



LOMIKO METALS INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2013

LOMIKO METALS INC.

(An exploration stage company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED APRIL 30, 2013
(unaudited)

Responsibility for financial statements

The accompanying condensed interim consolidated financial statements for Lomiko Metals Inc. have been prepared by management in accordance with International Financial Reporting Standards consistently applied. These interim statements have been presented on the accrual basis of accounting. Therefore estimated and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the interim financial statements, management is satisfied that these condensed interim consolidated financial statements have been fairly presented.

Auditor involvement

The Company's auditors have not performed a review of the unaudited condensed interim consolidated financial statements for the nine month period ended April 30, 2013.

LOMIKO METALS INC.

(An exploration stage company)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(unaudited)

| | April 30, 2013 (unaudited) | July 31, 2012 (audited) |
|--|----------------------------------|-------------------------------|
| ASSETS | | |
| Current | | |
| Cash and cash equivalents (Note 5) | \$ 8,118 | \$ 413,796 |
| Accounts receivable and advances (Note 6) | 8,638 | 17,579 |
| Prepaid expenses | 4,083 | 100,072 |
| | 20,839 | 531,447 |
| Interests in Mineral Properties (Note 7 & 10) | 1,044,671 | 669,581 |
| | \$ 1,065,510 | \$ 1,201,028 |
| LIABILITIES & SHAREHOLDERS EQUITY | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | \$ 243,909 | \$ 64,096 |
| Deposit for share issue | 7,500 | - |
| | 251,409 | 64,096 |
| SHAREHOLDERS' EQUITY | | |
| Share capital (Note 8a) | 17,405,240 | 17,352,740 |
| Warrants (Note 8b) | 102,659 | 515,536 |
| Share based payment reserve (Note 8) | 380,600 | 322,002 |
| Deficit | (17,074,398) | (17,053,346) |
| | 814,101 | 1,136,932 |
| | \$ 1,065,510 | \$ 1,201,028 |

Nature of Operations and Ability to Continue as a Going concern (Note 1)**Subsequent Events** (Note 12)

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 consolidated financial statements*

LOMIKO METALS INC.

(An exploration stage company)

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF OPERATIONS AND
COMPREHENSIVE LOSS**
(unaudited)

| | Three Months Ended April 30 | | Nine Months Ended April 30 | |
|--|--------------------------------|---------------------|-------------------------------|---------------------|
| | 2013 | 2012 | 2013 | 2012 |
| Expenses | | | | |
| Accounting and audit | \$ 1,765 | \$ 2,684 | \$ 8,594 | \$ 7,793 |
| Advertising and promotion | 37,483 | 132,407 | 161,934 | 173,933 |
| Investor relations | - | 15,000 | - | 45,000 |
| Legal and consulting fees | 23,706 | 9,995 | 39,753 | 21,054 |
| Management fees (Note 9) | 30,000 | 30,000 | 90,000 | 90,000 |
| Office and miscellaneous | 6,406 | 9,250 | 16,107 | 17,846 |
| Regulatory and filing fees | 6,819 | 13,916 | 21,376 | 28,254 |
| Shareholder communications | 3,814 | 2,989 | 17,518 | 11,608 |
| Share-based compensation | 75,884 | 55,854 | 75,884 | 75,991 |
| Telephone | 757 | 596 | 2,201 | 2,033 |
| Travel | 5,671 | 5,602 | 17,872 | 13,143 |
| Write down of mineral property acquisition exploration expenses (Note 7) | - | - | - | 24,000 |
| Total expenses | 192,305 | 278,293 | 451,239 | 510,655 |
| Other | | | | |
| Interest income | 7 | 15 | 24 | 48 |
| Net operating loss and comprehensive loss for the period | \$ (192,298) | \$ (278,278) | \$ (451,215) | \$ (510,607) |
| Basic And Diluted Loss Per Share | \$ (0.00) | \$ (0.00) | \$ (0.01) | \$ (0.01) |
| Basic And Diluted Weighted Average Common Shares | 67,332,403 | 62,497,801 | 66,964,880 | 57,633,401 |

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

LOMIKO METALS INC.

