

# TUMI RESOURCES LIMITED

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008

### Background

This discussion and analysis of financial position and results of operation is prepared as at April 27, 2009 and should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2008 and 2007 of Tumi Resources Limited (the "Company"). Those financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("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

The Company is committed to the prudent use of cash and, to assist in dealing with current market conditions, the Company has been and will continue to undertake the necessary steps to preserve capital including postponing work programs, reducing personnel and minimizing non-essential expenditures.

### *Mexico*

Activities for fiscal 2008 were comprised mainly of salaries of the Company's geologists and limited work on the Company's Mexican property holdings. During fiscal 2008, the Company determined to write-off a total of \$1,371,153 of acquisition and exploration costs relating to various concessions in the Sonora portfolio, including Los Tamales, Agua Caliente, Mazatan and Phoenix. As at December 31, 2008, the Company maintains the 100% rights to five properties located in the Mexican states of Jalisco and Sonora. There are three high priority projects which will be the focus of the Company's immediate ongoing Mexican exploration program, these projects are as follows:

### *La Trini*

Between December 2005 and 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 totalled 1,344m.

In March 2007, the Company completed a phase-two reverse circulation drill program at La Trini; 20 drill holes were completed totalling 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 identified an exploration target which required immediate further drill testing. In October 2007, the Company completed a Phase 3 reverse circulation drill program at La Trini. Fifteen drill holes were completed totalling 2,331.5m. Three holes were drilled at 25m spacing around the high grade mineralization found in drill hole TRRC32; eleven holes were drilled on a 50m by 50m drill pattern to infill the mineralized zone over an area of about 200m by 250m, and one hole was drilled to the NE obliquely to the mineralized zone, to intersect what may be the fault controlling the limit of mineralization to the east.

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

#### *Batamote*

This property, located in northern Sonora, is underlain by geology that has some similarities to the Phoenix property, and it contains several small artisanal 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 Minera Genminmex S.A. who has the right to earn a 70% interest by spending US \$5 million over seven years.

#### *El Colorado*

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 has been completed with 810 collected and analysed for 30 elements using the ICP method. Field follow-up of anomalies discovered by the survey has commenced. The Company is focussed on a red soil area exceeding 5 kms long by 1 km wide where anomalous silver values are found in the soil. Detailed soil sampling and mapping is ongoing in the zone of interest.

## *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 maintained ten properties, consisting of 17 concessions, in the Bergslagen District where three projects are undergoing detailed exploration:

### *Sala*

Sala, now a historical mine site, was Europe's largest silver producer since the 16th Century. Production 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.

Over 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 kilometre. There is evidence of old drill holes in this area; no information about these holes has been found in the public domain.

An initial ten-hole diamond drilling program totalling 2,282.3m commenced in February and was completed in July. On July 16, 2008, the Company announced the assay results of the first diamond drill hole at the Sala silver-zinc-lead project. The first hole intersected a 75m wide zone of highly anomalous zinc mineralization. Within this zone, semi-massive and stringer type sphalerite mineralization occur together with galena and unidentified silver minerals in three bands of up to 6.6m width.

Following the success of drill hole 08-001, holes 08-002 and 08-003 were drilled on the same section to test the up dip and down dip extent of mineralization respectively. Hole 08-002, drilled above hole 08-001, intersected the mineralized zone over a 28m interval. Hole 08-003, drilled below hole 08-001, intersected a 92m wide zone of polymetallic zinc-dominant mineralization. The 92m intercept in hole 08-003, calculated without lower cut-off, averaged 3.8% zinc and 56 g/t silver. Mineralization discovered in hole 08-003 is better in both grade and thickness with respect to the up-dip interval in 08-001, and suggests that the grade of mineralization may be improving to depth. Also, 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.

### *Tomtebo*

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

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

A drill permit has been approved for an initial drill program at Tomtebo which will be undertaken as soon as practicable.

### *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 has let a contract to SMOY of Finland for a gradient array IP survey totalling about 19 line kms over the zone of interest.

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

A drill permit has been approved for an initial drill program at Vitturn to test this anomaly which will be undertaken as soon as practicable.

#### *Jonsmossen and Lövåsen*

The Company has received all results from the 2008 airborne electromagnetics ("EM") and magnetic surveys over two of the Company's 100% owned licence areas in the Bergslagen District of Sweden. The licence areas were flown on a 100m line spacing. Preliminary interpretation of the geophysical results suggests significant EM anomalies underlie both areas. Further detailed interpretation is required along with surface inspection of the areas underlying the anomalies to determine the source. This will be undertaken in the spring/summer months when snow has melted from the area.

The qualified person for all of the Company's projects is David Henstridge, 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 audited annual consolidated financial statements of the Company prepared in accordance with Canadian GAAP.

