LUMINEX RESOURCES CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2022

(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 September 30, 2022 and 2021 have not been reviewed by the Company’s external auditors.

LUMINEX RESOURCES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

Unaudited

(expressed in U.S. dollars)

	Note	September 30, 2022	December 31, 2021
ASSETS		(Note 9)	
Current assets			
Cash and cash equivalents	3	$ 3,850,499	$ 3,488,779
Receivables	4	48,260	58,343
Prepaid expenses		79,489	106,109
Total current assets		3,978,248	3,653,231
Non-current assets			
Property and equipment	5	919,841	917,112
Exploration and evaluation assets	6(a)	30,180,626	30,120,626
Investment in Pegasus	6(b)	2,200,000	2,200,000
Total assets		$ 37,278,715	$ 36,890,969
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		$ 708,191	$ 422,182
Current portion of lease obligations		29,570	-
Total current liabilities		737,761	422,182
Non-current liabilities			
Lease obligations		7,813	-
Warrant liability	9	87,196	-
Total liabilities		832,770	422,182
EQUITY			
Share capital	7	91,841,748	85,505,963
Share-based payment reserve		1,504,233	1,353,027
Accumulated deficit		(56,266,065)	(51,441,409)
Equity attributable to owners of the Company		37,079,916	35,417,581
Non-controlling interest	10	(633,971)	1,051,206
Total equity		36,445,945	36,468,787
Total liabilities and equity		$ 37,278,715	$ 36,890,969

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

APPROVED BY THE DIRECTORS

"Marshall Koval"
Director

"Donald Shumka"
Director

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

For the three and nine months ended September 30, 2022 and 2021

Unaudited

(expressed in U.S. dollars)

		Three months ended September 30,				Nine months ended September 30,			
	Note		**2022**		**2021**		**2022**		**2021**
Expenses			(Note 9)				(Note 9)		
Exploration and evaluation ("E&E") expenditures	6(c), 17	$	3,015,896	$	2,720,452	$	6,799,038	$	9,057,613
Fees, salaries and other employee benefits	11, 17		208,988		257,371		635,106		740,885
General and administration ("G&A")	17		131,401		136,420		441,204		348,660
Professional fees			19,204		72,828		205,127		179,110
			(3,375,489)		(3,187,071)		(8,080,475)		(10,326,268)
Other income (expenses)									
Change in fair value of warrants	9		260,202		-		432,325		-
Interest income and other	18		1,033,837		501,491		1,233,616		955,905
Interest expense and other			(939)		(353)		(3,276)		(1,515)
Foreign exchange loss			(94,502)		(73,751)		(92,023)		(185,648)
			1,198,598		427,387		1,570,642		768,742
Net loss and comprehensive loss for the period		$	(2,176,891)	$	(2,759,684)	$	(6,509,833)	$	(9,557,526)
Loss attributable to:									
Owners of the Company		$	(2,145,670)	$	(2,689,483)	$	(6,414,470)	$	(9,373,594)
Non-controlling interest	10		(31,221)		(70,201)		(95,363)		(183,932)
		$	(2,176,891)	$	(2,759,684)	$	(6,509,833)	$	(9,557,526)
Loss per share attributable to owners of the Company – basic and diluted	12	$	(0.02)	$	(0.02)	$	(0.05)	$	(0.09)
Weighted average number of shares outstanding – basic and diluted	12		132,263,352		108,573,352		122,023,718		100,099,739

LUMINEX RESOURCES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

For the nine months ended September 30, 2022 and 2021

Unaudited

(expressed in U.S. dollars)

		Nine months ended September 30,	
	Note	**2022**	**2021**
Operating activities			
Loss for the period		$ (6,509,833)	$ (9,557,526)
Adjustment for non-cash items:			
Depreciation	5	55,165	61,119
Change in fair value of warrants	9	(432,325)	-
Share-based payment	8(a)	151,206	171,563
Deduct: interest income		(32,863)	(2,184)
Add: interest expense		3,276	1,515
Net changes in non-cash working capital items:			
Receivables		10,083	(97,484)
Prepaid expenses		26,620	4,914
Accounts payable and accrued liabilities		226,009	158,694
Net cash utilized in operating activities		(6,502,662)	(9,259,389)
Investing activities			
Expenditures on property and equipment		-	(29,895)
Interest received		32,863	2,184
Net cash provided by (utilized in) investing activities		32,863	(27,711)
Financing activities			
Payment of lease obligations	5	(20,511)	(25,520)
Payment of interest on lease obligations	5	(3,276)	(1,515)
Units / shares issued	7	7,017,071	10,334,524
Cost to issue units / shares	7	(161,765)	(479,254)
Exercise of stock options	7	-	65,333
Net cash provided by financing activities		6,831,519	9,893,568
Increase in cash and cash equivalents		361,720	606,468
Cash and cash equivalents, beginning of period		3,488,779	6,207,950
Cash and cash equivalents, end of period	3	$ 3,850,499	$ 6,814,418

