SECOVA METALS

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED MARCH 31, 2013

Introduction

This management's discussion and analysis (MD&A) of Secova Metals Corp. is the responsibility of management and covers the period ended March 31, 2013. The MD&A takes into account information available up to and including May 27, 2013 and should be read together with the condensed consolidated interim financial statements and accompanying notes for the period ended March 31, 2013 and the audited consolidated financial statements and accompanying notes for the year ended June 30, 2012 which are available on the Sedar website at www.sedar.com.

Throughout this document the terms *we, us, our, the Company* and *Secova* refer to Secova Metals Corp. All financial information in this document is prepared in accordance with International Financial Reporting Standards ("IFRS") and presented in Canadian dollars unless otherwise indicated.

Additional information related to the Company is available for view on SEDAR at www.sedar.com and on the Company's website at www.secovametals.ca.

Forward-Looking Statements

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Forward-looking information includes disclosure regarding possible or anticipated events, conditions or results of operations which are based on assumptions about future economic conditions and courses of action, and includes future oriented financial information with respect to prospective results of operations or financial position or cash flow that is presented either as a forecast or a projection. Forward-looking information is often, but not always, identified by the use of words such as seek, anticipate, believe, plan, estimate, expect and intend; statements that an event or result is due on or may, will, should, could, or might occur or be achieved; and other similar expressions.

Reserves and Resources

National Instrument 43-101 ("43-101") of the Canadian Securities Administrators – Standards of Disclosure for Mineral Projects – requires that each category of mineral reserves and mineral resources be reported separately. Readers should refer to Secova's continuous disclosure documents available at www.sedar.com for this detailed information, which is subject to the qualifications and notes therein set forth.

Description of Business

The Company is a natural resource company engaged in the acquisition and exploration of resource properties. The Company is actively searching for new projects.

The Company trades on the TSX Venture exchange under the Symbol SEK.

Performance Summary

During the nine month period ended March 31, 2013, the Company completed a consolidation of the Company's issued share capital on the basis of 10 pre-consolidated common shares for 1 post-consolidated common share. The number of issued and outstanding shares has been retrospectively restated for all periods presented unless otherwise stated.

Exploration Summary

Otish Mountain, QC Canada

The Company holds numerous claim blocks in and around the central Quebec Otish Sedimentary Basin, on which it completed airborne geophysical surveys (radiometrics & magnetometer). Due to a delay in development, the Company decided not to move forward with an exploration program related to Otish Mountain and wrote-off the costs of the project during the year ended June 30, 2012.

Results of Operations

The Company incurred a loss of $55,726 for the three month period ended March 31, 2013 (2012 - $95,552). The overall decrease in expenditures is due to a decrease in general activity due as the Company continues to investigate potential acquisitions. Activity is also lower due to a slow-down in general market conditions for exploration Companies.

Summary of Quarterly Results

	Three Months Ended			
	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
Total assets	$ 419,255	$ 286,550	$ 363,615	$ 471,316
Exploration and evaluation assets	-	-	-	-
Working capital	232,762	67,587	167,105	313,262
Shareholder's equity	367,543	200,519	298,146	442,413
Interest revenue	1,849	1,890	1,890	3,214
Net loss	55,726	97,627	144,267	1,157,458
(Loss) per share	(0.02)	(0.03)	(0.04)	(0.32)

	Three Months Ended			
	March 31, 2012	December 31, 2011	September 30, 2011	June 30, 2011
Total assets	$ 1,058,098	$ 1,197,965	$ 1,270,520	$ 1,337,922
Exploration and evaluation assets	553,517	553,517	575,447	575,447
Working capital	486,504	564,567	664,662	727,010
Shareholder's equity	1,040,021	1,118,084	1,240,109	1,302,457
Interest revenue	937	-	-	-
Net loss	95,552	122,025	62,348	106,478
(Loss) per share	(0.03)	(0.03)	(0.02)	(0.03)

Summary of Quarterly Results:

Over the preceding year and for the quarter ended March 31, 2013, the Company continued to investigate and evaluate potential property acquisitions.

During the three month period ended June 30, 2012, the Company wrote off the Otish Mountain property resulting in a significant increase in loss and decrease to exploration and evaluation assets, total assets, and shareholder equity.

During the three month period ending December 31, 2011, the Company received government rebate on its Otish Mountain Basis property of $21,930 resulting in a decrease to Exploration and evaluation assets.

Liquidity and Capital Resources

Secova's exploration and evaluation asset activities do not provide a source of income and the Company therefore has a history of losses and an accumulated deficit. However, given the nature of our business, the results of operations as reflected in the net losses and losses per share do not provide meaningful interpretation of our valuation.

The Company has financed its operations to date primarily through the issuance of common shares. The Company will continue to seek capital through the issuance of common shares.

Operating activities: The Company does not generate any revenues and generally does not receive any cash from operating activities. Net cash used in operating activities during the period ended March 31, 2013 increased by $148,272 to $437,257, compared to $288,985 during the previous period ended March 31, 2012. The increase in cash used during the period was due to an increase in receivables.

