LUMINA GOLD CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2021

(Unaudited)

TSX-V: LUM

www.luminagold.com

NOTICE OF NO AUDITOR REVIEW

The unaudited condensed consolidated interim financial statements, and accompanying notes thereto, for the periods ended March 31, 2021 and 2020 have not been reviewed by the Company's external auditors.

LUMINA GOLD CORP.
CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS

Unaudited

(expressed in U.S. dollars)

	Note	March 31, 2021	December 31, 2020
ASSETS			
Current assets			
Cash	3	$ 214,235	$ 535,781
Other receivables	4	47,640	53,889
Prepaid expenses		45,023	71,467
Total current assets		306,898	661,137
Non-current assets			
Environmental deposit		49,566	-
Property and equipment	5	3,996,616	4,042,629
Exploration and evaluation asset	6(a)	1,701,100	1,701,100
Total assets		$ 6,054,180	$ 6,404,866
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		$ 149,356	$ 142,787
Current portion of lease obligations	5	28,614	38,325
Standby loan	7	2,674,058	1,415,963
Total liabilities		2,852,028	1,597,075
EQUITY			
Share capital	8	88,166,167	88,026,357
Share-based payment reserve		6,271,390	6,176,775
Accumulated deficit		(91,235,405)	(89,395,341)
Total equity		3,202,152	4,807,791
Total liabilities and equity		$ 6,054,180	$ 6,404,866

Going concern (Note 2(b))
Commitments and contingent liability (Note 17)
Post-reporting date events (Note 18)

APPROVED BY THE DIRECTORS

"Marshall Koval"
Director

"Donald Shumka"
Director

See Accompanying Notes to the Condensed Consolidated Interim Financial Statements

LUMINA GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the three months ended March 31, 2021 and 2020

Unaudited

(expressed in U.S. dollars)

	Note	Three months ended March 31, 2021	2020
Expenses			
Exploration and evaluation ("E&E") expenditures	6(b), 16	$ 1,162,026	$ 1,956,184
Fees, salaries and other employee benefits	10, 16	276,898	320,877
General and administration ("G&A")	16	197,153	129,462
Professional fees		103,666	93,364
Insurance		6,891	5,148
		(1,746,634)	(2,505,035)
Other income (expenses)			
Interest income and other		342	9,845
Interest and financing expense		(59,877)	(1,479)
Foreign exchange loss		(33,895)	(44,340)
		(93,430)	(35,974)
Net loss and comprehensive loss for the period		$ (1,840,064)	$ (2,541,009)
Loss per share – basic and diluted	11	$ (0.01)	$ (0.01)
Weighted average number of shares outstanding – basic and diluted	11	333,741,083	331,273,893

See Accompanying Notes to the Condensed Consolidated Interim Financial Statements

LUMINA GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

For the three months ended March 31, 2021 and 2020

Unaudited

(expressed in U.S. dollars)

	Note	Three months ended March 31, 2021	2020
Operating activities			
Loss for the period		$ (1,840,064)	$ (2,541,009)
Adjustment for non-cash items:			
Depreciation	5	46,013	48,515
Environmental deposit interest earned		(93)	(525)
Unrealized foreign exchange on standby loan	7	36,049	-
Share-based payment	9(a)	155,711	223,369
Deduct: interest income		(249)	(7,515)
Add: interest and financing expense		59,877	1,479
Net changes in non-cash working capital items:			
Other receivables		6,249	38,870
Prepaid expenses		26,444	18,237
Accounts payable and accrued liabilities		6,569	101,400
Net cash utilized in operating activities		(1,503,494)	(2,117,179)
Investing activities			
Payment of environmental deposit		(49,473)	-
Interest received		249	7,515
Net cash (utilized in) provided by investing activities		(49,224)	7,515
Financing activities			
Payment of lease obligations	5	(9,711)	(8,546)
Interest paid re lease obligations	5	(786)	(1,479)
Standby loan proceeds	7	1,174,702	-
Standby loan fees paid	7	(11,747)	-
Shares issued on exercise of stock options	8	78,714	-
Net cash provided by (utilized in) financing activities		1,231,172	(10,025)
Decrease in cash		(321,546)	(2,119,689)
Cash, beginning of period		535,781	6,247,867
Cash, end of period	3	$ 214,235	$ 4,128,178

See Accompanying Notes to the Condensed Consolidated Interim Financial Statements

LUMINA GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the three months ended March 31, 2021 and 2020

Unaudited

(expressed in U.S. dollars)

