



CANTERRA

MINERALS CORPORATION

TSX-V: CTM

Condensed Consolidated Interim Financial Statements

For the Six Months Ended

June 30, 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>June 30, 2023</u>	<u>December 31, 2022</u>
ASSETS		
Current		
Cash	\$ 792,058	\$ 653,679
Marketable securities (Note 3)	57	69
Receivables	4,506	32,987
Prepaid expenses	9,351	-
	<u>805,972</u>	<u>686,735</u>
Land use deposits	4,000	4,000
Mineral Properties (Note 4)	<u>4,439,068</u>	<u>4,418,068</u>
	\$ <u><u>5,249,040</u></u>	\$ <u><u>5,108,803</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	<u>38,705</u>	<u>897,085</u>
	<u>38,705</u>	<u>897,085</u>
Shareholders' equity		
Share capital (Note 6)	116,913,951	116,267,566
Reserves (Note 6)	1,990,918	2,497,594
Deficit	<u>(113,694,534)</u>	<u>(114,553,442)</u>
	<u>5,210,335</u>	<u>4,211,718</u>
	\$ <u><u>5,249,040</u></u>	\$ <u><u>5,108,803</u></u>

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on August 15, 2023

"Chris Pennimpede"

Chris Pennimpede, CEO & Director

"Andrew Farncomb"

Andrew Farncomb, Chairman of the Board, Director

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

CANTERRA MINERALS CORPORATION**CONDENSED CONSOLIDATED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS (Unaudited)**

(Expressed in Canadian Dollars)

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Expenses				
Business development	\$ 3,426	\$ 5,243	\$ 4,504	\$ 40,777
Insurance	5,219	5,102	10,438	10,205
Legal, audit and accounting	7,933	5,273	8,549	18,209
Consulting fees (Note 5)	20,280	24,000	38,280	48,000
Office and miscellaneous	7,493	9,943	37,053	12,679
Regulatory and transfer agent fees	3,624	4,228	11,884	38,156
Rent (Note 5)	4,020	4,020	8,040	8,040
Share-based compensation (Note 6)	261,432	252,844	261,432	360,774
Wages and benefits (Note 5)	16,037	77,564	40,974	168,378
Exploration expenditures (Note 4)	(15,444)	1,703,410	3,647	2,058,408
	<u>(314,020)</u>	<u>(2,091,627)</u>	<u>(424,801)</u>	<u>(2,763,626)</u>
Interest income	-	-	2	2
Flow-through premium	-	74,257	-	109,757
Unrealized loss on marketable securities	(12)	(241)	(12)	(276)
	<u>(12)</u>	<u>74,016</u>	<u>(10)</u>	<u>109,483</u>
Loss and comprehensive loss for the period	\$ <u>(314,032)</u>	\$ <u>(2,017,611)</u>	\$ <u>(424,811)</u>	\$ <u>(2,654,143)</u>
Basic and diluted loss per common share	\$ <u>(0.00)</u>	\$ <u>(0.03)</u>	\$ <u>(0.00)</u>	\$ <u>(0.03)</u>
Weighted average number of common shares outstanding	94,063,664	77,004,321	85,605,707	76,904,601

CANTERRA MINERALS CORPORATION

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (Unaudited)

(Expressed in Canadian Dollars)

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Cash flows from operating activities		
Loss for the period	\$ (424,811)	\$ (2,654,143)
Items not affecting cash:		
Share-based compensation (Note 6)	261,432	360,774
Unrealized loss on marketable securities	12	276
Flow-through premium	-	(109,757)
Changes in non-cash working capital items:		
Decrease/(increase) in receivables	28,481	(30,380)
(Increase)/decrease in prepaid expenses	(9,351)	28,705
(Decrease)/increase in accounts payable and accrued liabilities	(858,380)	682,137
Net cash used in operating activities	<u>(1,002,617)</u>	<u>(1,722,388)</u>
Cash flows from investing activities		
Acquisition of mineral properties	-	(25,285)
Net cash used in investing activities	<u>-</u>	<u>(25,285)</u>
Cash flows from financing activities		
Issuance of common shares through private placement (net of share issuance costs)	<u>1,140,996</u>	<u>(1,843)</u>
Net cash provided by/(used in) financing activities	<u>1,140,996</u>	<u>(1,843)</u>
Change in cash during the period	138,379	(1,749,516)
Cash, beginning of the year	653,679	3,059,252
Cash, end of the period	\$ <u>792,058</u>	\$ <u>1,309,736</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 (DEFICIENCY) (Unaudited)**
(Expressed in Canadian Dollars)

