

# LUMINEX RESOURCES

LUMINEX RESOURCES CORP.



## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2023

(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 March 31, 2023 and 2022 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, 2023	December 31, 2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	3	\$ 6,399,926	\$ 1,281,749
Receivables	4	41,618	22,491
Prepaid expenses		88,298	112,270
<b>Total current assets</b>		6,529,842	1,416,510
<b>Non-current assets</b>			
Property and equipment	5	903,194	902,193
Exploration and evaluation assets	6(a)	30,180,626	30,180,626
Investment in Pegasus	6(b)	2,200,000	2,200,000
<b>Total assets</b>		\$ 39,813,662	\$ 34,699,329
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	17	\$ 852,205	\$ 1,154,122
Lease obligations	5	26,378	30,235
<b>Total current liabilities</b>		878,583	1,184,357
<b>Non-current liabilities</b>			
Lease obligations	5	14,767	-
Derivative liability – warrants	9	1,351,823	278,285
<b>Total liabilities</b>		2,245,173	1,462,642
<b>EQUITY</b>			
Share capital	7	99,752,216	91,841,748
Share-based payment reserve		1,668,207	1,630,979
Accumulated deficit		(63,161,794)	(59,574,411)
<b>Equity attributable to owners of the Company</b>		38,258,629	33,898,316
<b>Non-controlling interest</b>	10	(690,140)	(661,629)
<b>Total equity</b>		37,568,489	33,236,687
<b>Total liabilities and equity</b>		\$ 39,813,662	\$ 34,699,329

Nature of operations (Note 1)  
 Going concern (Note 2(b))  
 Commitments and contingent liability (Note 19)  
 Subsequent event (Note 20)

APPROVED BY THE DIRECTORS

*“Marshall Koval”*

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Director

*“Donald Shumka”*

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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, 2023 and 2022

Unaudited

(expressed in U.S. dollars)

	Note	Three months ended March 31,	
		2023	2022
<b>Expenses</b>			
Exploration and evaluation ("E&E") expenditures	6(c), 17	\$ 3,002,433	\$ 1,746,853
Fees, salaries and other employee benefits	11, 17	200,593	204,985
General and administration ("G&A")	17	187,863	154,402
Professional fees		88,947	87,943
		(3,479,836)	(2,194,183)
<b>Other income (expenses)</b>			
Change in fair value of derivative liability	9	(212,267)	-
Interest income and other	18	137,574	106,328
Interest expense and other		(1,022)	(1,244)
Foreign exchange (loss) gain		(60,343)	6,337
		(136,058)	111,421
<b>Net loss and comprehensive loss for the period</b>		<b>\$ (3,615,894)</b>	<b>\$ (2,082,762)</b>
<b>Loss attributable to:</b>			
Owners of the Company		\$ (3,587,383)	\$ (2,038,979)
Non-controlling interest	10	(28,511)	(43,783)
		\$ (3,615,894)	\$ (2,082,762)
Loss per share attributable to owners of the Company – basic and diluted	12	\$ (0.02)	\$ (0.02)
Weighted average number of shares outstanding – basic and diluted	12	152,170,760	108,573,352

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, 2023 and 2022

Unaudited

(expressed in U.S. dollars)

	Note	Three months ended March 31,	
		2023	2022
<b>Operating activities</b>			
Loss for the period		\$ (3,615,894)	\$ (2,082,762)
Adjustment for non-cash items:			
Depreciation	5	17,645	19,124
Change in fair value of derivative liability	9	212,267	-
Share-based payment	8	37,228	50,126
Deduct: interest income		(30,628)	(681)
Add: interest expense		1,022	1,244
Net changes in non-cash working capital items:			
Receivables		(19,127)	(23,509)
Prepaid expenses		23,972	38,220
Accounts payable and accrued liabilities		(301,917)	(130,337)
<b>Net cash utilized in operating activities</b>		<b>(3,675,432)</b>	<b>(2,128,575)</b>
<b>Investing activities</b>			
Interest received		30,628	681
<b>Net cash provided by investing activities</b>		<b>30,628</b>	<b>681</b>
<b>Financing activities</b>			
Payment of lease obligation	5	(7,736)	(6,685)
Payment of interest on lease obligation	5	(1,022)	(1,244)
Units issued	7	9,301,287	-
Cost to issue units	7	(529,548)	-
<b>Net cash provided by (utilized in) financing activities</b>		<b>8,762,981</b>	<b>(7,929)</b>
Increase (decrease) in cash		5,118,177	(2,135,823)
Cash, beginning of period		1,281,749	3,488,779
<b>Cash, end of period</b>	3	<b>\$ 6,399,926</b>	<b>\$ 1,352,956</b>

