

## Drilling Program Underway at Ekoato Prospect

The Board of Canterbury Resources Limited (ASX: CBY) (“Canterbury” or the “Company”) is pleased to provide the following update on its Ekoato Prospect drilling program, within its 100% owned Ekuti Range Project, Papua New Guinea (“PNG”).

### Highlights

- Canterbury has completed the first hole (EK001) in a five hole, 1,350m core drilling program at the Ekoato porphyry copper-gold prospect in PNG.
- EK001 targeted a magnetic high with a coincident copper-gold soil geochemical anomaly and was drilled to a downhole depth of 300.10m. The hole has encountered porphyry style alteration consistent with the pre-drilling target concepts.
- Visual interpretation of the EK001 core indicates the presence of broad zones of propylitic alteration, with minor copper (as chalcopyrite) and molybdenum (as molybdenite) observed in fractures and quartz veins; features commonly observed in the peripheral parts of a porphyry system. Logging and sample preparation have commenced, and initial assays are expected in early April.
- Drilling of the second hole (EK002) is making very good progress, testing beneath a mineralised breccia zone that is mapped at surface and is the site of artisanal gold workings. The hole is currently entering the target zone at around 100m depth.
- Concurrent surface mapping and geochemical sampling continues to extend the known target zones at Ekoato.

Canterbury’s Managing Director, Grant Craighead, said:

“We are very encouraged by the progress achieved to date. Visual observations in EK001 are consistent with the pre-drilling target concepts and EK002 is entering the target mineralised breccia zone with favourable geological features being encountered. Importantly, the program is progressing as planned and we are enjoying strong support from the local community.”



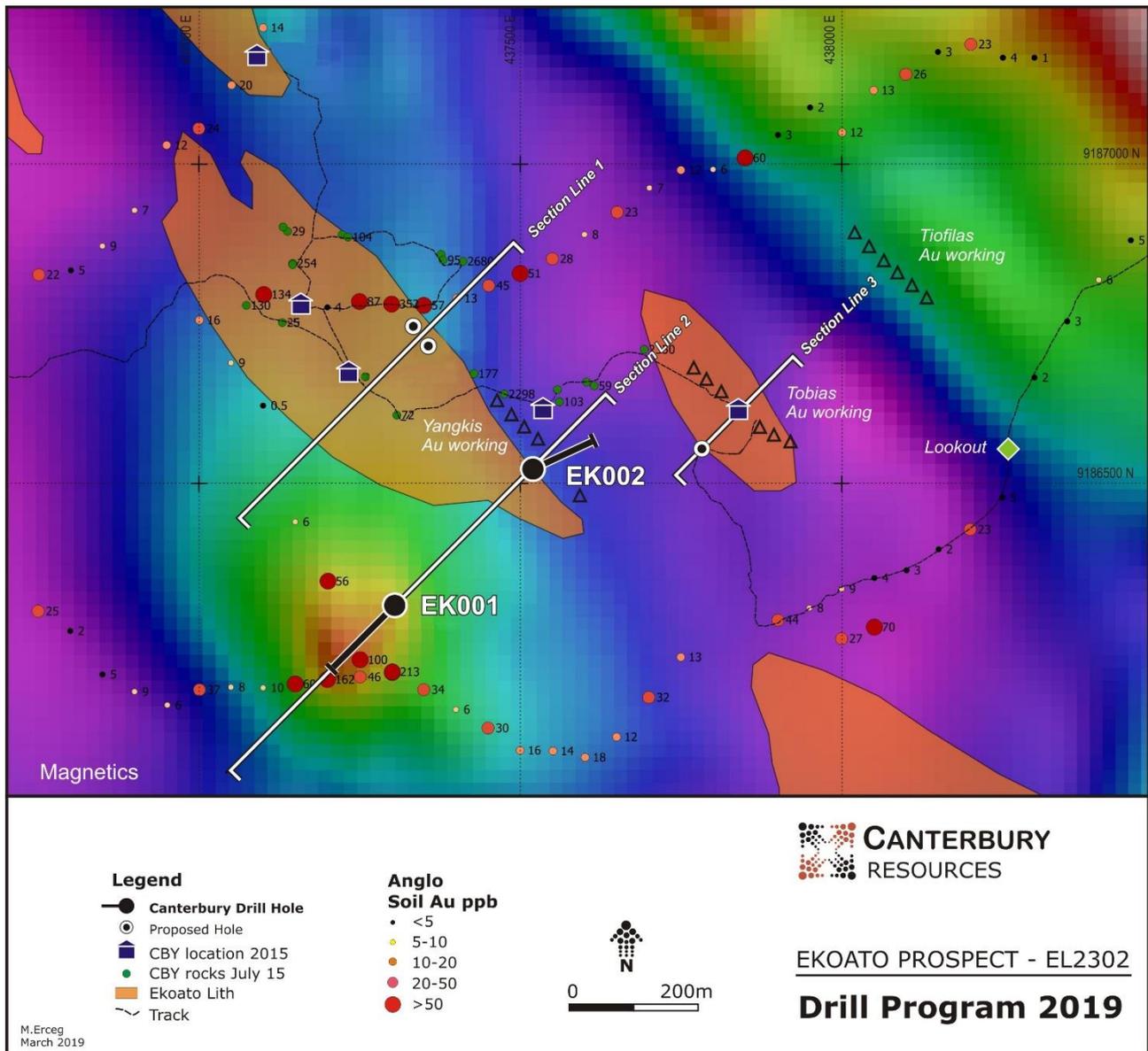
*Photos: EK001 Drill Site, Ekoato Prospect, PNG – February 2019*

