



(A Development Stage Enterprise)

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2011

(Unaudited)

TSXV : LCC

EXPLANATORY NOTE

Explanation of amendment to the unaudited consolidated interim financial statements for the three and nine month periods ended June 30, 2011:

During the preparation of Lumina Copper Corp.'s consolidated financial statements for the year ended September 30, 2011, it was determined that income taxes relating to the spin-out of Lumina Royalty Corp. which were expensed through the consolidated statement of income, should have been recorded as a capital item through contributed surplus. As a result, Lumina Copper Corp.'s net income for the three and nine months ended June 30, 2011 has increased by \$2 million while contributed surplus decreased by the same amount. The income tax liability estimate was unchanged.

All other information contained in the originally filed unaudited interim consolidated financial statements for Lumina Copper Corp. remains unchanged. Except where specifically noted to the contrary, these amended and restated unaudited interim consolidated financial statements do not reflect events occurring after the filing of the original consolidated financial statements, or modify or update the disclosure therein, in any way other than as required to reflect the amendments set forth herein.

NOTICE OF NO AUDITOR REVIEW

The unaudited consolidated financial statements, and accompanying notes thereto, for the periods ended June 30, 2011 and 2010 have not been reviewed by the Company's external auditors.

LUMINA COPPER CORP.
(a development stage enterprise)

Amended and Restated

CONSOLIDATED BALANCE SHEETS

(Unaudited)

(expressed in Canadian dollars)

	June 30, 2011	September 30, 2010
	Restated ^(a) (Unaudited)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (Note 3)	\$ 16,330,089	\$ 5,920,622
Marketable securities (Note 4)	-	1,911,600
Receivables	122,872	12,948
Prepaid expenses	18,132	4,295
TOTAL CURRENT ASSETS	16,471,093	7,849,465
EQUIPMENT (Note 5)	42,741	13,761
MINERAL PROPERTY (Note 6)	12,294,990	5,491,771
OTHER INVESTMENTS (Note 7)	-	3
TOTAL ASSETS	\$ 28,808,824	\$ 13,355,000
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,557,358	\$ 188,373
Income taxes payable (Note 16)	2,000,000	-
TOTAL CURRENT LIABILITIES	3,557,358	188,373
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 8)	14,920,844	44,737
CONTRIBUTED SURPLUS (Note 10)	10,636,831	16,585,056
DEFICIT ACCUMULATED DURING THE DEVELOPMENT STAGE	(306,209)	(3,463,166)
TOTAL SHAREHOLDERS' EQUITY	25,251,466	13,166,627
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 28,808,824	\$ 13,355,000

^(a) See Note 19

Basis of presentation and continuance of operations (Note 1)
Commitment and Contingency (Note 17)

APPROVED BY THE DIRECTORS

"Ross Cory"
Director

"Robert Pirooz"
Director

See Accompanying Notes to the Consolidated Financial Statements

LUMINA COPPER CORP.*(a development stage enterprise)***Amended and Restated****CONSOLIDATED STATEMENTS OF INCOME, COMPREHENSIVE INCOME AND DEFICIT****(Unaudited)**

(expressed in Canadian dollars)

	For the Three Months Ended		For the Nine Months Ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
	Restated ^(a)		Restated ^(a)	
EXPENSES				
Management and administrative services	\$ 221,898	\$ 48,476	\$ 620,236	\$ 115,164
Legal and accounting	539,385	13,723	777,719	87,517
Investor relations	24,380	6,622	65,924	30,246
Office and administration	23,001	9,494	48,434	58,728
Regulatory and transfer agent fees	30,523	1,243	46,950	22,772
Travel and accommodation	18,690	-	25,395	12,124
Amortization	932	1,209	2,706	3,711
Property investigations	-	18,600	-	54,750
	858,809	99,367	1,587,364	385,012
OTHER INCOME (EXPENSES)				
Interest and other income	41,109	7,894	66,970	32,380
Foreign exchange gain (loss)	76,972	49,844	(70,989)	(19,682)
(Loss) gain on marketable securities and other investments (Notes 4 and 7(b))	(904,000)	(275,600)	966,400	248,370
Gain on disposition of mineral property (Note 7(a))	3,781,940	2,148,770	3,781,940	2,148,770
	2,996,021	1,930,908	4,744,321	2,409,838
INCOME BEFORE TAXES	2,137,212	1,831,541	3,156,957	2,024,826
Income taxes (Note 16)	-	-	-	-
NET INCOME AND COMPREHENSIVE INCOME FOR THE PERIOD	2,137,212	1,831,541	3,156,957	2,024,826
DEFICIT, BEGINNING OF PERIOD	(2,443,421)	(5,510,856)	(3,463,166)	(5,704,141)
DEFICIT, END OF PERIOD	\$ (306,209)	\$ (3,679,315)	\$ (306,209)	\$ (3,679,315)
EARNINGS PER SHARE (Note 11)				
Basic	\$ 0.055	\$ 0.05	\$ 0.085	\$ 0.06
Diluted	\$ 0.055	\$ 0.05	\$ 0.085	\$ 0.06
Weighted average shares outstanding – basic	37,679,149	34,609,149	36,235,651	34,609,149
Weighted average shares outstanding –diluted	39,151,328	34,847,535	37,619,667	34,841,667

