



# ADAMERA

MINERALS

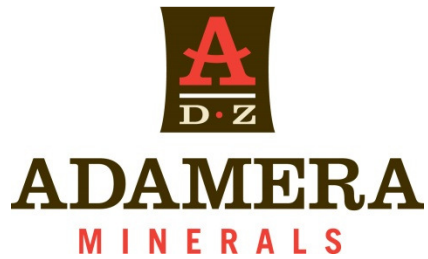


## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED  
JUNE 30, 2017

(Unaudited)

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Vancouver, BC V6E 3V6  
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**Condensed Consolidated Interim Financial Statements**  
**June 30, 2017**  
**(Canadian Funds)**

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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 financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

**ADAMERA MINERALS CORP.****Condensed Consolidated Interim Statements of Financial Position***(Expressed in Canadian Dollars)*

	Note	June 30, 2017 (Unaudited)	December 31, 2016 (Audited)
<b>Assets</b>			
<b>Current</b>			
Cash		\$ 1,633,884	\$ 439,770
Receivables		12,838	10,557
Prepays		185,072	4,262
		1,831,794	454,589
<b>Equipment</b>	5	49,702	53,489
<b>Deposits</b>	6	196,597	122,186
<b>Mineral properties</b>	7	2,372,442	1,661,696
		\$ 4,450,535	\$ 2,291,960
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	8	\$ 298,262	\$ 292,582
Restoration provisions	7(b)	155,912	155,912
Due to related parties	9	25,775	242,404
		479,949	690,898
<b>Shareholders' equity</b>			
Share capital	10	31,890,996	29,033,162
Share-based compensation reserve		953,329	452,486
Deficit		(28,873,739)	(27,884,586)
		3,970,586	1,601,062
		\$ 4,450,535	\$ 2,291,960

Nature and Continuance of Operations *(Note 1)*

Approved and authorized by the Board August 17, 2017

On behalf of the Board:

"Mark Kolebaba"  
Mark Kolebaba

"Geir Liland"  
Geir Liland

*See accompanying notes to the condensed consolidated interim financial statements*

**ADAMERA MINERALS CORP.****Condensed Consolidated Interim Statements of Loss and Comprehensive Loss***(Unaudited; Expressed in Canadian Dollars)*

	Note	Three months ended June 30,		Six months ended June 30,	
		2017	2016	2017	2016
<b>Expenses</b>					
Accounting and audit	9	\$ 21,640	\$ 7,610	\$ 41,640	\$ 7,610
Administration and management fees	9	-	963	3,830	963
Bad debt expense		-	-	703	-
Consulting fees		29,342	3,887	36,340	3,887
Depreciation	5	4,036	2,376	7,934	4,753
Filing fees		5,475	2,354	8,047	7,554
Insurance		1,891	-	7,082	1,650
Marketing		37,353	34,679	55,807	47,360
Legal fees		-	2,949	1,225	4,680
Office, rent and miscellaneous, net of recoveries		21,112	8,939	32,265	14,701
Share-based compensation	9 and 10(c)	487,640	-	605,025	-
Transfer agent fees		4,412	1,072	6,066	3,175
Travel		5,344	-	5,913	-
Wages and benefits		150,724	6,725	177,276	6,725
		(768,969)	(71,554)	(989,153)	(103,058)
<b>Loss and comprehensive loss for the period</b>		\$ (768,969)	\$ (71,554)	\$ (989,153)	\$ (103,058)
<b>Basic and diluted loss per share</b>		\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)
<b>Weighted average number of common shares outstanding</b>		107,470,073	63,246,215	97,717,407	60,903,419

*See accompanying notes to the condensed consolidated interim financial statements*

**ADAMERA MINERALS CORP.**  
**Condensed Consolidated Interim Statements of Cash Flows**  
*(Unaudited; Expressed in Canadian Dollars)*

