LOMIKO METALS INC.
Form 51-102
Management Discussion and Analysis
Interim First Quarter ended January 31, 2021

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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 second financial quarter 2021, ended January 31, 2021 and compared to the same period last year ended, January 31, 2020.

This MD&A should be read in conjunction with the Company's financial statements for the period ended January 31, 2021 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 March 19, 2021. 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 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 $26,819,431 and has reported a net loss from operations of $792,071 for the six-month period, ended January 31, 2021. In addition, the Company has a working capital of $652,420 as at January 31, 2021. 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.

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 are: A. Paul Gill, President and CEO, Jacqueline Michael, CFO, Mike Petrina, Director, Gabriel Erdelyi, Director, and Greg Jensen, Director. Members of the Audit Committee are: Jacqueline Michael, CFO, Gabriel Erdelyi, Independent Director and Greg Jensen, Independent Director.

General

Lomiko Metals Inc. is a Vancouver, Canada based mining and exploration Company focused on advancing its principal asset, 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.

Covid-19

Given the ongoing and dynamic nature of the circumstances surrounding the COVID-19 pandemic, it is difficult to predict how significant the impact of COVID-19, including any responses so it, will be on the global economy and the business of the Company or for how long any disruptions are likely to continue. The extent of such impact will depend on future developments, which are highly uncertain, rapidly evolving and difficult to predict, including new information which may emerge about COVID-19 and additional actions which may be taken to contain it. Such developments could have a material adverse effect on the Company's business, financial condition, results of operations and cash flow, and exposure to credit risk.

The Company is constantly evaluating the situation and monitoring any impacts, or potential impacts, to its business.

Exploration

La Loutre and Lac des Isles properties – 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 valued at $0.70 per share, and agreed to fund $2,750,000 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 both 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 and April 16, 2020) 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 July 31, 2020, issuance of the remaining 500,000 shares has been replaced with the 1,000,000 share issuance below
- Issuance of 1,000,000 common shares (issued May 25, 2020)
- Funding exploration expenditures for an additional $1,125,000 due December 31, 2021 (paid)

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

	La Loutre	Total
Balance, July 31, 2019	**$ 3,499,992**	**$ 3,499,992**
Exploration costs	32,038	32,038
Acquisition of property	30,000	30,000
Claim renew	476	476

Balance, July 31, 2020	**$ 3,562,506**	**$ 3,562,506**
Exploration costs	9,741	9,741
Acquisition of property	140,000	140,000
Balance, January 31, 2021	**$ 3,712,247**	**$ 3,712,247**

FLOW THROUGH PREMIUM LIABILITIES

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	Issued December 23, 2020
Liability incurred on Flow Though shares issued	$ 98,500

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:

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				238,367.00
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
06-23-2020		1,000,000	$0.05	30,000.00
01-29-2021	140,000.00			140,000.00
Total Acquisition	**152,833.33**	**1,450,000**		**790,834.00**

La Loutre Graphite Property, Quebec - Exploration Expenditures				
	April 30, 2020	**July 31, 2020**	**October 31, 2020**	**January 31, 2021**
Balance Forward	**2,879,653.75**	**2,907,086.48**	**2,911,669.73**	**2,911,669.73**
Drilling	-	-	-	-
Project supervision and management	1,306.22	218.25	-	510.24
Geological sampling & mapping, environmental-	-	-	-	8,730.00
Consulting, site visits & reports	-	-	-	-
Miscellaneous charges	-	-	-	502.40

Mineral Resource Estimate	-	-	-	-
Technical Reports	-	-	-	-
Claims renewal	11,415.91	-	-	-
Other exploration & evaluation	14,710.50	4,583.25	-	-
YTD Total Exploration Expenditures	**2,907,086.48**	**2,911,669.73**	**2,911,669.73**	**2,921,412.37**

Lac des Isles 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	$0.205	20,500.00
07-31-2017				21,298.00
01-31-2018				229,889.00
07-31-2018				(957,588.00)
Total Acquisition	**6,666.67**	**200,000**		**$ 1.00**

Lac des Isles 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**

Basis of Preparation and Statement of Compliance

(a) Statement of Compliance

These condensed consolidated interim financial statements of the Company, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Board ("IASB") and interpretation of the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed financial statements were approved and authorized for issue by the Board of Directors on March 22, 2021.

b) Basis of Presentation and Consolidation

The unaudited condensed interim 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.

(a) Investment in Associates

An associate is an entity over which the Company has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. Under the equity method, investments in associates are carried in the statement of financial position at cost adjusted for post-acquisition changes in the Company's share of net assets of the associates, less any impairment losses.

The requirements of IFRS 9 Financial Instruments are applied to determine whether it is necessary to recognize any impairment loss with respect to the Company's investment in an associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 *Impairment of Assets (IAS 36)* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment.

Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Losses in an associate in excess of the Company's interest in that associate are recognized only to the extent that the Company has incurred a legal or constructive obligation to make payments on behalf of the associate.

(b) Presentation currency and foreign currency translation

The consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company and of each subsidiary.

Foreign currency transactions are translated into functional currency of each entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from re-measurement of foreign currency denominated monetary items at reporting period and exchange rates are recognized in profit or loss.

Non-monetary assets and liabilities that are measured at historical cost are translated using the exchange rates in effect at the time of the initial transaction and are not subsequently re-measured at reporting period ends.

(c) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash with original maturities of three months or less and which are subject to an insignificant risk of changes in values.

(d) Exploration and Evaluation Expenditures

Exploration and evaluation assets incudes the costs associated with exploration and evaluation activity and the fire value (at acquisition date) of exploration and evaluation assets acquired. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are charged to profit or loss. Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within equipment, . Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

e) Decommissioning liabilities

The Company recognizes a provision for statutory, contractual, constructive or legal obligations, including those associated with the decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or evaluation of exploration and evaluation ass4ests. Provisions for site closure and decommissioning are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money.

As at January 31, 2021, the Company did not have any decommissioning liabilities.

f) Financial Instruments

Financial Instruments – recognition and measurement

The following is the Company's accounting policy for the financial instruments under IFRS.

(1) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. Financial liabilities are measured at amortized cost unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company classifies its cash as FVTPL and its receivables, due from related party, loans, and payables at amortized cost.

(ii) Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVTOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in Other Comprehensive Income ("OCI"). On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss

Equity investments at FVTOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) De-recognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on de-recognition are generally recognized in profit or loss.

g) 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.

h) Income 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 on the statement of financial position.

i) 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. Share capital issued for non-monetary consideration is recorded at fair value, being the quoted share price at the time of issuance.

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

j) 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.

k) 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.

Share based compensation arrangements in which the Company receives other goods or services as consideration for its own equity instruments are accounted for as equity settled share-based payment transactions and measured at the fair market value of the goods or services received. If the fair value of the goods or services received cannot be estimated reliably, the share based payment transaction is measured at the fair market value of the equity instruments granted at the date the Company receives the goods or the services.

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.

l) 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.

m) Significant Accounting Judgments and Estimates

The preparation of the Company's 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 financial statements are discussed below.

<u>Going concern</u>: 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.

<u>Exploration and evaluation assets:</u> 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.

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.

Valuation of investment in associates: At the end of each financial reporting period, the Company's management estimates the fair value of its investments based on the criteria below and records such valuations in the financial statements directly in net loss:

- There has been a significant new equity financing with arms-length investors at a valuation above or below the current fair value of the investee company, in which case the fair value of the investment is adjusted to the value at which the financing took place; or
- Based on financial information received from the investee company it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern, in which case the fair value of the investment is adjusted downward; or
- There have been significant corporate, operating, technological or economic events affecting the investee company that, in the Company's opinion, have a positive or negative impact on the investee company's prospects and, therefore, its fair value; or
- The investee company is placed into receivership or bankruptcy.

In addition to the circumstances described above, the Company will take into account general market conditions when determining if an adjustment to the fair value of an investment is warranted at the end of each reporting period. In the absence of the occurrence of any of these events, or any significant change in general market conditions, the fair value of the investment is left unchanged.

Application of the valuation techniques described above may involve uncertainties and determinations based on the Company's judgment, and any value estimated from these techniques may not be realized.

n) New accounting standards issued

The Company adopted IFRS 16 on August 1, 2019. IFRS 16 replaced IAS 17 Leases. IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, 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. The adoption of this standard had no impact on the Company's financial statements as the Company does not have any leases

o) Changes in Accounting Policies–New and Amended Standards and Interpretations

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company's 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.

	January 31, 2021	January 31, 2020
Cash and bank balances	$ 829,721	$ 18,962

Other Receivables	**January31, 2021**	**January 31, 2020**
Goods and Service Tax	$ 5,449	$ 10,044
Due from a director	$ 50,757	$ 10,000
Due from associates	$ 152,858	$ 193,614
	$ 209.064	**$ 213,658**

Prepaid Expenses	**January 31, 2021**	**January 31, 2020**
Prepaid promotional & consulting expenses	**$ 8,373**	**$ 13,583**

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, 2020 and January 31, 2021	**1,800**	**$ 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.

At January 31, 2021, the Company owns 18.25% (2019 – 18.25%) of the issued and outstanding shares of SHD.

	Number of shares held	
January 31, 2021	**1,792,269**	**$ 1**

Promethieus Technologies Inc.

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% (2019-20%) of the outstanding shares.

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 $152,857 (July 31, 2020 - $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 January 31, 2021, the sale had not completed.

