

# LUMINEX RESOURCES

LUMINEX RESOURCES CORP.



## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

June 30, 2022

(Unaudited)

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 June 30, 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	June 30, 2022	December 31, 2021
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	\$ 6,078,410	\$ 3,488,779
Receivables	4	64,864	58,343
Prepaid expenses		85,940	106,109
<b>Total current assets</b>		6,229,214	3,653,231
<b>Non-current assets</b>			
Property and equipment	5	937,626	917,112
Exploration and evaluation assets	6(a)	30,180,626	30,120,626
Investment in Pegasus	6(b)	2,200,000	2,200,000
<b>Total assets</b>		\$ 39,547,466	\$ 36,890,969
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 583,011	\$ 422,182
Current portion of lease obligations		28,919	-
<b>Total current liabilities</b>		611,930	422,182
<b>Non-current liabilities</b>			
Lease obligations		15,454	-
<b>Total liabilities</b>		627,384	422,182
<b>EQUITY</b>			
Share capital	7	92,361,269	85,505,963
Share-based payment reserve		1,454,081	1,353,027
Accumulated deficit		(54,292,518)	(51,441,409)
<b>Equity attributable to owners of the Company</b>		39,522,832	35,417,581
<b>Non-controlling interest</b>	10	(602,750)	1,051,206
<b>Total equity</b>		38,920,082	36,468,787
<b>Total liabilities and equity</b>		\$ 39,547,466	\$ 36,890,969

Nature of operations (Note 1)  
 Going concern (Note 2(b))  
 Commitments and contingent liability (Note 19)  
 Subsequent event (Note 6(a))

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 and six months ended June 30, 2022 and 2021**

Unaudited

(expressed in U.S. dollars)

	Note	Three months ended June 30,		Six months ended June 30,	
		2022	2021	2022	2021
<b>Expenses</b>					
Exploration and evaluation ("E&E") expenditures	6(c), 17	\$ 2,036,289	\$ 3,078,971	\$ 3,783,142	\$ 6,337,161
Fees, salaries and other employee benefits	11, 17	221,133	247,153	426,118	483,514
General and administration ("G&A")	17	155,401	96,683	309,803	212,240
Professional fees		97,980	56,459	185,923	106,282
		(2,510,803)	(3,479,266)	(4,704,986)	(7,139,197)
<b>Other income (expenses)</b>					
Interest income and other	18	93,451	450,503	199,779	454,414
Interest expense and other		(1,093)	(559)	(2,337)	(1,162)
Foreign exchange (loss) gain		(3,858)	(126,287)	2,479	(111,897)
		88,500	323,657	199,921	341,355
<b>Net loss and comprehensive loss for the period</b>		<b>\$ (2,422,303)</b>	<b>\$ (3,155,609)</b>	<b>\$ (4,505,065)</b>	<b>\$ (6,797,842)</b>
<b>Loss attributable to:</b>					
Owners of the Company		\$ (2,401,944)	\$ (3,111,931)	\$ (4,440,923)	\$ (6,684,111)
Non-controlling interest	10	(20,359)	(43,678)	(64,142)	(113,731)
		\$ (2,422,303)	\$ (3,155,609)	\$ (4,505,065)	\$ (6,797,842)
Loss per share attributable to owners of the Company – basic and diluted	12	\$ (0.02)	\$ (0.03)	\$ (0.04)	\$ (0.07)
Weighted average number of shares outstanding – basic and diluted	12	124,974,121	100,519,766	116,819,043	95,792,709

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

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

For the six months ended June 30, 2022 and 2021

Unaudited

(expressed in U.S. dollars)

	Note	Six months ended June 30,	
		2022	2021
<b>Operating activities</b>			
Loss for the period		\$ (4,505,065)	\$ (6,797,842)
Adjustment for non-cash items:			
Depreciation	5	37,380	40,012
Share-based payment	8(a)	101,054	114,543
Deduct: interest income		(12,226)	(693)
Add: interest expense		2,337	1,162
Net changes in non-cash working capital items:			
Receivables		(6,521)	(11,911)
Prepaid expenses		20,169	(91,237)
Accounts payable and accrued liabilities		100,829	136,536
<b>Net cash utilized in operating activities</b>		<b>(4,262,043)</b>	<b>(6,609,430)</b>
<b>Investing activities</b>			
Expenditures on property and equipment		-	(29,895)
Interest received		12,226	693
<b>Net cash provided by (utilized in) investing activities</b>		<b>12,226</b>	<b>(29,202)</b>
<b>Financing activities</b>			
Payment of lease obligations	5	(13,521)	(16,182)
Payment of interest on lease obligations	5	(2,337)	(1,162)
Shares issued	7	7,017,071	10,334,524
Cost to issue shares	7	(161,765)	(479,254)
Exercise of stock options	7	-	65,333
<b>Net cash provided by financing activities</b>		<b>6,839,448</b>	<b>9,903,259</b>
Increase in cash and cash equivalents		2,589,631	3,264,627
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>\$ 6,078,410</b>	<b>\$ 9,472,577</b>

**Non-cash investing activity:** see Note 5 for details of right-of-use asset additions and Note 6(a) for E&E asset addition re Chalapo.

