



TSX-V: CTM

**Condensed Consolidated Interim Financial Statements**

**For the Three Months Ended**

**March 31, 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**

CONSENSUED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (unaudited)

(Expressed in Canadian Dollars)

	<u>March 31</u> <u>2016</u>	<u>December 31</u> <u>2015</u>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 324,899	\$ 482,977
Marketable securities (Note 3)	41,295	43,897
Receivables	<u>9,122</u>	<u>25,719</u>
	<u>375,316</u>	<u>552,593</u>
<b>Land use deposits</b> (Note 6)	4,000	4,000
<b>Mineral properties</b> (Note 5)	<u>514,225</u>	<u>514,225</u>
	<u>\$ 893,541</u>	<u>\$ 1,070,818</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 244,582	\$ 235,447
<b>Deferred flow-through premium</b>	<u>-</u>	<u>14,759</u>
	<u>244,582</u>	<u>250,206</u>
<b>Shareholders' equity</b>		
Share capital (Note 7)	105,840,623	105,840,623
Reserves (Note 7)	125,023	125,023
Deficit	<u>(105,316,687)</u>	<u>(105,145,034)</u>
	<u>648,959</u>	<u>820,612</u>
	<u>\$ 893,541</u>	<u>\$ 1,070,818</u>

**Nature and continuance of operations** (Note 1)**Subsequent events** (Note 10)

Approved and authorized by the Board on May 26, 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 March 31 2016</b>	<b>Three Month Period Ended March 31 2015</b>
<b>Expenses</b>		
Business development	\$ 1,717	\$ 25,384
Insurance	29,570	35,975
Legal, audit and accounting	936	6,138
Management fees and corporate services	28,100	25,500
Office and miscellaneous	12,711	13,359
Regulatory and transfer agent fees	6,690	7,077
Rent	10,500	15,000
Travel	-	7,443
Wages and benefits	16,082	39,071
Exploration expenditures (Note 5)	86,853	96,948
	<u>(193,159)</u>	<u>(271,895)</u>
<b>Interest income</b>	57	503
<b>Unrealized (loss)/gain on marketable securities (Note 3)</b>	35,298	(1,185)
<b>Realized (loss)/gain on marketable securities (Note 3)</b>	(28,608)	-
<b>Flow through premium</b>	14,759	23,327
	<u>21,506</u>	<u>22,645</u>
<b>Loss and comprehensive loss for the period</b>	<u>\$ (171,653)</u>	<u>\$ (249,250)</u>
<b>Basic and diluted loss per common share</b>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>
<b>Weighted average number of common shares outstanding</b>	82,195,937	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>Three Month Period Ended March 31 2016</b>	<b>Three Month Period Ended March 31 2015</b>
<b>Cash flows from operating activities</b>		
Income (loss) for the period	\$ (171,653)	\$ (249,250)
Items not affecting cash:		
Realized (gain)/loss on marketable securities	28,608	-
Unrealized loss/(gain) on marketable securities	(35,298)	1,185
Flow through premium	(14,759)	(23,327)
Changes in non-cash working capital items:		
(Increase)/decrease in receivables	19,795	60,384
(Increase)/decrease in prepaid expenses	-	-
Increase/(decrease) in accounts payable and accrued liabilities	5,937	(86,721)
Net cash used in operating activities	<u>(167,370)</u>	<u>(297,729)</u>
<b>Cash flows from investing activities</b>		
Proceeds on sale of marketable securities	9,292	-
Net cash provided by/(used in) investing activities	<u>9,292</u>	<u>-</u>
<b>Change in cash during the period</b>	(158,078)	(297,729)
<b>Cash, beginning of the period</b>	<u>482,977</u>	<u>831,975</u>
<b>Cash, end of the period</b>	<u>\$ 324,899</u>	<u>\$ 534,246</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
Loss for the period	-	-	-	(171,653)	(171,653)
Balance, March 31, 2016	<u>82,195,937</u>	<u>\$ 105,840,623</u>	<u>\$ 125,023</u>	<u>\$ (105,316,687)</u>	<u>\$ 648,959</u>
Balance, December 31, 2014	74,775,294	\$ 105,406,672	\$ 268,352	\$ (104,334,451)	\$ 1,340,573
Reserve transfer on expired options	-	-	(2,100)	2,100	-
Loss for the period	-	-	-	(249,250)	(249,250)
Balance, March 31, 2015	<u>74,775,294</u>	<u>\$ 105,406,672</u>	<u>\$ 266,252</u>	<u>\$ (104,581,601)</u>	<u>\$ 1,091,323</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 THREE MONTH PERIOD ENDED MARCH 31, 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 THREE MONTH PERIOD ENDED MARCH 31, 2016 (Expressed in Canadian Dollars)

