



LOMIKO METALS INC.

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

For the three month period ended October 31, 2018 and 2017

LOMIKO METALS INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION***Unaudited-expressed in Canadian dollars*

	As at October 31, 2018	As at July 31, 2018
ASSETS		
Current		
Cash and cash equivalents (Note 4)	\$ 61,291	\$ 40,777
Other receivables (Note 5)	47,819	13,410
Due from associate	116,009	29,998
Prepaid expenses	148,711	149,259
	<u>373,830</u>	<u>233,444</u>
Non-current		
Investment in associates (Note 6)	57,841	57,841
Exploration and evaluation advances	31,882	35,713
Exploration and evaluation assets (Note 7)	3,150,242	3,146,911
	<u>3,239,965</u>	<u>3,240,465</u>
	\$ 3,613,795	\$ 3,473,909
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 63,233	\$ 215,368
	<u>63,233</u>	<u>215,368</u>
EQUITY		
Share capital (Note 8)	26,988,790	26,727,655
Share subscriptions received	115,000	-
Reserves(Note 8)	1,323,547	1,070,639
Deficit	(24,876,775)	(24,539,753)
	<u>3,550,562</u>	<u>3,258,541</u>
	\$ 3,613,795	\$ 3,473,909

Nature of Operations (Note 1)

Commitments and contingencies (Note 14 & 15)

Events after reporting period (Note 16)

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 condensed consolidated interim financial statements

LOMIKO METALS INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS***Unaudited - Expressed in Canadian dollars*

	Three months ended October 31, 2018	Three months ended October 31, 2017
Expenses		
Advertising and promotion	\$ 85,308	\$ 65,503
Consulting fees	3,150	-
Management fees (Note 11)	45,000	45,000
Office and miscellaneous	3,948	5,596
Professional fees	14,550	48,254
Regulatory and filing fees	8,385	8,859
Shareholder communications	27,944	2,532
Share based payments (Note 8)	139,500	
Travel	9,241	4,608
	337,026	180,352
Loss from operations	(337,026)	(180,352)
Other income/(loss) from continuing operations		
Interest income	4	4
Part XII.6 interest	-	(1,300)
Write down of mineral property acquisition cost	-	(1,200)
Gain on sale of marketable securities	-	35,897
	4	35,623
Loss from continuing operations, before income tax	337,022	-
Income tax expense	-	(8,500)
Net loss from continuing operations	(337,022)	(153,229)
Comprehensive (loss) for the period	\$ (337,022)	\$ (153,229)
Basic and Diluted Loss Per Share	\$ (0.01)	(0.01)
Basic and Diluted Weighted Average Common Shares	43,353,325	24,356,249

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

LOMIKO METALS INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS***Unaudited – Expressed in Canadian dollars*

	Three months ended October 31, 2018	Three months ended October 31, 2017
Cash flows from (used in) operating activities		
Comprehensive (loss)	\$ (337,022)	\$ (153,229)
Items not involving cash and cash equivalents:		
Share based payments	139,500	-
Foreign exchange gain	-	(2,222)
Gain on sale of equity securities	-	(35,897)
Loan interest paid through transfer of securities	-	2,577
Write down of resource property acquisition	-	1,200
	(197,522)	(187,571)
Changes in non-cash working capital items:	-	-
Other receivables	(34,409)	(28,754)
Prepaid expenses	548	(215,179)
Due from associates	(86,011)	-
Accounts payable and accrued liabilities	(152,135)	23,129
Income tax payable	-	8,500
	(469,529)	(399,875)
Cash flows from (used in) financing activities		
Issuance of flow through shares for cash	-	49,920
Issuance of shares for cash	408,052	376,080
Share issue cost	(33,509)	(8,550)
Share subscriptions received	115,000	-
	489,543	417,450
Cash flows from (used in) investing activities		
Exploration and evaluation advances	3,831	(49,685)
Exploration and evaluation expenditures	(3,331)	-
Investment in Smart Home Devices	-	(30,000)
	500	(79,685)
(Decrease) in cash	20,514	(62,110)
Cash and cash equivalents, beginning of period	40,777	98,305
Cash and cash equivalents, end of period	\$ 61,291	\$ 36,195
Supplemental information:		
Flow through premium liability	\$ -	\$ 11,519
Demand loan paid by transfer of equity securities	\$ -	\$ 137,335
Issuance of common shares for services	\$ 139,500	\$ -

