



TSX-V: CTM

**Condensed Consolidated Interim Financial Statements**

**For the Nine Months Ended**

**September 30, 2016**

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

#### **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.

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

**CANTERRA MINERALS CORPORATION**

CONSENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (unaudited)

(Expressed in Canadian Dollars)

	<b>September 30</b>	<b>December 31</b>
	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 106,826	\$ 482,977
Marketable securities (Note 3)	32,305	43,897
Receivables	4,825	25,719
	<u>143,956</u>	<u>552,593</u>
<b>Mineral properties</b> (Note 5)	751,225	514,225
<b>Land use deposits</b> (Note 6)	<u>4,000</u>	<u>4,000</u>
	<u>\$ 899,181</u>	<u>\$ 1,070,818</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 350,508	\$ 235,447
<b>Deferred flow-through premium</b>	<u>-</u>	<u>14,759</u>
	<u>350,508</u>	<u>250,206</u>
<b>Shareholders' equity</b>		
Share capital (Note 7)	106,012,623	105,840,623
Reserves (Note 7)	156,770	125,023
Deficit	<u>(105,620,720)</u>	<u>(105,145,034)</u>
	<u>548,673</u>	<u>820,612</u>
	<u>\$ 899,181</u>	<u>\$ 1,070,818</u>

**Nature and continuance of operations** (Note 1)

Approved and authorized by the Board on November 23, 2016

*"Randy C. Turner"*

Randy C. Turner, Director

*"James Eccott"*

James Eccott, 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)

	<b>Three Month Period Ended September 30 2016</b>	<b>Three Month Period Ended September 30 2015</b>	<b>Nine Month Period Ended September 30 2016</b>	<b>Nine Month Period Ended September 30 2015</b>
<b>Expenses</b>				
Business development	\$ 906	\$ 5,880	\$ 5,157	\$ 37,560
Insurance	-	-	29,570	35,975
Legal, audit and accounting	3,431	7,391	8,756	42,932
Management fees and corporate services	29,400	34,600	88,850	98,600
Office and miscellaneous	11,706	10,772	35,491	37,743
Regulatory and transfer agent fees	2,841	1,498	13,797	9,588
Rent	10,500	15,000	31,500	45,000
Share-based compensation (Note 7e)	-	-	54,360	-
Travel	1,514	484	2,639	5,312
Wages and benefits	2,551	22,910	25,848	95,543
Exploration expenditures (Note 5)	118,617	127,933	265,247	332,720
	<u>(181,466)</u>	<u>(226,468)</u>	<u>(561,215)</u>	<u>(740,973)</u>
<b>Interest income</b>	25	225	108	1,175
<b>Unrealized (loss)/gain on marketable securities (Note 3)</b>	45,200	(8,656)	104,091	(15,184)
<b>Realized (loss)/gain on marketable securities (Note 3)</b>	(25,108)	-	(56,042)	-
<b>Flow through premium</b>	-	12,896	14,759	59,263
	<u>20,117</u>	<u>4,465</u>	<u>62,916</u>	<u>45,254</u>
<b>Loss and comprehensive loss for the period</b>	<u>\$ (161,349)</u>	<u>\$ (222,003)</u>	<u>\$ (498,299)</u>	<u>\$ (695,719)</u>
<b>Basic and diluted loss per common share</b>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
<b>Weighted average number of common shares outstanding</b>	83,178,548	74,775,294	82,526,594	74,775,294

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

**CANTERRA MINERALS CORPORATION**

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (unaudited)

(Expressed in Canadian Dollars)

	<b>Nine Month Period Ended September 30 2016</b>	<b>Nine Month Period Ended September 30 2015</b>
<b>Cash flows from operating activities</b>		
Income (loss) for the period	\$ (498,299)	\$ (695,719)
Items not affecting cash:		
Share-based compensation	54,360	-
Option share payments received	-	(16,000)
Realized (gain)/loss on marketable securities	56,042	-
Unrealized loss/(gain) on marketable securities	(104,091)	15,184
Flow through premium	(14,759)	(59,263)
Changes in non-cash working capital items:		
(Increase)/decrease in receivables	20,894	62,681
Increase/(decrease) in accounts payable and accrued liabilities	115,061	82,202
Net cash used in operating activities	<u>(370,792)</u>	<u>(610,915)</u>
<b>Cash flows from investing activities</b>		
Proceeds on sale of marketable securities	59,641	-
(Acquisition)/disposition of mineral properties	(65,000)	-
Net cash provided by/(used in) investing activities	<u>(5,359)</u>	<u>-</u>
<b>Change in cash during the period</b>	(376,151)	(610,915)
<b>Cash, beginning of the period</b>	<u>482,977</u>	<u>831,975</u>
<b>Cash, end of the period</b>	<u>\$ 106,826</u>	<u>\$ 221,060</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 (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, 2015	82,195,937	\$ 105,840,623	\$ 125,023	\$ (105,145,034)	\$ 820,612
Issued for properties	2,200,000	172,000	-	-	172,000
Share-based compensation (Note 7e)	-	-	54,360	-	54,360
Reserves transferred on expired options	-	-	(22,613)	22,613	-
Loss for the period	-	-	-	(498,299)	(498,299)
Balance, September 30, 2016	<u>84,395,937</u>	<u>\$ 106,012,623</u>	<u>\$ 156,770</u>	<u>\$ (105,620,720)</u>	<u>\$ 548,673</u>
Balance, December 31, 2014	74,775,294	\$ 105,406,672	\$ 268,352	\$ (104,334,451)	\$ 1,340,573
Reserves transferred on expired options	-	-	(143,732)	143,732	-
Loss for the period	-	-	-	(695,719)	(695,719)
Balance, September 30, 2015	<u>74,775,294</u>	<u>\$ 105,406,672</u>	<u>\$ 124,620</u>	<u>\$ (104,886,438)</u>	<u>\$ 644,854</u>

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

## **CANTERRA MINERALS CORPORATION**

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

**FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2016 (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 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.

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, 2015.

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, 2015 and have been consistently applied in the preparation of the Company's consolidated interim financial statements.

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.

**CANTERRA MINERALS CORPORATION**

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2016 (Expressed in Canadian Dollars)

**3. MARKETABLE SECURITIES**

As at September 30, 2016, the Company holds the following common shares of public companies listed on the TSX Venture Exchange:

	September 30, 2016		December 31, 2015	
	# of shares	value	# of shares	value
Zadar Ventures Ltd.	-	\$ NIL	268,500	\$ 9,397
Skyharbour Resources Ltd. (Note 5b)	53,000	13,780	300,000	9,000
Margaret Lake Diamonds Inc.	95,000	18,525	300,000	25,500
		<b>\$ 32,305</b>		<b>\$ 43,897</b>

**4. RELATED PARTY TRANSACTIONS**

These condensed consolidated interim financial statements include the financial statements of Canterra Minerals Corporation and its subsidiaries listed in the following table:

Name of Subsidiary	Country of Incorporation	Ownership	Principal Activity
Triex Minerals Corporation	British Columbia, Canada	100%	Holding company
Triex Minerals (US) Inc.	Nevada, USA	100%	Inactive

*Key Management Personnel*

Key management personnel includes 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:

	Nine month period ended September 30, 2016	Nine month period ended September 30, 2015
Management fees	\$ 88,850	\$ 98,600
Geological consulting fees	13,500	13,500
Share-based compensation*	47,042	-
<b>Total</b>	<b>\$ 149,392</b>	<b>\$ 112,100</b>

\* Share-based compensation consists of options granted to key management. The value shown above is calculated using the Black-Scholes fair value method and does not represent actual amounts received.

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

	Nine month period ended September 30, 2016	Nine month period ended September 30, 2015
Rent	\$ 31,500	\$ 45,000
Accounting, investor relations, geology, other	62,461	69,326
<b>Total</b>	<b>\$ 93,961</b>	<b>\$ 114,326</b>

Included in receivables at September 30, 2016 is \$NIL (December 31, 2015 - \$2,225) due from companies with common directors and/or officers. Included in accounts payable and accrued liabilities at September 30, 2016 is \$305,291 (December 31, 2015 - \$154,180) due to companies with common directors and/or officers.



