



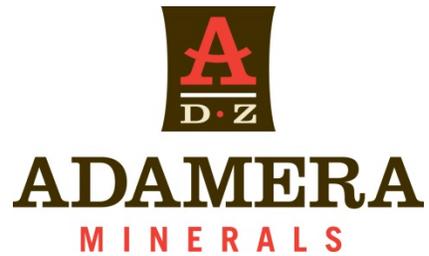
# ADAMERA

MINERALS

## CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
DECEMBER 31, 2018

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**Consolidated Financial Statements**  
**December 31, 2018**  
**(Canadian Dollars)**

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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, 2018, and the consolidated statements of loss and comprehensive loss, shareholders' equity and cash flows for the year 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, 2018, and its financial performance and its cash flows for the year 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 indicates that the Company incurred a net loss of \$682,304 during the year ended December 31, 2018 and, as of that date, the Company had an accumulated deficit of \$29,882,403 and its current liabilities exceeded its current assets by \$154,279. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other Matter

The consolidated financial statements of the Company for the year ended December 31, 2017, were audited by another auditor who expressed an unmodified opinion on those statements on April 16, 2018.

### 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.

*DMA*

**DALE MATHESON CARR-HILTON LABONTE LLP**  
**CHARTERED PROFESSIONAL ACCOUNTANTS**

Vancouver, BC

April 16, 2019

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

	Note	December 31, 2018	December 31, 2017
<b>Assets</b>			
<b>Current</b>			
Cash		\$ 138,748	\$ 980,924
Receivables		20,769	25,769
Prepays	9	34,738	57,903
		194,255	1,064,596
<b>Equipment</b>	5	32,610	44,359
<b>Deposits</b>	6	180,036	169,443
<b>Mineral properties</b>	7	4,696,535	3,492,635
		\$ 5,103,436	\$ 4,771,033
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	8	\$ 97,320	\$ 187,054
Security deposits		60,980	57,581
Restoration provisions	7	155,912	155,912
Due to related parties	9	34,322	35,755
		348,534	436,302
<b>Shareholders' equity</b>			
Share capital	10	33,285,837	32,540,849
Share-based compensation reserve	10	1,351,468	993,981
Deficit		(29,882,403)	(29,200,099)
		4,754,902	4,334,731
		\$ 5,103,436	\$ 4,771,033

Nature and Continuance of Operations (Note 1)

Commitment (Note 14)

Event After the Reporting Period (Note 16)

Approved and authorized by the Board April 16, 2019

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,	
		2018	2017
<b>Expenses</b>			
Accounting and audit	9	\$ 96,756	\$ 110,488
Administration and management fees	9	2,057	4,168
Annual report and meeting		5,817	-
Bad debt expense		-	703
Consulting fees		6,000	46,605
Depreciation	5	1,860	2,346
Filing fees		12,959	8,168
Insurance		8,756	10,654
Marketing		63,051	107,613
Legal fees		4,510	1,225
Office and miscellaneous, net of recoveries		27,614	77,937
Property expense		-	65,970
Rent		385,934	364,590
Share-based compensation	9 and 10(c)	231,839	605,025
Transfer agent fees		12,206	9,786
Travel		7,126	9,323
Wages and benefits	9	212,152	259,361
		(1,078,637)	(1,683,962)
<b>Other income</b>			
Rental income		396,333	368,449
<b>Loss and comprehensive loss for the year</b>		\$ (682,304)	\$ (1,315,513)
<b>Basic and diluted loss per share</b>		\$ (0.01)	\$ (0.01)
<b>Weighted average number of common shares outstanding</b>		130,392,832	107,942,507

