LOMIKO METALS INC.
Form 51-102
Management Discussion and Analysis
Interim Third Quarter ended April 30, 2018

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The following management's discussion and analysis ("MD&A') of the financial position and results of the operations of Lomiko Metals Inc. (the "*Issuer*" or the *"Company*"), constitutes management's review of the factors that affect the Company's financial and operation performance for the third financial quarter, ended April 30, 2018 compared to the same period last year ended April 30, 2017.

This MD&A should be read in conjunction with the Company's financial statements for the period ended April 30, 2018 and the related notes (the "Financial Statements"). The Financial Statements have been prepared in accordance with International Financial Reporting standards ("IFRS").

The MD&A is prepared in conformity with 51-102F1 and has been approved by the Board prior to its release.

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, 2018. Readers are cautioned not to put undue reliance on forward-looking statements.

Cautionary statement regarding 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.

Nature of Operations

Lomiko Metals Inc., along with its subsidiaries collectively referred to as the "Company", is engaged in the acquisition, exploration and development of resource properties and the investment in power supply products companies. The Company is considered to be in the exploration and evaluation stage. The Company was incorporated on July 3, 1987, under the British Columbia Company Act. The Company is listed on the TSX-Venture Exchange having the symbol LMR.V as a Tier 2 mining issuer and on the Over the Counter Exchange in the United States having the symbol LMRMF.

The Company's registered office is #439, 7184 120th Street, Surrey, BC V3W 0M6 Canada.

Intercorporate Relationships

On May 1, 2014, the Company incorporated a wholly owned subsidiary, Lomiko Technologies Inc., pursuant to laws of British Columbia.

The Company previously had a subsidiary, namely Lomiko Metals, USA LLC, which was formed and registered on October 1, 2009 under the laws of Colorado and ceased to exist on October 1, 2012.

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 – President and CEO, Jacqueline Michael -CFO, Julius Galik - Director and Brian Gusko - Director. The directors that compose the audit committee are Jacqueline Michael, Julius Galik and Brian Gusko.

General

Lomiko Metals Inc. is a Vancouver, Canada based mining and exploration Company focused on advancing its principal assets: (i) Vines Lake property in the Cassiar region of British Columbia, (ii) Quatre-Milles East and West (Graphite), Quebec and (iii) the La Loutre and Lac-des-Iles properties, Quebec (Graphite) and the Bourier property, Quebec (Lithium). In addition, the Company has a business relationship and invested with Graphene Graphene Energy Storage Devices (Graphene ESD Corp.)

Below is an overview of the Company's mining and exploration properties.

Exploration

Vines Lake Property

On April 10, 2006, the Company acquired a 100% interest, subject to a 2% NSR, in the Vines Lake property, consisting of three contiguous claim units totaling 1,209.84 in the Cassiar region of BC. The property is located approximately 10 kilometers southeast of the town of Cassiar, BC. 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. Paul Gill, an insider, $10,000 in cash and issued 600,000 common shares (480,000 post 1:4 share split basis, Oct. 7, 2008. 10:1 share consolidation, December 19, 2016) 12,000 shares at a deemed value of $60,000.

The Company retained Canadian Mining Geophysics to complete an airborne survey of its Vines Lake Property which was mobilized on June 30, 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.

In 2011, an exploration program conducted by the Company which comprised a soil geochemical survey, reconnaissance geological mapping and litho-geochemical sampling programs. A total of 1,366 soil samples were collected from a total of 1,447 sample sites. An anomalous zone of zinc in soil presented an interesting target and required further investigation. A total of 74 rock samples were taken either for ICP analysis or for future lithological referencing.

One lithogeochemical sample of quartz vein in slatey argillite located proximal to the Road River/Rosella Formation contact and within the anomalous Zinc in soil zone returned 1,170 ppm Zinc. In this quartz vein sample, 0.5% very fine grained metallic mineral disseminated throughout and within hairline fractures. The mineral was most likely sphalerite. The granodiorite rocks of the batholith were locally weakly to moderately magnetic which would explain the geophysical magnetic anomalies seen in the 2008 survey.

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 designed to infill sample the zinc in soil anomaly discovered in 2011 and to investigate the potential source of the anomalous zinc in soil values.

A total of seven hundred and fifty-two B horizon soil samples were taken and analyzed. No geochemical results were of economic interest. A total of fifty one rock samples were collected on the west side of Vines Lakes during the 2012 work program. No mineralization of economic significance was encountered during 2012 mapping and prospecting traverses. Minor sphalerite and trace of copper sulphides were found in pyritic zones near the contact between Road River Argillites and Tapioca Sandstone formation. The disseminated and semi-massive pyrite is exhibiting mixed syngenetic and epigenetic character. Of interest is the fact, that graphitic argillites are present at the above contact.

The rocks containing the highest amounts of pyrite and/or pyrrhotite returned the highest contents of metals of interest during 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.

In 2011, one (1) NQ diamond drill hole totaling 294.5 m was drilled on the Vines Lake property. The purpose of this drill hole was to test a geophysical anomaly, discovered during the 2008 Helicopter Magnetic Gradiometer & VLF-EM Survey and to explore for any mineralization along the McDame Group limestones contact with the metasediments (argillaceous limestones and graptolitic shales) of the Road River Group. No significant mineralization was noted in the drill hole.

Should the forecasted market price for zinc increase substantially, further geochemical research has been 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.

To date, the Company has spent a total of $525,746.94 on exploration, technical reports and claim renewals and $77,426.94 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.

The Vines Lake property currently has six active tenures comprising 3,299.55 Ha.

The Company has filed an Updated Technical Report dated February 24, 2014 in accordance with NI 43-101 compiled by Kirkham Geosystems Ltd.

On February 24, 2017, the Company announced that it had re-claimed most of its mineral claims and expanded its stake in this property in some areas. Lomiko Metals Inc. previously held the rights to 3 claims acquired in 2006 totaling 1,209 Ha (2,987 Acres) and has now expanded the claims to 3,281 Ha. The Vines Lake Property is located in the Cassiar Gold Camp in the Liard Mining District of northwestern British Columbia.. The Vines Lake property has year-round paved road access as the property's northern boundary crosses Hwy 37N, seven kilometers south of the unincorporated settlement of Jade City.

On February 26, 2018, the Company reduced its land package in the Cassiar, B.C.area from 3,281 Ha to 1,342 Ha and wrote-off a total of $356,411.64 in acquisition and exploration expenses.

Quatre-Milles (East)

The Company entered into a letter of intent dated November 11, 2011 and further definitive agreement dated December 28, 2011 to acquire a 100% interest in the Quatre-Milles Graphite Property located in southwestern Quebec from Zimtu Capital Corp. and Michel Robert, subject to a 2% NSR. The Quatre-Milles Graphite Property is located in southwestern Quebec 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 1,600 hectares. The following terms of the agreement have all been met:

-the Company paid $25,000 cash upon signing;
-the Company issued 100,000 common shares at a deemed value $0.35 per share; the Company paid $25,000 cash and issued 50,000 common shares at deemed value of $0.35 per share ;
-the Company issued 100,000 common shares at deemed value of $0.35 per share;
-the Company issued 150,000 common shares at a deemed value of $0.35; and
-the Company completed a minimum of $200,000 of exploration on the property.

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 regulation.

To date, the Company has spent a total of $534,900 on exploration expenditures and $190,000 paid in cash and shares for this property.

Quatre-Milles (West) (QMW)

By letter agreement dated May 7, 2012 and Mineral Property Purchase Agreement dated May 25, 2012 the Company 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 Company acquired the property by paying $3,000 and issue an aggregate of 1,800,000 common shares. The terms of the agreement have all been met.

The QMW property is located in the Laurentians Region of Quebec, approximately 30 kilometers northeast of Mont-Laurier. The property is comprised of 37 claims over an area of 2,183.97 Ha.

Lomiko Metals has filed a NI 43-101 technical report for the Quatre Mille properties (East and West) prepared by Jean Lafleur, M.Sc., P.Geo of PJLEXPL Mineral Exploration Consultancy dated February 14, 2014.

