



**FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2020**

Introduction

This management's discussion and analysis (MD&A) of Secova Metals Corp. is the responsibility of management and covers the six-month period ended December 31, 2020. The MD&A takes into account information available up to and including February 26, 2021 and should be read together with the consolidated audited financial statements and accompanying notes for the year ended June 30, 2020 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 Canadian exploration company focused on building a strong asset base through exploration of undervalued projects in Canada. Management has demonstrated expertise in advancing gold exploration projects into acquisition targets, most notably in the province of Quebec. The Company has 100% ownership of the Eagle River project which is adjacent to and on-trend to several gold projects in the Windfall Lake district of Urban Barry in Quebec. Secova will use its expertise in early stage exploration to create shareholder value by attempting to prove out the potential resource in these assets.

The Company trades on the TSX Venture Exchange ("TSX-V") under the Symbol SEK

Performance Summary and Subsequent Events

During the six-month period ended December 31, 2020 and year ended June 30, 2020, the Company:

The Company issued 17,330,000 units in three tranches (500,000 units on November 1, 2019, 1.4 million units on November 27, 2019 and 15.43 million units for cash on December 20, 2019) pursuant to a Private Placement at a purchase price of \$0.05 per unit (the "**Financing**") for total proceeds of \$866,500 of which \$526,500 had been received and the remaining \$340,000 received in cash subsequent to the quarter ended December 31, 2020. Each unit consists of one common share of the Company and one common share purchase warrant (the "**Units**"). Each warrant entitles the holder to purchase one common share of the Company at a purchase price of \$0.05 per share for a period of nine (9) months from the date of the closing of the Financing.

In connection with the close of the first tranche of the Financing, the Company will pay a cash finder's fee of \$5,600 and issue 112,000 finder's warrants (the "**Finder's Warrants**"). The Finder's Warrants will be exercisable into common shares for a period of nine (9) months at an exercise price of \$0.05 per common share.

Exploration Summary

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.

During the year ended June 30, 2019, the Company recognized an impairment charge that reduced the carrying value of the Chenier property to nil.

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.

During the year ended June 30, 2019, the Company recognized an impairment charge that reduced the carrying value of the Duvay property to nil.

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.

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.

During the year ended June 30, 2019, the Company recognized an impairment charge that reduced the carrying value of the Cobalt Bay property to nil.

Cobalt Based Asset-Backed Crypto-Currency Business Initiative

On April 5, 2018, the Company announced that in conjunction with its acquisition of cobalt exploration properties it would explore the opportunity of issuing an asset based crypto currency. In this regard, the Company disclosed that it had entered into an agreement with Harmony Chain to develop a cobalt-backed Ethereum crypto-currency. This was an extension of the Company's tradition resource exploration business but consistent with the Company's overall business objectives of creating shareholder value through the resource industry. In discussions with the TSX Venture Exchange, the Company, although spending considerable resources, agreed to suspend all operations relating to development of a cobalt-backed crypto-currency. For the year ended June 30, 2019, the Company spent \$593,500 (2018 - \$25,000) on consulting fees on the cobalt-backed crypto-currency initiative. The director spearheading this initiative subsequently resigned, the agreement with Harmony Chain for the development of the crypto currency was cancelled and during the year ended June 30, 2019, the Company wrote down its investment in the Cobalt Bay exploration property to \$nil. The Company will no longer pursue the development of any form of crypto currency.

Montauban and Chavigny Townships, Quebec

On December 12, 2019, the Company and DNA Canada Inc. ("DNA") entered into a purchase agreement whereby the Company has agreed to acquire 152 mining claims and concessions located in the Montauban and Chavigny townships, in the county of Portneuf, in the province of Quebec, as well as buildings, immovables, and other assets and operating permits located on, or with respect to, the property. The

consideration to be paid to DNA will consist of the issuance of common shares of Secova (the "Shares") in three tranches:

- (i) 15 million shares to be issued four months and one day following the closing;
- (ii) 15 million shares to be issued eight months following the closing; and
- (iii) 20 million shares to be issued one year following the closing of the acquisition.

As part of the purchase agreement, the Company will acquire some equipment and assumed liabilities totalling \$273,100.

Completion of the acquisition is conditional upon, among other things, receipt of all necessary regulatory approvals, including approval of the TSX Venture Exchange. The Company submitted the acquisition to the TSX Venture Exchange for approval and Secova received approval for the acquisition on November 23, 2020. As a result, the transaction will complete upon the resumption of trading and the transfer of the claims and concessions.

Results of Operations

Three-month period ended December 31, 2020 compared to December 31, 2019:

The Company had a net loss and comprehensive loss of \$159,553 versus \$226,207 in the comparative period, being a decrease of \$66,654, or 29%. The main reason for this decrease in spending was a lower amount relating to Professional fees. The period ended December 31, 2019 included work on the acquisition of the Montauban project that was not duplicated in the most recent quarter. The Company anticipates an increase in expenditures now that the CTO has been revoked and the Company can raise capital and ramp up exploration at Eagle River and operations at Montauban.

The following expenses increased during the three-month period ended December 31, 2020: Consulting (2020: \$83,062, 2019: \$60,000), Filing fees and transfer agent (2020: \$25,462, 2019: \$14,920), Meals and entertainment (2020: \$5,354, 2019: \$40), and Travel (2020: \$3,286, 2019: \$NIL).