(An exploration stage company)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)

For the nine month period April 30, 2013 and 2012
(unaudited)

| | Common Shares | | Warrants Reserve | Share-based Payment Reserve | Accumulated Deficit | Total Equity (Deficiency) |
|---------------------------------------|--------------------------|---------------|------------------|-----------------------------|---------------------|---------------------------|
| | Without Par Value Shares | Amount | | | | |
| Balance, July 31, 2011 | 55,518,445 | \$ 16,786,673 | \$ 295,753 | \$ 254,936 | \$ (16,349,722) | \$ 987,640 |
| Private placement, net of issue costs | 9,383,200 | 432,744 | - | - | - | 432,744 |
| Shares issued for resource property | 1,000,000 | 35,000 | - | - | - | 35,000 |
| Warrants issued | - | - | 418,536 | - | - | 418,536 |
| Warrants expired | - | - | (175,569) | - | 175,569 | - |
| Warrants exercised | 387,500 | 64,025 | (17,525) | - | - | 46,500 |
| Share-based compensation | - | - | - | 75,991 | - | 75,991 |
| Stock options exercised | 150,000 | 18,000 | - | - | - | 18,000 |
| Comprehensive loss for the period | - | - | - | - | (510,607) | (510,607) |
| Balance, April 30, 2012 | 66,439,145 | \$ 17,336,442 | \$ 521,195 | \$ 330,927 | \$ (16,684,760) | \$ 1,503,804 |

| | Common Shares | | Warrants Reserve | Share-based Payment Reserve | Accumulated Deficit | Total Equity (Deficiency) |
|-------------------------------------|--------------------------|---------------|------------------|-----------------------------|---------------------|---------------------------|
| | Without Par Value Shares | Amount | | | | |
| Balance, July 31, 2012 | 66,439,145 | \$ 17,352,740 | \$ 515,536 | \$ 322,002 | \$ (17,053,346) | \$ 1,136,932 |
| Shares issued for resource property | 1,500,000 | 52,500 | - | - | - | 52,500 |
| Share-based compensation | - | - | - | 75,884 | - | 75,884 |
| Stock options expired | - | - | - | (17,286) | 17,286 | - |
| Warrants expired | - | - | (412,877) | - | 412,877 | - |
| Comprehensive loss for the period | - | - | - | - | (451,215) | (451,215) |
| Balance, April 30, 2013 | 67,939,145 | \$ 17,405,240 | \$ 102,659 | \$ 380,600 | \$ (17,074,398) | \$ 814,101 |

The accompanying notes form an integral part of these condensed interim consolidated financial statements

LOMIKO METALS INC.

(An exploration stage company)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW

(unaudited)

| | THREE MONTHS ENDED | | NINE MONTHS ENDED | |
|---|--------------------|--------------|-------------------|--------------|
| | April 30 | | April 30 | |
| | 2013 | 2012 | 2013 | 2012 |
| Cash flows from (used in) operating activities | | | | |
| Net loss for the period | \$ (192,298) | \$ (278,278) | \$ (451,215) | \$ (510,607) |
| Items not involving cash: | | | | |
| Share-based compensation | 75,884 | 55,854 | 75,884 | 75,991 |
| Mineral property costs written off | - | - | - | 24,000 |
| | (116,414) | (222,424) | (375,331) | (410,616) |
| Changes in non-cash working capital items: | | | | |
| Accounts receivable and advances | 3,637 | (23,303) | 8,941 | (16,567) |
| Prepaid expenses | 13,379 | (114,901) | 95,989 | (116,511) |
| Accounts payable | 36,166 | (24,701) | 187,313 | (42,624) |
| | (63,232) | (385,329) | (83,088) | (586,318) |
| Cash flows from (used in) financing activities | | | | |
| Common shares and warrants | 35,000 | 1,030,820 | 52,500 | 1,030,820 |
| Share issue costs | - | (80,040) | - | (80,040) |
| | 35,000 | 950,780 | 52,500 | 950,780 |
| Cash flows from (used in) investing activities | | | | |
| Investment in mineral properties | (42,450) | (74,661) | (375,090) | (274,347) |
| | (42,450) | (74,661) | (375,090) | (274,347) |
| Increase (decrease) in cash | (70,682) | 490,790 | (405,678) | 90,115 |
| Cash, beginning of period | 78,800 | 75,856 | 413,796 | 476,531 |
| Cash, end of period | \$ 8,118 | \$ 566,646 | \$ 8,118 | \$ 566,646 |
| Cash and cash equivalents consists of: | | | | |
| Cash | 5,092 | 563,620 | 5,092 | 563,620 |
| Guaranteed investment certificates | 3,026 | 3,026 | 3,026 | 3,026 |
| | \$ 8,118 | \$ 566,646 | \$ 8,118 | \$ 566,646 |
| Supplemental information: | | | | |
| Resource property acquired by issuance of shares | \$ 35,000 | 35,000 | \$ 52,500 | 35,000 |
| Non-cash portion of warrants exercised | - | 17,535 | - | 17,535 |

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

LOMIKO METALS INC.

