

ASX Announcement

31st May 2023

Morobe Project Joint Venture

Summary

- Canterbury is pleased to announce that it has granted Syndicate Minerals (“Syndicate”) an exclusive option to form a joint venture, whereby Syndicate has the conditional right to earn up to a 70% interest in Canterbury’s Papua New Guinea mineral exploration projects in Morobe Province via funding of up to US\$20 million of staged exploration and assessment activities.
- The Morobe Project tenements comprise:
 - EL2658 “Wamum” covering the Idzan Creek and Wamum Creek copper-gold deposits (containing 3.16Moz gold and 782kt copper).
 - EL2782 (application) “Waits Creek” covering the undrilled Waits Creek copper-gold prospect.
 - EL2302 “Mt Leahy” covering the high grade Ekoato, Otibanda and Waikanda gold-copper lodes.
 - EL2314 “Mt Evina” covering the undrilled Yalua copper-molybdenum-gold porphyry prospect.
- Key features of the joint venture agreement are:
 - Stage 1 – US\$5 million of exploration and assessment expenditure within 3 years of commitment to Stage 1, including a minimum of 1,000m core drilling, to earn a 40% joint venture interest.
 - Stage 2 – US\$15 million of exploration and assessment expenditure within 3 years of commitment to Stage 2, including a minimum of 2,000m core drilling, to earn an additional 30% joint venture interest.
 - A two-month exclusivity period during which Syndicate will undertake due diligence.
 - Work programs to be managed by Canterbury.
 - Exclusivity and signing fees of A\$100,000 payable to Canterbury.
 - Subject to any approvals for compliance with ASX Listing Rules.
- Syndicate Minerals is a private exploration company and a substantial shareholder in Canterbury Resources Limited. Syndicate currently holds 11,546,399 ordinary shares in Canterbury representing 7.99% of its issued capital, plus 5 million unlisted options expiring on 31 December 2025 with an exercise price of \$0.08 each.
- Syndicate will hold its Morobe Project JV rights in a 100% owned entity, SM PNG Pty Ltd.

Managing Director, Grant Craighhead, said: “We are very pleased that Syndicate Minerals is joining our exploration efforts in Morobe Province. The funding they are providing will enable an acceleration of assessment activity in this resource rich region, which hosts the massive Wafi-Golpu project (Newcrest & Harmony Gold JV, 11Moz Au & 5Mt Cu in reserves) and the ~150koz pa Hidden Valley gold mine (Harmony Gold). The initial focus of the joint venture will be on further exploration at the Wamum Project where we are aiming to enhance and expand our copper-gold resources.”

Morobe JV Projects



Figure 1 Locality plan of Canterbury’s exploration tenements in Morobe Province.

Wamum Project

Historical drilling on the Wamum tenements has encountered significant gold and copper mineralisation at the Wamum Creek and Idzan Creek porphyry systems, which are located immediately northwest of the major Wafi-Golpu Project (Newcrest & Harmony Gold JV, 11Moz Au & 5Mt Cu in reserves). The Wafi-Golpu JV partners recently achieved an important milestone with the signing of a framework MoU covering terms for development. Wafi-Golpu is a significant growth asset in Newmont’s takeover of Newcrest.

Canterbury has already estimated Inferred Mineral Resources at Idzan Creek (137.3Mt at 0.53g/t Au & 0.24% Cu) and Wamum Creek (141.5Mt at 0.31% Cu & 0.18g/t Au). Initial metallurgical testwork based on a conventional flotation processing route has achieved encouraging results.

Additional infill and step-out drilling is proposed at each deposit aimed at enhancing and expanding the existing resources, including the testing of an apparent trend of improving grades with depth at Idzan Creek. Results from this drilling will support an assessment of a stand-alone mining operation.

