
TUMI RESOURCES LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

JUNE 30, 2007

(Unaudited - Prepared by Management)

**MANAGEMENT'S COMMENTS ON
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited interim consolidated financial statements of Tumi Resources Limited for the six months ended June 30, 2007, have been prepared by and are the responsibility of the Company's management. These statements have not been reviewed by the Company's external auditors.

TUMI RESOURCES LIMITED
INTERIM CONSOLIDATED BALANCE SHEETS
(Unaudited - Prepared by Management)

	June 30, 2007 \$	December 31, 2006 \$
A S S E T S		
CURRENT ASSETS		
Cash and cash equivalents	1,698,258	2,898,961
Amounts receivable	135,948	82,994
Prepays	<u>22,685</u>	<u>25,715</u>
	1,856,891	3,007,670
PROPERTY AND EQUIPMENT (Note 4)	215,871	236,140
MINERAL RESOURCE INTERESTS (Note 5)	3,387,654	2,368,283
OTHER	<u>6,742</u>	<u>6,742</u>
	<u><u>5,467,158</u></u>	<u><u>5,618,835</u></u>

L I A B I L I T I E S

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	<u>109,592</u>	<u>119,368</u>

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

SHARE CAPITAL (Note 6)	11,959,327	11,798,414
CONTRIBUTED SURPLUS (Note 8)	1,587,916	1,385,723
DEFICIT	<u>(8,189,677)</u>	<u>(7,684,670)</u>
	<u>5,357,566</u>	<u>5,499,467</u>
	<u><u>5,467,158</u></u>	<u><u>5,618,835</u></u>

NATURE OF OPERATIONS (Note 1)

APPROVED BY THE DIRECTORS

"David Henstridge" , Director

"Nick DeMare" , Director

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

TUMI RESOURCES LIMITED
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

(Unaudited - Prepared by Management)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
	\$	\$	\$	\$
EXPENSES				
Accounting and administration	13,000	11,000	18,100	18,800
Amortization	2,641	5,308	5,280	7,889
Audit	32,194	3,537	32,194	3,537
Consulting	3,037	(4,607)	6,112	28,568
Corporate development	8,878	3,520	10,263	4,520
General exploration	46,836	78,841	110,668	88,647
Investment conferences	2,147	8,865	3,979	10,795
Investor relations	15,000	9,000	30,000	18,000
Legal	5,244	9,082	7,267	9,082
Management fees	7,815	14,230	16,837	26,360
Office	7,497	5,499	11,741	9,031
Regulatory	4,408	5,459	5,583	6,429
Rent	1,350	1,350	2,700	2,700
Salaries and benefits	6,891	6,555	8,393	13,110
Shareholder costs	2,164	2,016	3,699	7,410
Stock-based compensation (Note 7)	199,600	159,966	213,400	298,686
Transfer agent	3,183	5,347	4,332	6,350
Travel and related	6,918	6,354	17,694	24,694
	<u>368,803</u>	<u>331,322</u>	<u>508,242</u>	<u>584,608</u>
LOSS BEFORE OTHER ITEMS	<u>(368,803)</u>	<u>(331,322)</u>	<u>(508,242)</u>	<u>(584,608)</u>
OTHER ITEMS				
Interest and other income	20,940	16,879	49,139	27,111
Foreign exchange loss	(32,449)	(34,452)	(31,781)	(34,414)
Write-off of mineral resource interests (Note 5(b))	(14,123)	-	(14,123)	(124,755)
	<u>(25,632)</u>	<u>(17,573)</u>	<u>3,235</u>	<u>(132,058)</u>
NET AND COMPREHENSIVE LOSS FOR THE PERIOD	<u>(394,435)</u>	<u>(348,895)</u>	<u>(505,007)</u>	<u>(716,666)</u>
DEFICIT - BEGINNING OF PERIOD	<u>(7,795,242)</u>	<u>(7,177,335)</u>	<u>(7,684,670)</u>	<u>(6,809,564)</u>
DEFICIT - END OF PERIOD	<u>(8,189,677)</u>	<u>(7,526,230)</u>	<u>(8,189,677)</u>	<u>(7,526,230)</u>
LOSS PER COMMON SHARE				
- BASIC AND DILUTED	<u>\$(0.02)</u>	<u>\$(0.01)</u>	<u>\$(0.02)</u>	<u>\$(0.03)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING				
- BASIC AND DILUTED	<u>25,488,958</u>	<u>23,680,456</u>	<u>25,418,968</u>	<u>20,518,544</u>

