



LOMIKO METALS INC.

CONSOLIDATED FINANCIAL STATEMENTS

Year ended July 31, 2025

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Lomiko Metals Inc.

Opinion

We have audited the consolidated financial statements of Lomiko Metals Inc. (the "Company"), which comprise the consolidated statements of financial position as at July 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

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Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Heather McGhie.

A handwritten signature in black ink, appearing to read "DMCL.", is positioned above the firm's name.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

November 27, 2025

LOMIKO METALS INC.**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

	As at July 31, 2025	As at July 31, 2024
ASSETS		
Current		
Cash and cash equivalents (Note 4 & 11)	\$ 567,737	\$ 1,245,314
Other receivables (Note 5)	496,342	76,962
Prepaid expenses	19,502	174,772
	1,083,581	1,497,048
Non-current		
Exploration and evaluation advances	147,743	74,244
Exploration and evaluation assets (Note 6)	11,608,764	12,841,114
	11,756,507	12,915,358
Total Assets	\$ 12,840,088	\$ 14,412,406
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 8, 11 and 12)	\$ 901,817	\$ 560,902
Flow-through premium liability (Note 9)	61,377	121,492
	963,194	682,394
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	41,929,700	40,734,420
Reserves (Note 7)	3,897,535	3,961,528
Deficit	(33,950,341)	(30,965,936)
	11,876,894	13,730,012
Total Liabilities and Shareholder's Equity	\$ 12,840,088	\$ 14,412,406

Nature of Operations and Going Concern (Note 1)

Subsequent events (Note 14)

Approved on behalf of the Board:

"Gordana Slepcev"

Gordana Slepcev – Chief Executive Officer &
Director

"Mary Juetten"

Mary Juetten – Chair of the Audit Committee & Director

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

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

(Expressed in Canadian Dollars)

	Year ended July 31, 2025	Year ended July 31, 2024
Expenses		
Advertising and promotion	\$ 93,026	\$ 72,639
Insurance	22,139	27,166
Management and consulting fees (Note 12)	312,839	279,903
Office and miscellaneous	59,197	49,598
Professional fees	260,563	231,336
Regulatory and filing fees	39,115	41,660
Salaries and benefits (Note 12)	288,420	629,279
Shareholder communications	30,597	78,945
Share based payments (Note 7 and 12)	534,211	277,555
Travel	25,688	28,707
Loss from operations	\$ (1,665,795)	\$ (1,716,788)
Other income/(loss)		
Part XII.6 interest (Note 9)	(9,534)	(21,661)
Amortization of flow-through premium liability (Note 9)	135,262	169,040
Gain on disposal of Lomiko Technologies (Note 12)	-	10
Loss on sale of resource property (Note 6)	(2,209,414)	-
Interest and other income	3,358	478
	(2,080,328)	147,867
Net loss and comprehensive loss for the year	\$ (3,746,123)	\$ (1,568,921)
Basic and Diluted Loss Per Share	\$ (0.08)	\$ (0.04)
Basic and Diluted Weighted Average Common Shares	48,376,485	39,599,107

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

LOMIKO METALS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year ended July 31, 2025	Year ended July 31, 2024
Cash flows used in operating activities		
Net loss	\$ (3,746,123)	\$ (1,568,921)
Items not involving cash and cash equivalents:		
Share-based payments	534,211	277,555
Amortization of flow-through premium	(135,262)	(169,040)
Gain on sale of Lomiko Technologies	-	(10)
Loss on sale of resource property	2,209,414	-
	(1,137,760)	(1,460,416)
Changes in non-cash working capital items:		
Other receivables	(536,716)	27,975
Prepaid expenses	155,270	(126,204)
Accounts payable and accrued liabilities	(73,939)	178,647
	(1,593,145)	(1,379,998)
Cash flows used in investing activities		
Exploration and evaluation assets	(1,611,034)	(1,239,206)
Grants received	1,279,938	287,439
Proceeds from sale of Bourier	30,000	-
Exploration advances	(73,500)	-
	(374,596)	(951,767)
Cash flows from financing activities		
Issuance of flow-through shares for cash	530,000	600,000
Issuance of shares for cash	869,001	934,760
Share issue cost	(108,837)	(56,213)
	1,290,164	1,478,547
Decrease in cash and cash equivalents	(677,577)	(853,218)
Cash and cash equivalents, beginning of year	1,245,314	2,098,532
Cash and cash equivalents, end of year	\$ 567,737	\$ 1,245,314

Supplemental Disclosure with respect to Cash Flows (Note 4 and 13)

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

LOMIKO METALS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian Dollars)

	Common Shares Without Par Value		Reserves	Deficit	Total Shareholders' Equity
	Shares	Amount			
Balance, July 31, 2023	38,259,832	\$ 39,793,090	\$ 4,026,064	\$ (30,188,518)	\$ 13,630,636
Issuance of shares for cash	2,908,839	934,760	-	-	934,760
Issuance of flow through shares	1,463,415	600,000	-	-	600,000
Flow through share premium	-	(87,805)	-	-	(87,805)
Issued to brokers	58,333	11,667	-	-	11,667
RSU exercised	143,333	77,500	(77,500)	-	-
RSU cancelled	-	-	(26,786)	26,786	-
DSU exercised	137,143	62,857	(62,857)	-	-
DSU cancelled	-	-	(42,857)	42,857	-
Options cancelled	-	-	(181,686)	181,686	-
Share issue costs	-	(67,880)	-	-	(67,880)
Fair value assigned to warrants	-	(589,769)	589,769	-	-
Warrants expired	-	-	(540,174)	540,174	-
Share based compensation	-	-	277,555	-	277,555
Net loss for the year	-	-	-	(1,568,921)	(1,568,921)
Balance, July 31, 2024	42,970,895	\$ 40,734,420	\$ 3,961,528	\$ (30,965,936)	\$ 13,730,012
Issuance of shares for cash	6,437,046	869,001	-	-	869,001
Issuance of flow through shares	3,272,058	530,000	-	-	530,000
Flow through share premium	-	(75,147)	-	-	(75,147)
Shares issued to acquire property	423,077	59,231	-	-	59,231
Shares issued to settle debt	545,454	84,546	-	-	84,546
RSU exercised	987,737	338,804	(338,804)	-	-
RSU cancelled	-	-	(60,370)	60,370	-
DSU exercised	80,000	24,000	(24,000)	-	-
DSU cancelled	-	-	(125,714)	125,714	-
Options cancelled and expired	-	-	(220,426)	220,426	-
Share issue costs	-	(108,837)	-	-	(108,837)
Fair value assigned to warrants	-	(526,318)	526,318	-	-
Warrants expired	-	-	(355,208)	355,208	-
Share based compensation	-	-	534,211	-	534,211
Net loss for the year	-	-	-	(3,746,123)	(3,746,123)
Balance, July 31, 2025	54,716,267	\$ 41,929,700	\$ 3,897,535	\$ (33,950,341)	\$ 11,876,894

