

## FORM 5

### QUARTERLY LISTING STATEMENT

Name of Listed Issuer: \_\_\_\_\_ SUPERNOVA METALS CORP. \_\_\_\_\_ (the "Issuer").

Trading Symbol: \_\_\_\_\_ SUPR \_\_\_\_\_

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

#### **General Instructions**

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

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- (b) The term “Issuer” includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

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2 There are three schedules which must be attached to this report as follows:

### 3 **SCHEDULE A: FINANCIAL STATEMENTS**

**The Issuer’s unaudited Financial Statements for the six month period ended June 30, 2021 are attached as Schedule A.**

## **4 SCHEDULE B: SUPPLEMENTARY INFORMATION**

The supplementary information set out below can be found in the Issuer's unaudited Financial Statements and the Management's Discussion and Analysis for the six month period ended June 30, 2021 which are attached as Schedules A and B, respectively.

### **1. Related party transactions**

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

### **2. Summary of securities issued and options granted during the period.**

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

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(a) summary of securities issued during the period,

<b>Date of Issue</b>	<b>Type of Security (common shares, convertible debentures, etc.)</b>	<b>Type of Issue (private placement, public offering, exercise of warrants, etc.)</b>	<b>Number</b>	<b>Price</b>	<b>Total Proceeds</b>	<b>Type of Consideration (cash, property, etc.)</b>	<b>Describe relationship of Person with Issuer (indicate if Related Person)</b>	<b>Commission Paid</b>
04/15/21	Common Shares	Option Exercise	200,000	\$0.05	\$10,000	Cash	Former Director	No
04/19/21	Common Shares	Option Exercise	25,000	\$0.05	\$1,250	Cash	Consultant	No
05/25/21	Common Shares	Acquisition Agreement	1,000,000	\$0.055	55,000	Property Acquisition	Arms-length Vendor	No
06/04/21	Common Shares	Private Placement	10,000,000	\$0.05	500,000	Cash	20% Related Party	No
06/07/21	Common Shares	Option Agreement	800,000	\$0.095	76,000	Property Acquisition	Arms-length Vendor	No

(b) summary of options granted during the period,

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.A .B .C Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

**3. Summary of securities as at the end of the reporting period.**

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,
- (b) number and recorded value for shares issued and outstanding,
- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and
- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

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4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name	Positions Held	Since
Sean McGrath	CEO Director	February 28, 2020 July 14, 2011
Ken Brophy	CFO Director	March 16, 2020 September 19, 2019
Lindsay Hamelin	Corporate Secretary	September 3, 2020
Roger March	Director	September 3, 2020
Dr. Kent Ausburn	Director	January 4, 2021

**SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS**

The Issuer's Management Discussion & Analysis for the period ended June 30, 2021 is attached as Schedule C.

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated September 27, 2021.

Sean McGrath  
Name of Director or Senior Officer

*“Sean McGrath”*

\_\_\_\_\_  
Signature

CEO  
Official Capacity

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<b>Issuer Details</b>		For Quarter Ended	Date of Report
Name of Issuer			YY/MM/D
Supernova Metals Corp.		June 30, 2021	27/09/21
Issuer Address			
1090 Hamilton Street			
City/Province/Postal Code		Issuer Fax No.	Issuer Telephone No.
Vancouver, BC V6B 2R9		(604) 634-0971	(604) 634-0970
Contact Name		Contact Position	Contact Telephone No.
Sean McGrath		CEO	(604) 634-0970
Contact Email Address		Web Site Address	
info@supernovametals.com		www.supernovametals.com	

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SCHEDULE A – FINANCIAL STATEMENTS

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**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**Six Month Period Ended**  
**June 30, 2021**  
(Expressed in Canadian Dollars)  
(Unaudited)

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## **NOTICE OF NO AUDITOR REVIEW OF 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 interim consolidated financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated 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 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.

# Supernova Metals Corp.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

	June 30, 2021	December 31, 2020
	(\$)	(\$)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	260,544	527,607
Prepaid expenses	1,717	7,034
Receivables (Note 4)	8,959	114,894
Short-term investment (Note 5)	30,000	-
	301,220	649,535
<b>Exploration and evaluation assets</b> (Note 7)	918,714	250,149
<b>Oil properties</b> (Note 8)	-	35,820
<b>Reclamation bond</b> (Note 6)	10,751	39,461
	1,230,685	974,965
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Notes 9 and 12)	42,278	159,272
<b>Notes payable</b> (Note 10)	60,000	60,000
<b>Asset retirement obligation</b> (Note 11)	-	72,600
	102,278	291,872
<b>Shareholders' equity</b>		
Share capital (Note 13)	6,837,998	6,186,276
Reserves (Note 13)	452,547	462,019
Deficit	(6,162,138)	(5,965,202)
	1,128,407	683,093
	1,230,685	974,965

**Nature of Operations and Going Concern** (Note 1)

**Subsequent Events** (Note 17)

On behalf of the Board:

"Ken Brophy"

Ken Brophy - Director

"Sean McGrath"

Sean McGrath - Director

See accompanying notes to the condensed interim consolidated financial statements

## Supernova Metals Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Three Month Period Ended June 30, 2021 (\$)	Three Month Period Ended June 30, 2020 (\$)	Six Month Period Ended June 30, 2021 (\$)	Six Month Period Ended June 30, 2020 (\$)
<b>Revenue</b>				
Oil sales	13,570	15,869	42,967	45,467
Royalties and freehold mineral tax (Note 12)	(2,155)	(1,543)	(6,060)	(7,307)
	11,415	14,326	36,907	38,160
<b>Expenses</b>				
Accretion (Note 11)	120	349	475	698
Consulting fees (Note 12)	51,086	27,500	98,336	45,500
Depletion (Note 8)	4,207	3,378	5,410	5,040
Director fees (Note 12)	-	9,000	-	18,000
Field operating expenses	3,003	2,004	12,147	13,139
General and administrative	9,316	6,840	22,532	10,248
Management fees (Note 12)	15,000	-	30,000	-
Professional fees (Note 12)	52,832	37,320	79,903	69,496
Share-based payments (Note 13)	-	49,200	-	49,200
Transfer agent and filing fees	14,535	5,489	24,660	13,898
	(150,099)	(141,080)	(273,463)	(225,219)
Finance expense	(5,155)	(470)	(5,747)	(2,089)
Impairment of exploration and evaluation assets (Note 7)	-	-	(46,795)	-
Impairment of oil properties (Note 8)	-	-	-	(26,312)
Interest and other income	-	121	61,999	2,072
Gain on disposal of oil properties (Note X)	47,663	-	47,663	-
Unrealized loss on short-term investments (Note 5)	(3,750)	-	(17,500)	-
	38,758	(349)	39,620	(26,329)
<b>Loss and comprehensive loss for the period</b>	(99,926)	(127,103)	(196,936)	(213,388)
<b>Basic and diluted loss per share:</b>	(0.00)	(0.01)	(0.00)	(0.01)
<b>Weighted average common shares outstanding:</b>				
Basic	46,241,613	12,097,849	43,095,546	20,734,113
Diluted	46,241,613	12,097,849	43,095,546	20,734,113

See accompanying notes to the condensed interim consolidated financial statements

## Supernova Metals Corp.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

(Unaudited)

	Share capital		Reserves			
	Number of Shares	Amount (\$)	Options (\$)	Warrants (\$)	Deficit (\$)	Total (\$)
<b>Balance at December 31, 2019</b>	17,997,849	4,025,206	424,176	26,530	(4,389,037)	86,875
Share issuance - property acquisitions	3,000,000	180,000	-	-	-	180,000
Share issuance - private placement	2,000,000	100,000	-	-	-	100,000
Share issuance - debt settlement	4,469,863	111,747	-	-	-	111,747
Stock options vested	-	-	49,200	-	-	49,200
Comprehensive loss	-	-	-	-	(213,388)	(213,388)
<b>Balance at June 30, 2020</b>	27,467,712	4,416,953	473,376	26,530	(4,602,425)	314,434
Share issuance - property acquisitions	2,000,000	580,000	-	-	-	580,000
Share issuance - private placement	10,000,000	1,000,000	-	-	-	1,000,000
Share issuance - option exercises	2,000,000	195,388	(89,388)	-	-	106,000
Share issuance - warrant exercises	1,000,000	70,000	-	-	-	70,000
Share issuance costs	-	(76,065)	-	40,100	-	(35,965)
Stock options vested	-	-	11,401	-	-	11,401
Comprehensive loss	-	-	-	-	(1,362,777)	(1,362,777)
<b>Balance at December 31, 2020</b>	42,467,712	6,186,276	395,389	66,630	(5,965,202)	683,093
Share issuance - property acquisitions	1,800,000	131,000	-	-	-	131,000
Share issuance - private placement	10,000,000	500,000	-	-	-	500,000
Share issuance - stock options	225,000	20,722	(9,472)	-	-	11,250
Comprehensive loss	-	-	-	-	(196,936)	(196,936)
<b>Balance at June 30, 2021</b>	54,492,712	6,837,998	385,917	66,630	(6,162,138)	1,128,407