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

TUMI RESOURCES LIMITED
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited - Prepared by Management)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
	\$	\$	\$	\$
CASH PROVIDED FROM (USED FOR)				
OPERATING ACTIVITIES				
Net and comprehensive loss for the period	(394,435)	(348,895)	(505,007)	(716,666)
Adjustment for items not involving cash				
Amortization	2,641	5,308	5,280	7,889
Stock-based compensation	199,600	159,966	213,400	298,686
Write-off of mineral resource interests	14,123	-	14,123	124,755
	(178,071)	(183,621)	(272,204)	(285,336)
Decrease (increase) in amounts receivable	(24,299)	(22,635)	(52,954)	22,400
Decrease (increase) in prepaids	(6,991)	(8,318)	3,030	(16,223)
Increase (decrease) in accounts payable and accrued liabilities	67,073	(244,486)	(9,776)	35,667
	<u>(142,288)</u>	<u>(459,060)</u>	<u>(331,904)</u>	<u>(243,492)</u>
INVESTING ACTIVITIES				
Expenditures on mineral resource interests	(536,293)	(152,041)	(1,005,493)	(715,708)
Purchases of property and equipment	(4,306)	(47,164)	(4,306)	(50,143)
	<u>(540,599)</u>	<u>(199,205)</u>	<u>(1,009,799)</u>	<u>(765,851)</u>
FINANCING ACTIVITIES				
Issuance of common shares	141,000	4,127,960	141,000	4,127,960
Share issue costs	-	(270,851)	-	(270,851)
	<u>141,000</u>	<u>3,857,109</u>	<u>141,000</u>	<u>3,857,109</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS - DURING THE PERIOD				
	(541,887)	3,198,844	(1,200,703)	2,847,766
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD				
	<u>2,240,145</u>	<u>645,156</u>	<u>2,898,961</u>	<u>996,234</u>
CASH AND CASH EQUIVALENTS - END OF PERIOD				
	<u>1,698,258</u>	<u>3,844,000</u>	<u>1,698,258</u>	<u>3,844,000</u>
CASH AND CASH EQUIVALENTS IS COMPRISED OF:				
Cash	208,481	644,000	208,481	644,000
Short-term investments	1,489,777	3,200,000	1,489,777	3,200,000
	<u>1,698,258</u>	<u>3,844,000</u>	<u>1,698,258</u>	<u>3,844,000</u>

SUPPLEMENTAL CASH FLOW INFORMATION - Note 11

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

TUMI RESOURCES LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2007
(Unaudited - Prepared by Management)

1. NATURE OF OPERATIONS

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

2. SIGNIFICANT ACCOUNTING POLICIES

These interim consolidated financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the amounts reported in the interim consolidated financial statements and accompanying notes. Actual results could differ from those estimates. The interim consolidated financial statements have, in management's opinion, been properly prepared using careful judgement with reasonable limits of materiality. These interim consolidated financial statements should be read in conjunction with the most recent annual consolidated financial statements. The significant accounting policies follow that of the most recently reported annual financial statements.

3. CHANGES IN ACCOUNTING POLICIES

Effective January 1, 2007, the Company has adopted two new accounting standards related to financial instruments that were issued by the Canadian Institute of Chartered Accountants. These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are as follows:

Financial Instruments - Recognition and Measurement (Section 3855)

In accordance with this new standard, the Company now classifies all financial instruments as either held-to-maturity, available-for-sale, held-for-trading, loans and receivables, or other financial liabilities. Financial assets held-to-maturity, loans and receivables and financial liabilities other than those held-for-trading are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Instruments classified as held-for-trading are measured at fair value with unrealized gains and losses recognized on the statement of loss.

Upon adoption of this new standard, the Company has designated its cash and cash equivalents as held-for-trading, which are measured at fair value. Exploration advances and other receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. As at June 30, 2007, the Company did not have any financial assets classified as available-for-sale and therefore the adoption of the standards noted above had no effect on the presentation of the Company's financial statements.

TUMI RESOURCES LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2007
(Unaudited - Prepared by Management)

3. CHANGES IN ACCOUNTING POLICIES (continued)

Comprehensive Income (Section 1530)

Comprehensive income is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources. In accordance with this new standard, the Company now reports a statement of comprehensive income and a new category, accumulated other comprehensive income, in the shareholders' equity section of the balance sheet. The components of this new category will include unrealized gains and losses on financial assets classified as available-for-sale.

4. PROPERTY AND EQUIPMENT

	June 30, 2007 \$	December 31, 2006 \$
Condominium	132,840	132,840
Office furniture and equipment	37,383	33,077
Vehicles	<u>121,680</u>	<u>121,680</u>
	291,903	287,597
Less accumulated amortization	<u>(76,032)</u>	<u>(51,457)</u>
	<u><u>215,871</u></u>	<u><u>236,140</u></u>

5. MINERAL RESOURCE INTERESTS

	<u>June 30, 2007</u>			<u>December 31, 2006</u>		
	Acquisition Costs \$	Exploration Expenditures \$	Total \$	Acquisition Costs \$	Exploration Expenditures \$	Total \$
Mexico						
La Trini (a)	597,442	1,020,836	1,618,278	362,060	724,658	1,086,718
Sonora (b)	81,305	867,129	948,434	67,412	520,747	588,159
Sweden						
Bergslagen (c)	<u>233,249</u>	<u>587,693</u>	<u>820,942</u>	<u>224,447</u>	<u>468,959</u>	<u>693,406</u>
	<u><u>911,996</u></u>	<u><u>2,475,658</u></u>	<u><u>3,387,654</u></u>	<u><u>653,919</u></u>	<u><u>1,714,364</u></u>	<u><u>2,368,283</u></u>

(a) La Trini, Mexico

By agreement dated January 19, 2005, the Company acquired the rights to acquire a 100% interest in the La Trini and Mololoa mineral claims ("La Trini Project"). The La Trini Project covers 356 hectares and is located in the Jalisco silver belt approximately 100 kilometres northwest of Guadalajara, Jalisco State, Mexico.

During the six months ended June 30, 2007, the Company completed the acquisition of a 100% interest in the La Trini Project by making the final option payment of US \$200,000 and issuing 13,819 common shares at a fair value of \$8,706, for finder's fee.

