

LOMIKO METALS INC.  
Form 51-102  
Management Discussion and analysis  
Forth Quarter ended July 31, 2009



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The following discussion and analysis of Lomiko Metals Inc. (the “*Issuer*” or the “*Company*”), is prepared as of November 6<sup>th</sup>, 2009, and should be read together with the annual consolidated financial statements and the corresponding notes thereto for the year ended July 31<sup>st</sup>, 2009. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

The reader should also refer to the interim financial statements for the period ended July 31<sup>st</sup>, 2008 and the Management Discussion and Analysis for that year.

All amounts are stated in Canadian dollars unless otherwise indicated.

### **Forward Looking Statements**

Statements in this report that are not historical facts and are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Some of the information contained in this discussion may constitute forward-looking statements. Forward-looking information can often be identified by forward-looking words such as “anticipate”, “believe”, “expect”, “goal”, “plan”, “intend”, “estimate” “may” and “will” or similar words suggesting future outcomes, or other expectations, objectives or statements about future events or performance. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied.

### **Overview**

Lomiko Metals Inc, (formerly Lomiko Resources Inc.) (“Lomiko” or “the Company”) was incorporated under the Company Act of the Province of British Columbia on July 3<sup>rd</sup>, 1987. These consolidated financial statements of the Company have been prepared on the basis of accounting principles applicable to a going concern, which assume the realization of assets and discharge of liabilities in the normal course of business.

The Company is a reporting issuer in British Columbia and Alberta and is listed on the TSX Ventures Exchange under the symbol “LMR”.

The Company is engaged in the acquisition and exploration of natural resource properties.

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**Dependence on Management**

Lomiko Resources Inc. depends on the business and technical expertise of its management.

**Paul Gill – President and Chief Executive Officer**

Mr. Gill is the President of AJS Management Inc., a company providing management consulting to private and public companies. He has also been involved in the strategy, planning and implementation phases of re-structuring organizations. Until October 2006, Mr. Gill was heavily involved in the dynamic growth stage of Norsemont Mining where the company grew from a market capitalization of \$1 million to \$50 million. During his tenure with Norsemont Mining, Mr. Gill was the VP of Business Development and Director as well as the President & CEO, Chief Financial Officer and Corporate Secretary. Mr. Gill previously provided advice on health and safety issues and Workers' Compensation matters to individuals and businesses.

**Jacqueline Michael – Chief Financial Officer**

Ms. Michael has over 20 years of financial and administration experience. In 1988, Ms. Michael co-founded The Conac Group, a software development company for construction management, where she acted as President and CEO. In 1997, Ms. Michael was successful in taking the company public on the CDNX Exchange and helped raise over \$5 million in private placement financings for the company. Ms. Michael has acted as the President and Chief Executive Officer for public companies for over 10 years.

**Melvin Rokosh – Director**

Mr. Rokosh is the Chief Financial Officer and Vice President Business Development of Kongsberg Mesotech Ltd., a Canadian subsidiary of Kongsberg Gruppen A.S.A. a Norwegian public company in the business of designing and manufacturing underwater acoustic equipment, April 1988 to February 2007.

**Julius Galik**

During the past 7 years, Mr. Galik has been instrumental in the development and financing of various small capitalized companies, both private and public. A businessman and financial advisor with PFSL, he has been Mutual Fund Licensed since 2001. During 2006-2007 he served as a director of Dorex Minerals Inc. (DOX). He has been involved in start-up situations within the mining exploration industry in Western Canada since 2002, and brings strong leadership, mediation and negotiation skills to the Board, as well as many years of financial experience.

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**Overall Performance**

During the twelve months ended July 31<sup>st</sup> 2009, the Company incurred a net loss of (\$1,203,159) and (\$0.040) net loss per share compared to a net loss of (\$130,856) and (\$0.006) net loss per share for the same period last year.

**MINERAL PROPERTIES**

The Company currently is involved in the following mineral transactions:

**Vines Lake**

The 100% owned Vines Lake property consists of three contiguous claim units totaling 1,196.4 in the Cassiar region of B.C. and is located approximately 10 kilometers southeast of the town of Cassiar, B.C. The claims cover rocks of the Sylvester group which are known to contain productive zones of gold mineralization in the area. The claim group is located approximately 2 kilometers north-east of the former Erickson Gold Mine. Highway 37 intersects the property and there are excellent service facilities nearby. The area is on the Arctic slope with elevations ranging from 1,000 to 2,150 meters. There are no extraordinary environmental problems known as of this date.