Common shares amounts have been retrospectively restated for all prior periods to reflect the Share Consolidation effected on July 15, 2024
The accompanying notes form an integral part of these consolidated financial statements

LOMIKO METALS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years ended July 31, 2025 and 2024
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

(a) Nature of Operations

Lomiko Metals Inc., (along with its subsidiaries collectively referred to as the “Company” or “Lomiko”), is engaged in the acquisition, exploration and development of resource properties. 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 the Frankfurt Exchange in Germany having the symbol DH8C.

The Company’s registered and head office is unit 439-7184 120th Street, Surrey, British Columbia, Canada V3W 0M6.

(b) Going Concern

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. The Company has incurred cumulative losses of \$33,950,341 and has reported a loss of \$3,746,123 for the year ended July 31, 2025. 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 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.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

(a) Statement of Compliance

These consolidated financial statements of the Company, have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). These consolidated financial statements were approved and authorized for issue by the Board of Directors on November 27, 2025.

(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., and Lomiko Metals LLC 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 CONSOLIDATED FINANCIAL STATEMENTS
Years ended July 31, 2025 and 2024
(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE – continued

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.

On July 15, 2024, the Company completed a one-for-ten (1:10) reverse share split of all of its issued and outstanding common shares ("Share Consolidation"), resulting in a reduction in the issued and outstanding shares from 402,653,074 to 40,265,307. Shares reserved under the Company's equity and incentive plans were adjusted to reflect the Share Consolidation. All share and per share data presented in the Company's consolidated financial statements have been retroactively adjusted to reflect the Share Consolidation unless otherwise noted.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies that have been applied in the preparation of these consolidated financial statements are summarized below. These accounting policies have been used throughout all periods presented in the consolidated financial statements.

a. Presentation currency and foreign currency translation

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

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

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

b. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits.

c. Exploration and Evaluation Expenditures

Exploration and evaluation assets include the costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are charged to profit or loss. Exploration and evaluation assets are assessed for indicators of impairment each reporting period – see Note 3(f).

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

LOMIKO METALS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years ended July 31, 2025 and 2024
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Exploration and evaluation expenditures also include the costs incurred in acquiring mineral rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects. Where the Company has entered into option agreements to acquire interests in mineral properties that require periodic share issuances, amounts un-issued are not recorded as liabilities since they are issuable entirely at the Company's option. Option payments are recorded as mineral property costs when the payments are made and share issuances are recorded as mineral property costs using the fair market value of the Company's common shares at the date of the issuance.

d. Decommissioning liabilities

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

As at July 31, 2025 and 2024, the Company did not have any decommissioning liabilities.

e. Financial Instruments

Financial instruments – recognition and measurement

The following is the Company's accounting policy for financial instruments under IFRS 9:

i. Classification

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

For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them at FVTOCI.

The Company classifies its cash and cash equivalents as FVTPL and its receivables and accounts payable at amortized cost.

ii. Measurement

Financial assets and liabilities at amortized cost

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

Financial assets and liabilities at FVTPL

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

LOMIKO METALS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years ended July 31, 2025 and 2024
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

iii. Derecognition

Financial assets

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

Financial liabilities

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

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

f. Impairment of Assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash-generating unit is reviewed for impairment.

Impairment reviews for exploration and evaluation assets are carried out on a project-by-project basis, with each project representing a potential single cash-generating unit. An impairment review is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

- The right to explore the areas has expired or will expire in the near future with no expectation of renewal;
- No further exploration or evaluation expenditures in the area are planned or budgeted;
- No commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;
- Sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation assets of the related mining property are tested for impairment before these items are transferred to property and equipment.

An impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use.

An impairment loss is reversed when the asset's or cash generating unit's recoverable amount exceeds its carrying amount.

The impairment of investment in associates occurs when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the investment (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows from the net investment

LOMIKO METALS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years ended July 31, 2025 and 2024
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

that can be reliably estimated. A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also objective evidence of impairment. If any evidence of impairment exists, the loss is recognized. The current loss is measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognized as an expense. An impairment loss is reversed in a subsequent period to the extent that the recoverable amount of the investment increases.

g. Income Taxes

Income tax expense comprises of current and deferred tax expense. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current taxes

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred taxes

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not recognized on the initial recognition of goodwill, on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction, and on temporary differences relating to investments in subsidiaries and jointly controlled entities where the reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are measured, without discounting, at the tax rates that are expected to apply when the assets are recovered and the liabilities settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities and assets are expected to be settled or recovered.

