SECOVA METALS CORP

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE YEAR ENDED JUNE 30, 2021 AND 2020

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Secova Metals Corp.

Opinion

We have audited the accompanying consolidated financial statements of Secova Metals Corp. (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2021 and 2020, and the consolidated statements of operations and comprehensive loss, cash flows, and changes in equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred losses from inception and does not have the financial resources to sustain operations in the long-term. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Peter Maloff.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

October 28, 2021

SECOVA METALS CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT JUNE 30, 2021

	June 30, 2021	June 30, 2020
ASSETS		
Current		
Cash	$ 19,949	$ 2,731
Receivables	98,926	29,905
Due from related party (Note 6)	191,609	-
Prepaid expenses	-	3,000
	310,484	35,636
Due from related party (Note 6)	-	406,515
Exploration and evaluation assets (Note 4)	2,849,927	2,060,111
	$ 3,160,411	$ 2,502,262
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 1,097,426	$ 442,749
Loans payable (Note 8)	1,026,496	179,340
Flow-through premium liability (Note 5)	-	137,933
	2,123,922	760,022
Long term liabilities		
Provision for indemnity	757,000	-
Long term loans payable (Note 8)	40,000	-
	797,000	-
Shareholders' equity		
Share capital (Note 5)	20,765,504	20,765,504
Subscriptions receivable (Note 5)	(378,000)	(594,700)
Reserves (Note 5)	262,602	262,602
Deficit	(20,410,617)	(18,691,166)
	239,489	1,742,240
	$ 3,160,411	$ 2,502,262

Nature and continuance of operations (Note 1)
Subsequent events (Note 12)

Approved and authorized by the Board on October 28, 2021.

"" Director — P. Bradley Kitchen

"" Director — Vikas Ranjan

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

SECOVA METALS CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

FOR THE YEAR ENDED JUNE 30,	2021	2020
EXPENSES		
Consulting (Note 6)	$ 742,195	$ 248,800
Exploration expense	25,145	22,915
Filing fees and transfer agent	50,625	30,396
Interest expense	24,647	15,000
Marketing expense	7,237	-
Meals and entertainment	29,355	14,814
Office and sundry	18,805	18,726
Professional fees (Note 6)	161,589	181,154
Rent expense	28,016	48,000
Travel	12,771	11,842
	(1,100,385)	(591,647)
OTHER		
Indemnity and Part XII.6 tax on flow-through	(757,000)	-
Other income – flow-through premium	137,933	-
Loss and Comprehensive loss for the year	$ (1,719,452)	$ (591,647)
Basic and diluted loss per share	$ (0.02)	$ (0.01)
Weighted average number of common shares outstanding	86,737,129	78,700,544

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

SECOVA METALS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

FOR THE YEAR ENDED JUNE 30,	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (1,719,452)	$ (591,647)
Items not affecting cash:		
Indemnity and Part XII.6 tax on flow-through	757,000	-
Other income – flow-through premium	(137,933)	-
Non-cash working capital item changes:		
Receivables	(69,021)	(10,722)
Prepaid expenses	3,000	(3,000)
Due from related party	214,906	33,431
Accounts payables and accrued liabilities	91,858	(70,246)
Net cash used in operating activities	(859,642)	(642,184)
CASH FLOWS FROM INVESTING ACTIVITIES		
Mineral properties	(226,996)	-
Net cash used in investing activities	(226,996)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issuances	-	388,500
Subscriptions receivable	216,700	-
Share issuance costs	-	(5,600)
Loans received	887,156	179,340
Net cash provided by financing activities	1,103,856	562,240
Change in cash for the year	17,218	(79,944)
Cash, beginning of year	2,731	82,675
Cash, end of year	$ 19,949	$ 2,731
Supplemental Cash flow information:		
Broker warrants issued as share issuance costs	$ -	$ 1,301
Mineral property expenditures included in accounts payable and accrued liabilities	740,921	178,101

