LOMIKO METALS INC.
Form 51-102
Management Discussion and Analysis
Interim Fourth Quarter ended July 31, 2017

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The following management's discussion and analysis ("MD&A') of the financial position and results of the operations of Lomiko Metals Inc. (the "*Issuer*" or the *"Company*"), constitutes management's review of the factors that affect the Company's financial and operation performance for the fourth financial quarter, ended July 31, 2017 compared to the same period last year ended July 31, 2016.

This MD&A should be read in conjunction with the Company's financial statements for the period ended July 31, 2017 and the related notes (the "Financial Statements"). The Financial Statements have been prepared in accordance with International Financial Reporting standards ("IFRS").

The MD&A is prepared in conformity with 51-102F1 and has been approved by the Board prior to its release.

All amounts are stated in Canadian dollars unless otherwise indicated.

Forward Looking Statements

Certain sections of this Management Discussion and Analysis may contain forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from actual future results. The risks, uncertainties and other factors that could influence actual results are described in the "Risk and Uncertainties" section of this report. The forward-looking statements contained herein are based on information available as of November 27, 2017. Readers are cautioned not to put undue reliance on forward-looking statements.

Cautionary statement regarding 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. Such factors include, among others: general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations; fluctuations in currency exchange rates; changes in project parameters as plans continue to be defined; changes in labour costs or other costs of production; future prices of graphite or other industrial mineral prices; possible variations of mineral grade or recovery rates; failure of equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental hazards, cave-ins, pit-wall failures, flooding, rock bursts and other acts of God or unfavourable operating conditions and losses; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; actual results of reclamation activities, and the factors discussed in the section entitled "Risk Factors" in this MD&A. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as may be required by applicable securities laws. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance of forward-looking statements.

Nature of Operations

Lomiko Metals Inc., along with its subsidiaries collectively referred to as the "Company", is engaged in the acquisition, exploration and development of resource properties and the investment in power supply products companies. The Company is considered to be in the exploration and evaluation stage. The Company was incorporated on July 3, 1987, under the British Columbia Company Act. The Company is listed on the TSX-Venture Exchange having the symbol LMR.V as a Tier 2 mining issuer and on the Over the Counter Exchange in the United States having the symbol LMRMF.

The Company's registered office is #439, 7184 120th Street, Surrey, BC V3W 0M6 Canada.

On December 19, 2016, the Company completed a ten for one common share consolidation; the share consolidation has been retroactively applied.

Intercorporate Relationships

On May 1, 2014, the Company incorporated a wholly owned subsidiary, Lomiko Technologies Inc., pursuant to laws of British Columbia.

The Company previously had a subsidiary, namely Lomiko Metals, USA LLC, which was formed and registered on October 1, 2009 under the laws of Colorado and ceased to exist on October 1, 2012.

Board of Directors

Lomiko Metals Inc. depends on the business and technical expertise of its management. The current Board of Directors is comprised of A. Paul Gill – President and CEO, Jacqueline Michael -CFO, Julius Galik - Director and Brian Gusko - Director. The directors that compose the audit committee are Jacqueline Michael, Julius Galik and Brian Gusko.

General

Lomiko Metals Inc. is a Vancouver, Canada based mining and exploration Company focused on advancing its principal assets: (i) Vines Lake property in the Cassiar region of British Columbia, (ii) Quatre-Milles East and West (Graphite), Quebec and (iii) the La Loutre and Lac-des-Iles properties, Quebec (Graphite) and the Bourier property, Quebec (Lithium). In addition, the Company has a business relationship and invested with Graphene Graphene Energy Storage Devices (Graphene ESD Corp.) and SHD Smart Home Devices.

Below is an overview of the Company's mining and exploration properties.

Exploration

Vines Lake Property

On April 10, 2006, the Company acquired a 100% interest, subject to a 2% NSR, in the Vines Lake property, consisting of three contiguous claim units totaling 1,209.84 in the Cassiar region of BC. The property is located approximately 10 kilometers southeast of the town of Cassiar, BC. 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 Company paid the vendor, A. Paul Gill, an insider, $10,000 in cash and issued 600,000 common shares (480,000 post 1:4 share split basis, Oct. 7, 2008. 10:1 share consolidation, December 19, 2016) 12,000 shares at a deemed value of $60,000.

The Company retained Canadian Mining Geophysics to complete an airborne survey of its Vines Lake Property which was mobilized on June 30, 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.

In 2011, an exploration program conducted by the Company which comprised a soil geochemical survey, reconnaissance geological mapping and litho-geochemical sampling programs. A total of 1,366 soil samples were collected from a total of 1,447 sample sites. An anomalous zone of zinc in soil presented an interesting target and required further investigation. A total of 74 rock samples were taken either for ICP analysis or for future lithological referencing.

One lithogeochemical sample of quartz vein in slatey argillite located proximal to the Road River/Rosella Formation contact and within the anomalous Zinc in soil zone returned 1,170 ppm Zinc. In this quartz vein sample, 0.5% very fine grained metallic mineral disseminated throughout and within hairline fractures. The mineral was most likely sphalerite. The granodiorite rocks of the batholith were locally weakly to moderately magnetic which would explain the geophysical magnetic anomalies seen in the 2008 survey.

The 2012 Vines Lake exploration program comprised a two phase program of a soil geochemical survey and secondly a geological mapping, prospecting and litho-geochemical sampling program. The program was designed to infill sample the zinc in soil anomaly discovered in 2011 and to investigate the potential source of the anomalous zinc in soil values.

A total of seven hundred and fifty-two B horizon soil samples were taken and analyzed. No geochemical results were of economic interest. A total of fifty one rock samples were collected on the west side of Vines Lakes during the 2012 work program. No mineralization of economic significance was encountered during 2012 mapping and prospecting traverses. Minor sphalerite and trace of copper sulphides were found in pyritic zones near the contact between Road River Argillites and Tapioca Sandstone formation. The disseminated and semi-massive pyrite is exhibiting mixed syngenetic and epigenetic character. Of interest is the fact, that graphitic argillites are present at the above contact.

The rocks containing the highest amounts of pyrite and/or pyrrhotite returned the highest contents of metals of interest during laboratory analyses. However, the overall content of zinc, copper and precious metals in western part of Vines Lake property is too low to be of economic interest at present time.

In 2011, one (1) NQ diamond drill hole totaling 294.5 m was drilled on the Vines Lake property. The purpose of this drill hole was to test a geophysical anomaly, discovered during the 2008 Helicopter Magnetic Gradiometer & VLF-EM Survey and to explore for any mineralization along the McDame Group limestones contact with the metasediments (argillaceous limestones and graptolitic shales) of the Road River Group. No significant mineralization was noted in the drill hole.

Should the forecasted market price for zinc increase substantially, further geochemical research has been recommended to establish the significance of the zinc-in-soil anomaly. This research should be focused on the comparison to SEDEX deposit models from Selwyn Basin and mineral occurrences from Cassiar Platform including the Silvertip deposit situated 85 km to the north.

To date, the Company has spent a total of $525,740.51 on exploration, technical reports and claim renewals and $78,626.94 on acquisition costs (cash payment and shares issuance) on this property. The Company has recovered approximately 20% of the non-flow-through exploration costs through BC Mineral Exploration Tax Credits (METC), which equates to $8,037 in tax credits.

The Company has filed an Updated Technical Report dated February 24, 2014 in accordance with NI 43-101 compiled by Kirkham Geosystems Ltd.

On February 24, 2017, the Company announced that it had re-claimed and expanded its mineral claims on this property. Lomiko Metals Inc. previously held the rights to 3 claims acquired in 2006 totaling 1,209 Ha (2,987 Acres) and has now expanded the claims to 3,281 Ha he Vines Lake Property is located in the Cassiar Gold Camp in the Liard Mining District of northwestern British Columbia.. The Vines Lake property has year-round paved road access as the property's northern boundary crosses Hwy 37N, seven kilometers south of the unincorporated settlement of Jade City.

Quatre-Milles (East)

The Company entered into a letter of intent dated November 11, 2011 and further definitive agreement dated December 28, 2011 to acquire a 100% interest in the Quatre-Milles Graphite Property located in southwestern Quebec from Zimtu Capital Corp. and Michel Robert, subject to a 2% NSR. The Quatre-Milles Graphite Property is located in southwestern Quebec approximately 175 km northwest of Montreal and 17 km due north of the village of Sainte-Veronique, Quebec. The property consists of 28 contiguous claims totaling approximately 1,600 hectares. The following terms of the agreement have all been met:

-the Company paid $25,000 cash upon signing;
-the Company issued 100,000 common shares at a deemed value $0.35 per share; the Company paid $25,000 cash and issued 50,000 common shares at deemed value of $0.35 per share ;
-the Company issued 100,000 common shares at deemed value of $0.35 per share;
-the Company issued 150,000 common shares at a deemed value of $0.35; and
-the Company completed a minimum of $200,000 of exploration on the property.

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 regulation.

To date, the Company has spent a total of $534,900 on exploration expenditures and $190,000 paid in cash and shares for this property.

Quatre-Milles (West) (QMW)

By letter agreement dated May 7, 2012 and Mineral Property Purchase Agreement dated May 25, 2012 the Company acquired a 100% interest in 2,180 hectare Quatre-Milles West Property located in southern Quebec from Zimtu Capital Corp., Michel Robert and Jean-Sebastien Lavallee, subject to a 2% NSR. The Company acquired the property by paying $3,000 and issue an aggregate of 1,800,000 common shares. The terms of the agreement have all been met.

The QMW property is located in the Laurentians Region of Quebec, approximately 30 kilometers northeast of Mont-Laurier. The property is comprised of 37 claims over an area of 2,183.97 Ha.

Lomiko Metals has filed a NI 43-101 technical report for the Quatre Mille properties (East and West) prepared by Jean Lafleur, M.Sc., P.Geo of PJLEXPL Mineral Exploration Consultancy dated February 14, 2014.

To date, the Company has spent a total of $45,539.54 in exploration and technical reports and $183,000 was paid with cash and shares for this property.

La Loutre Crystalline Flake Graphite Property - Quebec

On September 22, 2014, the Company entered into a property option agreement with Canada Strategic Metals Inc. for the right to acquire a 40% interest in the La Loutre crystalline flake graphite property located in Quebec. The Company acquired a 40% interest in the property by issuing an aggregate of 125,000 common shares (post 10:1 consolidated basis) deemed price of $0.70 per share (issued), paid $12,500 cash; and incurred $500,000 in exploration expenditures.