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

LOMIKO METALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
Unaudited – Expressed in Canadian dollars

	Common Shares Without Par Value		Share subscriptions received	Reserves	Accumulated Other Comprehensive Income	Deficit	Total Equity
	Shares	Amount					
Balance, July 31, 2017	22,209,929	\$ 24,885,170	\$ 157,920	\$ 420,195	\$ 28,767	\$ (19,079,706)	\$ 6,412,346
Issuance of shares for cash	2,670,000	534,000	-	-	-	-	534,000
Issuance of flow through shares for cash	192,000	38,400	-	-	-	-	38,400
Share subscriptions utilized	-	-	(157,920)	-	-	-	(157,920)
Share issue costs	-	(8,550)	-	-	-	-	(8,550)
Fair value assigned to warrants	-	(37,448)	-	37,448	-	-	-
Unrealized gain/(loss) on re-measurement of equity securities	-	-	-	-	(38,874)	-	(38,874)
Net loss for the period	-	-	-	-	-	(153,229)	(153,229)
Balance, October 31, 2017	25,071,929	\$ 25,411,572	\$ -	\$ 457,643	\$ (10,107)	\$ (19,232,935)	\$ 6,626,173
Issuance of shares for cash	6,417,493	823,788	-	-	-	-	823,788
Issuance of flow through shares	645,000	90,300	-	-	-	-	90,300
Options exercised	2,000,000	280,000	-	-	-	-	280,000
Share issue costs	-	(56,549)	-	-	-	-	(56,549)
Fair value assigned to warrants	-	(660,724)	-	660,724	-	-	-
Share based payments to consultants	5,950,000	833,000	-	-	-	-	833,000
Stock based compensation	-	-	-	24,099	-	-	24,099
Transfer of reserves on exercise of options	-	6,268	-	(6,268)	-	-	-
Options expired	-	-	-	(53,547)	-	53,547	-
Warrants expired	-	-	-	(12,012)	-	12,012	-
Unrealized gain/(loss) on re-measurement of equity securities	-	-	-	-	-	-	-
Net loss for the period	-	-	-	-	10,107	(5,372,377)	(5,372,377)
Balance, July 31, 2018	40,084,422	\$ 26,727,655	\$ -	\$ 1,070,639	\$ -	\$ (24,539,753)	\$ 3,258,541
Issuance of shares for cash	8,161,038	408,052	-	-	-	-	408,052
Share issue costs	-	(33,509)	-	-	-	-	(33,509)
Fair value assigned to warrants	-	(252,908)	-	252,908	-	-	-
Share based payments to consultants	2,790,000	139,500	-	-	-	-	139,500
Share subscriptions received	-	-	115,000	-	-	-	115,000
Net loss for the period	-	-	-	-	-	(337,022)	(337,022)
Balance, October 31, 2018	51,035,460	\$ 26,988,790	\$ 115,000	\$ 1,323,547	\$ -	\$ (24,876,775)	\$ 3,550,562

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

LOMIKO METALS INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three months ended October 31, 2018

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 condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. The Company has incurred cumulative losses of \$24,876,775 and has reported a net loss from operations of \$337,022 for the period ended October 31, 2018. The ability of the Company to continue as a going concern is dependent upon successfully obtaining additional financing, entering into a joint venture, a merger or other business combination transaction involving a third party, sale of all or a portion of the Company’s assets, the outright sale of the Company, the successful development of the Company’s mineral property interests, or a combination thereof. There can be no assurance that funding from this will be sufficient in the future to continue and develop its mineral properties. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern. These condensed consolidated interim financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. 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 Accounting Standards (“IAS”) 34, “Interim Financial Reporting” using accounting policies consistent with IFRS as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). These condensed consolidated interim financial statements have been prepared following the same accounting policies and methods of computation as the audited financial statements for the fiscal year ended July 31, 2018. These consolidated financial statements were approved and authorized for issue by the Board of Directors on December 21, 2018.

(b) Basis of Presentation and Consolidation

These 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.