	<b>Six months ended June 30,</b>	
	<b>2017</b>	<b>2016</b>
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Loss for the period	\$ (989,153)	\$ (103,058)
Items not affecting cash:		
Depreciation	7,934	4,753
Share-based compensation	605,025	-
Net change in non-cash working capital		
Receivables	(2,281)	(33,651)
Prepays	(180,810)	(7,322)
Accounts payable and accrued liabilities	(69,847)	(36,607)
Due to related parties	(216,629)	(37,686)
	<u>(845,761)</u>	<u>(213,571)</u>
<b>Investing activities</b>		
Deposits	(74,411)	1,493
Expenditures on mineral properties	(635,219)	(25,541)
	<u>(713,777)</u>	<u>(24,048)</u>
<b>Financing activities</b>		
Shares issued for cash	2,753,652	1,155,258
Share issue costs	-	(55,325)
	<u>2,753,652</u>	<u>1,099,933</u>
<b>Change in cash</b>	<b>1,194,114</b>	<b>862,314</b>
<b>Cash, beginning of the period</b>	<b>439,770</b>	<b>8,609</b>
<b>Cash, end of the period</b>	<b>\$ 1,633,884</b>	<b>\$ 870,923</b>

Supplemental Disclosure with Respect to Cash Flows (Note 12)

*See accompanying notes to the condensed consolidated interim financial statements*

# ADAMERA MINERALS CORP.

## Condensed Consolidated Interim Statements of Shareholders' Equity

(Expressed in Canadian Dollars)

	Note	Share Capital		Share-based Compensation Reserve	Deficit	Total Shareholders' Equity
		Number of shares	Amount			
<b>Balance, December 31, 2015 (Audited)</b>		51,716,668	\$ 27,747,712	\$ 89,714	\$ (27,246,041)	\$ 591,385
Shares issued for cash						
Private placement	10(b)(i)	3,600,000	90,000	-	-	90,000
Private placement	10(b)(ii)	12,030,000	300,750	-	-	300,750
Private placement	10(b)(iii)	12,000,000	600,000	-	-	600,000
Shares issued as finders fees	10(b)(ii)	152,000	3,800	-	-	3,800
Share issue costs		-	(59,125)	-	-	(59,125)
Exercise of options	10(b)(vi)	200,000	11,000	-	-	11,000
Exercise of warrants	10(b)(v)	2,075,000	132,500	-	-	132,500
Shares issued for other consideration						
Debt settlement	10(b)(iv)	233,427	21,008	-	-	21,008
Transfer to share capital on exercise of options		-	9,699	(9,699)	-	-
Fair value of finder's fee warrants	10(b)(iii)	-	(17,604)	17,604	-	-
Loss for the period		-	-	-	(103,058)	(103,058)
<b>Balance, June 30, 2016 (Unaudited)</b>		82,007,095	28,839,740	97,619	(27,349,099)	1,588,260
Exercise of warrants	10(b)(v)	4,543,333	266,600	-	-	266,600
Residual value of warrants	10(b)(i)	-	(36,000)	36,000	-	-
Shares issued for other consideration						
Property acquisition	10(b)(vii)	20,000	1,200	-	-	1,200
Share-based compensation		-	-	280,489	-	280,489
Fair value of finder's fee warrants	10(b)(iii)	-	(38,378)	38,378	-	-
Loss for the period		-	-	-	(535,487)	(535,487)
<b>Balance, December 31, 2016 (Audited)</b>		86,570,428	29,033,162	452,486	(27,884,586)	1,601,062
Exercise of warrants	10(b)(viii)	30,363,167	2,781,759	(65,982)	-	2,715,777
Exercise of options	10(b)(ix)	575,000	76,075	(38,200)	-	37,875
Share-based compensation	10(c)	-	-	605,025	-	605,025
Loss for the period		-	-	-	(989,153)	(989,153)
<b>Balance, June 30, 2017 (Unaudited)</b>		117,508,595	\$ 31,890,996	\$ 953,329	\$ (28,873,739)	\$ 3,970,586