See accompanying notes to the condensed interim consolidated financial statements

## Supernova Metals Corp.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	Six Month Period Ended June 30, 2021	Six Month Period Ended June 30, 2020
	(\$)	(\$)
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Loss for the period	(196,936)	(213,388)
Items not affecting cash:		
Accretion	475	698
Depletion	5,410	5,040
Impairment of exploration and evaluation assets	46,795	-
Impairment of oil properties	-	26,312
Gain on disposal of oil properties	(47,663)	-
Other income	(61,999)	-
Unrealized loss on short-term investments	17,500	49,200
Accrued interest	-	1,619
Changes in non-cash working capital items:		
Receivables	105,935	(13,595)
Prepays	5,317	(6,298)
Accounts payable and accrued liabilities	(116,996)	11,315
	(242,162)	(139,097)
<b>INVESTING ACTIVITIES</b>		
Exploration and evaluation expenditures	(569,861)	-
Reclamation bond	28,710	-
Disposal (acquisition) of oil property	5,000	(5,000)
	(536,151)	(5,000)
<b>FINANCING ACTIVITIES</b>		
Common shares issued for cash, net of issuance costs	511,250	-
Proceeds from notes payable	-	40,000
	511,250	40,000
<b>Change in cash during the period</b>	<b>(267,063)</b>	<b>(104,097)</b>
<b>Cash - beginning of period</b>	<b>527,607</b>	<b>129,492</b>
<b>Cash - end of period</b>	<b>260,544</b>	<b>25,395</b>

Supplemental Cash Flow Information (Note 16)

See accompanying notes to the condensed interim consolidated financial statements

## **Supernova Metals Corp.**

Notes to the Condensed Interim Consolidated Financial Statements

Six Month Period Ended June 30, 2021

(Unaudited - Expressed in Canadian dollars)

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### **1. NATURE OF OPERATIONS AND GOING CONCERN**

Supernova Metals Corp. (“Supernova” or the “Company”) was incorporated on November 20, 2000 under the laws of the province of Alberta, Canada and was continued into the province of British Columbia in 2010. The Company changed its name from Volt Energy Corp. to Supernova Metals Corp. on September 2, 2020. The Company’s offices are located at 1090 Hamilton Street, Vancouver, BC, Canada, V6B 2R9. The Company is engaged in the exploration of mineral properties in North America. The Company’s shares are traded on the Canadian Securities Exchange (“CSE”) under the symbol “SUPR”.

The Company’s principal business activities are the exploration and evaluation of resource properties in North America. The Company is in the process of exploring its resource properties, but it has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets 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 or from proceeds of disposition. To date, the Company has not received any revenue from mining operations and is considered to be in the exploration stage.

The Company’s continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations. If for any reason, the Company is unable to continue as a going concern, then this could result in adjustments to the amounts and classifications of assets and liabilities in the Company’s financial statements and such adjustments could be material.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company’s revenues from its oil operations are insufficient to support ongoing operations and the Company has incurred ongoing losses and will require additional funding to continue operations for the upcoming year. The above conditions may cast significant doubt on the Company’s ability to continue as a going concern.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

### **2. BASIS OF PREPARATION**

#### **Statement of Compliance**

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”) and the interpretations of the IFRS Interpretations committee. They do not include all disclosures required by International Financial Reporting Standards (“IFRS”) for annual financial statements, and therefore should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2020, prepared in accordance with IFRS as issued by the IASB

These condensed interim consolidated financial statements were approved by the Board of Directors of the Company on August 18, 2021.



**Supernova Metals Corp.**

Notes to the Condensed Interim Consolidated Financial Statements

Six Month Period Ended June 30, 2021

(Unaudited - Expressed in Canadian dollars)

**2. BASIS OF PREPARATION** (continued)**Basis of Presentation**

The condensed interim consolidated financial statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for cash flow information.

**Basis of Consolidation**

These consolidated financial statements include the accounts of Supernova and its wholly-owned subsidiary Supernova Metals (US) Corp. which was incorporated in Arizona, USA.

All inter-company transactions and balances have been eliminated upon consolidation.

Control exists where the parent entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

**Functional and Presentation Currency**

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currencies are as follows:

<b>Entity</b>	<b>Functional Currency</b>
Supernova Metals Corp.	Canadian dollar
Supernova Metals (US) Corp.	United States dollar

At the end of each reporting period, assets and liabilities of the entities whose functional currency is not the Canadian dollar are translated at the rate of exchange at the statement of financial position date. 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 reflected in other comprehensive income or loss for the year.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, 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. 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 reflected in profit or loss for the year.

**Supernova Metals Corp.**

Notes to the Condensed Interim Consolidated Financial Statements

Six Month Period Ended June 30, 2021

(Unaudited - Expressed in Canadian dollars)

**2. BASIS OF PREPARATION** (continued)**Use of Estimates and Judgements**

The preparation of these condensed interim 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 reported amounts of expenses during the period. Actual results could differ from these estimates.

These condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date 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, but are not limited to, the following:

**Income taxes**

The calculation of income taxes requires judgment in applying tax laws and regulations, estimating the timing of the reversals of temporary differences, and estimating the reliability of deferred tax assets. These estimates impact current and deferred income tax assets and liabilities, and current and deferred income tax expense (recovery).

Significant judgements that management has made at the end of the reporting period are as follows:

**Carrying value and the recoverability of 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.

**3. SIGNIFICANT ACCOUNTING POLICIES**

These condensed interim financial statements have been prepared using the same accounting policies as those used in the Company's annual financial statements at December 31, 2020.

**Supernova Metals Corp.**

Notes to the Condensed Interim Consolidated Financial Statements

Six Month Period Ended June 30, 2021

(Unaudited - Expressed in Canadian dollars)

**4. RECEIVABLES**

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
	(\$)	(\$)
Drilling deposit	-	94,999
GST receivable	7,357	13,050
Trade receivables	1,602	6,845
	<u>8,959</u>	<u>114,894</u>

**5. SHORT-TERM INVESTMENT**

<b>Carrying Value</b>			<b>Unrealized</b>	<b>Fair Value</b>
<b>December 31, 2020</b>	<b>Additions</b>	<b>Dispositions</b>	<b>Gain (Loss)</b>	<b>June 30, 2021</b>
(\$)	(\$)	(\$)	(\$)	(\$)
-	47,500	-	(17,500)	30,000

Short-term investment consists of 250,000 common shares of 79 Resources Ltd. (SNR.V).

**6. RECLAMATION BOND**

The drilling permit for the Clanton Hills property (Note 7) required a refundable reclamation bond totaling \$Nil (December 31, 2020 - \$39,461), which was held by the US Bureau of Land Management. The bond was refunded during the six month period ended June 30, 2021.

The drilling permit for the Cold Springs property (Note 7) required a refundable reclamation bond totaling \$10,960 (US\$8,691) (December 31, 2020 - \$Nil), which is held by the US Bureau of Land Management.