LOMIKO METALS INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three months ended October 31, 2018

Unaudited – Expressed in Canadian dollars

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All significant intercompany transactions, balances, income and expenses are eliminated on consolidation.

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

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

The significant accounting policies for the periods are consistent with those disclosed in the audited annual financial statements of the Company for the year ended July 31, 2018. The accompanying financial statements should be read in conjunction with the Company audited annual financial statements.

(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 IAS 39 *Financial Instruments: Recognition and Measurement (IAS 39)* 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 each subsidiary in the Company.

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

LOMIKO METALS INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three months ended October 31, 2018

Unaudited – Expressed in Canadian dollars

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

reporting period ends.

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.

(c) Significant Accounting Judgments and Estimates

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

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

Exploration and evaluation assets: The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that such acquisition costs incurred will be recovered through successful exploration and development or sale of the asset under review. Furthermore, the assessment as to whether economically recoverable resources exist is itself an estimation process. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off to profit or loss in the period when the new information becomes available. The carrying value of these assets is detailed at Note 7.

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.

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

LOMIKO METALS INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three months ended October 31, 2018

Unaudited – Expressed in Canadian dollars

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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.

Changes in Accounting Policies—New and Amended Standards and Interpretations

IASB or the IFRIC have issued certain pronouncements that are mandatory for accounting years beginning on or after January 1, 2018. None of these are expected to be relevant to the Company's financial statements, except for the following:

IFRS 9 amends the requirements for classification and measurement of financial assets, impairment, and hedge accounting. IFRS introduces an expected loss model of impairment and retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through profit or loss, and fair value through other comprehensive income. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. IFRS 9 will be effective for the fiscal year beginning January 1, 2018. The Company does not expect that the new standard will have a material effect on the Company's financial statements.

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.

	<u>October 31, 2018</u>	<u>July 31, 2018</u>
Cash and bank balances	\$ 58,387	\$ 37,777
Cash equivalents	<u>3,000</u>	<u>3,000</u>
	<u>\$ 61,387</u>	<u>\$ 40,777</u>

5. OTHER RECEIVABLES

	<u>October 31, 2018</u>	<u>July 31, 2018</u>
Goods and services tax receivable	\$ 21,558	\$ 13,403
Related party receivable	26,250	-
Other	<u>11</u>	<u>7</u>
	<u>\$ 47,819</u>	<u>\$ 13,410</u>

LOMIKO METALS INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three months ended October 31, 2018

Unaudited – Expressed in Canadian dollars

6. INVESTMENT IN ASSOCIATES

Graphene ESD Corp.

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

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

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

	<u>Number of shares held</u>	
July 31, 2016	1,800	\$ 189,893
Share of equity loss		(485)
Write down		<u>(130,905)</u>
July 31, 2017	1,800	\$ 58,503
Share of equity loss		<u>(665)</u>
July 31, 2018 and October 31, 2018		<u>\$ 57,838</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. 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.

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

Three months ended October 31, 2018

*Unaudited – Expressed in Canadian dollars***6. INVESTMENT IN ASSOCIATES - continued**

At October 31, 2018, the Company owns 18.25% (July 31, 2018 – 18.25%) of the issued and outstanding shares of SHD.

	<u>Number of shares held</u>	
July 31, 2016	778,890	\$ 564,541
Sale of license for shares	867,546	624,633
Share of equity loss	-	<u>(153,201)</u>
July 31, 2017	1,646,436	1,035,973
Acquisition of common shares	145,833	105,000
Share of equity loss	-	(4,398)
Write-down of investment	-	<u>(1,136,574)</u>
July 31, 2018 and October 31, 2018	<u>1,792,269</u>	<u>\$ 1</u>

Promethieus Cryptocurrency Mining Corporation

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

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>	
July 31, 2017	-	\$ -
Acquisition of common shares	<u>200</u>	<u>2</u>
July 31, 2018 and October 31, 2018	<u>200</u>	<u>\$ 2</u>

Summary of investment in associates:

	<u>October 31, 2018</u>	<u>July 31, 2018</u>
Graphene ESD Corp	\$ 57,838	\$ 57,838
Smart Home Devices Ltd.	1	1
Promethieus Cryptocurrency Mining Corp.	<u>2</u>	<u>2</u>
	<u>\$ 57,941</u>	<u>\$ 57,941</u>

