SECOVA METALS CORP.

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

FOR THE PERIOD ENDED DECEMBER 31, 2017

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 condensed consolidated interim 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 condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada 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	December 31, 2017	June 30, 2017
ASSETS		
Current		
Cash	$ 88,776	$ 812,770
Receivables	109,551	77,760
Prepaid expenses	158,026	182,039
	356,353	1,072,569
Exploration and evaluation assets (Note 5)	5,000,631	4,008,105
	$ 5,356,984	$ 5,080,674
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities	$ 267,922	$ 346,403
Loan Payable	50,000	-
Flow-through premium liability (Note 5)	43,118	-
	361,040	346,403
Shareholders' equity (deficiency)		
Share capital (Note 5)	16,821,294	15,904,012
Commitment to issue finder's units (Note 5)	-	104,500
Subscriptions receivable (Note 5)	141,700	(134,000)
Reserves (Note 5)	263,844	266,227
Deficit	(11,404,284)	(11,406,468)
	4,995,944	4,734,271
	$ 5,356,984	$ 5,080,674

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on March 1, 2018.

"P. Bradley Kitchen"	*"Don Fuller"*
P. Bradley Kitchen	Don Fuller

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)

For the	Three months ended December 31, 2017	Three months ended December 31, 2016	Six months ended December 31, 2017	Six months ended December 31, 2016
EXPENSES				
Consulting	$ 147,010	$ 119,532	$ 329,465	$ 230,122
Filing fees and transfer agent	5,832	9,637	8,680	12,931
Investor relations	25,445	1,670	50,662	40,495
Rent expense	19,108	-	38,612	-
Meals & Entertainment	5,102	-	58,979	4,237
Office and sundry	13,933	937	23,217	13,698
Professional fees	43,244	18,803	55,744	30,766
Share-based payments	-	-	-	71,699
Travel	17,697	726	18,241	4,560
	(277,371)	(151,305)	(583,601)	(408,508)
OTHER				
Write-off of accounts payable	(1,417)	-	2,044	-
Amortization of flow-through premium liability (Note 5)	38,347	6,837	38,347	33,975
Loss and comprehensive loss for the period	$ (240,441)	$ (144,468)	$ (543,210)	$ (374,533)
Basic and diluted loss per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)
Weighted average number of common shares outstanding	172,938,610	60,450,285	172,938,610	56,363,046

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)

FOR THE SIX MONTHS ENDED DECEMBER 31	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (543,210)	$ (374,533)
Items not affecting cash:		
Amortization of flow-through premium liability	(38,347)	(33,975)
Share-based payments	-	71,699
Gain of settlement of account payable	(2,044)	-
Non-cash working capital item changes:		
Receivables	(33,209)	12,489
Prepaid expenses and advances	34,013	35,599
Accounts payables and accrued liabilities	55,924	(43,675)
Net cash used in operating activities	(526,873)	(332,396)
CASH FLOWS FROM INVESTING ACTIVITIES		
Mineral properties	(1,133,470)	(172,580)
Net cash used in investing activities	(1,133,470)	(172,580)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issuances	927,614	1,468,535
Proceeds from options exercise	25,000	35,000
Proceeds from short term loans	50,000	-
Repayment of loans	-	(31,500)
Subscriptions receivable	30,800	(434,750)
Share issuance costs	(97,065)	(38,918)
Net cash provided by financing activities	936,349	998,367
Change in cash for the period	(723,994)	493,391
Cash, beginning of period	812,770	11,465
Cash, end of period	$ 88,776	$ 504,856

Supplemental Cash flow information:

Expiry of stock options	$ 8,984	$ 45,335
Expiry of warrants	2,184	11,822
Broker warrants issued as share issuance costs	8,786	13,377
Shares issued for mineral property	-	270,000
Share issuance costs recorded through accounts payable and accrued liabilities	-	18,104
Flow-through premium liability	43,118	32,794
Mineral property expenditures included in accounts payable and accrued liabilities	129	182,564

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 (DEFICIENCY) (Unaudited)
(Expressed in Canadian Dollars)

