



1st March 2021

# **Canterbury Resources Limited**

# A High Leverage Copper-Gold Explorer

Canterbury Resources Ltd (ASX:CBY) is an Australian exploration company focused on large scale, porphyry related, copper-gold and gold-silver prospects in proven mineral provinces in the SW Pacific Region. The company listed on the ASX in March 2019 after raising \$6.147m at \$0.30/share. to give a market capitalisation at listing of \$24.5m, and has subsequently raised an additional \$3.68m to progress its prospects. Canterbury has established a portfolio of potential Tier-1 projects and provides high leverage for investors under a success scenario. Significant mineral resources have been outlined at three deposits — Briggs in Central Queensland and Idzan Creek and Wamum Creek near the massive Wafi-Golpu Project in PNG — which have combined defined resources of 3.2Moz Au and 1.2Mt Cu. The company is commencing a scoping study for a standalone copper-gold operation at the Wamum Project, incorporating Idzan Creek and Wamum Creek. In parallel, it is planning further drilling programs at Bismarck, PNG (in joint venture with Rio Tinto) and at Briggs in Queensland.

## The Projects

Canterbury has multiple potential tier 1 assets in Papua New Guinea with the 100% Wamum Project (Idzan Creek and Wamum Creek) the most advanced. Mineral Resource estimates have defined 3.2Moz Au and 762kt Cu. The Wamum tenement was recently granted and Canterbury will now commence a scoping study to assess Wamum as a standalone operation. Planned activities include further drilling (13 holes, 6,450m) to upgrade the Mineral Resource estimates from Inferred to Indicated category, metallurgical testwork to determine ore-types and response to conventional processing methods, geotechnical assessment to consider mining options, economic assessment to determine capital and operating costs regimes and consideration of funding options. Elsewhere in PNG, CBY owns 40% of the Bismarck project on Manus Island, which is being managed and sole-funded by Rio Tinto (ASX:RIO), and 100% of Ekuti Range, where CBY has completed scout drilling with a best result at EK004 (18m at 6.23g/t Au, 13.0g/t Ag, and 18% Cu). In Queensland, drilling at CBY's Briggs copper project has outlined a large, low grade Mineral Resource of 142.8Mt at 0.29% Cu, which forms part of a very large mineralisation system.

## Next steps

Canterbury has announced the granting of the key Wamum licence. This will enable commencement of its planned resource definition drilling and engineering studies, as part of a 15-month scoping study. CBY is likely to attract considerable interest from potential JV partners to support this phase of activity. At Briggs, CBY has engaged renowned economic geologist Dr Peter Pollard to undertake detailed logging of the core from the central porphyry zone to assist with targeting during the next stage of assessment. This includes a planned 13-hole drill program aimed at expanding the resource and defining higher grade features. Field work is set to recommence at the Bismarck Project, where very large, buried porphyry Cu-Au targets are being tested. Additional geophysics will be undertaken ahead of a resumption of drilling in 2022. At Ekutu Range, an IP survey is proposed to better define high grade Au-Cu lodes at the Otibanda and Waikanda prospects. Geophysical and geological interpretation also suggests these lodes may be related to a nearby buried Cu-Au porphyry system.

# Pathway to development

Canterbury is poised to rapidly advance two projects, Wamum in PNG and Briggs in Queensland. Briggs is blessed with outstanding regional infrastructure (power, roads, port, skilled labour and industrial services) making it an attractive development location. The Wamum project is in the Morobe Province and is just 20km NW of the major Wafi Golpu development project owned by Newcrest and Harmony Gold which has road access to the industrial city and port of Lae.



## Share price performance (12 months)



## **Upside Case**

- Management has strong track record of exploration success
- Portfolio approach & JV partnerships help defray risk and cost
- Mineral Resource estimates already completed at 3 deposits with combined contained metal of 1.2Mt copper and 3.2M ounces gold

## **Downside Case**

- Sovereign risk in operating in PNG
- Significant additional capital will be required
- Volatile equity markets

## Catalysts

- Announcement of JV partners for key projects
- Commencement of resource definition drill program at Idzan Creek and Wamum Creek deposits
- Further drilling on Briggs to expand resource

## Comparative companies (Australia & NZ)

ASX:AZY, ASX:KSN, ASX:MAT

# Company contacts

Grant Craighead (CEO) +61 409 900 570 gcraighead@canterburyresources.com.au

## RaaS contacts

Finola Burke +61 414 354 712 finola.burke@raasgroup.com





# FINANCIAL SERVICES GUIDE

# RaaS Advisory Pty Ltd ABN 99 614 783 363 Corporate Authorised Representative, number 1248415

of

BR SECURITIES AUSTRALIA PTY LTD
ABN 92 168 734 530
AFSL 456663

Effective Date: 26th November 2018





#### About Us

BR Securities Australia Pty Ltd (BR) is the holder of Australian Financial Services License ("AFSL") number 456663. RaaS Advisory Pty Ltd (RaaS) is an Authorised Representative (number 1248415) of BR.

