

Canterra Minerals Signs Definitive Asset Purchase Agreement to Acquire a Strategic Land Position in Central Newfoundland that includes VMS Deposits hosting 175,000 Indicated and 40,000 Inferred Gold Ounces

Vancouver, B.C. (October 4, 2021) – Canterra Minerals Corporation (TSXV:CTM) (OTCQB: CTMCF) (“Canterra” or the “Company”) is pleased to announce that it has entered into an asset purchase agreement (the “Agreement”) with NorZinc Ltd. (“NorZinc”) and its affiliate NorZinc-Newfoundland Ltd. to acquire the mineral rights to four projects in central Newfoundland, adding 127km² to Canterra’s central Newfoundland property position.

Of these four projects, three contain mineral resource estimates prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”), and two contain grades greater than 1.0 grams per tonne (“g/t”) gold (“Au”). Following the completion of this transaction, the Company’s total property position in the central Newfoundland gold belt will be approximately 412km², allowing for expansion of exploration efforts across the central Newfoundland gold district. The Company will begin targeting work on the properties following completion of the Fall 2021 drilling program, which is currently underway at the Company’s Wilding Property.

Highlights:

- Underexplored property package in prolific volcanogenic massive sulfide (“VMS”) district, which hosts the past producing Duck Pond Mine (Teck Resources) and Buchans Mine (ASARCO)
- Strong average gold grades greater than 1.0 g/t at the Lemarchant and Boomerang deposits
- VMS systems defined on all projects with significant expansion potential and numerous untested targets

Table 1 - Mineral Resource Estimates at Various Effective Dates

Deposit	Category	Tonnes	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)	Cu (%)
Lemarchant ⁽¹⁾	Indicated	2,420,000	1.22	64.00	6.15	1.60	0.68
	Inferred	560,000	1.06	44.70	4.68	1.08	0.45
Boomerang ⁽²⁾	Indicated	1,364,600	1.66	110.43	7.09	3.00	0.51
	Inferred	278,100	1.29	96.53	6.72	2.88	0.44
Domino ⁽²⁾	Inferred	411,200	0.60	94.00	6.30	2.80	0.40
Long Lake ⁽³⁾	Indicated	407,000	0.57	49.00	7.82	1.58	0.97
	Inferred	78,000	0.48	34.00	5.77	1.24	0.70
			Au (K oz)	Ag (M oz)	Zn (M lbs)	Pb (M lbs)	Cu (M lbs)
Total Indicated			175	10	611	189	60
Total Inferred			40	2	166	58	13

- (1) Based on a 4.0% ZnEq Cutoff from the technical report entitled “NI 43-101 Technical Report and Updated Mineral Resource Estimate on the Lemarchant Deposit South Tally Pond Property, Central Newfoundland, Canada” prepared for NorZinc Ltd., Report Date: October 22, 2018, Effective Date: September 20, 2018, as prepared by Michael Cullen, P.Geol., Matthew Harrington, P.Geol. and Michael J. Vande Guchte, P.Geol. All figures have been rounded to reflect the relative accuracy of the estimates.
- (2) Based on a 1.0% Zn Cutoff from the technical report entitled “Messina Minerals Inc.: Tulks South Property, Central Newfoundland, Canada Technical Report” prepared for Messina Minerals Inc., Report Date: August, 2007, as prepared by Snowden. All figures have been rounded to reflect the relative accuracy of the estimates.
- (3) Based on a 7.0% ZnEq Cutoff from the technical report entitled “Independent Technical Report for the Main Zone of the Long Lake Volcanic Massive Sulphide Project, Newfoundland and Labrador, Canada” prepared for Messina Minerals Inc., Report Date: April 16, 2012, Effective Date: March 13, 2012, as prepared by SRK Consulting (Canada) Inc. All figures have been rounded to reflect the relative accuracy of the estimates.

Chris Pennimpede, CEO & President of Canterra, commented “Canterra’s goal is to find mineral deposits in central Newfoundland. Purchasing these four assets from NorZinc will bolster our mineral rights position in the central Newfoundland corridor and will provide further opportunity to make a major discovery in the belt. Our current property position around the former Duck Pond Mine has provided us with VMS exploration opportunities in addition to our already established orogenic gold deposit opportunities. These new acquisitions further that VMS exploration potential. As the age-old industry saying goes, “the best place to look for deposits/mines is next to deposits/mines”; Canterra will now be positioned next to Marathon’s Valentine Lake Deposits, Teck’s Duck Pond Mine and will have a suite of deposits with significant exploration upside. With \$4.5M in cash, and a 412km² land position covering mineral rights encompassing existing deposits, we expect to be well positioned to make the next mineral discovery in central Newfoundland.”

