LUMINA GOLD CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

June 30, 2023

(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 three and six month periods ended June 30, 2023 and 2022 have not been reviewed by the Company’s external auditors.

LUMINA GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

Unaudited

(expressed in U.S. dollars)

	Note	June 30, 2023	December 31, 2022
ASSETS			
Current assets			
Cash	3	$ 10,718,398	$ 795,208
Other receivables	4	53,100	52,519
Prepaid expenses		98,415	94,759
Total current assets		10,869,913	942,486
Non-current assets			
Environmental deposit		54,827	53,388
Property and equipment	5	4,025,235	3,861,126
Exploration and evaluation assets	6(a)	1,701,100	1,701,100
Total assets		$ 16,651,075	$ 6,558,100
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		$ 446,515	$ 1,024,526
Lease obligations	5	36,964	38,641
Loan	7	11,019,405	7,974,963
Derivative liability	8	3,152,133	1,524,327
Deposit liability	9	11,831,797	-
Total current liabilities		26,486,814	10,562,457
Non-current liabilities			
Lease obligations	5	19,751	-
Total liabilities		26,506,565	10,562,457
EQUITY (DEFICIT)			
Share capital	10	109,166,081	107,958,475
Share-based payment reserve		7,968,885	7,592,242
Accumulated deficit		(126,990,456)	(119,555,074)
Total equity (deficit)		(9,855,490)	(4,004,357)
Total liabilities and equity (deficit)		$ 16,651,075	$ 6,558,100

Going concern (Note 2(b))
Commitments and contingent liability (Note 19)
Subsequent event (Note 20)

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 and six months ended June 30, 2023 and 2022

Unaudited

(expressed in U.S. dollars)

	Note	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
Expenses					
Exploration and evaluation ("E&E") expenditures	6(b), 18	$ 1,434,168	$ 7,764,483	$ 4,004,107	$ 13,471,894
Fees, salaries and other employee benefits	12, 18	285,624	290,133	582,870	594,650
General and administration ("G&A")	18	89,925	101,314	224,508	215,770
Professional fees		64,674	107,510	143,825	135,622
Insurance		8,777	11,016	36,889	34,085
		(1,883,168)	(8,274,456)	(4,992,199)	(14,452,021)
Other income (expenses)					
Change in fair value of derivative liabilities	8	1,839,098	-	(1,232,291)	-
Gain on land and other land rights in exchange for mineral concession	6(a)	-	-	323,147	-
Interest income and other		40,777	6,349	49,182	11,770
Interest and financing expense		(750,471)	(1,461)	(1,349,197)	(3,106)
Foreign exchange (loss) gain		(231,040)	(24,732)	(234,024)	8,243
		898,364	(19,844)	(2,443,183)	16,907
Net loss and comprehensive loss for the period		$ (984,804)	$ (8,294,300)	$ (7,435,382)	$ (14,435,114)
Loss per share – basic and diluted	13	$ (0.01)	$ (0.02)	$ (0.02)	$ (0.04)
Weighted average number of shares outstanding – basic and diluted	13	379,356,273	376,356,273	377,914,284	376,356,273

LUMINA GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

For the six months ended June 30, 2023 and 2022

Unaudited

(expressed in U.S. dollars)

	Note	Six months ended June 30, 2023	2022
Operating activities			
Loss for the period		$ (7,435,382)	$ (14,435,114)
Adjustment for non-cash items:			
Depreciation	5	89,416	89,073
Gain on land exchanged for mineral concession	6(a)	(215,542)	-
Environmental deposit interest earned		(1,439)	(983)
Foreign exchange on loan	7	244,093	-
Change in fair value of derivative liabilities	8	1,232,291	-
Share-based payment	11(a)	376,643	323,032
Deduct: interest income		(47,743)	(10,787)
Add: interest and financing expense		1,349,197	3,107
Net changes in non-cash working capital items:			
Other receivables		(581)	(746)
Prepaid expenses		(3,656)	52,710
Accounts payable and accrued liabilities		(578,011)	4,894,630
Net cash utilized in operating activities		(4,990,714)	(9,085,078)
Investing activities			
Expenditures on property and equipment		(1,194)	(58,228)
Interest received		47,743	10,787
Net cash provided by (utilized in) investing activities		46,549	(47,441)
Financing activities			
Payment of lease obligations	5	(18,715)	(17,927)
Payment of interest on lease obligations	5	(2,981)	(3,107)
Loan proceeds	7	2,220,618	-
Net proceeds received for precious metals stream deposit	9	11,831,797	-
Share issue costs	10(a)	-	(21,494)
Shares issued on exercise of warrants	10(b)	836,636	-
Net cash provided by (utilized in) financing activities		14,867,355	(42,528)
Increase (decrease) in cash		9,923,190	(9,175,047)
Cash, beginning of period		795,208	12,032,208
Cash, end of period	3	$ 10,718,398	$ 2,857,161

Non-cash operating and financing activities: see Note 5 for details of right-of-use asset additions and Notes 5 and 6(a) for gain on exchange of land for mineral concession.

