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# **TUMI RESOURCES LIMITED**

INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED  
MARCH 31, 2006  
*(Unaudited - Prepared by Management)*

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

The accompanying unaudited interim consolidated financial statements of Tumi Resources Limited for the three months ended March 31, 2006, 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)*

	<b>March 31, 2006 \$</b>	<b>December 31, 2005 \$</b>
<b>A S S E T S</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	645,156	996,234
Amounts receivable and prepaids	<u>67,655</u>	<u>104,785</u>
	712,811	1,101,019
<b>PROPERTY AND EQUIPMENT</b> (Note 3)	160,400	161,037
<b>MINERAL RESOURCE INTERESTS</b> (Note 4)	<u>1,338,555</u>	<u>889,870</u>
	<u><u>2,211,766</u></u>	<u><u>2,151,926</u></u>

**LIABILITIES**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	<u>326,922</u>	<u>46,769</u>

**SHAREHOLDERS' EQUITY**

<b>SHARE CAPITAL</b> (Note 5)	8,123,391	8,114,653
<b>CONTRIBUTED SURPLUS</b> (Note 7)	938,788	800,068
<b>DEFICIT</b>	<u>(7,177,335)</u>	<u>(6,809,564)</u>
	<u>1,884,844</u>	<u>2,105,157</u>
	<u><u>2,211,766</u></u>	<u><u>2,151,926</u></u>

**NATURE OF OPERATIONS** (Note 1)

**SUBSEQUENT EVENTS** (Note 11)

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**  
**FOR THE THREE MONTHS ENDED MARCH 31**  
*(Unaudited - Prepared by Management)*

	2006 \$	2005 \$
<b>EXPENSES</b>		
Accounting and administration	7,800	5,545
Amortization	2,581	2,506
Audit	-	11,493
Consulting	33,175	11,820
Corporate development	1,000	3,407
General exploration	9,806	31,262
Investment conferences	1,930	2,392
Investor relations	9,000	8,750
Legal	-	1,044
Management fees	12,130	12,697
Office	3,532	6,002
Regulatory	970	1,528
Rent	1,350	1,350
Salaries and benefits	6,555	4,552
Shareholder costs	5,394	2,644
Stock-based compensation	138,720	26,872
Transfer agent	1,003	1,364
Travel and related	18,340	29,680
	<u>253,286</u>	<u>164,908</u>
<b>LOSS BEFORE OTHER ITEMS</b>	<u>(253,286)</u>	<u>(164,908)</u>
<b>OTHER ITEMS</b>		
Interest and other income	10,232	9,802
Write-off of mineral resource interests	(124,755)	(2,903,371)
Foreign exchange	38	13,319
	<u>(114,485)</u>	<u>(2,880,250)</u>
<b>NET LOSS FOR THE PERIOD</b>	(367,771)	(3,045,158)
<b>DEFICIT - BEGINNING OF PERIOD</b>	<u>(6,809,564)</u>	<u>(3,339,996)</u>
<b>DEFICIT - END OF PERIOD</b>	<u><u>(7,177,335)</u></u>	<u><u>(6,385,154)</u></u>
<b>LOSS PER COMMON SHARE - BASIC AND DILUTED</b>	<u><u>(\$0.02)</u></u>	<u><u>(\$0.17)</u></u>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED</b>	<u><u>18,551,766</u></u>	<u><u>18,371,267</u></u>

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

**TUMI RESOURCES LIMITED**  
**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED MARCH 31**  
*(Unaudited - Prepared by Management)*

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
<b>CASH PROVIDED FROM (USED FOR)</b>		
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	(367,771)	(3,045,158)
Adjustment for items not involving cash		
Amortization	2,581	2,506
Stock-based compensation	138,720	26,872
Write-off of mineral resource interests	<u>124,755</u>	<u>2,903,371</u>
	(101,715)	(112,409)
Decrease (increase) in amounts receivable and prepaids	37,130	(9,892)
Increase in accounts payable and accrued liabilities	<u>280,153</u>	<u>28,215</u>
	<u>215,568</u>	<u>(94,086)</u>
<b>INVESTING ACTIVITIES</b>		
Expenditures on mineral resource interests	(563,667)	(271,506)
Purchases of property and equipment	<u>(2,979)</u>	<u>-</u>
	<u>(566,646)</u>	<u>(271,506)</u>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>		
<b>- DURING THE PERIOD</b>	(351,078)	(365,592)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD</b>	<u>996,234</u>	<u>2,218,301</u>
<b>CASH AND CASH EQUIVALENTS - END OF PERIOD</b>	<u><u>645,156</u></u>	<u><u>1,852,709</u></u>
<b>CASH AND CASH EQUIVALENTS IS COMPRISED OF:</b>		
Cash	645,156	352,709
Short-term deposit	<u>-</u>	<u>1,500,000</u>
	<u><u>645,156</u></u>	<u><u>1,852,709</u></u>

