ADAMERA MINERALS

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2020

(Unaudited)

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Condensed Consolidated Interim Financial Statements
June 30, 2020
(Canadian Dollars)

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 Chartered Professional Accountants of Canada 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, 2020 (Unaudited)		December 31, 2019 (Audited)
Assets					
Current					
Cash		$	521,502	$	158,383
Deposits	6		56,134		55,964
Receivables			32,487		26,611
Due from related party	12		5,923		-
Due from optionee	9		24,547		-
Prepaids			49,707		35,391
Finance lease receivables	8		76,303		287,337
			766,603		563,686
Non-current					
Equipment	5		19,590		23,150
Right-of-use assets	7		2,091		8,363
Deposits	6		124,254		123,230
Mineral properties	9		4,957,410		4,848,837
			5,103,345		5,003,580
		$	5,869,948	$	5,567,266
Liabilities					
Current					
Accounts payable and accrued liabilities	10	$	96,502	$	165,093
Security deposits			74,010		69,310
Restoration provisions	9		154,287		155,912
Short-term loan	9		-		51,952
Due to related parties	12		106,081		145,623
Lease liabilities	7		39,120		153,785
			470,000		741,675
Non-current					
Canada Emergency Business Account	11		40,000		-
			40,000		-
Shareholders' equity					
Share capital	13		34,294,319		33,616,938
Share subscription	13(c)		85,000		-
Share-based compensation reserve	13		1,432,797		1,351,485
Deficit			(30,452,168)		(30,142,832)
			5,359,948		4,825,591
		$	5,869,948	$	5,567,266

Nature and Continuance of Operations *(Note 1)*

Approved and authorized by the Board on August 25, 2020

On behalf of the Board: *"Mark Kolebaba"* Mark Kolebaba *"Alex Adams"* Alex Adams

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, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Expenses					
Accounting and audit	12	$ 24,495	$ 19,465	$ 40,756	$ 36,191
Annual report and meeting		-	2,342	-	2,342
Depreciation	5	277	376	555	752
Depreciation of right-of-use assets	7	3,136	5,445	6,272	10,889
Filing fees		950	-	7,929	8,529
Insurance		468	2,307	1,540	4,615
Interest expense on lease liabilities	7	1,017	8,535	3,035	18,689
Marketing		4,077	10,487	28,220	26,032
Legal fees		2,675	-	4,917	1,473
Office and miscellaneous, net of recoveries		7,489	8,145	9,892	15,535
Property expenses and rent		45,622	2,864	89,995	5,668
Share-based compensation	12/13(d)	81,312	-	81,312	-
Transfer agent fees		3,256	8,393	4,815	10,183
Travel		103	757	3,211	3,013
Wages and benefits	12	15,104	54,886	59,988	108,081
		(189,981)	(124,002)	(342,437)	(251,992)
Other income					
Finance income on sublease	8	1,919	8,768	5,689	19,485
Income (loss) from subleasing	8	4,802	(37,706)	4,802	22,158
Management fees		17,390	-	17,390	-
Rental income		-	-	5,220	-
Loss and comprehensive loss for the period		$ (165,870)	$ (152,940)	$ (309,336)	$ (210,349)
Basic and diluted loss per share		$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding		151,640,463	144,119,950	151,024,529	142,783,364

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)

	Six months ended June 30, 2020	2019
Cash provided by (used in):		
Operating activities		
Loss for the period	$ (309,336)	$ (210,349)
Items not affecting cash:		
Depreciation	555	752
Depreciation of right-of-use assets	6,272	10,889
(Income) from subleasing	(4,802)	(22,158)
Share-based compensation	81,312	-
Net change in non-cash working capital		
Receivables	(5,876)	6,416
Due from related parties	(5,923)	-
Due from optionee	(24,547)	-
Prepaids	(14,316)	(24,920)
Accounts payable and accrued liabilities	(105,889)	4,415
Security deposits	4,700	4,855
Provisions	(1,625)	-
Due to related parties	(34,789)	30,719
	(414,264)	(199,381)
Investing activities		
Deposits	(1,194)	852
Net expenditures on mineral properties	(120,975)	(60,020)
	(122,169)	(59,168)
Financing activities		
Repayment of lease liabilities	(114,665)	(185,638)
Cash received from subleasing	215,836	193,701
Share subscription	85,000	-
Shares issued for cash	687,500	200,000
Share issue costs	(14,119)	(4,452)
Canada Emergency Business Account	40,000	-
	899,552	203,611
Change in cash	363,119	(54,938)
Cash, beginning of the period	158,383	138,748
Cash, end of the period	$ 521,502	$ 83,810