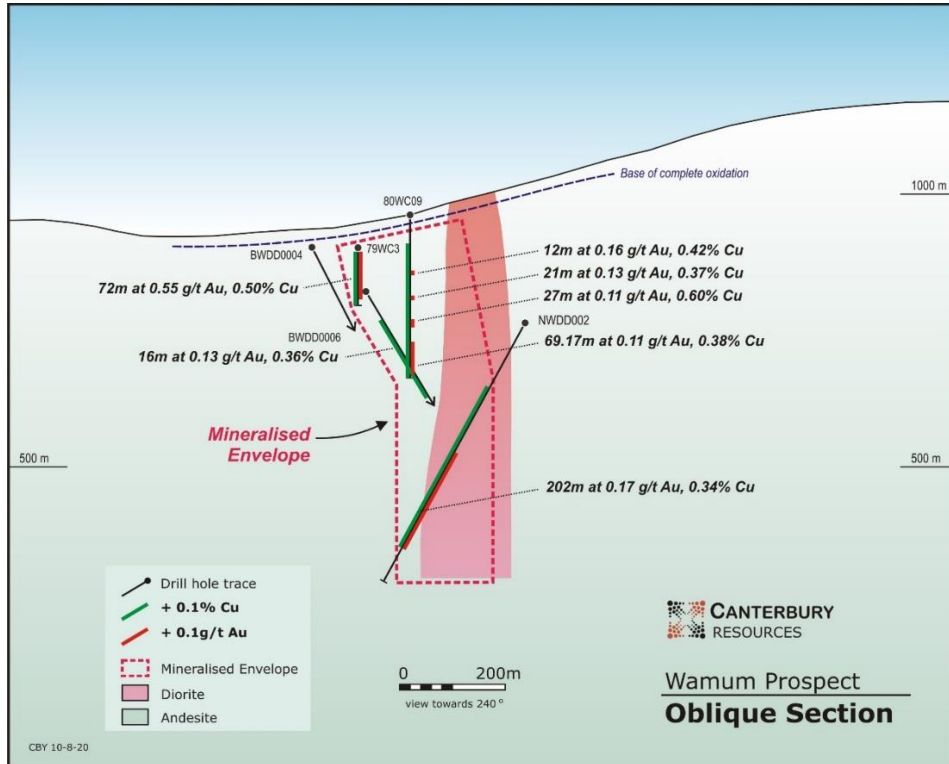


Figure 2 Schematic section - Wamum Creek

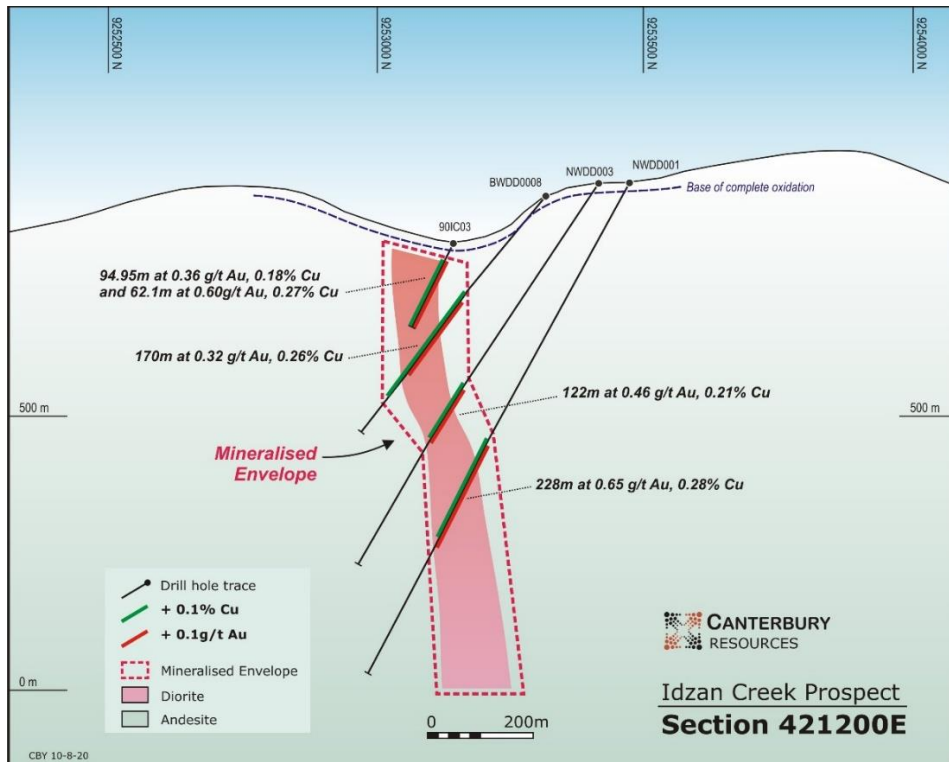


Figure 3 Schematic section - Idzan Creek

Additional scout drilling is also proposed elsewhere in the tenements. Key targets include a quartz-stockwork zone at the Wana-Wasa