



ADAMERA MINERALS

ADAMERA MINERALS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS FOR THE THREE MONTHS ENDED MARCH 31, 2020

OVERVIEW AND INTRODUCTORY COMMENT

Adamera Minerals Corp. (“Adamera” or 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”.

This MD&A is dated May 25, 2020 and discloses specified information up to that date. Unless otherwise noted, all currency amounts are expressed in Canadian dollars. The following information should be read in conjunction with the unaudited condensed consolidated interim financial statements and the related notes for the three months ended March 31, 2020 and the Company’s audited consolidated financial statements for the year ended December 31, 2019 and the related notes thereto.

Additional information relevant to the Company and the Company’s activities can be found on SEDAR at www.sedar.com, and/or on the Company’s website at www.adamera.com.

MAJOR INTERIM PERIOD OPERATING MILESTONES

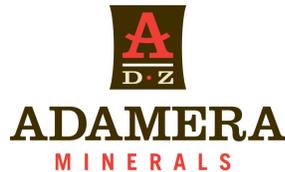
Cooke Mountain Project

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, Adamera entered into the Agreement Hochschild on its Cooke Mountain gold 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 will pay Adamera US\$50,000 cash (subsequently received).

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.

Discussions between the partners on the 2020 Cooke Mountain exploration program are under way. Adamera will update shareholders on the scope and details of the program when the budget is approved. Management expects a significant drill program will be part of the 2020 program.

On May 20, 2020, the Company reported that the Company would work closely with Washington based employees, the community and Hochschild prior to launching the 2020 work program. Work would start with a deeper penetrating induced polarization survey on the Oversight, Goodfoot and Lamfoot properties. This would refine and prioritize targets for drilling.

See news releases on January 22, 2020 and May 20, 2020.

INTERIM PERIOD FINANCIAL CONDITION

Capital Resources

The Company is aware of the current conditions in the financial markets and has planned accordingly. The Company's current treasury and the future cash flows from equity issuances and the potential exercise of warrants, finders' warrants and options, along with the planned developments within the Company will allow its efforts to continue throughout 2020. If the market conditions prevail or improve, the Company will make adjustment to budgets accordingly.

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.



Liquidity

As at March 31, 2020, the Company had a working capital deficiency of \$244,868 (December 31, 2019 – \$177,989). As at March 31, 2020, cash totaled \$118,149 and restricted cash totaled \$64,987, a total increase of \$24,753 from \$158,383 as at December 31, 2019. The increase was mainly due to (a) cash received from subleasing of \$106,188; (b) funds held for an optionee of \$64,987; (c) a net increase of \$28,951 in mineral properties as a result of recovery from an optionee of \$191,554 while being reduced by expenditures on mineral properties of \$162,603; (d) operating activities of \$107,489; (e) \$56,832 repayment of lease liabilities; and (f) share issue costs of \$9,000.

Operations

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

The Company recorded a net loss for the three months ended March 31, 2020 of \$143,466 (loss per share - \$0.00) compared to a net loss of \$57,409 (loss per share - \$0.00) for the three months ended March 31, 2019.

Excluding the non-cash depreciation of \$278 (2019 - \$376) and depreciation of right-of-use assets of \$3,136 (2019 - \$5,444), the Company's general and administrative expenses amounted to \$149,042 (2019 - \$122,170), an increase of \$26,872. The change in expenses was mainly due to increase in property expenses and rent of \$44,373 (2019 - \$2,804) as the Company had the proper accounting treatment for its lease and sublease arrangement for the three months ended March 31, 2020 while the comparative number was kept the same as the information publicly disclosed prior to the audit adjustments made during the December 31, 2019 audit.

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

- Finance income on sublease of \$3,770 (2019 - \$10,717);
- Income from subleasing of \$nil (2019 - \$59,864).
- These differences are also a result of the Company having the proper accounting treatment for its lease and sublease arrangement for the three months ended March 31, 2020 while the comparative numbers were kept the same as the information publicly disclosed prior to the audit adjustments made during the December 31, 2019 audit.

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

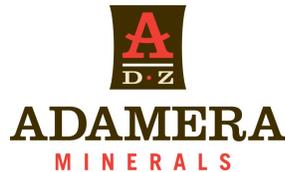
SIGNIFICANT RELATED PARTY TRANSACTIONS

During the quarter, there was no significant transaction between related parties.

COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

As of the date of the MD&A, the Company has no outstanding commitments.

Other than disclosed in this MD&A – Quarterly Highlights, the Company does not have any commitments, expected or unexpected, or uncertainties.



RISK FACTORS

In our MD&A filed on SEDAR April 24, 2020 in connection with our annual financial statements (the “Annual MD&A”), we have set out our discussion of the risk factors which we believe are the most significant risks faced by Adamera. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company’s undertakings and to the interests of stakeholders in the Company including its investors. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.

DISCLOSURE OF OUTSTANDING SHARE DATA

The authorized share capital of the Company consists of an unlimited number of common shares without par value. The following is a summary of the Company’s outstanding share data as at March 31, 2020:

	Issued and Outstanding	
	March 31, 2020	May 25, 2020
Common shares outstanding	150,408,595	150,408,595
Stock options	9,275,000	9,275,000
Warrants	22,259,414	22,259,414
Fully diluted common shares outstanding	181,943,009	181,943,009

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.

Cautionary Statements

This document contains “forward-looking statements” within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration results and plans, and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, our estimates of exploration investment, the scope of our exploration programs, and our expectations of ongoing administrative costs. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company’s documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change, except as required by law. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are cautioned not to place undue reliance on forward-looking statements.