LOMIKO METALS INC.
Form 51-102
Management Discussion and analysis
Third Quarter 2013 ended April 30, 2013

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The following discussion and analysis of Lomiko Metals Inc. (the "*Issuer*" or the "*Company*"), is prepared as of June 19th, 2013 and should be read together with the annual consolidated financial statements and the corresponding notes thereto for the year ended July 31st, 2012. The financial statements have been prepared in accordance with International Financial Reporting Standards.

The reader should also refer to the interim financial statements for the period ended April 30th, 2012 and the Management Discussion and Analysis for that year.

The reader should also refer to the Management Discussion and Analysis for that year.

All amounts are stated in Canadian dollars unless otherwise indicated.

Forward Looking Statements

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

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

Overview

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

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

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

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, Jacqueline Michael, Julius Galik and Brian Gusko. The directors that compose the audit committee are Jacqueline Michael, Julius Galik and Brian Gusko. The Advisory Board comprises of Dr. Dietmar Siebholz, Mr. Kumara Rachamalla, Dr. Elena Polyakova and Dr. Daniel Stolyarov.

MINERAL PROPERTIES

The Company is engaged in the acquisition, exploration and development of the following mineral properties:

Vines Lake

On April, 10th, 2006, the Company purchased 100% interest in the Vines Lake property, consisting of three contiguous claim units totaling 1,196.4 in the Cassiar region of B.C. The property is located approximately 10 kilometers southeast of the town of Cassiar, B.C. The claims cover rocks of the Sylvester group which are known to contain productive zones of gold mineralization in the area. The claim group is located approximately 2 kilometers north-east of the former Erickson Gold Mine. Highway 37 intersects the property and there are excellent service facilities nearby. The area is on the Arctic slope with elevations ranging from 1,000 to 2,150 meters. There are no extraordinary environmental problems known as of this date.

The Company paid the vendor, a director in the Company, $10,000 in cash and issued 480,000 common shares (post 1:4 share split basis, Oct. 7, 2008) at a deemed value of $60,000 for a total acquisition cost of $70,000 and a 2% NSR.

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

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

The Company has completed a NI 43-101 technical report compiled by Kirkham Geosystems Ltd.

On June 27th, 2011, the Company announced that it has staked an additional 414 Ha directly west of its Vines Lake claims in the Cassiar District of British Columbia and on August 3rd, 2011, the Company added another 3,684 Ha claims directly south of the Vines Lake, BC property.

On August 3rd, 2011, the Company staked a further 3,684 Ha directly south of the Vines Lake, BC claims. Lomiko now holds the rights to mineral tenures totaling 5407 Ha located in the southwestern corner of the Cassiar District of BC.

On July 21st 2011, the Company reported that it has completed Phase 1 of the 2011 exploration program at Vines Lake, BC. The exploration team completed soil geochemistry survey at 50m spaced sample sites on 200m spaced lines. The soil grid covers a total of 74.7 line kilometers including the claim lines. A total of 1,358 soil samples were taken, bagged and sent to Stewart Group – Eco Tech Division, in Kamloops, BC for analysis and further assaying. The exploration program was designed to target both potentially high-grade gold vein systems, as seen at the adjacent Table Mountain Mine, in addition to the prospect of intrusion related mineralization. Phase 2 of the 2011 exploration program includes geological mapping and diamond drilling.

The results of the 2011 exploration program show that Zinc values in soil on the Western side of Vines Lake were by far the most anomalous on the property with values reporte4d up to 2,429 ppm. One anomalous zone on the west side of the property measures roughly 122 hectares with an average Zinc value of 425 ppm.

In July/August/September 2012, the Company embarked upon phase 2 of its exploration program with further mapping and soil sampling and is awaiting the results of this endeavour.

To date, the Company has spent a total of $501,239.92 on the Vines Lake exploration and property claim renewals and $72,884.42 on acquisition costs.

Karolina Chile Lithium Claims (Salar de Aguas Calientes)

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

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

- The Karolina Claims are in an excellent location adjacent to the main sealed highway
- The Salar has significant surface brines known to contain Lithium
- The claims purchased surround a mining concession held by Sociedad Quimica y Minera de Chile S.A. (NYSE:SQM) at Salar de Aguas Calientes
- The demand for Lithium is anticipated to grow 25% per year to meet or increase global production requirements

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

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

The Company completed the purchase of the remaining 50% ownership in the Karolina Claims with Brian Gusko. Upon Exchange approval, Mr. Gusko received a total of $50,000 in cash (from which $10,000 was credited towards legal fees) and was issued 1 million of the Company’s common shares at a deemed value of $0.065 per share equalling $65,000 on November 11th, 2009.

The total acquisition cost for the Karolina Lithium Claims in Chile was CAD $145,000 and $30,647.19 in initial exploration analysis and claim renewal fees.

In June 2012, the Company chose not to renew the claims on this property, thus abandoning it due to environmental restrictions on the property. To that end, a total of $175,647 has been written off for this property.

Quatre Milles East (Graphite), Quebec

On November 12th, 2011, the Company announced that it had signed an Option Agreement (the "Agreement") with Zimtu Capital Corp. and one of their prospecting partners (the "Vendors") to acquire 100% interest in the Quatre Milles (Graphite) Property in Quebec (the "Property").

The Quatre Milles Property is road accessible and is located 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 property was originally staked and explored by Graphicor Resources Inc. ("Graphicor") in the summer of 1989 based on the results of a regional helicopter-borne EM survey. The underlying geology consists of intercalated biotite gneiss, biotite feldspar gneiss, marble, quartzite and calcsilicate lithologies of the Central Metasedimentary Belt of the Grenville Province.

