

# Canterbury Resources Ltd

## Taking a portfolio approach to copper-gold projects

Canterbury Resources Ltd (ASX:CBY) is an Australian exploration company focused on large scale copper-gold and gold-silver prospects in proven mineral provinces in Australia, Papua New Guinea and the Pacific Islands. It is chasing prospective Tier-1 targets, a strategy which potentially provides high leverage for investors under a success scenario. The company listed on the ASX in March 2019 after raising \$6.147m at \$0.30/share. It has subsequently raised \$0.69m at \$0.20/share in a placement in December 2019, \$0.5m at \$0.20 in a share purchase plan in February 2020, and \$0.53m at \$0.10/share in a share placement in July 2020. The company is seeking to raise an additional \$1m in a Share Placement Plan. Canterbury has multiple exploration targets including the Briggs copper project in Queensland, the Ekoato copper-gold prospect in PNG, the Bismarck copper-gold project on Manus Island (in JV with Rio Tinto), the Idzan Creek and Wamum copper-gold prospects adjacent to the major Wafi-Golpu Project in PNG, the Ipi River copper-gold prospect in PNG, and the Santo gold-silver prospect in Vanuatu. CBY has recently announced an Inferred Mineral Resource estimate of 2.2m/oz of gold and 288kt of copper at Idzan Creek and 0.5Moz of gold and 281kt of copper at the Wamum project in PNG.

### The projects

The Briggs copper project in Central Queensland is CBY's most advanced asset, with an Inferred Mineral Resource of 142.8Mt at 0.29% copper (using a copper cutoff of 0.2%) at its Central Porphyry zone. Multiple targets with potentially higher-grade zones have been identified at Briggs which will be tested in the next drilling phase. Having acquired this project from Rio Tinto (ASX:RIO) in 2017 and Rio retains a 1% NSR. Planning for the next phase of exploration is well advanced including 3,300m of diamond drilling in 12 holes aimed at testing infill and strike extension targets. The company has also secured the surrounding Fig Tree Hill and Mannersley projects, covering similar style targets. The timing for implementing field programs will be impacted by progress in discussions with potential joint venture partners. A Mineral Resource estimate of 103.6Mt at 0.65g/t gold and 0.28% copper (2.2Moz Au and 288kt Cu) has recently been completed for the Idzan Creek deposit, based on historic drilling results. The deposit is strategically located 15-20km northwest of the major Wafi-Golpu development project (owned by Newcrest and Harmony Gold). Canterbury's management team includes personnel who were responsible for drilling the discovery hole at Golpu. COVID-19 restrictions have halted field activities during 2020 at CBY's PNG and Vanuatu projects. In the interim, CBY has focused on discussions with potential joint venture partners at multiple projects.

### Recent company commentary

Canterbury Resources' reported cash burn was just \$0.22m in the June 2020 quarter with much of its exploration and field activities disrupted by COVID-19. Total exploration expenditure for the year was \$3.11m. The company ended the quarter with \$0.06m in cash but has subsequently raised \$0.53m in a private placement and is currently completing a share placement plan (SPP) aimed at raising up to \$1m at \$0.10/share. The company anticipates that the recent share placement together with the SPP and yet to be finalised funding from JV arrangements on several of its projects will be the primary sources of funding for the next 12-18 months of exploration activities. Canterbury announced in late August that it had completed Inferred Mineral Resource estimates for the Idzan Creek and Wamum copper-gold deposits in PNG. Idzan Creek contains 2.2Moz of gold and 288kt of copper and Wamum contains 0.5Moz of gold and 281kt of copper.

### Pathway to development

The Briggs project has proximity to well-developed regional infrastructure (power, ports, roads, skilled labour and industrial services) being in easy reach of Gladstone. Idzan Creek is strategically located close to the major Wafi-Golpu development project.

Metals & Mining

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#### Share details

ASX Code	CBY
Share price (s-Sep)	\$0.14
Market Capitalisation	\$12.3M
Shares on issue	92.09M
Options (\$0.40-\$0.50)	3.2M
Net cash at 31/07/2020	\$0.53M
Free float	35.37%

#### Share performance (12 months)



#### Upside Case

- Management has strong track record of exploration success
- Portfolio approach helps defray risk and cost
- Exploration exposure to a region that hosts multiple Tier-1 Copper/Gold assets

#### Downside Case

- Sovereign risk in operating in PNG
- Further capital likely to be required
- COVID-19 has delayed PNG/Vanuatu work until 2021, challenges for QLD exploration

#### Catalysts/upcoming events

- Finalisation of JV partners at various projects
- Timing of drill program for Briggs copper project

#### Comparable companies (Aust/NZ)

Antipa Minerals (ASX:AZY), Kaiser Reef (ASX:KAU), Kingston Resources (ASX:KSN)

#### Top 5 shareholders

Duncan Hardie	8.63%
Grant Craighead (CEO)	8.17%
James Spence	5.91%
Gary Fallon (former director)	3.53%
John Anderson	3.16%

#### Company contacts

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# FINANCIAL SERVICES GUIDE

**RaaS Advisory Pty Ltd**

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**Corporate Authorised Representative, number 1248415**

**of**

**BR SECURITIES AUSTRALIA PTY LTD**

**ABN 92 168 734 530**

**AFSL 456663**

**Effective Date: 26<sup>th</sup> November 2018**

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

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