	Note	Share Capital Number of shares	Amount	Share-based Payment Reserve	Accumulated Deficit	Total
Balance, December 31, 2019		331,273,893	$ 86,719,445	$ 5,601,065	$ (81,422,506)	$ 10,898,004
Share-based payment	9(a)	-	-	223,369	-	223,369
Comprehensive loss		-	-	-	(2,541,009)	(2,541,009)
Balance, March 31, 2020		331,273,893	$ 86,719,445	$ 5,824,434	$ (83,963,515)	$ 8,580,364
Balance, December 31, 2020		333,616,428	$ 88,026,357	$ 6,176,775	$ (89,395,341)	$ 4,807,791
Exercise of stock options	8	193,829	139,810	(61,096)	-	78,714
Share-based payment	9(a)	-	-	155,711	-	155,711
Comprehensive loss		-	-	-	(1,840,064)	(1,840,064)
Balance, March 31, 2021		333,810,257	$ 88,166,167	$ 6,271,390	$ (91,235,405)	$ 3,202,152

See Accompanying Notes to the Condensed Consolidated Interim Financial Statements

1. NATURE OF OPERATIONS

Lumina Gold Corp. ("Lumina" or the "Company") is a publicly listed company incorporated under the Company Act of British Columbia on March 22, 1988. The Company is listed on the TSX-Venture Exchange, having the symbol LUM.V. Lumina 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 its mineral property 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, 2021 and 2020, 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, 2020 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 20, 2021.

(b) Going concern

These condensed consolidated interim financial statements have been prepared on the 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. As at March 31, 2021, the Group has a working capital deficiency of $2,545,130, has incurred cumulative losses of $91,235,405 and has reported a net loss of $1,840,064 for the three months ended March 31, 2021. 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 Group believes that it will be able to meet its short term liquidity needs and continue as a going concern for the foreseeable future on the basis of its access to the remaining available amount under the standby loan provided by a shareholder, as further described in Note 7, and the Group's historical and anticipated ability to raise additional financing to further advance the Company's Cangrejos Project. However, the Group will continue to incur losses in the development of its mineral exploration project and, as noted above, the Group will require additional funding in the future, including to repay the standby loan.

The COVID-19 pandemic continues to impact world affairs. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy, capital markets and the Company's financial position cannot be estimated at this time. The Company 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. 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. 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, 2020. 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.

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.

(e) Standards issued but not yet effective

The Group 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 Group's consolidated financial statements.

3. CASH

The Group's cash, by currency, at March 31, 2021 and December 31, 2020 was as follows:

		March 31, 2021		December 31, 2020
Cash at bank and in hand denominated in Canadian dollars	$	107,836	$	221,956
Cash at bank and in hand denominated in U.S. dollars		106,399		313,825
	$	214,235	$	535,781

4. OTHER RECEIVABLES

		March 31, 2021		December 31, 2020
Refundable goods and services tax	$	12,167	$	19,332
Other		35,473		34,557
	$	47,640	$	53,889

All amounts are short-term and the net carrying value of other 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 other receivables. The Group's other receivables are all considered current and are not past due. The Group does not hold any collateral related to these assets.

(expressed in U.S. dollars)

5. PROPERTY AND EQUIPMENT AND LEASE OBLIGATIONS

		Land[1]		Property & Equipment		Right-of-use assets		Total
Cost								
December 31, 2020 and March 31, 2021	$	2,708,805	$	1,669,701	$	106,873	$	4,485,379
Accumulated Depreciation								
December 31, 2020	$	-	$	371,177	$	71,573	$	442,750
Depreciation for the period		-		36,753		9,260		46,013
March 31, 2021	$	-	$	407,930	$	80,833	$	488,763
Net book value								
December 31, 2020	$	2,708,805	$	1,298,524	$	35,300	$	4,042,629
March 31, 2021	$	2,708,805	$	1,261,771	$	26,040	$	3,996,616

[1]The Company has purchased 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.

Right-of-use ("ROU") assets

The Group 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 three months ended March 31, 2021 is as follows:

December 31, 2020	$	38,325
Interest accretion		786
Lease payments		(10,497)
March 31, 2021	$	28,614

Minimum lease payments in respect of lease obligations and the effect of discounting are as follows at March 31, 2021:

Undiscounted minimum lease payments		
Within one year	$	29,665
Between one to two years		-
Total undiscounted lease obligations		29,665
Less: future interest charges		(1,051)
Total discounted lease obligations		28,614
Less: current portion of lease obligations		(28,614)
Non-current portion of lease obligations	$	-

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

(expressed in U.S. dollars)

6. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES

(a) Exploration and evaluation assets

The Group holds the following mineral exploration project and concession areas in Ecuador:

Cangrejos

The Group has ten contiguous mineral concessions (December 31, 2020 – ten) located near Machala in southwest Ecuador, collectively known as the "Cangrejos Project" and representing a land area of 6,373 hectares. The Group has been through a process to subdivide its mineral concessions prior to then seeking to amalgamate the core concessions that comprise the Cangrejos Project.

