

# LUMINEX RESOURCES

LUMINEX RESOURCES CORP.



## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2022

TSX-V: LR



[www.luminexresources.com](http://www.luminexresources.com)

**NOTICE OF NO AUDITOR REVIEW**

The unaudited condensed consolidated interim financial statements, and accompanying notes thereto, for the periods ended March 31, 2022 and 2021 have not been reviewed by the Company's external auditors.

**LUMINEX RESOURCES CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

Unaudited

(expressed in U.S. dollars)

	Note	March 31, 2022	December 31, 2021
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	\$ 1,352,956	\$ 3,488,779
Receivables	4	81,852	58,343
Prepaid expenses		67,889	106,109
<b>Total current assets</b>		1,502,697	3,653,231
<b>Non-current assets</b>			
Property and equipment	5	955,882	917,112
Exploration and evaluation assets	6(a)	30,120,626	30,120,626
Investment in Pegasus	6(b)	2,200,000	2,200,000
<b>Total assets</b>		\$ 34,779,205	\$ 36,890,969
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 291,845	\$ 422,182
Current portion of lease obligations		28,282	-
<b>Total current liabilities</b>		320,127	422,182
<b>Non-current liabilities</b>			
Lease obligations		22,927	-
<b>Total liabilities</b>		343,054	422,182
<b>EQUITY</b>			
Share capital	7	85,505,963	85,505,963
Share-based payment reserve		1,403,153	1,353,027
Accumulated deficit		(51,890,574)	(51,441,409)
<b>Equity attributable to owners of the Company</b>		35,018,542	35,417,581
<b>Non-controlling interest</b>	9	(582,391)	1,051,206
<b>Total equity</b>		34,436,151	36,468,787
<b>Total liabilities and equity</b>		\$ 34,779,205	\$ 36,890,969

Nature of operations (Note 1)  
 Going concern (Note 2(b))  
 Commitments and contingent liability (Note 18)  
 Subsequent event (Note 19)

APPROVED BY THE DIRECTORS

*"Marshall Koval"*

Director

*"Donald Shumka"*

Director

*See Accompanying Notes to the Condensed Consolidated Interim Financial Statements*

**LUMINEX RESOURCES CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

For the three months ended March 31, 2022 and 2021

Unaudited

(expressed in U.S. dollars)

	Note	Three months ended March 31,	
		2022	2021
<b>Expenses</b>			
Exploration and evaluation ("E&E") expenditures	6(c), 16	\$ 1,746,853	\$ 3,258,190
Fees, salaries and other employee benefits	10, 16	204,985	236,361
General and administration ("G&A")	16	154,402	115,557
Professional fees		87,943	49,823
		(2,194,183)	(3,659,931)
<b>Other income (expenses)</b>			
Interest income and other	17	106,328	3,911
Interest expense and other		(1,244)	(603)
Foreign exchange gain		6,337	14,390
		111,421	17,698
<b>Net loss and comprehensive loss for the period</b>		<b>\$ (2,082,762)</b>	<b>\$ (3,642,233)</b>
<b>Loss attributable to:</b>			
Owners of the Company		\$ (2,038,979)	\$ (3,572,180)
Non-controlling interest	9	(43,783)	(70,053)
		\$ (2,082,762)	\$ (3,642,233)
Loss per share attributable to owners of the Company – basic and diluted	11	\$ (0.02)	\$ (0.04)
Weighted average number of shares outstanding – basic and diluted	11	108,573,352	91,013,129

See Accompanying Notes to the Condensed Consolidated Interim Financial Statements

**LUMINEX RESOURCES CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

For the three months ended March 31, 2022 and 2021

Unaudited

(expressed in U.S. dollars)

	Note	Three months ended March 31,	
		2022	2021
<b>Operating activities</b>			
Loss for the period		\$ (2,082,762)	\$ (3,642,233)
Adjustment for non-cash items:			
Depreciation	5	19,124	19,147
Share-based payment	8(a)	50,126	57,205
Deduct: interest income		(681)	(190)
Add: interest expense		1,244	803
Net changes in non-cash working capital items:			
Receivables		(23,509)	(26,836)
Prepaid expenses		38,220	(29,628)
Accounts payable and accrued liabilities		(130,337)	223,248
<b>Net cash utilized in operating activities</b>		<b>(2,128,575)</b>	<b>(3,398,484)</b>
<b>Investing activities</b>			
Expenditures on property and equipment		-	(29,895)
Interest received		681	190
<b>Net cash provided by (utilized in) investing activities</b>		<b>681</b>	<b>(29,705)</b>
<b>Financing activities</b>			
Payment of lease obligations	5	(6,685)	(7,050)
Payment of interest on lease obligations	5	(1,244)	(803)
<b>Net cash utilized in financing activities</b>		<b>(7,929)</b>	<b>(7,853)</b>
Decrease in cash and cash equivalents		(2,135,823)	(3,436,042)
Cash and cash equivalents, beginning of period		3,488,779	6,207,950
<b>Cash and cash equivalents, end of period</b>	<b>3</b>	<b>\$ 1,352,956</b>	<b>\$ 2,771,908</b>

**Non-cash investing activity:** see Note 5 for details of right-of-use asset additions.

*See Accompanying Notes to the Condensed Consolidated Interim Financial Statements*

**LUMINEX RESOURCES CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY**

For the three months ended March 31, 2022 and 2021

Unaudited

(expressed in U.S. dollars)