The nearby Table Mountain Gold Property operated by Hawthorne Gold (HGC) comprises a number of past-producing, high-grade underground gold mines and placer workings in the Cassiar District of British Columbia. Total gold production to date from the Cassiar District is about 423,500 oz (13,172 kg) of gold. A 2% NSR on this property is payable to an insider.

The Company retained Canadian Mining Geophysics (“CMG”) to complete an airborne survey of its Vines Lake Property located near Cassiar, B.C. which was mobilized on June 30<sup>th</sup>, 2008. The aerial survey was conducted with a magnetic gradiometer with VLF-EM on 100 metre line spacing, fly 302 line km and will assist in defining exploration targets. The CMG airborne survey contract was completed in October 2008 and cost \$50,000.

The Company announced on May 4, 2009, that it has completed a NI 43-101 technical report compiled by Kirkham Geosystems Ltd.

**Karolina Chile Lithium Claims (Salar de Aguas Calientes)**

The Salar de Aguas Calientes is located in the northern part of the “Altiplano” in the second region of Chile, close to the border of Argentinian and Bolivia. The international road to Salta using the “Paso Jama” passes next to it. Three other salars are located nearby, Salar de Tara, Salar de Pujsa and Salar de Quisquiro. The salar is a beach type Salar with superficial lagoons of variable size and the brine can be found on decimetres depth of the salt crust.

The Company entered into an acquisition agreement to purchase 100% ownership in 8 of 9 claims that make up the Chilean Salar (“Karolina Claims”) encompassing 1900 Ha. The Company approved the purchase of the said property based on certain criteria:

- The Karolina Claims are in an excellent location adjacent to the main sealed highway
- The Salar has significant surface brines known to contain Lithium

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- The claims purchased surround a mining concession held by Sociedad Quimica y Minera de Chile S.A. (NYSE:SQM) at Salar de Aguas Calientes
- The demand for Lithium is anticipated to grow 25% per year to meet or increase global production requirements

The purchase of the Karolina Claims was done through two separate transactions:

The Company completed the purchase of 50% ownership in the Karolina Claims with Jeff Adams for which it paid Mr. Adams a total of CAD. \$30,000 in cash on June 15<sup>th</sup>, 2009.

The Company signed a Letter of Intent (“LOI”) to purchase the remaining 50% ownership in the Karolina Claims with Brian Gusko on June 22, 2009 whereby Mr. Gusko is to receive a total of \$65,000 in cash over four staged payments and be issued 1 million Lomiko common shares at a deemed value of \$0.065 per share. The transaction is subject to the Company obtaining a 43-101 report on the property and receiving Exchange approval. According to the terms of the LOI, Mr Gusko is responsible for legal costs in Chile to a maximum of CAD \$10,000. As at this reporting period, the Company paid Mr Gusko \$20,000 in cash according to the terms of the LOI and from which Mr. Gusko has paid \$5,000 for legal costs pertaining to the transaction.

Subsequent to this reporting period, on September 18, 2009, the Company signed a Property Sale and Purchase Agreement (“Purchase Agreement”) with Mr. Gusko, whereby the terms of the LOI were amended so that the Mr. Gusko will now be receiving a total of CAD \$50,000 in cash (of which \$20,000 has been paid to date) and be issued 1 million Lomiko common shares at a deemed value of \$0.065 per share after Exchange approval. Also, the requirement for a 43-101 compliant report within the 3-month period has been removed in the Purchase Agreement. Mr. Gusko is responsible for Chile legal expenses to a maximum of CAD \$10,000, (\$5,000 of which he has paid). The transaction is non-arms length as the parties involved are business associates and directors of the same public companies.

**The BIG NAK properties – Copper Ridge Explorations Joss’alun copper property and Imperial Metals NAK property**

**Copper Ridge - Joss’alun copper property**

The Joss’alun property (‘Joss’alun) is situated in the Cache Creek terrain of the Canadian Cordillera. The Company entered into a property option agreement with Copper Ridge Explorations Inc. (“Copper Ridge”) (TSX.KRX) to acquire 51% legal and beneficial interest in Joss’alun on October 11, 2006 by incurring \$2.5 million in exploration expenditures over a four-year period and issuing an aggregate of 440,000 Lomiko shares to Copper Ridge.

