



*(A Development Stage Enterprise)*

**CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2009**

**TSXV: LCC**

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The unaudited consolidated financial statements, and accompanying notes thereto, for the periods ended March 31, 2009 and 2008 have not been reviewed by the Company's external auditors.

**LUMINA COPPER CORP.***(a development stage enterprise)***CONSOLIDATED BALANCE SHEETS**

(expressed in Canadian dollars)

	<b>March 31, 2009</b>	<b>September 30, 2008</b>
	<b>(Unaudited)</b>	
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 3,223,591	\$ 9,415,346
Short-term investment (Note 3)	5,041,904	-
Marketable securities (Note 4)	579,600	2,281,600
Receivables	14,740	10,082
Prepaid expenses	4,148	11,583
	8,863,983	11,718,611
EQUIPMENT (Note 5)	23,019	26,617
MINERAL PROPERTY (Note 6)	3,843,818	2,907,926
OTHER INVESTMENTS (Note 7)	9,354	12,771
	\$ 12,740,174	\$ 14,665,925
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 213,694	\$ 243,703
Note payable (Note 8)	2,706,343	2,617,981
	2,920,037	2,861,684
<b>SHAREHOLDERS' EQUITY</b>		
SHARE CAPITAL (Note 9)	1	1
CONTRIBUTED SURPLUS (Note 11)	16,148,104	16,159,011
DEFICIT ACCUMULATED DURING THE DEVELOPMENT STAGE	(6,327,968)	(4,354,771)
	9,820,137	11,804,241
	\$ 12,740,174	\$ 14,665,925

Basis of presentation and going concern (Note 1)

APPROVED BY THE DIRECTORS

*"Ross Cory"*

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 Director

*"Robert Pirooz"*

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 Director

See Accompanying Notes to the Consolidated Financial Statements

**LUMINA COPPER CORP.***(a development stage enterprise)***CONSOLIDATED STATEMENTS OF LOSS, COMPREHENSIVE LOSS AND DEFICIT****(Unaudited)**

(expressed in Canadian dollars)

	For the Three Months Ended		For the Six Months Ended	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>				
Management and administrative services	\$ 140,943	\$ 766	\$ 184,959	\$ 2,610
Property investigations	62,107	-	91,262	-
Legal	13,924	3,350	87,844	3,814
Investor relations and promotion	39,507	670	57,263	1,212
Audit and accounting	27,975	112	54,050	536
Office and administration	17,393	2,609	35,583	4,780
Regulatory and transfer agent fees	20,383	247	21,700	358
Travel and accommodation	2,791	183	4,972	187
Amortization	1,608	1,877	4,826	3,734
Consultants	-	376	-	413
	326,631	10,190	542,459	17,644
<b>OTHER INCOME (EXPENSES)</b>				
Interest and other income	29,106	1,175	53,157	2,081
Foreign exchange gain	28,218	3,064	221,523	5,863
Unrealized gain (loss) on securities (Note 4 and 7(b))	99,705	(553,602)	(1,705,418)	(73,266)
	157,029	(549,363)	(1,430,738)	(65,322)
<b>NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>				
	(169,602)	(559,553)	(1,973,197)	(82,966)
<b>DEFICIT, BEGINNING OF PERIOD</b>				
	(6,158,366)	(1,970,838)	(4,354,771)	(2,447,425)
<b>DEFICIT, END OF PERIOD</b>				
	\$ (6,327,968)	\$ (2,530,391)	\$ (6,327,968)	\$ (2,530,391)
<b>BASIC AND DILUTED LOSS PER SHARE</b>				
	\$ (0.01)	Note 9	(0.06)	Note 9
<b>WEIGHTED AVERAGE NUMBER OF SHARES</b>				
	34,609,149	Note 9	34,609,149	Note 9

*See Accompanying Notes to the Consolidated Financial Statements*

**LUMINA COPPER CORP.***(a development stage enterprise)***CONSOLIDATED STATEMENTS OF CASH FLOWS****(Unaudited)**

(expressed in Canadian dollars)

	For the Three Months Ended March 31, 2009		For the Six Months Ended March 31, 2008	
CASH PROVIDED FROM (USED IN):				
OPERATING ACTIVITIES				
Net loss for the period	\$ (169,602)	\$ (559,553)	\$ (1,973,197)	\$ (82,966)
Items not involving cash:				
Amortization	1,608	1,877	4,826	3,734
Unrealized (gain) loss on securities	(99,705)	553,602	1,705,418	73,266
Stock based compensation expense	135,780	-	135,780	-
Net changes in non-cash working capital items:				
Receivables	2,334	153	(4,658)	(3,855) <sup>(1)</sup>
Prepaid expenses	4,752	(578)	7,435	(578) <sup>(1)</sup>
Accounts payable and accrued liabilities	(102,306)	(5,068)	(30,009)	(75,723) <sup>(1)</sup>
	(227,139)	(9,567)	(154,405)	(86,122)
FINANCING ACTIVITIES				
Note payable	(58,325)	-	(58,325)	-
Funding provided by Global Copper Corp	-	26,666	-	163,366 <sup>(1)</sup>
	(58,325)	26,666	(58,325)	163,366
INVESTING ACTIVITIES				
Purchase of equipment	-	(374)	(1,228)	(374)
Expenditures on mineral properties	(34,235)	(29,642)	(935,893)	(68,387) <sup>(1)</sup>
Taca Taca proceeds received	-	509,950	-	509,950
Short term deposits	(28,356)	-	(5,041,904)	-
	(62,591)	479,934	(5,979,025)	441,189
INCREASE (DECREASE) IN CASH	(348,055)	497,033	(6,191,755)	518,433
CASH, BEGINNING OF PERIOD	3,571,646	31,369	9,415,346	9,969
CASH, END OF PERIOD	\$ 3,223,591	\$ 528,402	\$ 3,223,591	\$ 528,402

<sup>(1)</sup> These are non-cash items that have been provided to present the funding sources and use of cash by the Lumina Copper business prior to the closing of the plan of arrangement by Global Copper Corp. (Note 1).

There were no non-cash investing and financing transactions during the three and six month periods ended March 31, 2009 and 2008.

*See Accompanying Notes to the Consolidated Financial Statements*

**LUMINA COPPER CORP.**

*(a development stage enterprise)*

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2009**

**(Unaudited)**

(expressed in Canadian dollars)

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**1. BASIS OF PRESENTATION AND GOING CONCERN**

Lumina Copper Corp. ("Lumina" or "the Company") was incorporated on May 12, 2008 and commenced operations on August 1, 2008 pursuant to a plan of arrangement (the "Arrangement") by Global Copper Corp. ("Global"). Prior to August 1, 2008 the Company was operating as a division of Global. Details of the Arrangement are disclosed in Note 2 of the audited consolidated financial statements of Lumina for the fiscal year ended September 30, 2008.

