CANTERBURY RESOURCES

REPLACEMENT PROSPECTUS

FOR THE INITIAL PUBLIC OFFERING OF 26,000,000 ORDINARY SHARES AT AN ISSUE PRICE OF $0.30 EACH TO RAISE $7,800,000.

This Replacement Prospectus is an important document and should be read in its entirety.
It replaces the Original Prospectus dated 13 September 2018.
Please consult your professional advisor if you have any questions about this document.
Investment in the securities offered pursuant to this Prospectus should be regarded as highly speculative in nature.

CANTERBURY RESOURCES LIMITED ACN 152 189 369

CANACCORD Genuity

[CORPORATE DIRECTORY]

Board of Directors

Mr John Anderson
Chairman

Mr Grant Craighead
Managing Director

Mr Gary Fallon
Director

Mr Ross Moller
Director

Co-company Secretaries
Ms Veronique Morgan-Smith
Mr Ross Moller

Registered Office
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SYDNEY NSW 2000
AUSTRALIA

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Share Registrar
Automic Pty Ltd
50 Holt Street,
SURRY HILLS NSW 2010

Proposed ASX Code
CBY

Broker
Canaccord Genuity (Australia)Limited
Level 4, 60 Collins Street
MELBOURNE VIC 3000

Legal Advisors
Dentons Australia Pty Ltd
77 Castlereagh Street
SYDNEY NSW 2000

Corporate Advisors
Breakaway Mining Services Pty Ltd
Suite 505, 35 Lime Street,
SYDNEY NSW 2000

Investigating Accountants / Auditors
BDJ Partners
Chartered Accountants
Level 13, 122 Arthur Street,
NORTH SYDNEY NSW 2060

Solicitors Reviewing Tenements
TAS Legal Pty Ltd
Level 4, 345 Ann Street
BRISBANE QLD 4000

Dentons PNG
Level 5, BSP Haus
Harbour City, KONEDOBU, PNG

Independent Technical Expert
SRK Consulting (Australasia) Pty Ltd
Unit 1, 1 Balbu Close
BERESFIELD NSW 2322

CANTERBURY RESOURCES

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[IMPORTANT INFORMATION]

Offer
The Offer contained in this Prospectus is an invitation to obtain fully paid ordinary shares ("Shares") in Canterbury Resources Limited (ACN 152 189 369) ("Canterbury" or "Company"). This Prospectus is issued by the Company.

Date
This Replacement Prospectus ("Prospectus") is dated 03 October 2018 ("Prospectus Date"). It was lodged for registration with the Australian Securities and Investments Commission ("ASIC") on that date. It replaces the Original Prospectus dated 13 September 2018 - ("Original Prospectus").

None of ASIC, ASX or their officers take any responsibility for the content of this Prospectus or for the merits of the investment to which this Prospectus relates.

Replacement Prospectus
This Prospectus has been issued to provide further disclosure in relation to the following matters:

- The Offer calendar has been updated on page 13;
- The Company resolved to mandate SRK, Independent Geologists providing the report in Section 5, to have Dr Stuart Munroe act as the Competent Person for all available historical data and the JORC Table 1. Accordingly, (i) Section 4.4 of the Original Prospectus providing all material historical data and the JORC Table 1 drafted by Mr Michael Erceg as Competent Person has been removed, and the numbering of Section 4 updated, and (ii) Section 5 containing the updated Independent Geologist's Report now contains all material historical data and JORC Table 1 regarding the Tenements.
- In Section 6, the Solicitor's Report on Mineral Tenements has been updated to reflect the changes that have taken place up to the date of this Prospectus and to remove the review of Tenements located in PNG;
- Section 6 has also been updated to include a tenement report by a law firm registered in PNG for Tenements located in PNG;
- In Section 7, the Consolidated Pro Forma Statements of Financial Position have been updated to take account of, and provide additional details on, events subsequent to 31 December 2017;
- In Sections 1 and 9, the Risks Factors have been updated to include specific information on the status of the Tenements at the date of this Prospectus.

Expiry Date
No Shares will be allotted or issued on the basis of this Prospectus after its expiry date, being the date 13 months after the date of this Prospectus.

Electronic Prospectus
This Prospectus will be issued in paper form and as an electronic Prospectus which may be accessed on the internet on the Company's website at www.canterburyresources.com.au

The offer of Shares pursuant to the electronic Prospectus is only available to persons receiving an electronic version of this Prospectus in Australia and New Zealand. The Corporations Act prohibits any person passing onto another person the Application Form unless it is attached to, or accompanied by, the complete and unaltered version of the Prospectus.

During the Offer Period, any person may obtain a hardcopy of this Prospectus at no cost by contacting the Company by email at info@canterburyresources.com.au or by contacting the Managing Director at +61 2 9392 8015.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Foreign Jurisdictions
This Prospectus does not constitute an offer in any place in which, or to persons to whom, it would not be lawful to make an offer. Distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law, and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus may not be released or distributed in the United States, and may only be distributed to persons to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares have not been, and will not be, registered under the US Securities Act 1933 or the securities laws of any state or other jurisdiction in the United States and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons, except in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, and any other applicable securities laws.

Hong Kong
WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32) of the Laws of Hong Kong ("HKCO"), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong ("SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to 'professional investors' (as defined in the SFO) and any rules made thereunder, and the Shares have not been and will not be offered or sold in Hong Kong in circumstances which would result in the document being a "prospectus" as defined in the HKCO or which would constitute an offer to the public within the meaning thereof.

The Company has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted under the securities laws of Hong Kong) other than with respect to the Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to 'professional investors' within the meaning ascribed to it in the SFO and any rules made thereunder.

The Shares are or are intended to be disposed of only to persons outside Hong Kong or only to 'professional investors' (as defined in the SFO and any rules made under the SFO). No person allotted Shares may sell, or offer to sell, such Shares in circumstances which may amount to an offer to the public in Hong Kong. Any on-sale of the Shares is required to comply with the same restrictions.

The contents of this document have not been reviewed or authorised by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offer. If you are in doubt about any of the contents of this document, you should obtain independent professional advice.

Singapore
This document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore and may not be circulated or distributed in Singapore nor may any of the Shares be offered for subscription or purchase, directly or indirectly, nor may any invitation to subscribe or purchase any of the Shares be made in Singapore, except in circumstances in which such offer or sale is made pursuant to, and in accordance with the conditions of, an exemption invoked under

Subdivision (4), Division I of Part XIII of the Securities and Futures Act, Chapter 289 of Singapore ("SFA").Accordingly, the Company has not offered or sold the Shares to be made the subject of an offer or sale, or invitation for subscription or purchase, of Shares, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) an institutional investor under Section 274 of the SFA; (ii) a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA; or (iii) otherwise pursuant to and in accordance with the conditions of any other applicable provisions of the SFA.

Where the Shares initially acquired pursuant to an offer made in reliance on an exemption under Section 274 or Section 275 of the SFA are sold within a period of six (6) months from the date of the initial acquisition to any person other than to an institutional investor, a relevant person as defined in Section 275(2) of the SFA or any person pursuant to an offer related to in Section 275(1A) of the SFA, then Subdivisions (2) and (3) of Division 1 of Part XIII of the SFA (which relate, inter alia, to the prospectus requirements) shall apply to the offer resulting in that sale.

Papua New Guinea

This document has not been, and will not be, authorised by or registered with the Securities Commission of Papua New Guinea ("PNG") pursuant to the Capital Market Act 2015 of the Independent State of PNG ("CMA"). No action has been taken in PNG to authorise this document or to permit the distribution of this document or any documents issued in connection with it.

The Shares cannot be offered for subscription or purchase to the public in Papua New Guinea, however an 'excluded offer' under Division 3 of the CMA will not constitute an offer of the Shares to the public.

No advertisement, invitation or document relating to the Shares has been or will be issued in PNG or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of PNG (except if permitted to do so under the CMA and the regulations made under that Act). The contents of this document have not been reviewed by any PNG regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice

New Zealand

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law and New Zealand law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Offer. If you are a New Zealand resident and need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (http://www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products. New Zealand tax laws are complex, and the tax laws and their interpretation may change. The precise implications of ownership and disposal of the Shares will depend upon each Shareholder's specific circumstances.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser including tax advice on the New Zealand implications of acquiring, holding or disposing of the Shares, taking into account your own specific circumstances.

The Offer may involve a currency exchange risk. The currency for the financial products is Australian dollars and not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

No Authority
No person is authorised to give any information or to make any representation regarding the Offer. Any information or representation in relation to the Offer which is not contained in this Prospectus may not be relied upon as having been authorised by Canterbury or its Directors.

Exposure Period
The Corporations Act prohibits the Company from processing Applications in the seven day period after the date of Prospectus lodgement ("Exposure Period"). The Exposure Period may be extended by ASIC by up to a further seven days. The purpose of this Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on Applications received during the Exposure Period and all Applications received during the Exposure Period will be treated as if they were simultaneously received on the Opening Date.