**3. MARKETABLE SECURITIES**

As at March 31, 2016, the Company holds the following common shares of public companies listed on the TSX Venture Exchange:

	March 31, 2016		December 31, 2015	
	# of shares	value	# of shares	value
Zadar Ventures Ltd.	118,500	\$ 8,295	268,500	\$ 9,397
Skyharbour Resources Ltd. (Note 5b)	300,000	12,000	300,000	9,000
Margaret Lake Diamonds Inc.	300,000	21,000	300,000	25,500
		<b>\$ 41,295</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:

	Three month period ended March 31, 2016	Three month period ended March 31, 2015
Management fees	\$ 28,100	\$ 25,500
Geological consulting fees	4,500	4,500
<b>Total</b>	<b>\$ 32,600</b>	<b>\$ 30,000</b>

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

	Three month period ended March 31, 2016	Three month period ended March 31, 2015
Rent	\$ 10,500	\$ 15,000
Accounting, investor relations, geology, other	22,233	34,224
<b>Total</b>	<b>\$ 32,733</b>	<b>\$ 49,224</b>

Included in receivables at March 31, 2016 is \$4,245 (December 31, 2015 - \$2,225) due from companies with common directors and/or officers. Included in accounts payable and accrued liabilities at March 31, 2016 is \$224,611 (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 THREE MONTH PERIOD ENDED MARCH 31, 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:

	March 31, 2016	December 31, 2015
<b>Northwest Territories, Canada</b>		
<b>Hilltop/Cache Property</b>	\$ 290,232	\$ 290,232
A 100% interest/An 80% interest.		
<b>King Property</b>	-	-
A 100% interest.		
<b>Carat Property</b>	132,772	132,772
A 70% interest.		
<b>Gwen Property</b>	24,512	24,512
A 100% interest		
<b>Marlin Property</b>	-	-
A 100% interest. (Note 5a)		
<b>Prisim Property</b>	28,988	28,988
A 100% interest		
<b>Rex Property</b>	37,721	37,721
A 100% interest		
<b>Alberta, Canada</b>		
<b>Buffalo Hills Property</b>	\$ -	\$ -
A 33% interest.		
<b>Total Mineral Properties:</b>	<b>\$ <u>514,225</u></b>	<b>\$ <u>514,225</u></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 must make cash payments of \$80,000 (\$60,000 received to date), issue 300,000 common shares (300,000 received to date at a value of \$44,000) and incur \$1,000,000 in exploration expenditures (\$524,333 incurred to date) by September 15, 2016. MLD has the option to earn an additional 19% interest by paying an additional \$20,000 and incurring no less than \$750,000 in additional exploration expenditures on or before September 15, 2017. Upon MLD having earned either a 30% or 49% interest, MLD and the Company will enter into a Joint Venture Agreement and which time MLD will issue the Company an additional 300,000 common shares.

## CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2016 (Expressed in Canadian Dollars)

### 5. MINERAL PROPERTIES (continued)

During the period ended March 31, 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	\$ 348	\$ -	\$ -	\$ -	\$ 388	\$ 1,762	\$ 243	\$ -	\$ 2,741
<b>NWT</b>									
Hilltop/Cache	72,473	1,306	-	656	8,433	-	-	(29,750)	53,118
King	70	-	-	-	1,732	-	-	-	1,802
Gwen	129	1,868	-	-	1,336	-	-	-	3,333
Marlin	807	15,555	-	-	4,545	-	-	-	20,907
Prisim	177	1,671	-	-	2,741	-	-	-	4,589
<b>ONTARIO</b>									
Other	14	-	-	349	-	-	-	-	363
	<b>\$ 74,018</b>	<b>\$ 20,400</b>	<b>\$ -</b>	<b>\$ 1,005</b>	<b>\$ 19,175</b>	<b>\$ 1,762</b>	<b>\$ 243</b>	<b>\$ (29,750)</b>	<b>\$ 86,853</b>