**Supernova Metals Corp.**

Notes to the Condensed Interim Consolidated Financial Statements

Six Month Period Ended June 30, 2021

(Unaudited - Expressed in Canadian dollars)

**7. EXPLORATION AND EVALUATION ASSETS**

A summary of exploration and evaluation assets by property for the six month period ended June 30, 2021 is set out below:

<b>Property</b>	<b>Balance at</b>	<b>Additions</b>	<b>Option</b>		<b>Balance at</b>
	<b>December 31,</b>		<b>Payment(s)</b>	<b>Received</b>	<b>Impairment</b>
	<b>2020</b>				<b>2021</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Cold Springs	59,648	583,066	-	-	642,714
Clanton Hills	-	46,795	-	(46,795)	-
Cannings Brook	-	38,000	-	-	38,000
Gander North	-	29,000	-	-	29,000
Gander South	-	29,000	-	-	29,000
Lac Saint Simon	10,501	-	(10,501)	-	-
Lac Roy and Faraud	180,000	-	-	-	180,000
	<b>250,149</b>	<b>725,861</b>	<b>(10,501)</b>	<b>(46,795)</b>	<b>918,714</b>

A summary of exploration and evaluation assets by property for the year ended December 31, 2020 is set out below:

<b>Property</b>	<b>Balance at</b>	<b>Additions</b>	<b>Option</b>		<b>Balance at</b>
	<b>December 31,</b>		<b>Payment(s)</b>	<b>Received</b>	<b>Impairment</b>
	<b>2019</b>				<b>2020</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Cold Springs	-	59,648	-	-	59,648
Lac Saint Simon	10,501	-	-	-	10,501
Clanton Hills	-	984,892	-	(984,892)	-
Lac Roy and Faraud	-	180,000	-	-	180,000
	<b>10,501</b>	<b>1,224,540</b>	<b>-</b>	<b>(984,892)</b>	<b>250,149</b>

**Supernova Metals Corp.**

Notes to the Condensed Interim Consolidated Financial Statements

Six Month Period Ended June 30, 2021

(Unaudited - Expressed in Canadian dollars)

**7. EXPLORATION AND EVALUATION ASSETS (continued)**

A summary of the exploration and evaluation assets by cost category is set out below:

	(\$)
<b>Balance at December 31, 2019</b>	<b>10,501</b>
Acquisition and land costs	790,000
Assays	22,180
Camp costs	26,674
Consulting	147,702
Drilling	202,149
Trenching and geophysics	25,206
Management and administration	10,629
Impairment	(984,892)
<b>Balance at December 31, 2020</b>	<b>250,149</b>
Acquisition and land costs	171,000
Assays	19,257
Camp costs	42,141
Consulting	120,072
Drilling	355,920
Maps and reports	17,471
Option payment received	(10,501)
Impairment	(46,795)
<b>Balance at June 30, 2021</b>	<b>918,714</b>

Cold Springs, Nevada

On September 1, 2020, the Company entered into an option agreement (the “Silver Range Agreement”) with Silver Range Resources Ltd. (“Silver Range”) wherein it can acquire up to a 75% interest in the Cold Springs gold property located in Nevada, USA in exchange for completing at least 2,000 metres of drilling on the property by August 31, 2023 and by making the following cash payments:

<u>Date</u>	<u>Amount</u>
	(\$)
On execution of the Option Agreement (paid)	10,000
By November 30, 2020 (paid)	20,000
By February 28, 2021 (paid)	20,000
By August 31, 2021	50,000
By August 31, 2022	100,000
By August 31, 2023	100,000
	<u>300,000</u>

**Supernova Metals Corp.**

Notes to the Condensed Interim Consolidated Financial Statements

Six Month Period Ended June 30, 2021

(Unaudited - Expressed in Canadian dollars)

**7. EXPLORATION AND EVALUATION ASSETS (continued)**

Silver Range retained a 2.5% NSR on the Property, subject to a buyback option wherein the Company can acquire 60% of the NSR in exchange for a cash payment of \$1,250,000.

On May 11, 2021, the Silver Range Agreement was amended wherein the Company acquired 100% ownership of the Cold Springs gold property, free of any encumbrances, in exchange for the issuance of 1,000,000 common shares which were valued at \$55,000.

Canning's Brook, Newfoundland

On May 31, 2021, the entered into an option agreement with a third party wherein it can acquire a 100% interest in the Canning's Brook property located in central Newfoundland in exchange for a series of cash and share payments and by completing certain property expenditures over a period of three years.

<u>Date</u>	<u>Cash</u>	<u>Shares</u>	<u>Expenditures</u>
	<u>(\$)</u>		<u>(\$)</u>
On execution of the Option Agreement (issued)	-	400,000	-
By December 31, 2021	-	-	20,000
By May 31, 2022	-	500,000	-
By December 31, 2022	-	-	30,000
By May 31, 2023	-	500,000	-
By December 31, 2023	-	-	50,000
By May 31, 2024 <sup>(1)</sup>	150,000	600,000	-
By December 31, 2024	-	-	100,000
		2,000,000	200,000

The vendor retains a 2% NSR on the Property, subject to a buyback option wherein the Company can acquire 50% of the NSR in exchange for a cash payment of \$1,000,000.

<sup>(1)</sup> The Company has the option to make the \$150,000 payment in either cash or common shares.

Gander North, Newfoundland

On May 26, 2021, the entered into an option agreement with a third party wherein it can acquire a 100% interest in the Gander North property located in central Newfoundland in exchange for a series of cash and share payments and by completing certain property expenditures over a period of three years.

<u>Date</u>	<u>Cash</u>	<u>Shares</u>	<u>Expenditures</u>
	<u>(\$)</u>		<u>(\$)</u>
On execution of the Option Agreement (paid and issued)	10,000	200,000	-
By September 3, 2021	-	-	25,000
By May 26, 2022	10,000	225,000	-
By September 3, 2022	-	-	40,000
By May 26, 2023	20,000	275,000	-
By September 3, 2023	-	-	60,000
By May 26, 2024	20,000	300,000	-
	60,000	1,000,000	125,000

The vendor retains a 2% NSR on the Property, subject to a buyback option wherein the Company can acquire 50% of the NSR in exchange for a cash payment of \$1,000,000.

**Supernova Metals Corp.**

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(Unaudited - Expressed in Canadian dollars)

**7. EXPLORATION AND EVALUATION ASSETS (continued)**Gander South, Newfoundland

On May 26, 2021, the entered into an option agreement with a third party wherein it can acquire a 100% interest in the Gander North property located in central Newfoundland in exchange for a series of cash and share payments and by completing certain property expenditures over a period of three years.

<b>Date</b>	<b>Cash</b>	<b>Shares</b>	<b>Expenditures</b>
	<b>(\$)</b>		<b>(\$)</b>
On execution of the Option Agreement (paid and issued)	10,000	200,000	-
By September 3, 2021	-	-	25,000
By May 26, 2022	10,000	225,000	-
By September 3, 2022	-	-	40,000
By May 26, 2023	20,000	275,000	-
By September 3, 2023	-	-	60,000
By May 26, 2024	20,000	300,000	-
	<b>60,000</b>	<b>1,000,000</b>	<b>125,000</b>

The vendor retains a 2% NSR on the Property, subject to a buyback option wherein the Company can acquire 50% of the NSR in exchange for a cash payment of \$1,000,000.

Lac Saint Simon, Quebec

On June 1, 2017, the Company acquired a 100% interest in the Lac Saint Simon lithium property located in west-central Quebec in exchange for 625,000 common shares of the Company which were valued at \$325,000.

On February 3, 2021, entered into an option agreement with 79 Resources Ltd. (the "Optionee"), a publicly traded company on the Canadian Securities Exchange, wherein the Optionee can acquire up to a 100% ownership interest in the Lac Saint Simon lithium project in stages over 36 months.

<b>Date</b>	<b>Common shares</b>	<b>Cash</b>	<b>Exploration Expenditures</b>
		<b>(\$)</b>	<b>(\$)</b>
Within 5 Days of the removal of the due diligence provision (received)	250,000	25,000	Nil
On or before the first anniversary of the Exchange Approval Date	250,000	30,000	100,000
On or before the second anniversary of the Exchange Approval Date	500,000	50,000	200,000
On or before the third anniversary of the Exchange Approval Date	500,000	50,000	400,000
<b>Total</b>	<b>1,500,000</b>	<b>155,000</b>	<b>700,000</b>

The Company will retain a 2% NSR on the Property, subject to a buyback option wherein the Optionee can acquire one half of the NSR in exchange for a cash payment of \$1,000,000.

**Supernova Metals Corp.**

Notes to the Condensed Interim Consolidated Financial Statements

Six Month Period Ended June 30, 2021

(Unaudited - Expressed in Canadian dollars)

**7. EXPLORATION AND EVALUATION ASSETS (continued)**Clanton Hills, Arizona

On August 31, 2020, the Company entered into an option agreement with Allegiant Gold Ltd. (“Allegiant”), a corporation related by virtue of a common officer (Note 12), granting the Company an option to acquire a 50.1% interest in the Clanton Hills silver property, subject to a 2% net smelter return royalty. The Company issued 2,000,000 common shares valued at \$580,000 and was required to pay US\$550,000 over three years and incur US\$1,500,000 in exploration expenditures.