Pursuant to ASIC Corporations (Exposure Period) Instrument 2016/74, this Replacement Prospectus is not subject to an exposure period. The Original Prospectus was subject to an exposure period of 14 days which ended on 27 September 2018.

Speculative
The Shares offered under this Prospectus are of a speculative nature. The Shares offered under this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Shares or Options. Applicants should read this document in its entirety and carefully consider whether the Shares offered under this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 9 of this Prospectus for details of key risks applicable to an investment in the Shares.

If in any doubt and for any questions, prospective investors should consult with their professional advisors before deciding whether to apply for Shares.

Persons wishing to subscribe for Shares offered under this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company, as well as the rights and liabilities attached to the Shares offered under this Prospectus.

Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information not so contained may not be relied upon as having been authorised by the Company or any other person in connection with the Offer. You should rely only on information in this Prospectus.

As set out in Section 2.10, it is expected that the Shares will be quoted on the ASX. The Group, the Broker and the Share Registrar disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statement. This disclaimer does not purport to disclaim any warranties or liability which cannot be disclaimed by law.

Privacy Statement

When you apply to invest in the Company, you will be required to provide the Company and the Share Registrar with certain personal information to: (i) facilitate the assessment of the Application; (ii) enable the Company to assess the needs of Applicants and provide appropriate facilities and services for Applicants; and (iii) carry out appropriate administration. The Corporations Act and tax law require some of this personal information to be collected. The Company and the Share Registrar may be required to disclose this information to: (i) third parties who carry out functions on behalf of the Company; and (ii) other third parties to whom disclosure is required by law. Applicants may request access to their personal information held by (or on behalf of) the Company by telephoning or writing to the Company Secretary.

By submitting an Application Form, you agree that the Company may use the information you provided on the Application Form for the purposes detailed in this Privacy Statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about its Shareholders (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with its legal and regulatory requirements.

Competent Persons Statements pursuant to the requirements of ASX Listing Rules 5.6, 5.22 and 5.24 and Clause 9 of the JORC Code 2012 Edition

The Independent Geologist's Report has been prepared by SRK Consulting (Australasia) Pty Ltd. and was compiled by Dr Stuart Munroe – Principal Consultant. Dr Munroe is a full-time employee of SRK and has suffficient experience which is relevant to the syle of mineralisation and type of mineral deposit under consideration, and to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("the JORC Code"). Dr Munroe consents to the inclusion in the Prospectus of the matters based on this information in the form and context in which they appear.

Mr Michael Erceg is responsible for the

form and context of the Exploration Target statement on page 48 and on page 66. Mr Michael Erceg, MAIG RPGeo, 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 Michael Erceg is a Geological Consultant, a part-time Manager Exploration, and proposed Executive Director of Canterbury and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Historical Data
In the interest of transparency, available historical drill data from the Company's projects has been included in the Independent Geologist's Report in Section 5 accompanied by JORC Table 1. The historical data covers exploration over approximately 50 years and is not complete, as indicated in Table 1, but is considered material as it has been consulted, as is normal practice, in developing the geological interpretations and generating the proposed exploration programs in this Prospectus. The historical data has also been used by the Independent Geologist to form an opinion on the validity of the geological targets to be tested by the Company.

The Competent Person, with assistance from Canterbury personnel, has compiled the historical data from statutory reports in the public domain, lodged in government libraries in Papua New Guinea, Vanuatu and Queensland, which is required as a condition of exploration licences in these jurisdictions. The reports have been written and submitted by exploration companies considered reputable. The data is incomplete, as the reports rarely document the level of exploration detail (including sampling and assaying) that is now required to be disclosed by JORC.

The historical data, in the opinion of the Competent Person, is sufficiently reliable to be included in the Prospectus. It is also the opinion of the Competent Person that omitting the data could be considered negligent, ignoring the considerable exploration that has occurred on the Projects since the 1970s. The historical data has not been used, and it is not intended to be used, to classify mineralisation as a Mineral Resource or Ore Reserve.

Forward-Looking Statements
This Prospectus may contain forward-looking statements which are identified by words such as 'believes', 'estimates', 'expects', 'targets', 'intends', 'may', 'will', 'would', 'could' or 'should' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risks are detailed in Section 9 of this Prospectus. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to public prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

Company Website
Any references to documents included on the Company's website at www.canterburyresources.com.au are for convenience only, and none of the documents or other information available on the Company's website is incorporated herein by reference.

Photographs and Diagrams
The assets depicted in photographs and diagrams in this Prospectus are not assets

of the Company unless otherwise stated. Diagrams appearing in this Prospectus are illustrative only and may be drawn out of scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

Photographs in this Prospectus may be used under licence. The downloading, republication, retransmission, reproduction or other use of such photographs other than in this Prospectus is prohibited.

Definitions
Throughout this Prospectus abbreviations and defined terms are used. Those relevant to mineral exploration are contained in the Glossary of Technical Terms in Section 4.5 of this Prospectus, and other abbreviations and legal terms are contained in the Definitions in Section 11.13 of this Prospectus. Defined terms are generally, but not always, identified by the uppercase first letter.

Currency
References to "$", "A$", "AUD", "dollar" or "cents" are references to Australian currency, unless otherwise stated.

References to "PGK" or "Kina" are references to Papua New Guinea currency, unless otherwise stated.

References to "Vt" or "Vatu" are references to Vanuatu currency, unless otherwise stated.

Time
Any reference to time in this Prospectus is a reference to "Sydney time" as applicable in Sydney, New South Wales on that day.

[KEY OFFER DETAILS]

SUMMARY OF THE OFFER	
Share Issue Price	$0.30 Per Share
Number of Shares to be Issued Under the Offer	26,000,000
Amount to be Raised under the Offer	$7,800,000
Total Number of Shares on Issue on Completion of the Offer	84,060,408
Indicative Market Capitalisation on Completion of the Offer	$25,218,122

Important Dates	
Lodgement of the Original Prospectus with ASIC	13 September 2018
Lodgement of Replacement Prospectus with ASIC	3 October 2018
Opening date of Offer (9:00am Sydney time)	4 October 2018
Expected closing date of Offer (5:00pm Sydney time)	26 October 2018
Settlement of the Offer	29 October 2018
Expected date of issue and allotment of Shares	30 October 2018
Expected date of despatch of holding statements	1 November 2018
Trading of Shares expected to commence on ASX	7 November 2018

The above timetable is indicative only. The Company and the Broker, Canaccord Genuity, reserve the right to vary the dates and times set out above subject to the Corporations Act and other applicable law. In particular, the Company reserves the right to close the Offer early, extend the Closing Date or accept late Applications either generally or in particular cases without notification. Investors who wish to submit an Application are encouraged to do so as soon as practicable after the Offer opens.

[CHAIRMAN'S LETTER]

13 September 2018

Dear Investor,

On behalf of the Board of Directors it is my pleasure to offer you the opportunity to become a Shareholder of Canterbury Resources Limited ("Canterbury" or "Company").

Canterbury is a Sydney based mineral exploration company that is seeking to create shareholder value by generating, exploring and monetising potential large scale ("Tier 1") copper-gold projects in proven mineral belts throughout the southwest Pacific region – a region that hosts numerous world-class copper and gold deposits.

Our experienced management team has considerable expertise and global experience in exploration, mining and finance, and key personnel have a track record of exploration success in the region.

Canterbury has established positive relationships with our stakeholders, including independent land owners, and we will continue to nurture and develop these relationships. Importantly, we have also established constructive relationships with major mining houses, providing opportunities to continue to grow and enhance our asset base, and to potentially access funding as projects transition through the assessment and development phases.

Since inception in 2011, Canterbury has built a well-balanced and highly prospective portfolio of resource opportunities in Papua New Guinea, Queensland and Vanuatu. Successful exploration and assessment activity at several of these projects has been advanced to the exciting drill testing phase – with drilling programs being implemented at three separate projects during the remainder of 2018, and further drilling planned during 2019. Each of these projects provides potential to delineate Tier-1 deposits.

This Prospectus contains an offer to the public of 26,000,000 Shares at an issue price of $0.30 each to raise $7.8 million before costs.

The majority of funds raised by this Offer will be directed at high impact drilling activity at two of our 100% owned copper-gold prospects (Briggs and Ekoato), generating considerable value uplift for shareholders if successful. In addition, we hold the Bismarck Project on Manus Island in Papua New Guinea, where Rio Tinto Exploration (PNG) Limited ("Rio Tinto PNG") is currently managing and sole-funding the initial drill testing of buried, large-scale porphyry copper-gold targets under a Farm-In and Joint Venture Agreement.

Immediately following this IPO, three significant drilling programs will be implemented:

- **Ekoato** (100% Canterbury-owned) in PNG, where a 5-hole diamond drilling program of around 1,350 metres will test an extensive area of surface gold and copper mineralisation in the upper levels of an exposed porphyry system. The Ekoato prospect has not previously been drill tested and displays many characteristics comparable with the world-class Golpu deposit located some 60km to the north. Significantly, several members of Canterbury's exploration team had integral involvement in exploring the Wafi-Golpu complex, including drilling of the discovery

hole at Golpu.