(An exploration stage company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2013

(unaudited)

1 Nature of business and going concern

Lomiko Metals Inc. (the "Company") was incorporated under the laws of the Province of British Columbia and is engaged in the acquisition, exploration and development of resource properties. It is located at Unit 439 - 7184 120th Street, Surrey, BC.

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. Its exploration and development operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In order to carry out exploration and mining activities, the Company is required to hold certain permits. There is no assurance that the Company's existing permits will be renewed or that new permits that have been applied for will be granted.

The recoverability of valuations assigned to resource properties is dependent upon discovery of economically recoverable reserves, the ability to obtain necessary financing to complete development and future profitable production or proceeds from disposition. Management reviews the carrying value of the Company's interest in each property and where necessary, properties are written down to their estimated recoverable amount. Although management has made its best estimate of these factors, it is reasonably possible that certain events could adversely affect management's estimates of recoverable amounts and the amount of provision for impairment in the carrying value of its resource property interests and related assets. Although the Company has taken steps to verify title to properties in which it has an interest in accordance with industry standards for the current stage of development of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and regulatory and environmental claims.

These condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Reporting Standards ("IFRS") applicable to a going concern which contemplates the realization of assets and discharge of liabilities in the normal course of operations as they become due. These condensed interim consolidated financial statements do not reflect any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue business.

2 Basis of preparation and adoption of IFRS

Statement of compliance

These condensed interim consolidated financial statements are unaudited and have been prepared in accordance with Canadian generally accepted accounting principles applicable to publicly accountable enterprises and with International Accounting Reporting Standard 34 - Interim Financial Reporting.

Certain disclosures that are required to be included in the annual financial statements prepared in accordance with IFRS are not included in these interim financial statements. These statements should be read in conjunction with the annual audited consolidated financial statements as at July 31, 2012.

Basis of measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis. Certain items, including derivative financial instruments, are stated at fair value.

LOMIKO METALS INC.

(An exploration stage company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2013

(unaudited)

2 Basis of preparation and adoption of IFRS - continued

Use of estimates and judgments

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the consolidated financial statements is included in the notes to the financial statements where applicable.

Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, the Conac Group Inc., incorporated in British Columbia, Conac Software (USA) Inc., incorporated in Washington, USA., and Lomiko Metals LLC, which was incorporated in Colorado, USA. All inter-company accounts and transactions have been eliminated.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

Functional and presentation currencies

The functional and presentation currency of the Company is the Canadian dollar.

3 Adoption of new accounting policies

Certain new standards, interpretations and amendments to existing standards were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting period beginning on January 31, 2013, which were adopted by the Company. There was no significant impact from the adoption of these new standards on the Company's financial statements.

IFRS 10, Consolidated Financial Statements ("IFRS 10")

IFRS 10 builds on existing principles and standards and identifies the concept of control as the determining factor in which an entity should be included within the consolidated financial statements of the parent company. In addition, the consolidated procedures are carried forward substantially unmodified from IAS 27 Consolidated and Separate Financial Statements.

IFRS 11, Joint Ventures ("IFRS 11")

IFRS 11 establishes principles for financial reporting by parties to a joint arrangement. The IFRS supersedes IAS 31 Interest in Joint Ventures and SIC-13 Jointly Controlled Entities - Non-monetary Contributions by Venturers.

LOMIKO METALS INC.

(An exploration stage company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2013

(unaudited)

3 Adoption of new accounting policies – continued

IFRS 12, Disclosure of Interest in Other Entities ("IFRS 12")

IFRS 12 established disclosure requirements for interests in other entities, such as joint arrangements associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interest in other entities.

IFRS 13, Fair Value Measurements ("IFRS 13")

IFRS 13 defines fair value, sets out in a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. This IFRS applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements, except in specified circumstances.