During the six month period ended June 30, 2021, due to poor drilling results, the Company decided not to continue with the property, and accordingly as at December 31, 2020 the Company recorded a full impairment.

Lac Roy and Faraud, Quebec

On January 2, 2020, the Company acquired a 100% interest in the Lac Roy and Faraud vanadium properties located in Quebec in exchange for 3,000,000 common shares of the Company which were valued at \$180,000.

**8. OIL PROPERTIES**

On January 1, 2020, the Company acquired non-operating working interests in five wells in southeastern Saskatchewan from a corporation that shares directors and officers in common with the Company. The consideration for the acquisition was a cash payment of \$5,000 and a contingent performance bonus of up to \$40,000 payable after one year of production. In addition, the Company assumed the reclamation liability for its proportional interest in these wells which has been determined to be \$71,551 (Note 9).

Well #		Working Interest (%)	Net Revenue Interest (%)
1	King 141/08-13-004-07 W2M	45.90	39.02
2	King 91/06 HZ 1D08-13-1D06-18-04-06 W2M	13.00	13.00
3	King 92/07 HZ 2C5-18-1D7-13-04-07 W2M	45.90	39.02
4	King 4D8-14/2A11-13-004-07 W2	10.50	8.93
5	Steelman 191/07-18-004-06W2	13.00	13.00

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The Company reviews each CGU for indicators of possible impairment at the end of each reporting period. During the year ended December 31, 2020, the Company reviewed the carrying value of its oil properties and determined there were impairment indicators present for Well #3. The well has not produced any oil since acquisition, and it is unclear if there is any future benefit left in the well. Accordingly, the Company recorded an impairment charge of \$26,312.

During the six month period ended June 30, 2021, the Company disposed of all of its oil properties and associated asset retirement obligations in exchange for a cash payment of \$5,000. A gain on disposal totaling \$47,663 was recorded.



**Supernova Metals Corp.**

Notes to the Condensed Interim Consolidated Financial Statements

Six Month Period Ended June 30, 2021

(Unaudited - Expressed in Canadian dollars)

**8. OIL PROPERTIES (continued)**

<b>2021</b>	<b>Well #1</b>	<b>Well #2</b>	<b>Well #3</b>	<b>Well #4</b>	<b>Well #5</b>	<b>Total</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Cost:						
At December 31, 2019	-	-	-	-	-	-
Additions	26,772	7,107	26,312	7,142	8,869	76,202
At December 31, 2020	26,772	7,107	26,312	7,142	8,869	76,202
Disposals	(26,772)	(7,107)	(26,312)	(7,142)	(8,869)	(76,202)
At June 30, 2021	-	-	-	-	-	-
Depletion:						
At December 31, 2019	-	-	-	-	-	-
Charge for the period	4,003	-	-	895	2,065	8,488
At December 31, 2020	4,003	1,525	-	895	2,065	8,488
Charge for the period	4,816	-	-	362	232	5,410
Disposals	(8,819)	(1,525)	-	(1,257)	(2,297)	(13,898)
At June 30, 2021	-	-	-	-	-	-
Impairment:						
At December 31, 2019	-	-	-	-	-	-
Charge for the period	-	5,582	26,312	-	-	31,894
At December 31, 2020	-	5,582	26,312	-	-	31,894
Disposals	-	(5,582)	(26,312)	-	-	(31,894)
At June 30, 2021	-	-	-	-	-	-
Net book value:						
At December 31, 2020	22,769	-	-	6,247	6,804	35,820
At June 30, 2021	-	-	-	-	-	-

**9. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES**

	<b>June 30,</b>	<b>December 31,</b>
	<b>2021</b>	<b>2020</b>
	<b>(\$)</b>	<b>(\$)</b>
Trade payables	14,516	85,268
Related party payables (Note 12)	17,762	40,004
Accrued liabilities	10,000	30,000
	<u>42,278</u>	<u>159,272</u>

**10. NOTE PAYABLE**

On January 10, 2020, the Company borrowed \$40,000 pursuant to a promissory note that was unsecured, bore interest at a rate of 18% compounded monthly and was repayable on or before December 31, 2020. During the year ended December 31, 2020, the Company repaid the loan plus accrued interest of \$1,978 through the issuance of 1,678,713 common shares valued at \$41,967 and a cash payment of \$11.

On April 13, 2020, the Company borrowed \$15,000 from a director of the Company pursuant to a promissory note that was unsecured, bore interest at a rate of 18% compounded monthly and was repayable on or before December 31, 2020. During the year ended December 31, 2020, the Company repaid the loan plus accrued interest of \$111 through the issuance of 600,000 common shares valued at \$15,000 and a cash payment of \$111.

**Supernova Metals Corp.**

Notes to the Condensed Interim Consolidated Financial Statements

Six Month Period Ended June 30, 2021

(Unaudited - Expressed in Canadian dollars)

**10. NOTE PAYABLE (continued)**

On May 11, 2020, the Company borrowed \$40,000 under a COVID-19 Relief Line of Credit as part of the Government-sponsored Canada Emergency Business Account (“CEBA”). The credit line is interest free until December 31, 2020, and any unpaid balance on January 1, 2021 will be converted to a two year 0% interest term loan that must be repaid by December 31, 2022. A total of \$10,000 of the loan will be forgiven if \$30,000 is repaid in full on or before December 31, 2022. The Company can exercise an option for a three year term extension but any remaining principal balance outstanding will be subject to 5% interest.

On December 15, 2020, the Company received an additional \$20,000 loan under the CEBA program. The terms of repayment are the same as the first advance, including the provision that \$10,000 of the additional advance will be forgiven if the remaining \$10,000 is repaid in full on or before December 31, 2022.

On March 22, 2021, the Company borrowed \$100,000 pursuant to a promissory note that is unsecured, bears interest at a rate of 24% compounded monthly and is repayable on or before December 31, 2022. During the six month period ended June 30, 2021, the Company repaid the loan and all accrued interest totaling \$5,747.

**11. ASSET RETIREMENT OBLIGATION**

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
	(\$)	(\$)
Balance, beginning	72,600	-
Addition	-	71,202
Disposals	73,075	-
Accretion expense	475	1,398
Balance, end	-	72,600

The Company’s provision for restoration and environmental obligations consists of costs accrued based on the current best estimate of reclamation activities that will be required at the completion of petroleum extraction activities. The Company’s provision for future site closure and reclamation costs is based on the level of known disturbance at the reporting date, known legal requirements and estimates prepared by a third party specialist. It is not currently possible to estimate the impact on operating results, if any, of future legislative or regulatory developments.

The Company has calculated the fair value of the asset retirement obligation using a risk-free discount rate of 2.2% and an inflation rate of 2.0%. The estimated total future undiscounted cash flows to settle the asset retirement obligations are \$85,700 and are expected to be incurred over a period of approximately 19 years.

During the six month period ended June 30, 2021, the Company disposed of all of its oil properties and associated asset retirement obligations in exchange for a cash payment of \$5,000. A gain on disposal totaling \$47,663 was recorded.

**Supernova Metals Corp.**

Notes to the Condensed Interim Consolidated Financial Statements

Six Month Period Ended June 30, 2021

(Unaudited - Expressed in Canadian dollars)

**12. RELATED PARTY TRANSACTIONS**

Key management includes the Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”), directors and companies controlled by them. The Company incurred the following transactions with key management of the Company during the six month periods ended June 30, 2021 and 2020:

	<b>June 30, 2021</b>	<b>June 30, 2020</b>
	(\$)	(\$)
Director fees	-	18,000
Consulting fees to the CFO	45,000	32,500
Geological consulting fees to two independent directors	6,673	-
Management and professional fees to the CEO	60,000	60,000
Mineral royalties to a former director	362	540
	<u>112,035</u>	<u>111,040</u>

As at June 30, 2021, a total of \$12,512 (December 31, 2020 - \$44,004) was included in accounts payable and accrued liabilities owing to current and former key management of the Company.

**13. SHARE CAPITAL*****Authorized share capital***

The Company’s authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of preference shares without par value.

***Issued share capital***

There are no preferred shares issued or outstanding.

**Six month period ended June 30, 2021**

On May 25, 2021, the Company issued 1,000,000 common shares valued at \$55,000 in connection with the Cold Springs amending agreement. (Note 7)

On June 4, 2021, the Company completed a non-brokered private placement wherein it issued 10,000,000 common shares at \$0.05 per share for aggregate proceeds of \$500,000.