See accompanying notes to the consolidated financial statements

# **ADAMERA MINERALS CORP.**

## **Notes to the Condensed Consolidated Interim Financial Statements**

**For the Six Months Ended June 30, 2017**

*(Unaudited; Expressed in Canadian Dollars)*

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### **1. Nature and Continuance of Operations**

Adamera Minerals Corp. ("the Company") was created in February 2013 pursuant to an amalgamation under the Business Corporation Act (British Columbia). The Company's common shares are listed for trading on the TSX Venture Exchange ("Exchange"). The Company is in the process of actively exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The Company is considered to be in the exploration stage and does not have operating cash flow.

The Company's head office, principal address and registered and records office is 1100, 1111 Melville Street, Vancouver, British Columbia, Canada, V6E 3V6.

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate the acquisition of, participation in or interest in new properties, assets or business opportunities, and raise additional funds by way of equity financings. Any acquisition may be subject to shareholder and regulatory approval and obtaining the necessary financing. Should the Company be unable to complete such a transaction, its ability to raise sufficient financing to maintain operations may be impaired. The available funds are insufficient to continue operations for the ensuing year. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this financing in the future. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

### **2. Statement of Compliance and Basis of Preparation**

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for marketable securities classified as available-for-sale, which are stated at fair value through other comprehensive income (loss). In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of these condensed consolidated interim financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements.

These condensed consolidated interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation.



## ADAMERA MINERALS CORP.

### Notes to the Condensed Consolidated Interim Financial Statements

#### For the Six Months Ended June 30, 2017

(Unaudited; Expressed in Canadian Dollars)

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### 3. Significant Accounting Policies

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS as issued by the IASB on a basis consistent with those followed in the Company's most recent annual financial statements for the year ended December 31, 2016.

These unaudited condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended December 31, 2016. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the six month period ended June 30, 2017 are not necessarily indicative of the results that may be expected for the current fiscal year ending December 31, 2017.

#### (a) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the June 30, 2017 reporting period. The Company has not early adopted the following new and revised standards, amendments and interpretations that have been issued but are not yet effective:

- IFRS 9 (Amended 2010) Financial Instruments (effective January 1, 2018)
- IFRS 15 Revenue from Contracts with Customers (effective January 1, 2018)
- IFRS 16 Leases (effective January 1, 2019)

The Company anticipates that the application of the above new and revised standards, amendments and interpretations will have no material impact on its results and financial position.

#### (b) Financial Instruments

The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in 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 are not based on observable market data (unobservable inputs).

##### (i) Financial assets

The Company classifies its financial assets into one of the following categories as follows:

*Fair value through profit or loss* - Financial assets are classified as fair value through profit and loss when the financial asset is held for trading or it is designated as such. A financial asset is classified if it has been acquired for the purpose of selling in the near future, it is part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking; or it is a derivative that is not designated and effective as a hedging instrument. Financial assets are stated at fair value with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. The Company has classified cash as fair value through profit or loss.

## ADAMERA MINERALS CORP.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months Ended June 30, 2017

(Unaudited; Expressed in Canadian Dollars)

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#### 3. Significant Accounting Policies (continued)

##### (b) Financial Instruments (continued)

###### (i) Financial assets (continued)

*Loans and receivables* –Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are initially recognized at the transaction value and subsequently carried at amortized cost less impairment losses. The impairment loss of receivables is based on a review of all outstanding amounts at period end. Bad debts are written off during the period in which they are identified. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The Company classifies its receivables as loans and receivables.

*Held-to-maturity investments* - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method less any provision for impairment. The Company does not currently classify any of its financial assets as held-to-maturity investments.

*Available-for-sale* - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in other comprehensive income (loss). Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from accumulated other comprehensive income (loss) and recognized in profit or loss. The Company does not currently classify any of its financial assets as available-for-sale.