- **Briggs** (100% Canterbury-owned, Rio Tinto Exploration Pty Limited 1% NSR) in Queensland, where a 9-hole diamond drilling program of around 3,000 metres will further assess the resource potential of the large Briggs porphyry copper system. Within the Briggs area, at least three mineralised zones are recognized and each has broad intercepts of low grade disseminated copper mineralisation, overlain by a thin higher-grade blanket of supergene enriched copper mineralisation. During the next phase of assessment, Canterbury will undertake an initial drilling program focussed on mineralisation in the Central Zone, including testing for a potential higher-grade core of the system. This project was acquired from Rio Tinto Exploration Pty Limited ("RTX") which retains certain claw-back rights in the event of a major resource being delineated.

- **Bismarck** (Canterbury 40%, Rio Tinto PNG 60%) on Manus Island, PNG where an initial drilling program of 3 to 5 deep holes (each up to 600m) will test large porphyry copper-gold targets. Bismarck is the subject of a staged Farm-In and Joint Venture Agreement with Rio Tinto PNG. During Stage-1 Rio Tinto PNG has earned a 60% joint venture interest by sole-funding over A$5million of exploration activity, and it has the right to increase its equity to 80% during Stage-2 by sole-funding a further A$12.5 million of exploration. Work to date, including extensive geophysical surveys, supports developing evidence for large-scale buried porphyry copper-gold targets that have never been drill tested.

The full details of the planned activities and projects are described in Section 4 of this Prospectus.

Investors should note that all the Company's projects are still in the exploration and evaluation phase. Accordingly, any investment made in the Company should be considered highly speculative. An investment in the Company is also subject to risks, including Company specific risks such as those associated with mining and exploration, commodity price fluctuations, currency exchange and country risks associated with operating in Papua New Guinea, Vanuatu and Australia, and general risks such as adverse weather. More detailed information about certain risks is set out in Section 9 of this Prospectus, which I encourage you to read and consider carefully. Before you make your investment decision, I urge you to carefully read this Prospectus in its entirety and recommend that you also seek professional investment advice.

The Board is pleased to invite your participation in this exciting exploration company and we look forward to welcoming you as a shareholder.

Yours faithfully

John Anderson

[1] Investment Overview

[1] INVESTMENT OVERVIEW

This Section is not intended to provide full information on the Shares offered under this Prospectus. Accordingly, potential investors should read this Prospectus in its entirety and, if in doubt, consult their professional advisors before investing in the Company. The securities offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the securities.

1.1 The Company and the Projects

Topic	Summary	Further Detail
General		
Issuer under the Prospectus	Canterbury Resources Limited (ACN 152 189 369) ("Canterbury or Company") is the issuer of this Prospectus. Canterbury is an Australian company, based in Sydney, that was incorporated with ASIC on 19 July 2011. The Company has five wholly-owned subsidiaries; two subsidiaries are registered in Australia named Canterbury Exploration Pty Limited (ACN 153 459 137) and Capella Ventures Pty Ltd (ACN 151 411 317), two in Papua New Guinea being Canterbury Resources (PNG) Limited (CN 1-86939) and Finny Limited (CN 1-104673) and one in Vanuatu being Capella Vanuatu Limited (CN 36728).	Section 11.1 Section 4.1
Canterbury's Projects	Canterbury has multiple exploration projects in the southwest Pacific region at varying stages of advancement. Three projects have well defined targets that are currently entering the drill assessment phase: - Bismarck on Manus Island, Papua New Guinea where joint venture partner Rio Tinto PNG is currently managing and funding drilling of very large, buried porphyry copper-gold targets. - Briggs in Queensland, where the Company is systematically drilling the upper 300m of the Central Zone, which is part of an extensive porphyry copper system. Historic shallow exploration has encountered widespread low-medium grade copper mineralisation and Canterbury is testing the potential for a higher grade core of the system. - Ekoato on mainland Papua New Guinea, where Canterbury has identified a 4km² area of geochemical anomalism associated with high level felsic intrusions and coincident magnetic anomalies. A scout drilling program will test major west/east trending structures hosting altered and veined felsic intrusions and hydrothermal breccias. Similar features are observed at the world-class Wafi-Golpu deposit 60km to the north and at the Hidden Valley gold mine 15km to the east. In addition, several earlier stage exploration projects have been generated in Vanuatu and on mainland Papua New Guinea, and Canterbury continues to assess new project opportunities.	Section 4 Section 5 Section 6 Section 10

1.2 The Company's Business Model

Topic	Summary	Further Detail
General		
Canterbury's Business Plan and Strategy	Canterbury is an exploration company that was formed in 2011 with the objective of exploring resource opportunities in the southwest Pacific region – particularly copper and gold deposits. This region hosts multiple very large scale, long life ("Tier-1") mining operations. Canterbury seeks to generate resource and exploration opportunities with Tier-1 potential, applying modern exploration knowledge and understanding to systematically and cost-effectively assess them. Periodically partnerships with major mining groups are sought to defray risk and cost, particularly as projects enter more advanced stages of evaluation.	Section 4.1
Proposed use of the Funds Raised under the Offer	Historical and pro forma financial information on the Company is contained in Section 7 of this Prospectus. Canterbury is an exploration company and periodically raises capital to support its activities. The Company's auditors note that, in relation to 'going concern basis', if fund raising activities are unsuccessful it will create uncertainty about the consolidated entity's ability to pay its debts as and when they fall due. As at 31 December 2017 the cash and cash equivalent reserves of the Company were $383,348. Existing reserves and working capital plus the $7.8 million raised in the Offer are essentially being applied to field programs over a two year period. The majority of funds will be directed at high-impact exploration activities, including drilling programs at two of the most advanced prospects (Briggs and Ekoato). In parallel the Company will continue to undertake lower cost evaluation activities (mapping, geochemical sampling & geophysical surveys) to define future drill targets. A breakdown of the proposed application of funds is Total funds available: $8,333,348 (100%) Drilling programs: $5,839,200 (70.1%) Other exploration: $418,000 (5.0%) Administration: $1,385,000 (16.6%) IPO costs: $651,449 (7.8%) Working capital: $39,699 (0.5%)	Section 4.2 Section 4.3 Section 7

1.3 Summary of Key Risks

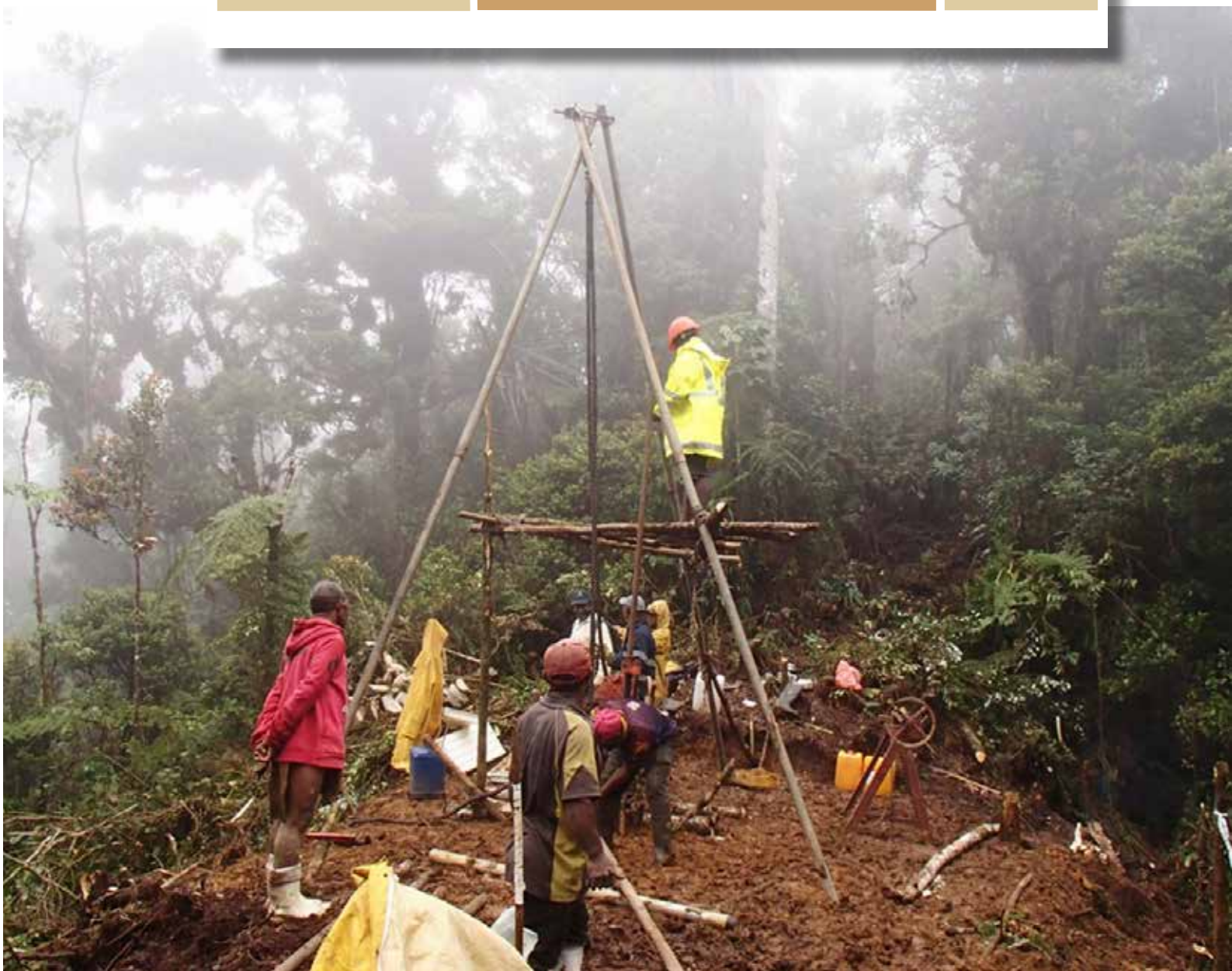
Topic	Summary	Further Detail
General		
	Prospective investors should be aware that subscribing for Shares in the Company involves a number of risks. The risk factors concerning the Company, as set out in Section 9, and other general risks applicable to all investments in listed securities, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. You will find below a summary of the key risks which apply to an investment in the Company. You should refer to Section 9 for further details of the specific risks and general investment risks.	
Exploration	The Company holds numerous exploration projects, including early-stage projects. A significant risk for the Company is that the proposed exploration programs will not result in exploration success. Mineral exploration by its nature is a high risk endeavour and consequently there can be no assurance that exploration of the projects described in this Prospectus, or any other projects that may be acquired in the future, will result in discovery of an economic mineral deposit. Should a mineral discovery be made, there is no guarantee that it will be commercially viable. While the Directors will make every effort to reduce these risks through their experience in the exploration industry, commercially viable mineral discoveries are very much the exception rather than the rule and success can never be guaranteed Future viability as an exploration company, is dependent on many factors including, but not limited to, the following: • long term injury or adverse health conditions requiring change in current Company personnel; • risks inherent in exploration including, among other things, successful exploration and discovery of economic mineralisation; • volatility in commodity prices and exchange rates, particularly the price of copper and gold; • risks associated with obtaining grant or renewal of exploration tenements; • risks arising from native title and/or landowner rights; • environmental management issues; • risk of material adverse changes in the government policies or legislation; • prolonged poor weather conditions; • unforeseen major failures, breakdowns or repairs; • risks associated with maintaining exploration properties in good standing; • risks associated with the financial failure or default by a participant in any joint venture; and • acts of nature disrupting exploration activities.	Section 9.2.1