**SUPPLEMENTARY CASH FLOW INFORMATION** - Note 10

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

**TUMI RESOURCES LIMITED**  
**INTERIM CONSOLIDATED SCHEDULE OF MINERAL RESOURCE INTERESTS**  
*(Unaudited - Prepared by Management)*

	<b>Three Months Ended March 31, 2006</b>				<b>Year Ended December 31, 2005</b>	
	<b>Mexico</b>		<b>Sweden</b>		<b>Total</b>	<b>Total</b>
	<b>San Jorge</b>	<b>La Trini</b>	<b>Other</b>	<b>Bergslagen District</b>		
	\$	\$	\$	\$	\$	\$
<b>BALANCE, BEGINNING OF PERIOD</b>	<u>124,755</u>	<u>728,256</u>	<u>-</u>	<u>36,859</u>	<u>889,870</u>	<u>2,954,918</u>
<b>COSTS INCURRED DURING PERIOD</b>						
<b>EXPLORATION</b>						
Amortization	-	1,035	-	-	1,035	4,951
Assays	-	3,332	-	-	3,332	39,127
Assay preparation	-	1,955	-	-	1,955	-
Camp costs	-	17,353	-	-	17,353	4,077
Drilling	-	-	-	-	-	86,974
Environmental	-	-	-	-	-	7,460
Equipment rental	-	10,021	-	-	10,021	22,941
Exploration office costs	-	30,795	-	-	30,795	133,464
Geological	-	60,652	-	-	60,652	304,586
Geophysical	-	-	-	-	-	19,486
Legal	-	-	-	-	-	18,092
Mine rights	-	19,279	-	-	19,279	-
Supplies	-	-	-	-	-	7,188
Topography	-	-	-	-	-	897
Travel	-	-	-	-	-	14,192
	<u>-</u>	<u>144,422</u>	<u>-</u>	<u>-</u>	<u>144,422</u>	<u>663,435</u>
<b>ACQUISITION</b>						
Staking and related costs	-	-	1,877	28,078	29,955	36,859
Geological fees	-	-	-	155,000	155,000	-
Cash payments	-	235,325	-	-	235,325	156,126
Issuance of shares	-	8,738	-	-	8,738	4,562
	<u>-</u>	<u>244,063</u>	<u>1,877</u>	<u>183,078</u>	<u>429,018</u>	<u>197,547</u>
	<u>-</u>	<u>388,485</u>	<u>1,877</u>	<u>183,078</u>	<u>573,440</u>	<u>860,982</u>
<b>BALANCE BEFORE WRITE-OFFS</b>	124,755	1,116,741	1,877	219,937	1,463,310	3,815,900
<b>WRITE-OFFS</b>	<u>(124,755)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(124,755)</u>	<u>(2,926,030)</u>
<b>BALANCE, END OF PERIOD</b>	<u>-</u>	<u>1,116,741</u>	<u>1,877</u>	<u>219,937</u>	<u>1,338,555</u>	<u>889,870</u>

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

**TUMI RESOURCES LIMITED**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2006**  
*(Unaudited - Prepared by Management)*

**1. NATURE OF OPERATIONS**

Tumi Resources Limited (the "Company") is a junior mineral exploration company engaged in the acquisition and exploration of precious metals on mineral properties. The Company's significant mineral interests are 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. PROPERTY AND EQUIPMENT**

	<b>March 31, 2006</b>	<b>December 31, 2005</b>
	\$	\$
Condominium	132,840	132,840
Office furniture and equipment	24,878	21,899
Vehicles	<u>34,412</u>	<u>34,412</u>
	192,130	189,151
Less accumulated amortization	<u>(31,730)</u>	<u>(28,114)</u>
	<u><u>160,400</u></u>	<u><u>161,037</u></u>

**TUMI RESOURCES LIMITED**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2006**  
*(Unaudited - Prepared by Management)*

