

**For Period Ended: March 31, 2012**

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**LUMINART CORP.**

**Wyoming**

(State or other jurisdiction of incorporation or  
organization)

**87-0413934**

(IRS Employer Identification No.)

**Post Office Box 1059, Stanley, ND 58784**

(Address of principal executive offices)

**(949) 273-8068**

(Registrant's telephone number, including area code)

Issuer's revenues for its most recent fiscal year to-date: \$2,110,770

As of March 31, 2012, there were 32,366,556 shares of the registrant's Common Stock outstanding and 11,440,442 shares of Series A Preferred Stock outstanding.

Luminart Corp.  
Consolidated Balance Sheets  
(expressed in U.S. dollars)

	March 31, 2012 \$ (unaudited)	March 31, 2011 \$ (unaudited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	87,713	180
Accounts Receivable, net of allowance of doubtful accounts	1,178,181	0
Other Current Assets	20,372	0
<b>Total Current Assets</b>	<b>1,286,266</b>	<b>180</b>
Property and Equipment (Net)	3,263,804	0
Other Assets	500	500
<b>Total Assets</b>	<b>4,550,570</b>	<b>680</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
<b>Current Liabilities</b>		
Accounts Payable	810,495	0
Accrued Liabilities	59,259	0
Notes Payable	1,544,300	125,000
<b>Total Liabilities</b>	<b>2,414,354</b>	<b>125,000</b>
<b>Stockholders' Equity</b>		
Common Stock (Note 6)	32,367	67,519
Authorized: 900 million common shares, par value: \$0.001 per share		
Issued and outstanding: 32,366,556 and 67,518,768 common shares, respectively.		

Preferred Stock		
Authorized 50 million preferred shares, par value \$0.001 per share		
Issued and outstanding 11,440,442 and 4,400,000 shares, respectively.	11,440	4,400
Additional Paid-In Capital	8,943,537	6,981,680
Accumulated Deficit	(6,892,832)	(7,177,919)
<b>Total Stockholders' Equity</b>	<b>2,115,364</b>	<b>(124,320)</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>4,550,570</b>	<b>680</b>

(The accompanying notes are an integral part of these consolidated financial statements)

Luminart Corp.  
Consolidated Statements of Operation  
(expressed in U.S. dollars)

	For the Three Months Ended March 31, 2012 \$	For Three Months Ended March 31, 2011 \$
Revenue	2,110,770	0
Cost of Sales	1,350,514	0
<b>Gross Profit</b>	<b>760,256</b>	<b>0</b>
<b>Operating Expenses</b>		
General and Administrative	561,499	2,320
<b>Total Operating Expenses</b>	<b>561,499</b>	<b>2,,320</b>
<b>Total Operating Income (Loss)</b>	<b>198,757</b>	<b>(2,320)</b>
<b>Other Income (Expenses)</b>		
Depreciation	0	0
Interest Expense	(2,243)	0
Other Income	0	0
<b>Net Income/(Loss)</b>	<b>196,514</b>	<b>(2,320)</b>
<b>Net Income/(Loss) Per Share</b>	<b>0.0061</b>	<b>(0.00)</b>
<b>Weighted Average Shares Outstanding</b>	<b>32,366,556</b>	<b>67,518,768</b>

(The accompanying notes are an integral part of these consolidated financial statements)

Luminart Corp.  
Consolidated Statement of Cash Flows  
(expressed in U.S. dollars)

**For the Three Months.  
Ended March 31, 2012**

**OPERATING ACTIVITIES**

<b>Net Income</b>	196,514
<b>Adjustments to reconcile Net Income to net cash provided by operations:</b>	
<b>Accounts Receivable</b>	-494,089
<b>Accounts Payable</b>	230,787
<b>Other Short Term Liabilities</b>	29,821

**Net cash provided by Operating Activities**

-36,967

**INVESTING ACTIVITIES**

<b>Trucks and Equipment</b>	-40,029
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**Net cash provided by Investing Activities**