On February 6, , 2015, the Company signed a second option agreement with Canada Strategic Metals Inc. to earn a further undivided 40% interest in the La Loutre, Quebec property (for a accumulated total of 80% interest in the property) and an undivided 80% interest in the Lac des Isles, Quebec, property by completing the following terms:

- pay $1,010,000 in cash ($10,000 paid and of which $1,000,000 will be applied toward exploration expenditures on "Other Properties" that include Sakami, Apple and New Gold properties owned by Canada Strategic Metals Inc. With regards to the "Other Properties", $700,000 must be funded by no later than December 31, 2015 and $300,000 by no later than December 31, 2016) and the Company will retain no interest;

- issue an aggregate of 300,000 common shares at a deemed price of $0.70 per share (post 10:1 share consolidation) (issued)

- incur exploration expenditures aggregating not less than $1,500,000 on the La Loutre Property, of which an amount of $950,000 must be incurred or funded before December 31, 2015 and an amount of $550,000 before December 31, 2016 (completed); and

- incur exploration expenditures aggregating not less than $250,000 on the Lac des Iles West Crystalline Flake Graphite Properties ($143,448 completed), of which an amount of $150,000 must be spent no later than December 31, 2015 and an amount of $100,000 before December 31, 2016.

On May 13, 2016, the Company signed a third amending agreement with Canada Strategic Metals Inc. to increase its undivided interest in and to the La Loutre, Quebec property and the Lac des Iles Property from 80% to 100% by paying to Canada Strategic and additional amount of $10,000, issuing an additional 950,000 (post 10:1 consolidation and after option agreement amendment, December 30, 2016) common shares and by funding exploration expenditures for an additional amount of $1,125,000. Previous to this option, Lomiko owned 40% of the La Loutre Property and Lac des Iles Property and had an option to increase ownership to 80% based on completing work and issuing shares.

The La Loutre property consists of 42 continuous mineral claims totalling approximately 2,867.29 hectares (28.67 km2) situated approximately 53 km east of Imerys Carbon and Graphite, formerly known as the Timcal Graphite Mine, North America's only operating graphite mine, and 117 km northwest of Montreal. The property consists of 1 large contiguous block of 42 mineral claims totaling 2,508.97 hectares (25.09 km2) located approximately 53 km east of Timcal's Lac des Iles graphite mine, 117 km northwest of Montréal in southern Québec.

The La Loutre Property was originally explored for base and precious metals by Soquem in 1989. Based on the results of a helicopter-borne electromagnetic (EM) survey, prospecting and reconnaissance geological mapping, their work identified several zones of parallel conductors each measuring as much as 2 kilometers long. Ground exploration followed in 1990, and according to historical reports by Levesque and Marchand, graphite is present in different lithologies on the property. The geology is consistent with the Central Metasedimentary Belt of the Grenville Province and includes quartzofeldspathic rocks, quartzite, biotite gneiss, marble and locally pegmatitic quartzofeldspathic rocks. Graphite is locally present in quartzite and biotite gneiss and in shear zones where the graphite content usually ranges from 1-10% graphite on surface, including visible flakes, with the showings indicating an apparent strike length of approximately 5 kilometers, giving a large prospective area to explore for a graphite resource.

Graphite grab sample assay results derived from the Company's recent sampling and mapping program on the La Loutre property. The sampling program has confirmed a graphite bearing structure covering an area approximately 7 kilometers by 1 kilometer with results of up to 22.04% graphite in multiple parallel zones of 30-50 meters wide. Another area has also been identified covering approximately 2 kilometers by 1 kilometer in multiple parallel zones of 20-50 meters wide which includes results up to 18% graphite.

On October 6, 2014, the Company announced that a drilling permit for the La Loutre Crystalline Flake Graphite Property was issued which allows for up to 29 drill holes. The goal of the exploration program is to identify high-grade, near-surface graphite mineralization suitable for conversion to battery-grade graphite. The graphite industry could see exponential growth based on new demand for lithium-ion batteries, which use 10 to 15 times as much graphite as lithium.

On October 29, 2014 the Company announced that drilling was underway at the property.

Between December 2, 2014 and January 14, 2015, the Company announced that Canada Strategic Metals Inc. had successfully completed 26 drill holes with results as follows:

- 1st 5 drill holes - discovery of a wide near surface rich graphite-bearing zone with an intercept of 4.72% graphite over 128.35 metres, including 8.42 % graphite ("Gp") over 26.40 metres;
- 2nd 5 drill holes - near surface wide Graphite-bearing zones with an intercept of 2.74% Gp over 98.10 metres, including 6.34% Gp over 6.50 metres and 8.88% Gp over 2.95 metres;
- 3rd 5 drill holes – near surface wide graphite-bearing zones with an intercept of 4.98% Gp over 44.80 metres including 9.02% Gp over 14.70 metres and 4.40% Gp over 53.25 metres including 7.46% Gp over 15.35 metres;

- 4th 5 drill holes - near surface wide graphite intersections with 3.06% Gp over 21.00 metres from hole LL-14-16; 6.52% Gp over 14.20 metres and 2.24% Gp over 35.00 metres from hole LL-14-17; 3.79% Gp over 20.90 metres from hole LL-14-18; 5.36% Gp over 12.40 metres including 15.65% Gp ove 2.40 metres, 6.64% Gp over 22.70 metres including 11.18% Gp over 10.65 metres and 4.55% Gp over 9.65 metres from hole LL-14-19 and 5.14% Gp over 3.70 metres and 6.04% Gp over 35.15 metres from hole LL-14-20;
- 5th 5 drill holes – near surface wide graphite intersection with 8.01% Gp over 20.3 metres and 5.91% Gp over 15.5 metres from hole LL-14-21; 2.78% Gp over 66 metres from hole LL-14-22; 3.48% Gp over 136.5 metres including 6.43% Gp over 4.65 metres, 11.23% Gp over 10.7 metres and 10.30% Gp over 7 metres from hole LL 14-23; 7.73% Gp over 18.15 metres including 13.15% Gp over 5.3 metres and 2.74% Gp over 99.75 metres including 8.68% Gp over 3.1 metres and 11.99% Gp over 4.5 metres from hole LL-14-24 and 3.13% Gp over 83.25 metres including 10.94% Gp over 3.75 metres from hole LL-14-25.

Refer to the Company's press releases dated December 2, 2014, December 10, 2014, December 17, 2014, January 7, 2015 and January 14, 2015 filed on SEDAR at www.sedar.com under the Company's profile for more detailed information on the above results.

The Company has filed a NI 43-101 technical report and a further revised technical report, both prepared by Jean Lafleur, M.Sc., P.Geo of PJLEXPL Mineral Exploration Consultancy dated February 12, 2015 and March 22, 2015, respectively. The fulltext of the report is filed on SEDAR at www.sedar.cm.

In the second half of 2015, a 259 meter, 7 hole drill program was completed. The focus of the program was on vertical depth of less than 150 meters to target resources conducive to an open pit operation.

On February 9, 2016, the Company announced resource estimates on the property of 18.4 Mt at 3.19% indicated and 16.7 Mt at 3.75% inferred with an official cut-off grade of 1.5%. The resource was estimated by InnovExplo. For sensitivity purpose, the resource was 4.1 Mt at 6.5% indicated and 6.2Mt at 6.1% inferred with a cut-off grade of 3%. The resource estimate, which is constrained in a pit shell of 1,100m x 350m x 100m accounts for the Graphene-Battery Zone. Three zones have been identified to date on the property, namely the Graphene, Battery and Refractory zones.

On March 24, 2016, The Company, together with Canada Strategic Metals, announced that further to the above resource estimate report on the property, they have filed their NI 43-101 technical report titled "Technical Report and Mineral Resouce Estimate for the La Loutre Property" with is available on SEDAR at www.sedar.com.

On December 9, 2016, the Company announced that a 1550 M drill program of 10 holes was completed in the new Refractory Zone at the La Loutre Flake graphite property which intercepted multiple zones of graphite mineralization. As a result of the 2016 drilling program on La Loutre, the Company announced on January 17, 2017, that high grade graphite results from the near surface Refractory zone was 7.74% graphite over 135.60 metres including 16.81% graphite over 44.10 metres from hole LL-16=01, two different intersection in hole LL-16-02 reporting 17.08% graphite over 22,30 metres, 14.80% graphite over 15.10 metres and 110.80 metres of 14.56% graphite in hole LL-16-04 to LL-16-03.

Further to this reporting period, on February 15, 2017, the Company announced additional high grade graphite results from the Refractory zone of 7.67% flake graphite over 85 metres including 13.09% graphite over 31.50 metres from hole LL-16-06. The area of mineralization appears to be 200 metres wide, has a current strike length of over 400 metres in a north-west to south-east direction and is open in both directions.

The La Loutre Refractory drilling zone can be found on the Company's website www.lomiko.com, under the "Quicklinks" section.

To date, the Company has spent a total of $2,263,646 in exploration expenses and $505,798 in acquisition costs on the La Loutre property.

La des Isles, Quebec

The Lac-des-Iles Property consists of one large contiguous block of 104 mineral claims totaling 5,601.30 hectares (56 km^2) in the Laurentian Region of Quebec, bordering the western limit of the Imerys Carbon and Graphite Mine and Processing Facility (the "Timcal Graphite Mine"). The Property is located 20 km south of Mont-Laurier, 150 km northwest of Montreal. The center of the Lac-des-Iles Property is located at Universal Transverse Mercator ("UTM") coordinates 453539 East, 5138502 North, in the North American Datum (NAD) 83 Zone 18 coordinate system.

All claims comprising the Lac-des-Iles Property are in good standing and 100% owned by Canada Strategic Metals Inc.

To date, the Company has spent a total of 174,404 in exploration expenses and $727,700.61 in acquisition costs on the Lac des Iles Property.

The Company is required to spend an additional $31,949.62 in total on the La Loutre, Lac des Isles and "Other Properties" (owned by Canada Strategic Metals) to earn an additional 40% on the La Loutre and Lac des Isles Properties.

