

**CANTERBURY**  
RESOURCES

# **Annual General Meeting 2019**

**MD Presentation**

28<sup>th</sup> November 2019

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## COMPETENT PERSON'S STATEMENT

The technical information in this report which relates to Exploration Targets, Exploration Results or Mineral Resources 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.

# Canterbury Resources Limited

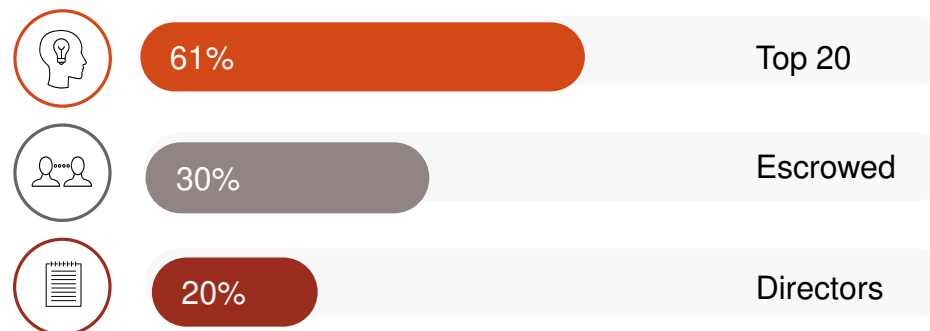
ASX: CBY



Canterbury is an emerging resource company focused on generating and exploring potential Tier-1 copper-gold projects in the southwest Pacific. It has built a strong portfolio of projects in Australia, Papua New Guinea and Vanuatu that are prospective for large-scale porphyry copper-gold and epithermal gold-silver deposits.

Canterbury is managed by experienced resource professionals, with a strong track record of exploration success in the region.

Capital Structure	November 2019
Fully Paid Shares	81.7 million
Share Price (18/11/19)	\$0.20
Market Capitalisation	\$16 million
25c options (expire 30 June 2020)	1.2 million
40c options (expire 30 June 2021)	4.0 million
45c options (expire 30 June 2021)	1.0 million
50c options (expire 30 June 2021)	1.0 million
Cash (30 September 2019)	~\$1.4m



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**Non-executive Directors**

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**Company Secretaries**

Ross Moller

Véronique Morgan-Smith



# Investment Highlights



- Exploration exposure in the SW Pacific – a region that hosts multiple Tier-1 Cu-Au assets
  - e.g. Grasberg, OK Tedi, Bougainville, Lihir, Wafi-Golpu, Porgera, Cadia
  - SolGold (LME: SOLG) & Staveland (ASX: SVY) demonstrate the investment leverage of successful porphyry Cu-Au explorers



- Canterbury's key personnel are regional exploration experts
  - Strong track record of exploration success, including the discovery drilling of Golpu
    - Wafi-Golpu discovery hole WR95: 263m at 1.86% Cu & 0.27g/t Au
  - Involvement in Wafi-Golpu, OK Tedi, Red Dome, Selwyn, Kidston & Cadia



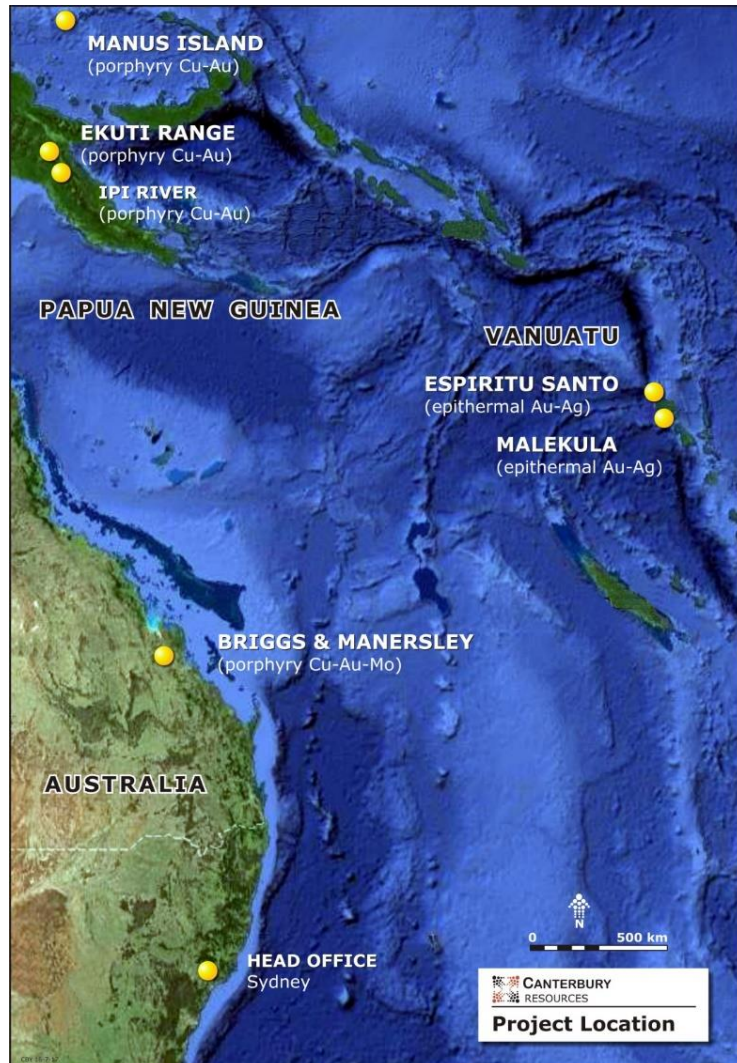
- Established relationships with major resource companies
  - Farm in and joint venture agreement with Rio Tinto at Bismarck
  - A portfolio approach adopted to defray risk and cost – farm-out opportunities being assessed