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

For the six months ended June 30, 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
Shares issued, net of issue costs	7	17,362,000	9,855,270	-	-	9,855,270	-	9,855,270
Exercise of stock options	7	198,223	67,152	(1,819)	-	65,333	-	65,333
Share-based payment	8(a)	-	-	114,543	-	114,543	-	114,543
Comprehensive loss		-	-	-	(6,684,111)	(6,684,111)	(113,731)	(6,797,842)
<b>Balance, June 30, 2021</b>		108,573,352	\$ 85,505,963	\$ 1,134,781	\$ (45,445,140)	\$ 41,195,604	\$ 1,229,145	\$ 42,424,749
<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
Shares issued, net of issue costs	7	23,690,000	6,855,306	-	-	6,855,306	-	6,855,306
Share-based payment	8(a)	-	-	101,054	-	101,054	-	101,054
Dilution of non-controlling interest	10	-	-	-	1,589,814	1,589,814	(1,589,814)	-
Comprehensive loss		-	-	-	(4,440,923)	(4,440,923)	(64,142)	(4,505,065)
<b>Balance, June 30, 2022</b>		132,263,352	\$ 92,361,269	\$ 1,454,081	\$ (54,292,518)	\$ 39,522,832	\$ (602,750)	\$ 38,920,082

See Accompanying Notes to the Condensed Consolidated Interim Financial Statements

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

**Three and six months ended June 30, 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 and six months ended June 30, 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 August 26, 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 June 30, 2022, the Company has incurred cumulative losses of \$54,292,518 and has reported a net loss attributable to owners of the Company of \$4,440,923 for the six months ended June 30, 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 and six months ended June 30, 2022 and 2021

Unaudited

(expressed in U.S. dollars)

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

**(c) Significant accounting policies (continued)**

In addition, the Company issued warrants as part of private placement units (see Note 7) for which the Company has the following accounting policy:

*Warrants*

The Company has adopted the residual value method with respect to the valuation of warrants issued as part of a private placement unit or in connection with loans. The residual value method allocates the net proceeds to the common shares up to their fair value, as determined by the current quoted trading price on the announcement date, and the balance, if any, to the attached warrants.

**(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 June 30, 2022 and December 31, 2021 was as follows:

	June 30, 2022	December 31, 2021
Cash at bank and in hand denominated in Canadian dollars	\$ 2,746,754	\$ 972,264
Cash at bank and in hand denominated in U.S. dollars	3,331,656	1,015,311
Short term deposit denominated in U.S. dollars	-	1,501,204
	<b>\$ 6,078,410</b>	<b>\$ 3,488,779</b>

**4. RECEIVABLES**

	June 30, 2022	December 31, 2021
Refundable goods and services tax	\$ 8,447	\$ 15,322
Other	56,417	43,021
	<b>\$ 64,864</b>	<b>\$ 58,343</b>



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

Three and six months ended June 30, 2022 and 2021

Unaudited

(expressed in U.S. dollars)

**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)
June 30, 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	-	14,473	22,907	37,380
ROU disposal	-	(88,295)	-	(88,295)
June 30, 2022	\$ -	\$ 14,473	\$ 290,155	\$ 304,628
<b>Net book value</b>				
December 31, 2021	\$ 553,032	\$ -	\$ 364,080	\$ 917,112
June 30, 2022	\$ 553,032	\$ 43,421	\$ 341,173	\$ 937,626

<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.

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 six months ended June 30, 2022 is as follows:

Balance, December 31, 2021	\$ -
Interest accretion	2,337
Lease payments	(15,858)
Adjustment for addition of leases	57,894
Balance, June 30, 2022	\$ 44,373

**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.

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

Three and six months ended June 30, 2022 and 2021

Unaudited

(expressed in U.S. dollars)

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

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

*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. On July 11, 2022, the Company received notice from BHP that it was exercising its right to cease making certain payments and funding expenditures.