The amount due from associate is due from associate of $193,614 (July 31, 2019 - $193,614) is due from PCM for payment of expenses on behalf of PCM. The amount is unsecured and there are no specified terms of repayment.

On August 7, 2020, the Company announced that its participation of 20% in PTI will be exchanged for 20% equity in a new entity, Promethieus Ventures N.V. ("Promethieus N.V."), which intends to list on the Dutch Caribbean Securities Exchange (DCSX) N.V. As at January 31, 2021, the exchange had not been completed

The amount due from associate of $152,858 (July 31, 2020 – $193,614) 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, 2020 and January 31, 2021	200	$ 2

Summary of investment in associates:

	Jan. 31, 2021	**July 31, 2020**
Graphene ESD Corp	$ 1	$ 1
Smart Home Devices Ltd.	1	1
Promethieus Cryptocurrency Mining Corporation	2	2
	$ 4	$ 4

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, 2021

On October 28, 2020, the Company completed a private placement, by issuing of 15,000,000 units for total gross proceeds of $750,000. Each unit consists of common share and one common share purchase warrant. Each full warrant is exercisable into one common share at an exercise price of $0.10 per share for a period of 24 months. The warrants had a fair value of $379,469 measured using the Black Scholes valuation model, of which $251,978 was allocated to reserves on a relative fair value basis. Finders' fees and brokers commission of $29,750 were paid. In addition, 238,000 shares with an aggregate value of $11,900 and 238,000 warrants with a fair value of $6,012 recorded to share issue cost, were issued to brokers.

A director participated in the placement by purchasing 300,000 units in the amount of $150,000.

Legal costs of $9,550 and filing fees of $5,806 were incurred.

On December 23, 2020 the Company completed a private placement, by issuing of 19,700,000 flow-through units for total gross proceeds of $985,000. Each unit consists of one flow-through common share and one half common share purchase warrant. Each full warrant is exercisable into one common share at an exercise price of $0.10 per share for a period of 24 months. The warrants had a fair value of $288,479 measured using the Black Scholes valuation model, of which $223,130 was allocated to reserves on a relative fair value basis. The Company recognized a flow-through premium of $98,500 for the difference between the fair value of its common shares and the issuance price of its flow through common shares. Finders' fees and brokers commission of $39,150 were paid. In addition, 694,000 shares with an aggregate value of $34,700 and 1,477,000 warrants with a fair value of $43,250 recorded to share issue cost, were issued to brokers.

Legal costs of $6,250 were incurred.

On January 19, 2021, the Company completed a private placement by issuing 5,000,000 units of the Company at $0.05 per unit for gross proceeds of $250,000. 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. The warrants had a fair value of $425,396 measured using the Black Scholes Option Pricing Model, of which $157,462 was allocated to reserves on a relative fair value basis. Finders' fees and commissions of $4,000 were paid. In addition, 80,000 share purchase warrants exercisable for 24 months at an exercise price of $0.10, with a fair value of $43,251 recorded to share issue cost, were issued to brokers.

Legal costs of $ 6,000 were incurred.

Included in the above private placements, were 6,050,000 units with an aggregate value of $302,500 that were issued to consultants and recorded to share based payments.

Year ended July 31, 2020

On October 30, 2019, the Company issued 220,000 common shares at a value of $0.05 per share for an aggregate value of $11,000 to a consultant of the Company.

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 Option Pricing Model, of which $40,730 was allocated to reserves on a relative fair value basis. Share issue costs of $10,986 were incurred.

A director participated in the placement by purchasing 600,000 units in the amount of $30,000.

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 Option Pricing Model, of which $38,757 was allocated to reserves on a relative fair value basis. Share issue costs of $11,650 were incurred.

A director participated in the placement by purchasing 1,030,000 units in the amount of $51,500.

On May 29, 2020, the Company completed a non-brokered private placement by issuing 25,485,000 units of the Company at $0.02 per unit for gross proceeds of $509,700. Each unit is comprised of one common share and one common share warrant. Each warrant is exercisable into one common share at a price of $0.05 per share for a period of 12 months. The warrants had a fair value of $363,910 measured using the Black Scholes Option Pricing Model, of which $212,320 was allocated to reserves on a relative fair value basis. Shares issue costs of $19,954 were incurred.

A director and companies related to directors participated in the placement by purchasing 10,350,000 units in the amount of $207,000.

On June 23, 2020, the Company issued 1,000,000 shares, valued at $0.03 per share for an aggregate of $30,000 to Quebec Precious Metals Corporation pursuant to an agreement dated April 16, 2020.

On July 20, 2020, the Company issued 1,356,000 shares, valued at $0.035 per share for an aggregate of $47,460, to settle a debt obligation of $67,800. Legal costs of $2,500 were incurred as share issue cost. A gain from settlement of debt was recorded in the amount of $20,340.

