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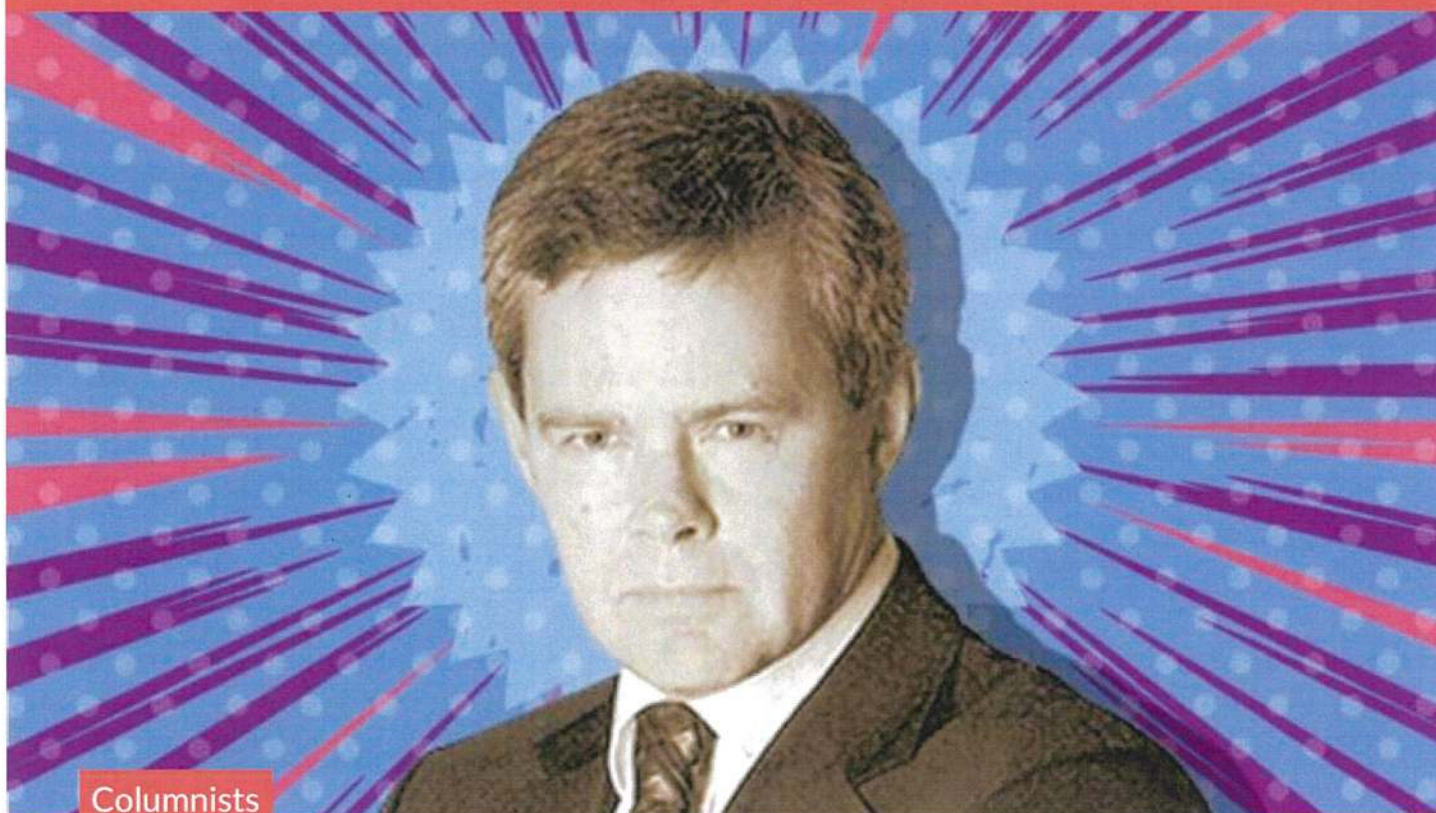
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Columnists

## Barry FitzGerald: what's next for Rio-backed ASX hopeful Canterbury

2 hours ago | [Barry FitzGerald](#)

Rio being Rio it would be hoping to make a Tier-1 porphyry discovery – industry shorthand for a deposit hosting at least 1 billion tonnes of material grading 1% copper with some gold as a sweetener.

Rio knows all about PNG's ability to host big porphyry copper-gold orebodies.

Rio has already earned a 40% stake after spending \$5m identifying the targets. It could move to 80% by sole-funding another \$12.5m at Bismarck.

It used to control the ASX-listed Bougainville Copper, owner of the Panguna mine, a world-class copper-gold mine from 1972-1989 before the 10-year civil war on Bougainville Island forced its closure.

Rio quit its stake in mid-2016, but as its drilling program on Manus tells us, it has not been scared off from PNG by the Bougainville experience.

### Exciting times ahead

### Barry FitzGerald writes his legendary *Garimpeiro* resources column weekly for *Stockhead*

Rio Tinto has teamed up with Sydney-based junior explorer Canterbury Resources to have a crack at making a big copper-gold discovery on Manus Island in northern PNG.

