ADAMERA MINERALS

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2019

1100, 1111 Melville Street
Vancouver, BC V6E 3V6
Tel: (604) 484-2212
Fax: (604) 484-7143

ADAMERA
MINERALS

Consolidated Financial Statements
December 31, 2019
(Canadian Dollars)

Index	**Page**
Independent Auditor's Report	2-3
Financial Statements	
Consolidated Statements of Financial Position	4
Consolidated Statements of Loss and Comprehensive Loss	5
Consolidated Statements of Cash Flows	6
Consolidated Statements of Shareholders' Equity	7
Notes to the Consolidated Financial Statements	8-28

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Adamera Minerals Corp.:

Opinion

We have audited the consolidated financial statements of Adamera Minerals Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2019 and 2018, and the consolidated statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

April 22, 2020

ADAMERA MINERALS CORP.
Consolidated Statements of Financial Position
As at December 31
(Expressed in Canadian Dollars)

	Note		December 31, 2019		December 31, 2018
Assets					
Current					
Cash		$	158,383	$	138,748
Deposits	6		55,964		-
Receivables			26,611		20,769
Prepaids			35,391		34,738
Finance lease receivables	8		287,337		-
			563,686		194,255
Non-current					
Equipment	5		23,150		32,610
Right-of-use assets	7		8,363		-
Deposits	6		123,230		180,036
Mineral properties	9		4,848,837		4,696,535
			5,003,580		4,909,181
		$	5,567,266	$	5,103,436
Liabilities					
Current					
Accounts payable and accrued liabilities	10	$	165,093	$	97,320
Security deposits			69,310		60,980
Restoration provisions	9		155,912		155,912
Short-term loan	17		51,952		-
Due to related parties	11		145,623		34,322
Lease liabilities	7		153,785		-
			741,675		348,534
Shareholders' equity					
Share capital	12		33,616,938		33,285,837
Share-based compensation reserve	12		1,351,485		1,351,468
Deficit			(30,142,832)		(29,882,403)
			4,825,591		4,754,902
		$	5,567,266	$	5,103,436

Nature and Continuance of Operations *(Note 1)*
Commitment *(Note 16)*
Event After the Reporting Period *(Note 17)*

Approved and authorized by the Board April 22, 2020

On behalf of the Board: *"Mark Kolebaba"* Mark Kolebaba *"Geir Liland"* Geir Liland

See accompanying notes to the consolidated financial statements

ADAMERA MINERALS CORP.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Note	Years ended December 31, 2019	2018
Expenses			
Accounting and audit	11	$ 85,734	$ 96,756
Administration and management fees		1,067	2,057
Annual report and meeting		2,342	5,817
Bad debt expense		473	-
Consulting fees		-	6,000
Depreciation	5	1,503	1,860
Depreciation of right-of-use assets	7	12,545	-
Filing fees		8,632	12,959
Insurance		10,300	8,756
Interest expense on lease liabilities	7	17,733	-
Marketing		46,959	63,051
Legal fees		4,121	4,510
Office and miscellaneous, net of recoveries		28,193	27,614
Property expenses and rent		184,475	385,934
Share-based compensation	11 and 12(c)	-	231,839
Transfer agent fees		15,021	12,206
Travel		5,094	7,126
Wages and benefits	11	212,600	212,152
		(636,792)	(1,078,637)
Other income			
Finance income on sublease	8	32,509	-
Income from subleasing	8	28,441	-
Rental income		6,270	396,333
Loss and comprehensive loss for the year		$ (569,572)	$ (682,304)
Basic and diluted loss per share		$ (0.00)	$ (0.01)
Weighted average number of common shares outstanding		144,518,047	130,392,832

See accompanying notes to the consolidated financial statements

ADAMERA MINERALS CORP.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Years ended December 31, 2019	2018
Cash provided by (used in):		
Operating activities		
Loss for the year	$ (569,572)	$ (682,304)
Items not affecting cash:		
Depreciation	1,503	1,860
Depreciation of right-of-use assets	12,545	-
(Income) from subleasing	(28,441)	-
Share-based compensation	-	231,839
Net change in non-cash working capital		
Receivables	(5,842)	5,000
Prepaids	(653)	23,165
Accounts payable and accrued liabilities	83,713	(101,604)
Security deposits	8,330	3,399
Due to related parties	82,504	(6,296)
	(415,913)	(524,941)
Investing activities		
Deposits	842	(10,593)
Expenditures on mineral properties	(139,238)	(1,171,929)
Purchase of equipment	-	(849)
	(138,396)	(1,183,371)
Financing activities		
Repayment of lease liabilities	(217,667)	-
Cash received from subleasing	400,791	-
Shares issued for cash	346,000	907,000
Share issue costs	(7,132)	(40,864)
Short-term loan	51,952	-
	573,944	866,136
Change in cash	19,635	(842,176)
Cash, beginning of the year	138,748	980,924
Cash, end of the year	$ 158,383	$ 138,748

