CANTERRA MINERALS CORPORATION

MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - FORM 51-102F

For the six months ended June 30, 2021

This Management's Discussion and Analysis ("**MD&A**") reviews the activities of Canterra Minerals Corporation ("**Canterra**", or the "**Company**") and compares the financial results for the three and six months period ended June 30, 2021 ("**second quarter 2021**" and **"six months fiscal 2021"**, respectively) with the comparable period in 2020 ("**second quarter 2020**" and **"six months fiscal 2020"**, respectively). This MD&A should be read in conjunction with interim condensed consolidated financial statements for the second quarter 2021 and the audited consolidated financial statements and accompanying notes for the year ended December 31, 2020, copies of which are filed under the Company's profile on the SEDAR website, www.sedar.com.

The Company was incorporated as 580312 B.C. Ltd. in British Columbia on February 18, 1999 and adopted the name "Diamondex Resources Ltd." on March 23, 1999. The Company adopted its present name on December 9, 2009, in connection with the business combination of Diamondex and Triex Minerals Corporation ("Triex"). The Company's head office and principal address is Suite 580 – 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6. The Company's registered and records office is Suite 2200 – 885 W Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8. The Company's functional currency is the Canadian dollar.

The information in this MD&A is provided as of the date of this MD&A, August 20th, 2021 (the "**Report Date**").

DESCRIPTION AND OVERVIEW OF BUSINESS

The Company is a Canadian resource exploration company with a focus on gold exploration in Newfoundland and holding diamond properties in the Northwest Territories and Alberta.

The Company holds the Marlin property in the Northwest Territories and holds a 33% interest in the Buffalo Hills Diamond Project in Northern Alberta.

As of June 30, 2021, the Company had working capital of approximately $5.0 million. The Company's ability to continue as a going concern is dependent upon its ability to continue to raise adequate financing, monetize it marketable securities holdings and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due.

MINERAL PROJECTS

The Company's core assets are the exploration rights to its mineral properties. These rights are held by means of claims located by staking and prospecting permits or leases issued by government departments for prospecting and exploration purposes. In several instances, the mineral rights may be held under Purchase Option Agreements. Such agreements typically require the Company to make cash payments and share issuances and to incur exploration expenditures on multiyear schedules, as set forth in each agreement.

NEWFOUNDLAND

Wilding Lake Property

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:

- 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 a 1.5% NSR to the original property owners. The Company may buyback 1% of the NSR held by the original property owners by payment of $1,000,000.

The Wilding Lake Project is comprised of the Wilding Lake, Noel Paul, Crystal Lake, East Alder, Carter Lake and Intersection gold properties, totaling approximately 285 km^2, and includes 53 km of the Rogerson Lake structural corridor which runs for 200 kilometres diagonally across Newfoundland. The Rogerson Lake corridor hosts Marathon Gold's Valentine Lake project as well as the Cape Ray gold deposit owned by Matador Mining. New gold discoveries on the Wilding Lake Project and continued success at Marathon Gold's Valentine Lake project, directly southwest of Wilding Lake, indicate that the Rogerson Lake corridor is only recently emerging as a major area of gold endowment.

Gold was first discovered at the Wilding Lake Project through forestry activity in 2016. Five zones of gold mineralization were identified by a previous operator through an initial 30 hole drill campaign in 2017, with highlights including:

- 10.01 g/t Au over 5.3m in hole WL-17-24
- 40.85 g/t Au over 0.5m in hole WL-17-01
- 0.98 g/t Au over 17.0m in hole WL-17-12
- 1.44 g/t Au over 5.1m in hole WL-17-08
- 11.14 g/t Au over 0.5m in hole WL-17-03
- 0.54 g/t Au over 12.7m in hole WL-17-28

The 2017 initial drill hole program successfully demonstrated strong gold endowment at the Wilding Lake Project with gold mineralization in 27 of the 30 holes in a proximal and geologically similar setting to the Valentine Lake project to the southwest. Gold mineralization occurred in shear-related orogenic style quartz veins and quartz stockworks underneath shallow overburden in an area that has not been previously systematically explored for gold.

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.

In the first quarter of 2021, the Company completed 2,335m in 16 drill holes in its first winter drill program at Wilding. Drilling targeted the expansion of known gold mineralization in several zones, including seven holes at Elm and testing multiple targets along the 750m long Red Ochre Complex. Initial results from the winter program were announced on April 28, 2021 (the first seven drill holes at the Red Ochre Complex, which is the westernmost zone of gold mineralization identified at Wilding Lake), with the remaining results announced on May 27, 2021 (the Elm Zone and Dogberry targets).

