

Canterbury Resources Limited

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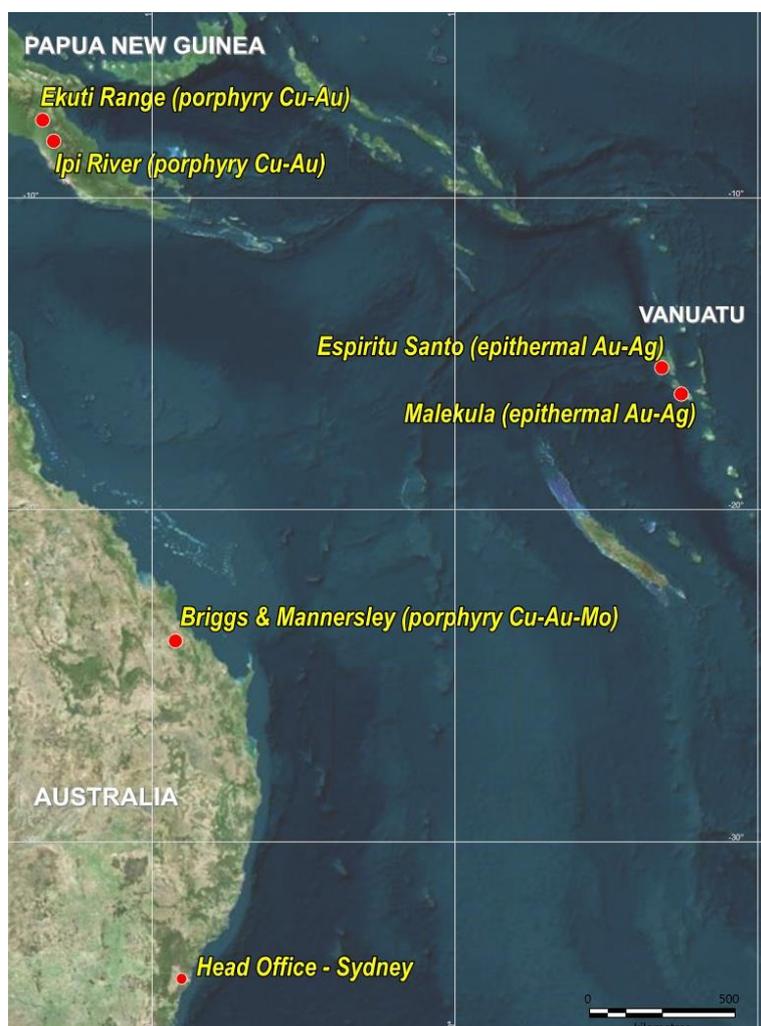
Dear Shareholder,

Canterbury Resources Limited (“Canterbury or the Company or CRL”) is pleased to report further excellent progress in its strategy of generating copper-gold exploration projects in the SW Pacific region, providing exposure to potential Tier-1 deposits. Recent activity includes:

- completion of a 3-month field program at Ekuti Range, PNG in conjunction with Anglo American
- identification of exciting drill targets at the Briggs prospect in Queensland
- consolidation of ownership of the Ipi River Project, PNG
- a breakthrough in landowner negotiations at the Tafuse prospect, Vanuatu

Significantly, on the back on strengthening commodity prices, there has been improving equity market support for junior resource companies. Accordingly, the Company has mandated Sydney based brokers 708 Capital to develop and implement near term listing plans, either via a conventional IPO or reverse takeover (‘RTO’).

We are currently targeting a March 2018 listing date, and look forward to providing shareholders with a definitive listing pathway process and timetable in the near future.