Supplemental Disclosure with Respect to Cash Flows (Note 14)

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	Number of shares	Share Capital Amount	Share Subscription	Share-based Compensation Reserve	Deficit	Total Shareholders' Equity
Balance, December 31, 2018 (Audited)		141,431,928	$ 33,285,837	$ -	$ 1,351,468	$ (29,882,403)	$ 4,754,902
Adjustment arising from adoption of IFRS 16	3	-	-	-	-	51,143	51,143
Shares issued for cash							
Private placement	13(b)(i)	4,000,000	140,000	-	60,000	-	200,000
Share issue costs	13(b)(i)	10,000	(14,452)	-	-	-	(14,452)
Loss and comprehensive loss for the period		-	-	-	-	(210,349)	(210,349)
Balance, June 30, 2019 (Unaudited)		145,441,928	33,411,385	-	1,411,468	(30,041,609)	4,781,244
Adjustment arising from adoption of IFRS 16	3	-	-	-	-	258,000	258,000
Shares issued for cash							
Private placement	13(b)(ii)	4,866,667	97,333	-	48,667	-	146,000
Share issue costs	13(b)(ii)	-	(2,680)	-	-	-	(2,680)
Shares issued for other consideration							
Property acquisition	13(b)(iii)	100,000	2,250	-	-	-	2,250
Transfer to share capital on expiry of warrants	13(e)	-	108,650	-	(108,650)	-	-
Loss and comprehensive loss for the period		-	-	-	-	(359,223)	(359,223)
Balance, December 31, 2019 (Audited)		150,408,595	33,616,938	-	1,351,485	(30,142,832)	4,825,591
Shares issued for cash							
Private placement	13(b)(v)	13,750,000	687,500	-	-	-	687,500
Share subscription	13(c)	-	-	85,000	-	-	85,000
Share issue costs	13(b)(v)	-	(16,119)	-	-	-	(16,119)
Shares issued for other consideration							
Property acquisition	13(b)(iv)	100,000	6,000	-	-	-	6,000
Share-based compensation		-	-	-	81,312	-	81,312
Loss and comprehensive loss for the period		-	-	-	-	(309,336)	(309,336)
Balance, June 30, 2020 (Unaudited)		164,258,595	$ 34,294,319	$ 85,000	$ 1,432,797	$ (30,452,168)	$ 5,359,948

See accompanying notes to the condensed consolidated interim 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") under the symbol "ADZ" and on the OTC Marketplace in the United States under the symbol "DDNFF". 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 condensed consolidated interim 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 condensed consolidated interim 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 six month ended June 30, 2020 of $309,336. The available funds are sufficient 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.

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

2. 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 financial instruments that have been measured at fair value. 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.

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, 2019.

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, 2019. 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, 2020 are not necessarily indicative of the results that may be expected for the current fiscal year ending December 31, 2020.

4. Financial and Capital Risk Management

The Company classifies its financial instruments into categories as follows: cash, receivables, due from related party and due from optionee as financial assets at amortized cost; accounts payable, due to related parties, security deposits and Canada Emergency Business Account 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.

4. Financial and Capital Risk Management (continued)

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.

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 period ended June 30, 2020.