	Share Capital							
	Number	**Amount**	**Commitment to issue shares**	**Subscriptions Receivable**	**Subscriptions Received in Advance**	**Reserves**	**Deficit**	**Total**
Balance as at June 30, 2016	46,789,456	$ 10,008,442	$ -	$ (60,000)	$ 43,500	$ 172,687	$ (9,954,935)	$ 209,694
Private placement	5,416,000	270,800	-	(114,000)	-	-	-	156,800
Private placement – flow-through	14,073,818	736,485	-	(320,750)	(43,500)	-	-	372,235
Flow-through premium liability	-	(32,794)	-	-	-	-	-	(32,794)
Shares issued for mineral property (Note 4)	6,500,000	270,000	-	-	-	-	-	270,000
Shares issued for options exercise	900,000	45,000	-	(10,000)	-	-	-	35,000
Share issuance costs – cash	-	(38,918)	-	-	-	-	-	(38,918)
Share issuance costs – warrants	-	(13,377)	-	-	-	13,377	-	-
Share-based payments	-	-	-	-	-	71,699	-	71,699
Expiry of options	-	-	-	-	-	(45,335)	45,335	-
Expiry of warrants	-	-	-	-	-	(11,822)	11,822	-
Comprehensive loss for the period	-	-	-	-	-	-	(374,533)	(374,533)
Balance as at December 31, 2016	73,679,274	$ 11,245,638	$ -	$ (504,750)	$ -	$ 200,606	$ (10,272,311)	$ 669,183
					-	-	-	
Private placement	51,343,900	2,567,195	-	(5,000)	-	-	-	2,562,195
Private placement – flow-through	-	-	-	320,750	-	-	-	320,750
Shares issued for debt	3,340,000	167,000	-	-	-	-	-	167,000
Shares issued for mineral property (Note 4)	30,000,000	2,040,000	-	-	-	-	-	2,040,000
Shares issued for warrants exercise	471,705	24,508	-	-	-	-	-	24,508
Shares issued for options exercise	2,250,000	195,506	-	10,000	-	(83,006)	-	122,500
Share issuance costs – shares	-	(104,500)	104,500	-	-	-	-	-
Share issuance costs – cash	-	(42,906)	-	-	-	-	-	(42,906)
Share issuance costs – warrants	-	(188,429)	-	-	-	188,429	-	-
Subscriptions received	-	-	-	45,000	-	-	-	45,000
Share-based payments	-	-	-	-	-	(11,686)	-	(11,686)
Expiry of options	-	-	-	-	-	(34,422)	34,422	-
Expiry of warrants	-	-	-	-	-	6,306	(6,306)	-
Comprehensive loss for the period	-	-	-	-	-	-	(1,162,273)	(1,162,273)
Balance as at June 30, 2017	161,084,879	$ 15,904,012	$ 104,500	$ (134,000)	$ -	$ 266,227	$ (11,406,468)	$ 4,734,271
Private placement	1,400,000	70,000	-	-	-	-	-	70,000
Private placement – flow-through	16,292,981	896,114	-	(38,500)	-	-	-	857,614
Commitment to issue shares	2,090,000	104,500	(104,500)	-	-	-	-	-
Flow-through premium liability	-	(81,466)	-	-	-	-	-	(81,466)
Shares issued for options exercise	500,000	33,984	-	-	-	(8,984)	-	25,000
Share issuance costs – shares	707,719	35,386	-	-	-	-	-	35,386
Share issuance costs – shares	-	(35,386)	-	-	-	-	¤ -	(35,386)
Share issuance costs – cash	-	(97,064)	-	-	-	-	-	(97,064)
Share issuance costs – warrants	-	(8,786)	-	-	-	8,786	-	-
Subscriptions received	-	-	-	30,800	-	-	-	30,800
Expiry of finder’s warrants	-	-	-	-	-	(2,185)	2,185	-
Comprehensive loss for the period	-	-	-	-	-	-	(543,210)	(543,210)
Balance as at December 31, 2017	182,075,579	$ 16,821,294	$ -	$ (141,700)	$ -	$ 263,844	$ (11,947,494)	$ 4,995,945

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

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 and registered office is 488-1090 West Georgia Street, Vancouver, British Columbia, Canada, V6E 3V7. The Company's records office is Royal Centre, 1500 - 1055 West Georgia Street, Vancouver, British Columbia, Canada.

The Company is in the process of acquiring and evaluating potential exploration projects in Canada and throughout the world. The recoverability of amounts for mineral resource properties and related deferred exploration costs are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral 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. These material uncertainties may cast significant doubt about the ability of the Company to continue 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

Statement of Compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended June 30, 2017.

Basis of Presentation

These condensed consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's June 30, 2017 audited annual financial statements.

