



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

FOR THE PERIOD ENDED MARCH 30, 2019

**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

	March 30, 2019	June 30, 2018
ASSETS		
Current		
Cash	\$ 15,692	\$ 102,588
Receivables	-	22,883
Prepaid expenses (Note 4)	<u>176,238</u>	<u>199,189</u>
	191,930	324,660
Exploration and evaluation assets (Note 5)	<u>6,108,951</u>	<u>5,174,669</u>
	<u>\$ 6,300,881</u>	<u>\$ 5,499,329</u>
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities	\$ 388,778	\$ 742,200
Short – term loan	100,000	-
Flow-through premium liability (Note 6)	<u>-</u>	<u>33,098</u>
	488,778	775,298
Shareholders' equity (deficiency)		
Share capital (Note 6)	18,906,979	16,821,294
Subscriptions received in advance (Note 6)	-	375,005
Subscriptions receivable (Note 6)	-	(119,700)
Reserves (Note 6)	251,713	245,545
Deficit	<u>(13,835,367)</u>	<u>(12,598,113)</u>
	<u>5,323,325</u>	<u>4,724,031</u>
	<u>\$ 6,300,881</u>	<u>\$ 5,499,329</u>

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on May 29, 2019.

“P. Bradley Kitchen”

P. Bradley Kitchen

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 NINE MONTHS ENDED MARCH 30

	Three months ended March 30, 2019	Three months ended March 30, 2018	Nine months ended March 30, 2019	Nine months ended March 30, 2018
EXPENSES				
Consulting	\$ 83,700	\$ 172,068	\$ 602,203	\$ 501,533
Filing fees and transfer agent	1,966	8,490	20,076	17,170
Investor relations	38,625	36,252	225,635	86,914
Rent expense	19,108	19,675	57,324	58,287
Meals & Entertainment	4,782	8,022	40,679	67,001
Office and sundry	1,989	1,191	34,187	24,408
Interest Expense	10,000	22,869	10,000	22,869
Professional fees	52,500	13,722	178,135	69,466
Travel	10,938	6,927	120,012	25,168
	(221,619)	(289,216)	(1,288,161)	(872,816)
OTHER				
Write-off of accounts payable	30,000	13,125	30,000	15,169
Amortization of flow-through premium liability (Note 5)	-	5,970	-	44,317
Loss and comprehensive loss for the period	\$ (191,619)	\$ (270,121)	\$ (1,258,161)	\$ (813,330)
Basic and diluted loss per share	\$ (0.00)	\$ (0.04)	\$ (0.03)	\$ (0.05)
Weighted average number of common shares outstanding	48,359,956	18,207,558	40,964,338	17,593,981

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 NINE MONTHS ENDED MARCH 30

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (1,258,161)	\$ (813,330)
Items not affecting cash:		
Accrued interest expense	10,000	8,500
Amortization of flow-through premium liability	-	(44,317)
Gain of settlement of account payable	(30,000)	(15,169)
Non-cash working capital item changes:		
Receivables	(22,238)	65,387
Prepaid expenses and advances	(22,951)	95,016
Accounts payables and accrued liabilities	<u>(27,290)</u>	<u>126,859</u>
Net cash used in operating activities	<u>(1,350,640)</u>	<u>(585,555)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Mineral properties	<u>(934,282)</u>	<u>(1,154,410)</u>
Net cash used in investing activities	<u>(934,282)</u>	<u>(1,154,410)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from shares issued	1,480,934	927,614
Proceeds from options exercised	883,500	25,000
Proceeds From short term loans	100,000	75,000
Subscriptions receivable	-	52,800
Share issuance costs	<u>(92,616)</u>	<u>(97,065)</u>
Net cash provided by financing activities	<u>2,371,818</u>	<u>991,849</u>
Change in cash for the period	(86,896)	(748,116)
Cash, beginning of period	<u>102,588</u>	<u>812,770</u>
Cash, end of period	<u>\$ 15,692</u>	<u>\$ 64,654</u>
Supplemental Cash flow information:		
Expiry of stock options	-	8,984
Expiry of warrants	-	189,756
Broker warrants issued as share issuance costs	-	8,786
Share issuance costs recorded through accounts payable and accrued liabilities	-	-
Flow-through premium liability	104,933	81,465
Mineral property expenditures included in accounts payable and accrued liabilities	<u>391,191</u>	<u>80,186</u>