Bourier Lithium Property, Quebec

On April 27, 2016, the Company entered into a property option agreement with Critical Elements Corporation (TSX.V-CRV) ("Critical Elements") to earn up to a 705 interest in and to the property known as the Bourier Property location in the James Bay area, Province of Quebec (the "Bourier Property"). The certain mining rights on the Bourier Property is the subject of a 1.4% NSR royalty in favour of Mr. Alain Champagne. The Company shall grant Critical Elements a 2% NSR royalty. In order to earn up to a 49% interest (the "First Option"), the Company:

(a) paying to Critical Elements $10,000 cash upon Exchange approval; (completed)
(b) issuing to Critical Elements 250,000 common shares upon Exchange approval (post 10:1 consolidation). (completed)
(c) Will issue an additional 2,500,000 common shares on or before December 31, 2016; and
(d) Incur or fund exploration expenditures aggregating not less than $750,000 on the Bourier Property, of which an amount of $350,000 must be incurred or funded before December 31, 2016 and an amount of $400,000 before December 31, 2017.

In addition, after the First Option is exercised, the Company may earn an additional 21% for a total of 70% interest in and to the Bourier Property by:

(a) Paying to Critical Elements an amount of $250,000, in cash or in common shares of the Company at the sole discretion of the Company;
(b) On or before December 31, 2018, incurring or funding additional exploration expenditures for an amount of $1,250,000; and
(c) On or before December 31, 2018, delivering a NI 43-101 compliant estimate on the Bourier Property.

The Company paid a total of $135,000 in cash and shares on March 3, 2016 for the option to acquire this property.

On December 15, 2016, the Company decided to terminate the Bourier property option agreement with Critical Elements and put its effects into increasing its acquisition interest in the La Loutre, QC property instead. The Company wrote off its $135,000 investment in this property on December 15, 2016.

Investment in Equities Securities

Technology

Graphene 3D Labs Inc. ("Graphene3D") (TSX.V:GGG)

On November 22, 2013, the Company paid $50,000 to acquire 250,000 common shares of Graphene 3D Lab Inc. On August 8, 2014, Graphene 3D Lab Inc. completed a reverse takeover of Matnic Resources Inc. (a publicly traded company) and a forward split converted the number of shares to 3,196,970. The shares are held in escrow and are being released on the following terms:

60% released
40% August 8, 2017

On May 8, 2014, the Company entered into a subscription agreement to purchase 1,200,000 common shares of Matnic Resources Inc., (Matnic) for $300,000. On August 8, 2014, Matnic was taken over by Graphene 3D Lab Inc.

The following is a summary the shares available for sale and held in escrow:

	Available for sale	Held in escrow	Total
July 31, 2016	479,545	2,237,880	2,717,425
July 31, 2017	-	1,278,790	1,278,790

The following table summarizes the Company's holdings in Graphene 3D Labs Inc.:

	Percentage of voting shares owned	Cost	Fair Value
July 31, 2016			
Graphene 3D Labs Inc.	5.50%	$216,308	$ 611,421
July 31, 2017	2.26%	$101,792	$ 140,667

During the twelve-month period, the Company sold 1,438,635 (2016 – 679,545) shares for net proceeds of $239,265 (2016 - $467,375) and a gain of $124,742 (2016 - $333,682).

The common shares are classified as Level 1 in the fair value hierarchy and as available for sale financial assets. The fair value of available for sale investments is determined based on a market approach reflecting the closing price of the security at the reporting date. The closing price is a quoted price obtained from the exchange that is the principal active market for the security.

Summary of investment in securities:

	July 31, 2017	July 31, 2016
Graphene 3D Labs Inc.	$ 140,667	$ 611,421
SHD Smart Home Devices Ltd.	-	564,541
	$ 140,667	$ 1,175,962

LICENSE

Megahertz Power Systems Ltd.

On October 20, 2014, the Company, signed an letter agreement with Megahertz Power Systems ("Megahertz") to acquire a license for nonexclusive rights to the manufacturing and sale of three power supply products for the Canadian and United States markets;

The Company paid $250,000 to Megahertz for business startup costs.

license from Megahertz, non-exclusive rights to manufacture and sell three power supply products for the Canadian and United States markets; acquire a pending supply contract for the Allanson LED Driver, with a Canadian LED system integrator; finance to the amount of $250,000, the business set-up costs of the Company's manufacture and sales of the licensed power products;

Under the terms of the letter agreement, Megahertz agreed to assign and transfer a pending revenue-generating customer contract to the Company upon the Company advancing the sum of $250,000 as Startup funds as follows:

The Company was required to finance the manufacturing and distribution of the licensed power supply products and pay Megahertz a project management fee to manage the manufacturing, distribution, marketing and sales of the licensed power supply products.

On February12, 2016, Megahertz amalgamated a number of its concept designs, technology licenses, patent applications and intellectual property into a company named Smart Home Devices Ltd. (“SHD”). SHD is a private Company incorporated under the laws of British Columbia.

On March 15, 2016 the Company acquired 778,890 shares of SHD. In consideration for the shares, the Company issued (before the 1:10 share consolidation), 16,129,743 common shares from treasury at $0.035 per share for a deemed value of $564,541.

On July 31, 2016, further development of the Allanson product was suspended.

On December 31, 2016, the Company discontinued development of the remaining products.

On March 15, 2017, the Company transferred all product development costs: trademarks, R & D, website to SHD. In consideration for the assets, SHD 659,213 common shares with a conditional value of $474,633 to the Company. As part of the agreement, the Company agreed to issue 600,000 common shares (issued) with a conditional value of $165,000to SHD. SHD agreed to issue to the Company a further 208,333 common shares with a conditional value of $150,000.

Licenses	$ 499,389
Website	8,170
Trademark	5,417
	$ 512,976
Write off of costs relating to Allanson	(45,928)
July 31, 2016	$ 467,048
Trademark additions	4,162
Website additions	5,568
License additions	328
Forgiveness of debt	(83,143)
	$ 393,963
Sale to SHD	(393,963)
July 31, 2017	**$ -**

Investments in Associates

Graphene Energy Storage Devices (Graphene ESD Corp.)

On December 3, 2014, the Company signed a preferred stock subscription agreement with Graphene ESD Corp. (“Graphene”). Under the agreement the Company subscribed to On December 12, 2014 the Company purchased 1,800 shares of Graphene ESD Corporation’s (Graphene) Series A Preferred Stock, representing 100% of the authorized preferred shares of Graphene, at a purchase price of $101.27 US per share (“Original Issue Price”) for total consideration of $182,281 US. Dividends, at the rate per annum of $4.05 per share, will accrue on each preferred share and shall be cumulative. Payment of dividends is at the discretion of the board. Each share of Series A Preferred Stock held by the Company shall be convertible, at the option of the Company. at any time and from time to time after May 6, 2015, and without the payment of additional consideration by the Company. by dividing the Series A Original Issue Price by the Series A Conversion Price in effect at the time of the conversion. The Series A Conversion Price shall initially be equal to $101.27 US. The Series A Conversion Price and the rate at which shares of Series A Preferred Stock may be converted into shares of Graphene Common Stock, will be subject to adjustment in the event of a subdivision of Graphene’s outstanding Common Stock or if Graphene makes or issues a dividend or other distribution payable on the Common Stock in additional shares of Common Stock.

Graphene ESD Corp. a Delaware company incorporated November 5, 2014 is a private US company that was formed to commercialize Graphene Supercapacitors. On matters presented to the stockholders of Graphene, the Company will vote together with the holders of Common Stock of Graphene as a single class.

The Company exercised significant influence over Graphene ESD Corp. as it owns 40% of the voting shares. It accounts for its investment on an equity basis.

.	Number of Shares held	$ Cost
Acquisition of preferred shares	1,800	$ 213,251
Costs related to acquisition		$ 10,824
Shares of equity loss for the year		(34,182)
July 31, 2016	1,800	$189,893
Shares of Equity loss		(485)
Write down		(130,905)
July 31, 2017	1,800	**$ 58,503**

SHD Smart Home Devices Ltd.

On March 15, 2016, the Company issued (before 1:10 share consolidation) 16,129,743 common Shares at $0.035 per share for a deemed value of $564,541, in exchange for 778,890 of SHD Smart Home Devices Ltd. (Smart Home).

On May 19, 2017 the Company acquired an additional 867,546 common shares with a deemed value of $0.72 per share in exchange for the rights, patents, and website pertaining to the License that was acquired from Megahertz, a company associated Company with SDH.

The Company owns 23.92% (2016 – 12.97%) of the total equity of Smart Homes (SHD).

	Number of shares held	
Acquisition of common shares during 2016		
July 31, 2016	778,890	$ 564,541
Sale of license for shares during 2017	867,546	624,633
Share of equity loss		(153,201)
July 31, 2017	1,646,436	$ 1,035,973

Summary of investment in securities:

	July 31, 2017	**July 31, 2016**
Graphene 3D Labs Inc.	$ 58,503	$ 189,893
SHD Smart Home Devices Ltd.	1,035,973	-
	$ 1,094,476	$ 189,893

MINERAL PROPERTIES ACQUISITIONS AND DEFFERED EXPENDITURES

The Company defers the cost of acquiring, maintaining its interest, exploring and developing mineral properties until such time as the properties are placed into production, abandoned, sold or considered to be impaired in value. To date, the Company has spent a total of $1,685,125 in acquisitions and $3,566,231 in exploration expenses.