To date, the Company has spent a total of $45,539.54 in exploration and technical reports and $183,000 was paid with cash and shares for this property.

La Loutre Crystalline Flake Graphite Property - Quebec

On September 22, 2014, the Company entered into a property option agreement with Canada Strategic Metals Inc. for the right to acquire a 40% interest in the La Loutre crystalline flake graphite property located in Quebec. The Company acquired a 40% interest in the property by issuing an aggregate of 125,000 common shares (post 10:1 consolidated basis) deemed price of $0.70 per share (issued), paid $12,500 cash; and incurred $500,000 in exploration expenditures.

On February 6, , 2015, the Company signed a second option agreement with Canada Strategic Metals Inc. to earn a further undivided 40% interest in the La Loutre, Quebec property (for a accumulated total of 80% interest in the property) and an undivided 80% interest in the Lac des Isles, Quebec, property by completing the following terms:

- pay $1,010,000 in cash ($10,000 paid and of which $1,000,000 will be applied toward exploration expenditures on "Other Properties" that include Sakami, Apple and New Gold properties owned by Canada Strategic Metals Inc. With regards to the "Other Properties", $700,000 must be funded by no later than December 31, 2015 and $300,000 by no later than December 31, 2016) and the Company will retain no interest;

- issue an aggregate of 300,000 common shares at a deemed price of $0.70 per share (post 10:1 share consolidation) (issued)

- incur exploration expenditures aggregating not less than $1,500,000 on the La Loutre Property, of which an amount of $950,000 must be incurred or funded before December 31, 2015 and an amount of $550,000 before December 31, 2016 (completed); and

- incur exploration expenditures aggregating not less than $250,000 on the Lac des Iles West Crystalline Flake Graphite Properties ($143,448 completed), of which an amount of $150,000 must be spent no later than December 31, 2015 and an amount of $100,000 before December 31, 2016.

On May 13, 2016, the Company signed a third amending agreement with Canada Strategic Metals Inc. to increase its undivided interest in and to the La Loutre, Quebec property and the Lac des Iles Property from 80% to 100% by paying to Canada Strategic and additional amount of $10,000, issuing an additional 750,000 (post 10:1 consolidation) common shares and by funding exploration expenditures for an additional amount of $1,125,000. Previous to this option, Lomiko owned 40% of the La Loutre Property and Lac des Iles Property and had an option to increase ownership to 80% based on completing work and issuing shares.

The La Loutre property consists of 42 continuous mineral claims totalling approximately 2,867.29 hectares (28.67 km2) situated approximately 53 km east of Imerys Carbon and Graphite, formerly known as the Timcal Graphite Mine, North America's only operating graphite mine, and 117 km northwest of Montreal. The property consists of 1 large contiguous block of 42 mineral claims totaling 2,508.97 hectares (25.09 km2) located approximately 53 km east of Timcal's Lac des Iles graphite mine, 117 km northwest of Montréal in southern Québec.

The La Loutre Property was originally explored for base and precious metals by Soquem in 1989. Based on the results of a helicopter-borne electromagnetic (EM) survey, prospecting and reconnaissance geological mapping, their work identified several zones of parallel conductors each measuring as much as 2 kilometers long. Ground exploration followed in 1990, and according to historical reports by Levesque and Marchand, graphite is present in different lithologies on the property. The geology is consistent with the Central Metasedimentary Belt of the Grenville Province and includes quartzofeldspathic rocks, quartzite, biotite gneiss, marble and locally pegmatitic quartzofeldspathic rocks. Graphite is locally present in quartzite and biotite gneiss and in shear zones where the graphite content usually ranges from 1-10% graphite on surface, including visible flakes, with the showings indicating an apparent strike length of approximately 5 kilometers, giving a large prospective area to explore for a graphite resource.

Graphite grab sample assay results derived from the Company's recent sampling and mapping program on the La Loutre property. The sampling program has confirmed a graphite bearing structure covering an area approximately 7 kilometers by 1 kilometer with results of up to 22.04% graphite in multiple parallel zones of 30-50 meters wide. Another area has also been identified covering approximately 2 kilometers by 1 kilometer in multiple parallel zones of 20-50 meters wide which includes results up to 18% graphite.

On October 6, 2014, the Company announced that a drilling permit for the La Loutre Crystalline Flake Graphite Property was issued which allows for up to 29 drill holes. The goal of the exploration program is to identify high-grade, near-surface graphite mineralization suitable for conversion to battery-grade graphite. The graphite industry could see exponential growth based on new demand for lithium-ion batteries, which use 10 to 15 times as much graphite as lithium.

On October 29, 2014 the Company announced that drilling was underway at the property.

Between December 2, 2014 and January 14, 2015, the Company announced that Canada Strategic Metals Inc. had successfully completed 26 drill holes with results as follows:

- 1st 5 drill holes - discovery of a wide near surface rich graphite-bearing zone with an intercept of 4.72% graphite over 128.35 metres, including 8.42 % graphite ("Gp") over 26.40 metres;
- 2nd 5 drill holes - near surface wide Graphite-bearing zones with an intercept of 2.74% Gp over 98.10 metres, including 6.34% Gp over 6.50 metres and 8.88% Gp over 2.95 metres;
- 3rd 5 drill holes – near surface wide graphite-bearing zones with an intercept of 4.98% Gp over 44.80 metres including 9.02% Gp over 14.70 metres and 4.40% Gp over 53.25 metres including 7.46% Gp over 15.35 metres;
- 4th 5 drill holes - near surface wide graphite intersections with 3.06% Gp over 21.00 metres from hole

LL-14-16; 6.52% Gp over 14.20 metres and 2.24% Gp over 35.00 metres from hole LL-14-17; 3.79% Gp over 20.90 metres from hole LL-14-18; 5.36% Gp over 12.40 metres including 15.65% Gp ove 2.40 metres, 6.64% Gp over 22.70 metres including 11.18% Gp over 10.65 metres and 4.55% Gp over 9.65 metres from hole LL-14-19 and 5.14% Gp over 3.70 metres and 6.04% Gp over 35.15 metres from hole LL-14-20;

- 5th 5 drill holes – near surface wide graphite intersection with 8.01% Gp over 20.3 metres and 5.91% Gp over 15.5 metres from hole LL-14-21; 2.78% Gp over 66 metres from hole LL-14-22; 3.48% Gp over 136.5 metres including 6.43% Gp over 4.65 metres, 11.23% Gp over 10.7 metres and 10.30% Gp over 7 metres from hole LL 14-23; 7.73% Gp over 18.15 metres including 13.15% Gp over 5.3 metres and 2.74% Gp over 99.75 metres including 8.68% Gp over 3.1 metres and 11.99% Gp over 4.5 metres from hole LL-14-24 and 3.13% Gp over 83.25 metres including 10.94% Gp over 3.75 metres from hole LL-14-25.

Refer to the Company's press releases dated December 2, 2014, December 10, 2014, December 17, 2014, January 7, 2015 and January 14, 2015 filed on SEDAR at www.sedar.com under the Company's profile for more detailed information on the above results.

The Company has filed a NI 43-101 technical report and a further revised technical report, both prepared by Jean Lafleur, M.Sc., P.Geo of PJLEXPL Mineral Exploration Consultancy dated February 12, 2015 and March 22, 2015, respectively. The fulltext of the report is filed on SEDAR at www.sedar.cm.

In the second half of 2015, a 259 meter, 7 hole drill program was completed. The focus of the program was on vertical depth of less than 150 meters to target resources conducive to an open pit operation.

On February 9, 2016, the Company announced resource estimates on the property of 18.4 Mt at 3.19% indicated and 16.7 Mt at 3.75% inferred with an official cut-off grade of 1.5%. The resource was estimated by InnovExplo. For sensitivity purpose, the resource was 4.1 Mt at 6.5% indicated and 6.2Mt at 6.1% inferred with a cut-off grade of 3%. The resource estimate, which is constrained in a pit shell of 1,100m x 350m x 100m accounts for the Graphene-Battery Zone. Three zones have been identified to date on the property, namely the Graphene, Battery and Refractory zones.