Supplemental Disclosure with Respect to Cash Flows (Note 14)

See accompanying notes to the consolidated financial statements

ADAMERA MINERALS CORP.
Consolidated Statements of Shareholders' Equity
(Expressed in Canadian Dollars)

	Note	Share Capital Number of shares	Amount	Share-based Compensation Reserve	Deficit	Total Shareholders' Equity
Balance, December 31, 2017		124,908,595	$ 32,540,849	$ 993,981	$ (29,200,099)	$ 4,334,731
Shares issued for cash						
Private placement	12(b)(ii)	8,333,333	458,333	41,667	-	500,000
Private placement	12(b)(iii)	7,315,000	292,600	73,150	-	365,750
Share issue costs	12(b)(ii)(iii)	-	(40,864)	-	-	(40,864)
Fair value of finder's fee warrants issued	12(b)(ii)(iii)	-	(10,831)	10,831	-	-
Exercise of warrants	12(b)(i)	825,000	41,250	-	-	41,250
Shares issued for other consideration						
Property acquisition	12(b)(iv)	50,000	4,500	-	-	4,500
Share-based compensation	12(c)	-	-	231,839	-	231,839
Loss and comprehensive loss for the year		-	-	-	(682,304)	(682,304)
Balance, December 31, 2018		141,431,928	33,285,837	1,351,468	(29,882,403)	4,754,902
Adjustment arising from adoption of IFRS 16	3	-	-	-	309,143	309,143
Shares issued for cash						
Private placement	12(b)(v)	4,000,000	140,000	60,000	-	200,000
Private placement	12(b)(vi)	4,866,667	97,333	48,667	-	146,000
Share issue costs	12(b)(v)(vi)	10,000	(17,132)	-	-	(17,132)
Shares issued for other consideration						
Property acquisition	12(b)(vii)	100,000	2,250	-	-	2,250
Transfer to share capital on expiry of warrants	12(d)	-	108,650	(108,650)	-	-
Loss and comprehensive loss for the year		-	-	-	(569,572)	(569,572)
Balance, December 31, 2019		150,408,595	$ 33,616,938	$ 1,351,485	$ (30,142,832)	$ 4,825,591

See accompanying notes to the consolidated financial statements

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 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 flows.

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

These consolidated 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. To date the Company has not generated revenue and incurred a loss for the year ended December 31, 2019 of $569,572. 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

These consolidated financial statements, including comparatives, have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements have been prepared on a historical cost basis except for certain financial instruments carried at fair value, using the accrual basis of accounting except for cash flow information. The accounting policies set out in Note 3 have been applied consistently to all years presented in these financial statements unless otherwise indicated.

3. Significant Accounting Policies

The consolidated financial statements have been prepared using the historical cost basis, except for certain financial instruments which are stated at fair value.

(a) Basis of Consolidation and Presentation

These consolidated financial statements incorporate the financial statements of the Company and its wholly-owned subsidiaries Adamera Minerals LLC and First Pass Exploration Services Inc.

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intercompany transactions and balances are eliminated upon consolidation.

3. Significant Accounting Policies (continued)

(b) Use of Estimates and Judgment

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of mineral properties, valuation of share-based payments, restoration provision and income tax.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

i) Functional currency

The Company's reporting currency and the functional currency of all its operations is the Canadian dollar as this is the principal currency of the economic environment in which the Company operates. The functional currency determination was conducted through an analysis of consideration factors identified in IAS 21, The Effect of Changes in Foreign Exchange Rates.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

i) Economic recoverability and probability of future benefits of exploration and evaluation costs

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.

ii) Valuation of share-based payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

iii) Restoration provision

The Company is subject to various government laws and regulations relating to ground and/or environmental disturbances caused by exploration at project locations. The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the year in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, supplies and equipment, dismantling operating facilities and restoration of affected areas.

3. Significant Accounting Policies (continued)

(b) Use of Estimates and Judgment (continued)

iv) Income taxes

In assessing the probability of realizing deferred tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact future results of operation and cash flows.

(c) Cash

Cash consists of cash on hand that is subject to an insignificant risk of change in value.

(d) Mineral Properties

Once the legal right to explore a property has been obtained, costs directly related to exploration and evaluation expenditures are recognized and capitalized in addition to the acquisition costs, net of recoveries, on a property-by-property basis. These direct expenditures include such costs as materials used, surveying costs, drilling costs and payments made to contractors during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

From time to time the Company may acquire or dispose of a mineral property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments and government assistance are recorded as property costs or recoveries when the payments are made or received.

Once economic viability and technical feasibility of a project is determined, capitalization costs are first tested for impairment and then transferred to property under development. All direct costs and incidental recoveries are thereafter capitalized.

