



Condensed Consolidated Interim Financial Statements

For the Six Months Ended

June 30, 2025

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)

	June 30, 2025	December 31, 2024
ASSETS		
Current		
Cash and cash equivalents	\$ 3,079,462	\$ 4,889,161
Marketable securities (Note 3)	780,988	437,693
Receivables	68,636	134,034
Prepaid expenses (Note 8)	67,140	15,111
	<u>3,996,226</u>	<u>5,475,999</u>
Land use deposits (Note 5)	4,000	4,000
Mineral Properties (Note 6)	<u>15,577,241</u>	<u>15,553,531</u>
	<u>\$ 19,577,467</u>	<u>\$ 21,033,530</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Notes 7,9)	\$ 1,067,527	\$ 321,909
Deferred flow-through premium (Note 4)	312,675	692,590
	<u>1,380,202</u>	<u>1,014,499</u>
Shareholders' equity		
Share capital (Note 10)	134,555,766	134,555,766
Reserves (Note 10)	2,985,608	2,877,346
Deficit	<u>(119,344,109)</u>	<u>(117,414,081)</u>
	<u>18,197,265</u>	<u>20,019,031</u>
	<u>\$ 19,577,467</u>	<u>\$ 21,033,530</u>
Nature and continuance of operations (Note 1)		
Basis of presentation (Note 2)		
Subsequent events (Note 14)		

Approved and authorized by the Board on August 27, 2025

"Chris Pennimpede"

Chris Pennimpede, CEO

"Andrew Farncomb"

Andrew Farncomb, Chairman

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

(Expressed in Canadian Dollars)

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Expenses				
Business development	\$ 16,745	\$ 42,807	\$ 119,721	\$ 75,974
Insurance	4,790	4,660	9,580	9,320
Legal, audit and accounting	41,597	4,219	31,957	29,220
Consulting fees (Note 9)	19,969	42,000	42,169	150,600
Office and miscellaneous	16,527	27,298	44,031	30,749
Regulatory and transfer agent fees	10,320	58,773	29,054	70,702
Rent (Note 9)	17,638	12,222	43,024	18,789
Share-based compensation (Note 10)	84,473	-	159,415	301,078
Travel	13,411	5,341	21,370	5,341
Wages and benefits (Note 9)	88,550	72,128	217,539	145,405
Exploration expenditures (Note 6)	995,001	135,923	2,208,832	786,841
	<u>(1,309,021)</u>	<u>(405,371)</u>	<u>(2,926,692)</u>	<u>(1,624,019)</u>
Interest income	19,043	8,064	31,890	21,620
Unrealized gain/(loss) on marketable securities	(87,483)	-	524,850	-
Flow-through premium	176,964	-	379,915	
Write-off of mineral properties	-	-	-	(10,985)
Miscellaneous Revenue	8,856	-	8,856	-
	<u>117,380</u>	<u>8,064</u>	<u>945,511</u>	<u>10,635</u>
Loss and comprehensive loss for the period	\$ <u>(1,191,641)</u>	\$ <u>(397,307)</u>	\$ <u>(1,981,181)</u>	\$ <u>(1,613,384)</u>
Basic and diluted loss per common share	\$ <u>(0.00)</u>	\$ <u>(0.00)</u>	\$ <u>(0.01)</u>	\$ <u>(0.01)</u>
Weighted average number of common shares outstanding	343,321,385	151,950,259	343,321,385	150,382,692

CANTERRA MINERALS CORPORATION**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (Unaudited)**

(Expressed in Canadian Dollars)

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Cash flows from operating activities		
Loss for the year	\$ (1,981,181)	\$ (1,613,384)
Items not affecting cash and cash equivalents:		
Share-based compensation	159,415	301,078
Unrealized (gain)/loss on marketable securities	(524,850)	-
Flow-through premium	(379,915)	(64,286)
Write-down of mineral properties	-	10,985
Changes in non-cash working capital items:		
(Increase) decrease in receivables	65,398	(9,329)
Decrease (increase) in prepaid expenses	(52,029)	37,567
Increase in accounts payable and accrued liabilities	745,618	62,356
Net cash and cash equivalents used in operating activities	<u>(1,967,543)</u>	<u>(1,210,727)</u>
Cash flows from investing activities		
Proceeds received from sale of marketable securities	181,554	-
Acquisition of mineral properties	(23,710)	(3,311)
Net cash and cash equivalents used in investing activities	<u>157,844</u>	<u>(3,311)</u>
Cash flows from financing activities		
Capital stock issued through private placement	-	1,489,792
Net cash and cash equivalents provided by financing activities	<u>-</u>	<u>1,489,792</u>
Change in cash and cash equivalents during the period	(1,809,699)	275,754
Cash and cash equivalents, beginning of the period	4,889,161	1,821,239
Cash and cash equivalents, end of the period	\$ <u>3,079,462</u>	\$ <u>2,096,993</u>