	Note	Attributable to owners of the Company				Total	Non-controlling Interest	Total Equity
		Share Capital Number of shares	Amount	Share-based Payment Reserve	Accumulated Deficit			
<b>Balance, December 31, 2020</b>		91,013,129	\$ 75,583,541	\$ 1,022,057	\$ (38,761,029)	\$ 37,844,569	\$ 1,342,876	\$ 39,187,445
Share-based payment	8(a)	-	-	57,205	-	57,205	-	57,205
Comprehensive loss		-	-	-	(3,572,180)	(3,572,180)	(70,053)	(3,642,233)
<b>Balance, March 31, 2021</b>		91,013,129	\$ 75,583,541	\$ 1,079,262	\$ (42,333,209)	\$ 34,329,594	\$ 1,272,823	\$ 35,602,417
<b>Balance, December 31, 2021</b>		108,573,352	\$ 85,505,963	\$ 1,353,027	\$ (51,441,409)	\$ 35,417,581	\$ 1,051,206	\$ 36,468,787
Share-based payment	8(a)	-	-	50,126	-	50,126	-	50,126
Dilution of non-controlling interest	9	-	-	-	1,589,814	1,589,814	(1,589,814)	-
Comprehensive loss		-	-	-	(2,038,979)	(2,038,979)	(43,783)	(2,082,762)
<b>Balance, March 31, 2022</b>		108,573,352	\$ 85,505,963	\$ 1,403,153	\$ (51,890,574)	\$ 35,018,542	\$ (582,391)	\$ 34,436,151

See Accompanying Notes to the Condensed Consolidated Interim Financial Statements

**LUMINEX RESOURCES CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**Three months ended March 31, 2022 and 2021**

Unaudited

(expressed in U.S. dollars)

---

**1. NATURE OF OPERATIONS**

Luminex Resources Corp. ("Luminex") is a publicly listed company incorporated under the *Business Corporations Act* (British Columbia) on March 16, 2018 pursuant to a plan of arrangement to reorganize Lumina Gold Corp. ("Lumina") which was completed on August 31, 2018 (the "Agreement"). Luminex is listed on the TSX-Venture Exchange, having the symbol LR. Luminex and its subsidiaries (collectively referred to as the "Company") are engaged in the acquisition, exploration and development of mineral resources in Ecuador. The Company is considered to be in the exploration stage as it has not placed any of its mineral properties into production.

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

**2. BASIS OF PREPARATION, GOING CONCERN AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation**

These condensed consolidated interim financial statements of the Company for the three months ended March 31, 2022 and 2021, have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all of the information and disclosures required in full annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2021 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements have been prepared on a historical cost basis and are presented in U.S. dollars, except as specifically noted for Canadian dollar amounts shown as "C\$".

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on May 25, 2022.

**(b) Going concern**

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company 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. As at March 31, 2022, the Company has incurred cumulative losses of \$51,890,574 and has reported a net loss attributable to owners of the Company of \$2,038,979 for the three months ended March 31, 2022. The ability of the Company to continue as a going concern is dependent upon 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 Company's assets, the outright sale of the Company, the successful development of the Company's mineral property interests or a combination thereof. However, the Company will continue to incur losses in the development of its mineral exploration projects and, as noted above, will require additional financing in the future.

The COVID-19 pandemic continues to impact world affairs. The situation remains dynamic and the ultimate duration and magnitude of the impact on the economy, capital markets and the Company's financial position cannot be estimated at this time. The Company continues to monitor developments and adapt its business plans accordingly. The actual and threatened spread of COVID-19 globally could adversely impact the Company's ability to carry out its plans and raise capital.

There can be no assurance that management's plans to raise additional financing to advance the Company's projects will be successful. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These condensed consolidated 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 Company be unable to continue as a going concern. Such adjustments could be material.

**(c) Significant accounting policies**

The significant accounting policies that have been applied, on a consistent basis, in the preparation of these condensed consolidated interim financial statements are included in the Company's audited consolidated financial statements for the year ended December 31, 2021. Those accounting policies have been used throughout all periods presented in the condensed consolidated interim financial statements.

**LUMINEX RESOURCES CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**Three months ended March 31, 2022 and 2021**

Unaudited

(expressed in U.S. dollars)

**2. BASIS OF PREPARATION, GOING CONCERN AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(d) Significant accounting judgments and estimates**

The preparation of these condensed consolidated interim financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of expenses during the reporting periods. Actual outcomes could differ from these estimates and judgments, which, by their nature, are uncertain. Significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the annual consolidated financial statements as at and for the year ended December 31, 2021.

**(e) Standards issued but not yet effective**

The Company has not early adopted any amendment, standard or interpretation that has been issued by the IASB but that is not yet effective, nor has it identified any such standard or interpretation that is expected to have a material impact on the Company's consolidated financial statements.

**3. CASH AND CASH EQUIVALENTS**

The Company's cash and cash equivalents, by currency, at March 31, 2022 and December 31, 2021 was as follows:

	March 31, 2022	December 31, 2021
Cash at bank and in hand denominated in Canadian dollars	\$ 235,074	\$ 972,264
Cash at bank and in hand denominated in U.S. dollars	1,117,882	1,015,311
Short term deposit denominated in U.S. dollars	-	1,501,204
	<b>\$ 1,352,956</b>	<b>\$ 3,488,779</b>

**4. RECEIVABLES**

	March 31, 2022	December 31, 2021
Refundable goods and services tax	\$ 9,235	\$ 15,322
Other	72,617	43,021
	<b>\$ 81,852</b>	<b>\$ 58,343</b>

**5. PROPERTY AND EQUIPMENT AND LEASE OBLIGATIONS**

	Land <sup>(1)</sup>	Right-of-use ("ROU") assets	Property and equipment	Total
<b>Cost</b>				
December 31, 2021	\$ 553,032	\$ 88,295	\$ 631,328	\$ 1,272,655
Additions	-	57,894	-	57,894
ROU disposal	-	(88,295)	-	(88,295)
March 31, 2022	\$ 553,032	\$ 57,894	\$ 631,328	\$ 1,242,254
<b>Accumulated Depreciation</b>				
December 31, 2021	\$ -	\$ 88,295	\$ 267,248	\$ 355,543
Depreciation for the period	-	7,236	11,888	19,124
ROU disposal	-	(88,295)	-	(88,295)
March 31, 2022	\$ -	\$ 7,236	\$ 279,136	\$ 286,372
<b>Net book value</b>				
December 31, 2021	\$ 553,032	\$ -	\$ 364,080	\$ 917,112
March 31, 2022	\$ 553,032	\$ 50,658	\$ 352,192	\$ 955,882

<sup>(1)</sup>The Company holds 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.



