

With Major Discoveries on their Quatre Milles Graphite and Vines Lake Properties in 2012, LOMIKO METALS INC. is well positioned for Growth as the World Heads toward a Revolution in Alternative Energy including Graphite Use and Graphene Technology

Resources
Graphite
Energy

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A. Paul Gill
President and CEO

BIO: Mr. Gill has been involved with Lomiko Metals Inc since October, 2006. 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. He has also been involved in the strategy, planning and implementation phases of re-structuring organizations.

**About LOMIKO METALS INC.
(LMR-TSXV, OTC: LMRMF)**

Lomiko Metals Inc. is a Canada-based, exploration-stage company. The Company is engaged in the acquisition, exploration and development of resource properties that contain minerals for the new green economy. Its mineral properties include the Vines Lake property and the Quatre Milles Graphite Property which both have had recent major discoveries. In April, 2012, a 122 Ha zinc anomaly in soils was found on the Company's 100% owned Vines Lake property. The Vines Lake property is located in the south western corner of the Cassiar Gold District. The Vines Lake property consists of fifteen claims comprising 5,290 hectares. In October and November, 2012, Lomiko Metals Inc. announced 11 drill holes had intercepted significant lengths of graphite of 51.12 metres of 1.48% to 4.77 metres of 10.80%.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

CEOCFO: Mr. Gill, what is the focus at Lomiko Metals today?

Mr. Gill: Lomiko is focused on exploring for and developing mineral deposits for the new green economy.

CEOCFO: What minerals are of most interest to you?

Mr. Gill: The minerals we focus on right now are related to power generation such as lithium, graphite, zinc, rare earths and others that are used in electric vehicle batteries and new technologies. We are focused on developing those types of minerals.

CEOCFO: Would you tell us about the specific projects you have now?

Mr. Gill: Right now, Lomiko is focused on the Quatre Milles East graphite property in Quebec. What we have done there is acquired a property that had previously been drilled in 1991 and we wrote a National Instrument 43-101 report on the property identifying its prospective nature. We raised money to drill further holes into the ground to discover the types of graphite and the extent of graphite mineralization. What we have discovered is that our initial target of limited graphitic beds eight to ten meters was conservative. We have now discovered that there are intercepts of high grade flake graphite 40 to 70 meters in length, a much bigger target than when we started. It extends for a more than a kilometer in a south-west to north east geological trend as opposed to only three hundred meters. We have become a much bigger project and have been identified by examination of the core as flake graphite which is the higher end, higher use graphite that demands higher prices on the world market.

CEOCFO: Would you explain more about the use of graphite?

Mr. Gill: The world uses about 1.1 to 1.2 million tons of graphite. Most of it is produced in China right now and that creates a supply risk for North America and Europe. Governments are indicating that the supply of graphite is in jeopardy. Both the USA and Europe have labeled it at one of the critical materials worldwide and have looked to develop mines outside of China to ensure the supply is not disrupted. On the demand side, graphite has a number of interesting

uses, of course everyone knows about graphite in pencils and that is just a small portion of what is used. There is graphite used in steel making, refractory markets, in electrical vehicles, brake shoes in some cars, paints and coatings, lubricants and a host of military uses. The most interesting are the ones associated with the lithium ion battery. Right now, spherical graphite is used as a cathode in lithium ion batteries. Lithium is the anode. There is 20 times more graphite than lithium in a Li-ion battery. As electric vehicles expand and more lithium-ion batteries are created, graphite use will expand as well. We are seeing a 15% to 20% annual increase per year in graphite demand which is equivalent to the average production of a 20,000 tons per year mine. We will need six or seven of those mines to open up in the next five to six years in order to meet that demand.

CEOCFO: It seems electric cars have been somewhat out of favor recently; are you seeing that as just a temporary blip?

Mr. Gill: I think it is temporary. What has happened is the initial types of electric vehicles have come out onto the market but they have to win over the public. They do not have the same range and they do not have the same speed. It's hard to find charging stations. The cars are more expensive. As the technology improves, I have no doubt that electric vehicles will match internal combustion vehicles for speed and for range. As soon as we develop charging stations and other elements, such as those that have been done for the internal combustion type engines, we will see better market penetration. We only have the small portion of people who are early adopters that are looking at electric vehicles right now. For people who live in big houses in suburbs, it does not make much sense to have electric vehicles, but for people who are city dwellers that live in apartments and need a car just to get around on the weekends, it makes absolute sense. The last twenty or thirty years our society has experienced the computer revolution, at the

beginning of which very few people owned computers to almost universal ownership. We have gone through the mobile phone revolution. We have gone from no internet access and no email to everyone having email and internet. I have no doubt that within twenty years we are going to see a revolution when it comes to growth in alternative energy including graphite use and graphene technology. Early investors in this sector will see exponential growth in many young companies and we want Lomiko to be one of them.