The four properties to be acquired pursuant to the Agreement are the South Tally Pond property (hosting the Lemarchant deposit), the Tulks South property (hosting the Boomerang-Domino and Tulks East deposits), the Long Lake property (hosting the Long Lake “Main Zone” deposit) and the Victoria Mine property (host to a historical copper mine) (collectively, the “Properties”). The location of the Properties are shown on the map below:

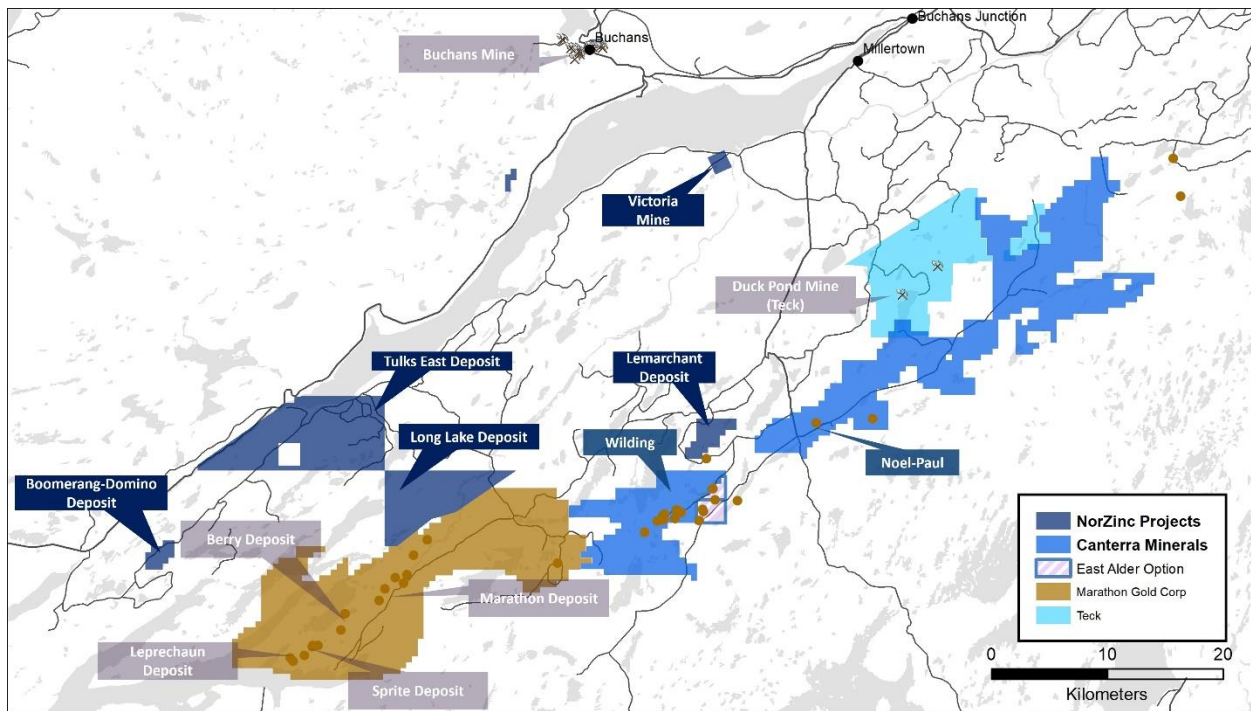


Figure 1 - Location of NorZinc Properties

South Tally Pond Project

The South Tally Pond property covers 9km² and is located ~ 20 km southwest of the past-producing Duck Pond Mine (operated by Teck Resources between 2007 and 2016), and is underlain by the volcano-sedimentary Victoria Lake Supergroup. The project contains the Lemarchant deposit, a VMS deposit within a 4km long, 700m wide sequence of altered volcanic rocks, similar to the Duck Pond Mine deposit. The Lemarchant deposit contains >1 g/t Au in both the indicated and inferred categories, with an estimated indicated mineral resource of 2,420,000 tonnes at a gold grade of 1.22 g/t giving ~95,000 oz Au (Table 2).