If economically recoverable reserves are developed and commercial production is established capitalized costs of the related property will be reclassified as mining assets and will be amortized using the unit-of-production method. When a property is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of the project are deemed to be impaired. As a result those exploration and evaluation costs, in excess of estimated recoveries, are written off to profit or loss.

The Company assesses exploration and evaluation assets for impairment at each statement of financial position date or whenever facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. A cash-generating unit ("CGU") is the smallest identifiable group of mineral property assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

3. Significant Accounting Policies (continued)

(d) Mineral Properties (continued)

Although the Company has taken steps to verify title to the properties in which it has an interest in accordance with industry standards for properties in the exploration stage, these procedures do not guarantee that title to the properties will not be challenged or impugned. Property title may be affected by undetected defects, be subject to unregistered prior agreements, transfers or land claims, or be non-compliant with regulatory requirements.

(e) Equipment

Equipment is recorded at cost less accumulated depreciation and impairment losses, if any. Depreciation is recognized as follows:

Computer equipment - 30% declining balance
Furniture and fixtures - 20% declining balance
Field equipment – 30% declining balance
Vehicles – 20% declining balance

(f) Restoration Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

(g) Impairment of Non-Financial Assets

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

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

3. Significant Accounting Policies (continued)

(h) Foreign Exchange

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries is the Canadian dollar.

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, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

(i) Warrants Issued in Equity Financing Transaction

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate exploration and evaluation assets. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of shares and a certain number of warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the transaction. Warrants that are part of units are assigned a value based on the residual value, if any, and included in the share-based compensation reserve.

Warrants that are issued as payment for agency fees or other transaction costs ("finder's warrants") are assigned a value based on the Black-Scholes Option Pricing Model and included in the share-based compensation reserve.

When warrants are exercised, any reserves related to those warrants are reclassified from the share-based compensation reserve to share capital.

(j) Financial Instruments

Classification
The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is drive by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Cash, receivables, accounts payable, due to related parties and short-term loan are recognized at amortized cost.

3. Significant Accounting Policies (continued)

(j) Financial Instruments (continued)

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit and loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit and loss in the period in which they arise. Loan receivable and derivative liability are recognized as FVTPL. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss). Consideration payable and derivative liability are financial liabilities recognized as FVTPL.

Financial assets at FVTOCI
Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit and loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition
Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition of assets are recognized in profit and loss.

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized at the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit and loss.

3. Significant Accounting Policies (continued)

(k) Leases

On January 1, 2019, the Company adopted IFRS 16 – Leases ("IFRS 16") which replaced IAS 17 – Leases ("IAS 17") using the modified retrospective approach, under which the cumulative effect of initial application was recognized on the statement of financial position as at January 1, 2019 without restating the financial statements on a retrospective basis. The most significant effect of the new standard will be the lessee's recognition of the initial present value of unavoidable future lease payments as right-of-use ("ROU") assets and lease liabilities on the statement of financial position, including those for most leases that would currently be accounted for as operating leases. Both leases with durations of 12 months or less and leases for low-value assets may be exempted.

The Company has an office lease for its headquarters in Vancouver, British Columbia which the Company also subleases out. In the context of the transition to IFRS 16, ROU assets of $20,908, lease liabilities of $371,452 and lease receivables of $659,687 were recognized as at January 1, 2019, in accordance with the modified retrospective approach. As a transitional practical expedient permitted by IFRS 16 as at January 1, 2019, only contracts that were previously identified as leases applying IAS 17 and IFRIC 4, Determining Whether an Arrangement Contains a Lease, were assessed as part of the transition to the new standard. Only contracts entered into (or modified) after January 1, 2019 have been assessed for being, or containing, leases applying the criteria of the new standard.

The application of IFRS 16 requires the Company to make judgments that affect the valuation of the lease liabilities, the valuation of the lease receivables and the valuation of ROU assets. These include: determining contracts that are within the scope of IFRS 16; determining the contract term; and determining the interest rate used for the discounting of future cash flows.

The ROU assets are recognized initially at the value of lease liabilities at recognition with any prepaid payments, initial direct costs and dismantling costs less any lease incentives received. Re-measurements will not be applied by the Company subsequently, except for assessment for impairment, where appropriate.

The lease term determined by the Company comprises the non-cancellable period of lease contracts; the period covered by an option to extend the leases, if the Company is reasonably certain to exercise that option; and the periods covered by an option to terminate the lease, if the Company is reasonably certain not to exercise that option. The amortization rate of ROU assets is based on the lease term determined. The present value of the lease payment is determined using the discount rate representing the weighted average incremental borrowing rate the Company could secure. There are no restrictions or covenants imposed by the Company's leases.