On March 24, 2016, The Company, together with Canada Strategic Metals, announced that further to the above resource estimate report on the property, they have filed their NI 43-101 technical report titled "Technical Report and Mineral Resouce Estimate for the La Loutre Property" with is available on SEDAR at www.sedar.com.

On December 9, 2016, the Company announced that a 1550 M drill program of 10 holes was completed in the new Refractory Zone at the La Loutre Flake graphite property which intercepted multiple zones of graphite mineralization. As a result of the 2016 drilling program on La Loutre, the Company announced on January 17, 2017, that high grade graphite results from the near surface Refractory zone was 7.74% graphite over 135.60 metres including 16.81% graphite over 44.10 metres from hole LL-16=01, two different intersection in hole LL-16-02 reporting 17.08% graphite over 22,30 metres, 14.80% graphite over 15.10 metres and 110.80 metres of 14.56% graphite in hole LL-16-04 to LL-16-03.

Further to this reporting period, on February 15, 2017, the Company announced additional high grade graphite results from the Refractory zone of 7.67% flake graphite over 85 metres including 13.09% graphite over 31.50 metres from hole LL-16-06. The area of mineralization appears to be 200 metres wide, has a current strike length of over 400 metres in a north-west to south-east direction and is open in both directions.

The La Loutre Refractory drilling zone can be found on the Company's website www.lomiko.com, under the "Quicklinks" section.

To date, the Company has spent a total of $2,263,646 in exploration expenses and $620,833.93 in acquisition costs and owns 80% of this property.

La des Isles, Quebec

The Lac-des-Iles Property consists of one large contiguous block of 104 mineral claims totaling 5,601.30 hectares (56 km^2) in the Laurentian Region of Quebec, bordering the western limit of the Imerys Carbon and Graphite Mine and Processing Facility (the "Timcal Graphite Mine"). The Property is located 20 km south of Mont-Laurier, 150 km northwest of Montreal. The center of the Lac-des-Iles Property is located at Universal Transverse Mercator

("UTM") coordinates 453539 East, 5138502 North, in the North American Datum (NAD) 83 Zone 18 coordinate system.

All claims comprising the Lac-des-Iles Property are in good standing and 100% owned by Canada Strategic Metals Inc.

To date, the Company has spent a total of 174,404 in exploration expenses and $957,580 in acquisition costs on the Lac des Iles Property and owns 80% of this property.

Bourier – Quebec

On April 28, 2016, the Company and Critical Elements Corporation, entered into an option agreement ('Agreement") that gives the Company the right to acquire up to a 70% interest in the Bourier project location in Quebec

$10,000 was paid and (before 10:1 share consolidation) 2,500,000 common shares were issued for a deemed value of $125,000.

In December 2016, the Company terminated the Agreement and wrote off the related costs.

Demand Loan

On November 5, 2015, the Company received a US $110,000 loan from Graphene ESD Corporation, a company in which the Company has a 40% ownership interest. The loan bears interest at a rate of 1% per annum and is payable on demand.

On September 18, 2017 the Company transferred its remaining Graphene 3D Lab common shares, to Graphene ESD Corp. to settle the outstanding loan balance. The company realized a gain of $35,897 on this settlement.

Flow-Through Premium Liabilities

Other liabilities consist of the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through shares issuances:

	Issued November 17, 2017	Issued August 23, 2017	Issued July 4, 2017	Total
Balance at July 31, 2017	$ -	$ -	$ 57,693	$ 57,692
Liability incurred on flow-through shares issued	12,900	11,520	-	24,420
Settlement of flow-through Share liability on incurring expenditures	(12,900)	(11,520)	(57,692)	(82,112)
Balance April 30, 2018	$ -	$ -	$ -	$ -

Investment in Associates

Technology

Graphene ESD Corp.

On December 12, 2014 the Company purchased 1,800 shares of Graphene ESD Corporation's ("Graphene") Series A Preferred Stock, representing 100% of the authorized preferred shares of Graphene, at a purchase price of $101.27 US per share ("Original Issue Price") for total consideration of $182,281 US. Dividends, at the rate per annum of $4.05 per share, will accrue on each preferred share and shall be cumulative. Payment of dividends is at the discretion of the board. Each share of Series A Preferred Stock held by the Company shall be convertible, at the option of the Company and without the payment of additional consideration by the Company.

Graphene ESD Corp. a Delaware company incorporated November 5, 2014 is a private US company that was formed to commercialize Graphene Supercapacitors. On matters presented to the stockholders of Graphene, the Company will vote together with the holders of Common Stock of Graphene as a single class.

The Company exercises significant influence over Graphene ESD Corp. as it owns 40% of the voting shares. It accounts for its investment on the equity basis.

	Number of shares held	
July 31, 2016	1,800	$ 189,893
Share of equity loss		(485)
Write down		(130,905)
July 31,2017		$ 58,503
Share equity loss		(551)
April 30, 2018		$ 57,952

Smart Home Devices Ltd. (SHD)

On March 15, 2016 the Company issued (before 1:10 share consolidation) 16,129,743 common shares, at $0.035 per share for a deemed value of $564,541, in exchange for 778,890 common shares of Smart Home Devices Ltd.

During March to May 2017 the Company acquired an additional 867,546 common shares, for a deemed value of $626,633, in exchange for the rights, patents, and website pertaining to the License owned by the Company that was acquired from Megahertz, a company associated with SHD

On November 21, 2018, the Company acquired an additional 111,000 common shares for $80,000.

On January 18, 2018, the Company acquired an additional 34,722 common shares for $25,000.

The Company owns 25.5% (July 31, 2017 – 23.92%) of the total equity of SHD.

The following is a summary of the shares held:

	Number of shares held	
Balance, July 31, 2016	778,890	$ 564,541
Sale of license for shares during 2017	867,546	624,633
Share of equity loss	-	(53,201)
Balance, July 31, 2017	1,646,436	$ 1,035,973
Purchase of common shares	145,833	105,000
Share equity loss	-	(4,381)
Balance, April 30, 2018	1,792,269	$ 1,136,592

Summary of investment in associates:

	April 30, 2018	July 31, 2017
Graphene ESD Corp	$ 57,952	$ 58,503
Smart Home Devices Ltd.	1,136,548	1,035,973
	$ 1,194,500	$ 1,094,476

MINERAL PROPERTIES ACQUISITIONS AND DEFFERED 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. To date, the Company has spent a total of $1,985,448 in acquisitions and $3,233,570 in exploration expenses.

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

Vines Lake – Cassiar District, BC Acquisition Cost				
Date	**Cash**	**Shares**	**Price**	**Amount $**
05-15-2006	10,000.00			10,000.00
05-15-2006		12,000	$5.00	60,000.00
08-09-2011	2,884.42			2,884.42
02-18-2017	5,742.52			**5,742.52**
02-17-2017				(1,200.00)
02-28-2018				2,348.88
04-30-2018				(45,751.58)
Total Acquisition		**12,000**		**$34,024.24**

Vines Lake – Cassiar District, BC Exploration Expenditures			
	YTD July 31, 2016	**YTD July 31, 2017**	**April 30, 2018**
Mineral Rights	15,971.17	500.00	-
Airborne Mag-Em Survey	50,000.00	-	-
Geological Sampling & Mapping	124,098.09	-	-
Assays	58,974.10	-	-
Camp	102,173.41	-	-
Geological Consulting & Reports	128,853.04	-	-
Drilling	53,207.70	-	-
Mineral Exploration Tax Credits	(8,037.00)	-	-
Exploration write-off			(310,660)
Total YTD Vines Lake Exploration Expenditures	**$525,240.51**	**500.00**	**$ 215,080**