During the summer and fall periods of 2008, the Company conducted field work on the property which included geophysical interpretation, surface exploration and diamond drilling which was completed in October 2008 and cost the Company a total of \$403,062.71 and \$21,322.12 in management fees. The above exploration work did not produce the results that the Company had hoped for and on July 2<sup>nd</sup>, 2009, the Company terminated its option agreement with Copper Ridge on the Joss’alun property to pursue other properties of greater potential and interest. The Company issued a total of 140,000 shares at a deemed price of \$0.50 per share to Copper Ridge

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and paid a total of \$435,062.75 in signing costs and exploration expenditures for the said property, all of which was written off for the period ended July 31<sup>st</sup>, 2009.

**Imperial Metals - NAK Property**

The NAK Property (“NAK”) is owned by Imperial Metals Ltd. (“Imperial”) (TSX:III), a mineral production and exploration company based in Vancouver, BC. The NAK property consists of two non-contiguous MTO claims that total 1,642,891 ha. The Nak Property adjoins the above Joss’alun property and previous work by Imperial and others has discovered numerous prospective showing that overlap the two properties.

The Company entered into an agreement (“the NAK Agreement”) with Imperial on April 21<sup>st</sup>, 2007, whereby the Company could acquire up to a 50% legal and beneficial interest in NAK by issuing an aggregate of 440,000 Lomiko shares to Imperial, by paying \$10,000 cash and by incurring \$2.5 million in exploration expenditures over a four year period.

In the summer of 2008, the Company spent a total of \$127,219 on aerial survey work on the NAK property. However, on June 5<sup>th</sup>, 2009, the Company chose to terminate its option agreement with Imperial to pursue other properties of greater potential and interest. The Company issued a total of 125,000 shares to Imperial at a deemed value of \$0.495 per share and paid a total of \$132,219.25 in signing costs and exploration expenditures on NAK, all of which was written off for the period ended July 31<sup>st</sup>, 2009.

**Saskatchewan Coal Properties – Kelfield and Big River areas**

On June 30<sup>th</sup>, 2008, the Company signed a Trust Agreement with Paleosands Petroleum Inc. (“Paleosands”) whereby the Company engaged Paleosands to stake on its behalf, 6 townships of coal leases in the Kelfield area of Saskatchewan. The Company also signed a Trust and Property Management Fee Agreement with Adamas Mineral Corp. (“Adamas”), a Saskatchewan based company, for the staking of 10 townships of coal property prospects (“Coal Leases”) for the Company in the Big River area of Saskatchewan. However, in September 2008, the Company cancelled its coal leases in Saskatchewan because of the mediocre quality of coal found in this region. To that end, the Company received a total refund of \$111,792.01 from the Government of Saskatchewan for staking fees it had paid and sustained a loss of \$38,651.32 with regards to this transaction.

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**MINERAL PROPERTIES**

**Vines Lake – Cassiar Mining District of BC**

Date	Description	Cash	Shares	Price	Amount
05/15/2006	Acquisition cost	\$ 10,000.00			\$ 10,000.00
05/15/2006	Acquisition cost		120,000	0.50	\$ 60,000.00
02/20/2007	Property claim renewal	\$ 5,323.28			\$ 5,323.28
01/28/2008	Property claim renewal	\$ 5,324.61			\$ 5,324.61
06/23/2008	Geophysical aerial survey	\$ 25,000.00			\$ 25,000.00
07/29/2008	Geophysical aerial survey	\$ 20,000.00			\$ 20,000.00
10/23/2008	Geophysical aerial survey	\$ 5,000.00			\$ 5,000.00
01/16/2009	Property claim renewal	\$ 5,323.28			\$ 5,323.28
<b>Total Vines Lake</b>		<b>\$ 75,971.17</b>	<b>120,000</b>		<b>\$135,971.17</b>

**Karolina Chile Lithium property**

Date	Description	Cash	Shares	Price	Amount
06/11/2009	J. Adams – purchase 50% prop.	\$ 30,000.00			\$ 30,000.00
06/19/2009	B. Gusko – initial purchase pymnt	\$ 10,000.00			\$ 10,000.00
<b>Total Karolina Chile</b>		<b>\$ 40,000.00</b>			<b>\$ 40,000.00</b>

