LUMINEX RESOURCES BUSINESS

CONDENSED CARVE-OUT COMBINED INTERIM FINANCIAL STATEMENTS

June 30, 2018

LUMINEX RESOURCES BUSINESS
CONDENSED CARVE-OUT COMBINED INTERIM BALANCE SHEETS

Unaudited

(expressed in U.S. dollars)

	Note	June 30, 2018	December 31, 2017
ASSETS			
Current assets			
Cash		$ 272,404	$ 467,055
Receivables	5	248,140	49,872
Prepaid expenses		37,764	19,066
Total current assets		558,308	535,993
Non-current assets			
Environmental deposit		166,833	163,139
Property and equipment	6	909,741	901,749
Exploration and evaluation assets	7(a)	50,092,910	47,487,910
Total assets		$ 51,727,792	$ 49,088,791
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		$ 623,373	$ 709,305
Total liabilities		623,373	709,305
EQUITY			
Owner's net investment	9	58,651,225	51,884,412
Accumulated deficit		(11,944,463)	(8,039,540)
Equity attributable to owners of the Business		46,706,762	43,844,872
Non-controlling interest	8	4,397,657	4,534,614
Total equity		51,104,419	48,379,486
Total liabilities and equity		$ 51,727,792	$ 49,088,791

Going concern (Note 3(c))
Post-reporting date events (Notes 1 and 7(a))
Commitments (Note 17)

APPROVED BY THE DIRECTORS

"Marshall Koval"
Director

"Donald Shumka"
Director

LUMINEX RESOURCES BUSINESS
CONDENSED CARVE-OUT COMBINED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

For the three and six months ended June 30, 2018 and 2017

Unaudited

(expressed in U.S. dollars)

		Three months ended June 30,		Six months ended June 30,	
	Note	**2018**	**2017**	**2018**	**2017**
Expenses					
Exploration and evaluation ("E&E") expenditures	7(b), 15	$ 518,045	$ 1,183,636	$ 3,382,236	$ 2,979,385
Fees, salaries and other employee benefits	10, 15	173,524	170,092	362,481	374,800
General and administration ("G&A")	15	95,589	70,168	199,601	119,902
Professional fees		208,568	61,847	266,154	207,694
Insurance		11,141	6,967	15,971	6,967
		(1,006,867)	(1,492,710)	(4,226,443)	(3,688,748)
Other income (expenses)					
Interest income and other	16	182,144	1,869	184,579	3,706
Foreign exchange (loss) gain		(3)	62	(16)	823
		182,141	1,931	184,563	4,529
Net loss and comprehensive loss for the period		$ (824,726)	$ (1,490,779)	$ (4,041,880)	$ (3,684,219)
Loss attributable to:					
Owners of the Business		$ (777,747)	$ (1,431,063)	$ (3,904,923)	$ (3,590,818)
Non-controlling interest	8	(46,979)	(59,716)	(136,957)	(93,401)
		$ (824,726)	$ (1,490,779)	$ (4,041,880)	$ (3,684,219)

See Accompanying Notes to the Condensed Carve-out Interim Financial Statements

LUMINEX RESOURCES BUSINESS
CONDENSED CARVE-OUT COMBINED INTERIM STATEMENTS OF CASH FLOWS

For the six months ended June 30, 2018 and 2017

Unaudited

(expressed in U.S. dollars)

	Note	Six months ended June 30, 2018	2017
Operating activities			
Loss for the period		$ (4,041,880)	$ (3,684,219)
Adjustment for non-cash items:			
Depreciation	6	21,726	11,114
Environmental deposit interest accrued		(3,694)	(3,694)
Share-based payment	9	202,334	234,910
Deduct: interest income		(2,449)	(12)
Net changes in non-cash working capital items:			
Receivables		(198,268)	5,050
Prepaid expenses		(18,698)	(4,698)
Accounts payable and accrued liabilities		(85,932)	(46,810)
Net cash utilized in operating activities		(4,126,861)	(3,488,359)
Investing activities			
Expenditures on E&E assets	7(a)	(2,605,000)	-
Expenditures on property and equipment	6	(29,718)	(290,404)
Interest received		2,449	12
Net cash utilized in investing activities		(2,632,269)	(290,392)
Financing activities			
Contributions from Lumina Gold Corp.	9	6,564,479	3,969,113
Net cash provided by financing activities		6,564,479	3,969,113
(Decrease) increase in cash		(194,651)	190,362
Cash, beginning of period		467,055	177,674
Cash, end of period		$ 272,404	$ 368,036

LUMINEX RESOURCES BUSINESS
CONDENSED CARVE-OUT COMBINED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the six months ended June 30, 2018 and 2017

Unaudited

(expressed in U.S. dollars)

	Attributable to owners of the Business				
	Owner's Net Investment	**Accumulated Deficit**	**Total**	**Non-controlling Interest**	**Total Equity**
Balance, December 31, 2016	$ 44,085,026	$ (828,414)	$ 43,256,612	$ 4,786,852	$ 48,043,464
Net investment by owner – cash contributions	3,969,113	-	3,969,113	-	3,969,113
Net investment by owner – non-cash contributions	234,910	-	234,910	-	234,910
Comprehensive loss	-	(3,590,818)	(3,590,818)	(93,401)	(3,684,219)
Balance, June 30, 2017	$ 48,289,049	$ (4,419,232)	$ 43,869,817	$ 4,693,451	$ 48,563,268
Balance, December 31, 2017	$ 51,884,412	$ (8,039,540)	$ 43,844,872	$ 4,534,614	$ 48,379,486
Net investment by owner – cash contributions	6,564,479	-	6,564,479	-	6,564,479
Net investment by owner – non-cash contributions	202,334	-	202,334	-	202,334
Comprehensive loss	-	(3,904,923)	(3,904,923)	(136,957)	(4,041,880)
Balance, June 30, 2018	$ 58,651,225	$ (11,944,463)	$ 46,706,762	$ 4,397,657	$ 51,104,419

1. TRANSFER OF BUSINESS AND ARRANGEMENT AGREEMENT

The accompanying condensed carve-out combined interim financial statements have been prepared pursuant to a plan of arrangement (the "Arrangement") whereby all of Lumina Gold Corp.'s ("Lumina") mineral exploration projects (except for the Cangrejos Project) (the "Luminex Resources Business") have been spun out to Lumina's shareholders through a newly incorporated company named Luminex Resources Corp. ("Luminex"). Pursuant to the Arrangement, Lumina transferred to its shareholders all of the shares of Luminex by way of a reduction and return of share capital. Upon closing of the transaction on August 31, 2018, Luminex is owned exclusively by existing Lumina shareholders in identical proportion to their pre-Arrangement shareholdings of Lumina. Prior to completion of the Arrangement, Lumina provided Luminex with funding in the amount of $5.25 million.

