Management Discussion and Analysis
For the Year Ended December 31, 2020

Dated: April 28, 2021

1100, 1111 Melville Street
Vancouver, BC V6E 3V6
Tel: (604) 689-2010
Fax: (604) 484-7143

TABLE OF CONTENTS

1. Introduction ***3***

2. Overview ***3***

- **2(a) Description of Business** **3**
- **2(b) Qualified Person** **3**
- **2(c) Overall Performance and Outlook** **3**

3. Mineral Properties ***4***

- **3(a) Washington State, USA** **4**
  - *i. Cooke Mountain Project* *4*
  - *ii. Buckhorn 2.0 Project* *8*
  - *iii. Empire Creek Project* *11*
  - *iv. Others* *12*
  - *a) Flag Hill Project* *12*
  - *b) Talisman Project* *12*
- **3(b) Canada** **12**

4. Risks and Uncertainties ***13***

5. Impairment of Long-lived Assets ***16***

6. Material Financial and Operations Information ***16***

- **6(a) Selected Annual Financial Information** **16**
- **6(b) Summary of Quarterly Results** **17**
- **6(c) Review of Operations and Financial Results** **17**
- **6(d) Liquidity and Capital Resources** **18**
- **6(e) Disclosure of Outstanding Share Data** **19**
- **6(f) Commitment** **20**
- **6(g) Off-Balance Sheet Arrangements** **21**
- **6(h) Transactions with Related Parties** **21**
- **6(i) Financial Instruments** **21**
- **6(j) Management of Capital Risk** **22**

7. Events after the Reporting Period ***22***

8. Policies and Controls ***23***

- **8(a) Significant Accounting Judgments and Estimates** **23**
- **8(b) Mineral Properties** **24**

9. Internal Control Over Financial Reporting ***25***

1. Introduction

The management's discussion and analysis ("MD&A" or "Report") of Adamera Minerals Corp. (the "Company" or "Adamera") has been prepared by management in accordance with the requirements under National Instrument 51-102 on April 28, 2021 ("the Report Date"), and provides comparative analysis of the Company's financial results for the period. The following information should be read in conjunction with the Company's audited financial statement for the years ended December 31, 2020 and 2019 together with the notes thereto (collectively, the "Financial Statements"). Unless otherwise indicated, all dollar amounts in this document are in Canadian dollars.

The Financial Statements, together with this MD&A, are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as potential future performance, and are not necessarily indicative of the results that may be expected in future periods. The information in the MD&A may contain forward looking statements, and the Company cautions investors that any forward looking statements by the Company are not guarantees of future performance, as they are subject to significant risks and uncertainties that may cause projected results or events to differ materially from actual results or events.

Additional information about the Company, including the audited consolidated financial statements, and the notes thereto, for the year ended December 31, 2020, prepared in accordance with IFRS, can be found on SEDAR at www.sedar.com.

2. Overview

2(a) Description of Business

Adamera Minerals Corp. ("the Company") is an exploration stage company engaged in the acquisition and exploration of precious metals. The principal properties are located in Washington State, USA. The Company also holds properties in northern Canada throughout Nunavut ("NU") and the Northwest Territories ("NWT"). The Company acquires properties directly by staking, through option agreements with prospectors or other exploration companies, and through reconnaissance programs. The Company trades on the TSX Venture Exchange ("Exchange") under the symbol "ADZ" and is a reporting issuer in British Columbia and Alberta. The Company also trades on the OTC Marketplace in the United States under the symbol "DDNFF".

2(b) Qualified Person

Martin St. Pierre, P.Geo is the Company's qualified person, reviewing the exploration projects described throughout the MD&A and is responsible for the design and conduct of the exploration programs and the verification and quality assurance of analytical results.

2(c) Overall Performance and Outlook

During the period ended December 31, 2020 and to the date of this report, the Company has continued to seek out and review projects that exhibit potential to host large mineral deposits containing commodities with strong prospects to increase value, as well as looking for partners to work together advancing the properties.

It is a challenging time for the mining industry and the entire junior resource investment community. The Company is working hard to meet the challenges which face our industry. The Company optioned out the Cooke Mountain project in January 2020 to Hochschild Mining (US) Inc. ("Hochschild") (see Section 3(a) for more details) while choosing to continue to work on properties that do not require, for now, substantial funds to explore and develop. The Company has adopted a low-cost exploration approach which has enabled the Company to expand and advance its properties through detailed geological, geochemical, geophysical and drilling activities.

All of the Company's active projects are in established mining districts, current or historic, and are within hauling distance of an operating, under-utilized mill. The Company has focused on developing drill targets with high-grade gold potential. As a result, all projects are drill-ready with existing proof of concept. The Company is now positioned for discovery, with plans to drill test high-grade targets on its Cooke Mountain project with its partner Hochschild's funding, as well as bringing attention to the opportunities of its other projects.

Given the current difficult market conditions, the Company continues to preserve cash by keeping general and administrative expenses to a minimum.

3. Mineral Properties

The Company has properties in Washington State, USA. The Company also holds properties in northern Canada throughout Nunavut ("NU") and the Northwest Territories ("NWT"). The following is a brief description of the Mineral Properties owned by the Company.

3(a) Washington State, USA

i. *Cooke Mountain Project*

On December 13, 2019, the Company entered into a loan agreement with Hochschild Mining (US) Inc. ("Hochschild"), a wholly owned subsidiary of Hochschild Mining PLC, 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 project. 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"), Adamera entered into the Agreement with Hochschild on its Cooke Mountain project in Washington State. Hochschild is a leading underground precious metals producer focused on high-grade silver and gold deposits. With over 50 years of operating experience in the Americas, it is well suited to explore and develop Adamera's many high-grade gold targets at Cooke Mountain.

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

In phase 1, Hochschild can earn a 60% interest in the project by incurring US$8 million (approximately $10.5 million) in exploration expenditures over five years. During the first two years of this earn-in phase, Hochschild must spend a minimum of Qualifying Expenditures of US$500,000 each year and no less than US$1 million during the third, fourth and fifth years. Adamera will be the operator of the project during the initial part of the earn-in period. Upon signing the Agreement, Hochschild paid Adamera US$50,000 cash.

