



CANTERRA

MINERALS CORPORATION

TSX-V: CTM

Condensed Consolidated Interim Financial Statements

For the Nine Months Ended

September 30, 2019

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

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.

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

CANTERRA MINERALS CORPORATION

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (Unaudited)

(Expressed in Canadian Dollars)

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
ASSETS		
Current		
Cash	\$ 7,352	\$ 9,895
Marketable securities (Note 3)	1,035	1,898
Receivables	1,000	7,906
	<u>9,387</u>	<u>19,699</u>
Land use deposits	4,000	4,000
Mineral properties (Note 4)	<u>-</u>	<u>-</u>
	\$ <u><u>13,387</u></u>	\$ <u><u>23,699</u></u>
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	\$ <u>252,570</u>	\$ <u>174,496</u>
	<u>252,570</u>	<u>174,496</u>
Shareholders' deficit		
Share capital (Note 6)	106,149,846	106,149,846
Reserves (Note 6)	47,640	70,044
Deficit	<u>(106,436,669)</u>	<u>(106,370,687)</u>
	<u>(239,183)</u>	<u>(150,797)</u>
	\$ <u><u>13,387</u></u>	\$ <u><u>23,699</u></u>

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on November 26, 2019

"Randy Turner"

Randy C. Turner, Director

"James Eccott"

James Eccott, Director

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

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

(Expressed in Canadian Dollars)

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Expenses				
Business development	\$ 240	\$ 522	\$ 901	\$ 982
Insurance	-	-	9,410	-
Legal, audit and accounting	509	171	7,288	8,252
Management fees (Note 5)	9,695	10,719	33,309	72,406
Office and miscellaneous	2,245	2,815	2,945	5,067
Regulatory and transfer agent fees	674	2,464	9,028	19,366
Rent (Note 5)	4,500	4,500	13,500	13,500
Wages and benefits	940	264	8,056	8,833
Exploration expenditures (Note 4)	7,460	6,907	13,703	22,261
	<u>(26,263)</u>	<u>(28,362)</u>	<u>(98,140)</u>	<u>(150,667)</u>
Management fee	588	-	588	-
Interest income	-	-	28	62
Gain on sale of mineral property	-	-	10,000	-
Unrealized (loss)/gain on marketable securities	(518)	(1,725)	(863)	(362)
Realized (loss)/gain on marketable securities	-	-	-	850
Write-down of mineral properties (Note 7)	-	(52,500)	-	(52,500)
	<u>70</u>	<u>(54,225)</u>	<u>9,753</u>	<u>(51,950)</u>
Loss and comprehensive loss for the period	\$ <u>(26,193)</u>	\$ <u>(82,587)</u>	\$ <u>(88,387)</u>	\$ <u>(202,617)</u>
Basic and diluted loss per common share	\$ <u>(0.00)</u>	\$ <u>(0.00)</u>	\$ <u>(0.00)</u>	\$ <u>(0.00)</u>
Weighted average number of common shares outstanding	89,864,870	84,592,632	89,864,870	84,507,292

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CANTERRA MINERALS CORPORATION

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (Unaudited)

(Expressed in Canadian Dollars)

	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Cash flows from operating activities		
Loss for the period	\$ (88,387)	\$ (202,617)
Items not affecting cash:		
Realized (gain)/loss on marketable securities	863	(850)
Unrealized loss on marketable securities	-	362
Gain on sale of mineral property	(10,000)	-
Write-down of mineral properties	-	52,500
Changes in non-cash working capital items:		
Decrease in receivables	6,906	9,369
Increase in accounts payable and accrued liabilities	48,074	75,403
Net cash used in operating activities	<u>(42,544)</u>	<u>(65,833)</u>
Cash flows from investing activities		
Proceeds on sale of marketable securities	-	2,450
Proceeds on sale of mineral properties	10,000	-
Net cash provided by investing activities	<u>10,000</u>	<u>2,450</u>
Cash flows from financing activities		
Proceeds received from related party (Note 5)	30,000	50,000
Net cash provided by financing activities	<u>30,000</u>	<u>50,000</u>
Change in cash during the period	(2,544)	(13,383)
Cash, beginning of the period	9,896	31,283
Cash, end of the period	\$ <u><u>7,352</u></u>	\$ <u><u>17,900</u></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)