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

For the six months ended June 30, 2023 and 2022

Unaudited

(expressed in U.S. dollars)

		Share Capital		Share-based	Accumulated	
	Note	Number of shares	Amount	Payment Reserve	Deficit	Total
Balance, December 31, 2021		376,356,273	$ 107,979,969	$ 6,485,901	$ (97,318,979)	$ 17,146,891
Share issue costs	10(a)	-	(21,494)	-	-	(21,494)
Share-based payment	11(a)	-	-	323,032	-	323,032
Comprehensive loss		-	-	-	(14,435,114)	(14,435,114)
Balance, June 30, 2022		376,356,273	$ 107,958,475	$ 6,808,933	$ (111,754,093)	$ 3,013,315
Balance, December 31, 2022		376,356,273	$ 107,958,475	$ 7,592,242	$ (119,555,074)	$ (4,004,357)
Shares issued on exercise of warrants	10(b)	3,000,000	1,207,606	-	-	1,207,606
Share-based payment	11(a)	-	-	376,643	-	376,643
Comprehensive loss		-	-	-	(7,435,382)	(7,435,382)
Balance, June 30, 2023		379,356,273	$ 109,166,081	$ 7,968,885	$ (126,990,456)	$ (9,855,490)

1. NATURE OF OPERATIONS

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

Lumina's head office and principal business address is Suite 410, 625 Howe Street, Vancouver, British Columbia, V6C 2T6. Lumina'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 Company for the three and six months ended June 30, 2023 and 2022, have been prepared in accordance with IAS 34 *Interim Financial Reporting.* They do not include all of the information and disclosures required in full annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2022 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements have been prepared on a historical cost basis and are presented in U.S. dollars, except as specifically noted for Canadian dollar amounts shown as "C$".

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors ("Board") on August 28, 2023.

(b) Going concern

These condensed consolidated interim financial statements have been prepared on the 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. To June 30, 2023, the Company has incurred cumulative losses of $126,990,456. Additionally, the Company has a net loss of $7,435,382 for the six months ended June 30, 2023. The ability of the Company to continue as a going concern is dependent upon satisfying the conditions and obligations contained within the terms of its precious metals streaming arrangement, 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. The Company believes that it will be able to continue as a going concern for the foreseeable future based on the Company's historical and anticipated ability to raise additional financing to further advance the Company's Cangrejos Project and indications of shareholder support. However, the Company will continue to incur losses in the development of its mineral exploration project and, as noted above, the Company will require additional funding in the future.

COVID-19 and other geopolitical matters such as the Russia / Ukraine conflict continue to impact world affairs. The ultimate duration of these matters and magnitude of their impact on the economy, capital markets and the Company's financial position cannot be estimated at this time. The Company continues to monitor developments and adapt its business plans accordingly. There can be no assurance that management's plans to raise additional financing to further advance the Cangrejos Project will be successful.

These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

(c) Significant accounting policies

The significant accounting policies that have been applied, on a consistent basis, in the preparation of these condensed consolidated interim financial statements are included in the Company's audited consolidated financial statements for the year ended December 31, 2022. Those accounting policies have been used throughout all periods presented in the condensed consolidated interim financial statements.

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

(d) Significant accounting judgments and estimates

The preparation of these condensed consolidated interim financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of expenses during the reporting periods. Actual outcomes could differ from these estimates and judgments, which, by their nature, are uncertain. Significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the annual consolidated financial statements as at and for the year ended December 31, 2022.

(e) Standards issued but not yet effective

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

3. CASH

The Company's cash, by currency, at June 30, 2023 and December 31, 2022 was as follows:

		June 30, 2023		December 31, 2022
Cash at bank and in hand denominated in Canadian dollars	$	133,529	$	408,689
Cash at bank and in hand denominated in U.S. dollars		10,584,869		386,519
	$	10,718,398	$	795,208

4. OTHER RECEIVABLES

		June 30, 2023		December 31, 2022
Refundable goods and services tax	$	32,757	$	48,532
Other		20,343		3,987
	$	53,100	$	52,519