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

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

**For the three months ended March 31, 2023 and 2022**

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, 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	-	-	50,126	-	50,126	-	50,126
Dilution of non-controlling interest	10	-	-	-	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
<b>Balance, December 31, 2022</b>		132,263,352	\$ 91,841,748	\$ 1,630,979	\$ (59,574,411)	\$ 33,898,316	\$ (661,629)	\$ 33,236,687
Shares issued, net of issue costs	7	41,666,667	7,910,468	-	-	7,910,468	-	7,910,468
Share-based payment	8	-	-	37,228	-	37,228	-	37,228
Comprehensive loss		-	-	-	(3,587,383)	(3,587,383)	(28,511)	(3,615,894)
<b>Balance, March 31, 2023</b>		173,930,019	\$ 99,752,216	\$ 1,668,207	\$ (63,161,794)	\$ 38,258,629	\$ (690,140)	\$ 37,568,489

*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, 2023 and 2022**

Unaudited

(expressed in U.S. dollars)

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**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) Statement of compliance**

These condensed consolidated interim financial statements of the Company for the three months ended March 31, 2023 and 2022, 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, 2022 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 24, 2023.

**(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, 2023, the Company has incurred cumulative losses of \$63,161,794. Additionally, the Company has reported a net loss attributable to owners of the Company of \$3,587,383 for the three months ended March 31, 2023 and utilized cash in operating activities of \$3,675,432. 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.

COVID-19 and other geopolitical matters such as the Russia / Ukraine conflict continue to impact world affairs. The ultimate duration of these matters and magnitude of their 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.

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, 2022. 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, 2023 and 2022**

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, 2022.

**(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 condensed consolidated interim financial statements.

**3. CASH**

The Group's cash, by currency, at March 31, 2023 and December 31, 2022 was as follows:

		March 31, 2023		December 31, 2022
Cash at bank and in hand denominated in Canadian dollars	\$	3,783,916	\$	287,593
Cash at bank and in hand denominated in U.S. dollars		2,616,010		994,156
	\$	6,399,926	\$	1,281,749

**4. RECEIVABLES**

		March 31, 2023		December 31, 2022
Refundable goods and services tax	\$	26,728	\$	9,619
Other		14,890		12,872
	\$	41,618	\$	22,491

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

		Land <sup>(1)</sup>		Right-of-use ("ROU") assets		Property & equipment		Total
<b>Cost</b>								
December 31, 2022	\$	553,032	\$	57,894	\$	631,328	\$	1,242,254
Additions		-		18,646		-		18,646
March 31, 2023	\$	553,032	\$	76,540	\$	631,328	\$	1,260,900
<b>Accumulated Depreciation</b>								
December 31, 2022	\$	-	\$	28,947	\$	311,114	\$	340,061
Depreciation for the period		-		7,236		10,409		17,645
March 31, 2023	\$	-	\$	36,183	\$	321,523	\$	357,706
<b>Net book value</b>								
December 31, 2022	\$	553,032	\$	28,947	\$	320,214	\$	902,193
March 31, 2023	\$	553,032	\$	40,357	\$	309,805	\$	903,194

<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, 2023 and 2022**

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, 2023 is as follows:

Balance, December 31, 2022	\$	30,235
Interest accretion		1,022
Lease payments		(8,758)
Adjustment for addition of lease		18,646
<b>Balance, March 31, 2023</b>	<b>\$</b>	<b>41,145</b>

