about the share options outstanding and exercisable at September 30, 2011:

<b>Number Outstanding and Exercisable</b>	<b>Exercise Price \$</b>	<b>Expiry Date</b>
853,000	0.15	March 5, 2012
70,000	0.10	July 14, 2012
335,000	0.15	July 14, 2012
615,000	0.10	June 14, 2013
62,000	0.10	August 3, 2013
250,000	0.10	October 6, 2013
<u>250,000</u>	0.185	May 4, 2014
<u>2,435,000</u>		

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**9. RELATED PARTY TRANSACTIONS AND BALANCES**

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.

(a) *Transactions with Key Management Personnel*

The following amounts were incurred with respect to the Chief Executive Officer and Chief Financial Officer of the Company:

	<b>Nine Months Ended September 30,</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Rent	3,600	3,600
Professional fees	101,375	95,150
Share-based compensation	-	36,320
	<u>104,975</u>	<u>135,070</u>

As at September 30, 2011, \$121,700 (2010 - \$117,050) remained unpaid and has been included in accounts payable and accrued liabilities.

(b) *Transactions with Other Related Parties*

The following amounts were incurred with respect to other officers and directors of the Company:

	<b>Nine Months Ended September 30,</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Salaries	14,583	-
Professional fees	4,500	4,500
Share-based compensation	32,500	11,680
	<u>51,583</u>	<u>16,180</u>

As at September 30, 2011, \$nil (2010 - \$4,500) remained unpaid and has been included in accounts payable and accrued liabilities.

(c) During the nine months ended September 30, 2011 the Company received \$nil (2010 - \$13,003) from Tinka Resources Limited ("Tinka") for rental of its condominium in Peru, and was reimbursed \$11,550 (2010 - \$16,500) for shared office personnel from public companies with certain directors in common.

(d) See also Notes 5 and 7.

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**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:

	<b>September 30, 2011</b>				
	<b>Canada</b>	<b>Mexico</b>	<b>Sweden</b>	<b>Total</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	
Current assets	2,007,211	23,356	33,995	2,064,562	
Property, plant and equipment	-	40,427	-	40,427	
Exploration and evaluation assets	-	2,207,078	1,515,404	3,722,482	
Other	-	-	11,656	11,656	
	<u>2,007,211</u>	<u>2,270,861</u>	<u>1,561,055</u>	<u>5,839,127</u>	
	<b>December 31, 2010</b>				
	<b>Canada</b>	<b>Mexico</b>	<b>Peru</b>	<b>Sweden</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
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
	<u>838,203</u>	<u>2,457,021</u>	<u>89,657</u>	<u>1,664,851</u>	<u>5,049,732</u>

**11. SUPPLEMENTAL CASH FLOW INFORMATION**

Non-cash activities were conducted by the Company for the nine months ended September 30, 2011 and 2010, as follows:

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Operating activities		
Amortization	9,675	-
Increase in accounts payable and accrued liabilities	16,402	10,381
	<u>26,077</u>	<u>10,381</u>
Investing activity		
Expenditures on exploration and evaluation assets	<u>(26,077)</u>	<u>(10,381)</u>

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**12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

*Categories of Financial Assets and Financial Liabilities*

Financial instruments are classified into one of the following four categories: fair value through profit or loss (“FVTPL”); held-to-maturity investments; loans and receivables; and available-for-sale. The carrying values of the Company’s financial instruments are classified into the following categories:

<b>Financial Instrument</b>	<b>Category</b>	<b>September 30, 2011 \$</b>	<b>December 31, 2010 \$</b>
Cash	FVTPL	513,477	833,472
Short-term investment	FVTPL	1,503,649	-
Amounts receivable	Loans and receivables	37,815	42,400
Accounts payable and accrued liabilities	Other liabilities	(168,416)	(149,626)

The Company’s financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for cash, short-term investment, 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 financial 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.

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**12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

	<b>Contractual Maturity Analysis at September 30, 2011</b>				
	<b>Less than 3 Months \$</b>	<b>3 - 12 Months \$</b>	<b>1 - 5 Years \$</b>	<b>Over 5 Years \$</b>	<b>Total \$</b>
Cash	513,477	-	-	-	513,477
Short-term investment	-	1,503,649	-	-	1,503,649
Amounts receivable	37,815	-	-	-	37,815
Accounts payable and accrued liabilities	(168,416)	-	-	-	(168,416)

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

*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 September 30, 2011, 1 Canadian Dollar was equal to 13.24 Mexican Pesos and 6.56 Swedish Krona.

