

LOMIKO METALS INC.  
Form 51-102  
Management Discussion and analysis  
Interim Third Quarter 2014 ended April 30, 2014



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The following discussion and analysis of Lomiko Metals Inc. (the “*Issuer*” or the “*Company*”), is prepared as of June 23, 2014 and should be read together with the audited annual consolidated financial statements and the corresponding notes thereto for the year ended July 31<sup>st</sup>, 2013. 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 30<sup>th</sup>, 2013 and the Management Discussion and Analysis for that year.

All amounts are stated in Canadian dollars unless otherwise indicated.

#### **Forward Looking Statements**

Certain sections of this Management Discussion and Analysis may contain forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from actual future results. The risks, uncertainties and other factors that could influence actual results are described in the “Risk and Uncertainties” section of this report. The forward-looking statements contained herein are based on information available as of June 23, 2014. Readers are cautioned not to put undue reliance on forward-looking statements.

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

LOMIKO METALS INC.  
Form 51-102  
Management Discussion and analysis  
Interim Third Quarter 2014 ended April 30, 2014

**Nature of Business and Overview**

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

The Company has not generated revenue from operations. The Company had an operating loss of \$579,157 for the nine months ended April 30<sup>th</sup>, 2014, a history of prior year losses and, as of that date the Company's accumulated deficit was \$17,655,386. The Company is considered to be in the exploration stage as it has not placed any of its mineral properties into production. These consolidated financial statements have been prepared on a going concern basis, which assumes the realization of asset and liquidation of liabilities in the normal course of business. While these consolidated financial statements have been prepared on the assumption that the Company is a going concern and will be able to realize its assets and meet its obligations in the normal course of operations, there are conditions and events that cast significant doubt on the validity of that assumption. The Company's ability to continue as a going concern is dependent on the ability of the Company to raise debt or equity financings and the attainment of profitable operations. Management has taken steps to reduce cash expenditures to a level that will enable operations to continue and meeting its minimum mineral commitments for a minimum of twelve months from the date of these financial statements. There can be no assurance that management's plans will be successful. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the he Company be unable to continue as a going concern. Such adjustments could be material.

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 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

**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.

**Overall performance**

The Company currently has two viable mineral properties. Its Vines Lake property is located in the Cassiar region of British Columbia and the Quatre-Milles property is situated North-West of Montreal near Sainte Veronique, Quebec.

The Company completed its exploration programs on both the above mentioned properties with good results.

The Company is currently focused on exploring Graphite from its Quatre-Mille property and the results of its 2012 – 2013 exploration program on the property indicate near surface high grade graphite. Further exploration is required to define the resource. Graphite samples from drill core were tested for Carbon content and indicated Carbon purity of some samples were greater than the 94% carbon purity and two tests indicated 100.00 % carbon content.

The encouraging results from the Quebec exploration program have opened up significant opportunities for Lomiko. Lomiko is focused on finding and developing markets for its graphite.

LOMIKO METALS INC.  
Form 51-102  
Management Discussion and analysis  
Interim Third Quarter 2014 ended April 30, 2014

On February 11<sup>th</sup> 2013, the Company entered into a Strategic Alliance Agreement (“SAA”) with Graphene Laboratories Inc., NY (“Graphene Labs”). Graphene Labs specializes in the manufacture and sale of research materials to R&D markets, with the world’s largest selection of advanced 2D materials. This opened up an opportunity to participate in the research and development of new products which would represent a high value end use for Quatre Milles graphite.

The team at Graphene Labs are recognized as experts in graphene materials by the scientific and industrial community and also specialize in custom projects involving materials. The SAA between Lomiko and Graphene Labs focuses on:

- 1) Developing a vertical integrated supply chain for graphene products.
- 2) A secure supply of high-quality graphite from the Quatre-Milles property for cost-effective and scalable processing and high quality control.
- 3) Developing an understanding of key market opportunities for graphene products

To that end, Lomiko and Graphene Labs have collaborated with the Research Foundation of Stony Brook University, NY, (“Stony Brook”) to investigate novel, energy-focused applications for graphene. Under this collaboration, Graphene Labs will process graphite samples from Lomiko’s Quatre Mille property into graphene and Stony Brook will then examine the most efficient methods of using this graphene for energy storage applications.

Graphene Labs has grown exponentially and globally in the past eight months and now has over 5000 clients and is a profitable enterprise. Because of its spectacular growth, Graphene Labs has spun-off the Graphene Inks department into a brand new business entity, 3D Graphene Labs (“3D Labs”), incorporated in Delaware with operations in NY. The patent process has been initiated for the use of graphene oxide in 3D printing. 3D Labs will focus on the development, manufacturing and marketing of 3D Inks for 3D printing

On October 12, 2013, the Corporation entered into an agreement to acquire 250,000 preferred shares of Graphene 3D Labs Inc. for a total subscription price of \$50,000 (paid) for a 15% interest. The preferred shares are entitled to dividends. Further terms of the agreement between Graphene 3D Labs and the Corporation require the Corporation to complete a minimum of \$300,000 financing by May 1, 2014 and further financings to participate in a series of graphene-related ventures in addition to work on a graphite resource at the Corporation’s Quatre-Milles Projects. The Corporation will provide graphite to Graphene 3D Labs as the exclusive supplier to Graphene 3D Labs. Graphene 3D Labs Inc. focus on the development of high performance graphene enhanced materials for 3D Printing. The agreement provides no termination clause or buyback clause. If Graphene 3D Labs is purchased or conducts a public offering, the Corporation will convert their share position to the new entity.

On December 10, 2013, the Company filed its updated Annual Information Form, which can be viewed on [www.sedar.com](http://www.sedar.com).

On May 16, 2014, the Company announced that it has received conditional approval from the TSX Venture Exchange to invest, through its wholly owned subsidiary, \$300,000 in a private placement at \$0.25 for 1,200,000 Common shares of Matnic Resources Inc. (“Matnic”), a public company that trades on the TSX Venture Exchange (TSX-V: MIK). The transaction is subject to Matnic receiving regulatory approval to a reverse takeover (“RTO”) by Graphene 3D Labs (“Graphene 3D”).

In addition, Lomiko has created the new 100% owned subsidiary, Lomiko Technologies Inc. (“Lomiko Tech”). The above investment will be done through Lomiko Tech and will only proceed if the RTO receives the approval of the exchange. This transaction is further to the Company’s investment in Graphene 3D, as approved by the Exchange on December 3, 2013. The Company made a \$50,000 investment for a 15% interest and was issued 250,000 Series “A” Preferred stock of Graphene 3D. If the RTO is successful, Lomiko will exchange its 250,000 shares of Graphene 3D to shares in the newly formed graphene entity created through the RTO.

LOMIKO METALS INC.  
Form 51-102  
Management Discussion and analysis  
Interim Third Quarter 2014 ended April 30, 2014

**MINERAL PROPERTIES**

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

**Vines Lake**

On April, 10<sup>th</sup>, 2006, the Company purchased 100% interest in the Vines Lake property, consisting of three contiguous claim units totaling 1,196.4 Ha 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 30<sup>th</sup>, 2008. The aerial survey was conducted with a magnetic gradiometer with VLF-EM on 100 metre line spacing, fly 302 line km and will assist in defining exploration targets. The CMG airborne survey contract was completed in October 2008 and cost \$50,000.