A summary of capitalized acquisition and exploration expenditures on the Company's properties is reported below:

Vines Lake – Cassiar District, BC Acquisition Cost				
Date	**Cash**	**Shares**	**Price**	**Amount $**
05-15-2006	10,000.00			10,000.00
05-15-2006		12,000	$5.00	60,000.00
08-09-2011	2,884.42			2,884.42
02-18-2017	5,742.52			**5,742.52**
Total Acquisition		**12,000**		**$76,686.94**

Vines Lake – Cassiar District, BC Exploration Expenditures			
	YTD July 31, 2016	**YTD July 31, 2017**	
Mineral Rights	15,971.17	500.00	
Airborne Mag-Em Survey	50,000.00	-	
Geological Sampling & Mapping	124,098.09	-	
Assays	58,974.10	-	
Camp	102,173.41	-	
Geological Consulting & Reports	128,853.04	-	
Drilling	53,207.70	-	
Mineral Exploration Tax Credits	(8,037.00)	-	
Total YTD Vines Lake Exploration Expenditures	**$525,240.51**	**500.00**	**$ 525,740.51**

Quatre-Mille (East) Graphite Property, Quebec - Acquisition Costs				
Date	**Cash**	**Shares**	**Price**	**Amount $**
11-12-2011	25,000.00			25,000.00
03-27-2012		100,000	$0.35	35,000.00
09-27-2012	25,000.00	50,000	$0.35	42,500.00
03-26-2013		100,000	$0.35	35,000.00
03-17-2014		150,000	$0.35	52,500.00
Total Acquisition		**400,000**		**$190,000.00**

Quatre-Mille (East) Graphite Property, Quebec - Exploration Expenditures			
	YTD July 31,2016	**YTD July 31, 2017**	
Mineral Rights	1,749.70	-	
Airborne Mag-Em Survey	130,364.37	-	
Geological Sampling & Mapping	154,684.25	-	
Geochemical Analysis	32,785.50	-	
Consulting, Site Visits & Reports	21,144.48	-	
Drilling	236,167.87	-	
Transportation	3,589.58	-	
43-101 report	40,694.60	-	
Data processing	39,353.73	-	
Mineral Exploration Tax Credits	(129,458.00)	-	
Total YTD Quatre-Mille (East) Expenditures	**$534,901**	**-**	**$534,901**

Quatre-Mille (West) Graphite Property, Quebec - Acquisition Costs				
Date	**Cash**	**Shares**	**Price**	**Amount $**
03-25-2014	3,000.00	180,000	$1.00	183,000.00
Total Acquisition	**3,000.00**	**180,000**		**183,000.00**

Quatre-Mille (West) Graphite Property, Quebec - Exploration Expenditures			
	YTD July 31, 2015	**YTD July 31, 2017**	
Geological Consulting & Reports	11,079.99	-	
Airborne Survey	30,880.98	-	
Claims Renewal	**3,578.57**	**-**	
Total YTD Quatre-Mille (West) Expenditures	**45,539.54**	**-**	**45,539,54**

La Loutre Graphite Property, Quebec - Acquisition Costs & Exploration assigned to acquisition				
Date	**Cash**	**Shares**	**Price**	**Amount $**
09-25-2014	12,500.00			12,500.00
09-25-2014		125,000	$0.70	87,500.00
04-15-2015		100,000	$0.70	70,000.00
04-15-2015	3,333.33			3,333.00
07-31-2015				238,367.30
10-31-2015				-
05-03-2017		125,000	$0.50	62,500.00
05-03-2017		100,000	$0.205	20,500.00
07-31-2017				11,098.00
Total Acquisition	**15,833.33**	**225,000**		**505,798.00**

La Loutre Graphite Property, Quebec - Exploration Expenditures			
	Balance Forward July 31, 2016	**Jan. 31, 2017**	**April 30, 2017**
Drilling	1,517,838.81	221,659.79	20,465.73
Project supervision and management	97,216.86	10,555.68	1,234.79
Geological sampling & mapping, environmental-	151,506.25	-	
Consulting, site visits & reports	7,063.88	-	
Miscellaneous charges	133,611.52	-	
Mineral Resource Estimate	93,584.97	-	
Technical Reports	6,641.67	-	
Claims renewal	2,552.55	-	
Other exploration & evaluation		10,466.78	6,816.57
	1,996,616.03	**242,582.22**	**28,517.09**
YTD Total exploration expenditure			**2,263,646**

Lac des Isles Crystalline Flake Property, QC – Acquisition Cost and exploration assigned to acquisition				
Date	**Cash**	**Shares**	**Price**	**Amount $**
02-06-2015	6,666.67			6,667.00
04-15-2015		200,000	$0.70	140,000.00
07-31-2015				476,734.61
05-03-2017		125,000	$0.50	62,500.00
05-03-2017		100,000	$0.205	20,500.00
07-31-2017				21,298.00
Total Acquisition	**6,666.67**	**200,000**		**727,700.00**

Lac des Isles Crystalline Flake Property, Quebec – Exploration Expenditures			
	YTD July 31, 2016	**YTD July 31,2017**	
Mineral Property site visits & assessment	6,357.13	-	
Drilling	-	-	
Project supervision	6,736.68	-	
Geological sampling & mapping	135,725300	-	
Miscellaneous expenses	44,905.60	-	
Claims renewal	1.884.03	-	
Management fees	94.20	-	
YTD Total exploration expenditures			**174,404**

Bourier, QC – Acquisition Cost				
Date	**Cash**	**Shares**	**Price**	**Amount $**
05-03-2016		250,000	$0.50	125,000.00
05-03-2016	10,000.00			10,000.00
12-15-2016				-135,000.00
Total Acquisition	**10,000.00**	**250,000**		**0.00**

Demand Loan

On November 5, 2015, the Company received a US $110,000 loan from Graphene ESD Corp., a company in which the Company has a 40% ownership interest. The loan bears interest at the rate of 1% per annum and is payable on demand,

Other Liabilities

Flow-Through Premium Liabilities

Other liabilities consist of the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through shares issuances:

	Issued July 4, 2017	Issued on September 7, 2016	Issued June 21, 2016	Total
Balance July 31, 2015				
Liability incurred on flow-through shares issued		$ -	$50,000	$50,000
Liability incurred on flow-through shares issued	-	2,634	-	$ 2,634
Settlement of flow-through share liability on incurring expenditures	-	(2,634)	(50,000)	-
Liability incurred on flow-through shares issued July 31, 2017	**57,692**	-	-	**$57,634**

Going Concern

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. The Company has incurred cumulative losses of $19,079,705 and has reported a net loss from operations of $959,734 before other comprehensive loss items totaling $289,617 for a net comprehensive loss of $1,249,351 for the twelve-month period ended July 31, 2017. The ability of the Company to continue as a going concern is dependent upon successfully obtaining additional financing entering into a joint venture, a merger or other business combination transaction involving a third party, sale of all or a portion of the Company's assets, the outright sale of the Company, the successful development of the Company's mineral property interests, or a combination thereof. There can be no assurance that funding from this will be sufficient in the future to continue and develop its mineral properties, and provide additional funding for the development of the power supply products. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the company be unable to continue as a going concern. Such adjustments could be material.

a) Statement of Compliance

These unaudited interim financial statements of the Company, for the period ended October 31, 2016, have been prepared in accordance with International Financial Reporting Standards ("IAS 34"), The Company's significant estimates and judgments are consistent with those disclosed in the annual audited consolidated financial statements for the year ended July 31, 2016. These unaudited condensed interim consolidated financial statements do not contain all disclosures required by IFRS and accordingly, should be read in conjunction with the 2016 annual consolidated financial statements and the notes thereto. These consolidated financial statements were approved and authorized for issue by the Board of Directors on June 28, 2017.

b) Basis of Presentation and Consolidation

The consolidated financial statements of the Company incorporate the financial statements of the Company and its wholly owned subsidiaries, The Conac Company Inc., Conac Software (USA) Inc., Lomiko Metals LLC and Lomiko Technologies Inc. from the day the Company gains control over the subsidiaries and ceases when the Company loses control of the subsidiary. Control is achieved when the Company has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect the investee's returns.

The Company reassesses whether or not it controls a subsidiary if facts and circumstances indicate that there are changes to one or more of the three above mentioned elements.
All significant intercompany transactions, balances, income and expenses are eliminated on consolidation.

(c) New Accounting pronouncements

The Company adopted the following new or amended accounting standards on August 1, 2016.
IAS 1 Presentation of Financial Statements – In December 2014, the IASB issued amendments to IAS 1 to address perceived impediments to preparers exercising their judgment in presenting their financial statements by clarifying that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to all parts of the financial statements and even when a standard requires a specific disclosure, materiality considerations do apply. The amendments also clarify that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of other comprehensive income of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.

The significant accounting policies that have been applied in the preparation of these consolidated financial statements are summarized below. These accounting policies have been used throughout all periods presented in the consolidated financial statements.

a. Investment in Associates

An associate is an entity over which the Company has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

An investment in associate is accounted for using the equity method from the date on which the investee becomes an associate. Under the equity method, investments in associates are carried in the statement of financial position at cost adjusted for post-acquisition changes in the Company's share of net assets of the associates, less any impairment losses.

The requirements of IAS 39 *Financial Instruments: Recognition and Measurement (IAS 39)* are applied to determine whether it is necessary to recognize any impairment loss with respect to the Company's investment in an associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 *Impairment of Assets (IAS 36)* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment.

Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Losses in an associate in excess of the Company's interest in that associate are recognized only to the extent that the company has incurred a legal or constructive obligation to make payments on behalf of the associate.

b) Presentation currency and foreign currency translation

The consolidated financial statements are presented in Canadian dollars which is the functional currency of each company in the Company.

Foreign currency transactions are translated into functionary currency of each entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from re-measurement of foreign currency denominated monetary items at reporting period and exchange rates are recognized in profit or loss.

Non-monetary assets and liabilities that are measured at historical cost are translated using the exchange rates in effect at the time of the initial transaction and are not subsequently re-measured at reporting period ends.

c) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash with original maturities of three months or less and which are subject to an insignificant risk of changes in values insignificant risk of change in values.

d) Licenses

All costs related to the acquisition and development of licenses are capitalized as intangible assets. Licenses costs will be written off against income generated from licensed product sales. The expected useful life of the licenses is based on the life of the patent.

e) Website

All costs related to the development of the Company's website are capitalized into intangible assets. Website costs will be written off at 20% per year when income is generated from the licensed product sales.

f) Exploration and Evaluation Expenditures

Exploration and evaluation assets include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired.

Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are charged to profit or loss. Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within equipment. Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

g) Interest Income

Interest income is recorded on an accrual basis using the effective interest method.

h) Decommissioning, restoration and similar liabilities ("asset retirement obligation" or "ARO")

The Company recognizes provisions for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of mineral interests and decommissioning of equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a provision for an ARO is recognized at its present value in the period in which it arises. Upon initial recognition of the liability, the corresponding ARO is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset. Following the initial recognition of the ARO, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate, and the amount or timing of the underlying cash flows needed to settle the obligation.

i) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires. Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for financial assets and liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets and financial liabilities are subsequently measured as described below.

j) Financial Assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- loans and receivables;
- financial assets at fair value through profit or loss;
- held-to-maturity investments; and
- available-for-sale financial assets.

The category determines how the asset is subsequently measured and whether any resulting income or expense is recognized in profit or loss or in other comprehensive income. All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are considered impaired when there is objective evidence that a financial asset or a Company of financial assets has been impaired. Different criteria to determine impairment are applied for each category of financial assets which are described below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortized cost using the effective interest method. Loans and receivables comprise cash and cash equivalents and receivables (other than goods and services tax (GST") from Canadian government taxation authorities).