In phase 2, Hochschild can earn an additional 15% interest in the project by sole financing a feasibility study within a further three years. During this option phase, Hochschild has the right to extend the earn-in period by up to three additional years by paying Adamera US$200,000, US$300,000 and US$500,000 for the first, second and third extended years, respectively.

If a feasibility study is not completed by the end of phase 2, Hochschild's interest drops 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, Adamera 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 Adamera in exchange for an additional 5% equity interest in the project. In the event of a 75%/25% joint venture, Hochschild would provide a loan to Adamera in exchange for a 1.5% royalty payable to Hochschild. Adamera will repay such loans from 70% of its earnings from the joint venture.

On December 15, 2020, Hochschild gave written notice regarding force majeure due to the COVID-19 pandemic pursuant to the Agreement and both parties agreed to amend the Effective Date from January 16, 2020 to June 16, 2020.

Explorations in 2020:

On June 8, 2020, the Company and Hochschild announced that they had initiated the 2020 exploration program. The program is being performed in 3 phases in response to the easing of restrictions related to COVID-19. The phases include:

- Phase 1. Mapping, prospecting and geochemical sampling of the new claims (2,600 acres) at Cooke Mountain (see news release dated March 11, 2020).
- Phase 2. Deeper penetrating geophysical survey using induced polarization (IP) over areas of previously identified gold potential at Cooke Mountain.
- Phase 3. Reprioritized drill targets on the Cooke Mountain project.

Earlier in the year, Hochschild and Adamera expanded the Cooke Mountain project by staking new claims. These claims cover an additional 10 kilometres of the interpreted Overlook Trend.

Mapping, prospecting and lithogeochemical sampling of the new claims is underway. To date, numerous gold prospects have been identified and sampled. Current work is showing prospective rocks and structures similar to the previously mined Overlook deposit within the Cooke Mountain project area.

On July 13, 2020, the Company announced that an IP orientation survey was underway on the Cooke Mountain project Oversight property. The survey is part of a targeting program to precede drilling. This particular survey was designed to penetrate deeper to evaluate the depth extent of existing drill intercepts and IP anomalies defined by the Company in 2018 and identify new targets below detection depth of the previous IP survey.

Assuming the results of the orientation survey over the Overlook mine are positive, surveying will continue over the Oversight property where 2018 drilling by the Company intersected high-grade gold mineralization approximately 300 metres southeast of the past producing Overlook Gold Mine. Drill Hole OS18-02 tested a strong IP anomaly and intersected 19.4 g/t gold in the last metre of the hole at a depth of 80 metres. Another hole drilled to the northeast from the same site intersected 2.5 g/t gold over 10 metres at a similar depth including 2 intervals with up to 10 g/t gold (See news release dated September 28, 2018). That drilling was conducted using Adamera’s in-house small diameter core drill. Further drilling will utilize larger capacity drills to obtain larger samples and reach greater depths.

Once IP surveying is complete at Oversight property it is anticipated that the crew will move to the Goodfoot and Lamefoot South properties where the Company has gold targets. The nearby Lamefoot gold deposit was the largest of the Kinross mines in the Cooke Mountain area. The IP data will estimate the possible depth extent of several existing targets, information that will be used to better rank the targets for drill testing later in the season.

On August 19, 2020, the Company announced that deeper penetrating IP on the Cooke Mountain project was underway. The survey was recommended by Joint-Venture (JV) partner Hochschild to precede deeper drilling of high grade gold targets/intercepts from Adamera's previous drilling.

The survey parameters for the IP survey have been tested on east-west and north-south lines over the former Overlook Gold Mine. The survey demonstrates that sulphide mineralization related to the deposit appears to extend below 200 metres depth. It is at approximately that depth where Adamera's drilling intersected high-grade mineralization (11 metres at 10 g/t gold) in drill hole OS17-06 (see news release October 24, 2017). In addition to detecting the known mineralization at Overlook, several new anomalies have been identified. (See Figure 1).

