LOMIKO METALS INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

January 31, 2013

LOMIKO METALS INC.

(An exploration stage company)
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JANUARY 31, 2013
(unaudited)

Responsibility for financial statements

The accompanying condensed interim consolidated financial statements for Lomiko Metals Inc. have been prepared by management in accordance with International Financial Reporting Standards consistently applied. These interim statements have been presented on the accrual basis of accounting. Therefore estimated and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the interim financial statements, management is satisfied that these condensed interim consolidated financial statements have been fairly presented.

Auditor involvement

The Company's auditors have not performed a review of the unaudited condensed interim consolidated financial statements for the six month period ended January 31, 2013.

LOMIKO METALS INC.

(An exploration stage company)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(unaudited)

		January 31, 2013 (unaudited)		July 31, 2012 (audited)
ASSETS				
Current				
Cash and cash equivalents (Note 5)	**$**	**78,800**	$	413,796
Accounts receivable and advances (Note 8)		**12,275**		17,579
Prepaid expenses		**17,462**		100,072
		108,537		531,447
Interests in Mineral Properties (Note 6 &11)		**1,002,222**		669,581
	$	**1,110,759**	$	1,201,028
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	**207,747**	$	64,096
Deposit for share issue		**7,500**		-
		215,247		64,096
SHAREHOLDERS' EQUITY				
Share capital (Note 7a)		**17,370,240**		17,352,740
Warrants (Note 7b)		**515,536**		515,536
Share based payment reserve (Note 7)		**304,716**		322,002
Deficit		**(17,294,980)**		(17,053,346)
		895,512		1,136,932
	$	**1,110,759**	$	1,201,028

Nature of Operations and Ability to Continue as a Going concern (Note 1)

Subsequent Events (Note 11)

Approved on behalf of the Board:

"Paul Gill"	"Jacqueline Michael"
Paul Gill - President and Chief Executive Officer	Jacqueline Michael - Chief Financial Officer

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

LOMIKO METALS INC.

(An exploration stage company)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS

(unaudited)

	Three Months Ended January 31		Six Months Ended January 31	
	2013	2011	**2013**	2012
Expenses				
Accounting and audit	**$ 4,829**	$ 2,753	$ **6,829**	**$** 5,108
Advertising and promotion	**59,391**	26,900	**124,450**	41,526
Investor relations	**-**	15,000	**-**	30,000
Legal and consulting fees	**3,600**	-	**16,047**	8,059
Legal settlement	**-**	-	**-**	-
Management fees (Note 8)	**30,000**	30,000	**60,000**	60,000
Office and miscellaneous	**5,460**	4,962	**9,701**	8,596
Regulatory and filing fees	**6,382**	2,492	**14,556**	14,338
Shareholder communications	**7,917**	6,712	**13,705**	11,619
Share-based compensation	**-**	-	**-**	20,137
Telephone	**861**	551	**1,444**	1,436
Travel	**5,226**	3,534	**12,202**	7,540
Write down of mineral property acquisition exploration expenses (Note 6)	**-**	-	**-**	24,000
Total expenses	**123,666**	92,904	**258,934**	232,359
Other				
Interest income	**8**	26	**14**	33
Net operating loss and comprehensive loss for the period	**$ (123,658)**	$ (92,878)	$ **(258,920)**	$ (232,326)
Basic And Diluted Loss Per Share	$ **(0.00)**	$ (0.00)	**$ (0.00)**	**$** (0.00)
Basic And Diluted Weighted Average Common Shares	**66,939,145**	55,518,455	**66,786,140**	55,518,455

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

LOMIKO METALS INC.

(An exploration stage company)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
For the six month period January 31, 2013 and 2012
(unaudited)

	Common Shares Without Par Value		Warrants Reserve	Share-based Payment Reserve	Accumulated Deficit	Total Equity (Deficiency)
	Shares	Amount				
Balance, July 31, 2011	55,518,445	$ 16,786,673	$ 295,753	$ 254,936	$ (16,349,722)	$ 987,640
Share-based compensation	-	-	-	20,137		20,137
Comprehensive loss for the period	-	-	-	-	(139,449)	(139,449)
Balance, January31, 2012	55,518,445	$ 16,786,673	$ 295,753	$ 275,073	$ (16,489,171)	$ 868,328

