LOMIKO METALS INC.
Form 51-102
Management Discussion and analysis
First Quarter ended October 31, 2009

LOMIKO Metals Inc

#439 -7231 120th Street, Delta BC, V4C 6P5

The following discussion and analysis of Lomiko Metals Inc. (the "*Issuer*" or the "*Company*"), is prepared as of December 21st, 2009, and should be read together with the annual consolidated financial statements and the corresponding notes thereto for the year ended July 31st, 2009. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

The reader should also refer to the interim financial statements for the period ended October 31st, 2008 and the Management Discussion and Analysis for that year.

All amounts are stated in Canadian dollars unless otherwise indicated.

Forward Looking Statements

Statements in this report that are not historical facts and are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Some of the information contained in this discussion may constitute forward-looking statements. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", plan", "intend", "estimate" "may" and "will" or similar words suggesting future outcomes, or other expectations, objectives or statements about future events or performance. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied.

Overview

Lomiko Metals Inc, (formerly Lomiko Resources Inc.) ("Lomiko" or "the Company') was incorporated under the Company Act of the Province of British Columbia on July 3rd, 1987. These consolidated financial statements of the Company have been prepared on the basis of accounting principles applicable to a going concern, which assume the realization of assets and discharge of liabilities in the normal course of business.

The Company is a reporting issuer in British Columbia and Alberta and is listed on the TSX Ventures Exchange under the symbol "LMR".

The Company is engaged in the acquisition and exploration of natural resource properties.

Dependence on Management

Lomiko Resources Inc. depends on the business and technical expertise of its management.

Paul Gill – President and Chief Executive Officer

Mr. Gill is the President of AJS Management Inc., a company providing management consulting to private and public companies. He has also been involved in the strategy, planning and implementation phases of re-structuring organizations. Until October 2006, Mr. Gill was heavily involved in the dynamic growth stage of Norsemont Mining where the company grew from a market capitalization of $1 million to $50 million. During his tenure with Norsemont Mining, Mr. Gill was the VP of Business Development and Director as well as the President & CEO, Chief Financial Officer and Corporate Secretary. Mr. Gill previously provided advice on health and safety issues and Workers' Compensation matters to individuals and businesses.

Jacqueline Michael – Chief Financial Officer

Ms. Michael has over 20 years of financial and administration experience. In 1988, Ms. Michael co-founded The Conac Group, a software development company for construction management, where she acted as President and CEO. In 1997, Ms. Michael was successful in taking the company public on the CDNX Exchange and helped raise over $5 million in private placement financings for the company. Ms. Michael has acted as the President and Chief Executive Officer for pubic companies for over 10 years.

Melvin Rokosh – Director

Mr. Rokosh is the Chief Financial Officer and Vice President Business Development of Kongsberg Mesotech Ltd., a Canadian subsidiary of Kongsberg Gruppen A.S.A. a Norwegian public company in the business of designing and manufacturing underwater acoustic equipment, April 1988 to February 2007.

Julius Galik - Director

During the past 7 years, Mr. Galik has been instrumental in the development and financing of various small capitalized companies, both private and public. A businessman and financial advisor with PFSL, he has been Mutual Find Licensed since 2001. Mr. Galik currently serves as President of Dorex Minerals Inc. (DOX). He has been involved in start-up situations within the mining exploration industry in Western Canada since 2002, and brings strong leadership, mediation and negotiation skills to the Board, as well as many years of financial experience.

Overall Performance

During the three-months ended October 31st 2009, the Company incurred a net loss of ($287,356) and ($0.009) net loss per share compared to a net loss of ($191,404) and ($0.007) net loss per share for the same period last year.

MINERAL PROPERTIES

The Company currently is involved in the following mineral transactions:

Vines Lake

The 100% owned Vines Lake property consists of three contiguous claim units totaling 1,196.4 in the Cassiar region of B.C. and is located approximately 10 kilometers southeast of the town of Cassiar, B.C. The claims cover rocks of the Sylvester group which are known to contain productive zones of gold mineralization in the area. The claim group is located approximately 2 kilometers north-east of the former Erickson Gold Mine. Highway 37 intersects the property and there are excellent service facilities nearby. The area is on the Arctic slope with elevations ranging from 1,000 to 2,150 meters. There are no extraordinary environmental problems known as of this date.