**4. MINERAL RESOURCE INTERESTS**

	March 31, 2006			December 31, 2005		
	Acquisition Costs \$	Exploration Expenditures \$	Total \$	Acquisition Costs \$	Exploration Expenditures \$	Total \$
Mexico						
La Trini (a)	372,225	744,516	1,116,741	128,162	600,094	728,256
San Jorge (b)	-	-	-	124,755	-	124,755
Other	1,877	-	1,877	-	-	-
Sweden						
Bergslagen (c)	<u>219,937</u>	<u>-</u>	<u>219,937</u>	<u>36,859</u>	<u>-</u>	<u>36,859</u>
	<u>594,039</u>	<u>744,516</u>	<u>1,338,555</u>	<u>289,776</u>	<u>600,094</u>	<u>889,870</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 totals 356 hectares and is located in the Jalisco silver belt approximately 100 kilometres northwest of Guadalajara, Jalisco State, Mexico. In order to acquire its 100% interest, the Company must make option payments totalling US \$500,000, as follows:

Option Payment US \$	Due Date
100,000	March 23, 2005 (paid)
200,000	March 23, 2006 (paid)
<u>200,000</u>	March 23, 2007
<u>500,000</u>	

The Company has also agreed to pay a finder's fee of 3.75% on option payments made, payable in common shares of the Company. During the three months ended March 31, 2006, the Company issued 17,832 common shares, at a fair value of \$8,738.

The vendor has retained a 1% NSR and the Company has the right to reduce the NSR to 0.5% through a cash payment of US \$1,000,000.

b) San Jorge, Mexico

By agreement dated August 16, 2004, the Company purchased two mineral concessions, covering approximately 3,919 hectares, located in Zacatecas State, Mexico. Under the purchase agreement the Company paid \$58,755 and issued 60,000 common shares of the Company, at a fair value of \$66,000. During the three months ended March 31, 2006, the Company wrote-off the \$124,755 of acquisition costs on the San Jorge concessions to reflect the Company's abandonment and relinquishment.

**TUMI RESOURCES LIMITED**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2006**  
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**4. MINERAL RESOURCE INTERESTS** (continued)

c) Bergslagen District, Sweden

The Company has acquired, through staking, mineral concessions in Sweden. As at March 31, 2006, the Company has staked 14 exploration projects covering approximately 10,688 hectares, located in the Bergslagen District in south-central Sweden.

**5. SHARE CAPITAL**

Authorized: unlimited common shares with no par value

Issued or allotted:	<u>March 31, 2006</u>		<u>December 31, 2005</u>	
	Shares	Amount \$	Shares	Amount \$
Balance, beginning of period	<u>18,551,370</u>	<u>8,114,653</u>	<u>18,371,060</u>	<u>8,070,761</u>
Issued during the period				
For cash				
- exercise of options	-	-	171,000	39,330
For mineral properties (Note 4(a))	<u>17,832</u>	<u>8,738</u>	<u>9,310</u>	<u>4,562</u>
	<u>17,832</u>	<u>8,738</u>	<u>180,310</u>	<u>43,892</u>
Balance, end of period	<u><u>18,569,202</u></u>	<u><u>8,123,391</u></u>	<u><u>18,551,370</u></u>	<u><u>8,114,653</u></u>

See also Note 11.

**6. STOCK OPTIONS AND STOCK-BASED COMPENSATION**

The Company has established a rolling stock option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The 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 three months ended March 31, 2006, the Company granted 548,000 stock options to the Company's employees, directors and consultants and recorded compensation expense of \$131,520. The Company also recorded an additional \$7,200 (2005 - \$26,872) compensation expense for options which had vested during the three months ended March 31, 2006.

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 March 31, 2006:

Risk-free interest rate	3.75%
Estimated volatility	96%
Expected life	1.5 years
Expected dividend yield	0%

The fair value per share of stock options, calculated using the Black-Scholes option pricing model, granted during the year to the Company's employees, directors and consultants was \$0.24 per share.