The vendor has retained 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.

TUMI RESOURCES LIMITED
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(Unaudited - Prepared by Management)

5. MINERAL RESOURCE INTERESTS (continued)

(b) Sonora, Mexico

During fiscal 2006, the Company staked, a portfolio of 11 mineral claims covering 114,014 hectares, located in Sonora State, Mexico.

On November 27, 2006, the Company also entered into an option agreement to earn a 100% interest in one mineral claim of approximately 22 hectares. The Company subsequently determined to terminate the option agreement after making option payments totaling \$13,893 (US \$12,500) and incurring \$230 exploration expenditures. Accordingly the Company has recorded \$14,123 write-off of mineral resource interests.

(c) Bergslagen District, Sweden

The Company has acquired, through staking, mineral concessions in Sweden. As at June 30, 2007, the Company has staked 15 exploration projects covering approximately 15,253 hectares, located in the Bergslagen District in south-central Sweden.

6. SHARE CAPITAL

Authorized: unlimited common shares with no par value

Issued:	Six Months Ended June 30, 2007		Year Ended December 31, 2006	
	Shares	Amount \$	Shares	Amount \$
Balance, beginning of period	25,347,597	11,798,414	18,551,370	8,114,653
Issued during the period				
For cash				
private placement	-	-	6,658,000	4,127,960
exercise of stock options	90,000	45,000	-	-
exercise of warrants	120,000	96,000	-	-
Reallocation from contributed surplus on exercise of options	-	11,207	-	-
For agent and finder's fees	-	-	120,395	57,006
For mineral properties	13,819	8,706	17,832	8,738
	223,819	160,913	6,796,227	4,193,704
Less share issue costs	-	-	-	(509,943)
	223,819	160,913	6,796,227	3,683,761
Balance, end of period	<u>25,571,416</u>	<u>11,959,327</u>	<u>25,347,597</u>	<u>11,798,414</u>

TUMI RESOURCES LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2007
(Unaudited - Prepared by Management)

6. SHARE CAPITAL (continued)

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at June 30, 2007 and 2006 and the changes for the six months ended on those dates is as follows:

	<u>Six Months Ended June 30, 2007</u>		<u>Six Months Ended June 30, 2006</u>	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance, beginning of period	3,804,998	0.80	-	-
Issued	-	-	3,804,998	0.80
Exercised	<u>(120,000)</u>	0.80	<u>-</u>	-
Balance, end of period	<u>3,684,998</u>	0.80	<u>3,804,998</u>	0.80

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at June 30, 2007:

Number	Exercise Price \$	Expiry Date
2,081,248	0.80	April 28, 2008
<u>1,603,750</u>	0.80	May 17, 2008
<u>3,684,998</u>		

7. STOCK OPTIONS AND STOCK-BASED COMPENSATION

The Company has established a rolling stock option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts in accordance with the policies of the TSX Venture Exchange.

During the six months June 30, 2007, the Company granted 435,000 stock options (2006 - 1,033,400) to the Company's employees, directors and consultants and recorded compensation expense of \$213,400 (2006 - \$298,686).

The fair value of stock options granted to employees, directors and consultants is estimated on the dates of grants using the Black-Scholes option pricing model with the following assumptions used for the grants made during the three months ended June 30, 2007 and 2006:

	<u>Six Months Ended June 30, 2007</u>	<u>Six Months Ended June 30, 2006</u>
Risk-free interest rate	3.97% - 4.05%	3.75% - 4.07%
Estimated volatility	78%	92% - 96%
Expected life	3 years	1.5 years
Expected dividend yield	0%	0%

The fair value per share of stock options, calculated using the Black-Scholes option pricing model, granted during the six months ended June 30, 2007 to the Company's employees, directors and consultants was \$0.49 (2006 - \$0.27) per share.

TUMI RESOURCES LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2007
(Unaudited - Prepared by Management)

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

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 a reliable measure of the fair value of the Company's stock options.

A summary of the Company's outstanding stock options at June 30, 2007 and 2006 and the changes for the six month period ended on those dates is as follows:

	<u>Six Months Ended June 30, 2007</u>		<u>Six Months Ended June 30, 2006</u>	
	Options Outstanding	Weighted Average Exercise Price \$	Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of period	2,260,000	0.51	1,351,600	0.49
Granted	435,000	0.77	1,033,400	0.56
Exercised	(90,000)	0.50	-	-
Cancelled / expired	<u>(50,000)</u>	0.61	<u>(200,000)</u>	0.57
Balance, end of period	<u><u>2,555,000</u></u>	0.56	<u><u>2,185,000</u></u>	0.51

The following table summarizes information about the stock options outstanding and exercisable at June 30, 2007:

Number Outstanding	Number Exercisable	Exercise Price \$	Expiry Date
900,600	900,600	0.50	April 8, 2008
171,000	171,000	0.30	July 20, 2008
538,000	538,000	0.50	January 16, 2009
70,000	70,000	0.61	April 28, 2009
365,400	365,400	0.62	May 19, 2009
75,000	75,000	0.62	September 20, 2009
60,000	60,000	0.60	February 7, 2010
<u>375,000</u>	<u>350,000</u>	0.80	June 12, 2010
<u><u>2,555,000</u></u>	<u><u>2,530,000</u></u>		

