

LOMIKO METALS INC.
CONSOLIDATED FINANCIAL STATEMENTS

October 31, 2009
(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

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LOMIKO METALS INC.

CONSOLIDATED BALANCE SHEET

October 31, 2009

(unaudited)

	October 31, 2009 (unaudited)	July 31, 2009 (audited)
ASSETS		
Current		
Cash	\$ 729,066	72,119
Accounts receivable	9,438	6,976
Prepaid expenses	17,250	5,250
	<u>755,754</u>	<u>84,345</u>
Mineral Properties (Note 3)	366,219	175,971
	\$ 1,121,973	260,316
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 6,331	11,189
	<u>6,331</u>	<u>11,189</u>
	6,331	11,189
SHAREHOLDERS' DEFICIENCY		
Capital Stock (Note 4)	16,364,144	15,210,269
Contributed Surplus	36,000	36,000
Deficit	(15,284,502)	(14,997,142)
	<u>1,115,642</u>	<u>249,127</u>
	\$ 1,121,973	260,316

Nature of Operations (Note 1)

Approved on behalf of the Board:

"Paul Gill"
Paul Gill - President

"Jacqueline Michael"
Jacqueline Michael – Chief Financial Officer

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

LOMIKO METALS INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

For the three months ended October 31, 2009

(unaudited)

	Three Months ended October 31,		Three Months ended October 31,	
	2009	2008	2009	2008
Revenue	\$ -	-	-	-
Revenue	-	-	-	-
Expenses				
Audit and Accounting	-	2,500	-	2,500
Advertising and promotion	20,726	27,814	20,726	27,814
Filing & Transfer Agent Fees	8,888	20,616	8,888	20,616
Finders Fees	80,000	17,960	80,000	17,960
Legal/Consulting Fees	105,580	55,338	105,580	55,338
Management Fees	27,500	37,500	27,500	37,500
Bonuses	10,000	-	10,000	-
Office and sundry	5,560	1,768	5,560	1,768
Investor Relations	-	22,500	-	22,500
Shareholder communications	1,043	5,259	1,043	5,259
Telephone	136	149	136	149
Travel	20,515	-	20,515	-
Currency conversion	7,801	-	7,801	-
Operating Loss	287,749	191,404	287,749	191,404
Other Income – Interest earned	393	-	393	-
Net Loss	(287,356)	(191,404)	(287,356)	(191,404)
Deficit, Beginning of Period	(13,985,388)	(13,793,984)	(13,985,388)	(13,793,984)
Deficit, End of Period	\$ (14,272,744)	(13,985,388)	(14,272,744)	(13,985,388)

Basic and Diluted Income (Loss) Per Common Share \$**(0.009)** (0.007)

Weighted Average Number of Shares Outstanding **32,114,477** 25,797,460
(2008 restated for effect of stock split)

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

LOMIKO METALS INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended October 31, 2009

(expressed in Canadian dollars – unaudited)

	Three months Ended October 31, 2009		Three months ended October 31, 2009		Three months ended October 31, 2008	
Cash Flows from Operating Activities						
Income (loss) for the period	\$(287,356)	(191,404)	(287,356)	(191,404)	(287,356)	(191,404)
	(287,356)	(191,404)	(287,356)	(191,404)	(287,356)	(191,404)
Changes in non-cash working capital items:						
Accounts receivable & prepaid expenses	(14,462)	151,467	(14,462)	151,467	(14,462)	151,467
Accounts payable	(4,858)	1,860	(4,858)	1,860	(4,858)	1,860
	(306,680)	(38,077)	(306,680)	(38,077)	(306,680)	(38,077)
Cash Flows from Financing Activities						
Share Subscriptions	1,153,875	463,200	1,153,875	463,200	1,153,875	463,200
	1,153,875	463,200	1,153,875	463,200	1,153,875	463,200
Cash Flows from Investing Activities						
Investment in mineral properties	(190,248)	(211,560)	(190,248)	(211,560)	(190,248)	(211,560)
	(190,248)	251,640	(190,248)	251,640	(190,248)	251,640
Increase (Decrease) in Cash	656,947	213,563	656,947	213,563	656,947	213,563
Cash Beginning of Period	72,119	362,403	72,119	362,403	72,119	362,403
Cash End of Period	\$ 729,066	575,966	729,066	575,966	729,066	575,966

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

LOMIKO METALS INC.

NOTES TO FINANCIAL STATEMENTS

October 31, 2009

1. Nature of Operations

The Company is incorporated under the laws of the Province of British Columbia. 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's ability to continue at a going concern is dependent upon successful completion of additional financing, continuing support of credits and upon its ability to attain profitable operations.

2 Significant Accounting Policies

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.

Financial Instruments

The Company's cash is classified as held-for trading. Accounts receivables are classified as loans and receivables. Accounts payable are classified as other financial liabilities.

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.

LOMIKO METALS INC.

NOTES TO FINANCIAL STATEMENTS

October 31, 2009

2. Significant Accounting Policies (Continued)

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 October 31, 2009 and year ended July 31, 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.

3. Mineral Properties

	<u>2010</u>	<u>2009</u>
The carrying values of the company's resource properties are as follows:		
Vines Lake Property – Cassiar Mining District	\$ 135,971	135,971
Karolina Property – Chile	50,000	40,000
50% interest in 9 claims making up 1,900 hectares of Salar de Aguas Calientes. The company entered into an agreement with the owner of the other 50% of the property to acquire exclusive rights to develop and exploit the claims. Under the terms of the agreement the company paid a \$20,000 deposit and has committed to pay an additional \$30,000 and issue 1,000,000 common shares at a deemed value of \$0.065 per share.		
Alkali Lake Property – Nevada, USA	180,248	-
	<u>\$ 366,219</u>	<u>175,971</u>

LOMIKO METALS INC.

NOTES TO FINANCIAL STATEMENTS

October 31, 2009

4. Capital Stock

Common Shares

The maximum number of common shares that the company is authorized to issue is unlimited.

Description	2010		2009		2008	
	# of Shares	\$ Amount	# of Shares	\$ Amount	# of Shares	\$ Amount
Issued and fully paid						
Balance Forward	30,480,112	\$15,210,269	6,362,028	14,747,069	3,085,028	13,824,469
Issued for cash						
On exercise of warrants	1,135,000	\$ 141,875.00	500,000	160,000	1,077,000	323,100
Private Placements	8,333,333	\$ 999,999.96	758,000	303,200	2,000,000	500,000
Options Exercised	120,000	\$ 12,000.00				
Issued for options on Properties					200,000	99,500
Sub Total	40,068,445	\$16,364,143.96	7,620,028	\$15,210,269	6,362,028	\$14,747,069
4 for 1 share split 10-07-2008			30,480,112	\$15,210,269		
Balance 10-31-2009	40,068,445	\$16,364,143.96	30,480,112	\$15,210,269	6,362,028	\$14,747,069

Of the common shares issued, 1,678,332 are held in escrow to be released in full on December 12th, 2009.

Shares Outstanding

The Company granted stock options to its directors and consultants on October 16th, 2006 to purchase up to an aggregate of 1,040,000 common shares (post 4 for 1 share split), exercisable at the price of \$0.12 per share until November 16, 2011.

The Company granted stock options to its directors and consultants on July 2nd, 2008 to purchase up to an aggregate of 200,000 common shares (post 4 for 1 share split), exercisable at the price of \$0.10 per share until July 2, 2013.

The Company granted stock options to its directors and consultants on September 3rd, 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.

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

The Company granted 833,333 share purchase options exercisable at \$0.12 each and 416,667 share purchase warrants, exercisable at \$0.20 each to Byron Capital Markets as part of the share commissions earned for raising \$999,999.96 (gross) through a private placement financing on August 31st, 2009.

As at this reporting period, there are 4,166,667 warrants outstanding at \$0.20 each exercisable to March 1st, 2011.

LOMIKO METALS INC.

NOTES TO FINANCIAL STATEMENTS

October 31, 2009

5. Contingent Liabilities

A legal claim has been made against the Company for breach of contract, misrepresentation and negligence for \$78,624 plus general damages of \$100,000, punitive damages of \$50,000 plus interest and costs. The Company has filed a counter claim of \$78,195 plus interest and costs. The outcome of these claims is not determinable and no provision has been made in the financial statements.

6. Income Taxes

The Company has incurred losses for Canadian income tax purposes that may be carried forward to reduce income of future years that would otherwise be subject to income tax. The aggregate amount of the losses is \$2,099,572.

The losses expire as follows:

2010	580,160
2014	802,097
2015	12,827
2027	110,806
2028	130,856
2029	<u>462,824</u>
	<u>\$ 2,099,572</u>

The potential tax benefits of the losses items have not been recognized in the financial statements as it is considered to be, more likely than not, that future tax assets will not be realized.

7. Related Party Transactions

The Company paid a total sum of \$27,500 in management fees to 2 of its Directors and a bonus of \$10,000 to 1 of its Directors.

8. Financial Instruments

Fair Value

The carrying value of cash, accounts receivable and accounts payable and accruals approximates their fair value because of the short-term nature of these instruments.

Risk

The Company is not subject to significant credit, interest rate or foreign currency exchange risk from its financial instruments.

LOMIKO METALS INC.

NOTES TO FINANCIAL STATEMENTS

October 31, 2009

9. Subsequent Events

The Company completed the purchase of the other 50% interest in 9 claims making up 1,900 ha of Salar de Aguas Calientes (Karolina lithium claims) by making a cash payment of \$30,000 and by issuing 1,000,000 common shares at a deemed value of \$0.065 per share to the owner. The property transaction was approved by the Exchange on November 12th, 2009.

In total, the Company paid \$80,000 in cash and issued 1,000,000 shares at a deemed value of \$0.065 for 100% interest in the Karolina lithium claims in Chile.