	Years Ended December 31,		
	2008 \$	2007 \$	2006 \$
<b>Operations:</b>			
Revenues	Nil	Nil	Nil
Expenses	(688,421)	(696,365)	(817,658)
Other income (expenses)	(1,616,573)	(36,469)	(57,448)
Net Income (loss)	(2,304,994)	(732,834)	(875,106)
Basic and diluted income (loss) per share	(0.08)	(0.03)	(0.04)
Dividends per share	Nil	Nil	Nil
<b>Balance Sheet:</b>			
Working capital	284,862	2,004,219	2,888,302
Total assets	4,742,979	6,812,945	5,618,835
Total long-term liabilities	Nil	Nil	Nil

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

	Fiscal 2008				Fiscal 2007			
	Dec. 31 \$	Sep. 30 \$	Jun. 30 \$	Mar. 31 \$	Dec. 31 \$	Sep. 30 \$	Jun. 30 \$	Mar. 31 \$
<b>Operations:</b>								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(132,863)	(96,154)	(305,451)	(153,953)	(47,793)	(140,330)	(368,803)	(139,439)
Other items	(1,542,626)	(131,692)	30,199	27,546	(12,372)	(27,332)	(25,632)	28,867
Net income (loss)	(1,675,489)	(227,846)	(275,252)	(126,407)	(60,165)	(167,662)	(394,435)	(110,572)
Basic and diluted loss per share	(0.06)	(0.00)	(0.01)	(0.00)	(0.00)	(0.01)	(0.02)	(0.00)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

	Fiscal 2008				Fiscal 2007			
	Dec. 31 \$	Sep. 30 \$	Jun. 30 \$	Mar. 31 \$	Dec. 31 \$	Sep. 30 \$	Jun. 30 \$	Mar. 31 \$
<b>Balance Sheet:</b>								
Working capital	284,862	658,737	1,082,202	1,587,291	2,004,219	1,271,278	1,747,299	2,114,412
Total assets	4,742,979	6,281,660	6,518,231	6,632,655	6,812,945	5,330,701	5,467,158	5,664,477
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Results of Operations

### *Three Months Ended December 31, 2008 Compared to Three Months Ended December 31, 2007*

During the three months ended December 31, 2008 (the “2008 Quarter”) the Company reported a net loss of \$1,675,489, compared to a net loss of \$60,165 for the three months ended December 31, 2007 (the “2007 Quarter”), an increase in loss of \$1,615,324. The increase in loss in the 2008 Quarter is primarily attributed to the \$1,645,668 write-off of mineral resource interests.

### *Year Ended December 31, 2008 Compared to Year Ended December 31, 2007*

During the year ended December 31, 2008 (“fiscal 2008”), the Company incurred a loss of \$2,304,994 (\$0.08 per share), an increase in loss of \$1,572,160, compared to a loss of \$732,834 (\$0.03 per share) for the year ended December 31, 2007 (“fiscal 2007”). The increase in loss during fiscal 2008 is mainly attributed to the \$1,645,668 write-off of mineral resource interests.

General and administrative expenses decreased slightly by \$7,944 from \$696,365 during fiscal 2007 to \$688,421 during fiscal 2008. Specific expenses of note are as follows:

- general exploration costs decreased by \$86,189, from \$138,063 during fiscal 2007 to \$51,874 during fiscal 2008. During fiscal 2008, the Company incurred costs relating to the maintenance of mining offices in Sweden and Mexico. In addition, during fiscal 2008 the Company relocated its Mexican exploration office from Guadalajara to Hermosillo. Fluctuation in general exploration is affected by allocations to direct property costs. In addition, there was a decrease in exploration activities during fiscal 2008 compared to fiscal 2007;
- 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 fiscal 2008 the Company paid \$57,500 (2007 - \$61,500);
- stock based compensation of \$236,296 (2007 - \$218,025) was recorded in fiscal 2008 relating to the granting and vesting of stock options;
- the Company incurred audit fees of \$42,213 for the audit of the Company’s year-end financial statements, a slight increase of \$3,967 from \$38,246 incurred in fiscal 2007;
- corporate development costs decreased by \$13,403 from \$14,519 in fiscal 2007 to \$1,116 in fiscal 2008. During fiscal 2007 the Company participated in a short-term market awareness program. These programs were curtailed in fiscal 2008;
- management fees increased by \$21,545, from \$43,338 in fiscal 2007 to \$64,883 in fiscal 2008. The increase was due solely to a decrease in the portion of the President’s remuneration being capitalized as geological costs; and
- consulting fees increased by \$47,007, from \$12,113 in fiscal 2007 to \$59,120 in fiscal 2008. During fiscal 2008 the Company was charged \$46,000 by Mawson Resources Limited (“Mawson”) for shared office personnel and other costs. Mawson is a public company with certain directors in common.

During fiscal 2008 the Company reported \$45,251 interest and other income compared to \$87,216 during fiscal 2007. Interest income of \$38,546 (2007 - \$81,030) was generated from short-term investments and other income of \$6,705 (2007 - \$6,186) from the rental of its condominium in Peru.

During fiscal 2008 the Company incurred \$1,316,352 (2007 - \$2,033,350) on acquisition costs and exploration activities on its mineral resource interests. In aggregate, the Company spent \$709,531 (2007 - \$399,067) on its Swedish properties, \$606,821 (2007 - \$1,634,283) on its Mexican Properties. See “Exploration Projects Update”.