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

Three months ended October 31, 2018

*Unaudited – Expressed in Canadian dollars***7. EXPLORATION AND EVALUATION ASSETS**

	Vines Lake	Quatre-Milles	Quatre-Milles West	La Loutre Crystaline	Lac-des-Iles	Total
Balance, July 31, 2017	\$ 604,368	\$ 724,901	\$ 228,540	\$ 2,769,444	\$ 902,103	\$ 5,229,356
Write off of acquisition costs	(1,200)					(1,200)
Balance, October 31, 2017	\$ 603,168	\$ 724,901	\$ 228,540	\$ 2,769,444	\$ 902,103	\$ 5,228,156
Exploration costs	-	-	-	13,325		13,325
Acquisition of property	-	-	-	115,036	229,889	344,925
Claim renew	2,349	-	-	-	-	2,349
Write off of exploration costs	(356,411)	(724,901)	(228,540)	-	(1,131,992)	(2,443,044)
Balance, July 31, 2018	\$ 249,106	\$ -	\$ -	\$ 2,897,805	\$ -	\$ 3,146,911
Exploration costs				3,331		3,331
Balance, October 31, 2018	\$ 249,106			\$ 2,901,136		\$ 3,150,242

Vines Lake Property - Liard Mining District, BC

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

On February 26, 2018, the Company decided not to renew a portion of the claims on this property and has reduced its area to 1,342 Ha and as such, recorded an impairment charge of \$357,411 during the year ended July 31, 2018

The property is subject to a 2% net smelter return ("NSR") in favor of Mr. Amrit P.S. Gill, a director of the Company.

Quatre-Milles – Quebec

The Company owns a 100% interest in the Quatre-Milles property located north of Sainte-Veronique, Quebec. The property is subject to a 2% net smelter royalty ("NSR") of which one half or (1% "NSR") can be repurchased by the Company for \$1,000,000.

During the year ended July 31, 2018, the Company assessed that the property was impaired as it no longer intends to further pursue the property and as such, an impairment charge of \$724,901 was recorded.

Quatre-Milles West – Quebec

On May 25, 2014, the Company acquired a 100% interest in the Quatre-Milles West located in southern Quebec. The property is subject to a 2% net smelter royalty ("NSR") of which one half or (1% "NSR") can be repurchased by the Company for \$1,000,000.

The terms of the purchase were as follows:

- Pay \$3,000 in cash (paid)
- Issue 180,000 shares at \$1.00 per share (issued)

During the year ended July 31, 2018, the Company assessed that the property was impaired as it no longer intends to further pursue the property and as such, an impairment charge of \$228,540 was recorded.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three months ended October 31, 2018

Unaudited – Expressed in Canadian dollars

7. EXPLORATION AND EVALUATION ASSETS - continued

La Loutre Crystalline and Lac-des-Iles – Quebec

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

On February 6, 2015 (amended December 30, 2016), the Company signed an agreement with QPM to acquire an additional 40% interest in the La Loutre property, located in Southern Quebec, for an 80% interest in the Lac-Des-Iles property. The Company paid \$10,000 upon signing, issued 300,000 shares at \$0.70 per share, and agreed to fund \$2,750,000 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 at 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) 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, 2018
- Funding exploration expenditures for an additional \$1,125,000 due December 31, 2018

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

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 October 31, 2018

On September 27, 2018 the Company completed the first tranche of a private placement, by issuing of 5,061,038 units of the Company at \$0.05 per unit for total gross proceeds of \$253,052. Each unit is comprised of one common share and one common share purchase warrant. Each warrant is exercisable into common share at an exercise price of \$0.10 for a period of 24 months. A finder’s fee of \$11,414 was paid and 228,272 share purchase warrants exercisable for 24 months at an exercise price

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8. SHARE CAPITAL AND RESERVES - continued

of \$0.06, were issued to brokers. The warrants had a fair value of \$205,883 measured using the Black Scholes valuation model, of which \$120,690 was allocated to reserves on a relative fair value basis. Legal and filing costs amounted to \$8,526.