**LUMINEX RESOURCES CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**Three months ended March 31, 2022 and 2021**

Unaudited

(expressed in U.S. dollars)

---

**5. PROPERTY AND EQUIPMENT AND LEASE OBLIGATIONS (continued)**

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

*ROU assets*

The Company has recognized ROU assets in relation to leases for certain office space and warehouses in Ecuador. The ROU assets were recognized based on the amount equal to the lease liability.

*Lease obligations*

A continuity of the lease liability for the three months ended March 31, 2022 is as follows:

---

Balance, December 31, 2021	\$	-
Interest accretion		1,244
Lease payments		(7,929)
Adjustment for addition of leases		57,894
<hr/>		
Balance, March 31, 2022	\$	51,209

---

**6. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES**

**(a) Exploration and evaluation assets**

The Company holds various mineral exploration projects and concession areas in Ecuador as follows:

*Condor*

The Company has nine concessions located in the Zamora-Chinchipec Province in southeast Ecuador, collectively known as the "Condor Project" and totaling 10,101 hectares.

*Cascas*

The Company's Cascas Project consists of two concession areas totaling 9,998 hectares located approximately 25 kilometres southwest of the Condor Project.

*Pegasus*

The Company holds, subject to earn-in by Anglo American plc ("Anglo American"), the Pegasus A1-7, Pegasus B8-14 and Luz concessions. These concessions are an early-stage gold project comprising 67,360 hectares and are located approximately 150 kilometres southwest of Quito.

*Tarqui*

The Company holds, subject to earn-in by BHP Group plc ("BHP"), the Tarqui Project, consisting of two concession areas totaling 4,817 hectares located on trend with the Condor Project.

*Orquideas*

The Company holds, subject to earn-in by Japan Oil, Gas and Metals National Corporation ("JOGMEC"), the Orquideas concession totaling 4,743 hectares located in proximity to the Condor Project.

*Other concessions*

The Company also holds the following concession areas: Tres Picachos (4,828 hectares) and La Canela (3,187 hectares) which are located approximately 100 kilometres southwest of the Condor Project; and Quimi, consisting of two concession areas totaling 2,732 hectares located on trend with the Condor Project.

**LUMINEX RESOURCES CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Three months ended March 31, 2022 and 2021

Unaudited

(expressed in U.S. dollars)

**6. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)**

**(a) Exploration and evaluation assets (continued)**

Acquisition costs and carrying value of the Company's exploration projects as at March 31, 2022 and December 31, 2021 are as follows:

	March 31, 2022	December 31, 2021
<b>Cost</b>		
Condor Project	\$ 47,487,910	\$ 47,487,910
Rights to acquire / use ("Mineral Concession Rights")		
- Escondida (part of Condor Project)	45,000	45,000
- La Canela	120,000	120,000
- Orquideas	825,000	825,000
- Tres Picachos	240,000	240,000
	<b>\$ 48,717,910</b>	<b>\$ 48,717,910</b>
<b>Cumulative impairment</b>		
Condor Project	\$ 17,772,284	\$ 17,772,284
Orquideas	825,000	825,000
	<b>\$ 18,597,284</b>	<b>\$ 18,597,284</b>
<b>Net book value</b>	<b>\$ 30,120,626</b>	<b>\$ 30,120,626</b>

There were no impairments identified during the three months ended March 31, 2022 nor the year ended December 31, 2021.

*BHP Group plc Earn-in Agreement*

On July 12, 2019, the Company entered into an earn-in and joint venture agreement (the "BHP Agreement") with a wholly owned subsidiary of BHP on the Tarqui 1 and 2 mining concessions ("Tarqui"). Under the terms of the BHP Agreement, BHP will have the right to:

- (i) earn a 51% ownership interest in a joint venture company, which will hold Tarqui, by investing an aggregate amount of \$25 million in exploration expenditures and making \$2.4 million of cash payments to the Company over a four-year period (the "First BHP Earn-in"), such payments to be made in installments of (i) \$100,000 within ten business days of July 12, 2019 (received); (ii) \$200,000 upon completion of the transfer of Tarqui to the joint venture company (received); (iii) \$300,000 by July 12, 2020 (received); (iv) \$450,000 by July 12, 2021 (received); (v) \$450,000 by July 12, 2022; and (vi) \$900,000 by July 12, 2023;
- (ii) earn an additional 9% ownership interest in the joint venture company by sole funding an additional \$10 million of exploration expenditures and making an additional \$4.6 million of cash payments over a further two-year period (with \$1,100,000 due by July 12, 2024 and \$3,500,000 due by July 12, 2025), increasing BHP's aggregate ownership to 60% (the "Second BHP Earn-in"); and
- (iii) earn a further 10% ownership interest in the joint venture company by sole funding an additional \$40 million of exploration expenditures on Tarqui, taking BHP's aggregate ownership to 70% (the "Third BHP Earn-in").

Assuming completion of the Third BHP Earn-in, the Company will retain a 30% interest in Tarqui and would be responsible for funding its 30% pro rata share of any capital required to further explore, develop or construct a mine at Tarqui. Should BHP fail to meet the milestones to earn the initial 51% interest in Tarqui, then the concessions will remain under the sole control of Luminex as BHP's interest in the joint venture company will not vest and sole ownership of the entity will revert to Luminex. In accordance with the terms of the BHP Agreement, BHP has assumed management of the joint venture company and the exploration program for Tarqui and has the right to accelerate the exercise of the earn-in by completing all the exploration expenditures and any outstanding cash payments to Luminex in a period shorter than the earn-in term.

