SECOVA | METALS

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

Introduction

This management's discussion and analysis (MD&A) of Secova Metals Corp. is the responsibility of management and covers the year ended June 30, 2014. The MD&A takes into account information available up to and including October 24, 2014 and should be read together with the consolidated audited financial statements and accompanying notes for the year ended June 30, 2014 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 .

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 year ended June 30, 2014, the Company completed a share exchange with Global Resources Investment Trust PLC (GRIT), whereby the Company issued 3,000,000 common shares at a fair value of $0.05 per share to GRIT, in exchange for 82,987 ordinary shares of GRIT, at a fair value of £1.00 per GRIT share.

During the year ended June 30, 2014, the Company completed a non-brokered private placement for 950,000 units at a price of $0.05 per unit for gross proceeds of $47,500. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at a price of $0.10 for two years.

Exploration Summary

The Company wrote-off all exploration costs during the year ended June 30, 2012 and is actively searching for new projects.

Selected Annual Information

The financial information as at and for the years ended June 30, 2014, June 30, 2013 and June 30, 2012 have been prepared in accordance with IFRS.

	June 30, 2014	June 30, 2013	June 30, 2012
Total income	$ -	$ -	$ -
Comprehensive loss for the year	337,677	493,890	877,533
Basic and diluted loss per share	0.02	0.10	0.25
Total assets	347,963	373,691	471,316
Working capital (deficiency)	(94,248)	20,055	313,262

Results of Operations

The Company incurred a comprehensive loss of $337,677 for the year ended June 30, 2014 (2013 - $493,890). The decrease in comprehensive loss related to a decrease in expenditures and an overall decrease in activity. The Company continues to evaluate potential property acquisitions.

Summary of Quarterly Results

	June 30, 2014	March 31, 2014	December 31, 2013	September 30, 2013
Total assets	$ 347,963	$ 391,746	$ 302,539	$ 316,610
Working capital (deficiency)	(94,248)	14,604	(36,914)	(16,073)
Shareholder's equity (deficit)	(148,503)	259,494	210,562	280,516
Interest revenue	-	-	-	-
Comprehensive loss	98,478	113,581	69,954	55,664
Loss per share	0.00	0.01	0.00	0.01

	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012
Total assets	$ 373,691	$ 419,255	$ 286,550	$ 363,615
Working capital	20,055	232,762	67,587	167,105
Shareholder's equity	288,680	367,543	200,519	298,146
Interest revenue	1,870	1,849	1,890	1,890
Net loss	196,270	55,726	97,627	144,267
Loss per share	0.04	0.02	0.03	0.04

There were no significant transactions during the quarter ended June 30, 2014.

During the three month period ended June 30, 2013 the Company wrote-off the the remaining principal of the Taman Petroleum Corporation receivable, totalling $125,000 and accrued interest of $11,651 due to the unlikelihood of collection and recognized a loss of $136,651 on the statement of operations and comprehensive loss. The Company also completed a non-brokered private placement for 7,960,000 common shares at a price of $0.05 per share for gross proceeds of $398,000. In connection with the offering, the Company issued 163,200 common shares at a price of $0.05 for finder's fees totalling $8,160. There were no other significant transactions during the quarter ended June 30, 2013.

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 year ended June 30, 2014 decreased to $146,068 compared to $329,421 during the previous period ended June 30, 2013.

Investing activities: Net cash provided in investing activities during the year ended June 30, 2014 increased to $5,206, compared to $268,625 cash used during the previous period ended June 30, 2013. The Company sold marketable securities for proceeds of $30,714, offset by $25,508 used as an advance to a private company, controlled by a director and officer of the Company, which provides administrative services to the Company and various other public companies.

Financing activities: During the year ended June 30, 2014, the Company completed a non-brokered private placement for 950,000 units at a price of $0.05 per unit for gross proceeds of $47,500. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at a price of $0.10 for two years. During the year ended June 30, 2013, the Company completed a non-brokered private placement for 7,960,000 common shares at a price of $0.05 per share for gross proceeds of $398,000, of which $361,250 was received, offset by $2,989 in share issuance costs.

The consolidated 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 consolidated financial statements as at June 30, 2014, the Company had no material financial commitments.