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

On October 4, 2018 the Company closed the 2nd tranche of a private placement by issuing 5,890,000 units of the Company at \$0.05 per unit for total gross proceeds of \$294,500. Each unit is comprised of one common share and one common share purchase warrant. Each warrant is exercisable into one common share at a price of \$0.10 for a period of 24 months. Broker commissions of \$2,100 were paid and 42,000 share purchase warrants exercisable for 24 months at an exercise price of \$0.06, were issued to brokers. The warrants had a fair value of \$235,560 measured using the Black Scholes valuation model, of which \$132,217 was allocated to reserves on a relative fair value basis. Legal and filing costs amounted to \$11,423.

Included in the private placement financings that completed during the three month period ended October 31, 2018, were 2,790,000 shares with an aggregate value of \$139,500 that were issued to consultants and recorded to share based payments.

Year ended July 31, 2018

On August 23, 2017 the Company completed a private placement, by issuing of 192,000 flow-through units for gross proceeds of \$49,920. Each unit consists of one flow-through common share and one common share purchase warrant. Each warrant is exercisable into one common share at an exercise price of \$0.29 per share for a period of 24 months. The warrants had a fair value of \$21,313 measured using the Black Scholes valuation model, of which \$14,936 was allocated to reserves on a relative fair value basis. The Company recognized a premium of \$11,520 for the difference between the fair value of its common shares and the issuance price of its flow through common shares.

In addition, on August 23, 2017, the Company completed a private placement, by issuing of 2,670,000 common share units for gross proceeds of \$534,000. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into one common share at an exercise price of \$0.29 per share for a period of 36 months. The warrants had a fair value of \$353,165 measured using the Black-Scholes valuation model, of which \$212,576 was allocated to reserves on a relative fair value basis.

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

On November 10, 2017, the Company completed a private placement by issuing of 2,000,000 common shares units for gross proceeds of \$280,000. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into one common share at an exercise price of \$0.20 for a period of 24 months. The warrants had a fair value of \$127,896 measured using the Black Scholes valuation model, of which \$87,794 was allocated to reserves on a relative fair value basis. A finder's fee of \$19,600 was paid as well as legal costs of \$3,711.

On November 17, 2017 the Company completed a private placement, by issuing of 645,000 flow-through units for gross proceeds of \$103,200. Each unit consists of one flow-through common share and one half common share purchase warrant. Each full warrant is exercisable into one common share at an exercise price of \$0.26 per share for a period of 24 months. The warrants had a fair value of \$15,245 measured using the Black Scholes valuation model, of which \$13,283 was allocated to reserves on a relative fair value basis. The Company recognized a flow-through premium of \$12,900, for the difference between the fair value of its common shares and the issuance price of its flow through

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8. SHARE CAPITAL AND RESERVES – continued

common shares.

In addition, on November 17, 2017, the Company completed a private placement, by issuing 5,330,143 common share units for gross proceeds of \$746,220. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into one common share at an exercise price of \$0.20 per share for a period of 24 months. The warrants had a fair value of \$281,573 measured using the Black-Scholes valuation model, of which \$204,434 was allocated to reserves on a relative fair value basis.

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

Also, on November 17, 2017, the Company granted 1,000,000 stock options to consultants, which were exercised immediately for \$140,000 in cash.

On January 10, 2018, the Company completed a private placement by issuing of 3,171,500 common share units for gross proceeds of \$444,010. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into one common share at an exercise price of \$0.20 for a period of 12 months. The warrants had a fair value of \$254,899 measured using the Black Scholes valuation model, of which \$161,935 was allocated to reserves on a relative fair value basis. A director of the Company and a company related to the director participated for 840,000 units. A finder's fee of \$2,928 was paid as well as legal costs of \$7,860.

In addition, on January 18, 2018, 1,000,000 stock options were granted to consultants. They were immediately exercised for \$140,000 in cash.

On May 29, 2018, the Company completed a private placement by issuing of 1,865,850 common shares units for gross proceeds of \$186,558. Each unit consists of one common share and one half common share purchase warrant. Each full warrant is exercisable into one common share at an exercise price of \$0.20 for a period of 12 months. The warrants had a fair value of \$3,271 measured using the Black Scholes valuation model, of which \$3,215 was allocated to warrants on a relative fair value basis. Legal costs of \$15,200 were incurred for the private placement.