## **Financial Condition / Capital Resources**

As at December 31, 2008, the Company had working capital of \$284,862. In light of the current financial market conditions the Company is taking steps to reduce ongoing corporate overhead, reducing personnel and minimizing non-essential expenditures, including the postponement of exploration activities until market condition improve. The Company believes that it should have sufficient financial resources to meet ongoing level of corporate activities for the ensuing year. However, the Company will need to raise additional financings to meet its planned exploration activities on all of its mineral resource interest projects. In addition, 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. 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. Subsequent to December 31, 2008 the Company completed two non-brokered private placements of 3,300,000 units at a price of \$0.15 per unit, to raise \$495,000.

## **Contractual Commitments**

The Company has no contractual commitments.

## **Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

## **Proposed Transactions**

The Company does not have any proposed transactions.

## **Critical Accounting Estimates**

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, 2008.

## **Changes in Accounting Principles**

### ***Adoption of New Accounting Standards***

Effective January 1, 2008, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants ("CICA") under Section 1400, *General Standards of Financial Statement Presentation*, Section 3862, *Financial Instruments Disclosures*, Section 3863, *Financial Instrument - Presentation* and Section 1535, *Capital Disclosures*.

### ***Assessing Going Concern***

Section 1400 was amended to include requirements for management to assess and disclose an entity's ability to continue as a going concern. The Company has included the required disclosures recommended by Section 1400 in Note 1 of these financial statements.

### ***Financial Instruments***

Section 3862 requires entities to provide disclosures in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. The principles in this section complement the principles for recognizing, measuring and presenting financial assets and financial liabilities in Section 3855, *Financial Instruments - Recognition and Measurement*, Section 3863 and Section 3865, *Hedges*. The Company has included the required disclosures recommended by Section 3862 in Note 11 of the December 31, 2008 consolidated financial statements.

Section 3863 is to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows. This section establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective

of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. The Company has included the required disclosures recommended by Section 3863 in Note 11 of the December 31, 2008 consolidated financial statements.

#### *Capital Disclosures*

Section 1535 establishes standards for disclosing information about an entity's capital and how it is managed. The Company has included the required disclosures recommended by Section 1535 in Note 12 of the December 31, 2008 consolidated financial statements.

#### ***New Accounting Pronouncements***

##### *Goodwill and Intangible Assets*

The Accounting Standards Board ("AcSB") issued Section 3064, *Goodwill and Intangible Assets*, which replaces Section 3062, *Goodwill and Other Intangible Assets*, and Section 3450, *Research and Development Costs*. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008.

The Company is currently assessing the impact of the above new accounting standards on the Company's financial position and results of operations.

#### ***Future Accounting Policies***

##### *Business Combinations, Consolidated Financial Statements and Non-Controlling Interests*

The CICA issued three new accounting standards in January 2009: Section 1582, *Business Combinations*, Section 1601, *Consolidated Financial Statements*, and Section 1602, *Non-Controlling Interests*. These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards.

Section 1582 replaces Section 1581, *Business Combinations*, and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standards ("IFRS") 3, *Business Combinations*. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

Sections 1601 and 1602 together replace Section 1600, *Consolidated Financial Statements*. Section 1601, establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27, *Consolidated and Separate Financial Statements*, and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

##### *International Financial Reporting Standards*

In 2006, the AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011, will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

## **Transactions with Related Parties**

During fiscal 2008, the Company:

- i) incurred \$37,600 (2007 - \$43,300) 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 \$96,000 (2007 - \$96,000) for management services provided by the President of the Company. Of this amount, \$31,117 (2007 - \$52,662) has been capitalized as geological costs in mineral resource interests and \$64,883 (2007 - \$43,338) expensed as management fees;
- iii) received \$6,705 (2007 - \$6,186) in other income from Tinka Resources Limited (“Tinka”), for rental of its condominium in Peru, and was reimbursed \$24,000 (2007 - \$24,000) for shared office personnel from Tinka and Mawson. Tinka and Mawson are public companies with certain directors in common; and
- iv) was charged \$46,000 (2007 - \$21,355) by Mawson for shared office personnel and other costs.

As at December 31, 2008, \$98,150 (2007 - \$7,100) remained outstanding and has been included in accounts payable and accrued liabilities.

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’s services are provided through his company, Mining Interactive Corp. (“Mining Interactive”). The arrangement may be terminated by either party on 15 days notice. During fiscal 2008, the Company paid \$57,500 (2007 - \$61,500). Effective December 1, 2008, the Company and Mining Interactive agreed to reduce the monthly fees to \$2,500.

## **Outstanding Share Data**

The Company’s authorized share capital is unlimited common shares with no par value. As at April 27, 2009, there were 31,095,706 outstanding common shares, 2,695,000 stock options outstanding with exercise prices ranging from \$0.15 to \$0.80 per share and 3,367,000 warrants outstanding with an exercise price of \$0.20 per share.