**TUMI RESOURCES LIMITED**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2006**  
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**6. 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 March 31, 2006 and 2005 and the changes for the three months ended March 31, 2006 and 2005 is as follows:

	2006		2005	
	Options Outstanding	Weighted Average Exercise Price \$	Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of period	1,351,600	0.49	1,273,400	0.81
Granted	548,000	0.50	-	-
Cancelled / expired	<u>(200,000)</u>	0.57	<u>-</u>	-
Balance, end of period	<u><u>1,699,600</u></u>	0.48	<u><u>1,273,400</u></u>	0.81

The following table summarizes information about the stock options outstanding and exercisable at March 31, 2006:

Number Outstanding	Number Exercisable	Exercise Price \$	Expiry Date
980,600	930,600	0.50	April 8, 2008
171,000	171,000	0.30	July 20, 2008
<u>548,000</u>	<u>548,000</u>	0.50	January 16, 2009
<u><u>1,699,600</u></u>	<u><u>1,649,600</u></u>		

See also Note 11(ii).

**7. CONTRIBUTED SURPLUS**

Contributed surplus for the three months ended March 31, 2006 and 2005 is comprised of the following:

	2006 \$	2005 \$
Balance, beginning of period	800,068	658,984
Stock-based compensation (Note 6)	<u>138,720</u>	<u>26,872</u>
Balance, end of period	<u><u>938,788</u></u>	<u><u>685,856</u></u>

**TUMI RESOURCES LIMITED**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2006**  
*(Unaudited - Prepared by Management)*

**8. RELATED PARTY TRANSACTIONS**

During the three months ended March 31, 2006, the Company:

- i) incurred \$9,150 (2005 - \$8,545) for office rent and accounting, management and administration services provided by private corporations owned by a director of the Company;
- ii) incurred \$21,000 (2005 - \$16,000) for management services provided by the President of the Company. Of this amount, \$8,870 (2005 - \$3,303) has been capitalized as geological costs in mineral resource interests and \$12,130 (2005 - \$12,697) expensed as management fees; and
- iii) received \$1,726 (2005 - \$nil) other income from Tinka Resources Limited (“Tinka”), for rental of its condominium in Peru, and was reimbursed \$6,000 (2005 - \$7,000) 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.

**9. 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:

	<b>March 31, 2006</b>				
	<b>Canada</b>	<b>Mexico</b>	<b>Peru</b>	<b>Sweden</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Current assets	610,161	102,650	-	-	712,811
Property and equipment	13,885	25,299	121,216	-	160,400
Mineral resource interests	-	1,118,618	-	219,937	1,338,555
	<u>624,046</u>	<u>1,246,567</u>	<u>121,216</u>	<u>219,937</u>	<u>2,211,766</u>
	<b>December 31, 2005</b>				
	<b>Canada</b>	<b>Mexico</b>	<b>Peru</b>	<b>Sweden</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Current assets	1,015,868	85,151	-	-	1,101,019
Property and equipment	11,826	26,334	122,877	-	161,037
Mineral resource interests	-	853,011	-	36,859	889,870
	<u>1,027,694</u>	<u>964,496</u>	<u>122,877</u>	<u>36,859</u>	<u>2,151,926</u>

**TUMI RESOURCES LIMITED**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2006**  
*(Unaudited - Prepared by Management)*

**10. SUPPLEMENTARY CASH FLOW INFORMATION**

Non-cash investing and financing activities were conducted by the Company for the three months ended March 31, 2006 and 2005 as follows:

	<b>2006</b>	<b>2005</b>
	\$	\$
Investing activity		
Expenditures on mineral resource interests	<u>(8,738)</u>	<u>(4,562)</u>
Financing activity		
Shares issued for mineral resource interests	<u>8,738</u>	<u>4,562</u>
Other supplementary cash flow information:		
	<b>2006</b>	<b>2005</b>
	\$	\$
Interest paid in cash	<u>-</u>	<u>-</u>
Income taxes paid in cash	<u>-</u>	<u>-</u>

**11. SUBSEQUENT EVENTS**

Subsequent to March 31, 2006, the Company:

- (i) completed a private placement of 6,658,000 units, at \$0.62 per unit, for gross proceeds of \$4,127,960. Each unit is comprised of one common share of the Company and one-half of a share purchase warrant. Each full warrant is exercisable to purchase an additional common share at a price of \$0.80 per share for a period of two years. In addition the Company may force conversion of the warrants if the common shares trade on a weighted average price of \$1.25 per share for a period of twenty consecutive trading days.