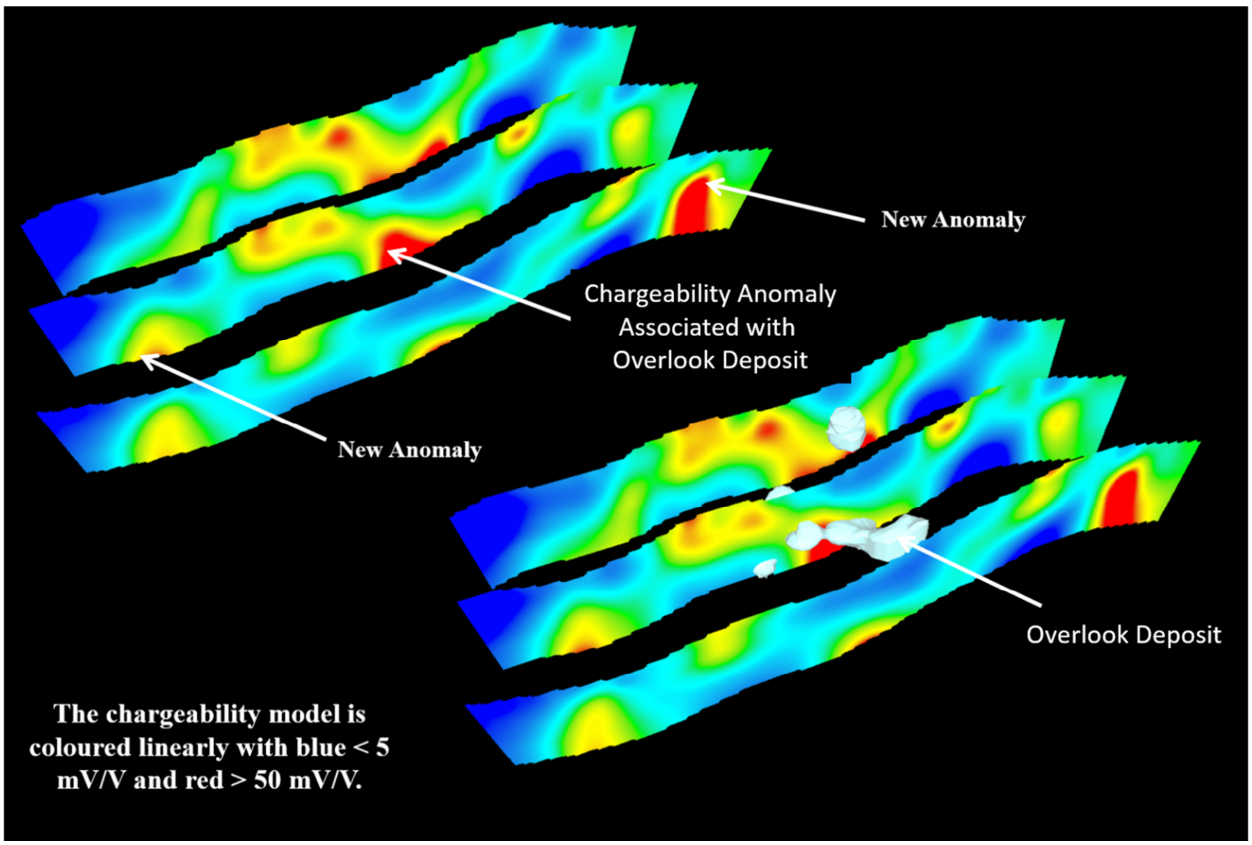


Figure 1. Cross sectional data from modelled IP test lines over the Overlook Mine appear to detect mineralization at 200 metres depth.

On October 20, 2020, the Company announced that it had identified new areas of interests on the Iron Mountain gold claims that were staked in early 2020 as part of the Cooke Mountain project. Rock samples collected during a mapping program in July have been analyzed and one sample in particular returned 18.6 g/t gold. Outcrop exposure in the area is rare and detailed mapping, prospecting, soil sampling and magnetic surveying is being considered to help define and develop targets for follow up drilling.

Property wide IP surveying on the Cooke Mountain project at Oversight, Goodfoot and Lamefoot South properties is underway. New IP data is further prioritizing targets for drilling as well as identifying new drill targets to be tested later in the season.

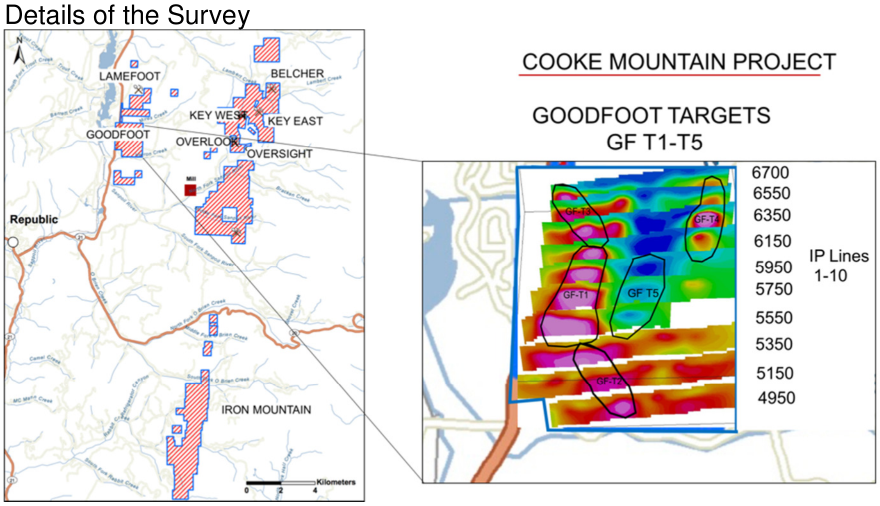
On November 10, 2020, the Company announced that the IP survey was completed at Oversight, Goodfoot and Lamefoot South properties. The data has been modelled and the results were used to better define existing targets and to identify new targets for drilling.

On February 11, 2021, the Company announced the completion of target development on the Goodfoot gold property, a part of the Cooke Mountain project.

A total of five targets on the Goodfoot property have been identified as candidates for drilling in 2021.

In 2020 the JV completed deep penetrating IP surveys at Goodfoot resulting in five significant targets being defined, GF-T1 to GF-T5. The survey was designed to enable target modelling to a depth of approximately 225 metres. Previous geophysics only had the capability to model targets to a depth of approximately 70 metres.

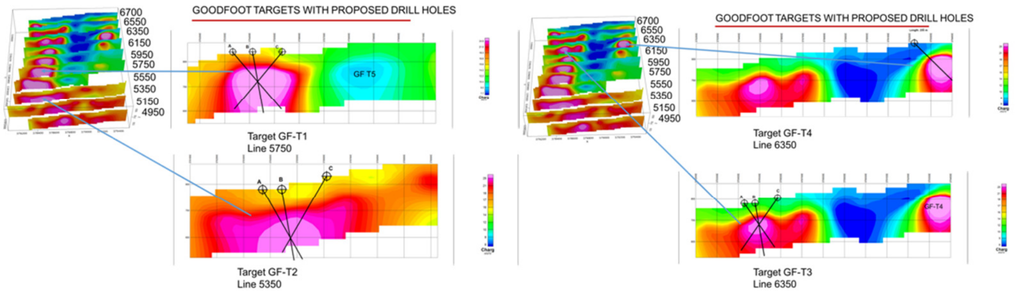
Details of the Survey



The Goodfoot survey was conducted over the entire property on 200 metre line spacings with a dipole-dipole array using 50 metre dipoles and N=1 to 8 separation in order to penetrate to approximately 225 metres. The data was subsequently modelled with inversion software. The original IP survey in 2018 was conducted on lines 50 and 100 metres apart with a dipole-dipole array using 25 metre dipoles and N =1 to 5 separation. This provided high resolution information to a depth of approximately 75 metres that covered a limited portion of the GF-T1 target.

Target GF-T1 is the highest priority target based on the extent of the IP anomaly and the presence of gold in soil samples above the anomaly. The target appears to expand at depth. GF-T1 strike length is approximately 300 metres north-south at 70 metres depth and expands to 850 metres at a depth of 130 metres. It remains open beyond the maximum depth penetration of the survey.