The terms of the Agreement between the Company and the Vendors is as follows:

- In November 2011, the Company paid $25,000 in cash upon signing the Agreement and issued 1 million common shares upon the TSX Venture Exchange (TSX-V) acceptance of the Agreement on March 26th, 2012
- On September 26th, 2012, the Company paid a further $25,000 in cash and issued 500,000 common shares to the Vendors (six months from Exchange acceptance).
- The Company must issue 1 million common shares to the Vendors on March 26th, 2013 (twelve months from Exchange acceptance).
- The Company must issue 1.5 million shares to the Vendors on March 26th, 2014 (twenty-four months from Exchange acceptance.)
- Between April 2012 – October 2012, the Company completed $316,717 in exploration work on the property, thus satisfying the terms of the agreement, being a minimum of CAD $200,000 in exploration work required on the Property within the first 12-month period.
- The Vendors will retain a 2% net smelter royalty on the Property, of which the Company can purchase 1% for CAD$1 million.

The Company completed a 43-101 technical report on the Quatre-Milles property in March 2012 which was conducted by Consul-Teck Exploration Services.

From April 2012 – September 2012, the Company completed Phase 1 of its exploration program on the property with mapping/sampling and drilled a total of 23 holes over 1600 metres. The analysis results of this project done by Acme Metallurgical Limited of BC had encouraging results indicating moderate to high grade graphite content. The 2012 drilling program intercepted wider zones of graphite than were found historically with some holes containing visible large flake graphite.

The graphite characterization testing based on composites of seven (7) graphite drill samples from the Quatre Milles East property has reported 75.3% of material tested was >200 mesh and classified as graphite flake with 38.36% in the >80 mesh, large flake category. 85.3% of test results higher than the 94% carbon purity considered high carbon content, with the median test result being 98.35%.

The highlight of testing was the nine (9) sieve samples which captured flakes of varying sizes which tested 100% carbon. In addition, two (2) tests of -200 fine material also tested 100% carbon content. This characterization testing provides a clear indication of the size distribution of the graphite flakes present in the samples. Complete metallurgical studies are warranted upon completion of a resource on the property. The company had submitted 7 composites for testing to Global Mineral Resources (GMR) Laboratories of Vancouver for this evaluation. The composites provide a non-representative yet wide-ranging sample of the property's graphite distribution by mesh size, industry classification and carbon purity.

To date, the Company has spent a total of $321,967.13 on exploration expenses and $137,500 in acquisition costs.

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. As at April 30th, 2013 a total of $1,044,671.46 was recorded for acquisition and exploration expenses on its mineral properties. All of these costs were deferred.

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

Vines Lake – Cassiar District, BC					
Date	**Description**	**Cash**	**Shares**	**Price**	**Amount**
05/15/2006	Acquisition Cost	10,000.00			10,000.00
05/15/2006	Acquisition Cost		120,000	0.50	60,000.00
08/09/2011	Acquisition Cost/claims	2,884.42			2,884.42
02/20/2007	Property claim renewal	5,323.28			5,323.28
01/28/2008	Property claim renewal	5,324.61			5,324.61
06/23/2008	Geophysical aerial survey	25,000.00			25,000.00
07/29/2008	Geophysical aerial survey	20,000.00			20,000.00
10/23/2008	Geophysical aerial survey	5,000.00			5,000.00
01/16/2009	Property claim renewal	5,323.28			5,323.28
5/31/2011	Initial exploration costs	5,850.00			5,850.00
06/30/2011	Exploration costs	83,719.25			83,719.25
07/30/2011	Exploration costs	85,841.74			85,841.74
08/31/2011	Exploration costs	43,693.33			43,693.33
09/30/2011	Exploration costs	101,645.87			101,645.87
10/31/2011	Exploration costs	9,123.77			9,123.77
11/12/2012	Exploration costs	560.47			560.47
12/31/2011	Exploration costs	6,522.99			6,522.99
01/31/2012	Exploration costs	10,255.29			10,255.29
03/31/2012	Exploration costs	2,800.00			2,800.00
04/30/2012	Exploration costs	9,363.11			9,363.11
07/31/2012	Exploration costs	38,212.83			38,212.83
08/31/2012	Exploration costs	15,200.64			15,200.64
09/30/2012	Exploration costs	11,875.00			11,875.00
10/31/2012	Exploration costs	2,043.98			2,043.98
12/31/2012	Exploration costs	6,360.48			6,360.48
04/30/2013	Exploration costs	2,200.00			2,200.00
	Total Vines Lake	**514,124.34**	**120,000**		**574,124.34**