5. PROPERTY AND EQUIPMENT AND LEASE OBLIGATIONS

		Land[(1)]		Property & equipment		Right-of-use assets		Total
Cost								
December 31, 2022	$	2,708,805	$	1,766,178	$	75,351	$	4,550,334
Additions		216,736		-		36,789		253,525
June 30, 2023	$	2,925,541	$	1,766,178	$	112,140	$	4,803,859
Accumulated Depreciation								
December 31, 2022	$	-	$	651,071	$	38,137	$	689,208
Depreciation for the period		-		70,914		18,502		89,416
June 30, 2023	$	-	$	721,985	$	56,639	$	778,624
Net book value								
December 31, 2022	$	2,708,805	$	1,115,107	$	37,214	$	3,861,126
June 30, 2023	$	2,925,541	$	1,044,193	$	55,501	$	4,025,235

(1)The Company has purchased various small local farm lands in the area of its mineral properties that are of strategic value representing important surface rights over which it has mineral rights and access. See Note 6 for details on the land addition during the six months ended June 30, 2023.

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

(expressed in U.S. dollars)

5. PROPERTY AND EQUIPMENT AND LEASE OBLIGATIONS (continued)

Right-of-use ("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 six months ended June 30, 2023 is as follows:

December 31, 2022	$	38,641
Addition		36,789
Interest accretion		2,981
Lease payments		(21,696)
June 30, 2023	$	56,715

6. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES

(a) Exploration and evaluation assets

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

Cangrejos

At June 30, 2023, the Company had six contiguous mineral concessions (December 31, 2022 – seven) located near Machala in southwest Ecuador, collectively known as the "Cangrejos Project" and representing a land area of 5,682 hectares. On March 21, 2023, the Company concluded a transaction whereby a non-material mineral concession of 691 hectares was exchanged for approximately 218 hectares and land and surface possessory rights with an arm's length party. The value of the land in the amount of $215,542 has been added to land assets (see Note 5) while the value of the possessory rights in the amount of $107,605 has been expensed to mineral rights and property fees (see Note 6(b)), consistent with the accounting treatment for similar access rights obtained in prior periods. As the concession transferred did not have an associated carrying value on the statement of financial position, a gain on the transaction of $323,147 has been recognized in the consolidated statement of loss and comprehensive loss.

In December 2021, an Exploration Investment Protection Agreement ("EIPA") for the Cangrejos Project was signed with the Government of Ecuador (the "Government"). The EIPA provides a foundation that can be built upon as the Cangrejos Project advances, leading towards future negotiation of an Exploitation Agreement and Exploitation Investment Protection Agreement required for mine construction and operations. Such further negotiation would occur after the completion of a Pre-Feasibility Study for the Cangrejos Project. The EIPA explicitly covers an investment totalling a minimum of $36 million for the period 2019-2024 and also covers investments by the Company in Ecuador from December 2010 to the end of 2018. The agreement also extends to any additional investments made in Ecuador during the period to 2024 and beyond. Under the terms of the EIPA, the Government pledges to maintain legal certainty and stability for the Company's investment, as well as to provide non-discriminatory treatment compared to other similar projects with regards to the administration, operation, expansion, and transfer of the Company's investments. In addition, the Government commits that it will not subject the Company and its investments to arbitrary or discriminatory measures. The guarantee also extends to property rights, barring any confiscation or other termination of rights without fair compensation, and also forbids restrictions on the legal transfer of the investment (e.g., the project or local holding companies) by the Company or its shareholders. The agreement also contains detailed procedures for dispute resolution, with arbitration in London pursuant to the rules of the International Chamber of Commerce.

Annual expenditures / Acquisition cost and carrying value

To maintain its mineral concessions the Company is required to meet certain spending requirements as communicated to the Government of Ecuador. The 2023 commitment related to such spending has been satisfied.

The carrying value of the Company's Cangrejos Project at June 30, 2023 is $1,701,100 (December 31, 2022 - $1,701,100).

(expressed in U.S. dollars)

6. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)

(b) Exploration and evaluation expenditures

The Company's exploration and evaluation expenditures ("E&E") on its Cangrejos Project for the three and six months ended June 30, 2023 and 2022 are as follows:

	Three months ended June 30, 2023	Three months ended June 30, 2022
Assays / Sampling	$ 91	$ 309,032
Camp	180,667	308,322
Camp access and improvements	28,980	55,103
Drilling	-	5,019,810
Engineering	238,239	578,962
Environmental, Health & Safety	221,474	202,867
Field office	114,406	155,857
Geological consulting	74,892	138,252
Geological and field staff	45,669	122,957
Legal fees	5,253	17,856
Metallurgical	9,061	66,721
Mineral rights and property fees	37,055	101,685
Project management[1]	204,973	179,981
Reports	10,552	70,441
Social and community[1]	111,370	214,648
Share-based payment (Note 11(a))	63,437	50,987
Transportation and accommodation	88,049	171,002
Costs incurred during the period	$ 1,434,168	$ 7,764,483
Cumulative E&E incurred, beginning of period [2]	$ 71,038,427	$ 54,669,462
E&E incurred during the period	1,434,168	7,764,483
Cumulative E&E incurred, end of period	$ 72,472,595	$ 62,433,945

