



2009

THIRD QUARTER REPORT

Interim consolidated financial statements

June 30, 2009

TOURNIGAN ENERGY LTD. (a development stage company)
2009 THIRD QUARTER REPORT

Consolidated Balance Sheets
(expressed in Canadian dollars)

	June 30, 2009	September 30, 2008
	(unaudited)	(audited)
ASSETS		
Current		
Cash and cash equivalents	\$ 3,665,702	\$ 12,666,749
Accounts receivable	1,064,104	662,665
Reclamation receivable (note 5)	616,390	-
Marketable securities (note 3)	25,540	29,660
Prepaid expenses and deposits	120,089	167,078
Restricted deposits (note 5)	-	985,707
	5,491,825	14,511,859
Reclamation receivable (note 5)	404,724	-
Property and equipment (note 4)	734,173	882,919
Mineral properties (note 5)	42,259,644	38,319,555
	\$ 48,890,366	\$ 53,714,333
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 534,609	\$ 1,886,729
Asset retirement obligation	-	55,115
	534,609	1,941,844
Asset retirement obligations	114,596	90,392
Shareholders' Equity		
Share capital (note 7)	108,370,841	108,370,841
Contributed surplus (note 7)	9,422,037	9,031,777
Deficit	(69,551,717)	(65,720,521)
	48,241,161	51,682,097
	\$ 48,890,366	\$ 53,714,333

Nature of operations and going concern (note 1)

Commitments (note 12)

Subsequent events (note 13)

On behalf of the Board:

/s/ "Michael Hopley"

Michael Hopley, Director

/s/ "Dorian L. Nicol"

Dorian L. Nicol, Director

See accompanying notes to the unaudited interim consolidated financial statements.

TOURNIGAN ENERGY LTD. (a development stage company)

2009 THIRD QUARTER REPORT

Consolidated Statements of Loss and Deficit (expressed in Canadian dollars) (unaudited)

	For the Three Months Ended June 30		For the Nine Months Ended June 30	
	2009 \$	2008 \$	2009 \$	2008 \$
MINERAL PROPERTY EXPENSE				
Mineral property costs recovered (note 5)	-	(45,500)	(120,205)	(45,500)
Exploration property costs written-off (note 5)	-	749,848	-	1,094,165
Property investigations	35,993	115,684	141,549	233,007
Accretion on asset retirement obligation	1,450	3,572	4,412	9,861
	37,443	823,604	25,756	1,291,533
EXPENSES				
Employee salaries and fees to directors and contractors	330,224	801,363	1,484,388	1,703,090
Stock-based compensation (note 8)	186,066	523,920	331,952	1,213,013
Public, government and investor relations	162,847	187,282	559,227	725,754
Audit, legal and other professional fees	39,312	190,699	185,127	468,944
Administration	407,743	156,650	801,647	488,195
Travel	128,158	150,549	452,680	433,854
Regulatory fees	24,311	10,898	60,532	73,418
	1,278,661	2,021,361	3,875,553	5,106,268
OTHER ITEMS				
Interest income	(898)	(146,863)	(59,027)	(715,820)
Unrealized gain on marketable securities	(4,008)	-	(4,018)	-
Loss (gain) on sale of marketable securities	(2,562)	19,631	(2,562)	19,631
Recovery of office relocation costs	-	-	-	(142,225)
Deferred reorganization costs	-	149,313	-	149,313
Financial advisory fees	62,224	98,404	276,972	148,404
Foreign exchange (gain) loss	168,004	(157,522)	(281,478)	(218,110)
	222,760	(37,037)	(70,113)	(758,807)
NET LOSS	(1,538,864)	(2,807,928)	(3,831,196)	(5,638,994)
Deficit, beginning of period	(68,012,853)	(53,259,703)	(65,720,521)	(50,428,637)
Deficit, end of period	(69,551,717)	(56,067,631)	(69,551,717)	(56,067,631)
Basic and diluted loss per share	(0.02)	(0.02)	(0.05)	(0.05)
Weighted average number of outstanding shares	122,697,859	122,404,264	122,697,859	122,697,859

See accompanying notes to the unaudited interim consolidated financial statements.