Karolina Chile Lithium Property (Salar de Aquas Calientes)					
Date	Description	Cash	Shares	Price	Amount
06/11/2009	Acquisition cost	30,000.00			30,000.00
06/19/2009	Acquisition cost	10,000.00			10,000.00
08/02/2009	Acquisition cost	10,000.00			10,000.00
11/11/2009	Acquisition cost	30,000.00			30,000.00
11/11/2009	Acquisition cost		1,000,000	0.065	65,000.00
03/19/2010	Mining concession fee	3,165.70			3,165.70
04/09/2010	Baseline project exploration cost	24,481.49			24,481.49
04/05/2011	Property claim renewal	3,000.00			3,000.00
06/30/2012	Property abandoned	-110,647.19			-175,647.19
	Total Karolina	**0.00**	**1,000,000**		**0.00**
Quatre Milles East (Graphite) QC					
11/12/2011	Acquisition cost	25,000.00			25,000.00
03/27/2012	Acquisition cost		1,000,000	0.035	35,000.00
03/31/2012	43-101 Report	27,497.59			27,497.59
09/27/2012	Acquisition cost	25,000.00			25,000.00
09/27/2012	Acquisition cost		500,000	0.035	17,500.00
06/30/2012	Exploration costs	45,639.38			45,639.38
09/30/2012	Exploration costs	216,044.66			216,044.66
10/31/2012	Exploration costs	27,535.50			27,535.50
03/26/2013	Acquisition costs		1,000,000	0.035	35,500.00
04/30/2013	Exploration costs	5,250.00			5,250.00
	Total Quatre Milles E	**371,967.13**	**2,500,000**		**459,467.13**
Quatre Milles West (Graphite) QC					
09/30/2012	43-101 Report	5,498.75			5,498.75
10/31/2012	43-101 Report	5,581.24			5,581.24
	Total Quatre Milles W	**11,079.99**			**11,079.99**
	Total Acquisition costs				**210,384.42**
	Total Deferred expenses				**834,287.04**
	Grand Total	**897,171.46**	**3,820,000**		**1,044,671.46**

Third Quarter 2013 Financial Activities

The following events took place in the Company during the third financial quarter of 2013.

On February 1, 2013, the Company issued 825,000 Options at $0.10 each to directors and consultants. The Options are exercisable for up to 60 months from the date of grant and are subject to a 4 month hold period.

On February 12, 2013, The Company announced a Strategic Alliance Agreement with Graphene Laboratories Inc. ("Graphene Labs"), a privately held New York company currently providing graphene to thousands of scientists at leading institutions around the globe.

According to the terms of the alliance, Lomiko and Graphene Labs agree to co-develop a vertically integrated supply chain that includes a secure supply of high-quality graphite, cost-effective and scalable processing, tight quality control and integration of graphene-based products in end-user products. The parties will capitalize on the secure supply of high quality graphite, provided by Lomiko, and the extensive customer database and expertise in graphene materials brought by Graphene Labs.

Lomiko will provide mineral samples from the Quatre Milles Project required for testing natural high quality flake graphite for graphene conversion over the two year Agreement.

Graphene Labs will develop a feasible procedure for the purification of flake graphite for use in graphene production, and will provide guidance on technologies tailored to the production of graphene and graphene-related materials.

The Agreement also calls for joint Research and Development, Public Relations efforts, and business and marketing strategy for end uses of the graphite and graphene products. Lomiko will also have the option to provide equity financing(s) to Graphene Labs on an exclusive basis for two years providing that it meets Graphene Labs funding criteria of raising at least $ 500,000 US Dollars within eight months of the agreement,$ 1,000,000 US Dollars within twelve (12) months and $ 2,000,000 US Dollars within eighteen (18) months. If the conditions are not met, Lomiko loses the exclusivity but keeps the right to participate in financings on a non-exclusive basis. The Agreement is subject to approval by the TSX.

Graphene Laboratories, Inc., located in Calverton, NY, specializes in the manufacture and sale of research materials to R&D markets, with the world's largest selection of advanced and 2D materials. Having been first in the market to introduce graphene materials for research use, the company is working towards industrial-scale production of graphene and graphene-like materials, currently with pilot-scale production capabilities. The team at Graphene Laboratories are recognized experts in graphene materials, with staff regularly presenting at international conferences and exhibitions. Researchers at Graphene Labs also specialize in custom projects and R&D.

On March 15th, 2013, the Company reported metallurgical characterization testing based on a composite of seven graphite drill samples from the Quatre Milles East property has reported 75% percentage of graphite flake with 38.36% large flake higher than 94% purity. The highlight of testing was the 9 sieve samples which captured flakes of 100% pure carbon. Further, 2 tests of -200 fine material exiting sieves indicated 100% pure carbon content. Both fine and flake material may be amenable to graphene production and all sample types of grade and purity will be tested by Lomiko Metals Inc. partner Graphene Labs.

On April 16th, 2013, The Company reported that it had prepared a variety of high to ultra pure carbon flake graphite samples for testing by Strategic Alliance Partner Graphene Laboratories Inc. ("Graphene Labs"), which has been involved in researching graphene and the development of graphene-related products. This fulfills part of the terms in the strategic alliance that Lomiko has with Graphene Labs.

On April 19th, 2013, the Company announced a private placement financing to raise up to $500,000 from eligible participants through the sale of up to 8,333,333 units of the Company at a price of $0.06 per unit. The units will consist of one common share and one warrant exercisable for up to one year at $0.10 and is subject to Exchange approval. The net proceeds of the financing will be used for general working capital.

On April 30th, The Company announced that Dr. Elena Polyakova and Dr.Daniel Stolyarov have joined the Advisory Board of Lomiko Metals Inc.

Dr. Elena Polyakova founded Graphene Laboratories in 2009 as President and Chief Executive Officer. Since founding Graphene Laboratories, the company has grown to be the leading manufacturer and supplier of graphene materials. Dr. Polyakova is an invited speaker at many international forums and conferences, and her input on the graphene industry is regularly published by journalists covering business and technology.

Dr. Polyakova has won numerous awards for her entrepreneurship, including Mass High Tech's Women to Watch award (2011) and the Hauppauge Industrial Association of Long Islands' Young Entrepreneur award (2012).

She received her Masters' degree in Physics and Applied Mathematics with honors from the Moscow Institute of Physics and Technology, and her Ph.D. in Chemistry from the University of Southern California. During Dr. Polyakova's post-doctoral work at Columbia University, her work on graphene was published in many leading peer-reviewed journals, which she co-authored with Nobel and Kalvi prize winners, as well as members of the National Academy of Sciences. It was then that she realized the commercial potential of graphene, which led to the founding of Graphene Laboratories, Inc.

Dr. Daniel Stolyarov co-founded Graphene Laboratories in 2009 and has since served as Chief Technology Officer. At Graphene Laboratories, he leads efforts to introduce new materials to the Graphene Supermarket product line. He also overviews all production efforts and leads all collaborative R&D projects of Graphene Labs. His work continues to play a critical role in securing Graphene Labs place as a leader in the manufacture and sale of 2D materials.

He received his Masters' degree in Physics and Applied Mathematics with honors from the Moscow Institute of Physics and Technology, and his Ph.D. in Physical Chemistry from the University of Southern California. During his academic career, his work on graphene was published in many leading peer-reviewed journals, which he co-authored with Nobel and Kalvi prize winners, as well as members of the National Academy of Sciences.

On April 30th, 2013 The Company granted 200,000 stock options at .10 to each of the above new Advisor exercisable for up to 60 months from the date of grant. The options are subject to a four-month hold period commencing April 30, 2013. The options granted are in accordance with the company's stock option plan.

<u>Subsequent events</u>

On May 29th, 2013, the Company announced a Stategic Alliance Agreement with that SUNY Research Foundation at Stony Brook University (RF) and Graphene Laboratories, Inc. (Graphene Labs). The three parties have agreed to investigate novel, energy-focused applications for graphene. Under this Alliance Agreement with Lomiko, Graphene Labs, a leading graphene manufacturer, will process graphite samples from Lomiko's Quatre Milles property into graphene. The Research Foundation, through Stony Brook University's Advanced Energy Research and Technology Center (AERTC) and the Center for Advanced Sensor Technology (Sensor CAT), will then examine the most efficient methods of using this graphene for energy storage applications. There is no certainty the proposed operation will be economically viable.

On June 7th, 2012, the Company announced that Dr. Elena Polyakova and Dr. Daniel Stolyarov of Graphene Laboratories, NY, have joined Lomiko Metals Inc. to create a research and Development Department. Primary tasks for the Research and Development Department will be to over see and coordinate the research activities on conversion of the graphite from the Company's Quatre-Milles, Quebec property into graphene, which are currently underway. The department will also oversee end use projects in conjunction with customers of Graphene Laboratories Inc. which include leading universities, Fortune 500 as well as startup companies, world-wide.

Dr. Polyakova and Dr. Stolyarov will each receive $50,000 per year under a contract of service.

On June 12th, 2013, the Company completed a private placement financing through the sale of 2,495,000 units of the Company (the "Units") at a price of $0.06 per Unit for total gross proceeds of $149,700. Each Unit consists of one common share of the Company and one common share purchase warrant (a "Warrant"). Each Warrant is exercisable into one common share of the Company for a period of 12 months from the closing date at an exercise price of $0.10. The shares are subject to a four-month hold period. The funds raised from the issuance of the securities shall be used for general working capital.

Nature of Business and Going Concern

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

The Company is in the exploration stage and has not yet determined whether its properties contain enough mineral reserves such that their recovery would be economically viable. Its exploration and development operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In order to carry out exploration and mining activities, the Company is required to hold certain permits. There is no assurance that the Company's existing permits will be renewed or that new permits that have been applied for will be granted.

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

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

Basis of preparation and adoption to IFRS

Statement of compliance and basis of measurement

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

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

Basis of measurement

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

Use of estimates and judgments

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

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

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

Consolidation

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

Cash and cash equivalents

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

Functional and presentation currencies

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

Use of estimates and judgments

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to ccounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the consolidated financial statements is included in the notes to the financial statements where applicable.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, The Conac Group Inc., incorporated in British Columbia, and Conac Software (USA) Inc., incorporated in Washington, USA., and Lomiko Metals LLC, which was incorporated on October 1, 2009 in Colorado, USA. All inter-company accounts and transactions have been eliminated.

Adoption of new accounting policies

Certain new standards, interpretations and amendments to existing standards were issued by the

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

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

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

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

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

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

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

Critical accounting estimates and judgments
Title to mineral property interests
The Company has taken steps to verify title to mineral properties in which it has an interest; these procedures do not guarantee the Company's title. Such properties may be subject to aboriginal interests arising from treaty rights. Title may also be affected by undetected prior agreements, transfers and other defects. The Company capitalizes all costs related to investments in mineral property interests on a property-by-property basis. Such costs include mineral property acquisition or staking costs and exploration and development expenditures, net of any recoveries. Costs are deferred until such time as the extent of mineralization has been determined and mineral property interests are either developed or the Company's mineral rights are allowed to lapse. All deferred mineral property expenditures are reviewed, on a property-by-property basis,

to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, provision is made for the impairment in value. The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the property interests are abandoned or the claims are allowed to lapse.

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

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

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

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

Financial instruments
The Company classifies its financial assets into one of the following categories depending on the purpose for which the instruments were acquired:

Financial assets and liabilities at fair value through profit or loss A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short term. Cash and cash equivalents, and marketable securities are included in this category. Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the statement of operations. Gains and losses arising from changes in fair value are presented in the statement of operations in the period in which they arise.

Available-for-sale
Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories. The Company does not have any instruments classified in this category. Available-for-sale investments are recognized initially at fair value plus transactions costs and are subsequently carried at fair value. Gains or losses arising from changes in fair value are recognized in other comprehensive income. When an available-for-sale investment is sold or impaired, the accumulated gains or losses are moved from accumulated other comprehensive income to the statement of operations and are included in other gains and losses.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables comprise amounts receivable due to their short-term nature. Loans and receivables are initially recognized at the amount expected to be received, less when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.

Financial liabilities at amortized cost
Financial liabilities at amortized cost include accounts payable and accrued liabilities. Accounts payable and accrued liabilities are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, accounts payable are measured at amortized cost using the effective interest method. Financial liabilities are classified as current liabilities if payment is due within twelve months. Otherwise they are presented as non-current liabilities.

Functional and presentation currencies
The functional and reporting currency of the Company is the Canadian dollar. Transactions in foreign currencies are translated into the currency of measurement at the exchange rates in effect on the transaction date. Monetary balance sheet items expressed in foreign currencies are translated into Canadian dollars at the exchange rates in effect at the balance sheet date. The resulting exchange gains and losses are recognized in operations.

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 shares 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 expenses 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.

The Company may also be subject to a Part XII.6 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.

Stock based compensation
Equity-based payments to employees and others providing similar services are measured at fair value of the equity instruments at the grant date. The Company records compensation cost based on the fair value method of accounting for share-based payments. The fair value of stock options is determined using the Black-Scholes option pricing model and is recognized over the vesting period as compensation expense and share-based payment reserve. When options are exercised, the proceeds received, together with any related amount in share-based payment reserve, will be credited to capital stock.

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 payments exceeds the fair value of the equity instruments granted, measured at the repurchase date. Any such excess is recognized as an expense.

Operating loss
Operating loss is comprised of general administrative costs incurred by the Company, which are not specific to evaluation and exploration projects and all impairment charges relating to intangible assets and financial assets during the year. Operating loss is stated before finance income, finance costs and other gains and losses.

Comprehensive income or loss
Comprehensive income or loss is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit such as unrealized gains or losses on available-forsale investments, gains or losses on certain derivative instruments and foreign currency gains or losses related to self-sustaining operations. The Company's comprehensive income or loss, components of other comprehensive income, and cumulative translation adjustments are presented in the consolidated statements of comprehensive income or loss and the consolidated statements of changes in equity.

Earnings or loss per share
Basic and fully diluted earnings or loss per share is calculated on the weighted average number of shares outstanding during the year.

The treasury stock method is used to determine the dilutive effect of stock options and warrants. In order to determine diluted earnings or loss per share, the treasury stock method assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted earnings or loss per share calculation. In the Company's case, diluted loss per share presented is the same as basic loss per share as the effect of outstanding share options and warrants in the loss per share calculation would be anti-dilutive.

Income taxes
The Company uses the balance sheet method of accounting for income taxes. Under the balance sheet method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from 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 the related tax benefit will be realized.

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

	April 30, 2013	**July 31, 2012**
Cash	$ 5,091	$ 410,792
Cash equivalents	3,027	3,004

	$ 8,118	$ 413,796

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

Income Tax

The reconciliation of the income tax recovery, calculated using the combined Canadian federal and British Columbia provincial statutory income tax rate of 25.63% (2011 - 27.34%)

	2012	**2011**
Loss before income taxes	$ (878,287)	(744,268)
Expected income tax recovery	(225,105)	(203,483)
Adjustments to benefits resulting from:		
Share-based compensation	19,684	20,463
Exploration costs	51,170	51,214
Change in tax rate	4,117	4,958
Other	(13,235)	(9,663)
Tax benefits not recognized	163,369	136,511
Deferred income recovery	$ -	-

The Company has incurred losses for Canadian income tax purposes that may be carried forward to reduce income of future years that would otherwise be subject to income tax. The aggregate amount of the losses is $3,384,593.

The losses expire as follows:

2014	$ 802,097
2015	12,827
2027	110,806
2028	130,858
2029	462,824
2030	679,076
2031	532,623
2032	653,482
	$ 3,384,593

The potential tax benefits of the losses have not been recognized in the financial statements.

The Company has Canadian development and exploration expenditure pools for tax purposes of approximately $1,055,820 at July 31st, 2012 that may, in certain situation be applied to reduce taxable income in subsequent years.

The unamortized balance of share issue costs amount to approximately $156,825 as of July 31st, 2012.

The significant components of the Company's deferred income tax assets which have not been recognized are as follows:

	2012	**2011**
Non-capital losses	846,148	699,984
Share issue costs	39,206	51,065
Exploration properties	263,955	194,917
	1,149,309	945,966

Other Requirements

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

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

Fair Value
The Company classifies its fair value measurements in accordance with an established hierarchy that priorities the inputs in valuation techniques used to measure fair value as follows:
Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2 - Inputs other than quoted prices that are observable for the assets or liabilities either directly or indirectly, and
Level 3 - Inputs that are not based on observable market date

The following table sets for the Company's financial assets measured at fair value by level within the fair value hierarchy:
Level 1 = $8,118; Level 2 = $ -; Level 3 = $ -; Total Cash and cash equivalents $8,118

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

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2013, the Company had cash and cash equivalents of $8,118 to settle accounts payable and accrued liabilities of $251,413.

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

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

Foreign currency risk
The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company conducted property examinations in other countries outside of Canada in prior years, and is now focused on explorations in Canada. Management believes that

the foreign exchange risk derived from currency conversions for property examinations incurred in other countries outside of Canada is not significant and therefore does not hedge its foreign exchange risk.

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

Capital risk management
The Company's primary objective for managing its capital structure is to maintain financial capacity for the purpose of sustaining the future development of the business and maintaining investor, creditor and market confidence. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company considers its capital structure to consist of shareholders' equity.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's share capital is not subject to any external restrictions. The Company has not paid or declared any dividends since the date of incorporation, nor are any currently contemplated. There have been no changes to the Company's approach to capital management during the year.

Environmental regulations
The current and future operations of the Company that are conducted in Canada are subject to environmental regulations promulgated by the Governments of Chile and Canada. Current environmental legislation in Canada and Chile provides for restoration of mine sites and safe disposal of any chemicals extracted or used in the mine development. In addition, certain types of operations may require the submission and approval of environmental impact assessments. The existing operations of the Company are subject to such environmental policies and legislation. Environmental legislation and policy is periodically amended. Such amendments may result in stricter standards and enforcement and in more stringent fines and penalties for non-compliance. Environmental assessments of existing and proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The costs of compliance associated with changes in environmental regulations could require significant expenditures, and breaches of such regulations may result in the imposition of material fines and penalties. In an extreme case, such regulations may result in temporary or permanent suspension of production operations. There can be no assurance that these environmental costs or effects will not have a material adverse effect on the future financial condition or results of the operations of the Company.

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

Regulatory Risk

The operations of all mineral explorers and producers are subject to extensive controls and regulations imposed by various levels of government. The Company monitors and adheres to all regulations which could affect its operations and has established standards of operating practice which are designed to minimize risk to our employees, the community and the environment. Changes to regulations could have an adverse effect on the Company's results of operations and financial condition.

Officers & Directors

Directors and officers have a duty to exercise due diligence in overseeing the activities of the Company. They are required to act in "good faith" and in the best interest of the Company.

Expenses

The Company incurred $451,239 in total operational expenses for the nine-month period ended April 30th, 2013, as compared to $510,655 for the same period last year.

Third Quarter 2013 Results

The period ended April 30, 2013 shows a net loss of $451,215 and a working capital deficit of $234,653.

During the nine-month period ended April 30, 2013, total operating expense decreased by $59,414.27 compared to the same period last year. This was mainly due to the fact that there were no investor relations expenses or mineral property write-downs for this financial quarter.

Consulting expenses related to the Vines Lake exploration and for advisory services provided by two consultants from Graphene Labs, NY.

Shareholders Communications related to the Company's mail out costs.

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

Six-month operational expenses	**April 2013**	**April 2012**
Office and sundry expenses	16,107.32	17,845.75
Telephone/Fax	2,201.18	2,032.51
Travel	17,872.34	13,142.71
Advertising & Promotion	161,933.42	173,933.07
Management & Subcontract Fees	90,000.00	90,000.00
Legal	11,476.05	12,054.34
Investor Relations	-	45,000.00
Consulting/Professional	28,277.35	9,000.00
Accounting/Audit	8,594.14	7,792.60
Exchange & Transfer Agent Fees	21,375.60	28,253.74
Shareholder Communications	17,518.42	11,608.14
Write down on mineral properties	-	24,000.00
Shared-based compensation	75,884.20	75,991.43
Total	**451,240.02**	**510,654.29**

Revenue

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

Net Income/Loss

The Company recorded a net loss of ($451,215) and (0.01) loss per share for the nine-month period ended April 30, 2013, as compared to a net loss of ($510,607) and (0.01) loss per share for the same period last year.

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

	April 13 IFRS	Jan 13 IFRS	Oct 12 IFRS	Jul 12 IFRS	Apr 12 IFRS	Jan 12 IFRS	Oct 11 IFRS	July 11 IFRS
Revenue	0	0	0	0	0	0	0	0
Net Loss	(451)	(259)	(135)	(878)	(511)	(232)	(139)	(577)
Loss per Share	(0.01)	(0.00)	(.002)	(0.015)	(0.01)	(0.00)	(.008)	(0.016)

Selected Annual Information

Revenue, net loss, diluted loss per common share, total assets and total long-term liabilities for the year ended July 31, 2012, with the year ended July 31, 2011 and with the year ended July 31, 2010 were as follows (in thousands of Canadian dollars except for shares):

	IFRS 2012 $	**IFRS 2011 $**	**IFRS 2010 $**
Total Revenue	0	0	0
Total Assets	1,201	1,036	755
Total Long Term Liabilities	0	0	0
Net Income and comprehensive (loss)	(878)	(577)	(691)
Net Income (loss) per share basis	(0.015)	(0.016)	(0.021)
Net Income (loss) per share diluted	(0.015)	(0.016)	(0.021)

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

The Company incurred a total net loss of ($451,215) for this reporting period. The loss per share, basic and diluted was (0.01). The Company had assets of $1,065,510 of which $20,839 came from cash, receivables, and pre-paid expenses. The Company's mineral property acquisition assets comprise of $72,884.42 for the 100% acquisition of the Vines Lake Mineral Property in the Cassiar district of British Columbia and $137,500 in cash payments and shares issuance on the Quatre Milles (Graphite) Quebec Property. There was also a total of $834,287.04 in deferred exploration costs, $501,239.92 of which pertained to work done on the Vines Lake BC property in 2010/2011/2012 ; $321,967.13 incurred for the 43-101 technical report, mapping/sampling and drilling work done on the Quatre-Milles east Quebec property and $11,079.99 for the 43-101 report done on the Quatre-Milles west Quebec property, which is currently on hold and pending approval from the TSX Venture Exchange.

SHARE CAPITAL

Disclosure of outstanding shares data

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

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

Share Capital

As at April 30, 2013, the Company had 67,939,145 common shares outstanding and 75,264,145 shares on a fully diluted basis.