These consolidated financial statements reflect the financial position, results of operations, and cash flows of Lumina, and include the following wholly-owned subsidiaries:

- Minera Global Copper Chile S.A.
- Minera Corriente Chile S.A.
- Corriente Argentina S.A.
- Global Copper Holdings Ltd.
- Corriente Argentina Inc.

The Company is engaged in the exploration and development of mineral resources and is considered to be in the development stage as it has not placed its mineral property into production.

The Company's ability to continue as a going concern is dependent on continued financial support from its shareholders, the ability of the Company to raise equity or debt financing or the attainment of profitable operations to settle liabilities as they become payable. These consolidated financial statements have been prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. These consolidated 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. In accordance with CICA Handbook Section 1440, "*Assessing Going Concern*", management has assessed the Company's ability to continue as a going concern and these consolidated financial statements have been prepared accordingly (Note 2 (b)).

The consolidated financial statements for periods prior to September 30, 2008 have been presented under the continuity-of-interests basis and reflect an allocation of general and administrative expenses incurred in each of these periods by Global. The allocation of general and administrative expenses was calculated on the basis of the ratio of expenditures incurred on the Taca Taca mineral property as compared to the total expenditures incurred on all of Global's mineral properties in each of the periods. Management cautions readers of these consolidated financial statements that this allocation of expenses does not necessarily reflect an accurate presentation of general and administrative expenses that the Company would have incurred in the aforementioned periods or will incur in the future.

The accompanying unaudited interim consolidated financial statements are prepared in accordance with generally accepted accounting principles ("GAAP") in Canada with respect to the preparation of interim financial statements. Accordingly, they do not include all of the information and disclosures required by Canadian GAAP in the preparation of annual consolidated financial statements. The accounting policies used in the preparation of the accompanying unaudited interim consolidated financial statements are the same as those described in the annual consolidated financial statements and the notes thereto for the fiscal year ended September 30,

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*(a development stage enterprise)*

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2009**

**(Unaudited)**

(expressed in Canadian dollars)

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**2. SIGNIFICANT ACCOUNTING POLICIES**

2008. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. The interim consolidated financial statements should be read in conjunction with the Company's consolidated financial statements including the notes thereto for the fiscal year ended September 30, 2008.

**(a) Management estimates and measurement uncertainty**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates are made in the preparation of the financial statements regarding the fair values of employee stock options and financial instruments, valuation of deferred mineral property exploration costs and future income tax assets. By their nature, these estimates are subject to measurement uncertainties and the impact on the consolidated financial statements of future periods could be material.

**(b) Going concern**

Effective for accounting periods beginning on or after January 1, 2009, the revisions to CICA Handbook Section 1440, "*Assessing Going Concern*", requires management to assess an entity's ability to continue as a going concern. When management is aware of material uncertainties related to events or conditions that may cast doubt on an entity's ability to continue as a going concern, these uncertainties must be disclosed. In assessing the appropriateness of the going concern assumption, the standard requires management to consider all available information about the future, which is at least, but not limited to, twelve months from the balance sheet date. Management has completed this assessment and the Company has prepared the consolidated financial statements on a going concern basis.

**(c) Future accounting changes**

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian publicly accountable enterprises. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles ("Canadian GAAP") with International Financial Reporting Standards ("IFRS") over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly accountable enterprises to use IFRS, replacing Canada's own GAAP. The changeover is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The effective date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for its 2010 fiscal year end. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

**LUMINA COPPER CORP.***(a development stage enterprise)***NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****March 31, 2009****(Unaudited)**

(expressed in Canadian dollars)

**3. SHORT-TERM INVESTMENT**

The short-term investment has been classified as held-for-trading and is comprised of a term deposit held with a major Canadian bank with a one year term and a maturity date of November 18, 2009. The term deposit is cashable 30 days after purchase with no penalty and bears interest at the rate of 2.3%. The carrying value of the term deposit of \$5,041,904, comprised of the principal amount of \$5,000,000 plus accrued interest of \$41,904, approximated its fair value at March 31, 2009.

**4. MARKETABLE SECURITIES**

The Company held the following marketable securities:

	Number of Common Shares	Original Cost	Cumulative Adjustment to Fair Value	Fair Value March 31, 2009
Los Andes Copper Ltd.	6,280,000	\$ 4,584,400	\$ (4,144,800)	\$ 439,600
Coro Mining Corp.	1,000,000	976,668	(836,668)	140,000
		\$ 5,561,068	\$ (4,981,468)	\$ 579,600

	Number of Common Shares	Original Cost	Cumulative Adjustment to Fair Value	Fair Value September 30, 2008
Los Andes Copper Ltd.	6,280,000	\$ 4,584,400	\$ (3,202,800)	\$ 1,381,600
Coro Mining Corp.	1,000,000	976,668	(76,668)	900,000
		\$ 5,561,068	\$ (3,279,468)	\$ 2,281,600

The Company has designated these shares as held-for-trading. However, the timing and proceeds from the eventual sale of these shares are dependent to a large extent on market forces that are not within the control of the Company. Therefore, there is a significant amount of uncertainty as to the actual amount of cash the Company would eventually receive upon the sale of these shares.

**LUMINA COPPER CORP.***(a development stage enterprise)***NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****March 31, 2009****(Unaudited)**

(expressed in Canadian dollars)

**5. EQUIPMENT**

	Cost	Accumulated Amortization	Net Book Value March 31, 2009
Furniture and equipment	\$ 46,975	\$ 23,956	\$ 23,019

	Cost	Accumulated Amortization	Net Book Value September 30, 2008
Furniture and equipment	\$ 45,747	\$ 19,130	\$ 26,617

**6. MINERAL PROPERTY**

The Company owns a 100% interest in the Taca Taca property located in Argentina.

Balance, September 30, 2008	\$ 2,907,926
Additions during period:	
Acquisition costs	849,744
Property exploration	
Field office and administration	49,295
Geological	24,137
Taxes and filing fees	3,638
Legal	9,078
Balance, March 31, 2009	\$ 3,843,818

**Taca Taca Property, Argentina**

The Company owns 100% of the shares of Corriente Argentina SA ("Corriente"). Corriente is the beneficial holder of the Taca Taca mining rights, located in the Salta Province, northwestern Argentina. The property was subject to a 1.5% net smelter returns royalty in favour of eight individuals.