Off Statement of Financial Position Arrangements

At June 30, 2014, 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 15,645,456 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
35,000	$ 1.00	June 7, 2016

The following share purchase warrants were outstanding at the date of this report

Number of Shares	Exercise Price	Expiry Date
950,000	$ 0.10	July 24, 2015

Related Party Transactions

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

a) Professional fees of $53,496 (2013 - $71,290) to two companies controlled by two officers of the Company and $Nil (2013 - $7,500) to a former officer of the Company.

b) Consulting fees of $22,500 (2013 - $90,000) to an officer and a director of the Company.

c) Consulting fees of $82,100 (2013 - $Nil) to two companies controlled by a director and an officer of the Company.

d) Consulting fees of $2,000 (2013 - $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. The Company holds a Grid Promissory Note (the "Note") with the private company, with total advances not exceeding $450,000. The Note is open for repayment in full or in part by the private company at any time on or before July 3, 2015. During the year ended June 30, 2014, the Company accepted marketable securities with a fair value of $51,382 towards repayment of the Note. As at June 30, 2014, the balance of the Note included in receivables and advances is $242,751 (2013 - $268,625). Subsequent to June 30, 2014, the Company received $139,500 in repayments from the private company.

During the year ended June 30, 2014, the Company paid or accrued $12,812 (2013 - $40,610) for office and sundry and $863 (2013 - $6,440) for professional fees to the private Company.

As at June 30, 2014, included in accounts payable is $123,388 (2013 - $55,517) due to related parties and included in subscriptions receivable is $36,750 (2013 - $36,750) due from a related party.

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

As at June 30, 2014, the Company had a cash balance of $3,531 (2013 - $96,893) to settle current liabilities of $199,460 (2013 - $85,011). While the Company has been successful in obtaining its required funding in the past there is no assurance that this financing will be extended or that any additional future financing will be available. The Company continues to investigate financing options, including private placements and recovering the advance. Subsequent to June 30, 2014, the Company received $139,500 from the repayment of advances to related party.

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 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, interpretations and amendments adopted

The accounting policies applied in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended June 30, 2013, except for the adoption of new standards and interpretations effective as of July 1, 2013.

The nature and the impact of each new standard are described below:

IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the parts of previously existing IAS 27 Consolidated and Separate Financial Statements that dealt with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns. IFRS 10 had no impact on the Company.

IFRS 11 Joint Arrangements

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venture's. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method. As the Company does not have any partnerships in JCEs, the adoption of this standard had no impact on the annual consolidated financial statements of the Company.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. None of these disclosure requirements are applicable for annual consolidated financial statements, unless significant events and transactions in the interim period require that they are provided. The Company has not had any changes in its corporate structure or investments during the period; accordingly, the Company has not made such disclosures.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Company.

IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Instruments: Disclosures. The Company provides these disclosures in Note 7 of the annual consolidated financial statements.

New standards not yet adopted

The following new standards, amendments to standards and interpretations have been issued but are not effective during the year ended June 30, 2014:

- IFRS 10, IFRS 12, IAS 27 (Amendments) — IFRS 10 is amended to define an "investment entity" and introduce an exception from consolidation for investment entities. IFRS 12 and IAS 27 are amended to introduce disclosures required for investment entities. (i)
- IAS 32 (Amendment) — Amendment to provide clarifications on the application of the offsetting rules (i)
- IAS 36 (Amendment) — Amendment to address disclosures required regarding the recoverable amount of impaired assets or cash generating units for periods in which an impairment loss has been recognized or reversed. (i)
- IFRS 7 (Amendment) — Amendment to require additional financial instrument disclosures on transition from IAS 39 to IFRS 9. (ii)
- IFRS 9 — New financial instruments standard that replaces IAS 39 for classification and measurement of financial assets(iii)

(i) Effective for annual periods beginning on or after January 1, 2014
(ii) Effective for annual periods beginning on or after January 1, 2015
(iii) Effective for annual periods beginning on or after January 1, 2018

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 consolidated financial statements for the year ended June 30, 2014. 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 and significant judgments

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 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.

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.

The most significant judgments relate to the recoverability of the advance, the functional currency of the Company and its subsidiaries, recognition of deferred tax assets and liabilities and the determination of the economic viability of a project.

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 Events

On September 29, 2014, the Company entered into an option agreement to acquire a 100% in a group of claims known as the Molybdenite Creek property located in the Lillooet Mining Division of British Columbia for total cash payments of $20,000 and the issuance of 300,000 common shares of the Company. Commencing 36 months from the date of the agreement, the Company must pay an additional $25,000 per year for an indefinite period of time. The optionor retains a 2.5% Net Smelter Returns ("NSR") royalty. The Company may purchase 50% of the NSR for consideration of $1,250,000 for a period of 1 year after the commencement of commercial production.

There were no other material events subsequent to June 30, 2014.

Additional Information

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