IAS 1 Presentation of Financial Statements (Amendment)

IAS 1 Presentation of Financial Statements (Amendment) – The amendment to IAS 1 requires the grouping of items within other comprehensive income that may be reclassified to profit or loss and those that will not be reclassified. The statement of comprehensive income in these condensed interim financial statements has been amended to reflect the presentation requirements under amended IAS 1

IAS 27, Separate Financial Statements has been amended for the issuance of IFRS 10 but retains the current guidance for separate financial statements; and IAS 28, Investments in Associates and Joint Ventures has been amended for conforming changes based on the issuance of IFRS 10 and IFRS 11.

4 Critical accounting estimates and judgments

The preparation of these condensed interim consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates.

The effect of a change in an accounting estimate is recognized prospectively by including it in total comprehensive loss/income in the period of change, if the change affects that period only, or in the period of the change and future periods, if the change affect both.

Information about significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements is described below:

LOMIKO METALS INC.

(An exploration stage company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2013

(unaudited)

4 Critical accounting estimates and judgments - continued

Title to mineral property interests

The Company has taken steps to verify title to mineral properties in which it has an interest; these procedures do not guarantee the Company's title. Such properties may be subject to aboriginal interests arising from treaty rights. Title may also be affected by undetected prior agreements, transfers and other defects.

Asset retirement obligations

The Company recognizes the liability for an asset retirement obligation. The relevant costs associated with the asset retirement obligations are estimated based on the Company's interpretation of current regulatory requirements. Based on the assessment, the Company did not have any significant asset retirement obligations at the reporting dates.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

Share-based compensation

The fair value of the stock options is measured using the Black-Scholes option pricing model. The Company has made estimates as to the expected volatility (based on weighted average historical volatility adjusted for changes expected due to publicly available information), expected life of the instruments (based on historical experience and general option holder behavior), expected dividends and the risk free interest rate (based on government bonds).

Warrants

The fair value of the warrants is estimated at the issue date using the Black-Scholes option pricing model with estimates of the volatility based on the Company's historical common share trading prices, expected dividend yield and risk free interest rates (based on government bonds)..

5 Cash and cash equivalents

| | April 30, 2013 | July 31, 2012 |
|------------------|-------------------|-------------------|
| Cash | \$ 5,091 | \$ 410,792 |
| Cash equivalents | <u>3,027</u> | <u>3,004</u> |
| | <u>\$ 8,118</u> | <u>\$ 413,796</u> |

As of April 30, 2013 the company had pledged \$3,000 of cash held in a Guaranteed Investment Certificate as a bond to the Ministry of Mining for the Vines Lake exploration site.

LOMIKO METALS INC.

(An exploration stage company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2013

(unaudited)

6 Accounts receivable

| | April 30, 2013 | July 31, 2012 |
|---------------------------------|-----------------|------------------|
| Harmonized sales tax receivable | \$ 8,385 | \$ 17,579 |
| | <u>\$ 8,385</u> | <u>\$ 17,579</u> |

7 Interests in mineral properties

The following table shows the exploration and evaluation assets

| | <u>Vines Lake</u> | <u>Karolina</u> | <u>Rose Lake</u> | <u>Quatre Milles</u> | <u>Quatre Millies West</u> | <u>Total</u> |
|------------------------|-------------------|-----------------|------------------|----------------------|--------------------------------|-------------------|
| Balance July 31, 2011 | \$ 311,382 | \$175,647 | \$ 24,000 | - | - | 511,029 |
| Additions | 225,062 | - | - | 133,347 | - | 358,199 |
| Write down | - | (175,647) | (24,000) | - | - | (199,647) |
| Balance, July 31, 2012 | <u>\$ 536,444</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 133,137</u> | <u>-</u> | <u>\$ 669,581</u> |

| | <u>Vines Lake</u> | <u>Karolina</u> | <u>Rose Lake</u> | <u>Quatre Milles</u> | <u>Quatre Millies West</u> | <u>Total</u> |
|-------------------------|-------------------|-----------------|------------------|----------------------|--------------------------------|---------------------|
| Balance July 31, 2012 | \$ 536,444 | \$ - | \$ - | \$ 133,137 | - | \$ 669,581 |
| Additions | 37,680 | - | - | 326,330 | 11,080 | 332,640 |
| Write down | - | - | - | - | - | - |
| Balance, April 30, 2013 | <u>\$ 574,124</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 459,467</u> | <u>\$11,080</u> | <u>\$ 1,044,671</u> |

Vines Lake Property - Liard Mining District, BC

In March 2006, the Company acquired 100% interest in 3 claims comprising approximately 1,169 hectares ("Ha") in Liard Mining District of British Columbia, subject to a 2% net smelter return ("NSR") in favour of Mr. Amrit P.S. Gill, a director of the Company.