Dilution	The Offer has potential for significant dilution of existing Shareholders' shareholding in the Company. The existing share capital of the Company consists in 58,060,408 ordinary shares. As the Company is seeking to raise $7.8 million by the issue of 26,000,000 ordinary shares, the existing shareholders will be diluted by 44.78%. At the time of admission of the Company on the ASX, there will be 14,296,975 Options on issue. This may result in a dilution of up to 17.01% of existing and new shareholders, based on the register at the time of admission.	Section 9.2.2
PNG Government and Stakeholder Equity	In accordance with the conditions of Canterbury's PNG exploration licences, the PNG Government reserves the right, but not the obligation, to take up an equity position in a mineral discovery. It has the right to purchase an equity interest of up to 30% in a project at the prorata accumulated exploration cost. If the PNG Government elects not to take up its rights in full, it may exercise this right to a limited extent to provide local stakeholders with an equity participation.	Section 9.2.3
Exploration Targets, Resources and Reserves	An Exploration Target has been estimated for the Central Zone of the Briggs prospect in accordance with the 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. This target will be drill tested in 2018/19. However, the risks inherent in exploration mean there is no guarantee that a Mineral Resource will be successfully delineated. In the future, the Company may identify additional exploration targets based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. However, insufficient data may exist to provide certainty over the extent of the mineralisation. Accordingly, no assurances can be given that additional exploration will result in the determination of a Mineral Resource on any of the exploration targets identified.	Section 9.2.4
Development and Acquisition Opportunities	The success of the Company partially depends upon the Company's ability to identify, secure and develop a portfolio of high quality projects and strategic industry partnerships. There is a risk that the Company will be unable to secure such opportunities on acceptable terms, thereby potentially limiting the growth of the Company. The acquisition of projects may require the payment of monies after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful.	Section 9.2.5

	If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.	
Restricted Securities	Certain securities on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of official quotation. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to trade his or her Shares in a timely manner. This could also affect the prevailing market price at which Shareholders are able to sell their Shares. Following the end of the relevant escrow periods, a significant sale of Shares by one or more of the escrowed Shareholders or the perception that such sales might occur, could adversely affect the market price of the Shares at the time.	Section 9.2.6
Future Capital Requirements	Exploration and development costs will reduce the cash reserves of the Company. The Company has no operating revenue and is unlikely to generate any operating revenue unless and until one or more of the projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities. The Company will be dependent on future capital raisings in addition to the Offer, through equity, debt or joint venture financing, in order to further develop the projects or acquire new projects. Such future funding is not certain. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities including Tenements being subject to forfeiture, and could affect the Company's ability to continue as a going concern.	Section 9.2.7
Valuation of Projects	Investors should note that no valuation has been completed of the projects or the Shares of the Company, and investors should make their own assessment as to the value of the Projects.	Section 9.2.8
Dependence on Key Personnel	The Company's success depends to a significant extent upon the continuing efforts of Directors and key management personnel, as well as other management and technical personnel including those employed on a contractual basis. The loss of the services of certain personnel may result in the Company not being able to locate or employ qualified personel with the relevant experience or on acceptable terms which could have a materially adverse effect upon the Company and its activities.	Section 9.2.9

Rights and Action of Project Partners	Canterbury currently operates in joint venture partnership with Rio Tinto PNG on the Bismarck Project and RTX retains certain rights in the Company's Briggs & Mannersley Project including the potential to claw back a 60% joint venture interest by payment of $15m cash to Canterbury, plus RTX sole-funding the first $50 million of joint venture expenditure. Canterbury is also likely to seek partnerships with third parties in the future. However, Canterbury will have no control of the decision-making process of its partners which may include withdrawal of funding support at the project level. As such, decisions of Canterbury's partners could have an adverse effect upon the Company and its activities.	Section 9.2.10 Sections 10.1 & 10.2
Tenements	The renewal of tenements upon expiry of their current term and the granting of applications for exploration licences, exploration permits or mining leases is subject to Ministerial approval, which may be withheld, withdrawn or made subject to limitations. Non-approval, or a delay in the approval process, could have a negative impact on exploration conducted by the Company as well as the Share price of the Company. On the date of this Prospectus, Canterbury has five active tenements (three in PNG and two in Queensland), plus renewals pending for five tenements (three in PNG and two in Vanuatu). Vanuatu has minimal historical mining activity and in the event of a material discovery by Canterbury there is uncertainty in relation to the application of the Mining Act.	Section 9.3.1
Native Title and Land Access	The Native Title Act 1993 (Cth) and corresponding legislation in Papua New Guinea and Vanuatu relating to native title apply to the Tenements. Uncertainty associated with native title issues may impact on the Company's future plans. The Solicitor's Report on Mineral Tenements provides detail on this issue.	Section 9.3.2 Section 6
Indigenous Sites of Cultural Heritage or Significance	Australian Commonwealth and State legislation obliges the Company to identify and protect sites of significance to Aboriginal customs and traditions. The Solicitor's Report on Mineral Tenements provides detail on this issue.	Section 9.3.3 Section 6
Environmental Risks	The minerals and mining industries have become subject to increasing environmental responsibility and liability. The potential for liability is an ever-present risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation. Non-compliance with relevant environmental laws and regulations could have a materially adverse effect on Canterbury's actvities and financial position. It may be necessary to undertake baseline environmental studies prior to certain exploration activities so that environmental impact can be monitored and minimised. While the Company is not aware of any endangered species of fauna and flora within any of its project areas, no baseline	Section 9.3.4

	environmental studies have been undertaken to date, and discovery of such could prevent further work in certain areas.	
Other General Risks	Investors should note other risks inherent to listed securities and to managing a company (without limitation) include: - Changes in share market conditions; - General economic factors (such as economic growth, inflation, currency fluctuations and interest rates); - No current market for the Shares; - Fluctuations in commodity prices; - Changes in Government policy and legal risk; - Litigation risk; - Insurance risk; and - Occurrence of a force majeure event.	Section 9.4