The nearby Table Mountain Gold Property operated by Hawthorne Gold (HGC) comprises a number of past-producing, high-grade underground gold mines and placer workings in the Cassiar District of British Columbia. Total gold production to date from the Cassiar District is about 423,500 oz (13,172 kg) of gold. A 2% NSR on this property is payable to an insider.

The Company retained Canadian Mining Geophysics ("CMG") to complete an airborne survey of its Vines Lake Property located near Cassiar, B.C. which was mobilized on June 30th, 2008. The aerial survey was conducted with a magnetic gradiometer with VLF-EM on 100 metre line spacing, fly 302 line km and will assist in defining exploration targets. The CMG airborne survey contract was completed in October 2008 and cost $50,000.

The Company announced on May 4, 2009, that it has completed a NI 43-101 technical report compiled by Kirkham Geosystems Ltd.

Karolina Chile Lithium Claims (Salar de Aguas Calientes)

The Salar de Aguas Clientes is located in the northern part of the "Altiplano" in the second region of Chile, close to the border of Argentian and Bolivia. The international road to Salta using the "Paso Jama" passes next to it. Three other salars are located nearby, Salar de Tara, Salar de Pujsa and Salar de Quisquiro. The salar is a beach type Salar with superficial lagoons of variable size and the brine can be found on decimetres depth of the salt crust.

The Company entered into an acquisition agreement to purchase 100% ownership in 8 of 9 claims that make up the Chilean Salar ("Karolina Claims") encompassing 1900 Ha. The Company approved the purchase of the said property based on certain criteria:

- The Karolina Claims are in an excellent location adjacent to the main sealed highway
- The Salar has significant surface brines known to contain Lithium
- The claims purchased surround a mining concession held by Sociedad Quimica y Minera de Chile S.A. (NYSE:SQM) at Salar de Aguas Calientes
- The demand for Lithium is anticipated to grow 25% per year to meet or increase global production requirements

The purchase of the Karolina Claims was done through two separate transactions:

The Company completed the purchase of 50% ownership in the Karolina Claims with Jeff Adams for which it paid Mr. Adams a total of CAD. $30,000 in cash on June 15th, 2009.

The Company signed a Letter of Intent ("LOI") to purchase the remaining 50% ownership in the Karolina Claims with Brian Gusko on June 22, 2009 whereby Mr. Gusko is to receive a total of $65,000 in cash over four staged payments and be issued 1 million Lomiko common shares at a deemed value of $0.065 per share. The transaction is subject to the Company obtaining a 43-101 report on the property and receiving Exchange approval. According to the terms of the LOI, Mr Gusko is responsible for legal costs in Chile to a maximum of CAD $10,000. As at this reporting period, the Company paid Mr Gusko $20,000 in cash according to the terms of the LOI and from which Mr. Gusko has paid $5,000 for legal costs pertaining to the transaction.

On September 18, 2009, the Company signed a Property Sale and Purchase Agreement ("Purchase Agreement') with Mr. Gusko, whereby the terms of the LOI were amended so that the Mr. Gusko will receive a total of CAD $50,000 in cash (of which $20,000 has been paid to date) and be issued 1 million Lomiko common shares at a deemed value of $0.065 per share after Exchange approval. Also, the requirement for a 43-101 compliant report within the 3-month period has been removed in the Purchase Agreement. Mr. Gusko is responsible for Chile legal expenses to a maximum of CAD $10,000, ($5,000 of which he has paid). The transaction is non-arms length as the parties involved are business associates and directors of the same public companies.

Subsequent to this reporting period, the TSX Ventures Exchange gave the Company final approval for the above transaction on November 11th, 2009 and the Company has paid Mr. Gusko the final cash instalment of $30,000 thus completing a total cash payment of $50,000 (less $10,000 for legal expenses) and has issued Mr. Gusko 1 million Lomiko Metals Inc. common shares at a deemed value of $0.065 per share.