All financial assets except those measured at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

###### (ii) Financial liabilities

The Company classifies its financial liabilities into one of two categories as follows:

*Fair value through profit or loss* - This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss. The Company does not currently classify any of its financial liabilities as fair value through profit or loss.

*Other financial liabilities*: This category consists of liabilities carried at amortized cost using the effective interest method. The Company classifies its accounts payable, accrued liabilities and due to related parties as other financial liabilities.

## **ADAMERA MINERALS CORP.**

### **Notes to the Condensed Consolidated Interim Financial Statements**

**For the Six Months Ended June 30, 2017**

*(Unaudited; Expressed in Canadian Dollars)*

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#### **4. Financial and Capital Risk Management**

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities and due to related parties. The fair value of these financial instruments approximates their carrying value due to their short-term nature. Cash is measured at fair value using level 1 inputs.

##### **Credit Risk**

Credit risk is the risk of a financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations.

The Company's cash is primarily held in major Canadian financial institutions. The Company's receivables consist of cost recoveries and reimbursements. Management believes that the credit risk concentration with respect to financial instruments included in receivables is minimal.

##### **Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet the financial obligations as they fall due. The Company ensures that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets. As the Company does not have operating cash flow, the Company has relied primarily on equity financings to meet its capital requirements. The Company is exposed to liquidity risk.

##### **Interest Rate Risk**

Interest rate risk is the risk of change in the borrowing rates of the Company. The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

##### **Foreign Exchange Risk**

The Company has operations in the USA and Canada; however its net monetary position in US dollars is minimal and therefore is not exposed to significant foreign exchange risk.

##### **Commodity Risk**

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of commodities for which it is exploring. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

**ADAMERA MINERALS CORP.****Notes to the Condensed Consolidated Interim Financial Statements****For the Six Months Ended June 30, 2017***(Unaudited; Expressed in Canadian Dollars)***4. Financial and Capital Risk Management (continued)****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 the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company defines its capital as shareholder's equity.

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 periodic expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on demand deposit in an interest bearing Canadian chartered bank account. The Company is not subject to any externally imposed restrictions on its capital. There have been no changes to the Company's management of capital during the period ended June 30, 2017.

**5. Equipment**

	<b>Furniture and fixtures</b>	<b>Computer equipment</b>	<b>Field equipment</b>	<b>Leasehold improvements</b>	<b>Vehicles</b>	<b>Total</b>
<b>Cost</b>						
Balance, December 31, 2015	\$ 19,406	\$ 45,306	\$ 45,900	\$ 4,920	\$ -	\$ 115,532
Additions	-	-	34,596	-	-	34,596
Balance, December 31, 2016	19,406	45,306	80,496	4,920	-	150,128
Additions	-	-	-	-	4,147	4,147
Balance, June 30, 2017	\$ 19,406	\$ 45,306	\$ 80,496	\$ 4,920	\$ 4,147	\$ 154,275
<b>Accumulated depreciation</b>						
Balance, December 31, 2015	\$ 13,707	\$ 38,478	\$ 24,837	\$ 4,920	\$ -	\$ 81,942
Depreciation	1,140	2,049	11,508	-	-	14,697
Balance, December 31, 2016	14,847	40,527	36,345	4,920	-	96,639
Depreciation	456	717	6,623	-	138	7,934
Balance, June 30, 2017	\$ 15,303	\$ 41,244	\$ 42,968	\$ 4,920	\$ 138	\$ 104,573
<b>Carrying amounts</b>						
As at December 31, 2016	\$ 4,559	\$ 4,779	\$ 44,151	\$ -	\$ -	\$ 53,489
As at June 30, 2017	\$ 4,103	\$ 4,062	\$ 37,528	\$ -	\$ 4,009	\$ 49,702

**ADAMERA MINERALS CORP.****Notes to the Condensed Consolidated Interim Financial Statements****For the Six Months Ended June 30, 2017***(Unaudited; Expressed in Canadian Dollars)***6. Deposits**