2. NATURE OF OPERATIONS

Luminex Resources Business (the "Business") is engaged in the acquisition, exploration and development of mineral resources in Ecuador. The Business is in the exploration stage as it has not placed any of its mineral properties into production. The Business includes the entities and activities acquired by Lumina upon its acquisition of Ecuador Gold and Copper Corp. ("EGX") on November 1, 2016, which consisted of the Condor Project, plus certain mineral concessions in Ecuador that have been granted to Lumina, or subsidiaries of Lumina, subsequent to the acquisition of EGX. Prior to November 1, 2016, EGX was a public company listed on the TSX Venture Exchange.

The Business' head office and principal business address is Suite 410, 625 Howe Street, Vancouver, British Columbia, V6C 2T6. The Business' registered and records office is located at 1200 – 200 Burrard Street, Vancouver, British Columbia, V7X 1T2.

3. BASIS OF PRESENTATION AND GOING CONCERN

(a) Statement of compliance

These condensed carve-out combined interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all the necessary annual disclosures in accordance with International Financial Reporting Standards ("IFRS"). IFRS does not provide guidance for the preparation of carve-out combined financial statements, and accordingly in preparing the carve-out combined interim financial statements, certain accounting conventions commonly used for the preparation of historical financial statements have been applied. The condensed carve-out combined interim financial statements have been prepared on the basis of IFRS standards effective as at January 1, 2018.

These condensed carve-out combined interim financial statements were approved and authorized for issue by the Boards of Directors of Lumina and Luminex on August 31, 2018.

(b) Basis of preparation

These condensed carve-out combined interim financial statements reflect the financial position, results of operations and cash flows associated with the operations of the Business and have been prepared on a historical cost basis.

The purpose of these condensed carve-out combined interim financial statements is to provide general purpose historical financial information of the Business in connection with the Arrangement detailed in Note 1. These condensed carve-out combined interim financial statements present the historical financial information of those subsidiaries (Note 15) included in the Business, specifically identifiable assets, liabilities and expenses of other subsidiaries of Lumina that directly relate to the Business and allocations of shared income and expenses of Lumina that are attributable to the Business, as discussed below. The accompanying carve-out combined interim financial statements do not include assets and liabilities that are not identifiable with the Business. The Business has received services and support from Lumina and the Business' operations have been dependent on Lumina's ability to perform these services and support functions.

The condensed carve-out combined interim financial statements have been extracted from historical accounting records of Lumina and its subsidiaries with estimates used, when necessary, for certain allocations as follows:

- The condensed carve-out combined interim balance sheets reflect the assets and liabilities recorded by Lumina which have been assigned to the Business on the basis that they are specifically identifiable and attributable to the Business or have been allocated on a pro-rata basis in line with general expenses, as described below;
- Expenses that are directly attributable to the Business, including all exploration and evaluation expenditures, are reflected in these carve-out combined interim financial statements;

3. BASIS OF PRESENTATION AND GOING CONCERN (continued)

(b) Basis of preparation (continued)

- Lumina expenses that are not directly related to the exploration activities of the Business have been allocated on a pro-rata basis, based on the percentage of E&E activity on the Business' mineral interests compared to total E&E expenditures for Lumina. For all periods presented, the allocation to the Business was 55%.

The preparation of these condensed carve-out combined interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed carve-out combined interim financial statements and the reported expenses during the periods presented. Management believes the assumptions and allocations underlying the condensed carve-out combined interim financial statements are reasonable and appropriate under the circumstances. The expenses and cost allocations have been determined on a basis considered by Lumina to be a reasonable reflection of the utilization of services provided to, or the benefit received by, the Business during the periods presented.

Management cautions readers of these condensed carve-out combined interim financial statements that the allocation of Lumina expenses does not necessarily reflect the general and administrative expenses that the Business would have incurred in the afore-mentioned periods had the Business operated on a stand-alone basis. Further, these condensed carve-out combined interim financial statements are not necessarily indicative of the results that would have been obtained if the Business had operated as a separate legal entity during the periods presented and are not necessarily indicative of future operating results.

(c) Going concern

These condensed carve-out combined interim financial statements have been prepared on a going concern basis which assumes that the Business will be able to realize, in the foreseeable future, its assets and discharge its liabilities in the normal course of business as they come due. The ability of the Business to continue as a going concern is dependent upon the continued support from Lumina, successfully obtaining additional financing, entering into a joint venture, a merger or other business combination transaction involving a third party, sale of all or a portion of the Business' assets, the outright sale of the Business, the successful development of the Business' mineral property interests or a combination thereof. There can be no assurance that management's plans will be successful. As the Business does not have any current source of operating revenues and does not currently have any committed sources of financing, until closing of the Arrangement it was dependent upon Lumina for funding its activities.

These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Business' ability to continue as a going concern. These condensed carve-out combined interim financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Business be unable to continue as a going concern. Such adjustments could be material.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Overall considerations

The significant accounting policies that have been applied in the preparation of these condensed carve-out combined interim financial statements are included in the Business' audited carve-out combined financial statements for the year ended December 31, 2017. These accounting policies have been used throughout all periods presented in the condensed carve-out combined interim financial statements, except as noted below.

(b) New standards adopted January 1, 2018

IFRS 9 – Financial Instruments

This standard replaces IAS 39, *Financial Instruments: Recognition & Measurement*. IFRS 9 details new requirements for classifying and measuring financial assets. The new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new "expected credit loss model" for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting. The standard became effective for annual periods beginning on or after January 1, 2018, which is the date the Business adopted IFRS 9.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) New standards adopted January 1, 2018 (continued)

IFRS 9 – Financial Instruments (continued)

Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so our accounting policy with respect to financial liabilities is substantially unchanged.