In June 2008, an agreement in principle was reached with certain of the royalty holders on the Taca Taca property to reduce the Taca Taca royalty in exchange for US \$720,000. This agreement was completed in October 2008 and the Company paid the aforementioned consideration. With the completion of this transaction, the net smelter returns royalty has been reduced to 0.42%.

**LUMINA COPPER CORP.***(a development stage enterprise)***NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****March 31, 2009****(Unaudited)**

(expressed in Canadian dollars)

**7. OTHER INVESTMENTS**

Other investments consisted of the following:

	March 31, 2009	September 30, 2008
Investment in Minera San Jorge (Note 7(a))	\$ 1	\$ 1
Share purchase warrants – Los Andes (Note 7(b))	9,352	12,769
Royalty – Relincho Project (Note 7(c))	1	1
	\$ 9,354	\$ 12,771

- (a) Global owned 100% of the shares of Minera San Jorge S.A. (“San Jorge”), a company incorporated under the laws of Argentina. San Jorge is the beneficial holder of the San Jorge property, which consists of 2 mining concessions and 44 mining claims (444.6 hectares) located in the Las Heras Department of the Province of Mendoza, Argentina.

Pursuant to an agreement entered into between Global and an arms’ length party, Coro Mining Corp. (“Coro”), on August 9, 2006, and subsequent amendment dated October 18, 2006, Global transferred to Coro its 100% interest in shares of San Jorge.

The consideration agreed to with Coro in connection with the transfer of Global’s shares in Minera San Jorge S.A. consists of:

- (i) US \$1,000,000 payable in three tranches over a two year period to May 10, 2008 (received);
- (ii) 1,000,000 common shares of Coro over a two year period to May 10, 2008 (received);

Coro will also make royalty payments as follows:

- (iii) upon commencement of commercial production from the mineable, proven and probable sulphide copper reserves, Coro will pay US \$0.02 per pound of contained sulphide copper in the proven and probable reserves as defined by a feasibility study to be completed by Coro; and
- (iv) pay US \$0.02 per pound of contained leachable copper and US \$0.015 per pound of contained sulphide copper for any additional material not defined in the feasibility study.

On June 12, 2008, and on January 20, 2009, certain terms of the agreement with Coro were amended as follows:

- (v) On or before May 10, 2009, Coro will make a cash payment of US \$500,000 (received in May, 2009);
- (vi) On or before May 10, 2010, Coro will make a cash payment of US \$2,000,000;

**LUMINA COPPER CORP.**

*(a development stage enterprise)*

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2009**

**(Unaudited)**

(expressed in Canadian dollars)

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**7. OTHER INVESTMENTS (continued)**

- (vii) On or before May 10, 2011, Coro will make a cash payment of US \$4,000,000;
- (viii) On or before May 10, 2012, Coro will make a cash payment of US \$5,000,000;
- (ix) On or before May 10, 2013, Coro will make a cash payment of US \$5,000,000 less the deemed value of the 1,000,000 common shares of Coro already issued under (ii);
- (x) If, after May 10, 2011, Coro completes a bankable feasibility study on either the heap leachable copper resources or the sulphide copper resources, or a combination of both, on the property, Coro will pay the balance of any amounts owing under (vi) to (ix) inclusive within six months from the date of completion of the bankable feasibility study;
- (xi) The payments totaling US \$16,000,000 under (vi) to (x) inclusive will be treated as advance payments for (xii) below and for the first of the two royalty payments under (iii) and (iv);
- (xii) Coro will pay an amount equal to US \$0.025 per pound of copper contained in mineable, proven and probable reserves upon commencement of commercial production on the leachable copper resources;
- (xiii) Coro will pay to the Company a 1.5% net smelter return production royalty on all products, other than copper, which may be produced from the San Jorge project, regardless of the size of the resource of such precious metals.

Coro has no obligation to satisfy the consideration not yet received under the terms of this agreement and may also cease to develop or further develop the property. Under these circumstances, the shares of Minera San Jorge S.A., and therefore the San Jorge Property, will be returned to the Company with no further obligations by Coro.

The rights to receive all future cash and royalty payments from Coro, if any, were transferred to Lumina under the terms of the Arrangement.

The investment is being carried at a nominal value of \$1. All amounts capitalized on the San Jorge property prior to September 30, 2008 have been reduced by the considerations received. Due to the uncertainty of the amounts and timing of the potential future payments to be received, no value has been ascribed to these payments.

- (b) In fiscal 2007, Global sold all of its interest in the Vizcachitas property to Los Andes Copper Ltd. ("Los Andes"). Partial consideration for the sale included 6,280,000 common shares (Note 4) and 3,900,000 warrants of Los Andes, exercisable for common shares of Los Andes at a price of \$1.00 per share on or before February 7, 2010. The warrants have been classified as held-for-trading financial instruments. The shares and warrants were transferred to Lumina under the terms of the Arrangement.

**LUMINA COPPER CORP.***(a development stage enterprise)***NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****March 31, 2009****(Unaudited)**

(expressed in Canadian dollars)

**7. OTHER INVESTMENTS (continued)**

The warrants had an estimated fair value as follows:

Estimated fair value at September 30, 2008	\$	12,769
Adjustment to fair value		(3,417)
Estimated fair value at March 31, 2009	\$	9,352

The estimated fair value of the warrants was calculated using the Black-Scholes Option Pricing Model, assuming at March 31, 2009, a risk-free interest rate of 0.95%, expected price volatility of 142%, expected option life of 0.86 years and no expected dividend yield.

As additional consideration for the sale of Vizcachitas, net smelter royalties of 2% on revenue generated from open pit operations and 1% on revenues generated from underground operations on certain of the claims that comprise the Vizcachitas property are payable to the Company. Due to the uncertainty of the amount and timing of potential royalties being received, no value has been ascribed to this royalty.

- (c) Lumina held a 1.5% net smelter return royalty on the Relincho Project located in Chile. Due to the uncertainty of the amount and timing of potential royalties being received, a nominal value of \$1 has been ascribed to this royalty.

**8. NOTE PAYABLE**

Pursuant to the terms of the Arrangement, Lumina issued to Global a note payable of \$3,711,019 of which a portion has been paid at March 31, 2009. The remaining \$2,706,343 is payable by the Company in April 2009. The note is unsecured and is non-interest bearing.

**9. SHARE CAPITAL****(a) Authorized**

An unlimited number of common shares without par value.

**(b) Issued and outstanding****Common shares:**

	Number of Shares	Amount
Balance, September 30, 2007	-	\$ -
Issued pursuant to the Arrangement of Global for cash, mineral property and other assets, net of transferred liabilities	34,609,149	1
Balance, September 30, 2008 and March 31, 2009	34,609,149	\$ 1

**LUMINA COPPER CORP.***(a development stage enterprise)***NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****March 31, 2009****(Unaudited)**

(expressed in Canadian dollars)

**9. SHARE CAPITAL (continued)**

As there were no shares outstanding prior to May 12, 2008, basic and diluted loss per share figures were not applicable for the three and six month periods ended March 31, 2008.

**10. STOCK OPTIONS****(a) Options outstanding**

Under the Company's stock option plan, the board of directors may grant options for the purchase of up to a total of 10% of the total number of issued and outstanding common shares of the Company. Options granted under the plan may vest over time at the discretion of the board of directors. Exercise prices on options granted under the plan are determined by reference to the market value on the date of the grant.

Summary of the Company's stock options as at March 31, 2009 and changes during the period then ended is as follows:

	Number of Shares	Weighted Average Exercise Price
Outstanding at September 30, 2008	-	\$ -
Granted	387,500	0.47
Outstanding at March 31, 2009	387,500	\$ 0.47

At March 31, 2009, the Company had outstanding stock options to purchase an aggregate 387,500 common shares exercisable at a price of \$0.47 per share on or before January 21, 2014. All of the options vested on February 19, 2009.

**(b) Stock based compensation**

	Fair Value Amount	
	Number of Options	Amount
Unexercised options, September 30, 2008	-	\$ -
Options granted	387,500	135,780
Unexercised options, March 31, 2009	\$ 1,479,200	\$ 135,780

The weighted average fair value of options granted during the period, at the date of grant, was \$0.47.

Pursuant to the Company's accounting policy for stock-based compensation, the fair value of options vesting during the period, in the amount of \$135,780 (2008 - nil) has been expensed. Of this amount, \$100,740 (2008 - nil) has been included in management and administrative services, and \$35,040 (2008 - nil) has been included in property investigations.

**LUMINA COPPER CORP.***(a development stage enterprise)***NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****March 31, 2009****(Unaudited)**

(expressed in Canadian dollars)

**10. STOCK OPTIONS (continued)**

The fair value used to calculate the compensation expense related to the stock options granted is estimated using the Black-Scholes Option Pricing Model with the following assumptions:

Risk-free interest rate	1.07%
Expected dividend yield	-
Expected stock price volatility	162%
Expected option life in years	2.5

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

**11. CONTRIBUTED SURPLUS**

Balance, September 30, 2008	\$	16,159,011
Stock based compensation (Note 10)		135,780
Adjustments to note payable		(146,687)
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Balance, March 31, 2009	\$	16,148,104

**12. CAPITAL DISCLOSURES**

The Company's objectives when managing capital are to:

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

In the management of capital, the Company includes share capital and cash.

As at March 31, 2009, the Company had no bank indebtedness.

The Company is not subject to any externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the period ended March 31, 2009.

There are restrictions on the movement of capital into and out of Argentina which could impact the Company's ability to repatriate funds and therefore, pay dividends.

**13. SEGMENTED DISCLOSURE**

The Company has one operating segment, mineral exploration, and all capital assets of the Company are located in Canada except for its mineral property interest which, as disclosed in Note 6, is located in Argentina. The Company operates in two geographical segments: Canada and South America. Corporate administrative activities are conducted in Canada.

**LUMINA COPPER CORP.**

*(a development stage enterprise)*

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2009**

**(Unaudited)**

(expressed in Canadian dollars)

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**14. FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, short-term investment, marketable securities, receivables, warrants included in Other Investments (Note 7(b)), accounts payable and accrued liabilities and note payable. Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and may involve significant uncertainties in matters of judgment and, therefore, cannot be determined with precision. The fair values of cash, receivables, accounts payable and accrued liabilities approximate their carrying values due to their short term maturity.

The Company holds the following financial instruments that are classified as held-for-trading:

- (a) short-term investment (Note 3)
- (b) marketable securities (Note 4)
- (c) warrants included in Other Investments (Note 7(b))

It is management's opinion that the Company is not exposed to significant interest risks arising from these financial instruments. The majority of cash and the short-term investment are held in a major Canadian chartered bank with no known liquidity problems. A portion of cash is held in a major Chilean financial institution with no known liquidity problems. Management is of the opinion that the Company is not exposed to significant credit risk. Additional risks associated with marketable securities are disclosed in Note 4.

Liquidity risk is the risk that the Company will be unable to meet its financial obligations. The Company manages liquidity risk by ensuring that it has sufficient cash and other financial resources available to meet its obligations. The Company forecasts cash flows for a period of twelve months to identify financial requirements. These requirements are met through a combination of cash flows from operations, disposition of assets and accessing capital markets.

The Company is exposed to currency risks arising from fluctuations in foreign exchange rates among the Canadian dollar, U.S. dollar, and Argentine peso and the degree of volatility of these rates. The Company raises funds from equity financings primarily in Canadian dollars and pays for a significant amount of expenditures relating to the exploration activities on its mineral property interests in U.S. dollars and Argentinean pesos. The Company does not use derivative instruments to reduce its exposure to foreign exchange and currency risks. At March 31, 2009 the Company's cash is primarily held in Canadian dollars and accordingly the Company's exposure to foreign currency risks on cash balances held in foreign currencies is not expected to be significant.



**Management's Discussion and Analysis  
For the Six Months Ended March 31, 2009**

**May 21, 2009**

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Lumina Copper Corp. ("Lumina" or the "Company") is a resource exploration company with a focus on the exploration, development and advancement of copper exploration projects in Argentina. The Company's primary property is the Taca Taca copper/molybdenum/gold property located in Salta Province in northwestern Argentina. Lumina's head office is in Vancouver, Canada.

The Company was incorporated on May 12, 2008 and commenced operations on August 1, 2008 pursuant to a plan of arrangement (the "Arrangement") by Global Copper Corp. ("Global"). On August 1, 2008 the Company's shares began trading on the TSX Venture Exchange under the symbol "LCC".

This management's discussion and analysis ("MD&A") focuses on significant factors that affected Lumina and its subsidiaries during the relevant reporting period and to the date of this report. The MD&A supplements, but does not form part of, the unaudited consolidated financial statements of the Company and the notes thereto for the six months ended March 31, 2009. Consequently, the following discussion and analysis should be read in conjunction with the unaudited consolidated financial statements and the notes thereto for the six months ended March 31, 2009. All amounts in this MD&A are in Canadian dollars unless otherwise indicated.

**Forward Looking Information**

Statements contained in this MD&A that are not historical facts are forward-looking statements (within the meaning of Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of metals; the estimation of mineral reserves and resources; the realization of mineral reserve estimates; the timing and amount of estimated future production, costs of production, and capital expenditures; costs and timing of the development of new deposits; success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, risks related to the integration of acquisitions; risks related to operations; risks related to joint venture operations; actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the sections entitled "Risks and Uncertainties" in this MD&A. Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this MD&A speak only as of the date hereof. The Company does

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not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events.