**BIG NAK – Cache Creek District of BC**

**Copper Ridge – Joss'alun Copper Property**

Date	Description	Cash	Shares	Price	Amount
10/16/2006	Option agreement	\$ 10,000.00			\$ 10,000.00
10/16/2006	Additional property claims	\$ 5,000.00			\$ 5,000.00
02/20/2007	Option agreement		40,000	\$0.50	\$ 20,000.00
12/01/2007	Claim expenses	\$ 3,008.60			\$ 3,008.60
07/10/2007	Property option renewal	\$ 1,962.27			\$ 1,962.27
08/30/2007	Property option time extension	\$ 5,000.00			\$ 5,000.00
05/27/2008	Property option agreement		100,000	\$0.50	\$ 50,000.00
08/05/2008	Initial payment & security deposit	\$ 82,000.00			\$ 82,000.00
10/20/2008	Property exploration – drilling	\$353,062.75			\$353,062.75
07/06/2009	Termination of option agreement				(\$530,033.62)
<b>Total Copper Ridge – Joss'alun Copper Property</b>					<b>\$ 0.00</b>

**BIG NAK – Cache Creek District of BC**

**Imperial Metals – Nak Property**

Date	Description	Cash	Shares	Price	Amount
05/09/2007	Option agreement	\$ 5,000.00			\$ 5,000.00
05/15/2007	Option agreement		25,000	\$0.495	\$ 12,375.00
05/01/2008	Option agreement		50,000	\$0.495	\$ 24,750.00
05/07/2008	Geophysical aerial survey	\$ 29,452.50			\$ 29,452.50
06/18/2008	Geophysical aerial survey	\$ 24,000.00			\$ 24,000.00
06/25/2008	Geophysical aerial survey	\$ 63,813.75			\$ 63,813.75
07/09/2008	Fuel positioning charge back	\$ 2,288.00			\$ 2,288.00
07/29/2008	Option agreement		50,000	\$0.495	\$ 24,750.00
07/29/2008	Geophysical aerial survey	\$ 7,665.00			\$ 7,665.00
06/04/2009	Termination of option agreement				(\$194,094.25)
<b>Total Imperial Metals – NAK Property</b>					<b>\$ 0.00</b>

<b>Grand Total</b>		<b>\$115,971.17</b>			<b>\$175,971.17</b>
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**Forth Quarter activities**

The following events that took place in the Company during the forth quarter of 2009.

The Company announced on May 4, 2009, that it has completed the NI 43-101 technical report compiled by Garth Kirkhan, P.Geol, on Vines Lake.

The Company terminated the NAK property option agreement with Imperial Metals Inc. on June 4<sup>th</sup>, 2009 and its option agreement with Copper Ridge Explorations with regard to the Joss'alun property on July 2<sup>nd</sup>, 2009

On June 5<sup>th</sup>, the Company held its Annual General Meeting of the shareholders, in which Galloway, Botteselle and Company was appointed as auditors for the Company; Paul Gill, Jacqueline Michael, Melvin Rokosh and Julius Galik were appointed as directors to hold office until the next AGM and the Sock Option Plan of October 8, 2004 was approved. Following the AGM, the directors held a secondary Meeting and appointed Paul Gill to hold office as President and CEO and Jacqueline Michael to hold office as CFO. The Board also appointed Jacqueline Michael, Melvin Rokosh, Julius Galik as members of the Audit Committee.

The Board accepted the resignation of Mr. Ken Morgan as President and CEO on June 5<sup>th</sup>, 2009. The Company signed a 6-month consulting agreement with Yew Street Capital Corp. ("Yew Street"), a company owned by Mr. Ken Morgan, whereby the Company will pay Yew Street a monthly sum of \$5,000 plus taxes for consulting services starting July 2009 and ending in December 2009.

The Company entered into an acquisition agreement to purchase 100% ownership in 8 of 9 claims that make up the Chilean Salar de Agual Calientes ("Karolina Claims") encompassing 1900 Ha. The acquisition involves two separate transactions. The Company completed the purchase of 50% ownership in the Karolina Claims with Jeff Adams for which it paid Mr. Adams a total of CAD. \$30,000 on June 15<sup>th</sup>, 2009.

On June 22, 2009, the Company signed a Letter of Intent ("LOI") with Brian Gusko to purchase the remaining 50% ownership in the Karolina Claims. Mr. Gusko is to receive a total of \$65,000 in cash over four staged payments and be issued 1 million Lomiko common shares at a deemed value of \$0.065 per share. The transaction is subject to the Company obtaining a 43-101 report on the property and receiving Exchange approval. According to the terms of the LOI, Mr Gusko is responsible for legal costs in Chile to a maximum of CAD \$10,000. As at this reporting period, the Company paid Mr Gusko \$20,000 in cash according to the terms of the LOI and from which Mr. Gusko has paid \$5,000 for legal costs pertaining to the transaction.