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The Company currently does not have any financial assets in this category.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as held-to-maturity if the Company has the intention and ability to hold them until maturity. Held-to-maturity investments are subsequently measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined for example by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss. The Company currently does not have any financial assets in this category.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. Available-for-sale financial assets are measured at fair value. Gains and losses are recognized in other comprehensive income and reported within the available-for-sale reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognized in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognized in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method is recognized in profit or loss. Reversals of impairment losses are recognized in other comprehensive income, except for financial assets that are debt securities which are recognized in profit or loss only if the reversal can be objectively related to an event occurring after the impairment loss was recognized. The Company's investment in Graphene 3D Lab shares are classified in this category.

Financial Liabilities

Financial liabilities are measured subsequently at amortized cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss, that are carried subsequently at fair value with gains and losses recognized in profit or loss. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's financial liabilities measured at amortized cost include accounts payable and accrued liabilities, bank indebtedness and loans payable.

k) Impairment of Assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash-generating unit is reviewed for impairment.

Impairment reviews for exploration and evaluation assets are carried out on a project-by-project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

- The right to explore the areas has expired or will expire in the near future with no expectation of renewal;
- No further exploration or evaluation expenditures in the area are planned or budgeted;

- No commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;
- Sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation assets of the related mining property are tested for impairment before these items are transferred to property and equipment.
An impairment loss is recognized in profit or loss for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use.

An impairment loss is reversed when the asset's or cash generating unit's recoverable amount exceeds its carrying amount.

The impairment of investment in associates occurs when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the investment (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also objective evidence of impairment. If any evidence of impairment exists, the loss is recognized. The current loss is measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognized as an expense. An impairment loss is reversed in a subsequent period to the extent that the recoverable amount of the investment increases.

Financial Assets

A financial asset that is not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. The amount of the impairment loss is recognized in profit or loss. If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the profit or loss, except for equity instruments classified as available-for-sale where the reversal is recorded in other comprehensive income.

Non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that the assets are impaired. For exploration and evaluation assets the Company considers the following indicators of impairment: (i) whether the period for which the Company has the right to explore has expired in the period or will expire in the near future, and is not expected to be renewed; (ii) substantive expenditures on further exploration for and evaluation of mineral resources is neither budgeted nor planned; (iii) exploration and evaluation have not led to the discovery of commercially viable mineral resources and activities are to be discontinued; (iv) sufficient data exists to indicate that, although a development in the area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development of by sale; and (v) other factors that may be applicable such as a significant drop in metal prices or deterioration in the availability of equity financing. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate largely independent cash inflows, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable Company of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Recoverable amount is the higher of fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized in profit or loss.

An impairment loss recognized in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amount of the other assets in the cash-generating unit on a pro-rata basis.

With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognized in profit or loss.

l) Taxes

Tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current taxes

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred taxes

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not recognized on the initial recognition of goodwill, on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction, and on temporary differences relating to investments in subsidiaries and jointly controlled entities where the reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are measured, without discounting, at the tax rates that are expected to apply when the assets are recovered and the liabilities settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities and assets are expected to be settled or recovered.

Sales tax

Expenses and assets are recognized net of the amount of sales tax except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; or
- When receivables and payables are stated with an amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

m) Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

n) Earnings/Loss per Share

Basic earnings (loss) per common share is computed by dividing the net income (loss) available to common shareholders of the Company by the weighted average number of shares outstanding or committed to issue for the relevant year.

Diluted earnings (loss) per common share is computed by dividing the net income (loss) applicable to common shareholders by the sum of the weighted average number of common shares issued and outstanding or committed and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

o) Share-based Payments

The Company has a stock option plan under which it grants stock options to directors, employees, consultants and service providers.

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income. The value of the options and warrants granted, related to the issuance of shares, are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

All equity-settled share-based payments are reflected in share based payment reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share based payment reserve is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

p) Flow-through Shares

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through
share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

q) Significant Accounting Judgments and Estimates

The preparation of the Company's consolidated financial statements in accordance with IFRS requires Company's management to make certain judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. Actual results are likely to differ from these estimates. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses in these consolidated financial statements are discussed below.

Going concern: The assessment of the Company's ability to continue as a going concern requires significant judgment. The Company considers the factors outlined in Note 1 when making its going concern assessment.

Exploration and evaluation assets: The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that such acquisition costs incurred will be recovered through successful exploration and development or sale of the asset under review. Furthermore, the assessment as to whether economically recoverable resources exist is itself an estimation process. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off to profit or loss in the period when the new information becomes available. The carrying value of these assets is detailed at Note 8.

Title to Mineral Property Interests: Although 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 prior agreements or transfers and title may be affected by undetected defects.

Estimates and assumptions

Share-based payments: The Company utilizes the Black-Scholes Option Pricing Model ("Black-Scholes") to estimate the fair value of stock options granted to directors, officers and employees. The use of Black-Scholes requires management to make various estimates and assumptions that impact the value assigned to the stock options including the forecast future volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the stock options. Any changes in these assumptions could have a material impact on the share-based payment calculation value.

Deferred tax assets: The assessment of the probability of future taxable income against which deferred tax assets can be utilized is based on the Company's future planned activities, supported by budgets that have been approved by the Board of Directors. Management also considers the tax rules of the various jurisdictions in which the Company operates. Should there not be a forecast of taxable income that indicates the probable utilization of a deferred tax asset or any portion thereof, the Company does not recognize the deferred tax asset.

r) Changes in Accounting Policies–New and Amended Standards and interpretations.

The standards and interpretations that are issued, but not yet effective, up to the date of authorization of these consolidated financial statements are disclosed below. Management anticipates that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's consolidated financial statements.

IFRS 9 – Financial Instruments: The IASB published the final version of IFRS 9 in July 2014. The final standard brings together the classification, measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 includes a loss impairment model, amends the classification and measurement model for financial assets and provides additional guidance on how to apply the business model and contractual characteristics test. This final version of IFRS 9 supersedes all previous versions of IFRS 9 and is effective for annual periods commencing on or after January 1, 2018, with early adoption permitted. Management is currently evaluating the impact the final standard is expected to have on the Group's consolidated financial statements.

IFRS 15 – Revenue from Contracts with Customers: The IASB issued IFRS 15 in May 2014. The new standard provides a comprehensive framework for recognition, measurement and disclosure of revenue from contracts with customers, excluding contracts within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 is effective for annual periods beginning on or after January 1, 2017 and is to be applied retrospectively with early adoption permitted. Management is currently evaluating the impact the final standard is expected to have on the Company's consolidated financial statements; however, as the Company currently has no operating revenues, this is not anticipated to be significant.

Amendments to IAS 1 Presentation of Financial Statements. The amendments are designed to encourage companies to apply professional judgment to determine what information to disclose in the financial statements. In addition, the amendments clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures. The amendment is effective for annual periods beginning on or after January 1, 2016.

Cash and cash equivalents

Cash and cash equivalents on the statement of financial position comprise cash at bank, held in trust, on hand, and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

	July 31,2017	**July 31, 2016**
Cash and bank balances	$ 95,305	$ 323,031
Cash equivalents	$ 3,000	$ 3.000
	$ 98,305	$ 326,031

Other Receivables

	July 31, 2017	**July 31, 2016**
Goods and Service Tax	$ 8,493	$ 10,442
SHD Smart Home Devices	$ 9,004	-
	$17,497	**$ 10,442**

Prepaid Expenses

	July 31, 2017	July 31, 2016
Prepaid promotional expenses	$ 23,141	$ 27,990

SHARE CAPITAL AND RESERVES

(a) Share Capital

Authorized

The Company's authorized share capital consists of an unlimited number of common shares without par value

Issued

Year ended July 31, 2017

On September 7, 2016 the Company completed a non-brokered private placement, by issuing (before 1:10 consolidation) 263,400 flow through units of the Company at $0.05 per unit for total gross proceeds of $13,170. Each flow-through unit is comprised of one common share and one common share purchase warrant. Each warrant is exercisable into one common share at an exercise price of $0.075 per share for a period of 36 months after closing. In addition, the Company issued (before 1:10 consolidation) 4,817,500 units of the Company at $0.04 per unit. Each unit comprises of one common share and one common share purchase warrant. Each warrants exercisable into common share at an exercise price of $0.05 per share for a period of 18 months after closing. Legal fees of $4,763 were incurred.

On December 19, 2016, the Company consolidated its issued and outstanding shares on a basis of one share for every ten outstanding shares.

On May 09, 2017 the Company issued 600,000 common shares at a deemed value of $165,000, as part the license sale agreement.

On May 5, 2017 450,000 shares were issued, at a deemed value of $166,000, in accordance with an agreement to secure an additional 20% interest in the La Loutre Crystalline and Lac des Isles properties.

On July 4, 2017 the Company completed a brokered private placement, by issuing of 961,538 flow-through unit for gross proceeds of $250,000. Each unit consists of one flow-through common share and one common share purchase warrant. Each warrant is exercisable into common share at an exercise price of $0.29 per share for a period of 24 months. The warrants had a fair value of $10,161 measured using the Black Scholes valuation model. The company recorded a liability on the flow through premium of $57,692, for the difference between the fair value of its common shares and the issuance price of its flow through common shares. This has been recorded as a flow-through common share issuance liability. In addition, the Company paid finder's fees of $20,000, financing fees of $7,500 and issued 38,462 common share units to brokers. Each unit consists of one common share and one common share purchase warrant. The warrants had a fair value of $406 measured using the Black-Scholes valuation model.

In addition, on July 4, 2017, the Company completed a brokered private placement, by issuing of 1,492,538 common share units for gross proceeds of $298,508. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into common share at an exercise price of $0.29 per share for a period of 36 months. The warrants had a fair value of $18,845 measured using the Black-Scholes valuation model. Commissions of $23,881 were paid. In addition, 119,403 broker warrants issued. The warrants had a fair value of $1,508 measured using the Black- Scholes valuation model.

Legal costs of $8,750 were incurred for the brokered private placements.