## Ekoato Drilling Program

As announced in the Third Supplementary Prospectus posted on the ASX Announcement Platform on 6 March 2019, Canterbury has now commenced drilling at the Ekoato Prospect and is pleased to provide the following update.

Canterbury is making very good progress in a five-hole diamond drilling program at the Ekoato Prospect within its 100% owned Ekuti Range Project, PNG. At the Ekoato prospect, exposed tops of potentially large-scale porphyry systems have been interpreted based on outcrop of alteration, veining and a high sulphidation covellite-energite mineral assemblage. The prospect has not been previously drilled.

The locations of the five planned holes are outlined on the following plan:



The first hole, EK001, was designed to test a bullseye magnetic target, with coincident copper-gold anomalism in ridge and spur soil samples which is interpreted by Canterbury to be a high-level intrusive stock representing the upper portion of a porphyry system.

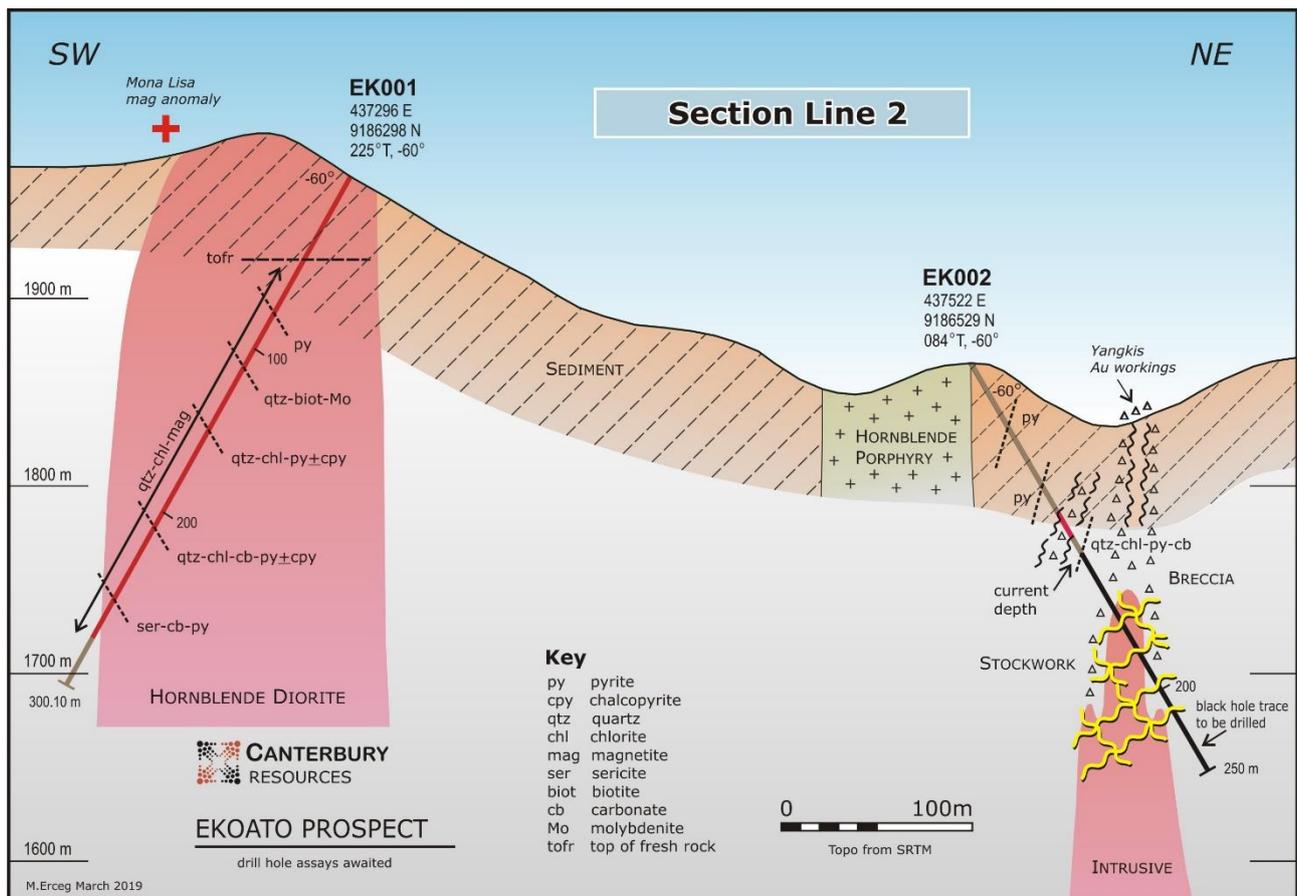
EK001 was drilled to a depth of 300.10m and intersected a hornblende diorite stock from the hole collar to 282m, and then metasediment to end of hole. Visual inspection of the core noted quartz + magnetite +