Included in the private placements, that completed during year, were 6,050,000 shares with an aggregate value of $301,548 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, 2021 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, July 31, 2019	**36,344.034**	**$ 0.18**
Issued for financing	31,235,000	0.05
Expired	(9,482,924)	0.26
Balance, July 31, 2020	**58,096,110**	**$ 0.11**
Issued for financing	31,645,000	0.10
Expired	(26,661,110)	0.15
Exercised	(1,710,000)	0.05
Balance, January 31, 2020	**61,170,000**	**$ 0.08**

The following table summarizes information relating to share purchase warrants outstanding and exercisable as at January 31, 2021.

Number of Warrants	Exercise Price	Expiry Date
23,935,000	$0.05	May 29, 2021
3,000,000	$0.07	November 12, 2021
2,590,000	$0.07	December 30, 2021
15,238,000	$0.10	October 28, 2022
11,327,000	$0.10	December 23, 2022
5,080,000	$0.10	January 19, 2023
61,170,000		

The weighted average remaining contractual life of the warrants as at January 31, 2021 was 1.15 years (July 31, 2020 – 59 years).

The following weighted average assumptions were used for the Black-Scholes Option Pricing Model of warrants granted.

	January 31, 2021	July 31, 2020
Risk free interest rate	0.23%	0.53%
Expected life of warrants	2.00 years	1.18 years
Annualized stock price volatility	233.84%	142.78%
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, 2019	**7,190,000**	**$0.05**
Granted	400,000	$0.05
Cancelled	(250,000)	$0.05
Expired	(190,000)	$0.05
Balance, July 31, 2020	**7,150,000**	**$0.05**
Granted	4,000,000	$0.05
Exercised	(1,350,000)	$0.05
Balance, January 31, 2021	**9,800,000**	

Number of options Outstanding	Exercise price	Expiry date
3,900,000	$0.05	February 28, 2022
1,500,000	$0.05	April 16, 2022
400,000	$0.05	August 24, 2024
4,000,000	$0.05	December 18, 2025
9,800,000		

During the period ended January 31, 2021, the Company granted an aggregate of 4,000,000, (July 31, 2020 – 400,000) stock options to management and consultants of the Company. The Company recorded $164,522 (July 31, 2020 - $10,381) in share based payments based on the vesting provisions of the granted options.

The weighted average remaining contractual life of options outstanding as at January 31, 2021 was 2.56 years (July 31, 2020 – 1.77 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 option and warrants are transferred to deficit on expiration of such stock options and warrants.

Accounts Payable and Accrued Liabilities

	January 31, 2021	July 31, 2020
Accounts payables	$ 282,489	$ 396,905
Accrued liabilities	10,500	56,900
	$ 292,989	$ 453,805

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 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, 2021 relating to cash of $ 829,721, other receivables of $57,315 and due from associate of $152,858. All cash, cash equivalents and short term deposits are held at the Royal Bank of Canada (RBC). The recoverability of the amount due from associate is reliant on the associate completing its listing and raising sufficient financing to repay the amount owing.

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, 2021 and July 31, 2020.

	Less than 3months	3 – 12 months	Total
January 31, 2021			
Trade payable and other liabilities	$ 282,489	$ -	$ 282,489
July 31, 2020			
Trade payables and other liabilities	$ 396,905	$ -	$ 396,905

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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, 2021				
Cash and Cash equivalents	$ 829,721	$ -	$ -	$ 829,721
July 31, 2020				

Cash and Cash equivalents	$	18,962	$	-	$	-	$	18,962

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)

Capital Risk Management

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.

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.

Management Fees paid to companies related to directors or to directors:

January 31, 2021	January 31, 2020
$ 90,000	$ 90,000

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

Included in accounts payable is $144,915 (July 31, 2020 - $195,653) owing to directors or companies controlled by directors.

Included in other receivables is $50,757($10,000 July 31, 2020) owing to the Company from a director of the Company.

SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOW

	January 31, 2021	July 31, 2020
Shares issued in settlement of debt	$ -	$ 47,460
Shares issued to acquire resource property	$ -	$ 30,000
Issuance of common shares for services	$ 302,500	$ 539,500

Segmented Reporting

During the year ended January 31, 2021, 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 years ended January 31, 2021 and July 31, 2020.

January 31, 2021	Exploration and Evaluation	Power Supply Products
Non-current assets		
Exploration and evaluation assets	$ 3,712,247	$ -
Investment in associates	-	4
	$ 3,712,247	$ 4

July 31, 2020	Exploration and Evaluation	Power Supply Products
Non-current assets		
Exploration and evaluation assets	$ 3,562,506	$ -
Investment in associates	-	4
	$ 3,562,506	$ 4

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 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. During the year the Company recorded an expense of $3,820 (2020- expense of $22) in Part XII.6 interest.