Balances are as follows:

	<b>Mexican Pesos</b>	<b>Swedish Krona</b>	<b>CDN \$ Equivalent</b>
Cash	89,012	133,976	27,146
Amounts receivable	220,163	89,117	30,214
Accounts payable and accrued liabilities	<u>(46,521)</u>	<u>(44,276)</u>	<u>(10,263)</u>
	<u>262,654</u>	<u>178,817</u>	<u>47,097</u>

Based on the net exposures as of September 30, 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 \$4,000.

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**12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

*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 exploration and evaluation assets. 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 development of the business. The Company defines capital that it manages as share capital and cash. 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. 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.

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**13. TRANSITION TO IFRS (continued)**

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.

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**

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

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13. **TRANSITION TO IFRS** (continued)

**Reconciliation of Assets, Liabilities and Equity** (continued)

	<b>As at September 30, 2010</b>		
	<b>Canadian GAAP \$</b>	<b>Effect of Transition to IFRS \$</b>	<b>IFRS \$</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	126,257	-	126,257
Amounts receivable	62,480	-	62,480
Prepaid expenses	8,349	-	8,349
<b>Total current assets</b>	<b>197,086</b>	<b>-</b>	<b>197,086</b>
<b>Non-current assets</b>			
Exploration and evaluation assets	3,961,056	-	3,961,056
Property, plant and equipment	105,720	-	105,720
Other	14,073	-	14,073
<b>Total non-current assets</b>	<b>4,080,849</b>	<b>-</b>	<b>4,080,849</b>
<b>TOTAL ASSETS</b>	<b>4,277,935</b>	<b>-</b>	<b>4,277,935</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	137,440	-	137,440
<b>TOTAL LIABILITIES</b>	<b>137,440</b>	<b>-</b>	<b>137,440</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	14,193,224	-	14,193,224
Share-based payments reserve	2,034,845	631	2,035,476
Deficit	(12,087,574)	(631)	(12,088,205)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>4,140,495</b>	<b>-</b>	<b>4,140,495</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>4,277,935</b>	<b>-</b>	<b>4,277,935</b>

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**13. TRANSITION TO IFRS (continued)**

**Reconciliation of Assets, Liabilities and Equity (continued)**

	<b>As at December 31, 2010</b>		
	<b>Canadian GAAP \$</b>	<b>Effect of Transition to IFRS \$</b>	<b>IFRS \$</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	833,472	-	833,472
Amounts receivable	42,400	-	42,400
Prepaid expenses	18,714	-	18,714
<b>Total current assets</b>	<b>894,586</b>	<b>-</b>	<b>894,586</b>
<b>Non-current assets</b>			
Exploration and evaluation assets	4,021,421	-	4,021,421
Property, plant and equipment	119,652	-	119,652
Other	14,073	-	14,073
<b>Total non-current assets</b>	<b>4,155,146</b>	<b>-</b>	<b>4,155,146</b>
<b>TOTAL ASSETS</b>	<b>5,049,732</b>	<b>-</b>	<b>5,049,732</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	149,626	-	149,626
<b>TOTAL LIABILITIES</b>	<b>149,626</b>	<b>-</b>	<b>149,626</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	15,114,818	-	15,114,818
Share-based payments reserve	2,061,745	520	2,062,265
Deficit	(12,276,457)	(520)	(12,276,977)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>4,900,106</b>	<b>-</b>	<b>4,900,106</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>5,049,732</b>	<b>-</b>	<b>5,049,732</b>

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**13. TRANSITION TO IFRS (continued)**

