

NEWS RELEASE

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TSX Venture: CTM

CANTERRA TO ACQUIRE WILDING LAKE GOLD PROJECT AND ANNOUNCES \$3.25 MILLION FINANCING

Vancouver, BC – Canterra Minerals Corporation (CTM-TSX.V) (“Canterra” or the “Company”) is pleased to announce that it has entered into a binding share exchange agreement (the “Agreement”) pursuant to which, subject to receipt of all applicable regulatory approvals, the Company has agreed to acquire (the “Acquisition”) all of the issued and outstanding securities of Teton Opportunities Inc. (“Teton”). Teton is a private, arm’s-length British Columbia company led by a team of geologists which holds an option with a subsidiary of Altius Minerals Corp. (together with the subsidiary, “Altius”) (ALS:TSX) to acquire the Wilding Lake Project located in central Newfoundland, Canada.

Wilding Lake Project Highlights:

- Property package encompassing approximately 104 km² of highly prospective geology coincident with 30 km of strike along the Rogerson Lake structural corridor in Newfoundland
- Located on strike with Marathon Gold’s (MOZ:TSX) Valentine Lake project as well as the Cape Ray gold deposit owned by Matador Mining (MZZ:ASX)
- Five zones of gold mineralization identified through a 30 hole drill campaign in 2017, including: 10.01 g/t gold over 5.3m
- Low cost of exploration with all projects road accessible

The Wilding Lake Project is comprised of the Wilding Lake, Noel Paul, Crystal Lake and Intersection gold properties, totaling approximately 104 km², and includes 30 km of the Rogerson Lake structural corridor which runs for 200 kilometres diagonally across Newfoundland. The Rogerson Lake corridor hosts Marathon Gold’s Valentine Lake project as well as the Cape Ray gold deposit owned by Matador Mining. New gold discoveries on the Wilding Lake Project and continued success at Marathon Gold’s Valentine Lake project, directly southwest of Wilding Lake, indicate that the Rogerson Lake corridor is only recently emerging as a major area of gold endowment.

Gold was first discovered at the Wilding Lake Project through forestry activity in 2016. Five zones of gold mineralization were identified by a previous operator through an initial 30 hole drill campaign in 2017, with highlights including:

- 10.01 g/t Au over 5.3m in hole WL-17-24
- 40.85 g/t Au over 0.5m in hole WL-17-01
- 0.98 g/t Au over 17.0m in hole WL-17-12
- 1.44 g/t Au over 5.1m in hole WL-17-08

- 11.14 g/t Au over 0.5m in hole WL-17-03
- 0.54 g/t Au over 12.7m in hole WL-17-28

The 2017 initial drill hole program successfully demonstrated strong gold endowment at the Wilding Lake Project with gold mineralization in 27 of the 30 holes in a proximal and geologically similar setting to the Valentine Lake project to the southwest. Gold mineralization occurred in shear-related orogenic style quartz veins and quartz stockworks underneath shallow overburden in an area that has not been previously systematically explored for gold. Follow-up drilling on the gold mineralized zones and yet to be drilled targets is warranted.

Click [here](#) to view the Wilding Lake Project Property Map.

Acquisition Transaction Structure

As at the date hereof, Teton has an aggregate of 15,000,000 common shares (the “Teton Shares”) and warrants to acquire 6,250,000 common shares (the “Teton Warrants”) issued and outstanding. In addition, pursuant to the terms of the Option Agreement (as defined below) Altius shall be issued 12,500,000 Teton Shares and 6,250,000 Teton Warrants prior to closing of the Acquisition (the “Payment Securities”). After giving effect to the issuance of the Payment Securities, Teton shall have an aggregate of 27,500,000 Teton Shares and 12,500,000 Teton Warrants outstanding. Pursuant to the terms of the Agreement, subject to the receipt of all requisite corporate, shareholder, and regulatory approvals, in connection with the completion of the Acquisition, Canterra intends to acquire all of the currently issued and outstanding Teton Shares in exchange for an aggregate of 9,677,250 common shares of Canterra (the “Acquisition Shares”) based on an exchange ratio of 0.3519 Canterra shares for each one Teton Share acquired (the “Exchange Ratio”) and warrants (the “Acquisition Warrants”) to acquire an aggregate of 4,398,750 common shares of Canterra, with each Acquisition Warrant exercisable to acquire one common share of Canterra at a price of \$0.24 for a period of 24 months from the closing of the Acquisition. No fractional Acquisition Shares or Acquisition Warrants will be issued.

\$3.25 Million Concurrent Financing

In connection with the completion of the Acquisition, subject to receipt of TSX Venture Exchange (the “Exchange”) approval, Canterra intends to complete an equity financing (the “Financing”) comprised of: i) 19,250,000 flow-through common shares (the “FT Shares”) at a price of \$0.13 per FT Share, for aggregate proceeds of \$2,502,500; and ii) 6,250,000 units (each a “Unit”) at a price of \$0.12 per Unit for aggregate proceeds of \$750,000. Each Unit will consist of one common share of the Company (a “Share”) and one half of one common share purchase warrant (a “Warrant”). Each Warrant will entitle the holder to purchase one additional Share at an exercise price of \$0.24 per common share for a period of 24 months. Subject to compliance with applicable securities laws and the approval of the Exchange, cash finders’ fees may be payable to eligible arm’s length persons with respect to certain subscriptions accepted by the Company.

Debt Settlement

In addition, subject to receipt of Exchange approval, Canterra intends to issue an aggregate of 2,841,530 common shares (the “Shares”) at a price of \$0.12 per Share in settlement (the “Debt Settlement”) of an aggregate of \$340,984 in outstanding debt (the “Debt”), including the settlement of accrued management fees owing to a company controlled by a director of the Company, and general and shareholder loans for administrative expenses owing to a company that has a common director with the Company.