^(a) See Note 19

See Accompanying Notes to the Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(expressed in Canadian dollars)

	For the Three Months Ended		For the Nine Months Ended	
	June 30,	June 30,	June 30,	June 30,
	2011	2010	2011	2010
	Restated ^(a)		Restated ^(a)	
CASH PROVIDED FROM (USED IN):				
OPERATING ACTIVITIES				
Net income for the period	\$ 2,137,212	\$ 1,831,541	\$ 3,156,957	\$ 2,024,826
Items not involving cash:				
Amortization	932	1,209	2,706	3,711
Stock-based compensation	130,884	14,526	395,248	14,526
Loss (gain) on marketable securities and other investments	904,000	275,600	(966,400)	(248,370)
Loss (gain) on disposition of mineral property	(3,781,940)	(2,148,770)	(3,781,940)	(2,148,770)
Net changes in non-cash working capital items:				
Receivables	(32,091)	1,204	(109,924)	401
Prepaid expenses	(16,854)	2,412	(13,837)	7,619
Accounts payable and accrued liabilities	259,144	(39,297)	467,330	(184,334)
	(398,713)	(61,575)	(849,860)	(530,391)
FINANCING ACTIVITIES				
Issuance of common shares	-	-	14,868,809	-
INVESTING ACTIVITIES				
Expenditures on mineral property	(4,333,420)	(449,020)	(6,637,929)	(578,657)
Plant and equipment	(33,818)	-	(33,818)	-
Net cash transferred pursuant to reorganization (Note 1)	(719,675)	-	(719,675)	-
San Jorge proceeds received	3,781,940	2,148,770	3,781,940	2,148,770
	(1,304,973)	1,699,750	(3,609,482)	1,570,113
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,703,686)	1,638,175	10,409,467	1,039,722
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	18,033,775	5,200,984	5,920,622	5,799,437
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 16,330,089	\$ 6,839,159	\$ 16,330,089	\$ 6,839,159
Other cash flow information				
Interest received	\$ 44,331	\$ 2,867	\$ 78,161	\$ 126,054
Taxes paid	\$ -	\$ -	\$ -	\$ -

^(a) See Note 19

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011

(Unaudited)

(expressed in Canadian dollars)

1. BASIS OF PRESENTATION AND CONTINUANCE OF OPERATIONS

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 "Global Arrangement") by Global Copper Corp. ("Global"). Prior to August 1, 2008 the Company was operating as a division of Global. 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.

On June 16, 2011, Lumina completed a reorganization, by way of a plan of arrangement (the "Lumina Arrangement") under the *Business Corporations Act* (British Columbia) which resulted in the Company transferring cash of \$700,000 (in addition to cash held by Minera Global Copper Chile S.A.), its marketable securities and its royalty interests to Lumina Royalty Corp. (a newly incorporated company) ("LRC").

The Lumina Arrangement resulted in the issuance of 37,679,149 LRC common shares and 1,897,500 stock options to purchase LRC common shares. Lumina shareholders as at 11:59 p.m. on June 16, 2011, (the "Effective Time") each received, as a distribution in respect of a reduction of capital, one common share of LRC for each common share of Lumina held at the Effective Time.

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

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

The results of operations and the cash flows also include the accounts of Minera Global Copper Chile S.A. and Lumina Royalty Corp. to June 16, 2011.

Long-term continuance of the Company's operations is dependent upon achieving profitable operations and obtaining additional equity or debt financing. The recoverability of the carrying values of the Company's mineral property interests is dependent upon the existence and discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties and future profitable production from or proceeds from the disposition of mineral properties.