**LUMINEX RESOURCES CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**Three months ended March 31, 2022 and 2021**

Unaudited

(expressed in U.S. dollars)

---

**6. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)**

**(a) Exploration and evaluation assets (continued)**

*JOGMEC Earn-in Agreement*

On December 29, 2021, the Company entered into a binding interim agreement (the "IA") for an earn-in and joint venture with JOGMEC on the Orquideas mineral concession. JOGMEC has the right to earn a 70% ownership interest in Orquideas by investing an aggregate \$7 million by March 31, 2026. The Company will manage and operate the exploration programs for Orquideas and will receive a management fee based on expenses up to a maximum of 10%. Under the terms of the IA, JOGMEC has a minimum commitment of \$750,000 to March 31, 2022, after which time it is able to terminate the IA at any time with the provision of thirty days notice. In order to earn a 70% interest, JOGMEC is required to incur further exploration expenditures from April 1, 2022, as follows: (i) \$1,250,000 by March 31, 2023; (ii) \$1,500,000 by March 31, 2024; (iii) \$1,500,000 by March 31, 2025; and (iv) \$2,000,000 by March 31, 2026. There are no partial earn-in amounts prior to the 70% threshold being reached and the expenditures may be accelerated at JOGMEC's sole discretion. During the three months ended March 31, 2022, JOGMEC funded its minimum commitment of \$750,000 to comply with the terms of the IA.

**(b) Investment in Pegasus**

*Anglo American Earn-in Agreement*

Effective September 21, 2018, Luminex signed a formal earn-in and joint venture agreement with Anglo American ("the "Anglo Agreement") relating to the Pegasus Project. Under the Anglo Agreement, Luminex holds 30 Class A common shares in Central Ecuador Holdings Ltd. ("Central") and Anglo American holds 70 Class B common shares in Central. Central is the vehicle through which Anglo American will earn its interest in the Pegasus Project and which will, ultimately, should all spending commitments be met, form the joint venture company to operate the Pegasus Project. Anglo American has the following spending commitments pursuant to the Anglo Agreement:

- (i) To earn a 25% interest in the Pegasus Project, which has been achieved, Anglo American was required to make option payments to Luminex totaling \$1.1 million by September 21, 2021 (such payments to be made in installments of (i) \$300,000 by September 21, 2019 (received); (ii) \$300,000 by September 21, 2020 (received); and (iii) \$500,000 by September 21, 2021 (received)) and spend at least \$10 million in exploration expenditures by September 21, 2022 (achieved) (the "Initial Contribution");
- (ii) Anglo American can earn an additional 26% interest in the Pegasus Project (for a total of 51%) by making payments to Luminex totaling \$2.4 million by September 21, 2023 (with \$1,000,000 due by September 21, 2022 and \$1,400,000 by September 21, 2023) and funding exploration expenditures of \$25 million no later than September 21, 2024 (the "First Option");
- (iii) Following completion of the First Option, Anglo American can earn an additional 9% interest in the Pegasus Project (for total of 60%) by making a payment to Luminex of \$2.5 million by September 21, 2024 and funding exploration expenditures of \$15 million by September 21, 2025 (the "Second Option"); and
- (iv) Anglo American can earn an additional 10% interest in the Pegasus Project following completion of the Second Option if it solely funds all the required work up to a decision to construct a mine at the Pegasus Project, for a total retained interest of 70%.

Should Anglo American determine to only earn an interest up to the Initial Contribution, First Option or Second Option, the number of Class B common shares held by Anglo will be adjusted in accordance with the Anglo Agreement to result in their ownership level being retained at 25%, 51% or 60% respectively.

Luminex acquired a Mineral Concession Right on the Pegasus Project by way of payment of \$2,200,000 to Lumina prior to the Arrangement. In accordance with the Anglo Agreement, Luminex has treated this Mineral Concession Right as its initial contribution in the Pegasus Project to Central Ecuador EC-CT S.A. ("Central Ecuador"), a wholly owned Ecuadorean subsidiary of Central.

In accordance with the terms of the Anglo Agreement, Anglo American will control and manage Central and Central Ecuador and all expenditures and operations related to the Pegasus Project. Should Anglo American withdraw from the Anglo Agreement it will cause all its appointed directors to resign from Central and Central Ecuador.

**LUMINEX RESOURCES CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**Three months ended March 31, 2022 and 2021**

Unaudited

(expressed in U.S. dollars)

**6. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)**

**(c) Exploration and evaluation expenditures**

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

	Three months ended March 31, 2022								TOTAL
	Cascas	Condor	La Canela	Orquideas <sup>(3)</sup>	Pegasus <sup>(3)</sup>	Quimi	Tarqui <sup>(3)</sup>	Tres Picachos	
Assays and sampling	\$ 4,385	\$ 40,114	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,863	\$ 46,362
Camp	58,760	369,033	122	-	-	255	-	2,587	430,757
Camp access and improvements	-	23,945	-	-	-	-	-	-	23,945
Drilling	-	121,709	-	-	-	-	-	-	121,709
Engineering	-	16,724	-	-	-	-	-	-	16,724
Environmental, health and safety	6,666	172,902	784	-	-	1,568	-	2,923	184,843
Field office	1,588	80,171	-	270	-	-	-	-	82,029
Geological consulting and field staff	27,859	149,503	-	7,300	-	-	-	-	184,662
Legal fees	4,049	32,008	-	-	-	247	-	-	36,304
Mineral rights and property fees	106,469	103,074	33,862	-	-	29,997	-	51,697	325,099
Project management <sup>(1)</sup>	8,181	36,526	271	21,570	1,281	271	256	205	68,561
Reports	24,336	-	-	-	-	-	-	-	24,336
Social and community <sup>(1)</sup>	36,169	44,246	401	6,306	-	459	-	402	87,983
Transportation and accommodation	12,712	99,218	-	1,552	-	-	-	57	113,539
<b>Costs incurred during the period</b>	<b>\$ 291,174</b>	<b>\$ 1,289,173</b>	<b>\$ 35,440</b>	<b>\$ 36,998</b>	<b>\$ 1,281</b>	<b>\$ 32,797</b>	<b>\$ 256</b>	<b>\$ 59,734</b>	<b>\$ 1,746,853</b>
Cumulative E&E incurred by Lumina to August 31, 2018 <sup>(2)</sup>	\$ 247,281	\$ 5,080,081	\$ 175,936	\$ 1,344,244	\$ 2,436,866	\$ 132,765	\$ 412,985	\$ 294,458	\$ 10,124,616
Cumulative E&E incurred by Luminex, beginning of period	6,377,929	23,148,620	281,342	483,306	39,222	771,360	403,197	483,345	31,988,321
E&E incurred during the period	291,174	1,289,173	35,440	36,998	1,281	32,797	256	59,734	1,746,853
<b>Cumulative E&amp;E incurred, end of period</b>	<b>\$ 6,916,384</b>	<b>\$ 29,517,874</b>	<b>\$ 492,718</b>	<b>\$ 1,864,548</b>	<b>\$ 2,477,369</b>	<b>\$ 936,922</b>	<b>\$ 816,438</b>	<b>\$ 837,537</b>	<b>\$ 43,859,790</b>

