CANTERRA
MINERALS CORPORATION
TSX-V: CTM

Consolidated Financial Statements

For the Year Ended

December 31, 2015

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Canterra Minerals Corporation

We have audited the accompanying consolidated financial statements of Canterra Minerals Corporation, which comprise the consolidated statements of financial position as at December 31, 2015 and 2014 and the consolidated statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Canterra Minerals Corporation as at December 31, 2015 and 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Canterra Minerals Corporation's ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Professional Accountants

April 26, 2016

NEXIA INTERNATIONAL

CANTERRA MINERALS CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	December 31 2015	December 31 2014
ASSETS		
Current		
Cash	$ 482,977	$ 831,975
Marketable securities (Note 4)	43,897	36,712
Receivables (Note 5)	25,719	75,986
Prepaid expenses	-	1,700
	552,593	946,373
Land use deposits (Note 6)	4,000	4,000
Mineral properties (Note 8)	514,225	594,188
	$ 1,070,818	$ 1,544,561
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	$ 235,447	$ 144,725
Deferred flow-though premium (Note 10c)	14,759	59,263
	250,206	203,988
Shareholders' equity		
Share capital (Note 10)	105,840,623	105,406,672
Reserves (Note 10)	125,023	268,352
Deficit	(105,145,034)	(104,334,451)
	820,612	1,340,573
	$ 1,070,818	$ 1,544,561

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on April 26, 2016

"Randy C. Turner"	"James Eccott"
Randy C. Turner, Director	James Eccott, Director

CANTERRA MINERALS CORPORATION

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the years ended December 31, 2015 and 2014 (Expressed in Canadian Dollars)

	2015	2014
Expenses		
Business development	$ 79,901	$ 110,097
Insurance	36,725	41,760
Legal, audit and accounting	63,184	46,795
Management fees and corporate services	131,900	110,450
Office and miscellaneous	37,462	43,192
Regulatory and transfer agent fees	18,067	38,921
Rent	60,000	63,480
Share-based compensation (Note 10e)	-	49,010
Travel	6,873	21,795
Wages and benefits	107,930	93,589
Exploration expenditures (Note 8)	423,479	894,221
	(965,521)	(1,513,310)
Interest income	1,344	-
Unrealized (loss)/gain on marketable securities (Note 4)	(8,815)	(192,781)
Realized (loss)/gain on marketable securities	-	(280,597)
Gain/(loss) on sale of mineral property (Note 8a)	-	129,888
Write-down of mineral properties (Note 8)	(80,588)	-
Flow through premium (Note 10c)	99,265	200,237
	11,206	(143,253)
Loss and comprehensive loss for the year	$ (954,315)	$ (1,656,563)
Basic and diluted loss per common share	$ (0.01)	$ (0.03)
Weighted average number of common shares outstanding	76,239,092	60,469,815

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

CANTERRA MINERALS CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2015 and 2014 (Expressed in Canadian Dollars)

	2015	2014
Cash flows from operating activities		
Income (loss) for the year	$ (954,315)	$ (1,656,563)
Items not affecting cash:		
Share-based compensation	-	49,010
Write-down of mineral properties	80,588	-
Realized (gain)/loss on marketable securities	-	280,597
Unrealized loss/(gain) on marketable securities	8,815	192,781
Loss/(gain) on sale of mineral property	-	(129,888)
Exploration expenditure recoveries	(16,000)	-
Flow through premium	(99,265)	(200,237)
Changes in non-cash working capital items:		
(Increase)/decrease in receivables	50,267	(65,680)
(Increase)/decrease in prepaid expenses	1,700	87
Increase/(decrease) in accounts payable and accrued liabilities	90,722	107,843
Net cash used in operating activities	(837,488)	(1,422,050)
Cash flows from financing activities		
Issuance of capital stock for cash	500,000	2,000,000
Share issuance costs	(10,885)	(18,742)
Net cash provided by financing activities	489,115	1,981,258
Cash flows from investing activities		
Proceeds on sale of marketable securities	-	247,910
(Acquisition)/disposition of mineral properties	(625)	(161,137)
Net cash provided by/(used in) investing activities	(625)	86,773
Change in cash during the year	(348,998)	645,981
Cash, beginning of the year	831,975	185,994
Cash, end of the year	$ 482,977	$ 831,975

Supplemental disclosure with respect to cash flows (Note 12)