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 and judgement 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:

2. BASIS OF PREPARATION (cont'd…)

Use of Estimates (cont'd…)

The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the good or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

The determination of deferred 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 are 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.

3. SIGNIFICANT ACCOUNTING POLICIES

The following new standards, amendments to standards and interpretations have been issued but are not effective for the six month period ended December 31, 2017:

IFRS 9 Financial Instruments

IFRS 9, Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual years beginning on or after January 1, 2018. The Company is currently evaluating the impact of adopting these amendments on its financial statements.

IFRS 16, Leases

IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. The standard is effective for annual years beginning on or after January 1, 2019. The Company is currently evaluating the impact of adopting this standard on its financial statements.

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation asset expenditures are detailed in the following table:

	Cobalt Bay	**Duvay/ Cherier Property**	**Eagle River**	**Total**
Balance, June 30, 2016	$ -	$ 795,526	$ -	$ 795,526
Acquisition costs				
Cash Payments	52,500	185,000	40,000	277,500
Shares issued (Note 5)	570,000	50,000	1,690,000	2,310,000
	622,500	235,000	1,730,000	2,587,500
Exploration and evaluation expenditures				
Travel	-	15,799	-	15,799
Consulting (Note 6)	-	254,588	-	254,588
Drilling	-	194,232	-	194,232
Technical assessment	-	12,501	147,959	160,460
	-	477,120	147,959	625,079
Balance, June 30, 2017	$ 622,500	$ 1,507,646	$1,877,959	$ 4,008,105
Acquisition costs				
Cash Payments	-	30,585	7,110	37,695
	-	30,585	7,110	37,695
Exploration and evaluation expenditures				
Travel	-	40,550	-	40,550
Consulting (Note 6)	-	213,849	50,000	263,849
Drilling	-	514,739	-	514,739
Technical assessment	-	42,066	27,126	69,192
Rent	-	66,500	-	66,500
	-	877,704	77,126	954,830
Balance, December 31, 2017	$ 622,500	$ 2,415,935	$1,962,195	$ 5,000,631

4. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Chenier property, Quebec

During the year ended June 30, 2016, the Company entered into an option agreement with Globex Mining Enterprises Inc. to acquire a 100% interest in 68 claims plus a 75% interest in one additional claim of the Chenier property claims, which are adjacent to the Company's current Duvay property holdings, for consideration of a $136,500 payment in cash (paid) and the issuance of 1,000,000 common shares of the Company (issued, value at $50,000). The Chenier claims also have a 1.8% NSR, which can be purchased at any time for $350,000 and a 1.5% gross metal royalty, for which the Company has the right of first refusal to purchase. During the year ended June 30, 2017, the Company agreed to transfer a 100% interest in this property to Tres-Or Resources Ltd. ("Tres-Or") as consideration for Tres-Or amending the Company's Duvay property option agreement. Subsequent to year end, the Company has acquired the remaining 25% interest in the one additional Chenier claim for $30,585 and transferred its interest in the claims to Tres-Or.

Duvay Property, Quebec

During the year ended June 30, 2015, the Company entered into a term sheet with Tres-Or for the option to acquire a 90% interest in certain claims comprising the Duvay property. During the period ended December 31, 2017, the Company and Tres-Or entered into an amended agreement, pursuant to which the Company can earn a 65% interest in the Duvay and Chenier properties by:

i. making cash payments totalling $300,000 payable as follows:

   a. $150,000 on or before December 31, 2016 (paid); and
   b. $150,000 on or before February 28, 2017 (terms amended – deemed to have been completed based on amended terms).

ii. incurring expenditures on the property totalling of $3,750,000 over a four-year period as follows:

   a. $500,000 by June 30, 2016 (completed);
   b. $750,000 by March 31, 2017 amended to September 30, 2017 (completed);
   c. $1,000,000 by June 30, 2018; and
   d. $1,500,000 by December 30, 2018

The expenditures in section (ii) (a) and (b) represent firm commitments by the Company to Tres-Or.

A further 25% interest can be earned by financing a prefeasibility study and by funding an aggregate of $12,000,000 to bring the property toward production. As consideration for the transfer of Chenier property, Tres-Or acknowledges that the obligation to incur $500,000 of expenditures in ii(a) was satisfied. Further, the Company can now meet its expenditures over the entire property as opposed to just the Duvay claims.

