LUMINEX RESOURCES CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2020

(Unaudited)

TSX-V: LR

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, 2020 and 2019 have not been reviewed by the Company’s external auditors.

LUMINEX RESOURCES CORP.
CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS

Unaudited

(expressed in U.S. dollars)

	Note	March 31, 2020	December 31, 2019
ASSETS			
Current assets			
Cash	3	$ 4,744,973	$ 8,382,935
Receivables	4	182,364	121,384
Prepaid expenses		61,737	41,067
Total current assets		4,989,074	8,545,386
Non-current assets			
Environmental deposit		-	174,325
Property and equipment	5	881,177	897,767
Exploration and evaluation assets	6(a)	30,120,626	30,120,626
Investment in Pegasus	6(b)	2,200,000	2,200,000
Total assets		$ 38,190,877	$ 41,938,104
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		$ 804,496	$ 1,076,624
Current portion of lease obligations	5	25,794	25,225
Total current liabilities		830,290	1,101,849
Non-current liabilities			
Lease obligations	5	21,036	27,579
Total liabilities		851,326	1,129,428
EQUITY			
Share capital	8	66,438,255	66,438,255
Share-based payment reserve		728,713	664,960
Accumulated deficit		(31,603,564)	(28,268,285)
Equity attributable to owners of the Company		35,563,404	38,834,930
Non-controlling interest	7	1,776,147	1,973,746
Total equity		37,339,551	40,808,676
Total liabilities and equity		$ 38,190,877	$ 41,938,104

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

APPROVED BY THE DIRECTORS

"Marshall Koval"
Director

"Donald Shumka"
Director

LUMINEX RESOURCES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

Three months ended March 31, 2020 and 2019

Unaudited

(expressed in U.S. dollars)

	Note		Three months ended March 31, 2020		2019
Expenses					
Exploration and evaluation ("E&E") expenditures	6(c), 16	$	3,041,428	$	1,081,081
Fees, salaries and other employee benefits	10, 16		225,788		234,568
General and administration ("G&A")	16		84,104		23,899
Pre exploration and evaluation expenditures			-		10,372
Professional fees			86,569		88,280
			(3,437,889)		(1,438,200)
Other income (expenses)					
Interest income and other	17		14,407		196,058
Interest expense	5		(2,373)		(1,984)
Foreign exchange (loss) gain			(107,023)		189
			(94,989)		194,263
Net loss and comprehensive loss for the period		$	(3,532,878)	$	(1,243,937)
Loss attributable to:					
Owners of the Company		$	(3,335,279)	$	(1,190,705)
Non-controlling interest	7		(197,599)		(53,232)
		$	(3,532,878)	$	(1,243,937)
Loss per share attributable to owners of the Company – basic and diluted	11	$	(0.05)	$	(0.03)
Weighted average number of shares outstanding – basic and diluted	11		72,210,415		41,096,558

LUMINEX RESOURCES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

Three months ended March 31, 2020 and 2019

Unaudited

(expressed in U.S. dollars)

	Note	**Three months ended March 31, 2020**	**2019**
Operating activities			
Loss for the period		$ (3,532,878)	$ (1,243,937)
Adjustment for non-cash items:			
Depreciation	5	16,590	18,146
Share-based payment	9	63,753	68,034
Environmental deposit interest accrued		(817)	(1,558)
Deduct: interest income		(6,026)	(9,515)
Add: interest expense		2,373	1,984
Net changes in non-cash working capital items:			
Receivables		(60,980)	(119,461)
Prepaid expenses		(20,670)	(28,038)
Accounts payable and accrued liabilities		(272,128)	129,698
Net cash utilized in operating activities		(3,810,783)	(1,184,647)
Investing activities			
Environmental deposit		175,142	-
Interest received		6,026	9,515
Net cash provided by investing activities		181,168	9,515
Financing activities			
Payment of lease obligation	5	(5,974)	(6,678)
Interest paid re lease obligation	5	(2,373)	(1,984)
Net cash utilized in financing activities		(8,347)	(8,662)
Decrease in cash		(3,637,962)	(1,183,794)
Cash, beginning of period		8,382,935	3,384,161
Cash, end of period	3	$ 4,744,973	$ 2,200,367

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

Three months ended March 31, 2020 and 2019

Unaudited

(expressed in U.S. dollars)