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

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

For the nine months ended September 30, 2022 and 2021

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, 2020		91,013,129	$	75,583,541	$	1,022,057	$	(38,761,029)	$	37,844,569	$	1,342,876	$	39,187,445
Shares issued, net of issue costs	7	17,362,000		9,855,270		-		-		9,855,270		-		9,855,270
Exercise of stock options	7	198,223		67,152		(1,819)		-		65,333		-		65,333
Share-based payment	8(a)	-		-		171,563		-		171,563		-		171,563
Comprehensive loss		-		-		-		(9,373,594)		(9,373,594)		(183,932)		(9,557,526)
Balance, September 30, 2021		108,573,352	$	85,505,963	$	1,191,801	$	(48,134,623)	$	38,563,141	$	1,158,944	$	39,722,085
Balance, December 31, 2021		108,573,352	$	85,505,963	$	1,353,027	$	(51,441,409)	$	35,417,581	$	1,051,206	$	36,468,787
Shares issued, net of issue costs	7	23,690,000		6,335,785		-		-		6,335,785		-		6,335,785
Share-based payment	8(a)	-		-		151,206		-		151,206		-		151,206
Dilution of non-controlling interest	10	-		-		-		1,589,814		1,589,814		(1,589,814)		-
Comprehensive loss		-		-		-		(6,414,470)		(6,414,470)		(95,363)		(6,509,833)
Balance, September 30, 2022		132,263,352	$	91,841,748	$	1,504,233	$	(56,266,065)	$	37,079,916	$	(633,971)	$	36,445,945
				(Note 9)										

See Accompanying Notes to the Condensed Consolidated Interim Financial Statements

1. NATURE OF OPERATIONS

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

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

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

(a) Basis of preparation

These condensed consolidated interim financial statements of the Company for the three and nine months ended September 30, 2022 and 2021, have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all of the information and disclosures required in full annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2021 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements have been prepared on a historical cost basis and are presented in U.S. dollars, except as specifically noted for Canadian dollar amounts shown as "C$".

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on November 23, 2022.

(b) Going concern

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize, in the foreseeable future, its assets and discharge its liabilities in the normal course of business as they come due. As at September 30, 2022, the Company has incurred cumulative losses of $56,266,065 and has reported a net loss attributable to owners of the Company of $6,414,470 for the nine months ended September 30, 2022. The ability of the Company to continue as a going concern is dependent upon obtaining additional financing, entering into a joint venture, a merger or other business combination transaction involving a third party, sale of all or a portion of the Company's assets, the outright sale of the Company, the successful development of the Company's mineral property interests or a combination thereof. However, the Company will continue to incur losses in the development of its mineral exploration projects and, as noted above, will require additional financing in the future.

COVID-19 and other geopolitical matters such as the Russia / Ukraine conflict continue to impact world affairs. The ultimate duration of these matters and the 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, 2021. Those accounting policies have been used throughout all periods presented in the condensed consolidated interim financial statements.

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

Derivative liabilities

Derivatives are initially recognized at their fair value on the date the derivative contract is entered into, and transaction costs are expensed. The Company's derivatives are subsequently re-measured at their fair value at each statement of financial position date with changes in fair value recognized in net income or loss.

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

(c) Significant accounting policies (continued)

Derivative liabilities (continued)

As the exercise price of the Company's share purchase warrants is fixed in Canadian dollars, and the functional currency of the Company is the U.S. dollar, these warrants are considered a derivative as a variable amount of cash in the Company's functional currency will be received on exercise. Accordingly, these share purchase warrants are classified and accounted for as a derivative liability. The fair value of the warrants is determined using the Black Scholes option pricing model at the period-end date.

(d) Significant accounting judgments and estimates

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

Valuation of derivative liabilities

The valuation of the Company's derivative financial instruments requires the use of option pricing models or other valuation techniques. Measurement of warrants with exercise prices denominated in Canadian dollars that are not listed for trading is based on an option pricing model that uses assumptions with respect to share price, expected life, share price volatility and discount rates. Changes in these assumptions and estimates could result in changes in the fair value of these instruments and a corresponding change in the amount recognized in net income (loss). Significant assumptions related to derivatives are disclosed in Note 9.

(e) Standards issued but not yet effective

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

3. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents, by currency, at September 30, 2022 and December 31, 2021 was as follows:

		September 30, 2022		December 31, 2021
Cash at bank and in hand denominated in Canadian dollars	$	1,403,032	$	972,264
Cash at bank and in hand denominated in U.S. dollars		2,447,467		1,015,311
Short term deposit denominated in U.S. dollars		-		1,501,204
	$	3,850,499	$	3,488,779

4. RECEIVABLES

		September 30, 2022		December 31, 2021
Refundable goods and services tax	$	8,942	$	15,322
Other		39,318		43,021
	$	48,260	$	58,343

(expressed in U.S. dollars)

5. PROPERTY AND EQUIPMENT AND LEASE OBLIGATIONS

	Land[1]	Right-of-use ("ROU") assets	Property and equipment	Total
Cost				
December 31, 2021	$ 553,032	$ 88,295	$ 631,328	$ 1,272,655
Additions	-	57,894	-	57,894
ROU disposal	-	(88,295)	-	(88,295)
September 30, 2022	$ 553,032	$ 57,894	$ 631,328	$ 1,242,254
Accumulated Depreciation				
December 31, 2021	$ -	$ 88,295	$ 267,248	$ 355,543
Depreciation for the period	-	21,710	33,455	55,165
ROU disposal	-	(88,295)	-	(88,295)
September 30, 2022	$ -	$ 21,710	$ 300,703	$ 322,413
Net book value				
December 31, 2021	$ 553,032	$ -	$ 364,080	$ 917,112
September 30, 2022	$ 553,032	$ 36,184	$ 330,625	$ 919,841

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

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

ROU assets

The Company has recognized ROU assets in relation to leases for 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 nine months ended September 30, 2022 is as follows:

Balance, December 31, 2021	$ -
Interest accretion	3,276
Lease payments	(23,787)
Adjustment for addition of leases	57,894
Balance, September 30, 2022	$ 37,383

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-Chinchipe Province in southeast Ecuador, collectively known as the "Condor Project" and totaling 10,101 hectares.

Cascas

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

Pegasus

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

Tarqui

The Company holds, subject to earn-in by BHP Group plc ("BHP"), the Tarqui Project, consisting of two concession areas totaling 4,817 hectares located on trend with the Condor Project. On July 11, 2022, the Company received notice from BHP that it was exercising its right to cease making certain payments and funding expenditures.

Orquideas

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

Chalapo

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

Other concessions

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

(expressed in U.S. dollars)

6. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)

(a) Exploration and evaluation assets (continued)

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

	September 30, 2022	December 31, 2021
Cost		
Condor Project	$ 47,487,910	$ 47,487,910
Chalapo acquisition	60,000	-
Rights to acquire / use ("Mineral Concession Rights")		
- Escondida (part of Condor Project)	45,000	45,000
- La Canela	120,000	120,000
- Orquideas	825,000	825,000
- Tres Picachos	240,000	240,000
	$ 48,777,910	$ 48,717,910
Cumulative impairment		
Condor Project	$ 17,772,284	$ 17,772,284
Orquideas	825,000	825,000
	$ 18,597,284	$ 18,597,284
Net book value	$ 30,180,626	$ 30,120,626

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

BHP Group plc Earn-in Agreement

On July 12, 2019, the Company entered into an earn-in and joint venture agreement (the "BHP Agreement") with a wholly owned subsidiary of BHP on the Tarqui 1 and 2 mining concessions ("Tarqui"). On July 11, 2022, the Company received formal notice from BHP that it was exercising its right under the BHP Agreement to cease making certain payments and funding expenditures. Under the terms of the BHP Agreement, BHP had the right to:

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

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

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

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

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, 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 exploration expenditures from April 1, 2022, as follows: (i) $1,250,000 by March 31, 2023; (ii) $1,500,000 by March 31, 2024; (iii) $1,500,000 by March 31, 2025; and (iv) $2,000,000 by March 31, 2026. There are no partial earn-in amounts prior to the 70% threshold being reached and the expenditures may be accelerated at JOGMEC's sole discretion. JOGMEC funded its minimum commitment of $750,000 by March 31, 2022 to comply with the terms of the IA and has provided total funding to September 30, 2022 of $1,989,362.

(b) Investment in Pegasus

Anglo American Earn-in Agreement:

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

(i) To earn a 25% interest in the Pegasus Project, which has been achieved, Anglo American was required to make option payments to Luminex totaling $1.1 million by September 21, 2021 (such payments to be made in installments of (i) $300,000 by September 21, 2019 (received); (ii) $300,000 by September 21, 2020 (received); and (iii) $500,000 by September 21, 2021 (received)) and spend at least $10 million in exploration expenditures by September 21, 2022 (achieved) (the "Initial Contribution");

(ii) Anglo American can earn an additional 26% interest in the Pegasus Project (for a total of 51%) by making payments to Luminex totaling $2.4 million by September 21, 2023 (with $1,000,000 due by September 21, 2022 (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.

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

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

(expressed in U.S. dollars)

6. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)

(c) Exploration and evaluation expenditures

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

	Three months ended September 30, 2022									
	Cascas	Chalapo	Condor	La Canela	Orquideas[3]	Pegasus[3]	Quimi	Tarqui[3]	Tres Picachos	**TOTAL**
Assays and sampling	$ -	$ 1,337	$ 111,436	$ -	$ -	$ -	$ -	$ -	$ -	**$ 112,773**
Camp	54,187	-	521,109	1,393	-	-	-	-	959	**577,648**
Camp access and improvements	64	-	41,144	-	-	-	-	-	-	**41,208**
Drilling	-	-	1,151,879	-	-	-	-	-	-	**1,151,879**
Environmental, health and safety	14,537	118	143,801	-	-	-	1,120	-	784	**160,360**
Field office	975	-	107,140	-	17	-	-	-	-	**108,132**
Geological consulting and field staff	7,039	18,053	218,379	-	1,368	-	-	1,734	-	**246,573**
Legal fees	36,013	454	36,125	462	-	-	821	-	-	**73,875**
Mineral rights and property fees	7,264	90,000	84,749	-	-	-	-	-	-	**182,013**
Project management[1]	9,355	-	60,914	239	1,281	1,281	270	6,320	-	**79,660**
Reports	-	-	3,440	-	-	-	-	-	-	**3,440**
Social and community[1]	48,214	287	68,135	401	803	573	286	803	401	**119,903**
Transportation and accommodation	18,905	17,559	117,875	1,317	49	-	-	2,405	322	**158,432**
Costs incurred during the period	$ 196,553	$ 127,808	$ 2,666,126	$ 3,812	$ 3,518	$ 1,854	$ 2,497	$ 11,262	$ 2,466	$ **3,015,896**
Cumulative E&E incurred by Lumina to August 31, 2018 [2]	$ 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	6,813,794	2,404	26,281,876	325,344	548,946	41,784	807,797	404,307	545,211	**35,771,463**
E&E incurred during the period	196,553	127,808	2,666,126	3,812	3,518	1,854	2,497	11,262	2,466	**3,015,896**
Cumulative E&E incurred, end of period	$ 7,257,628	$ 130,212	$ 34,028,083	$ 505,092	$ 1,896,708	$ 2,480,504	$ 943,059	$ 828,554	$ 842,135	$ **48,911,975**

[1] Project management and social and community costs include key management personnel costs (see Note 17).
[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 any earn-in agreements. Presented to illustrate total spend incurred on the projects in order to meet Ecuadorean spending commitments (see Note 19).
[3] Costs shown do not include expenditures incurred by JOGMEC, 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 (continued)

	Three months ended September 30, 2021								
	Cascas	Condor	La Canela	Orquideas	Pegasus[3]	Quimi	Tarqui[3]	Tres Picachos	**TOTAL**
Assays and sampling	$ 74,791	$ 37,746	$ -	$ -	$ -	$ -	$ -	$ -	**$ 112,537**
Camp	203,485	388,794	-	-	-	755	-	1,096	**594,130**
Camp access and improvements	13,008	134,338	-	-	-	-	-	-	**147,346**
Drilling	8,154	427,949	-	-	-	-	-	-	**436,103**
Engineering	-	122,141	-	-	-	-	-	-	**122,141**
Environmental, Health & Safety	64,877	100,232	1,040	100	-	-	-	1,040	**167,289**
Field office	4,290	79,649	-	-	-	-	-	-	**83,939**
Geological consulting and field staff	247,507	231,074	-	329	-	87	-	689	**479,686**
Legal fees	3,676	40,820	778	837	-	-	-	1,563	**47,674**
Metallurgical	-	10,296	-	-	-	-	-	-	**10,296**
Mineral rights and property fees	3,697	42,217	146	2,504	-	189	-	669	**49,422**
Project management[1]	27,929	120,931	246	-	1,228	245	409	-	**150,988**
Reports	-	26,598	-	-	-	-	-	-	**26,598**
Social and community[1]	22,234	38,849	191	192	-	191	-	191	**61,848**
Transportation and accommodation	117,778	112,677	-	-	-	-	-	-	**230,455**
Costs incurred during the period	$ 791,426	$ 1,914,311	$ 2,401	$ 3,962	$ 1,228	$ 1,467	$ 409	$ 5,248	**$ 2,720,452**
Cumulative E&E incurred by Lumina to August 31, 2018 [2]	$ 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	4,768,985	19,395,315	268,098	464,948	36,030	764,484	402,214	449,530	**26,549,604**
E&E incurred during the period	791,426	1,914,311	2,401	3,962	1,228	1,467	409	5,248	**2,720,452**
Cumulative E&E incurred, end of period	$ 5,807,692	$ 26,389,707	$ 446,435	$ 1,813,154	$ 2,474,124	$ 898,716	$ 815,608	$ 749,236	**$ 39,394,672**

(1) Project management and social and community costs include key management personnel costs (see Note 17).
(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 any earn-in agreements.
(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 (continued)

	Nine months ended September 30, 2022									
	Cascas	Chalapo	Condor	La Canela	Orquideas[3]	Pegasus[3]	Quimi	Tarqui[3]	Tres Picachos	**TOTAL**
Assays and sampling	$ 6,006	$ 1,337	$ 224,403	$ -	$ -	$ -	$ -	$ -	$ 1,863	**$ 233,609**
Camp	163,439	-	1,352,804	7,940	-	-	255	-	3,911	**1,528,349**
Camp access and improvements	789	-	77,303	-	-	-	-	-	-	**78,092**
Drilling	-	-	1,877,411	-	-	-	-	-	-	**1,877,411**
Engineering	-	-	16,724	-	-	-	-	-	-	**16,724**
Environmental, health and safety	33,188	118	476,774	1,344	-	-	4,642	-	3,757	**519,823**
Field office	3,343	-	232,187	-	551	-	-	-	-	**236,081**
Geological consulting and field staff	44,999	18,597	578,131	-	24,181	-	-	1,734	-	**667,642**
Legal fees	44,661	2,314	94,402	462	-	-	1,992	-	564	**144,395**
Mineral rights and property fees	123,293	90,000	219,758	34,346	-	-	30,156	-	51,756	**549,309**
Project management[1]	25,374	-	166,108	771	26,950	3,843	800	7,430	382	**231,658**
Reports	24,336	-	11,100	-	-	-	-	-	-	**35,436**
Social and community[1]	117,595	287	161,561	1,634	12,153	573	1,089	803	1,720	**297,415**
Transportation and accommodation	45,395	17,559	310,716	1,317	5,323	-	-	2,405	379	**383,094**
Costs incurred during the period	$ 632,418	$ 130,212	$ 5,799,382	$ 47,814	$ 69,158	$ 4,416	$ 38,934	$ 12,372	$ 64,332	**$ 6,799,038**
Cumulative E&E incurred by Lumina to August 31, 2018 [2]	$ 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	632,418	130,212	5,799,382	47,814	69,158	4,416	38,934	12,372	64,332	**6,799,038**
Cumulative E&E incurred, end of period	$ 7,257,628	$ 130,212	$ 34,028,083	$ 505,092	$ 1,896,708	$ 2,480,504	$ 943,059	$ 828,554	$ 842,135	**$ 48,911,975**

[1] Project management and social and community costs include key management personnel costs (see Note 17).
[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 any earn-in agreements. Presented to illustrate total spend incurred on the projects in order to meet Ecuadorean spending commitments (see Note 19).
[3] Costs shown do not include expenditures incurred by JOGMEC, 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 (continued)

Nine months ended September 30, 2021	Cascas	Condor	La Canela	Orquideas	Pegasus[3]	Quimi	Tarqui[3]	Tres Picachos	**TOTAL**
Assays and sampling	$ 171,485	$ 90,855	$ -	$ -	$ -	$ -	$ -	$ -	**$ 262,340**
Camp	741,568	1,070,934	-	3,444	-	1,965	-	1,096	**1,819,007**
Camp access and improvements	54,003	381,592	-	1,344	-	-	-	-	**436,939**
Drilling	718,325	591,763	-	-	-	-	-	-	**1,310,088**
Engineering	-	645,529	-	-	-	-	-	-	**645,529**
Environmental, Health & Safety	256,085	230,769	1,824	13,671	-	2,122	-	2,434	**506,905**
Field office	20,083	251,042	-	473	-	-	-	-	**271,598**
Geological consulting and field staff	775,038	722,673	290	2,386	-	1,201	-	833	**1,502,421**
Legal fees	14,364	135,002	1,664	5,488	-	1,306	-	3,807	**161,631**
Metallurgical	-	90,791	-	-	-	-	-	-	**90,791**
Mineral rights and property fees	109,392	246,570	32,300	55,226	-	28,254	-	50,273	**522,015**
Project management[1]	98,567	453,303	737	-	4,339	1,064	900	-	**558,910**
Reports	15,337	84,240	-	-	-	-	-	-	**99,577**
Social and community[1]	88,971	154,167	519	5,438	-	765	-	437	**250,297**
Transportation and accommodation	334,250	283,700	-	1,615	-	-	-	-	**619,565**
Costs incurred during the period	$ 3,397,468	$ 5,432,930	$ 37,334	$ 89,085	$ 4,339	$ 36,677	$ 900	$ 58,880	**$ 9,057,613**
Cumulative E&E incurred by Lumina to August 31, 2018 [2]	$ 247,281	$ 5,080,081	$ 175,936	$ 1,344,244	$ 2,436,866	$ 132,765	$ 412,985	$ 294,458	**$ 10,124,616**
Cumulative E&E incurred by Luminex, beginning of period	2,162,943	15,876,696	233,165	379,825	32,919	729,274	401,723	395,898	**20,212,443**
E&E incurred during the period	3,397,468	5,432,930	37,334	89,085	4,339	36,677	900	58,880	**9,057,613**
Cumulative E&E incurred, end of period	$ 5,807,692	$ 26,389,707	$ 446,435	$ 1,813,154	$ 2,474,124	$ 898,716	$ 815,608	$ 749,236	**$ 39,394,672**

(1) Project management and social and community costs include key management personnel costs (see Note 17).
(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 any earn-in agreements.
(3) Costs shown do not include expenditures incurred by BHP or Anglo American pursuant to their Earn-In Agreements.

(expressed in U.S. dollars)

7. SHARE CAPITAL

Authorized: Unlimited common shares, without par value.

Issued and fully paid:	Number of Common Shares		Amount
Balance, December 31, 2020	91,013,129	$	75,583,541
Shares issued on exercise of stock options (a)	198,223		67,152
Shares issued, net of issue costs (b)	17,362,000		9,855,270
Balance, September 30, 2021	108,573,352	$	85,505,963
Balance, December 31, 2021	108,573,352	$	85,505,963
Shares issued, net of issue costs (c)	23,690,000		6,335,785
Balance, September 30, 2022	132,263,352	$	91,841,748

(a) In April 2021, 198,223 stock options were exercised at a weighted average exercise price of $0.33 (C$0.41) per common share for total proceeds of $65,333. Previously recognized share-based payment expense totalling $1,819 was reclassified from share-based payment reserve to share capital.

(b) In May 2021, the Company closed a brokered private placement of 10,152,000 common shares at a price of C$0.72 per share and a non-brokered private placement for a total of 7,210,000 common shares at a price of C$0.72 per share for total proceeds of $9,855,270, net of issue costs of $479,254, which included finder's fees of up to 6% for a total of $359,822.

(c) In April 2022, the Company closed a non-brokered private placement of 23,690,000 units ("Units") at a price of C$0.38 per Unit. Each Unit comprised one common share of the Company and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Total proceeds received were $6,855,306, net of issue costs of $161,765, which included finder's fees of up to 4% for a total of $88,882. $519,521 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, 2021 - 9,000,000). In addition, the number of common shares which may be reserved for issuance to any one individual may not exceed 5% of the issued common shares on a non-diluted basis or 2% if the optionee is engaged in investor relations activities or is a consultant. Options are exercisable over periods of up to ten years as determined by the Board and are required to have an exercise price no less than the closing market price of the Company's common shares prevailing on the day that the option is granted. The Plan contains no vesting requirements but permits the Board to specify a vesting schedule in its discretion.

No stock options were granted during the nine months ended September 30, 2022 and 2021.

Pursuant to the Company's accounting policy for share-based payments, the fair value of options vesting during the three and nine months ended September 30, 2022, in the amounts of $50,152 and $151,206, respectively (three and nine months ended September 30, 2021 - $57,020 and $171,563) have been recorded in the condensed consolidated interim statements of loss and comprehensive loss under fees, salaries and other employee benefits (Note 11).

(expressed in U.S. dollars)

8. SHARE-BASED PAYMENTS (continued)

(b) Outstanding stock options

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

	Three months ended September 30, 2022		2021	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	5,127,500	C$0.64	4,061,750	C$0.69
Expired	(1,667)	C$0.51	-	-
Forfeited	(3,333)	C$0.51	-	-
Outstanding, end of period	5,122,500	C$0.64	4,061,750	C$0.69

	Nine months ended September 30, 2022		2021	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	5,221,500	C$0.65	4,259,973	C$0.68
Exercised	-	-	(198,223)	C$0.41
Expired	(85,334)	C$0.71	-	-
Forfeited	(13,666)	C$0.53	-	-
Outstanding, end of period	5,122,500	C$0.64	4,061,750	C$0.69

At September 30, 2022, 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
258,500	December 7, 2022	0.19	C$0.54	258,500	C$0.54
1,200,000	October 5, 2023	1.01	C$0.80	1,200,000	C$0.80
1,097,000	October 16, 2024	2.05	C$0.63	1,097,000	C$0.63
1,197,000	November 26, 2025	3.16	C$0.68	800,507	C$0.68
1,370,000	November 25, 2026	4.16	C$0.51	454,181	C$0.51
5,122,500		2.53	C$0.64	3,810,188	C$0.67