1.4 Summary of Key Strengths

Exploration Potential	Canterbury's exploration projects are all located in established mineral districts, and have been selected based on their perceived potential to host large-scale porphyry copper-gold deposits and/or epithermal gold-silver deposits. Exploration has reached the point at three prospects where drill testing is proposed as an important next step in better understanding the potential scale and tenor of mineralisation at these targets, as outlined below: - Ekoato in PNG, where diamond drilling will test an extensive area of surface gold and copper mineralisation in the upper levels of an exposed porphyry system. The prospect has not previously been drill tested and displays characteristics comparable with the world-class Golpu deposit located some 60km to the north. Members of Canterbury's exploration team had integral involvement in exploring the Wafi-Golpu complex, including drilling of the discovery hole at Golpu. - Briggs in Queensland, where diamond drilling will further assess the resource potential of a large porphyry copper system. Three mineralised zones are recognized, and each has broad intercepts of low grade disseminated copper mineralisation, overlain by a thin higher-grade blanket of supergene enriched copper mineralisation. Drilling by Canterbury will focus on mineralisation in the Central Zone, including testing for a potential higher-grade core of the system. - Bismarck on Manus Island, PNG where diamond drilling is proposed in the southeastern portion of the tenements, where an extensive lithocap is interpreted to overly buried porphyry systems. Bismarck is the subject of a staged Farm-In and Joint Venture Agreement with Rio Tinto PNG which is managing and sole-funding the current phase of drilling. Work to date by Rio Tinto PNG, including geophysical surveys, supports developing evidence for large scale buried porphyry copper-gold targets that have not been previously drilled.	Section 4 Section 5 Section 10
Historical Data	All of Canterbury's projects are located in established mineral districts and have been subject to historic exploration by multiple explorers over many decades. Extensive data sets include geological mapping, geochemical sampling and geophysics, plus drilling of selected prospects. Much of the historical data has been generated prior to the implementation of the current JORC code. In the interest of transparency and materiality, historical data has been included in the Prospectus, where it is regarded as being reliable for the purpose of geological interpretation, with related context disclosed in the associated JORC Table 1. The historical data has not been used, and is not intended to be used, to classify mineralisation as a Mineral Resource or an Ore Reserve. Available drill hole data and significant results are outlined in Section 5, along with JORC Table 1 disclosure.	Section 4 Section 5

Attractive Commodities	Canterbury is primarily targeting copper and gold in its exploration plans. In general, the outlook for commodity markets is positive due to synchronised growth in the world's advanced and emerging economies, which is supporting increased industrial activity and commodity demand. Against this backdrop, and with apparently limited large-scale copper projects currently being developed globally, the price of copper has risen by 50% from a cyclical low point of around US$2.00/lb in early-2016 to an average of around US$3.00/lb during 2018.	Section 4
Experienced Management Team	Canterbury has an experienced management team, including resource professionals with a strong track record of exploration and operational success at multiple projects in the southwest Pacific region. The management team has steadily grown and advanced its portfolio of exploration assets since its formation in 2011.	Section 2 Section 8.3 Skill matrix
Adequately Capitalised	The Company has defined exploration activities budgeted on the basis of the funds received under the Offer.	Section 3 Section 4.4

1.5 Directors and Related Party Interests and Arrangements

The Directors	The Directors currently are: - Mr John Anderson (Chairman) - Mr Grant Craighead (Managing Director) - Mr Gary Fallon (Non-Executive Director) - Mr Ross Moller (Non-Executive Director) Mr Michael Erceg has agreed to join the Board as an Executive Director upon admission of the Company on the official list of ASX.	Corporate Directory Section 3.2
Directors' Benefits	The Managing Director is paid under a services contract at an annual rate of $240,000 + GST. The contract can be terminated by either party with 6 month's notice and is reviewed annually.	10.5
Directors' Shareholding and Optionholding	The Directors and their related entities or parties hold the following interests in Company's securities as at the date of this Prospectus. **Shareholdings:**	10.9.2

Registered Holding Name	Director/ Person	Current Balance	% of pre-IPO Capital
Gage Resources Pty Ltd <Craighead Super Fund A/C>	Mr Grant Craighead	4,781,586	8.24%
Gage Resources Pty Ltd <Craighead Family A/C>	Mr Grant Craighead	1,500,000	2.58%
Edward John Craighead	Mr Grant Craighead	60,000	0.10%
Greta Louise Craighead	Mr Grant Craighead	60,000	0.10%
Breakaway Investment Group Pty Limited*	Mr Grant Craighead	1,299,026	2.24%
Fallon Nominees Pty Ltd <Fallon Family A/C>	Mr Gary Fallon	3,053,571	5.26%
Icekins Pty Ltd <John Anderson S/F A/C>	Mr John Anderson	2,675,000	4.61%
Travel Systems Pty Ltd <Moller Family Super Fund A/C>	Mr Ross Moller	2,250,000	3.88%
Erceg Super Pty Ltd <Erceg Family Super Fund A/C>	Mr Michael Erceg	665,000	1.15%
Matthew David Erceg	Mr Michael Erceg	71,500	0.12%
Sarah Jean Erceg	Mr Michael Erceg	71,500	0.12%
Stephanie Louise Erceg	Mr Michael Erceg	107,250	0.18%
Tracey Lee Erceg	Mr Michael Erceg	71,500	0.12%

Optionholdings:

Registered Holding Name	Director	Current Balance
Gage Resources Pty Ltd <Craighead Super Fund A/C>	Mr Grant Craighead	775,000
Breakaway Investment Group Pty Limited*	Mr Grant Craighead	400,000
Fallon Nominees Pty Ltd <Fallon Family A/C>	Mr Gary Fallon	1,478,174
Icekins Pty Ltd <John Anderson S/F A/C>	Mr John Anderson	475,000
Travel Systems Pty Ltd <Moller Family Super Fund A/C>	Mr Ross Moller	1,112,500
Andrew Thomas Moller	Mr Ross Moller	187,500
Simon Ross Moller	Mr Ross Moller	187,500
Erceg Super Pty Ltd <Erceg Family Super Fund A/C>	Mr Michael Erceg (proposed director)	125,000
Michael Erceg	Mr Michael Erceg (proposed director)	350,000
Matthew David Erceg	Mr Michael Erceg (proposed director)	35,750
Sarah Jean Erceg	Mr Michael Erceg (proposed director)	35,750
Tracy Lee Erceg	Mr Michael Erceg (proposed director)	35,750

* Mr Grant Craighead, indirectly holds 28% of Breakaway Investment Group Pty Limited which holds 1,299,026 Shares and 400,000 Options at the date of this Prospectus.

Key Management Personnel	The Key Management Personnel of the Company are the Managing Director, Mr Grant Craighead, and the Exploration Manager, Mr Michael Erceg (Exploration Manager and proposed Executive Director). The Key Management Personnel, together with the Non-Executive directors, have the skills set out in Appendix A of the Corporate Governance Statement.	Appendix A of Section 8
Related Parties Contracts	The Company has entered into the following related parties contracts: (a) The Managing Director's services contract was entered into by Canterbury with a company controlled by Mr Grant Craighead; (b) An office services contract with Breakaway Mining Services Pty Ltd, a company which has a director in common with Canterbury, namely Mr Grant Craighead, for office rental, administration services and book-keeping totalling $26,400+GST per year, and a services contract, for corporate and company secretarial services were entered into by Canterbury ($1,250 + GST per diem); (c) Letters of engagement with each director and the company secretaries setting out responsibilities; (d) Deeds of indemnity and access with each director and the company secretaries; and (e) Mr Michael Erceg will be appointed as Executive Director upon listing. He has been working for Canterbury as Exploration Manager since 2015 for a fee of $1,200+GST per day.	Section 10.5 Section 10.6 Section 10.7

1.6 Summary of the Key Terms of the Offer

Calendar of the Offer	Please refer to the Section entitled "Summary of the Offer" on Page 13.	Summary of Offer
Public Offer	The Offer is for a conditional initial public offering of 26,000,000 fully paid ordinary shares in Canterbury to raise $7.8 million (before costs) to Australian and New Zealand residents.	Section 2
Price of the Offers	The subscription price is $0.30 per Share.	Section 2
Minimum Subscription	Applications must be for a Minimum Allotment of 7,000 Shares (for an cost of $2,100) and thereafter in multiples of 1,000 Shares ($300).	Section 2
Application	Applications can only be made by completing the Application Form attached to this Prospectus.	Section 2
Allocation Policy	The Company reserves the right to reject any Application or to allocate any investor fewer Shares than the number applied for.	Section 2
Underwriting	The Offer is not underwritten. Canaccord Genuity has been appointed as Broker.	Section 10
Escrow Arrangements	There are compulsory escrow arrangements under the ASX Listing Rules. None of the Shares issued pursuant to the Offer are expected to be restricted securities. Most Shares issued to Directors directly or indirectly in the last 12 months are expected to be escrowed. A number of Shares issued to investors in the last 12 months are expected to be escrowed.	Section 10
Rights attached to Shares	All Shares issued under the Offers will rank equally in all respects with existing Shares on issue. Refer to Section 11.4 for a summary of rights and liabilities attached to Shares.	Section 11.4
Dividend Policy	The Company does not expect to pay dividends in the near future as its focus will be primarily on investing in growth opportunities, particularly exploration of existing Projects and possible future applications and acquisitions. The Directors can provide no guarantee as to the future dividend policy, the extent of future dividends or the level of franking or imputation of such dividends, as these will depend upon the future profits of the Company, and the Company's financial and taxation position at that time.	Section 7 Section 11.4.7