CANTERRA MINERALS CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Share Capital				
	Number	Amount	Reserves	Deficit	Total
Balance, December 31, 2014	74,775,294	$ 105,406,672	$ 268,352	$ (104,334,451)	$ 1,340,573
Issued for cash	7,420,643	500,000	-	-	500,000
Flow-through premium (Note 10c)	-	(54,761)	-	-	(54,761)
Share issuance costs (Note 10b)	-	(11,288)	403	-	(10,885)
Reserves transferred on expired options	-	-	(143,732)	143,732	-
Loss for the year	-	-	-	(954,315)	(954,315)
Balance, December 31, 2015	82,195,937	$ 105,840,623	$ 125,023	$ (105,145,034)	$ 820,612
Balance, December 31, 2013	49,911,009	$ 103,695,034	$ 217,810	$ (102,686,476)	$ 1,226,368
Issued for cash	24,864,285	2,000,000	-	-	2,000,000
Flow-through premium (Note 10c)	-	(259,500)	-	-	(259,500)
Share issuance costs (Note 10b)	-	(28,862)	10,120	-	(18,742)
Share-based compensation (Note 10e)	-	-	49,010	-	49,010
Reserves transferred on expired options	-	-	(8,588)	8,588	-
Loss for the year	-	-	-	(1,656,563)	(1,656,563)
Balance, December 31, 2014	74,775,294	$ 105,406,672	$ 268,352	$ (104,334,451)	$ 1,340,573

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 consolidated 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.

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 consolidated 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.

		2015		2014
Deficit	$	(105,145,034)	$	(104,334,451)
Working Capital	$	317,146	$	801,648

2. BASIS OF PREPARATION

Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Consolidation and Presentation

These consolidated financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

These consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. These consolidated financial statements include the accounts of the Company and its direct wholly-owned subsidiaries (Note 9). All significant intercompany transactions and balances have been eliminated upon consolidation.

2. BASIS OF PREPARATION *(continued)*

Use of Estimates

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the depreciation of equipment, recoverability of mineral properties, valuation of share-based payments, and recognition of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

<u>Economic recoverability and probability of future economic benefits of exploration and evaluation costs</u>

Management has determined that exploration, evaluation, and related costs incurred which were capitalized have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

<u>Valuation of share-based payments</u>

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

<u>Income taxes</u>

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

3. SIGNIFICANT ACCOUNTING POLICIES

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Foreign exchange

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and each of its subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors indentified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in comprehensive loss.

Flow-through shares

The issuance of flow-through common shares results in the tax deductibility of the qualifying resource expenditures funded from the proceeds of the sale of such shares being transferred to the purchasers of the shares. Under IFRS, on the issuance of such shares, the Company bifurcates the flow-through shares into: a flow-through shares premium, equal to the estimated premium that investors pay for the flow-through feature, which is recognized as a liability, and share capital. As the related exploration expenditures are incurred, the Company derecognizes the liability and the premium is recognized through the Statement of Loss and Comprehensive Loss.

Share-based payments

The Company grants stock options to directors, officers, employees and consultants. The fair value of stock options is measured on the grant date, using the Black-Scholes option pricing model and is recognized over the vesting period of the related options. Consideration paid for the shares on the exercise of stock options is credited to share capital.

For vested options that have expired or were cancelled unexercised, the Company reverses the share-based payment reserve against the deficit.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Marketable securities

Investments in marketable securities have been designated as fair value through profit or loss and are recorded at fair value. Fair value through profit or loss investments are determined by reference to the last bid price on the date of the statement of financial position. Changes in fair value are recognized in profit or loss in the period for which they occur.

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories as follows:

Fair value through profit or loss - This category comprises derivatives and financial assets acquired principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss. Cash and marketable securities are included in this category.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost using the effective interest method less any provision for impairment. Receivables and land use deposits are included in this category.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method less any provision for impairment.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in other comprehensive income (loss). Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from accumulated other comprehensive income (loss) and recognized in profit or loss.