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") 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, 2010. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. These unaudited 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, 2010. Interim results are not necessarily indicative of the results expected for the fiscal year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011

(Unaudited)

(expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Management estimates and measurement uncertainty

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. 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) Recent accounting pronouncements

The following are recent accounting pronouncements issued which may impact the Company's future financial reporting:

Business Combinations (Section 1582):

CICA Handbook Section 1582 was issued in January 2009 to replace Section 1581, "Business Combinations". Section 1582 establishes standards for accounting for business combinations and will apply prospectively to business combinations for acquisitions completed on or after January 1, 2011. The Company is not evaluating the impact, if any, that this standard would have on its consolidated financial statements as the Company is required to prepare its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") for all fiscal periods beginning on or after January 1, 2011.

Consolidated Financial Statements (Section 1601) and Non-controlling Interests (Section 1602):

CICA handbook Sections 1601 and 1602 were issued in January 2009 and will replace Section 1600, "Consolidated Financial Statements", effective for fiscal years beginning on or after January 1, 2011. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for non-controlling interests in consolidated financial statements. The Company is not evaluating the impact, if any, that these standards would have on its consolidated financial statements as the Company is required to prepare its consolidated financial statements in accordance with IFRS for all fiscal periods beginning on or after January 1, 2011.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011

(Unaudited)

(expressed in Canadian dollars)

3. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents at June 30, 2011 consisted of cash of \$4,285,903 and cash equivalents of \$12,044,186 (September 30, 2010 – cash of \$271,401 and cash equivalents of \$5,649,221). Cash equivalents consist of Guaranteed Investment Certificates and investment savings accounts held at Canadian chartered banks.

4. MARKETABLE SECURITIES

The Company held no marketable securities at June 30, 2011 following transfer of these assets to LRC as part of the Lumina Arrangement. Changes in market value of marketable securities have been recorded in the consolidated statements of income, comprehensive income and deficit up to June 16, 2011. For the three and nine month reporting periods ended June 30, 2011, the Company recorded a loss of \$904,000 and income of \$966,400 respectively.

At September 30, 2010 the Company held the following marketable securities:

	Number of Common Shares	Original Cost	Cumulative Adjustment to Fair Value	Fair Value September 30, 2010
Los Andes Copper Ltd.	6,280,000	\$ 4,584,400	\$ (3,202,800)	\$ 1,381,600
Coro Mining Corp.	1,000,000	976,668	(446,668)	530,000
		\$ 5,561,068	\$ (3,649,468)	\$ 1,911,600

The Company designated these marketable securities as held for trading. Changes in fair value, based on quoted market values, of the marketable securities are recorded in the consolidated statement of income (loss).

5. EQUIPMENT

	Cost	Accumulated Amortization	Net Book Value June 30, 2011
Furniture and equipment	\$ 62,011	\$ 19,270	\$ 42,741

	Cost	Accumulated Amortization	Net Book Value September 30, 2010
Furniture and equipment	\$ 28,296	\$ 14,535	\$ 13,761

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011

(Unaudited)

(expressed in Canadian dollars)

6. MINERAL PROPERTY

Taca Taca Property, Argentina

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

For the nine month periods ended June 30, 2011 and 2010, the Company's expenditures on the Taca Taca Property were as follows:

	Nine Months Ended June 30,	
	2011	2010
Balance, beginning of period	\$ 5,491,771	\$ 3,942,617
Additions during period:		
Property exploration		
Drilling	3,870,485	-
Taxes (VAT) and tenure fees	966,156	15,105
Supplies and equipment	717,831	-
Geological	553,102	487,030
Salaries and wages	389,430	-
Transportation and accommodation	369,954	-
Metallurgical studies	261,459	-
Field office and administration	148,590	82,109
Fuel	117,781	-
Sample costs	82,008	-
Project management	72,789	-
Engineering	50,919	-
Environmental	29,015	12,318
Social	12,118	-
Consultant database	6,399	-
Legal	4,927	-
Less:		
Taca Taca Royalty transferred to LRC pursuant to Lumina Arrangement (Note 1)	(849,744)	-
Balance, end of period	\$ 12,294,990	\$ 4,539,179

The Company held 72% of the 1.5% net smelter return royalty on the Taca Taca project which was acquired in October 2008 at a cost of \$849,744 (for a net royalty of 1.08%). This asset was transferred at book value to LRC under the terms of the Lumina Arrangement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011

(Unaudited)

(expressed in Canadian dollars)

7. OTHER INVESTMENTS

Other investments consist of the following:

	June 30, 2011	September 30, 2010
Investment in Minera San Jorge (Note 7(a))	\$ -	\$ 1
Royalty – Vizcachitas Property (Note 7(b))	-	1
Royalty – Relincho Project (Note 7(c))	-	1
	\$ -	\$ 3

The other investments were transferred to LRC, pursuant to the Lumina Arrangement, at their carrying value of \$3.