Year ended July 31, 2016

On February 16, 2016 the Company issued (before 10:1 consolidation) 16,129,743 common shares at a value of $564,541, to acquire 778,890 common shares of Smart Home Devices Ltd. In addition, $1,200 of share issue costs were incurred. On May 3, 2016 the Company issued (before 10:1 consolidation) 250,000 shares, for a deemed value of $125,000, pursuant to a property option agreement to acquire a 49% interest in the Bourier Property exploration

On June 21, 2016 the Company completed a brokered private placement, by issuing of (before 10:1 consolidation) 5,000,000 flow through units of the Company at $0.05 per unit for total gross proceeds of $250,000. Each flow-through unit is comprised of one common share and one common share purchase warrant. Each warrant is exercisable into common share at an exercise price of $0.075 per share for a period of 36 months after closing. The warrants had a fair value of $13,483, measured using the Black-Scholes valuation model. Additionally (before 10:1 consolidation) 400,000 broker warrants were issued with a fair value of $1,079, measured using the Black-Scholes valuation model. The company recorded a liability on the flow through premium of $50,000, for the difference between the fair value of its common shares and the issuance price of its flow-through shares. This has been recorded as a flow-through common share issuance liability. In addition, the Company paid commission of $20,000 and legal expenses of $13,900.

On July 19, 2016 the Company completed a non-brokered private placement, by issuing of (before 10:1 consolidation) 2,500,000 units of the Company at $0.04 per unit for gross proceeds of $100,000. Each unit comprises of one common share and one common share purchase warrants. Each warrant is exercisable into common share at an exercise price of $0.075 per share for a period of 18 months after closing. The warrants had a fair value of $5,215 measured using the Black-Scholes valuation model. In addition the company paid commissions of $5,750 and legal expenses of $3,750.

b) Share purchase warrants

A summary of the Company's outstanding share purchase warrants at July 31, 2017 is as follows:

	Number Of Warrants	Weighted Average Exercise Price
Balance, July 31, 2015	**4,372,176**	**$ 1.35**
Issued for financing	790,000	0.70
Expired	(2,883,120)	1.70
Balance, July 31, 2016	**2,279,057**	**$ 1.00**
Issued for financing	3,120,031	0.35
Expired	(1,489,057)	1.14
Balance, July 31, 2017	**3,910,031**	**$ 0.47**

The following table summarizes information relating to share purchase warrants outstanding and exercisable at July 31, 2017.

Number of Warrants (post consolidation)	Exercise Price	Expiry Date
1,611,941	$0.29	July 4, 2020
26,340	$0.50	Sep. 7, 2019
1,000,000	$0.29	July 4, 2019
500,000	$0.75	June 21, 2019
40,000	$0.75	June 21, 2019
250,000	$0.50	January 19, 2016
481,750	$0.50	March 7, 2018
3,910,031		

The weighted average remaining contractual life of the warrants as at July 31, 2017 was 2.08 years (2016 – 86 years).

The following weighted average assumptions were used for the Black-Scholes option valuation of warrants granted.

	July 31, 2017	July 31, 2016
Risk free interest rate	1.56%	0.56%
Expected life of options	2.50 years	2.68 years
Annualized stock price volatility	1.35%	132.4%
Expected dividend yield	0%	0%
Forfeiture rate	95%	90%

c) Share-based payments

Plan Details
The Company has established a stock option plan for directors, senior officer, 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 expired 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 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 many 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 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 to investor relation 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 option grants, at the discretion of the Board of Directors.

The following table summarized the stock options outstanding and exercisable as at July 31, 2017:

	Number of Options	Weighted Average Exercise Price
Balance, July 31, 2015	**567,500**	
Expired	(42,500)	$ 1.00
Balance, July 31, 2016	**525,000**	
Expired	(35,000)	$ 1.00
Balance, July 31, 2017	**490,000**	

The following weighted average assumptions were used for the Black-Scholes option valuation for stock options granted:

Number of options outstanding	Exercise price	Expiry date
67,500	$1.00	February 1, 2018
40,000	$1.00	April 30, 2018

182,500	$1.00	January 31, 2019
200,000	$1.00	September 5, 2019
490,000		

The weighted average remaining contractual life of options outstanding at July 31, 2017 was 1.55 years (2016 – 2.38 years).

Income Taxes

As at July 31, 2017, the Company has non-capital losses carried forward of approximately $7,856,120 expiring in various years to 2037, that may be available to offset future taxable income.

Tax losses, expire as follows:

2027	$ 110,806
2028	130,858
2029	462,824
2030	679,076
2031	719,946
2032	653,482
2033	602,303
2034	945,550
2035	1,541,466
2036	1,049,588
2037	960,211
	$ 7,856,120

Other Requirements

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

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, except as noted under equity risk. Its objectives, polices and processes for managing those risks or the methods used to measure them from previous year have not changed.

General Objectives, Policies and Processes:
The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board of Directors receive monthly reports from the Company's Financial

Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

a) Market Risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

Foreign Currency Risk:
Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar or other foreign currencies will affect the Company's operations and financial results. The company does not have significant exposure to foreign exchange rate fluctuation.

Interest Rate Risk:
Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be immaterial

Equity Price Risk:

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The investment in Graphene 3D Lab Inc. equity is measured at fair value and is subject to re-measurement. Although the current unrealized gain is substantial at the date of the report, fluctuations in price may materially change the fair value, resulting in changes in the unrealized gain/loss.

b) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents. The majority of cash and cash equivalents are maintained with financial institutions of reputable credit and may be redeemed upon demand. The carrying amount of financial assets represents the maximum credit exposure. The Company has gross credit exposure at July 31, 2017 relating to cash of $98,303 and other receivables of $17,497. All cash, cash equivalents and short term deposits are held at the Bank of Montreal.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company ensures that it has sufficient cash on demand to meet short-term business requirements, after taking into account the Company's holdings of cash.

The Company's cash is invested in business accounts and is available on demand. Funding risk is the risk that the Company may not be able to raise equity financing in a timely manner and on terms acceptable to management. There are no assurances that equity financing will be available when, and if, the Company requires additional financing.

The following table summarizes the Company's significant remaining contractual maturities for financial liabilities at July 31, 2017 and July 31, 2016.

	Less than 3months	3 – 12 months	Total
July 31, 2016			
Trade payables and other liabilities	$ 234,763	$ 144,998	$ 379,761

July 31, 2017			
Trade payable and other liabilities	$ 366,369	$ -	$ 366,369

d) Fair value of financial instruments

The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate fair value:

	Level 1	Level 2	Level 3	Total
July 31, 2016				
Investment in equity	$ 611,421	$ -	$ 564,541	$ 1,175,962
Cash and Cash Equivalents	$ 326,031	$ -	$ -	$ 326,031
July 31, 2017				
Investment in equity	$ 140,667	$ -	$ -	$ 140,667
Cash and cash equivalents	$ 98,305	$ -	$ -	$ 98,305

Level 1 – quoted prices (unadjusted) in active markets

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices): and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Capital Risk Management

It is the Company's objective when managing capital to safeguard its ability to continue as a going concern in order that it may continue to explore and develop its mineral properties and continue its operations for the benefit of its shareholders. The Company's objectives when managing capital are to:

a. continue the exploration and development of its mineral properties;
b. support any expansion plans; and maintain a capital structure which optimizes the cost of capital at acceptable risk

The Company manages its equity (which includes common shares, share-based payment reserve and accumulated deficit) as capital. The Company intends to expend existing working capital by carrying out its planned acquisition, exploration and development activities on mineral properties and continuing to pay administrative costs.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the underlying assets. In order to maintain or adjust the capital structure the Company may issue new shares. In order to facilitate analysis and management of its capital requirements, the Group prepares and updates annual budgets (as needed) to ensure that its acquisition and exploration operations can continue to progress. Budgets, once finalized, are approved by the Board of Directors.

There have not been any changes to the Company's capital management objective, policies and processes compared to the prior year. The Company is not subject to any externally imposed capital requirements.

The Company capital consists of cash, common shares, and warrants. The Company's objectives when maintaining capital are to maintain a sufficient capital base in order to meet its short-term obligations and at the same time preserve investors' confidence in the Company's ability required to sustain future development and operation of the business.

The Company is not exposed to any extremely imposed capital requirements.

Related Party Transactions

Key management personnel include the Board of Directors, CEO and Chief Financial Officer ("CFO') of the Company. The remuneration of key management personnel was as follows:

		July 31, 2017		July 31, 2016
Fees paid to companies related to directors or directors	$	**180,000**	$	180,000
Share-based compensation		**-**		-
	$	**180,000**	$	180,000

(a) Included in accounts payable is $80,010 (July 31, 2016 - $47,360) owing to directors

(b) During the year ended July 31, 2017, a director submitted expenses reports. Included in these reports was $64,750 of expenses that were paid, on behalf of the Company, by the director with personal shares. The Company reimbursed the director for the expenses as outlined on the supplier invoices. The market value of the shares on the day the shares were transferred to the suppliers was $54,050.

(c) During the current fiscal year the Company discovered a few vendor invoices payable related to the year ended July 31, 2016 that had not been recorded or accrued in that fiscal year. The company retroactively recorded the expenses in the current year, increasing the loss and comprehensive loss for the year ended July 31, 2016 by $45,637. The comparative figures have been restated to report the increased expenses. The impact on loss per share is negligible.

Segmented Reporting

During the year ended July 31, 2017, the Company sold its interest in the manufacture and sale of its power supply products. During the year ended July 31, 2016, the Company operated in two industry segments: acquisition, exploration and development of resource properties and the manufacture and sale of power supply products. The Company's non-current assets by industry segments for the years ended July 31, 201 and 2016 as follows:

July 31, 2017	Exploration and Evaluation	Power Supply Products
Non-current assets		
Exploration and evaluation assets	$ 5,229,356	$ -
Investment in associate	-	1,094,476
Investment in equity securities	-	140,667
License	-	-
Website	-	-
	$ 5,229,356	$ 1,235,143

July 31, 2016	Exploration and Evaluation	Power Supply Products
Non-current assets		

Exploration and evaluation assets	$ 4,910,163	$ -
Investment in associate	189,893	-
Investment in equity securities	-	1,175,965
License	-	458,878
Website	-	8,170
	$ 5,100,056	$ 1,643,013

Loss Per Share

	July 31, 2017	July 31 2016
Loss attributed to ordinary shareholders	$ (959,734)	$ (679,295)
Weighted average number of common shares	19,028,600	14,348,654
Basic and diluted loss per share	$ (0.05)	$ (0.05)

Basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as stock options, in the weighted average number of common shares outstanding during the period, if dilutive.