All financial assets except those measured at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial liabilities

The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss - This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities: This category consists of liabilities carried at amortized cost using the effective interest method. Accounts payable and accrued liabilities are included in this category.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Mineral properties

The Company accounts for its mineral properties as exploration and evaluation assets in accordance with IFRS 6, *Exploration for and Evaluation of Mineral Resources*. The Company capitalizes mineral property acquisition costs, which include the cash consideration, option payments under an earn-in arrangement, and the fair value of common shares issued for mineral properties. The acquisition costs are deferred until the property is placed into production, sold or abandoned or determined to be impaired. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

Mineral exploration and evaluation costs are expensed prior to the determination of economically recoverable reserves. Exploration and evaluation expenditures relate to costs incurred for investigation and evaluation of potential mineral reserves and resources, including trenching, exploratory drilling, sampling, mapping, and other activities in searching for ore bodies under the properties, and evaluating the technical and commercial viability of developing mineral properties identified through exploration. Exploration and evaluation expenditures, net of any recoveries, are recorded on a property by property basis.

Provision for environmental rehabilitation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

The increase in the provision due to the passage of time is recognized as interest expense.

The Company does not have any significant environmental rehabilitation provisions.

Impairment of tangible and intangible assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

New standards adopted

During the fiscal year ended, December 31, 2015, the Company adopted the following IFRS standards:

- IFRS 2, Share Based Payment

  The amendment clarifies vesting conditions by separately defining a performance condition and a service condition, both of which were previously incorporated within the definition of a vesting condition.

- IAS 24, Related Party Disclosure

  The amendments to IAS 24 clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation.

These new accounting standards had no material impact on the results or financial position of the Company.

New Standards not yet adopted

The following new standards, amendments to standards and interpretations have been issued but are not effective during the year ended, December 31, 2015:

- IFRS 9, Financial Instruments (effective for annual periods beginning on or after January 1, 2018), provides guidance on the classification and measurement of financial assets. It also introduces a new expected credit loss model for calculating impairment for financial instruments.

We are assessing the effect of this new standard on our financial statements.

For the years ended December 31, 2015 and 2014 (Expressed in Canadian Dollars)

4. MARKETABLE SECURITIES

As at December 31, 2015, the Company holds the following common shares of public companies listed on the TSX Venture Exchange:

	December 31, 2015		December 31, 2014	
	# of shares	value	# of shares	value
Zadar Ventures Ltd.	268,500	$ 9,397	268,500	$ 6,712
Skyharbour Resources Ltd. (1) (Note 8a)	300,000	9,000	300,000	15,000
Margaret Lake Diamonds Inc. (2) (Note 8b)	300,000	25,500	100,000	15,000
		$ 43,897		**$ 36,712**

Pursuant to the sale of certain mineral properties the Company received:

(1) 1,000,000 common shares of Skyharbour Resources Ltd. at a value of $130,000 on February 13, 2014 (Note 8a).

(2) 100,000 common shares of Margaret Lake Diamonds Inc. at a value of $28,000 on September 9, 2014 and 200,000 common shares at a value of $16,000 on September 8, 2015 (Note 8b).

5. RECEIVABLES

The Company's receivables are as follows:

	December 31, 2015	December 31, 2014
GST receivable	$ 4,831	$ 19,484
Other receivable	20,888	56,502
Total	**$ 25,719**	**$ 75,986**

6. LAND USE DEPOSITS

Land use deposits are interest-bearing and are held by major financial intuitions 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. Land use deposits surrendered to mining regulators are expensed

7. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are as follows:

	December 31, 2015	December 31, 2014
Trade payables	$ 220,447	$ 114,725
Accrued liabilities	15,000	30,000
Total	**$ 235,447**	**$ 114,725**

For the years ended December 31, 2015 and 2014 (Expressed in Canadian Dollars)

8. 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:

	December 31, 2015	December 31, 2014
Northwest Territories - Canada		
Hilltop/Cache Property, Northwest Territories A 100% interest/An 80% interest.	$ 290,232	$ 290,232
King Property, Northwest Territories A 100% interest	-	80,588
Carat Property, Northwest Territories A 70% interest.	132,772	132,772
Gwen Property, Northwest Territories A 100% interest	24,512	24,512
Marlin Property, Northwest Territories A 100% interest. (Note 8b)	-	-
Prisim Property, Northwest Territories A 100% interest	28,988	28,363
Rex Property, Northwest Territories A 100% interest	37,721	37,721
Alberta - Canada		
Buffalo Hills Property, Alberta A 33% interest. During the 2013 fiscal year, the Company wrote-down acquisition costs of $8,278,519 associated with this property.	$ -	$ -
Total Mineral Properties:	$ **514,225**	$ **594,188**

8a. During fiscal 2014, the Company sold certain mineral properites that were previously written-down in exchange for $15,000 cash and 1,000,000 common shares of Skyharbour Resources Ltd. valued at $130,000.

