

LOMIKO METALS INC.
CONSOLIDATED FINANCIAL STATEMENTS

January 31, 2010
(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

January 31, 2010

(unaudited)

| | January 31, 2010 (unaudited) | July 31, 2009 (audited) |
|--|------------------------------------|-------------------------------|
| ASSETS | | |
| Current | | |
| Cash | \$ 601,655 | 72,119 |
| Accounts receivable | 10,380 | 6,976 |
| Prepaid expenses | 8,900 | 5,250 |
| | <u>620,935</u> | <u>84,345</u> |
| Mineral Properties (Note 3) | 468,294 | 175,971 |
| | \$ 1,089,229 | 260,316 |
| LIABILITIES | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 6,144 | 11,189 |
| | <u>6,144</u> | <u>11,189</u> |
| | 6,144 | 11,189 |
| SHAREHOLDERS' DEFICIENCY | | |
| Capital Stock (Note 4) | 16,429,144 | 15,210,269 |
| Contributed Surplus | 36,000 | 36,000 |
| Deficit | (15,382,059) | (14,997,142) |
| | <u>1,018,085</u> | <u>249,127</u> |
| | \$ 1,089,229 | 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 six months ended January 31, 2010

(unaudited)

| | Three Months ended January 31, | | Six Months ended January 31, | |
|---------------------------------------|-----------------------------------|---------------------|---------------------------------|---------------------|
| | 2010 | 2009 | 2010 | 2009 |
| Revenue | \$ - | - | - | - |
| Revenue | - | - | - | - |
| Expenses | | | | |
| Audit and Accounting | - | - | - | 2,500 |
| Development Costs Expensed | - | 13,200 | - | 13,200 |
| Advertising and promotion | 24,430 | 565 | 45,156 | 28,379 |
| Filing & Transfer Agent Fees | 8,918 | 3,988 | 17,806 | 24,604 |
| Finders Fees | - | - | 80,000 | 17,960 |
| Legal Fees | 7,371 | 14,749 | 75,698 | 29,688 |
| Consulting Fees | 22,912 | 23,380 | 60,165 | 63,780 |
| Management Fees | 30,000 | 37,500 | 57,500 | 75,000 |
| Bonuses | - | - | 10,000 | - |
| Office and sundry | 4,412 | 1,762 | 9,972 | 3,529 |
| Professional Fees | - | (1,215) | - | (1,215) |
| Investor Relations | - | - | - | 22,500 |
| Shareholder communications | 2,019 | 6,828 | 3,062 | 12,087 |
| Telephone | 154 | 170 | 290 | 319 |
| Travel | 4,860 | - | 25,375 | - |
| Currency conversion | (7,074) | - | 727 | - |
| Operating Loss | 98,002 | 100,927 | 385,751 | 292,331 |
| Other Income – Interest earned | 442 | - | 835 | - |
| Net Loss | (97,560) | (100,927) | (384,916) | (292,331) |
| Deficit, Beginning of Period | (14,272,744) | (13,985,388) | (14,272,744) | (13,793,984) |
| Deficit, End of Period | \$ (14,370,304) | (14,086,315) | (14,657,660) | (14,086,315) |

Basic and Diluted Income (Loss) Per Common Share \$ (0.01) (0.01)

Weighted Average Number of Shares Outstanding 34,753,181 27,065,800
On a 4 for 1 share split basis

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

LOMIKO METALS INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended January 31, 2010

(expressed in Canadian dollars – unaudited)

| | Three months | | Six months | |
|---|-------------------|------------------|-------------------|-----------------|
| | Ended January 31, | | ended January 31, | |
| | 2010 | 2009 | 2010 | 2009 |
| Cash Flows from Operating Activities | | | | |
| Income (loss) for the period | \$ (97,560) | (100,927) | (384,916) | (292,331) |
| | (97,560) | (100,927) | (384,916) | (292,331) |
| Changes in non-cash working capital items: | | | | |
| Accounts receivable & prepaid expenses | 7,408 | 186,826 | (7,054) | 338,293 |
| Accounts payable | (187) | (14,552) | (5,045) | (12,692) |
| | (90,339) | 71,341 | (397,015) | 33,270 |
| Cash Flows from Financing Activities | | | | |
| Share Subscriptions | 65,000 | - | 1,218,874 | 463,200 |
| | 65,000 | - | 1,218,875 | 463,200 |
| Cash Flows from Investing Activities | | | | |
| Investment in mineral properties | (102,072) | (363,410) | (292,323) | (574,970) |
| | (102,072) | (363,410) | (292,323) | (111,770) |
| Increase (Decrease) in Cash | (127,411) | (292,063) | 529,536 | (78,500) |
| Cash Beginning of Period | 729,066 | 575,966 | 72,119 | 362,403 |
| Cash End of Period | \$ 601,655 | 283,903 | 601,655 | 283,903 |

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

January 31, 2010

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: | | |
| <u>Vines Lake Property – Cassiar Mining District</u> | \$ 135,971 | 135,971 |
| The Company purchased 100% interest in the Vines Lake property on April 4, 2006 consisting of three contiguous claim units totaling 1,196.4 hectares in the Cassiar region of B.C for which the Company paid the vendor \$10,000 in cash and issued 480,000 common shares (post 1:4 share split) at a deemed value of \$60,000 for a total acquisition cost of \$70,000. | | |
| The Company has spent a total of \$65,971.17 in deferred costs on the Vines Lake property. | | |
| <u>Karolina Property – Chile (Salar de Aguas Clientes)</u> | 145,000 | 40,000 |
| On June 15, 2009, the Company completed the purchase of 50 % ownership in the Karolina Claims with Jeff Adams for which it paid Mr. Adams a total of CAD. \$30,000 in cash. | | |

LOMIKO METALS INC.

NOTES TO FINANCIAL STATEMENTS

January 31, 2010

The Company completed the purchase of the remaining 50% ownership in the Karolina Claims with Brian Gusko on November 11th, 2009, upon Exchange approval. Mr. Gusko received a gross total of \$50,000 in cash and was issued 1 million common shares at a deemed value of \$0.065 per share.

The Company has paid a total of \$145,000 in cash and shares for 100% interest in the Karolina Lithium Claims in Chile.

Alkali Lake Property – Nevada, USA

187,323

-

Montezuma Valley (also known as Alkali Flat) and the KAR claims are located immediately east of Clayton Valley..

On November 9, 2009, the Company's US subsidiary, Lomiko Metals USA LLC, located and staked 552 lode claims comprising 4,615.4 Hectares or 11,404.9 acres in Esmerelda County, Nevada which covers a large portion of Alkali flat in Montezuma Valley.

The Company paid CAD \$189,322.55 to Esmerelda County NV, for the rights to explore this property.

\$ 468,294

175,971

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 |
| Issued for Property acquisition | 1,000,000 | \$ 65,000.00 | | | | |
| | | | | | | |
| Sub Total | 41,068,445 | \$16,429,143.96 | 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 01-31-2010 | 40,068,445 | \$16,364,143.96 | 30,480,112 | \$15,210,269 | 6,362,028 | \$14,747,069 |

LOMIKO METALS INC.

NOTES TO FINANCIAL STATEMENTS

January 31, 2010

| Description | Date Issued | # of Shares | Price | \$ Amount | Expiry Date |
|--|-------------|-------------------|---------|------------------------|-------------|
| SHARES OUTSTANDING | | | | | |
| Options – Directors/Consultant | 11-16-2006 | 640,000 | \$0.125 | \$ 80,000.00 | 11-16-2011 |
| Options – Directors | 07-02-2008 | 200,000 | \$0.10 | \$ 20,000.00 | 07-02-2013 |
| Options – Directors/Consultant | 09-03-2009 | 1,300,000 | \$0.12 | \$156,000.00 | 09-03-2014 |
| Options – Directors | 11-30-2009 | 700,000 | \$0.10 | \$ 70,000.00 | 11/30/2014 |
| Warrants | 08-31-2009 | 4,166,667 | \$0.20 | \$833,333.40 | 03-01-2011 |
| Byron Capital Units from financing | 08-31-2009 | 833,333 | \$0.12 | \$ 99,999.96 | 03-01-2011 |
| Byron Capital Warrants | 08-31-2009 | 416,667 | \$0.20 | \$ 83,333.40 | 03-01-2011 |
| Total Outstanding | | 8,256,667 | | \$1,342,666.76 | |
| Fully Diluted Shares As at 01-31-2010 | | 49,325,112 | | \$17,771,810.72 | |

On December 12th, 2009, the remaining 1,678,332 escrow shares were released in full.

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, 2009 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 \$.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.

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.

LOMIKO METALS INC.

NOTES TO FINANCIAL STATEMENTS

January 31, 2010

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 | 462,824 |
| | <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 \$57,500 in management fees to 2 Directors for the six-month period. The Company also paid a net total of \$9,702.67 to Kirkham Geosystems Ltd., a company owned by Garth Kirkham (P. Geo), Director, for consulting services on the Company's mineral properties. The Company paid a bonus of \$10,000 to one 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.

9. Subsequent Events

On February 16th, 2010, the Company announced that Lomiko Metals Inc. and its wholly-owned subsidiary, Lomiko Metals USA LLC ("Lomiko USA") entered into a Memorandum of Agreement ("MoA") with Japan Oil, Gas and Metals National Corporation ("JOGMEC") on February 8th, 2010.

According to the terms of the MoA, JOGMEC is able to acquire 51% of Lomiko USA's Alkali Lake Project ("the Property") in Esmeralda after completing US \$ 2.5 million in work no later than March 31,

LOMIKO METALS INC.

NOTES TO FINANCIAL STATEMENTS

January 31, 2010

2013 (“the Earn-In-Date”). Both parties must contribute based on a 51/49 ratio to retain their interest after the Earn-in-Date. JOGMEC has the Right of First Refusal to acquire the remaining portion of the property not owned after the Earn-in-Date and may accelerate the Earn-in-Date by completing required expenditures early. JOGMEC also has the right to transfer its interests in the Alkali Lake Property, in whole or in part, to one or more Japanese companies or a consortium of Japanese companies. JOGMEC shall have exclusive right to direct the marketing of minerals or mineral materials removed from the Property on behalf of the Joint Venture for a 10 year period from the date of first commercial production.

The above agreement is subject to a 30 day due diligence period that may be extended to not more than 90 days. Once above due diligence is satisfied by JOGMEC, Lomiko and JOGMEC will form a Joint Venture Management Committee to direct exploration and Lomiko will act as Operator. JOGMEC shall prepare an initial draft of the definitive agreement between the parties to the MoA. Any Exploration expenditures by Lomiko from January 17, 2010 to present will be credited to the Joint Venture and compensated accordingly.

Lomiko USA, located 552 lode claims comprising 4,615.4 Ha or 11,404.9 acres in Esmeralda County, Nevada. The staking covers a large portion of Alkali Flat Salt Lake in Montezuma Valley which is prospective for economic grades of lithium and other materials.