Sales tax

Expenses and assets are recognized net of the amount of sales tax except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; or

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

Years ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

- When receivables and payables are stated with an amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables on the statement of financial position.

h. Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments. Share capital issued for non-monetary consideration is recorded at fair value, being the quoted share price at the time of issuance.

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

Shares issued by the Company may be accompanied by warrants in a unit private placement. The Company allocates the proceeds from the issuance of units between common shares and share purchase warrants on a pro-rata basis based on the relative fair values at the date of issuance. The fair value of the common shares is based on the proceeds received, and the fair value of the warrants is determined using the Black-Scholes Option Pricing Model as of the date of issuance. Any value attributed to the warrants is recorded to reserves.

i. Earnings/Loss per Share

Basic earnings (loss) per common share is computed by dividing the net income (loss) available to common shareholders of the Company by the weighted average number of shares outstanding or committed to issue for the relevant year.

Diluted earnings (loss) per common share is computed by dividing the net income (loss) applicable to common shareholders by the sum of the weighted average number of common shares issued and outstanding or committed and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

j. Share-based Payments

The Company has adopted an Omnibus Equity Incentive Plan which grants share-based compensation to employees, consultants, persons performing investor relations activities and directors.

Where equity-settled share options are awarded to employees, the fair value of the options, deferred share units, restricted share units, and performance share units at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

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3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

The value of the options and warrants granted, related to the issuance of shares, are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by reference to the fair value of the instrument granted. For options and warrants, the fair value is estimated using the Black-Scholes Option Pricing Model valuation model.

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

All equity-settled share-based payments consisting of options and warrants are reflected in share based payment reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share based payment reserve is credited to share capital, adjusted for any consideration paid. Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

k. Flow-through Shares

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with the Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid (Note 8).

l. Government Grants

Government grants and assistance are recognized when there is reasonable assurance that the grant will be received and the Company will comply with the conditions. Grants and assistance related to operating expenses and capital expenditures are deducted from the carrying amount of the asset and the operating expenses of the Company. Grants and assistance related to operating expenses are presented as part of profit or loss by deducting against the related expenses.

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

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3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

As at July 31, 2025 the Company received \$986,653 (2024-\$37,608) from the Government of the United States and \$293,284 (2024 - \$155,819) from the governments of Canada and Quebec for the La Loutre project. \$1,162,601 (2024 - \$27,333) was recorded against exploration and evaluation assets and \$117,336 (2024 - \$10,275) was recorded against management salaries, travel and consulting expenses.

m. Significant Accounting Judgments and Estimates

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

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 there are indicators of impairment that require management to determine whether the recoverable amount is not less than the carrying amount (see Note 3(f)). The carrying value of these assets is detailed at Note 6.

Title to Mineral Property Interests: Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Estimates and assumptions

Share-based payments: The Company utilizes the Black-Scholes Option Pricing Model ("Black-Scholes") to estimate the fair value of stock options granted to directors, officers and employees. The use of Black-Scholes requires management to make various estimates and assumptions that impact the value assigned to the stock options, including the forecast future volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the stock options. Any changes in these assumptions could have a material impact on the share-based payment calculation value.

Deferred tax assets: The assessment of the probability of future taxable income against which deferred tax assets can be utilized is based on the Company's future planned activities, supported by budgets that have been approved by the Board of Directors. Management also considers the tax rules of the various jurisdictions in which the Company operates. Should there not be a forecast of taxable income that indicates the probable utilization of a deferred tax asset or any portion thereof, the Company does not recognize the deferred tax asset.

n. New and revised standards and interpretationsAdoption of New Accounting Standards

During the year ended July 31, 2025, the Company adopted IAS 1 – classification of liabilities as current or non-current. The amendments provide a more general approach to the classification of liabilities based on contractual arrangements in place at the reporting period date. These new standards and changes did not have any material impact on the Company's consolidated financial statements.

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3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

New Accounting Standards Issued But Not Yet Effective

IFRS 18 Presentation and Disclosure in Financial Statements was issued by the International Accounting Standards Board in April 2024, with mandatory application of the standard in annual reporting periods beginning on or after January 1, 2027. The Company has not yet assessed the impact of IFRS 18 on the Company's financial statements.

On May 30, 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice and to include new requirements not only for financial institutions but also for corporate entities. The amendments are effective January 1, 2027 and January 1, 2026, respectively, and the Company has not assessed the impact on the Company's financial statements.

4. CASH AND CASH EQUIVALENTS

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

	July 31, 2025	July 31, 2024
Cash	\$ 542,737	\$ 1,220,314
Guaranteed investment certificate	25,000	25,000
	<u>\$ 567,737</u>	<u>\$ 1,245,314</u>

5. OTHER RECEIVABLES

	July 31, 2025	July 31, 2024
Taxes receivable	\$ 68,645	\$ 24,256
Grants receivables	427,697	52,706
	<u>\$ 496,342</u>	<u>\$ 76,962</u>

6. EXPLORATION AND EVALUATION ASSETS

La Loutre – Quebec

The Company owns 100% of the mineral rights to the La Loutre property, which is subject to a 1.5% net smelter royalty ("NSR") of which 0.5% "NSR" can be purchased by the Company for \$500,000.

Bourier – Quebec

On April 24, 2021 (amended December 31, 2021 and January 24, 2024) the Company entered into an option agreement with Critical Elements Lithium Corporation ("Critical") to acquire up to a 70% undivided interest in the Bourier property located in Quebec.

The Bourier Property is composed of one block totaling 203 claims located along the east side of the new Rupert hydroelectric complex. It is subject to a 1.4% NSR on 87 claims.

Under the terms of the agreement the Company will earn its interest in the Bourier property by way of a joint venture arrangement. The keys terms of the agreement are as follows:

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6. EXPLORATION AND EVALUATION ASSETS – continued

FIRST OPTION

The Company earned, a 49% interest in the Bourier Property by:

- making a cash payment to Critical of \$25,000;
- issuing Critical 500,000 common shares; and
- funding exploration expenditures for an amount of \$1,300,000.

All the above terms and conditions have been fully met.

SECOND OPTION

The Company having exercised the First Option, the Company had an option to increase its undivided interest in the Bourier Property from 49% to 70% by:

- making a cash payment to Critical of \$250,000 and issuing 250,000 common shares, on or before the date of delivery of the First Option Exercise Notice;
- incurring or funding additional exploration expenditures for an amount of \$200,000 on or before December 31, 2025; and
- delivering the Resource Estimate to Critical on or before December 31, 2025.

On April 1st, 2024, the Company announced that it would not exercise the second option.

MILESTONE PAYMENTS

The Company agrees to pay the following milestone payments, payable at any time following the exercise of the First Option upon the occurrence of the following:

- On the estimation of a drilled defined resource (NI 43-101 compliant) of 5,000,000 tonnes at a cut-off grade of 0.6% Li₂O (all categories) a payment of \$750,000, payable in cash or in common shares of the Company at the sole discretion the Company;
- On the estimation of a drilled defined resource (NI 43-101 compliant) of 5,000,000 tonnes at a cut-off grade of 0.6% Li₂O (all categories) a payment of \$750,000, payable in cash or in common shares of the Company at the sole discretion the Company;
- On the estimation of a drilled defined resource (NI 43-101 compliant) of 15,000,000 tonnes at a cut-off grade of 0.6% Li₂O (all categories) a payment of \$1,500,000, payable in cash or in common shares of the Company at the sole discretion the Company;
- On the estimation of a drilled defined resource (NI 43-101 compliant) of 20,000,000 tonnes at a cut-off grade of 0.6% Li₂O (all categories) a payment of \$2,000,000, payable in cash or in common shares Company at the sole discretion the Company.

On July 2, 2025 the Company sold its 49% interest in the property for \$30,000 and recognized a loss on sale of resource properties of \$2,209,414.

Laurentide Region – Quebec

In March 2023 the Company staked approximately 236 claims. These claims lie within a 100 km radius of the Company's La Loutre property and 28 claims are directly contiguous.

As at July 31, 2025, the Company held a total of 296 claims.

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6. EXPLORATION AND EVALUATION ASSETS - continued

Carmin

On June 1, 2023 the Company completed a purchase agreement with SOQUEM Inc. ("SOQUEM") and a private company, to acquire 100% of 17 mineral claims in Southern Quebec, forming the Carmin project. The terms of the acquisition are as follows:

- \$50,000 payable in cash, to SOQUEM, (paid June 1, 2023)
- Issuance of 125,000 common shares to SOQUEM (issued May 31, 2023)
- Issuance of 125,000 common shares to the private company (issued May 31, 2023)
- Granting of a royalty of 0.75% NSR to SOQUEM and the private company. The Company has the right to redeem one-third of the Royalties from both parties, reducing the royalty to 0.50%, for a cash payment of \$250,000 to each party. The NSR will then be limited to \$1,000,000 per party.

Minimal work was completed on Carmin in the fiscal year.

As of July 31, 2025, the Company held a total of 28 claims.

Yellow Fox

On January 21, 2025 and amended April 30, 2025, the Company finalized an option agreement, to acquire 100% of the interest in the Yellow Creek Deposit, located in Central Newfoundland.

The Yellow Creek Deposit is comprised of 58 continuous mining units in 3 licenses. The terms of acquisition are as follows:

- Cash totaling \$64,750, according to the following schedule:
 1. \$18,500 on (paid)
 2. \$23,125 on or before the first anniversary of the final agreement
 3. \$23,125 on or before the second anniversary of the final agreement
- Issuance of common shares totaling \$328,375, according to the following schedule
 1. \$50,875 payable in Company shares - issued 391,346 shares with a fair value of \$54,788
 2. \$115,625 payable in Company shares on or before the first anniversary of the final agreement
 3. \$161,875 payable in Company shares on or before the second anniversary of the final agreement

In addition, the Company has committed to paying a finder's fee to Starcodes Canada Inc. in the form of cash payments and share issuances as follows:

Cash payments

1. \$1,500 (paid)
2. \$1,875 on or before the first anniversary of the final agreement
3. \$1,875 on or before the second anniversary of the final agreement

Issuance of common shares

1. 31,731 common shares (issued)
2. 72,115 on or before the first anniversary of the final agreement
3. 100,962 on or before the second anniversary of the final agreement

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6. EXPLORATION AND EVALUATION ASSETS - continued

Summary of Exploration and Evaluation Assets

	La Loutre	Bourier	Laurentide Region	Carmin	Yellow Fox	Total
Balance, July 31, 2023	\$ 9,759,774	\$ 1,627,445	\$ 310,250	\$ 130,098	-	\$11,827,567
Assays, staking, and mapping	474	-	758	26,036	-	27,268
Contractors/consultants	562,239	607,239	8,044	92,769	-	1,270,291
Field storage	21,281	-	-	-	-	21,281
Grants	(287,429)	-	-	-	-	(287,429)
Quebec Mining Tax Credit	(17,864)	-	-	-	-	(17,864)
Balance, July 31, 2024	\$10,038,475	\$ 2,234,684	\$ 319,052	\$ 248,903	-	\$12,841,114
Assays, staking, and mapping	83,950	4,730	128,730	-	-	217,410
Contractors/consultants	1,596,518	-	144,500	24,773	82,575	1,848,366
Field storage	21,094	-	-	-	-	21,094
Disposal of property	-	(2,239,414)	-	-	-	(2,239,414)
Acquisition of property	-	-	-	-	82,796	82,796
Grants	(1,162,602)	-	-	-	-	(1,162,602)
Balance, July 31, 2025	\$ 10,577,435	\$ -	\$ 592,282	\$ 273,676	\$ 165,371	\$11,608,764

7. SHARE CAPITAL AND RESERVES

a) Share Capital

Authorized

The Company's authorized share capital consists of an unlimited number of common shares without par value.