On July 28, 2021 the Company announced that the land position at Wilding Lake had increased with the addition of the Carter Lake property. An additional 112 claims were staked along the Valentine Lake Shear Zone, which now brings the total land position to 1,088 claims in 21 Mineral Exploration Licenses.

NORTHWEST TERRITORIES

Marlin Property

In fiscal year 2014, the Company acquired the Marlin Property by staking 23 mineral claims. The Company currently maintains 10 mineral claims covering an area of approximately 13,461 ha. The property is located approximately 20 km northwest of the Gahcho Kue Project, which is being advanced by De Beers Canada and Mountain Province Diamonds Inc. The Marlin Property was staked based on the presence of anomalous indicator minerals including G10 garnets and chromites which appear to have been sourced from within the acquired claim block, as well as seven geophysical anomalies identified from a previous airborne magnetic and electromagnetic survey. Three of the remaining mineral claims expired in July 2019, with the remaining in good standing until March 2024.

ALBERTA

Buffalo Hills Property, Alberta

The Buffalo Hills Property ("Buffalo Hills") is held by the Buffalo Hills Joint Venture ("**BHJV**"), which has three participants: EnCana Corporation (34%), Star Diamond Corporation (33%) and the Company (33%). The Company is the Operator of the BHJV. Buffalo Hills is comprised of 21 mineral leases covering 4,848 ha, located in north central Alberta centered approximately 120 km northeast of Peace River and 400 km northwest of Edmonton. To date, a total of 41 kimberlites have been discovered in the region, of which 28 are diamondiferous. Kimberlite bodies range in size from 1 – 47 ha. In addition, four metallic and industrial mineral permits were staked near the main lease holdings in 2015, these permits expired in 2017. Buffalo Hills is currently on care and maintenance.

RESULTS OF OPERATIONS

For the three months ended June 30, 2021 and 2020

The net loss for the three months ended June 30, 2021 was $726,231 compared to $41,883 for the prior year's comparative period.

Expenses for the three months period ended June 30, 2021 amounted to $727,266 (June 30, 2020: $41,883). Expenditures have increased in 2021 as compared to 2020 due to the commencement of exploration at Wilding Lake, including a winter drill program. No exploration work took place in the first half of 2020.

The unrealized gain on marketable securities amounted to $1,035 (June 30, 2020: $nil).

For the six months ended June 30, 2021 and 2020

The net loss for the six months ended June 30, 2021 was $1,329,613 compared to $68,070 for the prior year's comparative period.

Expenses for the six months period ended June 30, 2021 amounted to $1,330,648 (June 30, 2020: $68,252). Expenditures increased in 2021 as compared to 2020 due to the commencement of exploration at Wilding Lake.

The unrealized gain on marketable securities amounted to $1,035 (June 30, 2020: $172).

The operating losses reflect the Company's status as non-revenue producing mineral exploration company. As the Company has no main source of income, losses are expected to continue for the foreseeable future.

Summary of Quarterly Results

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters.

Year:	**2021**	**2021**	**2020**	**2020**	**2020**	**2020**	**2019**	**2019**
Quarter Ended:	**Jun 30**	**Mar 31**	**Dec 31**	**Sep 30**	**Jun 30**	**Mar 31**	**Dec 31**	**Sep 30**
Net sales or total revenue:	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Net income (loss):								
(i) in total (000s)	$(726)	$(603)	$(199)	$(29)	$(42)	$(26)	$(64)	$(26)
(ii) per share (1)	$(0.01)	$(0.01)	$(0.03)	$(0.00)	$(0.00)	$(0.00)	$(0.00)	$(0.00)

(1) Fully diluted loss per share amounts are not shown as they would be anti-dilutive.

While the information set out in the foregoing table is mandated by *National Instrument 51-102,* it is management's view that the variations in financial results that occur from quarter to quarter are not particularly helpful in analyzing the Company's performance. It is in the nature of the business of junior exploration companies that unless they sell a mineral interest for a sum greater than the costs incurred in acquiring such interest, they have no significant net sales or total revenue.

Significant variances in the Company's reported loss from quarter to quarter most commonly arise from several factors that are difficult to anticipate in advance or to predict from past results. These factors include: (i) level of exploration and project evaluation expenses incurred, (ii) decisions to write off acquisition costs when management concludes there has been an impairment in the carrying value of a mineral property, or the property is abandoned, and (iii) the vesting of incentive stock options, which results in the recording of amounts for share-based compensation expense that can be quite large in relation to other general and administrative expenses incurred in any given quarter.

Financing Activities

During the six months ended June 30, 2021, the Company completed a non-brokered private placement and raised approximately $2.7 million and received $Nil (2020: $50,000) from Rand Explorations Ltd.