Eagle River property, Quebec

During the year ended June 30, 2017, the Company acquired 1084409 B.C. Ltd. which owns the Eagle River project that consists of 77 claims or 4,354 contiguous hectares in the Windfall Lake gold district, Quebec. The acquisition is an arms–length transaction in which the Company issued 5,000,000 common shares (valued at $200,000) by way of a share exchange agreement. The Company also issued 500,000 common shares (valued at $20,000) as finder's fee.
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4. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Eagle River property, Quebec (cont'd…)

During the year ended June 30, 2017, the Company acquired 1106632 B.C. Ltd. which owns the Windfall Lake project that consists certain claims in the Windfall Lake gold district, Quebec. The acquisition is an arms–length transaction in which the Company issued 5,000,000 common shares (valued at $300,000) by way of a share exchange agreement.

During the year ended June 30, 2017, the Company acquired 1107136 B.C. Ltd. which owns the Windfall Lake project that consists 299 claims, or 16,500.55 hectares. The acquisition is an arms–length transaction in which the Company issued 9,000,000 common shares (valued at $720,000) by way of a share exchange agreement.

During the year ended June 30, 2017, the Company acquired 1106541 B.C. Ltd. which owns the Osisterra Project that consists of 30 claims or 1,694 contiguous hectares. The acquisition is an arms–length transaction in which the Company issued 10,000,000 common shares (valued at $450,000) by way of a share exchange agreement.

Cobalt Bay, Quebec

During the year ended June 30, 2017, the Company acquired 1095252 B.C. Ltd. which owns the Cobalt Bay project that consists of certain claims Windfall Lake gold district, Quebec. The acquisition is an arms–length transaction in which the Company issued 6,000,000 common shares (valued at $570,000) by way of a share exchange agreement.

5. SHARE CAPITAL AND RESERVES

a) Authorized share capital

As at December 31st, 2017, the authorized share capital of the Company is an unlimited number of common shares without par value.

b) Issued share capital

During the period ended December 31, 2017, the Company:

i. Completed a non-brokered private placement and issued 16,292,981 flow-through shares at a price of $0.055 per flow-through share and 1,400,000 common shares at a price of $0.05 per common share for gross proceeds of $966,114. In connection, the Company paid total finder's fees of $77,289, issued 707,719 finder's shares valued at $35,386 and issued 707,719 agent warrants exercisable into one common share at $0.055 per share for a period of one year. The 707,719 agent warrants were assigned a value of $8,786 using the Black-Scholes pricing model with a risk-free interest rate of 1.59%, term of 1 year, volatility of 86,74% and dividend rate of 0%. The Company recorded a flow-through premium liability of $81,465 of which $43,118 remained unamortized as at December 31, 2017.

ii. Issued 500,000 shares as 500,000 options were exercised at the price of $0.05.

During the year ended June 30, 2017, the Company:

i. Issued 1,000,000 common shares valued at $50,000 to Globex Mining Enterprises in relation to the Company's option agreement regarding the Chenier Property (Note 4).

ii. Completed a non-brokered private placement and issued 4,178,818 flow-through shares at a price of $0.055 per flow-through share and 1,800,000 Non Flow-Through Units ("NFT Units") at a price of $0.05 per NFT unit for gross proceeds of $319,835. The NFT units consist of one common share and one half

5. SHARE CAPITAL AND RESERVES (cont'd…)

b) Issued share capital (cont'd…)

of one share purchase warrant. The warrant is exercisable at $0.10 for a period of one year. In connection with the financing, the Company paid total finder's fees of $17,467, paid other issuance costs of $5,365, issued 310,305 agent warrants exercisable into one common share at $0.055 per share for a period of one year, and issued 8,000 agent warrants, exercisable into one common share at $0.05 per share for a period of one year. The 310,305 agent warrants were assigned a value of $8,944 using the Black-Scholes pricing model with a risk-free interest rate of 0.84%, term of 1 year, volatility of 129.97% and dividend rate of 0%. The 8,000 agent warrants were assigned a value of $225 using the Black-Scholes pricing model with a risk-free interest rate of 0.84%, term of 1 year, volatility of 129.97% and dividend rate of 0%. The Company recorded a flow-through premium liability of $20,894 of which $Nil remained unamortized as at June 30, 2017.

