



LOMIKO METALS INC.

(An exploration stage company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)

For the nine month periods ended April 30, 2021 and 2020

TO THE SHAREHOLDERS OF LOMIKO METALS INC.

Under National Instrument 51-102, Part 4, Subsection 4.3(3)(a), if an auditor has not performed a review of the unaudited condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by management and have been reviewed and approved by the Company's Audit Committee and Board of Directors.

The Company's independent auditor has not performed an audit or a review of these unaudited condensed interim consolidated financial statements for the nine month periods ended April 30, 2021 and April 30, 2020.

LOMIKO METALS INC.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
(Unaudited - Expressed in Canadian Dollars)

	As at April 30, 2021	As at July 31, 2020
ASSETS		
Current		
Cash and cash equivalents (Note 4)	\$ 3,760,204	\$ 18,962
Other receivables (Note 13)	94,286	23,735
Prepaid expenses	109,580	13,583
	<u>3,964,070</u>	<u>56,280</u>
Non-current		
Due from associate (Note 5)	152,858	193,614
Exploration and evaluation advances	1,136,000	-
Investment in associates (Note 5)	4	4
Exploration and evaluation assets (Note 6)	3,789,376	3,562,506
	<u>5,078,238</u>	<u>3,756,124</u>
	\$ 9,042,308	\$ 3,812,404
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 9,11 and 13)	\$ 40,896	\$ 453,805
OTHER		
Flow through share premium (Note 7)	12,131	-
	<u>53,027</u>	<u>453,805</u>
EQUITY		
Share capital (Note 8)	33,286,214	28,771,232
Reserves (Note 8)	3,050,925	1,320,194
Deficit	(27,347,858)	(26,732,827)
	<u>8,994,281</u>	<u>3,358,599</u>
	\$ 9,042,308	\$ 3,812,404

Nature of Operations and Going Concern (Note 1)
Commitments (Note 16)
Events after reporting period (Note 17)

Approved on behalf of the Board:

"Paul Gill"

Paul Gill - President and Chief Executive Officer

"Jacqueline Michael"

Jacqueline Michael - Chief Financial Officer

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

LOMIKO METALS INC.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND
COMPREHENSIVE LOSS**

(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended April 30		Nine months Ended April 30	
	2021	2020	2021	2020
EXPENSES				
Advertising and promotion	\$ 244,525	16,007	355,656	47,779
Consulting	131,506		133,106	-
Management fees (Note 13)	45,000	60,000	135,000	150,000
Office and miscellaneous	9,362	6,702	28,954	17,517
Professional fees	57,622	8,040	72,560	160,189
Regulatory and filing fees	58,035	11,880	114,130	50,332
Shareholder communications	5,223	-	28,887	11,899
Share based payments (Note 8)	67,500	-	534,522	448,869
Travel	2,364	2,007	5,671	12,657
Loss from operations	(621,137)	(104,636)	(1,408,486)	(899,242)
Other income/(loss)				
Interest income	-	12	-	18
Part XII.6 interest	-	(22)	3,830	(22)
Flow-through share premiums	86,369	-	86,369	-
Write down of exploration and evaluation assets	-	-	972	-
	86,369	(10)	81,567	(4)
Loss before income tax	(534,768)	(104,646)	(1,326,919)	(899,246)
Income tax recovered	6,342	(92)	6,421	(92)
Net loss and comprehensive loss for the period	\$ (528,426)	(104,738)	(1,320,498)	(899,338)
Basic and Diluted Loss Per Share	\$ (0.00)	(0.00)	(0.01)	(0.01)
Basic and Diluted Weighted Average Common Shares	195,834,106	86,551,191	150,140,249	82,674,432

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

LOMIKO METALS INC.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited - Expressed in Canadian Dollars)