	Six months ended June 30, 2023	Six months ended June 30, 2022
Assays / Sampling	$ 91	$ 436,014
Camp	338,494	629,391
Camp access and improvements	30,582	151,070
Drilling	-	8,459,548
Engineering	1,042,793	939,833
Environmental, Health & Safety	382,940	414,186
Field office	230,516	315,838
Geological consulting	155,508	256,730
Geological and field staff	92,244	225,784
Legal fees	12,487	38,068
Metallurgical	479,370	134,701
Mineral rights and property fees	252,130	245,173
Project management[1]	447,121	355,735
Reports	60,680	117,802
Social and community[1]	229,525	331,053
Share-based payment (Note 11(a))	124,566	101,414
Transportation and accommodation	125,060	319,554
Costs incurred during the period	$ 4,004,107	$ 13,471,894
Cumulative E&E incurred, beginning of period [2]	$ 68,468,488	$ 48,962,051
E&E incurred during the period	4,004,107	13,471,894
Cumulative E&E incurred, end of period	$ 72,472,595	$ 62,433,945

[1] Expenses classified and recorded as project management and social and community costs include key management personnel costs (see Note 18).
[2] E&E expenditures have been disclosed on a cumulative basis since January 1, 2004 for the Cangrejos Project.

(expressed in U.S. dollars)

7. LOAN

On July 5, 2022, the Company entered into an agreement with Ross Beaty to establish a C$10 million unsecured credit facility (the "Second Standby Loan"). The Second Standby Loan bears interest at a rate of 10% per annum and matures on the earlier of: (i) July 5, 2023; (ii) two business days after the Company receives aggregate gross proceeds from one or more equity financings in excess of C$15 million; or (iii) the date of a change of control of the Company, at which time it is to be repaid in full. In connection with the Second Standby Loan, the Company granted 3,000,000 common share purchase warrants to Mr. Beaty (the "Bonus Warrants"), due upon the initial draw on the facility.

An initial draw of C$1,500,000 was made on July 7, 2022. The Bonus Warrants entitle the holder to acquire one common share of the Company at a price of C$0.38 per common share until July 7, 2024. In the event that the Second Standby Loan is repaid prior to July 5, 2023, the Bonus Warrants will expire on July 7, 2023. Further draws on the Second Standby Loan were made as follows: C$4,000,000 on July 25, 2022, C$2,400,000 on September 1, 2022, C$1,000,000 on September 29, 2022, and C$1,100,000 on November 1, 2022 (for total drawn of C$10,000,000). The fair value of the Bonus Warrants on the date of the initial draw in the amount of $127,956 were included in the carrying value of the Second Standby Loan and are amortized using an effective interest rate of approximately 11.7%.

On December 13, 2022, the Company entered into an amendment agreement whereby the Second Standby Loan was adjusted to a total facility of C$15 million (the "Amended Second Standby Loan"). The Amended Second Standby Loan continues to bear interest at a rate of 10% per annum and matures on the earlier of: (i) December 31, 2023; (ii) two business days after the Company receives aggregate gross proceeds from one or more equity financings in excess of C$18 million; or (iii) the date of a change of control of the Company, at which time it is to be repaid in full. No additional warrants were granted to Mr. Beaty in connection with the Amended Second Standby Loan. The Amended Second Standby Loan plus accrued interest to December 13, 2022, is convertible to common shares of the Company at a price of C$0.42 per share at the option of Mr. Beaty for a total of up to 36,484,605 common shares (the "Convertible Units"), assuming the Amended Second Standby Loan is fully drawn by the Company.

A draw was made on the Amended Second Standby Loan on December 14, 2022, in the amount of C$2,000,000. The fair value of the Convertible Units related to the Amended Second Standby Loan on (i) the date of the new facility agreement and (ii) the draw of C$2,000,000, in the amounts of $961,052 and $258,802, respectively, have been included in the carrying value of the Amended Second Standby Loan and are amortized using effective interest rates ranging from 24.1% to 29.7%.

Additional draws were made on the Amended Second Standby Loan as follows: (i) C$1,250,000 on January 18, 2023; (ii) C$500,000 on February 9, 2023; and (iii) C$1,250,000 on March 6, 2023. The fair value of the Convertible Units, calculated using Black-Scholes, related to each draw date is shown in the table below. These amounts have been included in the carrying value of the Amended Second Standby Loan and are amortized using effective interest rates ranging from 42.1% to 81.1%.

