



TSX-V: CTM

**Condensed Consolidated Interim Financial Statements**

**For the Three Months Ended**

**March 31, 2014**

#### **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)

	<b>March 31</b>	<b>December 31</b>
	<b>2014</b>	<b>2013</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 169,351	\$ 185,994
Marketable securities (Note 3)	445,290	600,000
Receivables (Note 4)	13,119	25,418
Prepaid expenses	1,712	1,787
	<u>629,472</u>	<u>813,199</u>
<b>Mineral properties</b> (Note 5)	446,051	446,051
<b>Land Use deposits</b> (Note 6)	<u>4,000</u>	<u>4,000</u>
	<u>\$ 1,079,523</u>	<u>\$ 1,263,250</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	\$ <u>163,459</u>	\$ <u>36,882</u>
	<u>163,459</u>	<u>36,882</u>
<b>Shareholders' equity</b>		
Share capital (Note 7)	103,695,034	103,695,034
Reserves (Note 7)	216,340	217,810
Deficit	<u>(102,995,310)</u>	<u>(102,686,476)</u>
	<u>916,064</u>	<u>1,226,368</u>
	<u>\$ 1,079,523</u>	<u>\$ 1,263,250</u>

**Nature and continuance of operations** (Note 1)**Subsequent events** (Note 10)

Approved and authorized by the Board on May 29, 2014

*"Randy C. Turner"*

Randy C. Turner, Director

*"James Eccott"*

James Eccott, Director

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

**CANTERRA MINERALS CORPORATION**

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS (unaudited)

(Expressed in Canadian Dollars)

	<b>Three Month Period Ended March 31 2014</b>	<b>Three Month Period Ended March 31 2013</b>
<b>Expenses</b>		
Business development	\$ 1,426	\$ 2,001
Depreciation	-	7,008
Insurance	35,975	35,975
Legal, audit and accounting	1,974	10,792
Management fees and corporate services	27,900	7,625
Office and miscellaneous	13,280	6,113
Regulatory and transfer agent fees	8,587	11,145
Rent	18,480	20,720
Travel	1,095	2,738
Wages and benefits	28,455	28,372
Exploration expenditures (Note 5)	106,164	38,453
	<u>(243,336)</u>	<u>(170,942)</u>
<b>Interest income</b>	36	2,744
<b>Unrealized (loss)/gain on marketable securities</b>	(193,873)	-
<b>Realized (loss)/gain on marketable securities</b>	(3,019)	-
<b>Gain on sale of mineral property (Note 5)</b>	129,888	-
	<u>(66,968)</u>	<u>2,744</u>
<b>Loss and comprehensive loss for the period</b>	<u>\$ (310,304)</u>	<u>(168,198)</u>
<b>Basic and diluted loss per common share</b>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
<b>Weighted average number of common shares outstanding</b>	49,911,009	49,516,565

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

**CANTERRA MINERALS CORPORATION**

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (unaudited)

(Expressed in Canadian Dollars)

	<b>Three Month Period Ended March 31 2014</b>	<b>Three Month Period Ended March 31 2013</b>
<b>Cash flows from operating activities</b>		
Income (loss) for the period	\$ (310,304)	\$ (168,198)
Items not affecting cash:		
Depreciation	-	7,008
Realized (gain)/loss on marketable securities	3,019	-
Unrealized (gain)/loss on marketable securities	193,873	-
Gain on sale of mineral property	(129,888)	-
Changes in non-cash working capital items:		
(Increase) decrease in receivables	(2,813)	15,339
(Increase) decrease in prepaid expenses	75	-
Increase (decrease) in accounts payable and accrued liabilities	126,577	(31,397)
Net cash used in operating activities	<u>(119,461)</u>	<u>(177,248)</u>
<b>Cash flows from investing activities</b>		
(Acquisition)/disposition of mineral properties	15,000	(57,139)
Proceeds on sale of marketable securities	87,818	-
Net cash used in investing activities	<u>102,818</u>	<u>(57,139)</u>
<b>Change in cash during the period</b>	(16,643)	(234,387)
<b>Cash, beginning of the period</b>	<u>185,994</u>	<u>958,244</u>
<b>Cash, end of the period</b>	<u>\$ 169,351</u>	<u>\$ 723,857</u>