-40,029

**FINANCING ACTIVITIES**

<b>Net Loans</b>	54,000
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**Net cash provided by Financing Activities**

54,000

**Net Cash  
Decrease**

-22,996

Cash Beginning of Period	110,709
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Cash End of Period	87,713
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Luminart Corp.  
Notes to the Consolidated Financial Statements  
(expressed in U.S. dollars)

## **1. Corporate History**

07 / 05 / 1984 Past-Tell, Inc. Founded, a Utah Corporation

03 / 24 / 1987 Past-Tell, Inc. moved incorporation from Utah to Nevada

11 / 07 / 1996 Past-Tell acquired by Chaos Group, Inc., a Nevada Corporation

04 / 27 / 1998 Chaos Group changed name to Luminart Corp., a Nevada Corporation

05 / 27 / 2009 Luminart changed its domicile to Wyoming

07 / 28 / 2011 Black and Blue Water Services Formed

08 / 12 / 2011 Share exchange with B3 Well Services and Luminart Preferred A shareholders

01 / 01 / 2012 White Star Sand & Gravel LLC Acquired

04 / 05 / 2012 OutWest Field Services Formed

For the period 2007 through the mergers with Black & Blue and B3 Well Services Luminart was inactive with the only expenses being fixed asset depreciation, amortization of its patent and payroll of two (2) executives.

## **2. Summary of Significant Accounting Policies**

a)

### **Basis of Presentation**

These consolidated financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States, and are expressed in US dollars. The Company's fiscal year-end is December 31.

b)

### **Interim Financial Statements**

These interim unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial. They do not include all of the information and footnotes required by generally accepted accounting principles for complete consolidated financial statements.

Luminart Corp.  
Notes to the Consolidated Financial Statements  
(expressed in U.S. dollars)

The consolidated financial statements included herein are unaudited; however, they contain all normal recurring accruals and adjustments that, in the opinion of management, are necessary to present fairly the Company's financial position March 31, 2012, and the results of its operations and cash flows for the three month periods ended March 31, 2012 and 2011. The results of operations for the period ended March 31, 2012 are not necessarily indicative of the results to be expected for future quarters or the full year.

**2.**

**Summary of Significant Accounting Policies (continued)**

c)

Use of Estimates

The preparation of these consolidated financial statements in conformity with generally accepted accounting principles in the United States 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to valuation allowances on accounts receivable and inventory, valuation and amortization policies on property and equipment, stock-based compensation expense, and valuation allowances on deferred income tax losses. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

d)

Cash and Cash Equivalents

Luminart Corp.  
Notes to the Consolidated Financial Statements  
(expressed in U.S. dollars)

The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents. As at March 31, 2012 and December 31, 2011, the Company had no cash equivalents.

e)

Accounts Receivable

Accounts receivable are stated at their principal balances and are non-interest bearing and unsecured. Management conducts a periodic review of the collectability of accounts receivable and deems all unpaid amounts greater than 30 days to be past due. If uncertainty exists with respect to the recoverability of certain amounts based on historical experience or economic climate, management will establish an allowance against the outstanding receivables.

f)

Property and Equipment

Property and equipment are recorded at cost. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the anticipated lease term or the estimated useful life. The Company's policy is to capitalize items with a cost greater than \$4,000 and an estimated useful life greater than one year. The Company reviews all property and equipment for impairment at least annually. Typically, the company depreciates its assets over a 5 year period except for the patent which was amortized on a 15 year basis.

i)

Revenue Recognition

The Company will recognize revenue from the sale of its services in accordance with Securities and Exchange Commission Staff Bulletin No. 104 ("SAB 104"), "*Revenue Recognition in Financial Statements*". Revenue will be recognized only when the price is fixed or determinable, persuasive evidence of an arrangement exists, the service is provided, and collectibility is assured.

j)

Net Income (Loss) Per Share

The Company computes net income (loss) per share in accordance with SFAS No. 128, "*Earnings per Share*". SFAS No. 128 requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net income



Luminart Corp.  
Notes to the Consolidated Financial Statements  
(expressed in U.S. dollars)

(loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing Diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti dilutive.

k)

Comprehensive Income/Loss

SFAS No. 130, “*Reporting Comprehensive Income*,” establishes standards for the reporting and display of comprehensive loss and its components in the consolidated financial statements.

l)

Financial Instruments

SFAS No. 157, “*Fair Value Measurements*” requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. SFAS No. 157 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument’s categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. SFAS No. 157 prioritizes the inputs into three levels that may be used to measure fair value:

*Level 1*

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

*Level 2*

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Luminart Corp.  
Notes to the Consolidated Financial Statements  
(expressed in U.S. dollars)

*Level 3*

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The Company's financial instruments consist principally of cash, accounts receivable, other assets, and accounts payable and accrued liabilities. Pursuant to SFAS No. 157, the fair value of our cash is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. We believe that the recorded values of all of our other financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

m)

Foreign Currency Translation

The Company's functional and reporting currency is the United States dollar. Monetary assets and liabilities denominated in foreign currencies are translated in accordance with SFAS No. 52 "*Foreign Currency Translation*" using the exchange rate prevailing at the balance sheet date. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the determination of income. Foreign currency transactions are primarily undertaken in Canadian dollars. The Company has not, to the date of these financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations. During the period ended June 30, 2009, the Company had no transactions that resulted in foreign currency translation.

n)

Advertising Costs

Advertising costs are expensed as incurred and are recorded in the consolidated financial statements as selling expense.

o)

Income Taxes

Potential benefits of income tax losses are not recognized in the accounts until realization is more likely than not. The Company has adopted SFAS No. 109 "*Accounting for Income Taxes*" as of its inception. Pursuant to SFAS No. 109 the Company is required to compute tax asset benefits for net operating losses carried forward. The potential benefits of net operating losses have not been recognized in these consolidated financial statements because the Company cannot

Luminart Corp.  
Notes to the Consolidated Financial Statements  
(expressed in U.S. dollars)

be assured it is more likely than not it will utilize the net operating losses carried forward in future years.

p)  
Stock-Based Compensation

The Company records stock-based compensation in accordance with SFAS No. 123R "Share Based Payments", using the fair value method. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. Equity instruments issued to employees and the cost of the services received as consideration are measured and recognized based on the fair value of the equity instruments issued.

q)  
Reclassifications

Certain of the figures presented for comparative purposes have been reclassified to conform to the presentation adopted in the current period.

3.  
**Property and Equipment**

	Cost	Accum. Amort.	Net Book Value	
			Mar. 31, 12	31-Dec-11
	\$	\$	\$	\$
Real Property	3,008,000	0	3,008,000	0
Computers	135,510	134,827	683	0
Equipment	432,437	417,873	14,564	0
Furniture and Fixtures	183,732	183,732	0	0
Vehicles	217,604	0	217,604	0
Patents	900,000	900,000	0	0

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4,877,283	1,636,432	3,240,851	0
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**4.**  
**Notes Payable**

- a)  
During the period ended March 31, 2012, the Company issued Notes in the amount of \$62,500 for vehicle purchases and retired 8,500 against the real estate loan.

**6.**  
**Common and Preferred Shares**

At the close of 2011, the Company had issued and outstanding 67,518,768 shares of common stock and 4,400,000 shares of convertible preferred shares. With the merger, the Company converted 35,152,211 shares of common stock to 7,040,442 convertible preferred shares. Of this, 4,000,000 of the convertible preferred shares were issued to the Bentley Family for the acquisition of B3 and Black & Blue.

**7.**  
**Commitments and Contingencies**

- a)  
The Company currently leases space for its corporate headquarters. The terms are for 6 months.
- Leases for the Black & Blue and B3 facilities are yet to be determined, therefore not included below.

The Company's future annual minimum lease payments are as follows:

	<u>Amount</u>
	\$
December 31, 2012	2,400
	<u>2,400</u>
	<u><u>2,400</u></u>



**8.**  
**Subsequent Events**

- a)  
The Company has acquired the operations of White Star Sand & Gravel, LLC. The acquisition was effective as of January 1, 2012.
- b) On April 5, 2012 the Company formed Outwest Field Services LLC, a Wyoming Limited Liability company.