Effect of the Offer on the Company's Capital Structure	See below under Section 1.7 the Summary of Capital Structure.	Section 1.7
Listing of Shares	The Company will apply for admission to the official list of the ASX and quotation of the Shares on the ASX. The Company's ASX Code is expected to be "CBY". The ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that the ASX may admit the Company to the official list is not to be taken as an indication of the merits of the Company or of the Shares offered for subscription. If permission is not granted for the official quotation of the Shares on the ASX within three months after the date of this Prospectus (or any later date permitted by law), all Application Monies received by the Company will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act. The Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time.	Section 2.10
Brokerage, Commission or Stamp Duty	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer.	Section 2.1
More Information	If you are unclear in relation to any matter or are uncertain as to whether Shares are a suitable investment for you, you should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent and qualified professional adviser before deciding whether to invest. Other enquiries in relation to this Prospectus should be directed to the Company at 02 9392 8010 (within Australia) or +61 2 9392 8010 (outside Australia) from 9.00am until 5.00pm (Sydney time) Monday to Friday during the Offer Period.	Section 2

1.7 Summary of Capital Structure

Canterbury Shares on Issue at the Date of the Prospectus and at the time of Admission		
	Type	**Number**
Existing Shares	Ordinary	58,060,408
Shares under the Offer	Ordinary	26,000,000
Total shares after the Offer	Ordinary	84,060,408

Options granted at the Date of the Prospectus		
Expiry date	**Exercise price**	**Number**
Expiring 31-December-2018	20c	2,163,087
Expiring 30-June-2019	20c	4,783,888
Expiring 30-June-2020	25c	1,350,000
Expiring 30-June-2021	40c	1,000,000
Total		**9,296,975**

Options to be granted upon completion of the Offer under this Prospectus		
Maturity Date	**Exercise price**	**Number**
30-June-2021	40c	3,000,000
30-June-2021	45c	1,000,000
30-June-2021	50c	1,000,000
TOTAL		**5,000,000**

[2] Details of the Offer

[2] DETAILS OF THE OFFER

2.1 Description of the Offer

This Prospectus relates to an initial public offering of twenty six million (26,000,000) Shares at an issue price of $0.30 per Share to raise seven million, eight hundred thousand ($7,800,000) to Australian and New Zealand residents.

All Shares issued pursuant to this Prospectus will be issued as fully paid ordinary shares and will rank equally in all respects with the Shares already on issue. The rights attaching to the Shares are summarised in Section 11.4 of this Prospectus.

The Shares offered under this Prospectus will represent 30.93% of the Shares on issue at Completion. The total number of Shares on issue at the Completion of this Offer is expected to be 84,060,408. The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer. The Company will pay any stockbroker, licensed securities dealer or other person legally entitled to receive commission in respect of a person subscribing for the Shares ("Dealer"), a commission at a negotiable rate of the amount of Application Monies being the subject of an Application which results in an allotment of Shares, where the Dealer has introduced the Applicant and indicated that introduction by completion of the "brokers reference" section of the Application Form. The commission will be paid on the Settlement Date of the Offer on the presentation of a tax invoice.

2.2 Purpose of the Issue

The purpose of the Offer is to raise adequate funds to allow the advancement of Canterbury's existing projects, and to assess new project opportunities.

Approximately 70.1% of available funds are planned to be directed at drilling programs on Canterbury's most advanced projects during the next two years. In particular drilling is planned at:

- Briggs & Mannersley, Queensland – systematic broad spaced drilling will be completed for the upper 300m of the Central Zone of the Briggs porphyry copper deposit, with a follow-up phase testing potential depth and strike extensions, dependent on initial results.

- Ekoato, Papua New Guinea – a scout drilling program testing major west/east trending structures hosting altered and veined felsic intrusions and hydrothermal breccias. Similar features are observed at the Wafi-Golpu deposit 60km to the north and at the Hidden Valley gold mine 15km to the east. Follow-up drilling will be undertaken contingent on initial results.

- Bismarck, Papua New Guinea – initial drill testing of an interpreted large porphyry copper system beneath an extensive lithocap. Note Bismarck drilling is currently being managed and funded by joint venture partner Rio Tinto PNG.

In addition to the planned drilling programs, geological mapping, geochemical sampling and geophysics will be undertaken at Canterbury's earlier stage exploration projects and application areas (once granted) in order to enhance understanding and generate additional drill targets.

Details of the exploration programmes proposed and the associated expenditures are provided in Section 4.3 (Review of Canterbury's Projects), and Section 5 (Independent Geologist's Report) of this Prospectus.

The Subscription under the Offer is 26,000,000 Shares at an issue price of thirty cents (30 cents) per Share to raise 7.8 million dollars ($7,800,000). All Shares issued pursuant to this Prospectus will be issued as fully paid ordinary shares and will rank equally in all respects with the Shares already on issue. If the Subscription amount has not been raised within four months of the date of this Prospectus, all Applications

Funds Available	A$	Percentage of Funds (%)
Cash reserves (31 Dec 2017)	383,348	
Working capital movements (2018)	150,000	
Funds raised from the Offer	7,800,000	
Total Funds	8,333,348	100%
Allocation of Funds		
Briggs drilling Phase-1	1,512,100	
Ekoato drilling Phase-1	2,327,100	
Follow-up drilling	2,000,000	
Sub-total drilling programs	5,839,200	70.1%
Mapping, sampling & geophysics (Australia, PNG & Vanuatu)	418,000	5.0%
Administration	1,385,000	16.6%
Costs of the Offer	651,449	7.8%
General working capital	39,699	0.5%
TOTAL	**8,333,348**	**100%**

will be dealt with in accordance with the Corporations Act.

If the Offer is fully subscribed, it is proposed to apply the funds raised from the Offer as described above.

2.3 Offer Period

The Offer opens at 9.00am (Sydney time) on 4 October 2018 and closes at 5.00pm (Sydney time) on 26 October 2018.

The key dates, including details of the Offer Period, are set out on page 12 of this Prospectus. This timetable is indicative only and may change. Unless otherwise indicated, all times are stated in Sydney time. The Company, in consultation with the Broker reserve the right to vary both of the above times and dates without notice

(including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, to accept late Applications or bids, either generally or in particular cases, to or to cancel or withdraw the Offer before settlement, in each case without notifying any recipient of this Prospectus or any Applicants).

If the Offer is cancelled or withdrawn before the allocation of Shares under the Offer, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

No securities will be issued on the basis of this Prospectus later than the expiry date of 13 months after the Prospectus Date.

2.4 Capital Adequacy

The Directors are satisfied that as at the date of this Prospectus, subject to receipt of the Subscription detailed above, Canterbury will have sufficient working capital to meet its stated objectives, including implementation of its exploration program, in full as described above in Section 2.2 and in Section 4.

2.5 Applications for Shares

Applications must be for a Minimum Allotment of 7,000 Shares (for a cost of $2,100) and thereafter in multiples of 1,000 Shares ($300) and can only be made by completing the Application Form attached to this Prospectus. The Company reserves the right to reject any Application or to allocate any investor fewer Shares than the number applied for.

2.6 Electronic Prospectus and Application Forms

This Prospectus will generally be made available in electronic form by being posted on the Company's website at www.canterburyresources.com.au. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) from the Company's registered office during the Offer Period by contacting the Company. Contact details for the Company and details of the Company's registered office are detailed in the Corporate Directory at the front of this Prospectus.

The Offer pursuant to the Prospectus in its electronic form is only available to persons receiving an electronic version of this Prospectus and Application Form within Australia and New Zealand.

Applications under the Offer may be made, and will only be accepted if they are made:

- on the relevant Application Form accompanying this Prospectus; or
- on a paper copy of the relevant electronic Application Form which accompanies the electronic version of this Prospectus, both of which can be downloaded from www.canterburyresources.com.au

The Corporations Act prohibits any person from passing on to another person the Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus, whether in paper or electronic form.

Paper Application Forms, whether accompanying a paper copy of this Prospectus or which have been downloaded from www.canterburyresources.com.au must be accompanied by a personal cheque or a bank draft payable in Australian dollars, drawn on an Australian branch of an Australian registered bank, or confirmation of electronic funds transfer for an amount equal to the number of Shares for which you wish to apply multiplied by the Application Price of $0.30 per Share. Cheques or bank drafts should be made payable to "Canterbury Resources Limited New Issue Account" and crossed "Not Negotiable".

Applicants should ensure that cleared funds are available at the time the Application is lodged, as dishonoured cheques will result in the Application being rejected.

Applicants should return their completed

Application Forms to PO Box 2226 Strawberry Hills, NSW 2012 by no later than 5.00pm (Sydney time) on the Offer Closing Date.

Detailed instructions on how to complete paper Application Forms are set out on the reverse of those forms. You are not required to sign the Application Form. The Company reserves the right to reject any Application (including where an Application has not been correctly completed) or allocate any person fewer Shares than that person applied for, or vary the dates and times of the Offer without prior notice and independently of other parts of the Offer. Where Applications are rejected or fewer Shares are allotted than applied for, surplus Application Monies will be refunded. No interest will be paid on any Application Monies refunded. All Application monies will be paid into a trust account.

