



# CANTERRA

MINERALS CORPORATION

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TSX-V: CTM

**Condensed Consolidated Interim Financial Statements**

**For the Six Months Ended**

**June 30, 2020**

#### **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of Canterra Minerals Corporation (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

**CANTERRA MINERALS CORPORATION**

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (Unaudited)

(Expressed in Canadian Dollars)

	<u>June 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 8,182	\$ 10,300
Marketable securities (Note 3)	862	690
Receivables	8,861	1,553
Prepaid expenses	5,946	12,560
	<u>23,851</u>	<u>25,103</u>
<b>Land use deposits</b>	4,000	4,000
	\$ <u>27,851</u>	\$ <u>29,103</u>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 5)	177,202	164,888
	<u>177,202</u>	<u>164,888</u>
<b>Non-current liabilities</b>		
Due to Rand Explorations Ltd. (Note 5)	\$ 221,892	\$ 167,388
	<u>399,094</u>	<u>332,276</u>
<b>Shareholders' deficit</b>		
Share capital (Note 6)	106,149,846	106,149,846
Reserves (Note 6)	31,959	47,640
Deficit	(106,553,048)	(106,500,659)
	<u>(371,243)</u>	<u>(303,173)</u>
	\$ <u>27,851</u>	\$ <u>29,103</u>

**Nature and continuance of operations** (Note 1)**Subsequent events** (Note 7)

Approved and authorized by the Board on August 19, 2020



Randy C. Turner, Director



John McDonald, Director

The accompanying notes are an integral part of these consolidated financial statements.

**CANTERRA MINERALS CORPORATION****CONDENSED CONSOLIDATED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS (Unaudited)**

(Expressed in Canadian Dollars)

	<b>Three Months Ended June 30, 2020</b>	<b>Three Months Ended June 30, 2019</b>	<b>Six Months Ended June 30, 2020</b>	<b>Six Months Ended June 30, 2019</b>
<b>Expenses</b>				
Business development	\$ 221	\$ 461	\$ 421	\$ 661
Insurance	3,307	-	6,614	9,410
Interest	2,427	-	4,504	-
Legal, audit and accounting	(1,650)	4,707	(1,347)	6,779
Management fees (Note 5)	11,000	11,926	23,750	23,614
Office and miscellaneous	305	211	771	700
Regulatory and transfer agent fees	12,775	2,200	13,291	8,354
Rent (Note 5)	4,500	4,500	9,000	9,000
Wages and benefits	1,237	3,553	3,487	7,116
Exploration expenditures (Note 4)	7,761	3,749	7,761	6,243
	<u>(41,883)</u>	<u>(31,307)</u>	<u>(68,252)</u>	<u>(71,877)</u>
<b>Interest income</b>	-	-	10	28
<b>Gain on the sale of mineral property</b>	-	-	-	10,000
<b>Unrealized (loss) gain on marketable securities</b>	-	(518)	172	(345)
	<u>-</u>	<u>(518)</u>	<u>182</u>	<u>9,683</u>
<b>Loss and comprehensive loss for the period</b>	\$ <u>(41,883)</u>	\$ <u>(31,825)</u>	\$ <u>(68,070)</u>	\$ <u>(62,194)</u>
<b>Basic and diluted loss per common share</b>	\$ <u>(0.00)</u>	\$ <u>(0.00)</u>	\$ <u>(0.00)</u>	\$ <u>(0.00)</u>
<b>Weighted average number of common shares outstanding</b>	89,864,870	89,864,870	89,864,870	89,864,870

**CANTERRA MINERALS CORPORATION**

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (Unaudited)

(Expressed in Canadian Dollars)

	<b>Six Months Ended June 30, 2020</b>	<b>Six Months Ended June 30, 2019</b>
<b>Cash flows used in operating activities</b>		
Loss for the period	\$ (68,070)	\$ (62,194)
Items not affecting cash:		
Unrealized (gain)/loss on marketable securities	(172)	345
Accrued interest on related party loan	4,503	-
Gain on sale of mineral property	-	(10,000)
Changes in non-cash working capital items:		
(Increase)/decrease in receivables	(7,308)	2,459
Increase in prepaid expenses	6,614	-
Increase in accounts payable and accrued liabilities	12,315	32,692
Net cash used in operating activities	<u>(52,118)</u>	<u>(36,698)</u>
<b>Cash flows from investing activities</b>		
Proceeds on sale of mineral properties	-	10,000
Net cash provided by investing activities	<u>-</u>	<u>10,000</u>
<b>Cash flows from financing activities</b>		
Proceeds received from related party (Note 5)	50,000	30,000
Net cash provided by financing activities	<u>50,000</u>	<u>30,000</u>
<b>Change in cash during the period</b>	(2,118)	3,302
<b>Cash, beginning of the period</b>	10,300	9,895
<b>Cash, end of the period</b>	<u>\$ 8,182</u>	<u>\$ 13,197</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CANTERRA MINERALS CORPORATION****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY) (Unaudited)**  
(Expressed in Canadian Dollars)