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)

	<u>Share Capital</u>		Commitment to issue shares	Subscriptions Receivable	Subscriptions Received in Advance	Reserves	Deficit	Total
	Number	Amount						
Balance as at June 30, 2017	16,108,490	\$ 15,904,012	\$ 104,500	\$ (134,000)	\$ -	\$ 266,227	\$ (11,406,468)	\$ 4,734,271
Private placement	140,000	70,000	-	-	-	-	-	70,000
Private placement – flow-through	1,629,298	896,114	-	(38,500)	-	-	-	857,614
Commitment to issue shares	209,000	104,500	(104,500)	-	-	-	-	-
Flow-through premium liability	-	(81,466)	-	-	-	-	-	(81,466)
Shares issued for options exercise	50,000	33,985	-	-	-	(8,985)	-	25,000
Share issuance costs – shares	70,772	-	-	-	-	-	-	-
Share issuance costs – cash	-	(97,064)	-	-	-	-	-	(97,064)
Share issuance costs – warrants	-	(8,786)	-	-	-	8,786	-	-
Subscriptions received	-	-	-	52,800	-	-	-	52,800
Expiry of finder's warrants	-	-	-	-	-	(189,756)	189,756	-
Comprehensive loss for the period	-	-	-	-	-	-	(813,330)	(813,330)
Balance as at March 30, 2018	18,207,560	\$ 16,821,294	\$ -	\$ (119,700)	\$ -	\$ 76,272	\$ (12,030,042)	\$ 4,747,824
Subscriptions received in advance	-	-	-	-	375,005	-	-	375,005
Subscriptions received	-	-	-	-	-	169,273	-	169,273
Comprehensive loss for the period	-	-	-	-	-	-	(568,071)	(568,071)
Balance as at June 30, 2018	18,207,560	\$ 16,821,294	\$ -	\$ (119,700)	\$ 375,005	\$ 245,545	\$ (12,598,113)	\$ 4,724,031
Private placement	3,799,492	493,934	-	(10,000)	-	-	-	483,934
Private placement – flow-through	9,246,667	987,000	-	-	-	-	-	987,000
Flow-through premium liability	-	(184,933)	-	-	-	-	-	(184,933)
Shares issued for options exercise	17,670,000	883,500	-	-	-	-	-	783,500
Share issuance costs – shares	177,810	19,559	-	-	-	-	-	19,559
Share issuance costs – shares	-	(19,559)	-	-	-	-	-	(19,559)
Share issuance costs – cash	-	(86,448)	-	-	-	-	-	(86,448)
Share issuance costs – warrants	-	(6,168)	-	-	-	6,168	-	-
Comprehensive loss for the period	-	-	-	-	-	-	(1,237,254)	(1,237,254)
Balance as at December 31, 2018	49,101,529	\$ 18,906,979	\$ -	\$ (129,700)	\$ 7,000	\$ 251,713	\$ (13,835,367)	\$ 5,469,830

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 DECEMBER 31, 2018

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 9th Floor, 1021 West Hastings Street, Vancouver, British Columbia, Canada, V6E 0C3. 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, 2018.

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, 2018 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:

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

(Unaudited)

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED DECEMBER 31, 2018

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

IFRS 9 Financial Instruments addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized costs, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the hedged ratio to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The Standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted. The Company is currently evaluating the impact of this standard.