	<u>Share Capital</u>				
	<u>Number</u>	<u>Amount</u>	<u>Reserves</u>	<u>Deficit</u>	<u>Total</u>
Balance, December 31, 2017	84,495,397	\$ 106,016,123	\$ 147,381	\$ (106,679,096)	\$ (515,592)
Issued for mineral properties	100,000	2,000	-	-	2,000
Reserves transferred on expired options	-	-	(62,355)	62,355	-
Loss for the period	-	-	-	(202,617)	(202,617)
Balance, September 30, 2018	84,595,937	\$ 106,018,123	\$ 85,026	\$ (106,819,358)	\$ (716,209)
Issued for debt	5,268,933	131,723	-	-	131,723
Reserves transferred on expired options (Note 6d)	-	-	(14,982)	14,982	-
Net earnings for the period	-	-	-	433,689	433,689
Balance, December 31, 2018	89,864,870	\$ 106,149,846	\$ 70,044	\$ (106,370,687)	\$ (150,797)
Reserves transferred on expired options (Note 6d)	-	-	(22,404)	22,404	-
Loss for the period	-	-	-	(88,387)	(88,387)
Balance, September 30, 2019	89,864,870	\$ 106,149,846	\$ 47,640	\$ (106,436,669)	\$ (239,183)

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

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2019 (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 1020 – 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6. The Company's registered and records office is 2300 – 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5.

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, 2018.

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, 2017 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 nine months ended September 30, 2019 (Expressed in Canadian Dollars)

2. BASIS OF PREPARATION *(continued)*

New Accounting Pronouncements

Effective January 1, 2019, the Company adopted IFRS 16, Leases, which addresses the accounting for leases and lease obligations. It replaces the existing leasing guidance in IAS 17, Leases. The objective of the new standard is to report all leases on the statement of financial position and to define how leases and lease liabilities are measured. The effects of this new accounting pronouncement has no material impact in the financial statements.

3. MARKETABLE SECURITIES

As at September 30, 2019 the Company holds the following common shares of public companies listed on the TSX Venture Exchange:

	September 30, 2019		December 31, 2018	
	# of shares	Value	# of shares	Value
Margaret Lake Diamonds Inc.	34,500	1,035	34,500	1,898
		\$ 1,035		\$ 1,898

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2019 (Expressed in Canadian Dollars)

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:

	September 30, 2019	December 31, 2018
Northwest Territories, Canada		
Hilltop/Cache Property	\$ -	\$ -
<i>During fiscal 2017, the Company wrote-down acquisition costs of \$290,232 associated with this property. In June 2019, the final three remaining mineral claims expired.</i>		
King Property	-	-
<i>During fiscal 2015, the Company wrote-down acquisition costs of \$80,588 associated to this property. In June 2019, the final two remaining mineral leases expired.</i>		
Marlin Property	-	-
<i>A 100% interest.</i>		
Rex Property	-	-
<i>A 100% Interest. During fiscal 2017, the Company wrote-down acquisition costs of \$37,721 associated with this property.</i>		
CL25 Property	-	-
<i>On September 5, 2018, the option agreement with Mr. Magrum was terminated and the Company wrote-down acquisition costs of \$52,500 associated with this property. (Note 4a)</i>		
Alberta Canada		
Buffalo Hills Property	-	-
<i>A 33% interest. During fiscal 2013, the Company wrote-down acquisition costs of \$8,278,519 associated with this property.</i>		
Total Mineral Properties	\$ -	\$ -

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2019 (Expressed in Canadian Dollars)

4. MINERAL PROPERTIES (continued)

- a) On June 17, 2016, the Company entered into an Option and Joint Venture Agreement with Mr. Michael Magrum (“Magrum”) to acquire up to a 70% interest in the CL-25 Property. Pursuant to the agreement, the Company can acquire a 60% interest in the CL-25 Property by making a cash payment of \$35,000 (paid), issue 400,000 shares (400,000 issued to date with an aggregate value of \$17,500) and incur \$1,000,000 in exploration expenditures (\$7,393 incurred to date) by June 27, 2019. On August 30, 2018, the Company issued 100,000 common shares with aggregate value of \$2,000 pursuant to the agreement. On September 5, 2018, the Option and Joint Venture Agreement with Mr. Michael Magrum was formally terminated, and the Company wrote-down acquisition costs of \$52,500 associated with this property.
- b) On March 14, 2019, the Company entered into an agreement for sale with Doug McDonald to attain 100% interest in the Minnitaki property in exchange for \$10,000.
- c) During the nine months ended September 30, 2019, the Company incurred exploration expenditures as follows:

	Geology & Geophysics	Field Sampling	Drilling	Land Use & Tenure	Data Evaluation	Mineralogy	Safety & Reclamation	Recoveries	Total for the period
ALBERTA									
Buffalo Hills	\$ -	\$ -	\$ -	\$ 31,356	\$ 2,572	\$ -	\$ -	\$ (20,981)	\$ 12,947
NWT									
Hilltop/Cache	-	-	-	-	-	-	-	-	-
King	-	-	-	-	-	-	-	-	-
Marlin	-	-	-	-	-	-	-	-	-
ONTARIO									
Other	-	-	-	3,342	-	-	-	(2,586)	756
Reconnaissance	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ 34,698	\$ 2,572	\$ -	\$ -	\$ (23,567)	\$ 13,703 ¹