Investing Activities

During the six months ended June 30, 2021, the Company issued 250,000 common shares with a fair value of $61,250 to Sokoman Minerals Corp. pursuant to an option agreement to acquire the East Alder gold project in central Newfoundland and staked additional ground on the Wilding Lake property for $8,463. There were no investing activities during the six months ended June 30, 2020.

Off Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Transactions with Related Parties

The Company entered into the following transactions with related parties and key management personnel during the six months period ended June 30, 2021 and 2020:

Paid or accrued the following to Chris Pennimpede, the President and Chief Executive Officer of the Company:

	2021	2020
Wages & Benefits	$ 42,969	$ -
Share-based compensation	41,669	-

Paid or accrued the following to Rand Explorations Ltd. ("Rand") a company controlled by Randy Turner, the former President and Chief Executive Officer of the Company, whose term ended December 15, 2020:

	2021	2020
Consulting Fees	$ -	$ 12,750
Geological consulting fees	-	2,250
Share-based compensation	29,168	-

Paid or accrued the following to Harry Chan, the Chief Financial Officer of the Company:

	2021	2020
Consulting Fees	$ 36,000	$ 11,000
Share-based compensation	10,417	-

Paid or accrued the following to Independence Gold Corp., a company with common directors and/or officers:

	2021	2020
Rent	$ 7,180	$ 9,000
Wages, benefits and other	$ 14,250	$ 4,650

Included in accounts payable and accrued liabilities as at June 30, 2021 is $50,605 (December 31, 2020 - $69,681) due to companies with common directors and/or officers. During the six months ended June 30, 2021, the Company received $Nil (June 30, 2020: $50,000) from Rand Explorations Ltd.

On December 31, 2019 the Company entered into an unsecured loan agreement with Rand Explorations Ltd. to acknowledge the advances Rand Exploration has provided to the Company. The principal amount of $155,000 was recognized with 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 announced on December 17, 2020.

LIQUIDITY AND CAPITAL RESOURCES

The Company has no operations that generate cash flow. The Company's future financial success will depend on the discovery of one or more economic mineral deposits. This process can take many years, can consume significant resources and is largely based on factors that are beyond the control of the Company and its management.

To date, the Company has financed its activities by the private placement of equity securities, consisting of a combination of flow-through and non-flow-through securities, option payments received on properties it has optioned to third parties, sale of marketable securities, as well as funds received from Rand Explorations. In order to continue funding exploration activities and corporate costs, exploration companies are usually reliant on their ongoing ability to raise financing through the sale of equity. This is dependent on positive investor sentiment, which in turn is influenced by a positive climate for the commodities that are being explored for, a company's track record, and the experience and caliber of a company's management. There is no assurance that equity funding will be accessible to the Company at the times and in the amounts required to fund the Company's activities.

Cash and Financial Condition

As of June 30, 2021, the Company had a working capital of $4,966,550 (December 31, 2020: $3,552,846).

On June 29, 2021, the Company completed a $2.7 million private placement financing.

On December 17, 2020, the Company completed an acquisition of a private company which held the option on the Wilding Lake property through a share exchange agreement, completed a $3.9 million private placement financing, and entered into a debt settlement agreement with Rand Explorations Ltd., a company with common directors and/or officers, whereby the Company settled an aggregate of $340,984 in outstanding debt through the issuance of an aggregate of 2,841,530 common shares with a fair value of $426,230.

The Company does not have any unused lines of credit or other arrangements in place to borrow funds and has no off-balance sheet arrangements. The Company does not use hedges or other financial derivatives.

The Company manages its liquidity risk (i.e., the risk that it will not be able to meet its obligations as they become due) by forecasting cash flows from operations together with its investing and financing activities. Expenditures are adjusted to ensure liabilities can be funded as they become due. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments.

Financial Instruments

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of earnings (loss) and comprehensive earnings (loss) in the period in which they arise.

The Company classifies its financial liabilities into one of two categories: (i) fair value through profit or loss, and (ii) other financial liabilities.

Further information regarding the Company's financial instruments is set forth in Note 3 and 13 to the consolidated audited financial statements for the year ended December 31, 2020.

<u>OUTSTANDING SECURITIES AT THE REPORT DATE</u>

As of the report date, the Company has the following securities outstanding:

Security	Number	Weighted Average Exercise Price	Expiry Date
Common Shares	66,486,272		
Warrants	16,596,680	$0.26	December 17, 2022 – June 29, 2023
Options	2,382,500	$0.34	March 19, 2026

RISK FACTORS RELATING TO THE COMPANY'S BUSINESS

As a company involved in the mineral resource exploration and development industry, the Company is exposed to a number of risks, including the financial risks associated with the fact that it has no operating cash flow and must access the capital markets to finance its activities.