(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

(k) Leases (continued)

Reconciliation of Assets, Liabilities and Equity

	December 31, 2018	Effect of transition of IFRS 16	Janaury 1, 2019
Assets			
Current			
Cash	$ 138,748	$ -	$ 138,748
Receivables	20,769	-	20,769
Current portion of finance lease receivables	-	386,570	386,570
Prepaids	34,738	-	34,738
	194,255	386,570	580,825
Non-current			
Equipment	32,610	-	32,610
Right-of-use assets	-	20,908	20,908
Long-term portion of finance lease receivables	-	273,117	273,117
Deposits	180,036	-	180,036
Mineral properties	4,696,535	-	4,696,535
	4,909,181	294,025	5,203,206
	$ 5,103,436	$ 680,595	$ 5,784,031
Liabilities			
Current			
Accounts payable and accrued liabilities	$ 97,320	$ -	$ 97,320
Security deposits	60,980	-	60,980
Restoration provisions	155,912	-	155,912
Due to related parties	34,322	-	34,322
Current portion of lease liabilities	-	217,667	217,667
	348,534	217,667	566,201
Long-term portion of lease liabilities	-	153,785	153,785
Shareholders' equity			
Share capital	33,285,837	-	33,285,837
Share-based compensation reserve	1,351,468	-	1,351,468
Deficit	(29,882,403)	309,143	(29,573,260)
	4,754,902	309,143	5,064,045
	$ 5,103,436	$ 680,595	$ 5,784,031

3. Significant Accounting Policies (continued)

(l) Income Taxes

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

Deferred tax is recorded by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize the asset.

(m) Share-based Payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. The Board of Directors grants such options with vesting periods determined at its discretion and at prices not less than the closing market price on the grant date.

The fair value of the options is measured at grant date, using the Black-Scholes Option Pricing Model, and is recognized over the period that the options are earned. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest. The fair value of the options is measured at the date of grant. The offset to the recorded cost is to share-based payments reserve. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital.

(n) Earnings (Loss) per Share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. For the years presented options and warrants outstanding have been excluded from the calculation as they are considered anti-dilutive.

4. Financial and Capital Risk Management

The Company's classifies its financial instruments into categories as follows: cash and receivables as financial assets at amortized cost; accounts payable, due to related parties, and short-term loan as other financial liabilities at amortized cost. The fair value of these financial instruments approximates their carrying value due to their short-term nature.

Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – unadjusted quoted prices in active markets for identical assets and liabilities;
- Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – inputs that are not based on observable market data.

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

Foreign exchange risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. 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

Commodity risk is the risk on financial performance due to fluctuations in the prices of commodities. 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.

(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 cash and 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 year ended December 31, 2019.

5. Equipment

	Furniture and fixtures	Computer equipment	Field equipment	Vehicles	Total
Cost					
Balance, December 31, 2017	$ 19,406	$ 45,306	$ 80,496	$ 7,332	$ 152,540
Additions	-	849	-	-	849
Balance, December 31, 2018	19,406	46,155	80,496	7,332	153,389
Additions	-	-	-	-	-
Balance, December 31, 2019	$ 19,406	$ 46,155	$ 80,496	$ 7,332	$ 153,389
Accumulated depreciation					
Balance, December 31, 2017	$ 15,759	$ 41,961	$ 49,590	$ 871	$ 108,181
Depreciation	729	1,131	9,272	1,466	12,598
Balance, December 31, 2018	16,488	43,092	58,862	2,337	120,779
Depreciation	584	919	6,490	1,467	9,460
Balance, December 31, 2019	$ 17,072	$ 44,011	$ 65,352	$ 3,804	$ 130,239
Carrying amounts					
As at December 31, 2018	$ 2,918	$ 3,063	$ 21,634	$ 4,995	$ 32,610
As at December 31, 2019	$ 2,334	$ 2,144	$ 15,144	$ 3,528	$ 23,150

During the year ended December 31, 2019, the Company capitalized $7,957 (2018 - $10,738) of depreciation to mineral properties (Note 9).

(Expressed in Canadian Dollars)

6. Deposits

		December 31, 2019		December 31, 2018
Office lease deposits	$	55,964	$	55,760
Exploration deposits		123,230		124,276
	$	179,194	$	180,036

7. Right-of-Use Assets and Lease Liabilities

The Company leases an office under non-cancellable operating leases for a period of two years expiring on August 31, 2020. Upon transition to IFRS 16, the Company recognized $20,908 of ROU assets and $371,452 of lease liabilities. The ROU asset of $20,908 represents the portion of office space used by the Company and the residual $350,544 represents the portion of office space used by sublessees. The difference between the financial lease receivable of $659,687 (Note 8) at January 1, 2019 and the $350,544 net investment in the lease is $309,143, which was recognized in deficit at January 1, 2019 on transition to IFRS 16.

The lease liability at January 1, 2019 can be reconciled to the operating lease commitments as of December 31, 2018 as follows:

Operating lease commitments as at December 31, 2018	$ 392,333
Operating lease liabilities as of January 1, 2019	$ 392,333
Discounting using the January 1, 2019 incremental borrowing rate [(1)]	(20,881)
Lease liabilities recognized as of Janaury 1, 2019	$ 371,452
Current portion	$ 217,667
Long-term portion	153,785
Lease liabilities recognized as of Janaury 1, 2019	$ 371,452

[(1)]The lease liabilities were discounted using an incremental borrowing rate as at January 1, 2019 of 7% per annum.

The right-of-use assets and lease liabilities in relation to the lease are as follows:

	Lease Liability				Right-of-Use Asset		
Date	Beginning Balance	Lease Payment	Interest Expense	Ending Balance	Beginning Balance	Depreciation charge	Ending Balance
March 31, 2019	$ 371,452	$ (58,850)	$ 5,849	$ 318,451	$ 20,908	$ (3,136)	$ 17,772
June 30, 2019	318,451	(58,850)	4,916	264,517	17,772	(3,136)	14,636
September 30, 2019	264,517	(58,850)	3,967	209,634	14,636	(3,137)	11,499
December 31, 2019	209,634	(58,850)	3,001	153,785	11,499	(3,136)	8,363
March 31, 2020	153,785	(58,850)	2,018	96,953	8,363	(3,136)	5,227
June 30, 2020	96,953	(58,850)	1,017	39,120	5,227	(3,137)	2,090
August 31, 2020	39,120	(39,233)	113	-	2,090	(2,090)	-

Interest expense incurred on the lease liability for the year ended December 31, 2019 was $17,733. Depreciation recognized on the ROU asset for the year ended December 31, 2019 was $12,545.

(Expressed in Canadian Dollars)

8. Finance Lease Receivables

The reconciliation between the total gross investment in the lease and the net investment in the lease at December 31, 2019 is as follows:

		December 31, 2019		January 1, 2019
Gross receivable	$	293,220	$	759,642
Less: unearned finance income		(5,883)		(99,955)
Finance lease receivable	$	287,337	$	659,687
Current portion	$	287,337	$	386,570
Long-term portion		-		273,117
Finance lease receivable	$	287,337	$	659,687

The finance lease receivable was discounted using an incremental borrowing rate as at January 1, 2019 of 7% per annum. Finance income earned on the subleases during the year ended December 31, 2019 was $32,509. Income from subleasing during the year ended December 31, 2019 was $28,441.

9. Mineral Properties

		Cooke Mountain		Empire Creek		Other		Total
Costs								
Balance, December 31, 2017	$	2,550,750	$	722,844	$	219,041	$	3,492,635
Acquisition cost		6,556		4,500		-		11,056
Assays		120,418		-		-		120,418
Camp costs		26,398		-		-		26,398
Depreciation		10,738		-		-		10,738
Drilling		299,438		-		-		299,438
Geology		577,945		-		-		577,945
Geophysics		77,780		-		-		77,780
Holding costs		55,960		4,778		7,746		68,484
Surface rights		11,643		-		-		11,643
Balance, December 31, 2018		3,737,626		732,122		226,787		4,696,535
Acquisition cost		3,506		2,250		-		5,756
Assays		7,382		-		-		7,382
Camp costs		5,242		-		-		5,242
Depreciation		7,957		-		-		7,957
Drilling		16,754		-		-		16,754
Geology		47,204		-		-		47,204
Holding costs		50,853		5,245		5,909		62,007
Balance, December 31, 2019	$	3,876,524	$	739,617	$	232,696	$	4,848,837

9. 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 (Note 17).

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 share issuances and 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 (issued) or US$15,000 cash, at the Company's discretion, on or before December 1, 2017;
vi) 50,000 common shares (issued; Note 12(b)(iv)) or US$20,000 cash, at the Company's discretion, on or before December 1, 2018; and
vii) 100,000 common shares (issued; Note 12(b)(vii)) 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.

(b) Nunavut and Northwest Territories, Canada

During fiscal 2014, the Company entered into an agreement to sell data related to certain diamond properties 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 the uranium, diamond and gold 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 (2018 - $155,912). In 2017, the Nunavut government notified the Company that a fuel drum had leaked. The Company submitted a plan for clean up and the clean up will commence as soon as access to the property is possible.