This adoption of this standard did not have a material impact on the measurement of the Business' financial instruments in our condensed carve-out combined interim financial statements, however additional disclosures have been provided.

The following are new accounting policies for financial instruments under IFRS 9.

Non-derivative financial assets

The Business classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Measurement and classification of financial assets is dependent on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the income statement. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the income statement in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost: Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the income statement. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Financial liabilities

The Business measures all its financial liabilities as subsequently measured at amortized cost. Financial liabilities are recognized initially at fair value, net of transaction costs incurred and are subsequently measured at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit and loss over the period to maturity using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

The Business completed an assessment of its financial instruments as at January 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

	Original classification under IAS 39	New Classification under IFRS 9
Cash	Loans and receivables – amortized cost	Amortized cost
Receivables	Loans and receivables – amortized cost	Amortized cost
Environmental deposit	Loans and receivables – amortized cost	Amortized cost
Accounts payable and accrued liabilities	Other liabilities – amortized cost	Amortized cost

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) New standards adopted January 1, 2018 (continued)

IFRS 9 – Financial Instruments (continued)

Impairment of financial assets at amortized cost

The Business recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Business applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized. Given the nature and balances of the Business' receivables the Business has no material loss allowance at adoption or as at June 30, 2018.

(c) Significant accounting judgments and estimates

The preparation of the Business' condensed carve-out combined interim financial statements in accordance with IFRS requires management to make certain judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. Actual results may differ from these estimates. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses in these condensed carve-out combined interim financial statements are discussed below.

Judgments

Going concern: The assessment of the Business' ability to continue as a going concern requires significant judgment. The Business considers the factors outlined in Note 3(c) when making its going concern assessment.

Allocation of expenses from Lumina to the Business: As discussed in Note 3(b), certain judgments are required in the allocation of certain of Lumina's balances and expenses to the Business in preparing these carve-out combined financial statements. The appropriate method of allocation and the percentages applied require the judgment of management.

Exploration and evaluation assets: The application of the Business's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that such acquisition costs incurred will be recovered through successful exploration and development or sale of the asset under review. Furthermore, the assessment as to whether economically recoverable resources exist is itself an estimation process. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off to profit or loss in the period when the new information becomes available. The carrying value of these assets is detailed at Note 7(a).

(d) Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of authorization of these condensed carve-out combined interim financial statements are disclosed below. Management anticipates that all of the pronouncements will be adopted in the Business' accounting policy for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Business' financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Business' financial statements.

IFRS 16 – Leases: On January 13, 2016, the IASB published a new standard, IFRS 16, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted. The Business is assessing the impact of adopting this standard on its financial statements.

(expressed in U.S. dollars)

5. RECEIVABLES

		June 30, 2018		December 31, 2017
First Quantum Minerals Ltd. Earn-in (Note 7(a))	$	202,745	$	-
First Quantum Minerals Ltd. Services Agreement fee (Notes 7(a) and 16)		20,275		-
Refundable goods and services tax		2,372		27,315
Other		22,748		22,557
Total receivables	$	248,140	$	49,872

All amounts are short-term and the net carrying value of receivables is considered a reasonable approximation of fair value. The Business anticipates full recovery of these amounts and therefore no impairment has been recorded against receivables. The Business's receivables are all considered current and are not past due. The Business does not hold any collateral related to these assets.

6. PROPERTY AND EQUIPMENT

		Land[1]		Property & Equipment		Total
Cost						
December 31, 2017	$	553,031	$	387,033	$	940,064
Additions		-		29,718		29,718
June 30, 2018	$	553,031	$	416,751	$	969,782
Accumulated Depreciation						
December 31, 2017	$	-	$	38,315	$	38,315
Depreciation for the period		-		21,726		21,726
June 30, 2018	$	-	$	60,041	$	60,041
Net book value						
December 31, 2017	$	553,031	$	348,718	$	901,749
June 30, 2018	$	553,031	$	356,710	$	909,741

[1]The Business has purchased various small local farm lands in the area of its mineral properties that are of strategic value representing important surface rights over which it has mineral rights and access.

Depreciation expense relating to property and equipment utilized in E&E activities is expensed to E&E and is included in field office costs.

(expressed in U.S. dollars)

7. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES

(a) Exploration and evaluation assets

Acquisition costs and carrying value of the Business' exploration projects as at June 30, 2018 and December 31, 2017, are as follows:

	June 30, 2018	December 31, 2017
Condor Project	$ 47,487,910	$ 47,487,910
Rights to acquire / use ("Mineral Concession Rights")		
Escondida	45,000	-
La Canela	120,000	-
Pegasus	2,200,000	-
Tres Picachos	240,000	-
	2,605,000	-
Total exploration and evaluation assets	$ 50,092,910	$ 47,487,910

In order to transfer certain concessions to the Business, and in compliance with rules in Ecuador, Lumina and the Business entered into agreements whereby the Business shall have the right to acquire 100% of the title and interest to the Mineral Concession Rights areas, subject to the relevant regulatory approval and execution of transfer documents, the consideration for which has been paid for in cash. As per the above-referenced agreements, and subject to prior governmental approvals, the Business is able to explore and operate the concession areas. In July 2018, a further agreement was entered into between Lumina and the Business in connection with the Orquideas project for $825,000, whereby the Business shall have the right to acquire 100% of the title and interest to such project, subject to the relevant regulatory approval and execution of transfer documents.

The Business has various mineral exploration project and concession areas in Ecuador as follows:

Condor:

The Business has nine concessions located in the Zamora-Chinchipe Province in southeast Ecuador, collectively known as the "Condor Project" and totaling 10,101 hectares. Effective January 1, 2018, the Business is including the Escondida (1,204 hectares awarded in January 2017) and Santa Elena (628 hectares obtained in December 2016) concession areas in the Condor Project.

Pegasus:

In November 2016, the Business, pursuant to a public tender process in Ecuador, was awarded the Pegasus A1-7 and Pegasus B8-14 concessions. These concessions are an early-stage gold project comprising 66,525 hectares and are located approximately 150 kilometres southwest of Quito. In June 2017, the Business was awarded an additional concession of 835 hectares, known as "Luz," which is adjacent to the Pegasus A concessions.