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

(Expressed in Canadian Dollars)

	Share Capital				
	Number	Amount	Reserves	Deficit	Total
Balance, December 31, 2023	148,815,125	\$ 120,169,273	\$ 11,698,235	\$ (114,283,093)	\$ 17,584,415
Issued on private placements	24,835,212	1,532,970	-	-	1,532,970
Issued on warrant exercise	105,395,769	7,904,683	(7,904,683)	-	-
Share Issuance costs (Note 10b)	-	(63,464)	20,286	-	(43,178)
Flow-through premium (Note 10c)	-	(64,286)	-	-	(64,286)
Share-based compensation (Note 10c)	-	-	301,078	-	301,078
Warrants issued on private placement	-	(308,541)	308,541	-	-
Loss for the period	-	-	-	(1,613,384)	(1,613,384)
Balance, June 30, 2024	279,046,106	\$ 129,170,635	\$ 4,423,457	\$ (115,896,477)	\$ 17,697,615
Balance, December 31, 2024	343,321,385	\$ 134,555,766	\$ 2,877,346	\$ (117,414,081)	\$ 20,019,031
Share-based compensation (Note 10)	-	-	159,415	-	159,415
Reserves transferred on cancelled options (Note 6)	-	-	(51,153)	51,153	-
Loss for the period	-	-	-	(1,981,181)	(1,981,181)
Balance, June 30, 2025	343,321,385	\$ 134,555,766	\$ 2,985,608	\$ (119,344,109)	\$ 18,197,265

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended June 30, 2025 (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 1050-400 Burrard Street, Vancouver, British Columbia, Canada, V6C 3A6. 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 consolidated 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, 2024.

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, 2024, and have been consistently applied in the preparation of the Company’s condensed 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 INTERIM FINANCIAL STATEMENTS**

For the six months ended June 30, 2025 (Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (continued)**Critical accounting estimates and judgements**

The preparation of condensed consolidated interim financial statements in conformity with IFRS requires management to make judgements, estimates, and assumptions about future events that affect the reported amounts of assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may differ from these estimates. The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

The most significant areas that require judgement and estimate as the basis for determining the stated amounts include going concern, the recoverability of mineral properties, valuation of share-based payments, and recognition of deferred tax amounts. Going concern and recoverability of mineral properties are discussed in Note 1.

Share-based Compensation Transactions

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Income Taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

3. MARKETABLE SECURITIES

As at June 30, 2025, the Company holds the following common shares of public companies listed on the TSX Venture Exchange:

	June 30, 2025		December 31, 2024	
	# of shares	Value	# of shares	Value
Margaret Lake Diamonds Inc.	345	\$ 43	345	\$ 193
Star Diamond Corporation	14,199,000	780,945	17,500,000	437,500
		\$ 780,988		\$ 437,693

On August 1, 2024, the Company received 17,500,000 common shares of Star Diamond Corporation with a fair value of \$1,050,000, related to the sale of the Buffalo Hills Project (Note 6). The Company recognized an unrealized gain of \$524,850 in the Company's consolidation statement of operations for the six months ended June 30, 2025 (June 30, 2024 - \$NIL). For the six months ended June 30, 2025, 3,301,000 shares of Star Diamond Corporation were sold and received \$181,556 in proceeds from the sale of shares.

CANTERRA MINERALS CORPORATION**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six months ended June 30, 2025 (Expressed in Canadian Dollars)

4. DEFERRED FLOW-THROUGH PREMIUM

The Company's transactions related to the recognition of the flow-through premium liability are summarized below:

	June 30, 2025	December 31, 2024
Balance, beginning of the year	\$ 692,590	\$ -
Deferred premium liability recognized on flow-through	-	708,953
Income recognized based on corresponding eligible expenses	(379,915)	(16,363)
Balance, end of year	\$ 489,639	\$ 692,590

As at June 30, 2025, the Company has an obligation to spend \$2,086,520 by December 31, 2025 (December 31, 2024 - \$4,311,620 by December 31, 2025) in relation to flow-through proceeds.