IFRS 16 Leases will be effective for accounting periods beginning on or after January 1, 2019. Early adoption will be permitted. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The Company is in the process of assessing the impact, if any, on the financial statements of this new standard.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

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

(Unaudited)

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED DECEMBER 31, 2018

4. PREPAID EXPENSES

Prepaid expenses of \$176,238 as of March 30, 2019 (June 30, 2018 - \$199,189) consists of marketing expense and investor relations.

5. 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, 2017	\$ 622,500	\$ 1,507,646	\$ 1,877,959	\$ 4,008,105
Acquisition costs				
Cash Payments	-	37,412	7,110	44,523
Shares issued (Note 5)	-	-	-	-
	-	37,412	7,110	44,523
Exploration and evaluation expenditures				
Travel	-	40,550	-	40,550
Consulting (Note 6)	-	240,897	50,000	290,897
Drilling	-	583,675	-	583,675
Technical assessment	-	56,293	27,126	83,419
Building rent	-	123,500	-	123,500
	-	1,044,915	77,126	1,122,041
Balance, June 30, 2018	622,500	2,589,973	1,962,196	5,174,669
Exploration and evaluation expenditures				
Consulting (Note 6)	-	26,185	552,138	578,323
Technical assessment	-	2,749	350,525	353,274
Building rent	-	28,500	-	28,500
	-	57,434	876,848	934,282
Balance, March 30, 2019	\$ 622,500	\$ 2,647,407	\$ 3,040,657	\$ 6,108,951

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

(Unaudited)

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED DECEMBER 31, 2018

5. 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 100,000 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. During the year ended June 30, 2018, 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 year ended June 30, 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 making several payments:

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.

During the period ended September 30, 2018, Tres-Or has disputed whether the Company met its obligation to spend \$1,000,000 by June 30, 2018 and The Company contends that it has not received the requested deliverables from Tres-Or. The Company is in negotiations with Tres-Or to satisfy the terms of the agreement.

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 500,000 common shares (valued at \$200,000) by way of a share exchange agreement. The Company also issued 50,000 common shares (valued at \$20,000) as finder's fee.

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 500,000 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 900,000 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 1,000,000 common shares (valued at \$450,000) by way of a share exchange agreement.

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

(Unaudited)

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED DECEMBER 31, 2018

5. EXPLORATION AND EVALUATION ASSETS (cont'd...)*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 600,000 common shares (valued at \$570,000) by way of a share exchange agreement.

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

As at March 30, 2019, 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 March 30, 2019, the Company:

- i. Completed a non-brokered private placement and issued 5,246,667 flow-through shares at a price of \$0.15 per flow-through share and 3,799,492 common shares at a price of \$0.13 per common share for gross proceeds of \$1,280,934. In connection, the Company paid cash finder's fees of \$75,823, issued 177,810 finder's shares valued at \$19,559 and issued 248,929 agent warrants exercisable into one common share at \$0.20 per share for a period of two year. The warrants were assigned a value of \$6,168 using the Black-Scholes pricing model with a risk-free interest rate of 2.05%, term of 2 years, volatility of 70.98% and dividend rate of 0%.
- ii. Issued 17,670,000 common shares for 15,670,000 options exercised with the price of \$0.05 for gross proceeds of \$883,500.
- iii. Completed the first tranche of a non-brokered private placement and issued 4,000,000 flow-through shares at a price of \$0.05 per flow-through share gross proceeds of \$200,000. In connection, the Company paid cash finder's fees of \$10,625 and issued 160,000 agent warrants exercisable into one common share at \$0.05 per share for a period of 18 months. The warrants were assigned a value of \$nil using the Black-Scholes pricing model with a risk-free interest rate of 2.05%, term of 18 months, volatility of 70.98% and dividend rate of 0%. The Company recorded a flow-through premium liability of \$80,000 on this issuance.