(a) Investment in Minera San Jorge

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 – see Note 4);

Coro is also required to 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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011

(Unaudited)

(expressed in Canadian dollars)

7. OTHER INVESTMENTS (continued)

(a) Investment in Minera San Jorge (continued)

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 to make a cash payment of US \$500,000 (received);
- (vi) On or before May 11, 2010, Coro to make a cash payment of US \$2,000,000 (received on June 4, 2010, in accordance with agreement between the Company and Coro to change the payment date to June 11, 2010);
- (vii) On or before May 10, 2011, Coro to make a cash payment of US \$4,000,000 (received);

Under the terms of the Lumina Arrangement, all payments received from Coro up to and including May 2011 are retained by the Company. Future payments, if any, are to be made to LRC and its subsidiary.

(b) Royalty – Vizcachitas Property

Global previously owned an interest in the Vizcachitas property located in Chile. In fiscal 2007, Global sold all of its interest in the property to Los Andes Copper Ltd. ("Los Andes"). As part of the consideration of the sale, Global received 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 expired unexercised on February 7, 2010.

As additional consideration for the sale of Vizcachitas, Global was granted 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. Rights to receive these royalties were transferred to the Company under the terms of the Global Arrangement.

The Los Andes common shares and the royalty interest were transferred to LRC in June 2011 pursuant to the Lumina Arrangement (see Note 1).

(c) Royalty – Relincho Project

Lumina was granted a 1.5% net smelter return royalty on the Relincho Project, payable commencing in the fifth year after commencement of commercial production, pursuant to the Global Arrangement. The Relincho Project is a mineral property located in Chile. The royalty was transferred to LRC pursuant to the Lumina Arrangement in June 2011.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011

(Unaudited)

(expressed in Canadian dollars)

8. 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, 2010	34,664,149	\$ 44,737
Shares issued under private placement (net of issue costs) (i)	3,000,000	14,853,759
Exercise of share options:	15,000	-
Cash proceeds	-	15,050
Transfer from contributed surplus	-	7,298
Balance, March 31, 2011 and June 30, 2011	37,679,149	\$ 14,920,844

(i) In February 2011, the Company completed a non-brokered private placement and issued 3,000,000 common shares at a price of \$5.15 per share for proceeds of \$14,853,759, net of issue costs of \$596,241.

9. STOCK OPTIONS

The Company has adopted a stock option plan ("the Plan") whereby it may grant common share 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 3,426,305. The vesting period for all options is at the discretion of the board of directors.

A summary of the Company's stock options outstanding at June 30, 2011 and 2010 and the changes for the three and nine month periods then ended is presented below:

	Three Months Ended June 30,			
	2011			2010
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	1,897,500	\$ 1.47	387,500	\$ 0.47
Exercised	-	-	-	-
Granted	-	-	110,000	1.27
Outstanding, end of period	1,897,500	\$ 1.31⁽¹⁾	497,500	\$ 0.65

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011

(Unaudited)

(expressed in Canadian dollars)

9. STOCK OPTIONS (continued)

	2011		2010	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	1,842,500	\$ 1.27	387,500	\$ 0.47
Exercised	(15,000)	1.00	-	-
Granted	70,000	6.63	110,000	1.27
Outstanding, end of period	1,897,500	\$ 1.31 ⁽¹⁾	497,500	\$ 0.65

At June 30, 2011, the Company had outstanding stock options, with a weighted average remaining contractual life of 3.86 years, to purchase an aggregate of 1,897,500 common shares as follows:

Options Outstanding			Options Exercisable	
Number of Shares	Expiry Date	Exercise Price	Number of Shares	Exercise Price
327,500	January 20, 2014	\$ 0.42 ⁽¹⁾	327,500	\$ 0.42
100,000	May 19, 2015	1.13 ⁽¹⁾	63,335	1.13
1,400,000	August 13, 2015	1.30 ⁽¹⁾	466,673	1.30
70,000	March 30, 2016	5.89 ⁽¹⁾	25,002	5.89
1,897,500		\$ 1.31	882,510	\$ 1.09

⁽¹⁾Pursuant to the Lumina Arrangement (see Note 1), the holders of stock options at June 16, 2011 were granted replacement options to purchase shares of Lumina and LRC. The original exercise price was allocated as to 89% to Lumina options.