Table 2: Lemarchant Deposit Mineral Resource Estimate at 4.0% Zn Eq. Cutoff (Effective September 20, 2018)⁽¹⁾⁽²⁾

Category	Tonnes	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)	Cu (%)
Indicated	2,420,000	1.22	64.04	6.15	1.60	0.68
Inferred	560,000	1.06	44.67	4.68	1.08	0.45

(1) Based on a 4.0% ZnEq Cutoff from the technical report entitled “NI 43-101 Technical Report and Updated Mineral Resource Estimate on the Lemarchant Deposit South Tally Pond Property, Central Newfoundland, Canada” prepared for NorZinc Ltd., Report Date: October 22, 2018,

Effective Date: September 20, 2018, as prepared by Michael Cullen, P.Geo., Matthew Harrington, P.Geo. and Michael J. Vande Guchte, P.Geo.

- (2) Mineral resources are not mineral reserves and do not have demonstrated economic viability. Resource tonnages have been rounded to the nearest 10,000. Totals may vary due to rounding. Price assumptions used were US\$1.10/pound for zinc, US\$1.00/pound for lead, US\$3.21/pound for copper, US\$1,351/ounce for gold and US\$19/ounce for silver. Metal recoveries used were 91.46% Zn, 82.42% Pb, 79.50% Cu, 84.23% Au and 68.22% Ag.

The South Tally Pond property lies directly north of Canterra's Wilding Property, where a continuation of the gold-bearing Valentine Lake Shear Zone (VLSZ) has recently been identified and which is currently being drilled as part of Canterra's Fall drilling program.

Tulks South Project

The Tulks South project is located 48km west of the Duck Pond Mill complex (78km by road) and is comprised of mineral licences and a mining lease totaling 76km². The Tulks South project contains the Boomerang-Domino deposits which have a 2007 mineral resource estimate (Table 3). In addition, the project contains the Hurricane lens that is not included in the mineral resource estimate. Drill programs in 2014 and 2017 have expanded the known mineralization at Hurricane and Boomerang. The Boomerang-Domino deposits contain significant gold and silver, with ~73,000 ounces ("oz") of gold contained in the Indicated category at a grade of 1.66 g/t Au.

Table 3: 2007 Boomerang Domino Mineral Resource Estimate at 1% Zn Cut-off⁽¹⁾⁽²⁾

Deposit	Category	Tonnes	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)	Cu (%)
Boomerang	Indicated	1,364,600	1.66	110.2	7.07	3.00	0.51
	Inferred	278,100	1.29	96.5	6.72	2.88	0.44
Domino	Inferred	411,200	0.60	94.0	6.30	2.80	0.40

(1) Based on a 1.0% Zn Cutoff from the technical report entitled "Messina Minerals Inc.: Tulks South Property, Central Newfoundland, Canada Technical Report" prepared for Messina Minerals Inc., Report Date: August, 2007, as prepared by Snowden.

(2) Mineral resources are not mineral reserves and do not have demonstrated economic viability.

In addition to the Boomerang-Domino Deposit, the Tulks South Project contains the Tulks East Deposit, on which 118 drillholes (totaling 24,000m) have been drilled, and that contains a historical mineral resource estimate.

Long Lake Project

The Long Lake project lies 50 km southwest of the Duck Pond mine (90 km by road) and covers 40km², located immediately to the north of Marathon Gold's Victory Deposit. The Long Lake project is underlain by the volcanic Tulks Hill Group (Victoria Lake Supergroup) and contains the Long Lake "Main Zone" VMS deposit, hosted on the limb of an isoclinal syncline. The results of a 2012 Mineral Resource Estimate ("MRE") for the Main Zone are shown below (Table 4), and mineralization has been extended by 2014 drilling (not included in the MRE).

Table 4: 2012 Long Lake Deposit Mineral Resource Estimate at 7.0% ZnEq. Cutoff (Effective March 13, 2012)⁽¹⁾⁽²⁾

Category	Tonnes	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)	Cu (%)
Indicated	407,000	0.57	49.0	7.82	1.58	0.97
Inferred	78,000	0.48	34.0	5.77	1.24	0.70

(1) Based on a 7.0% ZnEq Cutoff from the technical report entitled "Independent Technical Report for the Main Zone of the Long Lake Volcanic Massive Sulphide Project, Newfoundland and Labrador, Canada" prepared for Messina Minerals Inc., Report Date: April 16, 2012, Effective Date: March 13, 2012, as prepared by SRK Consulting (Canada) Inc.