Expense reductions include: Office and sundry (2020: \$3,917, 2019: \$8,807), Professional fees (2020: \$24,792, 2019: \$108,040), and Rent expense (2020: \$13,500, 2019: \$34,400).

Six-month period ended December 31, 2020 compared to December 31, 2019:

The Company had a net loss and comprehensive loss of \$329,555 versus \$302,426 in the comparative period, being an increase of \$27,129, or 9%. This increase in expenditures over the most recent six (6) month period is due almost on consulting fees and filing fees relating to work required to bring the Company current in its reporting requirements.

The following expenses increased during the six-month period ended December 31, 2020: Consulting (2020: \$167,862, 2019: \$120,000), Filing fees and transfer agent (2020: \$35,284, 2019: \$17,053), Investor relations (2020: \$6,322, 2019: \$NIL), Meals and entertainment (2020: \$5,354, 2019: \$40), and Travel (2020: \$14,728, 2019: \$NIL).

Expense reductions include: Office and sundry (2020: \$7,289, 2019: \$9,393), Professional fees (2020: \$71,716, 2019: \$118,540), and Rent expense (2020: \$21,000, 2019: \$37,400).

Summary of Quarterly Results

	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Total assets	\$2,515,304	\$2,515,682	\$2,502,907	\$ 2,759,907
Working capital (deficiency)	(992,941)	(833,388)	(724,386)	(545,281)
Shareholder's equity (deficiency)	1,473,685	1,633,238	1,742,240	1,956,776

Comprehensive loss	159,553	170,002	214,536	74,685
Loss per share	Nil	Nil	Nil	Nil
<hr/>				
	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Total assets	\$ 2,778,538	\$ 2,619,329	\$ 2,601,915	\$ 6,300,881
Working capital (deficiency)	(468,596)	(593,789)	(549,070)	(433,086)
Shareholder's equity (deficiency)	2,031,461	1,906,268	1,950,987	5,323,325
Comprehensive loss	226,207	76,219	4,257,687	191,619
Loss per share	Nil	Nil	0.07	0.02

There were no significant transactions during the six-month period ended December 31, 2020.

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 six-month period ended December 31, 2020 decreased to \$107,167 compared to \$115,667 during the comparative period ended December 31, 2019.

The condensed interim 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 condensed interim consolidated financial statements as at December 31, 2020, the Company had no material financial commitments.

Off Statement of Financial Position Arrangements

At December 31, 2020, 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 this report the Company had 86,737,129 common shares issued and outstanding, Nil Share Purchase Warrants and Nil share options convertible into common shares.

See Note 5 Share Capital and Reserves in the Financial Statements

Related Party Transactions

Key management personnel comprise of the Chief Executive Officer, former Chief Financial Officer, and the Directors of the Company.

a) Chief Executive Officer

The following transactions were conducted with a company controlled by Bradley Kitchen, the CEO and director of the Company:

	For the six-month period ended December 31, 2020	For the year ended June 30, 2020
Director fees	\$ 15,000	\$ 30,000
Consulting fees	90,000	180,000
Due from CEO	406,515	406,515

Amounts due from the CEO are unsecured, non-interest bearing, and have no terms for repayment. The terms and conditions of repayment for the amount Due from CEO will be set by the incoming Board of Directors. Mr. Kitchen has stated it is his intention to reconcile and repay the entire amount due within the fiscal year ending June 30, 2021.

b) Director fees

Director fees of \$15,000 (December 31, 2019 - \$15,000) were earned by Donald Fuller, a director of the Company.

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.

As at December 31, 2020, the Company had a cash balance of \$8,500 (June 30, 2020 - \$2,731) to settle current liabilities of \$1,041,619 (June 30, 2020 - \$759,022). 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. Further, the Company intends to close the final tranche of its financing announced in September 2019 and announce a \$1.25 million Private Placement in conjunction with the removal of the Cease Trade Order and the resumption of trading. The Company is confident that this Private Placement will be fully subscribed.

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.

Risk Factors

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

New standards not yet adopted.

i) The IASB has issued several new standards and amendments which have been adopted by the Company. Each of the new standards is effective for annual periods beginning on or after January 1, 2019. The adoption of the standards and amendments did not have a material effect on the financial statements.

ii) Certain pronouncements were issued by the IASB or IFRIC but are not yet effective as at June 30, 2020. The Company intends to adopt these standards and interpretations when they become effective.

Change in accounting standard – IFRS 16, Leases

On July 1, 2019, the Company adopted IFRS 16 - Leases ("IFRS 16"), which is effective for annual periods on or after January 1, 2019. This new standard eliminates the classification of leases as either operating or

financing leases and requires the lessee to recognize assets and liabilities for all significant leases with a term of longer than 12 months.

The Company has analyzed its contracts and determined that the significant lease agreements in place relate to the Company's office space. The Company has applied the exemptions in IFRS 16 for low value leases and leases that end within 12 months. Mineral leases held by the Company are exempt from the provisions of IFRS 16.

The Company adopted IFRS 16 using the modified retrospective application method where comparatives are not restated. On adoption of IFRS 16, the Company did not recognize any right-of-use assets or related lease liabilities.

Critical Accounting Policies and Estimates

The Company's accounting policies are described in Notes 2 and 3 of its condensed interim consolidated financial statements for the six-month period ended December 31, 2020. 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

Please refer to Note 11 Subsequent Events in the Financial Statements.