- Significant field activity on a portfolio of potential Tier-1 Cu-Au assets
  - Exposure to drilling programs at Ekoato, Briggs and Bismarck in 2019 & 2020
  - Large scale Mineral Resource being delineated at Briggs, which will trigger Rio Tinto's back-in option
  - Additional targets generated at Yalua, Tafuse and Ipi River



# Project Overview



## Queensland – Large Cu-Au-Mo Porphyry Systems

- Briggs (CBY 100%) – systematic testing of a large porphyry Cu deposit
  - Drilling encountering very broad intervals of copper mineralisation over a strike length of up to ~600m, widths of up to 350m and depths of at least 350m
  - On track to release a significant Mineral Resource in January
    - Mineral Resource will trigger Rio Tinto's back-in right
    - Third parties also showing interest – data room being prepared
  - CBY is expanding its regional tenement holdings due to exploration success

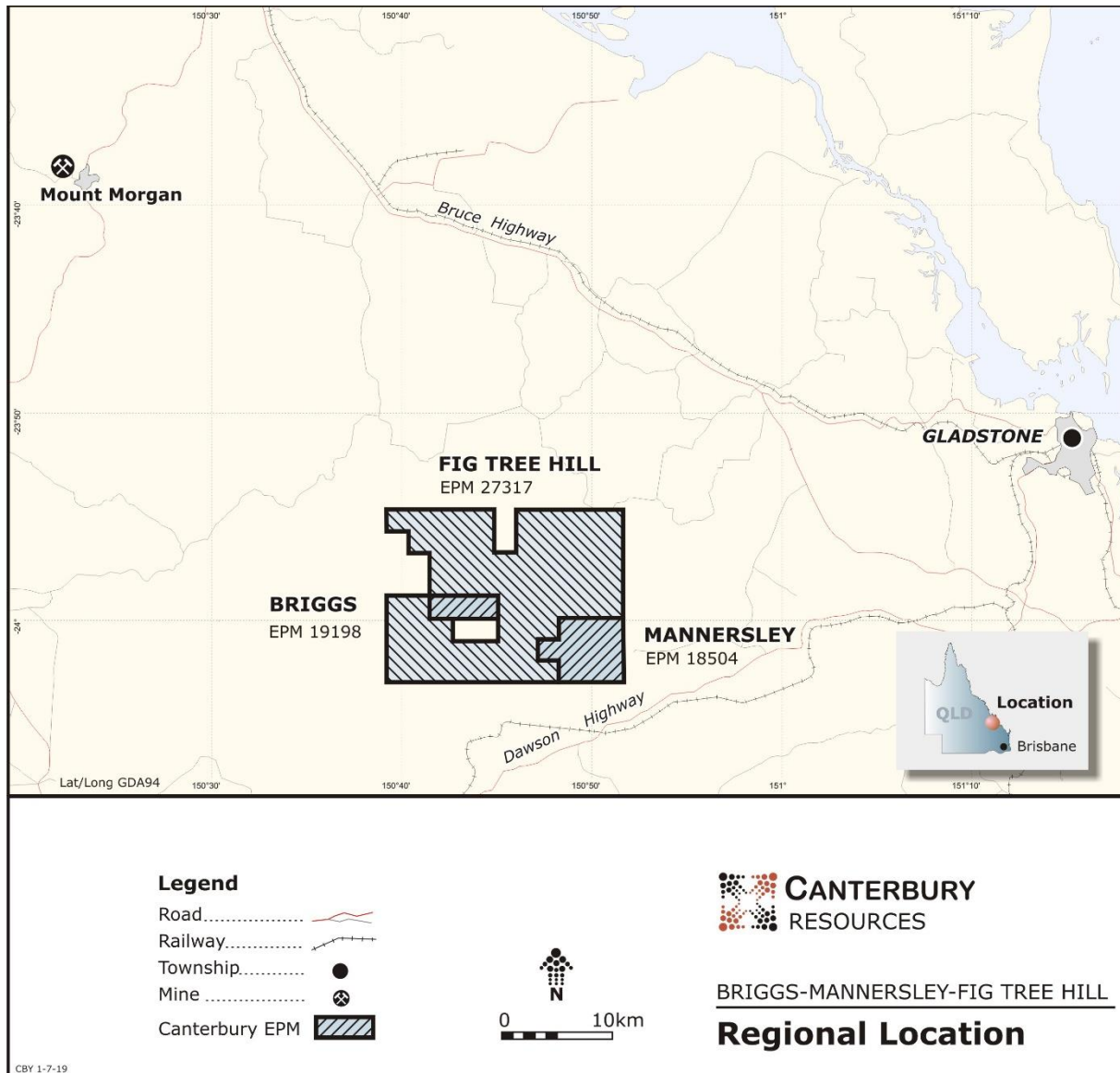
## Papua New Guinea – Potential Tier-1 Assets in Well-Endowed Regions