Karolina Property - Chile

The Company has acquired exclusive rights to develop 100% of 1,900 hectares of Chilean mineral claims located in the Aguas Calientes Salar, II Region, Chile. The property was abandoned in June 2012.

Rose Lake 70 Mile House, BC - Canada

The Company acquired 100% interest in EVA and PLAYA claims making up 222 Ha and 222 Ha respectively of semi- evaporitic lakes know as Rose Lake and Cunningham Lake near 70 Mile House, B.C. As the company did not renew the titles to these claims in November 2011, the value of the property has been written off.

Quatre-Milles – Quebec

On December 28, 2011, the Company signed a property acquisition agreement with Zimtu Capital Corp. and one of their prospecting partners (the "Vendors") to acquire 100% interest in the Quatre- Milles Property in Quebec. The Vendors will retain a 2% net smelter royalty on the

LOMIKO METALS INC.

(An exploration stage company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2013

(unaudited)

7 Interests in mineral properties - continued

property, of which the Company can purchase 1% for CAD\$1 million. The terms of the agreement are outlined below:

- Pay \$25,000 in cash upon signing the Agreement (paid)
- Issue 1 million common shares at \$0.035 per share (issued).
- Pay \$25,000 in cash and issue 500,000 common shares at \$0.035 per share (paid and issued)
- Issue 1,000,000 common shares at \$0.35 to the Vendors, due March 26, 2013 (issued)
- Issue 1,500,000 common shares at \$0.035 to the Vendors, due March 26, 2014.
- Retain Consul-Teck Mineral Exploration Consultants, of Val d'Or, Quebec as consultants with respect to exploration on the property due, March 26, 2013.
- Complete a minimum of \$200,000 of exploration on the Property (paid)
- In the event the Company does not fulfill any of above conditions, at the option of the Vendors, the Company will forfeit its right to acquire the Property.

Quatre-Milles West – Quebec

On May 25, 2012, the Company signed a letter agreement with three vendors to acquire a 100% interest in the 2,180 hectares Quatre-Milles West Property in Quebec. The acquisition is currently pending on a final approval from the TSX-V.

8 Share capital and reserves

(a) Share capital

Authorized

The company's authorized share capital consists of unlimited common shares without par value.

Issued and fully paid

| | <u>Number of Shares</u> | <u>Issue price</u> | <u>Amount</u> |
|--|-----------------------------|--------------------|---------------------|
| Balance at July 31, 2012 | 66,439,145 | | \$ 17,352,740 |
| Issuance of shares on resource property acquisition- | <u>1,500,000</u> | 0.035 | <u>52,500</u> |
| Balance as at April 30, 2013 | <u>67,939,145</u> | | <u>\$17,405,240</u> |

LOMIKO METALS INC.

(An exploration stage company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2013

(unaudited)

8 Share capital and reserves - continued

(b) Share purchase warrants

A summary of the Company's outstanding share purchase warrants at July 31, 2012 and April 30, 2013 is presented below

| | Number of warrants | Weighted Average Exercise price |
|-------------------------|-----------------------|---------------------------------------|
| Balance, July 31, 2012 | 10,833,200 | \$0.17 |
| Warrants expired | (9,033,200) | |
| Balance, April 30, 2013 | <u>1,800,000</u> | <u>\$0.12</u> |

The following table summarizes information relating to share purchase warrants outstanding and exercisable at April 30, 2013

| Number of Warrants | Grant Date Fair Value | Exercise Price | Expiry Date |
|-----------------------|--------------------------|-------------------|----------------|
| 1,375,000 | 89,127 | .12 | May 11, 2013 |
| 425,000 | 13,533 | .12 | June 28, 2013 |

The weighted average remaining contractual life of the warrants as at April 30, 2013 is .06 years.

(c) Share-based payments

Plan Details

The Company has established a stock option plan for directors, senior officers, employees, management, company employees and consultants (collectively "Eligible Persons") for the Company and its subsidiaries. The purpose of the plan is to give to Eligible Persons, as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals Options to buy shares of the Company at a price not less than the market price prevailing on the grant date less applicable discount, if any, permitted by TSX Policies and approved by the Board.