Bolder Investment Partners, Ltd. ("Bolder") sold 3,500,000 units of the private placement. Bolder was paid a work fee of \$5,000 and a cash commission of \$120,283, issued 85,995 units and granted agent warrants to purchase a further 350,000 shares of the Company. The Company has also paid a total of \$98,530 cash, issued 28,400 common shares and 6,000 finder units and granted finders warrants to purchase a further 80,000 shares of the Company to its finders on the non-brokered portion of the private placement. The agent warrants, finders warrants and units have the same terms and conversion provisions as the private placement warrants; and

- (ii) granted stock options to its directors, employees, and consultants to purchase 485,400 common shares at the Company as follows:

Number Outstanding	Exercise Price \$	Expiry Date
120,000	0.61	April 28, 2009
<u>365,400</u>	0.62	May 19, 2009
<u><u>485,400</u></u>		

# **TUMI RESOURCES LIMITED**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2006**

### **Background**

This discussion and analysis of financial position and results of operation is prepared as at May 25, 2006 and should be read in conjunction with the unaudited interim consolidated financial statements for the three months ended March 31, 2006 and the audited consolidated financial statements for the years ended December 31, 2005 and 2004 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](http://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**

#### *La Trini, Mexico*

Between December 2005 and early February 2006, the control grid was extended a further 700 m 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 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 1.5 km.

Platforms for up to 24 additional drill sites have also been constructed. Eleven holes are planned to further define the known resource at the main La Trini area, six holes will test the western grid extension, and the remaining seven holes will test geological, geochemical and geophysical targets north and east of the main La Trini zone. This program will be undertaken as soon as the Company can secure an RC drill rig in Mexico.

#### *Bergslagen District, Sweden*

Research for new silver projects took the Company to the Bergslagen District in Sweden and specifically the historic Sala Silver Mine. Sala once produced some of the richest silver ores in the world with grades as high as 7,000 g/t. Our research indicated the ground was open at the old Sala Mine, so the Company has staked the mine and surroundings. Identifying Sala also led to the discovery of other available silver prospects in the Bergslagen District. The Company

is in the process of obtaining the historical records of all of these silver prospects for detailed study and using modern exploration methods, there is excellent potential for discovering new mineral deposits.

The Company has been granted ten licences totalling 4,255 hectares covering seven historic silver producers. Eight exploration licences, totalling 8,120 hectares, were also staked by the Company. So far, three of the licences have been confirmed by the Swedish Mining Inspectorate and are granted for an initial period of three years (Skålbo, Hornkullen and Kobergs), whilst the other five are pending.

The Bergslagen District lies immediately to the northwest of Stockholm and covers an area of approximately 200 kms east-west by 150 kms 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. In addition to Sala, world-class deposits in Bergslagen include Falun (a historic copper mine, now a world heritage site), Garpenberg (owned by Boliden AB) and Zinkgruvan (owned by Lundin Mining Corporation).

Sweden provides a combination of a highly prospective, yet a vastly under-explored country, a well established mining industry and a politically stable country. Sweden is the largest producer of most metals in the EU15 and contains 15% of the world's uranium resources. The country has seen the opening of three new mines in the last three years.

An initial field inspection of most of the Swedish licence areas by the Company's qualified geologists has prioritized work in Sweden and the Company's technical staff will initially focus on the Sala, Kalvbäcken, Tomtebo and Öster Silvberg historic mine areas.

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.

	2006	2005				2004			
	Mar. 31 \$	Dec. 31 \$	Sept. 30 \$	Jun. 30 \$	Mar. 31 \$	Dec. 31 \$	Sept. 30 \$	Jun. 30 \$	
<b>Operations:</b>									
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Expenses	(253,286)	(132,873)	(145,689)	(119,661)	(164,908)	(132,504)	(181,729)	(145,033)	
Other items	(114,485)	(43,900)	7,026	10,687	(2,880,250)	(1,303,976)	(3,130)	(97,187)	
Net income (loss)	(367,771)	(176,773)	(138,663)	(108,974)	(3,045,158)	(1,436,480)	(184,859)	(242,220)	
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.01)	(0.17)	(0.14)	(0.01)	(0.02)	
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
<b>Balance Sheet:</b>									
Working capital	385,889	1,054,250	1,273,872	1,590,949	1,875,047	2,258,962	2,295,119	2,573,303	
Total assets	2,211,766	2,151,926	2,300,417	2,337,830	2,464,670	5,450,179	6,222,605	5,277,424	
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	

### Results of Operations

During the three months ended March 31, 2006 ("2006"), the Company incurred a loss of \$367,771 (\$0.02 per share), a decrease in loss of \$2,677,387, compared to a loss of \$3,045,158 (\$0.17 per share) for the three months ended March 31, 2005 ("2005"). The decrease in loss during 2006 is mainly attributed to the \$2,903,371 write-off of mineral resource interests recorded in 2006 and partially offset by the increase in stock based compensation in 2006 compared to 2005.