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	April 30		April 30	
	2021	2020	2021	2020
Cash flows (used in) operating activities				
Net (loss) from continuing operations	\$ (528,426)	\$ (104,750)	(1,320,498)	\$ (899,338)
Adjustments				
Share based payments	67,500	-	534,522	448,869
	(460,926)	(104,750)	(785,976)	(450,469)
Changes in non-cash working capital items:				
Other receivables	(36,972)	13,781	(70,551)	13,112
Share subscriptions receivable	50,000	-	-	-
Prepaid expenses	(101,207)	5,224	(95,998)	(25,899)
Flow through premium	(86,369)	-	(86,369)	-
Accounts payable	(252,092)	94,894	(412,909)	366,800
	(887,566)	9,149	(1,451,802)	(96,456)
Cash flows from financing activities				
Flow through shares	-	-	985,000	-
Issuance of shares for cash	3,714,092	-	4,411,592	55,000
Issuance of shares in debt settlement	-	-	-	81,500
Options exercised	100,000	-	167,500	-
Warrants exercised	1,098,650	-	1,187,350	-
Share subscriptions received	(761,125)	-	-	-
Share issue costs	(135,778)	-	(236,284)	(14,400)
	4,015,839	-	6,515,158	122,100
Cash flows used in investing activities				
Exploration and evaluation expenditures	(77,130)	(27,433)	(226,871)	(27,930)
Exploration and evaluation advance	(120,660)	-	(1,136,000)	-
Due from associate	-	-	40,757	-
	(197,790)	(27,433)	(1,322,114)	(27,930)
Increase in cash	2,930,483	(18,284)	3,741,242	(2,286)
Cash and cash equivalents, beginning of period	829,721	26,552	18,962	10,554
Cash and cash equivalents, end of period	\$ 3,760,204	\$ 8,268	3,760,204	\$ 8,268

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

LOMIKO METALS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited - Expressed in Canadian Dollars)

	Common Shares Without Par Value		Reserves	Deficit	Total Equity
	Shares	Amount			
Balance, July 31, 2019	75,005,191	\$ 27,934,969	\$ 1,481,723	\$ (26,010,540)	\$ 3,406,152
Issuance of shares for cash	1,100,000	55,000	-	-	55,000
Share issue costs	-	(14,400)	-	-	(14,400)
Fair value assigned to warrants	-	(79,489)	79,489	-	-
Share based payments to consultants	8,770,000	438,500	-	-	438,500
Shares issued in settlement of debt	1,356,000	47,460	-	-	47,460
Share based compensation	-	-	10,381	-	10,381
Options exercised	-	-	(109,907)	109,907	-
Options cancelled	-	-	(12,517)	12,517	-
Warrants expired	-	-	(320,940)	320,940	-
Net loss for the period	-	-	-	(899,338)	(899,338)
Balance April 30, 2020	86,505,191	\$ 27,842,040	\$ 1,128,229	\$ (26,466,514)	\$ 3,043,755
Issuance of shares for cash	22,615,000	501,200	-	-	501,200
Share issue costs	-	(30,690)	-	-	(30,690)
Fair value assigned to warrants	-	(212,318)	212,318	-	-
Share based payments to consultants	4,720,000	101,000	-	-	101,000
Shares issued to acquire resource property	1,000,000	30,000	-	-	30,000
Warrants expired	-	-	(20,353)	20,353	-
Net loss for the period	-	-	-	(286,666)	(286,666)
Balance, July 31, 2020	114,566,191	\$ 28,771,232	\$ 1,320,194	\$ (26,732,827)	\$ 3,358,599
Issuance of shares for cash	45,044,944	4,411,592	-	-	4,411,592
Issuance of flow through shares	19,700,000	985,000	-	-	985,000
Flow through share premium	-	(98,500)	-	-	(98,500)
Issuance of broker shares	932,000	46,600	-	-	46,600
Share issue costs	-	(282,884)	-	-	(282,884)
Fair value assigned to warrants	-	(2,623,058)	2,623,058	-	-
Share based payments to consultants	6,834,000	370,000	-	-	370,000
Share based compensation	-	-	164,522	-	164,522
Warrants exercised	20,715,000	1,187,350	-	-	1,187,350
Transfer of reserves on exercise of warrants	-	207,710	(207,710)	-	-
Options exercised	3,350,000	167,500	-	-	167,500
Transfer of reserves on exercise of option	-	143,672	(143,672)	-	-
Warrants expired	-	-	(705,467)	705,467	-
Net loss for the period	-	-	-	(1,320,498)	(1,320,498)
Balance, April 30, 2021	211,142,135	\$ 33,286,214	\$ 3,050,925	\$ (27,347,858)	\$ 8,989,281

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

LOMIKO METALS INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine month ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

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 office is unit 439-7184 120th Street, Surrey, British Columbia, Canada.