Tres Picachos / La Canela / Orquideas:

In December 2016, the Business was awarded the following concessions: Tres Picachos (4,828 hectares) and La Canela (3,187 hectares) which are located approximately 100 kilometres southwest of the Condor Project and Orquideas (4,743 hectares) which is located in proximity to the Condor Project.

Palma Real / Cascas / Santa Elena / Quimi / Tarqui:

The Business obtained these concessions initially under an option with Proyectmin S.A. ("Proyectmin"), a related party. On April 18, 2018, the Business acquired Proyectmin for an amount of $35,000 which eliminates the need for the option and brings the ownership of the areas directly under control of the Business. The concession areas include: Palma Real, obtained in November 2016, and located in Northern Ecuador, consisting of four concession areas totaling 19,775 hectares; Cascas, obtained in January 2017, consisting of two concession areas totaling 9,998 hectares located approximately 25 kilometres southwest of the Condor Project; Santa Elena, as described under "Condor" above; Quimi, obtained in May 2017, consisting of two concession areas totaling 2,732 hectares located on trend with the Condor Project; and Tarqui, obtained in May 2017, consisting of two concession areas totaling 4,817 hectares located on trend with the Condor Project.

7. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)

(a) Exploration and evaluation assets (continued)

First Quantum Minerals Ltd. ("FQM") Earn-in Agreement:

On June 20, 2018, Lumina signed a formal earn-in agreement (the "Earn-in Agreement") with FQM relating to the Orquideas and Cascas concessions (the "Properties"). Under the terms of the Earn-in Agreement, FQM has committed to fund a minimum of $1.5 million in exploration expenditures and fees by the end of year one, after which it can withdraw from the agreement with no retained interest. If FQM chooses to continue funding beyond year one they will have the right to earn 51% ownership in the Properties ("First Earn-in") by meeting the required spending commitments over the five year period and paying certain cash payments to the Business. Spending commitments and estimated concession license fees over the First Earn-in total $31.5 million. Pursuant to the terms of the Earn-in Agreement, the Business received $100,000 upon signing ("Signing Bonus") and in addition, further cash payments of $6.9 million will be received over the duration of the First Earn-in period.

FQM has the right under the agreement to stop funding prior to completion of the First Earn-in on either or both of the Properties. FQM also has the right to earn an additional 19% ownership in the Properties ("Second Earn-in") by solely funding all the required work up to a decision to commence commercial development of a mine, taking FQM's ownership in the Properties to 70%. Post the completion of the Second Earn-in, the Business would be responsible for funding its 30% share of any capital required to develop and construct a mine at the Properties.

FQM and Lumina also entered into a services agreement (the "Services Agreement") whereby the Business will act as the manager of the works programs to be conducted under direction of FQM. As manager, the Business is entitled to charge an overhead and recovery fee of 10% of the expenditures incurred on the Properties, which costs will count towards FQM's total expenditures under the First Earn-in (see Note 16).

As part of the Earn-in Agreement, FQM has agreed to reimburse the Business for expenditures incurred by the Business on the Properties from September 1, 2017. The total subject to reimbursement at June 30, 2018, in the amount of $984,354, is detailed in the tables in Note 7(b), and is described as "cost recovery" of which $202,745 is included in receivables at June 30, 2018 (Note 5).

Annual expenditures / Acquisition cost and carrying value:

To maintain its mineral concessions the Business is required to meet certain spending requirements as communicated to the Government of Ecuador. Further details are provided in Note 17.

(expressed in U.S. dollars)

7. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)

(b) Exploration and evaluation expenditures

The Business' exploration and evaluation expenditures on its projects are as follows:

	Three months ended June 30, 2018									
	Cascas	Condor[(2)(3)]	La Canela	Orquideas	Palma Real	Pegasus	Quimi	Tarqui	Tres Picachos	**TOTAL**
Mineral rights	$ -	$ 9,772	$ -	$ -	$ -	$ 6,233	$ -	$ -	$ -	**$ 16,005**
Legal fees	3,132	9,007	1,995	9,144	920	8,720	512	1,315	945	**35,690**
Assays / Sampling	-	18,270	626	29,831	-	17,268	-	13,575	18,339	**97,909**
Camp	-	122,976	1,154	88,489	-	11,541	-	8,903	10,500	**243,563**
Camp access and improvements	-	2,955	-	1,308	-	-	-	-	782	**5,045**
Drilling	-	15,654	-	-	-	-	-	-	-	**15,654**
Environmental, Health & Safety	-	32,315	793	4,451	3,600	12,599	-	262	2,788	**56,808**
Field office	-	59,580	1,303	21,718	81	33,260	763	5,903	4,560	**127,168**
Geological consulting	-	115,446	-	90,401	-	2,582	-	-	2,554	**210,983**
Geological and field staff	-	52,143	8,956	56,327	-	100,748	-	51,003	-	**269,177**
Project management[(1)]	3,373	65,234	1,687	9,994	161	20,197	5,499	8,112	2,202	**116,459**
Reports	-	-	-	54,513	-	1,960	-	-	-	**56,473**
Social and community[(1)]	5,438	34,365	74	4,623	-	-	897	3,430	1,977	**50,804**
Share-based payment (Note 9)	-	24,245	-	-	-	-	-	-	-	**24,245**
Transportation and accommodation	295	78,251	1,858	61,835	-	17,457	341	3,136	13,243	**176,416**
Costs incurred during the period	12,238	640,213	18,446	432,634	4,762	232,565	8,012	95,639	57,890	**1,502,399**
Cost Recovery[(4)]	(127,301)	-	-	(857,053)	-	-	-	-	-	**(984,354)**
Net costs incurred (recovered) during the period	$(115,063)	$ 640,213	$ 18,446	$(424,419)	$ 4,762	$ 232,565	$ 8,012	$ 95,639	$ 57,890	**$ 518,045**
Cumulative E&E incurred, beginning of period[(2)]	$ 234,257	$ 4,780,580	$ 109,123	$ 739,330	$ 599,939	$ 2,139,272	$ 124,117	$ 226,364	$ 207,234	**$ 9,160,216**
E&E incurred (recovered) during the period	(115,063)	640,213	18,446	(424,419)	4,762	232,565	8,012	95,639	57,890	**518,045**
Cumulative E&E incurred, end of period	$ 119,194	$ 5,420,793	$ 127,569	$ 314,911	$ 604,701	$ 2,371,837	$ 132,129	$ 322,003	$ 265,124	**$ 9,678,261**

[(1)] Project management and social and community costs include payments made to key management personnel (see Note 15).
[(2)] Costs for the Condor Project incurred since acquisition of Ecuador Gold and Copper Corp. ("EGX") on November 1, 2016.
[(3)] Costs for Escondida and Santa Elena, which are included in the Condor Project since January 1, 2018, totalled $6,543 for the three months ended June 30, 2018. Cumulative E&E spend on the two areas as at the beginning of the period was $150,300.
[(4)] Cost recovery represents reimbursement of expenditures by FQM as part of the First Earn-in (see Note 7(a)).