See accompanying notes to the consolidated financial statements

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

	<b>Years ended December 31,</b>	
	<b>2018</b>	<b>2017</b>
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Loss for the year	\$ (682,304)	\$ (1,315,513)
Items not affecting cash:		
Depreciation	1,860	2,346
Share-based compensation	231,839	605,025
Net change in non-cash working capital		
Receivables	5,000	(15,212)
Prepays	23,165	(53,641)
Accounts payable and accrued liabilities	(101,604)	16,919
Security deposits	3,399	7,695
Due to related parties	(6,296)	(219,738)
	<u>(524,941)</u>	<u>(972,119)</u>
<b>Investing activities</b>		
Deposits	(10,593)	(47,257)
Expenditures on mineral properties	(1,171,929)	(1,879,045)
Purchase of equipment	(849)	(7,332)
	<u>(1,183,371)</u>	<u>(1,933,634)</u>
<b>Financing activities</b>		
Shares issued for cash	907,000	3,476,152
Share issue costs	(40,864)	(29,245)
	<u>866,136</u>	<u>3,446,907</u>
<b>Change in cash</b>	<b>(842,176)</b>	<b>541,154</b>
<b>Cash, beginning of the year</b>	<b>980,924</b>	<b>439,770</b>
<b>Cash, end of the year</b>	<b>\$ 138,748</b>	<b>\$ 980,924</b>

Supplemental Disclosure with Respect to Cash Flows (Note 12)

*See accompanying notes to the consolidated financial statements*

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

	Note	Share Capital		Share-based	Deficit	Total
		Number of shares	Amount	Compensation Reserve		Shareholders' Equity
<b>Balance, December 31, 2016</b>		86,570,428	\$ 29,033,162	\$ 452,486	\$ (27,884,586)	\$ 1,601,062
Shares issued for cash						
Private placement	10(b)(iii)	7,100,000	674,500	35,500	-	710,000
Share issue costs	10(b)(iii)	-	(36,745)	-	-	(36,745)
Fair value of finder's fee warrants issued	10(b)(iii)	-	(5,152)	5,152	-	-
Exercise of warrants	10(b)(i)	30,613,167	2,794,259	(65,982)	-	2,728,277
Exercise of options	10(b)(ii)	575,000	76,075	(38,200)	-	37,875
Shares issued for other consideration						
Property acquisition	10(b)(iv)	50,000	4,750	-	-	4,750
Share-based compensation	10(c)	-	-	605,025	-	605,025
Loss for the year		-	-	-	(1,315,513)	(1,315,513)
<b>Balance, December 31, 2017</b>		124,908,595	32,540,849	993,981	(29,200,099)	4,334,731
Shares issued for cash						
Private placement	10(b)(vi)	8,333,333	458,333	41,667	-	500,000
Private placement	10(b)(vii)	7,315,000	292,600	73,150	-	365,750
Share issue costs	10(b)(vi)(vii)	-	(40,864)	-	-	(40,864)
Fair value of finder's fee warrants issued	10(b)(vi)(vii)	-	(10,831)	10,831	-	-
Exercise of warrants	10(b)(v)	825,000	41,250	-	-	41,250
Shares issued for other consideration						
Property acquisition	10(b)(viii)	50,000	4,500	-	-	4,500
Share-based compensation	10(c)	-	-	231,839	-	231,839
Loss for the year		-	-	-	(682,304)	(682,304)
<b>Balance, December 31, 2018</b>		141,431,928	\$ 33,285,837	\$ 1,351,468	\$ (29,882,403)	\$ 4,754,902

See accompanying notes to the consolidated financial statements

**ADAMERA MINERALS CORP.**  
**Notes to the Consolidated Financial Statements**  
**For the Year Ended December 31, 2018**  
*(Expressed in Canadian Dollars)*

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**1. Nature and Continuance of Operations**

Adamera Minerals Corp. (“the Company”) was created in February 2013 pursuant to an amalgamation under the Business Corporation Act (British Columbia). The Company’s common shares are listed for trading on the TSX Venture Exchange (“Exchange”). The Company is in the process of 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, 2018 of \$682,304. 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, 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 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 have been 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, and restoration provision.

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 ore 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 reserves.

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 pricing model and included in reserves.

When warrants are exercised, any reserves related to those warrants are reclassified from reserves to share capital.

**(j) Financial Instruments**

On January 1, 2018, the Company adopted IFRS 9 - Financial Instruments ("IFRS 9") which replaced IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking 'expected loss' impairment model. IFRS 9 also includes significant changes to hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018. The Company adopted the standard using the modified retrospective approach. IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities. The standard also had no impact on the carrying amounts of the Company's financial instruments at the transition date.