Included in the private placement financings that completed during the year ended July 31, 2018 were 5,950,000 shares with an aggregate value of \$833,000 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 October 31, 2018 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, July 31, 2017	3,910,031	\$ 0.47
Issued for financing	14,618,933	0.22
Expired	(731,750)	0.69
Balance, July 31, 2018	17,797,214	\$ 0.25
Issued for financing	11,221,310	0.10
Balance, October 31, 2018	29,018,524	\$ 0.25

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The following table summarizes information relating to share purchase warrants outstanding and exercisable at October 31, 2018.

Number of Warrants	Exercise Price	Expiry Date
5,061,038	\$0.10	October 3, 2020
228,272	\$0.06	October 3, 2020
5,890,000	\$0.10	October 4, 2020
42,000	\$0.06	October 4, 2020
2,670,000	\$0.29	August 23, 2020
1,611,941	\$0.29	July 4, 2020
5,330,143	\$0.20	November 19, 2019
322,500	\$0.26	November 19, 2019
2,000,000	\$0.20	November 10, 2019
192,000	\$0.29	August 23, 2019
1,000,000	\$0.29	July 4, 2019
540,000	\$0.75	June 21, 2019
932,790	\$0.20	May 29, 2019
26,340	\$0.75	September 7, 2019
<u>3,171,500</u>	\$0.20	January 10, 2019
<u>29,018,524</u>		

The weighted average remaining contractual life of the warrants as at October 31, 2018 was 1.36 years (2017 - 2.22 years).

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

	October 31, 2018	July 31, 2018
Risk free interest rate	2.29%	1.53%
Expected life of warrants	2.00 years	1.90 years
Annualized stock price volatility	124.20%	117.42%
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

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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, 2016	525,000	\$0.05
Expired	(35,000)	\$0.05
Balance, July 31, 2017	490,000	\$0.05
Granted	2,300,000	\$0.14
Exercised	(2,000,000)	\$0.14
Expired	(107,500)	\$0.05
Balance, July 31, 2018 and October 31, 2018	682,500	\$0.02

The following summarizes the stock options outstanding and exercisable as at October 31, 2018:

Number of options	Exercise price	Expiry date
Outstanding		
182,500	\$0.05	January 31, 2019
300,000	\$0.14	December 4, 2019
<u>200,000</u>	\$0.05	September 5, 2019
<u>682,500</u>		

During the period ended October 31, 2018, the Company granted \$Nil (2017 – \$Nil) stock options.

At the October 31, 2018 AGM, the shareholders agreed to re-price the stock options outstanding as at July 31, 2018 from \$0.20 to \$0.05.

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

	October 31, 2018	July 31, 2018
Risk free interest rate	-	1.52%
Expected life of options	-	0.26 years
Annualized stock price volatility	-	112.72%
Expected dividend yield	-	0%

The weighted average remaining contractual life of options outstanding at October 31, 2018 was 1.04 years. (2017 – 2.22 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.

LOMIKO METALS INC.

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8. SHARE CAPITAL AND RESERVES - continued

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

9. 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, 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. The investment in Graphene 3D Lab Inc. was measured at fair value and is subject to re-measurement.

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

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9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - continued

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 October 31, 2018 relating to cash of \$61,291, other receivables of \$47,819, and due from associate of \$116,009. All cash, cash equivalents and short term deposits are held at the Bank of Montreal.

c) Liquidity Risk

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

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

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

	Less than 3months	3 – 12 months	Total
October 31, 2018			
Trade payables and other payables	\$ 63,233	\$ -	\$ 63,233
July 31, 2018			
Trade payables and other liabilities	\$ 215,368	\$ -	\$ 215,368

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
October 31, 2018				
Cash and Cash equivalents	\$ 61,291	\$ -	\$ -	\$ 61,291
July 31, 2018				
Cash and Cash equivalents	\$ 40,777	\$ -	\$ -	\$ 40,777

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)

LOMIKO METALS INC.

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10. 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.

11. 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.

	October 31, 2018	October 31, 2017
Management Fees paid to companies related to directors or to directors	\$ 45,000	\$ 45,000

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11. RELATED PARTY TRANSACTIONS - continued

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

During the period AJS was paid \$111,011 for services related to marketing services for Promethieus Cryptocurrency Mining Corporation (Canada and IK), associated companies. During the year ended July 31, 2018, AJS management was paid \$25,000 for services related to marketing services for Promethieus. On October 31, 2018 AJS Management agreed to repay the Company for this amount and bill Promethieus directly for the service. (Note 5).