<sup>(1)</sup> Project management and social and community costs include key management personnel costs (see Note 16).

<sup>(2)</sup> Costs for the Condor Project incurred since November 1, 2016. Costs for all other projects presented are on a cumulative basis since the date of initial award of the concessions to Lumina in 2016 or 2017. Costs are amounts incurred by Lumina either during the period prior to the transfer of the projects to Luminex or that were incurred by legal entities owned by Lumina that were not transferred to Luminex and are shown prior to any reimbursements to Lumina pursuant to any earn-in agreements. Presented to illustrate total spend incurred on the projects in order to meet Ecuadorean spending commitments (see Note 18).

<sup>(3)</sup> Costs shown do not include expenditures incurred by JOGMEC, BHP or Anglo American pursuant to their Earn-In Agreements.

**LUMINEX RESOURCES CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**Three months ended March 31, 2022 and 2021**

Unaudited

(expressed in U.S. dollars)

**6. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)**

**(c) Exploration and evaluation expenditures (continued)**

	Three months ended March 31, 2021								TOTAL
	Cascas	Condor	La Canela	Orquideas	Pegasus <sup>(3)</sup>	Quimi	Tarqui <sup>(3)</sup>	Tres Picachos	
Assays and sampling	\$ 46,110	\$ 41,472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,582
Camp	250,741	316,464	-	3,444	-	597	-	-	571,246
Camp access and improvements	17,146	196,628	-	1,200	-	-	-	-	214,974
Drilling	232,772	72,149	-	-	-	-	-	-	304,921
Engineering	-	343,900	-	-	-	-	-	-	343,900
Environmental, health and safety	85,080	71,268	784	13,571	-	2,072	-	784	173,599
Field office	7,360	83,215	-	473	-	-	-	-	91,048
Geological consulting and field staff	235,273	309,519	290	1,331	-	1,027	-	144	547,584
Legal fees	6,877	53,660	647	2,916	-	246	-	154	64,500
Metallurgical	-	17,316	-	-	-	-	-	-	17,316
Mineral rights and property fees	100,092	113,027	31,926	47,486	-	27,832	-	48,336	368,699
Project management <sup>(1)</sup>	37,167	152,949	246	-	1,883	573	246	-	193,064
Reports	11,806	3,013	-	-	-	-	-	-	14,819
Social and community <sup>(1)</sup>	45,648	57,632	191	4,030	-	383	-	109	107,993
Transportation and accommodation	71,044	84,326	-	1,615	-	-	-	-	156,985
<b>Costs incurred during the period</b>	<b>\$ 1,147,116</b>	<b>\$ 1,916,538</b>	<b>\$ 34,084</b>	<b>\$ 76,066</b>	<b>\$ 1,883</b>	<b>\$ 32,730</b>	<b>\$ 246</b>	<b>\$ 49,527</b>	<b>\$ 3,258,190</b>
Cumulative E&E incurred by Lumina to August 31, 2018 <sup>(2)</sup>	\$ 247,281	\$ 5,080,081	\$ 175,936	\$ 1,344,244	\$ 2,436,866	\$ 132,765	\$ 412,985	\$ 294,458	\$ 10,124,616
Cumulative E&E incurred by Luminex, beginning of period	2,162,943	15,876,696	233,165	379,825	32,919	729,274	401,723	395,898	20,212,443
E&E incurred during the period	1,147,116	1,916,538	34,084	76,066	1,883	32,730	246	49,527	3,258,190
<b>Cumulative E&amp;E incurred, end of period</b>	<b>\$ 3,557,340</b>	<b>\$ 22,873,315</b>	<b>\$ 443,185</b>	<b>\$ 1,800,135</b>	<b>\$ 2,471,668</b>	<b>\$ 894,769</b>	<b>\$ 814,954</b>	<b>\$ 739,883</b>	<b>\$ 33,595,249</b>

<sup>(1)</sup> Project management and social and community costs include key management personnel costs (see Note 16).

<sup>(2)</sup> Costs for the Condor Project incurred since November 1, 2016. Costs for all other projects presented are on a cumulative basis since the date of initial award of the concessions to Lumina in 2016 or 2017. Costs are amounts incurred by Lumina either during the period prior to the transfer of the projects to Luminex or that were incurred by legal entities owned by Lumina that were not transferred to Luminex and are shown prior to any reimbursements to Lumina pursuant to any earn-in agreements.

<sup>(3)</sup> Costs shown do not include expenditures incurred by BHP or Anglo American pursuant to their Earn-In Agreements.