	January 18, 2023	**February 9, 2023**	**March 6, 2023**
Risk-free interest rate	3.67%	4.08%	4.22%
Expected dividend yield	-	-	-
Expected stock price volatility	63%	64%	66%
Expected life in years	0.95	0.89	0.82
Share price	C$0.455	C$0.41	C$0.52
Convertible price per common share	C$0.42	C$0.42	C$0.42
Exchange rate (U.S. Dollar to Canadian Dollar)	1.3439	1.3427	1.3615
Number of Convertible Units	2,976,190(1)	1,190,476(2)	2,976,190(1)
Fair value (total)	$287,936	$87,687	$383,536
Fair value per Convertible Unit	$0.10	$0.07	$0.13

(1) Calculated as to C$1,250,000 principal divided by C$0.42 per share convertible price.
(2) Calculated as to C$500,000 principal divided by C$0.42 per share convertible price.

The following is a summary of the changes in loans and borrowings arising from investing and financing activities for the six months ended June 30, 2023:

Balance, December 31, 2022	$	7,974,963
Draws on loans, net of deferred financing costs		1,454,133
Accretion and accrued interest		1,346,216
Unrealized foreign exchange loss		244,093
Balance, June 30, 2023	$	11,019,405

8. DERIVATIVE LIABILITIES

(a) Warrants

The Company issued share purchase warrants as part of its Second Standby Loan in July 2022 (see Note 7). 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 or loss. The fair value of the warrants is determined using the Black Scholes option pricing model at the time the warrants are issued and at each period-end date. The warrants were exercised on March 28, 2023, at which time the derivative liability amount was revalued and recorded to equity. The fair value of the warrants, at each relevant date, was determined using the following inputs:

	December 31, 2022	**March 28, 2023**
Risk-free interest rate	4.07%	3.73%
Expected dividend yield	-	-
Expected stock price volatility	63%	50%
Expected warrant life in years	0.52	0.28
Share price	C$0.355	C$0.54
Warrant exercise price per share	C$0.38	C$0.38
Exchange rate (U.S. Dollar to Canadian Dollar)	1.3544	1.36626
Fair value	$131,736	$370,970
Fair value per warrant	$0.04	$0.13

The Company recognized a fair value loss of $239,234 pertaining to the warrant derivative liability. The following tables summarize warrants activity for the period from January 1, 2023 to their exercise on March 28, 2023:

	Number of Warrants		Weighted Average Exercise Price
Outstanding, January 1, 2023	3,000,000	C$	0.38
Exercised	(3,000,000)	C$	0.38
Outstanding, end of period	-	C$	-

There were no warrants outstanding during the three and six months ended June 30, 2022.

(b) Convertible Units arising from Amended Second Standby Loan

The Company's Amended Second Standby Loan (see Note 7) includes a convertible feature whereby the loan may be converted, at the option of the loan provider, to common shares of the Company at a rate of C$0.42 per common share for a total of up to 36,484,605 common shares. As the exercise price of the Company's Convertible Units is fixed in Canadian dollars, while the Company's functional currency is the U.S. dollar, these Convertible Units are considered a derivative as a variable amount of cash in the Company's functional currency will be received on exercise. Accordingly, these Convertible Units are classified and accounted for as a derivative liability at fair value through profit or loss. The fair value of the Convertible Units is determined using the Black Scholes option pricing model at the time the Convertible Units are issued and at each period-end date. The fair value of the Convertible Units at each inception date is disclosed in Note 7. At June 30, 2023, the fair value of the Convertible Units derivative liability, was determined with Black-Scholes using the following inputs:

Risk-free interest rate	4.54%
Expected dividend yield	-
Expected stock price volatility	38%
Expected life in years	0.5
Share price	C$0.51
Convertible price per common share	C$0.42
Exchange rate (U.S. Dollar to Canadian Dollar)	1.324
Number of Convertible Units outstanding	36,484,605[(1)]
Fair value	$3,152,133
Fair value per Convertible Unit	$0.09

(1) Calculated as to C$15,000,000 principal plus accrued interest of C$323,534 (as at December 13, 2022), divided by C$0.42 per share convertible price.

During the six months ended June 30, 2023, the Company recognized a fair value loss of $993,057 pertaining to the Convertible Units.

(expressed in U.S. dollars)

9. DEPOSIT LIABILITY

On May 16, 2023, the Company entered into a precious metals purchase agreement (the "Gold Stream") with Wheaton Precious Metals International Ltd., a wholly-owned subsidiary of Wheaton Precious Metals Corp., ("Wheaton") in relation to the Cangrejos Project. The Gold Stream initially represents 6.6% of the payable gold produced from the Cangrejos Project in exchange for $48 million of pre-construction funding (the "Early Deposit") and $252 million of construction funding (the "Upfront Payment").