TOURNIGAN ENERGY LTD. (a development stage company)

2009 THIRD QUARTER REPORT

Consolidated Statements of Comprehensive Loss (Expressed in Canadian dollars) (unaudited)

	For the Three Months Ended June 30		For the Nine Months Ended June 30	
	2009	2008	2009	2008
	\$	\$	\$	\$
Net loss for the period	(1,538,864)	(2,807,928)	(3,831,196)	(5,638,994)
Other comprehensive income:				
Unrealized losses on available-for-sale investments	-	(68,238)	-	(343,091)
Reclassification adjustment for realized losses (gains)	-	19,631	-	19,631
Comprehensive loss for the period	(1,538,864)	(2,856,535)	(3,831,196)	(5,962,454)

See accompanying notes to the unaudited interim consolidated financial statements.

TOURNIGAN ENERGY LTD. (a development stage company)

2009 THIRD QUARTER REPORT

Consolidated Statements of Cash Flows (expressed in Canadian dollars) (unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	June 30		June 30	
	2009	2008	2009	2008
	\$	\$	\$	\$
CASH FLOWS TO OPERATING ACTIVITIES				
Net loss	(1,538,864)	(2,807,928)	(3,831,196)	(5,638,994)
Items not affecting cash:				
Mineral property costs recovered (note 5)	-	(45,500)	(120,205)	(45,500)
Stock-based compensation expense	186,066	523,920	331,952	1,213,013
Exploration property costs written-off	-	749,848	-	1,094,165
Deferred reorganization costs written-off	-	149,313	-	149,313
Unrealized gain on marketable securities	(4,008)	-	(4,018)	-
Loss (gain) on sale of marketable securities	(2,562)	19,631	(2,562)	19,631
Amortization	35,668	27,096	106,132	77,612
Accretion on asset retirement obligation	1,450	3,572	4,412	9,861
Unrealized foreign exchange gain	118,287	5,222	(348,672)	17,351
	(1,203,963)	(1,374,826)	(3,864,157)	(3,103,548)
Net changes in operating balances:				
Accounts receivable	748,139	138,230	(23,084)	86,312
Prepaid expenses and deposits	(28,897)	8,051	46,989	92,180
Accounts payable and accrued liabilities	(14,584)	91,016	(296,014)	(295,393)
	(499,305)	(1,137,529)	(4,136,266)	(3,220,449)
CASH FLOWS TO INVESTING ACTIVITIES				
Proceeds on disposal of property and equipment	-	107,559	-	157,559
Proceeds on sale of marketable securities	10,700	17,441	10,700	17,441
Purchase of property and equipment	(3,213)	(65,586)	(16,133)	(421,080)
Mineral property option payments	175,000	-	1,000,000	-
Mineral property expenditures	(980,585)	(3,260,352)	(5,859,348)	(11,878,201)
	(798,098)	(3,200,938)	(4,864,781)	(12,124,281)
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of share capital	-	24,999	-	452,084
Deferred reorganization costs	-	(28,677)	-	(136,800)
	-	(3,678)	-	315,284
Change in cash and cash equivalents for period	(1,297,403)	(4,342,145)	(9,001,047)	(15,029,446)
Cash and cash equivalents, beginning of period	4,963,105	21,725,784	12,666,749	32,413,085
Cash and cash equivalents, end of period	3,665,702	17,383,639	3,665,702	17,383,639
Supplemental cash flow information:				
Cash paid during the period for interest	\$	-	\$	1,634
Cash paid during the period for income taxes		-		-
Non-cash transactions (note 9)				

See accompanying notes to the unaudited interim consolidated financial statements.

TOURNIGAN ENERGY LTD. (a development stage company) **2009 THIRD QUARTER REPORT**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Nine months ended June 30, 2009

(expressed in Canadian dollars) (unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Tournigan Energy Ltd. (the "Company") is a public company listed on the TSX Venture Exchange in Canada and the Frankfurt Stock Exchange in Germany. The Company's principal business activity is the sourcing, exploration and development of mineral properties.