**CANTERRA MINERALS CORPORATION**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2016 (Expressed in Canadian Dollars)

**5. 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 interests in various mineral claims located in Canada, the acquisition costs of which are as follows:

	<b>September 30, 2016</b>	<b>December 31, 2015</b>
<b>Northwest Territories, Canada</b>		
<b>Hilltop/Cache Property</b> A 100% interest/An 80% interest.	\$ 290,232	\$ 290,232
<b>King Property</b> A 100% interest.	-	-
<b>Carat Property</b> A 70% interest.	132,772	132,772
<b>Gwen Property</b> A 100% interest.	24,512	24,512
<b>Marlin Property</b> A 100% interest. (Note 5a)	-	-
<b>Prisim Property</b> A 100% interest.	28,988	28,988
<b>Rex Property</b> A 100% interest.	37,721	37,721
<b>CL25 Property</b> Up to a 70% interest. (Note 5b)	47,000	-
<b>Alberta, Canada</b>		
<b>Buffalo Hills Property</b> A 33% interest.	\$ -	\$ -
<b>Saskatchewan, Canada</b>		
<b>West Carswell Property</b> Up to a 70% interest. (Note 5c)	\$ 190,000	\$ -
<b>Total Mineral Properties:</b>	<b>\$ 751,225</b>	<b>\$ 514,225</b>

- 5a. During fiscal 2014, the Company entered into an option Agreement with Margaret Lake Diamonds ("MLD") granting MLD the right to acquire up to a 49% interest in the Marlin Property. To acquire an initial 30% interest, MLD was required to make cash payments of \$80,000 (\$60,000 received), issue 300,000 common shares (300,000 received at a value of \$44,000) and incur \$1,000,000 in exploration expenditures (\$524,333 incurred) by September 15, 2016. As MLD was unable to fulfill its obligations at September 15, 2016, the option was terminated.
- 5b. On June 17, 2016 the Company entered into an Option and Joint Venture Agreement with Mr. Michael Magrum ("Magrum") to acquire up to a 70% interest in the CL-25 Property. Pursuant to the agreement, the Company can acquire a 60% interest in the CL-25 Property by making a cash payment of \$35,000 (paid), issue 400,000 shares (200,000 issued to date with an aggregate value of \$12,000) and incur \$1,000,000 in exploration expenditures by June 27, 2019. Upon completion of the initial 60% earn-in, the Company will have the right to exercise a second option for an additional 10% interest by making a cash payment of \$100,000, issuing 500,000 shares and incurring further work commitments of \$1,000,000 prior to June 27, 2021. After the Company has either earned 60% or if elected, the 70% earn-in, the Company and Magrum will form a joint venture for the purpose of continuing exploration and development of the Property. Upon formation, the joint venture has agreed to pay Magrum a 3% gross overriding royalty (the "GORR") on the appraised value of diamonds resulting from the property. The joint venture will have the right to purchase up to two-thirds of the GORR, exercisable at any time, by paying \$1,000,000 for each 1%, for an aggregate purchase price of \$2,000,000.
- 5c. On August 16, 2016 the Company entered into a Property Option and Joint Venture Agreement with CanAlaska Uranium Ltd. ("CanAlaska") to acquire up to a 70% interest in the West Carswell Property. Pursuant to the agreement, the Company can acquire a 50% interest in the West Carswell Property by making staged cash payments totaling \$100,000 (\$30,000 paid to date), issuing 2,000,000 million shares (issued to date with an aggregate value of \$160,000) and incurring \$1,000,000 in exploration expenditures by August 16, 2019. Upon completion of the 50% earn-in, Canterra and CanAlaska will form a Joint Venture with each party maintaining a 50% ownership. Canterra will have the option to acquire an additional 20% ownership for additional cash payments of \$100,000, issuing an additional 1,000,000 shares and incurring a further \$4,000,000 in exploration expenditures within the third anniversary of completion of the initial 50% earn-in.

## CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2016 (Expressed in Canadian Dollars)

### 5. MINERAL PROPERTIES (continued)

During the period ended September 30, 2016, 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	\$ 9,567	\$ -	\$ -	\$ 17,233	\$ 496	\$ 2,152	\$ 242	\$ -	\$ 29,690
<b>NWT</b>									
Hilltop/Cache	75,560	1,306	-	9,704	12,139	-	-	(57,674)	41,035
King	744	-	-	15,323	1,732	-	-	-	17,799
Carat	208	-	-	4,762	-	-	-	-	4,970
Gwen	2,163	-	-	1,568	3,322	-	-	-	7,053
Marlin	3,020	23,700	-	4,424	10,637	-	-	-	41,781
Prisim	1,967	352	-	7,761	6,508	-	-	-	16,588
Rex	1,666	38,099	-	-	86	-	-	-	39,851
<b>ONTARIO</b>									
Other	26	-	-	592	-	-	-	-	618
<b>SASKATCHEWAN</b>									
West Carswell	56,297	9,112	-	-	453	-	-	-	65,862
	<b>\$ 151,218</b>	<b>\$ 72,569</b>	<b>\$ -</b>	<b>\$ 61,367</b>	<b>\$ 35,373</b>	<b>\$ 2,152</b>	<b>\$ 242</b>	<b>\$ (57,674)</b>	<b>\$ 265,247</b>

During the period ended September 30, 2015, 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	\$ 5,372	\$ -	\$ -	\$ 17,229	\$ 2,577	\$ 54,730	\$ 12,496	\$ -	\$ 92,404
<b>NWT</b>									
Hilltop/Cache	77,462	21,433	-	2,574	9,274	11,523	-	(29,750)	92,516
King	1,053	14	-	15,323	2,981	213	-	-	19,584
Carat	167	-	-	4,762	-	-	-	-	4,929
Gwen	3,703	2,365	-	838	3,672	2,489	-	-	13,067
Marlin	9,733	24,386	-	-	3,095	3,332	-	(36,000)	4,546
Prisim	18,990	17,411	-	1,092	5,424	890	-	-	43,807
Rex	11,335	41,342	-	1,396	3,250	400	-	-	57,723
Reconnaissance	3,427	-	-	-	168	-	-	-	3,595
<b>ONTARIO</b>									
Other	19	-	-	530	-	-	-	-	549
	<b>\$ 131,261</b>	<b>\$106,951</b>	<b>\$ -</b>	<b>\$ 43,744</b>	<b>\$ 30,441</b>	<b>\$ 73,577</b>	<b>\$ 12,496</b>	<b>\$ (65,750)</b>	<b>\$ 332,720</b>

## CANTERRA MINERALS CORPORATION

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2016 (Expressed in Canadian Dollars)

#### 6. LAND USE DEPOSITS

Land use deposits are interest-bearing and are held by major financial institutions on behalf of mining regulators. These deposits are held primarily for prospecting permits and will be released upon the Company incurring certain exploration expenditures on specific mineral properties. Exploration deposits surrendered to mining regulators are expensed.

#### 7. 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

During the nine month period ended, September 30, 2016 the Company issued 200,000 common shares with an aggregate value of \$12,000 as consideration towards the acquisition of the CL-25 property and the issuance of 2,000,000 common shares with an aggregate value of \$160,000 as consideration towards the acquisition of the West Carswell property.

The Company did not issue any common shares during the period ended, September 30, 2015.

##### c) Flow-through share premium liability

The following is a continuity schedule of the liability portion for flow-through share issuances:

<b>Balance at December 31, 2014</b>	<b>\$</b>	<b>59,263</b>
Flow through premium liability		54,761
Settlement of flow-through share premium liability pursuant to qualified expenditures		(99,265)
<b>Balance at December 31, 2015</b>		<b>14,759</b>
Flow through premium liability		-
Settlement of flow-through share premium liability pursuant to qualified expenditures		(14,759)
<b>Balance at September 30, 2016</b>	<b>\$</b>	<b>-</b>

##### d) 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 September 30, 2016, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

<b>Number of Shares</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
1,855,000	0.10	April 24, 2018
620,000	0.15	August 14, 2019
1,820,000	0.08	May 2, 2021
<b>4,295,000</b>		

