



CANTERRA

MINERALS CORPORATION

TSX-V: CTM

Condensed Consolidated Interim Financial Statements

For the Three Months Ended

March 31, 2022

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>2022</u>	<u>December 31</u> <u>2021</u>
ASSETS		
Current		
Cash	\$ 2,429,825	\$ 3,059,252
Marketable securities (Note 3)	863	897
Receivables	241,931	214,274
Prepaid expenses	14,245	37,848
	<u>2,686,864</u>	<u>3,312,271</u>
Land use deposits	4,000	4,000
Mineral Properties (Note 4)	<u>4,332,783</u>	<u>4,332,783</u>
	<u>\$ 7,023,647</u>	<u>\$ 7,649,054</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	\$ 214,420	\$ 273,882
Deferred flow-through premium (Note 6)	74,257	109,757
	<u>288,677</u>	<u>383,639</u>
Shareholders' equity		
Share capital (Note 6)	115,836,402	115,838,245
Reserves (Note 6)	3,040,804	2,932,874
Deficit	(112,142,236)	(111,505,704)
	<u>6,734,970</u>	<u>7,265,415</u>
	<u>\$ 7,023,647</u>	<u>\$ 7,649,054</u>

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

Approved and authorized by the Board on May 19, 2022

"Cooper Quinn"

Cooper Quinn, President

"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 Ended March 31 2022	Three Months Ended March 31 2021
Expenses		
Business development	\$ 35,534	\$ 27,511
Insurance	5,103	4,177
Legal, audit and accounting	12,936	27,291
Consulting fees (Note 5)	24,000	24,000
Office and miscellaneous	2,736	5,829
Regulatory and transfer agent fees	33,928	26,568
Rent (Note 5)	4,020	4,500
Share-based compensation (Note 6)	107,930	198,553
Wages and benefits	90,814	19,502
Exploration expenditures (Note 4)	354,998	265,451
	<u>(671,999)</u>	<u>(603,382)</u>
Interest income	2	-
Flow-through premium	35,500	-
Unrealized loss on marketable securities	(35)	-
	<u>35,467</u>	<u>-</u>
Loss and comprehensive loss for the period	\$ <u>(636,532)</u>	\$ <u>(603,382)</u>
Basic and diluted loss per common share	\$ <u>(0.01)</u>	\$ <u>(0.01)</u>
Weighted average number of common shares outstanding	76,803,772	52,655,372

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

CANTERRA MINERALS CORPORATION

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (Unaudited)

(Expressed in Canadian Dollars)

	Three Months Ended March 31 2022	Three Months Ended March 31 2021
Cash flows used in operating activities		
Loss for the period	\$ (636,532)	\$ (603,382)
Items not affecting cash:		
Share-based compensation (Note 6c)	107,930	198,553
Unrealized loss on marketable securities	35	-
Flow-through premium	-	-
Changes in non-cash working capital items:		
(Increase)/decrease in receivables	(27,657)	(27,010)
Decrease in prepaid expenses	23,603	4,177
Decrease in accounts payable and accrued liabilities	(59,463)	(234,107)
Net cash used in operating activities	<u>(627,584)</u>	<u>(661,769)</u>
Cash flows used investing activities		
Acquisition of mineral properties	-	(1,183)
Net cash used in investing activities	<u>-</u>	<u>(1,183)</u>
Cash flows used financing activities		
Share issuance costs	(1,843)	-
Net cash used in financing activities	<u>(1,843)</u>	<u>-</u>
Change in cash during the period	(629,427)	(662,952)
Cash, beginning of the period	<u>3,059,252</u>	<u>3,853,927</u>
Cash, end of the period	\$ <u><u>2,429,825</u></u>	\$ <u><u>3,190,975</u></u>

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

CANTERRA MINERALS CORPORATION**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)**

(Expressed in Canadian Dollars)