Exploration Update

Papua New Guinea

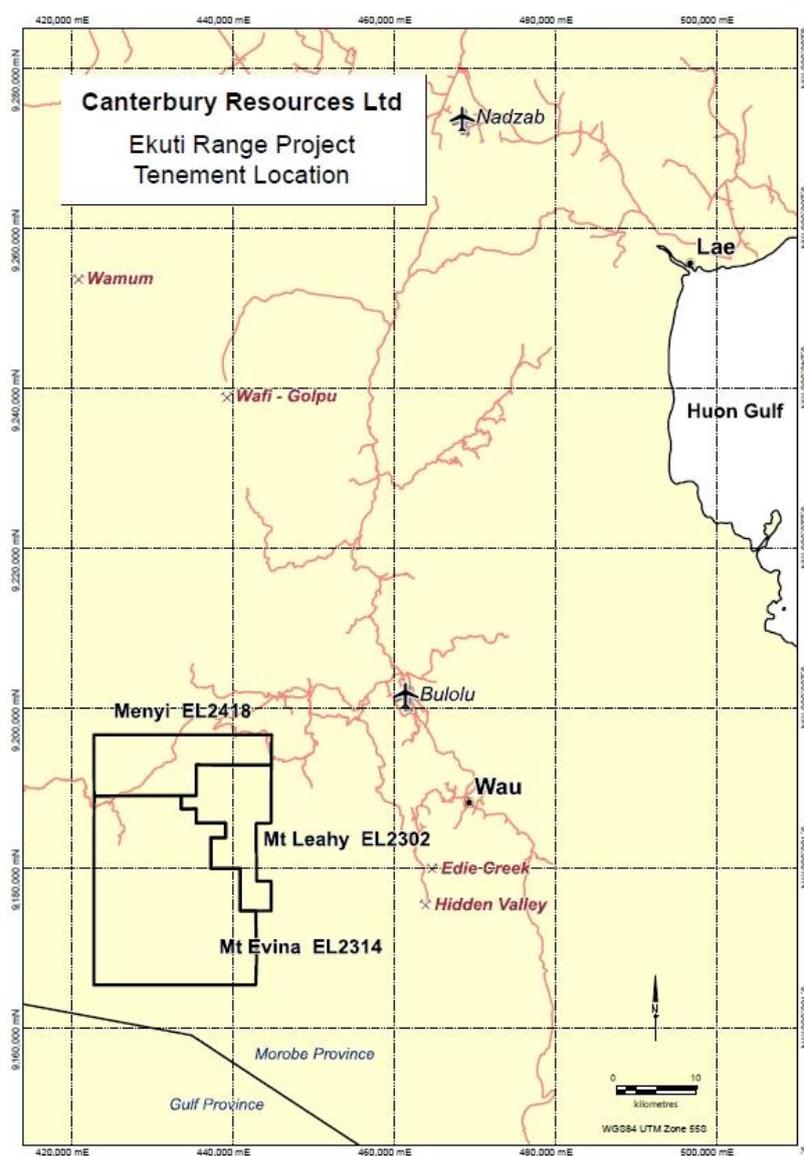
Canterbury has established two projects in PNG known as 'Ekuti Range' and 'Ipi River'.

Both projects are regarded as having excellent potential for the discovery of large scale porphyry copper-gold deposits.

At the Ekuti Range Project our initial tenement was granted in February 2014, and we have steadily increased our position since that time as opportunities have arisen.

The Ipi River tenement is still in the application phase and we are awaiting allocation of a date for Warden Hearings as the next step in the approval process.

Ekuti Range Copper – Gold Project (EL2302, EL2314, EL2418) – CRL100%



The Ekuti Range Project lies within the very well-endowed Morobe Province of PNG, which includes:

- Newcrest/Harmony Gold's massive Wafi-Golpu development project (26Moz gold, 8.8Mt copper)
- Harmony Gold's Hidden Valley gold operation (~200koz pa), and
- extensive historic gold production from the Bulolo and Edie Creek fields

Within the Canterbury's tenements, epithermal gold rich lodes (e.g. Otibanda, Weke and Kopekio) have been known since the 1980's and were sparsely drilled by Triple Plate Junction earlier this decade with encouraging results including:

- OTI 003 – 2.2m at 16.6g/t Au, 2.0% Cu
- OTI 006 – 2.5m at 15.3g/t Au, 0.3% Cu, and 0.8m at 25.6g/t Au, 0.4% Cu
- OTI 007 - 1.0m at 17.5g/t Au, 0.6% Cu
- OTI 008 – 1.1m at 20.1g/t Au, 0.2% Cu



Otibanda Lode, Ekuti Range - grab sample assayed 45.4g/t Au, 7.4% Cu

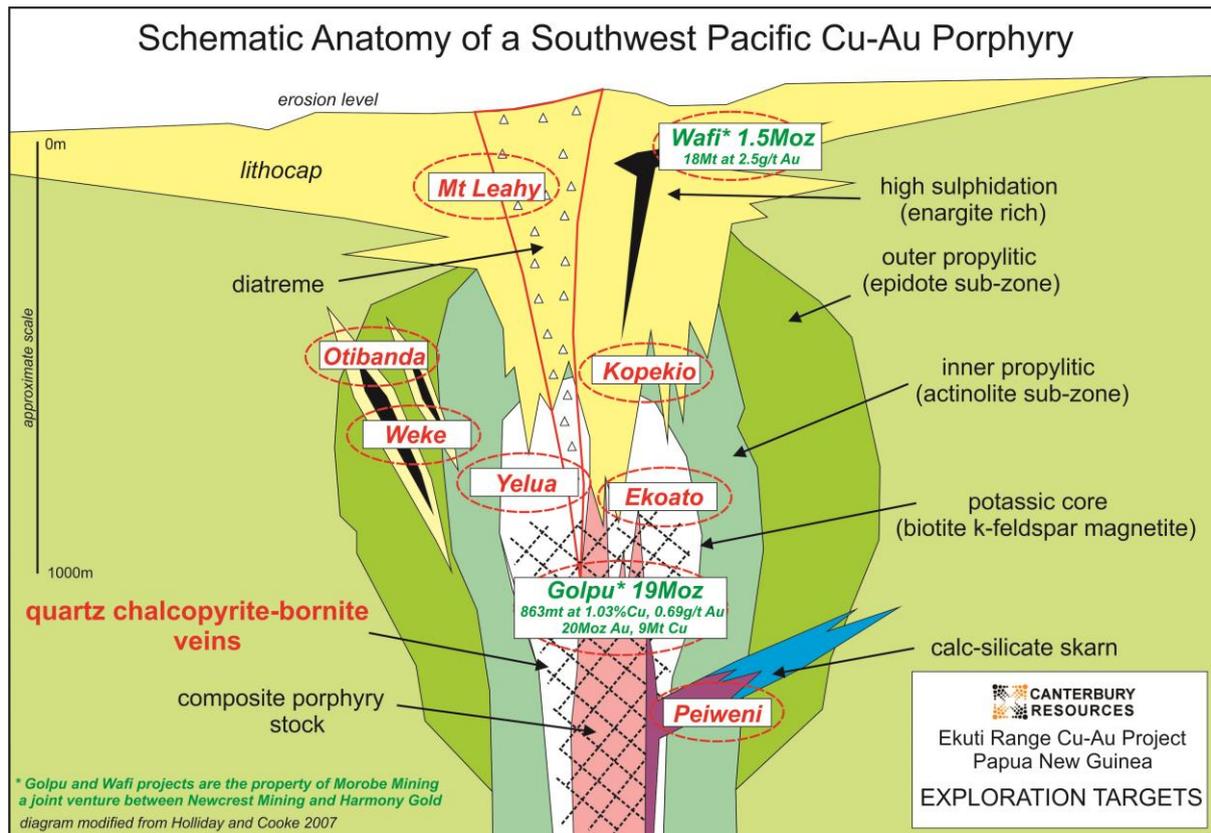
Subsequently, work by both Newmont and Canterbury has recognized that these lodes probably overly large scale, metal rich copper-gold porphyry systems – which represent attractive targets for major mining companies.

