



**LOMIKO METALS INC.**

**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

April 30, 2011

**The accompanying unaudited interim consolidated financial statements of Lomiko Metals Inc. for the third quarter ended April 30, 2011 have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied and are the responsibility of the Company's management. These consolidated financial statements have not been reviewed by the Company's auditors.**

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**LOMIKO METALS INC.**  
**CONSOLIDATED BALANCE SHEETS**

	<b>April 30, 2011 (unaudited)</b>	<b>July 31, 2010 (audited)</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 469,624	\$ 194,196
Accounts receivable and advances	20,198	16,382
Prepaid expenses	22,428	24,008
	<b>512,250</b>	<b>234,586</b>
<b>Interests in Mineral Properties (Note 2)</b>	<b>335,618</b>	<b>519,941</b>
	<b>\$ 847,868</b>	<b>\$ 754,527</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 1,182	\$ 39,675
	<b>1,182</b>	<b>39,675</b>
<b>SHAREHOLDERS' DEFICIENCY</b>		
<b>Capital Stock (Note 3)</b>	<b>16,724,785</b>	<b>16,288,868</b>
<b>Warrants (Note 4)</b>	<b>187,132</b>	<b>-</b>
<b>Contributed Surplus (Note 4)</b>	<b>275,427</b>	<b>237,367</b>
<b>Deficit</b>	<b>(16,340,658)</b>	<b>(15,811,383)</b>
	<b>846,686</b>	<b>714,852</b>
	<b>\$ 847,868</b>	<b>\$ 754,527</b>

**Nature of Operations and Ability to Continue as a Going Concern (Note 1)**  
**Subsequent Events (Note 7)**

Approved on behalf of the Board:

"Paul Gill"

Paul Gill - President and Chief Executive Officer

"Jacqueline Michael"

Jacqueline Michael - Chief Financial Officer

*The accompanying notes form an integral part of these financial statements*

# LOMIKO METALS INC.

## CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT (unaudited)

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	April 30		April 30	
	2011	2010	2011	2010
		(restated)		(restated)
<b>Expenses</b>				
Accounting and audit	\$ 1,698	\$ -	\$ 3,198	\$ -
Advertising and promotion	39,270	69,925	76,472	115,081
Legal and consulting fees	23,307	15,123	55,632	151,713
Legal settlement	-	-	52,876	-
Management fees (Note 5)	30,000	30,000	90,000	87,500
Bonuses	-	-	-	10,000
Office and miscellaneous	6,034	6,875	13,863	16,847
Regulatory and filing fees	17,236	25,681	36,651	43,487
Shareholder communications	-	15,000	1,232	18,062
Telephone	149	181	2,095	471
Travel	6,069	17,573	10,388	42,948
Write down of mineral property acquisition & exploration expenses (Note 2)	-	-	187,323	-
	<b>123,763</b>	<b>180,358</b>	<b>529,730</b>	<b>486,109</b>
<b>Operating Loss</b>	<b>(123,763)</b>	<b>(180,358)</b>	<b>(529,730)</b>	<b>(486,109)</b>
<b>Other</b>				
Interest income	-	560	455	1,395
<b>Net loss</b>	<b>(123,763)</b>	<b>(179,798)</b>	<b>(529,275)</b>	<b>(484,714)</b>
<b>Deficit, Beginning Of Period</b>	<b>(16,216,895)</b>	<b>(15,284,099)</b>	<b>(15,811,383)</b>	<b>(14,979,183)</b>
<b>Deficit, End Of Period</b>	<b>\$ (16,340,658)</b>	<b>\$ (15,463,897)</b>	<b>\$ (16,340,658)</b>	<b>\$ (15,463,897)</b>
<b>Basic And Diluted Loss Per Share</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>
<b>Basic And Diluted Weighted Average Common Shares</b>	<b>49,970,692</b>	<b>34,753,181</b>	<b>45,779,474</b>	<b>34,753,181</b>

*The accompanying notes form an integral part of these financial statements*

**LOMIKO METALS INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(unaudited)

	THREE MONTHS ENDED April 30		NINE MONTHS ENDED April 30	
	2011	2010 (restated)	2011	2010 (restated)
<b>Cash Flows from (used by) Operating Activities</b>				
Net loss for the period	\$ (123,763)	\$ (179,798)	\$ (529,273)	\$ (484,714)
Items not involving cash:				
Mineral property costs written off	-	-	187,323	-
	(123,763)	(179,798)	(341,950)	(484,714)
Changes in non-cash working capital items:				
Accounts receivable	(5,083)	(3,164)	(3,816)	(6,568)
Prepaid expenses	2,504	(46,831)	1,580	(50,481)
Accounts payable	(5,060)	1,184	(38,494)	(3,862)
	(131,402)	(228,609)	(382,680)	(545,625)
<b>Cash Flows from (used by) Financing Activities</b>				
Common shares and warrants	400,000	-	700,000	1,218,875
Share issue costs	(33,341)	-	(38,892)	(80,000)
	366,659	-	661,108	1,138,875
<b>Cash Flows from (used by) Investing Activities</b>				
Investment in mineral properties	(3,000)	(23,807)	(3,000)	(316,130)
	(3,000)	(23,807)	(3,000)	(316,130)
<b>Increase (Decrease) in Cash</b>	<b>232,257</b>	<b>(252,416)</b>	<b>275,428</b>	<b>277,120</b>
<b>Cash Beginning of Period</b>	<b>237,367</b>	<b>601,655</b>	<b>194,196</b>	<b>72,119</b>
<b>Cash End of Period</b>	<b>\$ 469,624</b>	<b>\$ 349,239</b>	<b>\$ 469,624</b>	<b>\$ 349,239</b>

*The accompanying notes form an integral part of these financial statements.*

**LOMIKO METALS INC.**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2011  
(unaudited)

**1 Nature of Business and Going Concern**

The Company is incorporated under the laws of the Province of British Columbia and is engaged in the acquisition, exploration and development of resource properties. The company is in the exploration stage and has not yet determined whether its properties contain enough mineral reserves such that their recovery would be economically viable. These consolidated financial statements of the Company have been prepared on the basis of accounting principles applicable to a going concern which assumes the realization of assets and discharge of liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon successful completion of additional financing, continuing support of directors, the ability to continue to raise adequate financing or achieving profitable operations in the future, the outcome of which cannot be predicted at this time. These consolidated financial statements do not reflect any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

**2 Interests in Mineral Properties**

	<b>April 30, 2011</b>	July 31, 2010
The carrying values of the company's resource properties are as follows:		
<b>Vines Lake Property - Liard Mining District</b>		
100% interest in 3 claims comprising 1,195 hectares	\$ 135,971	\$ 135,971
<b>Karolina Property - Chile</b>		
100% interest in 9 claims making up 1,900 hectares of Salar de Aguas Calientes	175,647	172,647
<b>Alkali Lake Nevada Property - US</b>		
The company, in conjunction with its subsidiary Lomiko USA LLC, located and staked 552 lode claims in the Alkali Valley of Nevada at an initial cost of \$187,323 in October 2009	-	187,323
In August 2010, the Company, abandoned this property.		
<b>Rose Lake 70 Mile House, BC - Canada</b>		
100% interest in EVA and PLAYA claims making up 222 hectares and 222 respectively of semi- evaporitic lakes known as Rose Lake and Cunningham Lake near 70 Mile House, B.C	24,000	24,000
	\$ 335,618	\$ 519,941

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**3 Capital Stock**

**Common Shares**

The maximum number of non par value common shares that the company is authorized to issue is unlimited.

Description	April 30, 2011		July 31, 2010		July 31, 2009	
	# of Shares	Amount	# of Shares	Amount	# of Shares	Amount
<b>Issued and fully paid</b>						
<b>Balance Forward</b>	<b>41,268,445</b>	<b>16,288,868</b>	30,480,112	15,192,309	6,362,028	14,747,069
<b>Issued for cash</b>						
On exercise of options			120,000	12,000		
On exercise of warrants			1,135,000	141,875	500,000	160,000
Private Placements	<b>10,500,000</b>	<b>700,000</b>	8,333,333	1,000,000	758,000	303,200
Value assigned to warrants		<b>(206,949)</b>				
<b>Issued for options on Properties</b>			1,200,000	79,000		
<b>Less transaction costs</b>		<b>(57,134)</b>		<b>(136,316)</b>		<b>(17,960)</b>
<b>4 for 1 share split</b>					22,860,084	
<b>Balance end of period</b>	<b>51,768,445</b>	<b>\$16,724,785</b>	41,268,445	\$16,288,868	30,480,112	\$15,192,309

On November 2, 2010, the company completed a private placement of \$150,000 by issuing 3,000,000 common shares and 1,500,000 warrants in the capital of the Company. The common shares were issued at \$.05 per share. Each warrant is exercisable at a price of \$.10 for a period of one year.