Quatre-Mille (East) Graphite Property, Quebec - Acquisition Costs				
Date	**Cash**	**Shares**	**Price**	**Amount $**
11-12-2011	25,000.00			25,000.00
03-27-2012		100,000	$0.35	35,000.00
09-27-2012	25,000.00	50,000	$0.35	42,500.00
03-26-2013		100,000	$0.35	35,000.00
03-17-2014		150,000	$0.35	52,500.00
Total Acquisition		**400,000**		**$190,000.00**

Quatre-Mille (East) Graphite Property, Quebec - Exploration Expenditures			
	YTD July 31,2016	**YTD July 31, 2017**	**January 31, 2018**
Mineral Rights	1,749.70	3,823.97	-
Airborne Mag-Em Survey	130,364.37	-	-
Geological Sampling & Mapping	154,684.25	-	-
Geochemical Analysis	32,785.50	-	-
Consulting, Site Visits & Reports	21,144.48	-	-
Drilling	236,167.87	-	-
Transportation	3,589.58	-	-
43-101 report	40,694.60	-	-
Data processing	39,353.73	-	-
Mineral Exploration Tax Credits	(129,458.00)	**-**	**-**
Total YTD Quatre-Mille (East) Expenditures	**$531,076.58**	**3,823.97**	**$534,900.55**

Quatre-Mille (West) Graphite Property, Quebec - Acquisition Costs				
Date	**Cash**	**Shares**	**Price**	**Amount $**
03-25-2014	3,000.00	180,000	$1.00	183,000.00
Total Acquisition	**3,000.00**	**180,000**		**183,000.00**

Quatre-Mille (West) Graphite Property, Quebec - Exploration Expenditures			
	YTD July 31, 2016	**YTD July 31, 2017**	**January 31,2018**
Geological Consulting & Reports	11,079.99	-	-
Airborne Survey	30,880.98	-	-
Claims Renewal	**3,578.57**	**-**	**-**
Total YTD Quatre-Mille (West) Expenditures	**45,539.54**	**-**	**45,539,54**

La Loutre Graphite Property, Quebec - Acquisition Costs & Exploration assigned to acquisition				
Date	**Cash**	**Shares**	**Price**	**Amount $**
09-25-2014	12,500.00			12,500.00
09-25-2014		125,000	$0.70	87,500.00
04-15-2015		100,000	$0.70	70,000.00
04-15-2015	3,333.33			3,333.00
07-31-2015				238,367.30
10-31-2015				-
05-03-2017		125,000	$0.50	62,500.00
05-03-2017		100,000	$0.205	20,500.00
07-31-2017				11,098.00
01-31-2018				115,036.00
Total Acquisition	**15,833.33**	**225,000**		**620,834.00**

La Loutre Graphite Property, Quebec - Exploration Expenditures			
	YTD July 31, 2016	**YTD July 31, 2017**	**January 2018**
Drilling	1,517,838.81	248,125.49	-
Project supervision and management	83,512.25	12,090.47	-
Geological sampling & mapping, environmental-	151,705.25	-	-
Consulting, site visits & reports	5,998.88	-	-

Miscellaneous charges	132,661.32	(7,883.03)	-
Mineral Resource Estimate	93,584.97	-	-
Technical Reports	6,647.00	-	-
Claims renewal	2,552.55	-	-
Other exploration & evaluation	2,115.00	14,696.78	-
	1,996,616.03	**267,029.71**	**-**
YTD Total exploration expenditure			**2,263,645.74**

Lac des Isles Crystalline Flake Property, QC – Acquisition Cost and exploration assigned to acquisition				
Date	**Cash**	**Shares**	**Price**	**Amount $**
02-06-2015	6,666.67			6,667.00
04-15-2015		200,000	$0.70	140,000.00
07-31-2015				476,735.00
05-03-2017		125,000	$0.50	62,500.00
05-03-2017		100,000	$0.205	20,500.00
07-31-2017				21,298.00
01-31-2018				229,889.00
Total Acquisition	**6,666.67**	**200,000**		**957,589.00**

Lac des Isles Crystalline Flake Property, Quebec – Exploration Expenditures			
	YTD July 31, 2016	**YTD July 31,2017**	**January 2018**
Mineral Property site visits & assessment	6,357.13	-	-
Drilling	-	-	-
Project supervision	6,736.68	-	-
Geological sampling & mapping	135,725300	-	-
Miscellaneous expenses	44,905.60	-21,298.41	-
Claims renewal	1.884.03	-	-
Management fees	94.20	-	-
YTD Total exploration expenditures	**195,702.58**	**-21,298.41**	**174,404.00**

Going Concern

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. The Company has incurred cumulative losses of $20,574,014 and has reported a net loss from operations of $1,559,856 for the nine-month period ended April 30, 2018. The ability of the Company to continue as a going concern is dependent upon successfully obtaining additional financing entering into a joint venture, a merger or other business combination transaction involving a third party, sale of all or a portion of the Company's assets, the outright sale of the Company, the successful development of the Company's mineral property interests, or a combination thereof. There can be no assurance that funding from this will be sufficient in the future to continue and develop its mineral properties, and provide additional funding for the development of the power supply products. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. 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 company be unable to continue as a going concern. Such adjustments could be material.

a) Statement of Compliance

These condensed consolidated interim financial statements of the Company, for the period ended April 30, 2018, have been prepared in accordance with International Financial Reporting Standards (“IAS 34”), using accounting policies consistent with IFRS as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). These condensed consolidated interim financial statements have been prepared following the same accounting policies and methods of computation as the audited financial statements for the fiscal year ended July 31, 2017. These consolidated financial statements were approved and authorized for issue by the Board of Directors on June 25, 2018.

b) Basis of Presentation and Consolidation

The consolidated financial statements of the Company incorporate the financial statements of the Company and its wholly owned subsidiaries, The Conac Company Inc., Conac Software (USA) Inc., Lomiko Metals LLC and Lomiko Technologies Inc. from the day the Company gains control over the subsidiaries and ceases when the Company loses control of the subsidiary. Control is achieved when the Company has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect the investee’s returns.

The Company reassesses whether or not it controls a subsidiary if facts and circumstances indicate that there are changes to one or more of the three above mentioned elements.

All significant intercompany transactions, balances, income and expenses are eliminated on consolidation.
These condensed consolidated interim financial statements have been prepared on the historical cost basis. In addition, these condensed interim financial statements have been prepared using the accrual bases of accounting, except for the cash flow information. The comparative figures presented in these condensed interim consolidated financial statements are in accordance with IFRS and have not been audited.

These condensed interim consolidated financial statements do not include all of the notes required for full annual financial statements.

The significant accounting policies for the periods are consistent with those disclosed in the audited annual financial statements of the Company for the year ended July 31, 2017.

(c) New Accounting pronouncements

The following new standards and amendments to standards and interpretations are not yet effective for the nine months ended April 30, 2018, and have not been applied in preparing these financial statements.

IFRS 9 – Financial Instruments: Classification and Measurement applies to classification and measurement of financial assets and liabilities as well as de-recognition of financial instruments. IFRS 9 will preplace IAS 39. The effective date is January 1, 2018. The Company is assessing the impact of new standard, if any, on the financial statements.

Cash and cash equivalents

Cash and cash equivalents on the statement of financial position comprise cash at bank, held in trust, on hand, and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

	April 30, 2018	April 30, 2017
Cash and bank balances	$ 69,077	$ 95,305
Cash equivalents	$ 3,000	$ 3.000
	$ 72,077	$ 98,305

Other Receivables

	April 30, 2018	July 31, 2017
Goods and Service Tax	$ 8,622	$ 8,493
Interest receivable	$ 19	-
	$ 8,641	**$ 8,493**

Prepaid Expenses

	April 30, 2018	July 31, 2017
Prepaid promotional & consulting expenses	$ 576,572	$ 23,141.00

d) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires. Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for financial assets and liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets and financial liabilities are subsequently measured as described below.

e) Financial Assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- loans and receivables;
- financial assets at fair value through profit or loss;
- held-to-maturity investments; and
- available-for-sale financial assets.