Annual expenditures / Acquisition cost and carrying value

To maintain its mineral concessions the Group is required to meet certain spending requirements as communicated to the Government of Ecuador. The 2021 commitment related to such spending had been satisfied as at March 31, 2021.

The carrying value of the Group's Cangrejos Project at March 31, 2021 is $1,701,100 (December 31, 2020 - $1,701,100).

(b) Exploration and evaluation expenditures

The Group's exploration and evaluation expenditures on its Cangrejos Project for the three months ended March 31, 2021 and 2020 are as follows:

	Three months ended March 31, 2021	Three months ended March 31, 2020
Assays / Sampling	$ 2,590	$ 1,767
Camp	158,804	154,270
Camp access and improvements	28,573	35,301
Engineering	53,433	470,863
Environmental, Health & Safety	190,539	132,287
Field office	79,449	92,363
Geological consulting	77,999	228,420
Geological and field staff	5,239	4,945
Legal fees	101,493	41,709
Metallurgical	-	112,057
Mineral rights and property fees	64,562	64,561
Project management (1)	168,702	306,014
Reports	-	4,760
Social and community (1)	103,277	106,225
Share-based payment (Note 9(a))	44,947	69,792
Transportation and accommodation	82,419	130,850
Costs incurred during the period	$ 1,162,026	$ 1,956,184
Cumulative E&E incurred, beginning of period (2)	$ 43,406,157	$ 37,731,458
E&E incurred during the period	1,162,026	1,956,184
Cumulative E&E incurred, end of period	$ 44,568,183	$ 39,687,642

(1) Expenses classified and recorded as project management and social and community costs include key management personnel costs (see Note 16).
(2) E&E expenditures have been disclosed on a cumulative basis since January 1, 2004.

(expressed in U.S. dollars)

7. STANDBY LOAN

On October 28, 2020, the Company entered into an unsecured credit agreement (the "Standby Loan") with Ross Beaty, a shareholder of the Company, wherein he would make available up to C$5 million that could be used by the Company for general corporate and working capital purposes. On November 2, 2020, the Company drew C$500,000 of the Standby Loan with further draws of C$750,000 on December 14, 2020, C$600,000 on December 23, 2020, C$1,000,000 on February 1, 2021 and C$500,000 on March 1, 2021. The loan bears interest at 8% per annum and is subject to a drawdown fee of 1% (on each draw made) and standby fee of 1% of the total facility (due at the time of the initial draw on the facility). The principal and accrued interest is payable upon the earlier of (i) September 30, 2021; (ii) two business days after the Company receives aggregate gross proceeds from one or more equity financings in excess of C$10 million; or (iii) the date of a change of control of the Company. The Company may prepay the standby loan in whole at any time before maturity without notice or penalty.

To March 31, 2021, the Company has incurred drawdown and standby fee costs totalling C$83,500 in respect to the Standby Loan, which have been included in the carrying value of the Standby Loan and are amortized using an effective interest rate ranging from 10.3% to 10.9%.

The following is a summary of the changes in loans and borrowings arising from investing and financing activities for the three months ended March 31, 2021:

Balance, December 31, 2020	$	1,415,963
Draws on standby loan, net of deferred financing costs		1,162,955
Accretion and accrued interest		59,091
Unrealized foreign exchange expense		36,049
Balance, March 31, 2021	$	2,674,058

8. SHARE CAPITAL

Authorized: Unlimited common shares, without par value.

Issued and fully paid:	Number of Common Shares		Amount
Balance, December 31, 2019 and March 31, 2020	331,273,893	$	86,719,445
Balance, December 31, 2020	333,616,428	$	88,026,357
Shares issued on exercise of stock options (a)	193,829		139,810
Balance, March 31, 2021	333,810,257	$	88,166,167

(a) During the three months ended March 31, 2021, 193,829 stock options were exercised at a weighted average exercise price of $0.41 (C$0.52) per common share for total proceeds of $78,714. The previously recognized share-based payment expense relating to these stock options was reclassified from share option reserve to share capital in the amount of $61,096.