Category	Shares
Common shares without par value	67,939,145
Share Options	5,525,000
Share Warrants	1,800,000
Balance, April 30, 2013	**75,264,145**

Description			April 30, 2013
	Number of Shares	**Issuance Price**	**Amount $**
Issued shares			
Balance, beginning of period (July 31, 2012)	**66,439,145**		**17,352,740**
Shares issued for property	500,000	$0.35	17,500.00
Shares issued for property	1,000,000	$0.35	35,000.00
Balance, April 30, 2013	**67,939,145**		**17,405,240**

Warrants

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

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

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

Date Issued	Number Issued	Exercise Price	Weighted Average	Grant date Value
Bal. July 31, 2012	10,833,200		$0.17	$515,536
Warrants expired	(9,033,200)			
Bal. April. 30, 2013	**1,800,000**		**$0.12**	**$515,536**

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

Liquidity and Capital Resources

As at April 30, 2013, the Company's cash and accounts receivable position was $16,756 compared to $431,375 for the same period last year. The Company's working capital deficit is ($234,653).

Financing Activities

On March 1, 2012, the Company completed a private placement of $823,280 (net of share issue costs of ($80,040) by issuing 9,033,200 common shares and warrants in the capital of the Company. The common shares were issued at $0.10 per share. Each warrant is exercisable at a price of $0.15 for a period of one year. The proceeds of the offering are for exploration purposes and for general operational expenses. On May 11th, 2013, 9,033,200 of these warrants expired.

The Company has a total of 5,525,000 options and a total of 1,800,000 warrants outstanding as of April 30, 2013.

Subsequent to this reporting period, on June 12th, 2013, the Company completed a private placement financing through the sale of 2,495,000 units of the Company (the "Units") at a price of $0.06 per Unit for total gross proceeds of $149,700. Each Unit consists of one common share of the Company and one common share purchase warrant (a "Warrant"). Each Warrant is exercisable into one common share of the Company for a period of 12 months from the closing date at an exercise price of $0.10. The shares are subject to a four-month hold period. The funds raised from the issuance of the securities shall be used for general working capital.

Stock Options

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

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

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

The Company granted 200,000 incentive stock options priced at $0.10 each to directors and a consultant on July 2nd, 2008, exercisable until July 2nd, 2013.

The Company granted 1.3 million incentive stock options priced at $0.12 each to directors and a consultant on September 3rd, 2009, exercisable until September 3rd, 2014.

The Company granted 700,000 incentive stock options priced at $0.10 each to directors on November 30th, 2009, exercisable until November 30th, 2014.

The Company granted 400,000 incentive stock options priced at $0.12 each to consultants and a director on February 17th, 2010 of which 150,000 options were exercised on April 3rd, 2012 and 200,000 expired on April 4th, 2012. The remaining 50,000 options are exercisable until February 17th, 2015.

The Company granted 950,000 incentive stock options priced at $0.10 each to directors and a consultant on February 8th, 2011 of which 125,000 expired on April 3rd, 2012 and the remaining 825,000 options are exercisable until February 8th, 2016.

On August 8th, 2011, 350,000 incentive stock options were granted to the crew of the Vines Lakes exploration crew at an exercise price of $0.10. They are fully vested and expire on August 7th, 2016.

On February 13th, 2012, 775,000 incentive stock options priced at $0.10 each were granted to consultants and exercisable until February 13, 2014.

On June 1st, 2012, 100,000 incentive stock options priced at $0.10 each were granted to a consultant and exercisable until June 1st, 2017.

On February 1st, 2013, the Company granted 825,000 incentive stock options priced at $0.10 each to Directors and consultants exercisable until February 1st, 2018.

On April 30th, 2013, the Company granted 400,000 incentive stock options priced at $0.10 each to consultants exercisable until April 30th, 2018

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

Number of Options	Exercise Price	Expiry Date
200,000	0.10	July 2, 2013
1,300,000	0.12	September 3, 2014
700,000	0.10	November 30, 2014
250,000	0.12	February 17, 2015
950,000	0.10	February 8, 2016
350,000	0.10	August 8, 2016
775,000	0.10	February 13, 2014
100,000	0.10	June 1, 2017
(325,000)		November 17, 2013
825,000	0.10	February 1, 2018
400,000	0.10	April 30, 2018
5,5250,000	**0.11**	**Balance, April. 30, 2013**

The weighted average remaining contractual life of options outstanding at April 30, 2013 is 2.42 years.

Share option transactions for the period ended April 30, 2013 were as follows:

	Number of Options	Weighted Average Exercise Price
Options outstanding,		
Balance as of July 31, 2012	4,625,000	$ 0.11
Options expired	(325,000)	
Issued	1,225,000	
Balance, April 30, 2013	**5,525,000**	**$ 0.11**

Other MD&A Requirements

As at April 30, 2013, the Company had a total of 75,264,145 shares on a fully diluted basis. If the Company were to issue 7,325,000 shares upon the conversion of all of its outstanding warrants and options, it would raise a total of $795,500.

As of this period, the Company requires new financing in order to pay for its on-going operational expenses.

Subsequent to this reporting period, on June 12, 2013, the Company closed a private placement financing through the sale of 2,495,000 units of the Company at a price of $0.06 per unit for gross proceeds of $149,700. Each Unit consists of one common share of the Company and one common share purchase warrant (a "Warrant"). Each Warrant is exercisable into one common share of the Company for a period of 12 months from the closing date at an exercise price of $0.10. The shares are subject to a four-month hold period. The funds raised from the issuance of the securities shall be used for general working capital.

Off Balance Sheet Arrangements

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

Related Party Transactions

During the nine-month period ended April 30, 2013, the Company entered into the following transactions with related parties:

The Company paid $40,000 and accrued $5,000 in management fees to a company controlled by Paul Gill, President and CEO.

