

OFFERING DOCUMENT UNDER THE LISTED ISSUER FINANCING EXEMPTION

MAY 13, 2024



CANTERRA MINERALS CORPORATION  
(the "Company")

SUMMARY OF OFFERING

What are we offering?

<b>Offering:</b>	A non-brokered private placement (the " <b>Offering</b> ") of units (each, a " <b>Unit</b> "). Each Unit will consist of one common share of the Company (" <b>Common Share</b> ") and one-half of one common share purchase warrant of the Company (each whole common share purchase warrant, a " <b>Warrant</b> "). Each Warrant will be transferrable and entitle the holder thereof to acquire one Common Share (each, a " <b>Warrant Share</b> ") at an exercise price of \$0.09 for a period of two years following the Closing Date (as defined below).
<b>Offering Price:</b>	\$0.06 per Unit
<b>Offering Amount:</b>	Gross proceeds of up to \$1,250,000.
<b>Closing Date:</b>	The closing of the Offering is expected to occur on or about June 5, 2024 or such other date as may be determined by the Company (the " <b>Closing Date</b> ").
<b>Exchange:</b>	The Common Shares are listed on the TSX Venture Exchange (the " <b>TSXV</b> ") under the symbol "CTM".
<b>Last Closing Price:</b>	On May 10, 2024, the last trading day prior to the date of this offering document, the closing price of the Common Shares on the TSXV was \$0.075.

*No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this document. Any representation to the contrary is an offence. This Offering may not be suitable for you and you should only invest in it if you are willing to risk the loss of your entire investment. In making this investment decision, you should seek the advice of a registered dealer.*

The Company is conducting a listed issuer financing under section 5A.2 of National Instrument 45-106 — *Prospectus Exemptions*. In connection with the Offering, the Company represents the following is true:

- The Company has active operations and its principal asset is not cash, cash equivalents or its exchange listing;
- The Company has filed all periodic and timely disclosure documents that it is required to have filed;

- **The total dollar amount of the Offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption in the 12 months immediately before the date of this offering document, will not exceed \$5,000,000;**
- **The Company will not close the Offering unless the Company reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution; and**
- **The Company will not allocate the available funds from the Offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the issuer seeks security holder approval.**

#### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This offering document contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “anticipates”, “believes”, “estimates”, “expects” and similar expressions, or the negatives of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “should”, “might”, or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this offering document speak only as of the date of this offering document or as of the date specified in such statement. Specifically, this offering document includes, but is not limited to, forward-looking statements regarding: the Company’s expectations with respect to the use of proceeds and the use of the available funds following completion of the Offering, the completion of the Offering, if it is to be completed at all, the expected Closing Date, the expected compensation for certain finders, and completion of the Company’s business objectives, and the timing, costs and benefits thereof.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the ability of the Company to predict or control. These risks, uncertainties and other factors include, but are not limited to, mineral exploration, price volatility, changes in debt and equity markets, timing and availability of external financing on acceptable terms, the uncertainties involved in interpreting geological data and confirming title to the Company’s properties, the possibility that future exploration results will not be consistent with the Company’s expectations, increases in costs, environmental compliance, changes in environmental and other local legislation and regulation, interest rate and exchange rate fluctuations, changes in economic and political conditions and other risks involved in the minerals exploration and development industry. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially from those expressed or implied by the forward-looking statements contained in the offering document. Such statements are based on a number of assumptions about the following: the availability of financing for the Company’s exploration and development activities; operating and exploration costs; the Company’s ability to retain and attract skilled staff; timing of the receipt of regulatory and governmental approvals for exploration projects and other operations; market competition; and general business and economic conditions.

Forward-looking statements may be affected by known and unknown risks, uncertainties and other factors including without limitation, those referred to in this offering document that may cause the Company’s actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should

be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

## **CURRENCY**

Unless otherwise indicated, all references to “\$”, “C\$” or “dollars” in this offering document refer to Canadian dollars, which is the Company’s functional currency.

## **SUMMARY DESCRIPTION OF BUSINESS**

### **What is our business?**

The Company is a diversified minerals exploration company with a focus on critical and precious metals within the Central Newfoundland Mining District. The Company’s projects in the district include seven mineral deposits, including the prolific, past-producing Buchans mine, which produced copper, zinc, lead, silver and gold.

### **Recent developments**

On December 20, 2023, the Company completed a transaction with Buchans Resources Limited and its subsidiary Buchans Minerals Corporation, whereby various critical and precious metals projects in central Newfoundland were acquired for total consideration of \$11,509,816, consisting of 24,910,000 common shares valued at \$1,868,250 and warrants to acquire 128,554,216 common shares valued at \$9,641,566. Subsequently, the Company embarked on winter drill program on its Lemarchant project. Highlights from the program include drilled intersections from within and adjacent to the Lemarchant deposit that include 28 m averaging of 1.19 g/t Au, 67.9 g/t Ag, 0.48% Cu, 5.42% Zn 1.33% Pb as well as 2.86% Cu, 0.03% Zn, 0.06 g/t Au, and 6.2 g/t Ag over 1.37 m (core lengths; further detailed disclosure available in the Company’s press release dated April 16, 2024). The 2024 winter drill program is the Company’s first drill program since acquiring the project in 2021. Regrettably, the drill program was suspended prematurely due to early spring thaw conditions that caused a loss of winter access and prevented the Company from testing several of its priority targets. The Company will consider testing these remaining targets in the future when conditions permit further drilling.