The category determines how the asset is subsequently measured and whether any resulting income or expense is recognized in profit or loss or in other comprehensive income. All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are considered impaired when there is objective evidence that a financial asset or a Company of financial assets has been impaired. Different criteria to determine impairment are applied for each category of financial assets which are described below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortized cost using the effective interest method. Loans and receivables comprise cash and cash equivalents and receivables (other than goods and services tax (GST") from Canadian government taxation authorities).

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The Company currently does not have any financial assets in this category.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as held-to-maturity if the Company has the intention and ability to hold them until maturity. Held-to-maturity investments are subsequently measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined for example by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss. The Company currently does not have any financial assets in this category.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. Available-for-sale financial assets are measured at fair value. Gains and losses are recognized in other comprehensive income and reported within the available-for-sale reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognized in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognized in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method is recognized in profit or loss. Reversals of impairment losses are recognized in other comprehensive income, except for financial assets that are debt securities which are recognized in profit or loss only if the reversal can be objectively related to an event occurring after the impairment loss was recognized. The Company's investment in Graphene 3D Lab shares are classified in this category.

Financial Liabilities

Financial liabilities are measured subsequently at amortized cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss, that are carried subsequently at fair value with gains and losses recognized in profit or loss. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's financial liabilities measured at amortized cost include accounts payable and accrued liabilities, bank indebtedness and loans payable.

k) Impairment of Assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash-generating unit is reviewed for impairment.

Impairment reviews for exploration and evaluation assets are carried out on a project-by-project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

- The right to explore the areas has expired or will expire in the near future with no expectation of renewal;
- No further exploration or evaluation expenditures in the area are planned or budgeted;
- No commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;
- Sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation assets of the related mining property are tested for impairment before these items are transferred to property and equipment.
An impairment loss is recognized in profit or loss for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use.

An impairment loss is reversed when the asset's or cash generating unit's recoverable amount exceeds its carrying amount.

The impairment of investment in associates occurs when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the investment (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also objective evidence of impairment. If any evidence of impairment exists, the loss is recognized. The current loss is measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognized as an expense. An impairment loss is reversed in a subsequent period to the extent that the recoverable amount of the investment increases.

Financial Assets

A financial asset that is not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. The amount of the impairment loss is recognized in profit or loss. If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the profit or loss, except for equity instruments classified as available-for-sale where the reversal is recorded in other comprehensive income.

Non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that the assets are impaired. For exploration and evaluation assets the Company considers the following indicators of impairment: (i) whether the period for which the Company has the right to explore has expired in the period or will expire in the near future, and is not expected to be renewed; (ii) substantive expenditures on further exploration for and evaluation of mineral resources is neither budgeted nor planned; (iii) exploration and evaluation have not led to the discovery of commercially viable mineral resources and activities are to be discontinued; (iv) sufficient data exists to indicate that, although a development in the area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development of by sale; and (v) other factors that may be applicable such as a significant drop in metal prices or deterioration in the availability of equity financing. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate largely independent cash inflows, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable Company of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Recoverable amount is the higher of fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized in profit or loss.

An impairment loss recognized in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amount of the other assets in the cash-generating unit on a pro-rata basis.

With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognized in profit or loss.

l) Taxes

Tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current taxes

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred taxes

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not recognized on the initial recognition of goodwill, on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction, and on temporary differences relating to investments in subsidiaries and jointly controlled entities where the reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are measured, without discounting, at the tax rates that are expected to apply when the assets are recovered and the liabilities settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized for 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 sufficient taxable profit will be available to allow the related tax benefit to be utilized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities and assets are expected to be settled or recovered.

Sales tax

Expenses and assets are recognized net of the amount of sales tax except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; or
- When receivables and payables are stated with an amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

m) Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

n) Earnings/Loss per Share

Basic earnings (loss) per common share is computed by dividing the net income (loss) available to common shareholders of the Company by the weighted average number of shares outstanding or committed to issue for the relevant year.

Diluted earnings (loss) per common share is computed by dividing the net income (loss) applicable to common shareholders by the sum of the weighted average number of common shares issued and outstanding or committed and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

o) Share-based Payments

The Company has a stock option plan under which it grants stock options to directors, employees, consultants and service providers.

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income. The value of the options and warrants granted, related to the issuance of shares, are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

All equity-settled share-based payments are reflected in share based payment reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share based payment reserve is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

p) Flow-through Shares

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

q) Significant Accounting Judgments and Estimates

The preparation of the Company's consolidated financial statements in accordance with IFRS requires Company's management to make certain judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. Actual results are likely to differ from these estimates. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses in these consolidated financial statements are discussed below.

Going concern: The assessment of the Company's ability to continue as a going concern requires significant judgment. The Company considers the factors outlined in Note 1 when making its going concern assessment.

Exploration and evaluation assets: The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that such acquisition costs incurred will be recovered through successful exploration and development or sale of the asset under review. Furthermore, the assessment as to whether economically recoverable resources exist is itself an estimation process. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off to profit or loss in the period when the new information becomes available. The carrying value of these assets is detailed at Note 8.

Title to Mineral Property Interests: Although 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 prior agreements or transfers and title may be affected by undetected defects.

Estimates and assumptions

Share-based payments: The Company utilizes the Black-Scholes Option Pricing Model ("Black-Scholes") to estimate the fair value of stock options granted to directors, officers and employees. The use of Black-Scholes requires management to make various estimates and assumptions that impact the value assigned to the stock options including the forecast future volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the stock options. Any changes in these assumptions could have a material impact on the share-based payment calculation value.

Deferred tax assets: The assessment of the probability of future taxable income against which deferred tax assets can be utilized is based on the Company's future planned activities, supported by budgets that have been approved by the Board of Directors. Management also considers the tax rules of the various jurisdictions in which the Company operates. Should there not be a forecast of taxable income that indicates the probable utilization of a deferred tax asset or any portion thereof, the Company does not recognize the deferred tax asset.

r) Changes in Accounting Policies–New and Amended Standards and interpretations.

The standards and interpretations that are issued, but not yet effective, up to the date of authorization of these consolidated financial statements are disclosed below. Management anticipates that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's consolidated financial statements.

IFRS 9 – Financial Instruments: The IASB published the final version of IFRS 9 in July 2014. The final standard brings together the classification, measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 includes a loss impairment model, amends the classification and measurement model for financial assets and provides additional guidance on how to apply the business model and contractual characteristics test. This final version of IFRS 9 supersedes all previous versions of IFRS 9 and is effective for annual periods commencing on or after January 1, 2018, with early adoption permitted. Management is currently evaluating the impact the final standard is expected to have on the Group's consolidated financial statements.

IFRS 15 – Revenue from Contracts with Customers: The IASB issued IFRS 15 in May 2014. The new standard provides a comprehensive framework for recognition, measurement and disclosure of revenue from contracts with customers, excluding contracts within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 is effective for annual periods beginning on or after January 1, 2017 and is to be applied retrospectively with early adoption permitted. Management is currently evaluating the impact the final standard is expected to have on the Company's consolidated financial statements; however, as the Company currently has no operating revenues, this is not anticipated to be significant.

Amendments to IAS 1 Presentation of Financial Statements. The amendments are designed to encourage companies to apply professional judgment to determine what information to disclose in the financial statements. In addition, the amendments clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures. The amendment is effective for annual periods beginning on or after January 1, 2016.

SHARE CAPITAL AND RESERVES

(a) Share Capital

Authorized

The Company's authorized share capital consists of an unlimited number of common shares without par value

Issued

Year ended July 31, 2017

On September 7, 2016 the Company completed a non-brokered private placement, by issuing (before 1:10 consolidation) 263,400 flow through units of the Company at $0.05 per unit for total gross proceeds of $13,170. Each flow-through unit is comprised of one common share and one common share purchase warrant. Each warrant is exercisable into one common share at an exercise price of $0.075 per share for a period of 36 months after closing. In addition, the Company issued (before 1:10 consolidation) 4,817,500 units of the Company at $0.04 per unit. Each unit comprises of one common share and one common share purchase warrant. Each warrants exercisable into common share at an exercise price of $0.05 per share for a period of 18 months after closing. Legal fees of $4,763 were incurred.