	June 30, 2017	December 31, 2016
Office lease deposits	\$ 55,188	\$ 55,320
Exploration deposits	141,409	66,866
	\$ 196,597	\$ 122,186

**7. Mineral Properties**

	Cooke Mountain	Empire Creek	Other	Total
<b>Costs</b>				
Balance, December 31, 2015	\$ 315,152	\$ 707,585	\$ 203,752	\$ 1,226,489
Acquisition	13,544	1,200	-	14,744
Camp costs	6,030	-	-	6,030
Drilling	168,359	-	-	168,359
Geochemistry	11,211	-	-	11,211
Geology	168,238	-	-	168,238
Geophysics	8,400	-	-	8,400
Property	45,651	4,757	7,817	58,225
Balance, December 31, 2016	736,585	713,542	211,569	1,661,696
Acquisition	37,943	-	-	37,943
Airborne	2,419	-	-	2,419
Assays	53,152	-	-	53,152
Camp costs	18,562	-	-	18,562
Drilling	221,674	-	-	221,674
Geochemistry	14,723	-	-	14,723
Geology	261,178	-	-	261,178
Geophysics	65,899	-	-	65,899
Property	34,532	-	-	34,532
Surface rights	664	-	-	664
Balance, June 30, 2017	\$ 1,447,331	\$ 713,542	\$ 211,569	\$ 2,372,442

## **ADAMERA MINERALS CORP.**

### **Notes to the Condensed Consolidated Interim Financial Statements**

**For the Six Months Ended June 30, 2017**

*(Unaudited; Expressed in Canadian Dollars)*

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#### **7. Mineral Properties (continued)**

The Company holds the following mineral claims and permits:

##### **(a) Washington, USA**

###### **i) Cooke Mountain**

Adamera Minerals, LLC acquired the Cooke Mountain property by staking a 100% interest these properties in Ferry County, Washington, including the Oversight, Lambert Creek and HLK properties.

###### **ii) Empire Creek**

On May 21, 2014, Adamera Minerals, LLC entered into a lease and advance royalty agreement whereby the Company has the exclusive rights and lease to acquire an undivided 100% interest in the minerals rights on the Empire Creek property. Pursuant to the terms of the agreement, the following annual lease payments are required:

- i) US\$1,000 on signing (paid) and 10,000 common shares (issued)
- ii) US\$1,000 (paid) and 10,000 common shares in the first year (issued)
- iii) 20,000 common shares on or before December 1, 2015 (issued)
- iv) 20,000 common shares on or before December 1, 2016 (issued)
- v) 50,000 common shares or US\$15,000 cash, at the Company's discretion, on or before December 1, 2017
- vi) 50,000 common shares or US\$20,000 cash, at the Company's discretion, on or before December 1, 2018; and
- vii) 100,000 common shares or US\$20,000 cash, at the Company's discretion, on or before December 1, 2019 and each subsequent year until termination of the agreement

The property is subject to a 2% net smelter returns royalty ("NSR"), of which the Company has the option to purchase one-half of the NSR (1%) for US\$1,000,000 and the second half may be purchased for an additional payment of US\$1,000,000.

###### **iii) Other**

Other consists of a 100% interest acquired by staking in these properties in Ferry County, Washington: Flag Hill and Talisman.

**ADAMERA MINERALS CORP.****Notes to the Condensed Consolidated Interim Financial Statements****For the Six Months Ended June 30, 2017***(Unaudited; Expressed in Canadian Dollars)***7. Mineral Properties** (continued)**(b) Nunavut and Northwest Territories, Canada**

The Company holds an interest in certain uranium, diamond and gold properties in Nunavut and the Northwest Territories, Canada that are valued at \$Nil.

During fiscal 2014, the Company entered into an agreement to sell data related to the property for \$50,000 on signing (received) and \$50,000 (received) upon claims getting registered, and 1,000,000 common shares on registration of claims within an area of interest. The Company will retain a 2% gross overriding royalty on diamonds mined in the area of interest.