On June 7, 2021, the Company issued 800,000 common shares valued at \$76,000 in connection with the Canning’s Brook, Gander North and Gander South property agreements. (Note 7)

During the six month period ended June 30, 2021, the Company issued 225,000 common shares at \$0.05 per share from the exercise of stock options for aggregate proceeds of \$11,250. As a result of the option exercises, a total of \$9,472 was transferred from share option reserve into share capital.

**Supernova Metals Corp.**

Notes to the Condensed Interim Consolidated Financial Statements

Six Month Period Ended June 30, 2021

(Unaudited - Expressed in Canadian dollars)

**13. SHARE CAPITAL** (continued)Year ended December 31, 2020

On January 9, 2020, the Company issued 3,000,000 common shares valued at \$180,000 in connection with the acquisition of the Lac Roy and Faraud vanadium properties. (Note 6)

On April 28, 2020, the Company issued 4,469,863 common shares to settle accounts payable and notes payables totaling \$111,747. (Note 9)

On June 4, 2020, the Company completed a non-brokered private placement wherein it issued 2,000,000 units at \$0.05 per unit for aggregate proceeds of \$100,000. Each unit is comprised of a common share and a share purchase warrant that entitles the holder to acquire an additional common share at \$0.07 for a period of two years. The warrant was determined to have a value of \$Nil.

On September 4, 2020, the Company completed a non-brokered private placement wherein it issued 10,000,000 common shares at \$0.10 per share for aggregate proceeds of \$1,000,000. The Company incurred share issuance costs of \$35,965 and issued 312,900 finders' warrants that are exercisable at \$0.20 until September 4, 2021. The finders' warrants were determined to have a value of \$40,100.

On September 16, 2020, the Company issued 2,000,000 common shares valued at \$580,000 in connection with the Clanton Hills option agreement. (Note 6)

During the year ended December 31, 2020, the Company issued 3,000,000 common shares for gross proceeds of \$176,000 pursuant to the exercise of share purchase warrants and stock options. As a result of the option exercises, a total of \$89,388 was transferred from share option reserve into share capital.

***Restricted Stock Units***

On September 9, 2020, the Company adopted a restricted share unit ("RSU") plan to issue RSUs whereby the total aggregate RSUs and share options outstanding may be up to 10% of its issued capital at the time of an applicable option grant. The Board of Directors may from time to time, grant RSUs to directors, officers, employees or consultants. The vesting terms of an RSU are at the discretion of the Board of Directors.

There were no RSUs issued or outstanding as at June 30, 2021 or December 31, 2020.

**Supernova Metals Corp.**

Notes to the Condensed Interim Consolidated Financial Statements

Six Month Period Ended June 30, 2021

(Unaudited - Expressed in Canadian dollars)

**13. SHARE CAPITAL (continued)*****Stock options***

The Company has a rolling incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Such options will be exercisable for a variable period from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding common shares.

Options may be exercised no later than 90 days following cessation of the optionee's position with the Company.

**Six month period ended June 30, 2021**

A total of 550,000 stock options were voluntarily forfeited during the period.

**Year ended December 31, 2020**

On December 3, 2020, the Company granted 250,000 stock options exercisable at \$0.17 for a period of two years. The options vest in equal installments over a period of nine months. During the year ended December 31, 2020, the Company expensed \$11,401 as a share-based payment. The stock options have been forfeited so no additional share-based payment expense has been recorded.

On June 2, 2020, Company granted 1,150,000 stock options exercisable at \$0.05 for a period of five years. The options were fully vested on the grant date, and the Company expensed \$49,200 as a share-based payment.

The options granted during the year were valued using the Black-Scholes option pricing model under the following weighted average assumptions:

	<b>2020</b>
Risk-free interest rate	0.37%
Expected life of options	4.46 yrs
Volatility	139%
Expected Dividend yield	Nil
Forfeiture rate	Nil
Weighted average fair value	\$0.06

**Supernova Metals Corp.**

Notes to the Condensed Interim Consolidated Financial Statements

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**13. SHARE CAPITAL** (continued)

A continuity schedule of the Company's stock options is as follows:

	<b>Number of Options</b>	<b>Weighted Average Exercise Price</b>
		(\$)
Balance, December 31, 2019	1,375,000	0.06
Granted	1,400,000	0.07
Exercised	(2,000,000)	0.05
Balance, December 31, 2020	775,000	0.10
Exercised	(225,000)	0.05
Forfeited	(550,000)	0.12
Balance, June 30, 2021	-	-

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

**Warrants**

A continuity schedule of the Company's warrants is as follows:

	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>
		(\$)
Balance, December 31, 2019	-	-
Issued	2,312,900	0.09
Exercised	(1,000,000)	0.07
Balance, December 31, 2020 and June 30, 2021	1,312,900	0.10

The following table summarizes the warrants outstanding and exercisable as at June 30, 2021:

<b>Number of Warrants Outstanding</b>	<b>Number of Warrants Exercisable</b>	<b>Weighted Average Exercise Price</b>	<b>Expiry Date</b>	<b>Weighted Average Remaining Contractual Life</b>
		(\$)		(yrs)
1,000,000	1,000,000	0.07	June 4, 2022	1.27
312,900	312,900	0.20	September 4, 2021	0.43
1,312,900	1,312,900	0.10		1.00

**Supernova Metals Corp.**

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Six Month Period Ended June 30, 2021

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**13. SHARE CAPITAL (continued)**

The finder's warrants issued during the year were valued using the Black-Scholes option pricing model under the following weighted average assumptions:

	<b>2020</b>
Risk-free interest rate	0.25%
Expected life of options	1.00 yrs
Volatility	120%
Expected Dividend yield	Nil
Forfeiture rate	Nil
Weighted average fair value	\$0.13

**14. FINANCIAL RISK MANAGEMENT**

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

***Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts as well as receivables. The majority of cash is deposited in bank accounts held with major banks in Canada. As the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

***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 prepares a general operating budget to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company uses its best efforts to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

The Company's financial liabilities consist of accounts payable and accrued liabilities, all of which are due within twelve months.

The Company is exposed to liquidity risk.

***Commodity risk***

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for petroleum and base and precious metals are impacted by world economic events that dictate the levels of supply and demand. The Company had no hedging contracts in place as at or during the period ended June 30, 2021.

**Supernova Metals Corp.**

Notes to the Condensed Interim Consolidated Financial Statements

Six Month Period Ended June 30, 2021

(Unaudited - Expressed in Canadian dollars)

**14. FINANCIAL RISK MANAGEMENT (continued)*****Interest rate risk***

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

***Foreign exchange risk***

The Company's functional and presentation currency is the Canadian dollar. The Company is exposed to the currency risk related to the fluctuation of foreign exchange rates in its US subsidiary. The Company also has certain assets and liabilities denoted in US dollars. A 10% change in the currency exchange rates between the Canadian dollar relative to the US dollar would have an effect on the Company's results of operations, financial position and/or cash flows of approximately \$1,400. The Company has not hedged its exposure to currency fluctuations.

***Classification of financial instruments***

The Company classifies its other financial assets and other financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

Financial assets included in the statement of financial position are cash and receivables. Financial liabilities included in the statement of financial position include accounts payable and accrued liabilities and note payable. The fair value of cash, receivables, and accounts payable approximate the carrying amount due to their short term to maturity. The fair value of note payable reflects the market rate of interest. The effect of changes in the Company's credit risk do not have a significant impact on the fair value due to the short term to maturity.

***Capital Management***

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of the components of shareholders' equity.

The Company manages its 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 its capital structure, the Company may attempt to issue new shares, issue debt and acquire or dispose of assets.

The Company is not subject to any externally imposed capital requirements.

There have been no changes to the Company's approach to capital management during the period ended June 30, 2021.



**Supernova Metals Corp.**

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Six Month Period Ended June 30, 2021

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**15. SEGMENTED INFORMATION**

The Company has one reportable business segment, being mineral exploration and development. Assets by geographical area are as follows:

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
	(\$)	(\$)
Current assets		
Canada	301,220	554,536
USA	-	94,999
	301,220	649,535
Non-current assets		
Canada	286,501	226,321
USA	642,964	99,109
	929,465	325,430
Total assets		
Canada	587,721	780,857
USA	642,964	194,108
	1,230,685	974,965

**16. SUPPLEMENTAL CASH FLOW INFORMATION**

	<b>June 30, 2021</b>	<b>June 30, 2020</b>
	(\$)	(\$)
<b>Non-cash investing and financing activities:</b>		
Acquisition of exploration and evaluation assets through the issuance of common shares	131,000	180,000
Receipt of short-term investment as an option payment against exploration and evaluation assets	47,500	-
Transfer fair value of stock options exercised from option reserve to share capital	9,472	-
<b>Interest paid during the period</b>	5,747	-
<b>Income taxes paid during the period</b>	-	-

**17. SUBSEQUENT EVENT**

Subsequent to March 31, 2021, the Company completed a non-brokered private placement wherein it issued 1,784,999 flow through common shares at \$0.075 per share for aggregate proceeds of \$133,875.