(expressed in U.S. dollars)

7. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)

(b) Exploration and evaluation expenditures (continued)

Three months ended June 30, 2017	Cascas	Condor[2]	Escondida	La Canela	Orquideas	Palma Real	Pegasus	Quimi	Santa Elena	Tarqui	Tres Picachos	**TOTAL**
Mineral rights	$ 52	$ 142,888	$ 26	$ 26	$ 1,567	$ (5,525)	$ 367	$ 16,487	$ 4,815	$ 29,075	$ 26	**$ 189,804**
Legal fees	946	14,325	871	473	-	3,314	-	-	756	-	527	**21,212**
Assays / Sampling	-	35,137	2,838	-	11,761	1,612	55,097	-	1,168	-	-	**107,613**
Camp	-	59,519	916	874	15,185	1,304	9,309	-	3,304	-	5,787	**96,198**
Environmental	-	-	285	54	52	55	524	160	24	160	439	**1,753**
Field office	329	213,827	199	5,186	-	-	97	-	148	-	-	**219,786**
Geological consulting	230	24,291	230	1,152	1,847	576	1,847	1,152	1,847	-	1,152	**34,324**
Geological staff	-	176,335	856	16,373	38,810	3,135	46,767	-	33,452	-	4,907	**320,635**
Project management[1]	-	29,228	-	-	4,748	-	7,204	3,602	3,602	3,602	-	**51,986**
Reports	-	16,425	-	-	-	-	-	-	-	-	-	**16,425**
Social and community[1]	6,999	35,989	118	118	118	118	963	118	118	118	118	**44,895**
Share-based payment (Note 9)	-	14,530	-	-	-	-	-	-	-	-	-	**14,530**
Transportation and accommodation	229	50,404	228	-	3,546	-	5,616	11	3,544	11	886	**64,475**
Costs incurred during the period	$ 8,785	$ 812,898	$ 6,567	$ 24,256	$ 77,634	$ 4,589	$ 127,791	$ 21,530	$ 52,778	$ 32,966	$ 13,842	**$ 1,183,636**
Cumulative E&E incurred, beginning of period[2]	$ 96,333	$ 733,200	$ 13,308	$ 38,596	$ 81,030	$ 244,578	$ 901,388	$ -	$ 6,942	$ -	$ 56,289	**$ 2,171,664**
E&E incurred during the period	8,785	812,898	6,567	24,256	77,634	4,589	127,791	21,530	52,778	32,966	13,842	**1,183,636**
Cumulative E&E incurred, end of period	$ 105,118	$ 1,546,098	$ 19,875	$ 62,852	$ 158,664	$ 249,167	$ 1,029,179	$ 21,530	$ 59,720	$ 32,966	$ 70,131	**$ 3,355,300**

[1] Project management and social and community costs include payments made to key management personnel (see Note 15).
[2] Costs for the Condor Project incurred since acquisition of EGX on November 1, 2016.

(expressed in U.S. dollars)

7. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)

(b) Exploration and evaluation expenditures (continued)

	Six months ended June 30, 2018									
	Cascas	Condor[2][3]	La Canela	Orquideas	Palma Real	Pegasus	Quimi	Tarqui	Tres Picachos	**TOTAL**
Mineral rights	$ 96,591	$ 107,814	$ 30,819	$ 47,526	$ 191,050	$ 658,428	$ 26,656	$ 47,284	$ 46,878	**$ 1,253,046**
Legal fees	6,449	15,254	1,995	20,946	7,482	18,347	2,714	10,711	2,568	**86,466**
Assays / Sampling	-	75,268	626	40,433	-	28,670	-	29,161	18,731	**192,889**
Camp	-	314,245	1,154	148,244	-	18,304	622	12,982	14,181	**509,732**
Camp access and improvements	-	44,800	-	1,308	-	-	-	-	2,072	**48,180**
Drilling	-	113,903	-	-	-	-	-	-	-	**113,903**
Environmental, Health & Safety	-	69,030	1,700	33,653	3,600	12,971	-	503	2,788	**124,245**
Field office	-	147,983	1,967	46,465	81	56,889	4,288	15,709	8,496	**281,878**
Geological consulting	-	282,022	-	91,610	-	9,354	-	1,172	2,554	**386,712**
Geological and field staff	-	112,280	8,956	84,050	-	214,085	17,505	87,135	16,075	**540,086**
Project management[1]	3,373	133,139	1,687	21,775	161	36,420	11,763	16,024	3,054	**227,396**
Reports	-	-	-	60,795	-	1,960	-	-	-	**62,755**
Social and community[1]	6,985	93,656	74	15,937	-	-	1,757	11,616	1,977	**132,002**
Share-based payment (Note 9)	-	48,223	-	-	-	-	-	-	-	**48,223**
Transportation and accommodation	562	191,548	1,858	104,083	-	31,216	2,072	11,425	16,313	**359,077**
Costs incurred during the period	113,960	1,749,165	50,836	716,825	202,374	1,086,644	67,377	243,722	135,687	**4,366,590**
Cost recovery[4]	(127,301)	-	-	(857,053)	-	-	-	-	-	**(984,354)**
Net costs incurred (recovered) during the period	$ (13,341)	$ 1,749,165	$ 50,836	$(140,228)	$ 202,374	$ 1,086,644	$ 67,377	$ 243,722	$ 135,687	**$ 3,382,236**
Cumulative E&E incurred, beginning of period[2]	$ 132,535	$ 3,671,628	$ 76,733	$ 455,139	$ 402,327	$ 1,285,193	$ 64,752	$ 78,281	$ 129,437	**$ 6,296,025**
E&E incurred (recovered) during the period	(13,341)	1,749,165	50,836	(140,228)	202,374	1,086,644	67,377	243,722	135,687	**3,382,236**
Cumulative E&E incurred, end of period	$ 119,194	$ 5,420,793	$ 127,569	$ 314,911	$ 604,701	$ 2,371,837	$ 132,129	$ 322,003	$ 265,124	**$ 9,678,261**