The option price under each option shall not be less than the discounted market price on the grant date. The expiry date for each option shall be set by the board at the time of issuance and shall not be more than ten years after grant date. Options shall not be assignable (or transferable) by the optionee. The maximum number of shares reserved for issuance under the share option plan in aggregate shall not exceed 10% of the total number of the Company's issued and outstanding common shares on a non-diluted basis prior to the issuance. The number of shares which may be issuable under the plan within a twelve month period to one optionee shall not exceed five percent of the total number of issued and outstanding shares on

LOMIKO METALS INC.

(An exploration stage company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2013

(unaudited)

8 Share capital and reserves - continued

a non-diluted basis. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position. Pursuant to the stock option plan, options granted in respect of investor relations activities are subject to vesting in stages over a twelve month period with 20% vesting on the date of grant and 20% each three months thereafter. Vesting restrictions may also be applied to other options grants, at the discretion of the Board of Directors.

Fair value of Options Issued

The following table summarizes information relating to stock options outstanding and exercisable at July 31, 2012 and April 30, 2013:

| | Number of Share options | Weighted Average Exercise Price |
|-------------------------|----------------------------|------------------------------------|
| Balance, July 31, 2012 | 4,625,000 | \$0.11 |
| Stock option expired | (325,000) | |
| Stock options issued | 1,225,000 | |
| Balance, April 30, 2013 | 5,525,000 | \$0.11 |

The following table summarizes the stock options outstanding and exercisable as at April 30, 2013.

| Number of options outstanding | Exercise price | Expiry date | The weighted average remaining contractu al life of options outstandi ng at April 30, 2013 is |
|----------------------------------|-------------------|-------------------|---|
| 200,000 | .10 | July 2, 2013 | 2.42 |
| 775,000 | .10 | February 13, 2014 | years. |
| 1,300,000 | .12 | September 3, 2014 | |
| 700,000 | .10 | November 30, 2014 | |
| 50,000 | .12 | February 17, 2015 | |
| 825,000 | .10 | February 8, 2016 | |
| 350,000 | .10 | August 8, 2016 | |
| 100,000 | .10 | June 1, 2017 | |
| 825,000 | .10 | February 1, 2018 | |
| 400,000 | .10 | April 30, 2018 | |

LOMIKO METALS INC.

(An exploration stage company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2013

(unaudited)

9 Related party transactions

During the period, in the normal course of operations, the company paid \$90,000 (2012 - \$90,000) in management fees to directors.

10 Contingencies

The Company's mining and exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations.

11 Financial instruments

As at April 30, 2013, the Company's financial instruments consist of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities. The carrying value of these financial instruments approximates their fair values.

Fair Value

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices that are observable for the assets or liabilities either directly or indirectly, and

Level 3 - Inputs that are not based on observable market data

The following table sets for the Company's financial assets measured at fair value by level within the fair value hierarchy:

| | Level 1 Total | Level 2 | Level 3 |
|----------------------------------|------------------|-------------|-------------|
| <u>Cash and cash equivalents</u> | <u>\$ 8,118</u> | <u>\$ -</u> | <u>\$ -</u> |

Credit Risk

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and amounts receivable. Cash deposits and term deposits are maintained with a financial institution of reputable credit and are redeemable on demand. Amounts receivable consists primarily of input tax credits owed to the Company by the Government of Canada. Accordingly, the Company's opinion is that credit risk is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have

LOMIKO METALS INC.

(An exploration stage company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2013

(unaudited)

11 Financial instruments - continued

sufficient liquidity to meet liabilities when due. At April 30, 2013, the Company had cash and cash equivalents of \$8,118 to settle accounts payable and accrued liabilities of \$251,413.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity prices and/or stock market movements (price risk).

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash and cash equivalents bear interest at market rates. Other current financial assets and liabilities are not exposed to interest rate risk because of their short-term nature or being non-interest bearing.

Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted into Canadian dollars. The Company conducted property examinations in other countries outside of Canada in prior years, and is now focused on explorations in Canada. Management believes that the foreign exchange risk derived from currency conversions for property examinations incurred in other countries outside of Canada is not significant and therefore does not hedge its foreign exchange risk.

Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices as it relates to minerals to determine the appropriate course of action to be taken by the Company.