Commitments

Shareholders Rights Plan

On October 30, 2014 the Board of Directors adopted a Shareholder Rights Plan (the "Plan") to ensure, that all shareholders of the Company are treated fairly in connection with any take-over bid for the Company. In order to implement the adoption of the Shareholder Rights Plan, the Board of Directors has authorized and declared a distribution of one Right effective the close of business on October 30, 2014 in respect of each Common Share outstanding at the Record Time and has further authorized the issuance of one Right in respect of each Common Share issued after the Record Time and prior to the earlier of the Separation Time and the Expiration Time as defined in the Plan.

Each Right entitles the holder thereof, to purchase securities of the Company pursuant to the terms and subject to the conditions set forth pursuant to the Plan. The Company appointed the rights agent, Computer Share Trust Company of Canada to act on behalf of the Company and the holders of Rights, and the Rights Agent is willing to so act, in connection with the issuance, transfer, exchange and replacement of Rights Certificates (as hereinafter defined), the exercise of Rights and other matters referred to in the Plan.

Effective Date and Confirmation
This Plan is effective and in full force and effect in accordance with its terms. The plan was confirmed at the annual general meeting of holders of Voting Shares held on October 27, 2017.

Reconfirmation
This Plan must be reconfirmed by a resolution passed by a majority of the voting shareholders at the annual meeting of the Company held in 2020 and at every third annual meeting of the Company thereafter. If this Plan is not reconfirmed or is not presented for reconfirmation at any such annual meeting, this Plan and all outstanding Rights shall terminate and be void.

Flow-through expenditures

The Company would be able to continue to incur exploration expenses beyond the deadlines. However it could be subject to a penalty of 4-5% per annum on the balance required to be spent on its exploration work. The Company intends to fulfill its flow-through commitments within the given time constraints. During the year the company paid $0.00 (2016-$8,841) in Part XII.6 interest.

Contingencies

On August 6, 2014 the Company received legal notice that a plaintiff is seeking damages in relation to a contract dispute arising out of a subscription agreement and alleged ratchet agreement between the company and the plaintiff. The plaintiff is seeking unspecified damages or alternatively the issuance of 3,333,333 common shares as well as other ancillary relief. The Company disputes the claims and has not made any provisions in the accounts and is actively in negotiations.

Selected Annual Information

Revenue, net loss, diluted loss per common share, total assets and total long-term liabilities for the year ended July 31, 2017, with the year ended July 31, 2016 and with the year ended July 31, 2015 were as follows (**in thousands of Canadian dollars except for shares**):

	IFRS 2017 $	**IFRS 2016 $**	**IFRS 2015 $**
Total Revenue	0	0	0
Total Assets	6,847	7, 117	8,572
Total Long Term Liabilities	0	0	0
Total Operating Loss	(960)	(679)	(1,125)
Net Income and comprehensive (loss)	(1,249)	(2,617)	1,177
Net Income (loss) per share basis	(0.05)	(0.05)	(0.01)
Net Income (loss) per share diluted	(0.05)	(0.05)	(0.01)

Results of Operation – Twelve-month period ended July 31, 2016 and 2017

	2017 $	2016 $
General administrative expense		
Office & sundry	**28,344**	17.803
Advertising & Promotions	**217,697**	325,770
Management	**180,000**	180,000
Professional fees	**207,454**	149,565
Consulting	**2,850**	41,500
Regulatory & Transfer Agent fees	**76,898**	100,081
Shareholders' communications	**28,197**	31,725
Travel	**32,286**	23,585
Research & development	**-**	45,298
Total	**773,726**	915,327

Other Income		
Interest income	**16**	1,500
Part X11.6 interest	**-**	(8,841)
Flow-through share premium	**52,634**	-
Loss from abandonment of advance	**-**	(61,430)
Gain on translation of foreign currency debt	**7,663**	-
Write down of mineral property	**(135,000)**	-
Write down of investment in associate	**(130,905)**	-
Interest on demand loan	**(1,450)**	(1,065)
Share of associate loss	**(153,686)**	(1,785)
Gain of sale of marketable securities	**124,750**	333,682
Gain on sale of license	**65,670**	-
	(170,308)	262,061
Income/(Loss) before taxes	**(944,034)**	(653,266)
Income Tax expense	**(15,700)**	(26,029)
Net loss from continuing operations	**(959,734)**	(679,295)
Unrealized gain on re-measurement of equity investments	**(356,239)**	(2,024,978)
Deferred tax recovery/(expense)	**66,622**	41,831
	(289,617)	(1,983,147)
Comprehensive (loss)/Income for the year	**(1,249,351)**	(2,662,442)
Basic and Diluted Loss Per Share	**(0.05)**	(0.05)
Basic & Diluted Weighted Average Common Shares	**19,028,600**	14,348,654

The following selected financial data is derived from the audited condensed annual financial statements prepared in accordance with IFRS:

Statement of Financial Position Data	July 31, 2017	July 31, 2016
Total Assets	**6,846,514**	7,116,911
Total Long-Term Debt	**NIL**	NIL
Total Liabilities	**366,369**	379,761
Shareholders' Equity: Share Capital Equity	**24,885,169**	23,965,723

During the twelve-month period, ended July 31, 2017, overall operational expenses decreased by approximately 11% from the same period last year. Advertising and promotions decreased by approximately 25% from the same period last year and consulting fees decreased substantially by approximately 93% as the Company cut back on contracts with consultants. Professional fees increased by approximately 49% as the Company continues to incur legal costs relating to its dispute of a plaintiff's claim filed August 6, 2014. Shareholder communications decreased by approximately 11%. Included in the total loss for this period is the write-off of $135,000 for the Critical Elements' Bourier QC property option as the Company decided it was in its best interest to focus its efforts on acquiring 100% of the Canada Strategic Metals' La Loutre and Lac des Isle QC properties, both of which have shown extremely good drilling results.

All other expenses were incurred in the normal course of business operations.

The Company has no producing properties, and consequently no sales or revenues to report.

As at this period, the Company owns a total of 1,278,790 shares in Graphene 3D Labs held in escrow until August 8, 2017. The value of the shares are subject to changes in market conditions and prices.

The Company had a total net loss of (1,249,351) for the twelve-month period as compared (2,662,442) for the same period last year. The loss per share, basic and diluted was ($0.05) for this period (2016 - ($0.05).

The Company has assets of $6,846,514 of which $1,235,143 came from investments; $243,072 in exploration advance payments; $17,467 from receivables; $23,141 from prepaid advertisements and promotions; 5,229,356 from property acquisitions and exploration expenses. As at July 31, 2017, the Company had ($227,426) in working capital.

Results of Operations - Use of Proceeds from previous financings as at July 31, 2017

Proceeds of Private Placements	**Financing Sep. 9, 2016 $292,700**	**Flow- Through Sept. 07, 2016 $263,170**	**Financing July 4, 2017 1st tranche $269,507.60**	**Flow-Through July 4, 2017 1st tranche $249,999.88**
Balance forward				
Cost of financing		(30,500)	(60,130.60)	
Advance Payments for market making	(135,200)			
Drilling		(271,199.31)		
Legal/Consulting/Professional	(27,875)		(32,280)	
TSX & Filing fees	(11,620)		(10,037)	
Transfer Agent	(5,429)		(658)	
Office & sundries	(12,554)		(26,108)	
Promotions & Business meetings	(72,242)		(67,498)	
Audit/Accounting	(14,627)			
Shareholders' communications	(8,263)		(2,247)	
Management	-		(15,000)	
Travel	(10,171)		(12,837)	
Investor Relations	-			
Advance payments for 2017exploration work				(250,000)
Balance of proceeds remaining	**(5,281)**	**(8,334.31)**	**42,712**	**0.00**

Summary of Quarterly Results
(expressed in thousands of Canadian dollars, except per share amounts)

The summary of quarterly results has been prepared in accordance with IFRS

	Jul. 17	**Apr. 17**	**Jan 17**	**Oct 16**	**Jul 16**	**Apr 16**	**Jan.16**	**Oct. 15**
Revenue	0	0	0	0	0	0	0	0
Net Income (Loss)	(1,249)	(943)	(698)	(333)	(2,617)	(2,022)	(2,091)	(229)
Loss per Share	(0.05)	(0.05)	(0.02)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

Other MD&A Requirements

As at July 31, 2017, on a 10:1 post consolidated basis, the Company had a total of 22,209,930 issued and outstanding shares, 490,000 outstanding options and 3,910,031 outstanding warrants. If the Company were to issue 4,400,031 shares upon the conversion of all of its outstanding warrants and options, it would raise a total of $2,038,093.

As of this reporting period, the Company needs to raise funds through new financings in order to support its operations and meet its commitments.

Off Balance Sheet Arrangements

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

Company activities for the Q4, 2017 reporting period

On May 3, 2017, the Company announced that it has received TSX Venture Exchange regulatory approval to amend its agreements with Canada Strategic Metals Inc. (TSX.V: CJC) dated February 6, 2015 and May 13, 2016 on the La Loutre and Lac des Iles Property, allowing Lomiko to acquire up to 100% interest in the project. The two companies have now agreed that,

(i) under the February 6, 2015 agreement, the deadline date for work completion will be extended from the December 31, 2016 to June 30, 2017; and

(ii) under the May 13, 2016 agreement, eliminate the $10,000 payment required and Lomiko will instead issue 200,000 of its common shares (post-consolidation);

(iii) issue an additional 750,000 common shares (post-consolidation) and
(iv) fund exploration expenditures for an additional amount of $1,125,000.

In summary, Lomiko will:

(1) issue 200,000 common shares (post-consolidation) which will eliminate the $10,000 payment required (issued today);

(2) issue an aggregate of 750,000 common shares

- 250,000 shares on closing (issued today);
- 250,000 shares by July 31, 2017; and
- 250,000 shares by Dec 31, 2018.

(3) fund exploration expenditures of $1,250,000 as follows:

- $250,000 by June 30, 2017;
- $375,000 by Dec 31, 2017; and
- $500,000 by Dec 31, 2018.

An aggregate of 450,000 common shares of Lomiko have been issued to Canada Strategic, having a hold period expiring September 4, 2017.