	Share Capital				
	Number	Amount	Reserves	Deficit	Total
Balance, December 31, 2021	76,803,772	\$ 115,838,245	\$ 2,932,874	\$ (111,505,704)	\$ 7,265,415
Issued for mineral properties	250,000	60,000	-	-	60,000
Share issuance costs	-	(1,843)	-	-	(1,843)
Share-based compensation	-	-	360,774	-	360,774
Loss for the period	-	-	-	(2,654,143)	(2,654,143)
Balance, June 30, 2022	77,053,772	\$ 115,896,402	\$ 3,293,648	\$ (114,159,847)	\$ 5,030,203
Share-based compensation	-	-	166,056	-	166,056
Reserves transferred on expired warrants (note 6d)	-	371,164	(962,110)	590,946	-
Loss for the period	-	-	-	(984,541)	(984,541)
Balance, December 31, 2022	77,053,772	\$ 116,267,566	\$ 2,497,594	\$ (114,553,442)	\$ 4,211,718
Issued for private placements	22,630,600	1,150,000	-	-	1,150,000
Issued for mineral properties	350,000	21,000	-	-	21,000
Warrants issued on private placement	-	(515,611)	515,611	-	-
Share issuance costs	200,000	(9,004)	-	-	(9,004)
Reserves transferred on cancelled options (note 6c)	-	-	(261,662)	261,662	-
Reserves transferred on expired warrants (note 6d)	-	-	(1,022,057)	1,022,057	-
Share-based compensation	-	-	261,432	-	261,432
Loss for the period	-	-	-	(424,811)	(424,811)
Balance, June 30, 2023	100,234,372	\$ 116,913,951	\$ 1,990,918	\$ (113,694,534)	\$ 5,210,335

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

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 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 six months ended June 30, 2023 (Expressed in Canadian Dollars)

3. MARKETABLE SECURITIES

As at June 30, 2023, the Company holds the following common shares of public companies listed on the TSX Venture Exchange:

	June 30, 2023		December 31, 2022	
	# of shares	Value	# of shares	Value
Margaret Lake Diamonds Inc.	345	57	3,450	69
		\$ 57		\$ 69

On June 19, 2023, Margaret Lake Diamonds Inc.'s common shares were consolidated on a 10 for 1 basis.

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:

	June 30, 2023	December 31, 2022
Newfoundland, Canada		
Wilding Lake	\$ 2,400,318	2,379,318
<i>A 100% interest (up to 2.0% NSR).</i>		
VMS Projects	2,038,750	\$ 2,038,750
<i>A 100% interest (up to 2.0% NSR).</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>4,439,068</u>	\$ <u>4,418,068</u>

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 (Expressed in Canadian Dollars)

4. MINERAL PROPERTIES *(continued)*

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 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.

On April 18, 2023, the Company issued 250,000 shares to Sokoman Minerals Corp. as part of the East Alder agreement, with a fair value of \$15,000, and a further 100,000 shares, with a fair value of \$6,000 on June 27, 2023, as part of an amendment to the East Alder agreement.

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.

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 (Expressed in Canadian Dollars)

4. MINERAL PROPERTIES *(continued)*

During the six months ended June 30, 2023, the Company incurred exploration expenditures as follows:

	Geology & Geophysics	Field Sampling	Drilling	Land Use & Tenure	Data Evaluation	Recoveries	Total for the period
NEWFOUNDLAND							
Wilding Lake	\$ 7,377	\$ -	\$ -	\$ 2,097	\$ 22,235	\$ (45,450)	\$ (13,741)
Noel-Paul	-	-	-	2,096	7,700	(31,950)	(22,154)
VMS Projects	1,026	-	-	20,146	20,615	-	41,787
ALBERTA							
Buffalo Hills	-	-	-	169	-	(6,211)	(6,042)
ONTARIO							
Other Projects	-	-	-	-	3,797	-	3,797
	\$ 8,403	\$ -	\$ -	\$ 24,508	\$ 54,347	\$ (83,611)	\$ 3,647

During the six months ended June 30, 2022, the Company incurred exploration expenditures as follows:

	Geology & Geophysics	Field Sampling	Drilling	Land Use & Tenure	Data Evaluation	Recoveries	Total for the period
NEWFOUNDLAND							
Wilding Lake	\$ 283,969	\$ 101,764	\$ 981,376	\$ 43,270	\$ 263,889	\$ (60,000)	\$ 1,614,268
Noel-Paul	172,834	1,542	-	7,446	41,412	-	223,234
VMS Projects	146,970	-	9,120	65,893	16,773	-	238,756
ALBERTA							
Buffalo Hills	-	-	-	-	-	(17,850)	(17,850)
	\$ 603,773	\$ 103,306	\$ 990,496	\$ 116,609	\$ 322,074	\$ (77,850)	\$ 2,058,408

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 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

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:

	Six months ended June 30, 2023	Six months ended June 30, 2022
Consulting fees	\$ 34,000	\$ 36,000
Wages & Benefits	-	87,806
Share-based compensation	228,059	224,202
Total	\$ 262,059	\$ 348,008

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

	Six months ended June 30, 2023	Six months ended June 30, 2022
Rent	\$ 8,040	\$ 8,040
Accounting, investor relations, geology & other	16,100	24,975
Total	\$ 24,140	\$ 33,015

Included in accounts payable and accrued liabilities as at June 30, 2023 is \$5,152 (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 six months ended June 30, 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

On June 27, 2023, the Company issued 100,000 common shares to Sokoman Minerals Corp. with a fair value of \$6,000. This issuance was pursuant to an amendment to the East Alder gold project agreement (part of the Wilding Lake Gold Project) in central Newfoundland.

On April 24th, 2023, the Company completed a non-brokered private placement and issued 1,847,000 flow through shares at \$0.06 for gross proceeds of \$110,820 and 20,783,600 units at \$0.05 per unit for gross proceeds of \$1,039,180, for total gross proceeds of \$1,150,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at an exercise price of \$0.075 until April 24, 2028. In connection with the private placement, 200,000 common shares were issued as finders' fees.

On April 18, 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 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 June 30, 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	\$0.30	October 18, 2026
3,000,000	\$0.07	May 11, 2028
250,000	\$0.07	June 7, 2028
7,190,000		

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 (Expressed in Canadian Dollars)

6. SHARE CAPITAL AND RESERVES *(continued)*

Stock option transactions are summarized as follows:

	June 30, 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	3,250,000	0.07	125,000	0.31
Expired/cancelled	(925,000)	0.31	-	-
Balance, end of the period	7,190,000	\$0.21	4,865,000	\$0.32
Options exercisable, end of the period	7,190,000	\$0.21	4,418,125	\$0.32

For the six months ended June 30, 2023, total share-based compensation expense was \$261,432 (June 30, 2022: \$360,774), 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.

On March 15, 2023, the Company cancelled 800,000 incentive stock options with a fair value of \$227,855.

During the six months ended June 30, 2023, the Company granted 3,250,000 incentive stock options (June 30, 2022: 125,000) with a fair value of \$222,175 (June 30, 2022: \$33,807). All options vested immediately upon grant, and \$222,175 was expensed in the six months ended June 30, 2023 (June 30, 2022: \$326,967). 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	1.66-1.67%	0.47%
Expected life of options	5.0 years	5.0 years
Annualized volatility	201.2 – 201.4%	215.0%
Weighted average FV	\$ 0.07	\$ 0.27
Expected dividend rate	0%	0%

d) Warrants

As at June 30, 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
20,783,600	\$0.075	April 24, 2028
20,783,600		

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 (Expressed in Canadian Dollars)

6. SHARE CAPITAL AND RESERVES *(continued)*

Share purchase warrant transactions were as follows:

	June 30, 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	20,783,600	\$ 0.075	-	-
Expired	<u>(7,197,930)</u>	\$ 0.29	<u>(9,398,750)</u>	0.24
Balance, end of the period	20,783,600	\$0.075	7,197,930	0.29
Warrants exercisable, end of the period	20,783,600	\$ 0.075	7,197,930	\$ 0.29

On April 24, 2023, the Company issued 20,783,600 warrants in relation to the private placement financing. Each warrant is exercisable for two years at a price of \$0.075 per warrant. These warrants are subject to a four month and one day statutory hold period, expiring on August 25, 2023.

On June 29, 2023, 7,197,930 warrants expired unexercised.