The following summarizes the significant changes in IFRS 9 compared to the current standard:

- IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments for principal and interest. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9. The change did not impact the carrying amounts of any of the Company's financial assets on transition date.

**ADAMERA MINERALS CORP.**  
**Notes to the Consolidated Financial Statements**  
**For the Year Ended December 31, 2018**  
*(Expressed in Canadian Dollars)*

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

**(j) Financial Instruments (continued)**

The classification and measurement of financial assets and financial liabilities under IFRS 9 is as follows:

	<b>IAS 39</b>	<b>IFRS 9</b>
<b>Financial Assets</b>		
Cash	Amortized cost	Amortized cost
Receivables	Amortized cost	Amortized cost
Deposits	Amortized cost	Amortized cost
<b>Financial Liabilities</b>		
Accounts payable	Amortized cost	Amortized cost
Security deposits	Amortized cost	Amortized cost
Due to related parties	Amortized cost	Amortized cost

**(k) 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.

**(l) 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. Upon expiry, the recorded value is transferred to deficit.

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

**(m) 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.

**(n) Recent Accounting Pronouncements**

The following new standards and amendments to standards have been issued but are not effective for the year ended December 31, 2018:

- IFRS 16 Leases is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. The standard is effective for annual periods beginning on or after January 1, 2019. The Company is in the process of assessing the impact, if any, on the financial statements of this new standard.

**4. Financial and Capital Risk Management**

The Company's financial instruments consist of cash, receivables, accounts payable and due to related parties. The fair value of these financial instruments approximates their carrying value due to their short-term nature.

**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**

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

**Commodity Risk**

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

**Capital Management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company defines its capital as shareholder's equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares periodic expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on demand deposit in an interest bearing Canadian chartered bank account. The Company is not subject to any externally imposed restrictions on its capital. There have been no changes to the Company's management of capital during the year ended December 31, 2018.

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**5. Equipment**

	Furniture and fixtures	Computer equipment	Field equipment	Vehicles	Total
<b>Cost</b>					
Balance, December 31, 2016	\$ 19,406	\$ 45,306	\$ 80,496	\$ -	\$ 145,208
Additions	-	-	-	7,332	7,332
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
<b>Accumulated depreciation</b>					
Balance, December 31, 2016	\$ 14,847	\$ 40,527	\$ 36,345	\$ -	\$ 91,719
Depreciation	912	1,434	13,245	871	16,462
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
<b>Carrying amounts</b>					
As at December 31, 2017	\$ 3,647	\$ 3,345	\$ 30,906	\$ 6,461	\$ 44,359
As at December 31, 2018	\$ 2,918	\$ 3,063	\$ 21,634	\$ 4,995	\$ 32,610

During the year ended December 31, 2018, the Company capitalized \$10,738 (2017 - \$14,116) of depreciation to mineral properties (Note 7).

**6. Deposits**

	December 31, 2018	December 31, 2017
Office lease deposits	\$ 55,760	\$ 55,458
Exploration deposits	124,276	113,985
	\$ 180,036	\$ 169,443

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**7. Mineral Properties**

	<b>Cooke</b>				
	<b>Mountain</b>	<b>Empire Creek</b>	<b>Other</b>	<b>Total</b>	
<b>Costs</b>					
Balance, December 31, 2016	\$ 736,585	\$ 713,542	\$ 211,569	\$ 1,661,696	
Acquisition cost	68,171	4,750	-	72,921	
Airborne	2,419	-	-	2,419	
Assays	157,832	-	-	157,832	
Camp costs	49,705	-	-	49,705	
Drilling	554,812	-	-	554,812	
Geochemistry	22,186	-	-	22,186	
Geology	691,649	-	-	691,649	
Geophysics	180,577	-	-	180,577	
Holding costs	68,410	4,552	7,472	80,434	
Surface rights	18,404	-	-	18,404	
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	

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**7. Mineral Properties (continued)**