The Company has not generated revenues from operations. These unaudited interim financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. The Company presently has sufficient financial resources to undertake its minimum work commitments for its mineral properties for the next twelve months. The Company's ability to continue on a going concern basis depends on its ability to successfully raise additional financing to raise substantial funds for the capital expenditures required to achieve planned principal operations. The Company will be required to seek additional financing and while the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

The carrying values of mineral properties represent costs incurred to date, net of recoveries, abandonments and write-downs, and do not necessarily reflect present or future values. The recoverability of these amounts is dependent upon the existence of economically recoverable mineral reserves; the acquisition and maintenance of appropriate permits, licenses and rights; the ability of the Company to obtain necessary financing to complete the development of properties where necessary, and upon future profitable operations; or alternatively, upon the Company's ability to recover its costs through a disposition of its interests.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The accompanying unaudited interim consolidated financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements and accordingly do not include all disclosures required for annual financial statements.

These unaudited interim consolidated financial statements follow the same significant accounting policies and methods of application as the Company's consolidated financial statements for the year ended September 30, 2008 (the "Annual Financial Statements") except as discussed in this note. These interim consolidated financial statements should be read in conjunction with the Annual Financial Statements.

In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for fair presentation have been included. Operating results for these interim periods are not necessarily indicative of the results that may be expected for the full fiscal year ending September 30, 2009. The majority of exploration costs are incurred in the months of April to October due to seasonal weather conditions in the Northern Hemisphere.

Certain of the prior period's figures have been reclassified to conform to the current period's presentation.

Recent Accounting Pronouncements

Newly adopted

Effective October 1, 2008 the Company adopted amended Section 1400, *General Standards of Financial Statement Presentation*. This section includes requirements to assess and disclose the Company's ability to continue as a going concern. It indicates that financial statements shall be prepared on a going

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concern basis unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. (See note 1)

Effective January 1, 2009 the Company adopted Section 3064, *Goodwill and Intangible Assets*, which replaces Section 3062, *Goodwill and Intangible Assets*, and Section 3450, *Research and Development Costs*, and establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. The Company presently does not have any goodwill and therefore the adoption of this new policy has no impact on the Company at the present time.

On January 1, 2009, the Company adopted EIC-173, *Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*, which provides guidance on how to take into account an entity's own credit risk and the credit risk of the counter party in determining the fair value of financial assets and financial liabilities, including derivative instruments, for presentation and disclosure purposes. The application of this EIC did not have a material impact on the Company's financial statements.

On January 1, 2009, the Company adopted EIC-174, *Mining Exploration Costs*, which provides guidance on the accounting and the impairment review of exploration costs. The application of this EIC did not have an effect on the Company's financial statements.

Future

In 2006, the Accounting Standards Board ("AcSB") announced that the accounting standards in Canada are to be converged with International Financial Reporting Standards ("IFRS"). On February 13, 2008, the AcSB confirmed that the use of IFRS will be required by January 1, 2011 with appropriate comparative data from the prior year. Accordingly the Company will be required to present its financial statements for the fiscal year ended September 30, 2012 in accordance with IFRS and will be required to restate the comparatives for the fiscal year ended September 30, 2011. Under IFRS, there is significantly more disclosure required, specifically for quarterly reporting. Further, while IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in accounting policies that must be addressed. The impact of these new standards on the Company's financial statements is currently being evaluated by management but the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

The CICA has issued the following standards which may affect the financial disclosures and results of operations of the Company for interim and annual periods beginning on or after January 1, 2011:

In January 2009, the CICA adopted Sections 1582, *Business Combinations*, 1601, *Consolidated Financial Statements*, and 1602, *Non-Controlling Interests*, which superseded current Sections 1581, *Business Combinations*, and 1600, *Consolidated Financial Statements*. These sections will be applied 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. Earlier adoption is permitted. If an entity applies these sections before January 1, 2011, it is required to disclose that fact and apply each of the new sections concurrently. These new sections were created to converge Canadian GAAP to IFRS.