Subsequent to this reporting period, on September 18, 2009, the Company signed a Property Sale and Purchase Agreement ("Purchase Agreement") with Mr. Gusko, whereby the terms of the LOI were amended so that the Mr. Gusko will now be receiving a total of CAD \$50,000 in cash (of which \$20,000 has been paid to date) and be issued 1 million Lomiko common shares at a deemed value of \$0.065 per share after Exchange approval. Also, the requirement for a 43-101 compliant report within the 3-month period has been removed in the Purchase Agreement. Mr. Gusko is responsible for Chile legal expenses to a maximum of CAD \$10,000, (\$5,000 of which he has paid). The transaction is non-arms length as the parties involved are business associates and directors of the same public companies.

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**Subsequent events**

The Company completed a \$1 million brokered private placement financing on August 31<sup>st</sup>, 2009 (announced on August 19<sup>th</sup>, 2009) through the sale of 8,333,333 Units at a price of \$0.12 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 \$0.20 for a period of eighteen months after the closing date. The Company paid a cash commission of CAD \$80,000 to Byron Capital Markets (“Byron”) who acted as Agent for the private placement as well as issued Agent options to subscribe for 833,333 Units of the offering at a price of \$0.12 per Unit and 416,667 warrants priced at \$0.20 per share purchase, all of which are exercisable until March 1, 2011. The net proceeds of the financing will be used for working capital purposes.

On September 3<sup>rd</sup>, 2009, the Company engaged TRU Group Inc. of Toronto, Ontario and Tuscon, Arizona to provide asset assessment and strategic mineral property acquisition advice to the Company.

On September 3<sup>rd</sup>, 2009, the Company granted 1.3 million options to directors and consultants at \$0.12 per share purchase, exercisable until September 3, 2014. The options are subject to a 4-month hold period.

During August 2009, there were 1,135,000 warrants exercised at \$0.125 per share that brought in \$141,875 to the Company. In addition, there was 120,000 options exercised at \$0.10 per share that brought in \$12,000 to the Company.

The Company signed a new consulting/management contract with Jacqueline Michael, Chief Financial Officer, whereby Ms. Michael will be paid \$5,000 per month plus GST for a 24 month term.

The Company created a U.S. subsidiary, Lomiko Metals USA LLC, to extend its search for lithium claims in the U.S.A.

The Company attended the China Mining Congress and Expo 2009 in Tianjin, China on October 20-22, 2009 as part of the BC Ministry of Energy, Mines and Petroleum Resources Asia Investment Mission.,

**Risks and Uncertainties**

The Company is subject to a number of risk factors due to the nature of the mining business in which it is engaged. The risks and uncertainties not presently known to the Company may impact the Company’s financial results in the future. The current economic and market conditions represent circumstances that may affect the carrying amount of the Company’s assets.

**Financial Instruments and Other Instruments**

The Company’s financial instruments consist of cash, receivables, accounts payable, accrued liabilities and asset retirement obligations. Unless otherwise noted, it is management’s opinion that the Company is not exposed to significant interest or credit risks arising from these financial

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instruments. The fair value of the financial instruments approximates their carrying value, unless otherwise noted. The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of those rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company does not employ a hedging or foreign exchange protection strategy. The Company's income and expenses are denominated in Canadian dollars.

**Other Requirements**

Additional disclosure relating to the Company's material change reports, news releases and other information is available on SEDAR at [www.sedar.com](http://www.sedar.com). The Company's website can be found on: [www.lomiko.com](http://www.lomiko.com).

**Expenses**

The Company incurred \$ 1,203,159.01 in total operational expenses for the twelve-month period as compared to \$150,896.25 for the same period last year.

The main expenses for the current 3-month period were for consulting fees to Kirkham Geosystems Ltd. for the Vines Lake NI 43-101 and to Yew Street Capital Corporation; Legal fees for compliance related matters; Shareholders AGM material printing; Advertising and promotions for website updates, news dissemination and for initial expenses relating to the Company's participation in the China Mining Exhibition in Tianjin, China; \$725,211.87 for exploration costs written off due to the termination of the BIG NAK mineral property options with Copper Ridge Explorations and Imperial Metals. Other costs related to management fees, general office expenses, transfer agent and Exchange fees, all of which were incurred in the normal course of business operations.