Minimum lease payments in respect of lease obligations and the effect of discounting are as follows:

	March 31, 2023	December 31, 2022
Undiscounted minimum lease payments		
Within one year	\$ 28,896	\$ 31,718
Between one to two years	15,322	-
Total undiscounted lease obligations	44,218	31,718
Less: future interest charges	(3,073)	(1,483)
Total discounted lease obligations	41,145	30,235
Less: current portion of lease obligations	(26,378)	(30,235)
<b>Non-current portion of lease obligations</b>	<b>\$ 14,767</b>	<b>\$ -</b>

The weighted average rate applied to the lease liabilities was approximately 9%.

**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 9,897 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 63,679 hectares and are located approximately 150 kilometres southwest of Quito.

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

**Three months ended March 31, 2023 and 2022**

Unaudited

(expressed in U.S. dollars)

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

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

*Tarqui*

The Company holds the Tarqui Project, consisting of two concession areas totaling 4,817 hectares located on trend with the Condor Project. The Tarqui Project was subject to earn-in by BHP Group plc ("BHP"). On December 6, 2022, BHP and the Company signed a termination agreement whereby sole control and ownership of the joint venture company through which the earn-in was being operated and Tarqui would revert to the Company, and by which BHP would pay \$100,000 to the Company as reimbursement for costs related to the termination. Prior to closing the termination agreement BHP continued to solely manage the joint venture company. The termination agreement closed in January 2023.

*Orquideas*

The Group holds, subject to earn-in by Japan Organization for Metals and Energy Security (formerly Japan Oil, Gas and Metals National Corporation) ("JOGMEC"), the Orquideas concession totaling 4,219 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 the Company for \$5 million before 2030. Chalapo is comprised of two contiguous claims totalling 8,087 hectares. At March 31, 2023, 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 (2,783 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 March 31, 2023 and December 31, 2022 are as follows:

	March 31, 2023	December 31, 2022
<b>Cost</b>		
Condor Project	\$ 47,487,910	\$ 47,487,910
Chalapo	60,000	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>\$ 48,777,910</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>\$ 30,180,626</b>

There were no impairments identified during the three months ended March 31, 2023 nor the year ended December 31, 2022.

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

**Three months ended March 31, 2023 and 2022**

Unaudited

(expressed in U.S. dollars)

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**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 had a minimum commitment of \$750,000 to March 31, 2022 (funded), 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 (funded); (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 has provided total funding to March 31, 2023 of \$2,072,665.

**(b) Investment in Pegasus**

*Anglo American Earn-in Agreement.*

Effective September 21, 2018, the Company 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) In order to earn a 25% interest in the Pegasus Project, Anglo American is 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 (received) 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.

The Company 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, the Company 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, 2023 and 2022**

Unaudited

(expressed in U.S. dollars)

