

Strategic Metals & Rare Earths Letter

INTERNATIONAL

the independent information and advisory publication on investing in Strategic Metals & Rare Earths

INVESTMENT ALERT – August 26, 2019

www.lomikomaterials.com



Lomiko Metals (C\$ 0.025)

TSX.V	: LMR
H + L prices (12 months)	: C\$ 0.30 – 0.085
Net shares issued	: 75.1 million
Fully diluted shares	: 114.1 million
Market Capitalization	: C\$ 1.9 million

2020 price target: C\$ 0.15

INVESTMENT ALERT

Lomiko Metals announcing a brokered private placement of a combination of units and flow-through shares for gross proceeds of C\$ 2.75 million

On August 20, 2019, **Lomiko Metals** announced a brokered private placement of a combination of units and flow-through shares for gross proceeds of up to C\$ 2.75 million. Up to 20 million common share units of the Company will be offered at a price of C\$ 0.05 per unit to raise gross proceeds of up to C\$ 1 million. Each unit will consist of one (1) common share and one half of one (1/2) common share purchase warrant. Each full warrant shall entitle the holder to acquire one (1) common share of the issued shares at a price of C\$ 0.07 per share for a period of 24 months following the closing of the Offering.

Up to 35 million flow-through shares (FT) will be offered at a price of C\$ 0.05 per FT share for gross proceeds of up to C\$ 1.75 million.


The Offering of FT shares shall be primarily used for a new Resource estimate prepared in accordance with NI 43-101 regulations, which will include drill results from the **Refractory Zone** of the Company's **La Loutre Graphite Project**, located in Quebec, Canada, which contains **18.4 million Indicated tonnes grading 3.19% graphite with 16.7 million Inferred tonnes grading 3.75% graphite at a 1.5% cut-off rate**.


The new NI 43-101 compliant resource estimate is expected to be completed in Q4 2019.

Also work required for a **Preliminary Economic Assessment (PEA)**, expected to be concluded in **Q2 2020**, including but not limited to metallurgical/engineering testing and drilling, testing for conversion to spherical graphite for use in graphite anodes, environmental assessments and extraction and processing cost studies.

QUEBEC LA LOUTRE FLAKE GRAPHITE EXCELLENT INFRASTRUCTURE

- 2,867.29 Ha Property
- 21 drill holes completed March 2019
- Road to the Property built
- 192 km Highway to Port of Montreal
- **53 km to 20 year IMERY'S Mine which has 5.2MT open pit at 7.42% Cg**
- Near Surface Mineralization
- Open Pit, Large Scale Target
- 80% owned, 100% earn-in started





Investment comments:

With a specific focus on graphite properties, **Lomiko's** most advanced property is its 80%-owned (20% Quebec Precious Metals) **La Loutre Flake Graphite Project** located in Quebec, which contains 18.4 million Indicated tonnes grading 31.9% graphite with 16.7 million Inferred tonnes grading 3.75% graphite at a 1.5% cut-off rate (not NI 43-101 compliant).

Lomiko expects to complete a PEA for the **La Loutre Graphite Flake Property** in Q1 2020 after having carried out a 2,985 metre, 21 drill hole program on the Property which, if successful, could result in a significant upgrade of the Company's depressed market valuation of just C\$ 1.9 million, thereby offering a high investment leverage potential.

Also considering Lomiko's recently announced positive news on its **Technology Graphene ESD** and **Promethius Cryptocurrency** Mining assets, I maintain my 2020 price target of C\$ 0.15.