General and administrative expenses increased by \$88,378, from \$164,908 during 2005 to \$253,286 during 2006. Specific expenses of note are as follows:

- General exploration costs decreased by \$21,456, from \$31,262 during 2005 to \$9,806 during 2006. During 2006, the Company incurred costs of \$9,806, compared to \$18,848 during 2005, for costs relating to the review of potential property interests. In addition, during 2005, the Company incurred \$12,414 for the completion of

exploration and related costs on the Jimenez del Teul and Gran Cabrera prospects in Mexico, which had been written off at the end of the 2004 fiscal year.

- During 2005, the company recorded \$11,493 for audit expense relating to the audit of the 2004 fiscal year. The increase in costs were due to the increasing audit compliance work required in the current regulatory environment.
- Travel and related costs decreased by \$11,340, from \$29,680 during 2005 to \$18,340 during 2006. In 2005, the Company incurred costs relating to trips made to Europe to increase market awareness, raise financing and corporate development.
- Salaries and benefits increased slightly by \$2,003, from \$4,552 during 2005 to \$6,555 during 2006. During 2006, the Company recovered \$6,000 (2005 - \$7,000) of salary costs through a shared administration arrangement with two public companies with common directors.
- Consulting fees increased by \$21,355, from \$11,820 during 2005 to \$33,175 during 2006. During 2006, the Company paid consulting services for administrative services provided for the Company's activities.
- Office expenses decreased by \$2,470, from \$6,002 during 2005 to \$3,532 during 2006. During 2005, the Company incurred significant costs for supplies and miscellaneous furnishings of an office.
- Stock based compensation of \$138,720 was recorded in 2006 relating to the granting of 548,000 stock options. During 2005, the Company did not grant any stock options; however during 2005, the Company recorded \$26,872 as stock based compensation for the vesting of stock options granted previously.

During 2006, the Company reported \$10,232 interest and other income compared to \$9,802 during 2005. Interest income of \$8,506 was generated from short-term deposit and during 2006 the Company recorded other income of \$1,726 from the rental of its condominium in Peru.

During 2006, the Company incurred \$563,667 on acquisition costs and exploration activities on its mineral resource interests. In aggregate, the Company spent \$378,712 on La Trini, \$183,078 on its Swedish properties and \$1,877 on other properties in Mexico. See "Exploration Projects Update".

### **Financial Condition / Capital Resources**

As at March 31, 2006, the Company had working capital of \$385,889. In May 2006, the Company completed a private placement of 6,658,000 units to raise \$4,127,960. The Company now 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, 2005.

### **Changes in Accounting Principles**

The Company did not have any changes in accounting principles during the three months ended March 31, 2006.

### **Transactions with Related Parties**

During the three months ended March 31, 2006, the Company:

- i) incurred \$9,150 (2005 - \$8,545) for office rent and accounting, management and administration services provided by private corporations owned by a director of the Company;
- ii) incurred \$21,000 (2005 - \$16,000) for management services provided by the President of the Company. Of this amount, \$8,870 (2005 - \$3,303) has been capitalized as geological costs in mineral resource interests and \$12,130 (2005 - \$12,697) expensed as management fees; and
- iii) received \$1,726 (2005 - \$nil) other income from Tinka Resources Limited ("Tinka"), for rental of its condominium in Peru, and was reimbursed \$6,000 (2005 - \$7,000) 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](http://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 is paid a monthly fee of \$3,000 and may be cancelled by either party on 15 days notice. During the three months ended March 31, 2006, the Company paid \$9,000 (2005 - \$8,750) to Mr. Nicolaas.

### **Outstanding Share Data**

The Company's authorized share capital is unlimited common shares with no par value. As at May 25, 2006, there were 25,347,597 outstanding common shares and 2,185,000 stock options outstanding and exercisable with exercise prices ranging from \$0.30 to \$0.62 per share and expiring between April 8, 2008 and May 19, 2009 and 3,801,998 warrants exercisable with an exercise price of \$0.80 per share and expiring between April 28, 2008 and May 17, 2008.