On December 19, 2016, the Company consolidated its issued and outstanding shares on a basis of one share for every ten outstanding shares.

On May 5, 2017 450,000 shares were issued, at a deemed value of $166,000, in accordance with an agreement to secure an additional 20% interest in the La Loute Crystalline and Lac des Isles properties.

On March 19, 2017 the Company issued 600,000 common shares at a deemed value of $165,000, as part the license sale agreement. Legal costs of $2,500 were incurred.

On July 4, 2017 the Company completed a brokered private placement, by issuing of 961,538 flow-through unit for gross proceeds of $250,000. Each unit consists of one flow-through common share and one common share purchase warrant. Each warrant is exercisable into common share at an exercise price of $0.29 per share for a period of 24 months. The warrants had a fair value of $10,161 measured using the Black Scholes valuation model. The company recorded a liability on the flow through premium of $57,692, for the difference between the fair value of its common shares and the issuance price of its flow through common shares. This has been recorded as a flow-through common share issuance liability. In addition, the Company paid finder's fees of $20,000, financing fees of $7,500 and issued 38,462 common share units to brokers. Each unit consists of one common share and one common share purchase warrant. The warrants had a fair value of $406 measured using the Black-Scholes valuation model.

In addition, on July 4, 2017, the Company completed a brokered private placement, by issuing of 1,492,538 common share units for gross proceeds of $298,508. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into common share at an exercise price of $0.29 per share for a period of 36 months. The warrants had a fair value of $18,845 measured using the Black-Scholes valuation model. Commissions of $23,881 were paid. In addition, 119,403 broker warrants issued. The warrants had a fair value of $1,508 measured using the Black- Scholes valuation model. Legal costs of $8,750 were incurred for the brokered private placements. Each warrant is exercisable into common share at an exercise price of $0.75 (post 10:1 share consolidation) per share for a period of 18 months after closing. The warrants had a fair value of $5,215 measured using the Black-Scholes valuation model. In addition, the Company paid commissions of $5,750 and legal expenses of $3,750

Nine-month period ended April 30, 2018

On August 23, 2017, the Company completed a private placement by the issuance of 192,000 flow-through units for gross proceeds of $49,920. Each unit consists of one flow-through common share and one common share purchase warrant. Each warrant is exercisable into common share at an exercise price of $0.29 per share for a period of 24 months. The warrants had a fair value of $2,131 measured using the Black Scholes valuation model. The Company recorded a liability on the flow-through premium of $11,520 for the difference between the fair value of its common shares and the issuance price of the flow-through common shares. This has been recorded as a flow-through common share issuance liability.

In addition, on August 23, 2017, the Company completed a private placement by issuing 2,670,000common share units for gross proceeds of $534,000. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into common share at an exercise price of $0.29 per share for a period of 36 months. The warrants had a fair value of $35,316 measured using the Black-Scholes valuation model.

Legal costs of $8,550 were incurred for the private placement.

On November 10, 2017, the Company completed a private placement by issuing of 2,000,000 common shares units for gross proceeds of $280,000. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into common share at an exercise price of $0.20 for a period of 24 months. The warrants had a fair value of $12,760 measured using the Black Scholes valuation model. A finder's fee of $19,600 was paid as well as legal costs of $3,711. The securities are subject to a hold period of four month plus a day.

On November 17, 2017 the Company completed a private placement, by issuing of 645,000 flow-through units for gross proceeds of $103,200. Each unit consists of one flow-through common share and one half common share purchase warrant. Each warrant is exercisable into common share at an exercise price of $0.26 per share for a period of 24 months. The warrants had a fair value of $1,524 measured using the Black Scholes valuation model. The company recorded a liability on the flow through premium of $12,900 for the difference between the fair value of its common shares and the issuance price of its flow through common shares. This has been recorded as a flow-through common share issuance liability. The securities are subject to a hold period of four months plus a day.

In addition, on November 17, 2017, the Company completed a private placement, by issuing of 5,330,143 common share units for gross proceeds of $746,220. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into common share at an exercise price of $0.20 per share for a period of 24 months. The warrants had a fair value of $28,157 measured using the Black-Scholes valuation model. The securities are subject to a hold period of four months plus a day.

Legal costs of $7,250 were incurred for the private placement.

On January 10, 2018, the Company completed a private placement by issuing of 3,171,500 common shares units for gross proceeds of $444,010. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into common share at an exercise price of $0.20 for a period of 12 months. The warrants had a fair value of $25,490 measured using the Black Scholes valuation model. The securities are subject to a hold period of four months plus a day. A director of the company and a company related to the director participated for 840,000 units.

b) Share purchase warrants

A summary of the Company's outstanding share purchase warrants at April 30, 2018 is as follows:

	Number Of Warrants	Weighted Average Exercise Price
Balance, July 31, 2016	**2,279,057**	**$ 1.00**
Issued for financing	3,120,031	0.35
Expired	(1,489,057)	1.14
Balance, July 31, 2017	**3,910,031**	**$ 0.47**
Issued for financing	13,686,143	0.29
Expired	(731,750)	0.59
Balance, April 30, 2018	**16,864,484**	**$ 0.43**

The following table summarizes information relating to share purchase warrants outstanding and exercisable at April 30, 2018.

Number of Warrants (post consolidation)	Exercise Price	Expiry Date
2,670,000	$0.29	August 23,2020
1,611,941	$0.29	July 4, 2020
3,171,500	$0.20	January 10, 2019
5,652,643	$0.20	November 19, 2019
2,000,000	$0.20	November 10, 2019
26,340	$0.50	March 7, 2018
192,000	$0.29	August 23, 2019
1,000,000	$0.29	July 4, 2019
500,000	$0.75	June 21, 2019
40,000	$0.75	June 21, 2018
16,864,424		

The following weighted average assumptions were used for the Black-Scholes option valuation of warrants granted.

	April 30, 2018	July 31, 2017
Risk free interest rate	1.51%	0.81%
Expected life of warrant	1.96 years	2.08 years
Annualized stock price volatility	118.6%	129.8%

Expected dividend yield	0%	0%
Forfeiture rate	90%	90%

c) Share-based payments

Plan Details

The Company has established a stock option plan for directors, senior officer, 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 expired 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 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 many 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 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 to investor relation 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 option grants, at the discretion of the Board of Directors.

The following table summarized the stock options outstanding and exercisable as at October 31, 2017:

	Number of Options	Weighted Average Exercise Price
Balance, July 31, 2016	**525,000**	
Expired	(35,000)	$0.20
Balance, July 31, 2017	**490,000**	
Expired	**(107,500)**	$0.20
Balance, April 30, 2018	**382,500**	

On October 30, 2017, the board approved the reduction of the exercise price for issued options from $1.00 per option to $0.20 per option.

On November 10, 2017, the company issued 1,000,000 stock options at a value of $0.14 per option. The options were exercised on November 10, 2017.

On November 17, 2017 the company issued 750,000 stock options to consultants at $0.14 per option. The options were fully exercised on November 17, 2017.

On January 2, 2018, the Company issued 1,000,000 stock options to consultants at a value of $0.14 per option. The options were fully exercised on January 8, 2018

The following weighted average assumptions were used for the Black-Scholes option valuation for stock options granted:

Number of options outstanding	Exercise price	Expiry date
182,500	$0.20	April 30, 2019
200,000	$0.20	September 5, 2019
352,500		

The weighted average remaining contractual life of options outstanding at April 30, 2018 was 1.04 years (July 31, 2017 – 1.55 years).

Other Requirements

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

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, except as noted under equity risk. Its objectives, polices and processes for managing those risks or the methods used to measure them from previous year have not changed.

General Objectives, Policies and Processes:
The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board of Directors receive monthly reports from the Company's Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

a) Market Risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

Foreign Currency Risk:
Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar or other foreign currencies will affect the Company's operations and financial results. The company does not have significant exposure to foreign exchange rate fluctuation.