SCHEDULE B – MANAGEMENT’S DISCUSSION AND ANALYSIS



**Management's Discussion and Analysis**

**Six Month Period Ended  
June 30, 2021**

(Expressed in Canadian Dollars)

**Report Date – August 18, 2021**

## **INTRODUCTION**

The following Management's Discussion & Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of Supernova Metals Corp. (formerly Volt Energy Corp.) ("Supernova" or the "Company") for the six month period ended June 30, 2021. It should be read in conjunction with the condensed interim consolidated financial statements for the six month period ended June 30, 2021 and audited annual financial statements for the year ended December 31, 2020 and the related notes thereto.

The following information includes financial information derived from the financial statements of the Company, which have been prepared in accordance with International Financial Reporting Standards (IFRS). All financial results are reported in Canadian dollars.

The Company's head office is located at 1090 Hamilton Street, Vancouver, BC V6B 2R9. Additional information relating to the Company can also be found on the Company's website at [www.supernovametals.com](http://www.supernovametals.com) or on the SEDAR website at [www.sedar.com](http://www.sedar.com).

## **FORWARD LOOKING STATEMENTS**

This document contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to as "forward-looking statements"). Often, but not always, forward-looking statements can be identified by the use of words such as "plans," "expects" or "does not expect," "is expected," "planned," "budget," "scheduled," "estimates," "continues," "forecasts," "projects," "predicts," "intends," "anticipates" or "does not anticipate," or "believes," or variations of such words and phrases, or statements that certain actions, events or results "may," "could," "would," "should," "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any of our future results, performance or achievements expressed or implied by the forward-looking statements; consequently, undue reliance should not be placed on forward-looking statements.

Management believes the primary risk factors have been identified in the Risks and Uncertainties section of this document.

Forward-looking statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the potential mineralization and geological merits of the of the Cold Springs gold/silver property;
- the potential mineralization and geological merits of the of the Lac Saint Simon lithium property;
- the potential mineralization and geological merits of the of the Faraud and Lac Roy vanadium properties;
- the remaining reserves at the West Kingsford oil wells;
- the availability of equity and other financing on reasonable terms;
- our ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- our ability to attract and retain skilled labour and staff; and

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We caution you that the foregoing lists of important risk factors and assumptions are not exhaustive. Events or circumstances could cause our actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. We undertake no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

### DESCRIPTION OF BUSINESS

Supernova is a Canadian exploration company continued under the Business Corporations Act (British Columbia) on December 30, 2010, and its common shares are listed for trading on the Canadian Securities Exchange (the "CSE") under the symbol "SUPR". On September 2, 2020, the Company changed its name from Volt Energy Corp. to Supernova Metals Corp.

The Company is focused on adding, creating and increasing value through the acquisition and exploration of mineral resource properties in North America. The Company currently has several exploration stage properties including three gold exploration projects located on the Gander gold belt in Newfoundland, the Cold Springs gold/silver project in Nevada, the Lac Saint Simon lithium property in Quebec, and the Lac Roy and Faraud vanadium properties in Quebec.

### GANDER PROPERTIES

#### Canning's Brook

On May 31, 2021, the entered into an option agreement with a third party wherein it can acquire a 100% interest in the Canning's Brook property located in central Newfoundland in exchange for a series of cash and share payments and by completing certain property expenditures over a period of three years.

<b>Date</b>	<b>Cash</b>	<b>Shares</b>	<b>Expenditures</b>
	<b>(\$)</b>		<b>(\$)</b>
On execution of the Option Agreement (issued)	-	400,000	-
By December 31, 2021	-	-	20,000
By May 31, 2022	-	500,000	-
By December 31, 2022	-	-	30,000
By May 31, 2023	-	500,000	-
By December 31, 2023	-	-	50,000
By May 31, 2024 <sup>(1)</sup>	150,000	600,000	-
By December 31, 2024	-	-	100,000
		2,000,000	200,000

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**GANDER PROPERTIES** (continued)

The vendor retains a 2% NSR on the Property, subject to a buyback option wherein the Company can acquire 50% of the NSR in exchange for a cash payment of \$1,000,000.

(1) The Company has the option to make the \$150,000 payment in either cash or common shares.

In June 2021 the Company commenced the initial exploration program comprised primarily of a property wide soil sampling program.

Gander North, Newfoundland

On May 26, 2021, the entered into an option agreement with a third party wherein it can acquire a 100% interest in the Gander North property located in central Newfoundland in exchange for a series of cash and share payments and by completing certain property expenditures over a period of three years.

<b>Date</b>	<b>Cash</b>	<b>Shares</b>	<b>Expenditures</b>
	<b>(\$)</b>		<b>(\$)</b>
On execution of the Option Agreement (paid and issued)	10,000	200,000	-
By September 3, 2021	-	-	25,000
By May 26, 2022	10,000	225,000	-
By September 3, 2022	-	-	40,000
By May 26, 2023	20,000	275,000	-
By September 3, 2023	-	-	60,000
By May 26, 2024	20,000	300,000	-
	<b>60,000</b>	<b>1,000,000</b>	<b>125,000</b>

The vendor retains a 2% NSR on the Property, subject to a buyback option wherein the Company can acquire 50% of the NSR in exchange for a cash payment of \$1,000,000.

In June 2021 the Company commenced the initial exploration program comprised primarily of a property wide soil sampling program.

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**GANDER PROPERTIES** (continued)Gander South, Newfoundland

On May 26, 2021, the entered into an option agreement with a third party wherein it can acquire a 100% interest in the Gander North property located in central Newfoundland in exchange for a series of cash and share payments and by completing certain property expenditures over a period of three years.

<b>Date</b>	<b>Cash</b>	<b>Shares</b>	<b>Expenditures</b>
	<b>(\$)</b>		<b>(\$)</b>
On execution of the Option Agreement (paid and issued)	10,000	200,000	-
By September 3, 2021	-	-	25,000
By May 26, 2022	10,000	225,000	-
By September 3, 2022	-	-	40,000
By May 26, 2023	20,000	275,000	-
By September 3, 2023	-	-	60,000
By May 26, 2024	20,000	300,000	-
	60,000	1,000,000	125,000

The vendor retains a 2% NSR on the Property, subject to a buyback option wherein the Company can acquire 50% of the NSR in exchange for a cash payment of \$1,000,000.

**LAC SAINT SIMON LITHIUM PROPERTY**

In June 2017, the Company acquired the Lac Saint Simon Lithium property (the "LSS Property") located in west-central Quebec from AgraFlora Organics International Inc. (CSE: AGRA). in exchange for 625,000 common shares of the Company.

About the LSS Property

The LSS Property is located approximately 2km from the boundary of Nemaska Lithium's (TSX:NMX) Whabouchi Project ("Whabouchi") and is roughly 480 hectares in size. According to Nemaska, Whabouchi is one of the most important spodumene lithium hard rock deposits in the world both in volume and grade. A Mineral Reserve estimate prepared by Met-Chem using the updated Mineral Resource block model suggests that Whabouchi hosts an estimated 20 million tonnes of Proven and Probable Reserves with a grade of 1.53% Li<sub>2</sub>O Open Pit and 7.3 million tonnes of Proven and Probable Reserves with a grade of 1.28% Li<sub>2</sub>O Underground. The mineralization hosted on the Whabouchi property is not necessarily indicative of the mineralization hosted on the Company's LSS Property. The bedrock geology of the LSS Property is composed primarily of pink granite with pegmatites and porphyritic granodiorite. Accessory amounts of amphibolite and diabase have been mapped on the LSS Property. All geological information is based on data available for download by the Quebec government and not by the Company.

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**LAC SAINT SIMON LITHIUM PROPERTY** (continued)

The most prospective geology appears to be pegmatites set within the pink granite. Generally, lithium mineralization in the region has been concentrated in pegmatites, with Whabouchi being the classic example. Historically, Tuscana Lithium completed a NI 43-101 technical report on their Abigail property, which covered a large land position in the belt that went as far north as the southern boundary of the LSS Property. More recently, AGRA conducted an initial exploration program on the LSS Property and is expecting completion of an updated NI 43-101 report in short order. The technical report encompasses the preliminary reconnaissance exploration program that was conducted, along with the recently completed unmanned aerial vehicle ("UAV") geophysical survey.

During the year ended December 31, 2018, the Company reviewed the carrying value of its exploration and evaluation assets and determined there were impairment indicators present. The Company was unable to raise sufficient capital with which to explore the properties and as a result was unable to advance the development of the properties in any meaningful way. Accordingly, the Company recorded an impairment loss of \$327,240 to reduce the carrying value to a nominal amount of \$1 on the statement of financial position.

In February 2021, the Company entered into an option agreement with 79 Resources Ltd., a publicly traded company on the Canadian Securities Exchange (the "Optionee"), wherein the Optionee can acquire 100% of the LSS Property by making cash and share payments in addition to exploration expenditures over a three year period.

The detailed terms of the option agreement with the "Optionee are as follows:

<b>Date</b>	<b>Common Shares</b>	<b>Cash (\$)</b>	<b>Exploration Expenditures (\$)</b>
Within 5 Days of the removal of the due diligence provision (received)	250,000	25,000	Nil
On or before the first anniversary of the Exchange Approval Date	250,000	30,000	100,000
On or before the second anniversary of the Exchange Approval Date	500,000	50,000	200,000
On or before the third anniversary of the Exchange Approval Date	500,000	50,000	400,000
<b>Total</b>	<b>1,500,000</b>	<b>155,000</b>	<b>700,000</b>

The Company will retain a 2% NSR on the Property, subject to a buyback option wherein the Optionee can acquire one half of the NSR in exchange for a cash payment of \$1,000,000.



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### **COLD SPRINGS GOLD/SILVER PROPERTY**

On September 1, 2020, the Company entered into an option agreement (the "Silver Range Agreement") with Silver Range Resources Ltd. ("Silver Range") (TSXV:SNG) wherein the Company can acquire a 75% interest in the Cold Springs gold/silver project by paying Silver Range an aggregate of \$300,000 in cash and performing a minimum of 2,000 meters of drilling on the Property over a three year period.

On May 11, 2021, the Silver Range Agreement was amended wherein the Company acquired 100% ownership of the Cold Springs gold property, free of any encumbrances, in exchange for the issuance of 1,000,000 common shares which were valued at \$55,000.

The Cold Springs property is located in the western Great Basin of Nevada and covers high-grade epithermal gold-silver mineralization. It lies approximately 80km east of Fallon and is accessible by road. It covers an approximately 800m by 350m hill-top exposure of altered and silicified rhyodacite breccia which hosts a series of northwest-striking, sub-parallel gold and silver-bearing quartz veins. The property consists of 22 Federal Lode Claims centered on a small hill along the range front.

Historic sampling by Silver Range and others has yielded values of up to **64.9 g/t gold and 1,770 g/t silver** from vein material. Limited RC drilling on the property has not adequately tested the mineralized system.

Four large low sulphidation epithermal veins are exposed in a wider 500 x 200 metre area of silicification. Veins are up to 70 metres long and 2.0 metres thick. All indications are the exposed mineralization is on the periphery of a larger system. Prior geological mapping and drill results indicate that the host tuffs, the large silicified breccia and the high-grade veins dip towards the Cold Springs valley and are down-dropped beneath alluvium across a range front fault.

The mineralization exposed on the hill at Cold Springs appears to be merely the eastern periphery of a larger epithermal system. Geophysical surveys have identified a large resistivity low west of the range front fault and the exposed mineralization in basement rocks beneath alluvium. This is interpreted to be argillic alteration surrounding the core of the hydrothermal system.

Supernova took some additional samples on the property which yielded values of up to **12.75 g/t gold and 709 g/t silver**. In addition, a ground-based magnetic geophysical survey was completed over the Cold Springs property in October 2020. The immediate aim of the geophysical program was to verify and better delineate the location and orientation of the known structures associated with the mineralization found on the hillside and in the valley to the west. The information obtained identified some additional anomalies on the hillside that were not previously tested and further supported the theory that the geophysical anomaly in the valley to the west may be a source for the mineralization discovered in historical drill programs at Cold Springs.

In March 2021, the Company completed a four hole diamond drill program at Cold Springs. The drill holes intersected a broad fault zone containing silicified volcanic rock and quartz vein clasts that resemble the silicified hydrothermal breccia and quartz veins on the hilltop, but no significant assays were returned from the program.

The hilltop area remains a significant exploration target as the limited historical reverse circulation drilling completed in this area has not adequately tested the mineralizing system and additional drilling is warranted to fully evaluate the potential of the property.

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### **CLANTON HILLS SILVER PROPERTY**

On August 31, 2020, the Company entered into an option agreement with Allegiant Gold Ltd. (“**Allegiant**”) (TSXV:AUAU) wherein the Company can acquire up to a 50.1% interest, subject to a 2% NSR royalty, in the Clanton Hills silver project by issuing 2,000,000 common shares to Allegiant on execution of the agreement, paying an aggregate of US\$550,000 in cash and common shares and incurring exploration expenditures of US\$1,500,000 over a three year period. The Company can increase its ownership interest to 70% by paying Allegiant an additional US\$3,000,000, 50% of which can be settled in common shares at the Company's election.

The Clanton Hills project, located 70 miles west of Phoenix, Arizona, consists of 32 wholly-owned mining claims, subject to underlying royalties. The claims are centered on an isolated, bedrock knob of silicified breccia measuring about 25 meters by 90 meters. The knob is completely surrounded by a pediment surface, where gravel cover is likely to be 5 to 20 meters thick.

In December 2020, the Company completed a five hole reverse circulation drill program totaling 1,000 metres on the Clanton Hills property. No significant assays were received from the samples recovered so the Company returned the property to Allegiant.

### **FARAUD AND LAC ROY VANADIUM PROPERTIES**

On January 2, 2020, the Company acquired a 100% interest in the Lac Roy and Faraud vanadium properties located in Quebec in exchange for 3,000,000 common shares which were valued at \$180,000.

#### Faraud

The Faraud Vanadium Showing (“Faraud”) was initially discovered in 2001 by local prospectors. The geological assessment report disclosed the best grades on the property were received from samples near Lac des Ingénieurs. These samples had vanadium oxide ( $V_2O_5$ ) values as high as 0.27%. A total of 28 grab samples were taken. A 3.5 metre trench was subsequently completed, and the best sample quoted and disclosed, GT-01-033C, is a selected sample and not necessarily representative of all mineralization hosted on the property. Faraud is comprised of twenty-four (24) claims totaling approximately 1,326 hectares in the Saguenay region of Quebec approximately 90 kilometres north of Chicoutimi-Jonquiere.

#### Lac Roy

The Lac Roy Showing (“Lac Roy”) is also situated in the Saguenay – Côte Nord region. Lac Roy was discovered by local prospectors in 2001. The geological assessment report summarized work on the Lac Roy and the surrounding area highlighted significant vanadium values. The best vanadium oxide ( $V_2O_5$ ) assay from this work program was 1,610 ppm (0.16%). A total of 15 grab samples were taken with a mean vanadium value of 195ppm. The best sample disclosed is a selected sample and not necessarily representative of all mineralization hosted on the property. Lac Roy is comprised of twenty-three (23) claims totaling approximately 1,278 hectares.

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### **FARAUD AND LAC ROY VANADIUM PROPERTIES (continued)**

Both properties are road accessible and the bedrock geology is predominately composed of the Lac Saint Jean Anorthosite (LSJA). Vanadium mineralization is often associated with anorthositic complexes. The LSJA has been dated to be  $1157 \pm 3$ Ma making it late Proterozoic in age. The LSJA is classified as an AMCG (Anorthosite–Mangerite–Charnockite–Granite) suites, which are characteristic of the Proterozoic. This suite includes anorthosite, leucogabbro, leuconorite, leucotroctolite and Nelsonite. An example of another of these complexes is the Rogaland Anorthositic Province in Norway.

### **OIL PROPERTIES**

*West Kingsford, Saskatchewan*

On January 1, 2020, the Company executed an agreement to acquire certain non-operating oil interests in southeastern Saskatchewan in exchange for a cash payment of \$5,000. In addition, the Company assumed the reclamation liability for its proportional interest in these wells which were determined to be \$71,202. On May 17, 2021, the Company disposed of all of its oil interests and associated reclamation liabilities in exchange for a cash payment of \$5,000.