2.7 Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

2.8 Proforma Capital Structure

The Proforma capital structure of the Company is set out below to reflect the issued and paid up capital structure of the Company upon Completion of the Offer:

PROPOSED CAPITAL STRUCTURE AT TIME OF ADMISSION ON ASX		
	Type	**Number**
Existing Shares	Ordinary	58,060,408
Shares under the Offer	Ordinary	26,000,000
Total shares after the Offer	**Ordinary**	**84,060,408**

OPTIONS ON ISSUE AND TO BE ISSUED AT TIME OF ADMISSION ON ASX		
Expiry date	**Exercise price**	**Number**
Expiring 31-December-2018	20c	2,163,087
Expiring 30-June-2019	20c	4,783,888
Expiring 30-June-2020	25c	1,350,000
Expiring 30-June-2021	40c	4,000,000
Expiring 30-June-2021	45c	1,000,000
Expiring 30-June-2021	50c	1,000,000
TOTAL		**14,296,975**

2.9 Allotment and Allocation of Shares

Subject to the ASX granting approval for the Company to be admitted to the Official List, the allotment of Shares to Applicants will occur as soon as possible after the Offer is closed, following which statements of Shareholdings will be dispatched. It is the responsibility of Applicants to determine their allocation prior to trading in Shares. Applicants who sell their Shares before they receive their holding statements will do so at their own risk. Pending the issue of the Shares or return of the Application Monies, the Application Monies will be held in trust for the Applicants.

The Company has the right to allocate the Shares under the Offer. The Company may reject any Application or allocate any investor fewer Shares than applied for under the Offer. If an Application is not accepted, or is accepted in part only, the relevant part of the Application Monies will be refunded. Interest will not be paid on Application Monies refunded.

2.10 Stock Exchange Listing

Within seven days after the date of this Prospectus, application will be made to the ASX for the Company to be admitted to the Official List and for the Shares offered by this Prospectus to be granted Quotation. If approval for Quotation is not granted within three months after the date of this Prospectus, the Company will not allot or issue any Shares pursuant to the Offer and will repay all Application Monies without any interest as soon as practicable in accordance with the requirements of the Corporations Act. The fact that the ASX may admit the Company to its Official List is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

The Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time.

2.11 CHESS

The Company proposes to become a Participant in the Clearing House Electronic Subregister System ("CHESS"), operated by ASX Settlement Pty Ltd ABN 49 008 504 532 ("ASX Settlement") a wholly owned subsidiary of ASX, in accordance with the Listing Rules and ASX Settlement Rules.

Under this system, the Company will not issue certificates to investors. Instead, Shareholders will receive a statement of their holdings in the Company. If an investor is Participant sponsored, the ASX Settlement will send them a CHESS statement.

The CHESS statement will set out the number of Shares allotted to each holder under the Prospectus, give details of the Shareholder's "holder identification number" and give the Participant the "identification number" of the sponsor Company.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Share Registrar and will contain the number of Shares allotted under the Prospectus and the Shareholder's security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their holding changes. A Shareholder may request a statement at any other time however a charge may be made for additional statements.

2.12 Overseas Investors

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Lodgement of a duly completed Application Form will be taken by the Company as to constitute a

representation that there has been no breach of such laws.

No action has been taken to register or qualify the Shares, or the Offer, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia and New Zealand.

The Offer pursuant to an Electronic Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia and New Zealand.

This Prospectus may not be released or distributed in the United States, and may only be distributed to persons to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares have not been, and will not be, registered under the US Securities Act 1933 or the securities laws of any state or other jurisdiction in the United States and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons, except in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, and any other applicable securities laws.

Each Applicant will be taken to have represented, warranted and agreed as follows:

- it understands that the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered, sold or resold un the United States, or to or for the account or benefit of US persons, except in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable securities laws;
- it is not in the United States or a US person, and is not acting for the account or benefit of a US person; and
- it will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia and New Zealand except in transactions exempt from, or not subject to, registration under the US Securities Act and in compliance with all applicable laws in the jurisdiction in which Shares are offered and sold.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32) of the Laws of Hong Kong ("HKCO"), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong ("SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to 'professional investors' (as defined in the SFO) and any rules made thereunder, and the Shares have not been and will not be offered or sold in Hong Kong in circumstances which would result in the document being a 'prospectus' as defined in the 'HKCO' or which would constitute an offer to the public within the meaning thereof.

The Company has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted under the securities laws of Hong Kong) other than with respect to the Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to 'professional

investors' within the meaning ascribed to it in the SFO and any rules made thereunder.

The Shares are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under the SFO). No person allotted Shares may sell, or offer to sell, such Shares in circumstances which may amount to an offer to the public in Hong Kong. Any on-sale of the Shares is required to comply with the same restrictions.

The contents of this document have not been reviewed or authorised by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offer. If you are in doubt about any of the contents of this document, you should obtain independent professional advice.

Singapore
This document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore and may not be circulated or distributed in Singapore nor may any of the Shares be offered for subscription or purchase, directly or indirectly, nor may any invitation to subscribe or purchase any of the Shares be made in Singapore, except in circumstances in which such offer or sale is made pursuant to, and in accordance with the conditions of, an exemption invoked under Subdivision (4), Division I of Part XIII of the Securities and Futures Act, Chapter 289 of Singapore ("SFA").

Accordingly, the Company has not offered or sold the Shares to be made the subject of an offer or sale, or invitation for subscription or purchase, of Shares, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) an institutional investor under Section 274 of the SFA; (ii) a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA; or (iii) otherwise pursuant to and in accordance with the conditions of any other applicable provisions of the SFA.

Where the Shares initially acquired pursuant to an offer made in reliance on an exemption under Section 274 or Section 275 of the SFA are sold within a period of six (6) months from the date of the initial acquisition to any person other than to an institutional investor, a relevant person as defined in Section 275(2) of the SFA or any person pursuant to an offer related to in Section 275(1A) of the SFA, then Subdivisions (2) and (3) of Division 1 of Part XIII of the SFA (which relate, inter alia, to the prospectus requirements) shall apply to the offer resulting in that sale.

Papua New Guinea
This document has not been, and will not be, authorised by or registered with the Securities Commission of Papua New Guinea ("PNG") pursuant to the Capital Market Act 2015 of the Independent State of PNG ("CMA"). No action has been taken in PNG to authorise this document or to permit the distribution of this document or any documents issued in connection with it.

The Shares cannot be offered for subscription or purchase to the public in Papua New Guinea, however an 'excluded offer' under Division 3 of the CMA will not constitute an offer of the Securities to the public.

No advertisement, invitation or document relating to the Shares has been or will be issued in PNG or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of PNG (except if permitted to do so under the CMA and the regulations made under that Act). The contents of this document have not been reviewed by any PNG regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand
This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law and New Zealand law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (http://www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products. New Zealand tax laws are complex, and the tax laws and their interpretation may change. The precise implications of ownership and disposal of the Shares will depend upon each Shareholder's specific circumstances. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser including tax advice on the New Zealand implications of acquiring, holding or disposing of the Shares, taking into account your own specific circumstances.

The Offer may involve a currency exchange risk. The currency for the financial products is Australian dollars and not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

2.13 Underwriting Arrangements

The Offer is not underwritten.

2.14 Privacy

The Company, and/or the Registrar, may collect, hold and use information about each Applicant from the Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's Shareholding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registrar, the Company's related bodies corporate, agents, contractors and third party service providers (including mailing houses), ASX, ASIC and

other regulatory authorities.

If an Applicant becomes a Shareholder of the Company, the Corporations Act requires the Company to include information about the Shareholder (name, address and details of the Shares held) in its public register. This information must remain in the register even if that person ceases to be a Shareholder of the Company. Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

You can access your personal information in connection with the Company by logging in to the Registrar's website www.automic.com.au or by request to the Company.

If you believe your records are out of date, particularly your address or email address, please update your details by logging in to the Registrar's website www.automic.com.au or for CHESS holdings by contacting your broker.

2.15 Taxation

The Australian taxation consequences of any investment in Shares will depend upon the investor's particular circumstances. It is an obligation of investors to make their own enquiries concerning the taxation consequences of an investment in the Company. If you are in doubt as to the course of action you should take, you should consult your professional advisors.

2.16 Forward Looking Statements

This Prospectus includes, or may include, forward-looking statements including, without limitation, forward-looking statements regarding the Company's financial position, business strategy, plans and objectives and future operations (including development plans and objectives), which have been based on the Company's current expectations about future events. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future.

Matters not yet known to the Company or not currently considered material to the Company may impact on these forward-looking statements. The forward-looking statements in this Prospectus reflect views held only as at the date of this Prospectus. In light of these risks, uncertainties and assumptions, the forward-looking statements discussed in this Prospectus might not occur. Investors are therefore cautioned not to place undue reliance on these statements.

2.17 Restricted Securities

As a condition of admitting the Company to the Official List, the ASX may classify certain Shares held prior to the date of this Prospectus as escrowed securities. Prior to quotation it will be necessary for these Shareholders to enter into restriction agreements with the Company. The effect of the restriction agreements will be that the restricted securities cannot be dealt with for a period as determined by the ASX.

