

LOMIKO METALS INC.
CONSOLIDATED FINANCIAL STATEMENTS

October 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 SHEETS
October 31, 2010
(unaudited)

	October 31, 2010 (unaudited)	July 31, 2010 (audited)
ASSETS		
Current		
Cash	\$ 50,420	194,196
Accounts receivable and advances	13,321	16,382
Prepaid expenses	5,687	24,008
	69,428	234,586
Interests in Mineral Properties (Note 4)	332,618	519,941
	\$ 402,046	754,527
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 14,870	39,675
	14,870	39,675
SHAREHOLDERS' DEFICIENCY		
Capital Stock (Note 5)	16,288,868	16,288,868
Contributed Surplus (Note 6)	237,367	237,367
Deficit	(16,139,059)	(15,811,383)
	387,176	714,852
	\$ 402,046	754,527

Nature of Operations (Note 1)
Subsequent Events (Note 10)

Approved on behalf of the Board:

"Paul Gill"

Paul Gill - President and Chief Executive Officer

"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, 2010

(unaudited)

	3-Months ended		3-Months ended	
	October 31		October 31	
	2010	2009	2010	2009
Expenses				
Advertising and promotion	19,461	20,726	19,461	20,726
Finders Fees	-	80,000	-	80,000
Legal/Consulting fees	20,021	105,580	20,021	105,580
Legal Settlement	50,000	-	50,000	-
Management fees	30,000	27,500	30,000	27,500
Bonuses	-	10,000	-	10,000
Office and miscellaneous	4,098	5,560	4,098	5,560
Regulatory and trust company fees	8,220	8,888	8,220	8,888
Shareholder communications	34	1,043	34	1,043
Travel	2,357	20,515	2,357	20,515
Telephone	1,092	136	1,092	136
Currency conversion	5,525	7,801	5,525	7,801
Write-down of mineral property acquisition & exploration expenses	187,323	-	187,323	-
Operating Loss	(328,131)	(287,749)	(328,131)	(287,749)
Other				
Interest income	455	393	455	393
Net Loss	(327,676)	(287,356)	(327,676)	(287,356)
Deficit, Beginning of Period	(15,811,383)	(13,985,388)	(15,811,383)	(13,985,388)
Deficit, End of Period	(16,139,059)	(14,272,744)	(16,139,059)	(14,272,744)

Basic and Diluted Loss Per Common Share**\$(0.008)****(0.009)****Weighted Average Number of Shares Outstanding****41,268,445****32,114,477***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, 2010
(expressed in Canadian dollar – unaudited)

	3-Months ended		3-Months ended	
	October 31		October 31	
	2010	2009	2010	2009
Cash Flows from Operating Activities				
Income (loss) for the period	\$ (327,676)	(287,356)	(327,676)	(287,356)
Items not involving cash:				
Mineral property costs written off	187,323	-	187,323	-
	(140,353)	(287,356)	(140,353)	(287,356)
Changes in non-cash working capital items:				
Accounts receivable & prepaid expenses	21,382	(14,466)	21,382	(14,466)
Accounts payable	(24,805)	(4,858)	(24,805)	(4,858)
	(143,776)	(306,680)	(143,776)	(306,680)
Cash Flows from Financing Activities				
Share Subscriptions	-	1,153,875	-	1,153,875
	-	1,153,875	-	1,153,875
Cash Flows from Investing Activities				
Investment in mineral properties	-	(190,248)	-	(190,248)
	-	(190,248)	-	(190,248)
Increase (Decrease) in Cash	(143,776)	656,947	(143,776)	656,947
Cash Beginning of Period	194,196	72,119	194,196	72,119
Cash End of Period	\$ 50,420	729,066	50,420	729,066

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

LOMIKO METALS INC.

NOTES TO FINANCIAL STATEMENTS

October 31, 2010

1 Nature of Business and Going Concern

The Company is incorporated under the laws of the Province of British Columbia and is engaged in the acquisition, exploration and development of resource properties. 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. 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 as a going concern is dependent upon successful completion of additional financing, continuing support of directors, the ability to continue to raise adequate financing or achieving profitable operations in the future, the outcome of which cannot be predicted at this time. These consolidated financial statements do not reflect any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

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, and Conac Software (USA) Inc., incorporated in Washington, USA., and Lomiko Metals LLC, which was incorporated on October 1, 2009 in Colorado, USA. All inter-company accounts and transactions have been eliminated.

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

The Company follows the fair value method of accounting for the stock options awards granted to employees and directors. The fair value of stock options is determined by the widely used Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility of the expected market price of the Company's common shares and an expected life of the options. The fair value of direct awards of stock is determined by the quoted market price of the company's stock. Stock based compensation is amortized to earnings over the vesting period of the related option.

LOMIKO METALS INC.

NOTES TO FINANCIAL STATEMENTS

October 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 years ended July 31, 2010 and 2009 for dilutive effect of stock options and warrants as they were all anti-dilutive. No adjustments were required to report loss from operations in computing diluted per share amounts.

Translation of Foreign Currencies

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

Income Taxes

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

3 Accounting Changes

In February 2008, the CICA Accounting Standards Board (“CICA”) confirmed that the use of International Financial Reporting Standards (“IFRS”) will be required in 2011 for public companies in Canada (i.e., IFRS will replace Canadian GAAP for public companies). The official changeover date will apply for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company is currently assessing the impact of the implementation of IFRS.

LOMIKO METALS INC.

NOTES TO FINANCIAL STATEMENTS

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4 Interests in Mineral Properties

	<u>2010</u>	2009
The carrying values of the company's resource properties are as follows:		
Vines Lake Property - Liard Mining District		
100% interest in 3 claims comprising 1,195 hectares	\$ 135,971	135,971
Karolina Property - Chile		
100% interest in 9 claims making up 1,900 hectares of Salar de Aguas Calientes	172,647	172,647
Alkali Lake Nevada Property - US		
The company, in conjunction with its subsidiary Lomiko USA LLC, located and staked 552 lode claims in the Alkali Valley of Nevada at an initial cost of \$187,323 in October 2009		
In August 2010, the Company, abandoned this property. (Note 11)	-	187,323
Rose Lake 70 Mile House, BC - Canada		
100% interest in EVA and PLAYA claims making up 222 hectares and 222 respectively of semi-evaporitic lakes known as Rose Lake and Cunningham Lake near 70 Mile House, B.C	\$ <u>24,000</u> <u>332,618</u>	<u>24,000</u> <u>519,941</u>

5 Capital Stock

Common Shares

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

Description	2011		2010		2009	
	# of Shares	\$ Amount	# of Shares	\$ Amount	# of Shares	\$ Amount
Issued and fully paid						
Balance Forward	41,268,445	16,288,868	30,480,112	15,192,309	6,362,028	14,747,069
Issued for cash						
On exercise of options			120,000	12,000		
On exercise of warrants			1,135,000	141,875	500,000	160,000
Private Placements			8,333,333	1,000,000	758,000	303,200
Issued for options on Properties			1,200,000	79,000		
Less transaction costs				(136,316)		(17,960)
4 for 1 share split					22,860,084	
Balance end of period	41,268,445	16,288,868	41,268,445	16,288,868	30,480,112	15,192,309

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The company has issued options and warrants to purchase up to 8,756,667 shares at a weighted average exercise price of \$0.16 each. The options expire on various dates, from November 16, 2011 through February 17, 2015.

6 Contributed Surplus

		2011	2010
Balance, beginning	\$	36,000	36,000
Stock-based compensation		201,367	201,367
Balance, ending	\$	237,367	237,367

7 Related Party Transactions

During the first financial quarter, 2010, in the normal course of operations, the company paid \$30,000 in management fees.

8 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.

9 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 \$2,198,488.

The losses expire as follows:

2014	\$	802,097
2015		12,827
2027		110,806
2028		130,858
2029		462,824
2030		679,076
	\$	<u>2,198,488</u>

The potential tax benefits of the losses 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.

LOMIKO METALS INC.

NOTES TO FINANCIAL STATEMENTS

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10 Subsequent Events

On November 2nd, the company closed a private placement, issuing 3,000,000 units, consisting of one common share and one half of one common share purchase warrant, for gross proceeds of \$0.05 per unit. Each full warrant is exercisable at a price of \$0.10 for a period of twelve months after the closing date.

On November 9, 2010, the Company announced it had retained Notre-Dame Capital Inc., an exempt market dealer registered with the Ontario Securities Commission for the primary purpose of establishing an Equity Line Financing.

11 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.