### **COMMITMENTS**

As at June 30, 2021 and the Report Date, the Company had no commitments.

### **SUBSEQUENT EVENTS**

Subsequent to March 31, 2021, the Company completed a non-brokered private placement wherein it issued 1,784,999 flow through common shares at \$0.075 per share for aggregate proceeds of \$133,875.

### **RESULTS OF OPERATIONS**

Six Month Period Ended June 30, 2021

The Company had oil sales, net of royalties, of \$14,326 during the six month period ended June 30, 2021 ("Current Period") compared to \$38,160 during six month period ended June 30, 2020 ("PY Period"). The decline in revenue was a result of the disposition of the oil assets effective May 1, 2021.

Expenses for the Current Period increased by \$48,244 versus the PY Period due to additional management and consulting fees being incurred in the Current Period which was a far more active period of operations.

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**SELECTED ANNUAL INFORMATION**

The Company's functional and presentation currency is the Canadian Dollar for all years presented.

	2020	2019	2018
	(\$)	(\$)	(\$)
Oil sales	(101,220)	-	46,522
Net loss	(1,576,165)	(214,346)	(1,171,060)
Comprehensive loss	(1,576,165)	(214,346)	(1,171,060)
Loss per share – basic and diluted	(0.05)	(0.02)	(0.11)
Total assets	974,965	144,025	115,320
Total long-term liabilities	132,600	-	-
Cash dividends	-	-	-

**SELECTED QUARTERLY INFORMATION**

The following table summarized the results of operations for the eight most recent quarters.

	Three month period ended			
	June 30 2021	Mar 31 2021	Dec 31 2020	Sep 30 2020
	(\$)	(\$)	(\$)	(\$)
Oil sales, net of royalties	11,415	25,492	22,825	25,785
Expenses	150,099	123,364	182,366	238,511
Net income (loss)	(99,926)	(97,010)	(1,150,051)	(212,726)
Loss per share	(0.00)	(0.00)	(0.04)	(0.01)

	Three month period ended			
	June 30 2020	Mar 31 2020	Dec 31 2019	Sep 30 2019
	(\$)	(\$)	(\$)	(\$)
Oil sales, net of royalties	14,326	23,834	-	-
Expenses	141,080	84,139	84,609	20,871
Net income (loss)	(127,103)	(86,285)	(84,609)	20,871
Loss per share	(0.01)	(0.00)	(0.01)	0.00

Notes on Material Quarterly Variations:

June 30, 2021 – reported a decrease in oil sales due to the disposal of all oil assets in May 2021.

December 31, 2020 – reported an increase in expenses due an impairment charge against the Clanton Hills property.

March 31, 2020 – reported sales from newly acquired oil assets.

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**OUTSTANDING SHARE DATA**

	<b>June 30, 2021</b>	<b>Report Date</b>
Common Shares	54,492,712	56,277,711
Stock Options	-	-
Warrants	1,312,900	1,312,900
RSUs	-	-
Fully Diluted	55,805,612	57,590,611

**RELATED PARTIES TRANSACTIONS**

Key management includes the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), directors and companies controlled by them. The Company incurred the following transactions with key management of the Company during the six month periods ended June 30, 2021 and 2020.

	<b>June 30, 2021</b>	<b>June 30, 2020</b>
	<b>(\$)</b>	<b>(\$)</b>
Director fees and mineral royalties paid or accrued to J. Lewis Dillman, a former director of the Company	362	6,540
Management, professional and director fees paid or accrued to Sean McGrath, the CEO of the Company, or a corporation controlled by Sean McGrath	60,000	66,000
Geological fees paid or accrued to Roger March, a director of the Company	4,150	-
Geological fees paid or accrued to Kent Ausburn, a director of the Company	2,522	-
Consulting and director fees paid or accrued to Ken Brophy, CFO of the Company, or a corporation controlled by Ken Brophy	45,000	38,500
	<b>112,035</b>	<b>111,040</b>

As at June 30, 2021, a total of \$12,512 (December 31, 2020 - \$44,004) was included in accounts payable and accrued liabilities owing to current and former directors of the Company. The debts were non-interest bearing and had no specific terms of repayment.

**LIQUIDITY**

The Company's cash position decreased from \$527,607 on December 31, 2020 to \$260,544 on June 30, 2021. In addition, working capital decreased to \$258,942 on June 30, 2021 from \$490,263 on December 31, 2020. These decreases reflect the expenditures incurred on the Cold Springs drill program in February and March 2021. The Company raised additional capital in June 2021 through the issuance of 10,000,000 common shares at \$0.05 per share.

## **CAPITAL MANAGEMENT**

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of the components of shareholders' equity.

The Company manages its 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 its capital structure, the Company may attempt to issue new shares, issue debt and acquire or dispose of assets.

The Company is not subject to any externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the period ended June 30, 2021.

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Company did not enter into any off-balance sheet arrangements during the period ended June 30, 2021.

## **RISKS AND UNCERTAINTIES**

The Company is in the mineral exploration business and as such is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Exploration for and development of mineral properties involves a high degree of risk, and the cost of conducting programs may be substantial and the likelihood of success is difficult to assess.

Beyond exploration risk, management is faced with other possible risks which include the following:

### Financial Market Risk

The Company is in part dependent on the equity markets as a source of capital for making acquisitions or completing exploration programs. Accordingly, the Company's capital resources and ability to make acquisitions or incur exploration expenditures are largely determined by the strength of the resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

### Title Risk

The Company has investigated its right to explore and exploit its properties and, to the best of its knowledge, there are no known encumbrances. However, the results of the Company's investigations should not be construed as a guarantee of title.

### Commodity risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for gold and silver are impacted by world economic events that dictate the levels of supply and demand. The Company had no hedging contracts in place as at or during the period ended June 30, 2021.

## **RISKS AND UNCERTAINTIES (continued)**

### Environmental Risk

The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the country in which the Company operates. Present or future laws and regulations, however, may affect the Company's operations. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and reclamation of mineral properties. Programs may also be delayed or prohibited in some areas.

### Value Risk

There is no material risk as the Company has already previously impaired much of the value of its exploration and evaluations projects.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on forward-looking statements.

## **OUTLOOK**

The Company has acquired three exploration stage properties on the Gander gold belt in Newfoundland. This area has attracted tremendous interest due to the high grade gold results identified by New Found Gold Corp at its Queensway project. An initial exploration program has commenced and results will be released when available.

The Company continues to evaluate new projects and opportunities which can enhance shareholder value.

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS**

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying consolidated financial statements.

## **CRITICAL ACCOUNTING ESTIMATES**

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

**CRITICAL ACCOUNTING ESTIMATES** (continued)

The following areas required a significant degree of estimation:

Recoverability of 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.

Share-based compensation

The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model, which incorporates market data and involves uncertainty in estimates used by management in the assumptions. The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, and, as a result, changes in subjective input assumptions can materially affect the fair value estimate.

Decommissioning provisions

Restoration costs will be incurred by the Company in connection with certain exploration activities conducted on exploration and evaluation assets and oil properties. The Company estimates abandonment and reclamation costs based on a combination of publicly available industry benchmarks and internal site-specific information. The ultimate restoration liability is uncertain and can vary in response to many factors including changes to relevant legal requirements, the emergence of new restoration techniques, experience at other sites, or changes in the risk-free discount rate. The expected timing and amount of expenditure can also change in response to changes in laws and regulations or their interpretation. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

Income taxes

The calculation of income taxes requires judgment in applying tax laws and regulations, estimating the timing of the reversals of temporary differences, and estimating the reliability of deferred tax assets. These estimates impact current and deferred income tax assets and liabilities, and current and deferred income tax expense (recovery).

**ADDITIONAL INFORMATION**

On January 5, 2021, the Company announced the appointment of Dr Kent Ausburn, PhD, PG to the board of directors to replace J. Lewis Dillman.

The Company held its annual general meeting of shareholders on April 15, 2021. All of managements' resolutions received overwhelming approval.

Additional information concerning the Company can be accessed on the Company's website at [www.supernovametals.com](http://www.supernovametals.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).



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**CORPORATE INFORMATION**

Directors: Sean McGrath  
Ken Brophy  
Roger March  
Dr. Kent Ausburn

Officers: Sean McGrath – CEO  
Ken Brophy – CFO  
Lindsay Hamelin – Corporate Secretary

Auditor: Davidson and Company LLP  
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