	<u>Share Capital</u>				
	<u>Number</u>	<u>Amount</u>	<u>Reserves</u>	<u>Deficit</u>	<u>Total</u>
Balance, December 31, 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	52,655,272	\$ 111,569,742	\$ 1,192,622	\$ (107,384,844)	\$ 5,377,520
Issued on private placements	17,273,500	2,943,685	880,265	-	3,823,950
Issued for mineral properties	6,875,000	1,850,000	-	-	1,850,000
Flow-through premium	-	(110,775)	-	-	(110,775)
Share issuance costs	-	(414,407)	141,792	-	(272,615)
Share-based compensation	-	-	792,656	-	792,656
Reserves transferred on expired options (Note 6c)	-	-	(74,461)	74,461	-
Loss for the period	-	-	-	(4,195,321)	(4,195,321)
Balance, December 31, 2021	76,803,772	\$ 115,838,245	\$ 2,932,874	\$ (111,505,704)	\$ 7,265,415
Share issuance costs	-	(1,843)	-	-	(1,843)
Share-based compensation (Note 6c)	-	-	107,930	-	107,930
Loss for the period	-	-	-	(636,532)	(636,532)
Balance, March 31, 2022	<u>76,803,772</u>	<u>\$ 115,836,402</u>	<u>\$ 3,040,804</u>	<u>\$ (112,142,236)</u>	<u>\$ 6,734,970</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, 2022 (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 condensed consolidated interim financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred ongoing losses and has no source of recurring revenue. These 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 condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34, “Interim Financial Reporting” on a basis consistent with the accounting policies disclosed in the audited consolidated financial statements for the fiscal year ended December 31, 2021.

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, 2021 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, 2022 (Expressed in Canadian Dollars)

3. MARKETABLE SECURITIES

As at March 31, 2022 the Company holds the following common shares of public companies listed on the TSX Venture Exchange:

	March 31, 2022		December 31, 2021	
	# of shares	Value	# of shares	Value
Margaret Lake Diamonds Inc.	3,450	863	3,450	897
		\$ 863		\$ 897

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, 2022	December 31, 2021
Newfoundland, Canada		
Wilding Lake	\$ 2,258,688	2,258,688
<i>Under option agreement from Altius Resources Inc.¹</i>		
VMS Projects	2,038,750	\$ 2,038,750
<i>A 100% interest.</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	\$ 4,332,783	\$ 4,332,783

Newfoundland, Canada

On December 17, 2020, the Company acquired Teton Opportunities Inc. ("Teton"), a private company incorporated under the laws of British Columbia, Canada which held 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

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2022 (Expressed in Canadian Dollars)

4. MINERAL PROPERTIES (continued)

shareholders. Teton is now a wholly owned subsidiary of the Company and the Company satisfied the option agreement to own 100% of the property. The property is subject to a 2% Net Smelter Return (“NSR”) payable to Altius and 1.5% NSR payable 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.

On November 15, 2021, the Company completed the previously announced acquisition of mineral rights to four resource staged projects in central Newfoundland, adding 67 km² to the Newfoundland property position. The projects were acquired from NorZinc Ltd. and its affiliate NorZinc-Newfoundland Ltd. (“NorZinc”) for \$250,000 in cash and 6,625,000 common shares valued at \$1,788,750.

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 32.93% interest in the Buffalo Hills property located in Alberta, Canada.

During the three months ended March 31, 2022, the Company incurred exploration expenditures as follows:

	Geology & Geophysics	Field Sampling	Drilling	Land Use & Tenure	Data Evaluation	Safety & Reclamation	Recoveries	Total for the period
NEWFOUNDLAND								
Wilding Lake	\$ 73,027	\$ 2,362	\$ 154,758	\$ 16,666	\$ 35,227	\$ -	-	\$ 282,040
Noel-Paul	1,690	1,542	-	4,242	6,061	-	-	13,535
VMS Projects	-	-	-	65,893	-	-	-	65,893
ALBERTA								
Buffalo Hills	-	-	-	-	-	-	(6,470)	(6,470)
	\$ 74,717	\$ 3,904	\$ 154,758	\$ 86,801	\$ 41,288	\$ -	\$ (6,470)	\$ 354,998

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

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

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2022 (Expressed in Canadian Dollars)

5. RELATED PARTY TRANSACTIONS

These condensed consolidated interim financial statements also include the Company's wholly owned subsidiary, Teton Opportunities Inc. ("Teton").

Key Management Personnel and Directors

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 ended March 31, 2022	Three months ended March 31, 2021
Consulting fees	\$ 18,000	\$ 18,000
Wages & Benefits	52,249	20,000
Share-based compensation	80,210	208,345
Total	\$ 150,459	\$ 246,345

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

	Three months ended March 31, 2022	Three months ended March 31, 2021
Rent	\$ 4,020	\$ 4,500
Accounting, investor relations & geology	13,600	8,425
Total	\$ 17,620	\$ 12,925

Included in accounts payable and accrued liabilities at March 31, 2022 is \$68,800 (December 31, 2021 - \$51,596) due to companies with common directors and/or officers.