5. LAND USE DEPOSITS

Land use deposits are interest-bearing and are held by major financial institutions on behalf of mining regulators. These deposits are held primarily for prospecting permits and will be released upon the Company incurring certain exploration expenditures on specific mineral properties. Land use deposits surrendered to mining regulators are expensed.

6. 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:

CANTERRA MINERALS CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended June 30, 2025 (Expressed in Canadian Dollars)

6. MINERAL PROPERTIES (continued)

	June 30, 2025	December 31, 2024
Newfoundland, Canada		
Wilding Lake	\$ 2,391,033	\$ 2,391,033
<i>A 100% interest (up to 3.5% NSR)</i>		
Lemarchant	2,046,985	2,039,985
<i>A 100% interest (up to 2.0% NSR)</i>		
Buchans Mine	8,218,436	8,211,371
<i>A 100% interest (up to 3.0% NSR)</i>		
South Tally Pond	1,219,982	1,219,982
<i>A 100% interest. Project amalgamated with Lemarchant in 2024.</i>		
Tulks South	959,326	955,726
<i>A 100% interest (up to 2.0% NSR on the Boomerang deposit). Project amalgamated with Boomerang in 2024.</i>		
Lake Douglas	383,366	383,171
<i>A 100% interest. Project amalgamated with Noel Paul in 2024.</i>		
Silver Pond	-	-
<i>A 100% interest</i>		
Tulks North	268,923	263,073
<i>A 100% interest (up to 1.5% NSR on Daniel's Pond deposit and up to 3.0% NSR on the Bobby's Pond deposit)</i>		
Gander	-	-
<i>A 100% interest</i>		
Tulks Hill	88,085	88,085
<i>A 100% interest (up to 3.5% NSR)</i>		
Seal Pond	1,105	1,105
<i>A 100% interest</i>		
Ontario, Canada		
Ring of Fire	-	-
<i>A 100% interest.</i>		
Total Mineral Properties	\$ 15,577,241	\$ 15,553,531

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 affected by way of share exchange whereby the Company issued 9,677,250 common shares and 4,398,750 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.

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended June 30, 2025 (Expressed in Canadian Dollars)

6. MINERAL PROPERTIES *(continued)*

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. In the third quarter of 2023, the Company paid holding costs at Noel Paul for \$1,600.

On December 20, 2023, the Company completed an asset purchase agreement (the "APA") 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 (note 10b).

On August 2, 2024, the Company entered into an option agreement with local prospectors ("Optionors") to acquire a 100% interest in adjacent properties to the Company's Tulks North (Victoria Project). Pursuant to the terms of the agreement, the Company must make cash payments and issue common shares of the Company to the Optionors over two years as follows:

- \$10,000 and 100,000 shares of the Company upon execution of the agreement (completed in 2024)
- \$20,000 and 200,000 shares of the Company on or before the first anniversary of the agreement (August 2025)
- \$30,000 and 300,000 shares of the Company on or before the second anniversary of the agreements (August 2026).

The agreement assigns a 2% Net Smelter Return ("NSR") to the Optionors upon commencement of production, with the Company retaining right to buy-down 50% of the NSR for \$1,000,000 and right of first refusal on the remaining NSR (1%). This agreement was subsequently terminated on May 1, 2025.

On August 1, 2024, the Company completed the sale of the Buffalo Hills Diamond Project (the "Project") located in north central Alberta, Canada to Star Diamond Corporation (TSX: DIAM) ("Star Diamond"), whereby Star Diamond acquired 100% interest in the Project from the Company. The Company sold its interest in the Project to Star Diamond in exchange for an aggregate nominal consideration of 17,500,000 common shares (the "Consideration Shares") of Star Diamond, representing an implied purchase price of \$1.05 million. One half of the Consideration Shares are subject to a 12-month lock-up period and all of the Consideration Shares were subject to a customary four-month hold period. The Company also received a 1% royalty interest in the Project in addition to the Consideration Shares. Star Diamond may buyback 0.5% of the NSR by payment of \$1,000,000 to the Company. The Company recognized a gain of \$1,035,000 net of selling costs in relation to the sale.

