CANTERRA MINERALS CORPORATION

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

For the three months ended March 31, 2013

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 month period ended March 31, 2013 (the "first quarter 2013") with the comparable period in 2012 (the "first quarter 2012"). This MD&A should be read in conjunction with the unaudited condensed consolidated financial statements for the first quarter 2013 and the audited consolidated financial statements and accompanying notes for the year ended December 31, 2012 and the MD&A's for all relevant periods, 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 1410 - 650 West Georgia Street, Vancouver, British Columbia, Canada, V6B 4N8. The Company's registered and records office is Suite 2300 - 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5. 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, May 8, 2013 (the "**Report Date**").

DESCRIPTION AND OVERVIEW OF BUSINESS

The Company is a resource exploration company focused on the evaluation of precious metal properties in Canada and the United States, with a view to negotiating purchase option agreements whereby the Company could acquire ownership interests in return for incurring exploration expenditures on the optioned properties.

Historically, the Company explored for diamonds on properties located in Nunavut and the Northwest Territories, and more recently, Alberta. However, declining investor interest in the junior diamond exploration sector became apparent in the latter half of 2007, prompting the Company to broaden its exploration activities. In December 2009, as the result of the acquisition of Triex, the Company acquired a number of uranium exploration properties located primarily in Saskatchewan and Nunavut.

The Company's diamond and uranium exploration properties, other than for the Buffalo Hills joint venture ("**BHJV**") diamond exploration project in central Alberta, will continue to be carried on a "care and maintenance" basis until there is evidence of renewed investor interest in funding exploration of diamond and uranium prospects.

In February, 2013, the Company executed a Memoranda of Understanding to acquire sole and exclusive options to earn up to a 70% interest in two Nevada precious metal properties.

The Company's working capital position at March 31, 2013 was approximately $700,000. As noted in the Company's consolidated financial statements for the year ended December 31, 2012, 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.

PRIMARY ASSETS OF THE COMPANY

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 are held under Purchase Option Agreements. Such agreements typically require the Company to make cash payments and share issuances and to incur exploration expenditures on multi-year schedules, as set forth in each agreement.

Buffalo Hills Property, Alberta

- Held by the Buffalo Hills Joint Venture, which has three participants: EnCana Corporation, Shore Gold and the Company, whose percentage interests are approximately 34%, 33% and 33%, respectively. The Company is the Operator of the BHJV.
- 22 Mineral Leases covering 5,104 hectares located in north central Alberta, centered approximately 120 kilometres northeast of Peace River and 400 kilometres northwest of Edmonton.

Since acquiring control of the BHJV, the primary objective of Canterra and Shore Gold has been to drill several kimberlite pipes (K5, K6, K14, K91 and K252) with sufficient density to allow for the identification of the different kimberlite phases present, as this knowledge will facilitate construction of accurate geologic models. Ultimately, this work will aid in the identification of those kimberlites that warrant bulk sampling in subsequent field programs.

Highland Property, Nevada

- The Highland low-sulfidation-type property consists of 66 unpatented lode mining claims covering approximately 530 hectares, located in Lander County, Nevada, on lands administered by the Bureau of Land Management, US Department of the Interior.
- Previous drilling by Bravada's US subsidiary intersected vein zones with locally high-grade intercepts; Bravada's best hole, H02013, intersected 1.5 meters ("**m**") of 66.9 grams per ton ("**g/t**") gold and 397.7g/t silver within a 12.2m intercept of 9.5g/t gold and 109.4g/t silver, with true thicknesses estimated at 65% of the intervals. A thin layer of alluvial gravel covers much of the property and various geophysical methods have been employed to identify other targets, which to date have not been tested with drilling. Detailed ground magnetics, four lines of IP, and one line of AMT have been conducted at Highland.
- Plans are to add a detailed soil survey over the main target area early in the spring, with drilling to follow when ground conditions allow for the movement of heavy equipment.

On February 28, 2013 the Company entered into an option with Bravada Gold Corporation to purchase a 51% interest, subject to an underlying 3% NSR. To acquire its interest, the Company must make a cash payment of US$30,000 (paid), issue a total of 1,250,000 common shares (250,000 issued to date with a fair value of C$20,000) and incur aggregate exploration expenditures of US$2,000,000 over a period of 4 years from March 7, 2013. The Company can increase its interest to 70% within 2 years of earning its 51% by making an additional cash payment of US$100,000, issuing an additional 500,000 common shares and incurring an additional US$4,000,000 in exploration expenditures. The Company can buy-back 1% of the NSR for US$1,000,000.

Initially, and as long as mutually acceptable, Bravada will be operator of the Highland property.