The Company completed a NI 43-101 technical report compiled by Kirkham Geosystems Ltd. – Garth Kirkham, P.Geo, P. Geoph. On April 30<sup>th</sup>, 2009 which can be viewed on [www.sedar.com](http://www.sedar.com)

In June and July 2011, an exploration program conducted by Lomiko which comprised a soil geochemical survey, reconnaissance geological mapping and litho-geochemical sampling programs.

On June 27<sup>th</sup>, 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 3<sup>rd</sup>, 2011, the Company added another 3,684 Ha claims directly south of the Vines Lake, BC property.

On August 3<sup>rd</sup>, 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 21<sup>st</sup> 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 reported 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.

LOMIKO METALS INC.  
Form 51-102  
Management Discussion and analysis  
Interim Third Quarter 2014 ended April 30, 2014

The 2012 Vines Lake Exploration program comprised a two phase program of a soil geochemical survey and secondly a geological mapping, prospecting and litho-geochemical sampling program. The program was conducted between July 4th and September 16th, 2012 by Lomiko Metals Inc. The program was designed to infill soil sample the zinc in soil anomaly discovered in 2011 and to investigate the potential source of the anomalous zinc in soil values.

The 2012 mapping and rock geochemistry surveys were successful in locating the bedrock sources of the prominent zinc-in-soil anomaly that was outlined on the west side of Vines Lake.

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

Risks are related to the likelihood of finding economic mineralization. As with any and every project, there is no guarantee on finding a deposit. However with logical, science based exploration programs, properties can be either determined to be viable, warranting further study and expenditure (or not). In the case of the Vines Lake Property, there appears to be less likelihood of discovery based on the work programs to date.

The Company completed an updated NI 43-101 technical report compiled by Kirkham Geosystems Ltd. – Garth Kirkham, P. Geo, P. Geoph. The Technical Report was filed on February 24<sup>th</sup>, 2014 under the Corporation's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com). which can be viewed on [www.sedar.com](http://www.sedar.com). As of the date of this report, the Corporation is of the opinion that there has been no material change in the information concerning the QMEW Property since the date of the Technical Report. The Technical Report was prepared in compliance with Form 43-101F1 and is subject to certain assumptions, qualifications and procedures described therein.

### **Recommendations**

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

The property immediately to the south of the zinc in soil anomaly is owned by China Minerals Mining Corp. and the author has research into past exploration by Cusac Gold Mines, Duke Minerals, Gulf Titanium and others. There appears to be enough recorded data although historical in nature to warrant acquiring some ground to explore for base metals.

If this property package could be put together, a possible exploration strategy could be to locate contact of Sylvester Allochthon lower thrust sheet with Earn Group clastics and investigate lower Sylvester for possible massive sulfide potential. Testing for barite and base metals under Earn Group clastics should also be considered. The total cost for the evaluation and exploration program is \$75,000.

To date, the Company has spent a total of \$524,640.51 on exploration, technical reports and claim renewals and \$72,884.42 on acquisition costs (cash payment and shares issuance) on this property. The Company has recovered approximately 20% of the non flow-through exploration costs through BC Mineral Exploration Tax Credits (METC), which equates to \$8,037 in tax credits.

As of the current reporting period, the Vines Lake property has six active tenures comprising 3,299.55 Ha.

### **Quatre Milles East (Graphite), Quebec**

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

The Company has fully satisfied all the terms of the agreement as listed below and now owns 100% interest in this property:

LOMIKO METALS INC.  
Form 51-102  
Management Discussion and analysis  
Interim Third Quarter 2014 ended April 30, 2014

- paid \$25,000 cash upon signing (paid);
- issued 1,000,000 common shares at a deemed value \$0.035 per share (issued);
- paid \$25,000 cash and issued 500,000 common shares at deemed value of \$0.035 per share (paid/shares issued);
- issued 1,000,000 common shares at deemed value of \$0.035 per share (paid/shares issued);
- is to issue 1,500,000 common shares at a deemed value of \$0.035 due March 26, 2014 (shares issued); and
- complete a minimum of \$200,000 of exploration on the property (completed).

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 1,641 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 calcisilicate lithologies of the Central Metasedimentary Belt of the Grenville Province.

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. As of this report, the Company has spent a total of \$441,239.21 on exploration expenses, property claim renewals and technical reports and \$190,000 in acquisition costs (cash payments and shares issuance) on this property.

The Company has been successful in recovering \$130,550 of the non flow-through exploration costs through Quebec Mineral Exploration Tax Credits (METC).

#### **Quatre-Milles (Graphite) West Quebec Property**

By letter agreement dated May 7, 2012 and Mineral Property Purchase Agreement dated May 25, 2012 the Corporation acquired a 100% interest in 2,180 hectare Quatre-Milles (West) Property located in southern Quebec from Zimtu Capital Corp., Michel Robert and Jean-Sebastien Lavallee, subject to a 2% NSR. The Corporation may acquire, at any time, one half (1%) of the NSR for a total purchase price of \$1,000,000. The agreement provides that the Corporation acquire the property by paying \$3,000 and issue an aggregate of 1,800,000 common shares. The acquisition was approved by the TSX Venture Exchange on March 25, 2014. The Company has satisfied all aspects of the acquisition terms and now owns 100% interest in this property.

Lomiko retained Jean Lafleur, M. Sc., P. Geo. of PJLEXPL Inc. from St-Jérôme (Quebec) to prepare a technical report (the "Technical Report") on the Corporation's Quatre Milles East and West Properties (the "QMEW Property"). The Technical Report entitled National Instrument 43-101, includes the Quatre Milles

LOMIKO METALS INC.  
Form 51-102  
Management Discussion and analysis  
Interim Third Quarter 2014 ended April 30, 2014

East-West Property, Grenville Province. The Technical Report was filed on February 28, 2014 under the Corporation's profile on the SEDAR website at www.sedar.com. As of the date of this report, the Corporation is of the opinion that there has been no material change in the information concerning the QMEW Property since the date of the Technical Report. The Technical Report was prepared in compliance with Form 43-101F1 and is subject to certain assumptions, qualifications and procedures described therein.

As of this report, the Company spent a total of \$183,000 in acquisition costs (cash payment and share issuance) and paid \$11,080 in deferred expenses for a technical report on the property.

**MINERAL PROPERTIES ACQUISITIONS AND DEFERRED 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 30, 2014 a total of \$1,292,294 was recorded for acquisition and exploration expenses on its mineral properties, all of which are deferred.