<b>Twelve month operational expenses</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
Office expenses, Bank Charges, Interest	16,165.41	3,978.35
Telephone/Fax	658.62	636.00
Travel	953.90	-
Advertising & Promotion	35,154.38	22,958.50
Management & Subcontract Fees	140,000.00	30,000.00
Finder's Fees	17,960.00	-
Legal	48,725.37	21,563.54
Investor Relations	22,500.00	-
Consulting/Professional	101,761.37	17,306.25
Accounting/Audit	11,000.00	5,871.88
Exchange & Transfer Agent Fees	48,964.97	35,793.86
Shareholder Communications	20,903.13	12,787.87
Write Down on Property Exploration Costs	738,411.86	-
<b>Total</b>	<b>1,203,159.01</b>	<b>150,896.25</b>

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**Revenue**

The Company had no revenue to report for this period.

**Net Income/Loss**

The Company recorded a net loss of (\$1,203,159) for the twelve-month period ended July 31<sup>st</sup>, 2009, as compared to a net loss of (\$130,856) for the same period last year. The expenses for the current quarter period are listed under the heading “Expenses” listed above.

**Summary of Quarterly Results**

*(expressed in thousands of Canadian dollars, except per share amounts)*

	July 09	Apr 09	Jan 09	Oct 08	July 08	Apr 08	Jan 08	Oct 07
<b>Revenue</b>	0		0	0	0	0	0	0
<b>Net Loss</b>	(1,203)	(364)	(292)	(191)	(131)	69	(35)	(17)
<b>Loss per Share</b>	(0.040)	(0.01)	(0.01)	(0.02)	(0.006)	(0.09)	(0.08)	(0.05)

**Selected Annual Information**

In thousands of Canadian dollars (except for shares):

	2009 \$	2008 \$	2007 \$
Total Revenue	0	0	0
Total Assets	206	1,002	205
Total Long Term Liabilities	0	0	0
Net Income (loss)	(1,203)	(131)	(111)
Net Income (loss) per share basis	(0.040)	(0.006)	(0.04)
Net Income (loss) per share diluted	(0.040)	(0.006)	(0.04)

The Company had no revenues to report for the current nine-month period. The Company incurred a total net loss of (\$1,203,159) for its forth financial period for 2009. The loss per share, basic and diluted for the forth quarter, was (\$0.040). The Company had assets of approximately \$260,316 of which \$ 84,345 came from cash, receivables and pre-paid expenses. The Company’s mineral property acquisition assets comprise of \$70,000 from the 100% acquisition of the Vines Lake Mineral Property in the Cassiar district of British Columbia and \$40,000 from the 50% acquisition of the 8 Lithium Karolina Claims in Chile. There was \$65,971.17 in deferred explorations costs relating to work done on the Vines Lake property.

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**SHARE CAPITAL**

**Disclosure of outstanding share data**

During the current fiscal year, the Company completed the following issuances:

- a) Authorized - Unlimited number of common shares without par value
- b) Issued and outstanding:

Designation of Securities	Date	Price per share	No. of shares	\$ Amt.	Expiry Date
<b>Issued Shares (Common)</b>					
<b>Balance beginning of period</b>			<b>3,085,028</b>	<b>\$13,824,469</b>	
Private Placement	09-11-2007	0.25	2,000,000	\$ 500,000	
Copper Ridge Property Option shares	02-20-2007	0.50	40,000	\$ 50,000	
Imperial Metals Inc. shares	05-01-2008	0.495	50,000	\$ 24,750	
Copper Ridge Exploration shares	05-28-2008	0.50	100,000	\$ 50,000	
Imperial Metals Inc. shares	07-29-2008	0.495	50,000	\$ 24,750	
Warrants exercised	08-31-2007	0.30	1,077,000	\$ 323,100	
Warrants exercised	09-05-2008	0.32	500,000	\$ 160,000	
Private Placement	08-26-2008	0.40	758,000	\$ 303,200	
<b>Total Issued Shares</b>			<b>7,620,028</b>	<b>\$15,210,269</b>	
<b>4 for 1 Stock Split</b>	10-07-2008		<b>30,480,112</b>	<b>\$15,210,269</b>	
Stock Options Outstanding	11-16-2006	0.50	260,000	\$ 130,000	11-16-2011
Stock Options Outstanding	12-12-2007	0.50	15,000	\$ 7,500	08-06-2009
Stock Options Outstanding	07-02-2008	0.40	100,000	\$ 40,000	07-02-2013
Warrants Outstanding	08-26-2008	0.50	379,000	\$ 189,500	08-26-2009
<b>Total Outstanding</b>			<b>754,000</b>	<b>\$ 367,000</b>	
<b>4 for 1 Stock Split</b>	10-07-2008		<b>3,016,000</b>	<b>\$ 367,000</b>	
<b>Total Shares Fully Diluted</b>			<b>8,374,028</b>	<b>\$15,577,269</b>	
<b>4 for 1 Stock Split</b>	10-07-2008		<b>33,496,112</b>	<b>\$15,577,269</b>	

On May 1<sup>st</sup>, 2008 the Company issued 50,000 of its common shares to Imperial Metals Inc. (“Imperial”) at the issue price of \$0.495 per share. The shares were issued in accordance with the NAK property option agreement that the Company signed with Imperial.