Going Concern

These unaudited condensed interim 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 \$27,347,858 and has reported a loss of \$1,320,498 for the period ended April 30, 2021. Additionally, the Company has a working capital of \$3,923,174 at April 30, 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. 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 unaudited condensed interim 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.

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 to 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.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

a) Statement of Compliance

These unaudited condensed interim consolidated interim financial statements of the Company, have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These unaudited condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on June 17, 2021.

LOMIKO METALS INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited - Expressed in Canadian Dollars)

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE – continued

(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 subsidiaries. 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.

3. SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed interim consolidated financial statements have been prepared following the same accounting policies used in Note 3 of the annual audited financial statements for the year ended July 31, 2020.

4. CASH AND CASH EQUIVALENTS

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

	April 30, 2021	July 31, 2020
Cash and bank balances	<u>\$ 3,760,204</u>	<u>\$ 18,962</u>

5. INVESTMENT IN ASSOCIATES

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, 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 as it owns 40% of the voting shares and

LOMIKO METALS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**(Unaudited - Expressed in Canadian Dollars)

5. INVESTMENT IN ASSOCIATES – continued

through a common director. It accounts for its investment on the equity basis. In fiscal 2019 management assessed that the investment in Graphene was impaired and recorded a write-down of \$54,787.

	<u>Number of shares held</u>	
July 31, 2020 and April 30, 2021	1800	\$ <u>1</u>

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. In fiscal 2018, the Company assessed that the investment in SHD was impaired and recorded a write-down of \$1,136,574 to the investment.

At April 30, 2021, the Company owns 18.25% (July 31, 2020 – 18.25%) of the issued and outstanding shares of SHD.

	<u>Number of shares held</u>	
July 31, 2020 and April 30, 2021	<u>1,792,269</u>	\$ <u>1</u>

Promethieus Cryptocurrency Mining Corporation

On May 23, 2018, the Company purchased 200 common shares of Prometheus Cryptocurrency Mining Corporation (PCM), a private company, incorporated in British Columbia on January 24, 2018. The Company currently holds 20% (July 31, 2020 – 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

LOMIKO METALS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

5. INVESTMENT IN ASSOCIATES – continued

\$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 April 30, 2021, the sale had not completed.

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 April 30, 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.

	<u>Number of shares held</u>	
Acquisition of common shares	<u>200</u>	<u>2</u>
July 31, 2020 and April 30, 2021	<u>200</u>	<u>\$ 2</u>

Summary of investment in associates:

	<u>April 30, 2021</u>	<u>July 31, 2020</u>
Graphene ESD Corp	\$ 1	\$ 1
Smart Home Devices Ltd.	1	1
Promethieus Cryptocurrency Mining Corporation	<u>2</u>	<u>2</u>
	<u>\$ 4</u>	<u>\$ 4</u>

6. EXPLORATION AND EVALUATION ASSETS**La Loutre Crystalline and Lac-des-Iles – Quebec**

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

On February 6, 2015 (amended December 30, 2016), the Company signed an agreement with QPM to acquire an additional 40% interest in the La Loutre property, located in Southern Quebec, for an 80% interest in the Lac-Des-Iles property. The Company paid \$10,000 upon signing, issued 300,000 shares 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)

LOMIKO METALS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS - continued

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 April 30, 2021, 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 (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 Crystalline	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	86,870	9,741
Acquisition of property	140,000	140,000
Balance, April 30, 2021	\$ 3,789,376	\$ 3,712,247

7. FLOW THROUGH PREMIUM LIABILITIES

	Issued December 23, 2020
Liability incurred on flow- through shares issued	<u>\$ 12,131</u>

LOMIKO METALS INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited - Expressed in Canadian Dollars)

8. 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 April 30, 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, legal fees of \$9,550 and filing fees of \$5,805 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 3,000,000 units in the amount of \$150,000.

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 and legal fees of \$6,250 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.

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 and legal fees of \$6,000 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 \$6,806 recorded to share issue cost, were issued to brokers.

On February 1, 2021, the Company completed a private placement by issuing 13,336,666 units of the Company at \$0.075 per unit for gross proceeds of \$1,000,250. 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 \$1,137,172 measured using the Black Scholes Option Pricing Model, of which \$532,163 was allocated to reserves on a relative fair value basis. Finders' fees and commissions of \$20,130 and legal fees of \$18,550 were paid. In addition, 268,400 share purchase warrants exercisable for 24 months at an exercise price of \$0.10, with a fair value of \$22,886 recorded to share issue cost, were issued to brokers.