	<u>Share Capital</u>				
	<u>Number</u>	<u>Amount</u>	<u>Reserves</u>	<u>Deficit</u>	<u>Total</u>
Balance, December 31, 2018	89,864,870	\$ 106,149,846	\$ 70,044	\$ (106,370,687)	\$ (150,797)
Loss for the period	-	-	-	(62,194)	(62,194)
Balance, June 30, 2019	89,864,870	\$ 106,149,846	\$ 70,044	\$ (106,432,881)	\$ (212,991)
Reserves transferred on expired options (Note 6c)	-	-	(22,404)	22,404	-
Loss for the period	-	-	-	(90,182)	(90,182)
Balance, December 31, 2019	89,864,870	\$ 106,149,846	\$ 47,640	\$ (106,500,659)	\$ (303,173)
Reserves transferred on expired options (Note 6c)	-	-	(15,681)	15,681	-
Loss for the period	-	-	-	(68,070)	(68,070)
Balance, June 30, 2020	<u>89,864,870</u>	<u>\$ 106,149,846</u>	<u>\$ 31,959</u>	<u>\$ (106,553,048)</u>	<u>\$ (371,243)</u>

The accompanying notes are an integral part of these consolidated financial statements.

# **CANTERRA MINERALS CORPORATION**

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six months ended June 30, 2020 (Expressed in Canadian Dollars)

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### **1. NATURE AND CONTINUANCE OF OPERATIONS**

Canterra Minerals Corporation (the “Company”) is incorporated under the Business Corporations Act, British Columbia and is considered to be in the exploration stage with respect to its mineral properties. Based on the information available to date, the Company has not yet determined whether its mineral properties contain ore reserves.

The Company’s head office and principal address is 1020 – 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6. The Company’s registered and records office is 2300 – 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5.

These condensed consolidated interim financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred ongoing losses and has no source of recurring revenue. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern. A number of alternatives including, but not limited to selling an interest in one or more of its properties, monetizing marketable securities or completing a financing, are being evaluated with the objective of funding ongoing activities and obtaining additional working capital. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due.

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 effect on the Company’s business or ability to raise funds.

The recovery of the amounts comprised in mineral properties is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon future profitable production.

The condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

### **2. BASIS OF PREPARATION**

#### **Statement of Compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34, “Interim Financial Reporting” on a basis consistent with the accounting policies disclosed in the audited consolidated financial statements for the fiscal year ended December 31, 2019.

These condensed consolidated interim financial statements should be read in conjunction with the most recently issued audited consolidated financial statements, which include information necessary or useful to understanding the Company’s business and financial statement presentation. In particular, the Company’s significant accounting policies which were presented in Note 3 to the Consolidated Financial Statements for the fiscal year ended December 31, 2019 and have been consistently applied in the preparation of the Company’s consolidated interim financial statements.

## CANTERRA MINERALS CORPORATION

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2020 (Expressed in Canadian Dollars)

#### 2. BASIS OF PREPARATION *(continued)*

The Company's condensed consolidated interim financial statements are unaudited. Financial information in this report reflects any adjustments (consisting of normal recurring adjustments) that are, in the opinion of management, necessary to a fair presentation of results for the interim periods in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

#### 3. MARKETABLE SECURITIES

As at June 30, 2020, the Company holds the following common shares of public companies listed on the TSX Venture Exchange:

	June 30, 2020		December 31, 2019	
	# of shares	Value	# of shares	Value
Margaret Lake Diamonds Inc.	34,500	862	34,500	690
		\$ 862		\$ 690

#### 4. MINERAL PROPERTIES

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties, and to the best of its knowledge, title to all of its properties are in good standing.

The Company holds interest in various mineral claims located in Canada, the acquisition costs of which are as follows:

	June 30, 2020	December 31, 2019
<b>Northwest Territories, Canada</b>		
<b>Marlin Property</b>	\$ -	\$ -
<i>A 100% interest.</i>		
<b>Rex Property</b>	-	-
<i>A 100% Interest. During fiscal 2017, the Company wrote-down acquisition costs of \$37,721 associated with this property.</i>		
<b>Alberta Canada</b>		
<b>Buffalo Hills Property</b>	-	-
<i>A 33% interest. During fiscal 2013, the Company wrote-down acquisition costs of \$8,278,519 associated with this property.</i>		
<b>Total Mineral Properties</b>	\$ -	\$ -



**CANTERRA MINERALS CORPORATION**

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2020 (Expressed in Canadian Dollars)

**4. MINERAL PROPERTIES** *(continued)*

During the six months ended June 30, 2020, the Company incurred exploration expenditures as follows:

	Geology & Geophysics	Field Sampling	Drilling	Land Use & Tenure	Data Evaluation	Mineralogy	Safety & Reclamation	Recoveries	Total for the period
<b>ALBERTA</b>									
Buffalo Hills	\$ -	\$ -	\$ -	\$ 7,761	\$ -	\$ -	\$ -	\$ -	\$ 7,761
<b>NWT</b>									
Marlin	-	-	-	-	-	-	-	-	-
<b>ONTARIO</b>									
Other	-	-	-	-	-	-	-	-	-
Reconnaissance	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ 7,761	\$ -	\$ -	\$ -	\$ -	\$ 7,761