The total acquisition cost for the Karolina Lithium Claims in Chile is $80,000 in cash payments to Jeff Adams and Brian Gusko and a value of $65,000 for 1 million of the Company's common shares issued to Brian Gusko.

Alkali Lake (KAR Claims) Esmerelda county, Nevada USA

Montezuma Valley (also known as Alkali Flat) is a formation of a structural basin, downfaulted and rotated crustal block caused by tensional spreading forces common to the basin and range from Nevada to the nearby states. It is these volcanic rocks ejected from a nearby eruption during the Tetiary that are considered to be the source of lithium found in the subsurface brines in Clayton Vallley. Montezuma Valley and the KAR claims are located immediately east of Clayton Valley..

On November 9, 2009, the Company announced that its US subsidiary, Lomiko Metals USA LLC has located and staked 552 lode claims comprising 4,615.4 Hectares or 11,404.9 acres in Esmerelda County, Nevada which covers a large portion of Alkali flat in Montezuma Valley. The Company paid US $180,248.00 (CAD $189,322.55) to Esmerelda County NV for the rights to explore this property.

MINERAL PROPERTIES

Vines Lake – Cassiar Mining District of BC

Date	Description	Cash	Shares	Price	Amount
05/15/2006	Acquisition cost	$ 10,000.00			$ 10,000.00
05/15/2006	Acquisition cost		120,000	0.50	$ 60,000.00
02/20/2007	Property claim renewal	$ 5,323.28			$ 5,323.28
01/28/2008	Property claim renewal	$ 5,324.61			$ 5,324.61
06/23/2008	Geophysical aerial survey	$ 25,000.00			$ 25,000.00
07/29/2008	Geophysical aerial survey	$ 20,000.00			$ 20,000.00
10/23/2008	Geophysical aerial survey	$ 5,000.00			$ 5,000.00
01/16/2009	Property claim renewal	$ 5,323.28			$ 5,323.28
Total Vines Lake		**$ 75,971.17**	**120,000**		**$135,971.17**

Karolina Chile Lithium property

Date	Description	Cash	Shares	Price	Amount
06/11/2009	J. Adams – purchase 50% prop.	$ 30,000.00			$ 30,000.00
06/19/2009	B. Gusko – initial purchase payment	$ 10,000.00			$ 10,000.00
08/02/2009	B. Gusko – 2nd purchase payment	$ 10,000.00			$ 10,000.00
Total Karolina Chile		**$ 50,000.00**			**$ 50,000.00**

Alkali Lake – KAR Claims Emerelda County, Nevada USA

Date	Description	Cash	Shares	Price	Amount
11/9/2009	Staking fees	$180,248.00			$180,248.00
Total Alkali Lake – KAR Claims		**$180,248.00**			**$180,248.00**
Grand Total		**$306,219.17**	**120,000**		**$366,219.17**

First Quarter activities

The following events that took place in the Company during the first quarter of 2010.

Subsequent to the Letter of Intent that the Company signed with Brian Gusko on June 22, 2009, on September 18, 2009, the Company signed a Property Sale and Purchase Agreement ("Purchase Agreement') with Mr. Gusko, whereby the terms of the LOI were amended so that the Mr. Gusko will now be receiving a total of CAD $50,000 in cash (of which $20,000 has been paid to date) and be issued 1 million Lomiko common shares at a deemed value of $0.065 per share after Exchange approval. Also, the requirement for a 43-101 compliant report within the 3-month period has been removed in the Purchase Agreement. Mr. Gusko is responsible for Chile legal expenses to a maximum of CAD $10,000, ($5,000 of which he has paid). The transaction is non-arms length as the parties involved are business associates and directors of the same public companies.

The Company completed a $1 million brokered private placement financing on August 31st, 2009 (announced on August 19th, 2009) through the sale of 8,333,333 Units at a price of $0.12 per Unit. Each Unit consists of one common share of the Company and one half of one common share purchase warrant, each full warrant being exercisable at a price of $0.20 for a period of eighteen months after the closing date. The Company paid a cash commission of CAD $80,000 to Byron Capital Markets ("Byron") who acted as Agent for the private placement as well as issued Agent options to subscribe for 833,333 Units of the offering at a price of $0.12 per Unit and 416,667 warrants priced at $0.20 per share purchase, all of which are exercisable until March 1, 2011. The net proceeds of the financing will be used for working capital purposes.