Targets GF-T2 and GF-T3 are also supported by gold in soils. The targets are north and south extensions of the GF-T1 target respectively. GF-T4 is approximately 1 km to the east of GF-T1 and is supported by a single gold in soil sample with 469 ppb gold. GF-T5 is located immediately east of GF-T1 and is coincident with a zone of high resistivity with significant gold anomalies in soil ranging from 30 ppb to 1090 ppb.



The Lamefoot Gold Mine to the north contained nearly a million ounces of gold at a reported grade of 8 to 10 g/t. The deposit was not exposed at surface and occurred at and near a limestone – clastic contact. The GF-T1, GF-T2 and GF-T3 targets at Goodfoot are adjacent to a similar limestone – clastic contact and are supported by gold values ranging from 30 to 700 ppb in soil samples flanking the east and west margins of the IP anomaly projected to surface.

On March 30, 2021, the Company announced that the 2021 exploration budget at the Cooke Mountain is anticipated to be US$1-million and will include a phase 1 drilling program of about 3,000 metres to test a minimum of four targets

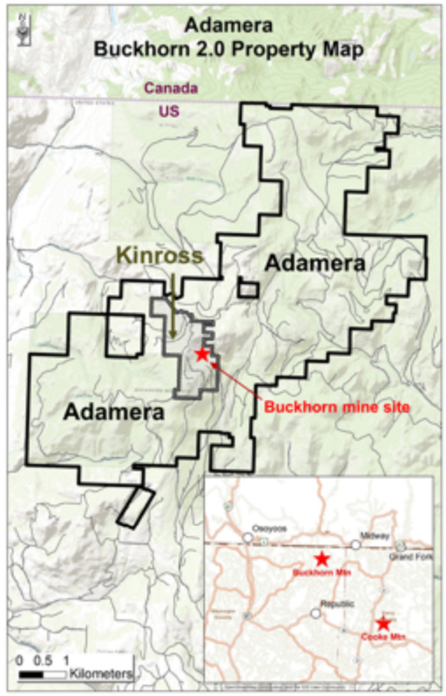
See 2020 news releases dated January 22, June 8, July 13, October 20 and November 10. See also 2021 news releases dated February 11 and March 30.

As of December 31, 2020, the Company had spent a total of $3,808,936 on the Cooke Mountain project, after recovering $676,222 of exploration expenditures from Hochschild's as part of their first year funding commitment of US$500,000.

ii. *Buckhorn 2.0 Project*

On June 8, 2020, the Company announced that it had entered into an agreement to lease a number of claims from a private claim holder for a period of 6 years in Washington State, USA for US$1,000 cash and 100,000 common shares. The Company may extend the lease beyond 2026 by paying the Lessor 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.

On July 22, 2020, the Company announced it had staked 339 claims around the Buckhorn 2.0 project in Washington State. Buckhorn 2.0 project surrounds the Crown/Kinross patented claims on which the past producing Buckhorn Mine is situated. The area acquired extends more than 10 kilometres to the Canadian-USA border, along the western margin of the Torada Graben. The private claim holder has an interest in the 339 claims consisting of 1% royalty, of which 0.5% may be purchased for US$500,000 at any time (see map).



On September 22, 2020, the Company announced that the Buckhorn 2.0 project had been expanded with the grant of exploration leases by the Washington State Department of Natural Resources.

The Buckhorn Mine (formerly named Crown Jewel) was discovered by Crown Resources Corp in 1988. Approximately 1.3 million ounces of gold at an average grade of about 12 g/t gold was produced from Buckhorn between 2008 and 2017.

Details of a work program for these claims are developing. The Company is currently working on ranking areas on the new claims. Adamera geologists are currently on-site prospecting and sampling for Crown Jewel style mineralization to assist in the program design. Details of this work will be reported as results become available.

Work is underway on the project, focussing on mapping rock types favourable for gold mineralization in the area. That mapping has located historic mine workings, a number of which have been sampled. A total of 76 rock samples have been submitted to the laboratory for analysis. Detailed ground magnetic surveying and soil sampling over areas of interest is planned for the upcoming field program.

On December 1, 2020, the Company announced results from 3 diamond drill holes that intersected significant gold mineralization. In 1994 Ramrod Gold USA Inc. reported 9 g/t gold over 7.5 metres on Adamera lands 1.5 kilometres south of the Buckhorn mine (see Table 1 and Map below). This site will be referred to as the Keystone prospect.

Table 1.

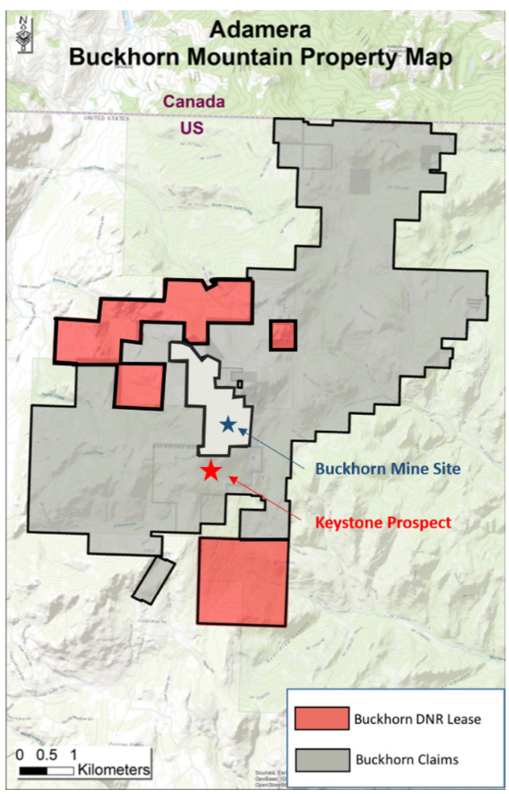
Hole #	From (m)	To (m)	Interval (m)	g/t Au
D91-75	77.72	83.82	6.10	3.7
RR93-6	73.15	80.77	7.62	9.0
RR93-7	120.40	123.44	3.05	3.0

Holes were drilled by Ramrod and Battle Mountain Gold at approximately the same location.
Holes D91-75 and RR93-6 were drilled at -90° and RR93-7 was drilled at -45°.
True width of intersections is not yet determined.