area, and the undrilled Waits Creek copper-gold prospect where surface sampling and mapping has outlined a zoned alteration system, with a coincident geophysical signature (ZTEM, airborne magnetics, radiometrics and AEM).

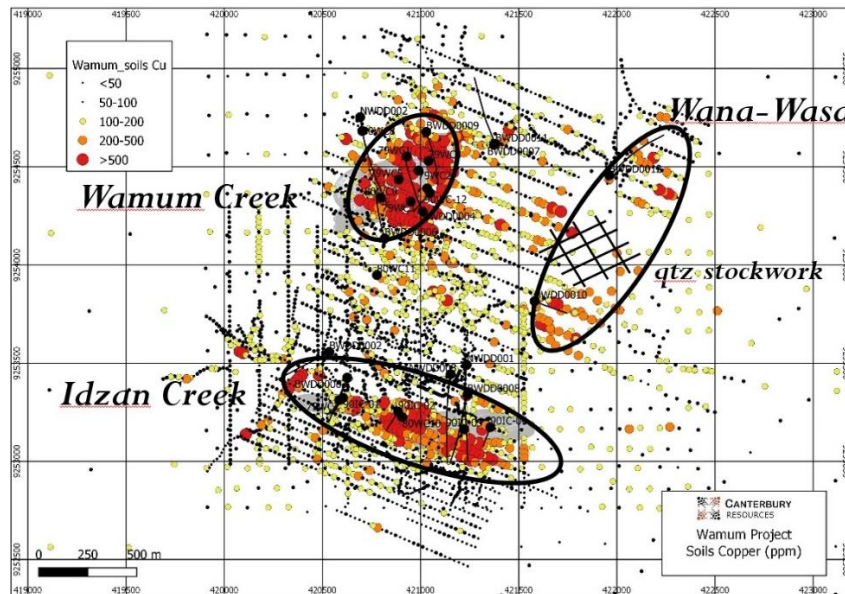
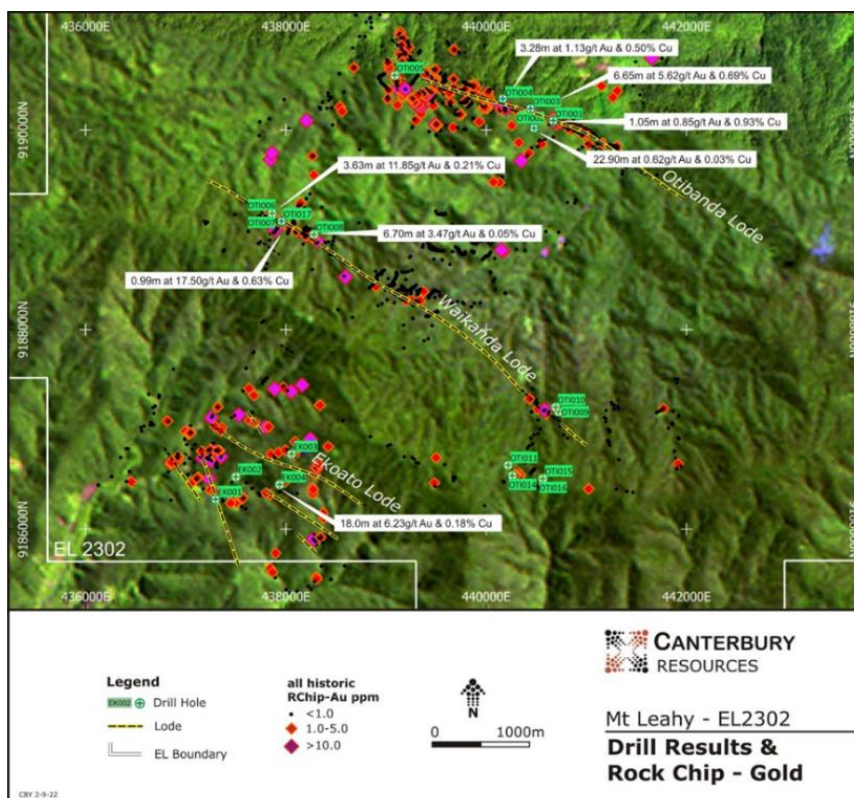