Forward-looking statements and other information contained herein concerning the mining industry and general expectations concerning the mining industry are based on estimates prepared by the Company using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industries involve risks and uncertainties and are subject to change based on various factors.

### **Significant Events, Transactions and Activities on Mineral Properties**

In order to better understand the Company's financial results, it is important to gain an appreciation for the significant events, transactions and activities on mineral properties which had occurred during the three months ended December 31, 2008 and to the date of this MD&A.

Leo Hathaway, P. Geo., is the Qualified Person as defined by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") for the Company and is responsible for the technical disclosure related to the Taca Taca mineral property in this MD&A. Mr. Hathaway is the Company's Vice President, Exploration.

#### **Taca Taca Property**

The Company owns a 100% interest in the Taca Taca Property, located in Salta Province in northwestern Argentina. The property is subject to a net smelter returns royalty of 0.42%.

On November 24, 2008 the Company filed an updated NI 43-101 compliant technical report, the "*Taca Taca Technical Report*", on the property. The report was authored by Robert Sim, P. Geo., a Qualified Person as defined by NI 43-101. Additional work recommended in the report included conducting preliminary metallurgical testwork, infill drilling within the current resource to reduce the average drillhole spacing to approximately 250 meters and exploration drilling to test for extensions of the deposit. The report may be obtained from [www.sedar.com](http://www.sedar.com) or from the Company's website at [www.luminacopper.com](http://www.luminacopper.com).

No exploration work was conducted on the property during the quarter ended March 31, 2009. Management of the Company continues to monitor the commodity and equity markets with a view to initiating a drill exploration program at Taca Taca when conditions become more favourable for mineral exploration.

#### **San Jorge Property**

In August, 2006 the Company transferred 100% of its interest in the San Jorge Property to Coro Mining Corp. ("Coro") pursuant to the terms of an agreement (the "San Jorge agreement"). The San Jorge Property is located in Mendoza Province, Argentina. Coro has completed both an updated NI 43-101 compliant resource estimate on the property and a positive NI 43-101 Preliminary Economic Assessment. As a result of the Preliminary Economic Assessment, Coro initiated, completed and filed an Environmental Impact Study with the governmental authorities in Mendoza Province for approval. To date, Coro has spent approximately US\$11 million advancing the project.



**Management's Discussion and Analysis  
For the Six Months Ended March 31, 2009**

**May 21, 2009**

Details of the San Jorge agreement and amendments thereon are disclosed in Note 7(a) of the unaudited consolidated financial statements of the Company for December 31, 2008. On January 20, 2009, the terms of the Coro option agreement were amended. The revised terms include a new timetable for the payment of US\$16 million that extends the payment from being paid over 2 years between 2009 and 2010 to being paid over 4 years from 2010 through 2013. In addition, a net smelter royalty payable to the Company of 1.5% on all metals other than copper, including gold and molybdenum, has been added to the agreement.

**Financial Results From Operations**

The information provided below highlights the Company's unaudited quarterly results for the past 8 quarters. The financial information referenced below has been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The significant accounting policies are outlined within Note 3 to the audited consolidated financial statements of the Company for the fiscal period ended September 30, 2008 and have been followed consistently through the current period.

Lumina effectively commenced operations on August 1, 2008 upon completion of the Arrangement. Details of the Arrangement and the transfer of certain assets and liabilities from Global to Lumina are disclosed in Note 2 of the audited consolidated financial statements for the year ended September 30, 2008. These financial statements may be obtained from [www.sedar.com](http://www.sedar.com) or from the Company's website at [www.luminacopper.com](http://www.luminacopper.com).

Upon closing of the Arrangement on August 1, 2008, the Company was exclusively owned by the former Global shareholders. The consolidated financial statements, therefore, have been presented under the continuity of interests basis of accounting with balance sheet amounts based on the amounts recorded by Global. Net income or loss for periods prior to August 1, 2008 reflect an allocation of general and administrative expenses incurred in each of these periods by Global. The allocation of general and administrative expenses was calculated on the basis of the ratio of expenditures incurred on the Taca Taca Property as compared to the total expenditures incurred on all of Global's mineral properties in each of the periods. Management cautions readers that this allocation of expenses does not necessarily reflect an accurate presentation of general and administrative expenses that the Company would have incurred had it been an operating entity during those time periods nor do they accurately represent expenses that would be incurred in the future.

**Summary of Unaudited Quarterly Results**

<b>Three Months Ended:</b>	<b>March 31, 2009</b>	<b>December 31, 2008</b>	<b>September 30, 2008</b>	<b>June 30, 2008</b>
Revenue	\$ -	\$ -	\$ -	\$ -
General and administrative expenses	326,631	215,828	151,785	11,642
Other income (expenses)	157,029	(1,587,767)	(2,795,883)	1,134,931
Net income (loss) for the period	(169,602)	(1,803,595)	(2,947,668)	1,123,289
Loss per share Basic and diluted	(0.01)	(0.05)	(0.09)	-



**Management's Discussion and Analysis  
For the Six Months Ended March 31, 2009**

**May 21, 2009**

<b>Three Months Ended:</b>	<b>March 31, 2008</b>	<b>December 31, 2007</b>	<b>September 30, 2007</b>	<b>June 30, 2007</b>
Revenue	\$ -	\$ -	\$ -	\$ -
General and administrative expenses	10,190	7,455	7,328	6,633
Other income (expenses)	(549,363)	484,041	(989,532)	(1,011,150)
Net income (loss) for the period	(559,553)	476,586	(996,860)	(1,017,783)

As there were no shares outstanding prior to May 12, 2008, basic and diluted loss per share figures prior to May 12, 2008 were not applicable.

**Results for the Quarter Ended March 31, 2009**

For the three months ended March 31, 2009 the Company incurred a loss of \$169,602 compared with a loss of \$1,803,595 for the quarter ended December 31, 2008. The loss for the current quarter is comprised of general and administrative ("G&A") expenses of \$326,631 and other income of \$157,029. The significant decrease in the loss compared to the prior quarter was due to unrealized losses on securities of \$1,705,418 recognized in the December 31, 2008 quarter.

Significant G&A expenses incurred in the current quarter included:

- stock based compensation expense totalling \$135,780 was recorded for stock options granted during the quarter to directors, officers and consultants. Of this amount, \$100,740 has been included in management and administrative services and \$35,040 has been included in property investigations.
- investor relations expenses of \$39,507 for attendance at conferences and meetings to raise the Company's profile;
- audit and accounting fees of \$27,975 for tax services and the fiscal year end audit; and
- regulatory and transfer agent fees of \$20,383 for the payment of annual and other listing fees and expenses relating to the Company's annual general meeting.