This high-grade gold occurrence is located within the same fault bound block that appears to constrain the Buckhorn mine. The gold mineralization is reported to occur in skarns overprinting clastic and volcaniclastic rocks intruded by diorite dikes. The rocks have been described as having undergone distal skarn alteration similar to skarn development reported at the Buckhorn mine to the north. According to the Ramrod report, gold is associated with sulfides including pyrrhotite, pyrite, chalcopyrite, arsenopyrite, sphalerite and galena. Higher gold contents are reported to correlate with increased disseminated pyrrhotite and arsenopyrite contents.

Specific gold results related to six other drill holes and numerous prospecting pits in the area are not provided in the report.

The Company is currently filing plans of operation for proposed drilling programs on the Buckhorn 2.0 property, including the new Keystone prospect. Prior to drilling, the Company will complete detailed soil sampling, ground magnetic and IP surveying. This work is expected to provide high priority targets for drilling. Adamera has identified multiple areas on Buckhorn 2.0 that are considered high priority exploration areas. These areas will be reported on in the coming weeks and months.



On December 15, 2020, the Company reported that mapping and prospecting identified multiple areas of interest on the 100% owned Buckhorn 2.0 gold. A significant area of interest is the Keystone target. Another site is the historic Magnetic Mine area where Adamera rock samples have yielded some high copper, silver, bismuth, and tungsten values along with modest to anomalous gold values up to 1.4 g/t over a broad area of skarn that extends laterally for as much as 700 metres.

The Magnetic Mine and adjacent historic prospects lie upon Adamera land immediately north of the Buckhorn Mine and were of interest historically for iron ore, copper, gold and silver. Once the high grade Buckhorn deposit was discovered negligible work was done in the Magnetic Mine area despite the presence of extensive skarn mineralization. Adamera collected 44 grab samples along approximately 700 metres of skarn. Nineteen of the samples contain +1000 ppm copper and five samples range from 1% to 6% copper. Thirty-three of the samples contain silver in the range of 1 g/t to 288 g/t. Copper, silver, gold, bismuth and tungsten appear to be associated with increased sulfide mineralization in the skarns. Many of the samples were collected along road cuts or in historic prospect pits as outcrop exposure is rare.

Detailed mapping by Adamera, combined with previous drilling by the US Bureau of Mines, indicates that the known surface extent of the skarn zone is up to 500 metres wide (E-W), 600 metres long (N-S) and up to 200 metres thick. The down-dip extent of the skarn body is unknown. The skarn consists primarily of garnet and epidote with locally massive to stockwork and disseminated sulfide/magnetite mineralization. Although copper/silver/gold mineralization is certainly widespread, it may not be ubiquitous. The paucity of outcrop currently precludes any definitive conclusion regarding the overall distribution of sulfide mineralization.

To help identify high-grade gold targets in areas with little outcrop exposure, geophysical and geochemical methods will be deployed. Detailed ground magnetic surveying and soil geochemical sampling is initially planned over a large area that includes the Magnetic Mine.

On March 30, 2021, the Company announced that the exploration at Buckhorn 2.0 will ramp up as the snow melts. The Keystone prospect, located immediately south of the Buckhorn gold mine landholding (Kinross Gold), is the first target. Exploration will be extended to other parts of the property that Adamera considers the most prospective later in the spring. Permits are in process, and an initial drill program is anticipated later in the year.

See 2020 news releases dated June 8, July 22, September 22, December 1 and December 15. See also news release dated March 30, 2021.

As of December 31, 2020, the Company had spent a total of $323,853 on the Buckhorn 2.0 project.

iii. *__Empire Creek Project__*

The Empire Creek property is located on the western margin of the Republic Graben 6km south of the K2 Mine which produced over 1 million ounces of gold and 15 kilometers north of the Republic gold district.

Previous work on the Empire Creek property returned numerous encouraging results. The majority of past drill holes were vertical to test for horizontal mineralization. Angled drill holes by the Company demonstrate strong possibility for vertical mineralization oriented east-west. Subsequent to drilling, the Company has identified a 1 kilometer long gold soil anomaly to support that orientation. Other similar soil anomalies have been identified on the property all of which need to be tested.

The Company has a lease and advance royalty agreement to earn into 100% interest in the property. Pursuant to the terms of the agreement, the following annual lease payments are required:

i) US$1,000 on signing (paid) and 10,000 common shares (issued)

ii) US$1,000 (paid) and 10,000 common shares in the first year (issued)
iii) 20,000 common shares on or before December 1, 2015 (issued)
iv) 20,000 common shares on or before December 1, 2016 (issued)
v) 50,000 common shares (issued) on or before December 1, 2017
vi) 50,000 common shares (issued) on or before December 1, 2018
vii) 100,000 common shares (issued) 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 (issued 100,000 shares on December 8, 2020).

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.

As of December 31, 2020, the Company had spent a total of $752,402 on the Empire Creek project.

iv. *Others*

a) Flag Hill Project

The Flag Hill property is located on BLM land within the largest gold producing area in Washington State, the Republic Gold District. This property is located 10 kilometers from the Kettle River Mill.

The Company acquired 100% interest in the property by staking and completed property wide mapping, sampling and geophysical surveying. The Company is currently reviewing the Flag Hill data and has filed a notice of intent for drilling at Flag Hill with the BLM.

As of December 31, 2020, the Company had spent a total of $153,338 on the Flag Hill project.

b) Talisman Project

The Company also acquired 100% interest in Talisman property by staking.

With Hochschild sole financing the Cooke Mountain project for the foreseeable future, Adamera intends to bring attention to the opportunities at Buckhorn 2.0, Empire Creek and Flag Hill projects in 2021.

3(b) 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. As of December 31, 2020, the Company has recorded a provision for disposal costs of $151,888. In 2017, the Nunavut government notified the Company that a fuel drum had leaked. The Company submitted a plan for clean-up and the clean-up will commence as soon as access to the property is possible.