Canterbury's work has involved a combination of mapping, geochemical sampling, shallow drilling, geophysical interpretation and petrology – and, in part, has involved contributions from both Rio Tinto and Anglo American.

As a result of the work undertaken to date, we have interpreted major porphyry systems at Ekoato, Otibanda, Weke, Kopekio, Mt Leahy and Yelua – and the indicative stratigraphic position of these targets is illustrated on the following schematic cross-section of a 'typical' Cu-Au porphyry system in the SW Pacific.

The cross-section also plots the indicative position of the Wafi and Golpu deposits, located some 50km to the north, which are being developed by Morobe Mining (a 50:50 joint venture between Newcrest Mining & Harmony Gold).

Significantly, the Ekoato prospect has been dated at the same age as the Golpu system (9.0 to 10.4 Myr) and displays many similar geological characteristics. Limited additional mapping, sampling and ground based geophysics is required to define high quality drill targets. This next phase of field work is planned to be undertaken in early 2018.



Schematic Section of a 'Typical' SW Pacific Porphyry System

Ipi River Copper-Gold Project (ELA 2509) - CRL 100%

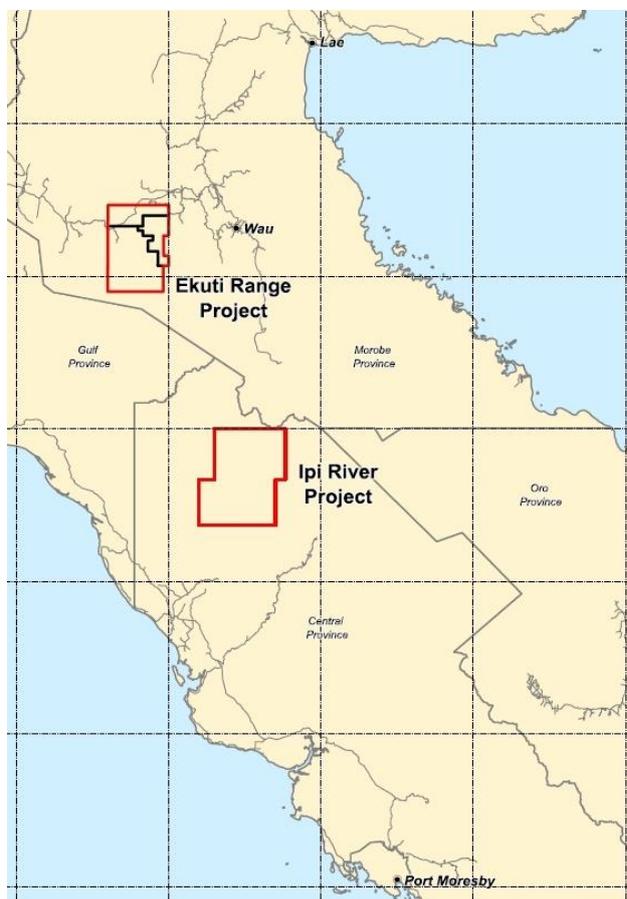
Canterbury continues to add to its PNG portfolio. This includes an application (ELA2509 Tapini) covering the Ipi River Cu-Au porphyry system which was formerly held by the now-defunct Government exploration company Petromin.

We recently consolidated our ownership of this project, and anticipate it will now steadily advance through the normal approvals process.

The broader region was first evaluated by CRA Exploration in 1972 / 1973 via regional drainage geochemistry sampling.

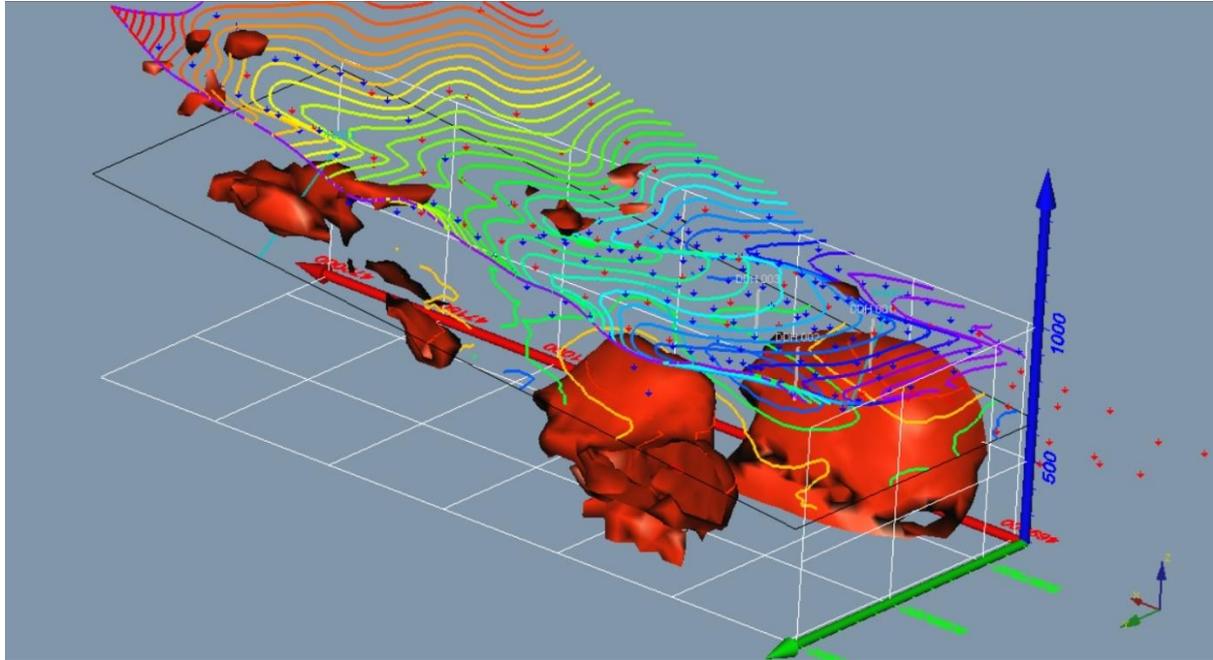
Subsequently BHP prospected and drilled an alteration system at Ipi River, targeting a buried intrusive under a colluvial terrace, and encountered broad intervals of low grade copper mineralisation.

Petromin further evaluated the Ipi River prospect between 2010 and 2016, including drilling three holes (with a best intercept



366m at 0.17% Cu, 0.1g/t Au, 120ppm Mo).

Geophysical data available for the area includes an outstanding IP anomaly (as illustrated below) that is yet to be tested by drilling:

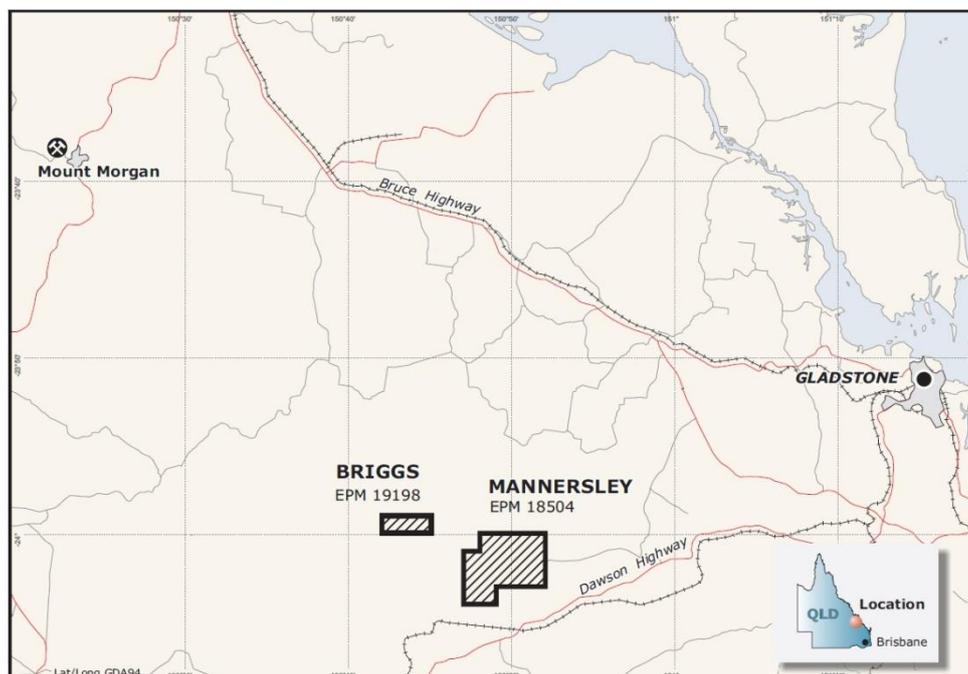


Ipi River – 3D IP Anomaly

Overall, it is a poorly understood porphyry Cu-Au-Mo system, with potential to host a Tier-1 scale deposit. There are a number of untested regional prospects within the application area, indicated from the drainage geochemistry data and regional magnetic interpretation. These have potential to host significant epithermal and porphyry Cu-Au-Ag mineralisation.

