



CANTERRA

MINERALS CORPORATION

TSX-V: CTM

Condensed Consolidated Interim Financial Statements

For the Three Months Ended

March 31, 2021

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

CANTERRA MINERALS CORPORATION

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (Unaudited)

(Expressed in Canadian Dollars)

	<u>March 31</u> <u>2021</u>	<u>December 31</u> <u>2020</u>
ASSETS		
Current		
Cash	\$ 3,190,975	\$ 3,853,927
Marketable securities (Note 3)	1,035	1,035
Receivables	39,540	12,530
Prepaid Expenses	11,660	15,837
	<u>3,243,210</u>	<u>3,883,329</u>
Land use deposits	4,000	4,000
Mineral Properties (Note 4)	<u>2,226,686</u>	<u>2,225,503</u>
	<u>\$ 5,473,896</u>	<u>\$ 6,112,832</u>
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	\$ 96,376	\$ 330,483
	<u>96,376</u>	<u>330,483</u>
Shareholders' deficit		
Share capital (Note 6)	111,569,742	111,569,742
Reserves (Note 6)	1,192,622	994,069
Deficit	(107,384,844)	(106,781,462)
	<u>5,377,520</u>	<u>5,782,349</u>
	<u>\$ 5,473,896</u>	<u>\$ 6,112,832</u>

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

Approved and authorized by the Board on May 27, 2021

"Chris Pennimpede"

Chris Pennimpede, President & CEO

"Randy C Turner"

Randy C. Turner, Director

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

CANTERRA MINERALS CORPORATION

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

(Expressed in Canadian Dollars)

	Three Months Period Ended March 31 2021	Three Months Period Ended March 31 2020
Expenses		
Business development	\$ 27,511	\$ 200
Insurance	4,177	3,307
Interest	-	2,077
Legal, audit and accounting	27,291	303
Management fees (Note 5)	24,000	12,750
Office and miscellaneous	5,829	466
Regulatory and transfer agent fees	26,568	516
Rent (Note 5)	4,500	4,500
Share-based compensation (Note 6)	198,553	-
Wages and benefits	19,502	2,250
Exploration expenditures (Note 4)	265,451	-
	<u>(603,382)</u>	<u>(26,369)</u>
Interest income	-	10
Unrealized gain on marketable securities	-	172
	<u>-</u>	<u>182</u>
Loss and comprehensive loss for the period	\$ <u>(603,382)</u>	\$ <u>(26,187)</u>
Basic and diluted loss per common share	\$ <u>(0.01)</u>	\$ <u>(0.00)</u>
Weighted average number of common shares outstanding	52,655,372	8,986,487

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

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

	Three Months Period Ended March 31 2021	Three Months Period Ended March 31 2020
Cash flows used in operating activities		
Loss for the period	\$ (603,382)	\$ (26,187)
Items not affecting cash:		
Share-based compensation (Note 6c)	198,553	-
Unrealized gain on marketable securities	-	(172)
Accrued interest on related party loan	-	2,077
Gain on sale of mineral property	-	-
Changes in non-cash working capital items:		
(Increase)/decrease in receivables	(27,010)	338
Decrease in prepaid expenses	4,177	3,307
Decrease in accounts payable and accrued liabilities	(234,107)	(5,869)
Net cash used in operating activities	<u>(661,769)</u>	<u>(26,506)</u>
Cash flows used investing activities		
Acquisition of mineral properties	<u>(1,183)</u>	-
Net cash used in investing activities	<u>(1,183)</u>	-
Cash flows from financing activities		
Proceeds received from related party (Note 5)	<u>-</u>	<u>20,000</u>
Net cash provided by investing activities	<u>-</u>	<u>20,000</u>
Change in cash during the period	(662,952)	(6,506)
Cash, beginning of the period	<u>3,853,927</u>	<u>10,300</u>
Cash, end of the period	<u>\$ <u>3,190,975</u></u>	<u>\$ <u>3,794</u></u>

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CANTERRA MINERALS CORPORATION**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (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, 2019	8,986,492	\$ 106,149,846	\$ 47,640	\$ (106,500,659)	\$ (303,173)
Reserves transferred on expired options (Note 6c)	-	-	(9,707)	9,707	-
Loss for the period	-	-	-	(26,187)	(26,187)
Balance, March 31, 2020	8,986,492	\$ 106,149,846	\$ 37,933	\$ (106,517,139)	\$ (329,360)
Issued on private placements	31,150,000	3,578,336	371,164	-	3,949,500
Issued for debt	2,841,530	426,230	-	-	426,230
Issued for subsidiary acquisition	9,677,250	1,451,588	590,946	-	2,042,534
Share issuance costs	-	(36,258)	-	-	(36,258)
Reserves transferred on expired options (Note 6c)	-	-	(5,974)	5,974	-
Loss for the period	-	-	-	(270,297)	(270,297)
Balance, December 31, 2020	52,655,272	\$ 111,569,742	\$ 994,069	\$ (106,781,462)	\$ 5,782,349
Share-based compensation (Note 6c)	-	-	198,553	-	198,553
Loss for the period	-	-	-	(603,382)	(603,382)
Balance, March 31, 2021	<u>52,655,272</u>	<u>\$ 111,569,742</u>	<u>\$ 1,192,622</u>	<u>\$ (107,384,844)</u>	<u>\$ 5,377,520</u>