During the year ended June 30, 2018, the Company:

- i. Issued 50,000 common shares for 50,000 options exercised with the price of \$0.50 for gross proceeds of \$25,000.
- ii. Closed a non-brokered private placement financing through the issuance of 1,629,298 flow-through units (the "FT Units") issued at a price of \$0.55 and 140,000 non-flow-through units (the "NFT Units) issued at a price of \$0.50 for gross proceeds of \$966,113. Each F-T and N-F-T Unit consists of one common share and one-half, each full warrant will entitle the holder to purchase one additional common share of the Company at a price of \$1.00 per share for a period of 12 months from closing. The Company paid finders' fees of \$77,289 in cash, issued 70,772 in common shares and 70,772 finder's warrants ("Finders Warrants") to EMD Financial Inc. Each Finder's Warrants entitles the holder to acquire one additional share at an exercise price of \$0.55 for a period of twelve months. The Company recorded a flow-through premium liability of \$81,466, of which \$Nil remains unamortized as at December 31, 2018.

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

(Unaudited)

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED DECEMBER 31, 2018

6. SHARE CAPITAL AND RESERVES (cont'd...)

- iii. Announced intent to issue 2,050,000 common shares to acquire 100% of 1151640 B.C. Ltd, comprising solely of claims contiguous to the Company's Cobalt property. This transaction was voided prior to completion with no impact on the Company's consolidated financial statements as at June 30, 2018.

b) Stock options

Stock option transactions are summarized as follows:

	Number	Weighted Average Exercise Price
Outstanding, June 30, 2017	209,000	\$ 0.50
Exercised	(50,000)	0.50
Expired/cancelled	<u>(114,000)</u>	0.50
Outstanding and exercisable, June 30, 2018	45,000	0.50
Granted	15,670,000	0.05
Exercised	<u>(15,670,000)</u>	0.05
Outstanding and exercisable, June 30 and March 31, 2019	45,000	\$ 0.50

The following incentive stock options were outstanding at December 31, 2018:

Number of Shares	Exercise Price	Expiry Date
<u>45,000</u>	\$ 0.50	August 19, 2020
45,000		

c) Warrants

Warrant transactions are summarized as follows:

	Number	Weighted Average Exercise Price
Outstanding, June 30, 2017	5,961,338	\$ 0.80
Granted	955,421	1.00
Expired	<u>(505,348)</u>	0.50
Outstanding, June 30, 2018	6,411,411	\$ 0.80
Granted	13,455,088	0.17
Expired	<u>(6,411,411)</u>	0.83
Outstanding, March 30, 2019	12,905,088	\$ 0.17

The following share purchase warrants were outstanding at December 31, 2018:

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

(Unaudited)

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED DECEMBER 31, 2018

6. SHARE CAPITAL AND RESERVES (cont'd...)**c) Warrants (cont'd...)**

Number of Shares	Exercise Price	Expiry Date
160,000	0.05	December 31, 2019
4,696,667	0.20	January 12, 2020
4,048,421	0.20	July 12, 2020
<u>4,000,000</u>	0.10	December 31, 2020
<u>12,905,088</u>		

d) 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 March 30, 2019, the Company granted \$883,500 (2018 – \$Nil) stock options with a weighted average fair value of \$883,500 (2018 - \$Nil).

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

- Consulting fees of \$135,000 (2017 – \$157,500) accrued to a company controlled by the CEO and director of the Company;
- Management fees of \$3,000 (2017 - \$15,000) paid or accrued to a company for CFO services; and
- Director fees of \$15,000 (2017 - \$1,000) paid or accrued to directors of the Company.

At March 30, 2018, the Company recognized accounts payable of \$125,125 (2017 – nil) owing to key management personnel of the Company that is non-interest bearing and due on demand.

8. 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.

SECOVA METALS CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED DECEMBER 31, 2018

8. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)

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 March 30, 2019, the Company had a cash balance of \$15,692 (June 30, 2018 - \$102,588) to settle current liabilities of \$448,778 (June 30, 2018 - \$775,298). 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.

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.

SECOVA METALS CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

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FOR THE PERIOD ENDED DECEMBER 31, 2018

8. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)

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 31, 2018

9. SEGMENTED INFORMATION

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