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 shares that may be reserved for issuance under the Plan is limited to 10% of the total number of issued and outstanding shares on the date options are granted. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant. Options are exercisable over periods of up to five 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 shares prevailing on the day that the option is granted less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the TSX Venture Exchange. The Plan contains no vesting requirements but permits the Board to specify a vesting schedule in its discretion.

The Company granted no stock options during the three months ended March 31, 2021 and 2020.

(expressed in U.S. dollars)

9. SHARE-BASED PAYMENTS (continued)

(a) Stock option plan (continued)

Pursuant to the Company's accounting policy for share-based payments, the fair value of options vesting during the three months ended March 31, 2021, in the amount of $155,711 (three months ended March 31, 2020 - $223,369) has been recorded in the consolidated statement of comprehensive loss. Of this amount, $110,764 (2019 - $153,577) has been included in fees, salaries and other employee benefits (Note 10) and $44,947 (2019 - $69,792) has been expensed to exploration and evaluation expenditures (Note 6(b)).

(b) Outstanding stock options

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

	Three months ended March 31, 2021			Three months ended March 31, 2020		
	Number of Options		Weighted Average Exercise Price	Number of Options		Weighted Average Exercise Price
Outstanding, beginning of period	21,856,119	C$	0.61	19,458,654	C$	0.55
Exercised	(193,829)	C$	0.52	-	C$	-
Outstanding, end of period	21,662,290	C$	0.61	19,458,654	C$	0.55

The weighted average share price at the date of exercise for share options exercised in the three months ended March 31, 2021 was $0.65.

At March 31, 2021, the Company had outstanding stock options, including weighted average remaining contractual life, as follows:

March 31, 2021							
Options Outstanding					Options Exercisable		
Number of Options	Expiry Date	Weighted average life (years)	Exercise Price		Number of Options	Exercise Price	
1,121,492	April 20, 2021	0.05	C$	0.42	1,121,492	C$	0.42
1,740,000	December 30, 2021	0.75	C$	0.71	1,740,000	C$	0.71
500,000	March 6, 2022	0.93	C$	0.80	500,000	C$	0.80
1,905,000	December 7, 2022	1.69	C$	0.58	1,905,000	C$	0.58
4,689,133	December 4, 2023	2.68	C$	0.56	4,689,133	C$	0.56
6,791,665	October 11, 2024	3.53	C$	0.54	4,373,340	C$	0.54
4,915,000	November 25, 2025	4.66	C$	0.75	1,596,674	C$	0.75
21,662,290		2.98	C$	0.61	15,925,639	C$	0.59

10. FEES, SALARIES AND OTHER EMPLOYEE BENEFITS

	Three months ended March 31, 2021		Three months ended March 31, 2020	
Fees and salaries	$	165,190	$	166,748
Other benefits		944		552
Share-based payments (Note 9(a))		110,764		153,577
	$	276,898	$	320,877

(expressed in U.S. dollars)

11. LOSS PER SHARE

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

	Three months ended March 31, 2021	2020
Net loss	$ 1,840,064	$ 2,541,009
Weighted average number of common shares outstanding (basic and diluted)	333,741,083	331,273,893
Loss per share – basic and diluted	$ 0.01	$ 0.01

Basic loss per share is computed by dividing the net loss 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, 2021 and 2020.

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 available 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 objective, 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, 2021	December 31, 2020
Cash	3	Amortized cost	$ 214,235	$ 535,781
Other receivables	4	Amortized cost	35,473	34,557
Environmental deposit		Amortized cost	49,566	-
Accounts payable and accrued liabilities		Amortized cost	149,356	142,787
Standby loan	7	Amortized cost	2,674,058	1,415,963

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

13. FINANCIAL INSTRUMENTS (continued)

(b) Fair Value Measurements

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions.

14. FINANCIAL INSTRUMENT RISKS

The 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

At March 31, 2021, the Group considers that its cash, other receivables and environmental deposit are exposed to credit risk, representing maximum exposure of $299,274 (December 31, 2020 - $570,338). 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, 2021, the Group's cash was held at two financial institutions (December 31, 2020 – 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, 2021, the Group's current liabilities consisted of trade and other payables of $149,356, due primarily within three months from the period end, and a standby loan of $2,674,058, due on September 30, 2021. The Group's cash of $214,235 at March 31, 2021, was not sufficient to pay for these current liabilities in the absence of additional financing (see Note 2(b)).