Figure 4 Wamum Project - Copper in soils

Ekuti Range Project

Ekuti Range encompasses a series of epithermal and porphyry copper-gold prospects. In the northern portion of the tenements several narrow, high-grade lodes are recognised at Otibanda, Waikanda and Ekoato, and limited drilling has provided very encouraging results 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 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
- EK 004 - 18.0m at 6.23g/t Au, 13.0g/t Ag and 0.18% Cu



These lodes are geologically comparable to lodes being mined at the Kainantu gold operation, located around 120km to the NW. It is the flagship asset of TSX listed K92 Mining Inc. (market capitalisation ~A\$1.5billion), which achieved gold equivalent production of 122,806oz in 2022, and has staged long term expansion plans aimed at reaching 450-500koz pa.

In the southern portion of the Ekuti Range tenements lies the undrilled Yalua porphyry prospect where soil sampling by Canterbury has outlined a broad 1km² copper-molybdenum geochemical anomaly, coincident with mapped quartz-sulphide stockwork veins, an outcropping dioritic intrusion and a magnetic anomaly.

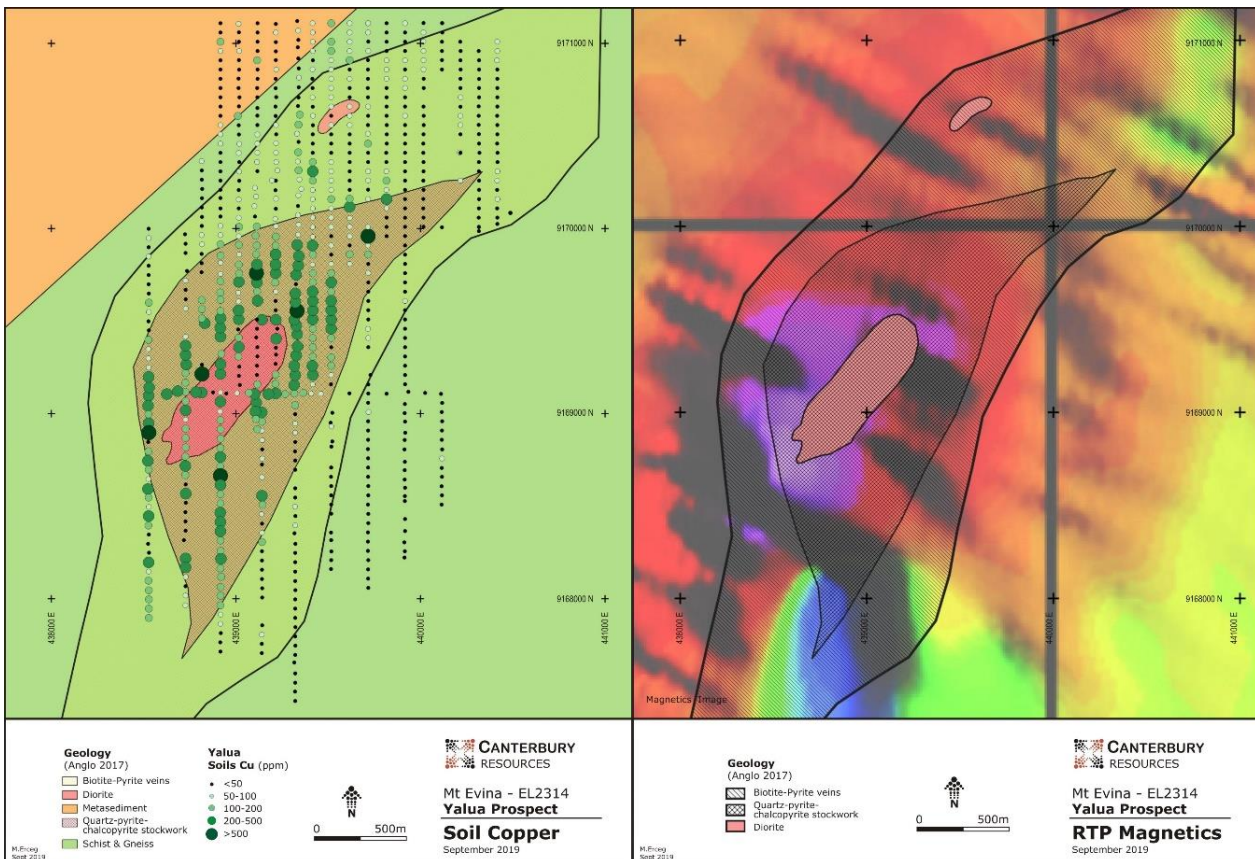


Figure 5 Plans of Yalua Cu in soil results (left) and magnetics (right)

References

- CBY "Replacement Prospectus" 3 October 2018
- CBY ASX release "High Grade Gold Intersection at Ekoato" 24 July 2019
- CBY ASX release "Briggs Mineral Resource Estimate" 10 June 2020
- CBY ASX release "Increased Resources at the Wamum Project" 25 November 2020
- Newcrest ASX release "June 2022 Resources and Reserves" 19 August 2022
- Newcrest ASX release "Wafi-Golpu Framework MoU signed" 6 April 2023
- K92 Mining Inc website <https://k92mining.com>
- Harmony Gold webpage <https://www.harmony.co.za/operations/png/hidden-valley/>

Authorised on behalf of Canterbury Resources Limited by its Managing Director, Grant Craighead.

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Managing Director

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COMPETENT PERSON'S STATEMENT - Exploration Results, Mineral Resources and Ore Reserves