2.18 Investment Risks

The investment offered herein is speculative, as the Tenements detailed in this Prospectus are at an exploration stage without proven economic reserves.

Further information on risk is provided in Section 9 of this Prospectus.

[3] Canterbury History & Management Team

[3] CANTERBURY HISTORY & MANAGEMENT TEAM

3.1 Company History

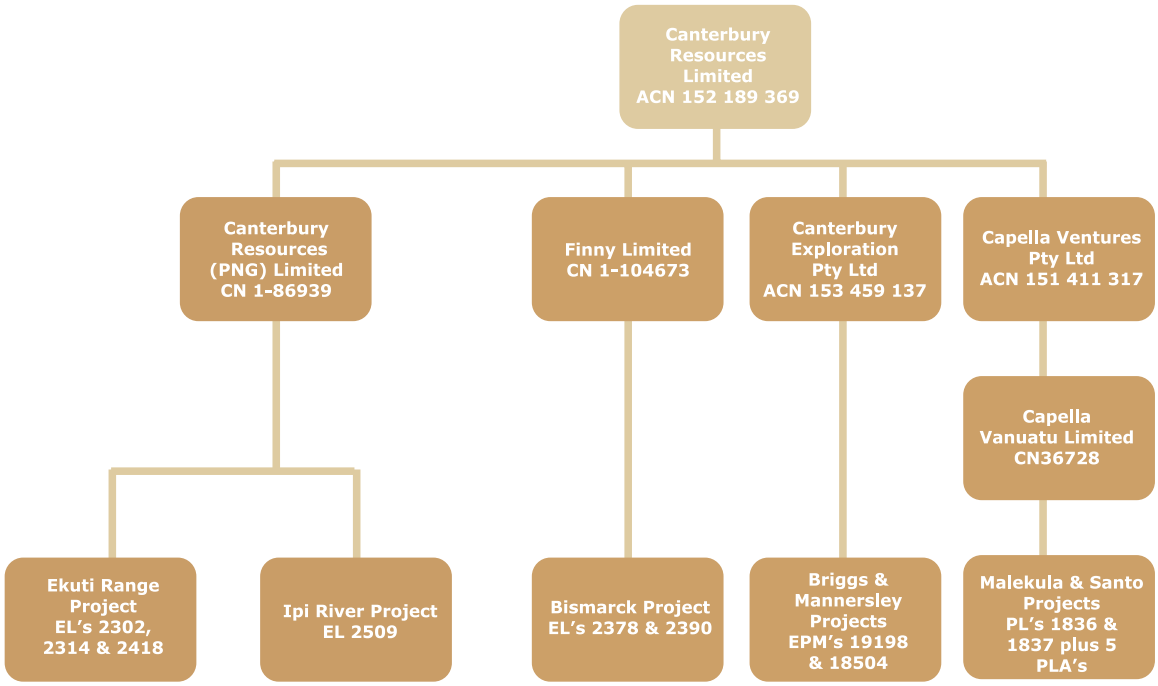
Canterbury Resources Limited ("Canterbury") was incorporated on 19th July 2011 with the objective of generating and exploring resource opportunities in the southwest Pacific, a region that hosts multiple very large-scale ("Tier-1") copper and gold deposits such as Ok Tedi, Grasberg, Panguna (Bougainville), Lihir and Cadia.

Canterbury has an experienced management team, including resource professionals with a strong track record of exploration and operational success in the southwest Pacific. In addition, constructive working relationships exist with major companies that are active in the region.

During the past seven years, Canterbury has progressively built a portfolio of projects at various stages of advancement, in well-endowed mineral districts throughout Papua New Guinea ("PNG"), eastern Australia and Vanuatu. These projects are prospective for porphyry copper-gold and/or epithermal gold-silver deposits, and Canterbury is applying modern exploration expertise to systematically select and assess them with the aim of making a meaningful resource discovery.

This assessment process has advanced to the point where significant drilling programs are planned to commence at three of the Canterbury's projects during the remainder of 2018, Briggs (Queensland), Ekoato (PNG) and Bismarck (PNG), with each project providing potential for a Tier-1 discovery. In parallel, the Company continues to apply its expertise and utilise its networks to generate additional growth opportunities.

Canterbury's corporate structure is outlined in the following diagram:



3.2 Board and Management Team

Mr John Anderson
Non-Executive Chairman

Education: BCom, MBA, GAICD

John has 40 years' experience in the finance sector in banking, investment banking and general consulting in Australia and Chile. He has held positions of Managing Director or Chairman with several public and private companies in Australia, and as a Director of mining companies in Chile. John has experience in general financing and capital raisings, developing and implementing business plans for new and existing entities, and taking companies from IPO through to operations. In ASX listed companies, in the capacity of director, managing director or chairman, John has been a member of audit, remuneration and finance committees, and was Chairman of Anchor Resources Ltd from IPO through to the sale of controlling interest in 2011.

Mr Grant Craighead
Managing Director

Education: BSc, AusIMM, GAICD

Grant is a geologist with 40 years' experience in the exploration, mining and financial sectors. This includes eight years as Manager Geology with Elders Resources NZFP Ltd and five years as a resource analyst at Macquarie Bank. During his period with Elders he was directly associated with exploration and development successes including Red Dome, Selwyn, Wafi-Golpu, Glendell, Narama and Kidston. He was a co-founder of Anchor Resources Ltd and its Managing Director during the sale of controlling interest in 2011. He is also a co-founder and executive director of Breakaway Investment Group, a financial company that provides private equity and advisory services in the resource sector.

Mr Ross Moller
Non-Executive Director & Co-company Secretary

Education: BCom, Dip AppCorpGov, CA ANZ, AGIA, ICSA

Ross is a Chartered Accountant and Chartered Secretary and brings 30 years' experience in providing corporate advisory and secretarial services to a range of listed and unlisted companies. He has expertise in financial management, corporate governance and strategic planning, as well as commercial and legal risk issues, and was Company Secretary for Anchor Resources Ltd through its IPO to its eventual sale. Ross is COO for Geyer, a leading independent interior design practice based in Singapore that operates across the Asia-Pacific region.

Mr Gary Fallon

Non-Executive Director

Education: BAppSc, MSEG, ASEG, MAusIMM, GAICD

Gary is a geophysicist with more than 30 years of mineral and coal exploration experience. He is Director and principal consultant to Geophysical Resources and Services (GRS), a geophysical contracting and consulting company. He has extensive experience in precious, base metal and coal exploration and mining projects, focusing on the application of geophysical techniques to operating mines. Prior to co-founding GRS, he worked for Scintrex Consulting, Whim Creek Consolidated, Dominion Mining and MIM Exploration, providing exposure to both open cut and underground metalliferous and coal mining operations. Gary was a co-founder of Anchor Resources Ltd and a Director at the time of the sale of controlling interest in 2011.

Mr Michael Erceg

Manager Exploration, Proposed Director

Education: BSc, MSc, DIP Min Econ, MAIG, RPGeo

Michael is a geologist with over 35 years' experience in mineral exploration, mine development and operations in New Zealand, Australia, Papua New Guinea, Vanuatu, the Philippines and China. He is a specialist in southwest Pacific porphyry copper-gold and epithermal gold-silver systems, and has a strong understanding of their geological, geochemical, geophysical and alteration footprints. He has extensive experience in managing remote area reconnaissance and advanced exploration programs, including an ability to readily adapt to culturally diverse environments and work effectively with local professional staff. During his career he has made significant direct contribution to the discovery and/or delineation of the Red Dome (Queensland), Northwest Mungana (Queensland), Wafi-Golpu (PNG), Ok Tedi (PNG), New Holland underground (Western Australia) and Murrawombie/Larsens/ Northeast (New South Wales) ore bodies.

Ms Veronique Morgan-Smith

Co-company Secretary and In-House Legal Counsel

Education: LLB Hons (UK), MBDE (Fr), CAPA (Fr), Law Dip. (Aus)

Véronique has more than 18 years' experience as a corporate transactions lawyer, both in major international law firms and in-house, as an Australian solicitor and a French avocat d'affaires. She has advised multinational companies and smaller businesses from set-up through to domestic and cross-border transactions and joint-ventures in various legal systems, including Australia, France, the UK, the US, Hong Kong, OHADA Africa, South Africa and various Pacific Islands. Her broad practice has focused on mining and mineral resources in recent years, and she acts as the company secretary of several private and public companies. Véronique uses her varied legal expertise to assist the Board in corporate governance and compliance matters, capital raisings and corporate transactions.

Mr Wanu Tamu

PNG Country Manager

Education: BSc

Wanu is a PNG national geologist with around 35 years' mineral exploration experience in the southwest Pacific region, particularly Papua New Guinea. He has been involved in a full range of exploration field activities including design, management and implementation of field programs, plus government and landowner liaison. He was also a member of the Elders Resources NZFP Ltd exploration team during the drilling of the discovery hole at the Golpu deposit.

[4] Canterbury Business & