Graphene Incubator focused on Technology, developing Electronic Devices and their Lalutra Graphite Property

CEOCFO: Mr. Gill, the focus today for Lomiko is graphite, graphene and 3-D printing. How does all this work together?

Mr. Gill: Graphite is a main component in lithium ion batteries. More and more we are looking at the world needing mobile energy storage devices and lithium ion batteries are the main focus of that global energy storage. In regards to Graphene in 3-D printing, Graphene is a wonder material that is 200 times stronger than steel, electrically conductive, thermally conductive, flexible and has over 12,000 patents. Many of the patents are related to the electrical conductivity of Graphene. The best way to use Graphene in any kind of device is to have a end product in mind and 3-D print that Graphene into the end product. What our partners at Graphene Labs have done is created a Graphene battery that will be able to be printed with a multi-headed 3-D printer. That is how it all comes together in graphite, Graphene in 3-D printing.

CEOCFO: What is happening at Lomiko?

Mr. Gill: We are becoming a Graphene company incubator. We have had tremendous success with the launch of Graphene Treaty Labs in August of 2014; a company which we invested in at seven and a half cents. It traded as high as $2.50 in September and October of 2014 and has now settled down at about $0.80 which means that our investment of $350 thousand for 4,396 million shares is worth about $3 billion, five hundred thousand. Secondly, we have a second company with the same group Graphene Laboratories, called Graphene Energy Storage Devices. That is still private right now but we are working in conjunction with Stony Brooke University and Graphene Laboratories on Graphene Energy Storage Devices. That will be a research and development project that will be funded by the State University of New York. The third activity is through our wholly owned subsidiary Lomiko Technology. Lomiko Technology is developing electronic devices such as power converters for the LED lighting market. What we will do is take these products and we are licensing them from a group called Megahertz Power Systems and we will make the products in India and ship them to a distributor here in Canada and the US who will then sell them to different groups in the lighting industry, the home renovation and building sectors. It is something that we can see short-term and near-term revenue coming from.

CEOCFO: How do you evaluate what projects to undertake?

Mr. Gill: One of the key elements we look at is what affect it will have on Lomiko’s return on investment for shareholders and what affect it will have on the ultimate share price of Lomiko. We feel that getting involved in these burgeoning industries and establishing a revenue stream is going to very beneficial for our shareholders and our stock price.

CEOCFO: How do you know who has the right research approach?

Mr. Gill: We look at the general market in the particular area. We know lighting is going to be the trillion-dollar market. We know Graphene has 12,000 patents and is something that will filter its way into society and different products. There are two or three billion dollars worth of research going on in Graphene in Europe. In fact, there is a Graphene flagship, which is a fund that is funding $5 billion Euros into Graphene research. We know that means this industry is going to take off. It has won a Nobel Prize for physics for the two people that understood it. We look at some of the evidence and the information out there and then we look to see if we have a strategic advantage in taking part in that particular industry at this particular time. We look at what relationships we can leverage. We had a great relationship with Graphene Laboratories on the Graphene devices and the Graphene investment therefore we made a 10% investment in Graphene 3-D Labs and another 40% investment in Graphene Energy Storage Devices. We talked with Megahertz Power Systems for over a year to establish a good understanding of the opportunity in that particular market. We looked at all of their products and looked at three particular ones that were really going to take off. One in particular is very interesting; it is a USB charging device. The device will replace the wall outlet that most people have that has only two receptacles for
electronic devices. This will have six USB receptacles and two normal plugs. It is a charging station for each person. You could probably put three of these in each household and it allows multiple devices to be charged. I think when you see a strategic advantage, a new product, a huge industry potential, that is how we make the decision.

CEOCFO: You have increased your interest in Graphene Mines. Why now?
Mr. Gill: The Lalutra graphite property is something that we evaluated because it was a great opportunity to get involved. There was a low dollar cost to get involved. All we needed to do was exploration to discover whether this was going to be worth a lot of money in the future. We found that after doing 25 holes that almost 90% of those drill holes intersected good graphite grade in the ground and it was hosted in the right type of rock. It was a good percentage of flake graphite distribution and mostly large flake graphite, which is very useful in creating spherical graphite for lithium ion batteries. We looked at all of that and figured it was necessary to take a larger position and buy something that other groups may want to buy from us such as the adjacent carbon graphite mine, which is currently the producing graphite mine in Quebec and the only producing graphite mine in eastern Canada and one of three in North America. We felt that buying very good deposits or potential deposits in that area was going to be beneficial for us because we could then turn around and either sell it or use that material in the ground to convert to Graphene which was one of our requirements to provide our subsidiary companies Graphite Treaty Labs and Graphene Energy Storage.

CEOCFO: Are there many companies in your space that have understood the different pieces and put together the different levels and elements the way Lomiko has done?
Mr. Gill: We compare well with one company which is Focus Graphite which has a subsidiary called Graphoid which has Graphene interests in Canada. They do not have the electronic component focus that we have. They are also ten times the share price that we are and their market cap is much larger as well. We feel there is a strategic advantage for people to invest in Lomiko versus that company. Northern Graphite is one of the most advanced graphite properties out there but we feel that we are looking at the grade of Lalutra and the distance from the surface that those grades are found. We are in a much better position to prove up a very good resource that is close to surface. The reason that is important is close to surface means you are moving less material that is costing you money but getting more money for material that is essentially ‘pay dirt.”

CEOCFO: You mentioned production and manufacturing in India. Why is that the right place?
Mr. Gill: We are choosing to go to India because there are some factories that have the expertise to do electronic components and we feel they have the ability to mass produce millions of devices in the future. Not only can we start small and grow but we are going to get a good unit price. Not only can we distribute in North America but we can also distribute in Asia and Europe from there.

CEOCFO: You announced a recent funding. What are the plans?
Mr. Gill: Part of the funding is related to the support of Lomiko Technologies. When we are going to manufacture products from Lomiko Technologies we need to devise a component to produce the devices such as power converters and the USB device. The manufacturers will have to be paid upfront so that is why we need the funds.

CEOCFO: Is the investment community interested in Graphene and graphite?
Mr. Gill: I think they are highly interested in this situation simply because our first company did so well. The first investment we made in Graphene netted us $3 million after our cost so I think they are very interested to see that kind of return and investors probably traded in and out of that and could have gotten at least five times there money from the investment. I believe the investment community is turning on to Graphene, both in Canada and the United States.

CEOCFO: What will Lomiko be a year from now?
Mr. Gill: We will have a net asset value for our La Loutre property in Quebec, which will hopefully establish a $20 million valuation. We will have a revenue stream from our subsidiary Lomiko Technologies. We will have a product that is ready to be licensed out from Graphene Energy Storage Devices. It is something that can be used in electric vehicles, cell phones and in high power grid storage. In Graphene 3-D we will have a good position in a company that will end up getting some high amount of revenue from sales and we will end up paying dividends to shareholders.

“We feel that getting involved in these burgeoning industries and establishing a revenue stream is going to very beneficial for our shareholders and our stock price.” - A. Paul Gill

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

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