The Company holds the following mineral claims and permits:

**(a) Washington, USA**

i) Cooke Mountain

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

ii) Empire Creek

On May 21, 2014, Adamera Minerals, LLC entered into a lease and advance royalty agreement whereby the Company has the exclusive rights and lease to acquire an undivided 100% interest in the minerals rights on the Empire Creek property. Pursuant to the terms of the agreement, the following 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; Note 10(b)(iv)) or US\$15,000 cash, at the Company's discretion, on or before December 1, 2017;
- vi) 50,000 common shares (issued; Note 10(b)(viii)) or US\$20,000 cash, at the Company's discretion, on or before December 1, 2018; and
- vii) 100,000 common shares or US\$20,000 cash, at the Company's discretion, on or before December 1, 2019 and each subsequent year until termination of the agreement.

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

iii) Other

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

**(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 (2017 - \$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.

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**8. Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities are as follows:

		<b>December 31, 2018</b>		<b>December 31, 2017</b>
Accounts payable	\$	80,820	\$	145,404
Accruals		16,500		41,650
	\$	97,320	\$	187,054

**9. Related Party Transactions**

The Company entered into the following related party transactions during the year ended December 31, 2018:

	Services		As at December 31, 2018		As at December 31, 2017
<b>Prepaid Expenses:</b>					
Mark Kolebaba, Chief Executive Officer & director	prepaid expenses	\$	-	\$	3,318
<b>Amounts due to:</b>					
Mark Kolebaba, Chief Executive Officer & director	salaries and expense reimbursements	\$	16,224	\$	15,974
Mark T. Brown, Chief Financial Officer	expense reimbursements		-		85
Pacific Opportunity Capital Ltd. <sup>(b)</sup>	Management and accounting services		9,703		14,107
Commander Resources Ltd. <sup>(a)</sup>	Rent deposit		8,395		5,550
China Minerals Mining Corporation <sup>(a)</sup>	Rent deposit		-		39
TOTAL:		\$	34,322	\$	35,755

	Services		During the year ended December 31, 2018		During the year ended December 31, 2017
<b>Remuneration (key management personnel):</b>					
Mark Kolebaba, Chief Executive Officer & director	Wages and benefits	\$	94,040	\$	204,899
Pacific Opportunity Capital Ltd. <sup>(b)</sup>	Accounting services		81,500		62,500
Pat Tanaka, former Chief Financial Officer	Accounting services		-		13,750
Sheryl Dhillon, former Corporate Secretary	Corporate secretarial services		-		3,750
Directors & officers	Share-based compensation		95,190		425,040
TOTAL:		\$	270,730	\$	709,939

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

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

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**10. Share Capital**

**(a) Authorized**

As at December 31, 2018, 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**

2017 transactions:

- i) During the year ended December 31, 2017, 30,613,167 warrants were exercised for proceeds of \$2,728,277.
- ii) During the year ended December 31, 2017, 575,000 stock options were exercised for proceeds of \$37,875.
- iii) On December 20, 2017, the Company completed a non-brokered private placement for the issuance of 7,100,000 units at \$0.10 per unit for a total of \$710,000. Each unit consisted one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share at a price of \$0.20 until December 20, 2018. The residual value of the warrants associated with the unit offering was \$35,500 or \$0.005 per warrant. If however the closing price of the Company's shares are \$0.30 or greater for a period of 10 consecutive trading days, the warrant holder will have 30 days to exercise their warrants; otherwise the warrants expire on the 31<sup>st</sup> day. The Company paid finder's fees of \$24,300 and issued 243,000 finder's warrants fair valued at \$5,152 or \$0.021 per finder's warrant using the Black-Scholes pricing model. The Company incurred additional share issue costs in the amount of \$12,445 in connection with the placement.
- iv) On December 29, 2017, the Company issued 50,000 common shares valued at \$4,750 pursuant to the lease and advance royalty agreement on the Empire Creek property (Note 7(a)(ii)).

2018 transactions:

- v) During the year ended December 31, 2018, 825,000 warrants were exercised for proceeds of \$41,250.
- vi) 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 31<sup>st</sup> 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 pricing model. The Company incurred additional share issue costs in the amount of \$8,859 in connection with the placement.