This Financial Service Guide (FSG) is designed to assist you in deciding whether to use RaaS's services and includes such things as

- who we are
- our services
- how we transact with you
- how we are paid, and
- complaint processes

Contact Details, BR and RaaS

BR Head Office: Level 14, 344 Queen Street, Brisbane, QLD, 4000

RaaS. 20 Halls Road Arcadia, NSW 2159

P: +61 414 354712

E: finola.burke@raasgroup.com

RaaS is the entity providing the authorised AFSL services to you as a retail or wholesale client.

What Financial Services are we authorised to provide? RaaS is authorised to

- provide general advice to retail and wholesale clients in relation to
  - Securities
- deal on behalf of retail and wholesale clients in relation to
  - Securities

The distribution of this FSG by RaaS is authorized by BR.

## Our general advice service

Please note that any advice given by RaaS is general advice, as the information or advice given will not take into account your particular objectives, financial situation or needs. You should, before acting on the advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Prospectus, Product Disclosure Statement or like instrument. As we only provide general advice we will not be providing a Statement of Advice. We will provide you with recommendations on securities

# Our dealing service

RaaS can arrange for you to invest in securities issued under a prospectus by firstly sending you the offer document and then assisting you fill out the application form if needed.

# How are we paid?

RaaS earns fees for producing research reports. Sometimes these fees are from companies for producing research reports and/or a financial model. When the fee is derived from a company, this is clearly highlighted on the front page of the report and in the disclaimers and disclosures section of the report.

We may also receive a fee for our dealing service, from the company issuing the securities.

## **Associations and Relationships**

BR, RaaS, its directors and related parties have no associations or relationships with any product issuers other than when advising retail clients to invest in managed funds when the managers of these funds may also be clients of BR. RaaS's representatives may from time to time deal in or otherwise have a financial interest in financial products recommended to you but any material ownership will be disclosed to you when relevant advice is provided.

## Complaints

If you have a complaint about our service you should contact your representative and tell them about your complaint. The representative will follow BR's internal dispute resolution policy, which includes sending you a copy of the policy when required to. If you aren't satisfied with an outcome, you may contact AFCA, see below.

BR is a member of the Australian Financial Complaints Authority (AFCA). AFCA provide fair and independent financial services complaint resolution that is free to consumers.

Website: <a href="www.afca.org.au">www.afca.org.au</a>; Email: <a href="mailto:info@afca.org.au">info@afca.org.au</a>; Telephone: 1800931678 (free call) In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC, 3001.

# **Professional Indemnity Insurance**

BR has in place Professional Indemnity Insurance which satisfies the requirements for compensation under s912B of the Corporations Act and that covers our authorized representatives.





## **DISCLAIMERS and DISCLOSURES**

This report has been prepared and issued by RaaS Advisory Pty Ltd. RaaS Advisory's principals, employees and associates may hold shares in companies that are covered and, if so, this will be clearly stated on the front page of each report. This research is issued in Australia by RaaS Advisory and any access to it should be read in conjunction with the Financial Services Guide on the preceding two pages. All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable. Opinions contained in this report represent those of the principals of RaaS Advisory at the time of publication. RaaS Advisory provides this financial advice as an honest and reasonable opinion held at a point in time about an investment's risk profile and merit and the information is provided by the RaaS Advisory in good faith. The views of the adviser(s) do not necessarily reflect the views of the AFS Licensee. RaaS Advisory has no obligation to update the opinion unless RaaS Advisory is currently contracted to provide such an updated opinion. RaaS Advisory does not warrant the accuracy of any information it sources from others. All statements as to future matters are not guaranteed to be accurate and any statements as to past performance do not represent future performance.

Assessment of risk can be subjective. Portfolios of equity investments need to be well diversified and the risk appropriate for the investor. Equity investments in listed or unlisted companies yet to achieve a profit or with an equity value less than \$50 million should collectively be a small component of a balanced portfolio, with smaller individual investment sizes than otherwise.

The science of climate change is common knowledge and its impacts may damage the global economy. Mitigating climate change may also disrupt the global economy. Investors need to make their own assessments and we disclaim any liability for the impact of either climate change or mitigating strategies on any investment we recommend.

Investors are responsible for their own investment decisions, unless a contract stipulates otherwise. RaaS Advisory does not stand behind the capital value or performance of any investment. Subject to any terms implied by law and which cannot be excluded, RaaS Advisory shall not be liable for any errors, omissions, defects or misrepresentations in the information (including by reasons of negligence, negligent misstatement or otherwise) or for any loss or damage (whether direct or indirect) suffered by persons who use or rely on the information. If any law prohibits the exclusion of such liability, RaaS Advisory limits its liability to the re-supply of the Information, provided that such limitation is permitted by law and is fair and reasonable. Copyright 2021 RaaS Advisory Pty Ltd (A.B.N. 99 614 783 363). All rights reserved.