*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.

*Chalapo*

In April 2022, the Company signed a binding agreement with Corporación Nacional del Cobre de Chile (“Codelco”) to acquire its 100% owned Chalapo concessions (“Chalapo”) in the Loja province of Ecuador for \$60,000 and a 1.0% NSR. 0.5% of the NSR can be purchased by Luminex for \$5 million before the year 2030. Chalapo is comprised of two contiguous claims totalling 8,087 hectares. At June 30, 2022, the purchase price of \$60,000 was included in accounts payable and accrued liabilities.

*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.

Acquisition costs and carrying value of the Company’s exploration projects as at June 30, 2022 and December 31, 2021 are as follows:

	June 30, 2022	December 31, 2021
<b>Cost</b>		
Condor Project	\$ 47,487,910	\$ 47,487,910
Chalapo acquisition	60,000	-
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>\$ 48,777,910</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>\$ 30,180,626</b>	<b>\$ 30,120,626</b>

There were no impairments identified during the six months ended June 30, 2022 nor the year ended December 31, 2021.

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

**Three and six months ended June 30, 2022 and 2021**

Unaudited

(expressed in U.S. dollars)

---

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

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

*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"). On July 11, 2022, the Company received formal notice from BHP that it was exercising its right under the BHP Agreement to cease making certain payments and funding expenditures. Under the terms of the BHP Agreement, BHP had 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").

BHP and the Company will work to revert the concessions to the sole control of Luminex and to remove BHP's interest in the joint venture company such that sole ownership of the entity will revert to Luminex. Until the formal handover processes are completed, BHP will continue to manage the joint venture company.

*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. JOGMEC funded its minimum commitment of \$750,000 by March 31, 2022 to comply with the terms of the IA and has provided total funding to June 30, 2022 of \$1,927,230.

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

**Three and six months ended June 30, 2022 and 2021**

Unaudited

(expressed in U.S. dollars)

---

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

**(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 and six months ended June 30, 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:

	Cascas		Chalapo		Condor		La Canela		Three months ended June 30, 2022		Quimi	Tarqui <sup>(3)</sup>	Tres Picachos	TOTAL						
							Orquideas <sup>(3)</sup>	Pegasus <sup>(3)</sup>												
Assays and sampling	\$	1,621	\$	-	\$	72,853	\$	-	\$	-	\$	-	\$	-	\$	74,474				
Camp		50,492		-		462,662		6,425		-		-		-		519,944				
Camp access and improvements		725		-		12,214		-		-		-		-		12,939				
Drilling		-		-		603,823		-		-		-		-		603,823				
Environmental, health and safety		11,985		-		160,071		560		-		1,954		-		174,620				
Field office		780		-		44,876		-		264		-		-		45,920				
Geological consulting and field staff		10,101		544		210,249		-		15,513		-		-		236,407				
Legal fees		4,599		1,860		26,269		-		-		924		-		34,216				
Mineral rights and property fees		9,560		-		31,935		484		-		159		-		42,197				
Project management <sup>(1)</sup>		7,838		-		68,668		261		4,099		1,281		854		83,437				
Reports		-		-		7,660		-		-		-		-		7,660				
Social and community <sup>(1)</sup>		33,212		-		49,180		832		5,044		-		-		89,529				
Transportation and accommodation		13,778		-		93,623		-		3,722		-		-		111,123				
<b>Costs incurred during the period</b>	<b>\$</b>	<b>144,691</b>	<b>\$</b>	<b>2,404</b>	<b>\$</b>	<b>1,844,083</b>	<b>\$</b>	<b>8,562</b>	<b>\$</b>	<b>28,642</b>	<b>\$</b>	<b>1,281</b>	<b>\$</b>	<b>3,640</b>	<b>\$</b>	<b>854</b>	<b>\$</b>	<b>2,132</b>	<b>\$</b>	<b>2,036,289</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 Luminox, beginning of period		6,669,103		-		24,437,793		316,782		520,304		40,503		804,157		403,453		543,079		33,735,174
<b>E&amp;E incurred during the period</b>		<b>144,691</b>		<b>2,404</b>		<b>1,844,083</b>		<b>8,562</b>		<b>28,642</b>		<b>1,281</b>		<b>3,640</b>		<b>854</b>		<b>2,132</b>		<b>2,036,289</b>
<b>Cumulative E&amp;E incurred, end of period</b>	<b>\$</b>	<b>7,061,075</b>	<b>\$</b>	<b>2,404</b>	<b>\$</b>	<b>31,361,957</b>	<b>\$</b>	<b>501,280</b>	<b>\$</b>	<b>1,893,190</b>	<b>\$</b>	<b>2,478,650</b>	<b>\$</b>	<b>940,562</b>	<b>\$</b>	<b>817,292</b>	<b>\$</b>	<b>839,669</b>	<b>\$</b>	<b>45,896,079</b>

<sup>(1)</sup> Project management and social and community costs include key management personnel costs (see Note 17).

<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 Luminox or that were incurred by legal entities owned by Lumina that were not transferred to Luminox 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 19).

<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 and six months ended June 30, 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 June 30, 2021									TOTAL
	Cascas	Condor	La Canela	Orquideas	Pegasus <sup>(3)</sup>	Quimi	Tarqui <sup>(3)</sup>	Tres Picachos		
Assays / Sampling	\$ 50,584	\$ 11,637	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,221
Camp	287,342	365,676	-	-	-	613	-	-	-	653,631
Camp access and improvements	23,849	50,626	-	144	-	-	-	-	-	74,619
Drilling	477,399	91,665	-	-	-	-	-	-	-	569,064
Engineering	-	179,488	-	-	-	-	-	-	-	179,488
Environmental, Health & Safety	106,128	59,269	-	-	-	50	-	610	-	166,057
Field office	8,433	88,178	-	-	-	-	-	-	-	96,611
Geological consulting and field staff	292,258	182,080	-	726	-	87	-	-	-	475,151
Legal fees	3,811	40,522	239	1,735	-	1,060	-	2,090	-	49,457
Metallurgical	-	63,179	-	-	-	-	-	-	-	63,179
Mineral rights and property fees	5,603	91,326	228	5,236	-	233	-	1,268	-	103,894
Project management <sup>(1)</sup>	33,471	179,423	245	-	1,228	246	245	-	-	214,858
Reports	3,531	54,629	-	-	-	-	-	-	-	58,160
Social and community <sup>(1)</sup>	21,089	57,686	137	1,216	-	191	-	137	-	80,456
Transportation and accommodation	145,428	86,697	-	-	-	-	-	-	-	232,125
<b>Costs incurred during the period</b>	<b>\$ 1,458,926</b>	<b>\$ 1,602,081</b>	<b>\$ 849</b>	<b>\$ 9,057</b>	<b>\$ 1,228</b>	<b>\$ 2,480</b>	<b>\$ 245</b>	<b>\$ 4,105</b>	<b>\$</b>	<b>\$ 3,078,971</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	3,310,059	17,793,234	267,249	455,891	34,802	762,004	401,969	445,425	-	23,470,633
<b>E&amp;E incurred during the period</b>	<b>1,458,926</b>	<b>1,602,081</b>	<b>849</b>	<b>9,057</b>	<b>1,228</b>	<b>2,480</b>	<b>245</b>	<b>4,105</b>	<b>\$</b>	<b>3,078,971</b>
<b>Cumulative E&amp;E incurred, end of period</b>	<b>\$ 5,016,266</b>	<b>\$ 24,475,396</b>	<b>\$ 444,034</b>	<b>\$ 1,809,192</b>	<b>\$ 2,472,896</b>	<b>\$ 897,249</b>	<b>\$ 815,199</b>	<b>\$ 743,988</b>	<b>\$</b>	<b>\$ 36,674,220</b>

<sup>(1)</sup> Project management and social and community costs include key management personnel costs (see Note 17).

<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 and six months ended June 30, 2022 and 2021**

Unaudited

(expressed in U.S. dollars)