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

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2021 (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 580 – 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6. The Company’s registered and records office is 2200 – 885 W Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8.

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.

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, 2020.

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, 2020 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 FINANCIAL STATEMENTS

For the three months ended March 31, 2021 (Expressed in Canadian Dollars)

3. MARKETABLE SECURITIES

As at March 31, 2021 the Company holds the following common shares of public companies listed on the TSX Venture Exchange:

	March 31, 2021		December 31, 2020	
	# of shares	Value	# of shares	Value
Margaret Lake Diamonds Inc.	34,500	1,035	34,500	1,035
		\$ 1,035		\$ 1,035

4. MINERAL PROPERTIES

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

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

	March 31, 2021	December 31, 2020
Newfoundland, Canada		
Wilding Lake	\$ 2,226,686	\$ 2,225,503
<i>Under option agreement from Altius Resources Inc.¹</i>		
Northwest Territories, Canada		
Marlin Property	-	-
<i>A 100% interest.</i>		
Alberta, Canada		
Buffalo Hills Property	-	-
<i>A 33% interest. During fiscal 2013, the Company wrote-down acquisition costs of \$8,278,519 associated with this property.</i>		
Total Mineral Properties	\$ 2,226,686	\$ 2,225,503

Newfoundland, Canada

On December 17, 2020, the Company acquired Teton Opportunities Inc. ("Teton"), a private company incorporated under the laws of British Columbia, Canada who holds an option agreement with Altius Resources Inc. ("Altius") for the Wilding Lake Project ("Wilding Lake") located in the Province of Newfoundland, Canada. The total purchase price of \$2,042,533 was effected by way of share exchange whereby Canterra issued 9,677,250 Canterra shares and 4,398,750 Canterra warrants in exchange for all the issued and outstanding securities held by Teton shareholders. In accordance with the terms of the Wilding Lake option agreement, the Company is required to:

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2021 (Expressed in Canadian Dollars)

4. MINERAL PROPERTIES (continued)

- Issue Altius 12,500,000 Teton shares and warrants to acquire a further 6,250,000 Teton shares (issued on December 16, 2020 by Teton prior to acquisition);
- Complete a minimum financing for gross proceeds of \$2,500,000 (completed by Canterra on December 17, 2020);
- Incur cumulative exploration expenditures of at least \$1,000,000 on the property before August 27, 2022;
- and complete a transaction with a publicly listed company before December 31, 2020 (completed)

The property is subject to a 2% Net Smelter Return (“NSR”) payable to Altius and 1.5% NSR the original property owners. The Company may buyback 1% of the NSR held by the original property owners by payment of \$1,000,000.

Northwest Territories, Canada

The Company holds 100% interest in the Marlin property which have been written down to a value of \$nil in prior years.

Alberta, Canada

The Company holds a 33% interest in the Buffalo Hills property located in Alberta, Canada.

During the three months period ended March 31, 2021, the Company incurred exploration expenditures as follows:

	Geology & Geophysics	Field Sampling	Drilling	Land Use & Tenure	Data Evaluation	Safety & Reclamation	Total for the period
NEWFOUNDLAND							
Wilding Lake	\$ 7,484	\$ -	\$ 211,543	\$ 1,389	\$ 41,272	\$ 2,859	\$ 264,547
ALBERTA							
Buffalo Hills	-	-	-	904	-	-	904
	<u>\$ 7,484</u>	<u>\$ -</u>	<u>\$ 211,543</u>	<u>\$ 2,293</u>	<u>\$ 41,272</u>	<u>\$ 2,859</u>	<u>\$ 265,451</u>

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

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2021 (Expressed in Canadian Dollars)

5. RELATED PARTY TRANSACTIONS

These consolidated financial statements also include the Company's wholly owned subsidiaries, Teton Opportunities Inc. ("Teton"), Triex Minerals Corporation and Triex Minerals (US) Inc.