In May 2009, the CICA amended Section 3862, *Financial Instruments – Disclosures*, to include additional disclosure requirements about fair value measurement for financial instruments and liquidity risk disclosures. These amendments require a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement. The amendments to Section 3862 apply for annual financial statements relating to fiscal years ending after September 30, 2009. The Company is assessing the impact of these amendments on its consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(expressed in Canadian dollars) (unaudited)

3. MARKETABLE SECURITIES

	June 30, 2009	September 30, 2008
	\$	\$
Condor Resources PLC	23,040	25,660
Nanika Resources Inc. (formerly New Cantech Ventures Inc.)	2,500	4,000
	25,540	29,660

In the three months ended June 30, 2009 the Company sold 1,000,000 of the 3,400,000 common shares owned of Condor Resources PLC for proceeds of \$10,700 realizing a gain of \$2,562 on the sale.

4. PROPERTY AND EQUIPMENT

	June 30, 2009			September 30, 2008		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$	\$	\$	\$
Land	47,833	-	47,833	47,833	-	47,833
Buildings	354,873	93,719	261,154	354,873	87,573	267,300
Computer and electronic equipment	114,747	66,973	47,774	116,005	47,427	68,578
Vehicles	172,431	143,140	29,291	172,431	124,955	47,476
Office and field equipment	380,464	160,932	219,532	370,578	114,049	256,529
Software	153,717	111,411	42,306	150,168	56,710	93,458
Leasehold improvements	120,554	34,271	86,283	120,554	18,809	101,745
	1,344,619	610,446	734,173	1,332,442	449,523	882,919

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5. MINERAL PROPERTIES

	Nine months ended June 30, 2009				Total \$
	Uranium		Gold		
	Slovakia Kuriskova \$	Slovakia Other \$	Slovakia Kremnica \$	Northern Ireland \$	
Balance, September 30, 2008	11,565,011	3,459,607	11,986,844	11,308,093	38,319,555
Acquisition costs	-	-	-	-	-
Option receipts	-	-	-	(1,000,000)	(1,000,000)
Exploration and development					
Licenses and permits	8,277	14,442	52,732	120,926	196,377
Mapping and surveying	1,001	2,069	106	-	3,176
Drilling and assays	2,246,614	564,915	103,935	208,469	3,123,933
Personnel, administration and travel	476,745	244,263	363,012	211,698	1,295,718
Stock-based compensation	49,760	-	8,548	-	58,308
Socio-environmental studies	54,501	53	11,682	-	66,236
Studies and evaluations	442,366	1	35,946	1,217	479,530
Recovery from funding partners	-	-	(74,050)	(219,407)	(293,457)
	3,279,264	825,743	501,911	322,903	4,929,821
Asset retirement obligation cost	-	-	10,268	-	10,268
Total costs incurred	3,279,264	825,743	512,179	(677,097)	3,940,089
Balance, June 30, 2009	14,844,275	4,285,350	12,499,023	10,630,996	42,259,644

Northern Ireland - Dalradian Gold Limited (“Dalradian Gold”) Earn-In Option Agreement – On December 19, 2008 the Company executed a binding earn-in option agreement with C3 Resources, Inc. which on March 30, 2009 was assigned to SA Resources Inc. (“SA Resources”). Under the terms of the option agreement, SA Resources can purchase up to 90% of the shares of Dalradian Gold from the Company at a total cost of \$9,250,000 and in addition, SA Resources must fund 100% of the project expenditures until the completion of a bankable feasibility study on the following schedule:

- (a) \$1,000,000 paid as follows: \$375,000 (received in October 2008), \$450,000 paid on receipt of approval for the transaction from the TSX Venture Exchange (received in January 2009), and a further \$175,000 which is payable on or before March 31, 2009 (by agreement this date was extended to April 15, 2009 and the funds were received on April 15, 2009);
- (b) \$3,250,000 upon the completion of an updated NI 43-101 compliant resource estimation, on or before December 31, 2010 (the “First Earn-In”);
- (c) \$1,750,000 upon completion of a NI 43-101 compliant pre-feasibility report, on or before December 31, 2011 (the “Second Earn-In”); and,
- (d) \$3,250,000 upon completion of a NI 43-101 compliant bankable feasibility study, on or before June 30, 2013 (the “Third Earn-In”).