Interest Rate Risk:
Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be immaterial

Equity Price Risk:

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The investment in Graphene 3D Lab Inc. equity is measured at fair value and is subject to re-measurement. Although the current unrealized gain is substantial at the date of the report, fluctuations in price may materially change the fair value, resulting in changes in the unrealized gain/loss.

b) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents. The majority of cash and cash equivalents are maintained with financial institutions of reputable credit and may be redeemed upon demand. The carrying amount of financial assets represents the maximum credit exposure. The Company has gross credit exposure at April 30, 2018 relating to cash of $230,656 (July 30, 2017 - $98,305) and other receivables of $82,153 (July 31, 2017 - $8,493). All cash, cash equivalents and short term deposits are held at the Bank of Montreal.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company ensures that it has sufficient cash on demand to meet short-term business requirements, after taking into account the Company's holdings of cash.

The Company's cash is invested in business accounts and is available on demand. Funding risk is the risk that the Company may not be able to raise equity financing in a timely manner and on terms acceptable to management. There are no assurances that equity financing will be available when, and if, the Company requires additional financing.

The following table summarizes the Company's significant remaining contractual maturities for financial liabilities at April 30, 2018 and July 31, 2017.

	Less than 3months	3 – 12 months	Total
July 31, 2017			
Trade payable and other liabilities	$ 368,482	$ -	$ 368,482
April 30, 2018			
Trade payables and other liabilities	$ 34,201	$ -	$ 34,201

d) Fair value of financial instruments

The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate fair value:

	Level 1	Level 2	Level 3	Total
July 31, 2017				
Investment in equity	$ 140,667	$ -	$ -	$ 140,667
Cash and cash equivalents	$ 98,305	$ -	$ -	$ 98,305

April 30, 2018

Investment in equity	$	-	$	-	$	-	$	-
Cash and cash equivalents	$	72,076	$	-	$	-	$	72,076

Level 1 – quoted prices (unadjusted) in active markets

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices): and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Related Party Transactions

Key management personnel include the Board of Directors, CEO and Chief Financial Officer ("CFO') of the Company. The remuneration of key management personnel was as follows:

		April 30, 2018		April 30, 2017
Fees paid to companies related to directors or directors	$	**135,000**	$	135,000
Share-based compensation		**-**		-
	$	**135,000**	$	135,000

Included in accounts payable is $33,342 (April 30, 2017 - $47,250) owing to directors or companies related to directors.

Earnings Per Share

		April 30, 2018		April 30, 2017
Loss attributed to ordinary shareholders	$	(1,559,869)	$	(587,125)
Weighted average number of common shares		32,011,534		18,596,668
Basic and diluted loss per share	$	(0.05)	$	(0.03)

Basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as stock options, in the weighted average number of common shares outstanding during the period, if dilutive.

Settlement of Lawsuit

On February 23, 2018, the Company settled a legal dispute relating to a subscription agreement and alleged ratchet agreement between the Company and the plaintiff, initially disclosed on August 6, 2014.

The settlement did not admit to any fault or wrongdoing to the underlying issue for either party.

Commitments

Shareholders Rights Plan

On October 30, 2014 the Board of Directors adopted a Shareholder Rights Plan (the "Plan") to ensure, that all shareholders of the Company are treated fairly in connection with any take-over bid for the Company. In order to implement the adoption of the Shareholder Rights Plan, the Board of Directors has authorized and declared a distribution of one Right effective the close of business on October 30, 2014 in respect of each Common Share outstanding at the Record Time and has further authorized the issuance of one Right in respect of each Common Share issued after the Record Time and prior to the earlier of the Separation Time and the Expiration Time as defined in the Plan.

Each Right entitles the holder thereof, to purchase securities of the Company pursuant to the terms and subject to the conditions set forth pursuant to the Plan. The Company appointed the rights agent, Computer Share Trust Company of Canada to act on behalf of the Company and the holders of Rights, and the Rights Agent is willing to so act, in connection with the issuance, transfer, exchange and replacement of Rights Certificates (as hereinafter defined), the exercise of Rights and other matters referred to in the Plan.

Effective Date and Confirmation
This Plan is effective and in full force and effect in accordance with its terms. The plan was confirmed at the annual general meeting of holders of Voting Shares held on October 27, 2017.

Reconfirmation
This Plan must be reconfirmed by a resolution passed by a majority of the voting shareholders at the annual meeting of the Company held in 2020 and at every third annual meeting of the Company thereafter. If this Plan is not reconfirmed or is not presented for reconfirmation at any such annual meeting, this Plan and all outstanding Rights shall terminate and be void.

Flow-through expenditures

The Company would be able to continue to incur exploration expenses beyond the deadlines. However it could 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.

Selected Annual Information

Revenue, net loss, diluted loss per common share, total assets and total long-term liabilities for the year ended July 31, 2017, with the year ended July 31, 2016 and with the year ended July 31, 2015 were as follows (**in thousands of Canadian dollars except for shares**):

	IFRS 2017 $	**IFRS 2016 $**	**IFRS 2015 $**
Total Revenue	0	0	0
Total Assets	6,847	7, 117	8,572
Total Long Term Liabilities	0	0	0
Total Operating Loss	(774)	(634)	(1,125)
Net Income and comprehensive (loss)	(1,249)	(2,617)	1,177
Net Income (loss) per share basis	(0.05)	(0.00)	(0.01)
Net Income (loss) per share diluted	(0.05)	(0.00)	(0.01)

Results of Operation – nine-month period ended April 30, 2017 and 2018

	Three months ended April 30,		Nine months ended April 30,	
	2018 $	2017 $	**2018 $**	2017 $
General administrative expense				
Office & sundry	7,408	3,502	19,812	15,260
Advertising & Promotions	194,776	25,404	325,231	183,163
Management	45,000	45,000	135,000	135,000
Professional fees	49,422	38,384	149,227	165,275
Consulting	248,407	1,050	474,252	2,850
Regulatory & Transfer Agent fees	13,506	16,842	59,836	63,040
Shareholders' communications	2,890	2,597	8,112	10,950
Travel	5,861	4,775	16,392	19,450
Total	567,270	137,554	1,187,862	594,988
Loss from operation	(567,270)	(204,964)	(1,187,862)	(584,988)
Interest income	(4)	349	(150)	1,085
Abandonment of property	356,412	-	357,612	135,000
Gain on sale of securities	-	18,380	(35,897)	(124,742)
Foreign exchange gain	-	-	(2,222)	-
Late filing penalty	-	-	1,300	-
Loss on legal settlement	120,000	-	120,000	-
Flow-through share premium	-	-	(82,112)	(52,634)
Share of associate loss	(380)	518	4,976	528
	476,028	(17,513)	363,507	(40,763)
Loss & comprehensive loss for the period	(1,043,298)	(120,041)	(1,551,369)	(554,225)
Income tax expense	-	(4,900)	8,500	(32,900)
Net loss from continuing operations	(1,043,298)	(124,941)	(1,559,869)	(587,125)
Unrealized (loss) gain on re-measurement of equity investments	-	(120,079)	-	(356,239)
Comprehensive (loss)/income for the period	(1,043,298)	(245,020)	(1,559,869)	(943,364)
Basic and Diluted Loss Per Share	(0.03)	(0.01)	(0.05)	(0.05)
Basic & Diluted Weighted Average Common Shares	38,218,572	18,667,391	32,011,352	18,596,668

The following selected financial data is derived from the condensed six-month interim financial statements prepared in accordance with IFRS:

Statement of Financial Position Data	April 30, 2018	April 30, 2017
Total Assets	**7,152,444**	6,446,514
Total Long-Term Debt	**NIL**	NIL
Total Liabilities	**113,624**	366,369
Shareholders' Equity: Share Capital Equity	**27,142,792**	24,885,169

During the nine-month period, ended April 30, 2018, overall operational expenses increased by 99.64% from the same period last year. This was due to a significate increase in consulting fees as the Company signed on several consultants who bring marketing and branding awareness to the North American and European sectors. Advertising and promotions also increased significantly by 77.56% as the Company participated in various conferences and advertising.