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

<b>Vines Lake – Cassiar District, BC</b>					
<b>Date</b>	<b>Description</b>	<b>Cash</b>	<b>Shares</b>	<b>Price</b>	<b>Amount</b>
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
	<b>Total acquisition costs</b>	<b>12,884.42</b>	<b>120,000</b>		<b>72,884.42</b>
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 expenses	83,719.25			83,719.25
07/30/2011	Exploration expenses	85,841.74			85,841.74
08/31/2011	Exploration expenses	43,693.33			43,693.33
09/30/2011	Exploration expenses	101,645.87			101,645.87
10/31/2011	Exploration expenses	9,123.77			9,123.77
11/12/2012	Exploration expenses	560.47			560.47
12/31/2011	Exploration expenses	6,522.99			6,522.99
01/31/2012	Exploration expenses	10,255.29			10,255.29
03/31/2012	Exploration expenses	2,800.00			2,800.00
04/30/2012	Exploration expenses	9,363.11			9,363.11
07/31/2012	Exploration expenses	38,212.83			38,212.83
08/31/2012	Exploration expenses	15,200.64			15,200.64
09/30/2012	Exploration expenses	11,875.00			11,875.00
10/31/2012	Exploration expenses	2,043.98			2,043.98
12/31/2012	Exploration expenses	6,360.48			6,360.48
04/30/2013	Exploration expenses	2,200.00			2,200.00
07/31/2013	Exploration expenses	12,977.59			12,977.59
07/31/2013	Exploration tax credits	(8,037.00)			(8,037.00)
03/01/2014	43-101 report	18,460.00			18,460.00
	<b>Total exploration expenses</b>	<b>524,640.51</b>	<b>120,000</b>		<b>524,640.51</b>
	<b>Total Vines Lake</b>		<b>120,000</b>		<b>597,524.93</b>

LOMIKO METALS INC.  
Form 51-102  
Management Discussion and analysis  
Interim Third Quarter 2014 ended April 30, 2014

<b>Quatre Milles East (Graphite) QC</b>					
11/12/2011	Acquisition cost	25,000.00			25,000.00
03/27/2012	Acquisition cost		1,000,000	0.035	35,000.00
09/27/2012	Acquisition cost	25,000.00			25,000.00
09/27/2012	Acquisition cost		500,000	0.035	17,500.00
03/26/2013	Acquisition cost		1,000,000	0.035	35,000.00
03/17/2014	Acquisition cost		1,500,000	0.035	52,500.00
	<b>Total acquisition costs</b>	<b>50,000.00</b>	<b>4,000,000</b>		<b>190,000.00</b>
03/31/2012	43-101 Report	27,497.59			27,497.59
06/30/2012	Exploration expenses	45,639.38			45,639.38
09/30/2012	Exploration expenses	216,044.66			216,044.66
10/31/2012	Exploration expenses	27,535.50			27,535.50
04/30/2013	Exploration expenses	5,250.00			5,250.00
07/31/2013	Exploration expenses	36,389.19			36,389.19
11/31/2013	Exploration expenses	77,934.01			77,934.01
01/31/2014	Quebec Mining Tax Credits	(130,550.00)			(130,550.00)
03/31/2014	43-101 report update	4,948.88			4,948.88
	<b>Total exploration expenses</b>	<b>310,689.21</b>			<b>310,689.21</b>
	<b>Total Quatre Milles E</b>		<b>4,000,000</b>		<b>500,689.21</b>
<b>Quatre Milles West (Graphite) QC</b>					
03/25/2014	Acquisition cost (cash)	3,000.00			3,000.00
03/25/2014	Acquisition cost (shares)		1,800,000	0.10	180,000.00
	<b>Total acquisition costs</b>	<b>3,000.00</b>			<b>183,000.00</b>
09/30/2012	43-101 Report	5,498.75			5,498.75
10/31/2012	43-101 Report	5,581.24			5,581.24
	<b>Total deferred expenses</b>	<b>11,079.99</b>			<b>11,079.99</b>
	<b>Total Quatre Milles W</b>		<b>1,800,000</b>		<b>194,079.99</b>
	<b>Total Acquisition costs</b>				<b>445,884.42</b>
	<b>Total Deferred expenses</b>				<b>846,409.71</b>
	<b>Grand Total 04-30-2014</b>		<b>5,320,000</b>		<b>1,292,294.13</b>

**Third Interim Quarter Highlights**

The following events took place in the Company during the third financial quarter ended April 30, 2014.

On March 13, 2014, the Company announced that it has successfully completed its public offering (the "Public Offering") in connection with the short form prospectus of the Company dated March 6, 2014 (the "Prospectus").

Under the Public Offering, 26,584,180 units of the Company (the "Units") were sold at a price of \$ 0.11 per Unit and 4,627,000 units of the Company (the "Flow-Through Units") were sold at a price of \$0.13 per Flow-Through Unit.

Each Unit consists of one common share of the Company (each, a "Common Share") and one-half of one common share purchase warrant (each whole warrant being a "Unit Warrant"). Each Flow-Through Unit consists of one Common Share to be issued on a "flow-through" basis within the meaning of the *Income Tax Act* (Canada) (each a "Flow-Through Share") and one-half of one common share purchase warrant (each whole warrant being a "Flow-Through Unit Warrant").



LOMIKO METALS INC.  
Form 51-102  
Management Discussion and analysis  
Interim Third Quarter 2014 ended April 30, 2014

Each Unit Warrant entitles the holder thereof to purchase one common share of the Company (the "Unit Warrant Shares") at a price of \$0.15 per Unit Warrant Share at any time before the date that is 18 months following the closing date of the Public Offering. Each Flow-Through Unit Warrant entitles the holder thereof to purchase one common share of the Company (the "Flow-Through Unit Warrant Shares") at a price of \$0.20 per Flow-Through Unit Warrant Share at any time before the date that is 18 months following the closing date of the Public Offering.

In consideration for services rendered in connection with the Public Offering, the Company paid a cash commission equal to 8% of the gross proceeds received from the sale of the Units and the Flow-Through Units and the Company granted 1,872,671 compensation options, with each compensation option being exercisable to purchase one common share of the Company for a period of 18 months following the closing date of the Public Offering, at a price of \$0.11 per common share. Total commission and fees related to the Units and the Flow through Units under the Prospectus were \$ 381,780.83.

The Company also announced the closing of its previously announced concurrent non-brokered offering by issuing 15,346,231 flow-through units (the "Private Placement Units") for additional gross proceeds of \$1,995,010.03 (the "Private Placement"). The securities underlying the Private Placement Units were issued on the same terms as the securities underlying the Flow-Through Units that were issued under the Public Offering. In connection with the Private Placement, the Company paid a finder's fee of 8% in cash and issued 920,774 compensation options, with each compensation option being exercisable to purchase one common share of the Company for a period of 18 months following the closing date of the Private Placement, at a price of \$0.13 per common share. Total commission and fees related to Private Placement Units were \$ 194,600.80

The net proceeds from the Public Offering of \$ 3,143,988.97 and the Private Placement of \$ 1,800,409.23 will be used by Lomiko primarily in connection with the exploration program on the Quatre-Milles East and West mineral properties (Quebec), for business development and for working capital and general corporate purposes. In particular, the proceeds of the flow-through shares under the Public Offering and the Private Placement will be used by the Company to incur eligible Canadian Exploration Expenses as defined by the *Income Tax Act* (Canada).

On March 24, 2014, the Company announced that it had elected to convert 250,000 of its Preferred Shares (seed shares) in Graphene 3D Lab, acquired on November 22, 2013, to 250,000 Common Shares at a par value of \$.0001 each.

On April 24, 2014, Merriman Capital Inc. announced that it will serve as the Principal American Liaison (PAL) for Lomiko Metals Inc. (OTCQX: LMRMF) as it begins trading on the OTCQX.

#### **Subsequent events**

On May 16, 2014, the Company announced that it has received conditional approval from the TSX Venture Exchange to invest, through its wholly owned subsidiary, \$300,000 in a private placement at \$0.25 for 1,200,000 shares of Matnic Resources Inc. ("Matnic"), a public company that trades on the TSX Venture Exchange (TSX-V: MIK). The transaction is subject to Matnic receiving regulatory approval to a reverse takeover ("RTO") by Graphene 3D Labs ("Graphene 3D").

In addition, Lomiko has created the new 100% owned subsidiary, Lomiko Technologies Inc. ("Lomiko Tech"). The above investment will be done through Lomiko Tech and will only proceed if the RTO receives the approval of the exchange. This transaction is further to the Company's investment in Graphene 3D, as approved by the Exchange on December 3, 2013. The Company made a \$50,000 investment for a 15% interest and was issued 250,000 Series "A" Preferred stock of Graphene 3D. If the RTO is successful, Lomiko will exchange its 250,000 shares of Graphene 3D to shares in the newly formed graphene entity created through the RTO.

#### **Basis of preparation**

#### **Statement of compliance**

LOMIKO METALS INC.  
Form 51-102  
Management Discussion and analysis  
Interim Third Quarter 2014 ended April 30, 2014

These condensed interim consolidated financial statements of the Company for the nine months ending April 30, 2014 have been prepared using accounting policies specified by those IFRSs that are in effect at the end of the annual reporting period, July 31, 2013. The standards that will be effective in the financial statements for the year ending July 31, 2014 are subject to change and may be affected by additional interpretations.

The condensed interim consolidated financial statements of the Company as at April 30, 2014 were approved and authorized for issue by the Board of Directors on June 24, 2014.

#### **Newly Adopted Standards**

##### *International Financial Reporting Standard 11 - Joint Arrangements ("IFRS 11")*

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers. The Company adopted the standard, effective August 1, 2013, and determined adoption required no changes to the existing Company practices.

##### *International Financial Reporting Standard 12 - Disclosure of Interests in Other Entities ("IFRS 12")*

IFRS 12 establishes 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 interests in other entities. The Company adopted the standard, effective August 1, 2013, and determined adoption required no changes to the existing Company practices.

##### *International Financial Reporting Standard 13 - Fair Value Measurement ("IFRS 13")*

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. The Company adopted the standard, effective August 1, 2013, and determined adoption required no changes to the existing Company practices.

#### **Standards, Amendments and Interpretations Not Yet Effective**

##### *IFRS 9 Financial Instruments ("IFRS 9")*

On November 12, 2009, the IASB issued IFRS 9 Financial Instruments as the first step in its project to replace International Accounting Standard ("IAS") 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument. IFRS 9 amends some of the requirements of IFRS 7 Financial Instruments: Disclosures including additional disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and de-recognition of financial 16 instruments. Although early adoption is permitted, in December 2011, the IASB issued an amendment that adjusted the mandatory effective date of IFRS 9 from January 1, 2013 to January 1, 2015. The Company is currently determining the impact of adopting IFRS 9.

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

LOMIKO METALS INC.  
Form 51-102  
Management Discussion and analysis  
Interim Third Quarter 2014 ended April 30, 2014

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustments to the carry amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

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.

Exploration and evaluation expenditure

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company.

If after exploration and evaluation expenditure is capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation assets may exceed its recoverable amount the Company carries out an impairment test. The Company has determined there are currently no indicators of impairment.

Income taxes

The Company does not recognize a deferred tax asset as management believes that it is not probable that the taxable income will be available against which a deductible temporary difference can be utilized.

Share based payments

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).

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, 2014	July 31, 2013
Cash	\$ 1,959,326	\$ 391,018
Guaranteed investment certificate	<u>2,903,000</u>	<u>3,004</u>
Total cash	<u>\$ 4,862,326</u>	<u>\$ 394,022</u>

LOMIKO METALS INC.  
Form 51-102  
Management Discussion and analysis  
Interim Third Quarter 2014 ended April 30, 2014

As at April 30, 2014, 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.

As at April 30, 2014, the Company had \$2,900,000 cash held in Guaranteed Investment Certificates.

Accounts Receivable

	April 30, 2014	July 31, 2013
Goods and services tax receivable	\$ 24,319	\$ 10,816
Accrued interest receivable	4,190	
BC Mining tax credits receivable	-	8,037
Quebec Mining tax credit receivable	\$ 14,750	\$ -
<b>Total receivable</b>	<b>\$ 43,259</b>	<b>\$ 18,853</b>

Prepaid expenses

	April 30, 2014	July 31, 2013
Advances on exploration costs	\$ 100,000	\$ -
Promotions	\$ 18,691	\$ 37,232
<b>Total prepaid expenses</b>	<b>\$ 118,691</b>	<b>\$ 37,232</b>

**Other Requirements**

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

***Financial instruments***

As at April 30, 2014, 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 prioritizes the inputs in valuation techniques used to measure fair value as follows:

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

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

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

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

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$4,862,326	\$ -	\$ -	\$4,862,326
Accounts receivable	\$ -	\$ 43,259	\$ -	\$ 43,249

As at April 30, 2014, the Company had cash and receivables of \$4,905,585 (April 30, 2013 - \$16,756), to meet short-term business requirements and accrued liabilities of \$4,051. The Company's accounts payable and accrued liabilities are subject to normal trade terms. The Company has no long term debt.

***Liquidity and Capital Resources***

As at April 30, 2014 the Company had a total of \$ 4,051 in accounts payable and accrued liabilities. The accounts payable and accrued liabilities for April 30, 2013 were \$251,409.

The Company had cash of \$4,866,520 as at April 30, 2014 as compared to \$ 8118 for April 30, 2013.

LOMIKO METALS INC.  
Form 51-102  
Management Discussion and analysis  
Interim Third Quarter 2014 ended April 30, 2014

The Company's working capital at April 30, 2014 is \$ 4,901,534 as compared to working capital deficit of (\$234,653) as at April 30, 2013.

On June 13, 2013 the Corporation closed private placement of 2,495,000 units at a price of \$0.06 per unit and raises a gross amount of \$149,700. Each unit consisted of one Common Share and one common share purchase warrant. Each warrant is exercisable into one Common Share until June 12, 2013 at an exercise price of \$0.10. The net funds from the issuance of the securities were used for general working capital purposes.

