



CANTERRA

MINERALS CORPORATION

TSX-V: CTM

Condensed Consolidated Interim Financial Statements

For the Three Months Ended

March 31, 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>March 31</u> <u>2020</u>	<u>December 31</u> <u>2019</u>
ASSETS		
Current		
Cash	\$ 3,794	\$ 10,300
Marketable securities (Note 3)	863	690
Receivables	1,215	1,553
Prepaid Expenses	9,253	12,560
	<u>15,125</u>	<u>25,103</u>
Land use deposits	4,000	4,000
	\$ <u>19,125</u>	\$ <u>29,103</u>
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	\$ 159,019	\$ 164,888
	<u>159,019</u>	<u>164,888</u>
Non-current liabilities		
Due to Rand Explorations Ltd. (Note 5)	189,466	167,388
	<u>348,485</u>	<u>332,276</u>
Shareholders' deficit		
Share capital (Note 6)	106,149,846	106,149,846
Reserves (Note 6)	37,933	47,640
Deficit	(106,517,139)	(106,500,659)
	<u>(329,360)</u>	<u>(303,173)</u>
	\$ <u>19,125</u>	\$ <u>29,103</u>

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on May 27th, 2020*"Randy C Turner"*

Randy C. Turner, Director

"John McDonald"

John McDonald, Director

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

CANTERRA MINERALS CORPORATION

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (Unaudited)

(Expressed in Canadian Dollars)

	Three Months Period Ended March 31 2020	Three Months Period Ended March 31 2019
Expenses		
Business development	\$ 200	\$ 200
Insurance	3,307	9,410
Interest	2,077	-
Legal, audit and accounting	303	2,072
Management fees (Note 5)	12,750	11,688
Office and miscellaneous	466	489
Regulatory and transfer agent fees	516	6,154
Rent (Note 5)	4,500	4,500
Wages and benefits	2,250	3,563
Exploration expenditures (Note 4)	-	2,494
	<u>(26,369)</u>	<u>(40,570)</u>
Interest income	10	28
Gain on sale on mineral properties	-	10,000
Unrealized gain on marketable securities	172	173
	<u>182</u>	<u>10,201</u>
Loss and comprehensive loss for the period	\$ <u>(26,187)</u>	\$ <u>(30,369)</u>
Basic and diluted loss per common share	\$ <u>(0.00)</u>	\$ <u>(0.00)</u>
Weighted average number of common shares outstanding	89,864,870	89,864,870

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

CANTERRA MINERALS CORPORATION

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (Unaudited)

(Expressed in Canadian Dollars)

	Three Months Period Ended March 31 2020	Three Months Period Ended March 31 2019
Cash flows used in operating activities		
Loss for the period	\$ (26,187)	\$ (30,369)
Items not affecting cash:		
Unrealized gain on marketable securities	(172)	(173)
Accrued interest on related party loan	2,077	-
Gain on sale of mineral property	-	10,000
Changes in non-cash working capital items:		
Decrease/(increase) in receivables	338	(1,512)
Increase in prepaid expenses	3,307	-
(Decrease)/increase in accounts payable and accrued liabilities	(5,869)	26,188
Net cash used in operating activities	<u>(26,506)</u>	<u>(4,134)</u>
Cash flows from investing activities		
Proceeds on sale of mineral property	-	10,000
Net cash provided by investing activities	<u>-</u>	<u>10,000</u>
Cash flows from financing activities		
Proceeds received from related parties (Note 5)	20,000	15,000
Net cash provided by investing activities	<u>20,000</u>	<u>15,000</u>
Change in cash during the period	(6,506)	9,134
Cash, beginning of the period	<u>10,300</u>	<u>9,895</u>
Cash, end of the period	\$ <u><u>3,794</u></u>	\$ <u><u>19,029</u></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	-	-	-	(30,369)	(30,369)
Balance, March 31, 2019	89,864,870	\$ 106,149,846	\$ 70,044	\$ (106,401,056)	\$ (181,166)
Reserves transferred on expired options (Note 6c)	-	-	(22,404)	22,404	-
Loss for the period	-	-	-	(122,007)	(122,007)
Balance, December 31, 2019	89,864,870	\$ 106,149,846	\$ 47,640	\$ (106,500,659)	\$ (303,173)
Reserves transferred on expired options (Note 6c)	-	-	(9,707)	9,707	-
Loss for the period	-	-	-	(26,187)	(26,187)
Balance, March 31, 2020	<u>89,864,870</u>	<u>\$ 106,149,846</u>	<u>\$ 37,933</u>	<u>\$ (106,517,139)</u>	<u>\$ (329,360)</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 three months ended March 31, 2020 (Expressed in Canadian Dollars)