Upon completion of the First Earn-In, the Company will transfer an equity interest of 51% in Dalradian Gold to SA Resources, and the Company and SA Resources will enter into a joint-venture agreement. SA Resources will have the option to continue to solely fund the activities required to complete the Second Earn-In (67% interest) and to subsequently continue to solely fund the activities required to complete the Third Earn-In (90% interest).

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Nine months ended June 30, 2009

(expressed in Canadian dollars) (unaudited)

5. MINERAL PROPERTIES (continued)

If SA Resources has paid the Company a total of \$8,250,000 pursuant to the First, Second and Third Earn-Ins, SA Resources will be deemed to have satisfied and exercised the Third Earn-In and will be entitled to an additional 23% equity interest in Dalradian, resulting in an aggregate 90% equity interest in Dalradian Gold. The Company may then either participate in the joint venture by sharing expenditures with SA Resources on a pro rata basis or convert its 10% interest to a 5% net profits interest royalty with respect to precious metals production and a 1% net smelter return royalty with respect to base metals production.

If, after exercising the option to earn the First Earn-In (51% interest), SA Resources chooses not to continue to solely fund the activities required to continue increasing its interest in Dalradian Gold, then the Company and SA Resources would participate in Dalradian Gold on a pro rata basis pursuant to the joint-venture agreement.

Slovakia - Kremnica - The Company has a 100% interest in the Kremnica Gold project in central Slovakia. The property is comprised of the Kremnica mining licence, which was renewed for four years in June 2009, and also the Lutila and Vyhne exploration licences, which expire in March 2012 and February 2013, respectively, with Company renewal options. Aggregate licence fees and minimum work commitments are expected to be approximately \$118,000 for fiscal 2009 and \$140,000 for fiscal 2010.

On June 7, 2009, the Company executed an option agreement with Ortac Resources plc ("Ortac") of London, England. The option agreement grants Ortac the sole and exclusive right and option to acquire, in four stages, up to an undivided 100% right, title and interest in and to the Kremnica Gold project (20% in the first stage, 10% in the second stage, 30% in the third stage and 40% in the fourth stage). The earn-in terms for the four option stages are as follows:

- **First Option Stage:** Ortac may acquire a 20% interest by completing, at its sole cost, a NI 43-101 compliant resource estimate and preliminary assessment on or before June 1, 2011.
- **Second Option Stage:** Upon completion of the First Option Stage, Ortac may acquire an additional 10% interest by delivering an extension notice and payment of US\$500,000, payable in cash or publicly traded shares of Ortac, to the Company.
- **Third Option Stage:** Upon completion of the Second Option Stage, Ortac may acquire an additional 30% interest by completing at its sole cost an NI 43-101 bankable feasibility study on or before June 1, 2013.
- **Fourth Option Stage:** Upon completion of the Third Option Stage, Ortac may acquire the remaining 40% interest in the Kremnica Gold project for the following consideration:
 1. A payment to the Company of \$15.00 per ounce of 100% of the gold equivalent (gold plus silver) resource defined as proven and probable reserve in the bankable feasibility study, payable in cash or publicly traded shares of Ortac (this payment will be net of the US\$500,000 payment described in the Second Option Stage unless this stage is completed by June 1, 2011 in which case the US\$500,000 will be deducted from that payment); and

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(expressed in Canadian dollars) (unaudited)

5. MINERAL PROPERTIES (continued)

2. Granting to the Company a 2% net smelter return royalty (NSR) on gold and silver production from the Kremnica Gold project (such NSR may be reduced to 1% by paying the Company US\$1 million in cash at any time prior to the commencement of commercial production at Kremnica. The remaining 1% NSR which the Company retains will be payable in respect of 1 million gold ounces equivalent, after which time it will be reduced to a 0.5% NSR in respect of a further 1 million gold ounces equivalent, after which time the Company's NSR will be terminated).

Following completion of the First Option Stage, Ortac and the Company will form a joint-venture with participating interests reflecting the earn-in at each option stage. If Ortac decides not to proceed with the next option stage, then the participating interests in the joint-venture will remain fixed at the preceding earned-in amounts.

Ortac will take over operatorship of the Kremnica Gold project during the term of the option agreement and will maintain the underlying properties and mining licenses in good standing.

Disposal of Tournigan USA Inc. ("TUSA") – On February 27, 2009 the Company completed the sale of its wholly-owned subsidiary TUSA to Fischer-Watt Gold Company, Inc. ("Fischer-Watt"). The Company retained a 30% carried interest in respect of each TUSA property up to the completion of a feasibility study for any project encompassing any such property (a "Project"). Upon completion of a feasibility study, the Company's carried interest in respect of such property will convert into a 30% working interest in the Project or the Company will have the option to dilute down to a 5% net profits interest. On February 27, 2009, Fischer-Watt delivered to the Company a promissory note in the amount of US\$325,327, including the closing date working capital adjustment (the "Promissory Note"). Fischer-Watt will secure the release of TUSA's US\$930,000 of reclamation bonds less any applicable reclamation costs which at September 30, 2008 had been estimated at US\$52,000 for an estimated net amount of US\$878,000 (the "Reclamation Receivable"). Both the Promissory Note and the Reclamation Receivable are unsecured, non-interest-bearing and were due August 31, 2009.

The Company has granted Fischer-Watt an extension of time to December 15, 2009 to pay the Promissory Note and US\$530,000 of the Reclamation Receivable. The remainder of US\$348,000 (being US\$400,000 less the US\$52,000) Reclamation Receivable will be paid to the Company when Fischer-Watt has been able to secure the release of the underlying reclamation bonds held by the reclamation agencies. The reclamation work must be performed and monitored for re-vegetation before the reclamation agencies will be in a position to release the bond.

Fischer-Watt is a Nevada-incorporated mineral exploration and development company. The Chairman, President and CEO of Fischer-Watt is Mr. Peter Bojtos, who is a director of the Company. The TSX-V approved this related party transaction.

The Company wrote off the cost of the Projects of TUSA in the fiscal year ended September 30, 2008. On February 27, 2009 the Company recorded the disposition of TUSA and due to a combination of a change in exchange rates and working capital recoveries the Company recorded a mineral property cost recovery of \$120,205 in the nine months ended June 30, 2009.

6. FINANCIAL INSTRUMENTS

a) Disclosures

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, marketable securities, prepaid expenses and deposits, reclamation receivable and accounts payable and

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accrued liabilities.

6. FINANCIAL INSTRUMENTS (continued)

The fair values of cash and cash equivalents, accounts receivable, prepaid expenses and deposits, reclamation receivable and accounts payable and accrued liabilities approximate their carrying values because of the short-term nature of these instruments. Marketable securities are recorded at quoted market prices.

b) Financial Instrument Risk Exposure and Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit Risk

Credit risk is the risk of financial loss to the Company if counterparties to a financial instrument fail to meet their contractual obligations. The Company manages its credit risk through its counterparty ratings and credit limits. The Company is mainly exposed to credit risk on its bank accounts, accounts receivable and reclamation receivable. Bank accounts are primarily with Canadian Schedule 1 banks with a \$20 million counterparty credit limit. The Company disposed of its US\$930,000 restricted deposits offset by a current asset retirement obligation of US\$52,000 in the second calendar quarter of 2009 and received the US\$878,000 Reclamation Receivable as consideration. The Reclamation Receivable and a promissory note in the amount of US\$325,327 included in accounts receivable relate to the sale of TUSA by the Company to Fischer-Watt as described in note 5 are unsecured.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company's cash is primarily invested in business bank accounts which are available on demand. As of June 30, 2009, the Company had enough funds available to meet its financial liabilities and future financial liabilities from its commitments for the current year.

Market Risk

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits. The significant market risk exposures to which the Company is exposed are foreign currency, interest and equity price risk. Since the Company has not developed producing mineral interest, it is not exposed to commodity price risk at this time.

Foreign currency risk - The Company maintains its accounts in Canadian dollars. The Company's expenditures in Slovakia, Northern Ireland and the USA make it subject to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position and results. The Company's operating results and cash flows are affected to varying degrees by changes in the Canadian Dollar exchange rate vis-à-vis the Slovak Koruna until December 31, 2008, the Euro since Slovakia converted from the Slovak Koruna to the Euro on January 1, 2009, the US Dollar and the British Pound. The Company purchases foreign currencies as the need arises in order to fund its exploration and development activities. Corporate expenditures are mainly incurred in Canadian and US dollars.

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6. FINANCIAL INSTRUMENTS (continued)

As at June 30, 2009, the Company's significant exposures to foreign currency risk, based on balance sheet values, were to the Euro and the US Dollar.

	Euro	US \$
Cash	338,223	189,246
Accounts receivable	326,979	385,327
Reclamation receivable	-	878,000
Prepaid expenses and deposits	47,971	2,412
Account payable and accrued liabilities	(94,041)	(7,285)
Asset retirement obligations	(70,317)	-
Net assets	548,815	1,447,700

The following sensitivity analyses assume all other variables remain constant and are based on the above net exposures. A 10% appreciation or depreciation of the Euro vis-à-vis the Canadian Dollar would result in a \$89,440 increase or decrease, respectively, in net income and shareholders' equity. A 10% appreciation or depreciation of the US Dollar vis-à-vis the Canadian Dollar would result in a \$168,368 increase or decrease, respectively, in net income and shareholders' equity.

Interest rate risk - The Company's bank accounts earn interest income at variable rates. The fair value of its investments is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to changes in short-term rates.

Price risk - The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of uranium, precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

7. SHARE CAPITAL

The Company has an unlimited number of common shares without par value authorized for issuance.

The issued common shares are as follows:

	9 months ended June 30, 2009		
	Number of shares	Amount \$	Contributed Surplus \$
Balance, September 30, 2008	122,697,859	108,370,841	9,031,777
Stock-based compensation	-	-	390,260
Balance, June 30, 2009	122,697,859	108,370,841	9,422,037

Escrow shares - There were 9,375 common shares held in escrow for all periods presented. Subject to receipt of regulatory approval, the Company will request cancellation of the escrow agreement and return the shares to its treasury.

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7. SHARE CAPITAL (continued)

Warrants – As at September 30, 2008 and June 30, 2009 there were no share purchase warrants outstanding.

Options – The Company has a rolling stock option plan applicable to directors, employees and consultants, under which the total outstanding stock options are limited to 10% of the outstanding common shares of the Company at any one time. The exercise price of an option shall not be less than the discounted market price at the time of granting as prescribed by the policies of the TSX Venture Exchange. The maximum term of stock options is ten years from the grant date. Vesting terms are at the discretion of the directors.

A summary of the changes to the Company's stock options is presented below:

	Options	Weighted Average Exercise Price \$
Outstanding, September 30, 2008	9,005,834	1.67
Granted	2,675,000	0.40
Forfeited	(3,440,801)	2.09
Outstanding, June 30, 2009	8,240,033	1.10

As at June 30, 2009 the Company has stock options outstanding and exercisable as follows:

Range of Exercise Prices \$	Options Outstanding			Options Exercisable	
	Outstanding #	Weighted Average Remaining Contractual Life (yrs)	Weighted Average Exercise Price \$	Number Exercisable #	Weighted Average Exercise Price \$
0.22 to 0.99	4,325,000	4.0	0.53	833,333	0.45
1.00 to 1.99	3,340,033	2.3	1.52	3,100,334	1.54
2.00 to 2.99	400,000	2.7	2.97	400,000	2.97
3.00 to 3.99	175,000	3.0	3.43	150,000	3.46
	8,240,033	3.2	1.11	4,483,667	1.54

As at June 30, 2009, the market price of the Company's stock closed at \$0.34 and the intrinsic value of the unexercised vested options was \$10,000.

Shareholders' rights plan

The directors of the Company approved the adoption of a renewal shareholder rights plan, dated March 2, 2009 (the "Rights Plan") which was ratified by the Company's shareholders on April 6, 2009. The Rights Plan is intended to ensure that all shareholders of the Company are treated fairly in any transaction involving a potential change of control of the Company. The rights become exercisable only when a person or party acquires or announces its intention to acquire 20% or more of the outstanding shares of the Company without complying with certain provisions of the Rights Plan. Each right would entitle each holder of common shares (other than the acquiring person or party) to purchase additional common shares of the Company at a 50% discount to the market price at the time. Unless otherwise terminated, the Rights Plan will expire on the date immediately after the Company's annual meeting of shareholders to be held in 2012.