- Bismarck JV (CBY 40%, RTX 60%) – porphyry Cu-Au systems on Manus Is
  - Rio Tinto sole-funding assessment of large scale Cu-Au targets
- Ekuti Range (CBY 100%) – large, high grade 'Golpu style' porphyry Cu-Au targets
  - Successful scout drilling at Ekoato (EK004: **18m at 6.23g/t Au, 13.0g/t Ag & 0.18% Cu**)
  - Significant 'drill-ready' Cu-Mo anomaly outlined at Yalua
- Ipi River (CBY 100%) – Cu-Au-Mo porphyry system, with untested IP targets

## Vanuatu – Dominant Strategic Position

- "Drill ready" epithermal gold target defined at the Tafuse prospect on Santo

# SE Queensland Projects - CBY 100%



## Briggs & Mannersley Acquired from Rio Tinto in 2017

- RTX has a 1% NSR, plus a back-in right for a 60% JV interest, triggered by a +\$1 billion in situ resource
- Back-in involves \$15m payment to Canterbury, plus sole-funding \$50m
- Potential alternate JV partners

## On the Mt Morgan (8Moz Au, 350kt Cu) Trend

- Outstanding regional infrastructure (power, road, rail, port, skilled labour & industrial services)

## Extensive Copper Mineralisation Outlined at Briggs

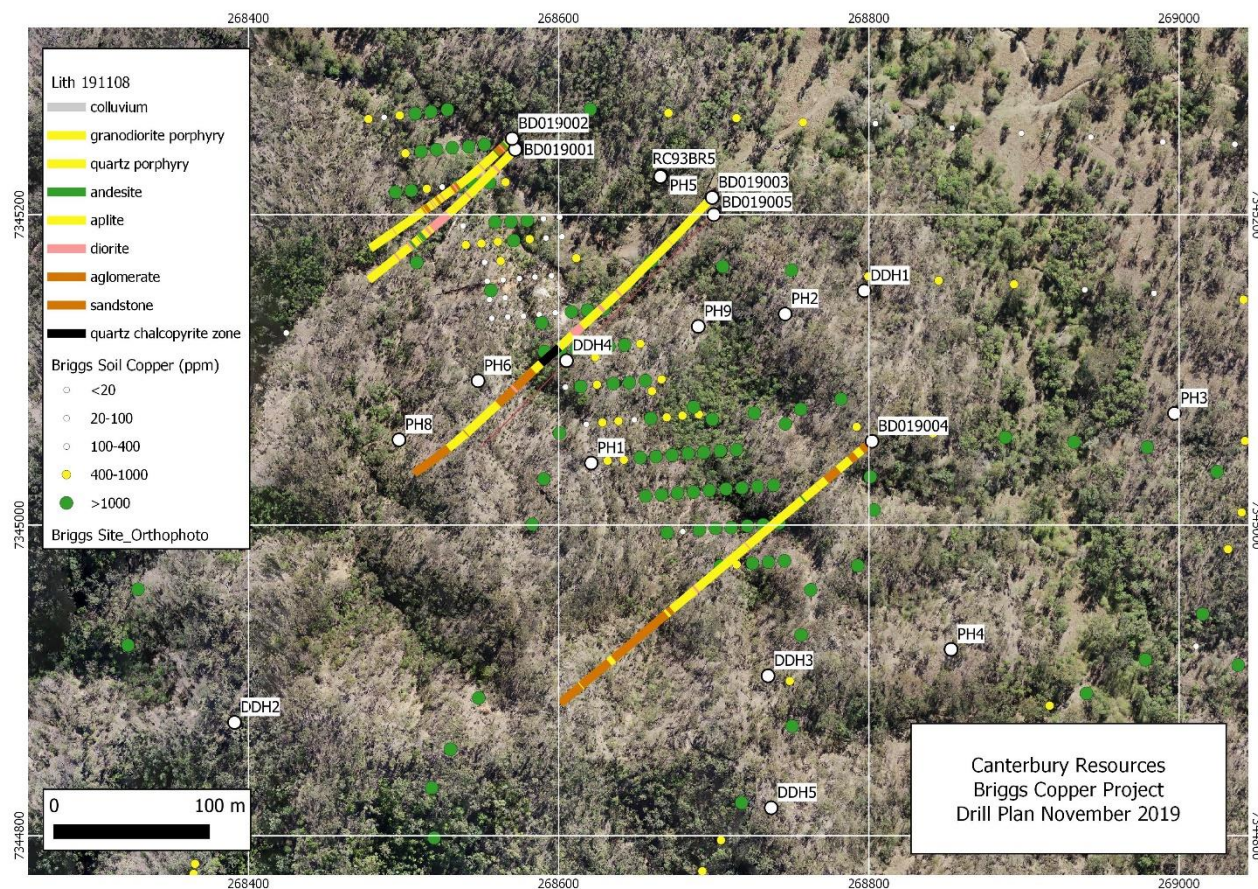
- Historic exploration outlined widespread shallow porphyry style copper mineralisation
- Deeper drilling outlining a large resource at the Central Porphyry Zone, with higher grade features