Issued

Year ended July 31, 2025

On November 4, 2024, 545,454 shares were issued to related parties as settlement for debt amounting to \$84,545. Legal fees of \$3,550 and filing fees of \$1,000 were paid.

On November 12, 2024, the Company completed a private placement by issuing 2,625,000 flow-through common share units of the Company at \$0.16 per unit for total gross proceeds of \$420,000. 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 per share for a period of 36 months. The warrants had a fair value of \$154,359 calculated using the Black Scholes Option Pricing Model, of which \$112,875 was allocated to the warrants on a relative fair value basis. The Company recognized a flow-through premium liability of \$52,500 based on an estimated premium of approximately \$0.02 per flow-through common share issued (Note 9). In addition, 101,250 share purchase warrants exercisable for 36 months at an

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

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7. SHARE CAPITAL AND RESERVES

exercise price of \$0.20, with a fair value of \$11,908 calculated using the Black Scholes Option Pricing Model, were recorded to share issue costs and were issued to brokers. Legal fees of \$6,200, filing fees of \$1,000, and commissions of \$16,200 were paid.

On December 2, 2024, the Company completed a private placement by issuing 2,548,157 common share units of the Company at \$0.135 per unit for total gross proceeds of \$344,001. 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 36 months. The warrants had a fair value of \$264,729 calculated using the Black Scholes Option Pricing Model, of which \$149,602 was allocated to the warrants on a relative fair value basis. In addition, 12,000 share purchase warrants exercisable for 36 months at an exercise price of \$0.20, with a fair value of \$1,247 calculated using the Black Scholes Option Pricing Model, were recorded to share issue costs and were issued to brokers. Legal fees of \$9,750, filing fees of \$13,620, and commissions and finder's fee of \$10,620 were paid. A Company related to a director participated in the private placement by purchasing 370,370 units in the amount of \$50,000.

On January 15, 2025, 79,166 shares were issued for vested RSU's. \$59,375 was transferred from reserves to share capital on issuance of the RSU shares.

On February 7, 2025, 391,346 shares valued at \$54,788 shares were issued to acquire the Yellow Fox property. In addition, 31,731 shares issued valued \$4,442 for finders fees.

On April 22, 2025, the Company completed a private placement by issuing 3,048,148 common share units of the Company at \$0.135 per unit for total gross proceeds of \$411,500. 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 36 months. The warrants had a fair value of \$330,375 calculated using the Black Scholes Option Pricing Model, of which \$183,251 was allocated to the warrants on a relative fair value basis. Legal fees of \$7,350 and filing fees of \$3,580 were paid. In addition finders fees of \$8,775 were paid. A director of the Company participated in the private placement by purchasing 400,000 units in the amount of \$50,000.

On June 2, 2025, 780,000 shares were issued for vested RSU and DSU's. \$252,000 was transferred from reserves to share capital. Filing fees of \$649 were paid.

On June 3, 2025, the Company completed a private placement by issuing 840,741 common share units of the Company at \$0.135 per unit for total gross proceeds of \$113,500. 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 36 months. The warrants had a fair value of \$77,886 calculated using the Black Scholes Option Pricing Model, of which \$46,189 was allocated to the warrants on a relative fair value basis. Legal fees of \$3,940, filing fees of \$3,445, and a finder's fee of \$10,675 were paid.

On June 5, 2025, the Company completed a private placement by issuing 647,058 flow-through common share units of the Company at \$0.17 per unit for total gross proceeds of \$110,000. 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 per share for a period of 24 months. The warrants had a fair value of \$26,332, calculated using the Black Scholes Option Pricing Model, of which \$21,246 was allocated to the warrants on a relative fair value basis. The Company recognized a flow-through premium liability of \$22,647 based on an estimated premium of approximately \$0.035 per flow-through common share issued (Note 9). Legal fees of \$3,940 and filing fees of \$4,542 were paid.

On July 21, 2025, 208,571 shares were issued for vested RSU's. \$51,429 was transferred from reserves to share capital.

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7. SHARE CAPITAL AND RESERVES - continued

Year ended July 31, 2024

On September 14, 2023, 83,333 shares were issued for vested RSU's. \$62,500 was transferred from reserves to share capital on issuance of the RSU shares.

On December 6, 2023, the Company completed a private placement by issuing 1,666,666 common share units of the Company at \$0.30 per unit for total gross proceeds of \$500,000. 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 \$0.50 per share for a period of 60 months. The warrants had a fair value of \$283,405 calculated using the Black Scholes Option Pricing Model, of which \$180,880 was allocated to the warrants on a relative fair value basis. Legal fees of \$6,932 and filing fees of \$2,587 were paid. In addition, 58,333 common shares with a fair value of \$11,667 were issued to brokers.

On June 10, 2024, 60,000 shares were issued for vested RSU's. \$15,000 was transferred from reserves to share capital on issuance of the RSU shares.

On June 10, 2024, 137,143 shares were issued for vested DSU's. \$62,857 was transferred from reserves to share capital on the issuance of the DSU shares.

On July 16, 2024, the Company completed a private placement by issuing 1,242,172 common share units of the Company at \$0.35 per unit for total gross proceeds of \$434,760. Each unit consists of one common share and one common share purchase warrant. Each full warrant is exercisable into one common share at an exercise price of \$0.52 per share for a period of 36 months. The warrants had a fair value of \$411,030 calculated using the Black Scholes Option Pricing Model, of which \$211,281 was allocated to the warrants on a relative fair value basis. In addition, 73,171 share purchase warrants exercisable for 24 months at an exercise price of \$0.41, with a fair value of \$24,002 calculated using the Black Scholes Option Pricing Model, were recorded to share issue costs and were issued to brokers. Commissions of \$1,155 were paid.