(Unaudited; Expressed in Canadian Dollars)

5. Equipment

	Furniture and fixtures	Computer equipment	Field equipment	Vehicles	Total
Cost					
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
Additions	-	-	-	-	-
Balance, June 30, 2020	$ 19,406	$ 46,155	$ 80,496	$ 7,332	$ 153,389
Accumulated depreciation					
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
Depreciation	233	322	2,272	733	3,560
Balance, June 30, 2020	$ 17,305	$ 44,333	$ 67,624	$ 4,537	$ 133,799
Carrying amounts					
As at December 31, 2019	$ 2,334	$ 2,144	$ 15,144	$ 3,528	$ 23,150
As at June 30, 2020	$ 2,101	$ 1,822	$ 12,872	$ 2,795	$ 19,590

During the six months ended June 30, 2020, the Company capitalized $3,005 (June 30, 2019 - $3,978) of depreciation to mineral properties (Note 8).

6. Deposits

	June 30, 2020	December 31, 2019
Office lease deposits	$ 56,134	$ 55,964
Exploration deposits	124,254	123,230
	$ 180,388	$ 179,194

7. Right-of-Use Assets ("ROU") 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.

(Unaudited; Expressed in Canadian Dollars)

7. Right-of-Use Assets and Lease Liabilities (continued)

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	(3,136)	2,091
August 31, 2020	39,120	(39,233)	113	-	2,091	(2,091)	-

* The amounts do not agree to the unaudited interim financial statements of 2019 because the comparative unaudited interim financial statements have not been restated with the December 31, 2019 adjustments.

Interest expense incurred on the lease liability for the period ended June 30, 2020 was $3,035 (June 30, 2019 - $18,689). Depreciation recognized on the ROU asset for the period ended June 30, 2020 was $6,272 (June 30, 2019 - $10,889).

8. Finance Lease Receivables

The reconciliation between the total gross investment in the lease and the net investment in the lease at June 30, 2020 is as follows:

	June 30, 2020	December 31, 2019
Gross receivable	$ 76,525	$ 293,220
Less: unearned finance income	(222)	(5,883)
Finance lease receivable	$ 76,303	$ 287,337
Current portion	$ 76,303	$ 287,337
Finance lease receivable	$ 76,303	$ 287,337

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 period ended June 30, 2020 was $5,689 (June 30, 2019 - $19,485). Income from subleasing during the period ended June 30, 2020 was $4,802 (June 30, 2019 - $22,158).

(Unaudited; Expressed in Canadian Dollars)

9. Mineral Properties

	Cooke Mountain	Empire Creek	Buckhorn 2.0	Other	Total
Costs					
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
Acquisition cost	21,116	-	159,387	-	180,503
Camp costs	21,043	-	-	-	21,043
Depreciation	3,005	-	-	-	3,005
Geology	86,786	-	16,668	-	103,454
Geophysics	5,000	-	-	-	5,000
Holding costs	59,058	-	106	-	59,164
Management fees	17,390	-	-	-	17,390
Surface rights	102	-	-	-	102
Recovered exploration expenditures	(281,088)	-	-	-	(281,088)
Balance, June 30, 2020	$ 3,808,936	$ 739,617	$ 176,161	$ 232,696	$ 4,957,410

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 in these properties in Ferry County, Washington, including the Oversight, Lambert Creek and HLK properties.

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.

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:

(Unaudited; Expressed in Canadian Dollars)

9. Mineral Properties (continued)

(a) Washington, USA (continued)

i) Cooke Mountain (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 paid the Company US$50,000 cash (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.

As of June 30, 2020, Hochschild had forwarded a total of $256,541 (US$185,436) for the Cooke Mountain property. The Company incurred an additional amount of $24,547 as of June 30, 2020 which will be reimbursed by Hochschild.

9. Mineral Properties (continued)

(a) Washington, USA (continued)

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) or US$20,000 cash, at the Company's discretion, on or before December 1, 2018; and
vii) 100,000 common shares (issued; Note 13(b)(iii)) 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) Buckhorn 2.0

Adamera Minerals, LLC acquired the Buckhorn 2.0 property by staking a 100% interest in these properties in Washington. The claim staked and recorded by the Company are subject to final determination by the Bureau of Land Management. The claims are subject to a 1% royalty, of which 0.5% may be purchased for $500,000 at anytime.