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS**

**CAUTIONARY FORWARD - LOOKING STATEMENT**

*Statements included in this Management's Discussion and Analysis of Financial Condition and Results of Operations, and in future filings by the Company with the Securities and Exchange Commission, in the Company's press releases and in oral statements made with the approval of an authorized executive officer which are not historical or current facts are "forward-looking statements" made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and are subject to certain risks and uncertainties that could cause actual results to differ materially from historical earnings and those presently anticipated or projected. The Company wishes to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. The following important factors, among others, in some cases have affected and in the future could affect the Company's actual results and could cause the Company's actual financial performance to differ materially from that expressed in any forward-looking statement: (i) the extremely competitive conditions that currently exist in the three dimensional software development marketplace are expected to continue, placing further pressure on pricing which could adversely impact sales and erode profit margins; (ii) many of the Company's major competitors in its channels of distribution have significantly greater financial resources than the Company; and (iii) the inability to carry out marketing and sales plans would have a materially adverse impact on the Company's projections. The foregoing list should not be construed as exhaustive and the Company disclaims any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.*

**Item 1. Description of Business**

## ***Overview***

Luminart is a publicly traded company (LUMP.PK) and the parent company of Black & Blue Water Service and B3 Well Services.

Luminart Corp. was involved in the sale and marketing of proprietary sign making products. The company owns the worldwide manufacturing, patent, and distribution rights to Luminite®, a proprietary acrylic compound used in signs and display materials, dispensing systems and related technology. The Company is no longer marketing its patented product.

The wholly-owned B3 subsidiary will focus on the expansion of: contract hauling materials for infrastructure development in North Dakota, mining and processing materials for road building, and expansion of the base camp of the North Dakota operations, sales, and marketing.

Black & Blue Water Service LLC is a wholly-owned subsidiary of Luminart and specializes in fluid management, focusing on the transportation of water and drilling fluids in the Bakken oil fields of North Dakota, and soon-to-be Montana. Bakken is an 8 million acre major crude oil and natural gas reserve under exploration. The Company has negotiated a site location for drilling the first of many disposal wells in the Bakken field. The wells will provide a controlled disposal and additional defined revenue to the hauling services of the division. It is anticipated the oil drilling will require disposal of waste water at ratio of 2 barrels of waste water to every barrel of produced oil.

White Star Sand & Gravel LLC is a wholly-owned subsidiary of Luminart and focuses on infrastructure development in North Dakota, mining and processing materials for road building and meeting oil field needs.

Outwest Field Services LLC is a wholly-owned subsidiary of Luminart concentrating on transportation of heavy equipment and heavy oil field supplies.

## **Employees**

As of March 31, 2012, we employed 26 full-time employees and 0 part-time employees. None of our employees is subject to a collective bargaining agreement and we believe that relations with our employees are very good. We also frequently use third party consultants to assist in the completion of various projects. Third parties are instrumental to keep the development of projects on time and on budget.

## **RESULTS OF OPERATIONS FOR THE PERIOD ENDED MARCH 31, 2012 COMPARED TO THE PERIOD ENDED MARCH 31, 2011.**

The management of Luminart is excited by the enthusiastic acceptance our services have received in North Dakota. We are proud to provide services that are part of the solution to the high cost of fuel and infrastructure. Since inception management has been focused on the development of a solid infrastructure, building relationships and establishing the foundation of a business that will continue to grow – non-stop – into the future.

## **Results of Operations**

### ***Revenues***

During three month period ended March 31, 2012, the Company recognized revenues of \$2,110,770 compared with \$0 for the three months ended March 31, 2011. The increase in revenue is due entirely to the merger with B3 and Black and Blue.

Our future growth is significantly dependent upon our ability to generate sales. Our main priorities relating to revenue are: (1) increase market awareness of our services through our sales and marketing plan, (2) growth in the number of customers and vehicles per customer, and (3) providing extensive customer service and support.