	Common Shares Without Par Value		Warrants Reserve	Share-based Payment Reserve	Accumulated Deficit	Total Equity (Deficiency)
	Shares	Amount				
Balance, July 31, 2012	66,439,145	$ 17,352,740	$ 515,536	$ 322,002	$ (17,053,346)	$ 1,136,932
Shares issued for resource property	500,000	17,500	-			17,500
Stock options expired	-	-	-	(17,286)	17,286	-
Comprehensive loss for the period	-	-	-	-	(258,920)	(258,920)
Balance, January 31, 2013	**66,939,145**	**$ 17,370,240**	**$ 515,536**	**$ 304,716**	**$ (17,294,980)**	**$ 895,512**

The accompanying notes form an integral part of these condensed interim consolidated financial statement

LOMIKO METALS INC.

(An exploration stage company)
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW
(unaudited)

	THREE MONTHS ENDED January 31		SIX MONTHS ENDED January 31	
	2013	2012	**2013**	2012
Cash flows from (used in) operating activities				
Net loss for the period	**$ (123,658)**	$ (92,878)	**$ (258,920)**	$ (232,326)
Items not involving cash:				
Share-based compensation	**-**	-	**-**	20,137
Mineral property costs written off	**-**	-	**-**	24,000
	(123,658)	(92,878)	**(258,920)**	(188,189)
Changes in non-cash working capital items:				
Accounts receivable and advances	**18,538**	5,825	**5,304**	1,136
Prepaid expenses	**35,705**	(1,588)	**82,610**	3,991
Accounts payable	**(56,785)**	8,445	**151,151**	(17,926)
	(126,200)	(80,196)	**(19,855)**	(200,988)
Cash flows from (used in) financing activities				
Common shares and warrants	**-**	-	**17,500**	-
Share issue costs	**-**	-	**-**	-
	-	-	**17,500**	-
Cash flows from (used in) investing activities				
Investment in mineral properties	**(6,360)**	(42,339)	**(332,641)**	(199,686)
	(6,360)	(42,339)	**(332,641)**	(199,686)
Increase (decrease) in cash	**(132,560)**	(122,535)	**(334,996)**	(400,674)
Cash, beginning of period	**211,360**	198,392	**413,796**	476,531
Cash, end of period	$ **78,800**	$ 75,857	**$ 78,800**	$ 75,857
Cash and cash equivalents consists of:				
Cash	**75,781**	72,838	**75,781**	72,838
Guaranteed investment certificates	**3,019**	3,019	**3,019**	3,019
	$ 78,800	$ 75,857	**$ 78,800**	$ 75,857
Supplemental information:				
Resource property acquired by issuance of shares	**$ 17,500**		**$ 17,500**	

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

1 Nature of business and going concern

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

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

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

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

2 Basis of preparation and adoption of IFRS

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

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

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

2 Basis of preparation and adoption of IFRS - continued

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

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

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

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

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

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

3 New standards and interpretations not yet adopted

IFRS 9, Financial Instruments ("IFRS 9")
IFRS 9 addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. This standard is effective for annual periods beginning on or after January 1, 2013. The company does not expect this standard to have a significant impact on its financial statements.

IFRS 10, Consolidated Financial Statements ("IFRS 10")
IFRS 10 builds on existing principles and standards and identifies the concept of control as the determining factor in which an entity should be included within the consolidated financial statements of the parent company. In addition, the consolidated procedures are carried forward substantially unmodified from IAS 27 Consolidated and Separate Financial Statements. This standard is effective for annual periods beginning on or after January 1, 2013. The company

2 New standards and interpretations not yet adopted – continued

does not expect this standard to have a significant impact on its financial statements

IFRS 11, Joint Ventures ("IFRS 11")
IFRS 11 establishes principles for financial reporting by parties to a joint arrangement. The IFRS supersedes IAS 31 Interest in Joint Ventures and SIC-13 Jointly Controlled Entities - Non-monetary Contributions by Ventures and is effective for annual periods beginning on or after January 1, 2013. The company does not expect this standard to have a significant impact on its financial statements.

IFRS 12, Disclosure of Interest in Other Entities ("IFRS 12")
IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an association or an unconsolidated structured entity. This standard is effective for annual periods beginning on or after January 1, 2013. The company does not expect this standard to have a significant impact on its financial statements.

IFRS 13, Fair Value Measurements ("IFRS 13")
IFRS 13 defines fair value, sets out in a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. This IFRS applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements, except in specified circumstances. IFRS 13 is to be applied for annual periods beginning on or after January 1, 2013. Early adoption is permitted. The company does not expect this standard to have a significant impact on its financial statements.

IAS 27, Separate Financial Statements has been amended for the issuance of IFRS 10 but retains the current guidance for separate financial statements; and

IAS 28, Investments in Associates and Joint Ventures has been amended for conforming changes based on the issuance of IFRS 10 and IFRS 11.

4 Critical accounting estimates and judgments

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.

The effect of a change in an accounting estimate is recognized prospectively by including it in total comprehensive loss/income in the period of change, if the change affects that period only, or in the period of the change and future periods, if the change affect both.

Information about significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements is described below:

4 Critical accounting estimates and judgments - continued

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.

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

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

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

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

5 Cash and cash equivalents

	January 31, 2013	July 31, 2012
Cash	$ 75,781	$ 410,792
Cash equivalents-restricted	3,019	3,004
	$ 78,800	$ 413,796

As of January 31, 2013 the company had pledged $3,000 of cash held in a Guaranteed Investment Certificate as a bond to the Ministry of Mining for the Vines Lake exploration site.

6 Accounts receivable

	January 31, 2013	July 31, 2012
Harmonized sales tax receivable	$ 12,275	$ 17,579
	$ 12,275	$ 17,579

7 Interests in mineral properties

The following table shows the exploration and evaluation assets

	Vines Lake	Karolina	Rose Lake	Quatre Milles	Quatre Millies West	Total
Balance July 31, 2011	$ 311,382	$175,647	$ 24,000	-	-	511,029
Additions	225,062	-	-	133,347	-	358,199
Write down	-	(175,647)	(24,000)	-	-	(199,647)
Balance, July 31, 2012	$ 536,444	$ -	$	$ 133,137	-	$ 669,581

	Vines Lake	Karolina	Rose Lake	Quatre Milles	Quatre Millies West	Total
Balance July 31, 2012	$ 536,444	$ -	$ -	$ 133,137	-	$ 669,581
Additions	35,480	-	-	286,080	11,080	332,640
Write down	-	-	-	-	-	-
Balance, January 31, 2013	$ 571,924	$ -	$ -	$ 419,217	$11,080	$ 1,002,221

Vines Lake Property - Liard Mining District, BC
In March 2006, the Company acquired 100% interest in 3 claims comprising approximately 1,169 hectares ("Ha") in Liard Mining District of British Columbia, subject to a 2% net smelter return ("NSR") in favour of Mr. Amrit P.S. Gill, a director of the Company.

Karolina Property - Chile
The Company has acquired exclusive rights to develop 100% of 1,900 hectares of Chilean mineral claims located in the Aguas Calientes Salar, II Region, Chile. The property was abandoned in June 2012.

Rose Lake 70 Mile House, BC - Canada
The Company acquired 100% interest in EVA and PLAYA claims making up 222 Ha and 222 Ha respectively of semi-evaporitic lakes know as Rose Lake and Cunningham Lake near 70 Mile House, B.C. As the company did not renew the titles to these claims in November 2011, the value of the property has been written off.

Quatre-Milles – Quebec
On December 28, 2011, the Company signed a property acquisition agreement with Zimtu Capital Corp. and one of their prospecting partners (the "Vendors") to acquire 100% interest in the Quatre- Milles Property in Quebec. The Vendors will retain a 2%

7 Interests in mineral properties - continued

net smelter royalty on the Property, of which the Company can purchase 1% for CAD$1 million. The terms of the agreement are outlined below:

- Pay $25,000 in cash upon signing the Agreement (paid)
- Issue 1 million common shares at $0.035 per share (issued).
- Pay $25,000 in cash and issue 500,000 common shares at $0.035 per share (paid and issued)
- Issue 1,000,000 common shares at $0.35 to the Vendors, due March 26, 2013.
- Issue 1,500,000 common shares at $0.035 to the Vendors, due March 26, 2014.
- Retain Consul-Teck Mineral Exploration Consultants, of Val d'Or, Quebec as consultants with respect to exploration on the property due, March 26, 2013.
- Complete a minimum of $200,000 of exploration on the Property (paid)
- In the event the Company does not fulfill any of above conditions, at the option of the Vendors, the Company will forfeit its right to acquire the Property.