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended June 30, 2025 (Expressed in Canadian Dollars)

6. MINERAL PROPERTIES (continued)

Ontario, Canada

The Company holds 100% interest in the Ring of Fire property which was staked in July 2023 for \$7,650. On September 17, 2024, the Company entered into an Option Agreement (the "Agreement") with Teck Resources Limited ("Teck"), granting Teck the option to acquire a 100% interest in the Ring of Fire project. Under the terms of the Agreement, Teck may, at its option, elect to exercise the Option by paying the Company \$275,000 in cash according to the following payment schedule:

- payment of \$50,000 payable on or before two days following the date of the Agreement (paid September 19, 2024);
- payment of \$125,000 payable on or before two business days following the date upon which Teck has obtained all regulatory permits and access rights to commence drilling; and
- payment of \$100,000 payable on or before thirty business days following the earliest to occur of the Drill Program Completion Date and September 17, 2026.

Canterra will retain a 1.5% Net Smelter Returns ("NSR") royalty that can be reduced to 0.5% with a further payment of \$2,000,000 to Canterra.

During the six months ended June 30, 2025, the Company incurred exploration expenditures as follows:

	Geology & Geophysics	Drilling	Land Use & Tenure	Data Evaluation	Recoveries	Total for six months ended June 30, 2025
NEWFOUNDLAND						
Wilding Lake	\$ 8,454	\$ -	\$ 180	\$ 12,962	\$ -	\$ 21,597
Noel-Paul	45,534	-	45,600	82,639	-	173,773
Boomerang	2,375	-	-	20,361	(31,104)	(8,368)
Buchans Mine	1,476,541	419,071	-	275,727	-	2,171,340
Lemarchant	-	-	-	-	(186,731)	(186,731)
Seal Pond	-	-	-	941	-	941
Tulks North	3,250	-	5,665	4,714	-	31,966
Victoria Mine	762	-	-	1,696	-	4,315
	\$ 1,536,917	\$ 419,071	\$ 51,445	\$ 419,234	\$ (217,835)	\$ 2,208,832

During the six months ended June 30, 2024, the Company incurred exploration expenditures as follows:

	Geology & Geophysics	Drilling	Land Use & Tenure	Data Evaluation	Recoveries	Total for six months ended June 30, 2024
NEWFOUNDLAND						
Wilding Lake	\$ -	\$ -	\$ -	\$ 381	\$ -	\$ 381
Noel-Paul	-	-	7,460	236	-	7,642
Boomerang	13,650	7,963	36,879	7,830	-	66,322
Buchans Mine	38,449	-	3,800	129,459	(20,190)	151,518
Lemarchant	23,767	378,368	44,827	65,827	(127,120)	385,669
Long Lake	59,697	-	10,818	12,070	-	82,585
Tulks North	14,861	4,388	8,645	4,464	-	32,358
Tulk Hill	46,961	200	4,914	8,116	-	60,190
ALBERTA						
Buffalo Hills	-	-	177	-	-	177
	\$ 197,385	\$ 390,919	\$ 117,466	\$ 228,382	\$ (147,310)	\$ 786,841

CANTERRA MINERALS CORPORATION**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six months ended June 30, 2025 (Expressed in Canadian Dollars)

7. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are as follows:

	June 30, 2025	December 31, 2024
Accounts payables	\$ 351,791	\$ 107,525
Accrued liabilities	715,736	214,384
Total	\$ 1,067,527	\$ 321,909

8. PREPAID EXPENSES AND DEPOSITS

Prepaid expenses and deposits are as follows:

	June 30, 2025	December 31, 2024
Exploration prepaids	\$ 60,000	\$ -
Conferences, investor relations, and insurance	7,140	15,111
Total	\$ 67,140	\$ 15,111

9. RELATED PARTY TRANSACTIONS*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 consist 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, 2025	Six months ended June 30, 2024
Consulting fees	\$ -	\$ 84,000
Wages & Benefits	167,058	90,430
Share-based compensation ⁽¹⁾	102,942	101,714
Total	\$ 270,000	\$ 276,144

(1) Represents the fair-value of stock options, RSUs and DSUs granted to officers.