9. WARRANTS

The Company issued Warrants as part of Units in its April 2022 non-brokered private placement (see Note 7(c)). 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, these warrants are considered a derivative as a variable amount of cash in the Company's functional currency will be received on exercise. Accordingly, these warrants are classified and accounted for as a derivative liability at fair value through profit and loss ("FVTPL"). 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 warrants, at each relevant date, was determined using the following inputs:

Reporting Date	April 28, 2022	June 30, 2022	September 30, 2022
Risk-free interest rate	2.50%	3.09%	3.76%
Expected dividend yield	-	-	-
Expected stock price volatility	49%	46%	53%
Expected warrant life in years	2.00	1.83	1.58
Share price	C$0.38	C$0.34	C$0.22
Fair value	$519,521[(1)]	$347,398	$87,196

[(1)] 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 and nine months ended September 30, 2022, the Company recognized fair value gain of $260,202 and $432,325, respectively.

The following table summarizes Warrants activity:

	Nine months ended September 30, 2022		2021	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	-	-	-	-
Issued	11,845,000	C$0.55	-	-
Outstanding, end of period	11,845,000	C$0.55	-	-

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

Warrants Outstanding				Warrants Exercisable	
Number of Warrants	Expiry Date	Weighted average life (years)	Exercise Price	Number of Warrants	Exercise Price
11,845,000	April 28, 2024	1.58	C$0.55	11,845,000	C$0.55

(expressed in U.S. dollars)

9. WARRANTS (continued)

Adjustment to Share Capital, Warrant Liability and Other Income (Expense) for the three and six months ended June 30, 2022

The Company's previously reported unaudited condensed consolidated interim statement of financial position at June 30, 2022 and unaudited condensed consolidated interim statements of loss and comprehensive loss for the three and six months ended June 30, 2022, omitted to treat the Company's warrants as a derivative liability with the warrants assigned a value of $Nil under the residual value method of accounting. Accordingly, the previously reported share capital, warrant liability, and other income (expenses) as at and for the three and six months ended June 30, 2022 have been restated in these condensed consolidated interim financial statements as disclosed below, showing the line items that were impacted:

Condensed consolidated interim statement of financial position

	As previously reported June 30, 2022	Adjustments	Restated June 30, 2022
Non-current liabilities			
Warrant liability	$ -	$ 347,398	$ 347,398
Total liabilities	627,384	347,398	974,782
EQUITY			
Share capital	92,361,269	(519,521)	91,841,748
Accumulated deficit	(54,292,518)	172,123	(54,120,395)
Equity attributable to owners of the Company	39,522,832	(347,398)	39,175,434
Total equity	$ 38,920,082	$ (347,398)	$ 38,572,684

Condensed consolidated interim statement of loss and comprehensive loss - three months ended June 30, 2022

	As previously reported	Adjustments	Restated
Other income (expenses)			
Change in fair value of warrants	$ -	$ 172,123	$ 172,123
Net loss and comprehensive loss for the period	(2,422,303)	172,123	(2,250,180)
Loss attributable to:			
Owners of the Company	$ (2,401,944)	$ 172,123	$ (2,229,821)

Condensed consolidated interim statement of loss and comprehensive loss - six months ended June 30, 2022

	As previously reported	Adjustments	Restated
Other income (expenses)			
Change in fair value of warrants	$ -	$ 172,123	$ 172,123
Net loss and comprehensive loss for the period	(4,505,065)	172,123	(4,332,942)
Loss attributable to:			
Owners of the Company	$ (4,440,923)	$ 172,123	$ (4,268,800)

The restatement had no impact on the condensed consolidated interim statement of cash flows for the six months ended June 30, 2022, other than the loss for the period should have been reported as $4,332,942 and the non-cash adjustment for the change in fair value of warrants should have been a reduction of $172,123.

(expressed in U.S. dollars)

10. NON-CONTROLLING INTEREST ("NCI")

In January 2022, the Company increased its ownership in Condormining Corporation S.A.S. and its related subsidiaries (see Note 17) by capitalizing a portion of existing intercompany loans such that the non-controlling interest was reduced from 10% to 1.3%. This resulted in a $1,589,814 reclassification between NCI and deficit.

The following table summarizes information related to the Company's non-controlling interest:

	September 30, 2022	December 31, 2021
Current assets	$ 555,219	$ 104,615
Non-current assets	44,990,074	39,867,493
Current liabilities	(455,697)	(200,333)
Current liabilities	(10,761)	-
Net assets	45,078,835	39,771,775
NCI percentage	1.3%	10%
Net assets of individual entities attributable to the NCI	574,285	3,977,178
Adjustments on consolidation of individual entities subject to NCI	381,558	(2,925,972)
Dilution of NCI	(1,589,814)	-
Net (liabilities) assets attributable to the NCI	$ (633,971)	$ 1,051,206

	Three months ended September 30, 2022	2021
Net loss and comprehensive loss	$ (2,450,628)	$ (702,010)
NCI percentage	1.3%	10%
Net loss and comprehensive loss attributable to NCI	$ (31,221)	$ (70,201)

	Nine months ended September 30, 2022	2021
Net loss and comprehensive loss	$ (5,064,644)	$ (1,839,320)
NCI percentage	1.3% / 10%	10%
Net loss and comprehensive loss attributable to NCI	$ (95,363)	$ (183,932)

The entities subject to a NCI incurred the following cash expenditures during the three and nine months ended September 30, 2022: (i) $2,383,872 and $4,753,669 on operating activities (three and nine months ended September 30, 2021 - $611,317 and $1,748,008); and (ii) $Nil on investing activities (three and nine months ended September 30, 2021 - $Nil).