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**10. Share Capital** (continued)

**(b) Share Issuances** (continued)

2018 transactions: (continued)

- vii) 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 pricing model. The Company incurred additional share issue costs in the amount of \$12,253 in connection with the placement.
  
- viii) 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 7(a)(ii)).

**(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.

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**10. Share Capital (continued)**

**(c) Stock Options (continued)**

Stock option transactions are summarized as follows:

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

<b>Expiry date</b>	<b>Exercise price</b>	<b>December 31, 2017</b>	<b>Granted</b>	<b>Exercised</b>	<b>Expired / Cancelled</b>	<b>December 31, 2018</b>
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 (a)	\$ 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

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

The fair value of options granted and expensed during the year ended December 31, 2018 were \$231,839 (2017 - \$605,025) or \$0.08 (2017 - \$0.17) 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:

	<b>2018</b>	<b>2017</b>
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	158.17%	171.95%
Risk-free interest rate	1.35%	1.15%
Forfeiture rate	0.00%	0.00%
Expected life of options	4.66 years	4.34 years

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**10. Share Capital (continued)**

**(d) Warrants**

Warrant transactions are summarized as follows:

<b>Expiry date</b>	<b>Exercise price</b>	<b>December 31, 2016</b>	<b>Issued</b>	<b>Exercised</b>	<b>Expired</b>	<b>December 31, 2017</b>
March 24, 2017	\$ 0.12	6,582,142	-	(4,835,500)	(1,746,642)	-
March 30, 2017	\$ 0.05	3,290,000	-	(3,290,000)	-	-
June 28, 2017	(a) \$ 0.10	4,554,667	-	(4,546,667)	(8,000)	-
December 20, 2017	(b) \$ 0.10	12,000,000	-	(12,000,000)	-	-
December 20, 2017	(c) \$ 0.10	636,000	-	(636,000)	-	-
January 20, 2021	\$ 0.05	3,600,000	-	(1,000,000)	-	2,600,000
May 16, 2021	\$ 0.05	11,530,000	-	(4,305,000)	-	7,225,000
December 20, 2018	(d) \$ 0.20	-	7,343,000	-	-	7,343,000
<b>Outstanding</b>		<b>42,192,809</b>	<b>7,343,000</b>	<b>(30,613,167)</b>	<b>(1,754,642)</b>	<b>17,168,000</b>
<b>Weighted average exercise price</b>		<b>\$ 0.08</b>	<b>\$ 0.20</b>	<b>\$ 0.09</b>	<b>\$ 0.12</b>	<b>\$ 0.11</b>

<b>Expiry date</b>	<b>Exercise price</b>	<b>December 31, 2017</b>	<b>Issued</b>	<b>Exercised</b>	<b>Expired</b>	<b>December 31, 2018</b>
February 28, 2019	(d) \$ 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	(e) \$ 0.12	-	4,392,747	-	-	4,392,747
November 19, 2019	(e) \$ 0.10	-	7,438,750	-	-	7,438,750
<b>Outstanding</b>		<b>17,168,000</b>	<b>11,831,497</b>	<b>(825,000)</b>	<b>(243,000)</b>	<b>27,931,497</b>
<b>Weighted average exercise price</b>		<b>\$ 0.11</b>	<b>\$ 0.11</b>	<b>\$ 0.05</b>	<b>\$ 0.20</b>	<b>\$ 0.11</b>

- (a) These warrants have a forced exercise price. If the closing price of the Company's shares are \$0.20 or greater for a period of 10 consecutive trading day, the warrant holder will have 30 days to exercise their warrants; otherwise the warrants expire on the 31<sup>st</sup> day. On May 9, 2017, the price of the Company's shares reached the requirements for a forced exercise and unexercised warrants expired on June 9, 2017.
- (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 31<sup>st</sup> day. On May 10, 2017, the price of the Company's shares reached the requirements for a forced exercise and all the warrants were exercised before the new expiry date of June 10, 2017.
- (c) These warrants have the same forced exercise terms as (b) above and were all exercised before the new expiry date of June 10, 2017.
- (d) 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 31<sup>st</sup> 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.
- (e) These warrants have a forced exercise price. If the closing price of the Company's shares are \$0.20 or greater for a period of 10 consecutive trading days, the warrant holder will have 30 days to exercise their warrants; otherwise the warrants expire on the 31<sup>st</sup> day.

