LOMIKO METALS INC.
Form 51-102
Management Discussion and Analysis
Interim Second Quarter ended January 31, 2020

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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 January 31, 2020 compared to the same period last year ended January 31, 2019.

This MD&A should be read in conjunction with the Company's financial statements for the period ended January 31, 2020 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.

<u>Forward Looking Statements</u>

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 March 26, 2020. 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 (TSX-V) 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 mailing address is #439, 7184 120th Street, Surrey, BC V3W 0M6 Canada.

Going Concern

These condensed consolidated interim 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 $26,451,706 and has reported a loss of $784,219 for the period ended January 31, 2020. 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. 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 condensed consolidated interim 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.

Intercorporate Relationships

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

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 Gabriel Erdelyi - Director. The directors that compose the audit committee are Jacqueline Michael, Julius Galik and Gabriel Erdelyi.

General

Lomiko Metals Inc. is a Vancouver, Canada based mining and exploration Company focused on advancing its principal asse,: La Loutre Quebec (Flake Graphite).. In addition, the Company has a business relationship and invested with Graphene Energy Storage Devices (Graphene ESD Corp.), Smart Home Devices (SHD), a company that is developing a series of energy-saving, connected building automation and security products and Promethieus Cryptocurrency Mining Corporation.

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

Exploration

Vines Lake Property - Liard Mining District, BC

In March 2006, the Company acquired 100% interest in 3 claims comprising approximately 1,209 hectares ("Ha") in Liard Mining District of British Columbia. On February 24, 2017 the Company expanded its claim to 3,281 Ha.

On February 26, 2018, the Company decided not to renew a portion of the claims on this property and has reduced its area to 1,342 Ha and as such, recorded an impairment charge of $357,611 during the year ended July 31, 2018
.
On February 20, 2019, management assessed that the property was impaired as it no longer intends to further pursue the property and as such an impairment charge of $249,106 was recorded.

La Loutre Crystalline and Lac-des-Iles – Quebec

On September 22, 2014 the Company obtained an option with Quebec Precious Metals Corporation (formally Canada Strategic Metals Inc.) ("QPM"), to purchase a 40% interest in the La Loutre Crystalline Flake Graphite Property located in Southern Quebec by paying $12,500, funding $500,000 in exploration expenditures and issuing 125,000 shares at a price of $0.70 per share.

On February 6, 2015 (amended December 30, 2016), the Company signed an agreement with QPM to acquire an additional 40% interest in the La Loutre property, located in Southern Quebec. for an 80% interest in the Lac-Des-Iles property. The Company paid $10,000 upon signing, issued 300,000 shares at $0.70 per share, and agreed to fund $2,750,000 $2,500,000 as follows:

- $1,500,000 on the La Loutre property (paid)
- $1,000,000 no later than December 31, 2018, on other mining rights of QPM (paid)
- $250,000 on the Lac Des Iles property (paid)

QPM remains the operator of the properties until the terms are fully met.

Included in the Exploration Expenditures, will be a management fee payable to QPM (the "Operator") equal to 5% of expenditures incurred.

The La Loutre property is subject to a 1.5% net smelter royalty ("NSR") of which 0.5% "NSR" can be purchased by the Company for $500,000.

On May 13, 2016 (amended December 30, 2016) the Company signed an additional option agreement on the La Loutre and Lac des Iles properties, allowing the Company to increase its interest in the property from 80% to 100%. The terms of the acquisition are as follows:

- Issuance of 950,000 common shares - 450,000 have been issued as of January 31, 2020
- Funding exploration expenditures for an additional $1,125,000 due December 31, 2019

During the year ended July 31, 2018, the Company assessed that the Lac-des-Iles property was impaired as it no longer intends to further pursue the property and as such, an impairment charge of $1,131,992 was recorded.

On December 22, 2018, the deadline for funding exploration expenditures, for the La Loutre Crystalline property, was extended from December 31, 2018 to December 31, 2019. The Company was unable to meet this deadline.

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.