8. CONTRIBUTED SURPLUS

Contributed surplus for the six months ended June 30, 2007 and 2006 is comprised of the following:

	<u>Six Months Ended June 30,</u>	
	<u>2007</u>	<u>2006</u>
	\$	\$
Balance, beginning of period	1,385,723	800,068
Stock-based compensation on options (Note 7)	213,400	298,686
Stock-based compensation on agent and finders warrants	-	125,809
Stock options exercised	<u>(11,207)</u>	<u>-</u>
Balance, end of period	<u><u>1,587,916</u></u>	<u><u>1,224,563</u></u>

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

9. RELATED PARTY TRANSACTIONS

During the six months ended June 30, 2007, the Company:

- i) incurred \$26,800 (2006 - \$21,500) for office rent and accounting, management and administration services provided by a director and private corporations owned by a director of the Company;
- ii) incurred \$48,000 (2006 - \$43,000) for management services provided by the President of the Company. Of this amount, \$31,163 (2006 - \$16,640) has been capitalized as geological costs in mineral resource interests and \$16,837 (2006 - \$26,360) expensed as management fees; and
- iii) received \$3,285 (2006 - \$3,329) in other income from Tinka Resources Limited ("Tinka"), for rental of its condominium in Peru, and was reimbursed \$12,000 (2006 - \$12,000) for shared office personnel from Tinka and Mawson Resources Limited ("Mawson"). Tinka and Mawson are public companies with certain directors in common.

Unless otherwise stated, related party transactions are measured at the exchange amount, being the amount of consideration established and agreed to by the related parties.

10. SEGMENTED INFORMATION

The Company is involved in mineral exploration and development activities in Mexico and Sweden. The Company also owns a condominium in Peru. 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:

	June 30, 2007				
	Canada	Mexico	Peru	Sweden	Total
	\$	\$	\$	\$	\$
Current assets	1,673,052	138,563	-	45,276	1,856,891
Property and equipment	9,308	63,263	112,911	30,389	215,871
Mineral resource interests	-	2,964,740	-	422,914	3,387,654
Other assets	-	-	-	6,742	6,742
	<u>1,682,360</u>	<u>3,166,566</u>	<u>112,911</u>	<u>505,321</u>	<u>5,467,158</u>
	December 31, 2006				
	Canada	Mexico	Peru	Sweden	Total
	\$	\$	\$	\$	\$
Current assets	2,873,332	72,654	-	61,684	3,007,670
Property and equipment	11,264	67,522	116,233	41,121	236,140
Mineral resource interests	-	1,674,877	-	693,406	2,368,283
Other assets	-	-	-	6,742	6,742
	<u>2,884,596</u>	<u>1,815,053</u>	<u>116,233</u>	<u>802,953</u>	<u>5,618,835</u>

TUMI RESOURCES LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2007
(Unaudited - Prepared by Management)

11. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash activities were conducted by the Company for the six months ended June 30, 2007 and 2006 as follows:

	<u>Six Months Ended June 30,</u>	
	<u>2007</u>	<u>2006</u>
	\$	\$
Investing activity		
Expenditures on mineral resource interests	<u>(8,706)</u>	<u>(8,738)</u>
Financing activity		
Contributed surplus	(11,207)	-
Shares issued for mineral resource interests	8,706	8,738
Share issue costs financed through agent and finders warrants	-	(200,454)
Shares issued for non-cash consideration	<u>11,207</u>	<u>200,454</u>
	<u>8,706</u>	<u>8,738</u>

12. FINANCIAL INSTRUMENTS

Financial instruments consist of cash and cash equivalents, amounts receivable, and accounts payable and accrued liabilities.

(a) Concentration of Credit Risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk are cash and cash equivalents and amounts receivable. The maximum potential loss on all financial instruments is equal to the carry amount of these items.

(b) Fair value of financial instruments

The fair value of cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities are believed to equal their carry value due to their short terms to maturity.

(c) Foreign Currency Risk

The Company is subject to foreign exchange rate risk as certain of the Company's subsidiaries and operations incur transactions and have assets and liabilities denominated in currencies other than the Company's functional currency, which is the Canadian dollar.