Supplemental disclosure with respect to cash flows (Note 9)

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

**CANTERRA MINERALS CORPORATION**

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY (unaudited)

(Expressed in Canadian Dollars)

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	<u>Share Capital</u>				
	<u>Number</u>	<u>Amount</u>	<u>Reserves</u>	<u>Deficit</u>	<u>Total</u>
Balance, December 31, 2013	49,911,009	\$ 103,695,034	\$ 217,810	\$ (102,686,476)	\$ 1,226,368
Reserves transferred on expired options	-	-	(1,470)	1,470	-
Loss for the period	-	-	-	(310,304)	(310,304)
Balance, March 31, 2014	<u>49,911,009</u>	<u>\$ 103,695,034</u>	<u>\$ 216,340</u>	<u>\$ (102,995,310)</u>	<u>\$ 916,064</u>
Balance, December 31, 2012	49,411,009	\$ 103,655,034	\$ 189,889	\$ (94,068,115)	\$ 9,776,808
Issued for mineral properties	500,000	40,000	-	-	40,000
Reserves transferred on expired options	-	-	(24,702)	24,702	-
Loss for the period	-	-	-	(168,198)	(168,198)
Balance, March 31, 2013	<u>49,911,009</u>	<u>\$ 103,695,034</u>	<u>\$ 165,187</u>	<u>\$ (94,211,611)</u>	<u>\$ 9,648,610</u>

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

## **CANTERRA MINERALS CORPORATION**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014 (Expressed in Canadian Dollars)

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### **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 1410 – 650 West Georgia Street, Vancouver, British Columbia, Canada, V6B 4N8. 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 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. Subsequent to March 31, 2014 the Company announced a non-brokered private placement to raise up to \$2 million (Note 10b).

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, 2013.

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, 2013 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 INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014 (Expressed in Canadian Dollars)**3. MARKETABLE SECURITIES**

	<b>March 31, 2014</b>	<b>December 31, 2013</b>
Zadar Ventures Ltd.	\$ 295,290	\$ 600,000
Skyharbour Resources Ltd.	150,000	-
	<b>\$ 445,290</b>	<b>\$ 600,000</b>

As at March 31, 2014, the Company holds 1,640,500 (December 31, 2013 – 2,000,000) common shares of Zadar Ventures Ltd., a public company listed on the TSX Venture Exchange. The shares were received at a value of \$505,350 pursuant to the sale of certain mineral properties.

During the period ended, March 31, 2014 the Company received 1,000,000 (December 31, 2013 – NIL) common shares of Skyharbour Resources Ltd. The shares were received at a value of \$120,000, pursuant to the sale of certain mineral properties (Note 5).

**4. RELATED PARTY TRANSACTIONS**

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

<b>Name of Subsidiary</b>	<b>Country of Incorporation</b>	<b>Ownership</b>	<b>Principal Activity</b>
Nickel Bay Resources Ltd.	British Columbia, Canada	100%	Dissolved (October 2013)
Triex Minerals Corporation	British Columbia, Canada	100%	Holding company
Triex Minerals (US) Inc.	Nevada, USA	100%	Inactive

*Key Management Personnel*

Key management personnel includes 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:

	<b>3 month period ended March 31, 2014</b>	<b>3 month period ended March 31, 2013</b>
Management fees	\$ 27,900	\$ 7,625
Geological consulting fees	39,500	35,000
<b>Total</b>	<b>\$ 67,400</b>	<b>\$ 42,625</b>

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

	<b>3 month period ended March 31, 2014</b>	<b>3 month period ended March 31, 2013</b>
Rent	\$ 15,000	\$ 15,000
Wages and benefits	7,500	7,500
<b>Total</b>	<b>\$ 22,500</b>	<b>\$ 22,500</b>

Included in receivables at March 31, 2014 is \$9,047 (December 31, 2013 - \$7,609) due from companies with common directors and/or officers.