		Attributable to owners of the Company												
		Share Capital				Share-based		Accumulated				Non-controlling		
	Note	Number of shares		Amount		Payment Reserve		Deficit		Total		Interest		Total Equity
Balance, December 31, 2018		41,096,558	$	53,576,655	$	283,454	$	(19,314,585)	$	34,545,524	$	2,509,738	$	37,055,262
Share-based payment	9	-		-		68,034		-		68,034		-		68,034
Comprehensive loss		-		-		-		(1,190,705)		(1,190,705)		(53,232)		(1,243,937)
Balance, March 31, 2019		41,096,558	$	53,576,655	$	351,488	$	(20,505,290)	$	33,422,853	$	2,456,506	$	35,879,359
Balance, December 31, 2019		72,210,415	$	66,438,255	$	664,960	$	(28,268,285)	$	38,834,930	$	1,973,746	$	40,808,676
Share-based payment	9	-		-		63,753		-		63,753		-		63,753
Comprehensive loss		-		-		-		(3,335,279)		(3,335,279)		(197,599)		(3,532,878)
Balance, March 31, 2020		72,210,415	$	66,438,255	$	728,713	$	(31,603,564)	$	35,563,404	$	1,776,147	$	37,339,551

See Accompanying Notes to the Condensed Consolidated Interim Financial Statements

1. NATURE OF OPERATIONS

Luminex Resources Corp. ("Luminex" or the "Company") 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 "Arrangement"). The Company is listed on the TSX-Venture Exchange, having the symbol LR. Luminex and its wholly-owned subsidiaries (collectively referred to as the "Group") are engaged in the acquisition, exploration and development of mineral resources in Ecuador. The Group is considered to be in the exploration stage as it has not placed any of its mineral properties into production.

The Company's head office and principal business address is Suite 410, 625 Howe Street, Vancouver, British Columbia, V6C 2T6. The Company's 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 Group for the three months ended March 31, 2020 and 2019, 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 Group's annual financial statements as at December 31, 2019 which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). 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 26, 2020.

(b) Going concern

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Group will be able to realize, in the foreseeable future, its assets and discharge its liabilities in the normal course of business as they come due. The Group has incurred cumulative losses of $31,603,564 as at March 31, 2020 and has reported a net loss attributable to owners of the Company of $3,335,279 for the three months ended March 31, 2020. The Group expects to continue to incur losses in the development of its mineral exploration projects and will require additional financing in the future. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern. The ability of the Group 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 Group's assets, the outright sale of the Company, the successful development of the Group's mineral property interests or a combination thereof. The advent of the COVID-19 outbreak which has been declared a pandemic by the World Health Organization has resulted in a situation that is dynamic and uncertain. The ultimate duration and magnitude of the impact on the economy, capital markets and the Company's financial position cannot be reasonably estimated at this time. The Company is monitoring developments and will 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 will be successful. The Group believes that, based on forecasts and its expected ability to raise financing, it will be able to continue as a going concern for the foreseeable future. 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 Group 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 Group's audited consolidated financial statements for the year ended December 31, 2019. Those accounting policies have been used throughout all periods presented in the condensed consolidated interim financial statements.

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

(d) Significant accounting judgments and estimates

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

Determination of functional currency: The determination of functional currency for each company in the Group requires an analysis of various indicators which IFRS splits between primary and additional indicators. The primary factors include analyzing (a) the currency that mainly influences sales prices for goods and services, (b) the currency of the country whose competitive forces and regulations mainly determine the sales price of its goods and services and (c) the currency that mainly influences labour, material and other costs of providing goods or services. Management further reviewed the additional factors for consideration under IFRS which included examining (a) the currency of financing activities, (b) the currency in which receipts from operating activities are usually retained, (c) whether the activities of foreign operations are carried out as an extension of the Company or operate with a large degree of autonomy, (d) whether transactions between entities is a high or low proportion of the foreign operation's activities, (e) whether cash flows from activities of a foreign operation directly affect the cash flows of the Company and (f) whether cash flows from the activities of the foreign operation are sufficient to service existing and normally expected debt obligations. Management determined that the functional currency for all companies in the Group is the U.S. dollar.

Going concern: The assessment of the Group's ability to continue as a going concern requires significant judgment. The Group considers the factors outlined in Note 2(b) when making its going concern assessment.

Exploration and evaluation assets: The application of the Group's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that such acquisition costs incurred will be recovered through successful exploration and development or sale of the asset under review. Furthermore, the assessment as to whether economically recoverable resources exist is itself an estimation process. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off to profit or loss in the period when the new information becomes available. The carrying value of these assets is detailed at Note 6(a).