SCHEDULE I

TUMI RESOURCES LIMITED
INTERIM CONSOLIDATED SCHEDULE OF MINERAL RESOURCE INTERESTS

	<u>Six Months Ended June 30, 2007</u>			<u>December 31,</u> <u>2006</u>	
	<u>Mexico</u>		<u>Sweden</u>	<u>Total</u> <u>\$</u>	<u>Total</u> <u>\$</u>
	<u>La</u> <u>Trini</u> <u>\$</u>	<u>Sonora</u> <u>\$</u>	<u>Bergslagen</u> <u>District</u> <u>\$</u>		
BALANCE, BEGINNING OF PERIOD	<u>1,086,718</u>	<u>588,159</u>	<u>693,406</u>	<u>2,368,283</u>	<u>889,870</u>
COSTS INCURRED DURING PERIOD					
EXPLORATION					
Airborne survey	-	-	-	-	79,516
Amortization	8,565	-	10,732	19,297	13,281
Assays	19,103	27,537	-	46,640	30,302
Assay preparation	-	14,447	-	14,447	16,845
Camp costs	7,353	14,250	-	21,603	24,935
Consulting	7,501	47,960	1,725	57,186	124,499
Database	-	-	-	-	23,266
Drilling	154,428	-	-	154,428	-
Equipment rental	13,435	4,720	-	18,155	20,129
Exploration site costs	6,122	15,242	10,429	31,793	115,862
Field workers	4,354	13,139	-	17,493	47,651
Fuel	4,000	12,885	-	16,885	22,018
Geological	23,417	18,350	26,573	68,340	37,999
Geophysical	-	-	19,710	19,710	92,950
Maps	-	-	4,199	4,199	7,124
Mine rights	3,969	53,192	-	57,161	11,323
Other	-	-	-	-	11,954
Repair and maintenance	1,510	10,894	-	12,404	20,785
Salaries and benefits	38,532	121,480	32,059	192,071	348,843
Supplies	2,853	-	-	2,853	27,399
Travel	1,036	6,409	13,307	20,752	45,070
	<u>296,178</u>	<u>360,505</u>	<u>118,734</u>	<u>775,417</u>	<u>1,121,751</u>
ACQUISITION					
Staking and related costs	-	-	8,802	8,802	121,212
Geological fees	-	-	-	-	127,218
Cash payments	226,676	13,893	-	240,569	231,730
Issuance of shares	8,706	-	-	8,706	8,738
	<u>235,382</u>	<u>13,893</u>	<u>8,802</u>	<u>258,077</u>	<u>488,898</u>
	<u>531,560</u>	<u>374,398</u>	<u>127,536</u>	<u>1,033,494</u>	<u>1,610,649</u>
BALANCE BEFORE WRITE-OFFS	1,618,278	962,557	820,942	3,401,777	2,500,519
WRITE-OFFS	<u>-</u>	<u>(14,123)</u>	<u>-</u>	<u>(14,123)</u>	<u>(132,236)</u>
BALANCE, END OF PERIOD	<u>1,618,278</u>	<u>948,434</u>	<u>820,942</u>	<u>3,387,654</u>	<u>2,368,283</u>

TUMI RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED JUNE 30, 2007

Background

This discussion and analysis of financial position and results of operation is prepared as at August 27, 2007 and should be read in conjunction with the unaudited interim consolidated financial statements for the six months ended June 30, 2007 and the audited consolidated financial statements for the years ended December 31, 2006 and 2005 of Tumi Resources Limited (the "Company"). Those financial statements have been prepared in accordance with Canadian generally accepted accounting policies ("GAAP"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities, can be found on SEDAR at www.sedar.com.

Company Overview

The Company is a junior mineral exploration company 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 proved 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 Over-the-Counter Bulletin Board under the symbol "TUMIF". The Company is also registered with the U.S. Securities and Exchange Commission ("SEC") as a foreign private issuer under the Securities Act of 1934.

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

Mexico

The Company has the 100% rights to nine properties located in the Mexican states of Jalisco and Sonora and covering approximately 114,370 hectares. There are five high priority projects which will be the focus of the Company's Mexican exploration program in 2007, these projects are the following:

La Trini

Between December 2005 and early February 2006, the La Trini geochemical control grid was extended a further 700m west of the drilled area. This grid was used for soil/rock chip sampling and geological mapping. The results of the geochemical survey demonstrated that the silver/gold mineralized zone continues to the west with coincident and strongly anomalous copper and arsenic and moderately anomalous silver, barium and zinc in soils directly above the sub-cropping rhyolite unit. This expands the zone of interest of the mineralized rhyolite unit to in excess of 1.5km.

In August 2005, the Company finalized an initial drill program at La Trini. The reverse circulation drill program consisted of 15 drill holes to target the core anomalous zone along a strike length of 200m and centered on the anomalous geochemistry and underground workings. The drill holes ranged in depth from 48m to 148m and totaled 1,344m.

In March 2007, the Company completed a phase-two reverse circulation drill program at La Trini; 20 drill holes were completed totaling 2,768m. The Company's phase-two drill program was focused on better defining the mineralized core zone and establishing where future detailed drilling should occur.

Drilling coupled with the surface and underground sampling programs in and adjacent to the main target area has defined a 400m long northerly trending mineralized zone. The zone is 200m wide and remains open down-dip to the north. Within this zone there appears to be a higher grade corridor along the eastern edge, possibly adjacent to a major fault zone. Selected intervals from both drill programs within the higher grade zone include: TRRC 6 (18.3m at 3.1 g/t Au and 150 g/t Ag), TRRC 9 (6.1m at 1.1 g/t Au and 201 g/t Ag), TRRC 10 (10.1m at 1.6 g/t Au and 130 g/t Ag), TRRC 11 (5.1m at 5 g/t Au and 184 g/t Ag) and TRRC 32 (24.4m grading 6.4 g/t Au and 1,629 g/t Ag).

The results from TRRC 32 have identified an exploration target which requires immediate further drill testing. The Company is planning a phase three program of closely spaced drilling to define the size and orientation of this high-grade zone further, and to define the extent of the main zone.

Also during March 2007, the Company made the final option payment under the agreement to acquire the La Trini silver/gold project, as announced on January 19, 2005, and, accordingly, the Company has fully earned its 100% interest in all the subject claims.

Phoenix

During June 2006, the Company acquired, through staking, the 4,106-hectare Phoenix precious metal exploration property located in northern Sonora, Mexico.