As a result of previously ceasing activities on these properties, the Company is required to dispose of fuel and related camp supplies. The Company has recorded a provision for disposal costs of \$155,912 (December 31, 2016 - \$155,912).

**8. Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities are as follows:

	<b>June 30, 2017</b>	<b>December 31, 2016</b>
Trade payables	\$ 298,262	\$ 210,760
Filing assessment penalty	-	55,822
Accruals	-	26,000
	<b>\$ 298,262</b>	<b>\$ 292,582</b>

## ADAMERA MINERALS CORP.

### Notes to the Condensed Consolidated Interim Financial Statements

#### For the Six Months Ended June 30, 2017

(Unaudited; Expressed in Canadian Dollars)

#### 9. Related Party Transactions

For the six months ended June 30, 2017 compared with the six months ended June 30, 2016, the Company entered into the following related party transactions:

- (a) Receivables include \$Nil (December 31, 2016 - \$792) owed by Commander Resources Ltd. and \$Nil (December 31, 2016 - \$996) owed by China Minerals Mining Corporation, both companies related by virtue of a director in common, for shared office costs.
- (b) Amounts due to related parties, totalling \$25,775 (December 31, 2016 - \$242,404) are due to directors or officers or companies controlled by them, are non-interest bearing and have no specific terms of repayments.
- (c) The remuneration of directors and officers (key management personnel) during the six months ended June 30, 2017 and June 30, 2016 are as follows:

	June 30, 2017	June 30, 2016
Accounting services	\$ 35,750	\$ -
Corporate secretarial services	3,830	-
Wages and benefits	160,572	-
Share-based compensation	425,040	-
	\$ 625,192	\$ -

#### 10. Share Capital

##### (a) Authorized

As at June 30, 2017, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares were fully paid common shares.



## ADAMERA MINERALS CORP.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months Ended June 30, 2017

(Unaudited; Expressed in Canadian Dollars)

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#### 10. Share Capital (continued)

##### (b) Share Issuances

- i) On January 20, 2016, the Company completed the first tranche of a non-brokered private placement for the issuance of 3,600,000 units at \$0.025 per unit for a total of \$90,000. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share at a price of \$0.05 until January 19, 2021. The residual value of warrants associated with the unit offering was \$36,000 or \$0.01 per warrant. The Company incurred share issue costs in the amount of \$1,300 in connection with the placement.
- ii) On May 16, 2016, the Company completed the second and final tranche of a non-brokered private placement for the issuance of 12,030,000 units at \$0.025 per unit for a total of \$300,750. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share at a price of \$0.05 until May 16, 2021. The share purchase warrants were determined to have a \$nil value based on the warrants residual value. The Company paid a finder's fee of \$11,600 and issued 152,000 common shares valued at \$3,800. The Company incurred share issue costs in the amount of \$1,869 in connection with the placement.
- iii) On June 20, 2016, the Company completed a non-brokered private placement for the issuance of 12,000,000 units at \$0.05 per unit for a total of \$600,000. Each unit consisted one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share at a price of \$0.10 until December 20, 2017. The share purchase warrants were determined to have a \$nil value based on the warrants residual value. If however the closing price of the Company's shares are \$0.20 or greater for a period of 10 consecutive trading days, the warrant holder will have 30 days to exercise their warrants; otherwise the warrants expire on the 31<sup>st</sup> day. The Company paid finder's fees of \$32,700 and issued 636,000 finder's warrants fair valued at \$55,982 or \$0.088 per finder's warrant using the Black-Scholes pricing model. The Company incurred additional share issue costs in the amount of \$7,856 in connection with the placement.
- iv) On June 30, 2016, the Company issued 233,427 common shares with a value of \$21,008 or \$0.09 per share to settle debt of \$21,008.
- v) For the year ended December 31, 2016, 6,618,333 warrants were exercised for proceeds of \$399,100.
- vi) For the year ended December 31, 2016, 200,000 stock options were exercised for proceeds of \$11,000.
- vii) On November 28, 2016, the Company issued 20,000 common shares valued at \$1,200 pursuant to a Lase and Advance Roaylty Agreement.
- viii) During the six months ended June 30, 2017, 30,363,167 warrants were exercised for proceeds of \$2,715,777.
- ix) During the six months ended June 30, 2017, 575,000 warrants were exercised for proceeds of \$37,875.