On May 21, 2020, Adamera Minerals, LLC entered into an agreement to lease a number of claims for a period of 6 years in Washington State for US$1,000 (paid) and 100,000 common shares (issued; Note 13(b)(iv)). The Company may extend the lease beyond 2026 by paying US$1,000 per year. At any time, the Company may purchase the claims for US$50,000, subject to a 2% royalty of which 1% may be purchased for US$1,000,000.

iv) Other

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

(Unaudited; Expressed in Canadian Dollars)

9. Mineral Properties (continued)

(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 $154,287 (2019 - $155,912). In 2017, the Nunavut government has 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.

10. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are as follows:

		June 30, 2020		December 31, 2019
Accounts payable	$	90,144	$	144,128
Accruals		6,358		20,965
	$	96,502	$	165,093

11. Canada Emergency Business Account (“CEBA”)

In April 2020, the Company received $40,000 from the Government of Canada related to CEBA. CEBA is an interest-free loan launched by the Government of Canada to ensure that businesses have access to capital during the COVID-19 pandemic and can only be used to pay non-deferrable operating expenses. The terms of CEBA are as follows:

i) 0% interest operating line of credit until December 31, 2020;
ii) On January 1, 2021, this operating line of credit will be converted to a 2-year 0% interest term loan, to be repaid by December 31, 2022. $10,000 of the loan will be forgiven if $30,000 is repaid in full on or before December 31, 2022.
iii) If on December 31, 2022, the Company exercises the option for a 3-year term extension, 5% interest during this term extension period will apply on any balance remaining.

(Unaudited; Expressed in Canadian Dollars)

12. Related Party Transactions

The Company entered into the following related party transactions during the six months ended June 30, 2020:

	Services		As at June 30, 2020		As at December 31, 2019
Amounts due from:					
Tech-X Resources Inc.[(c)]	shared office costs	$	5,923	$	-
Amounts due to:					
Mark Kolebaba, Chief Executive Officer & director	salaries and expense reimbursements	$	79,311	$	94,293
Pacific Opportunity Capital Ltd. [(b)]	Management and accounting services		18,375		42,935
Commander Resources Ltd.[(a)]	Rent deposit		8,395		8,395
TOTAL:		$	106,081	$	145,623

Renumeration (key management personnel):	Services		During the six months ended June 30, 2020		During the six months ended June 30, 2019
Mark Kolebaba, Chief Executive Officer & director	Wages and benefits	$	46,571	$	47,173
Pacific Opportunity Capital Ltd. [(b)]	Accounting services		49,000		45,000
Directors & officers	Share-based compensation		44,352		-
TOTAL:		$	139,923	$	92,173

(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.

(c) The company is related to the Company by virtue of Mark Kolebaba being the president in common.

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

13. Share Capital

(a) Authorized

As at June 30, 2020, 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

2019 transactions:

i) 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.

13. Share Capital (continued)

(b) Share Issuances (continued)

ii) 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.

iii) 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)).

<u>2020 transactions:</u>

iv) On June 9, 2020, the Company issued 100,000 common shares valued at $6,000 pursuant to the lease agreement on the Buckhorn property (Note 9(a)(iii)).

v) On June 22, 2020, the Company completed the first tranche of a non-brokered private placement for the issuance of 13,750,000 units at $0.05 per unit for a total of $687,500. 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 $0.10 until June 22, 2021. The Company paid finder's fee of $1,625. The Company incurred additional share issue costs in the amount of $14,494 in connection with the placement.

(c) Share Subscription

In June 2020, the Company received $85,000 for the second tranche of a non-brokered private placement to be closed in July 2020 (Note 17(a)).

(d) 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.