The Company paid $40,000 and accrued $5,000 in management fees to a company controlled by Jacqueline Michael, CFO.

The above fees were in the normal course of operations and measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Commitments and Contingencies

As at April 30, 2013, the Company held a total of $8,118 in cash and cash equivalents.

On December 28, 2011, the Company signed a property acquisition agreement with Zimtu Capital Corp. and one of their prospecting partners (the "Vendors") to acquire 100% interest in the Quatre-Milles Property in Quebec. In addition to the cash paid and share capital issued as at January 31, 2013 as outlined in the agreement, the Company is also required to:

- Pay the sum of $25,000 upon the signing of the letter agreement between the Vendors and the Purchaser, dated November 11, 2011. **Paid**

- Pay the sum of $25,000 on that day which is six months from the date of acceptance from the TSX to the Agreement. **Paid**

- Issue 1,000,000 common shares at a price of $0.035 per share pro rata to the Vendors twelve months from TSX-V acceptance of the Agreement. **Completed**

- Issue 1,500,000 common shares at a price of $0.035 per share pro rata to the Vendors twenty-four months from TSX-V acceptance of the Agreement. (Due March 26, 2014)

- Retain Consul-Teck Mineral Exploration Consultants, of Val d'Or, Quebec as consultants with respect to exploration on the property during the period which is twelve months from TSX-V acceptance (March 26, 2013). **Completed**.

- Complete a minimum of $200,000 of exploration on the Property during the period which is twelve months from the TSX-V acceptance (March 26, 2013). **Completed**

As at April 30, 2013, $321,967.13 has been spent on exploration work on this property.

In the event the Company does not complete any of above conditions, at the option of the Vendors the Company will forfeit its right to acquire the Property.

On May 25, 2012, the Company signed a letter agreement with three vendors to acquire a 100% interest in an additional 2,180 hectares in the Quatre-Milles West Property in Quebec. The said acquisition has currently been put on hold until the Company has the necessary funds to complete the purchase as well as do exploration on this site. The acquisition of this property is pending final approval from the TSX-V.

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

Outlook

The Company currently has two viable mineral properties. It completed phase 2 of its 2012 summer exploration program on its 100% fully owned Vines Lake property in the Cassiar district of BC. The program was designed to target both potentially high-grade gold vein systems, as seen at the adjacent Table Mountain Mine, in addition to the prospect of intrusion related mineralization and explore follow-up targets resulting from the geological mapping, geochemical and ground geophysical surveys resulting from Phase I.

Due to the property's close proximity to formerly producing mines with a proven history in the Cassiar Mining Camp, it is the opinion of the company that potential exists on the Vines Lake Property for discovering new high-grade gold vein systems. Also, there is a potential for other intrusion related mineralization in proximity to the Cassiar Batholith and its associated boundary contacts, over which Lomiko's Vines Lake property claims are located.

The Company is also working towards acquiring 100% interest in the Quatre-Milles East property located in southwestern Quebec and as such has paid a total of $50,000 in cash and issued 2.5 million shares to the two vendors, Zimtu Capital and Michel Robert. A further 1.5 million shares will be issued to the vendors on March 26, 2014 which will fulfill all the terms for completing this property acquisition. The Company has completed a 43-101 report on the Quatre-Milles property through Consul-Teck. The report is a compilation of all historical information related to the Quatre Milles property including previous drilling.

The Company completed mapping/sampling work on Quatre-Milles and completed diamond drilling of 23 holes on the property in 2012. The results of the drilling project showed large flake Graphite near surface mineralization and good crystali with 100% carbon purity confirmed in multiple samples. The characterization testing based on a composite of seven graphite drill samples is a clear indication that Quatre Milles graphite material has significant potential as a near surface, open pit mining project aimed at fulfilling industrial graphite demand in the future. More importantly, it is an excellent candidate for graphite to graphene conversion testing under the Company's Strategic Alliance with Graphene Labs, New York, who have partnered with Lomiko to create a R&D department to convert and store high quality graphite, shipped from the Company's Quatre-Milles property, into graphene.

The advantages of graphene include its strength and its unique electrical properties as a fantastic conductor. So graphene could affect chips, computers, screens, power grids, home wiring, etc.

On May 29th, 2013, the Company announced its Stategic Alliance Agreement with SUNY Research Foundation at Stony Brook University (RF) and Graphene Laboratories, Inc. (Graphene Labs). The three parties have agreed to investigate novel, energy-focused applications for graphene. Under this Alliance Agreement with Lomiko, Graphene Labs, a leading graphene manufacturer, will process graphite samples from Lomiko's Quatre Milles property into graphene. The Research Foundation, through Stony Brook University's Advanced Energy Research and Technology Center (AERTC) and the Center for Advanced Sensor Technology (Sensor CAT), will then examine the most efficient methods of using this graphene for energy storage applications.

Internal disclosure controls and procedures

Management is responsible for establishing and maintaining disclosure controls and procedures for the Company. Due to its small size of operations, there is lack of segregation of duties within the Company's internal control systems. It is unlikely that segregation of duties can be properly addressed until the Company grows to a significant size. In order to compensate for the weaknesses in its internal control systems, the management has hired experienced consultants in assisting with the financial reporting and disclosures process. With the implementation of these compensating controls, the management has evaluated and believed that its disclosure controls and procedures are effective in providing reasonable assurance that material items requiring disclosure are identified and reported in a timely manner.

On behalf of the Board,

"Paul Gill"
Paul Gill, President & CEO