Included in accounts payable and accrued liabilities at March 31, 2014 is \$81,513 (December 31, 2013 - \$1,365) due to companies with common directors and/or officers.



## CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014 (Expressed in Canadian Dollars)

### 5. 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 interests in various mineral claims located in Canada, the acquisition costs of which are as follows:

	<b>March 31, 2014</b>		<b>December 31, 2013</b>	
<b>Northwest Territories &amp; Nunavut - Canada</b>				
<b>Hilltop Property, Northwest Territories/Cache Property, Nunavut</b>	\$	252,770	\$	252,770
A 100% interest/An 80% interest.				
<b>King Property, Northwest Territories</b>		60,509		60,509
A 100% interest				
<b>Carat Property, Northwest Territories</b>		132,772		132,772
A 70% interest.				
<b>Total Mineral Properties:</b>	\$	<u>446,051</u>	\$	<u>446,051</u>

During the period ended, March 31, 2014, the Company sold certain mineral properties that were previously written-down in exchange for \$15,000 cash and 1,000,000 common shares of Skyharbour Resources Ltd. valued at \$130,000.

**CANTERRA MINERALS CORPORATION**

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014 (Expressed in Canadian Dollars)

**5. MINERAL PROPERTIES** *(continued)*

During the period ended March 31, 2014, the Company incurred exploration expenditures as follows:

	<b>Geology &amp; Geophysics</b>	<b>Field Sampling</b>	<b>Land Use Drilling</b>	<b>Land Use &amp; Tenure</b>	<b>Data Evaluation</b>	<b>Reclamation &amp; Safety</b>	<b>Recoveries</b>	<b>Total for the period</b>
<b>NWT</b>								
Hilltop/Cache	\$ 8,811	-	-	-	8,470	-	-	\$ 17,281
King	5,545	-	-	-	5,182	-	-	10,727
Reconnaissance	51,377	-	-	-	26,158	-	-	77,535
<b>ONTARIO</b>								
Other	272	-	-	349	-	-	-	621
	<b>\$ 66,005</b>	<b>-</b>	<b>-</b>	<b>349</b>	<b>39,810</b>	<b>-</b>	<b>-</b>	<b>\$ 106,164</b>

During the period ended March 31, 2013, the Company incurred exploration expenditures as follows:

	<b>Geology &amp; Geophysics</b>	<b>Field Sampling</b>	<b>Land Use Drilling</b>	<b>Land Use &amp; Tenure</b>	<b>Data Evaluation</b>	<b>Reclamation &amp; Safety</b>	<b>Recoveries</b>	<b>Total for the period</b>
<b>ONTARIO</b>								
Other	\$ 4,796	-	-	473	-	-	-	\$ 5,269
<b>NEVADA</b>								
East Manhattan	20,603	-	-	-	-	-	-	20,603
Highland	12,581	-	-	-	-	-	-	12,581
	<b>\$ 37,980</b>	<b>-</b>	<b>-</b>	<b>473</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 38,453</b>

**CANTERRA MINERALS CORPORATION**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014 (Expressed in Canadian Dollars)

**6. 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. Exploration deposits surrendered to mining regulators are expensed.

**7. 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 period ended, March 31, 2014.

During the period ended March 31, 2013 the Company issued 500,000 common shares, with a value of \$40,000 as consideration towards the acquisition of mineral properties (Note 5).