[1] Project management and social and community costs include payments made to key management personnel (see Note 15).
[2] Costs for the Condor Project incurred since acquisition of EGX on November 1, 2016.
[3] Costs for Escondida and Santa Elena, which are included in the Condor Project since January 1, 2018, totalled $32,544 for the six months ended June 30, 2018. Cumulative E&E spend on the two areas as at the beginning of the period was $124,299.
[4] Cost recovery represents reimbursement of expenditures by FQM as part of the First Earn-in (see Note 7(a)).

(expressed in U.S. dollars)

7. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)

(b) Exploration and evaluation expenditures (continued)

	Six months ended June 30, 2017											
	Cascas	Condor[2]	Escondida	La Canela	Orquideas	Palma Real	Pegasus	Quimi	Santa Elena	Tarqui	Tres Picachos	**TOTAL**
Mineral rights	$ 95,263	$ 207,918	$ 12,346	$ 31,826	$ 47,158	$ 190,140	$ 639,594	$ 16,487	$ 7,481	$ 29,075	$ 47,621	**$ 1,324,909**
Legal fees	1,401	36,358	1,098	1,112	2,198	7,481	25,853	-	1,202	-	1,128	**77,831**
Assays / Sampling	-	35,137	2,838	-	15,405	1,689	58,093	-	1,168	-	-	**114,330**
Camp	-	92,622	916	1,126	18,360	5,487	35,878	-	5,689	-	5,862	**165,940**
Drilling	-	3,083	-	-	-	-	-	-	-	-	-	**3,083**
Environmental	-	-	285	54	52	105	647	160	-	160	439	**1,902**
Field office	839	381,144	456	6,191	4,870	3,997	24,675	-	939	-	918	**424,029**
Geological consulting	230	51,658	230	1,152	1,847	576	1,847	1,152	1,847	-	1,152	**61,691**
Geological staff	-	234,388	856	19,390	50,242	11,295	104,163	-	33,585	-	7,923	**461,842**
Project management[1]	98	59,338	377	1,093	6,987	766	30,231	3,602	3,751	3,602	1,541	**111,386**
Reports	-	16,425	-	-	-	-	-	-	-	-	-	**16,425**
Social and community[1]	6,999	54,368	245	487	874	377	8,732	118	118	118	638	**73,074**
Share-based payment (Note 9)	-	30,874	-	-	-	-	-	-	-	-	-	**30,874**
Transportation and accommodation	288	83,294	228	421	8,895	1,052	13,063	11	3,673	11	1,133	**112,069**
Costs incurred during the period	$ 105,118	$ 1,286,607	$ 19,875	$ 62,852	$ 156,888	$ 222,965	$ 942,776	$ 21,530	$ 59,453	$ 32,966	$ 68,355	**$ 2,979,385**
Cumulative E&E incurred, beginning of period[2]	$ -	$ 259,491	$ -	$ -	$ 1,776	$ 26,202	$ 86,403	$ -	$ 267	$ -	$ 1,776	**$ 375,915**
E&E incurred during the period	105,118	1,286,607	19,875	62,852	156,888	222,965	942,776	21,530	59,453	32,966	68,355	**2,979,385**
Cumulative E&E incurred, end of period	$ 105,118	$ 1,546,098	$ 19,875	$ 62,852	$ 158,664	$ 249,167	$ 1,029,179	$ 21,530	$ 59,720	$ 32,966	$ 70,131	**$ 3,355,300**

[1] Project management and social and community costs include payments made to key management personnel (see Note 15).
[2] Costs for the Condor Project incurred since acquisition of EGX on November 1, 2016.

(expressed in U.S. dollars)

8. NON-CONTROLLING INTEREST ("NCI")

The following table summarizes information related to the Business non-controlling interest which has a 10% interest in Condormining Corporation S.A. (see Note 15), which in turn holds Bestminers S.A. and Condormine S.A.:

	June 30, 2018	June 30, 2017
Current assets	$ 98,832	$ 365,485
Non-current assets	25,717,374	22,979,934
Current liabilities	(188,773)	(178,233)
Net assets	25,627,433	23,167,186
NCI percentage	10%	10%
Net assets of individual entities attributable to the NCI	2,562,743	2,316,719
Adjustments on consolidation of individual entities subject to NCI	1,834,914	2,376,732
Net assets attributable to the NCI	$ 4,397,657	$ 4,693,451

	For the three months ended	
	June 30, 2018	June 30, 2017
Net loss and comprehensive loss	$ 469,790	$ 597,160
NCI percentage	10%	10%
Net loss and comprehensive loss attributable to NCI	$ 46,979	$ 59,716

	For the six months ended	
	June 30, 2018	June 30, 2017
Net loss and comprehensive loss	$ 1,369,570	$ 934,010
NCI percentage	10%	10%
Net loss and comprehensive loss attributable to NCI	$ 136,957	$ 93,401

The entities subject to a NCI incurred the following cash expenditures during the three and six months ended June 30, 2018: (i) $494,180 and $1,517,853 on operating activities (three and six months ended June 30, 2017 - $566,485 and $881,801); and (ii) $25,799 and $29,719 on investing activities (three and six months ended June 30, 2017 - $9,868 and $16,286).

9. OWNER'S NET INVESTMENT

Lumina's investment in the operations of the Business is presented as owner's net investment in the carve-out combined interim financial statements.

Lumina has a stock option plan whereby it may grant options to directors, officers, employees and consultants of Lumina. Share-based payment expense, which is included in owner's net investment, was allocated to the Business based on specific expenses related to project expenditures or on a pro-rata basis as described in Note 3(b) for non-exploration and evaluation expenditures. Share-based payment amounts recorded in these carve-out combined interim financial statements include allocations of $70,926 and $154,111 related to fees, salaries and other employee benefits for the three and six months ended June 30, 2018 (three and six months ended June 30, 2017 - $82,516 and $204,036, respectively) and $24,245 and $48,223 related to exploration and evaluation expenditures for the three and six months ended June 30, 2018 (three and six months ended June 30, 2017 - $14,530 and $30,874).