Included in accounts payable is \$14,376 (July 31, 2018 - \$107,164) owing to directors or companies controlled by directors.

Included in accounts receivable is \$29,998 (July 31, 2018 - \$Nil) owing from a company controlled by a director.

12. SEGMENTED REPORTING

During the year ended July 31, 2018, the Company operated in two industry segments: acquisition, exploration and development of resource properties and the manufacture and sale of power supply products. The Company's non-current assets by industry segments for the period ended October 31, 2018 and July 31, 2018 as follows:

October 31, 2018	Exploration and Evaluation	Power Supply Products
Non-current assets		
Exploration and evaluation assets	\$ 3,150,242	\$ -
Investment in associates	<u>-</u>	<u>57,841</u>
	<u>\$ 3,150,242</u>	<u>\$ 57,841</u>
July 31, 2018	Exploration and Evaluation	Power Supply Products
Non-current assets		
Exploration and evaluation assets	\$ 3,146,911	\$ -
Investment in associates	<u>-</u>	<u>57,841</u>
	<u>\$ 3,146,911</u>	<u>\$ 57,841</u>

13. 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

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13. COMMITMENTS - continued

Company. In order to implement the adoption of the Shareholder Rights Plan, the Board of Directors has authorized and declared a distribution of one Right effective the close of business on October 30, 2014 in respect of each Common Share outstanding at the Record Time and has further authorized the issuance of one Right in respect of each common Share issued after the Record Time and prior to the earlier of the Separation Time and the Expiration Time as defined in the Plan.

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

Effective Date and Confirmation

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

Reconfirmation

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

Promissory note

On July 31, 2018, Prometheus Cryptocurrency Mining Ltd.(UK), a public company, was incorporated. On August 1, 2018, the Company purchased 20% of the issued shares with a deemed value of £20,000 (C\$34,142). A promissory note was signed on August 1, 2018 by the Company to enable it to purchase the shares. The note is non-interest bearing and is payable on demand. As the Company and a common director own 62% of the outstanding shares, the investment will be accounted for on the equity basis. As of October 31, 2018, no shares, relating to this transaction have been issued to the Company

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 \$1,309 (2017-\$Nil) in Part XII.6 interest.

14. CONTINGENCIES

As a result of a cease trade order issued on November 26, 2018 (“CTO”) by the B.C. Securities Commission (the “Commission”) against certain consultants, the Company is reviewing private placements completed during the year ended July 31, 2018. The CTO cites improper use of the “consultant’s exemption” contained in section 2.24 of National Instrument 45-106 and the payment of consulting fees to the parties named in the CTO. The Company is not named in the CTO. However, the private placements involved four parties named in the CTO. Following completion of the private placements, the Company paid consulting fees to these four parties. Upon a review of the services provided by those parties, as described by management, the Company is satisfied with the consulting services performed, that the parties were properly designated as consultants for the purposes of the “consultant’s exemption” and that the exemption was properly used. However, there is a risk that the Commission, in its review, may view the private placements to the four parties as an improper use of

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section 2.24 as an illegal distribution of shares. If such is adjudicated to be the case, the Company may be required to take remedial action. Such action, if required, cannot at this time be determined.

15. EVENTS AFTER REPORTING PERIOD

On November 7, 2018 the Company closed the 3rd and final tranche of a private placement by issuing 12,400,000 units of the Company at \$0.05 per unit for gross proceeds of \$620,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant is exercisable into one common share at a price of \$0.10 for a period of 24 months. Broker commissions of \$1,000 were paid.

On December 5, 2018, the Company announced the close of its Flow-Through private placement (previously announced, November 30, 2018). The Company was successful in raising \$560,000 and issued 11,200,000 flow-through common shares at \$0.05. A finder's fee has agreed to be paid in accordance with the TSX-V policies. All securities are subject to a four-month plus one day hold period from the closing. Proceeds will be used to complete further exploratory work at the La Loutre Property in the Refractory Zone in order to define a resource in compliance with National Instrument #43-101.