The Company has undertaken a systematic gridding and rock/soil sampling program on the Phoenix claim, searching for bulk tonnage gold/silver mineralization. Phoenix is underlain by Mesozoic volcanic, sedimentary and intrusive rocks covered by a young, gently dipping alluvial plain. An area roughly three km east-west by three km north-south has been gridded, from which 3,120 samples have been taken. The lines are spaced either 50m or 100m apart with stations every 20m along the lines. Most of the samples were taken from rock as the soil cover was sparse and poorly developed.

Multi-element ICP analyses of the samples have shown strongly anomalous arsenic, silver, lead, zinc, and to some extent antimony, which appears to correlate with hematite and carbonate altered horizons. These horizons seem to parallel the sedimentary and volcanic stratigraphy that trends northwest southeast and dips gently to moderately southwest. Gold has not been analyzed in these samples for cost purposes; it has been demonstrated from previous sampling that gold has a strong correlation with the elements mentioned above. It is believed that up to five distinct horizons exist over a strike length of up to 2.5km; these horizons remain open to the southeast.

During June 2007, the Company announced the completion of nineteen drill holes totaling 1,495m. The drill holes were widely-spaced throughout the survey area, testing several of the anomalous horizons that were mapped. As well, several holes were drilled to test a granitic body where numerous old workings display a stockwork-style of fracturing and mineralization exposed over an area 400m by 700m. The best result received in the drill program was 10m averaging 1.2 g/t gold, starting from surface, in Hole PHRC3. The Company is reviewing all data to determine whether the drilling has adequately tested the anomalous zones.

Mazatan

The Company's attention to the Mazatan area was drawn by an old placer gold field just north of the property. This field is down-slope from intense hematite altered rock within the claim that would appear to be the source of the placer gold mineralization. The exploration target within this project is for a large, low grade precious metal system. This style of mineralization is common in Sonora, including La Herradura, La Choya and San Francisco mines.

Reconnaissance rock samples taken from an area containing altered rhyolite volcanics have yielded some highly anomalous gold values. A grab sample taken from a quartz/sulphide-rich shear ran 3.3 g/t gold, 104 g/t silver and 2.4% lead, and highly elevated zinc and arsenic. An eight metre wide chip sample from this area returned 0.9 g/t gold plus elevated silver, lead and zinc. Additional samples taken from similar looking alteration and mineralization located from 175m to 500m southwest of the site mentioned above, returned values ranging from 0.6 g/t gold, 4 g/t silver and 1.8% lead to 0.9 g/t gold, 270 g/t silver, and 2.5% lead from silica and sulphide-rich zones.

Altered rock was found in outcrop over an area roughly 1km east-west by 3km north-south, but much of this area is covered by alluvium. In order to better define the target area within the large Mazatan licence, a regional stream sediment geochemical survey has been completed with a total of 877 minus 80 mesh samples collected and submitted for assay.

Batamote

This property, located in northern Sonora, is underlain by geology that has some similarities to the Phoenix property, and it contains several small artesanal mine workings along highly altered structures, presumably mined for gold and silver. This large concession lies a few kilometres west of the advanced stage El Chanate gold deposit.

During May 2007, the Company announced that the Batamote concessions had been farmed out to General Minerals Corporation who have the right to earn a 70% interest by spending US \$5 million over six years.

El Colorado

A regional stream sediment sampling survey is underway at the Company's 100%-owned El Colorado property. The area is located approximately 45 km southeast of Hermosillo, central Sonora, Mexico and covers an area of 21,062 hectares. The El Colorado licence area abuts the northern boundary of the claims covering the now closed La Colorada Mine, previously operated by Eldorado Gold Corporation. The La Colorada Mine opened in 1994 and was reported to produce up to 65,000 ozs of gold per year from an open-pit, heap-leach operation, before it was closed in 2001. Hematite alteration, strongly visible and associated with the rocks inside the La Colorada Mine, continues to the north into the El Colorado claims owned by the Company. The exploration target within the El Colorado licence is a large, low grade precious metal system similar to the style of mineralization found at La Colorada, La Herradura, La Choya and San Francisco mines. Also, within the boundaries of the Company's claim exist two smaller properties, owned by third parties, overlying skarn deposits that are reported to have produced up to kg-levels per tonne of silver mineralization.

A regional stream sediment geochemical survey is underway, and approximately 1,200 samples will be collected and analysed for 30 elements using the ICP method. The geochemical sampling is expected take about eight weeks to complete.

Sweden

Research for new silver projects took the Company to the Bergslagen District in Sweden. Bergslagen lies immediately to the northwest of Stockholm and covers an area of approximately 200km east-west by 150km 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 has staked fifteen properties totaling 15,253 hectares in Bergslagen where four projects are undergoing detailed exploration and these projects are:

Sala

Sala, now a historical mine site, was Europe's largest silver producer since the 16th Century. Production was ceased in the early part of the 20th Century. Historical records show it was likely that in excess of 200 million ounces of silver were recovered from Sala with grades as high as 7,000 g/t.

During the last year 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 has been 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 kilometer. There is evidence of old drill holes in this area; no information about these holes has been found in the public domain.

Approval for an initial diamond drilling program has been lodged with the authorities, as required by Swedish Mining Law. A drill contract will be signed as soon as approval is given.