### ***Gross Profit***

Gross profit for the three months ended March 31, 2012 was \$760,256 compared with \$0 for the three months ended March 31, 2011.

### ***Operating Expenses***

The Company's current operating expenses are comprised of costs associated with general and administrative costs such as staff salaries and business development.

For the three months ended March 31, 2012, the Company incurred general and administrative expense of \$561,499 compared with \$2,320 for the three months ended March 31, 2011.

### ***Other Income (Expenses)***

#### ***Depreciation/Amortization***

The Company expenses depreciation on an annual basis at the end of each year..

#### ***Interest Expense***

For the three months ended March 31, 2012, the Company incurred interest expense of \$2,243 compared to \$0 for the three months ended March 31, 2011.

### ***Net Profit/Loss***

For the three months ended March 31, 2012, the Company experienced a net profit of \$196,514 compared with a net loss of \$2,320 for the three months ended March 31, 2011. The increase is attributed to the effects of the merger with B3 and Black & Blue.

### ***Common Shares***



As of March 31, 2012 the Company had 32,366,556 shares of common stock issued and outstanding. As of March 31, 2011, the Company had 67,518,768 shares of common stock issued and outstanding. During the three months ending September 30, 2011 the Company converted 35,152,211 shares of common stock to 7,040,442 shares of preferred stock of which 4,000,000 shares of preferred stock were issued for the purchase of B3 and Black & Blue. The fair value of the share issuances were based on the end-of-day closing share price of the Company's common stock traded on the Pink Sheets (LUMP-PK).

### **Liquidity and Capital Resources**

At March 31, 2012, the Company had cash of \$87,713, current assets of \$1,286,266, total assets of \$4,550,570, total liabilities of \$2,414,354, and stockholders' equity of \$2,115,364.

As at March 31, 2012, we had a working capital of \$21,330 compared with a working capital of \$180 as of March 31, 2011. The increase in the working capital is primarily attributed to the increase in accounts receivable.

### **Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to our investors.

### **Critical Accounting Policies**

#### ***Use of Estimates***

The preparation of these consolidated financial statements in conformity with generally accepted accounting principles in the United States 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to valuation allowances on accounts receivable and inventory, valuation and amortization policies on property and equipment, and valuation allowances on deferred income tax losses. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

#### ***Revenue Recognition***

The Company will recognize revenue from the sale of its logistics services in accordance with Securities and Exchange Commission Staff Bulletin No. 104 (“SAB 104”), “*Revenue Recognition in Financial Statements*”. Revenue will be recognized only when the price is fixed or determinable, persuasive evidence of an arrangement exists, the service is provided, and collectibility is assured.

### ***Stock-Based Compensation***

The Company records stock-based compensation in accordance with SFAS No. 123R “*Share-Based Payments*”, using the fair value method. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. Equity instruments issued to employees and the cost of the services received as consideration are measured and recognized based on the fair value of the equity instruments issued. During the three months ended March 31, 2012 the Company had no stock-based compensation.

## **OTHER INFORMATION.**

### **ITEM 1. LEGAL PROCEEDINGS.**

From time to time, we may be involved in routine legal matters incidental to our business. In the opinion of management, the ultimate resolution of such matters will not have a material adverse effect on our financial position, results of operations or liquidity. Currently, we are not involved in any legal proceedings.

#### **Issuances of Securities:**

- a) On December 31, 2010, the Company issued 4,200,000 common shares of the Company at \$0.02 per common share to offset accrued payroll to an officer.
- b) On August 1, 2011, the Company converted 35,152,211.00 common shares of the Company at \$0.001 per common share for 7,240,253 shares of preferred stock at \$0.001 of which 4,000,000 shares of preferred stock were issued for the purchase of B3 Well Services LLC and Black & Blue Water Service LLC.

### **ITEM 3. DEFAULTS UPON SENIOR SECURITIES.**

None

### **ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.**

None

**ITEM 5. OTHER INFORMATION.**

None

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