The Gold Stream is composed of two funding segments, (i) the Early Deposit to be paid during the completion of a feasibility study (as such term is defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*) and permitting period, and (ii) the Upfront Payment to be paid during the construction of the Cangrejos Project.

The Early Deposit of $48 million is comprised of four components: (i) $12 million to be paid on the date that is 10 days following the signing of the Gold Stream (the "Closing Date") (received on May 26, 2023); (ii) $10 million to be paid on the date that is 6 months following the Closing Date; (iii) $15 million to be paid on the date that is 12 months following the Closing Date; and (iv) a $11 million facility that may be drawn upon for specific pre-construction capital items. Wheaton retains a right to request a refund of all of the Early Deposit, except for $2 million, until such time as 90 days after the completion of the feasibility study which has a deadline of May 26, 2025.

The $252 million Upfront Payment will be funded throughout the two- and a half-year construction period for the Cangrejos Project.

In return for the Early Deposit and Upfront Payment, the Company will sell 6.6% of the payable gold from the Cangrejos Project until 700,000 ounces of gold have been delivered, at which point the Gold Stream will be reduced to 4.4% of the payable gold production. Wheaton will make ongoing payments for the gold ounces delivered equal to 18% of the spot price of gold until the uncredited deposit is reduced to nil and 22% of the spot price of gold thereafter. The Gold Stream has an initial term of 20 years which can be renewed for successive 10-year periods until Wheaton terminates.

In the event of a change of control, the Company may buy back, with a cash payment, one-third of the Gold Stream from Wheaton until the earlier of January 1, 2030, and the date that is 12 months after first production.

Below is a reconciliation of the funds received from Wheaton, and associated costs, for the six months ended June 30, 2023:

Cash received	$	12,000,000
Transaction costs		(168,203)
Net deposit liability funds received	$	11,831,797

The net proceeds received from Wheaton have been allocated to the following components at June 30, 2023:

Deposit liability – debt	$	7,909,072
Deposit liability – derivative		3,922,725
Total	$	11,831,797

(expressed in U.S. dollars)

10. SHARE CAPITAL

Authorized: Unlimited common shares, without par value.

Issued and fully paid:	Number of Common Shares		Amount
Balance, December 31, 2021	376,356,273		107,979,969
Share issue costs (a)	-		(21,494)
Balance, June 30, 2022	376,356,273	$	107,958,475
Balance, December 31, 2022	376,356,273		107,958,475
Shares issued on exercise of warrants (b)	3,000,000		1,207,606
Balance, June 30, 2023	379,356,273	$	109,166,081

(a) In March 2022, the Company received a reimbursement of share issue costs in the amount of $3,019 related to the brokered private placement financing that closed in October 2021. In the three months ended June 30, 2022, the Company incurred additional share issue costs of $24,513.

(b) On March 28, 2023, a total of 3,000,000 warrants were exercised at a weighted average exercise price of $0.28 (C$0.38) per common share for total proceeds of $836,636. The previously recognized derivative liability relating to these warrants was reclassified from derivative liability to share capital in the amount of $370,970.

11. 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 six months ended June 30, 2023 and 2022.

Pursuant to the Company’s accounting policy for share-based payments, the fair value of options vesting during the three and six months ended June 30, 2023, in the amounts of $189,909 and $376,643 (three and six months ended June 30, 2022 - $161,976 and $323,032) has been recorded in the condensed consolidated interim statements of comprehensive loss. Of these amounts, $126,472 and $252,077 (three and six months ended June 30, 2022 - $110,989 and $221,618) have been included in fees, salaries and other employee benefits (Note 12) and $63,437 and $124,566 (three and six months ended June 30, 2022 - $50,987 and $101,414) have 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 June 30,					
	2023			2022		
	Number of Options		Weighted Average Exercise Price	Number of Options		Weighted Average Exercise Price
Outstanding, beginning of period	31,550,799	C$	0.54	24,300,798	C$	0.60
Expired	(83,334)	C$	0.53	(108,333)	C$	0.57
Outstanding, end of period	31,467,465	C$	0.54	24,192,465	C$	0.60

(expressed in U.S. dollars)

11. SHARE-BASED PAYMENTS (continued)

(b) Outstanding stock options (continued)

	Six months ended June 30, 2023			Six months ended June 30, 2022		
	Number of Options		Weighted Average Exercise Price	Number of Options		Weighted Average Exercise Price
Outstanding, beginning of period	31,597,465	C$	0.54	24,800,798	C$	0.60
Expired	(130,000)	C$	0.50	(608,333)	C$	0.76
Outstanding, end of period	31,467,465	C$	0.54	24,192,465	C$	0.60

No stock options were exercised in the six months ended June 30, 2023 and 2022.

