LOMIKO METALS INC.
Form 51-102
Management Discussion and analysis
Second Quarter ended January 31, 2011

#439 -7231 120th Street, Delta BC, V4C 6P5

The following discussion and analysis of Lomiko Metals Inc. (the "*Issuer*" or the *"Company*"), is prepared as of March 21st, 2011, and should be read together with the annual consolidated financial statements and the corresponding notes thereto for the year ended July 31st, 2010. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

The reader should also refer to the interim financial statements for the period ended January 31st, 2010 and the Management Discussion and Analysis for that year.

All amounts are stated in Canadian dollars unless otherwise indicated.

Forward Looking Statements

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

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

Overview

Lomiko Metals Inc, (formerly Lomiko Resources Inc.) ("Lomiko" or "the Company') was incorporated under the Company Act of the Province of British Columbia on July 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 and exploration of natural resource properties.

Dependence on Management

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

Paul Gill – President and Chief Executive Officer

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

Jacqueline Michael – Chief Financial Officer

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

Garth Kirkham, P.Geo – Director

With 26 years of experience, Mr. Kirkham is the principal of Kirkham Geosystems that specializes in 3D computer modeling and resource/reserve estimations at the preliminary assessment, pre-feasibility and feasibility study stages of mining projects.

Mr. Kirkham obtained a Bachelor's degree in Science from the University of Alberta in 1983. He became a Professional Geoscientist with the Association of Professional Geologists, Geophysicists and Engineers of Alberta (APEGGA – P.Geoph.) in 1987, the Northwest Territories and Nunavut Association of Professional Engineers, Geologist and Geophysicists (NAPEGG – P.Geoph.) and the Association of Engineers and Geoscientists of BC (APEGBC – P.Geo.) in 2005. He is also a member of SEG (Society of Economic Geologists), GAC (Geological Association of Canada), CIM (Canadian Institute of Mining), AMEBC (Association of Mineral Exploration of BC) and PDAC (Prospectors and Developers Association of Canada).

Mr. Kirkham is a member of the board of directors for Romios Gold Corp., Kivalliq Energy Corp. and Duncastle Gold Corp., and a member of the advisory board for North American Tungsten Corp. In addition, Mr. Kirkham is audit committee chair and national council member for the GAC, is In-coming VP for the Geological Society, CIM and is Publication Chair and Past President for Mineral Deposits Division of the GAC. He was also awarded the Barlow Memorial Metal by the Canadian Institute of Mining and the Award of Merit by the Northwest Territories and Nunavut Association of Engineers Geologists and Geophysicists.

Mark T. Nesbitt - Director

Mr. Nesbitt is a natural resources attorney in Denver, Colorado specializing in domestic and international mining transactions, agreements, negotiations, title, due diligence, corporate and general business counsel. He received a B.S. degree in Geology from Washington State University and was a member of Sigma Gamma Epsilon. He received his J.D. from Gonzaga University following service in the U.S. Army and working as a field exploration geologist for Cominco and Kennecott. Before entering private practice in 1988, Mr. Nesbitt worked for Homestake Mining Company, Amoco Minerals Company, Cyprus Minerals Company and Minatome Corporation, a subsidiary of Total Petroleum.

Mr. Nesbitt was an Adjunct Professor at the University of Denver School of Law's Masters of Law Program from 2001 through 2007, is an active member of the Rocky Mountain Mineral Law Foundation, having served as a Trustee from 1987 to 1993, and from 2003 to the 2006, co-chairman of the Foundation's Mining Session at its International Mining, Oil & Gas conference in Buenos Aires in 2007 (held in conjunction with the International Bar Association), co-chairman of the Foundation's conference on Mining Law and Investment in Latin America held in April, 2005 in Lima, Peru (also in conjunction with the International Bar Association), and Chairman of the same institute in 2003, also in Lima, Chairman of the Landman's Section of the Foundation's 35th Annual Institute, speaker at the 37th, 39th and 43rd Rocky Mountain Mineral Law Annual Institutes, and Chairman of the Foundation's first Land and Permitting Special Institute in 1994. He has also served continuously over the years on the Foundation's Special Institutes Committee, Long Range Planning Committee, and numerous other committees. He has an "AV Preeminent" Martindale-Hubble peer review rating, is listed in The International Who's Who Legal of mining attorneys, is currently writing a new mining act for a developing African country, and is recognized by the World Bank as qualified to draft such laws.

Mr. Nesbitt is a member of the International, American, Colorado and Denver Bar Associations, Rocky Mountain Mineral Law Foundation, Mining & Metallurgical Society of America, International Mining Professionals Society and Colorado Mining Association. He is also a former Director of the Colorado Mining Association and past President of the Rocky Mountain Association of Mineral Landmen.

Julius Galik - Director

A business man and a financial advisor with PFSL, Mr. Galik has been Mutual Fund Licensed since 2001. He has been involved in start-up situations within the mining exploration industry in Western Canada since 2002, and during the past 8 years has been instrumental in the development and financing of various small capitalized companies, both private and public. Between 2006-2007 Mr. Galik served as director of Dorex Minerals Inc. (TSX-V: DOX), and in September 2009 was elected Dorex President and CEO. Mr. Galik brings to the board many years of financial experience, as well as strong leadership, mediation and negotiation skills.

Overall Performance

During the six-month ended January 31st, 2011, the Company incurred a net loss of ($405,512) and ($0.01) net loss per share compared to a net loss of ($304,916) and ($0.01) net loss per share for the same period last year.

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, who is an Insider, $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.

Subsequent to this reporting period, the Company successfully raised $400,000 through the sale of flow-through shares for the purpose of executing phase 1 & 2 of its exploration program on this property, scheduled to begin this summer.

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 on November 11th, 2009.

The total acquisition cost for the Karolina Lithium Claims in Chile was CAD $145,000 in cash and share payments.

Alkali Lake (KAR Claims) Esmerelda county, Nevada USA

Montezuma Valley (also known as Alkali Flat) is a formation of a structural basin, downfaulted and rotated crustal block caused by tensional spreading forces common to the basin and range from Nevada to the nearby states. It is these volcanic rocks ejected from a nearby eruption during the Tetiary that are considered to be a prospective source of economic grades of lithium and other materials found in the subsurface brines in Clayton Valley. Montezuma Valley and the KAR claims are located immediately east of Clayton Valley.

On November 9, 2009, the Company announced that its US subsidiary, Lomiko Metals USA LLC, had located and staked 552 lode claims comprising 4,615.4 Hectares or 11,404.9 acres, in Esmerelda County, Nevada which covers a large portion of Alkali flat in Montezuma Valley. The Company paid US $180,248.00 (CAD $187,322.55) to Esmerelda County NV for the rights to explore this property.

On August 23, 2010, the Company settled a dispute with a prospective vendor group, Paymaster Associates LLC, Colorado Associates by paying a sum of US $50,000 and abandoning 552 lode claims staked by the Company's US subsidiary, Lomiko Metals USA LLC ("Lomiko USA") in November 2009 for which it paid US $180,248. Lomiko USA will retain no interest in the Alkali Valley or the Paymaster Project.

Rose Lake Soda Ash Claims, 70 Mile House, BC

On May 7, 2010 The Company signed a property purchase agreement with Paul Dickson for 100% interest in the EVA and PLAYA claims which comprise 222.04 hectares and 222.09 hectares respectively of semi-evaporitic lakes known as Rose Lake and Cunningham Lake ("the Lakes"). The claims are located near 70 Mile House, B.C.

The Lakes are located in the Green Timber Plateau area, a semi-arid plateau averaging 1130 metres elevation and are part of the Cariboo Plateau. The area is underlain by alkaline plateau basalt flows of the Miocene to Pleistocene Chilocotin Group, mantled by a thin cover of glacial till and glaciofluvial sediments.

Upon Exchange approval, the Company paid the vendor, Paul Dickson, $10,000 in cash and 200,000 of the Company's common shares deemed at a value of $0.07 per share.

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 January 31, 2011, a total of $332,618.36 was recorded on acquisition and exploration of mineral its 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
5/15/2006	Acquisition cost	$ 10,000.00			$ 10,000.00
5/15/2006	Acquisition cost		120,000	0.500	$ 60,000.00
2/20/2007	Property claim renewal	$ 5,323.28			$ 5,323.28
1/28/2008	Property claim renewal	$ 5,324.61			$ 5,324.61
6/23/2008	Geophysical aerial survey	$ 25,000.00			$ 25,000.00
7/29/2008	Geophysical aerial survey	$ 20,000.00			$ 20,000.00
10/23/2010	Geophysical aerial survey	$ 5,000.00			$ 5,000.00
1/6/2009	Property claim renewal	$ 5,323.28			$ 5,323.28
	Total Vines Lake	**$ 75,971.17**	**120,000**		**$ 135,971.17**

Karolina Chile Lithium Property (Salar de Aguas Calientes)

Date	Description	Cash	Shares	Price	Amount
6/11/2009	J. Adams - 50% acquisition	$ 30,000.00			$ 30,000.00
6/19/2009	B. Gusko - acquisition ((initial payment)	$ 10,000.00			$ 10,000.00
8/2/2009	B. Gusko - acquisition ((second payment)	$ 10,000.00			$ 10,000.00
11/11/2009	B. Gusko - acquisition (final payment)	$ 30,000.00			$ 30,000.00
11/11/2009	B. Gusko - acquisition (shares issued)		1,000,000	0.065	$ 65,000.00
3/19/2010	Mining concession fee	$ 3,165.70			$ 3,165.70
4/9/2010	Baseline project exploration costs	$ 24,481.49			$ 24,481.49
	Total Karolina (Salar de Aguas Calientes)	**$ 107,647.19**	**1,000,000**		**$ 172,647.19**

Alkali Lake - KAR claims Emerelda County, Nevada USA

Date	Description	Cash	Shares	Price	Amount
11/9/2009	Staking fee	$ 187,322.55			$ 187,322.55
8/23/2010	Alkali Lake property abandoned	($187,322.55)			($187,322.55)
	Total Alkali Lake, Nevada USA	**$ -**			**$ -**

Rose Lake Claims - 70 Mile House, BC

Date	Description	Cash	Shares	Price	Amount
6/21/2010	P. Dickson - Acquisition cost	$ 10,000.00			$ 10,000.00
6/16/2010	P. Dickson - Acquisition cost (shaes issued)		200,000	0.070	$ 14,000.00
	Total Rose Lake, BC	**$ 10,000.00**	**200,000**		**$ 24,000.00**
	Grand Total	**$ 193,618.36**	**1,320,000**		**$ 332,618.36**

Second Financial Quarter 2011 activities

The following events took place in the Company during the second financial quarter of 2011.

On November 2nd, 2010, the Company completed a private placement financing and raised $150,000 through the sale of 3,000,000 units ("Units") at a price of $0.05 per Unit. Each Unit consists of one common share of the Company and one half of one common share purchase warrant, each full warrant being exercisable at a price of $0.10 for a period of twelve months after the closing date. The securities have a hold period expiring on March 3rd, 2011. The net proceeds of the offering will be used for working capital purposes.

On November 5th, 2010, the Company signed a Letter Of Engagement with Notre-Dame Capital Inc. ("NDC"), an Exempt Market Dealer registered with the Ontario Securities Commission for the primary purpose of establishing an Equity Line Financing . NDC is also engaged on a non-exclusive basis to arrange other capital instruments that are mutually agreeable to both parties and support the efforts of Lomiko to develop its business strategy. The engagement will be for an initial period of 120 days, which may be extended by the agreement of both parties. In conjunction with retaining Notre-Dame, Lomiko will complete and file an Annual Information Form and a Short Form Prospectus.

On January 21st, 2011, the Company completed a private placement financing and raised $150,000 through the sale of 2,500,000 units ("Units") at a price of $0.06 per Unit. Each Unit consists of one common share of the Company and one half of one common share purchase warrant, each full warrant being exercisable at a price of $0.10 for a period of twelve months after the closing date.. The securities have a hold period expiring on May 22, 2011. The Company paid a cash commission of $2,400 equal to 10% of $24,000 of the offering. The net proceeds of the offering will be used for working capital purposes. .

On January 26th, 2011, the Company announced that it had signed an agreement with Dutchess Opportunity Fund ("Dutchess") for an equity line financing ("ELF"). Dutchess has committed to provide up to $ 5 million of capital during the next three years, at the Company's discretion, through the subscription of newly issued common shares. According to the agreement, the company may draw on the commitment by providing draw down notices to Dutchess. Each draw down notice is subject to a maximum amount, as well as a minimum price, below which the company will not issue shares to Dutchess. Subject to the applicable minimum price, the common shares will be issued at a predetermined discount of 5% to the prevailing 5 day average share price.

In connection with the ELF, the company will file a preliminary short form base shelf prospectus with the securities authorities in each of the applicable provinces of Canada. This filing will allow the Company to qualify the shares issued under the ELF and make offerings of common shares for an amount of up to $5 million during the next 36 month term period.

Subsequent Events

On February 8th, 2011, the Company announced the issuance of 950,000 options at $0.10 to
directors and a consultant, exercisable for up to five years from the date of grant.
These options are subject to a four-month hold period to commence from February 8, 2011

On March 4th, 2011, the Company completed a private placement financing for $400,000 through the sale of 5 million flow-through units ("Units") to MineralFields at a price of $0.08 per Unit. Each Unit consists of 1 flow-through common share and one half of one transferable non-flow-through share purchase warrant, each full warrant being exercisable at a price of $0.12 for a period of twelve months from the closing date. The Units are subject to a four month hold period expiring July 4th, 2010.

The Company entered into an agreement with MineralFields and has pay a cash commission of $17,500 to First Canadian Securities ® and $13,560 for due diligence fees. In addition, the Company has issued broker warrants exercisable at $0.12 for one year payable to Limited Market Dealer Inc

The proceeds of the offering will be used for exploration purposes on the Company's wholly owned Vines Lake property in the Cassiar region of British Columbia.

Principles 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, Conac Software (USA) Inc., incorporated in Washington, U.S.A. and Lomiko Metals USA LLC incorporated in Colorado, U.S.A.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimate as additional information becomes available in the future.

Resource Properties

Resource property acquisition costs are capitalized until the viability of the mineral interest is determined. Exploration costs are capitalized and tested annually for impairment.

Stock Based Compensation

Stock options granted to non-employees are accounted for using the fair value-based method of accounting. In respect of stock options granted to employees and directors, the Company has elected to adopt the intrinsic value based method of accounting, which recognizes compensation expense only when the market price exceeds the exercise price at the date of grant, but which requires pro-forma disclosure of net loss as if these grants were accounted for using the fair value
method. Consideration paid on the exercise of stock options is credited to share capital. Stock based compensation is credited to contributed surplus.

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. Under the treasury stock method, only instruments with exercise amounts less than market prices impact the diluted calculations. In computing diluted loss per share, no shares were added to the weighted average number of common shares outstanding during the period ended July 31st, 2010 and 2009 for dilutive effect of stock options and warrants as they were all anti-dilutive. No adjustments were required to report loss from operations in computing diluted per share amounts.

Translation of Foreign Currencies

Foreign currency denominated monetary assets and liabilities are translated at year-end exchange rates. Income and expense transactions denominated in foreign currencies are translated at exchange rates prevailing at the transaction dates. Gains or losses arising on foreign currency translation are recorded in the statement of loss and deficit.

Income Taxes

Future income tax assets and liabilities are determined based upon differences between financial reporting and tax bases of assets and liabilities, measured using substantively enacted tax rates and laws expected to apply in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates is recognized in operations in the period that includes the substantive enactment date. A valuation allowance is recognized to the extent that, it is more likely than not, that future income tax assets will not be realized.

Risks and Uncertainties

Business risk

The gold and iron-ore industries are highly competitive, particularly with respect to searching for and developing new sources of gold and iron-ore reserves, constructing and operating mines, and transporting and marketing gold and iron-ore products.

In Chile, the Company is pursuing a pure exploration program, and there is no assurance that feasible iron-ore reserves will be discovered and economically produced. Financial risks in the commodity industry include fluctuations in commodity prices, and interest and currency exchange rates. Operational risks, if a discovery were made, include reserve performance uncertainties, reliance on partners, competition, environmental and safety issues, and a complex regulatory environment. In Canada, the Company's Vine's Lake project is in production. Operational risks include, but are not limited to, reserve uncertainties, mine and mill performance uncertainties, environmental, governmental and regulatory uncertainties and safety issues.

Lomiko is exploring its lithium property in Chile and has not yet determined whether it contain any reserves. The recovery of both the costs of acquiring the lithium and the related deferred exploration costs depends on the existence of economically recoverable reserves, its ability to obtain the financing necessary to complete the exploration and development of the any property, and the future profitable production or, alternatively, on the sufficiency of proceeds from disposition. Operating a foreign registered subsidiary presents risks associated with differences in business regulations and practices compared with operating a Canadian corporation.

Commodity risk

There are risks of volatility in world gold and lithium prices and other risks that the Company cannot control. Lomiko has no current plans to hedge its production to eliminate pricing risk.

Exploration, development and production risks

A portion Lomiko's current and future working capital will be expended on its exploration, exploitation and development activities, which are high-risk ventures with uncertain prospects for success. Lithium and gold exploration involves a high degree of risk and there is no assurance that expenditures made on future exploration activities by the Company will result in new discoveries of commodities that are commercially viable or economically producible. Holders of securities of the Company must rely on the ability, expertise, judgment, discretion, integrity and good faith of management of the Company. It is difficult to project the costs of implementing any exploratory or developmental drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as over-pressured zones and tools lost in the hole and changes in drilling. Few properties that are explored are ultimately developed into new reserves. In certain instances, the Company may be precluded from pursuing an exploration program or decide not to continue with an exploration program and such an occurrence may have a negative effect on the value of the securities of the Company.

Future exploration may involve unprofitable efforts, not only from lack of commodity reserves, but from commodity reserves that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a mine does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful mine sites. These conditions include: delays in obtaining governmental approvals or consents, insufficient storage or transportation capacity or other geological and mechanical conditions.

Gold and lithium reserves

All evaluations of future net revenues are before consideration of indirect costs such as administrative overhead, other miscellaneous expenses and income taxes. The future net revenues may not be representative of the fair market value of the reserves. There are numerous uncertainties inherent in estimating quantities of proved and probable reserves, including many factors beyond the control of the Company.

In general, estimates of economically recoverable reserves and the future net revenues there-from are based upon a number of variable factors and assumptions, such as historical production from the properties, commodity prices, the assumed effects of regulation by governmental agencies and future operating costs, each of which may vary considerably from actual results. Estimates of the economically recoverable reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues expected there-from, prepared by different engineers and geologists or by the same engineers and geologists at different times, may vary substantially.

Foreign currency exchange rates

The Company’s functional currency is the Canadian dollar. The Company transacts business using the Canadian dollar, the United States dollar and the Chilean peso.

The Company may sell its future reserve production pursuant to marketing agreements that are denominated in the Chilean Peso that first must be denominated into US dollars or in Canadian dollars when producing in Canada. Many of the operational and other expenses incurred by the Company are paid in US dollars or in local currency of the country where operations are performed. The assets and liabilities of the Company (including reserve information) are recorded in Canadian dollars. As a result, fluctuations in the US dollar or Chilean Peso against the Canadian dollar and each of these currencies against local currencies in jurisdictions where properties of the Company are located could result in unanticipated and material fluctuations in the financial results of the Company. The Company does not hedge its foreign currency transactions.

Political risk

The Company operates in Chile, which is an immature and emerging economy with associated risk factors. Lomiko’s operations and related assets are subject to the risks of actions by governmental authorities, insurgent groups or terrorists. The Company conducts its business and financial affairs to protect against political, legal, regulatory and economic risks applicable to our operations. However, there can be no assurance that the Company will be successful in protecting itself from the impact of these risks.

Conflict of interest risk

Certain of the directors and officers of the Company are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The Business Corporations Act provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under the BCA – British Columbia. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCA – British Columbia.

Competition

A number of other gold and lithium companies operate and are allowed to bid for exploration and production licenses and other services in Chile and Canada which are the focus of the business and operations of the Company, thereby providing competition to the Company. Larger companies may have access to greater resources than the Company, may be more successful in the recruitment and retention of qualified employees and may conduct their own commodity marketing operations, which may give such companies a competitive advantage over the Company. Some of these companies have been conducting operations in Chile and Canada for considerably longer periods of time than has the Company and thus these companies may be more familiar with the political and business landscape in Chile and Canada than the Company. In addition, actual or potential competitors may be strengthened through the acquisition of additional assets and interests.

Environmental regulations

The current and future operations of the Company that are conducted in Chile and 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.

Financial Instruments and Other Instruments

The Company's cash is classified as held-for trading. Accounts receivable are classified as loans and receivables. Accounts payable are classified as other financial liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of the financial instruments approximates their carrying value, unless otherwise noted. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company does not employ a hedging or foreign exchange protection strategy. The Company's income and expenses are denominated in Canadian dollars.

Other Requirements

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

Expenses

The Company incurred $405,317.86 in total operational expenses for the six-month period as compared to $305,024.95 for the same period last year.

Expenses for the 6-month period ended January 31st, 2011, are itemized below. The major expenses came from advertising and promotional costs for lead generations, on-line investor presentations, advertising in Howestreet.com, Resource World magazine, World Outlook Financial Conference show and website updates; consulting and professional fees of $10,035.91 related to the Salar de Aguas Calientes lithium property in Chile; Legal fees related mainly for the Company's Annual Information filing and financing costs and legal settlement costs between the Company and Paymaster Associates with regards to a dispute on the Alkali Lake, Nevada property. The Company decided it was in its best interest to abandon the said property and paid Paymaster Associates a settlement fee of $52,876.44. To that end, the Company wrote off its investment of $187,322.50 in the Alkali Lake property, NV; Office, telephone, bank charges, and management fees were for expenses incurred in the normal course of business operations.

Six-month operational expenses	**2011**	**2010**
Office expenses, Bank Charges, Interest	7,828.13	9,972.42
Telephone/Fax	1,946.98	290.19
Travel	4,318.89	25,374.76
Advertising & Promotion	37,201.71	45,156.28
Management & Subcontract Fees	60,000.00	57,500.00
Legal	21,640.90	75,698.44
Investor Relations	-	-
Consulting/Professional	10,035.91	60,164.96
Accounting/Audit	1,500.00	-
Exchange & Transfer Agent Fees	19,414.72	17,805.60
Shareholder Communications	1,231.63	3,062.30
Bonus	-	10,000.00
Development Cost Expensed	187,322.55	-
Legal Settlement	52,876.44	-
Total	**405,317.86**	**305,024.95**

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 ($405,512) and (0.01) loss per share for the six-month period ended January 31st, 2011, as compared to a net loss of ($304,916) 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)

	Jan 11	Oct 10	July 10	Apr 10	Jan 10	Oct 09	July 09	Apr 09
Revenue	0	0	0	0	0	0	0	
Net Loss	(406)	(328)	(631)	(565)	(385)	(287)	(1,185)	(364)
Loss per Share	(0.01)	(0.008)	(0.016)	(0.01)	(0.01)	(0.009)	(0.039)	(0.01)

Selected Annual Information

In thousands of Canadian dollars (except for shares):

	2010 $	**2009 $**	**2008 $**
Total Revenue	0	0	0
Total Assets	755	260	1,002
Total Long Term Liabilities	0	0	0
Net Income (loss)	(631)	(1,185)	(131)
Net Income (loss) per share basis	(0.016)	(0.039)	(0.006)
Net Income (loss) per share diluted	(0.016)	(0.039)	(0.006)

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

The Company incurred a total net loss of ($405,512) for its second financial period for 2011. The loss per share, basic and diluted for the first quarter, 2010 was ($0.01). The Company had assets of $610,032 of which $ 237,367 came from cash; $40,047 came from receivables and pre-paid expenses; $332,618 came from mineral properties acquisition costs and deferred expenses. The Company's mineral property acquisition assets comprise of $70,000 for the 100% acquisition of the Vines Lake Mineral Property in the Cassiar district of British Columbia; $145,000 for the 100% acquisition of the 8 Salar de Aguas Calientes (Karolina) Lithium Claims in Chile and $24,000 for 100% acquisition of the Rose Lake Soda Ash property in 70 Mile House, BC. There was also $93,619 in deferred explorations costs relating to work done on the Vines Lake property and mining concession fees and baseline project exploration costs for the lithium claims in Chile.

SHARE CAPITAL

Disclosure of outstanding share data

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

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

Designation of Securities	Date	Price per share ($)	No. of Shares	Amount	Expiry Date
Issued Shares (Common)					
Balance beginning of period			**30,480,112**	**$ 15,192,309**	
Warrants exercised	8/22/2009	0.125	1,135,000	$ 141,875.00	
Options exercised	8/19/2009	0.10	120,000	$ 12,000.00	
Private Placement	8/31/2009	0.12	8,333,333	$ 999,999.96	
Financing transaction costs	8/31/2009			($ 136,316.06)	
Property Acquisition	11/11/2009	0.065	1,000,000	$ 65,000.00	
Property Acquisition	06/11/2010	0.07	200,000	$ 14,000.00	
Private Placement	11/02/2010	0.05	3,000,000	$ 150,000.00	
Private Placement	01/21/2011	0.06	2,500,000	$ 150,000.00	
Financing transaction costs	01/21/2011			($ 5,550.00)	
Value assigned to warrants	01/31/2011			($ 76,644.00)	
Total Issued Shares			**46,768,445**	**$16,506,674.00**	
Outstanding					
Stock Options Outstanding	11-16-2006	0.125	640,000	$ 80,000.00	11-16-2011
Stock Options Outstanding	07-02-2008	0.10	200,000	$ 20,000.00	07-02-2013
Stock Options Outstanding	9/3/2009	0.12	1,300,000	$ 156,000.00	09-03-2014
Stock Options Outstanding	02/17/2010	0.12	200,000	$ 24,000.00	02/17/2015
Stock Options Outstanding	11/30/2009	0.10	700,000	$ 70,000.00	11/30/2014
Warrants Outstanding	08/31/2009	0.20	4,166,667	$ 833,333.40	03-01-2011
Byron Unit Options Outstanding	08/31/2009	0.12	833,334	$ 99,999.96	03-01-2011
Byron Warrants Outstanding	08/31/2009	0.20	416,667	$ 83,333.40	03-01-2011
Warrants Outstanding	11/02/2010	0.10	1,500,000	$ 150,000.00	11-02-2011
Warrants Outstanding	01-21-2011	0.10	1,250,000	$ 125,000.00	01-21-2012
Total Outstanding			**11,206,667**	**$ 1,641,666.76**	
Total Shares Fully Diluted			**57,975,112**	**$18,148,340.72**	

There were a total of 1,135,000 warrants exercised at $0.125 per share by August 22nd, 2009 which brought in a total of $141,875.00 to the Company.

On August 19th, 120,000 options were exercised at $0.10 per share which brought $12,000 to the Company.

The Company completed a $ 999,999.97 brokered private placement financing on August 31st, 2009 through the sale of 8,333,333 Units at a price of $0.12 per Unit. Each Unit consists of one common share of the Company and one half of one common share purchase warrant, each full warrant being exercisable at a price of $0.20 for a period of eighteen months after the closing date. The Company paid a cash commission of CAD $80,000 to Byron Capital Markets who acted as Agent for the private placement as well as issued Agent options to subscribe for 833,333
Units of the offering at a price of $0.12 per Unit and 416,667 warrants priced at $0.20 per share purchase, all of which are exercisable until March 1, 2011. The Company realized net proceeds of approximately $867,225 after applicable commissions and legal fees were paid.

On November 11, 2009, the Company issued 1 million common shares at $0.065 per share to Brian Gusko for the acquisition of the remaining 50% interest in the Salar de Aguas Calientes, Chile property.

On June 11th, 2010, the Company issued 200,000 common shares at $0.070 per share to Paul Dickson for the acquisition of 100% interest in the EVA and PLAYA claims which comprise of 222.04 hectares and 222.09 respectively of semi-evaporitic lakes known as Rose Lake and Cunningham Lake located near 70 mile House, B.C.

On November 2nd, 2010, the Company completed a private placement financing and raised $150,000 through the sale of 3,000,000 units ("Units") at a price of $0.05 per Unit. Each Unit consists of one common share of the Company and one half of one common share purchase warrant, each full warrant being exercisable at a price of $0.10 for a period of twelve months after the closing date. The securities have a hold period expiring on March 3rd, 2011.

On January 21st, 2011, the Company completed a private placement financing and raised $150,000 through the sale of 2,500,000 units ("Units") at a price of $0.06 per Unit. Each Unit consists of one common share of the Company and one half of one common share purchase warrant, each full warrant being exercisable at a price of $0.10 for a period of twelve months after the closing date.. The securities have a hold period expiring on May 22, 2011. The Company paid a cash commission of $2,400 equal to 10% of $24,000 of the offering.

The Company currently has a total of 3,040,000 options outstanding as of January 31st, 2011. There is also a total of 8,166,667 warrants outstanding which include Agent's warrants to Byron Capital in regards to the above mentioned private placement financing on August 31, 2009.

Stock Options

The Company granted 640,000 stock option agreements (on a post 1:4 stock split basis) to its directors and consultants on November 16th, 2006 to purchase up to an aggregate of 640,000 common shares, exercisable at the price of $0.125 per share until November 16, 2011.

On July 2nd, 2008, the Company granted stock option agreements to its directors and consultants to purchase up to an aggregate of 200,000 common shares, exercisable at the price of $0.10 per shares until July 2nd, 2013.

On September 3rd, 2009, the Company granted stock option agreements to its directors and consultants to purchase up to an aggregate of 1,300,000 common shares, exercisable at the price of $0.12 per share until September 3rd, 2014.

On November 30th, 2009, the Company granted stock option agreements to its directors to purchase up to an aggregate of 700,000 common shares, exercisable at the price of $0.10 until November 30th, 2014.

On February 17th, 2010, the Company granted stock option agreements to a director purchase up to an aggregate of 200,000 common shares exercisable at the price of $0.12 until February 17th, 2015.

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

STOCK OPTIONS

Issued to	Relationship	Exercise Price	Number of Shares	$ Amt	Date Granted	Expiry Date
Paul Gill	President/CEO	$0.125	400,000	$ 50,000.00	11-16-2006	11-16-2011
Paul Gill	President/CEO	$0.10	120,000	$ 12,000.00	07-02-2008	07-02-2013
Paul Gill	President/CEO	$0.12	450,000	$ 54,000.00	09-03-2009	09-03-2014
Paul Gill	President/CEO	$0.10	200,000	$ 20,000.00	11-30-2009	11-30-2014
Jacqueline Michael	CFO	$0.125	200,000	$ 25,000.00	11-16-2006	11-16-2011
Jacqueline Michael	CFO	$0.10	80,000	$ 8,000.00	07-02-2008	07-02-2013
Jacqueline Michael	CFO	$0.12	250,000	$ 30,000.00	09-03-2009	09-03-2014
Jacqueline Michael	CFO	$0.10	100,000	$ 10,000.00	11-30-2009	11-30-2014
Julius Galik	Director	$0.12	100,000	$ 12,000.00	09-03-2009	09-03-2014
Julius Galik	Director	$0.10	100,000	$ 10,000.00	11-30-2009	11-30-2014
Garth Kirkham	Director	$0.10	200,000	$ 20,000.00	11-30-2009	11-30-2014
Mark Nesbitt	Director	$0.12	200,000	$ 24,000.00	02-17-2010	03-17-2015
Mel Rokosh	Consultant	$0.12	100,000	$ 12,000.00	09-03-2009	09-03-2014
Mel Rokosh	Consultant	$0.10	100,000	$ 10,000.00	11-30-2009	11-30-2014
Other	Consultant	$0.12	400,000	$ 48,000.00	09-03-2009	09-03-2014
Other	Consultant	$0.125	40,000	$ 5,000.00	11-16-2006	11-16-2011
Total			**3,040,000**	**$350,000.00**		

Other MD&A Requirements

As at January 31st, 2011, the Company had a total of 57,975,112 shares on a fully diluted basis. If the Company were to issue 11,206,667 shares upon the conversion of all of its outstanding warrants and stock options, it would raise a total of $1,641,666.76

Liquidity and Capital Resources

As at January 31st, 2011, the Company's cash position was $ 237,367.14 compared to $601,654.87 for the same period last year.

The Company completed a $150,000 private placement financing and issued 3,000,000 common shares at a price of $0.05 per share and a warrant equal to one half of one common share at a purchase price of $0.10 per share, the warrant being valid until November 2nd, 2011. The financing will be used for working capital purposes.

The Company completed a $150,000 private placement financing and issued 2,500,000 common shares at a price of $0.06 per share and a warrant equal to one half of one common share at a purchase price of $0.10 per share, the warrant being valid until January 21st, 2012. The financing will be used for working capital purposes.

At the current time, the Company has sufficient funds to pay for 4 months of operating expenses. The Company will need to raise further capital in the near future to fund its operations and exploration programs.

Off Balance Sheet Arrangements

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

Related Party Transactions

During the six month period ended January 31st, 2011, the Company entered into the following transactions with related parties:

The Company paid $30,000 in management fees to a company controlled by Paul Gill, President and CEO.

The Company paid $30,000 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.

Outlook

The company has begun to focus its attention specifically on 100% acquisitions of lithium and rare earth metals properties in Chile and Nevada, USA. With the growing demand for high-tech electronics such as cell phones and laptops world-wide, especially the emergence of a consumer market in India and China, the high adaptation rate among the younger population in these countries and the increasing penetration of these products and the emerging hybrid and electric cars, the demand for lithium and other rare earth metals will also continue to expand.
It is time for the Company to bring itself onto the world stage in the Lithium business and as such, will focus on acquiring prospective lithium properties for exploration and development in order to launch the company's planned two-year exponential grow phase. If the assets acquired during this time are proven to be of merit, the company will continue with development of the assets or otherwise seek to maximize shareholder return on investment.

The recent acquisition of properties in Chile and Nevada having good lithium prospects confirms the Company's commitment to diversify its market and build shareholder value. The Company has commenced preliminary exploration work on its property in Chile. The Company is also seeking business partners for the purpose of marketing lithium internationally.

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

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

Changes in Accounting Policies

Accounting standards newly adopted Financial instruments disclosures

The Company has adopted the amendments to CICA Handbook Section 3862, Financial Instruments – Disclosures. It was amended to include disclosures about fair value measurements of financial instruments and to enhance liquidity risk disclosure. The additional fair value measurement disclosures include classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

> Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
> Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices such as quoted interest or currency exchange rates; and
> Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

These amendments are required to be adopted for the fiscal years ending after September 30, 2009. The Company has adopted these amendments for the year ended May 31, 2010 and the additional required disclosures are included in Note 6.

On July 1, 2009, the Company adopted CICA Handbook Section 3064, “Goodwill and Intangible Assets”, which replaces Section 3062, “Goodwill and Other Intangible Assets”. The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of preproduction and start-up costs and requires that these costs be expensed as incurred. Adoption of this new accounting standard did not have a significant impact on the Company’s consolidated financial statements.

EIC – 173: Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA issued Emerging Issues Committee (“EIC”) Abstract 173 - Credit Risk and the Fair Value of Financial Assets and Financial Liabilities (“EIC-173”). EIC-173 provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments. EIC-173 is applicable for the Company’s interim and annual consolidated financial statements for its fiscal year ending July 30, 2010, with retrospective application. The adoption of EIC-173 did not result in a material impact on the Company’s financial statements.

EIC – 174: Mining Exploration Costs

In March 2009, the CICA issued EIC Abstract 174 - Mining Exploration Costs ("EIC-174") which supercedes EIC Abstract 126 - Accounting by Mining Enterprises for Exploration Costs ("EIC-126"), to provide additional guidance for mining exploration enterprises on the accounting for capitalization of exploration costs and when an impairment test of these costs is required. EIC 174 is applicable for the Company's interim and annual financial statements for its fiscal year ending July 30, 2010, with retrospective application. The adoption of EIC-174 did not result in a material impact on the Company's financial statements.

Future accounting changes

International financial reporting standards

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own generally accepted accounting principles. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended June 30, 2011.

The Company has carried out a line-by-line review of its financial statements and assessed IFRS and its adoption for 2011, and it is management's opinion that, with the possible exception of additional notes and possible format changes, the financial reporting impact of the transition to IFRS will not cause significant changes in the preparation and presentation of the Company's financial statements.

Business combination, consolidated financial statements and non-controlling interest

The CICA issued three new accounting standards in January 2009: Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling Interests. These new standards will be effective for fiscal years beginning on or after January 1, 2011. Section 1582 replaces sections 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standards IFRS 3 – Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace section 1600, Consolidated Financial Statements. Section 1601, establishes standards for the preparations of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a no controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of International Financial Reporting Standards IAS 27 – Consolidated and Separate Financial Statements and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. The Company is assessing the impact of these new accounting standards on its financial statements.

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