SELECTED ANNUAL INFORMATION

Revenue, net loss, diluted loss per common share, total assets and total long-term liabilities for the year ended July 31, 2020, with the year ended July 31, 2019 and with the year ended July 31, 2018 were as follows (**in thousands of Canadian dollars except for shares**):

	IFRS 2020 $	**IFRS 2019 $**	**IFRS 2018 $**
Total Revenue	0	0	0
Total Assets	3,812	3,735	3,474
Total Long Term Liabilities	0	0	0
Total Operating Loss	(1,206)	(1,511)	(1,940)
Net Income and comprehensive (loss)	(1,186)	(1,766)	(5,554)
Net Income (loss) per share basis	(0.01)	(0.03)	(0.16).
Net Income (loss) per share diluted	(0.01)	(0.03)	(0.16)

Results of Operation - six-month period ended January 31, 2021 and 2020

	Three Months Ended January 31		Six Months Ended January 31	
	2021	**2020**	**2021**	**2020**
EXPENSES				
Advertising and promotion	$ 28,017	$ 21,495	$ 111,131	$ 31,772
Consulting	1,600	-	1,600	-
Management fees (Note 13)	45,000	45,000	90,000	90,000
Office and miscellaneous	7,273	5,749	19,592	10,815
Professional fees	10,938	98,919	14,938	152,149
Regulatory and filing fees	48,544	27,207	56,095	38,452
Shareholder communications	21,318	11,900	23,665	11,899
Share based payments (Note 8)	214,522	448,869	467,022	448,869
Travel	1,787	3,295	3,306	10,650
Loss from operations	(378,999)	(662,434)	(787,349)	(794,606)
Other income/(loss)				
Interest income	-	11	-	18
Part XII.6 interest	(3,830)	-	(3,830)	-
Write down of exploration and evaluation assets	(972)	-	(972)	-
	(4,802)	11	(4,802)	18
Loss before income tax	(383,801)	(662,423)	(792,151)	(794,588)
Income tax recovery	-	-	80	-
Net loss and comprehensive loss for the period	$ (383,801)	$ (662,423)	$ (792,071)	$ (794,588)
Basic and Diluted Loss Per Share	$ (0.00)	$ (0.01)	(0.01)	$ (0.01)
Basic and Diluted Weighted Average Common Shares	139,489,658	82,222,582	127,142,158	78,613,887

During the six-month period, ended January 31, 2021, overall operational expenses decreased slightly by 0.91% from the same period last year.

Advertising and promotions increased significantly by 250% from the same period last year, as the Company engaged in several advertising and promotional campaigns in North America, Europe and Asia, to bring awareness of its goals and accomplishments to investors and shareholders.

Office expenses increased by 81% as the Company due to conference meetings and other operational expenses.

Professional fees decreased significantly by 90% compared to the same period for last year as the Company had less legal related matters to address.

Regulatory matters, filing fees and shareholder communications related to a Flow-Through private placement that closed on December 23rd, 2020 and a second private placement that closed on January 19, 2021.

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 (792,071) for the six-month period (2019 – (794,588) for the same period last year. The loss per share, basic and diluted was ($0.01) for the period (2019 - ($0.01).

As of this reporting period, the Company had assets of $5,825,858 (2019 – 3,812,404) of which $107,315 came from receivables (investment subscriptions received, GST and receivable from a director of the Company); $8,373 from pre-paid expenses; $3,712,247 from mineral exploration and acquisition costs; $1,015,340 from exploration advances; $152,858 from associates $829,721 from cash.

The Company had a positive working capital of $652,416 as at January 31, 2021.

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

Statement of Financial Position Data	**Jan. 31, 2021**	**July 31, 2020**	**July 31, 2019**
Total Assets	5,825,858	3,812,404	3,735,194
Total Long-Term Debt	NIL	NIL	NIL
Total Liabilities	391,489	453,805	329,042
Shareholders' Equity: Share Capital Equity	30,097,292	28,771,232	27,934,969

Results of Operations - Use of Proceeds from financings as at January 31, 2021

Proceeds of Private Placements	Financing October 31, 2020 $750,000	Financing December 23, 2020 $985,000 Flow-Through	Financing January 19, 2021 $250,000
Balance Forward	**$19,000**	**$364,636**	**$308,191**
Cost of financing (commissions)	41,650	39,150	4,000
Advance Payments for promotions and consultants	252,500	-	-
Legal/Consulting	10,500	6,250	6,000
TSX & Filing fees	5,266	11,045	6,023
Accounts Payable	94,448		-
Transfer Agent			
Audit/Accounting			4,305
Shareholders' communications			
Management			15,000
Travel			
Consultants			52,500
Quebec Precious Metals (advance payment paid for 2021 FT exploration)		985,000	12,319
Quebec Precious Metals (acquisition payment for La Loutre property)			140,000
Balance of proceeds remaining	**$364,636**	**$308,191**	**$318,044**

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. 21	Oct. 20	Jul. 20	Apr. 20	Jan. 20	Oct.19	Jul. 19	Apr. 19
Revenue	0	0	0	0	0	0	0	0
Net Income (Loss)	(792,071)	(408)	(1,186)	(899)	(795)	(132)	(261)	(653)
Loss per Share	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)	(0.00)	(0.03)	(0.01)

Other MD&A Requirements

As at January 31, 2021, the Company had a total of 158,258,191 issued and outstanding shares, 9,800,000 outstanding options and 74,515,066 outstanding warrants. If the Company were to issue 66,592,800 shares upon the conversion of all of its outstanding warrants and options, it would raise a total of $6,585,056.60.

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 Q2, 2021 reporting period

On November 17, 2020, the Company announced that the Board of Directors has formed a Technical, Safety and Sustainability Committee ("LTSSC"), reporting to the Board of Directors. At the time of formation, the LTSCC is comprised of A. Paul Gill, CEO, and two Independent Directors, Gabriel Erdelyi and Julius Galik. LTSSC Committee Responsibilities The LTSSC will oversee the assessment of the La Loutre Flake Graphite Property, and liaise with service providers, technical staff and stakeholders to put forward a series of crucial technical documents including, but not limited to, a Scope of Work (SOW), Graphite Characterization and Metallurgy, Response for Proposal (RFP) on a Preliminary Economic Assessment, and, if required, pre-feasibility, bulk samples, pilot plant, feasibility and construction plans. The Committee will govern the hiring of technical staff, liaise with extra company agencies and representatives, and provide a conduit to the Board of Directors to make crucial decisions on the project.

On November 24, 2020, the Company announced that the Lomiko Technical, Safety and Sustainability Committee ("LTSSC") has recommended the acceptance of a Proposal by SGS Canada Inc. to conduct a Metallurgical Process Development Program to the Board of Directors. This Program has been accepted and approved by the Lomiko Board.
On November 24, 2020, the Company announced that the Lomiko Technical, Safety and Sustainability Committee ("LTSSC") has recommended the acceptance of a Proposal by SGS Canada Inc. to conduct a Metallurgical Process Development Program to the Board of Directors. This Program has been accepted and approved by the Lomiko Board.

SGS Metallurgical Process Development Plan:
Lomiko plans to ship four composites weighing 30 - 35 kg each consisting of high-grade and low-grade samples from the Refractory and the Graphene Battery mineralized zones will be shipped to SGS in Lakefield. The main scope of the work program includes:

• Sample Preparation
• Chemical Characterisation
• Comminution Testing
• Flowsheet Development

• Environmental Testing

The samples will be stage-crushed in a series of jaw and cone crushers to minimize the risk of flake degradation and fines generation. Samples will be extracted for comminution testing, chemical characterization, and the generation of two Master composites.

Bond ball mill grindability tests will be carried out to establish grinding energy requirements to assist in the design of the preliminary comminution circuit.

Scoping level flowsheet development testing will be carried out on the two Master composites to establish a conceptual flowsheet. The primary objectives of the flowsheet development program are to maximize the graphite recovery into a flotation concentrate while minimizing flake degradation. The final concentrates will be subjected to size fraction analyses to determine the flake size distribution and total carbon grade profile of the two mineralized zones.

The high-grade and low-grade samples of the two mineralized zones will be subjected to variability flotation testing using the flowsheet and conditions that were developed for the two Master composites. Since a flowsheet must be able to treat all domains encountered in a deposit, these variability tests serve the purpose of assessing the robustness of the proposed flowsheet.

Static geochemical tests will be carried out to assess the acid-generating potential of the La Loutre tailings with and without a sulphide rejection circuit.

November 27, 2020 it held its Annual General and Special Meeting of Shareholders (the “Meeting”). A total of 38,690,224 common shares (33.77% of the outstanding common shares) were represented at the Meeting in person or proxy.

1. The Number of Directors
The number of Directors to be set at four (4) was approved by resolution passed by a vote by ballot with 25,567,656 (98.89%) total votes cast “FOR” and 286,485 (1.11%) 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.

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 was approved by a resolution passed by a vote by ballot, with 38,337,844 (99.09%) total votes cast “FOR” and 352,380 (0.91%) total votes “WITHHELD”.

4. 2020 Stock Option Plan
The 2019 Stock Option Incentive Plan was approved by a resolution passed by a vote by ballot with 24,423,543 (94.47%) total votes cast “FOR” and 1,430,598 (5.53%) total votes cast “AGAINST”.

