



ADAMERA
MINERALS

Adamera Shareholder Update Letter from the President and CEO

Adamera Begins 2020 with Renewed Optimism

I trust shareholders are as excited as we are about beginning 2020 with a strong exploration partner, Hochschild Mining. Securing a long-term agreement with Hochschild is a validation on both Adamera's expertise in generating such a project, and of the potential of the project itself.

I will address through question and answer format how we got here and where we see our future.

What did Hochschild find attractive about the Cooke Mountain Project?

Adamera developed its' substantial land position within a significant mining district known for high grade gold deposits. The pedigree of the district had been demonstrated by mines developed by the likes of Hecla Mining, Echo Bay Mines and Kinross Gold. Between 2016 and 2018, Adamera generated numerous targets that awaited drill testing. These targets were defined by overlaying multiple exploration methods, generally within 200 to 2000 metres of a known orebody (mined out) and within a short haulage distance to a treatment plant.

Drilling during that period intersected several zones of gold mineralization confirming the exploration methodology was correct. For example, we intersected 19.4 g/t gold in the last metre of drill hole OS18-02, 2.5 g/t gold over 10 metres in OS18-04, and 10 g/t gold over 11 metres in OS17-06. Many other targets remain untested.

So why did Adamera stop drilling if the targets were so attractive?

The short answer to that question was “money”. The prolonged downturn for all gold companies and especially the small caps was devastating. Little to no risk capital was available from investors to pursue early stage exploration such as our targets in Washington State. We did manage however to raise sufficient funding to continue developing targets, maintain our properties in good standing and obtain permits to drill targets yet to be drilled. We did this because we believed that if we could hold on until the investing sentiment reversed, we would be rewarded. The market would play “catch up” and the few companies that had drill ready targets would be real winners for investors.

So, what did Adamera get done in 2019 to attract Hochschild Mining

In 2019, we focused on obtaining more than 40 permitted sites for drilling such that the target inventory available to drill at short notice would be attractive to a partner. Each site could collar multiple drill holes. Also, we ensured our database was in an order for any party to be able to rapidly assess the potential of our targets. Something we started in 2019 and will be ongoing is developing our data in 3D using Leapfrog.

The decision to joint venture our Cooke Mountain project against another \$0.03 financing was not difficult. Capital dilutions are not attractive at any price let alone at \$0.03. Finding a suitable joint venture partner began 11 months ago at the Prospectors and Developers conference in Toronto. We signed confidentiality agreements with several companies who took a serious interest in reviewing the projects. The positive feedback from each company reassured us of the potential of the Cooke Mountain project with the general consensus being the targets were both real and under tested. On January 20, Adamera Minerals signed an option/joint venture agreement with Hochschild Mining.

Is Hochschild Mining a good fit for Adamera?

Hochschild Mining is a large cap company that mines high-grade underground silver-gold deposits, principally in South America. Recently they have entered into exploration

agreements in North America where the targets are high-grade and accessible. Hochschild is big enough to finance Cooke Mountain to production and if they deemed it attractive, to acquire or partner on the Kettle River treatment plant with Kinross Gold. Maintaining Adamera as the exploration operator makes sense to both companies as Adamera has for years gained specific geological knowledge while maintaining a strong relationship with the local community and regulators.

Having spent time with Hochschild representatives on the properties it is clear to me that making a discovery is important to them on their initiative to being a North American producer. Obviously, we share that objective.

What work program should we look for to this year?

Under the Cooke Mountain agreement Hochschild and Adamera have essentially joined forces to test numerous targets on the Cooke Mountain property. We will have our first partnership meeting in early February to discuss various aspects of the spring/summer program. We fully expected drilling will take place but specifics on targets are not available to us at this time.

What about Adamera's other projects in northeast Washington State?

We are pleased to have retained 100% ownership of two properties outside of the Cooke Mountain Project. We plan to explore those independently this coming season. The projects have had little work by us in recent years as Cooke Mountain required all our resources both technical and financial. Investors should expect news in the coming weeks regarding these properties.

Concluding comments

The fact that Hochschild is taking a very serious interest in our project over many other opportunities they have likely reviewed validates Adamera and our project. Hochschild has excellent technical capabilities and are well financed.

I thank our team, Board of Directors and investors for their continued support and I look forward immensely to the year ahead.

To review the more details of the agreement please see the news release dated January 22, 2019 ([click Here](#))

On behalf of the Board of Directors

Mark Kolebaba

President and CEO