chlorite (propylitic) alteration of the intrusive with quartz + chlorite + pyrite veins with minor molybdenite and chalcopryrite mineralisation between approximately 100m and 200m downhole.

Core logging and sample preparation have commenced at Canterbury's exploration base in Bulolo, and assay results are expected to become progressively available from April.

The second drill hole, EK002, is collared around 300m north east of EK001 and is designed to test the structure beneath the Yangkis gold workings. The hole has intersected metasediments with minor quartz veins and pyrite fractures to a depth of 89m, and then metasediment with well-developed sheeted quartz + chlorite + pyrite + carbonate veins to the current depth of 105.7m.

The interpreted targets for the first two holes are illustrated in the following schematic section:



*Grant Craighead*

On behalf of the Board  
Grant Craighead, Managing Director

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## **COMPETENT PERSON'S STATEMENT**

The technical information in this report which relates to Exploration Results is based on information compiled by Mr Michael Erceg, MAIG RPGeo. Mr Erceg is an Executive Director of Canterbury Resources Limited and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Erceg consents to the inclusion in this report of the matters based on that information in the form and context in which it appears.

## **ABOUT CANTERBURY RESOURCES LIMITED**

Canterbury Resources Limited (ASX: CBY) ("Canterbury" or the "Company") is an ASX-listed resource company focused on creating shareholder wealth by generating, exploring and monetising potential Tier-1 copper-gold projects in the southwest Pacific. It has established a strong portfolio of projects in Australia, Papua New Guinea and Vanuatu that are prospective for porphyry copper-gold and epithermal gold-silver deposits. The Company is managed by an experienced team of resource professionals, with a strong track record of exploration success and mine development in the region.

Canterbury's near-term plans include drilling programs at three of its more advanced assets – the Ekoato and Bismarck porphyry copper-gold projects in Papua New Guinea and the Briggs porphyry copper project in Queensland. Each program provides the potential for the discovery and/or delineation of a large-scale copper (±gold) resource. The 100% owned Briggs and Ekoato prospects are being managed and funded by Canterbury, while the Bismarck JV Project (Canterbury 40%) is being managed and sole-funded by Rio Tinto Exploration (PNG) Limited as part of a Farm-In and Joint Venture Agreement.