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**11. Income Taxes**

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

	December 31, 2018	December 31, 2017
Loss before income taxes	\$ (682,304)	\$ (1,315,513)
Expected income tax recovery	\$ (184,000)	\$ (342,000)
Change in statutory rates and others	(137,000)	132,000
Permanent differences	63,000	158,000
Share issue costs	(11,000)	(10,000)
Adjustment to prior years provision versus statutory tax returns	(57,000)	(38,000)
Change in unrecognized deductible temporary differences	326,000	100,000
<b>Total income tax recovery</b>	<b>\$ -</b>	<b>\$ -</b>

The Canadian income tax rate declined/increased during the year due to changes in the law that reduced/increased corporate income tax rates in Canada/British Columbia.

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, 2018	December 31, 2017
Deferred tax assets (liabilities)		
Exploration and evaluation assets	\$ 6,071,000	\$ 5,944,000
Property and equipment	138,000	136,000
Share issue costs	21,000	18,000
Provision	42,000	24,000
Allowable capital losses	68,000	68,000
Non-capital losses available for future period	5,373,000	5,197,000
	11,713,000	11,387,000
Unrecognized deferred tax assets	(11,713,000)	(11,387,000)
<b>Net deferred tax assets</b>	<b>\$ -</b>	<b>\$ -</b>

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, 2018	Expiry Date Range	December 31, 2017
Temporary differences			
Exploration and evaluation assets	\$ 20,111,000	No expiry date	\$ 19,509,000
Investment tax credit	955,000	2019 to 2035	955,000
Property and equipment	513,000	No expiry date	502,000
Share issue costs	79,000	2038 to 2042	68,000
Provision	156,000	No expiry date	90,000
Allowable capital losses	252,000	No expiry date	252,000
Non-capital losses available for future period	20,527,000	2019 to 2038	19,805,000

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

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**12. Supplemental Disclosure With Respect to Cash Flows**

	<b>December 31, 2018</b>	<b>December 31, 2017</b>
Significant non-cash investing and financing activities		
Mineral property expenditures included in accounts payable	\$ 29,856	\$ 30,351
Mineral property expenditures included in due to related parties	4,863	-
Shares issued for property acquisition	4,500	4,750
Fair value of finder's fee warrants issued	10,831	5,152
Fair value of options exercised	-	38,200
Fair value of warrants exercised	-	65,982
Residual value of warrants issued as part of private placement	114,817	35,500
Depreciation included in mineral property expenditures	10,738	14,116

**13. Segmented Information**

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

	<b>December 31, 2018</b>	<b>December 31, 2017</b>
Canada	\$ 5,981	\$ 6,992
USA	4,723,164	3,530,002
	<b>\$ 4,729,145</b>	<b>\$ 3,536,994</b>

**14. Commitment**

The Company leases an office under non-cancellable operating leases for a period of two years expiring on August 31, 2020. As at December 31, 2018 and 2017, the Company is required to make future minimum lease payments as follows:

	<b>December 31, 2018</b>	<b>December 31, 2017</b>
2018	\$ -	\$ 131,824
2019	235,400	-
2020	156,933	-
	<b>\$ 392,333</b>	<b>\$ 131,824</b>

**15. Comparative amounts**

Certain of the liabilities and expenses for the year ended December 31, 2017 have been restated to conform to the current year's presentation.

**16. Event After the Reporting Period**

On March 25, 2019, the Company announced a non-brokered private placement of up to four million units at a price of \$0.05 per unit for aggregate gross proceeds of up to \$200,000. Each unit will consist of one common share and one non-transferable warrant, with each warrant entitling the holder to purchase one common share at a price of \$0.05 for a period of two years following the closing date. 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.