11. FEES, SALARIES AND OTHER EMPLOYEE BENEFITS

	Three months ended September 30, 2022	2021	Nine months ended September 30, 2022	2021
Fees and salaries	$ 158,836	$ 200,351	$ 483,427	$ 568,859
Other benefits	-	-	473	463
Share-based payments (Note 8(a))	50,152	57,020	151,206	171,563
	$ 208,988	$ 257,371	$ 635,106	$ 740,885

(expressed in U.S. dollars)

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 September 30, 2022	Three months ended September 30, 2021
Net loss attributed to owners of the Company	$ (2,145,670)	$ (2,689,483)
Weighted average number of common shares outstanding (basic and diluted)	132,263,352	108,573,352
Loss per share – basic and diluted	$ (0.02)	$ (0.02)

	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Net loss attributed to owners of the Company	$ (6,414,470)	$ (9,373,594)
Weighted average number of common shares outstanding (basic and diluted)	122,023,718	100,099,739
Loss per share – basic and diluted	$ (0.05)	$ (0.09)

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

All of the stock options and Warrants currently issued (see Notes 8 and 9) were anti-dilutive for the three and nine months ended September 30, 2022 and 2021 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.

(expressed in U.S. dollars)

14. FINANCIAL INSTRUMENTS

(a) Categories of financial assets and financial liabilities

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

	Note	Category	September 30, 2022	December 31, 2021
Cash and cash equivalents	3	Amortized cost	$ 3,850,499	$ 3,488,779
Other receivables	4	Amortized cost	39,318	43,021
Accounts payable and accrued liabilities		Amortized cost	708,191	422,182
Lease obligations		Amortized cost	37,383	-
Warrant liability		FVTPL	87,196	-

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

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 consolidated 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 warrant liability is determined using Level 2 inputs.

15. FINANCIAL INSTRUMENT RISKS

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

(a) Credit Risk

The Company considers that its cash and cash equivalents and other receivables are exposed to credit risk, representing maximum exposure at September 30, 2022 of $3,889,817 (December 31, 2021 - $3,531,800). Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk on its cash is minimized by maintaining these assets with high-credit quality financial institutions. At September 30, 2022, the Company's cash was held at two financial institutions (December 31, 2021 – two financial institutions).

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 September 30, 2022, the Company's current liabilities consisted of trade and other payables of $708,191 which are due primarily within three months from the period end. The Company's cash of $3,850,499 at September 30, 2022, was sufficient to pay for the current liabilities.

(c) Market Risks

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

Interest Rate Risk

Interest rate risk is the risk that the future cash flows and fair values of the Company will fluctuate because of changes in market interest rates. Based on the Company's cash as at September 30, 2022, and assuming that all other variables remained constant, a 1% increase or decrease in interest rates would result in an increase or decrease of approximately $38,500 in the Company's interest income on an annual basis.

Currency Risk

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

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

The table below shows the impact that a 1% fluctuation in foreign currency rates compared to the U.S. dollar would have on the Company's consolidated loss, comprehensive loss and equity based upon the assets held at September 30, 2022.

Financial Instrument Type		U.S. Dollar	Currency		+/- 1% Fluctuation		
Cash	$	1,403,032	CAD dollar	$	14,030	$	(14,030)
Accounts payable and accrued liabilities		(11,193)	CAD dollar		(112)		112
Warrant liability		(87,196)	CAD dollar		(872)		872
Total	$	1,304,643		$	13,046	$	(13,046)

Other Price Risk

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

16. SEGMENTED DISCLOSURE

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

(expressed in U.S. dollars)

17. COMPANY INFORMATION AND RELATED PARTY TRANSACTIONS

Information about subsidiaries

The condensed consolidated interim financial statements include the following subsidiaries:

		% Equity interest at	
	Country of Incorporation	September 30, 2022	December 31, 2021
Ecuador Gold Holdings Ltd.	Canada	100	100
Proyectmin Holdings Ltd.	Canada	100	100
Southern Ecuador Holdings Ltd.	Canada	100	100
Central Ecuador Holdings Ltd.	Canada	30[(1)]	30[(1)]
Tarqui Holdings Ltd.	Canada	100	100
EMH S.A.	Ecuador	100	100
Condormining Corporation S.A.S.	Ecuador	98.7	90
Corporacion FJTX Exploration S.A.	Ecuador	100	100
Bestminers S.A.	Ecuador	98.7	90
Condormine S.A.	Ecuador	98.7	90.1
Proyectmin S.A.	Ecuador	100	100
Luminex Services Ecuador LS-EC S.A. (“Luminex Services”)	Ecuador	100	100
Southern Ecuador SN-EC S.A.	Ecuador	100	100
Central Ecuador EC-CT S.A.	Ecuador	30[(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 Company incurred the following expenses with related parties:

		Three months ended September 30,	
Related company	Nature of transactions	2022	2021
Hathaway Consulting Ltd.	Fees	$ 25,823	$ 24,914
Into the Blue Management Inc.	Fees	20,814	16,035
Koval Management Inc.	Fees	35,746	34,824
La Mar Consulting Inc.	E&E (social / community)	34,395	32,793
Lumina	E&E (field office / project management / travel)	575	28,432
Lumina	G&A	9,310	6,357
Lyle E Braaten Law Corp.	Fees	18,329	16,612
Miedzi Copper Corp. (“Miedzi”)	E&E (geological)	7,809	-
Miedzi	G&A	8,511	13,952
Miedzi	Fees	45,163	44,965
		$ 206,475	$ 218,884