**LUMINEX RESOURCES CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**Three months ended March 31, 2022 and 2021**

Unaudited

(expressed in U.S. dollars)

**7. SHARE CAPITAL**

**Authorized:** Unlimited common shares, without par value.

<b>Issued and fully paid:</b>	Number of Common Shares	Amount
Balance, December 31, 2020 and March 31, 2021	91,013,129	\$ 75,583,541
Balance, December 31, 2021 and March 31, 2022	108,573,352	\$ 85,505,963

**8. SHARE-BASED PAYMENTS**

**(a) Stock option plan**

The Company has a stock option plan (the "Plan") whereby the Company may grant options to directors, officers, employees and consultants of the Company. The maximum number of common shares that may be reserved for issuance under the Plan is limited to 9,000,000 (December 31, 2021 - 9,000,000). In addition, the number of common shares which may be reserved for issuance to any one individual may not exceed 5% of the issued common shares on a non-diluted basis or 2% if the optionee is engaged in investor relations activities or is a consultant. Options are exercisable over periods of up to ten years as determined by the Board and are required to have an exercise price no less than the closing market price of the Company's common shares prevailing on the day that the option is granted. The Plan contains no vesting requirements but permits the Board to specify a vesting schedule in its discretion.

No stock options were granted during the three months ended March 31, 2022 and 2021.

Pursuant to the Company's accounting policy for share-based payments, the fair value of options vesting during the three months ended March 31, 2022, in the amount of \$50,126 (three months ended March 31, 2021 - \$57,205) has been recorded in the condensed consolidated interim statements of loss and comprehensive loss under fees, salaries and other employee benefits (Note 10).

**(b) Outstanding stock options**

Stock options and weighted average exercise prices are as follows for the reporting periods presented:

	Three months ended March 31, 2022	
	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	5,221,500	C\$0.65
Expired	(83,667)	C\$0.72
Forfeited	(10,333)	C\$0.54
Outstanding, end of period	5,127,500	C\$0.64
	Three months ended March 31, 2021	
	Number of Options	Weighted Average Exercise Price
Outstanding, beginning and end of period	4,259,973	C\$0.68

**LUMINEX RESOURCES CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**Three months ended March 31, 2022 and 2021**

Unaudited

(expressed in U.S. dollars)

**8. SHARE-BASED PAYMENTS (continued)**

**(b) Outstanding stock options (continued)**

At March 31, 2022, the Company had outstanding stock options, including weighted average remaining contractual life, as follows:

				March 31, 2022	
Options Outstanding			Options Exercisable		
Number of Options	Expiry Date	Weighted average life (years)	Exercise Price	Number of Options	Exercise Price
258,500	December 7, 2022	0.93	C\$0.54	258,500	C\$0.54
1,200,000	October 5, 2023	1.76	C\$0.80	1,200,000	C\$0.80
1,097,000	October 16, 2024	2.79	C\$0.63	1,097,000	C\$0.63
1,197,000	November 26, 2025	3.91	C\$0.68	793,007	C\$0.68
1,375,000	November 25, 2026	4.90	C\$0.51	448,348	C\$0.51
5,127,500		3.24	C\$0.64	3,796,855	C\$0.67

**9. NON-CONTROLLING INTEREST ("NCI")**

In January 2022, the Company increased its ownership in Condormining Corporation S.A. and its related subsidiaries (see Note 16) by capitalizing a portion of existing intercompany loans such that the non-controlling interest was reduced from 10% to 1.3%. This resulted in a \$1,589,814 reclassification between NCI and deficit. The following table summarizes information related to the Company's non-controlling interest:

	March 31, 2022	December 31, 2021
Current assets	\$ 248,774	\$ 104,615
Non-current assets	41,088,695	39,867,493
Current liabilities	(205,619)	(200,333)
Current liabilities	(10,761)	-
Net assets	41,121,089	39,771,775
NCI percentage	1.3%	10%
Net assets of individual entities attributable to the NCI	523,863	3,977,178
Adjustments on consolidation of individual entities subject to NCI	483,560	(2,925,972)
Dilution of NCI	(1,589,814)	-
Net (liabilities) assets attributable to the NCI	\$ (582,391)	\$ 1,051,206
	Three months ended March 31,	
	2022	2021
Net loss and comprehensive loss	\$ (1,015,979)	\$ (700,530)
NCI percentage	1.3% / 10%	10%
Net loss and comprehensive loss attributable to NCI	\$ (43,783)	\$ (70,053)

The entities subject to a NCI incurred the following cash expenditures during the three months ended March 31, 2022: (i) \$977,817 on operating activities (three months ended March 31, 2021 - \$680,662); and (ii) \$Nil on investing activities (three months ended March 31, 2021 - \$Nil).

**10. FEES, SALARIES AND OTHER EMPLOYEE BENEFITS**

	Three months ended March 31,	
	2022	2021
Fees and salaries	\$ 154,386	\$ 179,156
Other benefits	473	-
Share-based payments (Note 8(a))	50,126	57,205
	\$ 204,985	\$ 236,361

**LUMINEX RESOURCES CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**Three months ended March 31, 2022 and 2021**

Unaudited

(expressed in U.S. dollars)

**11. LOSS PER SHARE**

The calculation of basic and diluted loss per common share attributable to owners of the Company is based on the following data:

	Three months ended March 31,	
	2022	2021
Net loss attributed to owners of the Company	\$ (2,038,979)	\$ (3,572,180)
Weighted average number of common shares outstanding (basic and diluted)	108,573,352	91,013,129
Loss per share – basic and diluted	\$ (0.02)	\$ (0.04)

Basic loss per share is computed by dividing the net loss attributed to owners of the Company by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as stock options, in the weighted average number of common shares outstanding during the period, if dilutive.

All of the stock options currently issued (see Note 8) were anti-dilutive for the three months ended March 31, 2022 and 2021 and have not been included in the calculation of diluted weighted average number of common shares outstanding.

**12. CAPITAL RISK MANAGEMENT**

It is the Company's 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 Company's objectives when managing capital are to:

- (a) continue the exploration and development of its mineral properties;
- (b) support any expansion plans; and
- (c) maintain a capital structure which optimizes the cost of capital at acceptable risk.

