

SECOVA METALS CORP.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)
(Expressed in Canadian Dollars)**

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

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**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

SECOVA METALS CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian Dollars)
AS AT

	September 30, 2012	June 30, 2012
ASSETS		
Current		
Cash	\$ 135,255	\$ 336,678
Receivables and prepayments	<u>97,319</u>	<u>5,487</u>
	232,574	342,165
Loan receivable (Note 4)	<u>131,041</u>	<u>129,151</u>
	<u>\$ 363,615</u>	<u>\$ 471,316</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	<u>\$ 65,469</u>	<u>\$ 28,903</u>
Shareholders' equity		
Share capital (Note 6)	8,019,262	8,019,262
Reserves (Note 6)	149,144	166,633
Deficit	<u>(7,870,260)</u>	<u>(7,743,482)</u>
	<u>298,146</u>	<u>442,413</u>
	<u>\$ 363,615</u>	<u>\$ 471,316</u>

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on November 2, 2012.

<u>"Carson Seabolt"</u>	Director	<u>"Bradley Scharfe"</u>	Director
Carson Seabolt		Bradley Scharfe	

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

SECOVA METALS CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(Unaudited)

(Expressed in Canadian Dollars)

THREE MONTHS ENDED SEPTEMBER 30

	30, 2012	30, 2012
EXPENSES		
Consulting	\$ 22,500	\$ -
Filing fees and transfer agent	8,746	2,843
Interest revenue	(1,890)	-
Investor relations	450	2,700
Office and sundry	18,538	18,050
Professional fees	42,152	22,851
Property investigation costs	30,000	12,694
Travel	<u>23,771</u>	<u>3,210</u>
Loss and comprehensive loss for the period	\$ (144,267)	\$ (62,348)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	35,722,631	35,722,631

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

SECOVA METALS CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)
(Expressed in Canadian Dollars)
THREE MONTHS ENDED SEPTEMBER 30

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (144,267)	\$ (62,348)
Items not affecting cash:		
Accrued interest	(1,890)	-
Non-cash working capital item changes:		
Receivables and prepayments	(91,832)	(1,256)
Accounts payables and accrued liabilities	<u>36,566</u>	<u>(5,054)</u>
Net cash used in operating activities	<u>(201,423)</u>	<u>(68,658)</u>
Change in cash for the period	(201,423)	(68,658)
Cash, beginning of period	<u>336,678</u>	<u>757,616</u>
Cash, end of period	<u>\$ 135,255</u>	<u>\$ 688,958</u>

There were no non-cash transactions for the three month period ended September 30, 2012 and 2011.

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

SECOVA METALS CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
(Unaudited)
(Expressed in Canadian Dollars)

	<u>Share Capital</u>		<u>Reserves</u>	<u>Deficit</u>	<u>Total</u>
	<u>Number</u>	<u>Amount</u>			
Balance as at July 1, 2011	35,722,631	\$ 8,019,262	\$ 171,832	\$ (6,888,637)	\$ 1,302,457
Expiry of options	-	-	(22,688)	22,688	-
Loss for the period	-	-	-	(62,348)	(62,348)
Balance as at September 30, 2011	35,722,631	8,019,262	149,144	(6,928,297)	1,240,109
Share-based payments	-	-	17,489	-	17,489
Loss for the period	-	-	-	(815,185)	(815,185)
Balance as at June 30, 2012	35,722,631	8,019,262	166,633	(7,743,482)	442,413
Expiry of options	-	-	(17,489)	17,489	-
Loss for the period	-	-	-	(144,267)	(144,267)
Balance as at September 30, 2012	35,722,631	\$ 8,019,262	\$ 149,144	\$ (7,870,260)	\$ 298,146

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

SECOVA METALS CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

1. NATURE AND CONTINUANCE OF OPERATIONS

Secova Metals Corp. (the “Company”) is an exploration stage company incorporated under the Canada Business Corporations Act.

The Company’s head office, registered and records office is 700 – 510 West Hastings Street, Vancouver, British Columbia, Canada, V6B 1L8.

The Company is in the process of acquiring and exploring its resource properties in Canada and throughout the world and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for resource properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern.

The condensed consolidated interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company’s ability to receive financial support, necessary financings, or generate profitable operations in the future.

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements, including comparatives have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board (“IASB”) and Interpretation issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

Use of Estimates

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to:

The determination of deferred income tax assets and liabilities is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence, and any new legislation may result in an increase or decrease in our provision for income taxes.

SECOVA METALS CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

2. BASIS OF PREPARATION (cont'd...)**Use of Estimates (cont'd...)**

The Company's estimate of Loan receivable represents management's best estimate of the amounts expected stock price volatility. Because the company's stock options have characteristics significantly different from those of traded options and because of the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

3. SIGNIFICANT ACCOUNTING POLICIES**Basis of consolidation**

These condensed consolidated interim financial statements include the financial statements of the Company and the entity controlled by the Company (Note 7). Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiary are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

New standards not yet adopted

The following new standards, amendments to standards and interpretations have been issued but are not effective during the period ended September 30, 2012:

- IFRS 9 New financial instruments standard that replaces IAS 39 for classification and measurement of financial assets⁽ⁱⁱ⁾
- IFRS 10 New standard to establish principles for the presentation and preparation of consolidated financial statements when an entity controls multiple entities⁽ⁱ⁾
- IFRS 11 New standard to account for the rights and obligations in accordance with a joint agreement⁽ⁱ⁾
- IFRS 12 New standard for the disclosure of interests in other entities not within the scope of IFRS 9/IAS 39⁽ⁱ⁾
- IFRS 13 New standard on the measurement and disclosure of fair value⁽ⁱ⁾
- IAS 28 (Amendment) New standard issued that supersedes IAS 28 (2003) to prescribe the accounting for investments in associates and joint ventures⁽ⁱ⁾

(i) Effective for annual periods beginning on or after January 1, 2013

(ii) Effective for annual periods beginning on or after January 1, 2015

The Company anticipates that the application of these standards, amendments and interpretations will not have a material impact on the results and financial position of the Company.

SECOVA METALS CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

4. LOAN RECEIVABLE

During the year ended June 30, 2012, the Company entered into a loan agreement with Taman, whereby the Company advanced \$200,000 to Taman for general working capital. The Company intended to acquire all of the outstanding shares of Taman; however, subsequently the Company decided not to pursue the transaction.

The loan matures January 13, 2014, is secured by the assets of Taman and bears interest at a rate of 6% per annum. Taman repaid \$75,000 during the year ended June 30, 2012 and the Company accrued \$6,041 in interest as of September 30, 2012.

5. EXPLORATION AND EVALUATION ASSETS**Otish Mountain Basin, Quebec**

During the year ended June 30, 2007, the Company acquired a 100% interest in the Otish Mountain mineral claims located in Quebec in consideration for \$40,000 and 225,000 common shares valued at \$145,000. During the year ended June 30, 2012, the Company, due to a delay in development, wrote-off the balance of \$553,517 to the statement of operations.

6. SHARE CAPITAL AND RESERVES**Authorized share capital**

As at September 30, 2012, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares are fully paid.

Escrowed shares

As at September 30, 2012, the Company has no common shares subject to an escrow agreement.

Stock options

Stock option transactions are summarized as follows:

	Number	Weighted Average Exercise Price
Outstanding, June 30, 2011	3,570,000	\$ 0.12
Granted	300,000	0.10
Expired/cancelled	<u>(300,000)</u>	0.15
Outstanding, June 30, 2012	3,570,000	0.12
Expired/cancelled	<u>(300,000)</u>	0.10
Outstanding and exercisable, September 30, 2012	<u>3,270,000</u>	\$ 0.12

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FOR THE PERIOD ENDED SEPTEMBER 30, 2012

6. SHARE CAPITAL AND RESERVES (cont'd...)**Stock options outstanding**

The following incentive stock options were outstanding at September 30, 2012:

Number of Shares	Exercise Price	Expiry Date
1,100,000	\$ 0.10	May 25, 2014
1,420,000	0.15	July 7, 2014
<u>750,000</u>	0.10	June 7, 2016
<u>3,270,000</u>		

Share-based payments

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 5 years with vesting determined by the board of directors.

The Company did not grant any stock options for the three month period ended September 30, 2012 and 2011.

7. RELATED PARTY TRANSACTIONS

These condensed consolidated interim financial statements include the financial statements of the Company and its 100% owned subsidiary Secova Metals (Arizona) Corp.

Key management personnel comprise of the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and the Directors of the Company. The remuneration of the key management personnel is as follows:

- Professional fees of \$13,540 (2011 - \$7,500) to a Company controlled by an officer of the Company and \$7,500 (2011 - \$7,500) to an officer of the Company.
- Consulting fees of \$22,500 (2011 - \$Nil) to an officer of the Company.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

As at September 30, 2012, included in accounts payable is \$28,156 (June 30, 2012 – \$5,127) due to related parties.

8. SEGMENTED INFORMATION

The Company's one reportable operating segment is the acquisition, exploration and development of mineral properties in Canada.