	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	23,160	7,500	160,665	-	191,325
Camp costs	50,719	-	3,239	54	54,012
Depreciation	3,005	-	5,041	-	8,046
Geochemistry	21,006	-	5,751	1,420	28,177
Geology	104,591	-	67,973	1,638	174,202
Geophysics	203,825	-	-	-	203,825
Holding costs	156,097	5,285	81,184	5,959	248,525
Management fees	45,643	-	-	-	45,643
Surface rights	588	-	-	-	588
Recovered exploration expenditures	(676,222)	-	-	-	(676,222)
Balance, December 31, 2020	$ 3,808,936	$ 752,402	$ 323,853	$ 241,767	$ 5,126,958

4. Risks and Uncertainties

Resource exploration is a speculative business and involves a high degree of risk. There is a significant probability that the expenditures made by the Company in exploring its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis for further development of a property. Capital expenditures to attain commercial production stage are also very substantial. The following sets out the principal risks faced by the Company.

(a) Exploration

The Company is seeking mineral deposits on exploration projects where there are not yet established commercial quantities. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results from those activities. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

(b) Market

The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change; both in short term time horizons and longer term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

(c) Commodity Price

The Company's exploration projects are primarily related to exploration for gold and other precious metals in Washington State, USA. While these minerals have recently been the subject of significant price increases from levels prevalent earlier in the decade, there can be no assurance that such price levels will continue, or that investors' evaluations, perceptions, beliefs and sentiments will continue to favour these target commodities. An adverse change in these commodities' prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.

(d) Title

Although the Company has exercised the usual due diligence with respect to title to properties in which it has interests, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or land claims, and title may be affected by undetected defects.

(e) Financing

Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

(f) Share Price Volatility and Price Fluctuations

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

(g) Foreign currency risks

The Company uses the Canadian dollar as its measurement and reporting currency, and therefore fluctuations in exchange rates between the Canadian dollar and US dollar may affect the results of operations and financial position of the Company. The Company does not currently have any foreign currency or commercial risk hedges in place.

The Company raises the majority of its equity financings in Canadian dollars while its operations are in US dollars. Fluctuations in the exchange rates between the Canadian dollar and US dollar may impact the Company's financial condition.

(h) Key Personnel

The Company's exploration efforts are dependent to a large degree on the skills and experience of certain of its key personnel. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities.

(i) Competition

Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

(j) Realization of Assets

Exploration and evaluation assets comprise a substantial portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values.

(k) Environmental and Other Regulatory Requirements

The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits.

(l) History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations

The Company has incurred net losses to date. The Company has not yet had any revenue from the exploration activities on its properties. Even if the Company commences development of certain of its properties, the Company may continue to incur losses. There is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

(m) Uninsurable

The Company and its subsidiary may become subject to liability for pollution, fire, explosion and other risks against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

(n) Legal Proceedings

As at the date of the Report, there were no legal proceedings against or by the Company.

(o) Critical Accounting Estimates

The most significant accounting estimates for the Company relates to the carrying value of its mineral property exploration and evaluation assets. All deferred mineral property expenditures are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, a provision is made for the impairment in value.

Management's estimates of exploration, operating, capital and reclamation costs are subject to certain risks and uncertainties which may affect the recoverability of mineral property costs. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the value of its properties.

Another significant accounting estimate relates to accounting for share-based payments and derivative instruments. The Company uses the Black-Scholes Option Pricing Model to estimate the fair value of share-based payments and warrants. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted/vested during the period

(p) Financial Instruments and other Instruments

The Company's financial assets consist of cash and deposits for reclamation, receivables, accounts payable and accrued liabilities. No amounts are invested other than in chartered bank term deposits. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from the financial instruments. The carrying value of these financial instruments approximates their fair value due to their short-term maturity or capacity of prompt liquidation.

5. Impairment of Long-lived Assets

The Company completed an impairment analysis as at December 31, 2020, which considered the indicators of impairment in accordance with IAS 36, "Impairment of Assets". Management concluded that no impairment charges were required due to:

- Hochschild funding exploration on its Cooke Mountain project under the option agreement;
- there have been no significant changes in the legal factors or climate that negatively affects the value of the properties;
- all property rights remain in good standing;
- there have been no significant changes in the projections for the properties;
- exploration results are generally positive; and
- the Company intends to continue its exploration and development plans on its properties.

6. Material Financial and Operations Information

6(a) Selected Annual Financial Information

The following selected annual financial information has been derived from the last three audited financial statements of the Company, which have been prepared in accordance with IFRS. All dollar amounts are expressed in Canadian dollars.

	Year Ended December 31, 2020	***Year Ended December 31, 2019***	***Year Ended December 31, 2018***
General and administrative expenses	924,676	$ 636,792	$ 1,078,637
Loss for the year	224,646	569,572	682,304
Basic and diluted loss per share	0.001	0.004	0.005
Total assets	7,945,397	5,567,266	5,103,436
Total long-term financial liabilities	1,032,878	N/A	N/A

6(b) Summary of Quarterly Results

The following is a summary of the Company's financial results for the last eight quarters:

	Mar 31 2019 Q1	Jun 30 2019 Q2	Sep 30 2019 Q3	Dec 31 2019 Q4	Mar 31 2020 Q1	Jun 30 2020 Q2	Sep 30 2020 Q3	Dec 31 2020 Q4
Mineral property costs deferred, net	37,921	19,707	62,427	32,247	(73,589)	182,162	131,926	37,622
G&A (incl. share-based payments)	127,990	124,002	107,935	276,865	152,456	189,981	440,780	141,459
Share-based payments expense	-	-	-	-	-	81,312	253,329	-
Adj G&A (less share-based payments)	127,990	124,002	107,935	276,865	152,456	108,669	187,451	141,459
Othe income	(70,581)	28,938	(14,001)	(11,576)	(8,990)	(24,111)	(498,572)	(168,357)
Net loss (income)	57,409	152,940	93,934	265,289	143,466	165,870	(57,792)	(26,898)
Loss (earnings) per share - basic	0.000	0.001	0.001	0.002	0.001	0.001	(0.000)	(0.000)
Loss (earnings) per share - diluted	0.000	0.001	0.001	0.002	0.001	0.001	(0.000)	(0.000)
Weighted average common shares outstanding - basic	141,431,928	144,119,950	145,441,928	147,006,964	150,408,595	151,640,463	174,500,019	175,938,334

6(c) Review of Operations and Financial Results

For the three months ended December 31, 2020 compared with the three months ended December 31, 2019:

The Company recorded a net income for the three months ended December 31, 2020 of $26,898 (earnings per share - $0.000) compared to a loss of $265,289 (loss per share - $0.002) for the three months ended December 31, 2019.

Excluding the non-cash bad debt expenses of $1,150 (2019 - $nil), depreciation of $277 (2019 - $375), depreciation of right-of-use assets of $3,539 (2019 – a negative amount of $3,788) and interest expenses on lease liabilities of $21,513 (2019 – a negative amount of $7,842), the Company's general and administrative expenses amounted to $114,980 (2019 - $288,120), a decrease of $173,140. The change in expenses was mainly due to property expenses and rent of $29,583 (2019 – $176,028) as the Company recorded a year-end adjustment to the accounting treatment for its lease and sublease arrangement in the last quarter in 2019 while no such adjustment was recorded in the last quarter in 2020.

The other major items for the three months ended December 31, 2020, compared with December 31, 2019, were:

- Finance income on sublease of $29,322 (2019 - $5,615);
- Income from subleasing of $121,786 (2019 – a negative amount of $309); and
- Rental income of $34,639 (2019 - $6,270).

For the year ended December 31, 2020 compared with the year ended December 31, 2019:

The Company recorded a net loss for the year ended December 31, 2020 of $224,646 (loss per share - $0.001) compared to a loss of $569,572 (loss per share - $0.004) for the year ended December 31, 2019.

Excluding the non-cash bad debt expenses of $1,193 (2019 - $473), depreciation of $1,110 (2019 - $1,503), depreciation of right-of-use assets of $13,082 (2019 - $12,545), interest expenses on lease liabilities of $31,922 (2019 - $17,733) and share-based compensation of $334,641 (2019 - $nil), the Company's general and administrative expenses amounted to $542,728 (2019 - $604,538), a decrease of $61,810. The change in expenses was mainly due to wages and benefits of $128,093 (2019 - $212,600) as a portion of the CEO's salary was recorded as expenditures on mineral properties during the year ended December 31, 2020.

The other major items for the year ended December 31, 2020, compared with December 31, 2019, were:

- Finance income on sublease of $44,693 (2019 - $32,509);
- Income from subleasing of $592,778 (2019 – $28,441);
- Rental income of $62,559 (2019 - $6,270).

The Company has been monitoring its use of cash and has been actively seeking ways to reduce its operating expenses.

6(d) Liquidity and Capital Resources

As at December 31, 2020, the Company had a working capital of $550,402 (December 31, 2019 – working capital deficiency of $177,989). As at December 31, 2020, cash totaled $644,673, an increase of $486,290 from $158,383 as at December 31, 2019. The increase is due to: (a) cash received from subleasing of $430,012; (b) net proceeds from financing activities of $1,283,015; (c) CEBA of $40,000 received from the Government of Canada; while being offset by (d) operating activities of $713,087; (e) expenditures on mineral properties net of amount received from the optionee of $304,390; (f) repayment of lease liabilities of $220,689; (g) purchase of equipment of $21,409 and (h) increase in deposits of $7,162.

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.

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 and 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 entitled the holder to purchase one additional common share at a price of $0.10 until June 22, 2021 for the first tranche and until July 2, 2021 for the second tranche. The Company paid finder's fee of $1,625. The Company incurred additional share issue costs in the amount of $38,010 in connection with the placement.

The Company intends to use the net proceeds from the private placement for operations and exploration on its 100% owned projects.

During the year ended December 31, 2020, a total of 3,503,000 warrants were exercised for proceeds of $192,650.

During the year ended December 31, 2020, the Company granted a total of 4,660,000 stock options to its directors, officers, employees and consultants at the price of $0.10.

Subsequent to December 31, 2020, a total of 6,447,000 warrants were exercised for gross proceeds of $322,350.

On March 22, 2021, the Company granted 960,000 options to a director at a price of $0.10 per share expiring on March 22, 2026. 50% of the options vested immediately and 50% vested in 1 year.

On March 18, 2021, the Company closed a non-brokered completed a non-brokered private placement for the issuance of 16,250,000 units at $0.10 per unit for a total of $1,625,000. 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 $0.15 until March 18, 2023. These warrants have a forced exercise price. If the closing price of the Company's shares are $0.25 or greater for a period of 10 consecutive trading day, the warrant holder will have 30 days from the date the Company gives notice to exercise their warrants; otherwise the warrants expire on the 31st day after the Company gives such notice. The Company paid finder's fee of $2,750 and issued 27,500 finder's warrants. Each finder's warrant is exercisable into one common share at $0.15 until March 18, 2022.

Given that the exploration work at Cooke Mountain project will be funded by Hochschild, management estimates that the current cash position, and future cash flows from warrants and options, financings and receivables the Company may achieve, may be sufficient for the Company to carry out its anticipated exploration and operating plans through fiscal 2021.

There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives.

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.

6(e) Disclosure of Outstanding Share Data

Common Shares

Authorized: unlimited number of common shares without par value and an unlimited number of preferred shares issuable in series.

	Issued and Outstanding	
	December 31, 2020	**April 28, 2021**
Common shares	176,911,595	199,608,595

Stock option transactions and the number of stock options for the year ended December 31, 2020 are summarized as follows:

Expiry date	Exercise price	December 31, 2019	Granted	Exercised	Expired / Cancelled	December 31, 2020
December 3, 2020	$ 0.100	320,000	-	-	(320,000)	-
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
July 9, 2025	$ 0.100		2,900,000	-	-	2,900,000
Options outstanding		9,275,000	4,660,000	-	(545,000)	13,390,000
Options exercisable		9,275,000	4,660,000	-	(545,000)	13,390,000
Weighted average exercise price		$ 0.114	$ 0.100	$ -	$ 0.110	$ 0.109

The continuity of warrants for the year ended December 31, 2020 is as follows:

Expiry date		Exercise price	December 31, 2019	Issued	Exercised	Expired	December 31, 2020
December 2, 2020		$ 0.06	4,866,667	-	(1,500,000)	(3,366,667)	-
January 20, 2021	(c)	$ 0.05	2,600,000	-	-	-	2,600,000
April 30, 2021	(a)	$ 0.05	4,000,000	-	(473,000)	-	3,527,000
May 16, 2021	(d)	$ 0.05	6,400,000	-	(1,480,000)	-	4,920,000
July 11, 2021	(b)	$ 0.12	4,392,747	-	-	-	4,392,747
June 22, 2021		$ 0.10	-	6,875,000	(50,000)	-	6,825,000
July 2, 2021		$ 0.10	-	4,525,000	-	-	4,525,000
Outstanding			22,259,414	11,400,000	(3,503,000)	(3,366,667)	26,789,747
Weighted average exercise price			$ 0.07	$ 0.10	$ 0.05	$ 0.06	$ 0.08

(a) These warrants had 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 from the date the Company gives notice to exercise their warrants; otherwise the warrants expire on the 31st day after the Company gives such notice. Subsequent to December 31, 3,527,000 warrants were exercised.