Tomtebo

Earliest records indicate that the Tomtebo mine was first discovered and developed in the mid-17th century producing ores containing copper, zinc, silver and gold. Following an airborne electromagnetic (EM) survey completed last autumn, flown along lines spaced 100m apart, the data has been reviewed, modelled and interpreted by an independent geophysicist in Australia. Numerous conductive zones were identified in the database; most were of “cultural” origin (powerlines, culverts, electric fences, buildings), but a few appear to be legitimate targets near the old workings at Tomtebo. The Company is planning an induced polarisation (“IP”) survey to cover the central part of the old mines and this EM conductor. Some historical drilling and underground data has been reviewed and compiled, but further research will be performed as well before a drilling program is designed.

Öster Silverberg and Kalvsbäcken

In 2006, the Company completed an airborne (by helicopter) electromagnetic geophysical survey over the Öster Silverberg property and a ground EM geophysical survey within the Kalvsbäcken property. Both properties contain historical mines. Interpretation of the geophysical data is continuing (this will include ground study of anomalous areas) and if drill targets are defined then the Company will undertake initial drill programs.

The qualified person for all of the Company’s projects is David Henstridge, a fellow of the Australian 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 consolidated interim financial statements of the Company prepared in accordance with Canadian GAAP.

	Fiscal 2007		Fiscal 2006				Fiscal 2005	
	Jun. 30 \$	Mar. 31 \$	Dec. 31, \$	Sept. 30 \$	Jun. 30 \$	Mar. 31 \$	Dec. 31 \$	Sept. 30 \$
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(368,803)	(139,439)	(65,909)	(167,141)	(331,322)	(253,286)	(132,873)	(145,689)
Other items	(25,632)	28,867	46,339	28,271	(17,573)	(114,485)	(43,900)	7,026
Net income (loss)	(394,435)	(110,572)	(19,570)	(138,870)	(348,895)	(367,771)	(176,773)	(138,663)
Basic and diluted loss per share	(0.02)	(0.00)	(0.00)	(0.01)	(0.01)	(0.02)	(0.01)	(0.01)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Balance Sheet:								
Working capital	1,747,299	2,114,412	2,888,302	3,429,851	3,860,172	385,889	1,054,250	1,273,872
Total assets	5,467,158	5,664,477	5,618,835	5,576,301	5,635,460	2,211,766	2,151,926	2,300,417
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

During the six months ended June 30, 2007 (the “2007 period”), the Company incurred a loss of \$505,007 (\$0.02 per share), a decrease in loss of \$211,659, compared to a loss of \$716,666 (\$0.03 per share) for the six months ended June 30, 2006 (the “2006 period”). The decrease in loss during the 2007 period is mainly attributed to the write-off of mineral resources interests and the stock based compensation recorded in the 2006 period.

General and administrative expenses decreased by \$76,366 from \$584,608 during the 2006 period to \$508,242 during the 2007 period. Specific expenses of note are as follows:

- General exploration costs increased by \$22,021, from \$88,647 during the 2006 period to \$110,668 during the 2007 period. During the 2007 period, the Company incurred costs relating to the review of property interests and administrative costs of mining offices in Sweden and Mexico.
- Travel and related costs decreased by \$7,000, from \$24,694 during the 2006 period to \$17,694 during the 2007 period. In the 2006 period, the Company incurred costs relating to trips made to Europe to increase market awareness, raise financing and corporate development.

- Audit fees increased by \$28,657 from \$3,537 during the 2006 period to \$32,194 during the 2007 period. The increase in audit fees reflect the costs incurring during the 2007 period for the audit of December 31, 2006 consolidated financial statements.
- Corporate development increased by \$5,743 from \$4,520 during the 2006 period to \$10,263 during the 2007 period. During the 2007 period, the Company participated in a short-term advertising campaign.
- Investment conferences decreased by \$6,816 from \$10,795 during the 2006 period to \$3,979 during the 2007 period. During the 2007 period, the Company participated in fewer investment conferences.
- The Company has been engaged in an ongoing program in communicating with its investors and investment community. The Company retained Mr. Nick Nicolaas to provide investor relations activities on behalf of the Company. Mr. Nicolaas' services are provided through his company, Mining Interactive Corp. During the 2007 period, the Company paid \$30,000 (2006 - \$18,000).
- Salaries and benefits decreased by \$4,717, from \$13,110 during the 2006 period to \$8,383 during the 2007 period. During the 2007 period, the Company recovered \$12,000 (2006 - \$12,000) of salary costs through a shared administration arrangement with two public companies with common directors.
- Consulting fees decreased by \$22,456 from \$28,568 during the 2006 period to \$6,112 during the 2007 period. During the 2006 period, the Company paid consulting services for administrative services provided for the Company's activities.
- Stock based compensation of \$213,400 (2006 - \$298,686) was recorded in the 2007 period relating to the granting of 435,000 (2006 - 1,033,400) stock options and the vesting of stock options granted previously.

During the 2007 period the Company reported \$49,139 interest and other income compared to \$27,111 during the 2006 period. Interest income of \$45,854 (2006 - \$23,782) was generated from short-term investments and other income of \$3,285 (2006 - \$3,329) from the rental of its condominium in Peru.

During the 2007 period the Company incurred \$1,005,493 (2006 - \$715,708) on acquisition costs and exploration activities on its mineral resource interests. In aggregate, the Company spent \$127,536 on its Swedish properties, \$503,559 on La Trini, and \$374,398 on Sonora properties in Mexico. See "Exploration Projects Update".