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

SECOVA METALS CORP.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Share Capital						
	Number	Amount	Subscriptions receivable	Subscriptions received in advance	Reserves	Deficit	Total
Balance as at June 30, 2019	69,407,127	$ 19,905,905	$ (123,700)	$ 7,000	$ 261,301	$ (18,099,519)	$ 1,950,987
Consolidation number, rounding off	2	-					-
Private placements	17,330,000	866,500	(471,000)	(7,000)	-	-	388,500
Share issuance costs – cash	-	(5,600)	-	-	-	-	(5,600)
Share issuance costs – warrants	-	(1,301)	-	-	1,301	-	-
Comprehensive loss for the year	-	-	-	-	-	(591,647)	(591,647)
Balance as at June 30, 2020	86,737,129	$ 20,765,504	$ (594,700)	$ -	$ 262,602	$ (18,691,166)	$ 1,742,240
Share issuance costs - cash	-	-					$ -
Private placements	-	-	216,700	-	-	-	216,700
Comprehensive loss for the year	-	-	-	-	-	(1,719,452)	(1,719,452)
Balance as at June 30, 2021	86,737,129	$ 20,765,504	$ (378,000)	$ -	$ 262,602	$ (20,410,618)	$ 239,488

The accompanying notes are an integral part of these consolidated 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 on October 22, 2004.

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. The recoverability of amounts for resource properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These consolidated 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.

In March 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and; specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, among others, could have a significant impact on the Company's operations. The Company has not been impacted significantly by COVID-19 to date.

The consolidated 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.

Cease Trade

On December 30, 2019, the Company was the subject of a cease trade order by the British Columbia Securities Commission pending the filing of the Company's annual Audited Financial Statement and MD&A for the 2019 fiscal year. As a consequence of the Cease Trade Order, the British Columbia Securities Commission suspended the Company from trading until lifting of the Cease Trade Order. On February 17, 2021, the British Columbia Securities Commission issued a full revocation of the Company's failure-to-file cease trade order. The Company is in full compliance with the continuous disclosure requirements of the BCSC. On September 13, 2021, the Company's common shares were delisted from the TSX Venture Exchange and on October 6, 2021, the Company's shares were listed on the Canadian Securities Exchange (CSE) with the trading symbol CSE: SEK.

2. BASIS OF PREPARATION

Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Use of Estimates

The preparation of these consolidated 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:

The Company uses significant judgement in assessing for signs of impairment on the exploration and evaluation assets. Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

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.

The Company utilizes significant judgement in assessing its compliance with relevant flow through financing tax requirements including the determination of qualified eligible expenditures to reduce flow through spending obligations.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and the entities controlled by the Company, including 1084409 B.C. Ltd, 1106632 B.C. Ltd, 1095252 B.C. Ltd, 1107136 B.C. Ltd, and 1106541 B.C. Ltd which are all inactive. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

Exploration and evaluation assets

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

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

Financial instruments

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income/loss.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Receivables are measured at amortized cost with subsequent impairments recognized in profit or loss.

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL. The classification determines the method by which the financial liabilities are carried on the statements of financial position subsequent to inception and how changes in value are recorded. Accounts payable and accrued liabilities are measured at amortized cost and carried on the statement of financial position at amortized cost.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to options, warrants, and similar instruments is computed using the treasury stock method. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

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 share capital. Upon expiry or forfeiture, the recorded value is transferred to deficit.

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.

Restricted share units

The Company offers a restricted share units (RSU) plan to its directors, officers, employees or consultant as part of their long-term compensation package, entitling them to receive a payment in the form of common shares of the Company, or cash, or a combination of cash and common shares, at the discretion of the Company. The fair value of the RSU granted to be settled in common shares is measured on the grant date and is recognized over the vesting period under contributed surplus with a corresponding charge to share-based compensation. A liability for the RSU to be settled in cash is measured at fair value on the grant date and is subsequently adjusted at each balance sheet date for changes in fair value. The liability is recognized over the vesting period with a corresponding charge to share-based compensation.

Provisions

a) *Environmental rehabilitation provisions*

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an environmental rehabilitation obligation is recognized at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with reclamation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. Subsequently, these capitalized asset retirement costs are amortized over the life of the related assets. At the end of each period, the liability is increased to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying any initial estimates (additional rehabilitation costs). The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated.

Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to the statement of loss and comprehensive loss. The Company had no rehabilitation obligations as June 30, 2021 or June 30, 2020.

b) *Other provisions*

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. An amount equivalent to the discounted provision is capitalized within tangible fixed assets and is depreciated over the useful lives of the related assets. The increase in the provision due to passage of time is recognized as interest expense.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in shareholders' equity (deficiency), in which case it is recognized in shareholders' equity (deficiency). Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Government assistance and tax credits

Government assistance is recorded as either a reduction of the cost of the applicable asset or credit in the statement of operations and comprehensive loss as determined by the terms and conditions of the agreement under which the assistance is provided to the Company.
Tax credits are recorded as either a reduction of the cost of applicable assets or credited in the statement of operations and comprehensive loss depending on the nature of the expenditures which gave rise to the credits. Claims for tax credits are accrued upon the Company attaining reasonable assurance of collections from the applicable government agency.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operations and has been determined for each entity within the Company. The functional currency for all entities within the company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in International Accounting Standards ("IAS") 21, *The Effects of Changes in Foreign Exchange Rates.*

Transactions in currencies other than the Canadian dollars are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of operations and comprehensive loss.

Flow-through shares

The Company may from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company separates the flow-through common share into i) a flow-through common share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability and; ii) share capital. When the resource property expenditures are incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders.

The premium is recognized as other income and the related deferred tax is recognized as a tax provision. To the extent that the Company has available tax pools for which the benefit has not been previously recognized as being realizable, the premium is recognized in profit or loss as a deferred income tax recovery to recognize the deferred tax asset offsetting the liability as eligible expenditures are incurred.

New accounting standards not yet adopted

The IASB issued the standards of *IAS 1 – Presentation of Financial Statements, amendment to IAS 16 – Property, Plant and Equipment, amendment to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, and amendment to IFRS 9 – Financial Instruments,* that have not been applied in preparing these consolidated financial statements as their effective date falls within periods beginning subsequent to the current reporting period. These standards are not expected to have a significant impact on the financial statements.

Leases

IFRS 16 distinguishes between leases and service contracts on the basis of whether the customer controls the asset being leased. For those contracts determined to meet the definition of a lease, IFRS 16 requires a lessee to recognize on the statement of financial position a lease asset along with the associated lease liability which reflects future lease payments, similar to current finance lease accounting. There are limited exceptions for leases with a term of less than

(Expressed in Canadian Dollars)

12 months or leases of assets which have a low value. As a result of the adoption of IFRS 16, operating leases which were previously only recognized in profit or loss will be recognized on the statement of financial position.

The purpose of the standard is to provide users of the financial statements with a more accurate picture of a company's leased assets and associated liabilities, while also improving the comparability of companies that lease assets to those that purchase them.

As at June 30, 2021 and 2020, the Company did not have any leases that would result in a right-of-use asset or lease liability.

4. EXPLORATION AND EVALUATION ASSETS

	Montauban	Eagle River	Total
Balance, June 30, 2019 and 2020	$ -	$ 2,060,111	$ 2,060,111
Exploration and evaluation expenditures			
Project management and travel	180,054	-	180,054
Engineering	581,084	-	581,084
Legal fees	28,678	-	28,678
	789,816	-	789,816
Balance, June 30, 2021	**$ 789,816**	**$ 2,060,111**	**$ 2,849,927**

Eagle River Property, Quebec

During the year ended June 30, 2017, the Company acquired 1084409 B.C. Ltd., 1106632 B.C. Ltd., 1107136 B.C. Ltd., and 1106541 B.C. Ltd. which owns the Eagle River project located in the Windfall Lake gold district, Quebec.

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 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 $190,000.

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 and the Company received approval on November 23, 2020. The transaction was completed during the month of September 2021.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL AND RESERVES

a) Authorized share capital

The authorized share capital of the Company is an unlimited number of common shares without par value.

b) Issued share capital

The Company did not issue any shares during the year ended June 30, 2021.

During the year ended June 30, 2020, the Company:

i. 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 $395,500 had been received in cash. 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.

ii. In connection with the close of the first tranche of the Financing, the Company paid 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. The finder's warrants and common share purchase warrants have since expired.

c) Stock options

Stock option transactions are summarized as follows:

	Number	Weighted average exercise price
Outstanding and exercisable, June 30, 2019 and June 30, 2020	45,000	$0.50
Exercised	-	-
Expired/cancelled	(45,000)	$0.50
Outstanding and exercisable as at June 30, 2021	-	$ -

There were no stock options outstanding as at June 30, 2021.

d) Warrants

The 248,929 finders' warrants granted in 2019 were assigned a value, based on a residual value approach, of $15,756 using the Black-Scholes pricing model with a bond discount rate of 2.05%, term of two years, volatility of 146.43% and dividend rate of 0%.

The 112,000 finders' warrants granted in 2020 were assigned a value, based on a residual value approach, of $1,301 using the Black-Scholes pricing model with a bond discount rate of 1.55%, term of 9 months, volatility of 130.72% and dividend rate of 0%.

(Expressed in Canadian Dollars)

Warrant transactions are summarized as follows:

	Number	Weighted average exercise price
Outstanding, June 30, 2019	9,295,088	$ 0.20
Granted	17,412,000	0.05
Expired	(4,696,667)	0.20
Outstanding, June 30, 2020	22,040,421	$ 0.08
Granted	-	-
Expired	(22,040,421)	0.08
Outstanding, June 30, 2021	-	$ -

There were no share purchase warrants outstanding as at June 30, 2021.

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 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 10 years with vesting determined by the board of directors.

The Company also has a restricted share unit plan which allows for certain discretionary bonuses and similar awards as an incentive and reward for selected director, employee, officer or consultant, related to the achievement of long-term financial and strategic objectives of the Company and the resulting increases in shareholder value. The Company has in place a fixed maximum number of 7,000,000 shares under this plan. 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 10 years with vesting determined by the board of directors.

The maximum aggregate number of common shares that may be reserved for issuance under the share option plan and the restricted share unit plan combined, at any point in time is 10% of the outstanding common shares at the time of the grant.

During the year ended June 30, 2021, the Company granted nil (2020 – nil) stock options and nil (2020 – nil) restricted share units. The Company recognized share-based payments expense of nil (2020 - nil).

6. RELATED PARTY TRANSACTIONS

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

(Expressed in Canadian Dollars)

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 year ended June 30, 2021	For the year ended June 30, 2020
Director fees	$ 30,000	$ 30,000
Consulting fees	322,500	180,000
Due from CEO	191,610	406,515

Amounts due from the CEO are unsecured, non-interest bearing until October 1, 2021 at which point the interest rate will be 0.5% of the outstanding balance per month, and has a repayment date of December 31, 2021. The amount due from CEO was fully settled in October 2021.

b) Chief Financial Officer

A total of $67,078 was included in the financial statements as earned by the Chief Financial Officer during the year ended June 30, 2021 (2020: $Nil). Amount included in accounts payable was $16,819 (2020: $Nil).

c) Former Chief Financial Officer

A total of $Nil was included in the financial statements as earned by a company controlled by the former Chief Financial Officer of the Company during the year ended June 30, 2021 (2020: $Nil). Amount included in accounts payable was $Nil (2020: $2,500).

d) Director fees

Directors' fees of $30,000 were earned during the year ended June 30, 2021 (2020 - $30,000) by Don Fuller, a director of the Company. Don Fuller resigned from the board of directors in July 2021. Amount included in accounts payable as at June 30, 2021 was $65,000 (2020: $35,000).

Directors' fees of $12,500 were earned during the year ended June 30, 2021 (2020: $Nil) by Jack Huang, a director of the Company. Amount included in accounts payable as at June 30, 2021was $12,500 (2020: $Nil).

7. COMMITMENTS

During the year ended June 30, 2019, the Company received $787,000 as a result of flow through share financings. To comply with Canadian tax law, the Company is required to incur these funds on Canadian eligible exploration expenditures prior to December 31, 2020. As at June 30, 2021, $787,000 of these flow through funds remain unspent prior to December 31, 2020. As a result, pending any extension being granted, the flow-through premium liability has been reduced to $Nil by recognizing other income of $137,933, and the Company has recorded a provision of $757,000 towards Part XII.6 tax and potential indemnification of tax liabilities to purchasers of the flow-through shares.