On September 3rd, 2009, the Company engaged TRU Group Inc. of Toronto, Ontario and Tuscon, Arizona to provide asset assessment and strategic mineral property acquisition advice to the Company.

On September 3rd, 2009, the Company granted 1.3 million options to directors and consultants at $0.12 per share purchase, exercisable until September 3, 2014. The options are subject to a 4-month hold period.

During August 2009, there were 1,135,000 warrants exercised at $0.125 per share that brought in $141,875 to the Company. In addition, there was 120,000 options exercised at $0.10 per share that brought is $12,000 to the Company.

The Company signed a new consulting/management contract with Jacqueline Michael, Chief Financial Officer, whereby Ms. Michael will be paid $5,000 per month plus GST for a 24 month term and received a bonus of $10,000.

The Company created a U.S. subsidiary in Colorado, Lomiko Metals USA LLC, in order to extend its search for lithium claims in the U.S.A. and staked 552 lode claims comprising 4,615.4 Hectares or 11,404.9 acres in Esmerelda County, Nevada which covers a large portion of Alkali flat in Montezuma Valley. The Company paid US $180,248.00 (CAD $189,322.55) to Esmerlda County Nevada, USA for the rights to explore this property.

The Company attended the China Mining Congress and Expo 2009 in Tianjin, China on October 20-22, 2009 as part of the BC Ministry of Energy, Mines and Petroleum Resources Asia Investment Mission.,

Subsequent Events

the TSX Ventures Exchange gave the Company final approval for the above transaction on November 11th, 2009 and the Company has paid Mr. Gusko the final cash instalment of $30,000 thus completing a total cash payment of $50,000 (less $10,000 for legal expenses) and has issued Mr. Gusko 1 million Lomiko Metals Inc. common shares at a deemed value of $0.065 per share.

On November 30th, 2009, the Company appointed to its Board of Directors, Mr. Garth Kirkham, Professional Geoscientist with the Association of Professional Geologists, Geophysicists and Engineers of Alberta (APEGGA – P.Geoph.)

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, The Conac Group Inc., incorporated in British Columbia, Conac Software (USA) Inc., incorporated in Washington, U.S.A. and Lomiko Metals USA LLC incorporated in Colorado, U.S.A.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimate as additional information becomes available in the future.

Resource Properties

Resource property acquisition costs are capitalized until the viability of the mineral interest is determined. Exploration costs are capitalized and tested annually for impairment.

Stock Based Compensation

Stock options granted to non-employees are accounted for using the fair value-based method of accounting. In respect of stock options granted to employees and directors, the Company has elected to adopt the intrinsic value based method of accounting, which recognizes compensation expense only when the market price exceeds the exercise price at the date of grant, but which requires pro-forma disclosure of net loss as if these grants were accounted for using the fair value method. Consideration paid on the exercise of stock options is credited to share capital. Stock based compensation is credited to contributed surplus.

Earnings or Loss Per Share

Basic and fully diluted earnings or loss per share is calculated on the weighted average number of shares outstanding during the year.

The treasury stock method is used to determine the dilutive effect of stock options and warrants. Under the treasury stock method, only instruments with exercise amounts less than market prices impact the diluted calculations. In computing diluted loss per share, no shares were added to the weighted average number of common shares outstanding during the period ended October 31, 2009 and year ended July 31, 2009 for dilutive effect of stock options and warrants as they were all anti-dilutive. No adjustments were required to report loss from operations in computing diluted per share amounts.

Translation of Foreign Currencies

Foreign currency denominated monetary assets and liabilities are translated at year-end exchange rates. Income and expense transactions denominated in foreign currencies are translated at exchange rates prevailing at the transaction dates. Gains or losses arising on foreign currency translation are recorded in the statement of loss and deficit.

Income Taxes

Future income tax assets and liabilities are determined based upon differences between financial reporting and tax bases of assets and liabilities, measured using substantively enacted tax rates and laws expected to apply in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates is recognized in operations in the period that includes the substantive enactment date. A valuation allowance is recognized to the extent that, it is more likely than not, that future income tax assets will not be realized.