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

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

	Cascas		Chalapo		Condor		La Canela		Six months ended June 30, 2022		Quimi	Tarqui <sup>(3)</sup>	Tres Picachos	TOTAL						
							Orquideas <sup>(3)</sup>	Pegasus <sup>(3)</sup>												
Assays and sampling	\$	6,006	\$	-	\$	112,967	\$	-	\$	-	\$	-	\$	1,863	\$	120,836				
Camp		109,252		-		831,695		6,547		-		255		2,952		950,701				
Camp access and improvements		725		-		36,159		-		-		-		-		36,884				
Drilling		-		-		725,532		-		-		-		-		725,532				
Engineering		-		-		16,724		-		-		-		-		16,724				
Environmental, health and safety		18,651		-		332,973		1,344		-	3,522	-		2,973		359,463				
Field office		2,368		-		125,047		-		534	-	-		-		127,949				
Geological consulting and field staff		37,960		544		359,752		-		22,813	-	-		-		421,069				
Legal fees		8,648		1,860		58,277		-		-	1,171	-		564		70,520				
Mineral rights and property fees		116,029		-		135,009		34,346		-	30,156	-		51,756		367,296				
Project management <sup>(1)</sup>		16,019		-		105,194		532		25,669	2,562	530	1,110	382		151,998				
Reports		24,336		-		7,660		-		-	-	-		-		31,996				
Social and community <sup>(1)</sup>		69,381		-		93,426		1,233		11,350	-	803		1,319		177,512				
Transportation and accommodation		26,490		-		192,841		-		5,274	-	-		57		224,662				
<b>Costs incurred during the period</b>	<b>\$</b>	<b>435,865</b>	<b>\$</b>	<b>2,404</b>	<b>\$</b>	<b>3,133,256</b>	<b>\$</b>	<b>44,002</b>	<b>\$</b>	<b>65,640</b>	<b>\$</b>	<b>2,562</b>	<b>\$</b>	<b>36,437</b>	<b>\$</b>	<b>1,110</b>	<b>\$</b>	<b>61,866</b>	<b>\$</b>	<b>3,783,142</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 Luminox, beginning of period		6,377,929		-		23,148,620		281,342		483,306		39,222		771,360		403,197		483,345		31,988,321
<b>E&amp;E incurred during the period</b>		<b>435,865</b>		<b>2,404</b>		<b>3,133,256</b>		<b>44,002</b>		<b>65,640</b>		<b>2,562</b>		<b>36,437</b>		<b>1,110</b>		<b>61,866</b>		<b>3,783,142</b>
<b>Cumulative E&amp;E incurred, end of period</b>	<b>\$</b>	<b>7,061,075</b>	<b>\$</b>	<b>2,404</b>	<b>\$</b>	<b>31,361,957</b>	<b>\$</b>	<b>501,280</b>	<b>\$</b>	<b>1,893,190</b>	<b>\$</b>	<b>2,478,650</b>	<b>\$</b>	<b>940,562</b>	<b>\$</b>	<b>817,292</b>	<b>\$</b>	<b>839,669</b>	<b>\$</b>	<b>45,896,079</b>

<sup>(1)</sup> Project management and social and community costs include key management personnel costs (see Note 17).

<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 Luminox or that were incurred by legal entities owned by Lumina that were not transferred to Luminox 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 19).

<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 and six months ended June 30, 2022 and 2021**

Unaudited

(expressed in U.S. dollars)

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

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

	Six months ended June 30, 2021								TOTAL
	Cascas	Condor	La Canela	Orquideas	Pegasus <sup>(3)</sup>	Quimi	Tarqui <sup>(3)</sup>	Tres Picachos	
Assays / Sampling	\$ 96,694	\$ 53,109	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 149,803
Camp	538,083	682,140	-	3,444	-	1,210	-	-	1,224,877
Camp access and improvements	40,995	247,254	-	1,344	-	-	-	-	289,593
Drilling	710,171	163,814	-	-	-	-	-	-	873,985
Engineering	-	523,388	-	-	-	-	-	-	523,388
Environmental, Health & Safety	191,208	130,537	784	13,571	-	2,122	-	1,394	339,616
Field office	15,793	171,393	-	473	-	-	-	-	187,659
Geological consulting and field staff	527,531	491,599	290	2,057	-	1,114	-	144	1,022,735
Legal fees	10,688	94,182	886	4,651	-	1,306	-	2,244	113,957
Metallurgical	-	80,495	-	-	-	-	-	-	80,495
Mineral rights and property fees	105,695	204,353	32,154	52,722	-	28,065	-	49,604	472,593
Project management <sup>(1)</sup>	70,638	332,372	491	-	3,111	819	491	-	407,922
Reports	15,337	57,642	-	-	-	-	-	-	72,979
Social and community <sup>(1)</sup>	66,737	115,318	328	5,246	-	574	-	246	188,449
Transportation and accommodation	216,472	171,023	-	1,615	-	-	-	-	389,110
<b>Costs incurred during the period</b>	<b>\$ 2,606,042</b>	<b>\$ 3,518,619</b>	<b>\$ 34,933</b>	<b>\$ 85,123</b>	<b>\$ 3,111</b>	<b>\$ 35,210</b>	<b>\$ 491</b>	<b>\$ 53,632</b>	<b>\$ 6,337,161</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	2,606,042	3,518,619	34,933	85,123	3,111	35,210	491	53,632	6,337,161
<b>Cumulative E&amp;E incurred, end of period</b>	<b>\$ 5,016,266</b>	<b>\$ 24,475,396</b>	<b>\$ 444,034</b>	<b>\$ 1,809,192</b>	<b>\$ 2,472,896</b>	<b>\$ 897,249</b>	<b>\$ 815,199</b>	<b>\$ 743,988</b>	<b>\$ 36,674,220</b>

<sup>(1)</sup> Project management and social and community costs include key management personnel costs (see Note 17).