Share-based payments: The Company utilizes the Black-Scholes Option Pricing Model ("Black-Scholes") to estimate the fair value of stock options granted to directors, officers and employees. The use of Black-Scholes requires management to make various estimates and assumptions that impact the value assigned to the stock options including the forecast future volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the stock options. Any changes in these assumptions could have a material impact on the share-based payment calculation value.

ROU assets and lease obligations: The application of IFRS 16 requires the Group to make certain judgments, estimates and assumptions that affect the valuation of ROU assets and the related lease obligations. These include determining agreements in the scope of IFRS 16, determining the contract term and the interest rate used for discounting of future cash flows. The lease term determined by the Group is comprised of the non-cancellable period of lease agreements and periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option. The present value of the lease payment is determined using a discount rate representing the rate that would be applicable to the Group in the relevant jurisdiction of the lease agreement at the time the lease agreement commences or is modified.

(e) Standards issued but not yet effective

The Group has not early adopted any amendment, standard or interpretation that has been issued by the International Accounting Standards Board but that is not yet effective.

3. CASH

The Group's cash, by currency, at March 31, 2020 and December 31, 2019 was as follows:

		March 31, 2020		December 31, 2019
Cash at bank and in hand denominated in Canadian dollars	$	1,106,748	$	1,422,298
Cash at bank and in hand denominated in U.S. dollars		3,638,225		6,960,637
	$	4,744,973	$	8,382,935

4. RECEIVABLES

		March 31, 2020		December 31, 2019
Refundable goods and services tax	$	13,495	$	13,070
Other		168,869		108,314
	$	182,364	$	121,384

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

5. PROPERTY AND EQUIPMENT AND LEASE OBLIGATIONS

		Land[(1)]		Right-of-use assets		Property & Equipment		Total
Cost								
December 31, 2019 and March 31, 2020	$	553,032	$	80,199	$	472,403	$	1,105,634
Accumulated Depreciation								
December 31, 2019	$	-	$	30,726	$	177,141	$	207,867
Depreciation for the period		-		6,184		10,406		16,590
March 31, 2020	$	-	$	36,910	$	187,547	$	224,457
Net book value								
December 31, 2019	$	553,032	$	49,473	$	295,262	$	897,767
March 31, 2020	$	553,032	$	43,289	$	284,856	$	881,177

(1) 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.

Lease obligations: A continuity of the lease liability for the three months ended March 31, 2020 is as follows:

December 31, 2019	$	52,804
Interest accretion		2,373
Lease payments		(8,347)
March 31, 2020	$	46,830

(expressed in U.S. dollars)

5. PROPERTY AND EQUIPMENT AND LEASE OBLIGATIONS (continued)

Minimum lease payments in respect of lease obligations and the effect of discounting are as follows at March 31, 2020:

Undiscounted minimum lease payments		
Within one year	$	28,935
Between one to two years		21,700
Total undiscounted lease obligations		50,635
Less: future interest charges		(3,805)
Total discounted lease obligations		46,830
Less: current portion of lease obligations		(25,794)
Non-current portion of lease obligations	$	21,036

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

Condor

The Group has nine concessions located in the Zamora-Chinchipe Province in southeast Ecuador, collectively known as the “Condor Project” and totaling 10,101 hectares, which also includes the following concessions (i) Escondida (1,204 hectares awarded to Lumina pursuant to a public tender process in Ecuador (the “Public Tender”) in January 2017) and (ii) Santa Elena (628 hectares obtained by Lumina through Public Tender in December 2016).

Pegasus

In November 2016, pursuant to the Public Tender, Lumina was awarded the Pegasus A1-7 and Pegasus B8-14 concessions. These concessions are an early-stage gold project comprising 66,525 hectares and are located approximately 150 kilometres southwest of Quito. In June 2017, Lumina was awarded an additional concession of 835 hectares, known as “Luz,” which is adjacent to the Pegasus A concessions.