(Unaudited; Expressed in Canadian Dollars)

13. Share Capital (continued)

(d) Stock Options (continued)

Stock option transactions are summarized as follows:

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	2,275,000	-	-	-	2,275,000
Options outstanding		10,025,000	-	-	(750,000)	9,275,000
Options exercisable		10,425,000	-	-	(750,000)	9,275,000
Weighted average exercise price		$ 0.119	$ -	$ -	$ 0.160	$ 0.114

Expiry date	Exercise price	December 31, 2019	Granted	Exercised	Expired / Cancelled	June 30, 2020
December 3, 2020	$ 0.100	320,000	-	-	(60,000)	260,000
March 31, 2022	$ 0.145	800,000	-	-	(125,000)	675,000
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	-	-	(100,000)	2,455,000
September 23, 2026	$ 0.080	2,275,000	-	-	-	2,275,000
June 8, 2025	$ 0.100	-	1,760,000	-	-	1,760,000
Options outstanding		9,275,000	1,760,000	-	(285,000)	10,750,000
Options exercisable		9,275,000	1,760,000	-	(285,000)	10,750,000
Weighted average exercise price		$ 0.114	$ 0.100	$ -	$ 0.120	$ 0.112

*Subsequently, the Company granted 2,900,000 options (Note 17(b)).

The fair value of options granted and expensed during the six months ended June 30, 2020 was $81,312 (June 30, 2019 - $nil) or $0.05 (June 30, 2019 - $nil) per option.

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:

	June 30, 2020	June 30, 2019
Expected dividend yield	0.00%	-
Expected stock price volatility	170.39%	-
Risk-free interest rate	1.32%	-
Forfeiture rate	0.00%	-
Expected life of options	5 years	-

(Unaudited; Expressed in Canadian Dollars)

13. Share Capital (continued)

(e) Warrants

Warrant transactions are summarized as follows:

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

Expiry date		Exercise price	December 31, 2019	Issued	Exercised	Expired	June 30, 2020
December 2, 2020		$ 0.06	4,866,667	-	-	-	4,866,667
January 20, 2021		$ 0.05	2,600,000	-	-	-	2,600,000
April 30, 2021	(c)	$ 0.05	4,000,000	-	-	-	4,000,000
May 16, 2021	(d)	$ 0.05	6,400,000	-	-	-	6,400,000
July 11, 2021	(b)	$ 0.12	4,392,747	-	-	-	4,392,747
June 22, 2021		$ 0.10	-	6,875,000	-	-	6,875,000
Outstanding			22,259,414	6,875,000	-	-	29,134,414
Weighted average exercise price			$ 0.07	$ 0.10	$ -	$ -	$ 0.07

(a) These warrants have a forced exercise price. If the closing price of the Company's shares is $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 is $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 is $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. Subsequently, 393,000 warrants were exercised.

(d) Subsequently, 930,000 warrants were exercised.

(Unaudited; Expressed in Canadian Dollars)

14. Supplemental Disclosure With Respect to Cash Flows

		June 30, 2020		June 30, 2019
Significant non-cash investing and financing activities				
Mineral property expenditures included in accounts payable	$	51,215	$	27,243
Mineral property expenditures included in due to related parties		16,907		1,106
Share issue costs included in due to related parties		12,000		10,000
Shares issued for property acquisition		6,000		-
Fair value of shares issued as finder's fees		-		500
Residual value of warrants issued as part of private placement		-		60,000
Depreciation included in mineral property expenditures		3,005		3,978
Short-term loan transferred to mineral property expenditures		51,952		-

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:

		June 30, 2020		December 31, 2019
Canada	$	6,014	$	12,841
USA		4,973,077		4,867,509
	$	4,979,091	$	4,880,350

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 $39,120 were recorded as at June 30, 2020 (Note 7).

17. Events after the Reporting Period

(a) On July 2, 2020, the Company completed the second tranche of a non-brokered private placement for the issuance of 9,050,000 units at $0.05 per unit for a total of $452,500. 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 $0.10 until July 2, 2021.

(b) On July 9, 2020, the Company granted a total of 2,900,000 stock options at an exercise price of $0.10 per share for a period of five years to its directors, officers, employees and consultants.

(c) Subsequently, a total of 1,323,000 warrants were exercised for gross proceeds of $66,150.