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8. STOCK-BASED COMPENSATION

Fair Value of Stock-Based Compensation

The Company uses the Black-Scholes option pricing model to calculate the fair value of stock options granted. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values. The following weighted-average assumptions were used to estimate grant date fair values in the nine months ended June 30, 2009.

	Nine Months Ended June 30, 2009	Nine Months Ended June 30, 2008
Employees and Directors		
Expected stock price volatility	104.4%	87.0%
Expected life of options	2.6 years	2.4 years
Risk free interest rate	1.22%	3.28%
Expected dividend yield	Nil	Nil
Weighted average per share grant date fair value of options granted in period	\$0.24	\$0.61

Presentation

	Three months ended June 30, 2009	Three months ended June 30, 2008	Nine Months ended June 30, 2009	Nine Months ended June 30, 2008
Total stock-based compensation cost	200,927	541,039	390,260	1,256,588
Less: capitalized to mineral properties	(14,861)	(17,119)	(58,308)	(43,575)
Stock-based compensation expense	186,066	523,920	331,952	1,213,013

9. NON-CASH TRANSACTIONS

	Three months ended June 30, 2009	Three months ended June 30, 2008	Nine Months ended June 30, 2009	Nine Months ended June 30, 2008
Stock-based compensation capitalized to mineral properties	14,861	17,119	58,308	43,575
Amortization capitalized to mineral properties	19,039	21,154	58,747	55,878
Shares issued for mineral properties	-	-	-	459,000
Accounts payable and accrued liabilities capitalized to mineral properties	(16,324)	-	1,056,106	-
Asset retirement obligation capitalized to mineral properties	12,528	-	19,792	-
Marketable securities for mineral property costs recovered	-	46,000	-	46,000

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10. RELATED PARTY TRANSACTIONS AND BALANCES

a) Transactions

	Nine months ended	
	June 30, 2009	June 30, 2008
	\$	\$
Cost reimbursements from companies with common directors and/or officers	-	310,606
Legal fees to a law firm in which a director is a partner	38,354	117,073
Geological consulting fees paid to a company with common directors	-	77,352
Consulting fees to companies controlled by officers	63,750	-
Consulting fees to companies controlled by directors	-	25,542

Consulting fees were based on rates commensurate with the costs of obtaining employee or director services. Legal and geological consulting fees were billed at standard industry rates.

b) Balances

Accounts receivable, accounts payable and accrued liabilities include the following related party balances that are unsecured, without interest and payable on demand:

	June 30, 2009	June 30, 2008
	\$	\$
Due from related parties	69,780	-
Due to related parties	(75,531)	(42,964)

11. SEGMENTED INFORMATION

The Company operates in one business segment, the mineral exploration and development industry. Enterprise-wide information about geographic areas is as follows:

	June 30, 2009	September 30, 2008
	\$	\$
a) Mineral properties		
Slovakia	31,628,648	27,011,462
Northern Ireland	10,630,996	11,308,093
	42,259,644	38,319,555
b) Property and equipment		
Foreign	482,196	531,592
Canada	251,977	351,327
	734,173	882,919

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12. COMMITMENTS

Head office lease - On May 29, 2009, in exchange for a payment of \$183,293 (net of a security deposit of \$18,101), to the landlord the Company surrendered the Vancouver head office lease and was released from all remaining obligations of the lease. The Company paid a leasing agent \$31,796 commission to find the replacement tenant.

Drilling contract - A subsidiary of the Company has entered into a drilling contract with a Slovakian drilling company whereby the Company has committed to drill 4,190 metres by December 31, 2010 at an estimated equivalent cost of \$275 per metre. If the Company terminates the contract a 15% penalty against the remaining commitment will be payable.

Mineral properties – As at June 30, 2009, the aggregate licence fees and minimum work commitments to maintain the Company's Kremnica Gold project in good standing are expected to be approximately \$118,000 for fiscal 2009 and \$140,000 for fiscal 2010.

13. SUBSEQUENT EVENTS

Subsequent to June 30, 2009, 1,536,700 stock options were forfeited at the expiry of the 90 day grace period.