On May 19, 2017, the Company announced that it has received approval and the TSX Venture Exchange has accepted for filing documentation related to an agreement dated March 15, 2017, between Lomiko Metals Inc. (the “Company”), engineering partners MegaHertz Power Systems Ltd. (“Megahertz”) and SHD Smart Home Devices Ltd. (“SHD”), to accelerate the launch of the USB Spider Charger, whereby the Company will contribute to SHD any and all R&D, trademarks, it’s e-commerce website, contacts and intellectual property (the “Lomiko Assets”) created under it’s previous license agreements with MegaHertz.

In consideration for the above, SHD will recognize the Lomiko Assets at a gross conditional value of $474,633 Cdn. and issue to Lomiko, 659,213 common shares, at a deemed value of $0.72 per share, in lieu of cash payment for the Lomiko Assets. In turn, SHD shall assume all past, current and future obligations of Lomiko to MegaHertz under the License Agreements and the Addendum thereto, and MegaHertz agrees to accept the assumption by SHD of any and all such obligations of Lomiko to MegaHertz.

Also, under the agreement, Lomiko has issued 600,000 shares to SHD, having a hold period ending September 20, 2017, to receive an additional 208,333 shares of SHD common stock at the deemed price of $0.72 per share.

On May 29, 2017, the Company announced its plan to conduct further graphite purity and characterization testing at La Loutre based on recent high-grade drill results. The only graphite purity and characterization information on the property was first reported September 24, 2014 from samples obtained previous to drilling campaigns at La Loutre. Testing material from the recent drill holes will provide more accurate information on material that has high purity, contains large flakes and is located near surface. This information will be valuable for the upcoming Pre-Economic Assessment (PEA).

On June 23, 2017, the Company announced a private placement to offer up to 2,500,000 Units of the Company (the "Units") at a price of $0.20 per Unit. Each Unit shall consist of one common share and one share purchase warrant exercisable for 36 months at $0.29. Further, the company is also offering a non-contingent private placement of flow through shares up to 2,000,000 Units of the Company (the "Units") at a price of $0.26 per Unit. Each Unit shall consist of one common share and one share purchase warrant exercisable for 24 months at $0.29.

On June 27, 2017, the Company received TSX approval for a private placement financing announced June 23, 2017. The Company has been successful in closing the 1st tranche of its private placement as to $249,999.88. The Company will issue 961,538 Flow-Through Units (the "FT Units") at a price of $0.26 per FT Unit. Each FT Unit shall consist of one flow-through common share and one share purchase warrant exercisable for 24 months at $0.29. The shares will be issued having a hold period expiring November 5, 2017.

A finder's fee of $19,999.99 cash, 38,462 common shares, 38,462 warrants and $7,500 administration fees will be paid to EMD Financial Inc. of Montreal, Quebec.

The proceeds will be used to complete option payments.

The Company was also successful in closing $298,507.60 for 1,462,538 Units. Each Unit consists of one common share priced at $0.20 per share and one share purchase warrant exercisable for 36 months at $0.29. The shares will be issued having a hold period expiring November 5, 2017.

A finder's fee of $23,880.61 cash, 117,003 common shares and 117,003 warrants will be paid to Secutor Capital Management Corp. The proceeds of the financing will be used for general operating purposes.

On July 5, 2017, the Company announced that further to its press release dated June 23, 2017, the Company has been successful in closing a 1st tranche of its private placement announced as to $548,507.48. The Company has issued: (1) 961,538 Flow-Through Units (the "FT Units") at a price of $0.26 per FT Unit. Each FT Unit consists of one flow-through common share and one warrant exercisable for 24 months at $0.29; and (2) 1,492,538 Units (the "Units") at a price of $0.20 per Unit. Each Unit consists of one common share and one share warrant exercisable for 36 months at $0.29. The shares have been issued having a hold period expiring November 5, 2017 and November 6, 2017. Finder fees of (1) $19,999.99 cash, 38,462 common shares, 38,462 warrants and $7,500 administration fees has been paid/issued to EMD Financial Inc. of Montreal, Quebec; and (2) $23,880.61 cash and 119,403 warrants has been paid/issued to Secutor Capital Management Corp. of Toronto, ON. The proceeds will be used to complete option payments and working capital. The Company also wishes to clarify and update shareholders that it will not be proceeding with the financing announced on April 4, 2017.

On July 31, 2017, the Company announced that it has agreed to repay the outstanding loan owed to Graphene ESD Corp. of $144,998.05 plus interest of 1% annually pursuant to the Promissory Note effective November 6, 2015. Lomiko Metals' 100% owned subsidiary Lomiko Technologies has retained a 40% ownership of Graphene ESD. Lomiko Technologies has agreed to transfer 1,278,790 common shares of Graphene 3D Lab Inc. ("GGG") held by the Company which are held in escrow and subject to release on August 8, 2017. GGG is a publicly traded company whose shares trade on the TSX-V.

Subsequent events

On July 31, 2017, the Company announced that it has agreed to repay the outstanding loan owed to Graphene ESD Corp. of US $110,000 plus interest of 1% annually pursuant to the Promissory Note effective November 6, 2015. Lomiko Metals' 100% owned subsidiary Lomiko Technologies has retained a 40% ownership of Graphene ESD.

Lomiko Technologies has agreed to transfer 1,278,790 common shares of Graphene 3D Lab Inc. ("GGG") held by the Company which are held in escrow and subject to release on August 8, 2017. GGG is a publicly traded company whose shares trade on the TSX-V.

When the transfer is completed, the outstanding debt of the Company to Graphene ESD will be extinguished in full. The Company discloses that Paul Gill is a director of both the Company and Graphene ESD and, as of today, resigned from the Board of Directors of Graphene 3D Lab.

Lomiko will retain a 40% holding in the private company Graphene ESD which has undertaken a Graphene Supercapacitor patent application with Stony Brook University. The SBU team lead by Dr. Samuilov discovered a novel method for assembly of high-voltage Supercapacitor units. The SBU team assembled and tested a 10 V Supercapacitor energy storage unit, thus proving feasibility of the high-voltage design. This development opens avenue for new low-cost energy storage products. Currently, GESD is working on scale-up of the technology and an in-field evaluation of the energy storage unit.

The above settlement has been approved by the Exchange and the $144,998.05 plus accrued interest was extinguished in full on September 18, 2017.

On August 23, 2017, the Company closed the 2nd tranche of its private placement and has issued 192,920 Flow-Through Units at a price of $0.26 per FT Unit. Each FT Unit consists of one flow-through common share and one warrant exercisable for 24 months at $0.29; and 2,670,000 Units at a price of $0.20 per Unit. Each Unit consists of one common share and one share warrant exercisable for 36 months at $0.29. The shares have a hold period expiring December 24, 2017.

On September 13, the Company announced that its Board of Directors (the "Board") has approved the renewal of the Shareholder Rights Plan (the "Plan") which was ratified at its annual and special meeting of the shareholders on October 30, 2014. The Plan had an initial term which will expire at the Company's annual general meeting of shareholders to be held on October 27, 2017. Lomiko will not be renewing the Plan in response to any specific proposal to acquire control of its outstanding securities. The Plan will be similar to plans adopted by other Canadian companies and ratified by their shareholders. It is not the intention of the Plan to entrench management or prevent a change of control of Lomiko to the detriment of shareholders. The Plan will not apply to takeover bids that meet certain requirements including that the bid be made by way of a takeover bid circular and be left open for at least 60 days so as to ensure that shareholders will have an adequate opportunity to assess the merits of any such bid. The Plan has been designed to encourage the fair and equal treatment of shareholders in connection with any takeover bid for Lomiko's outstanding securities, and will provide the board of directors with additional time to assess the advantages and disadvantages of any particular offer, and to seek out alternative proposals in the best interests of all shareholders. If renewed and ratified, the Plan will have an initial term which will expire at Lomiko's annual general meeting of shareholders to be held in 2020; the Plan may also be reconfirmed and extended at that annual general meeting and at every third annual general meeting thereafter.

The new Plan was ratified at the Company's 2017 Annual General Meeting of shareholders on October 27, 2017. The Plan has an initial term which will expire at Lomiko's annual general meeting of shareholders to be held in 2020; the Plan may also be reconfirmed and extended at that annual general meeting and at every third annual general meeting thereafter.

On November 8, 2017, the Company closed the 1st tranche of a private placement, announced October 27, 2017, and issued 2,000,000 units at $0.14 for gross proceeds of $280,000. Each unit will be comprised of one common share and one share purchase warrant, with each whole warrant exercisable into one common share at a price of $0.20 for a period of two years from closing. All securities will be subject to a four-month plus one day hold period from the closing. Proceeds of the private placement will be used to complete further drilling at the La Loutre Property in the Refractory Zone in order to define a resource in compliance with 43-101 and for working capital. A finder's fee of $19,600 will be paid to Secutor Capital Management Corp. of 1167 Caledonia Road, Toronto, ON, M6A 2X1

On November 22, 2017, the Company announced that it has been assigned the Legal Entity Identifier ("LEI") number 529900GJP51V4HR9MN94 through registration with WM Datenservice. The European Union has adopted regulations that require use of the LEI as a barcode equivalent aimed at reducing risks to investors.

The Legal Entity Identifier (LEI) is an internationally standardized and globally valid identifier for participants in the financial market and serves to unambiguously identify business partners (eg companies, banks or investment funds) and to fulfill certain reporting obligations to supervisory authorities. What's new in comparison to existing systems is the global solution across all countries, markets and legal systems. The global adoption of a unified legal entity identification system is expected to reduce costs for businesses, as well as the financial market as a whole, improve risk management and promote transparency in the financial markets.

On November 24, 2017, the Company closed the 2nd tranche and issue 5,330,143 units at $0.14 for gross proceeds of $746,220. Each unit will consist one common share and one share purchase warrant, with each whole warrant exercisable into one common share at a price of $0.20 for a period of two years from closing; and 645,000 units at $0.16 for gross proceeds of $103,200. Each unit will be comprised of one flow-through common share and one-half share purchase warrant, with each whole warrant exercisable into one common share at a price of $0.26 for a period of two years from closing. All securities will be subject to a four-month plus one day hold period from the closing. Proceeds of the private placement will be used to complete further drilling at the La Loutre Property.

Disclosure of Internal Controls

Management has established processes to provide sufficient knowledge to support representations that reasonable due diligence has been exercised to ensure that

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

On behalf of the Board,

"Paul Gill"
Paul Gill, President & CEO