iii. Completed a non-brokered private placement and issued 7,515,000 flow-through shares at a price of $0.05 per flow-through share for gross proceeds of $375,750 and 3,216,000 NFT Units at a price of $0.05 per common share for gross proceeds of $160,800. The NFT Units consist of one common share and one share purchase warrant exercisable at $0.05 for one year. In connection with the financing, the Company paid total finder's fees of $4,000, issued 99,384 finders warrants exercisable into one common share at $0.05 per share for a period of one year. The 99,384 finders warrants were assigned a value of $1,484 using the Black-Scholes pricing model with a risk-free interest rate of 0.84%, term of 1 year, volatility of 114.66% and dividend rate of 0%. The company recorded a flow-through premium liability of $Nil.

iv. Closed a non-brokered private placement and issued 2,380,000 flow-through shares at a price of $0.055 per flow-through share and 400,000 NFT units at a price of $0.05 per NFT unit for gross proceeds of $150,900. The NFT units consist of one common share and one half of one share purchase warrant. The warrant is exercisable at $0.05 for a period of one year. In connection with the financing, the Company paid total finder's fees of $12,072, issued 190,400 finders warrants exercisable into one common share at $0.055 per share for a period of one year, and issued 32,000 agent warrants, exercisable into one common share at $0.05 per share for a period of one year. The 190,400 finders warrants were assigned a value of $3,225 using the Black-Scholes pricing model with a risk-free interest rate of 0.84%, term of 1 year, volatility of 113.81% and dividend rate of 0%. The 32,000 agent warrants were assigned a value of $581 using the Black-Scholes pricing model with a risk-free interest rate of 0.84%, term of 1 year, volatility of 113.81% and dividend rate of 0%. The Company recorded a flow-through premium liability of $11,900, of which $Nil remains unamortized as at June 30, 2017.

v. The Company issued 5,000,000 common shares valued at $200,000 to acquire 100% of 1084409 B.C. Ltd. The Company also issued 500,000 common shares (valued at $20,000) as finder's fee (Note 4).

vi. Issued 3,340,000 common shares at a value of $0.05 per share to settle $167,000 of debt owing (Note 6).

vii. The Company issued 5,000,000 common shares valued at $300,000 to acquire 100% of 1106632 B.C. Ltd. (Note 4).

viii. The Company issued 6,000,000 common shares valued at $570,000 and paid $52,500 to acquire 1095252 B.C. Ltd. (Note 4).

ix. The Company issued 9,000,000 common shares valued at $720,000 to acquire 1107136 B.C. Ltd. (Note 4).

x. The Company issued 10,000,000 common shares valued at $450,000 to acquire 1106541 B.C. Ltd. (Note 4).

(Expressed in Canadian Dollars)

5. SHARE CAPITAL AND RESERVES (cont'd…)

b) Issued share capital (cont'd…)

xi. Completed a non-brokered private placement and issued 51,343,900 NFT units at a price of $0.05 per NFT unit for gross proceeds of $2,567,195 of which $119,000 is included in subscriptions receivable at June 30, 2017. The NFT Units consist of one common share and one share purchase warrant, each share purchase warrant is exercisable at $0.08 for two years. In connection with the financing, the Company paid total finder's fees of $42,920, issued 3,497,900 finders warrants exercisable into one common share at $0.05 per share for a period of one year. The 3,497,900 finder's warrants were assigned a value of $187,347 using the Black-Scholes pricing model with a risk-free interest rate of 0.84%, term of 1 year, volatility of 113.16% and dividend rate of 0%. Subsequent to year end, the Company issued 2,090,000 finder's units, comprised of one common share and one share purchase warrant exercisable at $0.05 for one year. At June 30, 2017, the Company recognized commitment to issue finder's units of $104,500 ($0.05 per finder's unit) in relation to this obligation.

c) Stock options

Stock option transactions are summarized as follows:

	Number	Weighted Average Exercise Price
Outstanding, June 30, 2015	1,405,000	$ 0.07
Granted	4,235,000	0.05
Expired/cancelled	(1,605,000)	0.07
Outstanding, June 30, 2016	4,035,000	$ 0.05
Granted	3,340,000	0.05
Exercised	(700,000)	0.05
Expired/cancelled	(1,185,000)	0.05
Outstanding and exercisable, June 30, 2017	2,090,000	0.05
Exercised	(500,000)	0.05
Expired/cancelled	(1,140,000)	0.05
Outstanding, December 31, 2017	450,000	$ 0.05
Exercisable, December 31, 2017	450,000	$ 0.05