Amounts paid or payable to related entities to the Company:

	Six months ended June 30, 2025	Six months ended June 30, 2024
Rent	\$ -	\$ 8,040
Accounting, investor relations, geology & other	-	16,100
Total	\$ -	\$ 24,140

Included in accounts payable at June 30, 2025 is \$18,092 and accrued liabilities at June 30, 2025 is \$88,750 (December 31, 2024 - \$60,000) due to related parties.

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended June 30, 2025 (Expressed in Canadian Dollars)

10. 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 six months period ended June 30, 2025.

During the year ended December 31, 2024, the Company issued 128,689,380 common shares on exercise of warrants with a value of \$9,657,192, 1,738,151 common shares on exercise of stock options with a value of \$119,333, and 100,000 common share related to a property option agreement with a fair value of \$5,000.

On December 19, 2024, the Company completed a non-brokered private placement and issued 34,143,517 flow-through shares at \$0.12 and 5,000,000 units at \$0.10 for total gross proceeds of \$4,597,222. Each unit consists of one common share of the Company and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire one additional common share of the Company at a price of \$0.15 until December 19, 2027. The Warrants were valued at \$137,380 and allocated to reserves. The Company paid \$260,330 in share issuance costs, with \$38,203 being allocated to the flow-through premium and issued an aggregate of 1,892,180 finder's warrants to arm's length parties valued at \$151,622 (Note 10d). The Company recognized a deferred flow-through premium of \$644,667 related to the flow-through portion of the financing.

On June 27, 2024, the Company completed a non-brokered private placement and issued 4,285,714 flow-through shares at \$0.07 for gross proceeds of \$300,000, and a LIFE Offering consisting of 20,549,498 units at a price of \$0.06 for gross proceeds of \$1,232,970. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share of the Company at a price of \$0.09 until June 27, 2026. The warrants were valued at \$308,541 and we allocated to reserves. The Company paid \$61,351 in share issuance costs and issued an aggregate of 508,140 finder's warrants to arm's length parties valued at \$20,286 (Note 10d). The Company recognized a deferred flow-through premium of \$312,675 related to the flow-through portion of the financing.

c) Omnibus incentive plan

The Company adopted a new omnibus incentive plan (the "New Plan") on June 11, 2024. The New Plan is a "rolling up to 10%" share-based compensation plan that allows the board of directors ("the Board") to grant stock options ("Options"), restricted share units ("RSUs") and deferred share units ("DSUs") of the Company (collectively, "Awards") to directors, officers, employees and consultants to acquire up to 10% of the Company's issued and outstanding common shares. Awards issued non-assignable and non-transferrable and are subject to vesting terms determined by the Board with RSUs and DSUs not vesting until at least 12 months from the date of grant. Options may be granted for a term not exceeding that permitted by the Exchange, currently ten years and the exercise price shall be determined by the Board but shall not be less than the market value of the Company's common shares at the time of grant.

i) Stock options

As at June 30, 2025, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

CANTERRA MINERALS CORPORATION**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six months ended June 30, 2025 (Expressed in Canadian Dollars)

10. SHARE CAPITAL AND RESERVES (continued)

Number of Options	Exercise Price	Expiry Date
1,712,500	\$0.34	March 19, 2026
1,887,500	\$0.31	October 18, 2026
2,850,000	\$0.07	May 11, 2028
250,000	\$0.07	June 7, 2028
2,670,000	\$0.08	February 9, 2029
100,000	\$0.07	March 18, 2029
200,000	\$0.05	September 17, 2029
390,000	\$0.10	December 30, 2029
2,917,594	\$0.08	February 20, 2030
12,972,531		

Stock option transactions are summarized as follows:

	June 30, 2025		December 31, 2024	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of the year	11,548,151	\$ 0.15	7,190,000	\$ 0.21
Granted	6,213,991	0.08	6,436,302	0.08
Exercised	-	-	(1,738,151)	0.07
Expired/cancelled/forfeited	(4,789,611)	0.08	(340,000)	0.32
Balance outstanding, end of the period	12,972,531	\$0.14	11,548,151	\$ 0.15
Options exercisable, end of the period	11,032,531	\$0.12	10,804,076	\$ 0.16

The weighted average remaining contractual life of unexercised options was 2.57 (2024 – 2.98) years.

On January 1, 2025, the Company cancelled and forfeited 1,488,151 stock options and reversed \$38,364 out of share based compensation expense due to the termination of a service contract. On June 30, 2025 the Company forfeited 3,301,460 stock options.

On February 20, 2025, the Company granted 5,830,125 stock options at a price of \$0.08 with 1,940,000 stock options vesting one-third every year, starting one year from the date of grant and 3,890,125 stock options with one-quarter vesting every 3 months, starting three months from the date of grant.

On April 22, 2025, the Company granted 383,866 stock options at a price of \$0.075 with one-quarter vesting every 3 months, starting three months from the date of grant.

For the six months ended June 30, 2025, \$77,179 was expensed as stock-based compensation related to stock options (June 30, 2024: \$301,078). The following assumptions were used for the Black-Scholes valuation of stock options granted during the year:

CANTERRA MINERALS CORPORATION**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six months ended June 30, 2025 (Expressed in Canadian Dollars)

10. SHARE CAPITAL AND RESERVES (continued)

	2025	2024
Risk-free interest rate	2.76-2.91%	1.91-3.63%
Expected life of options	5.0 years	5.0 years
Annualized volatility	183.3-197.1%	192.0-211.8%
Weighted average FV	\$0.08	\$0.08
Expected dividend rate	0%	0%

ii) Deferred share units

On February 20, 2025, the Company granted 1,125,000 DSUs to certain directors and \$63,987 was recognized as stock-based compensation expense in the six months ended June 30, 2025 (June 30, 2024: \$Nil).

iii) Restricted share units

On February 20, 2025, the Company granted 984,375 RSUs to certain officers and \$18,249 was recognized as stock-based compensation expenses in the six months ended June 30, 2025 (June 30, 2024: \$Nil).

d) Warrants

As at June 30, 2025, 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
1,250,781	\$0.065	December 20, 2025
508,140	\$0.06	June 27, 2026
10,149,749	\$0.09	June 27, 2026
2,500,000	\$0.15	December 19, 2027
1,892,180	\$0.10	December 19, 2027
37,084,450		

Share purchase warrant transactions were as follows:

	June 30, 2025		December 31, 2024	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of the year	37,084,450	\$0.08	150,598,761	\$0.01
Issued	-	-	15,175,069	0.10
Exercised	-	-	(128,689,380)	-
Balance outstanding, end of the year	37,084,450	\$0.08	37,084,450	\$0.08
Warrants exercisable, end of the year	37,084,450	\$0.08	37,084,450	\$ 0.08

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended June 30, 2025 (Expressed in Canadian Dollars)

10. SHARE CAPITAL AND RESERVES *(continued)*

At June 30, 2025, the weighted average remaining contractual life of the unexercised warrants was 2.17 (2024 – 2.67) years.

11. SEGMENT INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration, and evaluation of mineral properties in Canada. All of the Company's capital assets are located in Canada.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The fair value of marketable securities is measured based on level 1 of the fair value hierarchy. The fair values of cash and cash equivalents, receivables, land use deposits and accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments.

The Company is exposed to a variety of financial risks by virtue of its activities, including credit risk, interest rate risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Risk management is carried out by management under the direction and guidance of the Board of Directors. Management is responsible for establishing controls and procedures to ensure that financial risks are mitigated to acceptable levels.

Credit risk - Credit risk is the risk of a financial loss to the Company if a counter-party to a financial instrument fails to meet its contractual obligation. The Company manages credit risk by carrying short-term investments, if any, with investment grade ratings. The Company's receivables consist primarily of sales tax receivable due from federal and provincial government agencies and receivables from exploration partners with whom the Company has established credit policies. The Company does not have a significant concentration of credit risk with any single counter-party. The Company's cash is invested in interest bearing accounts at major Canadian chartered banks. Because of these circumstances, the Company does not believe it has a material exposure to credit risk.

Interest rate risk - Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company is not exposed to any significant interest rate risk.

Liquidity risk - Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances, asset sales or a combination thereof. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended June 30, 2025 (Expressed in Canadian Dollars)

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Price risk - The Company is exposed to price risk with respect to commodity, equity and marketable security prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

13. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as shareholders equity, consisting of common shares, stock options and warrants. There were no changes in the Company's approach to capital management during the six months ended June 30, 2025. The Company is not subject to externally imposed capital requirements.

The properties in which the Company currently has an interest in are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it believes there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

14. SUBSEQUENT EVENTS

Subsequent to June 30, 2025, the Company sold 5,151,000 shares of Star Diamond Corp. for net proceeds of \$262,266.