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

**(c) Exploration and evaluation expenditures**

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

	Three months ended March 31, 2023										TOTAL	
	Cascas	Chalapo	Condor	La Canela	Orquideas <sup>(3)</sup>	Pegasus <sup>(3)</sup>	Quimi	Tarqui <sup>(3)</sup>	Tres Picachos			
Assays and sampling	\$ -	\$ -	\$ 136,344	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 136,344
Camp	12,769	218	434,020	-	-	-	-	3,640	-	609	-	451,256
Camp access and improvements	-	-	22,991	-	-	-	-	-	-	-	-	22,991
Drilling	-	-	1,055,805	-	-	-	-	-	-	-	-	1,055,805
Engineering	-	-	421	-	-	-	-	-	-	-	-	421
Environmental, health and safety	3,088	-	125,024	784	-	-	1,568	1,568	-	784	-	132,816
Field office	805	-	83,258	-	-	-	-	96	-	-	-	84,159
Geological consulting and field staff	94	-	222,391	-	-	-	-	-	-	-	-	222,485
Legal fees	-	-	44,083	124	-	-	1,130	50	-	-	-	45,387
Mineral rights and property fees	112,478	90,979	107,494	36,529	-	-	31,311	108,608	108,630	108,630	-	596,029
Project management <sup>(1)</sup>	1,270	915	62,828	211	1,716	1,900	1,083	636	-	281	-	70,840
Reports	-	-	1,344	-	-	-	-	-	-	-	-	1,344
Social and community <sup>(1)</sup>	24,956	283	67,998	189	661	-	472	567	-	189	-	95,315
Transportation and accommodation	3,140	293	83,746	-	-	-	-	62	-	-	-	87,241
<b>Costs incurred during the period</b>	<b>\$ 158,600</b>	<b>\$ 92,688</b>	<b>\$ 2,447,747</b>	<b>\$ 37,837</b>	<b>\$ 2,377</b>	<b>\$ 1,900</b>	<b>\$ 35,564</b>	<b>\$ 115,227</b>	<b>\$ 110,493</b>	<b>\$ 110,493</b>	<b>\$ 3,002,433</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	\$ 294,458	\$ 10,124,616	
Cumulative E&E incurred by Luminox, beginning of period	7,101,143	137,935	31,363,083	332,648	553,858	45,615	812,949	422,476	565,393	565,393	41,335,100	
E&E incurred during the period	158,600	92,688	2,447,747	37,837	2,377	1,900	35,564	115,227	110,493	110,493	3,002,433	
<b>Cumulative E&amp;E incurred, end of period</b>	<b>\$ 7,507,024</b>	<b>\$ 230,623</b>	<b>\$ 38,890,911</b>	<b>\$ 546,421</b>	<b>\$ 1,900,479</b>	<b>\$ 2,484,381</b>	<b>\$ 981,278</b>	<b>\$ 950,688</b>	<b>\$ 970,344</b>	<b>\$ 970,344</b>	<b>\$ 54,462,149</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 the Company 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.

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

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

	Three months ended March 31, 2022										TOTAL
	Cascas	Condor	La Canela	Orquideas	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>\$ -</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>\$ -</b>	<b>\$ 43,859,790</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. 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.

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**7. SHARE CAPITAL**

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

<b>Issued and fully paid:</b>	Number of Common Shares	Amount
Balance, December 31, 2021 and March 31, 2022	108,573,352	\$ 85,505,963
Balance, December 31, 2022	132,263,352	\$ 91,841,748
Shares issued, net of issue costs (a)	41,666,667	7,910,468
Balance, March 31, 2023	173,930,019	\$ 99,752,216

- (a) In February 2023, the Company closed brokered and non-brokered private placements for a total of 41,666,667 units ("Units") at a price of C\$0.30 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 \$8,771,739, net of issue costs of \$529,548, which included finder's fees of up to 6% for a total of \$310,763. From the total net proceeds received, \$861,271 was allocated to the fair value of the Warrants - see Note 9 for additional details.

**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, 2022 - 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, 2023 and 2022. Pursuant to the Company's accounting policy for share-based payments, the fair value of options vesting during the three months ended March 31, 2023, in the amount of \$37,228 (three months ended March 31, 2022 - \$50,126) has been recorded in the condensed consolidated interim statement of comprehensive loss under fees, salaries and other employee benefits (Note 11).

**(b) Outstanding stock options**

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

	Three months ended March 31, 2023	
	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	6,876,500	C\$0.53
Forfeited	(9,666)	C\$0.31
Outstanding, end of period	6,866,834	C\$0.53
	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

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

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

At March 31, 2023, the Company had outstanding stock options, including weighted average remaining contractual life, as follows:

Options Outstanding				Options Exercisable	
Number of Options	Expiry Date	Weighted average life (years)	Exercise Price	Number of Options	Exercise Price
7,000	April 14, 2023	0.04	C\$0.63	7,000	C\$0.63
7,000	April 14, 2023	0.04	C\$0.68	7,000	C\$0.68
4,667	April 14, 2023	0.04	C\$0.51	4,667	C\$0.51
3,667	April 14, 2023	0.04	C\$0.25	3,667	C\$0.25
1,200,000	October 5, 2023	0.52	C\$0.80	1,200,000	C\$0.80
1,090,000	October 16, 2024	1.55	C\$0.63	1,090,000	C\$0.63
1,190,000	November 26, 2025	2.66	C\$0.68	1,190,000	C\$0.68
1,363,000	November 25, 2026	3.66	C\$0.51	903,680	C\$0.51
2,001,500	November 24, 2027	4.65	C\$0.25	650,513	C\$0.25
6,866,834		2.88	C\$0.53	5,056,527	C\$0.61

**9. WARRANTS**

The Company issued Warrants as part of Units in its April 2022 and February 2023 equity financings. The functional currency of the Company is the U.S. dollar. The share purchase warrants were not issued for goods or services rendered. As the exercise price of the Company's share purchase warrants is fixed in Canadian dollars, the Warrants are considered derivatives as a variable amount of cash in the Company's functional currency will be received on exercise. Accordingly, the Warrants are classified and accounted for as a derivative liability at fair value through profit and loss. The fair value of the Warrants is determined using the Black Scholes option pricing model at the time the warrants are issued and at each period-end date.

The fair value of the April 2022 Warrants, at each relevant date, was determined using the following inputs:

Reporting Date	December 31, 2022	March 31, 2023
Risk-free interest rate	4.00%	3.78%
Expected dividend yield	-	-
Expected stock price volatility	63%	70%
Expected warrant life in years	1.33	1.08
Exercise price per warrant	C\$0.55	C\$0.55
Share price	C\$0.29	C\$0.30
Fair value	\$278,285	\$302,808
Fair value per warrant	\$0.02	\$0.03

The fair value of the February 2023 Warrants, at each relevant date, was determined using the following inputs:

Reporting Date	February 16, 2023	March 31, 2023
Risk-free interest rate	4.20%	3.78%
Expected dividend yield	-	-
Expected stock price volatility	61%	61%
Expected warrant life in years	2.00	1.88
Exercise price per warrant	C\$0.44	C\$0.44
Share price	C\$0.28	C\$0.30
Fair value	\$861,271 <sup>(1)</sup>	\$1,049,015
Fair value per warrant	\$0.04	\$0.05

<sup>(1)</sup> Based on the relative fair value of the warrants (using Black-Scholes) and the shares issued (using quoted market price) that together comprised each Unit.

During the three months ended March 31, 2023, the Company recognized a net fair value loss of \$212,267 related to the change in value of the derivative liability.

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**9. WARRANTS (continued)**

The following table summarizes Warrants activity:

	Three months ended March 31,			
	2023	2022		
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	11,845,000	C\$0.55	-	-
Issued	20,833,333	C\$0.44	-	-
Outstanding, end of period	32,678,333	C\$0.48	-	-

At March 31, 2023, 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	1.08	C\$0.55	11,845,000	C\$0.55
20,833,333	February 16, 2025	1.88	C\$0.44	20,833,333	C\$0.44
32,678,333		1.59	C\$0.48	32,678,333	C\$0.48

**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 Group's non-controlling interest:

	March 31, 2023	December 31, 2022
Current assets	\$ 511,109	\$ 154,423
Non-current assets	49,281,532	47,048,322
Current liabilities	(519,746)	(700,849)
Net assets	49,272,895	46,501,896
NCI percentage	1.3%	1.3%
Net assets of individual entities attributable to the NCI	627,717	592,414
Adjustments on consolidation of individual entities subject to NCI	271,957	335,771
Dilution of NCI <sup>(1)</sup>	(1,589,814)	(1,589,814)
Net assets attributable to the NCI	\$ (690,140)	\$ (661,629)
	Three months ended March 31,	
	2023	2022
Net loss and comprehensive loss	\$ (2,237,912)	\$ (1,015,979)
NCI percentage	1.3%	1.3% / 10% <sup>(1)</sup>
Net loss and comprehensive loss attributable to NCI	\$ (28,511)	\$ (43,783)

<sup>(1)</sup> Reduced from 10% in January 2022 as described above.