Tres Picachos / La Canela / Orquideas

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

Palma Real / Cascas / Santa Elena / Quimi / Tarqui

These concessions were initially obtained under an option between Lumina and Proyectmin S.A. (“Proyectmin”), a related party. On April 18, 2018, Luminex (which was still a wholly-owned subsidiary of Lumina) paid and expensed a payment to Proyectmin for an amount of $35,000 which eliminated the need for the option and brought ownership of the areas directly under control of Luminex. The concession areas include: Palma Real, obtained in November 2016, and located in Northern Ecuador, consisting of four concession areas totaling 19,775 hectares; Cascas, obtained in January 2017, consisting of two concession areas totaling 9,998 hectares located approximately 25 kilometres southwest of the Condor Project; Santa Elena, as described under “Condor” above; Quimi, obtained in May 2017, consisting of two concession areas totaling 2,732 hectares located on trend with the Condor Project; and Tarqui, obtained in May 2017, consisting of two concession areas totaling 4,817 hectares located on trend with the Condor Project. As at June 30, 2019, the Group had effectively relinquished the Palma Real concessions.

(expressed in U.S. dollars)

6. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)

(a) Exploration and evaluation assets (continued)

Acquisition costs and carrying value of the Group's exploration projects as at March 31, 2020 are as follows:

		March 31, 2020
Cost		
Condor Project	$	47,487,910
Rights to acquire / use ("Mineral Concession Rights")		
- Escondida (part of Condor Project)		45,000
- La Canela		120,000
- Orquideas		825,000
- Tres Picachos		240,000
	$	48,717,910
Impairment		
Condor Project	$	17,772,284
Orquideas		825,000
	$	18,597,284
Net book value	$	30,120,626

BHP Group plc ("BHP") Earn-in Agreement

On July 12, 2019, the Company entered into an earn-in and joint venture agreement (the "BHP Agreement") with a wholly-owned subsidiary of BHP on the Tarqui 1 and 2 mining concessions ("Tarqui"). Under the terms of the BHP Agreement, Luminex received a recovery fee of $341,337 relating to reimbursement of costs incurred on Tarqui prior to signing the BHP Agreement and BHP will have the right to:

(i) earn a 51% ownership interest in a joint venture company, which will hold Tarqui, by investing an aggregate amount of $25 million in exploration expenditures and making $2.4 million of cash payments to the Company over a four-year period (the "First BHP Earn-in"), such payments to be made in installments of (i) $100,000 within ten business days of July 12, 2019 (received); (ii) $200,000 upon completion of the transfer of Tarqui to the joint venture company; (iii) $300,000 by July 12, 2020; (iv) $450,000 by July 12, 2021; (v) $450,000 by July 12, 2022; and (vi) $900,000 by July 12, 2023;

(ii) earn an additional 9% ownership interest in the joint venture company by sole funding an additional $10 million of exploration expenditures and making an additional $4.6 million of cash payments over a further two-year period (with $1,100,000 due by July 12, 2024 and $3,500,000 due by July 12, 2025), increasing BHP's aggregate ownership to 60% (the "Second BHP Earn-in"); and

(iii) earn a further 10% ownership interest in the joint venture company by sole funding an additional $40 million of exploration expenditures on Tarqui, taking BHP's aggregate ownership to 70% (the "Third BHP Earn-in").

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

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

On June 20, 2018, Lumina signed a formal earn-in agreement (the "Earn-in Agreement") with FQM relating to the Orquideas and Cascas concessions (the "Properties"). Under the terms of the Earn-in Agreement, FQM was committed to fund a minimum of $1.5 million in exploration expenditures and fees by the end of year one, after which it could withdraw from the agreement with no retained interest. A $150,000 earn-in payment by FQM was received by the Company on February 21, 2019 (see Note 17). By letter dated August 4, 2019, FQM notified the Company that it was terminating its earn-in on the Orquideas concession. It was determined that it was appropriate to record an impairment of $825,000 to the carrying value during the year ended December 31, 2019.

6. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)

(a) Exploration and evaluation assets (continued)

FQM Earn-in Agreement (continued)

Subsequent to the FQM withdrawal on Orquideas, a further notice was provided in August 2019 whereby FQM informed the Company that it was also withdrawing from the Cascas concessions, effectively terminating the Earn-in Agreement. Following discussions with FQM, the withdrawal from Cascas was agreed as being effective on August 22, 2019, with FQM remitting a one-time settlement payment of $149,892 in December 2019, intended to cover certain future costs related to the Cascas concessions. FQM had not incurred sufficient expenditures to earn an ownership interest in the Properties. FQM and Lumina also entered into a services agreement (the "Services Agreement") whereby Lumina would act as the manager of the works programs to be conducted under direction of FQM. The Services Agreement was assigned to Luminex pursuant to the Arrangement. As manager, Luminex was entitled to charge an overhead and recovery fee of 10% of the expenditures incurred on the Properties. For the three months ended March 31, 2019, $34,985 in overhead and recovery fees related to the Services Agreement was included in "interest income and other" on the consolidated statement of comprehensive loss (see Note 17).