At June 30, 2023, the Company had outstanding stock options, including weighted average remaining contractual life, as follows:

Options Outstanding				Options Exercisable	
Number of Options	Expiry Date	Weighted average life (years)	Exercise Price (C$)	Number of Options	Exercise Price (C$)
4,689,133	December 4, 2023	0.43	0.56	4,689,133	0.56
6,718,332	October 11, 2024	1.28	0.54	6,718,332	0.54
4,915,000	November 25, 2025	2.41	0.75	4,915,000	0.75
5,940,000	November 23, 2026	3.40	0.58	3,970,435	0.58
9,205,000	November 18, 2027	4.39	0.405	3,057,924	0.405
31,467,465		2.64	0.54	23,350,824	0.58

12. FEES, SALARIES AND OTHER EMPLOYEE BENEFITS

	Three months ended June 30, 2023		Three months ended June 30, 2022		Six months ended June 30, 2023		Six months ended June 30, 2022	
Fees and salaries	$	159,152	$	179,144	$	330,793	$	373,032
Other benefits		-		-		-		-
Share-based payments (Note 11(a))		126,472		110,989		252,077		221,618
	$	285,624	$	290,133	$	582,870	$	594,650

13. LOSS PER SHARE

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

	Three months ended June 30, 2023		Three months ended June 30, 2022	
Net loss	$	(984,804)	$	(8,294,300)
Weighted average number of common shares outstanding (basic and diluted)		379,356,273		376,356,273
Loss per share – basic and diluted	$	(0.01)	$	(0.02)

(expressed in U.S. dollars)

13. LOSS PER SHARE (continued)

	Six months ended June 30, 2023	2022
Net loss	$ (7,435,382)	$ (14,435,114)
Weighted average number of common shares outstanding (basic and diluted)	377,914,284	376,356,273
Loss per share – basic and diluted	$ (0.02)	$ (0.04)

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 and Convertible Units, in the weighted average number of common shares outstanding during the period, if dilutive.

All of the stock options and Convertible Units currently issued (see Notes 8 and 11) were anti-dilutive for the three and six months ended June 30, 2023 and 2022.

14. 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.

15. FINANCIAL INSTRUMENTS

(a) Categories of financial assets and financial liabilities

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

	Note	Category	June 30, 2023	December 31, 2022
Cash	3	Amortized cost	$ 10,718,398	$ 795,208
Other receivables	4	Amortized cost	20,343	3,987
Environmental deposit		Amortized cost	54,827	53,388
Accounts payable and accrued liabilities		Amortized cost	446,515	1,024,526
Lease obligations	5	Amortized cost	56,715	38,641
Loan	7	Amortized cost	11,019,405	7,974,963
Derivative liability	8	FVTPL	3,152,133	1,524,327
Deposit liability – debt	9	Amortized cost	7,909,072	-
Deposit liability – derivative	9	FVTPL	3,922,725	-

15. FINANCIAL INSTRUMENTS (continued)

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

The recorded amounts for cash, other receivables, environmental deposit, accounts payable and accrued liabilities, loan and deposit liability (debt) approximate their fair value due to the short-term maturities of these instruments and/or the market interest rate being earned or charged thereon. Lease obligations and loans are initially measured at their fair value with subsequent measurement at amortized cost using the effective interest rate method. Income earned on the Company's cash has been disclosed in the condensed consolidated interim statements of loss and comprehensive loss under the caption "interest income and other."

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

(b) Fair value measurements

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

Level 1 – quoted market prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly, such as prices, or indirectly (derived from prices).
Level 3 – inputs are unobservable (supported by little or no market activity) such as non-corroborative indicative prices for a particular instrument provided by a third party.

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The fair value of the Company's derivative liabilities are determined using Level 2 and Level 3 inputs.

16. 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, other receivables and environmental deposit are exposed to credit risk, representing maximum exposure of $10,793,568 at June 30, 2023 (December 31, 2022 - $852,583). Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk on its cash is minimized by maintaining these assets with high-credit quality financial institutions. At June 30, 2023, the Company's cash was held at two financial institutions (December 31, 2022 – two financial institutions).

(b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they become due. The Company manages liquidity risk by ensuring that it has sufficient cash available to meet its obligations. These requirements are met through a combination of cash on hand, disposition of assets, accessing capital markets and loans.