¹ Of the \$13,703 exploration expenditures incurred during the nine months ended September 30, 2019, \$7,460 was incurred during the three months ended September 30, 2019

During the nine months ended September 30, 2018, the Company incurred exploration expenditures as follows:

	Geology & Geophysics	Field Sampling	Drilling	Land Use & Tenure	Data Evaluation	Mineralogy	Safety & Reclamation	Recoveries	Total for the period
ALBERTA									
Buffalo Hills	\$ 5,404	\$ -	\$ -	\$ 6,725	\$ -	\$ -	\$ -	\$ -	\$ 12,129
NWT									
Hilltop/Cache	-	-	-	-	-	-	-	-	-
King	4,272	-	-	5,132	-	-	-	-	9,404
Marlin	-	-	-	-	-	-	-	-	-
ONTARIO									
Other	449	-	-	279	-	-	-	-	728
Reconnaissance	-	-	-	-	-	-	-	-	-
	\$ 10,125	\$ -	\$ -	\$ 12,136	\$ -	\$ -	\$ -	\$ -	\$ 22,261

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2019 (Expressed in Canadian Dollars)

5. RELATED PARTY TRANSACTIONS

These consolidated financial statements include the financial statements of Canterra Minerals Corporation and its subsidiaries listed in the following table:

Name of Subsidiary	Country of Incorporation	Ownership	Principal Activity
Triex Minerals Corporation	British Columbia, Canada	100%	Holding company
Triex Minerals (US) Inc.	Nevada, USA	100%	Inactive

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:

	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Management fees	\$ 33,309	\$ 72,406
Geological consulting fees	5,878	10,125
Total	\$ 39,187	\$ 82,531

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

	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Rent ¹	\$ 13,500	\$ 13,500
Accounting, investor relations, geology & other	8,674	10,147
Total	\$ 22,174	\$ 23,647

¹ Of the \$13,500 rent that was incurred for the nine months ended September 30, 2019, \$4,500 was incurred during the three months ended September 30, 2019.

Included in accounts payable and accrued liabilities at September 30, 2019 is \$95,524 (December 31, 2018 - \$150,389) due to companies with common directors and/or officers. During the nine months ended September 30, 2019, the Company received \$30,000 (September 30, 2018 - \$50,000) from Rand Explorations Ltd.

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.

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2019 (Expressed in Canadian Dollars)

6. SHARE CAPITAL AND RESERVES (continued)

b) Issued share capital

The Company did not issue any common shares during the nine months ended September 30, 2019.

As at September 30, 2019 the Company had 89,864,870 common shares issued and outstanding.

On August 30, 2018, the Company issued 100,000 common shares with an aggregate value of \$2,000 as consideration towards the acquisition of the CL-25 property.

On October 2, 2018, the Company and Independence Gold Corp. (“Independence Gold”), a company with common directors and/or officers, entered into a debt settlement agreement whereby the Company issued 3,468,933 common shares with a fair value of \$86,723 to Independence Gold for \$173,447 of debt. As part of the debt settlement agreement, Independence Gold also forgave \$96,836 of debt owed by the Company.

On October 2, 2018, the Company and Rand Explorations, a company with common directors and/or officer, entered into a debt settlement agreement whereby the Company issued 1,800,000 common shares with a fair value of \$45,000 to Rand Explorations for \$90,000 of debt. As part of the debt settlement agreement, Rand Explorations also forgave \$255,000 of debt owed by the Company.

d) 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 September 30, 2019, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Number of Options	Exercise Price	Expiry Date
1,595,000	\$0.08	May 2, 2021
1,595,000		

Stock option transactions are summarized as follows:

	September 30, 2019		December 31, 2018	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of the period	1,915,000	\$ 0.09	4,070,000	\$ 0.10
Expired/cancelled	(320,000) ¹	\$ 0.15	(2,155,000)	\$ 0.10
Balance, end of the period	1,595,000	\$ 0.08	1,915,000	\$ 0.09
Options exercisable, end of the period	1,595,000	\$ 0.08	1,915,000	\$ 0.09

CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2019 (Expressed in Canadian Dollars)

6. SHARE CAPITAL AND RESERVES *(continued)*

¹ For the nine months ended September 30, 2019, 320,000 stock options expired with a fair value of \$22,404, which resulted in a decrease of the reserve from \$70,044 at December 31, 2018 to \$47,640 on September 30, 2019.

e) Warrants

As at September 30, 2019 the Company had no outstanding share purchase warrants.

Share purchase warrant transactions were as follows:

	September 30, 2018		December 31, 2018	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of the period	8,107,143	\$0.10	8,107,143	\$0.10
Expired/cancelled	<u>(8,107,143)</u>	\$0.10	<u>-</u>	-
Balance, end of the period	-	-	8,107,143	\$0.10
Warrants exercisable, end of the period	-	-	8,107,143	\$0.10