Risks and Uncertainties

The Company is subject to a number of risk factors due to the nature of the mining business in which it is engaged. The risks and uncertainties not presently known to the Company may impact the Company's financial results in the future. The current economic and market conditions represent circumstances that may affect the carrying amount of the Company's assets.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, receivables, accounts payable, accrued liabilities and asset retirement obligations. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of the financial instruments approximates their carrying value, unless otherwise noted. The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of those rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company does not employ a hedging or foreign exchange protection strategy. The Company's income and expenses are denominated in Canadian dollars.

Other Requirements

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

Expenses

The Company incurred $287,751.23 in total operational expenses for the three-month period as compared to $191,404.31 for the same period last year.
The main expenses for the current 3-month period were for advertising and promotions - news disseminations, website updates and costs related to the Mining Exhibition in Tianjin, China; the Company also paid $20,515.33 for business travel expenses to Chile and China; the Company paid Byron Securities $80,000 in commission in regards to the $999,999.97 Private Placement financing for the Company in August 31, 2009; the Company paid $69,683.04 in legal fees in relation to the said financing; $10,474.60 in legal fees to its Chilean counsel relating to the Karolina lithium claims in that region as well as $5,048.62 for legal compliance matters; the Company paid $37,253.24 for consulting fees to TRU Group, PE Consulting services in Chile and Yew Street Capital Corporation. A bonus of $10,000 was paid to a director in the Company; other costs related to management fees, general office expenses, currency exchange, transfer agent and Exchange fees, all of which were incurred in the normal course of business operations.

Three month operational expenses	**2010**	**2009**
Office expenses, Bank Charges, Interest	5,560.14	1,767.79
Telephone/Fax	136.45	149.05
Travel	20,515.33	-
Advertising & Promotion	20,726.20	27,814.00
Management & Subcontract Fees	27,500.00	37,500.00
Finder's Fees	80,000.00	17,960.00
Legal	68,326.72	14,939.11
Investor Relations	-	22,500.00

Consulting/Professional	37,253.24	40,399.99
Accounting/Audit	-	2,500.00
Exchange & Transfer Agent Fees	8,888.45	20,615.70
Shareholder Communications	1,043.40	5,258.67
Bonus	10,000.00	-
Currency conversion	7,801.30	-
Total	**287,751.23**	**191,404.31**

Revenue

The Company had no revenue to report for this period.

Net Income/Loss

The Company recorded a net loss of ($287,358.34) for the three-month period ended October 31st, 2009, as compared to a net loss of ($191,404.31) for the same period last year. The expenses for the current quarter period are listed under the heading "Expenses" listed above.

Summary of Quarterly Results
(expressed in thousands of Canadian dollars, except per share amounts)

	Oct 09	July 09	Apr 09	Jan 09	Oct 08	July 08	Apr 08	Jan 08
Revenue	0	0		0	0	0	0	0
Net Loss	(287)	(1,203)	(364)	(292)	(191)	(131)	69	(35)
Loss per Share	(0.009)	(0.040)	(0.01)	(0.01)	(0.02)	(0.006)	(0.09)	(0.08)

Selected Annual Information

In thousands of Canadian dollars (except for shares):

	2009 $	**2008 $**	**2007 $**
Total Revenue	0	0	0
Total Assets	206	1,002	205
Total Long Term Liabilities	0	0	0
Net Income (loss)	(1,203)	(131)	(111)
Net Income (loss) per share basis	(0.040)	(0.006)	(0.04)
Net Income (loss) per share diluted	(0.040)	(0.006)	(0.04)

The Company had no revenues to report for the current three-month period.
The Company incurred a total net loss of ($287,358.34) for its first financial period for 2010. The loss per share, basic and diluted for the first quarter, 2010 was ($0.009). The Company had assets of approximately $1,121,973 of which $ 755,754 came from cash, receivables and pre-paid

expenses. The Company's mineral property acquisition assets comprise of $70,000 from the 100% acquisition of the Vines Lake Mineral Property in the Cassiar district of British Columbia; $50,000 from the 50% acquisition of the 8 Lithium Karolina Claims in Chile and $180,248 from the Alkali Lake KAR Claims in Nevada, USA. There was $65,971.17 in deferred explorations costs relating to work done on the Vines Lake property.