Other income, for the current quarter consisted primarily of unrealized gains on securities of \$99,705, foreign exchange gains of \$28,218 and interest and other income of \$29,106.

At March 31, 2009, securities held by the Company consisted of 1,000,000 Coro shares, 6,280,000 shares of Los Andes Copper Ltd. ("Los Andes") and 3,900,000 Los Andes warrants. During the current quarter, the fair values of all of these securities increased over the fair values at the end of the prior quarter by an aggregate of \$99,705.

The Company's primary assets are its mineral property interests. The Company capitalizes all costs incurred in connection with the acquisition and exploration of its mineral property interests. At March 31, 2009, the carrying value of the Taca Taca Property is \$3,843,818. During the quarter, the Company expended \$34,235 on the Taca Taca Property primarily for annual tenure and other maintenance and administrative costs.

**Critical Accounting Policies and Management's Estimates**

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates and

assumptions are used in determining the valuation of deferred mineral property exploration costs, the fair values of stock options and financial instruments, asset retirement obligations and future income tax assets. The Company evaluates its estimates on an on-going basis and bases them on various assumptions that are believed to be reasonable under the circumstances. The Company's estimates form the basis for making judgments about the carrying value for assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates. Should the Company be unable to meet its ongoing obligations, the realizable value of its assets may decline materially from current estimates.

The accounting policies described below are considered by management to be essential to the understanding and reasoning used in the preparation of the Company's financial statements and the uncertainties that could have a bearing on its financial results.

### **Going Concern**

The Company's ability to continue as a going concern is dependent on continued financial support from its shareholders, the ability of the Company to raise equity or debt financing or to sell its assets or the attainment of profitable operations to meet the Company's liabilities as they become payable. The Company's financial statements are presented on a going concern basis, which assumes that the Company will continue to realize its assets and discharge its liabilities in the normal course of operations. The 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.

### **Mineral property costs**

The Company capitalizes all costs related to investments in mineral property interests on a property by property basis. Such costs include mineral property acquisition costs and exploration and development expenditures, net of any recoveries. Costs are deferred until such time as the extent of mineralization has been determined and mineral property interests are either developed, the property sold or the mineral rights are allowed to lapse.

During the period, the capitalized costs are reviewed on a property by property basis to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount less than the deferred costs, the property is written down to its fair value to recognize the impairment.

From time to time the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. Where the options are exercisable entirely at the discretion of the Company or the optionee, the amounts payable or receivable are recorded as property costs or recoveries when the payments are made or received.

Capitalized costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims allowed to lapse.

### **Financial Instruments**

CICA Handbook Section 3855, "*Financial Instruments – Recognition and Measurement*", requires that all financial assets (except those classified as loans and receivables or held-to-maturity), and derivative financial instruments must be measured at fair value. All financial liabilities must be

measured at fair value when they are classified as held-for-trading; otherwise, they are measured at amortized cost. Investments classified as held-for-trading are reported at fair market value (or marked to market) based on quoted market prices with unrealized gains or losses included in earnings for the period. Investments classified as available-for-sale are reported at fair market value (or marked to market) based on quoted market prices with unrealized gains or losses excluded from earnings and reported as other comprehensive income or loss. Investments subject to significant influence are not adjusted to fair market value. The Company has classified cash, short-term investment and marketable securities as held-for-trading, receivables as loans and receivables and accounts payable and accrued liabilities and note payable as other financial liabilities.

### **New accounting policy**

Effective for accounting periods beginning on or after January 1, 2009, the revisions to CICA Handbook Section 1440, "*Assessing Going Concern*", requires management to assess an entity's ability to continue as a going concern. When management is aware of material uncertainties related to events or conditions that may cast doubt on an entity's ability to continue as a going concern, these uncertainties must be disclosed. In assessing the appropriateness of the going concern assumption, the standard requires management to consider all available information about the future, which is at least, but not limited to, twelve months from the balance sheet date. Management has completed an assessment and the Company has prepared the consolidated financial statements on a going concern basis.

### **Future accounting changes**

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian publicly accountable enterprises. The AcSB strategic plan outlines the convergence of Canadian GAAP with International Financial Reporting Standards ("IFRS") over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly accountable enterprises to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company as at September 30, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

### **Liquidity and Capital Resources**

As at March 31, 2009, the Company had \$3,223,591 in cash and \$5,041,904 in a term deposit for an aggregate \$8,265,495 in cash reserves (September 30, 2008 - \$9,415,346). The Company had working capital of \$5,943,946 (September 30, 2008 - \$8,856,927). Working capital items, other than cash reserves, consisted of marketable securities with a fair value of \$579,600, receivables of \$14,740, prepaid expenses of \$4,148, accounts payable and accrued liabilities of \$213,694 and a note payable of \$2,706,343. The note payable consists of estimated taxes payable in Chile resulting from the reorganization of Global pursuant to the Arrangement that was completed on August 1, 2008.

Working capital decreased significantly since September 30, 2008 due to the decrease in the fair value of the marketable securities held by the Company. Marketable securities at March 31, 2009 consisted of 6,280,000 common shares of Los Andes having a fair value of \$439,600 (September 30, 2008 - \$1,381,600) and 1,000,000 common shares of Coro having a fair value of \$110,000 (September 30, 2008 - \$140,000). The timing and proceeds from the eventual sale of these shares are dependent to a large extent on stock market dynamics that are not within the control of the Company. Therefore, there is a significant amount of uncertainty as to the actual amount of cash the Company would eventually receive

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upon the sale of these shares. Excluding the value of these shares, working capital at March 31, 2009 was \$5,364,346 (September 30, 2008 - \$6,575,327).

Working capital is defined as current assets minus current liabilities. Working capital calculations or changes are not measures of financial performance, nor do they have standardized meanings, under Canadian GAAP. Readers are cautioned that this calculation may differ among companies and analysts and therefore may not be directly comparable.

The majority of the Company's cash is held at the Bank of Montreal, a major chartered bank in Canada, and approximately \$700,000 is held at Scotiabank Sud Americano, a major bank in Chile. The term deposit is held at the Bank of Montreal. There are no known liquidity issues associated with these banks.

The Company manages liquidity risk by ensuring that it has sufficient cash and other financial resources available to meet its obligations. The Company forecasts cash flows for a period of twelve months to identify financial requirements. These requirements are met through a combination of cash flows from operations, disposition of assets and accessing capital markets.

The Company has no long-term debt obligations, commitments or off-balance sheet arrangements.

To date, the capital requirements of Lumina (and previously, Global) have been met by equity proceeds and from the proceeds of sale of mineral property interests. The Company's continuing operations as intended are dependent on management's ability to raise required funding through future equity issuances, debt financing, asset sales or a combination thereof (*refer to Risks and Uncertainties below*). Management is of the opinion that the Company has sufficient working capital, even with the exclusion of its marketable securities, to meet its administrative overhead for a number of years. Given the current unfavourable economic conditions, the Company has not planned a work program for the Taca Taca Property for 2009. Annual concession fees will be paid in order to maintain the concessions in good standing.

### **Share Capital**

As at March 31, 2009 and to the date of this MD&A, the Company had 34,609,149 issued and outstanding common shares.

At March 31, 2009 and to the date of this MD&A, the Company had stock options outstanding for the acquisition of up to 387,500 common shares exercisable at a price of \$0.47 per share to January 20, 2019.

### **Related Party Transactions**

There were no significant related party transactions during the fiscal period ended March 31, 2009.

### **Additional Disclosure for Venture Issuers Without Significant Revenue**

Additional disclosure concerning Lumina's general and administrative expenses and mineral property costs is provided in the consolidated statements of loss, comprehensive loss and deficit and in Note 6 of Company's consolidated financial statements for March 31, 2009, respectively.

### **Outlook**

Management is continuing to monitor the commodity and equity markets with a view to initiating a drill exploration program at Taca Taca. When initiated, the Company will focus on expanding and

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upgrading the existing resource and will also follow up on the Rio Tinto drilling results to evaluate the potential for a higher grade deeper zone. In addition, the Company will commence the preliminary metallurgical and engineering testwork that will be required to complete a NI 43-101 compliant Preliminary Economic Assessment.

At San Jorge, Coro continues to work towards seeking approval for the Environmental Impact Study that it previously filed with the Mendoza government. The government has appointed a third party to review the technical aspects of the study and is awaiting the results of that review. Coro's principal corporate focus continues to be the advancement of San Jorge towards production.

The Company is also continuing to evaluate other acquisition opportunities that will enhance its portfolio of exploration and development projects.

### **Risks and Uncertainties**

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, fluctuating metal prices, social, political, financial and economics. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable.

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may apply.

*(1) The mineral property interests of the Company are in the exploration stage only and consequently, exploration of the Company's mineral property interests may not result in any discoveries of commercial bodies of mineralization.*

The property interests owned by the Company are in the exploration stages only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. The Company's mineral exploration activities may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

*(2) Government expropriation may result in the total loss of the Company's mineral property interests.*

Even if the Company's mineral property interests are proven to host economic reserves of copper or other precious or non-precious metals, governmental expropriation may result in the total loss of the Company's mineral property interests without any compensation to the Company.

*(3) Governmental regulation may have negative impacts on the Company.*

The Company's activities are subject to extensive Canadian, Chilean and Argentine federal, state, provincial, territorial and local laws and regulations governing various matters, including, but not limited to:

- environmental legislation and protection;
- management and use of toxic substances and explosives;
- management of natural resources;
- exploration, development of mines, production and post-closure reclamation;
- exports;
- price controls;
- taxation;
- mining royalties;
- onerous development criteria;
- labour standards and occupational health and safety, including mine safety; and
- historic and cultural preservation.

The costs associated with compliance with these laws and regulations are substantial and possible future laws and regulations, changes to existing laws and regulations (including the imposition of higher taxes and mining royalties which may be implemented or threatened in Chile and Argentina) or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expenses, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the development of its properties. Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits against the Company based upon damage to property and injury to persons resulting from the environmental, health and safety impacts of the Company's past and current operations, or possibly even those actions of parties from whom the Company acquired its properties, and could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions. It is difficult to strictly comply with all regulations imposed on the Company. The Company retains competent and well trained individuals and consultants in jurisdictions in which it does business; however, there is no certainty that the Company will continuously be compliant with all applicable laws. The failure to comply with all applicable laws could lead to financial restatements, fines, penalties and other material negative impacts on the Company.

*(4) Failure to comply strictly with applicable mining laws, regulations and local practices may have a material adverse impact on the Company's operations or business.*

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriations of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. Any such loss, reduction or imposition of partners could have a material adverse impact on the Company's operations or business. Further, the increasing complexity of mining laws and regulations may render the Company incapable of strict compliance.

*(5) The exploration and future development of the Company's property interests is subject to extensive environmental laws and regulations.*

The Company's exploration activities are subject to extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, mine development and protection of endangered and protected species. The Company's ability to obtain permits and approvals and to successfully operate in particular communities may be adversely impacted by real or perceived detrimental events associated with the Company's activities or those of other mining companies affecting the environment, human health and safety of the surrounding communities. Delays in obtaining or failure to obtain government permits and approvals may adversely affect the Company's ability to explore or develop its properties. The Company has made, and expects to make in the future, significant expenditures to comply with such laws and regulations and to the extent possible, create social and economic benefit in the surrounding communities. Future changes in applicable

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laws, regulations and permits or changes in their enforcement or regulatory interpretation could have an adverse impact on the Company's financial condition.

(6) *The Company may not be able to obtain or renew permits that are necessary to its operations.*

In the ordinary course of business, the Company is required to obtain and renew governmental permits for existing operations and any ultimate development, construction and commencement of new mining operations. Obtaining or renewing the necessary governmental permits is a complex and time-consuming process involving numerous jurisdictions and often involving public hearings and costly undertakings on the Company's part. The duration and success of the Company's efforts to obtain and renew permits are contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by the permitting authority. The Company may not be able to obtain or renew permits that are necessary to its operations, or the cost to obtain or renew permits may exceed what the Company believes it can recover from a given property once in production. Any unexpected delays or costs associated with the permitting process could delay the development or impede the operation of a mine, which could adversely impact the Company's operations and profitability.

(7) *The Company has no significant source of operating cash flow and failure to generate revenues in the future could cause the Company to go out of business.*

The Company has no revenues from operations and has recorded losses since inception. Based upon current plans, the Company expects to incur operating losses in future periods due to continuing expenses associated with the holding and exploration of the Company's mineral property interests. The Company has limited financial resources and its ability to achieve and maintain profitability and positive cash flow is dependent upon the Company being able to:

- locate a profitable mineral property;
- generate revenues in excess of expenditures; and
- reduce exploration and administrative costs in the event revenues are insufficient.

Additional funds raised by the Company through the issuance of equity or convertible debt securities will cause the Company's current shareholders to experience dilution. Such securities may grant rights, preferences or privileges senior to those of the Company's common shareholders. There is no certainty the Company will be able to raise funds in the event it needs to do so.