On May 27<sup>th</sup>, the Company issued 100,000 shares to Copper Ridge Explorations Inc. (“Copper Ridge”) at the issue price of \$0.50 per share. The shares were issued in accordance with the property option agreement with respect to the Joss’alun Copper property.

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On July 29<sup>th</sup>, 2008, the Company issued a further 50,000 of its common shares to Imperial at the issue price of \$0.495 per share with respect to the NAK property option agreement.

August/September 2007, a total of 1,077,000 warrants were exercised at the price of \$0.30 per share, which brought in gross proceeds of \$323,100 to the Company.

On September 4<sup>th</sup>, 2007 the TSX Ventures Exchange accepted for filing documentations with respect to a Non-Brokered Private Placement announced June 20<sup>th</sup>, 2007 whereby the Company raised \$500,000 and issued 1 million (1,000,000) flow-through shares and 1 million (1,000,000) non flow-through shares at the issue price of \$0.25 per unit. Each unit consists of one common share and one non-transferable share purchase warrant exercisable for one year at the price of \$0.32.

On August 21<sup>st</sup>, 2008, the TSX Ventures Exchange accepted for filing documentations with respect to a non-brokered private placement financing, announced June 24<sup>th</sup>, 2008 whereby the Company announced that it had raised gross proceeds of \$500,000 and issued 1,250,000 common shares at a price of \$0.40 per share with a half warrant attached at \$0.50 per share purchase, valid for a 12-month period. However, the Company was unable to collect payment from two of its places and had to return 492,000 shares to treasury. The financing therefore ended up raising \$303,200 for the Company with the issuance of 758,000 common shares. The Company paid \$17,960 to Canary Capital Corp. for finder's fee from the proceeds of the financing,

In September, 2008, 900,000 warrants were exercised at \$0.32 per share. However, the Company was unable to collect payment for 400,000 warrant shares issued and had to return the said shares to treasury on September 30<sup>th</sup>, 2008. The net proceeds to the Company for the exercise of warrants was \$160,000, whereby the exercise of 500,000 warrants was completed and 1.5 million warrants priced at \$0.32 per share were expired on September 11<sup>th</sup>, 2008.

On June 12<sup>th</sup>, a further 1,678,332 (on a post 4 for 1 share basis) shares were released from escrow, leaving a balance of 1,678,332 shares remaining in escrow to be released on a time schedule.

### **Stock Options**

The Company granted 260,000 stock option agreements to its directors and consultants on October 16<sup>th</sup>, 2006 to purchase up to an aggregate of 260,000 common shares, exercisable at the price of \$0.50 per share until November 16, 2011.

On December 12<sup>th</sup>, 2007, the Company granted 15,000 options to a Director to purchase an aggregate of 15,000 common shares, exercisable at the price of \$0.50 per share (\$0.125 on a 1:4 stock split basis) until August 6, 2009

On July 2<sup>nd</sup>, 2008, the Company granted stock option agreements to its directors and consultants to purchase up to an aggregate of 100,000 common shares, exercisable at the price of \$0.40 per shares until July 2<sup>nd</sup>, 2013.

The Options were granted under the Company's Stock Option Plan.