Exploration is a capital intensive business activity, typically with long lead times between the date exploration expenses are incurred and the time the exploration company can derive a profit from such investments. As a consequence, junior exploration companies such as Canterra are very reliant upon accessing the equity markets, as they are not generally in a position to generate cash flow internally. Share prices of companies in the junior exploration sector can be quite volatile and at times there can be a lack of liquidity, if trading volumes decrease to very low levels.

Negotiations with First Nations' and or aboriginal groups can add an additional layer of risk and uncertainty to efforts of exploration and development of mineral deposits in many areas of Canada. The nature and extent of First Nations and or aboriginal rights and title remains the subject of active debate, claims and litigation in Canada, including with respect to intergovernmental relations between First Nation and or aboriginal authorities and federal, provincial and territorial authorities. There can be no guarantee that such claims will not cause permitting delays, or additional costs for the Company's interest in Canada.

There can be no assurances the Company will continue to be able to access the capital markets for the funding necessary to acquire and maintain exploration properties and to carry out its desired exploration programs. The Company may need to further reduce activities if funding is unavailable when required. In addition to this having an impact on its wholly-owned projects, the Company could find itself in a position at a future time where it is unable to fund its share of costs incurred under joint venture agreements or meet earn-in requirements under purchase options agreements to which it is a party and its interest or right to the underlying property interest could be reduced or eliminated as a result.
The Company is very reliant upon its existing management and if the services of such personnel were withdrawn for any reason, this could have a material adverse impact on the Company's operating activities.

There is intense competition within the minerals industry to acquire properties of merit and the Company competes with other companies possessing greater technical and financial resources than itself. Even if desirable properties are secured, there can be no assurances that the Company will be able to execute its exploration programs on its proposed schedules and within its cost estimates, whether due to weather conditions in the areas where it operates, increasingly stringent environmental regulations and other permitting restrictions, or other factors related to exploring in areas that lack infrastructure and where essential supplies and services may not be readily available.

Ultimately, even if the Company is successful in identifying mineral resources on its properties, the economics of potential projects may be affected by many factors beyond the capacity of the Company to anticipate and control, such as the marketability of the mineral products under profitable conditions, government regulations relating to health, safety and the environment, the scale and scope of royalties and taxes on production and demands for "value added" processing within Canada of the minerals produced. One or more of these risk elements could have a material adverse impact on costs of an operation, which, if significant enough, could reduce or eliminate the profitability of a particular project.

The Company's exploration activities require permits from various governmental agencies charged with administering laws and regulations governing exploration, labour standards, occupational health and safety, control of toxic substances, waste disposal, land use, environmental protection and other matters. Failure to comply with laws, regulations and permit conditions could result in fines and/or stop work orders, costs for conducting remedial actions and other expenses. In addition, legislated changes to existing laws and regulations could result in significant additional costs to comply with the revised terms and could also result in delays in executing planned programs pending compliance with those terms.

COVID-19 global pandemic

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effect on the Company's business or ability to raise funds.

FORWARD LOOKING INFORMATION

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the British Columbia Securities Act, the Alberta Securities Act and the Ontario Securities Act. This includes statements concerning the Company's plans at its mineral properties, which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, the ability of the Company to continue to be able to access the capital markets for the funding necessary to acquire and maintain exploration properties and to carry out its desired exploration programs; inability to fund the Company's share of costs incurred under joint venture agreements or meet the earn-in requirements under purchase options agreements to which it is a party, and reduction or elimination of its interest in the underlying mineral property as a result; competition within the minerals industry to acquire properties of merit, and competition from other companies possessing greater technical and financial resources; difficulties in executing exploration programs on the Company's proposed schedules and within its cost estimates, whether due to weather conditions in the areas where it operates, increasingly stringent environmental regulations and other permitting restrictions, or other factors related to exploring in the north, such as the availability of essential supplies and services; factors beyond the capacity of the Company to anticipate and control, such as the marketability of diamonds, government regulations relating to health, safety and the environment, the scale and scope of royalties and taxes on production, and demands for "value added" processing of rough diamonds; unusually mild winter conditions affecting or delaying the opening of the winter roads and resulting difficulties in transporting materials needed to support various exploration projects and resulting increased costs of transport by air; the availability of experienced contractors and professional staff to perform work in a competitive environment and the resulting adverse impact on costs and performance and other risks and uncertainties, including those described in each management's discussion and analysis of financial condition and results of operations. In addition, forward-looking information is based on various assumptions including, without limitation, assumptions associated with exploration results and costs and the availability of materials and skilled labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.