CEOCFO: Would you tell us about the flake graphite and why it is a higher quality?

Mr. Gill: Graphite comes in two or three different forms. Amorphous graphite, which is a very fine powder and may contain impurities, is used for graphite pencils is the lowest quality. Then there is flake graphite, which

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is produced naturally and hosted in marble and types of rock that is chipped and crushed and creates flakes of different sizes and that can be very useful in steel making, etc. The perfect mine will have high carbon content with less impurities. This would make it highly conductive for uses in technology. It has better heat resistance for use in steel making due to the specialized conditions in which it was created in the Grenville trend. The other type of graphite is very rarely used and very rarely found, vein graphite, which is mostly coming out of Sri Lanka. This also has a specialized market.

CEOCFO: What are some of the challenges or some of the differences, compared to other minerals, when you are looking for graphite or ultimately mining graphite?

Mr. Gill: Generally, the difference in this market is that graphite is an industrial mineral and it has a small

market of 1.2 million tons per year as opposed to other material such as gold and copper that we have worked in previously. What we have found is that it is very important to align the company with processed graphite suppliers and developers that know the end market. There are a large group of graphite companies that act as middlemen for the end users and it is important for Lomiko as a mine developer to create relationships with those middlemen to be able to access those markets. We found that the market is very structured and it is very important to access the right people.

CEOCFO: What are the next steps for Lomiko?

Mr. Gill: We are focused on taking the next layer of risk away by doing metallurgy, which will identify the exact type of graphite we have and identify a possible joint venture partner for us. The next step beyond that is raising money and completing the Phase II drilling and to complete a resource. These are the next steps for 2013.

CEOCFO: How are you able to find and acquire the property that seems to have so much potential?

Mr. Gill: Our company had already been involved in the green mineral exploration in 2009 when we were searching for lithium. I kept track of several commentators such as Jack Lifton and Michael Berry who had been talking about graphite and its coming critical importance. I announced our intentions to look for graphite properties in a news release November, 2011. We were contacted by a vendor that was associated with Zimtu Capital Corp. (TSXv: ZC; FSE: ZCT1), which was associated with mineral property vendors. Mr. Michel Robert was recognized as being someone who knew the graphite market, knew mining, was a metallurgist, understood the complexities and was interested in building a company with his property. We partnered with Zimtu Capital and the Mr. Robert and that is how we got the property.

CEOCFO: Has the investment community paid attention to graphite?

Mr. Gill: In 2012 it was only the first adopters, the underwriters that look out ten years to see what the demand is. In the beginning of 2012, there was a real opening up and people were looking for opportunities. They had gone through the uranium resurgence, then lithium had become in favor and then it was rare earths. Now graphite was on the radar. Investors were grabbing hold of graphite and graphene as long-term investments, because every once in a while you recognize that there is going to be a big change in the way we live. As a company builder and a speculative investor, you grasp the trends and find a way to participate and profit. All investors felt vindicated when Mr. James Dines, a well-known investment guru, announced he was in-

vested in a graphite company and liked the long-term potential of graphite and graphene. Graphene is 200 times stronger than steel, a super conductive at room temperature and heat resistant; it is a wonder material that can be used to replace a lot of other things. Imagine that instead of an aircraft made of steel, you can have an aircraft that is made of high-end graphite which would be much lighter and costs less to fly but is just as strong.

CEOCFO: What is the financial picture like for Lomiko Metals and how far can you go with your current funding?

Mr. Gill: We will do another raise in order to complete the second phase of our exploration. We hope to raise between \$1.5 and \$2 million in order to complete all of the work.

CEOCFO: Why should the business and investment community pay attention to Lomiko Metals Inc.?

Mr. Gill: We have seen companies such as Northern, Focus, Flinders and Mason Graphite get recognition from the investing public. Lomiko is a company that has drilled and has found near surface, large intercept and high grades mineralization. When compared to a larger company like Northern Graphite, which is trading at a \$1.15 as opposed to Lomiko under \$0.10, we feel Lomiko is as yet undiscovered. Early investors have an opportunity for a significant return on investment. Should we accomplish our goal of a flake graphite resource, we think it would be a valuation change for this company.



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