On June 27, 2013 the Corporation closed a private placement of 7,142,857 flow-through units at a price of \$0.07 per unit and raised a gross amount of \$499,999.92. Each unit consisted of one flow-through Common Share and one-half common share purchase warrant. Each whole warrant is exercisable into one Common Share until June 27, 2014 at an exercise price of \$0.14. Secutor Capital Management Corporation received a cash fee of \$44,999.99, settlement fees of \$5,650 and was issued a warrant for the right to purchase up to 285,714 Common Shares for one year at \$0.14. The funds raised from the issuance of the flow-through Common Shares is to be expensed in 2014 as described in paragraphs (a) through (d) of the definition of "flow-through mining expenditures" in subsection 127(9) of the Income Tax Act (Canada) on the Corporation's Quatre-Milles Graphite property in Quebec.

On December 18, 2013, the Corporation closed a private placement of 1,667,000 units at a price of \$0.06 per unit and raised a gross amount of \$100,020. Each Unit consists of one non-transferable share purchase warrant, each full warrant being exercisable at a price of \$0.10 until December 18, 2014. The net proceeds of the offering were used for general working capital purposes.

On March 13, 2014, the Corporation closed a Public Offering ("Prospectus") through the sale of 26,584,180 units of the Company (the "Units") at a price of \$ 0.11 per Unit and 4,627,000 units of the Company (the "Flow-Through Units") at a price of \$0.13 per Flow-Through Unit. Each Unit consists of one common share of the Company (each, a "Common Share") and one-half of one common share purchase warrant (each whole warrant being a "Unit Warrant"). Each Flow-Through Unit consists of one Common Share to be issued on a "flow-through" basis within the meaning of the Income Tax Act (Canada) (each "Flow-Through Share") and one-half of one common share purchase warrant (each whole warrant being a "Flow-Through Unit Warrant"). Each Unit Warrant entitles the holder thereof to purchase one common share of the Company (the "Unit Warrant Shares") at a price of \$0.15 per Unit Warrant Share until September 13, 2015. Each Flow-Through Unit Warrant entitles the holder thereof to purchase one common share of the Company (the "Flow-Through Unit Warrant Shares") at a price of \$0.20 per Flow-Through Unit Warrant Share at any time before until September 13, 2015.

In consideration for services rendered in connection with the Public Offering, the Company has paid a cash commission equal to 8% of the gross proceeds received from the sale of the Units and the Flow-Through Units and the Company granted 1,872,671 compensation options, with each compensation option being exercisable to purchase one common share of the Company until September 13, 2015 at a price of \$0.11 per common share. Total commission and fees related to the Units and the Flow through Units under the Prospectus were \$ 381,780.83. An over-allotment provision granted under the Prospectus was not utilized and thus extinguished.

The Company also currently closed a non-brokered private placement offering by issuing 15,346,231 flow-through units (the "Private Placement Units") for additional gross proceeds of \$1,995,010.03 (the "Private Placement"). The securities underlying the Private Placement Units were issued on the same terms as the securities underlying the Flow-Through Units that were issued under the Public Offering. In connection with the Private Placement, the Company paid a finder's fee of 8% in cash and issued 920,774 compensation options, with each compensation option being exercisable to purchase one common share of the Company until September 13, 2015 at a price of \$0.13 per common share. Total commission and fees relating to Private Placement Units was \$ 194,600.80. The net proceeds from the Public Offering of \$ 3,143,988.97 and the Private Placement of \$ 1,800,409.23 will be used by the Company primarily in connection with the exploration program on the Quatre-Milles East and West mineral properties (Quebec), for business development and for working capital and general corporate purposes. In particular, the proceeds of the flow-through shares under the Public Offering and the Private Placement will be used by the Company to incur eligible Canadian Exploration Expenses as defined by the Income Tax Act (Canada).

LOMIKO METALS INC.  
Form 51-102  
Management Discussion and analysis  
Interim Third Quarter 2014 ended April 30, 2014

**Results of Operations - Use of Proceeds from previous Private Placements**

Proceeds of Private Placements	Jun. 13, 2013 \$149,700	Dec. 18, 2013 \$100,020	Mar.13, 2014 \$4,944,398.20	Jun. 27, 2013 (Flow-Through) \$499,999.92
<b>Balance forward</b>		<b>-18,739</b>	<b>-37,225</b>	
Advance Payments				-185,000
Exploration & Technical reports				-82,343
Legal/Consulting	-22,514	-20,240	-19,379	
TSX & Filing fees	-12,982	-18,195	-50,211	
Transfer Agent	-4,587	-2,265	-11,222	
Office & sundries	-8,862	-8,227	-6,916	
Promotional & travel	-38,477	-18,872	-191,183	
Audit/Accounting	-6,026	-12,279	-4,419	
Shareholders' communications	-10,751	-1,465	-4,246	
Management	-50,000	-30,000	-20,000	
Research & Development	-4,036	-3,963	-3,426	
Financing Costs	-10,204	-3,000	-89,985	
<b>Total</b>	<b>-18,739</b>	<b>-37,225</b>	<b>4,506,187</b>	<b>232,657</b>

**Summary of Quarterly Results**

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

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

	April 14	Jan 14	Oct 13	Jul 13	April 13	Jan 13	Oct 12	Jul 12
<b>Revenue</b>	0	0	0	0	0	0	0	0
<b>Net Loss</b>	(579)	(342)	(103)	(602)	(451)	(259)	(135)	(878)
<b>Loss per Share</b>	(0.01)	(.000)	(.002)	(0.009)	(0.01)	(0.00)	(.002)	(0.015)

**Selected Annual Information - nine month period**

Stated in thousands of Canadian dollars except for shares:

The following selected financial data is derived from the unaudited condensed interim financial statements prepared in accordance with IFRS:		
	Nine months ended April 30, 2014	Nine months ended April 30, 2013
<b>Statement of Operations and Comprehensive Loss Data</b>		
Total Revenue	Nil	Nil
Total Expenses	(583,404)	(451,239)
Net Income/(Loss)	(579,157)	(451,215)
Net Income/(Loss) per share – basic and diluted	(0.01)	(0.01)
<b>Statement of Financial Position Data</b>		
	<b>As at April 30 2014</b>	<b>As at July 31 2013</b>
Total Assets	6,562,070	1,536,109
Total Long-Term Debt	Nil	Nil
Total Liabilities	4,051	293,515
Shareholders' Equity: Share Capital Equity	22,018,902	17,825,194

LOMIKO METALS INC.  
Form 51-102  
Management Discussion and analysis  
Interim Third Quarter 2014 ended April 30, 2014

Results of Operation – three months and nine months ended April 30, 2014 and 2013

	Three months ended April		Nine months ended April	
	2014 \$	2013 \$	2014 \$	2013 \$
General administrative expenses				
Office & sundry	10,871	6,406	18,027	16,107
Telephone/Fax	1,108	757	4,038	2,201
Travel	7,139	5,671	12,881	17,872
Advertising & Promotions	94,094	37,483	135,538	161,934
Management / Subcontract	30,000	30,000	90,000	90,000
Legal & Consulting	21,751	23,706	44,264	39,753
Audit & Accounting	7,343	1,765	21,161	8,594
Exchange & Transfer Agent fees	58,616	6,819	87,981	21,376
Shareholders' Communications	5,711	3,814	16,462	17,518
Research & Development	5,168	-	13,167	-
Share-based Compensation	-	75,884	139,885	75,884
<b>Total</b>	<b>241,801</b>	<b>192,305</b>	<b>583,404</b>	<b>451,239</b>
Loss from operations	(241,801)	(192,305)	(583,404)	(451,239)
Interest Income	4,233	7	4,247	24
Income before taxes	(237,568)	(192,298)	(579,157)	(451,215)
Loss & comprehensive loss for the period	(237,568)	(192,298)	(579,157)	(451,215)
Loss per share for the period	(0.00)	(0.00)	(0.01)	(0.01)
Basis & Diluted Weighted Average Common Shares	109,899,040	67,332,403	90,942,058	66,964,880

During the nine month period, legal costs and Exchange fees were significantly higher for this period because of the Company's AIF filing, prospectus offering and concurrent private placement financings. In addition, audit and regulatory fees also increased significantly and related to the above mentioned financings in March 2013.

Advertising and promotional expenses were higher because the Company participated in several marketing campaigns and conferences.

Research and development costs related to funding the STONY Brook University (NY) graphene super capacitor project.

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

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

The Company incurred a total net loss of (\$579,157) for this reporting period. The loss per share, basic and diluted was (0.01). The Company had assets of \$6,562,070 of which \$4,862,326 came from cash; \$43,259 from receivables: \$24,319 from Goods and Service Tax receivable; \$4,190 from GIC investments accrued interest receivable and \$14,750 from Quebec Mining exploration and mining tax credit receivable; \$190,500 in advance payments to contractors for exploration work and prepaid expenses.

LOMIKO METALS INC.  
Form 51-102  
Management Discussion and analysis  
Interim Third Quarter 2014 ended April 30, 2014

The Company's mineral property acquisition assets comprise of \$72,884 for the 100% acquisition of the Vines Lake Mineral Property in the Cassiar district of British Columbia and \$373,000 in cash payments and shares issuance for 100% equity interest in the Quatre Milles, QC (Graphite) east/west properties. There was also a total of \$1,292,294 in deferred exploration costs.

**Loss per share**

Basic losses per share amounts are calculated by dividing the net loss for the period by the weighted average number of ordinary shares outstanding during the period.

	April 30, 2014	April 30, 2013
Loss attributed to ordinary shareholders	\$ (579,157)	(451,215)
Weighted average number of common shares	90,942,058	66,964,880
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)
Fully diluted number of common shares	177,758,506	75,264,145
Fully diluted income (loss) per share	(0.003)	(0.006)
Weighted average number of common shares		
Issued common shares, beginning of period	77,577,001	66,439,145
Outstanding vested stock options	5,525,000	5,525,000
Outstanding share purchase warrants	34,830,344	1,800,000
Effect of shares issued	58,976,161	1,500,000
	177,758,506	75,264,145

**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, 2014, the Company had 136,553,162 common shares outstanding and 176,908,507 shares on a fully diluted basis.

<u>Category</u>	<u>Shares</u>
Common shares without par value	136,553,162
Share Options	5,525,000
Share Warrants	34,830,345
<b>Fully diluted balance, April 30, 2014</b>	<b><u>176,908,507</u></b>

The following is a summary of changes in common share capital from July 31, 2012 to April 30, 2013 and July 31, 2013 to April 30, 2014



LOMIKO METALS INC.  
Form 51-102  
Management Discussion and analysis  
Interim Third Quarter 2014 ended April 30, 2014

	Number of Shares	Issue price	Amount
<b>Balance at July 31, 2012</b>	<b>66,439,145</b>		<b>\$ 17,352,740</b>
Issuance of shares on resource property acquisition	<u>1,500,000</u>	\$.035	<u>52,500</u>
<b>Balance as at April 30, 2013</b>	<b><u>66,939,145</u></b>		<b><u>\$ 17,405,240</u></b>
<b>Balance at July 31, 2013</b>	<b>77,577,001</b>		<b>\$ 17,825,194</b>
Shares issued, on settlement of debt	4,431,750	\$.06	154,390
Shares issued, on private placements	17,013,231	\$.12	1,565,303
Shares issued, on public offering	31,211,180	\$.09	1,811,024
Shares issued on resource property acquisition	3,300,000	\$.07	232,500
Issuance of shares on exercise of warrants	2,020,000	\$.10	263,319
Issuance of shares on exercise of options	<u>1,000,000</u>	\$.10	<u>167,172</u>
<b>Balance at April 30, 2014</b>	<b><u>136,553,162</u></b>		<b><u>\$ 18,108,110</u></b>

### Financing Activities

An exploration and development company such as Lomiko requires continuous financing in order to sustain its business. Lomiko has recently completed the following financings which were essential to sustain its working capital needs and maintain exploration activities on its mining properties:

On March 13, 2014, the Company was successful in completing public offering (the "Public Offering") in connection with the short form prospectus of the Company dated March 6, 2014 (the "Prospectus").

Under the Public Offering, 26,584,180 units of the Company (the "Units") were sold at a price of \$ 0.11 per Unit and 4,627,000 units of the Company (the "Flow-Through Units") were sold at a price of \$0.13 per Flow-Through Unit.

Each Unit consists of one common share of the Company (each, a "Common Share") and one-half of one common share purchase warrant (each whole warrant being a "Unit Warrant"). Each Flow-Through Unit consists of one Common Share to be issued on a "flow-through" basis within the meaning of the *Income Tax Act* (Canada) (each a "Flow-Through Share") and one-half of one common share purchase warrant (each whole warrant being a "Flow-Through Unit Warrant").

Each Unit Warrant entitles the holder thereof to purchase one common share of the Company (the "Unit Warrant Shares") at a price of \$0.15 per Unit Warrant Share until September 13, 2015. Each Flow-Through Unit Warrant entitles the holder thereof to purchase one common share of the Company (the "Flow-Through Unit Warrant Shares") at a price of \$0.20 per Flow-Through Unit Warrant Share until September 13, 2015.

In consideration for services rendered in connection with the Public Offering, the Company has paid a cash commission equal to 8% of the gross proceeds received from the sale of the Units and the Flow-Through Units and the Company granted 1,872,671 compensation options, with each compensation option being exercisable to purchase one common share of the Company for a period of 18 months following the closing date of the Public Offering, at a price of \$0.11 per common share. Total commission and fees related to the Units and the Flow through Units under the Prospectus were \$ 381,780.83.

The Company also closed a concurrent non-brokered offering by issuing 15,346,231 flow-through units (the "Private Placement Units") for additional gross proceeds of \$1,995,010.03 (the "Private Placement"). The securities underlying the Private Placement Units were issued on the same terms as the securities underlying the Flow-Through Units that were issued under the Public Offering. In connection with the Private Placement, the Company paid a finder's fee of 8% in cash and issued 920,774 compensation options, with each compensation option being exercisable to purchase one common share of the Company until September 13, 2015 at a price of \$0.13 per common share. Total commission and fees related to Private Placement Units were \$ 194,600.80

LOMIKO METALS INC.  
Form 51-102  
Management Discussion and analysis  
Interim Third Quarter 2014 ended April 30, 2014

The net proceeds from the Public Offering of \$ 3,143,988.97 and the Private Placement of \$1,800,409.23 will be used by Lomiko primarily in connection with the exploration program on the Quatre-Milles East and West mineral properties (Quebec), for business development and for working capital and general corporate purposes. In particular, the proceeds of the flow-through shares under the Public Offering and the Private Placement will be used by the Company to incur eligible Canadian Exploration Expenses as defined by the *Income Tax Act* (Canada).

On December 18, 2013 the Corporation closed a private placement of 1,667,000 units at a price of \$0.06 per unit. Each unit consisted of one Common Share and one common share purchase warrant. Each warrant is exercisable into one Common Share until December 18, 2014 at an exercise price of \$0.10 per share. The funds raised from the issuance of the securities were used for general working capital purposes.

On June 27, 2013 the Corporation closed a private placement of 7,142,857 flow-through units at a price of \$0.07 per unit and raised a gross amount of \$499,999.92. Each unit consisted of one flow-through Common Share and one-half common share purchase warrant. Each whole warrant is exercisable into one Common Share for a period of 12 months from closing at an exercise price of \$0.14. Secutor Capital Management Corporation received a cash fee of \$44,999.99, settlement fees of \$5,650 and was issued a warrant for the right to purchase up to 285,714 Common Shares until June 27, 2014 at \$0.14 per share. The funds raised from the issuance of the flow-through Common Shares is to be expensed in 2014 as described in paragraphs (a) through (d) of the definition of "flow-through mining expenditures" in subsection 127(9) of the *Income Tax Act* (Canada) on the Corporation's Quatre-Milles Graphite property in Quebec.

On June 13, 2013 the Corporation closed private placement of 2,495,000 units at a price of \$0.06 per unit and raised \$149,700. Each unit consisted of one Common Share and one common share purchase warrant. Each warrant is exercisable into one Common Share until June 12, 2014 at an exercise price of \$0.10 per share. The funds raised from the issuance of the securities were used for general working capital purposes.

On March 1, 2012, the Corporation closed a private placement of 9,033,200 units at a price of \$0.10 per unit and raised a gross amount of \$903,320. Each unit consisted of one Common Share and one share purchase warrant, exercisable at a price of \$0.15 until March 1, 2013. A cash commission of \$75,000 was paid. The proceeds were used for exploration and general operational expenses.

On June 28, 2011 the Corporation closed the second tranche of a private placement of 850,000 units at a price of \$0.08 per unit. Each unit consisted of one Common Share and one-half share purchase warrant. Two warrants entitled the purchaser to acquire an additional Common Share for two years at \$0.12. The net proceeds of \$68,000 were used for working capital.

On May 11, 2011, the Corporation closed a first tranche of a private placement financing and raised \$232,000 through the sale of 2,900,000 units at a price of \$0.08 per unit. Each unit consisted of one Common Share and one half share purchase warrant exercisable at a price of \$0.12 until May 11, 2013. The Corporation paid a cash commission of \$16,400 for the financing.

On March 4, 2011 the Corporation closed a private placement of 5,000,000 units at a price of \$0.08 per unit to MineralFields. Each unit consisted of one flow-through Common Share and one-half purchase warrant. Two warrants entitled MineralFields to purchase one additional Common Share until May 11, 2013. The gross proceeds of \$400,000 were used for exploration purposes on the Corporation's wholly owned Vines Lake property in the Cassiar region of British Columbia. The Corporation paid a cash commission of \$17,500 to Limited Markets Dealer Inc. and issued 350,000 broker options to purchase units at a price of \$0.08 per unit, each unit consisting of one non Common Share and a half warrant at \$0.12 until March 4, 2012.

On January 21, 2011 the Corporation closed a non-brokered private placement of 2,500,000 units at a price of \$0.06 per unit. Each unit consisted of one Common Share and one-half share purchase warrant. One whole warrant entitles the purchaser to acquire an additional Common Share for twelve months at \$0.10. Net proceeds of \$150,000 were used for working capital. A cash commission of \$2,400 was paid to two consultants.

The warrants exercised which were issued pursuant to the private placements indicated above were as follows:

LOMIKO METALS INC.  
Form 51-102  
Management Discussion and analysis  
Interim Third Quarter 2014 ended April 30, 2014

- March 17, 2014, 1,620,000 warrants were exercised at a price of \$0.10 per Common Share;
- January 27, 2014, 200,000 warrants were exercised at a price of \$0.10 per Common Share;
- January 6, 2014, 200,000 warrants were exercised at a price of \$0.10 per Common Share;
- March 5, 2012, 312,500 warrants were exercise at a price of \$0.12 per Common Share; and
- April 10, 2012, 75,000 warrants were exercised at a price of \$0.12 per Common Share.
- February 24, 2012 Limited Market Dealers Inc. exercised their broker's warrants for 350,000 Common Shares at \$0.08.

In addition to the above, the following stock options were exercised which also contributed to the capital needs of the Corporation:

- March 17, 2014, 850,000 options were exercised at a price of \$0.10 per Common Share;
- January 27, 2014, 100,000 stock options were exercised at \$0.10 per Common Share.

**Share Purchase Warrants**

A summary of the Company's outstanding share purchase warrants at April 30, 2013 and April 30, 2014

	Number of Warrants	Weighted Average Exercise Price
Balance as at July 31, 2012	10,833,200	\$ 0.17
Expired	<u>(9,033,200)</u>	-
<b>Balance, April 30, 2013</b>	<b><u>1,800,000</u></b>	<b><u>\$ 0.12</u></b>
Balance at July 31, 2013	6,352,142	\$ 0.13
Issued	30,498,202	0.16
Exercised	<u>(2,020,000)</u>	<u>0.10</u>
<b>Balance at April 30, 2014</b>	<b><u>34,830,344</u></b>	<b><u>\$ 0.16</u></b>

The following table summarizes information relating to share purchase warrants outstanding and exercisable at April 30, 2014.

Number of Warrants	Grant Date Fair Value	Exercise Price	Expiry Date
475,000	105,992	.10	June 12, 2014
3,857,142	97,951	.14	June 27, 2014
2,759,052	109,665	.10	October 10, 2015
1,667,000	45,478	.10	December 31, 2014
13,292,090	802,378	.15	September 13, 2015
9,986,615	551,003	.20	September 13, 2015
1,872,671	123,075	.11	September 13, 2015
920,774	57,892	.13	September 13, 2015

The weighted average remaining contractual life of the warrants as at April 30, 2014 was 1.19 years.