(b) Investment in Pegasus

Anglo American plc ("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) 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; and (iii) $500,000 by September 21, 2021) and spend at least $10 million in exploration expenditures by September 21, 2022 of which at least $2.2 million must be funded prior to September 21, 2019 (the "Initial Contribution"). Should Anglo American fail to complete the Initial Contribution its shares in Central will be cancelled and returned to treasury and the Pegasus Project will revert to being 100% owned by Luminex;

(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 or fail to make its Initial Contribution commitment it will cause all its appointed directors to resign from Central and Central Ecuador.

(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, 2020									
	Cascas	Condor	La Canela	Orquideas	Palma Real	Pegasus[3]	Quimi	Tarqui[3]	Tres Picachos	**TOTAL**
Assays / Sampling	$ 2,233	$ 143,212	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,985	**$ 148,430**
Camp	43,970	301,023	852	5,080	-	-	2,859	-	6,546	**360,330**
Camp access and improvements	1,676	97,104	-	-	-	-	-	-	-	**98,780**
Drilling	-	913,291	-	-	-	-	-	-	-	**913,291**
Engineering	-	9,531	-	-	-	-	-	-	-	**9,531**
Environmental, Health & Safety	31,089	68,385	5,012	17,606	-	-	4,901	-	6,681	**133,674**
Field office	4,911	76,589	637	6,986	-	-	-	-	782	**89,905**
Geological consulting and field staff	121,086	344,640	3,821	5,467	-	-	4,748	-	47,425	**527,187**
Legal fees	3,808	21,266	-	4,190	-	-	647	-	-	**29,911**
Metallurgical	-	1,080	-	-	-	-	-	-	-	**1,080**
Mineral rights and property fees	101,660	90,279	31,870	47,430	-	-	27,320	800	48,280	**347,639**
Project management[1]	17,031	86,809	-	-	-	1,883	1,392	1,228	1,146	**109,489**
Social and community[1]	82,246	29,097	-	2,814	-	-	2,493	-	-	**116,650**
Transportation and accommodation	42,654	99,511	-	-	-	-	5,472	-	7,894	**155,531**
Costs incurred during the period	$ 452,364	$ 2,281,817	$ 42,192	$ 89,573	$ -	$ 1,883	$ 49,832	$ 2,028	$ 121,739	**$ 3,041,428**
Cumulative E&E incurred by Lumina to August 31, 2018 [2]	$ 247,281	$ 5,080,081	$ 175,936	$ 1,344,244	$ 600,096	$ 2,436,866	$ 132,765	$ 412,985	$ 294,458	**$ 10,724,712**
Cumulative E&E incurred by Luminex, beginning of period	352,927	7,841,157	154,889	219,901	35,579	27,189	626,172	397,539	229,982	**9,885,335**
E&E incurred during the period	452,364	2,281,817	42,192	89,573	-	1,883	49,832	2,028	121,739	**3,041,428**
Cumulative E&E incurred, end of period	$ 1,052,572	$ 15,203,055	$ 373,017	$ 1,653,718	$ 635,675	$ 2,465,938	$ 808,769	$ 812,552	$ 646,179	**$ 23,651,475**

[1] Project management and social and community costs include payments made to key management personnel (see Note 16).
[2] 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 the First Quantum or Anglo American Earn-In Agreements. Presented to illustrate total spend incurred on the projects in order to meet Ecuadorean spending commitments (see Note 18).
[3] Costs shown do not include expenditures incurred by BHP or Anglo American pursuant to their Earn-In Agreements.

(expressed in U.S. dollars)

6. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)