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**STOCK OPTIONS**

Issued to	Relationship	Exercise Price	Number of Shares	\$ Amt	Date Granted	Expiry Date
Ken Morgan	President/CEO	\$0.50	100,000	\$ 50,000	11-16-2006	12-31-2009
Ken Morgan	President/CEO	\$0.40	30,000	\$ 12,000	07-02-2008	12-31-2009
Paul Gill	CFO	\$0.50	100,000	\$ 50,000	11-16-2006	11-16-2011
Paul Gill	CFO	\$0.40	30,000	\$ 12,000	07-02-2008	07-02-2013
Jacqueline Michael	Director	\$0.50	50,000	\$ 25,000	11-16-2006	11-16-2011
Jacqueline Michael	Director	\$0.40	20,000	\$ 8,000	07-02-2008	07-02-2013
Bryan Slim	Director	\$0.50	15,000	\$ 7,500	12-12-2007	08-06-2009
Bryan Slim	Director	\$0.40	20,000	\$ 8,000	07-02-2008	08-06-2009
Other	Consultant	\$0.50	10,000	\$ 5,000	11-16-2006	11-16-2011
<b>Total</b>	<b>Pre stock split</b>		<b>375,000</b>	<b>\$177,500</b>		
<b>Total</b>	<b>Post 4:1 stock split</b>		<b>1,500,000</b>	<b>\$177,500</b>	<b>10-07-2008</b>	

**Other MD&A Requirements**

As at July 31<sup>st</sup>, 2009, the Company had a total of 33,496,112 shares (4 for 1 stock split) on a fully diluted basis. If the Company were to issue 3,016,000 shares upon the conversion of all of its outstanding warrants and stock options, it would raise a total of \$367,000.

**Liquidity and Capital Resources**

As at July 31<sup>st</sup> 2009, the Company's cash position was \$ 72,119.13 compared to \$362,403.17 for the same period last year. On August 26<sup>th</sup>, 2008, the TSX Ventures Exchange accepted for filing documentations with respect to a non-brokered private placement financing announced June 24<sup>th</sup>, 2008 whereby the Company raised a gross amount of \$303,200 and issued 758,000 common shares at the issue price of \$0.40 per unit. Each unit consists of one common share and one half non-transferable share purchase warrant exercisable for one year at the price of \$0.50. The Company paid a finder's fee of \$17,960 to Canary Capital Corp. from the proceeds of the financing. In September 2008, 500,000 warrants were exercised at \$0.32 per share to bring an additional \$160,000 in proceeds to the Company. (Note: the number of shares is stated on a pre stock split basis).

Subsequent to this reporting period, on August 31, 2009, the Company completed a \$1 million brokered private placement financing (announced on August 19<sup>th</sup>, 2009) through the sale of 8,333,333 Units at a price of \$0.12 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 \$0.20 for a period of eighteen months after the closing date. The Company paid a cash commission of \$80,000 Byron Capital Markets ("Byron") who acted as Agent for the private placement, equal to 8% of the gross proceeds of the financing and granted

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Byron, Agent options to subscribe for 833,333 Unit of the offering. The net proceeds of the financing will be used for working capital purposes.

The Company currently has sufficient funds to pay for 12 months of operational costs. The Company will need to raise further capital in the near future to fund its exploration programs.

**Off Balance Sheet Arrangements**

The Company is not a party to any off balance sheet arrangements or transactions.

**Related Party Transactions**

During the twelve-month period ended July 31<sup>st</sup>, 2009, the Company paid management fees to the following directors - \$57,500 to Ken Morgan, President and CEO; \$60,000 to A. Paul Gill, CFO and \$30,000 to Jacqueline Michael, Director. All of the above fees were in the normal course of operations and measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

**Outlook**

Management is currently focused on acquiring 100% interest in mineral assets rather than optioning properties from other parties. To that end, the Company decided to terminate its property option agreements with Copper Ridge Explorations and with Imperial Metals with regards to the BIG NAK properties in British Columbia as the cost of maintaining current status on these agreements was becoming too expensive. In June, 2009, the company began to focus specifically on lithium and rare earth metals properties. With the growing demand for high-tech electronics such as cell phones and laptops world-wide, especially the emergence of a consumer market in India and China, the high adaptation rate among the younger population in these countries and the increasing penetration of these products and the emerging hybrid and electric cars, the demand for lithium and other rare earth metals will also continue to expand.

Lomiko will focus on acquiring prospective lithium properties for exploration and development in order to launch the company's planned two-year exponential grow phase. If the assets acquired during this time are proven to be of merit, the company will continue with development of the assets or otherwise seek to maximize shareholder return on investment.

In addition, Lomiko explores for gold, as it is the opinion of management that gold and companies with gold discoveries, will be in significant demand as a hedge against currency devaluation in the face of the significant potential for lower interest rates in the face of global credit contraction.

The Company is continually involved in the ongoing process of identification and evaluation of new properties that can achieve the corporate objectives for near to long term growth. The Company plans to make additional acquisitions, if suitable properties become available to the Company, together with further financings in the future.

On behalf of the Board,

"Paul Gill"

November 6<sup>th</sup>, 2009