**Reconciliation of Comprehensive Loss**

	<b>Three Months Ended September 30, 2010</b>			<b>Nine Months Ended September 30, 2010</b>		
	<b>Canadian GAAP \$</b>	<b>Effect of Transition to IFRS \$</b>	<b>IFRS \$</b>	<b>Canadian GAAP \$</b>	<b>Effect of Transition to IFRS \$</b>	<b>IFRS \$</b>
<b>Expenses</b>						
Accounting and administration	4,250	-	4,250	18,650	-	18,650
Amortization	1,661	-	1,661	4,983	-	4,983
Audit	-	-	-	10,000	-	10,000
Consulting	16,500	-	16,500	34,971	-	34,971
General exploration	33,253	-	33,253	118,051	-	118,051
Investment conferences	350	-	350	3,211	-	3,211
Investor relations	7,500	-	7,500	22,500	-	22,500
Legal	622	-	622	2,113	-	2,113
Management fees	24,000	-	24,000	72,000	-	72,000
Office	1,851	-	1,851	7,520	-	7,520
Regulatory	1,250	-	1,250	6,890	-	6,890
Rent	1,200	-	1,200	3,600	-	3,600
Salaries and benefits	(793)	-	(793)	3,443	-	3,443
Share-based compensation	5,560	415	5,975	54,110	89	54,199
Shareholder costs	54	-	54	1,213	-	1,213
Transfer agent	2,118	-	2,118	5,180	-	5,180
Travel and related	523	-	523	11,752	-	11,752
	<u>99,899</u>	<u>415</u>	<u>100,314</u>	<u>380,187</u>	<u>89</u>	<u>380,276</u>
<b>Loss before other items</b>	<u>(99,899)</u>	<u>(415)</u>	<u>(100,314)</u>	<u>(380,187)</u>	<u>(89)</u>	<u>(380,276)</u>
<b>Other items</b>						
Interest and other income	5,821	-	5,821	13,493	-	13,493
Foreign exchange	10,711	-	10,711	7,692	-	7,692
	<u>16,532</u>	<u>-</u>	<u>16,532</u>	<u>21,185</u>	<u>-</u>	<u>21,185</u>
<b>Comprehensive loss for the period</b>	<u>(83,367)</u>	<u>(415)</u>	<u>(83,782)</u>	<u>(359,002)</u>	<u>(89)</u>	<u>(359,091)</u>

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13. **TRANSITION TO IFRS** (continued)

**Reconciliation of Comprehensive Loss** (continued)

	<b>Year Ended December 31, 2010</b>		
	<b>Canadian GAAP \$</b>	<b>Effect of Transition to IFRS \$</b>	<b>IFRS \$</b>
<b>Expenses</b>			
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	22	81,032
Transfer agent	7,205	-	7,205
Travel and related	22,915	-	22,915
	<u>547,782</u>	<u>22</u>	<u>547,804</u>
<b>Loss before other items</b>	<u>(547,782)</u>	<u>(22)</u>	<u>(547,804)</u>
<b>Other items</b>			
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)
	<u>(103)</u>	<u>-</u>	<u>(103)</u>
<b>Comprehensive loss for the year</b>	<u>(547,885)</u>	<u>(22)</u>	<u>(547,907)</u>

***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 NINE MONTHS ENDED SEPTEMBER 30, 2011**

### **Background**

This discussion and analysis of financial position and results of operation is prepared as at November 29, 2011 and should be read in conjunction with the unaudited condensed consolidated interim financial statements for the nine months ended September 30, 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](http://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 policies set forth in Note 3 of the condensed consolidated interim financial statements have been applied in preparing the financial statements for the six months ended June 30, 2011 and comparative information as at and for the six months ended June 30, 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 unaudited 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. Bergslagen is 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 a number of 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.

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.

Tumi agreed with Boliden Mineral AB to obtain information on 46 drill holes totalling 9,108m in the Sala licence area and the information has been incorporated into the Sala drill data base.

### *Tomtebo*

The historic Tomtebo mine is located 25 km southeast of the city of Falun, Sweden. Earliest records indicate that the Tomtebo mine was first discovered and developed in the mid-seventeenth century, but detailed production records were kept only from the mid 19th century onwards. The mine has been closed since 1969 though exploration work continued underground until 1972. The host rocks are cordierite quartzite and mica schists which grade into biotite-andalusite bearing quartzite. These rocks are derived from highly potassic rhyolite tuffs. The ore at the Tomtebo mine occurs in minor folds as lenses or stringers on both flanks of a steeply dipping antiform structure where a larger orebody was mined. Between 1836 and 1837, 1,841 tons of copper and 1,077 tons of sulphur were produced. The copper content of the ore varied from 3.0% to 5.3% between the years 1915 and 1919. The average ore grade during the last phase of mining, between 1965 and 1969, was about 1% copper, 1% zinc and 35% sulphur. Copper concentrate produced contained on average 140 g/t Ag and 9 g/t Au.