(2) Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures have been rounded to reflect the relative accuracy of the estimates. Reported at a cut-off of 7.00 percent zinc equivalent based on an underground mining scenario, metallurgical recoveries of 80 percent zinc, 40 percent copper, 70 percent lead and 50 percent silver. Gold grades were not used in the metal equivalent calculation. Metal price assumptions of US\$1.00/pound for zinc, US\$4.00/pound for copper, US\$1.20/pound for lead and US\$40.00/troy ounce silver.

Victoria Mine

The Victoria Mine property includes a copper mine operated around the turn of the nineteenth century, which was explored by both Noranda in the 1990s and Celtic Minerals Ltd. between 1999 and 2007.

Terms of the Agreement

The Agreement provides for the acquisition of the Properties for \$250,000 in cash and 6,625,000 common shares (the "Consideration Shares") of Canterra (the "Acquisition"), representing an approximate 9.1% ownership interest,

together representing a total consideration value of approximately \$2,237,500 based on a closing price of \$0.30 per share.

The Consideration Shares issued to NorZinc will be subject to contractual lock-up requirements pursuant to which, except in certain circumstances, 3,000,000 Consideration Shares may not be transferred until the date that is six months following closing and the remaining 3,625,000 Consideration Shares may not be transferred until the date that is 12 months following closing. The Consideration Shares will also be subject to a statutory hold period expiring four months and one day from the closing.

Completion of the Acquisition is expected to occur in mid-November 2021 and remains subject to customary conditions for transactions of this nature, including third party consents and waivers, and the acceptance of the Acquisition by the TSX Venture Exchange.

About Canterra Minerals

Canterra is earning a 100% interest in the Wilding and Noel Paul Gold Projects, located 50km south, by logging road, from Millertown and directly northeast of Marathon Gold's Valentine Lake Gold Project in Central Newfoundland. The 285km² property package includes 50km of the northeastern strike-extension of the Rogerson Lake Structural Corridor, which hosts Marathon Gold's Valentine Lake deposits, Matador Mining's Cape Ray deposit, Sokoman's Moosehead discovery and TRU Precious Metals' Golden Rose and Twilight discoveries. A \$2.75 million exploration program is underway, focusing on drilling and surface exploration on the Wilding Gold Project. This program will include additional diamond drilling on the existing zones and follow up trenching and diamond drilling on numerous targets identified from previous soil geochemistry sampling. Canterra's team has more than 100 years of experience searching for gold and diamonds in Canada and has been involved in the discovery of the Snap Lake diamond mine, in addition to the discovery of the Blackwater Gold deposit in British Columbia, Canada.

The scientific and technical information contained in this news release was reviewed and approved by Christopher Pennimpe, P.Geo., President & CEO of Canterra. Mr. Pennimpe is a Qualified Person as defined by NI 43-101.

ON BEHALF OF THE BOARD OF CANTERRA MINERALS CORPORATION

Chris Pennimpe
President & CEO

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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Note Regarding Forward-Looking Information

This news release contains statements that constitute "forward-looking information" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release, and include statements with respect to the anticipated timing for closing of the Acquisition, statements with respect to the estimates of mineral resources on the properties to be acquired by the Company, statements with respect to the Company having a suite of deposits with significant exploration upside and statements with respect to the Company's expectation to be well positioned to make that next mineral discovery in central Newfoundland. Any statement that discusses predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. Consequently, there can be no assurances that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Except to the extent required by applicable securities laws and the policies of the TSX Venture Exchange, the Company undertakes no obligation to update these forward-looking statements if management's beliefs, estimates or opinions, or other factors, should change. Factors that could cause future results to differ materially from those anticipated in these forward-looking statements include risks associated with the failure to complete the terms of the Agreement, possible accidents and other risks associated with mineral exploration operations,

the risk that the Company will encounter unanticipated geological factors, the possibility that the Company may not be able to secure permitting and other governmental clearances necessary to carry out the Company's exploration plans, the risk that the Company will not be able to raise sufficient funds to carry out its business plans, and the risk of political uncertainties and regulatory or legal changes that might interfere with the Company's business and prospects.; the business and operations of the Company; unprecedented market and economic risks associated with current unprecedented market and economic circumstances due to the COVID-19 pandemic, as well as those risks and uncertainties identified and reported in the Company's public filings under its SEDAR profile at www.sedar.com. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward-looking statements or otherwise.