(c) Exploration and evaluation expenditures

	Three months ended March 31, 2019									
	Cascas[3]	Condor	La Canela	Orquideas[3]	Palma Real	Pegasus[3]	Quimi	Tarqui	Tres Picachos	**TOTAL**
Assays / Sampling	$ -	$ 27,920	$ 3,380	$ -	$ -	$ -	$ 3,155	$ -	$ 1,601	**$ 36,056**
Camp	-	163,940	657	-	-	-	11,419	9,962	975	**186.953**
Camp access and improvements	-	11,059	-	-	-	-	-	-	-	**11,059**
Environmental, Health & Safety	-	25,987	784	-	5,536	-	5,024	3,615	784	**41,730**
Field office	-	68,595	1,477	-	221	-	2,690	683	592	**74,258**
Geological consulting and field staff	-	133,365	36,325	-	-	-	54,704	41,745	17,050	**283,189**
Legal fees	-	485	1,887	-	3,638	-	-	-	1,886	**7,896**
Mineral rights	-	86,206	31,392	-	-	-	26,910	47,447	47,556	**239,511**
Project management[1]	-	50,106	1,578	-	398	2,640	2,019	6,689	1,466	**64,896**
Social and community[1]	-	10,136	167	-	227	-	16,581	21,374	278	**48,763**
Transportation and accommodation	-	56,130	4,904	-	168	-	14,135	9,103	2,330	**86,770**
Costs incurred during the period	$ -	$ 633,929	$ 82,551	$ -	$ 10,188	$ 2,640	$ 136,637	$ 140,618	$ 74,518	**$ 1,081,081**
Cumulative E&E incurred by Lumina to August 31, 2018 [2]	$ 247,281	$ 5,080,081	$ 175,936	$ 1,344,244	$ 600,096	$ 2,436,866	$ 132,765	$ 412,985	$ 294,458	**$ 10,724,712**
Cumulative E&E incurred by Luminex, beginning of period	6,761	1,703,999	42,558	-	17,909	11,903	125,363	319,718	105,172	**2,333,383**
E&E incurred during the period	-	633,929	82,551	-	10,188	2,640	136,637	140,618	74,518	**1,081,081**
Cumulative E&E incurred, end of period	$ 254,042	$ 7,418,009	$ 301,045	$ 1,344,244	$ 628,193	$ 2,451,409	$ 394,765	$ 873,321	$ 474,148	**$ 14,139,176**

[1] Project management and social and community costs include payments made to key management personnel (see Note 16).
[2] 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 the First Quantum or Anglo American Earn-In Agreements. Presented to illustrate total spend incurred on the projects in order to meet Ecuadorean spending commitments (see Note 18).
[3] Costs shown do not include expenditures incurred by First Quantum or Anglo American pursuant to their Earn-In Agreements.

(expressed in U.S. dollars)

7. NON-CONTROLLING INTEREST ("NCI")

The following table summarizes information related to the Group's non-controlling interest which has a 10% interest in Condormining Corporation S.A. (see Note 16).

	March 31, 2020	December 31, 2019
Current assets	$ 859,936	$ 1,065,255
Non-current assets	33,364,090	31,662,273
Current liabilities	(131,355)	(411,415)
Net assets	34,092,671	32,316,113
NCI percentage	10%	10%
Net assets of individual entities attributable to the NCI	3,409,267	3,231,611
Adjustments on consolidation of individual entities subject to NCI	(1,633,120)	(1,257,865)
Net assets attributable to the NCI	$ 1,776,147	$ 1,973,746

	Three months ended March 31, 2020	2019
Net loss and comprehensive loss	$ 1,975,990	$ 532,320
NCI percentage	10%	10%
Net loss and comprehensive loss attributable to NCI	$ 197,599	$ 53,232

The entities subject to a NCI incurred the following cash expenditures during the three months ended March 31, 2020: (i) $2,023,414 on operating activities (three months ended March 31, 2019 - $528,914); and (ii) $Nil on investing activities (three months ended March 31, 2019 - $Nil).

8. SHARE CAPITAL

Authorized: Unlimited common shares, without par value.

Issued and fully paid:	Number of Common Shares	Amount
Balance, December 31, 2018 and March 31, 2019	41,096,558	$ 53,576,655
Balance, December 31, 2019 and March 31, 2020	72,210,415	$ 66,438,255

9. 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 4,000,000. 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, 2020 and 2019.

Pursuant to the Company's accounting policy for share-based payments, the fair value of options vesting during the three months ended March 31, 2020, in the amount of $63,753 (three months ended March 31, 2019 - $68,034) has been recorded in the consolidated statement of comprehensive loss under fees, salaries and other employee benefits (Note 10).