Quatre-Milles West – Quebec

On May 25, 2012, the Company signed a letter agreement with three vendors to acquire a 100% interest in the 2,180 hectares Quatre-Milles West Property in Quebec. The acquisition is currently pending on a final approval from the TSX-V.

8 Share capital and reserves

(a) Share capital

Authorized

The company's authorized share capital consists of unlimited common shares without par value.

Issued and fully paid

	Number of Shares	Issue price	Amount
Balance at July 31, 2012	66,439,145		$ 17,352,740
Issuance of shares on resource property acquisition	500,000	0.035	17,500
Balance as at January 31, 2013	66,939,145		$17,370,240

8 Share capital and reserves - continued

(b) Share purchase warrants

A summary of the Company's outstanding share purchase warrants at July 31, 2012 and January 31, 2013 is presented below

	Number of warrants	Weighted Average Exercise price
Balance, July 31, 2012 and January 31, 2013	10,833,200	$0.17

The following table summarizes information relating to share purchase warrants outstanding and exercisable at January 31, 2013

Number of Warrants	Grant Date Fair Value	Exercise Price	Expiry Date
1,375,000	89,127	.12	May 11, 2013
425,000	13,533	.12	June 28,2013
9,033,200	412,876	.15	March 1, 2013

The weighted average remaining contractual life of the warrants as at January 31, 2013 is .12 years.

(c) Share-based payments

Plan Details

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

The option price under each option shall not be less than the discounted market price on the grant date. The expiry date for each option shall be set by the board at the time of issuance and shall not be more than ten years after grant date. Options shall not be assignable (or transferable) by the optionee. The maximum number of shares reserved for issuance under the share option plan in aggregate shall not exceed 10% of the total number of the Company's issued and outstanding common shares on a non-diluted basis prior to the issuance. The number of shares which may be issuable under the plan within a twelve month period to one optionee shall not exceed five percent of the total number of issued and outstanding shares on a non-diluted basis. Options may be exercised no later than 90 days following cessation of the

8 Share capital and reserves - continued

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 other options grants, at the discretion of the Board of Directors.

Fair value of Options Issued

The following table summarizes information relating to stock options outstanding and exercisable at July 31, 2012 and January 31, 2013:

	Number of Share options	Weighted Average Exercise Price
Balance, July 31, 2012	4,625,000	$0.11
Stock option expired	(325,000)	
Balance, January 31, 2013	4,300,000	$0.11

The following table summarizes the stock options outstanding and exercisable as at January 31, 2013.

Number of options outstanding	Exercise price	Expiry date
200,000	.10	July 2, 2013
775,000	.10	February 13, 2014
1,300,000	.12	September 3, 2014
700,000	.10	November 30, 2014
50,000	.12	February 17, 2015
825,000	.10	February 8, 2016
350,000	.10	August 8,2016
100,000	.10	June 1, 2017

The weighted average remaining contractual life of options outstanding at January 31, 2013 is 1.17 years.

9 Related party transactions

During the period, in the normal course of operations, the company paid $60,000 (2012 - $60,000) in management fees to directors.

10 Contingencies

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.

11 Financial instruments

As at January 31, 2013, the Company's financial instruments consist of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities. The carrying value of these financial instruments approximates their fair values.

Fair Value
The Company classifies its fair value measurements in accordance with an established hierarchy that priorities the inputs in valuation techniques used to measure fair value as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2 - Inputs other than quoted prices that are observable for the assets or liabilities either directly or indirectly, and
Level 3 - Inputs that are not based on observable market date

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

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 78,800	$ -	$ -	$ 78,800

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

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At January 31, 2013, the Company had cash and cash equivalents of $78,800 to settle accounts payable and accrued liabilities of $215,247.

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).

11 Financial instruments - continued

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 into 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.

12 Subsequent events

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

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

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

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

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

The Agreement also calls for joint Research and Development, Public Relations efforts, and business and marketing strategy for end uses of the graphite and graphene products. Lomiko

12 Subsequent events - continued

will also have the option to provide equity financing(s) to Graphene Labs on an exclusive basis for two years providing that it meets Graphene Labs funding criteria of raising at least $ 500,000 US Dollars within eight months of the agreement,$ 1,000,000 US Dollars within twelve (12) months and $ 2,000,000 US Dollars within eighteen (18) months. If the conditions are not met, Lomiko loses the exclusivity but keeps the right to participate in financings on a non-exclusive basis.