During detailed research of literature pertaining to the Tomtebo licence area, a report written by Birger Hellegren in 1983 was found. The report details un-mined resources when the Tomtebo mine was closed. The mine was accessed by a 244m deep, 4.2m diameter shaft sunk between 1965 and 1968, and resources remaining between the surface and the 200m level are estimated at 385,000 tonnes grading 0.67% Cu, 1.84% Pb, 3.72% Zn, 0.66 g/t gold and 55 g/t Ag. *The data is historical in nature and was 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.*

There have been continuing discussions in Sweden over the possibility of building a central processing plant for base metal ores known in the Bergslagen district. The Tomtebo resource may well be an important immediate source of ore should this plant be built, and hence the Company will continue to work towards holding this area for the long term.

#### *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".

One diamond drill hole has been completed on this target and was terminated at 155m. The hole intersected a sequence of clay and altered volcanics and the source of the IP anomaly has not been determined. Some core samples have been cut for analysis but no further work is planned if these assay results are negative.

#### *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.

#### *Tungsten*

In October 2011 the Company acquired, through staking, five exploration licences in south-central Sweden - Wigstromsgruvan, Sandudden, Gustavsberg, Gensgruvan and Gussarvet. The primary target commodity on these licences is tungsten (and associated fluorite), a strategic metal that has seen its value increase by more than 70% since October 2010. The tungsten metal market is expected to see shortages beginning in 2011, which are due in part to export restrictions imposed by China. China is the largest producer with 2009 data showing greater than 75% of global production but is soon expected to be a net importer of the metal. By staking these claims the Company will be well positioned for tungsten exploration in Sweden over the coming years. Brief details of the five licence areas are as follows:

Gussarvet: Flood et al, 1981 report (Grb 232) inferred historical resources\* of 200,000 tonnes at 0.34% WO<sub>3</sub> following a 15 hole diamond drill program in which drill hole GAH 6 intersected 7.75 m averaging 0.64% WO<sub>3</sub> and 31.3 m grading 0.37% WO<sub>3</sub>. The tungsten mineralization occurs in skarn and epidote-quartzite associated with an approximately 100 m wide NE-SW trending carbonate horizon. According to the 1981 report, the SW end of the mineralization appears to be cut by a fault, and one of our objectives will be to locate the extension of the mineralization on the other side of the fault. The report also suggests that the mineralization may be open towards depth, thus making this a high priority target. The Hällsjön-Gussarvet area remains under-explored and will be one of the first areas to be studied by the Company to confirm and increase the historical resource.

Wigstromsgruvan: The licence area contains a small historic tungsten mine that fed ore to the nearby but now closed Yxsjöberg mine mill. Scheelite (CaWO<sub>3</sub>) and fluorite (CaF<sub>2</sub>) mineralization occur in garnet-diopsideskarn within mafic metavolcanics. Production figures reveal 130,456 tonnes of ore grading 0.28% WO<sub>3</sub> were shipped to the mill. Ore was produced from a slot-cut approximately 200 m long and up to 50 m deep. Records suggest the mineralization

remains open along strike and at depth, hence significant mineral resources remained in place at the time of the mine closure.

Sandudden: Scheelite and fluorite ore from a test-pit was also shipped to the Yxsjöberg mill with mineralization having similar characteristics to that found at Wigstromsgruvan. Production from the test-pit was 17,080 tonnes grading 0.22% WO<sub>3</sub>, mined from two benches to a depth of 10 m. Kontio, et al, 1979 report inferred historical resources\* in the area of 422,000 tonnes at a grade of 0.25% WO<sub>3</sub> and 5% CaF<sub>2</sub>. The Sandudden area remains under-explored and will be one of the first areas to be studied by the Company to both confirm and increase the historical resource.