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2022 (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, 2022, or the comparative period in 2021.

On December 24, 2021, the Company issued 3,692,500 flow-through common shares at \$0.30 per share in connection with a private placement financing for aggregate proceeds of \$1,107,750 and paid \$51,240 in finders fees to arm's length parties, and \$17,079 in legal fees. Also, the Company recorded a flow-through premium of \$110,775. As the Company has incurred approximately \$10,180 of exploration expenditures related to the flow-through financing, it has recognized \$1,018 of the \$110,775 flow-through premium in the consolidated statement of loss and comprehensive loss.

On November 15, 2021, the Company issued 6,625,000 common shares with a fair value of \$1,788,750 to NorZinc for mineral rights to four resource staged projects in central Newfoundland.

On June 29, 2021, the Company issued 13,581,000 units at \$0.20 per unit in connection with a private placement for total gross proceeds of \$2,716,200. Each unit consisted of one common share and one-half common share purchase warrant. Each whole share purchase warrant entitles the holder to acquire one common share at an exercise price of \$0.30 until June 29, 2023. The Company paid \$162,972 in finders fees, \$41,324 in legal fees and issued an aggregate of 407,430 finder's warrants to an arm's length party. Each finder's warrant entitles the holder to acquire one common share at an exercise price of \$0.20 until June 29, 2023. The finder's warrants issued as part of the placement have been recorded at a fair market valued at \$141,792 using the Black Scholes option pricing model.

On May 5, 2021, the Company issued 250,000 common shares to Sokoman Minerals Corp. with a fair value of \$61,250. This issuance was pursuant to an option agreement to acquire 100% of the East Alder gold project (part of the Wilding Lake Gold Project) in central Newfoundland.

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2022 (Expressed in Canadian Dollars)

6. SHARE CAPITAL AND RESERVES (continued)

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.

As at March 31, 2022, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Number of Shares	Exercise Price	Expiry Date
1,872,500	\$0.34	March 19, 2026
2,867,500	\$0.31	October 18, 2026
125,000	\$0.31	January 17, 2024
4,865,000		

Stock option transactions are summarized as follows:

	March 31, 2022		December 31, 2021	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of the period	4,740,000	\$0.32	107,000	\$0.80
Granted	125,000	0.31	5,250,000	0.32
Expired/cancelled	-	-	(617,000)	0.32
Balance, end of the period	4,865,000	\$0.32	4,740,000	\$0.32
Options exercisable, end of the period	2,838,125	\$0.32	1,653,125	\$0.32

For the three months ended March 31, 2022, total share-based compensation expense was \$91,026 (March 31, 2021 - \$198,553), which was recognized as share-based payments expense in the period.

During the three months ended March 31, 2022, the Company granted 125,000 stock options (March 31, 2021 - 2,382,500) with a fair value of \$33,807 (March 31, 2021 - \$624,201). All options are subject to vesting provisions, and \$107,930 was expensed in the three months ended March 31, 2022. The following weighted-average assumptions were used for the Black-Scholes valuation of stock options granted during the period:

	2022	2021
Risk-free interest rate	0.47%	1.23%
Expected life of options	5.0 years	5.0 years
Annualized volatility	215.0%	207.8%
Weighted average FV	\$ 0.27	\$ 0.32
Expected dividend rate	0%	0%

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2022 (Expressed in Canadian Dollars)

6. SHARE CAPITAL AND RESERVES *(continued)*

d) Warrants

As at March 31, 2022, the Company had outstanding share purchase warrants, enabling the holders to acquire further common shares as follows:

Number of Warrants	Exercise Price	Expiry Date
9,398,750	\$0.24	December 17, 2022
6,790,500	\$0.30	June 29, 2023
407,430	\$0.20	June 29, 2023
16,596,680		

Share purchase warrant transactions were as follows:

	March 31, 2022		December 31, 2021	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of the period	16,596,680	\$ 0.26	9,398,750	\$0.24
Issued	-	-	7,197,930	0.29
Balance, end of the period	16,596,680	0.26	16,596,680	0.26
Warrants exercisable, end of the period	16,596,680	\$ 0.26	16,596,680	\$ 0.26

7. SUBSEQUENT EVENTS

On April 18, 2022, the Company issued 250,000 common shares to Sokoman Minerals Corp. ("Sokoman") as part of the East Alder property agreement.

On May 12, 2022, the Company announced that the interest in the Buffalo Hills Project increased to 50%.