## Additional Application – Fig Tree Hill

- Tenement position being expanded due to success



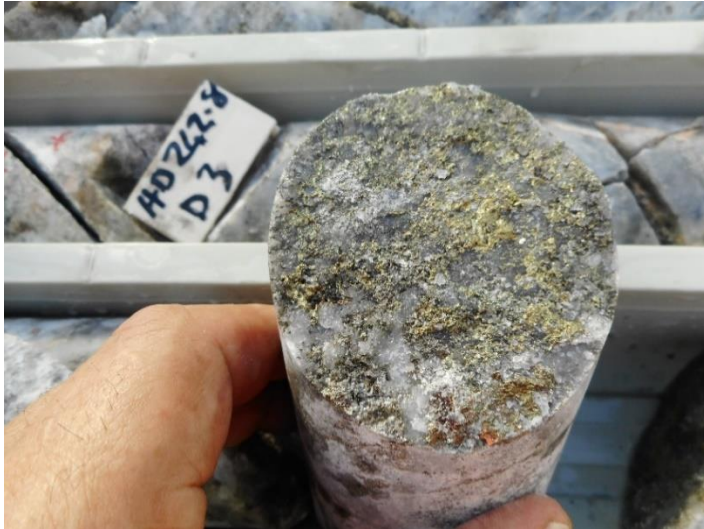
# Briggs Deposit – Drill Program



- Large copper porphyry system outlined over a ~2km strike length
  - CBY program testing 600m strike length of Central Porphyry Zone
- All holes encountering very broad intervals of Cu mineralisation, including higher grade features:
  - BD019-001: 197.6m at 0.22% Cu
  - BD019-002: 370.5m at 0.27% Cu, including 39m at 0.53% Cu and 18m at 0.46% Cu
  - BD019-003: 130.8m at 0.20% Cu and 246.8m at 0.30% Cu, including 28.0m at 0.83% Cu (out-flow zone), plus 29.0m at 0.37% Cu
  - BD019-004: drilled to 452.8m with Cu mineralisation observed throughout (assays pending), particularly a strongly mineralized ~150m interval on the western margin of the deposit
  - BD019-005: in progress testing depth and lateral extensions of higher-grade features (out-flow zone & western margin) - target depth 600-700m, providing potential to significantly expand the deposit
- Deposit remains open in all directions



# Briggs Deposit – Higher Grade Features



**Selected core photos of copper mineralisation from BD019-003, BD019-004 & BD019-005**

- Images left - massive quartz interval in BD019-003, which returned 28m at 0.83% Cu in the “out-flow” zone
- Image right – recent core of mineralised quartz from ~300m in BD019-005 (assays pending), testing depth extensions beneath BD019-003