The Company considers its equity, which includes common shares, share-based payment reserve and accumulated deficit as capital. The Company intends to spend existing working capital by carrying out its planned acquisition, exploration and development activities on mineral properties and continuing to pay administrative costs. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the underlying assets. In order to maintain or adjust the capital structure the Company may issue new common shares. In order to facilitate analysis and management of its capital requirements, the Company prepares and updates annual budgets (as needed) to ensure that its acquisition and exploration operations can continue to progress. Budgets, once finalized, are approved by the Board. There have not been any changes to the Company's capital management objectives, policies and processes compared to the prior year. The Company is not subject to any externally imposed capital requirements.

**13. FINANCIAL INSTRUMENTS**

**(a) Categories of financial assets and financial liabilities**

The Company's financial assets and financial liabilities are categorized as follows:

	Note	Category	March 31, 2022	December 31, 2021
Cash and cash equivalents	3	Amortized cost	\$ 1,352,956	\$ 3,488,779
Other receivables	4	Amortized cost	72,617	43,021
Accounts payable and accrued liabilities		Amortized cost	291,845	422,182

The recorded amounts for cash and cash equivalents, other receivables 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 Company's cash and cash equivalents has been disclosed in the condensed consolidated interim statements of loss and comprehensive loss under the caption "interest income and other."



**LUMINEX RESOURCES CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**Three months ended March 31, 2022 and 2021**

Unaudited

(expressed in U.S. dollars)

---

**13. FINANCIAL INSTRUMENTS (continued)**

**(b) Fair Value Measurements**

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.

**14. FINANCIAL INSTRUMENT RISKS**

The Company 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 Company's operations and all transactions undertaken are to support the Company's 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 Company considers that its cash and cash equivalents and other receivables are exposed to credit risk, representing maximum exposure at March 31, 2022 of \$1,425,573 (December 31, 2021 - \$3,531,800). 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 Company's exposure to credit risk on its cash is minimized by maintaining these assets with high-credit quality financial institutions. At March 31, 2022, the Company's cash was held at two financial institutions (December 31, 2021 – two financial institutions).

**(b) Liquidity Risk**

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they become due. The Company 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, accessing capital markets and loans.

At March 31, 2022, the Company's current liabilities consisted of trade and other payables of \$291,845 which are due primarily within three months from the period end. The Company's cash and cash equivalents of \$1,352,956 at March 31, 2022, was sufficient to pay for the current liabilities.

**(c) Market Risks**

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

*Interest Rate Risk*

Interest rate risk is the risk that the future cash flows and fair values of the Company will fluctuate because of changes in market interest rates. Based on the Company's cash as at March 31, 2022, and assuming that all other variables remained constant, a 1% increase or decrease in interest rates would result in an increase or decrease of approximately \$13,500 in the Company's interest income on an annual basis.

*Currency Risk*

The functional currency of the Company 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 Company 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 Company incurs the majority of its expenditures in U.S. dollars, corporate G&A expenses are primarily paid in Canadian dollars. The Company does not use derivative instruments to reduce its exposure to foreign exchange and currency risks. The Company's exposure to foreign currency risks on cash balances held in foreign currencies is not expected to be significant.

**LUMINEX RESOURCES CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**Three months ended March 31, 2022 and 2021**

Unaudited

(expressed in U.S. dollars)

**14. FINANCIAL INSTRUMENT RISKS (continued)**

**(c) Market Risks (continued)**

*Currency Risk (continued)*

The table below shows the impact that a 1% fluctuation in foreign currency rates compared to the U.S. dollar would have on the Company's consolidated loss, comprehensive loss and equity based upon the assets held at March 31, 2022.

Financial Instrument Type	U.S. Dollar	Currency	+/- 1% Fluctuation	
Cash	\$ 235,074	CAD dollar	\$ 2,351	\$ (2,351)
Accounts payable and accrued liabilities	(885)	CAD dollar	(9)	9
<b>Total</b>	<b>\$ 234,189</b>		<b>\$ 2,342</b>	<b>\$ (2,342)</b>

*Other Price Risk*

The Company did not hold any financial instruments that had direct exposure to other price risks at March 31, 2022.

**15. SEGMENTED DISCLOSURE**

The Company 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.

**16. COMPANY INFORMATION AND RELATED PARTY TRANSACTIONS**

*Information about subsidiaries*

The condensed consolidated interim financial statements include the following subsidiaries:

	Country of Incorporation	% Equity interest at	
		March 31, 2022	December 31, 2021
Ecuador Gold Holdings Ltd.	Canada	100	100
Proyectmin Holdings Ltd.	Canada	100	100
Southern Ecuador Holdings Ltd.	Canada	100	100
Central Ecuador Holdings Ltd.	Canada	30 <sup>(1)</sup>	30 <sup>(1)</sup>
Tarqui Holdings Ltd.	Canada	100	100
EMH S.A.	Ecuador	100	100
Condomining Corporation S.A.	Ecuador	98.7	90
Corporacion FJTX Exploration S.A.	Ecuador	100	100
Bestminers S.A.	Ecuador	98.7	90
Condormine S.A.	Ecuador	98.7	90.1
Proyectmin S.A.	Ecuador	100	100
Luminex Services Ecuador LS-EC S.A. ("Luminex Services")	Ecuador	100	100
Southern Ecuador SN-EC S.A.	Ecuador	100	100
Central Ecuador EC-CT S.A.	Ecuador	30 <sup>(1)</sup>	30 <sup>(1)</sup>

<sup>(1)</sup> See Note 6(b) for details around the equity interest held by Anglo American pursuant to the Anglo Agreement.