LOMIKO METALS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

8. SHARE CAPITAL AND RESERVES – continued

On March 15, 2021, the Company completed a private placement by issuing 14,523,278 units of the Company at \$0.15 per unit for gross proceeds of \$2,178,492. 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 \$0.25 for a period of 24 months. The warrants had a fair value of \$1,951,167 measured using the Black Scholes Option Pricing Model, of which \$1,029,286 was allocated to reserves on a relative fair value basis. Finders' fees and commissions of \$22,848 and legal fees of \$21,850 were paid. In addition, 152,320 share purchase warrants exercisable for 24 months at an exercise price of \$0.25, with a fair value of \$20,464 recorded to share issue cost, were issued to brokers.

A director participated in the placement by purchasing 1,000,000 units in the amount of \$150,000.

On March 22, 2021, the Company completed a private placement by issuing 4,019,000 units of the Company at \$0.25 per unit for gross proceeds of \$602,850. 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 \$0.25 for a period of 24 months. The warrants had a fair value of \$571,007 measured using the Black Scholes Option Pricing Model, of which \$293,248 was allocated to reserves on a relative fair value basis. Finders' fees and commissions of \$38,400 and legal fees of \$14,000 were paid. In addition, 256,000 share purchase warrants exercisable for 24 months at an exercise price of \$0.25, with a fair value of \$36,372 recorded to share issue cost, were issued to brokers.

Included in the above private placements, were 6,333,333 units with an aggregate value of \$345,000 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.

LOMIKO METALS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

8. SHARE CAPITAL AND RESERVES – continued

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 (Note 6).

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 April 30, 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	64,200,664	0.21
Expired	(26,861,110)	0.15
Exercised	(20,715,000)	0.06
Balance, April 30, 2021	74,720,664	\$0.17

The following table summarizes information relating to share purchase warrants outstanding and exercisable at April 30, 2021.

Number of Warrants	Exercise Price	Expiry Date
10,550,000	\$0.05	May 29, 2021
250,000	\$0.07	November 12, 2021
920,000	\$0.07	December 30, 2021
14,038,000	\$0.10	October 28, 2022
11,327,000	\$0.10	December 23, 2022
5,080,000	\$0.10	January 19, 2023
13,605,066	\$0.10	February 1, 2023
14,675,598	\$0.25	March 15, 2023
4,275,000	\$0.25	March 22, 2023
<u>74,720,664</u>		

The weighted average remaining contractual life of the warrants as at April 30, 2021 was 1.47 years (July 31, 2020 – .59 years).

LOMIKO METALS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

8. SHARE CAPITAL AND RESERVES – continue

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

	April 30, 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	197.98%	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	(3,350,000)	\$0.05
Balance, April 30, 2021	<u>7,800,000</u>	

LOMIKO METALS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**
(Unaudited - Expressed in Canadian Dollars)**8. SHARE CAPITAL AND RESERVES – continued**

The following summarizes the stock options outstanding and exercisable as at April 30, 2021:

Number of options Outstanding	Exercise price	Expiry date
3,400,000	\$0.05	February 28, 2022
300,000	\$0.05	April 16, 2022
400,000	\$0.05	August 24, 2024
<u>3,700,000</u>	\$0.05	December 18, 2025
<u>7,800,000</u>		

During the period ended April 30, 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 at April 30, 2021 was 2.77 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 options and warrants are transferred to deficit on expiration of such stock options and warrants.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	April 30, 2021	July 31, 2020
Accounts payables	\$ 29,396	\$ 396,905
Accrued liabilities	<u>11,500</u>	<u>56,900</u>
	<u>\$ 40,896</u>	<u>\$ 453,805</u>

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

- Market Risk
- Credit Risk
- Liquidity Risk

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

LOMIKO METALS INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited - Expressed in Canadian Dollars)

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT- continued

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

General Objectives, Policies and Processes:

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

a) Market Risk

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

Foreign Currency Risk:

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

Interest Rate Risk:

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

Equity Price Risk:

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

b) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents and due from associate. The majority of cash and cash equivalents are maintained with financial institutions of reputable credit and may be redeemed upon demand. The carrying amount of financial assets represents the maximum

credit exposure. The Company has gross credit exposure at April 30, 2021 relating to cash of \$3,760,204, other receivables of \$94,286 and due from associate of \$152,858. All cash, cash equivalents and short term deposits are held at the Royal Bank of Canada. 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.