10. FEES, SALARIES AND OTHER EMPLOYEE BENEFITS

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Fees and salaries	$ 102,598	$ 87,576	$ 208,370	$ 170,764
Share-based payments (Note 9)	70,926	82,516	154,111	204,036
Fees, salaries and other employee benefits	$ 173,524	$ 170,092	$ 362,481	$ 374,800

(expressed in U.S. dollars)

11. CAPITAL RISK MANAGEMENT

It is the Business' objective when managing capital to safeguard its ability to continue as a going concern in order that it may continue to explore and develop its mineral properties and continue its operations for the benefit of its shareholders. The Business' objectives when managing capital are to:

(a) continue the exploration and development of its mineral properties; and
(b) support any expansion plans.

The Business considers its equity, which includes owner's net investment and accumulated deficit as capital. The Business is dependent on funds provided by Lumina to carry out its planned exploration and development activities on its mineral properties and to continue to pay administrative costs. There have not been any changes to the Business' capital management objective, policies and processes compared to the prior year. The Business is not subject to any externally imposed capital requirements.

12. FINANCIAL INSTRUMENTS

(a) <u>Categories of financial assets and financial liabilities</u>

The Business' financial assets and financial liabilities are categorized as follows:

	Category	June 30, 2018	December 31, 2017
Cash	Amortized cost	$ 272,404	$ 467,055
Receivables	Amortized cost	245,768	22,557
Environmental deposit	Amortized cost	166,833	163,139
Accounts payable and accrued liabilities	Amortized cost	623,373	709,305

The recorded amounts for cash, receivables, environmental deposit and accounts payable and accrued liabilities approximate their fair value due to the short-term maturities of these instruments and/or the market interest rate being earned or charged thereon. Income earned on the Business' cash has been disclosed in the carve-out combined interim statements of comprehensive loss under the caption "interest income and other."

(b) <u>Fair Value Measurements</u>

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions.

13. FINANCIAL INSTRUMENT RISKS

The Business is exposed to various risks in relation to financial instruments. The main types of risk are credit risk, liquidity risk and market risk. These risks arise from the normal course of the Business' operations and all transactions undertaken are to support the Business' ability to continue as a going concern. The risks associated with financial instruments and the policies on mitigation of such risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

(a) Credit Risk

The Business considers that its cash, receivables and environmental deposit are exposed to credit risk, representing maximum exposure of $685,005 (December 31, 2017 - $652,751). Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Business' exposure to credit risk on its cash is minimized by maintaining these assets with high-credit quality financial institutions. At June 30, 2018, the Business' cash was held at three financial institutions (December 31, 2017 – two financial institutions).

13. FINANCIAL INSTRUMENT RISKS (continued)

(b) Liquidity Risk

Liquidity risk is the risk that the Business will be unable to meet its financial obligations as they become due. The Business manages liquidity risk by ensuring that it has sufficient cash available to meet its obligations. These requirements are met through a combination of cash on hand, disposition of assets, and from funding provided by Lumina in the form of owner's investment.

At June 30, 2018, the Business' current liabilities consisted of trade and other payables of $623,373 which are due primarily within three months from the period end. The Business is reliant on owner investments to fund operations.

(c) Market Risks

The significant market risk exposures to which the Business is exposed are interest rate risk and currency risk.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows and fair values of the Business will fluctuate because of changes in market interest rates. Based on the Business' cash as at June 30, 2018 and December 31, 2017, and assuming that all other variables remained constant, a 1% increase or decrease in interest rates would not have a material impact on net income.

Currency Risk

The functional currency of the Business and its subsidiaries is the U.S. dollar. The carrying amounts of financial assets and financial liabilities denominated in currencies other than the U.S. dollar are subject to fluctuations in the underlying foreign currency exchange rates. Gains and losses on such items are included as a component of net loss for the period.

The Business is exposed to currency risks arising from fluctuations in foreign exchange rates primarily among the U.S. dollar and Canadian dollar and the degree of volatility of these rates. While the Business incurs the majority of its expenditures in U.S. dollars, corporate G&A expenses are primarily paid in Canadian dollars. The Business does not use derivative instruments to reduce its exposure to foreign exchange and currency risks. The Business' exposure to foreign currency risks on cash balances held in foreign currencies is not expected to be significant.

The table below shows the impact that a 1% fluctuation in foreign currency rates compared to the U.S. dollar would have on the Business' consolidated loss, comprehensive loss and equity based upon the assets held at June 30, 2018:

Financial Instrument Type		U.S. Dollar	Currency		+/- 1% Fluctuation	
Cash	$	134	CAD dollar	$	1	(1)
Accounts payable and accrued liabilities		(26,360)	CAD dollar		(264)	264
Total	$	(26,226)		$	(263)	263

14. SEGMENTED DISCLOSURE

The Business is organized into business units based on the location of its mineral properties and has one reportable operating segment, being that of the acquisition, exploration and evaluation of mineral properties in Ecuador. Reporting to the chief decision makers is carried out on a consolidated basis.

(expressed in U.S. dollars)

15. GROUP INFORMATION AND RELATED PARTY TRANSACTIONS

Information about subsidiaries

The carve-out combined interim financial statements include the following companies, all of which are under the control of Lumina:

		% Equity interest at	
	Country of Incorporation	June 30, 2018	December 31, 2017
1083651 B.C. Ltd.[(1)]	Canada	-	100
Luminex Resources Corp.	Canada	100	N/A
Proyectmin Holdings Inc.	Canada	100	N/A
Proyectmin S.A.	Ecuador	100	N/A
Southern Ecuador Holdings Ltd.[(2)]	Canada	100	N/A
Central Ecuador Holdings Ltd.	Canada	100	N/A
Central Ecuador EC-CT S.A.	Ecuador	100	N/A
Ecuador Gold Holdings Ltd	Canada	100	100
EMH S.A.	Ecuador	100	100
Condormining Corporation S.A.	Ecuador	90	90
Corporacion FJTX Exploration S.A.	Ecuador	100	100
Bestminers Ecuador S.A.	Ecuador	90	90
Condor Mine S.A.	Ecuador	90.1	90.1

[(1)] Entity was dissolved on February 14, 2018.
[(2)] Entity through which First Quantum Earn-in will be conducted (see Note 7(a)). Following completion of the First Earn-in, First Quantum will obtain control of the entity.