On July 16, 2024, the Company completed a private placement by issuing 1,463,415 flow-through common share units of the Company at \$0.41 per unit for total gross proceeds of \$600,000. 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 \$0.52 per share for a period of 36 months. The warrants had a fair value of \$242,119 calculated using the Black Scholes Option Pricing Model, of which \$172,507 was allocated to the warrants on a relative fair value basis. The Company recognized a flow-through premium liability of \$87,805 based on an estimated premium of approximately \$0.02 per flow-through common share issued (Note 9). In addition, 3,300 share purchase warrants exercisable for 24 months at an exercise price of \$0.35, with a fair value of \$1,098 calculated using the Black Scholes Option Pricing Model, were recorded to share issue costs and were issued to brokers. Legal fees of \$1,846, filing fees of \$260, and commissions of \$30,000 were paid.

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7. SHARE CAPITAL AND RESERVES - continued

b) Share purchase warrants

A continuity of the Company's share purchase warrant transactions for the years ended July 31, 2025 and July 31, 2024 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, July 31, 2023	12,633,442	\$0.90
Issued for financing	3,717,018	\$0.42
Expired	(1,596,476)	\$1.51
Balance, July 31, 2024	14,753,984	\$0.64
Issued for financing	8,186,326	\$0.20
Expired	(3,739,750)	\$0.60
Balance, July 31, 2025	19,200,560	\$0.42

The following table summarizes information relating to share purchase warrants outstanding and exercisable as at July 31, 2025.

Number of Warrants	Exercise Price	Expiry Date
73,171	\$0.41	July 16, 2026
3,300	\$0.35	July 16, 2026
1,895,000	\$1.10	January 19, 2027
323,530	\$0.20	June 5, 2027
1,973,880	\$0.52	July 16, 2027
1,413,750	\$0.20	November 12, 2027
2,560,157	\$0.20	December 2, 2027
4,057,049	\$0.50	December 9, 2027
3,048,148	\$0.20	April 22, 2028
840,741	\$0.20	June 3, 2028
1,345,167	\$0.50	July 19, 2028
1,666,667	\$0.30	December 6, 2028
19,200,560		

The weighted average remaining contractual life of the warrants as at July 31, 2025 was 2.41 years (July 31, 2024 – 2.67 years).

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

	July 31, 2025	July 31, 2024
Risk-free interest rate	2.77%	3.36%
Expected life of warrants	2.96 years	3.88 years
Annualized stock price volatility	171.11%	160.06%
Expected dividend yield	0%	0%

c) Share-based payments

On December 6, 2021, the Company adopted an Omnibus Equity Incentive Plan ("Omnibus Plan") to amend and restate the Company's stock option plan ("Predecessor Plan"). Under the terms of the plan the Company may grant share-based compensation to Employees, Consultants, Persons performing

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7. SHARE CAPITAL AND RESERVES - continued

Investor Relations Activities and Directors.

The maximum aggregate number of Shares issuable under this plan in respect of Options shall not exceed ten (10%) percent of the Company's issued and outstanding Shares at any point in time. The number of common shares reserved for issuance to consultants or persons performing Investor Relations activities will not exceed two (2%) of the issued and common shares in any twelve-month period. All outstanding stock options granted under the predecessor plan shall continue to be outstanding as stock options granted under and subject to the terms of this Omnibus Plan.

The maximum aggregate number of Shares issuable under this plan in respect of Deferred Share Units (DSU's), Restricted Share Units (RSUs) and Performance Share Units (PSUs) shall not exceed 2,381,015 at any point in time, representing 10% of the issued and outstanding shares of the Company as at the date of adoption of the Omnibus Plan. The total number of DSU's, RSUs, and PSUs issuable to any participant under this plan shall not exceed (1%) of the issued and outstanding shares at the time of the award.

The outstanding share purchase options as of July 31, 2025, are summarized as follows:

Date of Grant	Expiry Date	Exercise Price	Number of Options Outstanding	Number of Options Exercisable
December 18, 2020	December 18, 2025	\$ 0.50	115,000	115,000
August 4, 2021	August 4, 2026	\$ 1.20	270,000	270,000
October 25, 2021	October 25, 2026	\$ 1.20	255,000	255,000
February 7, 2022	February 7, 2027	\$ 0.70	158,333	158,333
February 21, 2022	February 21, 2027	\$ 0.70	35,000	35,000
April 5, 2022	April 5, 2027	\$ 0.85	35,000	35,000
February 22, 2023	February 22, 2028	\$ 0.50	790,001	526,667
January 23, 2025	January 23, 2030	\$ 0.135	375,000	125,000
January 23, 2025	January 23, 2028	\$ 0.135	110,000	82,500
			2,143,334	1,602,500

The following table reflects the share purchase options that could be exercisable for an equal number of common shares:

	July 31, 2025		July 31, 2024	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
Balance, beginning of year	2,214,000	\$ 0.73	2,434,000	\$ 0.70
Granted	485,000	\$ 0.135	-	-
Expired	(40,000)	\$ 0.50	-	-
Cancelled	(515,666)	\$ 0.69	(220,000)	\$ 0.88
Balance, end of year	2,143,334	\$ 0.61	2,214,000	\$ 0.73
Exercisable	1,602,500	\$ 0.71	1,484,667	\$ 0.85

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7. SHARE CAPITAL AND RESERVES - continued

On January 23, 2025, the Company granted 375,000 stock options to management and consultants of the Company. The stock options vest 1/3 on the grant date, 1/3 on the first anniversary date, and 1/3 on the third anniversary. The options expire on January 23, 2030.