Gustavsberg: The licence area contains a historic iron mine in the Riddarhyttan area of central Sweden. Documentation from the mine indicated that copper and tungsten mineralization was found in the skarn adjacent to the iron ore. Mine geologists reported discoveries of “up to football-sized patches of scheelite” in the footwall skarn. The mineralization is located in a N-S to NW-SE trending band of thinly bedded/banded metavolcanic rocks of alternating felsic and mafic nature. No modern exploration for tungsten has been done in the area although prospectors have been reporting scheelite occurring in the remnant waste dumps at the mine; a recent inspection by Company geologists discovered scheelite in excess of 4 cm in size. This information suggests the Gustavsberg licence area to be a prime target for modern tungsten exploration.

Gensgruvan: A small mine operated within the licence area for a few years in the 1940’s. Production figures from 1944 record 1,600 tonnes of ore were mined with an average grade of 0.3% WO<sub>3</sub>. Another small mine was also recorded in the area, named Molybdengruvan, with grades of 0.34% WO<sub>3</sub>. Geological surveys at the time discovered a number of untested outcrops containing mineralization. Also, a large number of mineralized boulders were discovered, but the source was not located.

*\*The data is historical in nature and was compiled prior to the implementation of NI 43-101 reporting standards. The Company 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.*

## **Mexico**

As at September 30, 2011 the Company maintained the 100% rights to four properties located in the Mexican states of Jalisco and Sonora. There are two high priority projects which will be the focus of the Company’s immediate ongoing Mexican exploration program, these projects are as follows:

### *Jalisco - 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

Over the last few years the continuous increase in both the price of silver and gold has meant that the in-situ value of La Trini resource has also increased significantly. Hence the Company intends to reactivate work at La Trini to enable the prospect to be advanced to scoping study as soon as possible. The Company intends to undertake three different programs to advance the knowledge on La Trini. Firstly, a three dimensional induced polarization survey will be undertaken to cover the claim areas seeking possible repeats of the known mineralization. Secondly, several representative samples of the mineralized zone will be collected from the reverse circulation reject samples stored on site. These samples will be subjected to metallurgical test-work to ensure the silver and gold mineralization can be extracted by known processing of this type of material. If this is successful then thirdly, a fourth drill program will be undertaken along the subcrop zone of the mineralization and down to a depth of about 75m to give a better understanding of the orientation and grade of mineralization in this zone. The silver mineral in the unoxidized part of

the deposit has been identified as hessite (silver telluride) and further work and analysis needs to be undertaken to ascertain the significance of a possible tellurium credit.

#### *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<sub>3</sub> (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<sub>3</sub> 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.

A diamond drill program at the Company's La Gloria gold-tungsten-tin project has commenced. A total of five holes are proposed in this program commencing with a hole on grid line 100 where a 32 m wide channel sample averaged 3.3 g/t gold, 958 ppm tungsten and 498 ppm tin. Two further holes will be drilled on grid lines 00 and 200, each 100m either side from the first hole. Another two holes are proposed elsewhere within the skarn body as an initial test of the extent of mineralization.

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.

Three Months Ended	Fiscal 2011			Fiscal 2010			Fiscal 2009	
	Sep. 30 2011 \$	Jun. 30 2011 \$	Mar. 31 2011 \$	Dec. 31 2010 \$	Sep. 30 2010 \$	Jun. 30 2010 \$	Mar. 31 2010 \$	Dec. 31 2009 \$
<b>Operations:</b>								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(141,595)	(210,022)	(144,193)	(167,595)	(100,313)	(180,044)	(99,919)	(88,085)
Other items	(204,085)	(359,782)	223,320	(21,288)	16,532	855	3,798	413
Net income (loss)	(345,680)	(569,804)	79,127	(188,883)	(83,781)	(179,189)	(96,121)	(87,672)
Basic and diluted loss per share	(0.01)	(0.01)	0.00	(0.01)	(0.00)	(0.01)	(0.00)	(0.00)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Balance Sheet:</b>								
Working capital	1,896,146	2,080,679	1,120,316	744,960	59,646	194,970	374,861	213,416
Total assets	5,839,127	6,236,760	5,351,656	5,049,732	4,277,935	4,339,091	4,483,990	4,253,637
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Results of Operations

During the nine months ended September 30, 2011 (the “2011 period”) the Company reported a net loss of \$836,357 (\$0.02 per share), an increase in loss of \$477,266 from the net loss of \$359,091 (\$0.01 per share), for the nine months ended September 30, 2010 (the “2010 period”). The increase in loss in the 2011 period is primarily attributed to the write-off of exploration and evaluation assets and partially offset by the gain on the sale of the condominium in Peru and the Batamote concessions.