During the period ended March 31, 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	\$ 674	\$ -	\$ -	\$ -	\$ 347	\$ 2,998	\$ 11,348	\$ -	\$ 15,367
<b>NWT</b>									
Hilltop/Cache	16,248	4,087	-	476	5,779	11,035	-	-	37,625
King	545	14	-	-	2,554	213	-	-	3,326
Gwen	1,582	432	-	91	3,437	2,488	-	-	8,030
Marlin	2,506	2,220	-	-	2,344	3,182	-	-	10,252
Prisim	10,801	1,773	-	-	4,612	815	-	-	18,001
Rex	848	222	-	-	2,877	400	-	-	4,347
	<b>\$ 33,204</b>	<b>\$ 8,748</b>	<b>\$ -</b>	<b>\$ 567</b>	<b>\$ 21,950</b>	<b>\$ 21,131</b>	<b>\$ 11,348</b>	<b>\$ -</b>	<b>\$ 96,948</b>

## CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 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

The Company did not issue any common shares during the three month periods ended, March 31, 2016 and 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 March 31, 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 March 31, 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>
2,460,000	0.10	April 24, 2018
670,000	0.15	August 14, 2019
<b>3,130,000</b>		

**CANTERRA MINERALS CORPORATION**

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2016 (Expressed in Canadian Dollars)

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

## d) Stock options (continued)

Stock option transactions are summarized as follows:

	March 31, 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	-	-	-	-
Exercised	-	-	-	-
Expired/cancelled	-	-	(1,000,000)	\$0.22
Balance, end of the period	3,130,000	\$ 0.11	3,130,000	\$ 0.11
<b>Options exercisable, end of the period</b>	<b>3,130,000</b>	<b>\$ 0.11</b>	<b>3,130,000</b>	<b>\$ 0.11</b>

## e) Share-based compensation

The Company did not grant any stock options during the three month periods ended, March 31, 2016 and 2015.

## f) Warrants

As at March 31, 2016 the Company had outstanding share purchase warrants, enabling the holders to acquire further shares as follows:

Number of Warrants	Exercise Price	Expiry Date
13,153,266 <sup>(1)</sup>	\$0.25	June 21, 2016
8,107,143 <sup>(2)</sup>	\$0.10	July 29, 2016
1,369,048 <sup>(3)</sup>	\$0.10	October 19, 2017
2,341,274 <sup>(3)</sup>	\$0.08	October 19, 2017
49,500 <sup>(3)</sup>	\$0.10	October 19, 2016
<b>25,020,231</b>		

<sup>(1)</sup> In the event that the Company's common shares trade at a closing price on the TSX Venture Exchange greater than \$0.50 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 \$0.20 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>(3)</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 THREE MONTH PERIOD ENDED MARCH 31, 2016 (Expressed in Canadian Dollars)

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

## f) Warrants (continued)

Share purchase warrant transactions were as follows:

	March 31, 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	\$0.19	21,519,138	\$ 0.19
Granted	-	\$0.09	3,759,822	0.09
Expired/cancelled	-	\$0.10	(258,729)	0.10
Balance, end of the period	25,020,231	\$0.18	25,020,231	\$ 0.18
<b>Warrants exercisable, end of the period</b>	<b>25,020,231</b>	<b>\$0.18</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**

There were no significant non-cash investing and financing transactions during the period ended March 31, 2016 and 2015.

**10. SUBSEQUENT EVENTS**

Subsequent to March 31, 2016, the Company granted incentive stock options to certain directors, officers and employees to purchase up to 1,820,000 common shares under the Company's incentive Stock Option Plan. The options will be granted for a period of five (5) years and are exercisable at a price of \$0.08 per share.