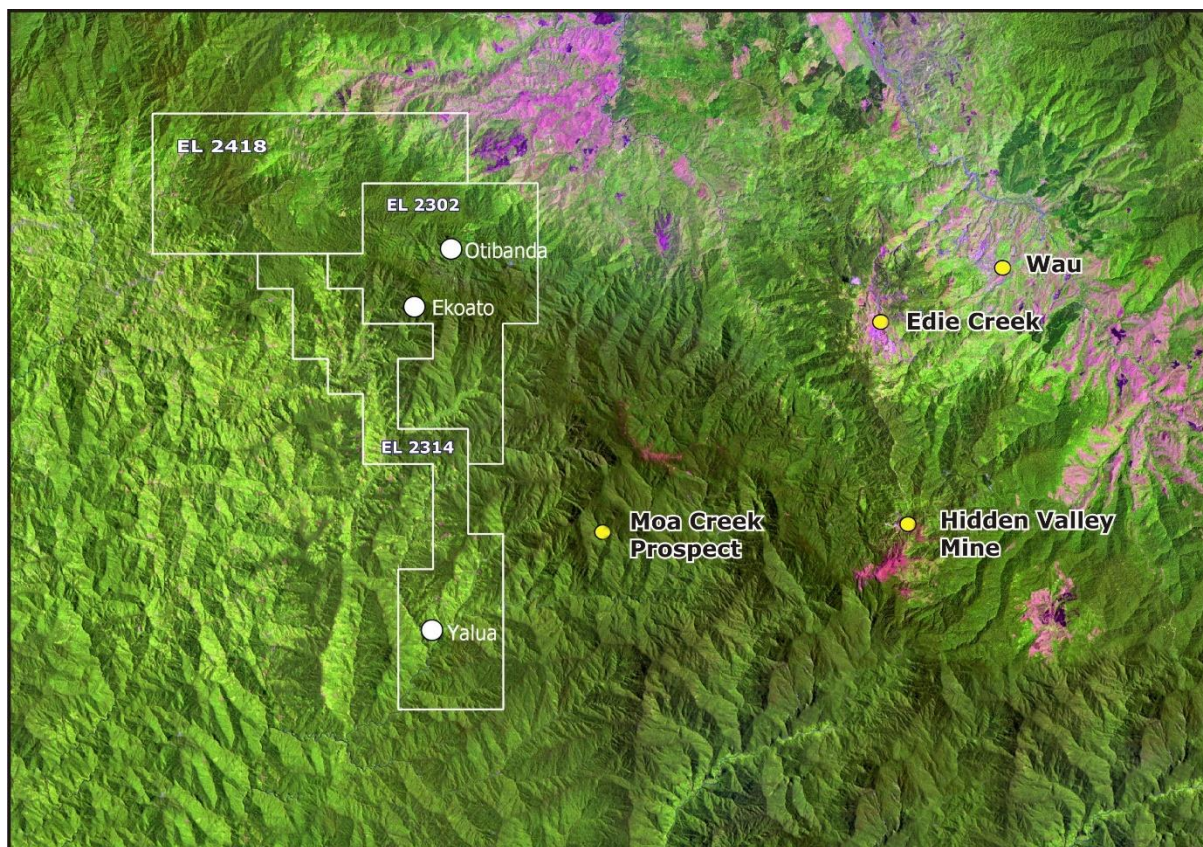


- Image right - volcaniclastic sediments with significant chalcopyrite mineralisation associated with quartz-biotite-magnetite veins (“western margin”). A ~150m interval (assays pending) of this style was observed in BD019-004
- The lateral extent of the “western margin” feature will be tested in the lower portion of the current hole, BD019-005
- Near surface zones of secondary enriched copper mineralisation are also commonly noted





# Ekuti Range Project – CBY 100%



## Epithermal Au lodes overlying Cu-Au porphyry systems

- Historical drilling tested high grade lodes at Otibanda e.g.
  - OTI-003: 2.2m at 16.6g/t Au, 2.0% Cu
  - OTI-006: 2.5m at 15.3g/t Au, 0.3% Cu & 0.8m at 25.6g/t Au, 0.4% Cu
- CBY scout drilling at Ekoato (EL2302) completed mid-2019
  - Best result EK004 **18m at 6.23g/t Au, 13.0g/t Ag & 0.18% Cu**
  - Drilling confirms a large, mineralised Cu-Au porphyry related system
- Significant Cu target defined at Yalua
  - Porphyry stockwork zone, with coincident Cu-Mo in soils & magnetics

## Regional involvement by major companies

- ~20km west of Harmony Gold's Hidden Valley gold mine (200koz pa)
- ~50km from Newcrest/Harmony's Wafi-Golpu Project (19Moz Au, 9Mt Cu)