The entities subject to a NCI incurred the following cash expenditures during the three months ended March 31, 2023: (i) \$2,413,836 on operating activities (three months ended March 31, 2022 - \$977,817); and (ii) \$Nil on investing activities (three months ended March 31, 2022 - \$Nil).



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

	Three months ended March 31,	
	2023	2022
Fees and salaries	\$ 162,709	\$ 154,386
Other benefits	656	473
Share-based payments (Note 8(a))	37,228	50,126
	<b>\$ 200,593</b>	<b>\$ 204,985</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 March 31,	
	2023	2022
Net loss attributed to owners of the Company	\$ (3,587,383)	\$ (2,038,979)
Weighted average number of common shares outstanding (basic and diluted)	152,170,760	108,573,352
Loss per share – basic and diluted	\$ (0.02)	\$ (0.02)

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 and warrants, 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 months ended March 31, 2023 and 2022 and have not been included in the calculation of diluted weighted average number of common shares outstanding.

**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.

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**14. FINANCIAL INSTRUMENTS**

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

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

	Note	Category	March 31, 2023	December 31, 2022
Cash	3	Amortized cost	\$ 6,399,926	\$ 1,281,749
Other receivables	4	Amortized cost	14,890	12,872
Accounts payable and accrued liabilities		Amortized cost	852,205	1,154,122
Lease obligations		Amortized cost	41,145	30,235
Derivative liability – warrants		FVTPL	1,351,823	278,285

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

Lease obligations are initially measured at their fair value with subsequent measurement at amortized cost using the effective interest rate method.

Financial assets and liabilities classified at fair value through profit and loss are measured at fair value with changes in those fair values recognized in the condensed consolidated interim statements of loss and comprehensive loss for the period.

**(b) Fair value measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels in which to classify the inputs of valuation techniques used to measure fair values.

Level 1 – quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly, such as prices, or indirectly (derived from prices).

Level 3 – inputs are unobservable (supported by little or no market activity) such as non-corroborative indicative prices for a particular instrument provided by a third party.

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. The fair value of the Company's derivative liability is determined using Level 2 inputs.

**15. FINANCIAL INSTRUMENT RISKS**

The Group 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 other receivables are exposed to credit risk, representing maximum exposure of \$6,414,816 (December 31, 2022 - \$1,294,621). 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, 2023, the Group's cash was held at three financial institutions (December 31, 2022 – two financial institutions).

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**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 March 31, 2023, the Company's current liabilities consisted of trade and other payables and lease obligations totalling \$878,583 which are due primarily within three months from the period end. The Company's cash of \$6,399,926 at March 31, 2023, is sufficient to pay for the current liabilities.

**(c) Market risks**

The significant market risk exposures to which the Group 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, 2023, 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 \$64,000 in the Company's interest income on an annual basis.

*Currency risk*

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

The 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 comprehensive loss and equity based upon the assets and liabilities held at March 31, 2023:

Financial Instrument type			+/- 1%	
	U.S. Dollar	Currency	Fluctuation	
Cash	\$ 3,783,916	CAD dollar	\$ 37,839	\$ (37,839)
Accounts payable and accrued liabilities	(18,104)	CAD dollar	(181)	181
Derivative liability – warrants	(1,351,823)	CAD dollar	(13,518)	13,518
<b>Total</b>	<b>\$ 2,413,989</b>		<b>\$ 24,140</b>	<b>\$ (24,140)</b>

*Other price risk*

The Group did not hold any financial instruments that had direct exposure to other price risks at March 31, 2023.

**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.

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**17. GROUP INFORMATION AND RELATED PARTY TRANSACTIONS**

*Information about subsidiaries*

The consolidated financial statements include the following subsidiaries:

	Country of Incorporation	% Equity interest at	
		March 31, 2023	December 31, 2022
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
Cerro-Yatsur S.A.	Ecuador	100 <sup>(2)</sup>	-
EMH S.A.	Ecuador	100	100
Condomining Corporation S.A.S.	Ecuador	98.7	98.7
Corporacion FJTX Exploration S.A.	Ecuador	100	100
Bestminers S.A.	Ecuador	98.7	98.7
Condomine S.A.	Ecuador	98.7	98.7
Proyectmin S.A.	Ecuador	100	100
Luminex Services Ecuador LS-EC S.A.	Ecuador	- <sup>(3)</sup>	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.

<sup>(2)</sup> Cerro-Yatsur S.A. holds the Tarqui Project concessions. Control of the entity reverted to the Company in January 2023 pursuant to the termination agreement with BHP. See Note 6(a) for additional details.

<sup>(3)</sup> Luminex Services Ecuador LS-EC S.A. was voluntarily dissolved by the Company. The dissolution process concluded in January 2023.

*Related party expenses and balances*

The Group incurred the following expenses with related parties:

Related company	Nature of transactions	Three months ended March 31,	
		2023	2022
Hathaway Consulting Ltd.	Fees	\$ 25,699	\$ 26,708
Into the Blue Management Inc.	Fees	20,715	20,627
Koval Management Inc.	Fees	35,572	36,973
La Mar Consulting Inc.	E&E (social / community)	28,342	34,395
Lumina	E&E (field office/project management/travel)	-	222
Lumina	G&A	5,457	2,438
Lyle E Braaten Law Corp.	Fees	19,533	18,974
Miedzi Copper Corp. ("Miedzi")	E&E (geological)	21,641	-
Miedzi	G&A	9,603	9,862
Miedzi	Fees	48,420	51,104
		\$ 214,982	\$ 201,303

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.

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

**Three months ended March 31, 2023 and 2022**

Unaudited

(expressed in U.S. dollars)

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

*Related party expenses and balances (continued)*

The amounts below were included in accounts payable and accrued liabilities as owing to related parties at March 31, 2023 and December 31, 2022:

Related company	March 31, 2023	December 31, 2022
Hathaway Consulting Ltd.	\$ -	\$ 29,533
Into the Blue Management Inc.	-	22,150
Koval Management Inc.	-	29,533
La Mar Consulting Inc.	-	18,458
Lyle E Braaten Law Corp.	-	18,458
Miedzi	-	38,763
	\$ -	\$ 156,895

*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, 2023	Three months ended March 31, 2022
Short-term benefits (i)	\$ 205,998	\$ 224,091
Share-based payments (ii)	-	-
Total remuneration	\$ 205,998	\$ 224,091

(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, 2023 and 2022.

**18. INTEREST INCOME AND OTHER**

Interest income and other consists of the following components:

	Three months ended March 31, 2023	Three months ended March 31, 2022
BHP termination payment (Note 6(a))	\$ 100,000	\$ -
JOGMEC fees (Note 6(a))	6,821	105,647
Interest - bank	30,628	681
Other	125	-
	\$ 137,574	\$ 106,328

**19. COMMITMENTS AND CONTINGENT LIABILITY**

*Commitments*

As at March 31, 2023, 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	\$ 77,000
After one year but not more than five years	2,000
	\$ 79,000

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**Three months ended March 31, 2023 and 2022**

Unaudited

(expressed in U.S. dollars)

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**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 Non-Renewable Natural Resources 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 March 31, 2023, the Group's commitment is as follows:

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Within one year <sup>(1)</sup>	\$	7,000
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<sup>(1)</sup> Consists of the 2023 commitment per the annual expenditure plan submitted to the Government of Ecuador less applicable expenditure during the three months to March 31, 2023. The Company has 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, 2023, and assuming withdrawal from the agency agreement at that date, Luminex's obligation to Miedzi would be approximately \$324,000 (December 31, 2022 - \$322,000).

**20. SUBSEQUENT EVENT**

On April 14, 2023, 22,334 stock options to acquire common shares of the Company at exercise prices ranging from C\$0.25 to C\$0.68 expired.