(expressed in U.S. dollars)

9. 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 March 31, 2020		2019	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning and end of period	3,286,973	C$0.65	2,782,723	C$0.63

At March 31, 2020, 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
193,500	December 4, 2020	0.68	C$0.25	193,500	C$0.25
168,223	April 20, 2021	1.05	C$0.38	168,223	C$0.38
257,250	December 30, 2021	1.75	C$0.65	257,250	C$0.65
75,000	March 6, 2022	1.93	C$0.73	75,000	C$0.73
296,000	December 7, 2022	2.69	C$0.54	296,000	C$0.54
1,200,000	October 5, 2023	3.52	C$0.80	793,750	C$0.80
1,097,000	October 16, 2024	4.55	C$0.63	355,680	C$0.63
3,286,973		3.32	C$0.65	2,139,403	C$0.63

10. FEES, SALARIES AND OTHER EMPLOYEE BENEFITS

	Three months ended March 31, 2020	2019
Fees and salaries	$ 161,297	$ 166,534
Other benefits	738	-
Share-based payments (Note 9(a))	63,753	68,034
	$ 225,788	$ 234,568

11. LOSS PER SHARE

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

	Three months ended March 31, 2020	2019
Net loss attributed to owners of the Company	$ 3,335,279	$ 1,190,705
Weighted average number of common shares outstanding (basic and diluted)	72,210,415	41,096,558
Loss per share – basic and diluted	$ 0.05	$ 0.03

(expressed in U.S. dollars)

11. LOSS PER SHARE (continued)

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

All of the stock options currently issued (see Note 9) were anti-dilutive for the three months ended March 31, 2020 and 2019 and have not been included in the calculation of diluted weighted average number of common shares outstanding.

12. CAPITAL RISK MANAGEMENT

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

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

The Company considers its equity, which includes common shares, share-based payment reserve and accumulated deficit as capital. The Company intends to spend existing working capital by carrying out its planned acquisition, exploration and development activities on mineral properties and continuing to pay administrative costs.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the underlying assets. In order to maintain or adjust the capital structure the Company may issue new common shares. In order to facilitate analysis and management of its capital requirements, the Company prepares and updates annual budgets (as needed) to ensure that its acquisition and exploration operations can continue to progress. Budgets, once finalized, are approved by the Board. There have not been any changes to the Company's capital management objectives, policies and processes compared to the prior year. The Company is not subject to any externally imposed capital requirements.

13. FINANCIAL INSTRUMENTS

(a) Categories of financial assets and financial liabilities

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

	Note	Category	March 31, 2020	December 31, 2019
Cash	3	Amortized cost	$ 4,744,973	$ 8,382,935
Receivables	4	Amortized cost	168,869	108,314
Environmental deposit		Amortized cost	-	174,325
Accounts payable and accrued liabilities		Amortized cost	804,496	1,076,624

The recorded amounts for cash, receivables, environmental deposit and accounts payable and accrued liabilities approximate their fair value due to the short-term maturities of these instruments and/or the market interest rate being earned or charged thereon. Income earned on the Group's cash and cash equivalents has been disclosed in the consolidated statements of 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.

14. 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 Group's operations and all transactions undertaken are to support the Group'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 Group considers that its cash, receivables and environmental deposit are exposed to credit risk, representing maximum exposure of $4,913,842 (December 31, 2019 - $8,665,574). 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 Group's exposure to credit risk on its cash is minimized by maintaining these assets with high-credit quality financial institutions. At March 31, 2020, the Group's cash was held at two financial institutions (December 31, 2019 – two financial institutions).

(b) Liquidity Risk

Liquidity risk is the risk that the Group will be unable to meet its financial obligations as they become due. The Group 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, 2020, the Group's current liabilities consisted of trade and other payables of $804,496 which are due primarily within three months from the period end. The Group's cash of $4,744,973 at March 31, 2020, was 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 Group will fluctuate because of changes in market interest rates. Based on the Group's cash as at March 31, 2020, 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 $47,000 in the Group's interest income on an annual basis.

Currency Risk

The functional currency of the Company 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 Group 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 Group incurs the majority of its expenditures in U.S. dollars, corporate G&A expenses are primarily paid in Canadian dollars. The Group does not use derivative instruments to reduce its exposure to foreign exchange and currency risks. The Group'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 Group's consolidated loss, comprehensive loss and equity based upon the assets held at March 31, 2020.

Financial Instrument Type		U.S. Dollar	Currency	+/- 1% Fluctuation	
Cash	$	1,106,748	CAD dollar	$ 11,067	$ (11,067)
Accounts payable and accrued liabilities		(61,365)	CAD dollar	(614)	614
Total	$	1,045,383		$ 10,453	$ (10,453)

Other Price Risk

The Group did not hold any financial instruments that had direct exposure to other price risks at March 31, 2020.