## Wafi-Golpu Project BFS (Newcrest & Harmony 50/50 JV)

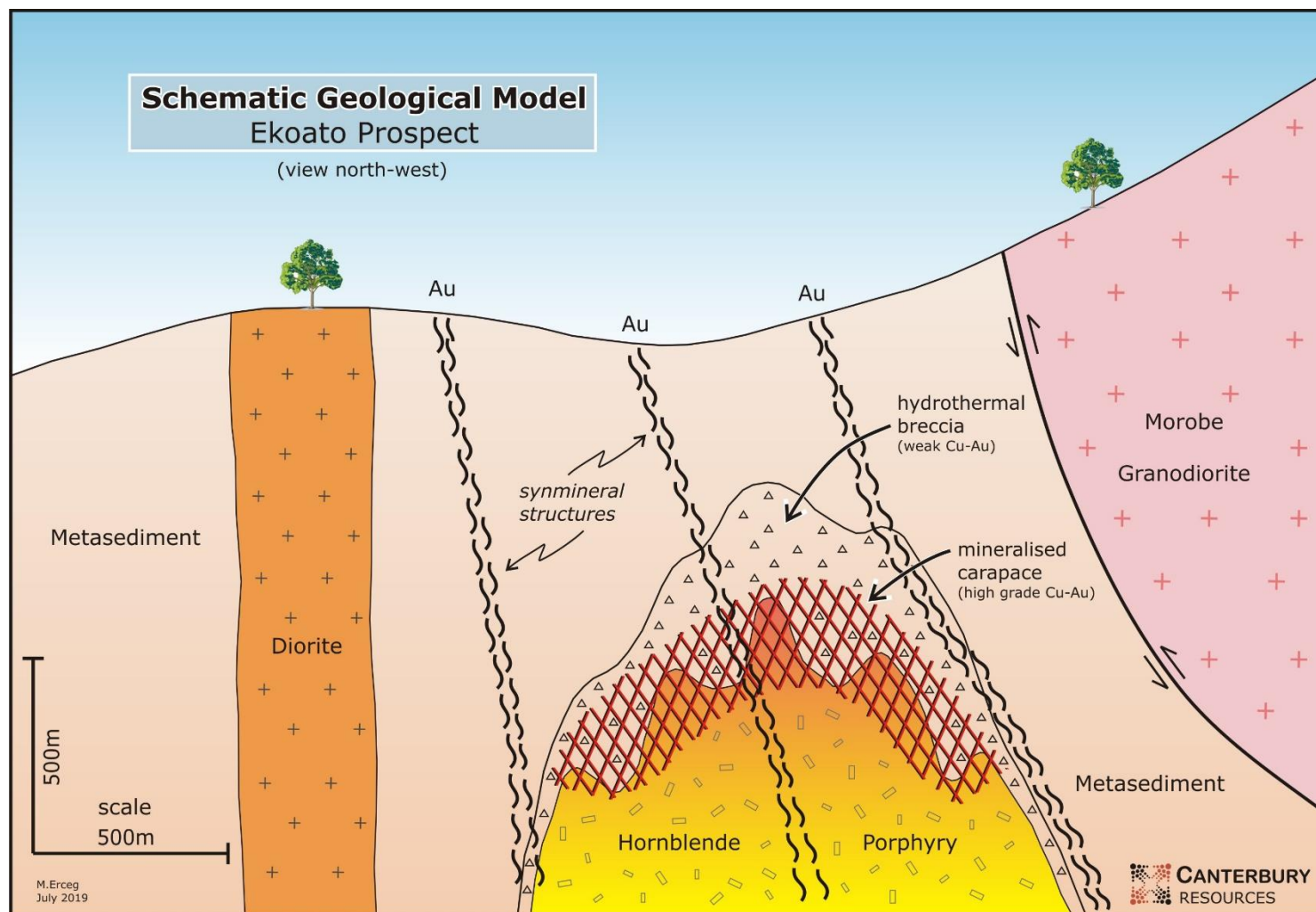
- 17Mtpa mill producing 161kt pa Cu & 266koz pa Au
- LOM capex US\$5.4bn (up front capex US\$2.8bn)
- C1 cost US\$0.26/lb Cu, total cost US\$0.81/lb
- NPV<sup>8.5</sup> US\$2.6bn (at US\$3/lb Cu and US\$1,200/oz Au)



# Schematic Geological Model of Ekoato Prospect

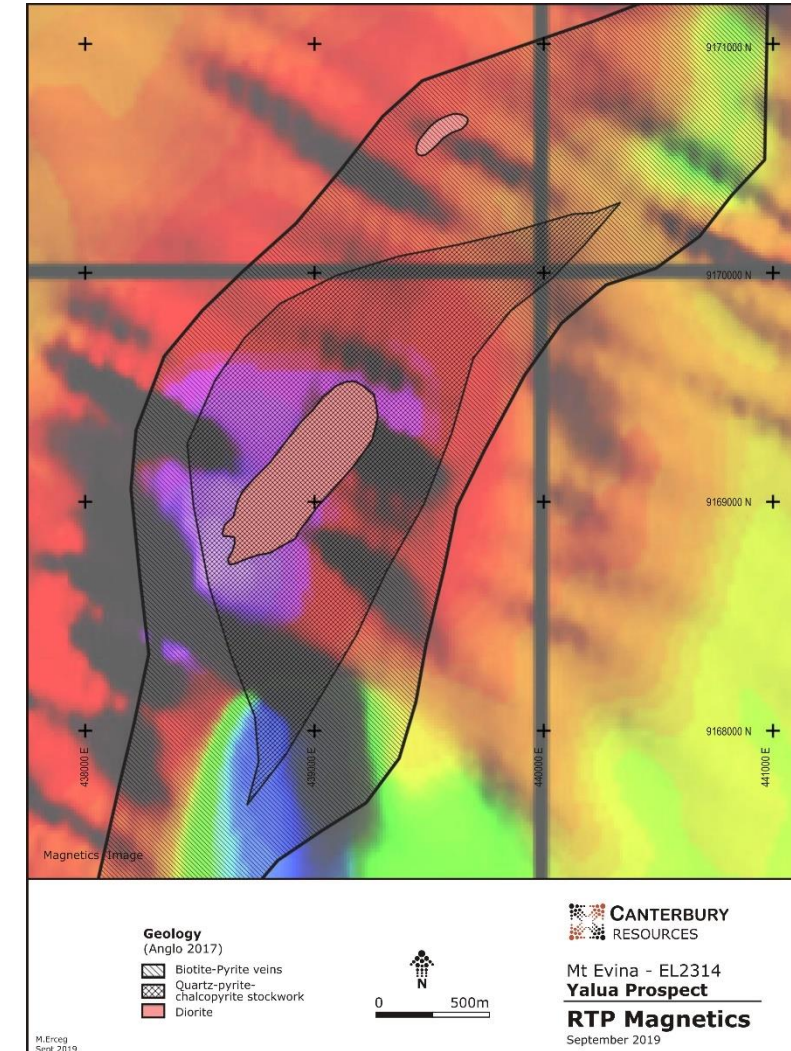
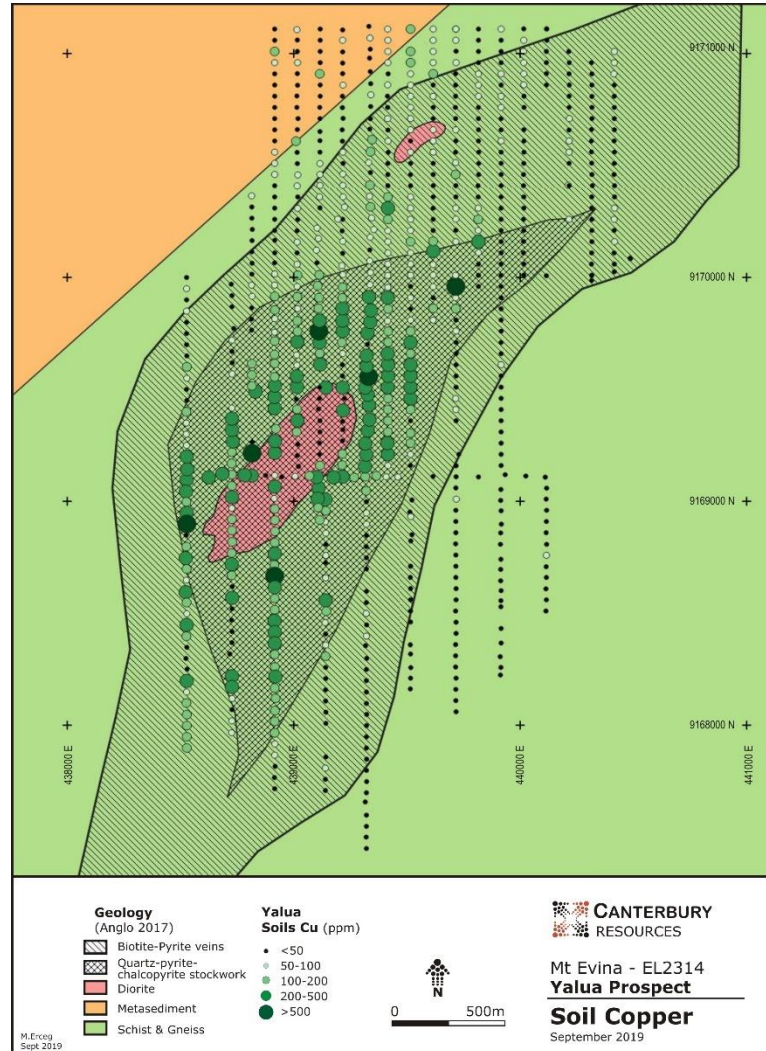
## Ekoato 2019 Drilling Program

- Drill tested a zone of mineralised hydrothermal breccia overlying an interpreted intrusive (porphyry)
- Significant Cu-Au discoveries are noted at Ok Tedi in a comparable setting
- The high grade gold structure intersected in EK004 is being worked at surface by artisanal miners and may be economic in its own right
- A 2020 drilling phase will target:
  - the upper parts of the intrusive and in an overlying brecciated carapace; and
  - potential extensions of the high grade structure encountered in EK004



# Yalua – A New Copper Prospect

- Located in the southern portion of CBY's 100% owned Ekuti Range tenements
- A significant copper-molybdenum anomaly, including:
  - A central dioritic intrusion mapped over 500m
  - Quartz-sulphide (pyrite & chalcopyrite) vein stockwork in surrounding sediments
  - A broad 1,000m by 1,000m coincident copper-molybdenum soil geochemical anomaly
  - A coincident elevated magnetic anomaly
- Compilation and interpretation continues, ahead of planning of a scout drilling program