8b. 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.

8c. During fiscal 2015, the Company wrote-down acquisition costs of $80,588 relating to the King Property .

For the years ended December 31, 2015 and 2014 (Expressed in Canadian Dollars)

8. MINERAL PROPERTIES *(continued)*

During the year ended December 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 year
ALBERTA									
Buffalo Hills	$ 8,580	$ -	$ -	$ 20,355	$ 2,787	$ 64,911	$ 37,988	$ (62,986)	**$ 71,635**
NWT									
Hilltop/Cache	78,343	37,493	-	16,140	10,594	11,522	-	(29,750)	**124,342**
King	1,027	14	-	15,323	2,981	213	-	-	**19,558**
Carat	160	-	-	4,762	-	-	-	-	**4,922**
Gwen	3,782	3,799	-	838	5,092	2,489	-	-	**16,000**
Marlin	10,325	39,981	-	-	6,671	3,332	-	(36,000)	**24,309**
Prisim	19,893	42,839	-	1,092	8,544	890	-	-	**73,258**
Rex	12,161	67,636	-	1,396	3,724	399	-	-	**85,316**
Reconnaissance	3,423	-	-	-	168	-	-	-	**3,591**
ONTARIO									
Other	18	-	-	530	-	-	-	-	**548**
	$ 137,712	**$191,762**	**$ -**	**$ 60,436**	**$ 40,561**	**$ 83,756**	**$ 37,988**	**$(128,736)**	**$ 423,479**

During the year ended December 31, 2014, the Company incurred exploration expenditures as follows:

	Geology & Geophysics	Field Sampling	Drilling	Land Use & Tenure	Data Evaluation	Mineralogy	Safety & Reclamation	Recoveries	Total for the year
ALBERTA									
Buffalo Hills	$ 7,153	$ -	$ -	$ 19,531	$ 982	$ 11,925	$ 31,645	$ (19,830)	**$ 51,406**
BRITISH COLUMBIA									
Reconnaissance	-	-	-	-	-		-	(1,863)	**(1,863)**
NWT									
Hilltop/Cache	38,133	215,247	-	6,128	18,950	14,883	-	-	**293,341**
King	8,341	38,588	-	16,630	8,290	6,502	-	-	**78,351**
Carat	532	-	-	4,762	-		-	-	**5,294**
Gwen	15,372	98,455	-	1,174	8,695	6,502	-	-	**130,198**
Marlin	16,125	101,028	-	2,341	12,726	5,475	-	(128,316)	**9,379**
Prisim	24,453	130,327	-	1,129	12,207	9,202	-	-	**177,318**
Rex	5,558	45,044	-	2,254	2,497	-	-	-	**55,353**
Reconnaissance	80,014	-	-	-	14,857	-	-	-	**94,871**
ONTARIO									
Other	58	-	-	515	-		-	-	**573**
	$ 195,739	**$628,689**	**$ -**	**$ 54,464**	**$ 79,204**	**$ 54,489**	**$ 31,645**	**$(150,009)**	**$ 894,221**

For the years ended December 31, 2015 and 2014 (Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS

These consolidated 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:

	Year ended December 31, 2015	Year ended December 31, 2014
Management fees	$ 131,900	$ 110,450
Geological consulting fees	18,000	101,153
Share-based compensation*	-	21,004
Total	**$ 149,900**	**$ 232,607**

** 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:

	Year ended December 31, 2015	Year ended December 31, 2014
Rent	$ 60,000	$ 60,000
Accounting, investor relations & geology	84,637	203,320
Total	**$ 144,637**	**$ 263,320**

Included in receivables at December 31, 2015 is $2,225 (December 31, 2014 - $2,639) due from companies with common directors and/or officers. Included in accounts payable and accrued liabilities at December 31, 2015 is $154,180 (December 31, 2014 - $4,771) due to companies with common directors and/or officers.

10. 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 year ended December 31, 2015 the Company issued 2,738,096 flow-through units ("Flow-Through Units") at a price of $0.08 per Flow-Through Unit and 4,682,547 common share units ("Common Share Units") at a price of $0.06 per Common Share Unit for total gross proceeds of $500,000.

Each Flow-Through Unit consists of one flow-through common share and one-half of one common share warrant ("Non Flow-Through Warrant"), with each such whole warrant entitling the holder there to acquire one non flow-through common share of the Company at a price of $0.10 per common share until October 19, 2017.

For the years ended December 31, 2015 and 2014 (Expressed in Canadian Dollars)

10. SHARE CAPITAL AND RESERVES *(continued)*

b) Issued share capital *(continued)*

Each Common Share Unit consists of one common share of the Company (a "Common Share") and one-half of one common share warrant ("Common Share Warrant"), with each whole warrant entitling the holder thereof to acquire one Common Share at a price of $0.08 per Common Share until October 19, 2017.

The Company paid finders' fees totalling $3,390 and issued 49,500 finders warrants representing 6% of a portion of the gross proceeds raised. Each of the finders' warrants are exercisable until October 19, 2016, at a price of $0.10 per share. The agents' warrants have been recorded at a fair value of $403 which is included in reserves. The fair value of the agents' warrants was determined using the Black-Scholes option pricing model using the following assumptions: Risk-free interest rate of 0.70%, expected life of 1.00 year, expected volatility of 115.48% and a dividend rate of 0.00%. Additional share issuance costs amounted to $7,495.

During the year ended December 31, 2014 the Company issued 16,214,285 units (the "Units") at a price of $0.07 per Unit and 8,650,000 common shares issued as flow-through shares (the "Flow-Through Shares") at a price of $0.10 per Flow-Through Share (the "Offering") for total proceeds of $2 million. Each Unit consisted of one common share ("Common Share") and one-half of one common share purchase warrant (each whole warrant being a "Warrant") of the Company. Each Warrant entitles the holder thereof to purchase one common share at $0.10 and is exercisable until July 29, 2016.

The Company paid finders' fees totaling $18,742 and issued aggregate finders warrants of 258,729. Each of the finders' warrants are exercisable until July 29, 2015, at a price of $0.10 per share. The agents' warrants have been recorded at a fair value of $10,120 which is included in reserves. The fair value of the agents' warrants was determined using the Black-Scholes option pricing model using the following assumptions: Risk-free interest rate of 1.07%, expected life of 1.00 year, expected volatility of 101.41% and a dividend rate of 0.00%.

c) Flow-through share premium liability

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

Balance at December 31, 2013	$	-
Flow through premium liability		259,500
Settlement of flow-through share premium liability pursuant to qualified expenditures		(200,237)
Balance at December 31, 2014		59,263
Flow through premium liability		54,761
Settlement of flow-through share premium liability pursuant to qualified expenditures		(99,265)
Balance at December 31, 2015	$	14,759

As a result of the issuances of flow-through shares on October 19, 2015 the Company has a commitment to incur $59,038 in qualifying Canadian exploration expenditures on or before December 31, 2016.

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.

For the years ended December 31, 2015 and 2014 (Expressed in Canadian Dollars)

10. SHARE CAPITAL AND RESERVES *(continued)*

d) Stock Options *(continued)*

As at December 31, 2015, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Number of Shares	Exercise Price	Expiry Date
2,460,000	$ 0.10	April 24, 2018
670,000	$ 0.15	August 14, 2019
3,130,000		

Stock option transaction are summarized as follows:

	December 31, 2015		December 31, 2014	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of the year	4,130,000	$ 0.14	3,732,250	$ 0.14
Granted	-	-	700,000	0.15
Exercised	-	-	-	-
Expired/cancelled	(1,000,000)	0.22	(302,250)	0.23
Balance, end of the year	3,130,000	$0.11	4,130,000	$ 0.14
Options exercisable, end of the year	3,130,000	$0.11	4,130,000	$ 0.14

e) Share-based compensation

During the year ended December 31, 2015, the Company granted NIL (2014 - 700,000) stock options with a fair value of $NIL (2014 - $49,010) or $NIL (2014 - $0.07) per option. All options vest immediately on grant.