(expressed in U.S. dollars)

15. SEGMENTED DISCLOSURE

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

16. GROUP INFORMATION AND RELATED PARTY TRANSACTIONS

Information about subsidiaries

The consolidated financial statements include the following subsidiaries:

		% Equity interest at	
	Country of Incorporation	March 31, 2020	December 31, 2019
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(1)	30(1)
Tarqui Holdings Ltd.	Canada	100	100
EMH S.A.	Ecuador	100	100
Condormining Corporation S.A.	Ecuador	90	90
Corporacion FJTX Exploration S.A.	Ecuador	100	100
Bestminers S.A.	Ecuador	90	90
Condormine S.A.	Ecuador	90.1	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(1)	30(1)

(1) 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 Group incurred the following expenses with related parties:

		Three months ended March 31,	
Company	Nature of transactions	2020	2019
Hathaway Consulting Ltd.	Fees	$ 24,149	$ 19,425
Into the Blue Management Inc.	Fees	15,474	-
Koval Management Inc.	Fees	33,274	32,553
La Mar Consulting Inc.	E&E (social / community)	32,793	16,893
Lumina	E&E (field office / travel)	1,292	-
Lumina	G&A	16,312	-
Lyle E Braaten Law Corp.	Fees	16,097	15,507
Miedzi Copper Corp. ("Miedzi")	E&E (geological)	23,632	7,549
Miedzi	G&A	8,502	14,103
Miedzi	Fees	43,655	59,091
		$ 215,180	$ 165,121

Miedzi and Lumina are considered companies related by way of directors and shareholders in common. Hathaway Consulting Ltd., Into the Blue Management Inc., Koval Management Inc., La Mar Consulting Inc. and Lyle E Braaten Law Corp. are related by way of being owned by directors or officers of the Company. Related party transactions are recognized at the amounts agreed between the parties. Outstanding balances are unsecured and settlement occurs in cash. At March 31, 2020, the following amounts were included in accounts payable: (i) $28,928 owing to Miedzi; and (ii) $4,281 owing to Lumina (December 31, 2019 - $695 owing to Lumina).

Luminex Services provides personnel services to Odin Mining del Ecuador S.A. ("Odin"), a subsidiary of Lumina, whereby personnel time is recharged based on time worked and at a rate of cost plus 6%. These services are recorded the Company's financial statements as a reduction of cost associated to E&E expenditures. The total amount recharged to Odin for the three months ended March 31, 2020 was $87,947 (three months ended March 31, 2019 - $79,662). Included in accounts receivable is $31,682 due from Odin (December 31, 2019 - $6,157).

(expressed in U.S. dollars)

16. GROUP INFORMATION AND RELATED PARTY TRANSACTIONS (continued)

Key management personnel compensation

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

	Three months ended March 31, 2020		Three months ended March 31, 2019
Short-term benefits (i)	$ 201,783		$ 165,821
Share-based payments (ii)	-		-
Total remuneration	$ 201,783		$ 165,821

(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 periods ended March 31, 2020 and 2019.

17. INTEREST INCOME AND OTHER

Interest income and other consists of the following components:

	Three months ended March 31, 2020	Three months ended March 31, 2019
FQM earn-in payment (Note 6(a))	$ -	$ 150,000
FQM Services Agreement fee (Note 6(a))	-	34,985
Interest - bank / environmental deposits	6,843	11,073
Other	7,564	-
	$ 14,407	$ 196,058

18. COMMITMENTS AND CONTINGENT LIABILITY

Commitments

As at December 31, 2019, the Group 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	$ 66,000
After one year but not more than five years	15,000
	$ 81,000

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

(a) New concessions granted pursuant to the Public Tender (see Note 6(a)) require minimum expenditures per year (commencing on the registration date of the concession with the Government of Ecuador) of $5 per hectare for each of Years 1 and 2 and $10 per hectare for each of Years 3 and 4. 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.

18. COMMITMENTS AND CONTINGENT LIABILITY (continued)

Commitments (continued)

(c) Concessions in Ecuador require the Group 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 Group 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 Tarqui which is being managed and earned-in by BHP, as at March 31, 2020, the Group's commitment consists of (i) $533,000 due by December 31, 2020 and (ii) $5,463,000 due by dates ranging from February 17, 2021 to June 9, 2021 (the 4-year anniversary dates of concessions granted). This amount has not been adjusted for qualifying expenditures in the three months ended March 31, 2020.

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, 2020, and assuming withdrawal from the agency agreement at that date, Luminex's obligation to Miedzi would be approximately $356,000 (December 31, 2019 - $381,000).