## 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 March 31, 2014, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

	<b>Number of Shares</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
	815,000	0.25	April 14, 2015
	2,760,000	0.10	April 24, 2018
	<u>3,575,000</u>		

Stock option transactions are summarized as follows:

	<b>March 31, 2014</b>		<b>December 31, 2013</b>	
	<b>Number of Options</b>	<b>Weighted Average Exercise Price</b>	<b>Number of Options</b>	<b>Weighted Average Exercise Price</b>
Balance, beginning of the period	3,732,250	\$ 0.14	1,332,250	\$ 0.28
Granted	-	-	2,760,000	0.10
Exercised	-	-	-	-
Expired/cancelled	157,250	\$0.33	(360,000)	0.31
Balance, end of the period	<u>3,575,000</u>	<u>\$ 0.13</u>	<u>3,732,250</u>	<u>\$ 0.14</u>
Options exercisable, end of the period	3,575,000	\$ 0.13	3,732,250	\$ 0.14

**CANTERRA MINERALS CORPORATION**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014 (Expressed in Canadian Dollars)

**7. SHARE CAPITAL AND RESERVES (continued)**

## d) Share-based compensation

There were no stock options issued during the three month periods ended March 31, 2014 and 2013.

## e) Warrants

As at March 31, 2014 the Company had outstanding share purchase warrants, enabling the holders to acquire further shares as follows:

Number of Warrants	Exercise Price	Expiry Date
13,153,266	\$0.25	June 21, 2014 (Note 10)
13,153,266		

The outstanding share purchase warrants above are subject to an acceleration clause whereby in the event that the common shares trade at a closing price on the TSX Venture Exchange of greater than \$0.50 per common share during any twenty consecutive trading-day period, the Company may accelerate the expiry date by giving such notice to the holders thereof and in such case the warrants will expire on the 21<sup>st</sup> business day after the date on which such notice is given.

Share purchase warrant transactions were as follows:

	March 31, 2014		December 31, 2013	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of the period	13,153,266	\$ 0.25	13,603,462	\$ 0.25
Granted	-	-	-	-
Exercised	-	-	-	-
Expired/cancelled	-	-	(450,196)	0.25
Balance, end of the period	13,153,266	\$ 0.25	13,153,266	\$ 0.25
Warrants exercisable, end of the year	13,153,266	\$ 0.25	13,153,266	\$ 0.25

**8. SEGMENT INFORMATION**

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

**9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

The significant non-cash investing and financing transactions during the period ended March 31, 2014 consisted of the receipt of 1,000,000 common shares valued at \$130,000 pursuant to the sale of certain mineral properties (Note 5).

The significant non-cash investing and financing transactions during the period ended March 31, 2013 consisted of the issuance of 500,000 common shares valued at \$40,000 for mineral properties (Note 5)

## CANTERRA MINERALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014 (Expressed in Canadian Dollars)

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### 10. SUBSEQUENT EVENTS

Subsequent to March 31, 2014, the Company;

- a) Amended the expiry date of 13,153,266 outstanding warrants from June 21, 2014 to June 21, 2016. The warrants will remain exercisable into common shares at a price of \$0.25 per common share.
- b) Announced a non-brokered private placement to raise up to \$2 million consisting of 14,285,714 units (the "Units") at a price of \$0.07 per Unit and up to 10,000,000 common shares to be issued as flow-through shares (the "Flow-Through Shares") at a price of \$0.10 per Flow-Through Share (the "Offering"). Each Unit will consist of one common share ("Common Share") and one-half of one common share purchase warrant (each whole warrant being a "Warrant") of the Company. Each Warrant will entitle the holder thereof to purchase one Common Share at \$0.10 and will be exercisable for a period of 24 months after the closing date ("Warrant Expiry Date")

The Warrants will be subject to an acceleration clause whereby in the event that the Common Shares trade at a closing price on the TSX Venture Exchange of greater than \$0.20 per Common Share during any twenty consecutive trading-day period, the Company may accelerate the Warrant Expiry Date by giving such notice to the holders, whereby the Warrants will expire on the 21st business day thereafter.

A finders' fee equal to 6% cash and 6% warrants ("Compensation Warrants") may be payable on a certain portion of the Offering. The Compensation Warrants will be exercisable at a price of \$0.10 per share for a period of 12 months after the closing date.

- c) Staked 43 new mineral claims covering approximately 43,000 hectares ("ha") in the southern portion of the Slave Province, Northwest Territories.