5. Approval to the Extension of Closing the Sale of the Company’s Subsidiary– Special Resolution The approval to the extension of the closing date of 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 25,561,041 (98.87%) total votes cast “FOR” and 293,100 (1.13%) total votes cast “AGAINST”. The resolution was non-arm’s length transaction

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 9, 2020, the Company reported that Mr. Mike Petrina has been recommended by the Lomiko Technical, Safety and Sustainability Committee ("LTSSC") for the position of Project Manager. Further, Mr. Petrina has also joined the Lomiko Board of Directors to add his expertise to the Company.

Mr. Petrina is a Mining Engineer with over 30 years of expertise in operations, engineering, and project development, and is skilled at advancing open pit and underground projects whilst working responsibly with local stakeholders, First Nations communities and investors to maximize project value. His experience ranges from working with smaller technical teams to large operations workforces.

Mr. Petrina has almost 10 years of executive experience with Adanac Molybdenum, Hawthorne Gold, Adriana Resources, MAG Silver and Probe Minerals. Mr. Petrina's extensive experience with advanced stage projects in the Pre-economic Assessment (PEA) Stage will be extremely helpful as Lomiko proceeds with La Loutre Project.

On December 11, 2020, the Company announced that it intends to offer a combination of units and flow through units for gross proceeds of up to $1,450,000, as follows:

1) up to 5,000,000 common share units (the "units") of the Company will be offered at a price of $0.05 per unit to raise gross proceeds of up to $250,000. Each unit will consist of one (1) common share and one common share purchase warrant. Each warrant shall entitle the holder to acquire one (1) common share at a price of $0.10 for a period of 24 months; and

2) up to 24,000,000 flow through units ("FT Units") will be offered at a price of $0.05 per FT Unit for gross proceeds of up to $1,200,000. Each FT Unit will consist of one (1) flowthrough common share (the "FT Share") and one-half purchase warrant. Each whole warrant shall entitle the holder to acquire one (1) common share at a price of $0.10 per share for a period of 24 months.

The gross proceeds from the issuance of the FT Shares will be used for Canadian exploration expenses and will qualify as flow-through mining expenditures, as defined in Subsection 127(9) of the Income Tax Act (Canada), which will be renounced to the subscribers with an effective date no later than Dec. 31, 2020, to the initial purchasers of the offered securities in an aggregate amount not less than the gross proceeds raised from the issue of the flow-through shares, as applicable, and, if the qualifying expenditures are reduced by the Canada Revenue Agency.

The net proceeds from the FT Shares shall be used for exploration on Quebec properties.

The net proceeds from the units shall be for general working capital. While the Company intends to spend the net proceeds from the offering as stated above, there may be circumstances where, for sound business reasons, funds may be reallocated at the discretion of the Board.
On December 16, 2020, the Company reported that Mr. Gregg Jensen has been appointed to the Lomiko Board of Directors and to the Lomiko Technical, Safety and Sustainability Committee ("LTSSC") Mr. Jensen has been a Capital Markets expert for several years working with Mavericus Ventures, Revive Ventures and a Director at Centurion Minerals.

On December 21, 2020, the Company announced that further to its press release dated December 11, 2020, the Company will apply to the TSX-V to close its flow-through financing as to $985,000. The Company will issue, subject to regulatory approval, 19,700,000 flow through units ("FT Units") at a price of $0.05 per, each FT Unit will consist of one (1) flow-through common share (the "FT Share") and one-half purchase warrant. Each whole warrant shall entitle the holder to acquire one (1) common share at a price of $0.10 per share for a period of 24 months.

The gross proceeds from the issuance of the FT Shares will be used for Canadian exploration expenses and will qualify as flow-through mining expenditures, as defined in Subsection 127(9) of the Income Tax Act (Canada), which will be renounced to the subscribers with an effective date no later than Dec. 31, 2020, to the initial purchasers of the offered securities in an aggregate amount not less than the gross proceeds raised from the issue of the flow-through shares, as applicable, and, if the qualifying expenditures are reduced by the Canada Revenue Agency, the Company will indemnify each FT subscriber for any additional taxes payable by such subscriber as a result of the company's failure to renounce the qualifying expenditures as agreed.

The net proceeds from the FT Shares shall be allocated to exploration work on Quebec properties.

January 27, 2021, the Company it has closed a private placement and raised a total proceeds of $1,000,250. A total of 13,336,666 units (the “Units”) have been subscribed for at a price of $0.075 per Unit, each Unit consisting of one (1) common share and one warrant valid for two years at $0.10.

Finder fees have agreed to be paid, pursuant to the policies of the TSX-V. The securities will be issued February 1, 2021 (due to the change in transfer agent, as noted below) with a hold period expiring June 2, 2021.

The net proceeds will be for general working capital.