Key Management Personnel

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

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

	Three months period ended March 31, 2021	Three months period ended March 31, 2020
Management fees	\$ 38,000	\$ 12,750
Share-based compensation	208,345	-
Total	\$ 246,345	\$ 12,750

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

	Three months period ended March 31, 2021	Three months period ended March 31, 2020
Rent	\$ 4,500	\$ 4,500
Accounting, investor relations & geology	8,425	2,250
Total	\$ 12,925	\$ 6,750

Included in accounts payable and accrued liabilities at March 31, 2021 is \$52,508 (December 31, 2020 - \$69,681) due to companies with common directors and/or officers. During the three months ended March 31, 2021, the Company did not receive any advances (March 31, 2020 - \$20,000) from Rand Exploration Ltd ("Rand Explorations").

On December 31, 2019, the Company entered into an unsecured loan agreement with Rand Explorations Ltd. ("Rand Explorations") to acknowledge the advances Rand Exploration has provided to the Company. The principal amount of \$155,000 was recognized with simple interest accruing at a rate of 5% maturing in December 2024. The outstanding principle and interest was resolved with a debt settlement agreement between Rand Explorations Ltd. and Canterra on December 17, 2020.

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2021 (Expressed in Canadian Dollars)

6. SHARE CAPITAL AND RESERVES

a) Authorized share capital

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

b) Issued share capital

The Company did not issue any common shares during the three months period ended March 31, 2021 or the comparative period in 2020.

On July 22, 2020, the Company completed a 10:1 share consolidation.

On December 17, 2020, the Company issued 21,150,000 flow-through common shares at \$0.13 per share and 10,000,000 common shares at \$0.12 per unit in connection with a private placement financing on December 17, 2020, for aggregate proceeds of \$3,949,500. Each unit is comprised of one common share and one half of a common share purchase warrant, with each whole warrant exercisable to acquire one common share at a price of \$0.24 for a period of 24 months from December 17, 2020. A value of \$371,164 was assigned to the private placement warrants using the residual value method.

On December 17, 2020, the Company issued 9,677,250 common shares and 4,398,750 share purchase warrants to acquire Teton (Note 4). Each warrant is exercisable to acquire one common share at a price of \$0.24 for a period of 24 months from December 17, 2020. A value of \$590,946 was assigned to the warrants using the Black Scholes pricing method with the following assumptions:

Risk-free interest rate	0.24%
Expected life of options	2 years
Annualized volatility	244.96%
Weighted average FV	\$ 0.15
Expected dividend rate	0%

On December 17, 2020, the Company and Rand Explorations Ltd., a company with common directors and/or officer, entered into a debt settlement agreement whereby the Company issued 2,841,530 common shares valued at \$426,230 to settle \$340,985 of outstanding debt. In connection with the debt settlement, a loss of \$85,245 was recognized.

c) Stock options

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

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2021 (Expressed in Canadian Dollars)

6. SHARE CAPITAL AND RESERVES (continued)

As at March 31, 2021, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Number of Shares	Exercise Price	Expiry Date
107,000	\$0.80	May 2, 2021
2,382,500	\$0.34	March 19, 2026
2,489,500		

Stock option transactions are summarized as follows:

	March 31, 2021		December 31, 2020	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of the period	107,000	\$ 0.80	107,000	\$0.80
Granted	2,382,500	\$0.34	-	-
Balance, end of the period	2,489,500	\$0.36	107,000	\$0.80
Options exercisable, end of the period	2,489,500	\$0.36	107,000	\$0.80

For the three months ended March 31, 2021, total share-based compensation expense was \$198,553 (March 31, 2020: \$nil), which was recognized as share-based payments expense in the period.

d) Warrants

As at March 31, 2021, the Company had outstanding share purchase warrants, enabling the holders to acquire further common shares as follows:

Number of Warrants	Exercise Price	Expiry Date
4,398,750	\$0.24	December 17, 2022
5,000,000	\$0.24	December 17, 2022
9,398,750		

Share purchase warrant transactions were as follows:

	March 31, 2021		December 31, 2020	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of the period	9,398,750	\$ 0.24	-	\$ -
Issued	-	-	9,398,750	0.24
Balance, end of the period	9,398,750	0.24	9,398,750	0.24
Warrants exercisable, end of the period	9,398,750	\$ 0.24	9,398,750	\$ 0.24

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2021 (Expressed in Canadian Dollars)

7. SUBSEQUENT EVENTS

On April 15, 2021, the Company entered into an option agreement with Sokoman Minerals Corp. ("Sokoman") to acquire 100% of the East Alder gold project ("East Alder") located immediately northeast of the Company's Wilding Gold Project in central Newfoundland. The Company can acquire 100% of East Alder by issuing 750,000 common shares of the Company and work commitments totalling \$600,000 over a 4-year period. Sokoman will retain a 1.0% net smelter return royalty on East Alder with Canterra having the right to buy-down 0.5% of the royalty for \$1,000,000.

On May 2, 2021, 107,000 stock options expired unexercised.