Investing activities: The Company did not engage in any investing activities in the period ended March 31, 2013. During the comparative period ending March 31, 2012, the Company loaned $200,000 to Taman Petroleum Corporation "Taman" and recovered exploration and evaluation expenditure of $21,930

Financing activities: The Company completed and a non-brokered private placement subsequent to period end and received subscriptions in advance of $222,750 during the period ended March 31, 2013.

The condensed consolidated interim financial statements do not reflect adjustments, which could be material, to the carrying value of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

Contractual Obligations

Except as described herein or in the Company's financial statements at March 31, 2013, the Company had no material financial commitments.

Off Statement of Financial Position Arrangements

At March 31, 2013, the Company had no material off statement of financial position arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Capital Resources

The Company will continue to seek capital through public markets by issuing common shares pursuant to private placements. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

Outstanding Share Data

As at the date of the report the Company had 3,572,256 common shares issued and outstanding.

The following incentive stock options were outstanding at the date of this report:

	Number of Shares	Exercise Price	Expiry Date
Options	110,000	$ 1.00	May 25, 2014
	142,000	1.50	July 7, 2014
	75,000	1.00	June 7, 2016
	327,000		

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:

a) Professional fees of $52,012 (2012 - $25,500) to two companies controlled by two officers of the Company, and $7,500 (2012 - $22,500) to a former officer of the Company.

b) Consulting fees of $67,500 (2012 - $Nil) to an officer of the Company.

The Company operates from the premises of a group of public and private companies with common directors. One private company controlled by a director and officer of the Company provides office and administrative services to the Company and various other public companies. Included in receivables is $157,834 (2012 - $Nil) due from the private Company. During the period ended March 31, 2013, the Company paid or accrued $33,094 (2012 - $14,010) for office and sundry and $5,362 (2012 - $819) for professional fees.

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 March 31, 2013, included in accounts payable is $39,337 (June 30, 2012 – $5,127) due to related parties.

Proposed Transactions

The Company has no planned or proposed transactions as of the date of this report.

Financial Risk Factors

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash, receivables and loan receivable. The Company's cash is held at large Canadian financial institution in interest bearing accounts for which management believes the risk of loss to be minimal. Receivables mainly consist of HST receivable due from the government of Canada and a Loan receivable from Taman. Management believes that the credit risk concentration with respect to receivables and loan receivable is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through its capital management as outlined below. Accounts payable relating to mineral properties and other accounts payable and accrued liabilities are due within one year.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices.

a) Interest rate risk

   Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

b) Price risk

   The Company is exposed to price risk with respect to commodity prices, particularly gold, copper and oil and gas. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

c) Foreign currency risk

   The Company's foreign exchange risk arises from transactions denominated in other currencies, primarily through the Company's subsidiary located in the USA. Through this, the Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities that are denominated in US Dollars. The Company does not use derivative instruments to reduce its exposure to foreign currency risk nor has it entered into foreign exchange contracts to hedge against gains or losses from foreign exchange fluctuations.

Risk Factors

Companies in the exploration stage face a variety of risks and, while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible. The Company faces a variety of risk factors such as project feasibility and practically, risks related to determining the validity of mineral property title claims, commodities prices and environmental laws and regulations. Management monitors its activities and those factors that could impact them in order to manage risk and make timely decisions.

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 March 31, 2013:

- IFRS 9 — New financial instruments standard that replaces IAS 39 for classification and measurement of financial assets(iii)
- 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)
- IAS 32 (Amendment) — New standard amends IAS 32 to provide clarifications on the application of the offsetting rules (ii)

(i) Effective for annual periods beginning on or after January 1, 2013
(ii) Effective for annual periods beginning on or after January 1, 2014
(iii) 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.

Critical Accounting Policies and Estimates

The Company's accounting policies are described in Notes 2 and 3 of its condensed consolidated interim financial statements for the period ended March 31, 2013. Management considers the following policies to be the most critical in understanding the judgments that are involved in the preparation of our consolidated financial statements and the uncertainties that could impact its results of operations, financial condition and cash flows:

Use of Estimates

The preparation of these consolidated financial statements 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 expenses during the year. 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 carrying value and recoverability of mineral properties requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resources prices and the long-term forecasts, and the overall economic viability of the project.

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.

The Company's estimate of Loan receivable represents management's best estimate of the amounts expected to be recovered from Taman Petroleum Corporation.

Share-based payments is subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

Exploration and evaluation assets

Pre-exploration costs are expensed as incurred. Costs related to the acquisition and exploration of mineral properties are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable over the estimated economic life of the property, or the property is abandoned, or management deems there to be an impairment in value, the property is written down to its net realizable value.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the mineral property. If payments received exceed the capitalized cost of the mineral property, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

If and when the stock options are exercised, the applicable amounts of contributed surplus are transferred to share capital. When vested options are forfeited or not exercised at the expiry date the amount previously recognized in share-based payments is revised from share-based payment reserve to deficit. Amounts recorded for forfeited or expired unexercised warrants are transferred to share capital.

Subsequent Event

On April 23, 2013, the Company completed a non-brokered private placement for gross proceeds of $398,000 by issuing 7,960,000 common shares at a price of $0.05 per common share. As at March 31, 2013, the Company had recognized subscriptions received in advance of $222,750.

Additional Information

For further information about the Company, please visit the website of the SEDAR at www.sedar.com.