Queensland

Briggs & Mannersley Copper Porphyry Projects (EPM19198 and EPM18504) - CRL 100% (Rio Tinto has a 1% NSR and certain buy-back rights)



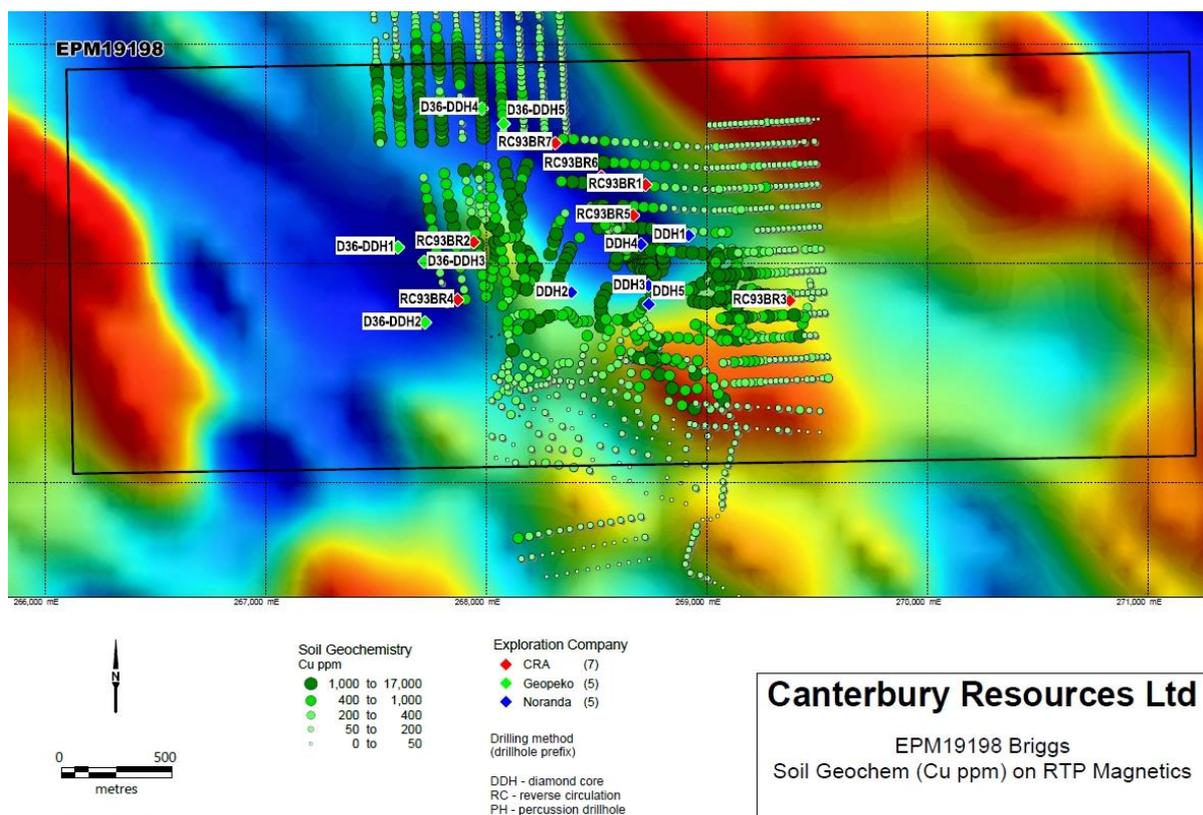
In May 2017 Canterbury formally acquired the Briggs and Mannersley projects from Rio Tinto Exploration Pty Limited (“Rio Tinto”), which retains a Net Smelter Royalty (“NSR”) and certain back-in rights in the event of a material discovery.

The tenements are located ~50km inland from Gladstone, with excellent access and industrial infrastructure, and cover large scale copper porphyry systems at the southern end of the high grade Mount Morgan (8Moz Au, 350kt Cu) trend. Mt Morgan produced 8Moz of gold and 350,000t of copper from 50Mt of ore between 1882 and its closure in 1989.

