



CANTERRA

MINERALS CORPORATION

TSX-V: CTM

Condensed Consolidated Interim Financial Statements

For the Three Months Ended

March 31, 2023

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>2023</u>	<u>December 31</u> <u>2022</u>
ASSETS		
Current		
Cash	\$ 329,732	\$ 653,679
Marketable securities (Note 3)	69	69
Receivables	21,165	32,987
Prepaid expenses	14,570	-
	<u>365,536</u>	<u>686,735</u>
Land use deposits	4,000	4,000
Mineral Properties (Note 4)	<u>4,418,068</u>	<u>4,418,068</u>
	<u>\$ 4,787,604</u>	<u>\$ 5,108,803</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	\$ <u>686,665</u>	\$ <u>897,085</u>
	<u>686,665</u>	<u>897,085</u>
Shareholders' equity		
Share capital (Note 6)	116,267,566	116,267,566
Reserves (Note 6)	2,235,932	2,497,594
Deficit	<u>(114,402,559)</u>	<u>(114,553,442)</u>
	<u>4,100,939</u>	<u>4,211,718</u>
	<u>\$ 4,787,604</u>	<u>\$ 5,108,803</u>

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

Approved and authorized by the Board on May 29, 2023

"Chris Pennimpede"

Chris Pennimpede, CEO & Director

"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 2023	Three Months Ended March 31 2022
Expenses		
Business development	\$ 1,078	\$ 35,534
Insurance	5,219	5,103
Legal, audit and accounting	616	12,936
Consulting fees (Note 5)	18,000	24,000
Office and miscellaneous	29,560	2,736
Regulatory and transfer agent fees	8,260	33,928
Rent (Note 5)	4,020	4,020
Share-based compensation (Note 6)	-	107,930
Wages and benefits	24,937	90,814
Exploration expenditures (Note 4)	19,091	354,998
	<u>(110,781)</u>	<u>(671,999)</u>
Interest income	2	2
Flow-through premium	-	35,500
Unrealized loss on marketable securities	-	(35)
	<u>2</u>	<u>35,467</u>
Loss and comprehensive loss for the period	\$ <u>(110,779)</u>	\$ <u>(636,532)</u>
Basic and diluted loss per common share	\$ <u>(0.00)</u>	\$ <u>(0.01)</u>
Weighted average number of common shares outstanding	77,053,772	76,803,772

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 2023	Three Months Ended March 31 2022
Cash flows used in operating activities		
Loss for the period	\$ (110,779)	\$ (636,532)
Items not affecting cash:		
Share-based compensation (Note 6c)	-	107,930
Unrealized loss on marketable securities	-	35
Changes in non-cash working capital items:		
(Increase)/decrease in receivables	11,822	(27,657)
Decrease in prepaid expenses	(14,570)	23,603
Decrease in accounts payable and accrued liabilities	(210,420)	(59,463)
Net cash used in operating activities	<u>(323,947)</u>	<u>(627,584)</u>
Cash flows used financing activities		
Share issuance costs	-	(1,843)
Net cash used in financing activities	<u>-</u>	<u>(1,843)</u>
Change in cash during the period	(323,947)	(629,427)
Cash, beginning of the period	<u>653,679</u>	<u>3,059,252</u>
Cash, end of the period	<u>\$ 329,732</u>	<u>\$ 2,429,825</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, 2021	76,803,772	\$ 115,838,245	\$ 2,932,874	\$ (111,505,704)	\$ 7,265,415
Share issuance costs (Note 6b)	-	(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	76,803,772	\$ 115,836,402	\$ 3,040,804	\$ (112,142,236)	\$ 6,734,970
Issued for mineral properties	250,000	60,000	-	-	60,000
Share-based compensation	-	-	418,900	-	418,900
Reserves transferred on expired warrants (Note 6d)	-	371,164	(962,110)	590,946	-
Loss for the year	-	-	-	(3,002,152)	(3,002,152)
Balance, December 31, 2022	77,053,772	\$ 116,267,566	\$ 2,497,594	\$ (114,553,442)	\$ 4,211,718
Reserves transferred on cancelled options (Note 6c)	-	-	(261,662)	261,662	-
Loss for the period	-	-	-	(110,779)	(110,779)
Balance, March 31, 2023	<u>77,053,772</u>	<u>\$ 116,267,566</u>	<u>\$ 2,235,932</u>	<u>\$ (114,402,559)</u>	<u>\$ 4,100,939</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, 2023 (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, 2022.

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, 2022 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, 2023 (Expressed in Canadian Dollars)

3. MARKETABLE SECURITIES

As at March 31, 2023 the Company holds the following common shares of public companies listed on the TSX Venture Exchange:

	March 31, 2023		December 31, 2022	
	# of shares	Value	# of shares	Value
Margaret Lake Diamonds Inc.	3,450	69	3,450	69
		\$ 69		\$ 69

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, 2023	December 31, 2022
Newfoundland, Canada		
Wilding Lake	\$ 2,379,318	2,379,318
<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 50% interest. During fiscal 2013, the Company wrote-down acquisition costs of \$8,278,519 associated with this property.</i>		
Total Mineral Properties	\$ <u>4,418,068</u>	\$ <u>4,418,068</u>

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 shareholders. Teton is now a wholly owned subsidiary of the Company and the Company satisfied the

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2023 (Expressed in Canadian Dollars)

4. MINERAL PROPERTIES (continued)

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.