Pursuant to the Company's accounting policy for stock-based compensation, the fair value of options vesting for the three and nine month periods ended June 30, 2011 and 2010, in the amount of \$158,337 (2010 - \$ 23,216) and \$506,495 (2010 - \$ 23,216) respectively, has been recognized. Of these amounts, for the three and nine month periods ended June 30, 2011, \$130,884 and \$395,248 respectively, has been included in expenses and \$27,453 and \$111,247 respectively, has been capitalized to mineral properties.

The fair value used to calculate the compensation expense related to the stock options granted during the nine months ended June 30, 2011, has been estimated using the Black-Scholes Option Pricing Model with the following assumptions:

Risk-free interest rate	1.56% - 1.72%
Expected dividend yield	-
Expected stock price volatility	71 - 93%
Expected option life in years	2
Expected rate of forfeiture	0 - 5%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011

(Unaudited)

(expressed in Canadian dollars)

9. STOCK OPTIONS (continued)

Stock options granted during the nine months ended June 30, 2011 were priced based upon the five-day volume weighted average price for the Company's shares prior to the grant date. The weighted average grant-date fair value of options granted during the nine months ended June 30, 2011 was \$3.12 per option.

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.

10. CONTRIBUTED SURPLUS (restated)

A summary of the contributed surplus account is presented below:

Balance, September 30, 2010	\$	16,585,056
Stock-based compensation (Note 9)		348,158
Transfer to common share capital on exercise of stock options		(7,298)
Balance, March 31, 2011		16,925,916
Stock-based compensation (Note 9)		158,337
Reduction of contributed surplus as a result of the reorganization (net of tax) (Note 1)		(6,447,422)
Balance, June 30, 2011	\$	10,636,831

^(a) See Note 19

11. BASIC AND DILUTED EARNINGS PER SHARE (restated)

The following table summarizes the calculation of basic and diluted earnings per share for the periods ended June 30, 2011 and 2010:

	Three Months Ended June 30		Nine Months Ended June 30	
	2011	2010	2011	2010
	Restated ^(a)		Restated ^(a)	
Net income	\$ 2,137,212	\$ 1,831,541	\$ 3,156,957	\$ 2,024,826
Weighted average number of shares outstanding	37,679,149	34,609,149	36,235,651	34,609,149
Earnings per share – basic	\$ 0.055	\$ 0.05	\$ 0.085	\$ 0.06
Weighted average number of shares outstanding	37,679,149	34,609,149	36,235,651	34,609,149
Effect of common share equivalents	1,472,179	238,386	1,384,016	232,518
	39,151,328	34,847,535	37,619,667	34,841,667
Earnings per share - diluted	\$ 0.055	\$ 0.05	\$ 0.085	\$ 0.06

^(a) See Note 19

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011

(Unaudited)

(expressed in Canadian dollars)

12. CAPITAL MANAGEMENT

The Company manages its shareholder's equity (which includes common shares, contributed surplus and accumulated deficit) as capital.

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.

Any decision to raise additional capital requires approval of the Board of Directors.

As at June 30, 2011 and 2010, 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 June 30, 2011.

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.

14. FINANCIAL INSTRUMENTS

(a) Categories of financial assets and financial liabilities

Under Canadian GAAP financial instruments are classified into one of the following five categories: held for trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets and other financial liabilities. The carrying values of the Company's financial instruments, which are the same as their fair values, are classified into the following categories:

	Category	June 30, 2011	September 30, 2010
Cash and cash equivalents	Held for trading	\$ 16,330,089	\$ 5,920,622
Marketable securities	Held for trading	-	1,911,600
Receivables	Loans and receivables	122,872	12,948
Accounts payable and accrued liabilities	Other financial liabilities	\$ (1,557,358)	\$ (188,373)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011

(Unaudited)

(expressed in Canadian dollars)

14. FINANCIAL INSTRUMENTS (continued)

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

The recorded amounts for cash and cash equivalents, marketable securities, receivables and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The Company has designated its cash and cash equivalents and marketable securities as financial assets held for trading. Income earned on the Company's cash and cash equivalents has been disclosed in the consolidated statements of income, comprehensive income and deficit under the caption "interest and other income."