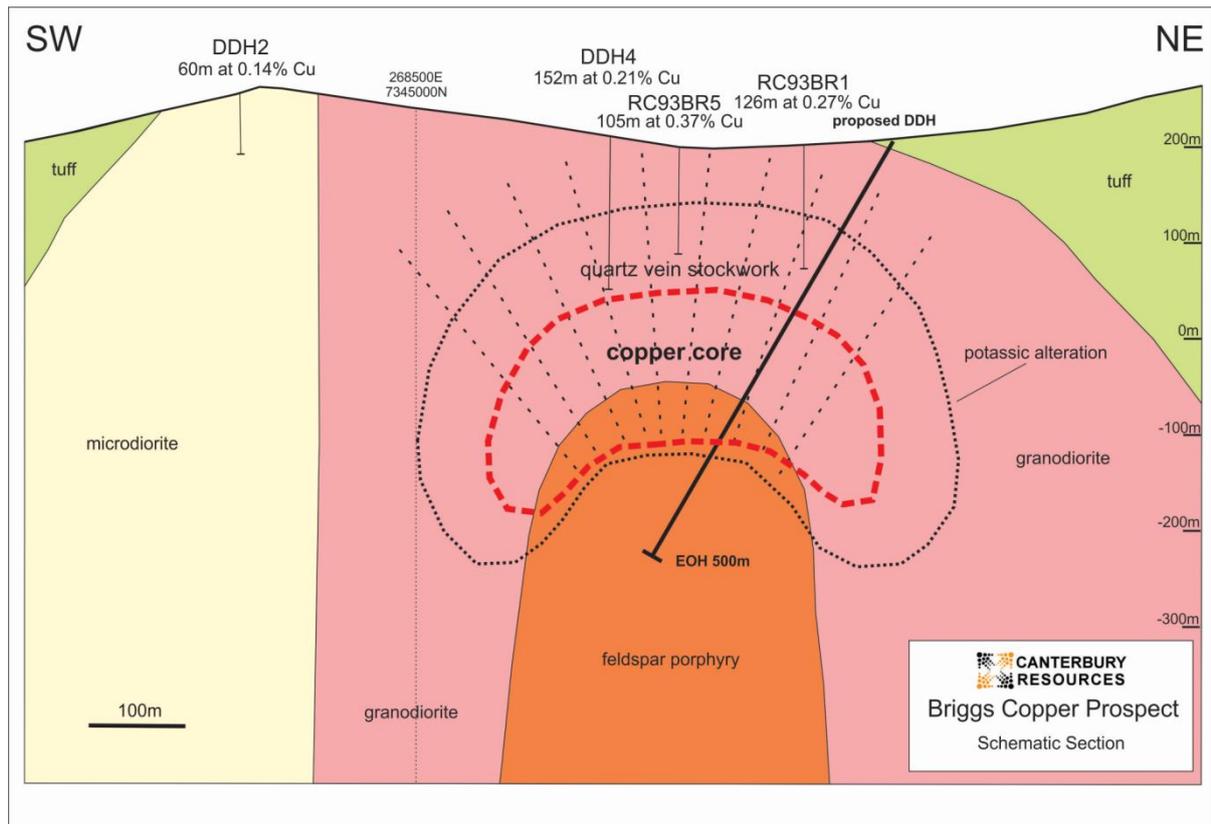
Historical work has demonstrated the existence of multiphase intrusive systems in the tenements, with extensive copper geochemistry in soils and proven porphyry mineralisation. Limited historic, shallow drilling within the Briggs tenement has returned very encouraging intervals of copper mineralisation, including:

- 105m at 0.37% Cu from 4m, including 52m at 0.5% Cu
- 34m at 0.41% Cu from surface
- 12m at 0.61% Cu from 26m

Canterbury is currently preparing to further assess the Briggs project by drilling an extensive zone of outcropping intensely altered, mineralized intrusive, which occurs within a ~2km strike length copper-in-soil anomaly. The alteration consists of a core potassic zone (1,000m long) within a quartz vein stockwork zone measuring 1,500m long.



The first phase of the proposed drilling program will comprise 3 or 4 wide spaced holes of up to 500m each, and will be implemented shortly after Canterbury’s ASX listing. This ‘scout’ drilling phase aims to scope out the alteration zones and distribution of mineralisation, and will be used to zone in on the postulated higher grade core of the system.



At Mannersley, Canterbury is intrigued by the unusually large (~3.5km²) size of the Mannersley intrusive complex and the associated potassic (biotite) alteration which is atypical of Queensland porphyries.

Rio Tinto also reports visible gold in samples draining from the intrusive complex which appears to be associated with magnetite bearing skarns and there are many historical gold workings dotted along the creek systems. These targets are also worthy of detailed assessment.