(Expressed in Canadian Dollars)

5. SHARE CAPITAL AND RESERVES (cont'd…)

c) Stock options (cont'd…)

The following incentive stock options were outstanding at December 31st, 2017:

Number of Shares	Exercise Price	Expiry Date
450,000	$ 0.05	August 19, 2020
450,000		

d) Warrants

Warrant transactions are summarized as follows:

	Number	Weighted Average Exercise Price
Outstanding, June 30, 2016	5,211,200	0.09
Granted	59,797,889	0.08
Exercised	(471,705)	0.05
Expired	(4,924,000)	0.10
Outstanding, June 30, 2017	59,613,384	$ 0.08
Granted	9,554,210	0.10
Expired	(1,555,584)	0.06
Outstanding, December 31, 2017	67,612,010	$ 0.08

The following share purchase warrants were outstanding at December 31st, 2017:

Number of Shares	Exercise Price	Expiry Date
3,216,000	0.080	December 16, 2018
51,343,900	0.080	February 21, 2019
3,497,900	0.050	February 21, 2018
8,846,491	0.100	September 26, 2018
707,719	0.055	September 26, 2018
67,612,010		

(Expressed in Canadian Dollars)

5. SHARE CAPITAL AND RESERVES (cont'd…)

e) 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.

During the period ended December 31, 2017, the Company granted nil (2016 – 3,340,000) stock options with a weighted average fair value of $nil (2016 - $0.02). The Company recognized share-based payments expense of $nil (2016 - $71,699).

The following weighted average assumptions were used for the Black-Scholes option-pricing model valuation of stock options granted during the period:

	2017	2016
Risk-free interest rate	N/A	0.60%
Expected life of options	N/A	1 years
Expected annualized volatility	N/A	112.91%
Dividend	-	-

6. LOAN PAYABLE

During the period ended December 31, 2017, the company received a unsecured loan of $50,000 from a related party. The loan is non-interest bearing and is repayable upon demand.

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, Corporate Secretary and the Directors of the Company. The remuneration of the key management personnel is as follows:

a) Consulting fees of $105,000 (2016 – $105,498) to a company controlled by the CEO and director of the Company;

b) Consulting fees of $2,500 (2016 - $nil) to a director of the Company;

c) Consulting fees of $70,000 (2016 - $76,498) to a company controlled by the former President and director of the Company;

d) Geological consulting fees of $nil (2016 - 60,000) to a company controlled by a former independent director of the Company.

e) Professional fees of $15,000 (2016 - $15,000) to a company for CFO services.

f) Recorded share-based payments of $nil (2016 - $71,699 for stock options granted and vested to directors and officers of the Company.

6. RELATED PARTY TRANSACTIONS (cont'd…)

The Company operates from the premises of a group of public and private companies with common former directors. One private company controlled by a former director and former officer of the Company provides office and administrative services to the Company and various other public companies. During the period ended December 31, 2017, the Company paid or accrued $2,000 (2016 - $Nil) for office and sundry to the private company.

7. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivables and accounts payable and accrued liabilities approximate their carrying value due to the short-term nature of the instruments. The Company's cash and marketable securities are valued under the fair value hierarchy based on level 1 quoted prices in active markets for identical assets or liabilities.

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 advances. 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 consist of GST receivable from the government of Canada.

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's approach to managing liquidity risk is to try and have sufficient liquidity to meet liabilities when due.

As at December 31, 2017, the Company had a cash balance of $88,776 (June 30, 2017 - $812,770) to settle current liabilities of $361,040 (June 30, 2017 - $346,403). 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.

The Company manages liquidity risk through its capital management as outlined below. Accounts payable and accrued liabilities are due within one year.

7. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd…)

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. 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.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration and development of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of shareholders' equity (deficiency).

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Company did not change the ways it manages its capital during the period ended December 31st, 2017

8. SEGMENTED INFORMATION

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

9. SUBSEQUENT EVENTS

Subsequent to the year end the Company acquired 1151640 B.C. Ltd., a private B.C. Company on February 26, 2018, which sole assets are the Muskrat, Boudrais and Peribonka-Begin Cobalt Projects that consist of 40 claims or approximately 2,186 hectares in eastern Quebec. The acquisition is an arms–length transaction in which the Company will issue 20,500,000 common shares (valued at $410,000) by way of a share exchange agreement and is still subject to final exchange approval.