		Nine months ended September 30,	
Related company	Nature of transactions	2022	2021
Hathaway Consulting Ltd.	Fees	$ 78,990	$ 75,853
Into the Blue Management Inc.	Fees	62,767	48,748
Koval Management Inc.	Fees	109,345	105,868
La Mar Consulting Inc.	E&E (social / community)	103,185	98,379
Lumina	E&E (field office / project management / travel)	6,636	76,836
Lumina	G&A	16,561	8,512
Lyle E Braaten Law Corp.	Fees	56,084	50,579
Miedzi	E&E (geological)	12,159	33,378
Miedzi	G&A	30,809	40,299
Miedzi	Fees	144,880	137,861
		$ 621,416	$ 676,313

(expressed in U.S. dollars)

17. COMPANY INFORMATION AND RELATED PARTY TRANSACTIONS (continued)

Related party expenses and balances (continued)

Miedzi and Lumina are considered companies related by way of directors and shareholders in common. Hathaway Consulting Ltd., Into the Blue Management Inc., Koval Management Inc., La Mar Consulting Inc. and Lyle E Braaten Law Corp. are related by way of being owned by directors or officers of the Company. Related party transactions are recognized at the amounts agreed between the parties. Outstanding balances are unsecured and settlement occurs in cash. At September 30, 2022, there were no amounts owing to related parties (December 31, 2021 - $Nil).

Luminex Services provided personnel services to Odin Mining del Ecuador S.A. ("Odin"), a subsidiary of Lumina, whereby personnel time was recharged based on time worked and at a rate of cost plus 6%. These services are recorded the Company's financial statements as a reduction of cost associated to E&E expenditures. The total amount recharged to Odin for the three and nine months ended September 30, 2022 was $Nil (three and nine months ended September 30, 2021 - $66,806 and $210,137, respectively). At September 30, 2022 and December 31, 2021, there were no amounts included in accounts receivable from Odin.

Key management personnel compensation

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

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Short-term benefits (i)	$ 219,208	$ 206,230	$ 665,537	$ 623,895
Share-based payments (ii)	-	-	-	-
Total remuneration	$ 219,208	$ 206,230	$ 665,537	$ 623,895

(i) Short-term benefits include fees and salaries, including where those costs have been allocated to E&E expenditures (see Note 6(c)).
(ii) Share-based payments are the fair value of options granted (vested and unvested) to key management personnel as at the grant date.
(iii) Key management personnel were not paid post-employment benefits, termination benefits, or long-term benefits during the three and nine months ended September 30, 2022 and 2021.

18. INTEREST INCOME AND OTHER

Interest income and other consists of the following components:

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Anglo American option payment (Note 6(b))	$ 1,000,000	$ 500,000	$ 1,000,000	$ 500,000
BHP earn-in payments (Note 6(a))	-	-	-	450,000
JOGMEC fees (Note 6(a))	13,200	-	200,753	-
Interest - bank / environmental deposits	20,637	1,491	32,863	2,184
Other	-	-	-	3,721
	$ 1,033,837	$ 501,491	$ 1,233,616	$ 955,905

(expressed in U.S. dollars)

19. COMMITMENTS AND CONTINGENT LIABILITY

Commitments

As at September 30, 2022, the Company has entered into agreements that include rental agreements, infrastructure improvements and contracted studies that require minimum payments in the aggregate as follows:

Within one year	$	71,600
After one year but not more than five years		5,300
	$	76,900

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

(a) New concessions that were originally granted pursuant to a public tender process in Ecuador during 2016 and 2017 (the “Public Tender”) require minimum expenditures per year (commencing on the registration date of the concession with the Government of Ecuador) of $5 per hectare for each of Years 1 and 2 and $10 per hectare for each of Years 3 and 4. This spending commitment is required to be applied by the Government of Ecuador in situations where a company seeks to reduce the area that was obtained under the tender process.

(b) Applications for new concessions via Public Tender in Ecuador, require that an investment offer be presented for each concession. The investment offer represents the total amount that is required to be spent in order to maintain possession of the concession area at the end of the four-year investment period required by the Government of Ecuador. Current interpretations of the law in Ecuador are that all costs related to the project (direct and indirect and incurred in Ecuador or overseas) are able to be utilized against the four-year commitment. Should a concession holder resign from a concession prior to the end of the 4-year anniversary, the concession is relinquished without requiring the 4-year spend total be reached. In December 2020, the Ecuadorian Ministry of Energy and Mines issued a Ministerial Decree that, among other items, had the effect of extending the timeframe of the 4-year commitment period, on a case-by-case basis. For the concessions held by the Company, the resulting time extensions ranged from three months to three and a half years.

(c) Concessions in Ecuador require the Company to submit an annual expenditure plan to the Government of Ecuador outlining the minimum amount of committed expenditures for the upcoming year. Should a company resign from a concession area during the following year, there is no minimum commitment applicable except that the company shall pay for the portion of annual concession fees to the date that the relinquishment is completed.

Accordingly, should the Company wish to retain possession of all the concession areas it holds, excluding the Pegasus Project which is being managed and earned-in by Anglo American and Orquideas which is being earned-in by JOGMEC, as at September 30, 2022, the Company’s commitment is as follows:

Within one year (i)	$	56,000

(i) Consists of the remaining 2022 commitment per the annual expenditure plan submitted to the Government of Ecuador. At September 30, 2022, the Company had met its 4-year commitment spend requirement for the concessions held and not subject to earn-in by another party.

Contingent liability

Luminex has entered into an agency agreement with Miedzi to facilitate transactions between the entities and provide clarity around ongoing G&A costs in case of withdrawal from the agency agreement, including provisions for rent of premises and personnel costs. At September 30, 2022, and assuming withdrawal from the agency agreement at that date, Luminex’s obligation to Miedzi would be approximately $322,000 (December 31, 2021 - $361,000).