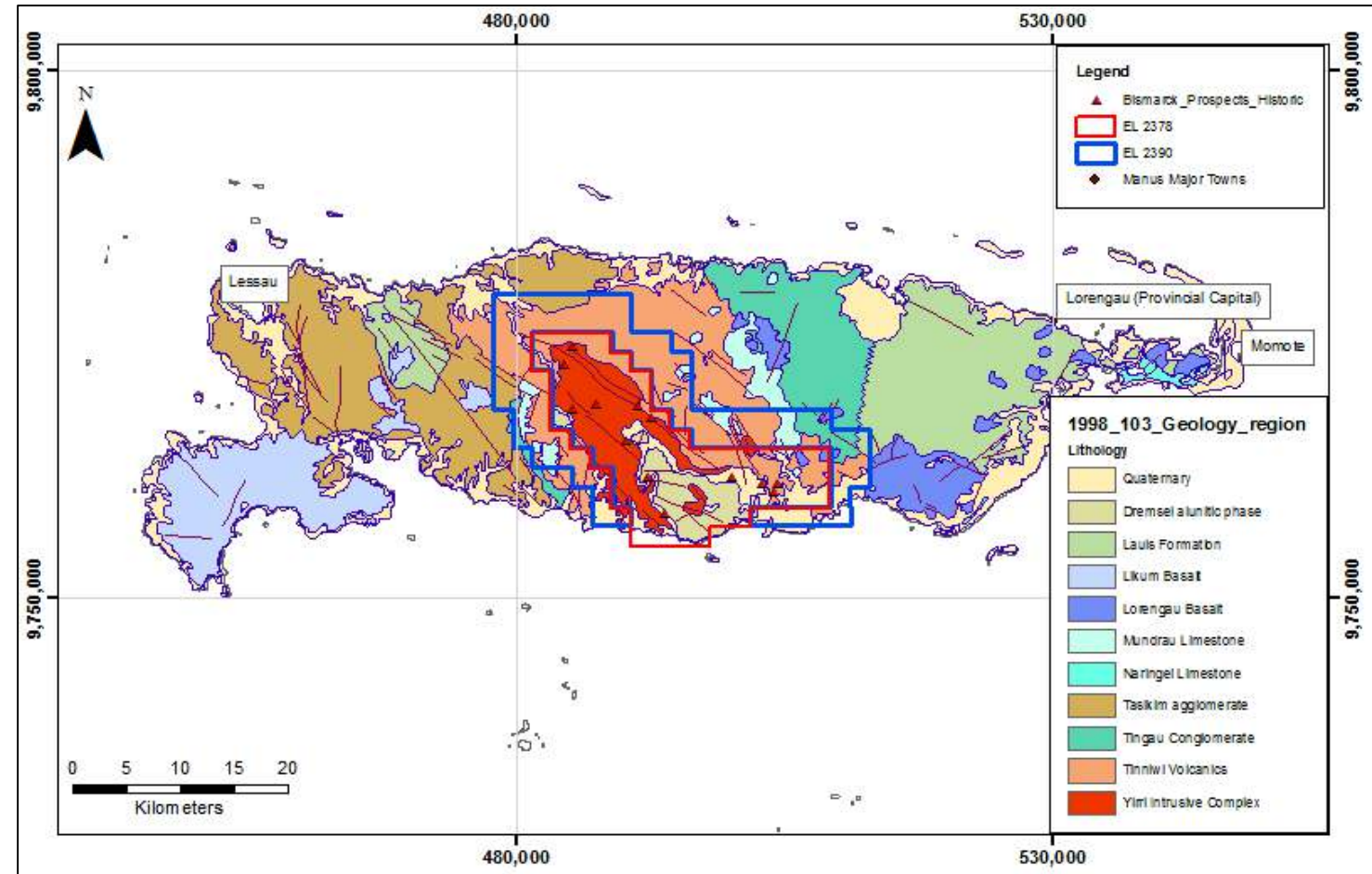




# Bismarck Project Overview

## Large Cu-Au Porphyry Systems in Central Manus Island

- Rio Tinto sole-funding exploration to increase JV interest from 60% to 80%
- Airborne ZTEM survey in 2017, plus follow-up AMT & surface sampling, identified major geophysical targets hidden beneath an advanced argillic alteration lithocap
  - Past explorers focussed on exposed Cu-Au porphyry systems
- Drilling in 2018/19 was suspended after experiencing difficult conditions and high costs
- Additional mapping and sampling completed to help inform the prioritisation of future drilling
- Planning in progress for 2020 field program



# Summary

## A High Leverage Copper-Gold Explorer

- Canterbury was formed in 2011 and commenced trading on the ASX in March 2019
- Regional exploration experts, responsible for drilling the discovery hole at Golpu
- Strong pipeline of large scale Cu-Au and Au-Ag prospects established in proven mineral provinces
- SolGold (LME: SOLG, Mkt Cap ~\$750 million) & Staveland (ASX: SVY, Mkt Cap ~\$200m) are examples of Cu-Au porphyry explorers demonstrating high leverage from exploration success

## Strong News Flow

- Multiple drill programs running during 2019 and proposed in 2020
  - Evaluating potential Tier-1 Cu ±Au assets
  - Partnering with majors to defray risk & cost
- SE Queensland: Successful resource definition drilling of Briggs copper deposit in progress  
Initial Inferred Resource estimate by early 2020  
Infill and extension drilling likely in 2020
- Ekuti Range: Scout drilling at Ekoato in 2019 intersected high grade Au (+Cu)  
Follow-up drilling at Ekoato in 2020, plus initial drilling at Yalua, being assessed
- Bismarck: Possible resumption of drilling large Cu-Au targets in 2020, funded by Rio Tinto
- Vanuatu: Possible scout drilling of Au target at Tafuse