Effect of Transactions

It is anticipated that upon completion of the Acquisition, assuming completion of the Financing and Debt Settlement (the “Transactions”), it is anticipated that the Company will have an aggregate of 47.0 million common shares, share purchase warrants to acquire an aggregate of 4.4 million common shares and 107,000 options to purchase common shares. Altius will hold 4.4 million common shares which is anticipated to be 9.4% of the common shares outstanding after giving effect to the Transactions.

All shares issued under the Financing and the Debt Settlement will be subject to a hold period of four months and one day from the date of issuance under applicable Canadian securities law or, as applicable, the policies of the Exchange.

The Acquisition constitutes a “Fundamental Acquisition” within the policies of the Exchange and as a result, trading in Canterra’s common shares on the Exchange will remain halted until all materials required under Exchange policies in connection with the Acquisition have been filed. Closing of the Acquisition is subject to a number of conditions including completion of the Debt Settlement, the Financing, completion of satisfactory due diligence, receipt of all required corporate, regulatory and third party consents, including Exchange approval, and satisfaction of other customary closing conditions. The Acquisition cannot close until the required approvals are obtained. There can be no assurance that the Acquisition will be completed as proposed or at all.

Director Appointment

In connection with the closing of the Acquisition and the transition from diamond exploration to gold exploration, Mr. Turner will transition from Chief Executive Officer to Chair of the Board of Directors and Christopher Pennimpede, P.Geol., Teton’s founder, shall be appointed to Canterra’s board of directors and assume the President and Chief Executive Officer position upon closing of the Acquisition. Mr. Turner commented, “I look forward to partnering with Chris to transition Canterra from diamond to gold exploration. We believe the transition will provide Canterra shareholders an exciting opportunity to benefit from exposure to a highly prospective structural corridor in Newfoundland while the market investor interest for gold exploration companies continues to improve.”

Mr. Pennimpede brings to the Company 13 years of experience as a professional geologist in mineral exploration and mining. Chris has been instrumental in leading exploration teams on projects throughout the Americas. He has been involved in the early exploration and discovery of deposits in northern Canada and Alaska and has acted as VP Exploration and Director for several junior mining companies over the years. Mr. Pennimpede gained global experience evaluating and consulting to numerous projects while acting as Operations Manager for CSA Global. Chris is currently the VP Corporate Development at Contact Gold and is a graduate of Simon Fraser University with a Bachelor of Science degree in Earth Sciences.

A technical report for the Winding Lake Project is being prepared in connection Acquisition and in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* and the policies of the Exchange.

Qualified Person

All scientific and technical information in this press release, has been reviewed and approved by Christopher Pennimpede, P.Geol., a Founder of Teton, who is a “qualified person” within the meaning of NI 43-101.

The Option Agreement

Pursuant to a property purchase agreement dated August 27, 2020 between Teton and Altius, as amended October 30, 2020 (the “Option Agreement”), Altius has granted Teton an option (the “Option”) to acquire a 100% right title and interest in and to the Winding Lake Project, subject to 2% net smelter royalty payable to Altius and the original property owners.

In accordance with the terms of the Property Option Agreement, in order to exercise the Option, Teton is required to:

1. issue Altius 12,500,000 common shares of Teton and warrants to acquire a further 6,250,000 Teton common shares (together, the “Payment Securities”), which securities shall be issued immediately prior to the closing of the Acquisition;

2. incur cumulative exploration expenditures of at least \$1,000,000 in connection with the Wilding Lake Project before August 27, 2022; and,
3. complete a transaction with a publicly listed company (a "Public Company"), pursuant to which the outstanding securities of Teton are exchanged with the securities of the Public Company before August 27, 2022.

In connection with the issuance of the Payment Securities granting the royalty rights to Altius, Altius will transfer title to the Wilding Lake Property to Teton.

ON BEHALF OF THE BOARD OF CANTERRA MINERALS CORPORATION


Randy Turner, President & CEO

For further information, contact Randy Turner, President at 604-687-6644 or info@canterraminerals.com
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This press release contains statements that constitute "forward-looking information" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that discusses predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements contained in this press release include, without limitation, statements regarding: the terms, conditions, and completion of the Acquisition, the Financing and the Debt Settlement; the business and operations of the Company; unprecedented market and economic risks associated with current unprecedented market and economic circumstances due to the COVID-19 pandemic, as well as those risks and uncertainties identified and reported in the Company's public filings under its respective SEDAR profile at www.sedar.com. In making the forward-looking statements contained in this press release, the Company has made certain assumptions, including that: due diligence will be satisfactory; the Debt Settlement and Financing will be completed on acceptable terms; all applicable corporate, shareholder, and regulatory approvals for the Acquisition will be received. Although the Company believes that the expectations reflected in forward-looking statements are reasonable, it can give no assurance that the expectations of any forward-looking statements will prove to be correct. Known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: results of due diligence; availability of financing; delay or failure to receive board, shareholder or regulatory approvals; and general business, economic, competitive, political and social uncertainties. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this press release. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward-looking statements or otherwise.

United States Advisory

The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), have been or will be offered and sold outside the United States to eligible investors pursuant to Regulation S promulgated under the U.S. Securities Act, and may not be offered, sold, or resold in the United States or to, or for the account of or benefit of, a U.S. Person (as such term is defined in Regulation S under the United States Securities Act) unless the securities are registered under the U.S. Securities Act, or an exemption from the registration requirements of the U.S. Securities Act is available. Hedging transactions involving the securities must not be conducted unless in accordance with the U.S. Securities Act. This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in the state in the United States in which such offer, solicitation or sale would be unlawful.