On January 23, 2025, the Company granted 110,000 stock options to a consultant of the Company. The stock options vest 1/4 on the grant date, 1/4 on April 23, 2025, 1/4 on July 23, 2025, and 1/4 on January 23, 2026. The options expire on January 23, 2028.

During the year ended July 31, 2025, the Company recorded \$75,763 (2024 - \$121,515) in share-based compensation based on the vesting provisions of the granted options.

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

	July 31, 2025	July 31, 2024
Risk free interest rate	3.01%	-
Expected life of options	4.55 years	-
Annualized stock price volatility	160.16%	-
Expected dividend yield	0%	-

The weighted average remaining contractual life of options outstanding at July 31, 2025, was 2.31 years (July 31, 2024 – 2.80 years).

d) Long-term incentive Plan*i. RSU's*

On January 23, 2025, the Company granted an additional 1,014,816 RSU's to certain directors. Under the RSU plan, the directors will receive the Company's common shares at no cost at the end of the vesting period, which is one year. The RSU's issued to executive employees, vest based on achieving annual performance milestones. At July 31, 2025, no RSU's have vested. The RSU value is determined based on the fair value of the Company's common shares at the grant date and amortized over the vesting period.

On August 14, 2024, the Company granted an additional 337,776 RSU's to certain directors. Under the RSU plan, the directors will receive the Company's common shares at no cost at the end of the vesting period, which is one year. The RSU's can be exercised upon resignation. The RSU's issued to executive employees, vest based on achieving annual performance milestones. At July 31, 2025, no RSU's have vested. The RSU value is determined based on the fair value of the Company's common shares at the grant date and amortized over the vesting period.

On May 21, 2024, the Company granted an additional 821,429 RSU's to certain directors. Under the RSU plan, the directors will receive the Company's common shares at no cost at the end of the vesting period, which is one year. The RSU's issued to executive employees, vest based on achieving annual performance milestones. As at July 31, 2025 all the RSU's have vested and have been redeemed. The RSU value is determined based on the fair value of the Company's common shares at the grant date and amortized over the vesting period.

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7. SHARE CAPITAL AND RESERVES - continued

The number of RSU's outstanding at July 31, 2025 and July 31, 2024, is as follows:

	Number of RSU Awards
Balance, July 31, 2023	562,500
Granted	821,429
Redeemed	(143,333)
Cancelled	(35,714)
Balance, July 31, 2024	1,204,882
Granted	1,352,592
Redeemed	(987,738)
Cancelled	(217,143)
Balance July 31, 2025	1,352,593
Redeemable	-

For the year ended July 31, 2025, the Company recorded \$342,291 (2024 - \$90,265), respectively, as a share-based compensation expense relating to RSU's.

During the year ended July 31, 2025, 987,738 RSU's (2024-143,333) valued at \$338,804 (2024-\$77,500) RSU's, were converted into shares and 217,143 (2024 – 35,713) valued at \$61,178 (2024-\$26,786) were cancelled.

All RSU's expire 10 years after being granted.

ii. DSU's

On January 23, 2025, the Company granted an additional 844,443 DSU's to non-executive directors. Under the DSU plan, the directors will receive the Company's common shares at no cost after the vesting period, which is one year, and upon resignation from the board. At July 31, 2025, no DSU's have vested. The DSU value is determined based on the fair value of the Company's common shares at the grant date and is amortized over the vesting period.

On August 14, 2024, the Company granted an additional 71,112 DSU's to non-executive directors. Under the DSU plan, the directors will receive the Company's common shares at no cost after the vesting period, which is one year, and upon resignation from the board. At July 31, 2025 no DSU's have vested. The DSU value is determined based on the fair value of the Company's common shares at the grant date and amortized over the vesting period.

On May 21, 2024, the Company granted an additional 160,000 DSU's to certain directors. Under the DSU plan, the directors will receive the Company's common shares at no cost the directors will receive the Company's common shares after the vesting period, which is one year, and upon resignation from the board,. At July 31, 2025 80,000 DSU's were outstanding and 80,000 DSU's were redeemed.

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7. SHARE CAPITAL AND RESERVES - continued

The number of DSU's outstanding at July 31, 2025 and July 31, 2024, is as follows:

	Number of DSU Awards
Balance, July 31, 2023	742,857
Granted	160,000
Cancelled	(57,143)
Redeemed	(137,143)
Balance, July 31, 2024	708,571
Granted	915,555
Redeemed	(80,000)
Cancelled	(274,286)
Balance July 31, 2025	1,269,840
Redeemable	354,286

For the year ended July 31, 2025, the Company recorded \$116,157 (2024-\$65,775) as share-based compensation expenses related to DSU's.

During the year ended July 31, 2025, 80,000 DSU's (2024-137,143) valued at \$24,000 (2024 -\$62,857) were converted into shares and 274,286 DSU's (2024-57,143) valued at \$125,714 (2024-\$42,857) were cancelled.

e) Reserves

Equity reserve records items recognized as share-based compensation and allocation of the value of stock options and 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 or cancellation of such stock options and warrants.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	July 31, 2025	July 31, 2024
Accounts payables	\$ 608,033	\$ 138,604
Accrued liabilities	125,201	193,756
Wages payable	168,583	228,542
	\$ 901,817	\$ 560,902

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9. FLOW THROUGH PREMIUM LIABILITY

	July 31, 2025	July 31, 2024
Balance, beginning of year	\$ 121,492	\$ 202,727
Add:		
July 16, 2024, private placement (Note 7)	-	87,805
November 19, 2024, private placement (Note 7)	52,500	-
June 5, 2025, private placement (Note 7)	22,647	-
Amortization of flow through premium liability	(135,262)	(169,040)
Balance, end of year	\$ 61,377	\$ 121,492

As at July 31, 2025, the Company is required to incur further Canadian exploration expenditures of \$309,840 no later than December 31, 2025, pursuant to the terms of the subscription agreements.

The flow-through premium liability is to be amortized to the statement of loss and comprehensive loss pro-rata with the amount of qualifying flow-through expenditures incurred.

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 \$9,534 (2024 - \$21,661) in Part XII.6 interest.

10. INCOME TAXES

Reconciliation of income tax computed at statutory rates to the reported income tax provision is as follows:

	July 31, 2025	July 31, 2024
Loss before income taxes	\$ (3,746,123)	\$ (1,568,921)
Canadian statutory rate	27%	27%
Income tax benefit computed at Canadian statutory rate	(1,011,453)	(423,609)
Permanent differences	108,067	30,519
Share issue cost	(29,386)	(15,178)
Other	(33,166)	213,905
Tax benefits not recognized	965,938	194,363
Income taxes payable	-	-

The Company has non-capital losses carried forward of approximately \$19,554,365 (2024: \$18,327,298) expiring in various years to 2045, that may be available to offset future taxable income, which commence expiring in 2027.

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

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10. Income Taxes continued

The significant components of the Company's unrecognized deferred tax assets is as follows:

	July 31, 2025	July 31, 2024
Non-capital loss carry-forwards	\$ 5,279,679	\$ 4,948,371
Exploration and evaluation assets	(1,487,344)	(2,148,402)
Share-issue costs	(61,147)	87,575
	3,853,482	2,887,543
Unrecognized deferred tax assets	(3,853,482)	(2,887,543)
Net deferred tax liability	\$ -	\$ -

Tax losses, expire as follows:

Years	
2027	\$ 90,466
2028	130,858
2029	462,824
2030	613,562
2031	477,239
2032	653,482
2033	602,303
2034	945,550
2035	1,541,466
2036	1,049,588
2037	960,221
2038	1,385,388
2039	890,130
2040	666,853
2041	1,579,713
2042	2,711,959
2043	2,053,595
2044	1,493,870
2045	1,245,298
	\$ 19,554,365

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

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11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

- a) Market Risk
- b) Credit Risk
- c) 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 receives 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. 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 July 31, 2025 relating to cash of \$567,737 and other receivables of \$496,342. All cash, cash equivalents and short-term deposits are held at the Royal Bank of Canada.

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11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - continued

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 July 31, 2025 and July 31, 2024.

	Less than 3 months	3 – 12 months	Total
July 31, 2025			
Trade payables	\$ 608,033	\$ -	\$ 608,033
July 31, 2024			
Trade payables	\$ 138,604	\$ -	\$ 138,604

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
July 31, 2025				
Cash and Cash equivalents	\$ 567,737	\$ -	\$ -	\$ 567,737
July 31, 2024				
Cash and Cash equivalents	\$ 1,245,314	\$ -	\$ -	\$ 1,245,314

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)

The carrying value of the Company's financial instruments approximates fair value.

12. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all executive employees, directors and officers of the Company to be key management personnel. The following are related party transactions not disclosed elsewhere in the financial statements. Management fees were paid to M & M Corporation, a company controlled by Jacqueline Michael, the Company's CFO. The Capital Lab, a Company controlled by Belinda Labatte, the Company's Chair of the Board, and AJS Management Corporation, a company controlled by Paul Gill, the Company's former Executive Chair.

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12. RELATED PARTY TRANSACTIONS – continued

Included in accounts payable is \$8,330 (July 31, 2024 - \$4,345) owing to executive employees, directors or companies controlled by directors or key management.

On May 31, 2024, the Company sold its subsidiary Lomiko Technologies Inc. (LT), to a former director for \$10.

	July 31, 2025	July 31, 2024
Management Fees paid to directors or companies related to directors and key management	\$ 146,000	\$ 259,839
Compensation to key management personnel -net of grants of \$108,623	288,421	629,279
Share based payments	520,448	269,839
	\$ 954,869	\$ 1,158,957

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	July 31, 2025	July 31, 2024
Flow through premium liability	\$ 75,147	\$ 87,805
Issuance of common shares to brokers	\$ 13,155	\$ 11,667
Issuance of shares to acquire property	\$ 59,231	\$ -
Issuance of shares in repayment of debt	\$ 84,546	\$ -
Exploration and evaluation assets in accounts payable	\$ 570,935	\$ 71,535
Exercise of RSU	\$ 338,804	\$ 77,500
Exercise of DSU	\$ 24,000	\$ 62,857
Exploration and evaluation advances applied to exploration and evaluation assets	\$ 73,500	\$ 50,000

14. SUBSEQUENT EVENTS

On September 15, 2025, an additional 560,000 DSU's, 530,000 RSU's and 100,000 stock options were granted.

In October 16, 2025, the Company completed a non-brokered placement by issuing 8,450,000 units of the Company at \$0.10 per unit for gross proceeds of \$845,000. Each unit is comprised of one common share and one half of one common share purchase warrant. Each warrant is exercisable into a common share of the Company at the exercise price of \$0.15 for 36 months.

A director of the Company participated in the private placement by purchasing 250,000 units in the amount of \$25,000.

The Company reports that, as a result of a social engineering incident, the Company has not yet received \$500,000 for certain shares associated with the hard dollar financing announced on October 6, 2025, and its subsequent tranche on October 15, 2025, which had total gross proceeds of \$845,000. The Company is currently working with experts to investigate the matter and it is collaborating with all parties involved in the closing, including the Company's transfer agent, to resolve this matter. Pending the results of the investigation, a precautionary stop has been placed by the Company's transfer agent on the share certificate representing the shares, preventing them from being sold or otherwise transferred. Lomiko remains committed to upholding the integrity of its financial systems and controls.

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14. SUBSEQUENT EVENTS - continued

On November 13, 2025 the Company completed a non-brokered placement by issuing 6,666,666 flow-through common shares of the Company at \$0.12 per share for gross proceeds of \$800,000.