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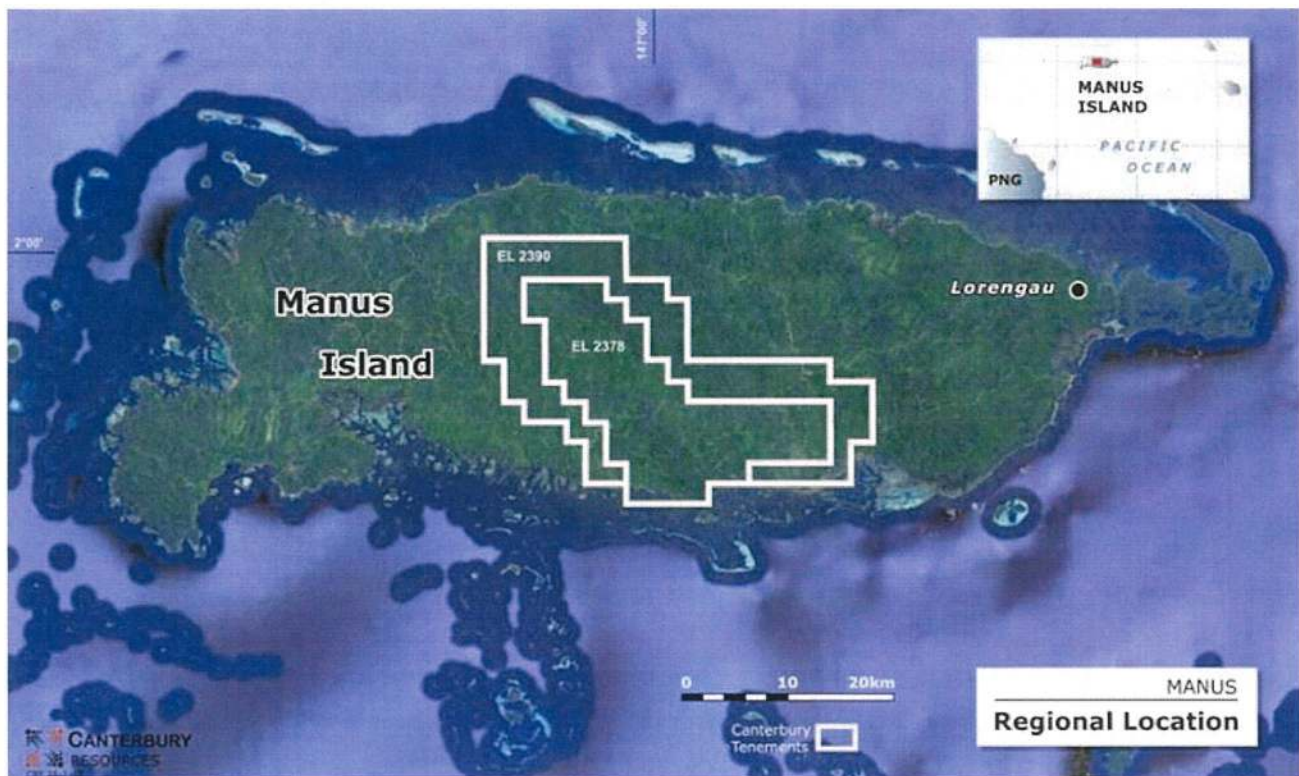
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The joint venture is funded by Rio and has just started drilling at the Bismarck project in the central part of Manus (see map below) – well away from Australia's controversial experiment with an asylum seeker detention centre on the eastern end of the PNG island.

The start to drilling comes at an interesting time for Canterbury as it is in the throes of listing on the ASX through a \$7.8 million initial public offering of 26m shares at 30c each, with Canaccord Genuity the lead manager.

The drilling program is testing large porphyry copper-gold targets.

But back to Bismarck, and what is an exciting time for Canterbury which at the IPO issue price of 30c a share, will sport a \$25.2m market capitalisation (84.1m shares post the IPO).



Canterbury's Bismarck project (licences 2378 and 2390) in central Manus Island, northern PNG. Map: Canterbury

Manus has been of interest to the exploration arms of a number of big mining groups for the last 50 years. There has been lots of shallow sniffs but no major discovery.

But the Rio-Canterbury joint venture is focused on deeper porphyry targets (although technically shallow) which have been identified by the latest whizz-bang geophysical and geochemical surveying technology Rio has brought to the hunt.

Normally a junior like Canterbury raises funds from an IPO to fund the start of a drilling program. In this case, someone else (Rio) is footing the bill, and the drilling program is already underway, on a potentially game-changing big target to boot.

Having said that, Canterbury is coming to the market with more than the Rio joint venture on Manus in its portfolio. And it needs the funds from the IPO to get cracking on the other projects with some drill holes of its own.

### Projects ready to drill

Canterbury has been active assembling its portfolio and working them up to the drilling stage since 2011. Apart from Bismarck, it has two other projects ready to drill – the Briggs project in central Queensland, and the Ekoato project on the PNG mainland.

Briggs sits on the Mount Morgan belt and was acquired from Rio. Rio retains clawback rights to 60% at a cost of \$15m cash and \$50m on exploration/assessment should Canterbury's planned drilling program come up with something that gets Rio's interest up.

Broad intersections of low-grade copper mineralisation, overlain by a thin higher-grade blanket of supergene enriched copper mineralisation, have previously been encountered at Briggs. The planned drilling program will testing for a potential higher-grade core of the system.

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The Ekoato prospect is in PNG's Morobe province which is also home to Newcrest's Wafi-Golpu copper-project, 60kms to the north.

Canterbury believes Ekoato represents the upper parts of a porphyry system and coincides with a "bullseye" magnetic geophysical anomaly. It has not been tested with the drill bit in the past but a drilling program is planned on Canterbury's listing.

The IPO is due to close this Friday. At last reports, the dollar side of the IPO was about done but there was some work to do to achieve the required number of new investors (the spread).

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