Related party expenses and balances

Lumina incurs various expenses with related parties which will also provide services to the Business. Accordingly, the following expenses with Lumina's related parties have been disclosed on a pro-rata basis in line with the allocation of the related expenses in these carve-out combined interim financial statements:

		Three months ended June 30,	
Company	Nature of transactions	2018	2017
Miedzi Copper Corp.	E&E (geological)	$ 12,280	$ 6,881
Miedzi Copper Corp.	G&A	18,256	11,259
Miedzi Copper Corp.	Fees	39,866	33,742
Mozow Copper Sp. z o. o.	E&E (field office)	665	-
Hathaway Consulting Ltd.	Fees	20,301	18,826
Koval Management Inc.	Fees	23,737	22,125
La Mar Consulting Inc.	E&E (social and community)	11,347	17,370
Lyle E Braaten Law Corp.	Fees	5,793	5,391
Zen Capital & Mergers Ltd.	Fees	620	611
		$ 132,865	$ 116,205

		Six months ended June 30,	
Company	Nature of transactions	2018	2017
Miedzi Copper Corp.	E&E (geological)	$ 23,857	$ 12,023
Miedzi Copper Corp.	G&A	34,655	19,561
Miedzi Copper Corp.	Fees	81,994	61,629
Mozow Copper Sp. z o. o.	E&E (field office)	1,397	-
Hathaway Consulting Ltd.	Fees	41,345	38,090
Koval Management Inc.	Fees	47,993	44,709
La Mar Consulting Inc.	E&E (social and community)	23,725	35,608
Lyle E Braaten Law Corp.	Fees	11,798	10,887
Zen Capital & Mergers Ltd.	Fees	1,260	1,228
		$ 268,024	$ 223,735

(expressed in U.S. dollars)

15. GROUP INFORMATION AND RELATED PARTY TRANSACTIONS (continued)

Key management personnel compensation

Key management of the Business are considered to be the directors and officers of Lumina. The aggregate value of compensation to key management personnel, allocated on a pro-rata basis as described in Note 3(b), includes the following:

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Short-term benefits (i)	$ 126,090	$ 117,553	$ 254,627	$ 229,910
Share-based payments (ii)	57,221	66,508	126,315	168,259
Total remuneration	$ 183,311	$ 184,061	$ 380,942	$ 398,169

(i) Short-term benefits include fees and salaries, including where those costs have been allocated to E&E expenditures (see Note 7(b)).
(ii) Share-based payments are the allocation of the cost of options granted by Lumina as expensed in the statement of comprehensive loss.
(iii) Key management personnel were not paid post-employment benefits, termination benefits, or long-term benefits during the periods ended June 30, 2018 and 2017.

16. INTEREST INCOME AND OTHER

Interest income and other consists of the following components for the periods reported:

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
FQM Signing Bonus (Note 7(a))	$ 100,000	$ -	$ 100,000	$ -
FQM Services Agreement fee (Note 7(a))	78,436	-	78,436	-
Interest on bank and environmental deposits	3,708	1,869	6,143	3,706
	$ 182,144	$ 1,869	$ 184,579	$ 3,706

17. COMMITMENTS

As at June 30, 2018, the Business has entered into agreements that include rental of office space and infrastructure improvements for various project areas that require minimum payments in the aggregate as follows:

Within one year	$ 21,000
After one year but not more than five years	-
More than five years	-
	$ 21,000

In addition, the Business is obligated to fulfil certain investment obligations on its mineral concessions in Ecuador pursuant to the following rules:

(a) New concessions granted to the Business as part of the public tender process (see Note 7(a)) require minimum expenditures per year (commencing on the registration date of the concession with the Government of Ecuador) of $5 per hectare for each of Years 1 and 2 and $10 per hectare for each of Years 3 and 4.

Should the Business determine that it no longer wishes to maintain a concession that was granted under the public tender process it is only required to have spent up to the required per hectare amount up until the date of the letter of resignation from the concession. The Business' commitment for concessions under the public tender process, based on the concessions held at June 30, 2018, is as follows:

Year ended December 31, 2018*	$ 608,000
Year ended December 31, 2019	1,154,000
Year ended December 31, 2020	1,170,000
Year ended December 31, 2021	1,288,000
	$ 4,220,000

(expressed in U.S. dollars)

17. COMMITMENTS (continued)

(b) When applying for new concessions via the public tender process in Ecuador, the Business, either directly or under option agreement, presented its investment offers for each concession. The investment offer represents the total amount that is required to be spent in order to maintain possession of the concession area at the end of the four-year investment period required by the Government of Ecuador. Accordingly, should the Business wish to retain possession of all the concession areas it holds as at June 30, 2018, the Business' commitment is as follows:

Year ended December 31, 2018*	$	608,000
Year ended December 31, 2019		1,154,000
By dates ranging from December 15, 2020 – July 24, 2021 (the 4-year anniversary dates of concessions granted)		19,957,000
	$	21,719,000

These amounts would include any expenditures as noted in (a) above.

(c) Concessions in Ecuador that were not acquired via the public tender process (i.e. the Condor Project, excluding concession areas acquired by tender process which are included in commitment totals above) require the Business to submit an annual expenditure plan to the Government of Ecuador outlining the minimum amount of committed expenditures for the upcoming year. The total obligation of the Business for these concession areas for the year ending December 31, 2018 is approximately $351,000.

* Amounts in the tables above for the year ended December 31, 2018 have not been adjusted for expenditures in the six months ended June 30, 2018. As disclosed in Note 7(b), the Business has incurred E&E expenditures (excluding share-based payment and costs recovered from First Quantum) of approximately $4.3 million during the six months ended June 30, 2018. Final expenditure amounts are reported to the Government of Ecuador following the end of the fiscal year and may vary per project from the disclosures in the Business' combined financial statements due to in-country allocation of field office expenses.