On January 25, 2011, the company completed a private placement of \$150,000 by issuing 2,500,000 common shares and 1,250,000 warrants in the capital of the Company. The common shares were issued at \$.06 per share. Each warrant is exercisable at a price of \$.10 for a period of one year.

On March 4, 2011, the company completed a private placement of \$400,000 by issuing 5,000,000 flow through common shares and 2,500,000 warrants in the capital of the Company. The flow through common shares were issued at \$.08 per share. Each warrant is exercisable at a price of \$.12 for a period of 1 year.

As at July 31, 2010, the company issued options and warrants to purchase up to 8,756,667 shares at a weighted average exercise price of \$0.16 each. The options expire on various dates, from November 16, 2011 through February 17, 2015.

As of April 30, 2011, no options or warrants have been exercised.

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**4 Contributed Surplus and Warrants**

	<b>Contributed Surplus</b>	<b>Warrants</b>
Balance, July 31, 2009	\$ 36,000	\$ -
Stock-based compensation	201,367	-
Balance, July 31, 2010	237,367	-
Warrants issued	-	225,192
Transfer on expiry	38,060	(38,060)
Balance, April 30, 2011	<u>\$ 275,427</u>	<u>\$ 187,132</u>

The fair value of the 1,500,000 warrants issued pursuant to a private placement of units on November 2, 2010 was \$39,117 and was calculated using the Fair Value Method with the following assumptions: expected dividend yield 0%; expected volatility, 171%; risk free interest rate 1.40% with an expected life of the warrant of 1 year.

The fair value of the 1,250,000 warrants issued pursuant to a private placement of units on January 21, 2011 was \$37,526 and was calculated using the Fair Value Method with the following assumptions: expected dividend yield 0%; expected volatility, 169%; risk free interest rate 1.70% with an expected life of the warrant of 1 year.

The fair value of the 2,500,000 warrants issued pursuant to a private placement of flow through units on March 4, 2011 was \$130,305 and was calculated using the Fair Value Method with the following assumptions: expected dividend yield 0%; expected volatility, 159%; risk free interest rate 1.52% with an expected life of the warrant of 1 year.

In addition to the warrants issued pursuant to the flow through share units, 350,000 warrants were issued on March 4, 2011 to brokers in consideration for placement of the flow through share units. The fair value of the flow through units was \$18,243 and was calculated using the Fair Value Method with the following assumptions: expected dividend yield 0%; expected volatility, 159%; risk free interest rate 1.52% with an expected life of the warrant of 1 year.

**5 Related Party Transactions**

During the six month period ended April 30, 2011, the Company paid management fees of \$90,000 to two of its directors (2010 -\$87,500 management fees and \$10,000 bonus). The Company paid \$2,600 in consulting fees to Kirkham Geosystems Ltd., a company owned and operated by a director.

**6 Contingent Liabilities**

A legal claim has been made against the Company for breach of contract, misrepresentation and negligence for \$78,624 plus general damages of \$100,000, punitive damages of \$50,000 plus interest and costs. The Company has filed a counter claim of \$78,195 plus interest and costs. The outcome of these

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claims is not determinable and no provision has been made in the financial statements.

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**7 Subsequent Events**

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On May 12<sup>th</sup>, 2011, the Company completed a 1<sup>st</sup> tranche private placement financing which was announced on April 4<sup>th</sup>, 2011 and raised \$232,000 through the sale of 2,900,000 units at a price of \$0.08 per unit. Each unit consists of one common share of the company and one half of one common share purchase warrant, each full warrant being exercisable at a price of \$0.12 until May 11, 2013. The Company paid a cash commission of \$16,400 in connection with the said financing.

On May 24<sup>th</sup>, 2011, the Company announced that it has engaged Bay Street Connect (“Bay Street”), a firm based in Toronto and a leading provider of investor relations services to Canadian public companies in the natural resources sector since 2003 for its investor relations services. According to the terms of the engagement which is valid for a 12- month period, the Company will pay Bay Street \$5,000 per month plus disbursements. The Company will also grant Bay Street 400,000 options having an exercise price of \$0.10, which options vest over a year as to 100,000 per quarter in accordance with the policies of the TSX Ventures Exchange.