LOMIKO METALS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT- continue

The following table summarizes the Company's significant remaining contractual maturities for financial liabilities as at April 30, 2021 and July 31, 2020.

	Less than 3 months	3 – 12 months	Total
April 30, 2021			
Trade payables	\$ 29,396	\$ -	\$ 29,396
July 31, 2020			
Trade payables	\$ 396,905	\$ -	\$ 396,905

d) Fair value of financial instruments

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

	Level 1	Level 2	Level 3	Total
April 30, 2021				
Cash and Cash equivalents	\$ 3,760,204	\$ -	\$ -	\$ 3,760,204
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)

12. 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

LOMIKO METALS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**(Unaudited - Expressed in Canadian Dollars)

12. CAPITAL RISK MANAGEMENT – continued

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.

13. 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.

	April 30, 2021	April 30, 2020
Management Fees paid to companies related to directors or to directors	\$ 135,000	\$ 135,000

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 \$6971 (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 from a director in the Company.

14. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	April 30, 2021	July 31, 2020
Shares issued in settlement of debt	\$ -	\$ 47,460
Shares issued to acquire resource property	\$ -	\$ 30,000
Flow through premium liability	\$ 86,369	\$ -
Issuance of common shares for services	\$ 345,000	\$ 539,500

15. SEGMENTED REPORTING

During the period ended April 30, 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 periods ended April 30, 2021 and July 31, 2020:

LOMIKO METALS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**(Unaudited - Expressed in Canadian Dollars)

April 30, 2021	Exploration and Evaluation	Power Supply Products
Non-current assets		
Exploration and evaluation assets	\$ 3,789,376	\$ -
Investment in associates	<u>-</u>	<u>4</u>
	<u>\$ 3,789,376</u>	<u>\$ 4</u>
July 31, 2020	Exploration and Evaluation	Power Supply Products
Non-current assets		
Exploration and evaluation assets	\$ 3,562,506	\$ -
Investment in associates	<u>-</u>	<u>4</u>
	<u>\$ 3,562,506</u>	<u>\$ 4</u>

16. 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 to be held in 2020 and at every third annual meeting of the Company

Thereafter. If this Plan is not reconfirmed or is not presented for reconfirmation at any such annual meeting, this Plan and all outstanding Rights shall terminate and be void.

LOMIKO METALS INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited - Expressed in Canadian Dollars)

16. COMMITMENTS - continued

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- recovery of \$22) in Part XII.6 interest.

17. EVENTS AFTER REPORTING PERIOD

On May 10, 2021, the Company announced that it intends to offer up to 8,500,000 flow through common shares at \$0.17 (the "FT Shares") for gross proceeds of up to \$1,445,000.

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. The closing is subject to a number of prescribed conditions, including, without limitations, approval of the TSX Venture Exchange. All the securities issued are subject to resale restrictions under applicable securities legislation.

Further to the press release dated May 10, 2021, the Company applied to the TSX-Venture to close the 1st tranche of its previously announced private placement and requested approval to issue 6,838,235 flow-through common shares at \$0.17 (the "FT Shares") for gross proceeds of up to \$1,162,499.95. The net proceeds shall be used for exploration on Quebec properties. On closing and subject to TSX approval, the Company has agreed to pay finder/compensation fee in the aggregate of \$90,000 cash and the issuance of 76,471 warrants exercisable for two years at \$0.17 to 2 parties.

The financing was approved by the TSX Venture Exchange on May 20th and closed the same day.

On June 1, 2021, the Company announced that will apply to the TSX-Venture to close the 2nd tranche of its previously announced private placement and request approval to issue 3,116,176 flow-through common shares at \$0.17 (the "FT Shares") for gross proceeds of up to **\$529,749.92**. The proceeds from the issuance of the FT Shares will be used for Canadian exploration expenses and will qualify as flow-through mining expenditures under the same terms as the 1st tranche of the financing.

The net proceeds shall be used for exploration on Quebec properties. 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 closing and subject to TSX approval, the Company has agreed to pay finder/compensation fees in the aggregate of \$31,250 cash and the issuance of 91,912 warrants valid for two years at \$0.17 to one party.

The financing received Exchange approval on June 3rd, 2021 and closed the same day.