(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, 2021, 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 $2,100 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 Group's standby loan is denominated in Canadian dollars and is, accordingly, exposed to fluctuations in foreign exchange rates with the U.S. Dollar.

(expressed in U.S. dollars)

14. FINANCIAL INSTRUMENT RISKS (continued)

(c) Market Risks (continued)

Currency Risk (continued)

The table below shows the impact that a 1% fluctuation in foreign currency rates compared to the U.S. dollar would have on the Group's consolidated loss, comprehensive loss and equity based upon the assets held at March 31, 2021.

Financial Instrument Type		U.S. Dollar	Currency		+/- 1% Fluctuation		
Cash	$	107,836	CAD dollar	$	1,078	$	(1,078)
Accounts payable and accrued liabilities		(9,560)	CAD dollar		(96)		96
Standby loan		(2,674,058)	CAD dollar		(26,741)		26,741
Total	$	(2,575,782)		$	(25,759)	$	25,759

Other Price Risk

The Group did not hold any financial instruments that had direct exposure to other price risks at March 31, 2021.

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 maker is carried out on a consolidated basis.

16. GROUP INFORMATION AND RELATED PARTY TRANSACTIONS

Information about subsidiaries

The consolidated financial statements include the following material subsidiary:

	Country of Incorporation	% Equity interest at March 31, 2021	December 31, 2020
Odin Mining del Ecuador S.A. ("Odin")	Ecuador	100	100

Related party expenses and balances

In addition to the related party transactions described elsewhere in these financial statements (see Note 7 for standby loan from shareholder Ross Beaty), the Group incurred the following expenses with related parties:

Company	Nature of transactions		Three months ended March 31, 2021		2020
Miedzi Copper Corp. ("Miedzi")	E&E (geological)	$	3,002	$	13,108
Miedzi	G&A		10,997		8,497
Miedzi	Fees		47,164		44,406
Hathaway Consulting Ltd.	Fees		25,529		24,622
Into the Blue Management Inc.	Fees		24,545		23,663
Koval Management Inc.	Fees		47,275		44,764
La Mar Consulting Inc.	E&E (social and community)		32,793		32,793
Luminex Services Ecuador LS-EC S.A. ("Luminex Services")	E&E (geological; social and community; and field office)		70,762		87,947
Lyle E Braaten Law Corp.	Fees		17,021		16,411
		$	279,088	$	296,211

Miedzi is considered a company related by way of directors, officers 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. Luminex Services is a wholly owned subsidiary of Luminex Resources Corp. ("Luminex") and provides personnel services to Odin. Luminex is considered a related party by way of directors, officers and shareholders in common.

(expressed in U.S. dollars)

16. GROUP INFORMATION AND RELATED PARTY TRANSACTIONS (continued)

Related party expenses and balances (continued)

Related party transactions are recognized at the amounts agreed between the parties. Outstanding balances are unsecured, and settlement occurs in cash. At March 31, 2021, $25,316 owing to Luminex Services was included in accounts payable (December 31, 2020 – $Nil).

Key management personnel compensation

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

		Three months ended March 31, 2021		2020
Short-term benefits (i)	$	201,983	$	195,970
Share-based payments (ii)		-		-
Total remuneration	$	201,983	$	195,970

(i) Short-term benefits include fees and salaries, including where those costs have been allocated to E&E expenditures (see Note 6(b)).
(ii) Share-based payments are the fair value of options granted (vested and unvested) to key management personnel as at the grant date (see Note 9(a)), including where those amounts have been allocated to E&E expenditures.
(iii) Key management personnel were not paid post-employment benefits, termination benefits, or long-term benefits during the three months ended March 31, 2021 and 2020.

17. COMMITMENTS AND CONTINGENT LIABILITY

Commitments

As at March 31, 2021, the Group has entered into agreements that are not recognized as ROU assets and that include rental agreements and contracted studies that require minimum payments in the aggregate as follows:

Within one year	$	75,000

Contingent liability

Lumina has entered into an agency agreement with Miedzi and Luminex to facilitate transactions between the entities and provide clarity around ongoing G&A costs in the case of withdrawal from the agency agreement, including provisions for rent of premises and personnel costs. At March 31, 2021, and assuming withdrawal from the agency agreement at that date, Lumina's obligation to Miedzi would be approximately $275,000 (December 31, 2020 - $286,000).

18. POST-REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization of the consolidated financial statements except that additional draws have been made on the Standby Loan, in the amount of C$900,000 for a total principal amount owing of C$4,250,000.