**ADAMERA MINERALS CORP.****Notes to the Condensed Consolidated Interim Financial Statements****For the Six Months Ended June 30, 2017***(Unaudited; Expressed in Canadian Dollars)***10. Share Capital** (continued)**(c) Stock Options**

The Company has established a share option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. Options granted must be exercised no later than ten years from the date of grant (or lesser period prescribed by the Exchange policies), or such lesser period as determined by the Company's board of directors. The exercise price of an option is equal to or greater than the closing market price on the Exchange on the day preceding the date of grant. The vesting terms for each grant are set by the Board of Directors. The share option plan provides that the aggregate number of shares reserved for issuance under the plan shall not exceed 10% of the total number of issued and outstanding shares, calculated at the date of grant.

Stock option transactions are summarized as follows:

Expiry date	Exercise price	December 31, 2015	Granted	Exercised	Expired / Cancelled	December 31, 2016
July 16, 2023	\$ 0.055	1,850,000	-	(200,000)	-	1,650,000
September 23, 2026	(a) \$ 0.080	-	3,125,000	-	-	3,125,000
Options outstanding		1,850,000	3,125,000	(200,000)	-	4,775,000
Options exercisable		1,850,000	3,125,000	(200,000)	-	4,775,000
Weighted average exercise price		\$ 0.055	\$ 0.080	\$ 0.055		\$ 0.071

Expiry date	Exercise price	December 31, 2016	Granted	Exercised	Expired / Cancelled	June 30, 2017
July 16, 2023	\$ 0.055	1,650,000	-	(325,000)	-	1,325,000
September 23, 2026	(a) \$ 0.080	3,125,000	-	(250,000)	-	2,875,000
June 2, 2019	\$ 0.200	-	800,000	-	-	800,000
March 31, 2022	\$ 0.145	-	850,000	-	-	850,000
June 2, 2022	\$ 0.200	-	2,000,000	-	-	2,000,000
Options outstanding		4,775,000	3,650,000	(575,000)	-	7,850,000
Options exercisable		4,775,000	3,650,000	(575,000)	-	7,850,000
Weighted average exercise price		\$ 0.071	\$ 0.187	\$ 0.066		\$ 0.126

(a) 400,000 of these options expire on January 16, 2019.

The fair value of options granted during the period ended June 30, 2017 were \$605,025 (June 30, 2016 - \$Nil) or \$0.17 (June 30, 2016 - \$Nil) per option. Total share-based compensation expense recognized for the options that vested during the period was \$605,025 (June 30, 2016 - \$Nil).

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2017	2016
Expected dividend yield	0.00%	-
Expected stock price volatility	171.95%	-
Risk-free interest rate	1.15%	-
Forfeiture rate	0.00%	-
Expected life of options	4.34 years	-

# ADAMERA MINERALS CORP.

## Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months Ended June 30, 2017

(Unaudited; Expressed in Canadian Dollars)

### 10. Share Capital (continued)

#### (d) Warrants

Warrant transactions are summarized as follows:

Expiry date	Exercise price	December 31, 2015	Issued	Exercised	Expired	December 31, 2016
February 14, 2017	(a) \$ 0.06	6,666,666	-	(5,818,333)	(848,333)	-
March 24, 2017	\$ 0.12	6,582,142	-	-	-	6,582,142
March 30, 2017	\$ 0.05	3,390,000	-	(100,000)	-	3,290,000
June 28, 2017	(b) \$ 0.10	4,754,667	-	(200,000)	-	4,554,667
December 20, 2017	(c) \$ 0.10	-	12,000,000	-	-	12,000,000
December 20, 2017	(d) \$ 0.10	-	636,000	-	-	636,000
January 20, 2021	\$ 0.05	-	3,600,000	-	-	3,600,000
May 16, 2021	\$ 0.05	-	12,030,000	(500,000)	-	11,530,000
Outstanding		21,393,475	28,266,000	(6,618,333)	(848,333)	42,192,809
Weighted average exercise price		\$ 0.08	\$ 0.07	\$ 0.06	\$ 0.06	\$ 0.08

Expiry date	Exercise price	December 31, 2016	Issued	Exercised	Expired	June 30, 2017
March 24, 2017	\$ 0.12	6,582,142	-	(4,835,500)	(1,746,642)	-
March 30, 2017	\$ 0.05	3,290,000	-	(3,290,000)	-	-
June 28, 2017	(b) \$ 0.10	4,554,667	-	(4,546,667)	(8,000)	-
December 20, 2017	(c) \$ 0.10	12,000,000	-	(12,000,000)	-	-
December 20, 2017	(d) \$ 0.10	636,000	-	(636,000)	-	-
January 20, 2021	\$ 0.05	3,600,000	-	(1,000,000)	-	2,600,000
May 16, 2021	\$ 0.05	11,530,000	-	(4,055,000)	-	7,475,000
Outstanding		42,192,809	-	(30,363,167)	(1,754,642)	10,075,000
Weighted average exercise price		\$ 0.08	\$ -	\$ 0.09	\$ 0.12	\$ 0.05

- (a) In 2016, the Company received approval from the Exchange to extend the expiry date of the warrants to February 14, 2017 and decrease the exercise price from \$0.10 to \$0.06. No value was attributed to the extension. These warrants have a forced exercise price, if the closing price of the Company's shares are \$0.08 or greater for a period of 10 consecutive trading days, the warrant holder will have 30 days to exercise their warrants; otherwise the warrants expire on the 31<sup>st</sup> day. In June 2016, the price of the Company's shares reached the requirements for a forced exercise and the warrants were either exercised or expired.
- (b) These warrants have a forced exercise price. If the closing price of the Company's shares are \$0.20 or greater for a period of 10 consecutive trading day, the warrant holder will have 30 days to exercise their warrants; otherwise the warrants expire on the 31<sup>st</sup> day. On May 9, 2017, the price of the Company's shares reached the requirements for a forced exercise and the warrants were expiring on June 9, 2017.
- (c) These warrants have a forced exercise price, if the closing price of the Company's shares are \$0.20 or greater for a period of 10 consecutive trading days, the warrant holder will have 30 days to exercise their warrants; otherwise the warrants expire on the 31<sup>st</sup> day. On May 10, 2017, the price of the Company's shares reached the requirements for a forced exercise and the warrants were expiring on June 10, 2017.
- (d) These warrants have the same forced exercise terms as (c) above.

**ADAMERA MINERALS CORP.****Notes to the Condensed Consolidated Interim Financial Statements****For the Six Months Ended June 30, 2017***(Unaudited; Expressed in Canadian Dollars)***11. Supplemental Disclosure With Respect to Cash Flows**

	<b>June 30, 2017</b>	<b>June 30, 2016</b>
Significant non-cash investing and financing activities		
Mineral property expenditures included in accounts payable	\$ 160,485	\$ 23,049
Mineral property expenditures included in due to related parties	-	1,646
Other cash flow information		
Income taxes paid	\$ -	\$ -
Interest paid	-	-

**12. Segmented Information**

The Company conducts its business as a single operating segment being the acquisition and exploration of mineral properties. The Company's non-current non-financial assets by geographic area are as follows:

	<b>June 30, 2017</b>	<b>December 31, 2016</b>
Canada	\$ 8,165	\$ 6,150
USA	2,413,979	2,129,546
	\$ 2,422,144	\$ 2,135,696