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 three months ended March 31, 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 March 31, 2020 the Company holds the following common shares of public companies listed on the TSX Venture Exchange:

	March 31, 2020		December 31, 2019	
	# of shares	Value	# of shares	Value
Margaret Lake Diamonds Inc.	34,500	863	34,500	690
		\$ 863		\$ 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:

	March 31, 2020	December 31, 2019
Northwest Territories, Canada		
Hilltop/Cache Property	\$ -	\$ -
<i>During fiscal 2017, the Company wrote-down acquisition costs of \$290,232 associated with this property. In June 2019, the final three remaining mineral claims expired.</i>		
King Property	-	-
<i>During fiscal 2015, the Company wrote-down acquisition costs of \$80,588 associated to this property. In June 2019, the final two remaining mineral leases expired.</i>		
Marlin Property	-	-
<i>A 100% interest.</i>		
Rex Property	-	-
<i>A 100% Interest. During fiscal 2017, the Company wrote-down acquisition costs of \$37,721 associated with this property.</i>		
Alberta Canada		
Buffalo Hills Property	-	-
<i>A 33% interest. During fiscal 2013, the Company wrote-down acquisition costs of \$8,278,519 associated with this property.</i>		
Total Mineral Properties	\$ -	\$ -

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2020 (Expressed in Canadian Dollars)

4. MINERAL PROPERTIES *(continued)*

On March 14, 2019, the Company entered into an agreement for sale with Doug McDonald to attain 100% interest in the Minnitaki property in exchange for \$10,000.

During the three months period ended March 31, 2020, the Company did not incur any exploration expenditures.

During the three months period ended March 31, 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
ALBERTA									
Buffalo Hills	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NWT									
Hilltop/Cache	-	-	-	-	-	-	-	-	-
King	-	-	-	-	-	-	-	-	-
Marlin	-	-	-	-	-	-	-	-	-
ONTARIO									
Other	-	-	-	2,494	-	-	-	-	2,494
Reconnaissance	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ 2,494	\$ -	\$ -	\$ -	\$ -	\$ 2,494

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 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:

	Three months period ended March 31, 2020	Three months period ended March 31, 2019
Management fees	\$ 12,750	\$ 11,688
Geological consulting fees	-	2,062
Total	\$ 12,750	\$ 13,750

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

	Three months period ended March 31, 2020	Three months period ended March 31, 2019
Rent	\$ 4,500	\$ 4,500
Accounting, investor relations & geology	2,250	3,567
Total	\$ 6,750	\$ 8,067

Included in accounts payable and accrued liabilities at March 31, 2020 is \$129,185 (December 31, 2019 - \$112,648) due to companies with common directors and/or officers. During the three months ended March 31, 2020, the Company received a \$20,000 advance (March 31, 2019 - \$15,000) from Rand Exploration 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.

	Three months period ended March 31, 2020	Year ended December 31, 2019
Principle	\$ 175,000	\$ 155,000
Interest	14,466	12,388
Total	\$ 189,466	\$ 167,388

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 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 three months period ended March 31, 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 March 31, 2020, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Number of Shares	Exercise Price	Expiry Date
1,270,000	\$0.08	May 2, 2021
1,270,000		

Stock option transactions are summarized as follows:

	March 31, 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	(325,000)	0.08	(320,000)	0.15
Balance, end of the period	1,270,000	\$0.08	1,595,000	\$0.08
Options exercisable, end of the period	1,270,000	\$0.08	1,595,000	\$0.08

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2020 (Expressed in Canadian Dollars)

6. SHARE CAPITAL AND RESERVES *(continued)*

d) Warrants

As at March 31, 2020 the Company did not have any outstanding share purchase warrants.

Share purchase warrant transactions were as follows:

	March 31, 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	-	-	-	-