**LUMINEX RESOURCES CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**Three months ended March 31, 2022 and 2021**

Unaudited

(expressed in U.S. dollars)

**16. COMPANY INFORMATION AND RELATED PARTY TRANSACTIONS (continued)**

*Related party expenses and balances*

The Company incurred the following expenses with related parties:

Related company	Nature of transactions	Three months ended March 31,	
		2022	2021
Hathaway Consulting Ltd.	Fees	\$ 26,708	\$ 25,052
Into the Blue Management Inc.	Fees	20,627	16,051
Koval Management Inc.	Fees	36,973	35,140
La Mar Consulting Inc.	E&E (social / community)	34,395	32,793
Lumina	E&E (field office / project management / travel)	222	18,782
Lumina	G&A	2,438	1,524
Lyle E Braaten Law Corp.	Fees	18,974	16,705
Miedzi Copper Corp. ("Miedzi")	E&E (geological)	-	21,047
Miedzi	G&A	9,862	10,882
Miedzi	Fees	51,104	46,360
		\$ 201,303	\$ 224,336

Miedzi and Lumina are considered companies related by way of directors and shareholders in common. Hathaway Consulting Ltd., Into the Blue Management Inc., Koval Management Inc., La Mar Consulting Inc. and Lyle E Braaten Law Corp. are related by way of being owned by directors or officers of the Company. Related party transactions are recognized at the amounts agreed between the parties. Outstanding balances are unsecured and settlement occurs in cash. At March 31, 2022, there were no amounts owing to related parties (December 31, 2021 - \$Nil).

Luminex Services provided personnel services to Odin Mining del Ecuador S.A. ("Odin"), a subsidiary of Lumina, whereby personnel time was recharged based on time worked and at a rate of cost plus 6%. These services are recorded the Company's financial statements as a reduction of cost associated to E&E expenditures. The total amount recharged to Odin for the three months ended March 31, 2022 was \$Nil (three months ended March 31, 2021 - \$70,762). At March 31, 2022 and December 31, 2021, there were no amounts included in accounts receivable from Odin.

*Key management personnel compensation*

Key management of the Company are the directors and officers of Luminex and their remuneration includes the following:

	Three months ended March 31,	
	2022	2021
Short-term benefits (i)	\$ 224,091	\$ 207,561
Share-based payments (ii)	-	-
<b>Total remuneration</b>	<b>\$ 224,091</b>	<b>\$ 207,561</b>

(i) Short-term benefits include fees and salaries, including where those costs have been allocated to E&E expenditures (see Note 6(c)).

(ii) Share-based payments are the fair value of options granted (vested and unvested) to key management personnel as at the grant date.

(iii) Key management personnel were not paid post-employment benefits, termination benefits, or long-term benefits during the three months ended March 31, 2022 and 2021.

**17. INTEREST INCOME AND OTHER**

Interest income and other consists of the following components:

	Three months ended March 31,	
	2022	2021
JOGMEC fees (Note 6(a))	\$ 105,647	\$ -
Interest - bank / environmental deposits	681	190
Other	-	3,721
	\$ 106,328	\$ 3,911

**LUMINEX RESOURCES CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**Three months ended March 31, 2022 and 2021**

Unaudited

(expressed in U.S. dollars)

---

**18. COMMITMENTS AND CONTINGENT LIABILITY**

*Commitments*

As at March 31, 2022, the Company has entered into agreements that are not recognized as ROU assets and that include rental agreements, infrastructure improvements and contracted studies that require minimum payments in the aggregate as follows:

---

Within one year	\$	42,000
After one year but not more than five years		7,000
	\$	49,000

---

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

- (a) New concessions that were originally granted pursuant to a public tender process in Ecuador during 2016 and 2017 (the "Public Tender") 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. This spending commitment is required to be applied by the Government of Ecuador in situations where a company seeks to reduce the area that was obtained under the tender process.
- (b) Applications for new concessions via Public Tender in Ecuador, require that an investment offer be presented 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. Current interpretations of the law in Ecuador are that all costs related to the project (direct and indirect and incurred in Ecuador or overseas) are able to be utilized against the four-year commitment. Should a concession holder resign from a concession prior to the end of the 4-year anniversary, the concession is relinquished without requiring the 4-year spend total be reached. In December 2020, the Ecuadorian Ministry of Energy and Mines issued a Ministerial Decree that, among other items, had the effect of extending the timeframe of the 4-year commitment period, on a case-by-case basis. For the concessions held by the Company, the resulting time extensions ranged from three months to three and a half years.
- (c) Concessions in Ecuador require the Company to submit an annual expenditure plan to the Government of Ecuador outlining the minimum amount of committed expenditures for the upcoming year. Should a company resign from a concession area during the following year, there is no minimum commitment applicable except that the company shall pay for the portion of annual concession fees to the date that the relinquishment is completed.

Accordingly, should the Company wish to retain possession of all the concession areas it holds, excluding the Pegasus Project which is being managed and earned-in by Anglo American, Tarqui which is being managed and earned-in by BHP and Orquideas which is being earned-in by JOGMEC, as at March 31, 2022, the Company's commitment is as follows:

---

Within one year (i)	\$	97,000
---------------------	----	--------

---

(i) Consists of the remaining 2022 commitment per the annual expenditure plan submitted to the Government of Ecuador. At March 31, 2022, the Company had met its 4-year commitment spend requirement for the concessions held and not subject to earn-in by another party.

*Contingent liability*

Luminex has entered into an agency agreement with Miedzi to facilitate transactions between the entities and provide clarity around ongoing G&A costs in case of withdrawal from the agency agreement, including provisions for rent of premises and personnel costs. At March 31, 2022, and assuming withdrawal from the agency agreement at that date, Luminex's obligation to Miedzi would be approximately \$348,000 (December 31, 2021 - \$361,000).

**19. SUBSEQUENT EVENT**

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization of the condensed consolidated interim financial statements except that on April 28, 2022, Luminex closed a non-brokered private placement of 23,690,000 units at a price of C\$0.38 per unit for gross proceeds of approximately C\$9 million. Each unit comprised of one common share of Luminex and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share at a price of C\$0.55 per common share for a two-year period from the closing date of the financing.