## **DISCLAIMER**

*Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)", "potential(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company's prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.*

**Appendix 1 - Drill hole coordinates, orientation and depth**

The data for the collar is provided in WGS84 UTM Zone 55 coordinates

Drill hole	Easting (mE)	Northing (mE)	Elevation (mRL)	Down hole depth (m)	Dip (°)	Azimuth (°T)
EK001	437296	9186298	1960	300.10	60	225
EK002	437522	9186529	1870	(105.7)*	60	084

\* Drill hole EK002 still in progress

**Appendix 2 - Ekoato Prospect: JORC Table 1**

## JORC Code, 2012 Edition – Table 1 Ekoato Project, PNG

### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>Core drilling is conducted using a heli-portable Longyear LF70. Core is flown to Canterbury's exploration base at Bulolo for formal logging and sampling.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>Core PQ (85mm), HQ3 (61.1mm), and NQ3 (45mm) sizes. Core is orientated (electronic ori tool).</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>Drill runs are measured and actuals compared with lengths drilled on site and recoveries logged.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical</li> </ul>	<ul style="list-style-type: none"> <li>Formal logging is photographed and geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>studies.</i></p> <ul style="list-style-type: none"> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	
<p><i>Sub-sampling techniques and sample preparation</i></p>	<ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Core is sawn in half length-wise using a Clipper-type core saw. Sampling is of half core in nominally 2m intervals reducing in areas of structures and/or geological complexity.</li> <li>• Samples are sent to Intertek Laboratories in Lae for drying, crushing and pulverizing using Boyd Crushers and LM2s. Whole samples are crushed and split using a rotary splitter then a sub-sample (&lt;2kg) pulverized in LM2.</li> <li>• Field duplicates and second half sampling will be considered on receipt of initial samples.</li> </ul>
<p><i>Quality of assay data and laboratory tests</i></p>	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li>• <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Analysis schemes:            FA50: Fire Assay Dtn 5ppb                  Au1 Au2 Au3 Au4 PbWt            4A/OE: OES Dtn &amp; Digest                  Al Cr La Na Sc Zn Ba Cu Li Ni Sr Ca Fe Mg P Ti Co K Mn S V            4A/MS: ICP/MS                  Ag Cd Mo Sb Te W Bi Ce Pb Sn Ti            4AH/OE: OES Dtn and Digest                  S            Weight: Weighing of sample                      WT_W WT_DRY            Sieve2: Crush sieving test 1:20                      Sieve W1 WT            Sieve: Sieve Test 1:20                    Sieve W1 WT            PT01: Total preparation up to 2kg                  Weight</li> </ul> <p>Standards and blanks are inserted every 10 samples. No results have been received to date to evaluate whether acceptable levels of accuracy and precision have been established.</p>

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>No results have been received to date. Drilling and assay data are entered into the company database.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>Grid used is WGS84 UTM Zone 55</li> <li>Topographic surface is SRTM</li> <li>Survey control is using Garmin GPS</li> <li>Down hole surveys using electronic instrument. At a minimum single shot every 30m while drilling and multi-shot at end of hole.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Planned drill holes are scout only and further drilling will be required to establish a resource subject to encouraging results.</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>Drill holes are testing across known structures</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Chain of Custody procedure in place</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li>• <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></li> <li>• <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Exploration License EL2302, 100% Canterbury Resources</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Triple Plate Junction and Newmont explored the area 2007-2012. Ekoato was covered by surface mapping and geochemical sampling and airborne magnetics was flown, but they did not drill Ekoato area</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Structurally controlled mesothermal quartz-carbonate-anhydrite-sulphide veins containing gold-basemetals. Hydrothermal breccias and high-level intrusions indicating upper levels of a porphyry Cu-Au system. Similar to porphyry related Hamata lodes at Hidden Valley mine 20km to south east</li> </ul>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li>• <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> <li>○ <i>down hole length and interception depth</i></li> <li>○ <i>hole length.</i></li> </ul> </li> <li>• <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Attached</li> </ul>

Criteria	JORC Code explanation	Commentary
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></li> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<ul style="list-style-type: none"> <li>No assay results to report</li> </ul>
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i></li> </ul>	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>
<i>Diagrams</i>	<ul style="list-style-type: none"> <li><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></li> </ul>	<ul style="list-style-type: none"> <li>Drill plan and drill section attached</li> </ul>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li><i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></li> </ul>	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li><i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></li> </ul>	<ul style="list-style-type: none"> <li>Triple Plate Junction mapped and sampled the Ekoato area</li> <li>Newmont flew helimag/radiometric survey over area</li> <li>Anglo American conducted due diligence sampling in 2017 which included soil sampling at Ekoato</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>Subject to results, further drilling is planned at Ekoato</li> <li>Detailed surface mapping and sampling is underway over the greater Ekoato area.</li> </ul>