8. NOTES PAYABLE

During the year ended June 30, 2021, the Company received $887,156 (2020 - $139,340) in short term loans. These notes payables are unsecured short-term arm's length demand loans bearing no interest and with no fixed term of repayment. A total of $971,496 of these notes payable were treated as payment of shares subscription in the private placement closed in September 2021. Other loans of $45,000 were settled during the period after June 30, 2021.

(Expressed in Canadian Dollars)

The Company also received $40,000 in the fiscal year ended June 30, 2020 under the terms of the Canadian Emergency Business Account Program ("CEBA"). This CEBA note payable does not bear interest and if repaid in full by December 31, 2022, 25% of the balance will be forgiven. If not repaid by December 31, 2022, the Company will have the option for a 3-year term extension on the unpaid balance of the note bearing interest at the rate of 5% per annum. The loan must be repaid in full by December 31, 2025.

9. INCOME TAXES

A reconciliation of income taxes (recovery) at statutory rates with the reported taxes is as follows:

	2021	2020
Loss before income taxes	$ (1,719,452)	$ (591,647)
Expected income tax (recovery) at statutory tax rates	$ (464,000)	$ (160,000)
Non-deductible and other items	485,000	(73,000)
Impact of flow through shares	-	-
Share issuance costs	(2,000)	(2,000)
Adjustment to prior year's provision to statutory tax returns	-	(2,031,000)
Change in unrecognized deductible temporary differences	(19,000)	2,266,000
Income tax recovery	$ -	$ -

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

Deferred tax assets (liabilities)	2021	2020
Exploration and evaluation assets	$ 1,295,000	$ 570,000
Share issuance costs	25,000	52,000
Allowable capital losses	24,000	24,000
Non-capital losses available for future period	3,074,000	3,066,000
	4,418,000	3,712,000
	(4,418,000)	(3,712,000)
Net deferred tax assets	$ -	$ -

Significant components of deductible temporary differences, unused tax losses, and unused tax credits that have not been included on the consolidated statement of financial position are as follows:

	2021	Expiry Dates	2020	Expiry Dates
Share issue costs	$ 94,000	2041 to 2044	$ 191,000	2041 to 2044
Non-capital loss carry-forwards	11,387,000	2026 to 2037	11,355,000	2026 to 2040
Allowable capital losses	90,000	no expiry date	90,000	no expiry date
Exploration and evaluation assets	4,019,000	no expiry date	2,112,000	no expiry date

Tax attributes are subject to review and potential adjustments by tax authorities.

10. 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 a 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 have sufficient liquidity to meet liabilities when due.

As at June 30, 2021, the Company had a working capital deficit of $1,813,438 (2020 – $724,386) and current liabilities of $2,123,922 (2020 - $760,022). 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.

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.

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 year ended June 30, 2021.

11. SEGMENTED INFORMATION

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

12. SUBSEQUENT EVENTS

a) Private placement

On September 20, 2021, the Company completed a non-brokered private placement of 50,000,000 units of the Company's securities (the "Units") at a price of $0.05 per Unit for total consideration of $2,500,000 (the "Offering").

Each Unit consists of one (1) Share and one (1) Share purchase warrant (the "Warrants"). Each Warrant will entitle the holder thereof to purchase one additional Share (the "Warrant Shares") at a price of $0.05 per Warrant Share for nine (9) months following the closing date of the Offering (the "Closing Date").

b) Grant of stock options and restricted share units

On October 6, 2021, the board of directors of Secova granted an aggregate of 6,500,000 options and 7,000,000 restricted share units of the Company to certain directors, officers, employees and consultants of the Company. The options granted are exercisable to purchase a common share in the capital of the Company at the price of $0.15 per share.

c) Receipt of subscription receivables

In October 2021, the Company received $278,000 of subscription receivables and it cancelled shares for $100,000 representing amounts not received.