(Expressed in Canadian Dollars)

10. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are as follows:

		December 31, 2019		**December 31, 2018**
Accounts payable	$	144,128	$	80,820
Accruals		20,965		16,500
	$	165,093	$	97,320

11. Related Party Transactions

The Company entered into the following related party transactions during the year ended December 31, 2019:

	Services		As at December 31, 2019		As at December 31, 2018
Amounts due to:					
Mark Kolebaba, Chief Executive Officer & director	salaries and expense reimbrusements	$	94,293	$	16,224
Pacific Opportunity Capital Ltd. (b)	Management and accounting services		42,935		9,703
Commander Resources Ltd.(a)	Rent deposit		8,395		8,395
TOTAL:		$	145,623	$	34,322

Renumeration (key management personnel):	Services		During the year ended December 31, 2019		During the year ended December 31, 2018
Mark Kolebaba, Chief Executive Officer & director	Wages and benefits	$	94,395	$	94,040
Pacific Opportunity Capital Ltd. (b)	Accounting services		79,000		81,500
Directors & officers	Share-based compensation		-		95,190
TOTAL:		$	173,395	$	270,730

(a) The company is related to the Company by virtue of Bernard Kahlert being a director in common.

(b) Mark T. Brow n is the president of this private company.

Amounts due to related parties are non-interest bearing, unsecured and have no fixed terms of repayment.

12. Share Capital

(a) Authorized

As at December 31, 2019, 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.

(b) Share Issuances

2018 transactions:

i) During the year ended December 31, 2018, 825,000 warrants were exercised for proceeds of $41,250.

12. Share Capital (continued)

(b) Share Issuances (continued)

2018 transactions: (continued)

ii) On July 11, 2018, the Company completed a non-brokered private placement for the issuance of 8,333,333 units at $0.06 per unit for a total of $500,000. Each unit consisted of one common share and one half share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at a price of $0.12 until July 11, 2021. The residual value of the warrants associated with the unit offering was $41,667 or $0.01 per warrant. 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 31st day. The Company paid finder's fees of $13,565 and issued 226,080 finder's warrants fair valued at $9,247 or $0.041 per finder's warrant using the Black-Scholes Option Pricing Model. The Company incurred additional share issue costs in the amount of $8,859 in connection with the placement.

iii) On November 19, 2018, the Company completed a non-brokered private placement for the issuance of 7,315,000 units at $0.05 per unit for a total of $365,750. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at a price of $0.10 until November 19, 2019. The residual value of the warrants associated with the unit offering was $73,150 or $0.01 per warrant. 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 31st day. The Company paid finder's fees of $6,187 and issued 123,750 finder's warrants fair valued at $1,584 or $0.013 per finder's warrant using the Black-Scholes Option Pricing Model. The Company incurred additional share issue costs in the amount of $12,253 in connection with the placement.

iv) On November 30, 2018, the Company issued 50,000 common shares valued at $4,500 pursuant to the lease and advance royalty agreement on the Empire Creek property (Note 9(a)(ii)).

2019 transactions:

v) On April 30, 2019, the Company completed a non-brokered private placement for the issuance of 4,000,000 units at $0.05 per unit for a total of $200,000. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at a price of $0.05 until April 30, 2021. The residual value of the warrants associated with the unit offering was $60,000 or $0.015 per warrant. If however the closing price of the Company's shares are $0.12 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 31st day. The Company issued 10,000 finder shares at $0.05 per share with a fair value of $500. The Company incurred additional share issue costs in the amount of $14,452 in connection with the placement.

vi) On December 2, 2019, the Company completed a non-brokered private placement for the issuance of 4,866,667 units at $0.03 per unit for a total of $146,000. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at a price of $0.06 until December 2, 2020. The residual value of the warrants associated with the unit offering was $48,667 or $0.01 per warrant. The Company incurred share issue costs in the amount of $2,680 in connection with the placement.

vii) On November 29, 2019 and December 6, 2019, the Company issued a total of 100,000 common shares valued at $2,250 pursuant to the lease and advance royalty agreement on the Empire Creek property (Note 9(a)(ii)).

(Expressed in Canadian Dollars)

12. 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, 2017	Granted	Exercised	Expired / Cancelled	December 31, 2018
June 2, 2019	$ 0.200	800,000	-	-	(50,000)	750,000
March 31, 2022	$ 0.145	850,000	-	-	(50,000)	800,000
June 2, 2022	$ 0.200	2,000,000	-	-	-	2,000,000
July 16, 2023	$ 0.055	1,325,000	-	-	-	1,325,000
September 23, 2026	$ 0.080	2,875,000	-	-	(200,000)	2,675,000
December 3, 2020	$ 0.100	-	320,000	-	-	320,000
December 3, 2023	$ 0.100	-	2,555,000	-	-	2,555,000
Options outstanding		7,850,000	2,875,000	-	(300,000)	10,425,000
Options exercisable		7,850,000	2,875,000	-	(300,000)	10,425,000
Weighted average exercise price		$ 0.126	$ 0.100	$ -	$ 0.111	$ 0.119