East Manhattan Property, Nevada

- The East Manhattan low-sulfidation-type property consists of 84 unpatented lode claims for a total of approximately 680 hectares and located on the eastern edge of the East Manhattan Mining District, in Nye County, Nevada, on lands administered by the US Forest Service, US Department of Agriculture.
- The property is located approximately 19km southeast of the giant low-sulfidation Round Mountain Gold Mine complex. Bravada's US subsidiary conducted two drilling campaigns at the property, primarily along two of several mapped zones of auriferous veins. Shallow gold mineralization has been intersected along the primary vein zone for 425m of strike length. Bravada's best drill hole, EM08-010, intersected an estimated true thickness of 11.25m of 2.868g/t gold at 91.4m depth followed by 11.25m of 0.805g/t gold at 118.9m depth.
- The vein zone projects along strike for another approximately 870m to the east under thin gravel cover, which will be the primary target for a drill program anticipated for early summer, after additional geophysical surveys are conducted.

On February 28, 2013 the Company entered into an option with Bravada Gold Corporation to purchase a 51% interest, subject to an underlying 3% NSR. To acquire its interest, the Company must make aggregate cash payments of US$175,000 (US$25,000 paid to date), issue a total of 1,250,000 common shares (250,000 issued to date with a fair value of C$20,000) and incur aggregate exploration expenditures of US$2,000,000 over a period of 4 years from March 7, 2013. The Company can increase its interest to 70% within 2 years of earning its 51% by making an additional cash payment of US$100,000, issuing an additional 500,000 common shares and incurring an additional US$4,000,000 in exploration expenditures. The Company can buy-back 1% of the NSR for US$1,000,000.

Initially, and as long as mutually acceptable, Bravada will be operator of the East Manhattan property.

RESULTS OF OPERATIONS

The Company is in the business of exploring for, and where warranted, developing mineral deposits. During the first ten years following its formation, the emphasis was on diamond exploration. Several years ago, the Company broadened its exploration to include gold, base metal properties, seeking principally nickel mineralization and uranium. More recently, Canterra has begun evaluating epithermal and mesothermal vein type gold/silver properties.

The Company has no producing properties, and consequently no sales or revenues.

For the three months ended March 31, 2013

In the period, the Company recorded a loss of $168,198 (2012 - $171,760).

Expenses in the current three month period amounted to $170,942 (2012 - $174,524). Most categories of expense were similar in the two periods.

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:	**2013**	**2012**	**2012**	**2012**	**2012**	**2011**	**2011**	**2011**
Quarter Ended:	**Mar. 31**	**Dec. 31**	**Sep. 30**	**June 30**	**Mar. 31**	**Dec. 31**	**Sep. 30**	**June 30**
Net sales or total revenue:	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Income (loss) from continuing operations:								
(i) in total (000s)	$(168)	$(1,986)	$(137)	$(90)	$(171)	$(728)	$(147)	$(136)
(ii) per share (1)	$(0.01)	$(0.04)	$(0.01)	$(0.01)	$(0.01)	$(0.02)	$(0.01)	$(0.01)
Net income (loss):								
(i) in total (000s)	$(168)	$(1,986)	$(137)	$(90)	$(171)	$(728)	$(147)	$(136)
(ii) per share (1)	$(0.01)	$(0.04)	$(0.01)	$(0.01)	$(0.01)	$(0.02)	$(0.01)	$(0.01)

(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) 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 (ii) 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.

The increases in the losses reported in the fourth quarters of 2011 and 2012 were largely due to write-off of previously deferred costs on properties that were dropped at the end of the respective years.

Financing Activities

The Company did not complete any equity financings during the first quarter 2013, nor in any of the quarters in 2012.

Investing Activities

During the first quarter 2013, the Company's cash flow used in investing activities amounted to $57,139 (2012 - $Nil) for property acquisition costs. In the same period, the Company expensed $38,453 (2012 - $36,456) of exploration expenditures incurred on its mineral properties.

Transactions with Related Parties

The Company entered into the following transactions with related parties and key management personnel during the three month period ended March 31, 2013:

Paid or accrued the following to Adera Company Management Inc., a company controlled by J. Christopher Mitchell, the Chief Financial Officer of the Company:

	2013	**2012**
Management fees	$ 7,625	$ 2,352

Paid or accrued the following to Walter Melnyk, the Vice President - Exploration of the Company:

	2013	**2012**
Geological consulting fees:	$ 35,000	$ Nil

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

	2013	**2012**
Rent	$ 15,000	$ 15,000
Wages and benefits	7,500	7,500

Included in receivables at March 31, 2013 is $7,698 (2011 - $3,063) due from companies with common directors and/or officers.