### **Material facts**

There are no material facts about the Units that have not been disclosed in this offering document or in any other document filed by the Company in the 12 months preceding the date of this offering document.

### **What are the business objectives that we expect to accomplish using the available funds?**

The Company expects to maintain its mining licenses covering the Buchans project and its other mineral properties that are on Reid Lot, and Terranova leases, all of which are due by the end of 2024. The Company expects to incur general corporate and working capital expenses to support exploration across the Company’s mineral projects in the summer of 2024 through to the fall of 2024 as well as marketing those activities.

## USE OF AVAILABLE FUNDS

### *What will our available funds be upon the closing of the Offering?*

The following table discloses what the Company's available funds are expected to be after the Offering.

	<u>Assuming 100% of the Offering</u>
A Amount to be raised by the Offering	\$1,250,000
B Selling commissions and fees	\$75,000
C Estimated offering costs (e.g., legal, accounting, audit)	\$35,000
D Net proceeds of offering ( $D = A - (B + C)$ )	\$1,140,000
E Working capital as at most recent month end	\$529,538
F Additional sources of funding	\$Nil
G Total available funds: ( $G = D + E + F$ )	\$1,669,538

There has been a significant decline in working capital since December 31, 2023 as a result of the Company's winter drilling program.

### *How will we use the available funds?*

The following table provides a detailed breakdown of how the Company expects to use the available funds.

<u>Intended Use of Available Funds</u>	<u>Assuming 100% of the Offering</u>
Corporate G&A	\$496,613
Mining leases property payments	\$185,000
Marketing	\$100,000
Exploration expenditures	\$887,925
<b>Total:</b>	<b>\$1,669,538</b>

The above noted allocation represents the Company's current intentions with respect to its use of proceeds based on current knowledge, planning and expectations of management of the Company. Although the Company intends to expend the proceeds from the Offering as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary and may vary materially from that set forth above, as the amounts actually allocated and spent will depend on a number of factors, including the Company's ability to execute on its business plan and financing objectives. The Company has had negative cash flow from operating activities and reported a loss for the year ended December 31, 2023. The Company anticipates that negative cash flow from operating activities will continue as long as it remains in the exploration stage, and to the extent that the Company has negative cash flow from operating activities in future periods, the net proceeds from the Offering may be used to fund such negative cash flow from operating activities in future periods.

The Company's most recent audited financial statements included a going concern note. As the Company is in the exploration stage, the recoverability of amounts for exploration and evaluation of assets and the Company's ability to continue as a going concern is dependent upon its ability to generate future cash flows and/or obtain additional financing to complete their development and upon future profitable production or

proceeds from the disposition thereof. The Offering is intended to permit the Company to continue to explore its properties and conduct additional drilling and is not expected to affect the decision to include a going concern note in the next annual financial statements of the Company.

***How have we used the other funds we have raised in the past 12 months?***

In December 2023, the Company raised gross proceeds of \$1,538,598.95 from the sale of common shares which qualified as critical mineral exploration tax credit flow-through shares. Such gross proceeds have been, and will be prior to December 31, 2024, used to fund exploration programs on the Company's projects in Newfoundland which will qualify as "Canadian Exploration Expenses" and "flow-through critical mineral mining expenditures" as those terms are defined in the *Income Tax Act* (Canada), which were renounced to the purchasers of such shares with an effective date of December 31, 2023.

**FEES AND COMMISSIONS**

***Who are the dealers or finders that we have engaged in connection with the Offering, if any, and what are their fees?***

The Company has not engaged any dealers or finders in connection with the Offering. The Company may pay finders' fees to eligible persons who have introduced subscribers to the Offering. Any such fees are expected to be in the form of 6.0% cash and 6.0% warrants entitling such persons to acquire one common share of the Company at a price of \$0.06 for a period of two years from the Closing Date.

**PURCHASERS' RIGHTS**

**Rights of Action in the Event of a Misrepresentation**

**If there is a misrepresentation in this offering document, you have a right:**

- (a) to rescind your purchase of these securities with the Company, or**
- (b) to damages against the Company and may, in certain jurisdictions, have a statutory right to damages from other persons.**

**These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.**

**If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations.**

**You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.**

**ADDITIONAL INFORMATION**

**Where can you find more information about us?**

The Company's continuous disclosure filings are available under the Company's profile at [www.sedarplus.ca](http://www.sedarplus.ca). For further information regarding the Company, visit our website at [www.canterraminerals.com](http://www.canterraminerals.com).

## CERTIFICATE

Dated: May 13, 2024

This offering document, together with any document filed under Canadian securities legislation on or after May 13, 2023, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.

### CANTERRA MINERALS CORPORATION

By: /s/Chris Pennimpede  
Name: Chris Pennimpede  
Title: Chief Executive Officer

By: /s/Harry Chan  
Name: Harry Chan  
Title: Chief Financial Officer