Expiry date	Exercise price	December 31, 2018	Granted	Exercised	Expired / Cancelled	December 31, 2019
June 2, 2019	$ 0.200	750,000	-	-	(750,000)	-
December 3, 2020	$ 0.100	320,000	-	-	-	320,000
March 31, 2022	$ 0.145	800,000	-	-	-	800,000
June 2, 2022	$ 0.200	2,000,000	-	-	-	2,000,000
July 16, 2023	$ 0.055	1,325,000	-	-	-	1,325,000
December 3, 2023	$ 0.100	2,555,000	-	-	-	2,555,000
September 23, 2026	$ 0.080	2,675,000	-	-	(400,000)	2,275,000
Options outstanding		10,425,000	-	-	(1,150,000)	9,275,000
Options exercisable		10,425,000	-	-	(1,150,000)	9,275,000
Weighted average exercise price		$ 0.119	$ -	$ -	$ 0.160	$ 0.114

The fair value of options granted and expensed during the year ended December 31, 2019 was $nil (2018 - $231,839) or $nil (2018 - $0.08) per option.

(Expressed in Canadian Dollars)

12. Share Capital (continued)

(c) Stock Options (continued)

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:

	2019	2018
Expected dividend yield	-	0.00%
Expected stock price volatility	-	158.17%
Risk-free interest rate	-	1.35%
Forfeiture rate	-	0.00%
Expected life of options	-	4.66 years

(d) Warrants

Warrant transactions are summarized as follows:

Expiry date		Exercise price	December 31, 2017	Issued	Exercised	Expired	December 31, 2018
February 28, 2019	(a)	$ 0.20	7,343,000	-	-	(243,000)	7,100,000
January 20, 2021		$ 0.05	2,600,000	-	-	-	2,600,000
May 16, 2021		$ 0.05	7,225,000	-	(825,000)	-	6,400,000
July 11, 2021	(b)	$ 0.12	-	4,392,747	-	-	4,392,747
November 19, 2019	(b)	$ 0.10	-	7,438,750	-	-	7,438,750
Outstanding			17,168,000	11,831,497	(825,000)	(243,000)	27,931,497
Weighted average exercise price			$ 0.11	$ 0.11	$ 0.05	$ 0.20	$ 0.11

Expiry date		Exercise price	December 31, 2018	Issued	Exercised	Expired	December 31, 2019
August 28, 2019	(a)	$ 0.10	7,100,000	-	-	(7,100,000)	-
November 19, 2019	(b)	$ 0.10	7,438,750	-	-	(7,438,750)	-
January 20, 2021		$ 0.05	2,600,000	-	-	-	2,600,000
May 16, 2021		$ 0.05	6,400,000	-	-	-	6,400,000
July 11, 2021	(b)	$ 0.12	4,392,747	-	-	-	4,392,747
April 30, 2021	(c)	$ 0.05	-	4,000,000	-	-	4,000,000
December 2, 2020		$ 0.06	-	4,866,667	-	-	4,866,667
Outstanding			27,931,497	8,866,667	-	(14,538,750)	22,259,414
Weighted average exercise price			$ 0.11	$ 0.06	$ -	$ 0.10	$ 0.07

(a) These warrants have a forced exercise price. If the closing price of the Company's shares are $0.30 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 31st day. On December 7, 2018, the expiry date of these warrants (excluding 234,000 warrants granted to the finders) was extended to February 28, 2019. On February 22, 2019, the expiry date of these warrants was further extended to August 28, 2019 and the exercise price was repriced at $0.10. These warrants expired unexercised.

(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 days, the warrant holder will have 30 days to exercise their warrants; otherwise the warrants expire on the 31st day. 7,438,750 warrants expired unexercised.

(c) These warrants have a forced exercise price. If the closing price of the Company's shares are $0.12 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 31st day.

During the year ended December 31, 2019, $108,650 was transferred to share capital upon the expiry of warrants.

(Expressed in Canadian Dollars)

13. Income Taxes

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

		December 31, 2019		December 31, 2018
Earnings (loss) for the year	$	(569,572)	$	682,304
Expected income tax recovery	$	(154,000)	$	(184,000)
Change in statutory, foreign tax, foreign exchange rates and othe		75,000		(137,000)
Permanent Difference		(2,000)		63,000
Share issue cost		(5,000)		(11,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses		75,000		(57,000)
Change in unrecognized deductible temporary differences		11,000		326,000
Total income tax expense (recovery)	**$**	**-**	**$**	**-**

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

		December 31, 2019		December 31, 2018
Deferred Tax Assets (liabilities)				
Exploration and evaluation assets	$	5,945,000	$	6,071,000
Property and equipment		141,000		138,000
Share issue costs		18,000		21,000
Provison		42,000		42,000
Allowable capital losses		68,000		68,000
Non-capital losses available for future period		5,510,000		5,373,000
		11,724,000		11,713,000
Unrecognized deferred tax assets		(11,724,000)		(11,713,000)
Net deferred tax assets	**$**	**-**	**$**	**-**