(b) Fair Value Measurements

The fair value of financial instruments is measured within a 'fair value hierarchy' which has the following levels:

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table summarizes the classification of the Company's financial instruments within the fair value hierarchy:

	June 30, 2011			Total
	Level 1	Level 2	Level 3	
	\$	\$	\$	\$
Cash and cash equivalents	16,330,089	-	-	16,330,089

	September 30, 2010			Total
	Level 1	Level 2	Level 3	
	\$	\$	\$	\$
Cash and cash equivalents	5,920,622	-	-	5,920,622
Marketable securities	1,911,600	-	-	1,911,600

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011

(Unaudited)

(expressed in Canadian dollars)

14. FINANCIAL INSTRUMENTS (continued)

(c) Credit Risk

The Company considers that the following financial assets are exposed to credit risk: cash and cash equivalents. The total value of these items at June 30, 2011 is \$16,330,089. Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause that other party to incur a financial loss. The Company seeks to place its cash and cash equivalents with reputable financial institutions.

At June 30, 2011, the Company's Canadian chartered bank held \$15,419,354 in cash and cash equivalents (September 30, 2010 - \$5,750,675). The Company is also exposed to the credit risk of its banks in Argentina and Chile which held \$910,735 in cash at June 30, 2011 (September 30, 2010 - \$169,947) for the Company's Argentinean and Chilean operations. The Company seeks to limit its exposure to this risk by maintaining cash balances in Argentina and Chile sufficient only to fund the short-term needs of its Argentinean and Chilean subsidiaries.

At June 30, 2011, the Company's cash and cash equivalents were invested in three financial institutions located in Canada, Chile and Argentina.

(d) 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. The Company forecasts cash flows for a period of twelve months to identify financial requirements. These requirements are met through a combination of cash on hand, disposition of assets and accessing the capital markets.

At June 30, 2011 and September 30, 2010, the Company's current liabilities consisted of accounts payable and accrued liabilities of \$1,557,358 and \$188,373, respectively, due primarily within the next fiscal quarter. In addition, at June 30, 2011, the Company has accrued income tax liabilities of \$2,000,000. The Company's cash and cash equivalents of \$16,330,089 at June 30, 2011 and \$5,920,622 at September 30, 2010 were more than sufficient to pay these current liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011

(Unaudited)

(expressed in Canadian dollars)

14. FINANCIAL INSTRUMENTS (continued)

(e) 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. Generally, the Company's interest income will be reduced during sustained periods of lower interest rates as higher yielding cash equivalents mature and the proceeds are invested at lower interest rates.

Included in net income for nine months ended June 30, 2011 is interest earned on the Company's cash and cash equivalents. Based on the Company's cash and cash equivalents at June 30, 2011, and assuming that all other variables remain constant, a 1% increase or decrease in interest rates would result in an increase or decrease to the Company's net income of approximately, \$163,300 (September 30, 2010 - \$59,200) on an annual basis.

Currency Risk

The functional currency of the Company and its subsidiaries is the Canadian dollar. The carrying amounts of monetary assets and liabilities denominated in currencies other than the Canadian 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 income or loss for the period.

The Company is exposed to currency risks arising from fluctuations in foreign exchange rates among the Canadian dollar, U.S. dollar, Chilean peso and Argentinean 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, Chilean pesos, and Argentinean pesos.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011

(Unaudited)

(expressed in Canadian dollars)

14. FINANCIAL INSTRUMENTS (continued)

(e) Market Risks (continued)

Currency Risk (continued)

A summary of the Company's exposure to currency fluctuations at June 30, 2011, is presented below:

Financial Instruments	Canadian Dollar	Currency	Impact of +/- 1% Fluctuation
Cash and cash equivalents	\$ 13,841,660	CAD dollar	\$ -
	1,947,732	U.S. dollar	19,477
	2,644	Chilean peso	26
	538,053	Argentinean peso	5,381
Receivables	75,020	CAD dollar	-
	47,852	Argentinean peso	479
Accounts payable and accrued liabilities	(566,515)	CAD dollar	-
	(740,311)	U.S. dollar	(7,403)
	(2,175)	Chilean peso	(22)
	(248,357)	Argentinean peso	(2,484)
Total	\$ 14,895,603		\$ 15,454