On April 18, 2022, the Company issued 250,000 shares to Sokoman Minerals Corp. as part of the East Alder agreement, with a fair value of \$60,000. In the second quarter of 2022, the Company staked additional ground at Wilding Lake for \$22,750 and at Noel-Paul for \$2,535.

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 50% interest in the Buffalo Hills property located in Alberta, Canada.

During the three months ended March 31, 2023, 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	\$ 3,811	\$ -	\$ -	\$ 2,096	\$ 15,122	\$ -	\$ (31,950)	\$ (10,921)
Noel-Paul	-	-	-	2,096	4,729	-	-	6,825
VMS Projects	-	-	-	16,007	10,089	-	-	26,096
ALBERTA								
Buffalo Hills	-	-	-	-	-	-	(6,211)	(6,211)
ONTARIO								
Other Projects	-	-	-	-	3,302	-	-	3,302
	\$ 3,811	\$ -	\$ -	\$ 20,199	\$ 33,242	\$ -	\$ (38,161)	\$ 19,091

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

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2023 (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, 2023	Three months ended March 31, 2022
Consulting fees	\$ 18,000	\$ 18,000
Wages & Benefits	-	52,249
Share-based compensation	-	80,210
Total	\$ 18,000	\$ 150,459

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

	Three months ended March 31, 2023	Three months ended March 31, 2022
Rent	\$ 4,020	\$ 4,020
Accounting, investor relations & geology	8,400	13,600
Total	\$ 12,420	\$ 17,620

Included in accounts payable and accrued liabilities at March 31, 2023 is \$4,306 (December 31, 2022 - \$5,248) 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, 2023 (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, 2023.

On April 18, 2022, the Company issued 250,000 common shares to Sokoman Minerals Corp. with a fair value of \$60,000. 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.

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, 2023, 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
2,067,500	\$0.31	October 18, 2026
3,940,000		

Stock option transactions are summarized as follows:

	March 31, 2023		December 31, 2022	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of the period	4,865,000	\$0.32	4,740,000	\$0.32
Granted	-	-	125,000	0.31
Expired/cancelled	(925,000)	0.31	-	-
Balance, end of the period	3,940,000	\$0.32	4,865,000	\$0.32
Options exercisable, end of the period	3,423,125	\$0.32	4,418,125	\$0.32

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

On January 30, 2023, the Company cancelled 125,000 incentive stock options with a fair value of \$33,807.

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2023 (Expressed in Canadian Dollars)

6. SHARE CAPITAL AND RESERVES *(continued)*

On March 15, 2023, the Company cancelled 600,000 incentive stock options with a fair value of \$182,290.

The Company did not grant any stock options during the three months ended March 31, 2023 (March 31, 2022 – 125,000, with a fair value of \$33,807). The following weighted-average assumptions were used for the Black-Scholes valuation of stock options granted during the period:

	2023	2022
Risk-free interest rate	-	0.47%
Expected life of options	-	5.0 years
Annualized volatility	-	215.0%
Weighted average FV	-	\$ 0.27
Expected dividend rate	-	0%

d) Warrants

As at March 31, 2023, the Company had outstanding share purchase warrants, enabling the holders to acquire further common shares as follows:

Number of Warrants	Exercise Price	Expiry Date
6,790,500	\$0.30	June 29, 2023
407,430	\$0.20	June 29, 2023
7,197,930		

Share purchase warrant transactions were as follows:

	March 31, 2023		December 31, 2022	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of the period	7,197,930	\$ 0.29	16,596,680	\$0.26
Issued	-	-	-	-
Expired	-	-	(9,398,750)	0.24
Balance, end of the period	7,197,930	0.29	7,197,930	0.29
Warrants exercisable, end of the period	7,197,930	\$ 0.29	7,197,930	\$ 0.29

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2023 (Expressed in Canadian Dollars)

7. SUBSEQUENT EVENTS

On April 18th, 2023, the Company issued 250,000 common shares to Sokoman Minerals Corp. with a fair value of \$15,000. 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.

On April 24th, 2023, the Company closed an oversubscribed private placement financing (the "Offering"), whereby 20,783,600 common shares were issued at \$0.05, and 1,847,000 flow through shares were issued at \$0.06 for an aggregate total of 22,630,600 shares issued, totalling \$1,150,000. In connection with the Offering, 200,000 common shares were issued as finders' fees.

On May 11th, 2023, the Company granted 3,000,000 incentive stock options to various employees, executives, directors and consultants of the Company, which was recognized as a share-based expense of \$205,082.