SHARE CAPITAL

Disclosure of outstanding share data

During the current fiscal year, the Company completed the following issuances:

a) Authorized **-** Unlimited number of common shares without par value

b) Issued and outstanding:

Designation of Securities	**Date**	**Price per share**	**No. of shares**	**$ Amt.**	**Expiry Date**
Issued Shares (Common)					
Balance beginning of period			**30,480,112**	**$15,210,269**	
Warrants exercised	8/22/2009	$0.125	1,135,000	$141,875.00	
Options exercised	8/19/2009	$0.10	120,000	$ 12,000.00	
Private Placement	8/31/2009	$0.12	8,333,333	$999,999.96	
Total Issued Shares			**40,068,445**	**$16,364,143.96**	
Stock Options Outstanding	11-16-2006	0.125	1,040,000	$ 130,000.00	11-16-2011
Stock Options Outstanding	07-02-2008	0.10	200,000	$ 20,000.00	07-02-2013
Stock Options Outstanding	9/3/2009	0.12	1,300,000	$ 156,000.00	09-03-2014
Warrants Outstanding	08/31/2009	0.20	4,166,667	$ 833,333.40	03-01-2011
Byron Unit Options Outstanding	08/31/2009	0.12	833,333	$ 99,999.96	03-01-2011
Byron Warrants Outstanding	08/31/2009	0.20	416,667	$ 83,333.40	03-01-2011
Total Outstanding			**7,956,667**	**$ 1,322,666.76**	
Total Shares Fully Diluted			**48,025,112**	**$17,686,810.72**	

There were a total of 1,135,000 warrants exercised at $0.125 per share by August 22nd, 2009 which brought in a total of $141,875.00 to the Company.

On August 19th, 120,000 options were exercised at $0.10 per share which brought $12,000 to the Company.

The Company completed a $ 999,999.97 brokered private placement financing on August 31st, 2009 through the sale of 8,333,333 Units at a price of $0.12 per Unit. Each Unit consists of one common share of the Company and one half of one common share purchase warrant, each full warrant being exercisable at a price of $0.20 for a period of eighteen months after the closing date. The Company paid a cash commission of CAD $80,000 to Byron Capital Markets who acted as Agent for the private placement as well as issued Agent options to subscribe for 833,333 Units of the offering at a price of $0.12 per Unit and 416,667 warrants priced at $0.20 per share purchase, all of which are exercisable until March 1, 2011.

The Company currently has a total of 2,540,000 options outstanding and a total of 5,416,667 warrants outstanding which include Agent's warrants for Byron Capital in relation to the above mentioned private placement financing in August 31, 2009.

There are currently 1,678,332 shares remaining in escrow which will be released in full by December 12, 2009.

Stock Options

The Company granted 1,040,000 stock option agreements (on a post 1:4 stock split basis) to its directors and consultants on November 16th, 2006 to purchase up to an aggregate of 1,040,000 common shares, exercisable at the price of $0.125 per share until November 16, 2011.

On July 2nd, 2008, the Company granted stock option agreements to its directors and consultants to purchase up to an aggregate of 200,000 common shares, exercisable at the price of $0.10 per shares until July 2nd, 2013.

On August 31st, 2009, the Company granted 833,333 in options to Byron Capital Markets at a deemed price of $0.12 per share until March 1st, 2011 in relation to the gross amount of $999,999.97 in private placement financing that they brought into the Company on August 31st, 2009.

On September 3rd, 2009, the Company granted stock option agreements to its directors and consultants to purchase up to an aggregate of 1,300,000 common shares, exercisable at the price of $0.12 per share until September 3rd, 2014.

The Options were granted under the Company's Stock Option Plan.