General and administrative expenses increased by \$264,742 from \$380,276 during the 2010 period to \$115,534 during the 2011 period. Specific expenses of note are as follows:

- general exploration costs increased slightly by \$45,121 from \$118,051 during the 2010 period to \$163,172 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 \$22,500 (2010 - \$22,500);
- stock based compensation of \$32,762 (2010 - \$54,199) was recorded in the 2011 period relating to the granting and vesting of stock options previously granted;
- the President of the Company is remunerated at a rate of \$8,000 per month. Management fees of \$72,000 (2010 - \$72,000) were paid in the 2011 period;
- accounting and administration fees of \$24,875 (2010 - \$18,650) 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 \$3,600 (2010 - \$3,600) to Chase for office space provided;
- consulting fees of \$75,568 (2010 - \$34,971) were paid of which \$34,800 (2010 - \$nil) was paid for financial consulting; and
- incurred audit fees of \$27,138 (2010 - \$10,000). The change between the 2011 period and the 2010 period was solely due to the timing of billings of the Company’s year-end financial statements.

During the 2010 period the Company reported interest and other income of \$13,003 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 2011 period the Company incurred \$523,334 (2010 - \$160,834) on exploration and evaluation assets on its mineral resource interests. In aggregate, the Company capitalized \$172,239 (2010 - \$47,870) on its Swedish properties and \$350,995 (2010 - \$112,685) 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. During the 2011 period the Company wrote-off a total

of \$575,020 exploration and evaluation assets of which \$285,558 was attributed to its Mexican Properties and \$289,462 to its Swedish Properties.

### **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.

### **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) IFRS 10 *Consolidated Financial Statements*; effective for annual periods beginning on or after January 1, 2013. Early application is permitted. IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 supersedes IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidated - Special Purpose Entities*.
- (v) IFRS 11 *Joint Arrangements*; effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. IFRS 11 establishes principles for financial reporting by parties to a joint arrangement. IFRS supersedes the current IAS 31 *Interest in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-Monetary Contributions by Ventures*.
- (vi) IFRS 12 *Disclosure of Interest in Other Entities*; effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity.
- (vii) IFRS 13 *Fair Value Measurements*; to be applied for annual periods beginning on or after January 1, 2013. Earlier application is permitted. IFRS 13 defines fair value, sets out in a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements).
- (viii) 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 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.

#### (a) Transactions with Key Management Personnel

The following amounts were incurred with respect to the Chief Executive Officer and Chief Financial Officer of the Company:

	Nine Months Ended September 30,	
	2011	2010
	\$	\$
Rent	3,600	3,600
Professional fees	101,375	95,150
Share-based compensation	-	36,320
	104,975	135,070

As at September 30, 2011, \$121,700 (2010 - \$117,050) remained unpaid and has been included in accounts payable and accrued liabilities.

(b) *Transactions with Other Related Parties*

The following amounts were incurred with respect to other officers and directors of the Company:

	Nine Months Ended September 30,	
	2011 \$	2010 \$
Salaries	14,583	-
Professional fees	4,500	4,500
Share-based compensation	32,500	11,680
	51,583	16,180

As at September 30, 2011, \$nil (2010 - \$4,500) remained unpaid and has been included in accounts payable and accrued liabilities.

- (c) During the nine months ended September 30, 2011 the Company received \$nil (2010 - \$13,003) from Tinka Resources Limited (“Tinka”) for rental of its condominium in Peru, and was reimbursed \$11,550 (2010 - \$16,500) for shared office personnel from public companies with certain directors in common.
- (d) A Director of the Company and their family member purchased 250,000 units of a private placement.
- (e) During the nine months ended June 30, 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](http://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 \$22,500 (2010 - \$22,500).

### **Outstanding Share Data**

The Company's authorized share capital is unlimited common shares with no par value. As at November 29, 2011, there were 50,655,039 outstanding common shares, 2,435,000 share options outstanding with exercise prices ranging from \$0.10 to \$0.185 per share and 15,018,333 warrants outstanding with exercise prices ranging from \$0.15 to \$0.25 per share.