The technical information in this report which relates to Exploration Results is based on information compiled by Mr Michael Erceg, MAIG RGeo. Mr Erceg is an Executive Director and shareholder 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.

The information in this report that relates to the Estimation of Mineral Resources, has been prepared by Mr Geoff Reed, who is a Member of the Australasian Institute of Mining and Metallurgy and is a Consulting Geologist of Bluespoint Mining Services and a shareholder in Canterbury Resources Limited. Mr Reed has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Reed consents to the inclusion in this report of the matters based on that information in the form and context in which it appears.

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. The term "Canterbury" must be loosely construed to include the subsidiaries of Canterbury Resources Limited where relevant.

ABOUT CANTERBURY RESOURCES LIMITED

Canterbury Resources Limited (ASX: CBY) is an ASX-listed resource company focused on creating shareholder wealth by generating and exploring potential Tier-1 copper-gold projects in the southwest Pacific.

It has a strong portfolio of projects in Australia and Papua New Guinea 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. It periodically forms partnerships with other resource companies to defray risk and cost.

Canterbury’s portfolio includes multiple projects that are at the advanced exploration phase. Each project provides potential for the discovery and/or delineation of large-scale copper (±gold, ±molybdenum) resources.

Recent successful extension drilling at the Briggs copper deposit is expected to support a material increase in its Mineral Resource estimate in mid-2023.

Current Mineral Resource estimates are:

Project	Deposit	Category	Cut-off	Mt	Au (g/t)	Cu (%)	Au (Moz)	Cu (kt)
Wamum	Idzan Creek	Inferred	0.2g/t Au	137.3	0.53	0.24	2.34	327
Wamum	Wamum Creek	Inferred	0.2% Cu	141.5	0.18	0.31	0.82	435
Briggs	Briggs Central	Inferred	0.2% Cu	142.8	-	0.29	-	414
Total							3.16	1,176

Refer CBY ASX releases 10 June 2020 and 25 November 2020