## CANTERRA MINERALS CORPORATION

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2016 (Expressed in Canadian Dollars)

#### 7. SHARE CAPITAL AND RESERVES (continued)

##### d) Stock options (continued)

Stock option transactions are summarized as follows:

	September 30, 2016		December 31, 2015	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of the period	3,130,000	\$ 0.11	4,130,000	\$ 0.14
Granted	1,820,000	\$ 0.08	-	-
Exercised	-	-	-	-
Expired/cancelled	(655,000)	\$ 0.10	(1,000,000)	\$ 0.22
Balance, end of the period	4,295,000	\$ 0.10	3,130,000	\$ 0.11
<b>Options exercisable, end of the period</b>	<b>4,295,000</b>	<b>\$ 0.10</b>	<b>3,130,000</b>	<b>\$ 0.11</b>

##### e) Share-based compensation

During the nine month period ended, September 30, 2016 the Company granted 1,820,000 (2015 – Nil) stock options with a fair value of \$54,360 (2015 - \$Nil) or \$0.03 (2015 - \$Nil) per option. All options vest immediately on grant.

	2016	2015
Risk-free interest rate	0.79%	-
Expected life of options	5.00	-
Annualized volatility	118.22%	-
Dividend rate	-	-
Weight average fair value	0.02987	-

##### f) Warrants

As at September 30, 2016 the Company had outstanding share purchase warrants, enabling the holders to acquire further shares as follows:

Number of Warrants	Exercise Price	Expiry Date
8,107,143 <sup>(1)</sup>	\$0.10	July 29, 2017*
1,369,048 <sup>(2)</sup>	\$0.10	October 19, 2017
2,341,274 <sup>(2)</sup>	\$0.08	October 19, 2017
49,500 <sup>(2)</sup>	\$0.10	October 19, 2016 (subsequently expired)
<b>11,866,965</b>		

(\*) On June 27, 2016 the Company received Exchange approval to extend the expiry date of 8,107,143 outstanding share purchase warrants from July 29, 2016 to July 29, 2017. No value was attributed to the warrant extension.

<sup>(1)</sup> In the event that the Company's common shares trade at a closing price on the TSX Venture Exchange greater than \$0.20 per share during any twenty consecutive trading-day period the Company may accelerate the expiry date by giving notice to the holders thereof and in such case the warrants will expire on the 21<sup>st</sup> business day after the date on which such notice is given to the holders by the Company.

<sup>(2)</sup> In the event that the Company's common shares trade at a closing price on the TSX Venture Exchange greater than \$0.15 per share during any twenty consecutive trading-day period the Company may accelerate the expiry date by giving notice to the holders thereof and in such case the warrants will expire on the 21<sup>st</sup> business day after the date on which such notice is given to the holders by the Company.

**CANTERRA MINERALS CORPORATION**

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2016 (Expressed in Canadian Dollars)

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

## f) Warrants (continued)

Share purchase warrant transactions were as follows:

	September 30, 2016		December 31, 2015	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of the period	25,020,231	\$0.18	21,519,138	\$ 0.19
Granted	-	-	3,759,822	0.09
Expired/cancelled	(13,153,266)	\$0.25	(258,729)	0.10
Balance, end of the period	11,866,965	\$0.10	25,020,231	\$ 0.18
<b>Warrants exercisable, end of the period</b>	<b>11,866,965</b>	<b>\$0.10</b>	<b>25,020,231</b>	<b>\$ 0.18</b>

**8. SEGMENT INFORMATION**

The Company operates in one reportable operating segment, being the acquisition, exploration, and evaluation of mineral properties in Canada and the United States. All of the Company's capital assets are located in Canada.

**9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

Significant non-cash investing and financing transactions during the period ended September 30, 2016 consisted of the issuance of 200,000 common shares valued at \$12,000 pursuant to the CL-25 property option agreement, and the issuance of 2,000,000 common shares to CanAlaska Uranium Ltd. valued at \$160,000 pursuant to the West Carswell property option agreement.

Significant non-cash investing and financing transactions during the period ended September 30, 2015 consisted of the receipt of 200,000 common shares valued at \$16,000 pursuant to the option of certain mineral properties (Note 5).