A summary of the Company's exposure to currency fluctuations at September 30, 2010, is presented below:

Financial Instruments	Canadian Dollar	Currency	Impact of +/- 1% Fluctuation
Cash and cash equivalents	\$ 4,297,573	CAD dollar	\$ -
	1,490,742	U.S. dollar	14,907
	4,758	Chilean peso	48
	127,549	Argentinean peso	1,275
Marketable securities	1,911,600	CAD dollar	-
Receivables	8,016	CAD dollar	-
	4,932	Argentinean peso	49
Accounts payable and accrued liabilities	(11,388)	CAD dollar	-
	(6,174)	U.S. dollar	(62)
	(2,200)	Chilean peso	(22)
	(168,611)	Argentinean peso	(1,686)
Total	\$ 7,656,797		\$ 14,509

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011

(Unaudited)

(expressed in Canadian dollars)

14. FINANCIAL INSTRUMENTS (continued)

(e) Market Risks (continued)

Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity price of copper, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

The Company does not hold any financial instruments that have direct exposure to commodity price movements and volatilities at June 30, 2011.

15. RELATED PARTY TRANSACTIONS

A total of \$135,200 (2010 - \$110,350) was paid to four private companies controlled by directors and officers of the Company for management and technical consulting services.

In addition, the Company also paid \$9,749 (2010 - \$4,105) for the rental of office premises to a company related by virtue of a common director.

Related party transactions are recorded at the exchange amount which is the amount of consideration paid or received as established and agreed to between the parties.

16. INCOME TAXES (restated)

The corporate reorganization of Lumina as described in Note 1, whereby certain assets were transferred to Lumina Royalty Corp., resulted in certain taxes being payable in Canada and Chile. An estimate of the total taxes payable in the amount of \$2,000,000 has been provided for as at June 30, 2011. Final tax payments will be made in November 2011 and April 2012 respectively for each of Canada and Chile. The income tax cost has been recorded in contributed surplus for the Lumina Arrangement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011

(Unaudited)

(expressed in Canadian dollars)

17. COMMITMENT AND CONTINGENCY

(a) Commitment

The Company has entered into an agreement for the rental of office space that requires minimum payments in the aggregate as follows:

Remainder of Fiscal 2011	\$	12,705
Fiscal 2012		53,845
Fiscal 2013		61,710
Fiscal 2014		38,962
	\$	167,222

(b) Contingency

The Company has entered into a contingent share compensation arrangement with an officer of the Company whereby, upon satisfaction of certain conditions, up to 40,000 common shares will be issued as compensation. The Company does not currently consider that these shares are likely to be issued so has not provided an estimate as to their market value in these financial statements.

18. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with the current period's presentation.

19. RESTATEMENT

During the preparation of the Company's audited consolidated financial statements for the year ended September 30, 2011, it was determined that income taxes relating to the Lumina Arrangement which were expensed through the consolidated statement of income, should have been recorded as a capital item through contributed surplus. As a result, the Company's net income for the three and nine months ended June 30, 2011 has increased by \$2 million while contributed surplus decreased by the same amount. The income tax liability estimate was unchanged.

Accordingly, the financial statements have been amended as disclosed below:

	As previously reported	Adjustment	Restated
Consolidated Balance Sheet as at June 30, 2011 (unaudited):			
Contributed surplus	\$ 12,636,831	\$ (2,000,000)	\$ 10,636,831
Deficit accumulated during the development stage	\$ (2,306,209)	\$ 2,000,000	\$ (306,209)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011

(Unaudited)

(expressed in Canadian dollars)

19. RESTATEMENT (continued)

	As previously reported	Adjustment	Restated
Consolidated Statements of Income, Comprehensive Income and Deficit for the three months ended June 30, 2011 (unaudited):			
Income taxes	\$ 2,000,000	\$ (2,000,000)	\$ -
Net Income and Comprehensive Income for the Period	137,212	2,000,000	2,137,212
Earnings per share (basic and diluted)	\$ 0.005	\$ 0.05	\$ 0.055
Consolidated Statements of Income, Comprehensive Income and Deficit for the nine months ended June 30, 2011 (unaudited):			
Income taxes	\$ 2,000,000	\$ (2,000,000)	\$ -
Net Income and Comprehensive Income for the Period	1,156,957	2,000,000	3,156,957
Earnings per share (basic and diluted)	\$ 0.03	\$ 0.055	\$ 0.085