The Company does not have any contractual restrictions on its ability to incur debt and accordingly, the Company could incur significant amounts of indebtedness to finance its operations. Any such indebtedness could contain covenants, which would restrict the Company's operations.

(8) *The mineral exploitation industry is intensely competitive in all its phases and the Company competes with many companies possessing greater financial resources and technical facilities.*

The mineral exploitation industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical abilities than itself for the acquisition of mineral concessions, claims, leases, other mineral interests, and equipment required to conduct its activities as well as for the recruitment and retention of qualified employees. In addition, there is no assurance that even if commercial quantities of minerals are discovered, a ready market will exist for their sale. Factors beyond the control of the Company may affect the marketability of any minerals discovered. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, international economic and political trends, expectations of inflation, currency exchange fluctuations (specifically, the U.S. dollar relative to other currencies),

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interest rates and global or regional consumption patterns, speculative activities, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital or losing its invested capital.

(9) *Substantial expenditures are required to be made by the Company to establish mineral reserves and the Company may not either discover minerals in sufficient quantities or grade or may not have the necessary required funds.*

Substantial expenditures are required to establish mineral reserves through drilling and the estimation of mineral reserves or mineral resources in accordance with the CIM Guidelines. Although substantial benefits may be derived from the discovery of a major mineralized deposit, the Company may not discover minerals in sufficient quantities or grades to justify commercial operation and the funds required for development may not be obtained on a timely basis. Estimates of mineral reserves and mineral resources can also be affected by environmental factors, unforeseen technical difficulties and unusual or unexpected geological formations. In addition, the grade of mineral ultimately mined may differ from that indicated by drilling results. Material changes in mineral reserve or mineral resource estimates, grades, stripping ratios or recovery rates may affect the economic viability of any project.

(10) *The lack of available infrastructure may adversely affect the Company's operations and profitability.*

Mining, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay development of the Company's projects. If adequate infrastructure is not available in a timely manner, there can be no assurance that the development of the Company's projects will be commenced or completed on a timely basis, if at all; the Company's operations will achieve anticipated results; or the construction costs and ongoing operating costs associated with the development of the Company's advanced-stage exploration projects will not be higher than anticipated. In addition, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations and profitability.

(11) *The Company currently has limited insurance covering its assets or operations and as a consequence, could incur considerable costs.*

Mineral exploration involves risks which, even with a combination of experience, knowledge and careful evaluation, mineral exploration companies may not be able to overcome. Operations in which the Company has a direct or indirect interest may be subject to all the hazards and risks normally incidental to exploration of precious and non-precious metals, any of which could result in work stoppages, damage to property, and possible environmental damage. The Company presently has very limited commercial liability insurance and does not presently intend to increase its liability insurance. As a result of having limited insurance, the Company could incur significant costs that could have a materially adverse effect upon its financial condition and even cause the Company to cease operations. To date, the Company has not experienced any material losses due to hazards arising from its operations.

(12) *The Company's mineral property interests may be subject to prior unregistered agreements or transfers and as such title to some of the Company's mineral property interests may be affected.*

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Although the Company has sought and received such representations as it has been able to achieve from vendors in connection with the acquisition of or options to acquire an interest in its mining properties and has conducted limited investigations of legal title to each such property, the mining properties in which the Company has an interest may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects.

*(13) The price of copper, base and precious metals has fluctuated widely in recent years and may adversely affect the economic viability of any of the Company's mineral properties.*

The Company's revenues, if any, are expected to be in large part derived from the mining and sale of copper and other precious and non-precious metals. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control, including: international economic and political trends; expectations of inflation, currency exchange fluctuations; interest rates; consumption patterns; speculative activities; and increased production due to new mine developments and improved mining and production methods. The effect of these factors on the price of copper, base and precious metals and therefore, the economic viability of any of the Company's mining properties, cannot be accurately predicted but may adversely affect the Company's operation and its ability to raise capital.

*(14) The business of exploration for minerals involves a high degree of risk; as a result, few properties that are explored are ultimately developed into producing mines.*

The Company's exploration activities are subject to a high degree of risk due to factors that, in some cases, cannot be foreseen or anticipated. The operations of the Company may be disrupted by a variety of risks and hazards which may be beyond the control of the Company. These risks include, but are not limited to, labour disruptions, the inability to obtain adequate sources of power, water, labour, suitable or adequate machinery and equipment and consultants or other experts. In addition, the Company may be unable to acquire or obtain such things as water rights and surface rights which may be critical for the continued advancement of exploration activities on its mineral property rights.

*(15) All of the Company's mineral properties are in foreign countries and as such, that portion of Company's business may be exposed to various levels of political, economic and other risks and uncertainties.*

All of the Company's properties are located in Argentina. As the Company's business is carried on in foreign countries, it is exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to: terrorism; hostage taking; military repression; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. The status of Chile and Argentina as developing countries may make it more difficult for the Company to obtain any required exploration financing for its projects.

Changes, if any, in mining or investment policies or shifts in political attitude in either Chile or Argentina may adversely affect the Company's operations or potential profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of

property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's operations or potential profitability.

*(16) Foreign Subsidiaries*

The Company conducts operations through foreign subsidiaries and substantially all of its assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's valuation and stock price.

*(17) The possible issuance of additional shares may impact the value of the Company's common shares.*

The Company is authorized to issue an unlimited number of common shares without par value. It is the Company's intention to issue more common shares. Sales of substantial amounts of common shares (including shares issuable upon the exercise of stock options, the conversion of notes and the exercise of warrants), or the perception that such sales could occur, could materially adversely affect prevailing market prices for the common shares and the ability of the Company to raise equity capital in the future.

*(18) The Company's future performance is dependent on key personnel. The loss of the services of any of the Company's executives or directors could have a material adverse effect on the Company's business.*

The Company's performance is substantially dependent on the performance and continued efforts of the Company's executives and its board of directors. The loss of the services of any of the Company's executives or directors could have a material adverse effect on the Company business, results of operations and financial condition. The Company currently does not carry any key person insurance on any of its executives or directors. The Company has limited resources and is currently unable to compete with larger organizations with respect to compensation and perquisites.

*(19) The Company is exposed to financial risk arising from fluctuations in the exchange rates between the U.S. and Canadian dollar.*

The Company's expenditures are predominantly in U.S. dollars and any future equity financing raised is expected to be predominantly in Canadian dollars. The Company is exposed to financial risk arising from fluctuations in the exchange rates between the U.S. and Canadian dollar, and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risks.

Additional information about the Company may be found on [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.luminacopper.com](http://www.luminacopper.com).