During the six months ended June 30, 2019, the Company incurred exploration expenditures as follows:

	Geology & Geophysics	Field Sampling	Drilling	Land Use & Tenure	Data Evaluation	Mineralogy	Safety & Reclamation	Recoveries	Total for the period
<b>ALBERTA</b>									
Buffalo Hills	\$ -	\$ -	\$ -	\$ 503	\$ -	\$ -	\$ -	\$ -	\$ 503
<b>NWT</b>									
Marlin	-	-	-	-	-	-	-	-	-
<b>ONTARIO</b>									
Other	-	-	-	5,740	-	-	-	-	5,740
Reconnaissance	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ 6,243	\$ -	\$ -	\$ -	\$ -	\$ 6,243

## CANTERRA MINERALS CORPORATION

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2020 (Expressed in Canadian Dollars)

#### 5. RELATED PARTY TRANSACTIONS

These consolidated financial statements also include the Company's share of the jointly held assets, its jointly incurred liabilities, and its share of the revenues and expenses of Triex Minerals Corporation and Triex Minerals (US) Inc. up to December 12, 2019 at which time Triex Minerals Corporation and Triex Minerals (US) Inc. were dissolved.

##### *Key Management Personnel*

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

Compensation paid or payable to key management personnel for services rendered are as follows:

	Six months ended June 30, 2020	Six months ended June 30, 2019
Management fees	\$ 23,750	\$ 27,781
Geological consulting fees	2,250	4,167
<b>Total</b>	<b>\$ 26,000</b>	<b>\$ 31,948</b>

Amounts paid or payable to companies with officers and/or directors in common are as follows:

	Six months ended June 30, 2020	Six months ended June 30, 2019
Rent	\$ 9,000	\$ 9,000
Accounting, investor relations, geology & other	4,650	7,116
<b>Total</b>	<b>\$ 13,650</b>	<b>\$ 16,116</b>

Included in accounts payable and accrued liabilities as at June 30, 2020 is \$140,695 (December 31, 2019 - \$112,648) due to companies with common directors and/or officers. During the six months ended June 30, 2020, the Company received \$50,000 (June 30, 2019 - \$30,000) from Rand Explorations Ltd. ("Rand Explorations").

On December 31, 2019, the Company entered into an unsecured loan agreement with Rand Explorations Ltd. to acknowledge the advances Rand Exploration has provided to the Company. The principal amount of \$155,000 was recognized with interest accruing at a rate of 5%, simple interest and it matures in December 2024.

	June 30, 2020	December 31, 2019
Principle	\$ 205,000	\$ 155,000
Interest	16,892	12,388
<b>Total</b>	<b>\$ 221,892</b>	<b>\$ 167,388</b>

## CANTERRA MINERALS CORPORATION

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2020 (Expressed in Canadian Dollars)

#### 6. SHARE CAPITAL AND RESERVES

a) Authorized share capital

The authorized share capital of the Company is an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. All issued shares, consisting only of common shares are fully paid.

b) Issued share capital

The Company did not issue any common shares during the six months ended June 30, 2020.

c) Stock options

The Company has an incentive stock option plan in place under which it is authorized to grant options to directors and employees to acquire up to 10% of the Company's issued and outstanding common shares. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 10 years and vesting periods are determined by the Board of Directors.

As at June 30, 2020, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Number of Shares	Exercise Price	Expiry Date
1,070,000	\$0.08	May 2, 2021
<b>1,070,000</b>		

Stock option transactions are summarized as follows:

	June 30, 2020		December 31, 2019	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of the period	1,595,000	\$ 0.08	1,915,000	\$ 0.09
Expired/cancelled	(525,000)	\$ 0.08	(320,000)	\$ 0.15
Balance, end of the period	1,070,000	\$ 0.08	1,595,000	\$ 0.08
Options exercisable, end of the period	1,070,000	\$ 0.08	1,595,000	\$ 0.08

**CANTERRA MINERALS CORPORATION**

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2020 (Expressed in Canadian Dollars)

**6. SHARE CAPITAL AND RESERVES** *(continued)*

## d) Warrants

As at June 30, 2020 the Company did not have any outstanding share purchase warrants.

Share purchase warrant transactions were as follows:

	June 30, 2020		December 31, 2019	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of the period	-	-	8,107,143	\$0.10
Expired	-	-	(8,107,143)	-
Balance, end of the period	-	-	-	-
Warrants exercisable, end of the period	-	-	-	-

**7. SUBSEQUENT EVENTS**

On July 22, 2020, the Company consolidated its issued and outstanding common shares of 89,864,870 on a basis of 1 new common share for every 10 old common shares. The Company will have approximately 8,986,487 issued and outstanding common shares post-consolidation. No fractional shares will be issued under the share consolidation and any fraction will be rounded down to the nearest whole number.