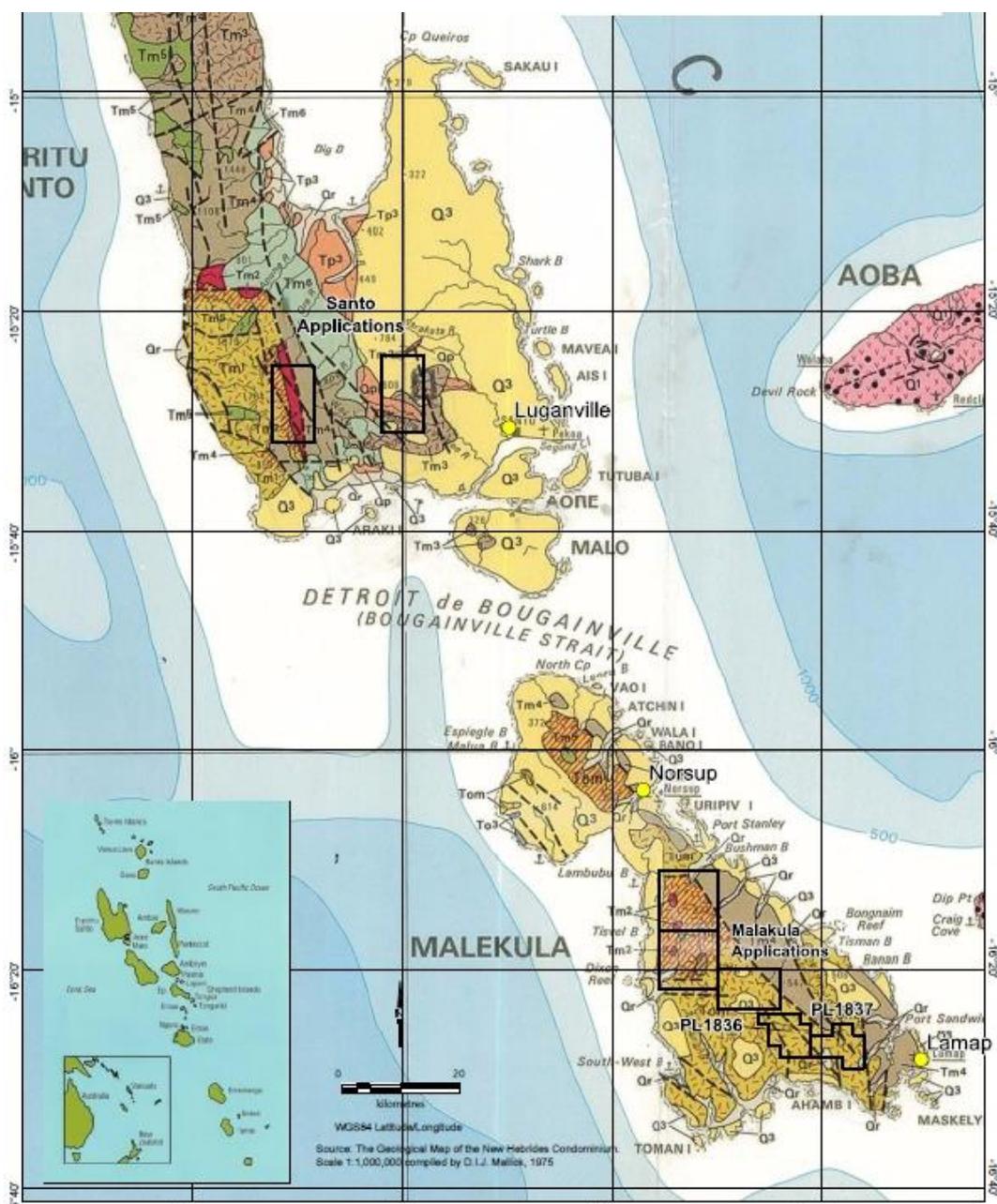
Rio Tinto Drilling – Mannersley Project

Vanuatu

Malekula (PL1836, PL1837 & 3 PLA's), Santo 2 PLA's – CRL 100%

In Vanuatu, a strategic portfolio has been established covering areas that display many geological similarities to the rich Hauraki gold field in New Zealand. However, Vanuatu has received only minimal attention from past explorers despite the discovery of widespread mineralisation. Fieldwork was paused following cyclone Pam in 2015 and is expected to resume in 2018.

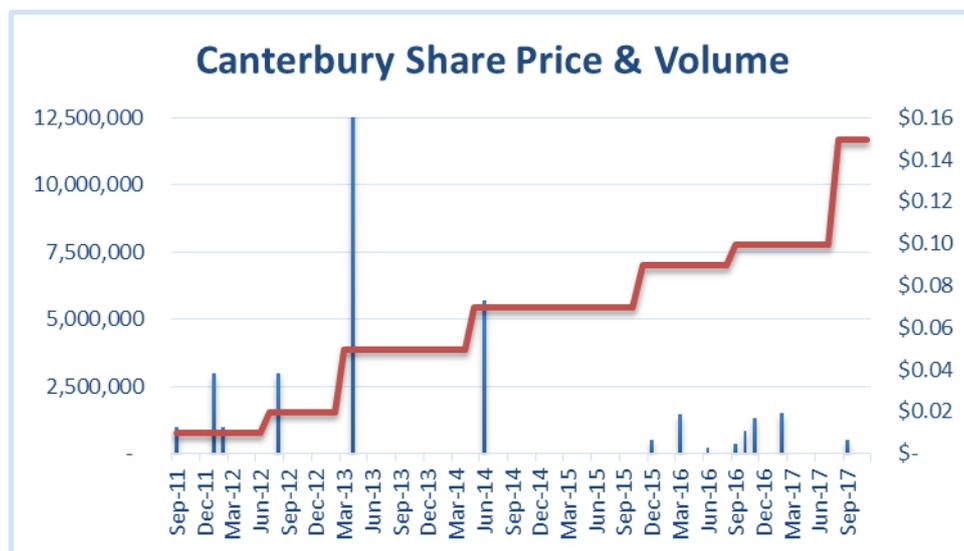
A breakthrough has recently been achieved for the Tafuse prospect on Santo, where negotiations with local landowners have generated support for our proposed exploration activities. This creates a pathway for the way for a granting of this important application in the not too distant future.



Vanuatu Tenement Locations

Canterbury Capital Structure

Canterbury periodically raises cash in order to maintain exploration momentum and fund its corporate strategy, including the current ASX listing plans. A steady enhancement of our assets, plus improving market conditions, has resulted in these capital raisings being achieved at progressively higher prices – currently the Company is undertaking a pre-listing raising at AUD 15cps or Kina 0.38 per share.



The capital structure of the Company as at 1 October 2017 is outlined in the following table:

Fully paid ordinary shares	35.7 million
Options (9cps, expiring 30 th June 2018)	1.1 million
Options (20cps, expiring 30 th June 2018)	5.4 million
Options (20cps, expiring 31 st December 2018)	2.9 million
Options (25cps, expiring 30 th June 2020)	1.4 million
Net Cash	~\$120,000

Canterbury Resources Ltd, Capital Structure, 1st October 2017

Company Outlook

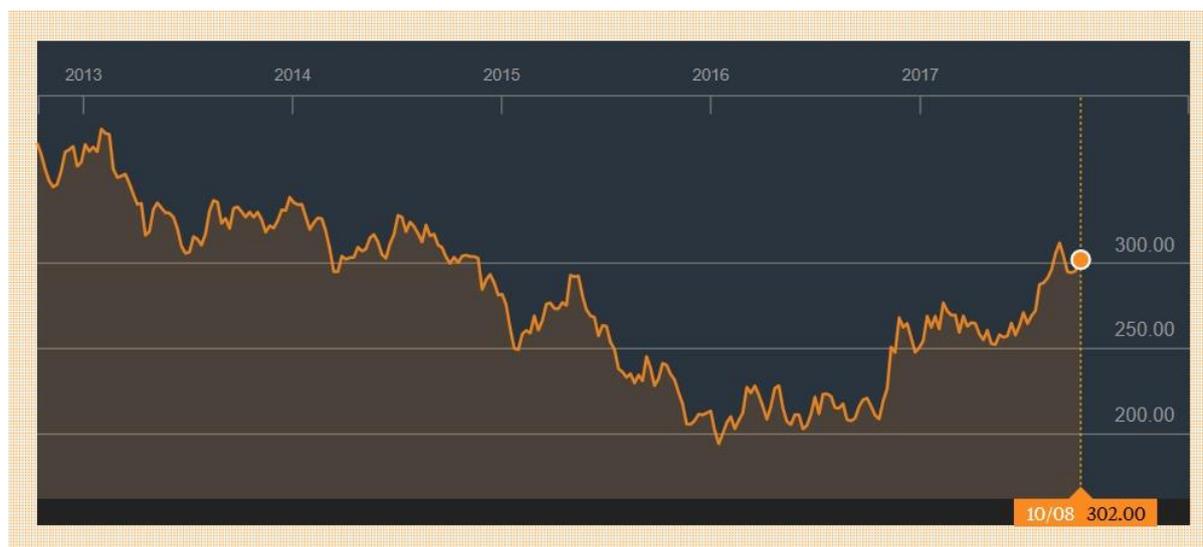
Canterbury continues to make pleasing exploration progress, with multiple high quality drill targets being generated in proven mineral provinces.

In PNG, we have made further progress at our Ekuti Range Project where Ekoato has evolved into a major target and a new discovery has been made at Yelua. In addition, a compelling target has been recognized from IP data at our Ipi River Project.

In Australia we are particularly excited by the immediate potential to delineate a large scale copper deposit at the Briggs Project – and we are designing a drill program to test this opportunity soon after listing.

As we transition into the more expensive drilling phase on several of our projects we are seeking to list on the ASX in order to improve our access to capital, as well as to provide our long term investors with access to a traditional investment platform.

Fortunately there has been increased recent support for junior resource companies. This largely reflects improving global economic conditions, which in turn is driving tighter supply/demand fundamentals and stronger pricing for many commodities.



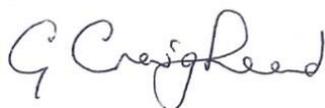
Copper Price (US\$ cents/lb) October 2017

As part of our listing plans, we recently mandated Sydney based broker 708 Capital to support the listing process and they are assessing both conventional IPO and reverse takeover options – with a target listing date of March 2018.

The backdrop of improved equity market conditions for emerging resource companies is providing an encouraging tailwind.

As usual we wish to thank all of our shareholders for their continued support and look forward to reporting further progress shortly.

Kind regards,



Grant Craighead | Managing Director