The Company wrote-off $356,412 upon abandonment of approximately 40% of its Vines Lake property claims as itt was not financially viable to continue to support these claims that produced mediocre mineral results.

The Company settled a legal dispute relating to a subscription agreement and alleged rachet agreement between the Company and the plaintiff, initially disclosed on August 6, 2014. The Company paid a total of $120,000 to the plaintiff and the case has been dismissed.

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 had a total net loss of (1,559,869) for the nine-month period (2017 – 943,364) for the same period last year. The loss per share, basic and diluted was ($0.05) for this period (2017 - ($0.05)).

The Company has assets of $7,152,444 of which $1,194,500 comes from investments; $627,604 from advance payments to consultants; $5,219,018 from mineral exploration and acquisition costs; $38,604 from receivables. The Company has $574,267 in working capital as at April 30, 2018.

Results of Operations - Use of Proceeds from financings as at April 30, 2018

Proceeds of Private Placements	Financings Aug., 2017 $534,000	Financings Nov, 2017 $1,026,220	Financings Jan. 2018 $444,010	Flow-through Financings Aug. & Nov. 2017 $153,120
Balance forward	**34,377**	**50,956**	**252,777**	
Cost of financing	(8,550)	(30,561)	(10,788)	
Advance Payments for market making	(320,891)	(511,091)	(341,900)	
Legal/Consulting/Professional	(40,754)	(168,291)	(300,000)	
TSX & Filing fees	(11,640)	(18,551)	(10,215)	
Transfer Agent	(3,657)	(10,177)	(800)	
Office & sundries	(6,786)	(3,717)	(2,910)	
Promotions & Business meetings	(65,503)	(27,714)	(13,558)	
Audit/Accounting	(7,500)	(16,730)	(515)	
Shareholders' communications	(2,532)	(2,690)		
Management	(45,000)	(30,000)	(30,000)	
Travel	(4,608)	(4,877)	(5,861)	
Investor Relations				
Drilling				153,120
Advance payments for 2017exploration work				
Balance of proceeds remaining	**50,956**	**252,777**	**(19,760)**	**0.00**

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

	Apr. 18	Jan. 18	Oct. 17	Jul. 17	Apr. 17	Jan 17	Oct 16	Jul 16
Revenue	0	0	0	0	0	0	0	0
Net Income (Loss)	(1,560)	(517)	(153)	(1,249)	(943)	(698)	(333)	(2,617)
Loss per Share	(0.05)	(0.02)	(0.01	(0.05)	(0.05)	(0.02)	(0.00)	(0.00)

Other MD&A Requirements

As at April 30, 2018, on a 10:1 post consolidated basis, the Company had a total of 38,218,572 issued and outstanding shares, 382,500 outstanding options and 16,838,084 outstanding warrants. If the Company were to issue 17,220,584 shares upon the conversion of all of its outstanding warrants and options, it would raise a total of $4,253,121.

As of this reporting period, the Company will have to raise funds through new financings in order to support its operations and meet its commitments.

Off Balance Sheet Arrangements

The Company is not a party to any off balance sheet arrangements or transactions.

Company activities for the Q3, 2018 reporting period

On February 5, 2018, the Company announced the launch of Promethieus Cryptocurrency (“Promethieus”), in which Lomiko has a 20% investment interest. Promethieus is a cutting-edge cryptocurrency mining company and has introduced the “Golden Goose” for Cryptocurrency Farm Mining operations. Configuration of a lower power home and/or office cryptocurrency mining rig called the Golden Goose II for individual consumers seeking to participate in cryptocurrency mining is also underway. A fully functional power limited Golden Goose demonstration model debuted at the February 2 and 3, 2018 and was actively mining Ethereum during the World Outlook Conference held in Vancouver, B.C. hosted by Moneytalks.net Radio Show Host Michael Campbell. Two seminars at the conference for Promethieus were filled to overflow capacity.

The Golden Goose Industrial Rig for Farms was developed by the engineering team at SHD Smart Home Devices (25% Promethieus equity owners) to address concerns regarding heat and power management to make the device suitable for mining farm use. Promethieus is a customer service oriented company that will focus on providing quality devices with optimal longevity, optimal cost of operation, the latest in software support and technical support services.

On February 8, 2018, the Company announced that the auditors, Galloway, Botteselle & Company, Chartered Professional Accountants, (the "Former Auditors") are not being proposed for re-appointment at the next annual general meeting of shareholders. Subject to all applicable regulatory and shareholder approvals, effective February 8, 2018, the Company’s new auditors will be Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants (the "Successor Auditor"), and it is being proposed that they be appointed at the next annual meeting of to be held later this year. The shareholders of the Company will be asked to approve the appointment of the firm of Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, as auditors of the Company effective February 8, 2018. The Company advises that other than as disclosed below, there have been no other reservations contained in the auditor’s reports on the annual financial statements of the Company for the two fiscal years immediately preceding the date of this notice or for any period subsequent to the most recently completed period for which an audit report was issued: - the auditor’s report in the Company’s financial statements for the year ended July 31, 2017 contained the following reservation: (1) the Company has a cumulative investment of $1,035,973 in a private company which it has accounted for as an investment in an associate. Due to limited information, the auditor was unable to perform audit procedures to verify the carrying amount of the investment, nor were they able to test the investment for impairment. In the opinion of the Audit Committee and the Board of Directors of the Company, there were no "Reportable Events" as defined in National Instrument 52-102. The Company’s audit committee and the board of directors have approved the resignation of the Former Auditor. Pursuant to National Instrument 51-102 Continuous Disclosure Obligations, the Notice of Change of

Auditor, together with the letter from the Former Auditor and the letter from the Successor Auditor have been reviewed by the Company's audit committee and board of directors and will be filed on SEDAR accordingly.

On February 19, 2018, the Company advised shareholders that the British Columbia Securities Commission issued a Cease Trade Order until the Company files its annual audited financial statements for the year ended July 31, 2017, accompanied by an auditor's report that expresses an unmodified opinion. The Company advises shareholders that they are working closely with its auditors to rectify this matter and anticipates having the required documents filed in a timely manner.

On February 19, 2018, on March 7, 2018, the British Columbia Securities Commission revoked the Company's "Cease Trade Order" and the Company stock began trading again on March 20th, 2018.

On February 23, 2018, the Company reported that the litigation brought by Alpha Capital Anstalt against it (described in the Company's news release dated August 15, 2014) has been settled. The terms of the settlement are confidential. The court proceedings are to be dismissed by consent on a without costs basis.

On February 26, 2018, the Company announced that it has reduced its land package in Cassiar, B.C. area from 3,281 Ha to 1,342 Ha. Cassiar is known for Gold, Molybdenum and Base Metal Deposits such as the Erickson Gold Mine at Table Mountain, the Tarus Gold Deposit, the Storie and Cassiar Molybdenum deposits and the Mt. Haskins Molybdenum, silver, lead and zinc deposit. Situated between the Golden Triangle in B.C. to the South-West and the White Gold District to the North in the Yukon, the Cassiar area has not significant attention in several years.

Subsequent events

On May 29, 2018, the Company announced that it has received conditional approval from the TSX Venture Exchange to close its private placement financing of $186,558 through the sale of 1,865,580 units at $0.10 per unit. Each unit consists of one common share and one-half purchase warrant, with each whole warrant exercisable into one common share at a price of $0.20 for a period of one year from the closing date. All securities are subject to a four-month plus one day hold period from the closing. The proceeds of the financing will be used for working capital.

On May 23, the Company purchased 200 shares of Promethieus Cryptocurrency Mining Corporation ("Promethieus") for $2.00. This represents 20% of the issued share capital. A director of Lomiko is a board member and holds 42% of the issued share capital in Promethieus.

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 audited condensed annual 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 audited condensed annual financial statements, and

(ii) the audited condensed annual 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

On behalf of the Board,
"Paul Gill"
Paul Gill, President & CEO