(b) These warrants had 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 from the date the Company gives notice to exercise their warrants; otherwise the warrants expire on the 31st day after the Company gives such notice.

(c) Subsequent to December 31, 2020, all 2,600,000 warrants were exercised.

(d) Subsequent to December 31, 2020, 320,000 warrants were exercised

The remaining outstanding stock options, warrants and finder's warrants, if all exercised, would increase the Company's cash by $4,675,255. However, the strike prices of the options and warrants are greater than the current share price, and this may influence whether options, warrants and finder's warrants that expire in the near future will be exercised.

As at the date of this MD&A, there were 199,608,595 common shares issued and outstanding and 242,453,842 common shares outstanding on a diluted basis.

6(f) Commitment

The Company leases an office under non-cancellable operating leases for a period of five years expiring on August 31, 2025. Total lease liabilities of $1,222,387 were recorded as at December 31, 2020.

6(g) Off-Balance Sheet Arrangements

None.

6(h) Transactions with Related Parties

The Company entered into the following related party transactions during the year ended December 31, 2020:

	Services	As at December 31, 2020	As at December 31, 2019
Amounts due from:			
Tech-X Resources Inc.[c]	Rent equipment	$ 36,372	$ -
Amounts due to:			
Mark Kolebaba, Chief Executive Officer & director	Salaries and expense reimbursements	$ 101,919	$ 94,293
Pacific Opportunity Capital Ltd. [b]	Management and accounting services	20,045	42,935
Commander Resources Ltd.[a]	Rent deposit	8,395	8,395
Tech-X Resources Inc.[c]	Rent deposit	2,300	-
TOTAL:		$ 132,659	$ 145,623

Renumeration (key management personnel):	Services	During the year ended December 31, 2020	During the year ended December 31, 2019
Mark Kolebaba, Chief Executive Officer & director	Wages and benefits	$ 93,387	$ 94,395
Pacific Opportunity Capital Ltd. [b]	Accounting services	119,000	79,000
Directors & officers	Share-based compensation	222,471	-
TOTAL:		$ 434,858	$ 173,395

(a) Bernard Kahlert, Direcotor of the Company is also a director of Commander Resources Ltd.

(b) Mark T. Brow n, CFO of the Company is the president of Pacific Opportunity Capital Ltd.

(c) Mark Kolebaba, President and CEO of the Company is also the president of Tech-X Resources Inc.

6(i) Financial Instruments

The Company's financial instruments consist of cash, receivables, accounts payable, due to related parties and short-term loan. 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.

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.

6(j) Management of Capital Risk

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 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, 2020.

7. Events after the Reporting Period

None other than disclosed already in other sections.

8. Policies and Controls

8(a) Significant Accounting Judgments and Estimates

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the consolidated statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

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

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, net of any estimated salvage value.

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.

v) Leases

Under IFRS 16, the Company assess whether a contract contains a lease and, if so, recognizes a lease liability by discounting the future lease payments over the non-cancellable term of the lease, using the Company's estimated incremental borrowing rate. Differences in the estimated incremental borrowing rate could result in materially different lease liabilities and right-of-use assets. The non-cancellable term of the lease depends on the terms of the lease agreement and management's plans for the leased asset in question.

8(b) Mineral Properties

The Company is in the exploration stage with respect to its 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 is the smallest identifiable group of E&E assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

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.

9. Internal Control Over Financial Reporting

Changes in Internal Control over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Disclosure Controls and Procedures

The Company's CEO and CFO are responsible for establishing and maintaining the Company's disclosure controls and procedures. Management, including the CEO and CFO, have evaluated the procedures of the Company and have concluded that they provide reasonable assurance that material information is gathered and reported to senior management in a manner appropriate to ensure that material information required to be disclosed in reports filed or submitted by the Company is recorded, processed, summarized and reported within the appropriate time periods.

While management believes that the Company's disclosure controls and procedures provide reasonable assurance, they do not expect that the controls and procedures can prevent all errors, mistakes, or fraud. A control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

HEAD OFFICE

Adamera Minerals Corp.
Suite 1100, 1111 Melville St.
Vancouver, British Columbia
Canada V6E 3V6

CONTACT INFO:

Mark Kolebaba
President, CEO & Director

TEL: (604) 689-2010
FAX: (604) 484-7143

info@adamera.com
www.adamera.com

OFFICERS & DIRECTORS

Mark Kolebaba
President, CEO & Director

Yale Simpson
Director, Chairman

Bernard Kahlert
Director

Alex Adams
Director

Mark Jones
Director

Chris Herald
Director

Mark T. Brown
Chief Financial Officer

Winnie Wong
Corporate Secretary

LISTINGS

TSX Venture Exchange: **ADZ**

CAPITALIZATION

(as of December 31, 2020)

Shares Authorized: Unlimited
Shares Issued: 176,911,595

REGISTRAR & TRUST AGENT

Computershare Trust Company of Canada
3rd Floor, 510 Burrard Street
Vancouver, British Columbia
V6C 3B9

AUDITOR

Dale Matheson Carr-Hilton Labonte LLP
Chartered Professional Accountants
1500 – 1140 West Pender Street
Vancouver, British Columbia
V6E 4G1

LEGAL COUNSEL

Harper Grey LLP
Suite 3200 – 650 West Georgia Street
Vancouver, British Columbia
V6B 4P7

ADAMERA MINERALS