<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 and six months ended June 30, 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	91,013,129	\$ 75,583,541
Shares issued on exercise of stock options (a)	198,223	67,152
Shares issued, net of issue costs (b)	17,362,000	9,855,270
Balance, June 30, 2021	108,573,352	\$ 85,505,963
Balance, December 31, 2021	108,573,352	\$ 85,505,963
Shares issued, net of issue costs (c)	23,690,000	6,855,306
Balance, June 30, 2022	132,263,352	\$ 92,361,269

- (a) In April 2021, 198,223 stock options were exercised at a weighted average exercise price of \$0.33 (C\$0.41) per common share for total proceeds of \$65,333. Previously recognized share-based payment expense totalling \$1,819 was reclassified from share-based payment reserve to share capital.
- (b) In May 2021, the Company closed a brokered private placement of 10,152,000 common shares at a price of C\$0.72 per share and a non-brokered private placement for a total of 7,210,000 common shares at a price of C\$0.72 per share for total proceeds of \$9,855,270, net of issue costs of \$479,254, which included finder's fees of up to 6% for a total of \$359,822.
- (c) In April 2022, the Company closed a non-brokered private placement of 23,690,000 units ("Units") at a price of C\$0.38 per Unit. Each Unit comprised one common share of the Company and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Total proceeds received were \$6,855,306, net of issue costs of \$161,765, which included finder's fees of up to 4% for a total of \$88,882. See Note 9 for additional details on Warrants.

**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 six months ended June 30, 2022 and 2021.

Pursuant to the Company's accounting policy for share-based payments, the fair value of options vesting during the three and six months ended June 30, 2022, in the amounts of \$50,928 and \$101,054, respectively (three and six months ended June 30, 2021 - \$57,338 and \$114,543) have been recorded in the condensed consolidated interim statements of loss and comprehensive loss under fees, salaries and other employee benefits (Note 11).

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

Three and six months ended June 30, 2022 and 2021

Unaudited

(expressed in U.S. dollars)

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

**(b) Outstanding stock options**

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

	Three months ended June 30,			
	2022		2021	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	5,127,500	C\$0.64	4,259,973	C\$0.68
Exercised	-	-	(198,223)	C\$0.41
Outstanding, end of period	5,127,500	C\$0.64	4,061,750	C\$0.69

  

	Six months ended June 30,			
	2022		2021	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	5,221,500	C\$0.65	4,259,973	C\$0.68
Exercised	-	-	(198,223)	C\$0.41
Expired	(83,667)	C\$0.72	-	-
Forfeited	(10,333)	C\$0.54	-	-
Outstanding, end of period	5,127,500	C\$0.64	4,061,750	C\$0.69

At June 30, 2022, the Company had outstanding stock options, including weighted average remaining contractual life, as follows:

June 30, 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	0.44	C\$0.54	258,500	C\$0.54
1,200,000	October 5, 2023	1.27	C\$0.80	1,200,000	C\$0.80
1,097,000	October 16, 2024	2.30	C\$0.63	1,097,000	C\$0.63
1,197,000	November 26, 2025	3.41	C\$0.68	800,507	C\$0.68
1,375,000	November 25, 2026	4.41	C\$0.51	455,848	C\$0.51
5,127,500		2.79	C\$0.64	3,811,855	C\$0.67

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

**Three and six months ended June 30, 2022 and 2021**

Unaudited

(expressed in U.S. dollars)

**9. WARRANTS**

The Company issued Warrants as part of Units in its April 2022 non-brokered private placement (see Note 7(c)). The proceeds from the issuance of Units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated to share capital based on the fair value of the common shares and any residual value is allocated to the warrants. The fair value of the Company's common shares on the date of closing of the April 2022 private placement of Units was the same as the price per Unit. Accordingly, all of the value was allocated to share capital.