Included in accounts payable and accrued liabilities at December 31, 2012 is $17,304 (2011 - $Nil) due to companies with common directors and/or officers.

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, as well as option payments received on properties it has optioned to third parties. In order to continue funding their 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

The Company had $701,193 in working capital at March 31, 2013 (December 31, 2012 - $919,522). The Company continues to monitor its operating costs closely, to ensure that no non-essential expenditures are incurred.

Going forward, additional funds will be needed to finance any significant exploration of the Company's properties and to provide working capital to cover administrative expenses. The form of such funding could be an equity financing or the sale of an interest in one or more of its properties.

The Company has no debt, 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 has no current plans to use debt financing and 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 assets into four categories: (i) fair value through profit or loss, (ii) loans and receivables; (iii) held-to-maturity investments, and (iv) available-for-sale. All financial assets other than those measured at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset and such event(s) has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

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 to the consolidated audited financial statements for the year ended December 31, 2012.

NEW IFRS STANDARDS NOT YET ADOPTED

The Company has not yet adopted the following revised or new IFRS that have been issued but are not yet effective at March 31, 2013:

- IFRS 9, Financial Instruments (effective January 1, 2015) introduces new requirements for the classification and measurement of financial assets and liabilities.

The Company is currently assessing the impact that these new accounting standards may have in the consolidated financial statements.

OUTSTANDING SECURITIES AT THE REPORT DATE

On the Report Date, the Company had 49,911,009 shares outstanding or 67,654,721 shares on a fully diluted basis. The Company has 4,140,250 options outstanding with expiry dates ranging from January 26, 2014 through April 24, 2018, with exercise prices ranging from $0.10 to $0.33 per share. There are also 450,196 warrants exercisable at a price of $0.25 with an expiry date of June 21, 2013 and a further 13,153,266 warrants outstanding that will expire (subject to an acceleration provision) on June 21, 2014 at an exercise price of $0.25 per share.

OUTLOOK

Despite significant declines in prices thus far in the second quarter 2013, the prices for several commodities, gold and copper in particular, remain at high levels by historical standards. However, the continuing uncertain economic outlook has made many investors extremely risk-adverse. As a consequence, the share prices of many junior exploration companies are severely depressed and many companies are finding it difficult to arrange financing for their upcoming field seasons.

These conditions notwithstanding, the Company is broadening its exposure to gold by acquiring interests in properties with significant exploration potential for hosting gold deposits, with an emphasis placed on properties located in Canada, the United States and Mexico.

The Company regularly evaluates and discusses with other parties potential transactions and corporate opportunities for entering into joint ventures, strategic alliances, partnerships or other arrangements to defray exploration costs on its properties. The Company will relinquish or abandon properties that are not deemed to have sufficient potential to host economic deposits. Consequently, the Company's property portfolio, and hence its ongoing property maintenance and exploration costs, can be expected to change over time.

The Company no longer considers uranium exploration to be a core component in its exploration activities and will evaluate opportunities to create shareholder value by selling its uranium property holdings.

RISK FACTORS RELATING TO THE COMPANY'S BUSINESS

Risk Factors Relating to the Company's Business

As a company active 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 dates 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' groups can add an additional layer of risk and uncertainty to efforts of exploration and development of mineral deposits in many areas of Canada. In northern Ontario, First Nations groups, protesting the lack of consultation by the provincial government in setting policies respecting land use and mineral development, have severely disrupted the work plans and schedules for a number of companies planning to undertake seasonal exploration activities in the area.

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 to which it is a party and its interest in such joint ventures 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 here. 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 effects of global warming on Canada are expected to be dramatic, especially so for the High Arctic. Many northern exploration projects, including those on several of the Company's properties, are supplied by moving fuel and other goods along winter ice roads from Yellowknife, NWT. Mild winter conditions can delay the opening of the winter road and that may disrupt the transportation by road of the materials needed to support the operating mines and various exploration projects. To the extent some portion of the materials must be moved using air transport, costs will be significantly higher.

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.

Uranium is possibly unique as a commodity, in the sense that a single industrial accident involving a nuclear power plant can have a powerful adverse psychological impact on the general public and the equities markets. Moreover, the uranium sector in all its aspects, including exploration, is vulnerable to governments adopting policies detrimental to the industry, whether it be deciding to phase out nuclear power plants, restricting the processing and transportation of U_3O_8 or placing moratoriums on exploration for uranium.

FOREWARD 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 to which it is a party, and reduction or elimination of its joint venture interest 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 in northern Canada; 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.