Financial Condition / Capital Resources

As at June 30, 2007, the Company had working capital of \$1,747,299. The Company has sufficient financial resources to undertake all of its anticipated exploration activities and ongoing level of corporate activities for the ensuing year. However, exploration activities may change due to ongoing results and recommendations or the Company may acquire additional mineral properties, which may entail significant funding or exploration commitments. In the event that the occasion arises, the Company may be required to obtain additional financing. The Company has relied solely on equity financing to raise the requisite financial resources. While it has been successful in the past, there can be no assurance that the Company will be successful in raising future financings should the need arise.

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

A detailed summary of all the Company's significant accounting policies is included in Note 2 to the annual consolidated financial statements for the year ended December 31, 2006.

Changes in Accounting Principles

Effective January 1, 2007 the Company has adopted two new accounting standards related to financial instruments that were issued by the Canadian Institute of Chartered Accountants. These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are as follows:

Financial Instruments - Recognition and Measurement (Section 3855)

In accordance with this new standard, the Company now classifies all financial instruments as either held-to-maturity, available-for-sale, held-for-trading, loans and receivables, or other financial liabilities. Financial assets held-to-maturity, loans and receivables and financial liabilities other than those held-for-trading are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Instruments classified as held-for-trading are measured at fair value with unrealized gains and losses recognized on the statement of loss.

Upon adoption of this new standard, the Company has designated its cash and cash equivalents as held-for-trading, which are measured at fair value. Exploration advances and other receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. As at June 30, 2007, the Company did not have any financial assets classified as available-for-sale and therefore the adoption of the standards noted above had no effect on the presentation of the Company's financial statements.

The Company has no proposed changes in accounting policies.

Comprehensive Income (Section 1530)

Comprehensive income is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources. In accordance with this new standard, the Company now reports a statement of comprehensive income and a new category, accumulated other comprehensive income, in the shareholders' equity section of the balance sheet. The components of this new category will include unrealized gains and losses on financial assets classified as available-for-sale.

Transactions with Related Parties

During the six months ended June 30, 2007, the Company:

- (i) incurred \$26,800 (2006 - \$21,500) for office rent and accounting, management and administration services provided by a director and private corporations owned by a director of the Company;
- (ii) incurred \$48,000 (2006 - \$43,000) for management services provided by the President of the Company. Of this amount, \$31,163 (2006 - \$16,640) has been capitalized as geological costs in mineral resource interests and \$16,837 (2006 - \$26,360) expensed as management fees; and
- (iii) received \$3,285 (2006 - \$3,329) in other income from Tinka Resources Limited ("Tinka"), for rental of its condominium in Peru, and was reimbursed \$12,000 (2006 - \$12,000) for shared office personnel from Tinka and Mawson Resources Limited ("Mawson"). Tinka and Mawson are public companies with certain directors in common.

Unless otherwise stated, related party transactions are measured at the exchange amount, being the amount of consideration established and agreed to by the related parties.

Risks and Uncertainties

The Company competes with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral concessions, claims and other interests, as well as for the recruitment and retention of qualified employees.

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

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

Investor Relations Activities

The Company provides information packages to investors; the package consists of materials filed with regulatory authorities. The Company updates its website (www.tumiresources.com) on a continuous basis. Effective December 1, 2002, the Company retained Mr. Nick Nicolaas to provide market awareness and investor relations activities. Mr. Nicolaas's services are provided through his company, Mining Interactive Corp. Effective January 1, 2007 the Company pays \$4,000 per month, plus approved expenses, for such services and may be cancelled by either party on 15 days notice. During the six months ended June 30, 2007, the Company paid \$30,000 (2006 - \$18,000).

Outstanding Share Data

The Company's authorized share capital is unlimited common shares with no par value. As at August 27, 2007, there were 25,624,916 outstanding common shares and 2,555,000 stock options outstanding with exercise prices ranging from \$0.30 to \$0.80 per share and 3,683,998 warrants outstanding with an exercise price of \$0.80 per share.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer and acting Chief Financial Officer, as appropriate to permit timely decisions regarding public disclosure.

Management, including the Chief Executive Officer and acting Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on this evaluation, the Chief Executive Officer and acting Chief Financial Officer has concluded that the Company's disclosure controls and procedures, as defined in Multilateral Instrument 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings ("52-109"), are effective to ensure that the information required to be disclosed in reports that are filed or submitted under Canadian Securities legislation are recorded, processed, summarized and reported within the time period specified in those rules. In conducting the evaluation it has become apparent that management relies upon certain informal procedures and communication, and upon "hands-on" knowledge of senior management. Management intends to formalize certain of its procedures. Due to the small staff, however, the Company will continue to rely on an active Board and management with open lines of communication to maintain the effectiveness of the Company's disclosure controls and procedures. Lapses in the disclosure controls and procedures could occur and/or mistakes could happen. Should such occur, the Company will take whatever steps necessary to minimize the consequences thereof.

Internal Controls and Procedures over Financial Reporting

Management is also responsible for the design of the Company's internal control over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles. During the process of

management's review and evaluation of the design of the Company's internal control over financial reporting, it was determined that certain weaknesses existed in internal controls over financial reporting. As is indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring which exists. The Company is taking steps to augment and improve the design of procedure and controls impacting these areas of weakness over internal control over financial reporting. It should be noted that a control system, no matter how well conceived or operated, can only provide reasonable assurance, not absolute assurance, that the objectives of the control system are met.