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, 2018	**YTD July 31, 2019**	**January 31, 2020**
Balance Forward	**525,740.51**	**525,740.51**	**215,080**
Mineral Rights	-	-	
Airborne Mag-Em Survey	-	-	
Geological Sampling & Mapping	-	-	
Assays	-	-	
Camp	-	-	
Geological Consulting & Reports	-	-	
Drilling	-	-	
Credits	-	-	
Exploration write-off	(310,660)	(310,660)	(215,080)
Total YTD Vines Lake Exploration Expenditures	**$525,740.51**	**215,080**	-

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				
	April 30, 2019	July 31, 2019	October 31, 2019	January 31, 2020
Balance Forward	**2,280,301.37**	**2,768,630.88**	**2,879,156.46**	**2,879,156.46**
Drilling	488,329.51	100,574.35	-	-
Project supervision and management	128,879.34	752.77	-	-
Geological sampling & mapping, environmental-	-	5,287.50	-	-
Consulting, site visits & reports	-	-	-	-
Miscellaneous charges	-	-	-	-
Mineral Resource Estimate	-	-	-	-
Technical Reports	-	-	-	-
Claims renewal	-	3,910.96	-	497.29
Other exploration & evaluation	-	-	-	-
YTD Total Exploration Expenditures	**2,768,630.88**	**2,879,156.46**	**2,879,156.46**	**2,879,653.75**

Lac des Isles Crystalline Flake Property, QC – Acquisition Cost and exploration assigned to acquisition				
2Date	**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	$0.205	20,500.00
07-31-2017				21,298.00
01-31-2018				229,889.00
07-31-2018				(957,589.00)
Total Acquisition	**6,666.67**	**200,000**		**$ 0.00**

Lac des Isles Crystalline Flake Property, Quebec – Exploration Expenditures			
	YTD July 31, 2018	YTD July 31, 2019	January 31, 2020
Balance Forward	**174,404.17**	**0.00**	**0.00**
Miscellaneous expenses	-	-	
Property impaired	(174,404.00)	-	
YTD Total exploration expenditures	**0.00**	**0.00**	**0.00**

2. Basis of Preparation and Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial reporting standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting.

Certain information normally included in the audited annual financial statements prepared in accordance with IFRS has been omitted or condensed. Accordingly, these unaudited consolidated interim financial statements do not include all the information required for full annual financial statements, and, therefore, should be read in conjunction with the audited annual financial statements of the Company ended July 31, 2019

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on March 27, 2020.

Basis of measurement

These condensed consolidated interim financial statements have been prepared on the historical cost basis except for where IFRS requires recognition at fair value.

Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

Use of estimates and judgements

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

Critical judgments in applying the accounting policies of the Company in the preparation of these consolidated condensed interim financial statements and key assumptions related to these estimation uncertainties are the same as the ones listed and described in the annual audited financial statements of the Company as at July 31, 2019.

3. Significant Accounting Policies

These condensed consolidated interim financial statements have been prepared folling the same accounting policies used in the annual audited financial statements for the year ended July 31, 2019.

Changes in Accounting Policies – New and Amended Standards and Interpretations

IASB or the IFRIC have issued certain pronouncements that are mandatory for accounting periods beginning on or after January 1, 2019. None of these are expected to be relevant to the Company's financial statements, except for the following:

IFRS 16, Leases, provides a single lessee accounting model for recognition, measurement, presentation and disclosure, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, substantially unchanged from IAS 17, the predecessor to IFRS 16. The standard is effective for annual periods beginning on or after January 1, 2019. The Company has no leases and as such, this standard would have no impact on the Company's financial statements. There are no other IFRSs or IFRIC Interpretations that are not yet effective that would be expected to have a material impact on the Company.

4. 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.

	January 31, 2020	July 31, 2019
Cash and bank balances	$ 26,551	$ 7,554
Cash equivalents	-	3,000
	$ 26,551	$ 10,554

Other Receivables	January 31, 2020	July 31, 2019
Goods and Service Tax	$ 22,443	$ 10,125
Receivable - Other	4	4
Due from associate	193,614	193,614
	$ 216,061	$ 203,74

5. Prepaid Expenses	January 31, 2020	July 31, 2019
Prepaid promotional & consulting Expenses	$ 40,379	$ 9,256

6. Investment in Associates

Technology

Graphene ESD Corp.

On December 12, 2014 the Company purchased 1,800 shares of Graphene ESD Corp.'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 to common stock 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. As at July 31, 2019, management assessed that the investment in Graphene was impaired and recorded a write-down of $54,787.

	Number of shares held		
July 31, 2018		**$**	**57,838**
Share of equity loss	**1,800**		**(3,050)**
Write-down of investment			**(54,787)**
July 31, 2019 and January 31, 2020		**$**	**1**

Smart Home Devices Ltd. (SHD)

On February 16, 2016 the Company issued (before 10:1 share consolidation) 16,129,743 common shares, at $0.35 per share for a value of $564,541, in exchange for 778,890 common shares of SHD. SHD is developing a series of energy saving, connected building automation and security products.

On March 15, 2017 the Company acquired an additional 867,546 common shares, for $624,633 in exchange for the rights, patents, and website pertaining to the license owned by the Company that was acquired from Megahertz Power Systems Ltd., a company associated with SHD.

On November 21, 2017 the Company acquired an additional 111,111 common share for $80,000.

On January 19, 2018 the Company acquired 34,722 common shares for $25,000.

The Company accounted for its investment in SHD using the equity method until July 20, 2018, when the Company's shareholding in SHD was diluted to 18.25%, leading to the Company losing significant influence over SHD, at which time the Company discontinued accounting for SHD using the equity method. As at July 31, 2018, the Company assessed that the investment in SHD was impaired and recorded a write-down of $1,136,574 to the investment.

As at January 31, 2020, the Company owns 18.25% (July 31, 2019 – 18.25%) of the issued and outstanding shares of SHD.

	Number of shares held		
July 31, 2019 and January 31, 2020	**1,792,269**	$	1

Promethieus Cryptocurrency Mining Corporation

On May 23, 2018, the Company purchased 200 common shares of Promethieus Cryptocurrency Mining Corporation (PCM), a private company, incorporated in British Columbia on January 24, 2018. The Company currently holds 20% of the outstanding shares.

The amount due form associate is due from PCM for payment of expenses on behalf of PCM. The amount is unsecured and there are no specified terms of repayment.

The Company exercises significant influence over PCM as it owns, along with a common director, 62% of the voting shares. It accounts for its investment on the equity basis.

	Number of shares held	
Acquisition of common shares	200	2
July 31, 2019 and January 31, 2020	200	$ 2

Summary of investment in associates:

	January 31, 2020	July 31, 2019
Graphene ESD Corp	$ 1	$ 1
Smart Home Devices Ltd.	1	1
Promethieus Crypocurrency Mining Corporation.	2	2

On July 31, 2019 the Company signed an agreement with Promethieus Technologies Inc. (PTI) to sell its subsidiary, Lomiko Technologies Inc. for $1,236,625 plus expenses incurred by the Company of $193,614. The sale will be subject to PTI successfully completing an equity financing in the amount of $3,670,750. Once the equity financing is secured, the Company will transfer to Lomiko Technologies Inc, all of its interests in Smart Home Devices Ltd., Promethieus Cryptocurrency Mining Corporation, and Graphene ESD Corp. As at the date of this report, equity financing for PTI has not been secured

7. 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
Period ended January 31, 2020

On November 12, 2019 the Company completed a non-brokered private placement by issuing 6,000,000 units of the Company at $0.05 per unit for gross proceeds of $300,000. Each unit is comprised of one common share and one-half common share purchase warrant. Each warrant is exercisable into one common share at a price of $0.07 for a period of 24 months. The warrants had a fair value of $47,129 measured using the Black Scholes valuation model, of which $40,730 was allocated to reserves on a relative fair value basis. Legal fees amounted to $5,250.

A director participated in the placement by purchasing 1,030,000 units in the amount of $51,500. Funds were immediately used to reimburse the director for debt.

On December 30, 2019 the Company completed a non-brokered private placement by issuing 5,500,000 units of the Company at $0.05 per unit for gross proceeds of $275,000. Each unit is comprised of one common share and one-half common share purchase warrant. Each warrant is exercisable into one common share at a price of $0.07 for a period of 24 months. The warrants had a fair value of $45,115 measured using the Black Scholes valuation model, of which $38,757 was allocated to reserves on a relative fair value basis. Legal fees amounted to $9,150.

A director participated in the placement by purchasing 600,000 units in the amount of $30,000. Funds were immediately used to reimburse the director for debt.

Included in the private placements, that completed during period, were 877,000 shares with an aggregate value of $438,500 that were issued to consultants and recorded to share based payments (Note 16).
Issued

Year ended July 31, 2019

On October 3, 2018 the Company completed the first tranche of a private placement, by issuing of 5,061,038 units of the Company at $0.05 per unit for total gross proceeds of $253,052. Each 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 $0.10 for a period of 24 months. A finder's fee of $11,914 was paid and 228,272 share purchase warrants exercisable for 24 months at an exercise price of $0.06, were issued to brokers, with a fair value of $9,437 recognized to share issue cost. The warrants had a fair value of $176,008 measured using the Black Scholes valuation model, of which $103,807 was allocated to reserves on a relative fair value basis. Legal and filing costs amounted to $5,250.

On October 4, 2018 the Company closed the 2nd tranche of a private placement by issuing 5,890,000 units of the Company at $0.05 per unit for total gross proceeds of $294,500. Each unit is comprised of one common share and one common share purchase warrant. Each warrant is exercisable into one common share at a price of $0.10 for a period of 24 months. Broker commissions of $2,100 were paid and 42,000 share purchase warrants exercisable for 24 months at an exercise price of $0.06, were issued to brokers, with a fair value of $1,942 recorded to share issue cost. The warrants had a fair value of $211,349 measured using the Black Scholes valuation model, of which $123,045 was allocated to reserves on a relative fair value basis. Legal and filing costs amounted to $14,245.

On November 7, 2018 the Company closed the 3rd and final tranche of a private placement by issuing 12,400,000 units of the Company at $0.05 per unit for gross proceeds of $620,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant is exercisable into one common share at a price of $0.10 for a period of 24 months. A finder's fee of $3,000 was paid. The warrants had a fair value of $389,174 measured using the Black Scholes valuation model, of which $239,094 was allocated to reserves on a relative fair value basis. Legal fees amounted to $13,175.

A company related to a director, participated in the private placement by purchasing 2,000,000 units for $100,000.

On December 11, 2018 the Company completed a private placement by issuing 11,200,000 flow-through shares of the Company at $0.05 per share for gross proceeds of $560,000. Broker commissions of $38,500 were paid and 569,800 share purchase warrants exercisable for 24 months at an exercise price of $0.05, were issued to brokers with a fair value of $15,566 recorded to share issue cost. Legal costs amounted to $13,604. A premium on flow-through shares issued of $56,000 was recorded as a flow-through liability and amortized into income once spent and renounced.

A director participated in the placement by purchasing 200,000 units for $10,000.

Included in the private placement financings that completed during year were 7,690,000 shares with an aggregate value of $384,024 that were issued to consultants and recorded to share based payments.

b) Share purchase warrants

A summary of the Company's outstanding share purchase warrants as at January 31, 2020 is as follows:

	Number of Warrants	**Weighted Average Exercise Price**
Balance, July 31, 2018	**17,797,214**	**$ 0.25**
Issued for financing	24,191,110	0.05
Expired	(5,644,290)	0.05
Balance, July 31, 2019	**36,344,034**	$ 0.18
Issued for financing	5,750,000	$ 0.20
Expired	(7,870,983)	
Balance, January 31, 2020	**34,223,051**	**$ 0.16**

The following table summarizes information relating to share purchase warrants outstanding and exercisable at January 31, 2020.

Number of Warrants	Exercise Price	Expiry Date
1,492,538	$0.29	July 4, 2020
119,403	$0.29	July 4, 2020
2,670,000	$0.29	August 23, 2020
5,061,038	$0.10	October 3, 2020
228,272	$0.06	October 3, 2020
5,890,000	$0.10	October 4, 2020
42,000	$0.06	October 4, 2020
12,400,000	$0.06	November 7, 2020
569,800	$0.05	December 11, 2020
3,000,000	$0.07	November 12, 2021
2,750,000	$0.07	December 30, 2021
34,223,051		

The weighted average remaining contractual life of the warrants as at January 31, 2020 was .89 years (July 31, 2019 – 1.05 years).

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

	January 31, 2020	July 31, 2019
Risk free interest rate	1.64%	2.30%
Expected life of options	2.0 years	2.0 years
Annualized stock price volatility	139.60%	123.51%
Expected dividend yield	0%	0%

(c) Share-based payments

Plan Details

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

The expiry date for each option shall be set by the board at the time of issuance and shall not be more than ten years after grant date. Options shall not be assignable (or transferable) by the optionee. The maximum number of shares reserved for issuance under the share option plan in aggregate shall not exceed 10% of the total number of the Company's issued and outstanding common shares on a non-diluted basis prior to the issuance. The number of shares which may be issuable under the plan within a twelve month period to one optionee shall not exceed five percent of the total number of issued and outstanding shares on a non-diluted basis. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position. Pursuant to the stock option plan, options granted in respect of investor relations activities are subject to vesting in stages over a twelve month period with 20% vesting on the date of grant and 20% each three months thereafter. Vesting restrictions may also be applied to other options grants, at the discretion of the Board of Directors.

Stock options are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, July 31, 2018	682,500	**$0.17**
Granted	7,000,000	$0.05
Exercised	(370,000)	$0.05
Expired	(122,500)	$0.05
Balance, July 31, 2019	7,190,000	**$0.05**
Granted	400,000	$0.05
Expired	(190,000)	$0.05
Cancelled	(250,000)	$0.05
Balance, January 31, 2020	**7,150,000**	**$0.05**

The following summarizes the stock options outstanding and exercisable as at January 31, 2020:

Number of options Outstanding	Exercise price	Expiry date
4,500,000	$0.05	February 28, 2022
2,500,000	$0.05	April 16, 2022
400,000	$0.05	August 26, 2024
7,150,000		

During the period ended January 31, 2020, the Company granted an aggregate of 400,000 (July 31, 2019 – 7,000,000) stock options to management and consultants of the Company. The Company recorded $10,369 (July 31, 2019 – $325,055) in share based payments based on the vesting provisions of the granted options.

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

	January 31, 2020	July 31, 2019
Risk free interest rate	1.25%	1.72%
Expected life of options	5 years	3 years
Annualized stock price volatility	143.2%	124.92%
Expected dividend yield	-	0%

The weighted average remaining contractual life of options outstanding at January 31, 2020 was 2.26 years (July 31, 2019– 2.56 years).

Reserves

Equity reserve records items recognized as share-based payments and allocation of the value of warrants until such time that the stock options and warrants are exercised, at which time the corresponding amount will be transferred to share capital.

The values recorded to reserves for stock options and warrants are transferred to deficit on expiration of such stock options and warrants.

8. Accounts Payable and Accrued Liabilities

	January 31, 2020	July 31, 2019
Accounts payables	$ 596,947	$ 289,042
Accrued liabilities	4,000	40,000
	$ 600,947	$ 329,042

9. 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.

10. 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 quarterly reports from the Company's Chief Financial Officer 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 low.

Equity Price Risk:
Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. .

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 and due from associate. 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 January 31, 2020 relating to cash of $26,551 other receivables of $22,444 and due from associate of $193,614. All cash, cash equivalents and short term deposits are held at the Royal Bank of Canada

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 Company considers liquidity risk to be high.

The following table summarizes the Company's significant remaining contractual maturities for financial liabilities as at January 31, 2020 and July 31, 2019.

	Less than 3months	3 – 12 months	Total
January 31, 2020			
Trade payable and other liabilities	$ 600,947	$ -	$ 600,947
July 31, 2019			
Trade payables and other liabilities	$ 329,042	$ -	$ 329,042

d) Fair value of financial instruments

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

	Level 1	Level 2	Level 3	Total
January 31, 2020				
Cash and Cash equivalents	$ 26,551	$ -	$ -	$ 26,551
July 31, 2019				
Cash and Cash equivalents	$ 10,554	$ -	$ -	$ 10,554

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)

11. CAPITAL MANAGEMENT RISK

It is the Company's objective when managing capital to safeguard its ability to continue as a going concern in order that it may continue to explore and develop its mineral properties and investment in power supply products companies and continue its operations for the benefit of its shareholders. The Company's objectives when managing capital are to:

a. continue the exploration and development of its mineral properties;

b. support any expansion plans; and maintain a capital structure which optimizes the cost of capital at an acceptable risk.

The Company manages its equity (which includes common shares, share-based payment reserve and accumulated deficit) as capital. The Company intends to expend existing working capital by carrying out its planned acquisition, exploration and development activities on mineral properties and continuing to pay administrative costs.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the underlying assets. In order to maintain or adjust the capital structure the Company may issue new shares. In order to facilitate analysis and management of its capital requirements, the Company prepares and updates annual budgets (as needed) to ensure that its acquisition and exploration operations can continue to progress. Budgets, once finalized, are approved by the Board of Directors.

There have not been any changes to the Company's capital management objective, policies and processes compared to the prior year. The Company is not subject to any externally imposed capital requirements.

The Company capital consists of cash, and share capital. The Company's objectives when maintaining capital are to maintain a sufficient capital base in order to meet its short-term obligations and at the same time preserve investors' confidence in the Company's ability required to sustain future development and operation of the business.

The Company is not exposed to any externally imposed capital requirements.

12. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel. The following are related party transactions not disclosed elsewhere in the financial statements.

		January 31, 2019		January 31, 2019
Management Fees paid to companies related to directors or to directors	$	**90,000**	$	90,000
Share-based compensation		**-**		-
	$	**90,000**	$	90,000

Management fees were paid to M & M Corporation, a company controlled by Jacqueline Michael, the Company's CFO, and AJS Management Corporation, a company controlled by Paul Gill, the Company's President.

Included in accounts payable is $286,180 (July 31, 2019 - $172,308) owing to directors or companies controlled by directors.

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	January 31, 2020	July 31, 2019
Flow through premium liability	-	$ 56,000
Issuance of common shares for services	-	$ 384,025

14. SEGMENTED REPORTING

During the period ended January 31, 2020, the Company operated in two industry segments: acquisition, exploration and development of resource properties and the manufacture and sale of power supply products. The Company's non-current assets by industry segments for the period ended January 31, 2020 and July 31, 2019 as follows:

January 31, 2020	Exploration and Evaluation	Power Supply Products
Non-current assets		
Exploration and evaluation assets	$ 3,500,489	$ -
Investment in associate	-	4
	$ 3,500,489	$ 4

July 31, 2019	Exploration and Evaluation	Power Supply Products
Non-current assets		
Exploration and evaluation assets	$ 3,499,992	$ -
Investment in associate	-	4
	$ 3,499,992	$ 4

15. 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
16. COMMITMENTS - continued
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 to be 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 is 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.

16. SELECTED ANNUAL INFORMATION

Revenue, net loss, diluted loss per common share, total assets and total long-term liabilities for the year ended July 31, 2019, with the year ended July 31, 2018 and with the year ended July 31, 2017 were as follows (**in thousands of Canadian dollars except for shares**):

	IFRS 2019 $	**IFRS 2018 $**	**IFRS 2017 $**
Total Revenue	0	0	0
Total Assets	3,735	3,474	6,847
Total Long Term Liabilities	0	0	0
Total Operating Loss	(1,511)	(1,940)	(774)
Net Income and comprehensive (loss)	(1,766)	(5,554)	(1,249)
Net Income (loss) per share basis	(0.03)	(0.16).	(0.05)
Net Income (loss) per share diluted	(0.03)	(0.16)	(0.05)

Results of Operation – six-month period ended January 31, 2020 and 2019

	Three Months Ended January 31		Six Months Ended January 31	
	2020	2019	2020	2019
EXPENSES				
Advertising and promotion	$ 21,495	$ 180,490	$ 31,772	$ 265,799
Consulting	-	3,150	-	10,150
Management fees (Note 11)	45,000	45,000	90,000	90,000
Office and miscellaneous	5,749	8,474	10,815	12,422
Professional fees	98,919	28,276	152,149	42,826
Regulatory and filing fees	27,207	33,847	38,452	42,232
Shareholder communications	11,900	6,843	11,899	34,787
Share based payments (Note 8)	448,869	197,500	448,869	337,000
Travel	3,295	5,863	10,650	15,104
Loss from operations	(662,434)	(509,443)	(794,606)	(850,320)
Other income/(loss)				
Interest income	11	6	18	10
Share of associates loss (Note 6)	-	(1,265)	-	(1,265)
	11	(1,259)	18	(1,255)
Loss before income tax	(662,423)	(510,702)	(794,588)	(851,575)
Income tax expense	-	(4,768)	-	(4,768)
Comprehensive loss for the period	$ (662,423)	$ (515,490)	$ (794,588)	$ (856,343)
Basic And Diluted Loss Per Share	$ (.01)	$ (0.01)	(0.01)	$ (0.02)
Basic And Diluted Weighted Average Common Shares	82,222,582	68,769,755	78,613,887	54,119,849

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	**January 31, 2020**	**July 31, 2019**
Total Assets	3,783,480	3,735,194
Total Long-Term Debt	NIL	NIL
Total Liabilities	600,947	329,042
Shareholders' Equity: Share Capital Equity	28,416,080	27,934,969

During the six-month period, ended January 31, 2020, overall operational expenses decreased by 7% from the same period last year.

Advertising and promotions decreased by 88% from the same period last year, as the Company cut back on its participation in various conferences, promotions and advertising.

Professional fees increased significantly by 255% compared to the same period for last year as the Company engaged Leede Jones Gable for a brokered private placement financing. The Company paid for legal costs and opinions relating to due diligence for this proposed financing. Professional fees also included audit fees for the Company's 2019 year-end audit.

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 (794,588) for the six-month period (2019 – (858,343)) for the same period last year. The loss per share, basic and diluted was ($0.01) for the period (2019 - ($0.02).

As of this reporting period, the Company had assets of $3,783,480 (2019 – 3,735,194) of which $216,057 came from receivables (GST and due from associate); $40,379 from pre-paid expenses; $3,500,489 from mineral exploration and acquisition costs; and $26,551 from cash. The Company had a negative working capital of ($317,960) as at January 31, 2020.

17. 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

	Jan. 20	Oct.19	Jul. 19	Apr. 19	Jan. 19	Oct. 18	Jul. 18	Apr. 18
Revenue	0	0	0	0	0	0	0	0
Net Income (Loss)	(795)	(132)	(261)	(653)	(515)	(337)	(3,967)	(1,043)
Loss per Share	(0.01)	(0.00)	(0.03)	(0.01)	(0.01)	(0.01)	(0.12)	(0.03)

18. Other MD&A Requirements

As at January 31, 2020, the Company had a total of 86,725,191 issued and outstanding shares, 7,150,000 outstanding options and 34,223,051 outstanding warrants. If the Company were to issue 41,373,051 shares upon the conversion of all of its outstanding warrants and options, it would raise a total of $4,381,573.

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.

19. Off Balance Sheet Arrangements

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

20. Results of Operation- Use of Proceeds from private placement financings as at January 31, 2020

On November 12, 2019 and December 30, 2019, the Company raised a total of $575,000 through the sale of 11,500,000 shares, priced at $0.05 each.

The legal costs for the above financings were a total of $14,500. Net proceeds for financings were $561,000.

The Company used the proceeds of the financings as follows:

Loan repayment	$ 30,000
Trade shows/promotions	$397,000
Accounts Payable outstanding	$ 85,127
Audit	$ 10,000
Legal	$ 14,500
Total	**$536,627**

21. Company activities for the Q2, 2020 reporting period

November 8, 2019, the Company announced it will raise $300,000 through the sale of 6,000,000 units at $0.05 per unit. Each unit will be comprised of one share and one-half share purchase warrant, with each whole warrant exercisable into one share at a price of $0.07 for a period of two years from closing date. Proceeds will be used for working capital. All securities will be subject to a four-month plus one day hold period from the closing. The issuance of the securities is subject to the final approval of the TSX Venture Exchange. The Company advises shareholders that this financing is in addition to the Brokered Private Placement in progress.

The above mentioned private placement closed on November 12, 2020.

December 02, 2019 the Company announced that on November 29, 2019 it held its Annual General and Special Meeting of Shareholders (the “Meeting”). A total of 32,423,014 common shares (43.23% of the outstanding common shares) were represented at the Meeting in person or proxy.

1. Number of Directors

The number of Directors to be set at four (4) was approved by resolution passed by a vote by ballot with 26,771,300 (98.07%) total votes cast “FOR” and 527,137 (1.93%) votes cast “AGAINST”.

2. Election of Directors

Each of the following individuals were elected as directors of the Company as approved by a vote by ballot, for a term expiring at the conclusion of the next annual meeting of shareholders of the Company or until their successors are elected or appointed, as follows:

Name	**Votes “For” (%)**	**Votes “Withheld” (%)**
A.Paul Gill	26,547,134 (98.07%)	751,297 (2.75%)
Jacqueline Michael	26,963,004 (98.77%)	335,427 (1.23%)
Julius Galik	27,048,046 (99.08%)	250,385 (0.92%)
Gabriel Erdelyi	27,047,530 (99.08%)	250,901 (0.92%)

3. Appointment of Auditor

The appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, as the auditors of the Company, the authorization for the directors to fix the remuneration to be paid to the auditors and the change of auditors from Galloway, Botteselle & Company, Chartered Professional Accountants, to Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants which became effective February 8, 2018 was approved by a resolution passed by a vote by ballot, with 32,380,390 (99.88%) total votes cast “FOR” and 39,557 (0.12%) total votes “WITHHELD”.

4. 2019 Stock Option Plan

The 2019 Stock Option Incentive Plan was approved by a resolution passed by a vote by ballot with 26,107,574 (95.64%) total votes cast "FOR" and 1,190,857 (4.36%) total votes cast "AGAINST".

5. Sale of Subsidiary

The sale of the Company's wholly owned subsidiary in accordance with the *Business Corporations Act* (BC) to Promethieus Technologies Inc was approved by a special resolution passed by a vote by ballot, with 21,079,430 (99.76%) total votes cast "FOR" and 51,463 (0.24%) total votes cast "AGAINST". The resolution was non-arm's length transaction and 6,167,538 votes were excluded from voting. Further to the Company's press release dated September 30, 2019 and November 25, 2019 shareholder approval has been obtained to the transaction. The Company has been advised that the closing of the sale is subject to a financing to be completed by Promethieus Technologies Inc. of $3,670,750. Promethieus has advised the Company that closing will be on or before December 31, 2019, subject to regulatory approval.

6. Other Matters

At the first meeting of the newly constituted Board of Directors held immediately after the Meeting, A. Paul Gill was elected to serve as President and Chief Executive Officer and Jacqueline Michael as Chief Financial Officer until the next annual general meeting of the Company. The Board also elected Julius Galik, Gabriel Erdelyi and Jacqueline Michael to serve as the Company's Audit Committee until the next annual general meeting of the Company.

On December 13, 2019 the Company updated its shareholders on the sale of its subsidiary, Lomiko Technologies Inc.
On July 31, 2019 the Company announced that it had entered into an agreement to sell its 100% interest in Lomiko Technologies Inc. to Promethieus Technologies Inc. (Canada) for $ 1,236,625 and will be reimbursed $ 193,614.32 in expenses paid by Lomiko Metals on behalf of Promethieus Technologies Inc. On November 25, 2019 Lomiko Metals Inc. provided shareholders with an update to the transaction and on December 3, 2019, confirmed that shareholders had overwhelmingly approved the transaction at the November 29, 2019 Annual Special General Meeting. The transaction was subject to (1) shareholder approval; (2) Promethieus completing a financing; and (3) regulatory approval. The transaction was considered a non-arms-length transaction as Mr. A. Paul Gill is a Director of all the entities involved. In regards to item 2 above, Promethieus has advised Lomiko that it is in the process of an application for listing on a European Union recognized stock exchange. The process of listing includes rigorous examination of the listing application and has taken longer than expected. In recognition of this progress, both Lomiko and Promethieus have agreed to extend the deadline for the completion of the transaction to June 30, 2020 to allow the transaction to complete.

On December 18, 2019, the Company announced that it raised $275,000 through the sale of 5,500,000 units at $0.05 per unit. Each unit will be comprised of one share and one-half share purchase warrant, with each whole warrant exercisable into one share at a price of $0.07 for a period of two years from closing date. The proceeds of the financing will be used for working capital. All securities are subject to a four-month plus one day hold period from the closing. The issuance of the securities is subject to the final approval of the TSX Venture Exchange. No finder's fee will be paid. A. Paul Gill, the President and a director of the Company participated as to $51,500 (1,030,000 Units).

On December 24, 2019, the Company put out an update with reference to the press release dated August, 20, 2019, September 16, 2019 and October 17, 2019 and December 31, 2018. The Company informed shareholders on the status of its option to earn a 100% of the La Loutre Flake and Lac des Îles Flake Graphite Properties, Quebec (the "Properties"). The Company completed its initial option and has earned its 80% interest in the Properties.

Pursuant to an agreement dated December 22, 2018, the Company and Quebec Precious Metals Inc. ("QPM") (previously known as Canada Strategic Metals Inc.) agreed to extension agreements relating to the Properties which allow the Company to earn a 100% ownership. Pursuant to an amendment dated May 13, 2016, in order to earn a further 20% interest for a total of 100%, the Company was to issue an aggregate of 5,000,000 shares (pre-consolidation) (2,500,000 on or before July 31, 2017 and 2,500,000 on or before December 31, 2018) and fund exploration expenditures of an aggregate of $1,125,000 ($250,000 by December 31, 2016; $375,000 by December 31, 2017 and $500,000 by December 31, 2018). The parties agreed to extend the deadline date for the Company to fund exploration work of $1,125,000 to December 31, 2019 and the Company shall forthwith, upon regulatory approval, issue 500,000 common shares (5,000,000 pre-consolidation) shares. The transaction is arm's length.

Further to the press release dated August 20, 2019 announcing the engagement of Leede Jones Gable Inc. (the "Agent") as lead agent on a commercially reasonable agency basis to undertake a brokered private placement (the "Offering"). This financing has not completed and is now cancelled. In addition, the extension agreement cannot be fulfilled without the completion of the financing and Lomiko confirms it cannot make the required payment by the deadline. It will explore other options with QPM and financing partners.

22. Subsequent events

There are no subsequent events to report for this period.

24. 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) 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 to support the representations they are making in this 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 NI 52-109 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