STOCK OPTIONS

Issued to	Relationship	Exercise Price	Number of Shares	$ Amt	Date Granted	Expiry Date
Paul Gill	President/CEO	$0.125	400,000	$ 50,000.00	11-16-2006	11-16-2011
Paul Gill	President/CEO	$0.10	120,000	$ 12,000.00	07-02-2008	07-02-2013
Paul Gill	President/CEO	$0.12	450,000	$ 54,000.00	09-03-2009	09-03-2014
Jacqueline Michael	CFO	$0.125	200,000	$ 25,000.00	11-16-2006	11-16-2011
Jacqueline Michael	CFO	$0.10	80,000	$ 8,000.00	07-02-2008	07-02-2013
Jacqueline Michael	CFO	$0.12	250,000	$ 30,000.00	09-03-2009	09-03-2014
Mel Rokosh	Director	$0.12	100,000	$ 12,000.00	09-03-2009	09-03-2014

Julius Galik	Director	$0.12	100,000	$ 12,000.00	09-03-2009	09-03-2014
Other	Consultant	$0.12	400,000	$ 48,000.00	09-03-2009	09-03-2014
Other	Consultant	$0.125	40,000	$ 5,000.00	11-16-2006	11-16-2011
Ken Morgan	Consultant	$0.125	400,000	$ 50,000.00	11-16-2006	12-31-2009
Byron Capital	Agent	$0.12	833,333	$ 99,999.96	08-31-2009	03-01-2011
Total			**3,373,333**	**$405,999.96**		

Other MD&A Requirements

As at October 31st, 2009, the Company had a total of 48,025,112 shares on a fully diluted basis. If the Company were to issue 7,956,667 shares upon the conversion of all of its outstanding warrants and stock options, it would raise a total of $1,322,666.76.

Liquidity and Capital Resources

As at October 31st 2009, the Company's cash position was $ 729,066 compared to $72,119 for the same period last year. The Company completed a $999,999.97 brokered private placement financing on August 31st, 2009 (announced on August 19th, 2009) through the sale of 8,333,333 Units at a price of $0.12 per Unit. Each Unit consists of one common share of the Company and one half of one common share purchase warrant, each full warrant being exercisable at a price of $0.20 for a period of eighteen months after the closing date. The Company paid a cash commission of CAD $80,000 to Byron Capital Markets who acted as Agent for the private placement as well as issued Agent options to subscribe for 833,333 Units of the offering at a price of $0.12 per Unit and 416,667 warrants priced at $0.20 per share purchase, all of which are exercisable until March 1, 2011. The net proceeds of $869,316.93 for the financing will be used for working capital purposes. Additionally, there were 1,135,000 warrants and 120,000 options exercised in August 2009 which brought in a total of $153,875 to the Company.

At the current time, the Company has sufficient funds to pay for 12 months of operating costs. The Company will need to raise further capital in the near future to fund its exploration programs.

Off Balance Sheet Arrangements

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

Related Party Transactions

During the three-month period ended October 31st, 2009, the Company paid management fees to the following directors - $15,000 to Paul Gill, President and CEO; $15,000 to Jacqueline Michael, CFO and $10,000 bonus to Jacqueline Michael, CFO. All of the above fees were in the normal course of operations and measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Outlook

The company has begun to focus its attention specifically on 100% acquisitions of lithium and rare earth metals properties in Chile and Nevada, USA. With the growing demand for high-tech electronics such as cell phones and laptops world-wide, especially the emergence of a consumer market in India and China, the high adaptation rate among the younger population in these countries and the increasing penetration of these products and the emerging hybrid and electric cars, the demand for lithium and other rare earth metals will also continue to expand.

Lomiko will focus on acquiring prospective lithium properties for exploration and development in order to launch the company's planned two-year exponential grow phase. If the assets acquired during this time are proven to be of merit, the company will continue with development of the assets or otherwise seek to maximize shareholder return on investment.

In addition, Lomiko explores for gold, as it is the opinion of management that gold and companies with gold discoveries, will be in significant demand as a hedge against currency devaluation in the face of the significant potential for lower interest rates in the face of global credit contraction.

The Company is continually involved in the ongoing process of identification and evaluation of new properties that can achieve the corporate objectives for near to long term growth. The Company plans to make additional acquisitions, if suitable properties become available to the Company, together with further financings in the future.

On behalf of the Board,

“Paul Gill”
Paul Gill, President & CEO