The following table summarizes Warrants activity:

	Three and six months ended June 30,			
	2022		2021	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	-	N/A	-	N/A
Issued	11,845,000	C\$0.55	-	N/A
Outstanding, end of period	11,845,000	C\$0.55	-	N/A

At June 30, 2022, the Company had outstanding warrants, including weighted average remaining contractual life, as follows:

Warrants Outstanding				Warrants Exercisable	
Number of Warrants	Expiry Date	Weighted average life (years)	Exercise Price	Number of Warrants	Exercise Price
11,845,000	April 28, 2024	1.83	C\$0.55	11,845,000	C\$0.55

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

In January 2022, the Company increased its ownership in Condormining Corporation S.A.S. and its related subsidiaries (see Note 17) 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:

	June 30, 2022	December 31, 2021
Current assets	\$ 596,662	\$ 104,615
Non-current assets	42,636,310	39,867,493
Current liabilities	(409,438)	(200,333)
Current liabilities	(10,761)	-
Net assets	42,812,773	39,771,775
NCI percentage	1.3%	10%
Net assets of individual entities attributable to the NCI	545,415	3,977,178
Adjustments on consolidation of individual entities subject to NCI	441,649	(2,925,972)
Dilution of NCI	(1,589,814)	-
Net (liabilities) assets attributable to the NCI	\$ (602,750)	\$ 1,051,206

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

**Three and six months ended June 30, 2022 and 2021**

Unaudited

(expressed in U.S. dollars)

**10. NON-CONTROLLING INTEREST (continued)**

	Three months ended June 30,	
	2022	2021
Net loss and comprehensive loss	\$ (1,598,038)	\$ (436,780)
NCI percentage	1.3%	10%
<b>Net loss and comprehensive loss attributable to NCI</b>	<b>\$ (20,359)</b>	<b>\$ (43,678)</b>

  

	Six months ended June 30,	
	2022	2021
Net loss and comprehensive loss	\$ (2,614,017)	\$ (1,137,310)
NCI percentage	1.3% / 10%	10%
<b>Net loss and comprehensive loss attributable to NCI</b>	<b>\$ (64,142)</b>	<b>\$ (113,731)</b>

The entities subject to a NCI incurred the following cash expenditures during the three and six months ended June 30, 2022: (i) \$1,391,980 and \$2,369,797 on operating activities (three and six months ended June 30, 2021 - \$456,029 and \$1,136,691); and (ii) \$Nil on investing activities (three and six months ended June 30, 2021 - \$Nil).

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

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Fees and salaries	\$ 170,205	\$ 189,352	\$ 324,591	\$ 368,508
Other benefits	-	463	473	463
Share-based payments (Note 8(a))	50,928	57,338	101,054	114,543
	<b>\$ 221,133</b>	<b>\$ 247,153</b>	<b>\$ 426,118</b>	<b>\$ 483,514</b>

**12. 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 June 30,	
	2022	2021
Net loss attributed to owners of the Company	\$ (2,401,944)	\$ (3,111,931)
Weighted average number of common shares outstanding (basic and diluted)	124,974,121	100,519,766
<b>Loss per share – basic and diluted</b>	<b>\$ (0.02)</b>	<b>\$ (0.03)</b>

  

	Six months ended June 30,	
	2022	2021
Net loss attributed to owners of the Company	\$ (4,440,923)	\$ (6,684,111)
Weighted average number of common shares outstanding (basic and diluted)	116,819,043	95,792,709
<b>Loss per share – basic and diluted</b>	<b>\$ (0.04)</b>	<b>\$ (0.07)</b>

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 and Warrants currently issued (see Notes 8 and 9) were anti-dilutive for the three and six months ended June 30, 2022 and 2021 and have not been included in the calculation of diluted weighted average number of common shares outstanding.

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

Three and six months ended June 30, 2022 and 2021

Unaudited

(expressed in U.S. dollars)

**13. 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.

**14. FINANCIAL INSTRUMENTS**

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

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

	Note	Category	June 30, 2022	December 31, 2021
Cash and cash equivalents	3	Amortized cost	\$ 6,078,410	\$ 3,488,779
Other receivables	4	Amortized cost	56,417	43,021
Accounts payable and accrued liabilities		Amortized cost	583,011	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."

**(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.

**15. 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 June 30, 2022 of \$6,134,827 (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 June 30, 2022, the Company's cash was held at two financial institutions (December 31, 2021 – two financial institutions).

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

Three and six months ended June 30, 2022 and 2021

Unaudited

(expressed in U.S. dollars)

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

**(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 June 30, 2022, the Company's current liabilities consisted of trade and other payables of \$583,011 which are due primarily within three months from the period end. The Company's cash and cash equivalents of \$6,078,410 at June 30, 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 June 30, 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 \$60,800 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.

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 June 30, 2022.