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

		December 31, 2019	Expiry Date Range		December 31, 2018	Expiry Date Range
Temporary Differences						
Exploration and evaluation assets	$	19,513,000	No expiry date	$	20,111,000	No expiry date
Investment tax credit		955,000	2020 to 2036		955,000	2019 to 2035
Property and equipment		522,000	No expiry date		513,000	No expiry date
Share issue costs		65,000	2039 to 2043		79,000	2038 to 2042
Provison		156,000	No expiry date		156,000	No expiry date
Allowable capital losses		252,000	No expiry date		252,000	No expiry date
Non-capital losses available for future period		21,010,000	2020 to 2039		20,527,000	2019 to 2038

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

(Expressed in Canadian Dollars)

14. Supplemental Disclosure With Respect to Cash Flows

		December 31, 2019		December 31, 2018
Significant non-cash investing and financing activities				
Mineral property expenditures included in accounts payable	$	13,917	$	29,856
Mineral property expenditures included in due to related parties		23,660		4,863
Share issue costs included in due to related parties		10,000		-
Shares issued for property acquisition		2,250		4,500
Fair value of shares issued as finder's fees		500		-
Fair value of warrants issued as finder's fee		-		10,831
Residual value of warrants issued as part of private placement		108,667		114,817
Depreciation included in mineral property expenditures		7,957		10,738
Expiration of warrants		108,650		-

15. 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:

		December 31, 2019		December 31, 2018
Canada	$	12,841	$	5,981
USA		4,867,509		4,723,164
	$	4,880,350	$	4,729,145

16. Commitment

The Company leases an office under non-cancellable operating leases for a period of two years expiring on August 31, 2020. Total lease liabilities of $153,785 were recorded as at December 31, 2019 (Note 7).

17. Event After the Reporting Period

On December 13, 2019, the Company entered into a loan agreement with Hochschild Mining (US) Inc. ("Hochschild") where Hochschild lent the Company US$40,000 ($51,952) (the "Loan") (received in December 2019) for staking additional land for the benefit of the Cooke Mountain property. Upon the execution of the exploration earn-in agreement (the "Agreement") (see below), the Loan became part of the Qualifying Expenditures and the loan agreement was terminated (Note 9).

On January 20, 2020 (the "Effective Date"), the Company entered into the Agreement with Hochschild whereby Hochschild could earn up to a 75% interest in the Cooke Mountain property.

Under the terms of the Agreement, Hochschild has an option that can be earned in two phases.

In phase 1, Hochschild can earn an initial 60% interest in the project by incurring US$8 million in exploration on the property over a 5-year period, with a minimum expenditure as below:

(Expressed in Canadian Dollars)

17. Event After the Reporting Period (continued)

Period	Minimum Qualifying Expenditure
From the Effective Date to the 1st anniversary of the Effective Date	US$500,000
From the 1st anniversary of the Effective Date to the 2nd anniversary of the Effective Date	US$500,000
From the 2nd anniversary of the Effective Date to the 3rd anniversary of the Effective Date	US$1,000,000
From the 3rd anniversary of the Effective Date to the 4th anniversary of the Effective Date	US$1,000,000
From the 4th anniversary of the Effective Date to the 5th anniversary of the Effective Date	US$1,000,000

The Company is the operator of the property during the initial part of the earn-in period. Upon signing the Agreement, Hochschild will pay the Company US$50,000 cash (subsequently received).

In phase 2, Hochschild can earn an additional 15% interest in the property by funding a feasibility study within a further 3-year period. During this option phase, Hochschild has the right to extend the earn in period by up to three additional years by paying the Company the following amounts:

i) US$200,000 for an extension of 12 months (up to the 9th anniversary of the Effective Date);
ii) US$300,000 for a second extension of 12 months (up to the 10th anniversary of the Effective Date);
iii) US$500,000 for a third extension of 12 months (up to the 11th anniversary of the Effective Date).

If a feasibility study is not completed by the end of phase 2, Hochschild's interest decreases to a 2% royalty.

On completion of phase 2, a 75%/25% joint venture will be formed. If Hochschild elects to forego the phase 2 earn-in, a 60%/40% joint venture will be formed. In either case, each party would be responsible for financing its pro rata share of the expenditures, with Hochschild as the operator.

At any time after the formation of the joint venture, the Company may request that Hochschild provide a loan to finance all or part of Adamera's portion of qualifying joint venture expenditures. In the event of a 60%/40% joint venture, Hochschild would provide the loan to the Company in exchange for an additional 5% equity interest in the property. In the event of a 75%/25% joint venture, Hochschild would provide a loan to the Company in exchange for a 1.5% royalty payable to Hochschild. The Company will repay such loans from 70% of its earnings from the joint venture.