At June 30, 2023, the Company's current liabilities consisted of trade and other payables of $446,515, due primarily within three months from the period end, a loan of $11,019,405, due on December 31, 2023 (see Note 7), lease obligations of $56,715 and a deposit liability (debt) of $7,909,072. The Company's cash of $10,718,398 at June 30, 2023, is not sufficient to pay for these current liabilities in the absence of additional, longer-term, financing.

16. FINANCIAL INSTRUMENT RISKS (continued)

(c) Market risks

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

Interest rate risk

Interest rate risk is the risk that the future cash flows and fair values of the Company will fluctuate because of changes in market interest rates. Based on the Company's cash as at June 30, 2023, and assuming that all other variables remained constant, a 1% increase or decrease in interest rates would result in an increase or decrease of approximately, $107,200 in the Company's interest income on an annual basis.

Currency risk

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

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

The table below shows the impact that a 1% fluctuation in foreign currency rates compared to the U.S. dollar would have on the Company's comprehensive loss and equity (deficit) based upon the assets and liabilities held at June 30, 2023.

Financial Instrument Type	U.S. Dollar	Currency	+/- 1% Fluctuation	
Cash	$ 133,529	CAD dollar	$ 1,335	$ (1,335)
Accounts payable and accrued liabilities	(69,878)	CAD dollar	(698)	698
Loan	(11,019,405)	CAD dollar	(110,194)	110,194
Derivative liability	(3,152,133)	CAD dollar	(31,521)	31,521
Total	$ (14,107,887)		$ (141,078)	$ 141,078

Other Price Risk

The Company did not hold any financial instruments that had direct exposure to other price risks at June 30, 2023.

17. 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.

(expressed in U.S. dollars)

18. COMPANY INFORMATION AND RELATED PARTY TRANSACTIONS

Information about subsidiaries

The consolidated financial statements include the following material subsidiary:

		% Equity interest at	
	Country of Incorporation	June 30, 2023	December 31, 2022
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 loan from shareholder Ross Beaty), the Company incurred the following expenses with related parties:

		Three months ended June 30,	
Related company	Nature of transactions	2023	2022
Miedzi Copper Corp. ("Miedzi")	E&E (geological)	$ 662	$ 6,525
Miedzi	G&A	12,703	12,312
Miedzi	Fees	45,151	48,294
Hathaway Consulting Ltd.	Fees	25,929	26,459
Into the Blue Management Inc.	Fees	20,898	21,326
Koval Management Inc.	Fees	48,285	49,272
La Mar Consulting Inc.	E&E (social and community)	28,341	34,395
Lyle E Braaten Law Corp.	Fees	18,404	18,481
		$ 200,373	$ 217,064

		Six months ended June 30,	
Related company	Nature of transactions	2023	2022
Miedzi	E&E (geological)	$ 3,995	$ 6,866
Miedzi	G&A	22,072	22,004
Miedzi	Fees	96,772	99,063
Hathaway Consulting Ltd.	Fees	51,628	53,168
Into the Blue Management Inc.	Fees	41,611	42,854
Koval Management Inc.	Fees	96,148	97,863
La Mar Consulting Inc.	E&E (social and community)	56,683	68,790
Lyle E Braaten Law Corp.	Fees	39,488	37,440
		$ 408,397	$ 428,048

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. Related party transactions are recognized at the amounts agreed between the parties. Outstanding balances are unsecured, and settlement occurs in cash.

The amounts below were included in accounts payable and accrued liabilities as owing to related parties:

Related company	June 30, 2023	December 31, 2022
Miedzi	$ 19,526	$ -
Hathaway Consulting Ltd.	-	49,343
Into the Blue Management Inc.	-	33,225
Koval Management Inc.	658	47,992
La Mar Consulting Inc.	-	22,150
Lyle E Braaten Law Corp.	-	40,608
	$ 20,184	$ 193,318

(expressed in U.S. dollars)

18. COMPANY INFORMATION AND RELATED PARTY TRANSACTIONS (continued)

Key management personnel compensation

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

	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
Short-term benefits (i)	$ 192,799	$ 205,943	$ 390,866	$ 413,896
Share-based payments (ii)	-	-	-	-
Total remuneration	$ 192,799	$ 205,943	$ 390,866	$ 413,896

(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 11(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 and six months ended June 30, 2023 and 2022.

19. COMMITMENTS AND CONTINGENT LIABILITY

Commitments

As at June 30, 2023, the Company 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	$ 151,000

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 June 30, 2023, and assuming withdrawal from the agency agreement at that date, Lumina's obligation to Miedzi would be approximately $293,000 (December 31, 2022 - $331,000).

20. SUBSEQUENT EVENT

On July 6, 2023, 350,000 stock options with an exercise price of C$0.52 per common share were granted to an officer of the Company.