Financial Instrument Type	U.S. Dollar	Currency	+/- 1% Fluctuation	
Cash	\$ 2,746,754	CAD dollar	\$ 27,468	\$ (27,468)
Accounts payable and accrued liabilities	(28,836)	CAD dollar	(288)	288
<b>Total</b>	<b>\$ 2,717,918</b>		<b>\$ 27,180</b>	<b>\$ (27,180)</b>

*Other Price Risk*

The Company did not hold any financial instruments that had direct exposure to other price risks at June 30, 2022.

**16. 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.

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

Three and six months ended June 30, 2022 and 2021

Unaudited

(expressed in U.S. dollars)

**17. 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	
		June 30, 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.S.	Ecuador	98.7	90
Corporacion FJTX Exploration S.A.	Ecuador	100	100
Bestminers S.A.	Ecuador	98.7	90
Condomine 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.

*Related party expenses and balances*

The Company incurred the following expenses with related parties:

Related company	Nature of transactions	Three months ended June 30,	
		2022	2021
Hathaway Consulting Ltd.	Fees	\$ 26,459	\$ 25,887
Into the Blue Management Inc.	Fees	21,326	16,662
Koval Management Inc.	Fees	36,626	35,904
La Mar Consulting Inc.	E&E (social / community)	34,395	32,793
Lumina	E&E (field office / project management / travel)	5,839	29,622
Lumina	G&A	4,813	631
Lyle E Braaten Law Corp.	Fees	18,781	17,262
Miedzi Copper Corp. ("Miedzi")	E&E (geological)	4,350	12,331
Miedzi	G&A	12,436	15,465
Miedzi	Fees	48,613	46,536
		\$ 213,638	\$ 233,093

Related company	Nature of transactions	Six months ended June 30,	
		2022	2021
Hathaway Consulting Ltd.	Fees	\$ 53,167	\$ 50,939
Into the Blue Management Inc.	Fees	41,953	32,713
Koval Management Inc.	Fees	73,599	71,044
La Mar Consulting Inc.	E&E (social / community)	68,790	65,586
Lumina	E&E (field office / project management / travel)	6,061	48,404
Lumina	G&A	7,251	2,155
Lyle E Braaten Law Corp.	Fees	37,755	33,967
Miedzi Copper Corp. ("Miedzi")	E&E (geological)	4,350	33,378
Miedzi	G&A	22,298	26,347
Miedzi	Fees	99,717	92,896
		\$ 414,941	\$ 457,429

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

**Three and six months ended June 30, 2022 and 2021**

Unaudited

(expressed in U.S. dollars)

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

*Related party expenses and balances (continued)*

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 June 30, 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 and six months ended June 30, 2022 was \$Nil (three and six months ended June 30, 2021 - \$72,569 and \$143,331, respectively). At June 30, 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 June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Short-term benefits (i)	\$ 222,238	\$ 210,104	\$ 446,329	\$ 417,665
Share-based payments (ii)	-	-	-	-
<b>Total remuneration</b>	<b>\$ 222,238</b>	<b>\$ 210,104</b>	<b>\$ 446,329</b>	<b>\$ 417,665</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 and six months ended June 30, 2022 and 2021.

**18. INTEREST INCOME AND OTHER**

Interest income and other consists of the following components:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
BHP earn-in payments (Note 6(a))	\$ -	\$ 450,000	\$ -	\$ 450,000
JOGMEC fees (Note 6(a))	81,906	-	187,553	-
Interest - bank / environmental deposits	11,545	503	12,226	693
Other	-	-	-	3,721
	\$ 93,451	\$ 450,503	\$ 199,779	\$ 454,414

**19. COMMITMENTS AND CONTINGENT LIABILITY**

*Commitments*

As at June 30, 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	\$ 97,100
After one year but not more than five years	6,600
	<b>\$ 103,700</b>



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

**Three and six months ended June 30, 2022 and 2021**

Unaudited

(expressed in U.S. dollars)

---

**19. COMMITMENTS AND CONTINGENT LIABILITY (continued)**

*Commitments (continued)*

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 and Orquideas which is being earned-in by JOGMEC, as at June 30, 2022, the Company's commitment is as follows:

---

Within one year (i)	\$	81,000
---------------------	----	--------

---

(i) Consists of the remaining 2022 commitment per the annual expenditure plan submitted to the Government of Ecuador. At June 30, 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 June 30, 2022, and assuming withdrawal from the agency agreement at that date, Luminex's obligation to Miedzi would be approximately \$341,000 (December 31, 2021 - \$361,000).