The following weighted-average assumptions were used for the Black-Scholes valuation of stock options granted during the noted years:

	2015	2014
Risk-free interest rate	-	1.33%
Expected life of options	-	4.38 years
Annualized volatility	-	83.13%
Dividend rate	-	-
Weighted average FV	-	$0.07

For the years ended December 31, 2015 and 2014 (Expressed in Canadian Dollars)

10. SHARE CAPITAL AND RESERVES *(continued)*

f) Warrants

As at December 31, 2015 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 (1)	$0.25	June 21, 2016
8,107,143 (2)	$0.10	July 29, 2016
1,369,048 (3)	$0.10	October 19, 2017
2,341,274 (3)	$0.08	October 19, 2017
49,500 (3)	$0.10	October 19, 2016
25,020,231		

(1) 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 21st business day after the date on which such notice is given to the holders by the Company.

(2) 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 21st business day after the date on which such notice is given to the holders by the Company.

(3) 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 21st business day after the date on which such notice is given to the holders by the Company.

Share purchase warrant transactions were as follows:

	December 31, 2015		December 31, 2014	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of the year	21,519,138	$0.19	13,153,266	$ 0.25
Granted	3,759,822	$0.09	8,365,872	0.10
Expired/cancelled	(258,729)	$0.10	-	-
Balance, end of the year	25,020,231	$0.18	21,519,138	$ 0.19
Warrants exercisable, end of the year	25,020,231	$0.18	21,519,138	$ 0.19

11. 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.

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash investing and financing transactions during the year ended December 31, 2015 consisted of the receipt of 200,000 common shares valued at $16,000 pursuant to the option of certain mineral properties (Note 4, 8).

Significant non-cash investing and financing transactions during the year ended December 31, 2014 consisted of the receipt of 1,000,000 common shares valued at $130,000 pursuant to the sale of certain mineral properties (Note 4, 8) and the receipt of 100,000 common shares valued at $28,000 pursuant to the option of certain mineral properties (Note 4, 8).

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The fair value of cash and marketable securities is measured based on level 1 of the fair value hierarchy. The fair values of receivables, land use deposits, accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments.

The Company is exposed to a variety of financial risks by virtue of its activities, including credit risk, interest rate risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Risk management is carried out by management under the direction and guidance of the Board of Directors. Management is responsible for establishing controls and procedures to ensure that financial risks are mitigated to acceptable levels.

Credit risk - Credit risk is the risk of a financial loss to the Company if a counter-party to a financial instrument fails to meet its contractual obligation. The Company manages credit risk by carrying short-term investments, if any, with investment grade ratings. The Company's receivables consist primarily of sales tax receivables due from federal and provincial government agencies and receivables from exploration partners with whom the Company has established credit policies. The Company does not have a significant concentration of credit risk with any single counter-party. The Company's cash is invested in interest bearing accounts at major Canadian chartered banks. Because of these circumstances, the Company does not believe it has a material exposure to credit risk.

Interest rate risk - Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company is not exposed to any significant interest rate risk.

Liquidity risk - Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances, asset sales or a combination thereof. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Price risk - The Company is exposed to price risk with respect to commodity, equity and marketable security prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of diamonds and precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

For the years ended December 31, 2015 and 2014 (Expressed in Canadian Dollars)

14. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as shareholders equity, consisting of common shares, stock options and warrants.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it believes there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

15. INCOME TAXES

A reconciliation of current income and deferred taxes at statutory rates with reported taxes follows:

	2015	2014
Income/(loss) before income taxes	$ (954,315)	$ (1,656,563)
Income tax recovery (recovery)	$ (248,000)	$ (431,000)
Changes in tax rates and other	-	(28,000)
Non-deductable expenses and permanent differences	(25,000)	22,000
Impact of flow-through shares	93,000	174,000
Expiration of non-capital losses	186,000	448,000
Changes in unrecognized deductible temporary differences	(6,000)	(185,000)
Income tax (expense) recovery	$ -	$ -

The Canadian income tax rate declined during the year due to changes in the law that reduced corporate income tax rates in Canada.

The unrecognized deductible and taxable temporary differences, unused tax losses and unused tax credits are as follows:

	2015	expiry dates	2014
Equipment	$ 1,079,000	not applicable	$ 1,079,000
Financing costs	14,000	2032 to 2038	29,000
Investment tax credit	2,421,000	2026 to 2033	2,421,000
Mineral properties	68,139,000	not applicable	67,955,000
Losses available for future periods	12,876,000	2014 to 2034	13,122,000
Marketable securities	252,000	Not applicable	243,000
Other – deferred premium	15,000	Not applicable	59,000