In addition, the Company also announced the appointment of Olympia Trust Company as the Company’s registrar and transfer agent effective February 1, 2021. Olympia Trust will now be responsible for all transfers of the Company’s shares through their office in Vancouver replacing Computershare Trust Company of Canada, which has resigned at the Company’s request. Shareholders need take no action in respect of the change in transfer agent and register.

Subsequent Events

February 1, 2021, the Company announced that it had completed its 100% acquisition of the La Loutre Flake Graphite project with a $ 1,125,000 payment to the vendor Quebec Precious Minerals Corporation. Transfer of the property rights have commenced and will be completed as soon as possible. Lomiko looks forward to assessing Preliminary Economic Assessment (PEA) proposals to advance the project. The development of a strategy that identifies value-added products is necessary to establish a long-term, profitable business model prior to extensive capital outlay and is crucial to the success of the company.

March 12, 2021, announces that is has retained Veritas Consulting Group Inc. of New York for Investor Relations Services. Term of Agreement The Agreement shall remain in effect from the date hereof through the expiration of a period of One year (1 year) from the date hereof unless terminated pursuant to this Agreement (the “Term”), and thereafter will be automatically renewed unless upon the written consent of the company.

Activities During the Term and any renewal thereof, Consultant shall use its best efforts to: (a) provide the Company with corporate consulting services in connection with introductions to other financial relations companies and other financial services; (b) contact the Company’s existing shareholders, responding in a professional manner to their questions and following up as appropriate; (c) introduce the Company to various securities dealers, investment advisors, analysts, funding sources and other members of the financial community with whom it has established relationships, and generally assist the Company in its efforts to enhance its visibility in the financial community (collectively, the “Services”). It is acknowledged by the Company that Consultant carries no professional licenses, and is not rendering legal advice or performing accounting services, nor acting as an investment advisor or broker/dealer within the meaning of the applicable state and federal securities laws. The Services of Consultant shall not be exclusive nor shall Consultant be required to render any specific number of hours or assign specific personnel to the Company or its projects, however it is anticipated and agreed upon by both Parties that considerable time and resources will be required to fulfill the obligations to the Company under this agreement. The Consultant shall specifically not provide any of the following services to the Company: (i) negotiation for the sale of any the Company's securities; (ii) discuss details of the nature of the securities sold or whether recommendations were made concerning the sale of the securities; (iii) engage in due diligence activities; (iv) provide advice relating to the valuation of or the financial advisability of any investments in the Company; or (v) handle any funds or securities on behalf of the Company. Compensation. The Agreement is subject to the provisions of TSX Venture Exchange (the “Exchange”) Policy 4.3.

The Company agrees that Consultant will receive a monthly consulting fee of US $25,000.

March 15, 2021, the Company announced that it has closed a private placement as to $2,178,492 and has issued 14,523,278 units (the “Units”) at $0.15 per Unit. Each Unit will consist of one common share and one warrant exerciseable at $0.25 for a period of 24 months from issuance.

Paul Gill, the President and a director of the Company will participate as to an aggregate of $150,000 or 1,000,000 Units. The participation in the private placement by Mr. Gill may be considered a "related party transaction" (the "Related Party") as defined under Multilateral Instrument 61-101 ("Ml 61-101").

The Company has determined that exemptions from the formal valuation and minority shareholder approval requirements under Ml 61-101 are available. In particular, the Company has determined that the exemptions set out in paragraphs (a) and (b) in section 5.5 of Ml 61-101 are applicable since the aggregate consideration to be paid by the Related Party does not exceed 25% of the market capitalization of the Company and the Company is not listed on the Toronto Stock Exchange, but only on the TSX Venture Exchange. In addition, regarding the minority shareholder approval exemptions, the independent directors have determined that the exemptions set out in paragraphs (l)(a) and (b) in section 5.7 of MI 61-101 are applicable in that the aggregate consideration to be paid by the Related Party does not exceed 25% of the market capitalization of the Company, the distribution of the securities to the Related Party has a fair market value of not more than $165,000 and the Company is not listed on the Toronto Stock Exchange, but only on the TSX Venture Exchange.

A finder's fee of $22,848 cash and 152,320 warrants has agreed to be paid/issued to PI Financial Corp., of 1900, 666 Burrard Street, Vancouver, BC.

There are no undisclosed material facts or material changes in respect of the Company.

The net proceeds from the units shall be for general working capital.

On May 18, 2021, the Company completed a third private placement by issuing 4,019,000 units of the Company at a price of $0.15 per unit and raised a gross sum of $602,850. Each unit consists of one common share and one common share purchase warrant, exercisable into one common share at a price of $0.25 per share for a period of two years. Finder's fees of $38,400 cash and 256,000 broker warrants are applicable at a price of $0.25 per share purchase.

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