**Stock Options**

The Company has established a stock option plan for directors, senior officers, employees, management, company employees and consultants (collectively "Eligible Persons") 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 options price under each option shall not be less than the discounted market price on the grant date. The expiry date for each option shall be set by the Board at the time of issuance and shall not be more than ten years after grant date. Options shall not be assignable (or transferable) by the optionee. The maximum number of shares reserved for issuance under the share option plan in aggregate shall not exceed 10% of

LOMIKO METALS INC.  
Form 51-102  
Management Discussion and analysis  
Interim Third Quarter 2014 ended April 30, 2014

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

**Fair value of Options Issued**

On April 30, 2014, the Company recorded stock based compensation expense totaling \$139,885 in the consolidated statement of operations. The options were valued using the Black-Scholes pricing model using the following assumptions: risk free interest rate – 1.3%; a volatility factor of 196.9% and an expected life of 5 years. There is a 4 month hold period on these options.

The following table summarizes the stock options outstanding and exercisable as at April 30, 2014.

Number of options outstanding	Exercise price	Expiry date
1,300,000	.12	September 3, 2014
400,000	.10	November 30, 2014
50,000	.12	February 17, 2015
425,000	.10	February 8, 2016
350,000	.10	August 8, 2016
100,000	.10	June 1, 2017
675,000	.10	February 1, 2018
400,000	.10	April 30, 2018
1,825,000	.10	January 31, 2019

The weighted average remaining contractual life of options outstanding at April 30, 2014 is 2.79 years.

**Schedule of Options granted**

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

The Company granted 700,000 incentive stock options priced at \$0.10 each to directors on November 30<sup>th</sup>, 2009, exercisable until November 30<sup>th</sup>, 2014, 300,000 of which were exercised of March 17, 2014 leaving a balance of 400,000 options.

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

The Company granted 950,000 incentive stock options priced at \$0.10 each to directors and a consultant on February 8<sup>th</sup>, 2011 of which 125,000 were cancelled on November 17<sup>th</sup>, 2012; 400,000 were exercised on March 17<sup>th</sup>, 2014 leaving a balance of 425,000 options exercisable until February 8<sup>th</sup>, 2016.

On August 8<sup>th</sup>, 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 8<sup>th</sup>, 2016.

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

On February 1<sup>st</sup>, 2013, the Company granted 825,000 incentive stock options priced at \$0.10 each to Directors and consultants of which 150,000 options were exercised on March 17<sup>th</sup>, 2014 leaving a balance of

LOMIKO METALS INC.  
Form 51-102  
Management Discussion and analysis  
Interim Third Quarter 2014 ended April 30, 2014

675,000 options exercisable until February 1<sup>st</sup>, 2018.

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

On January 31, 2014 the Company granted 1,825,000 incentive stock options priced at \$0.10 each to directors and consultants exercisable until January 31, 2019.

On February 13, 2014, 625,000 options priced at \$0.10 each were expired.

**Other MD&A Requirements**

As at April 30, 2014, the Company had a total of 176,908,507 shares on a fully diluted basis. If the Company were to issue 40,355,345 shares upon the conversion of all of its outstanding warrants and options, it would raise a total of \$ 5,993,890.

As of this period, the Company has sufficient funds for 1.2 years to pay for its on-going operational expenses and to meet its commitments.

**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, 2014, the Company paid management fees of \$45,000 (2013 - \$45,000) to AJS Management Corp., a company controlled by A. Paul Gill, a director of the Company. All services were incurred in the normal course of operations on terms equivalent to those that prevail with arm's length transactions.

During the nine-month period ended April 30, 2014, the Company paid management fees of \$45,000 (2013 - \$45,000) to M&M Corporate Services., a company controlled by J. Michael, a director of the Company. All services were incurred in the normal course of operations on terms equivalent to those that prevail with arm's length transactions.

In addition, on January 31, 2014, directors were awarded 1,150,000 stock options exercisable at \$0.10 per share for a period of 5 years. The value of the share based compensation attributed to directors was \$88,147.

**Contractual obligations**

On June 27, 2013, the Company entered into flow through share subscription agreements whereby it is committed to incur on or before January 31, 2015, a total of \$500,000 of qualifying Canadian Exploration Expenses as described in the Income Tax Act. As at April 30, 2014, the Company has incurred \$77,934 in qualifying expenditures. The Company is able to continue to incur exploration expenses beyond February 2015. However, it will be subject to a penalty of 4-5% per annum on the balance required to be spent on its exploration work. The Company intends to fulfill its flow-through commitments within the given time constraints.

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.

On February 2013, the Company entered into consulting agreements with two directors of Graphene Laboratories Inc. for a one year term. Each contract pays \$4,000 per month. According to the agreement, either party can terminate the contract upon 30 days notice. On December 18, 2013, it was agreed by all parties, to cancel the contracts, effective August 1, 2013.

LOMIKO METALS INC.  
Form 51-102  
Management Discussion and analysis  
Interim Third Quarter 2014 ended April 30, 2014

On October 12, 2013, the Corporation entered into an agreement to acquire 250,000 preferred shares of Graphene 3D Labs Inc. for a total subscription price of \$50,000 (paid) for a 15% interest. The preferred shares are entitled to dividends. Further terms of the agreement between Graphene 3D Labs and the Corporation require the Corporation to complete a minimum of \$300,000 financing by May 1, 2014 and further financings to participate in a series of graphene-related ventures in addition to work on a graphite resource at the Corporation's Quatre-Milles Projects. The Corporation will provide graphite to Graphene 3D Labs as the exclusive supplier to Graphene 3D Labs. Graphene 3D Labs Inc. focuses on the development of high performance graphene enhanced materials for 3D Printing. The agreement provides no termination clause or buyback clause. If Graphene 3D Labs is purchased or conducts a public offering, the Corporation will convert their share position to the new entity.

On March 13, 2014, the Company entered into flow-through share subscription agreements whereby it is committed to incur on or before January 30, 2016, a total of \$2,596,520.03 of qualifying Canadian Exploration Expenses as described in the Canadian Income Tax Act. As at April 30, 2014, the Company has incurred no qualifying expenditures to date on this commitment.

Subsequent to this reporting period, on June 5<sup>th</sup>, 2014, the Company paid \$300,000 to Matnic Resources Inc. in relation to a proposed reverse take-over with Graphene 3D Labs Inc. and has begun its exploration projects on the Quatre-Milles graphite properties.

**Disclosure of Internal Controls**

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

- (i) the unaudited condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim financial statements, and
- (ii) the unaudited condensed interim financial statements fairly present in all material respects, the financial condition, results of operations and cash flow of the Company, as of the date of and for the period presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge or support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation

LOMIKO METALS INC.  
Form 51-102  
Management Discussion and analysis  
Interim Third Quarter 2014 ended April 30, 2014

**Risk Factors**

***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 that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. On April 30, 2014, the Company has cash and cash equivalents of \$4,862,326 to settle accounts payable and accrued liabilities of \$4,051.

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

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

***Segmental reporting***

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of mineral property acquisition and exploration and evaluation activities

***Environmental regulations***

The current and future operations of the Company that are conducted in Canada are subject to environmental regulations promulgated by the Government of 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

LOMIKO METALS INC.  
Form 51-102  
Management Discussion and analysis  
Interim Third Quarter 2014 ended April 30, 2014

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.

On behalf of the Board,

*"Paul Gill"*

Paul Gill, President & CEO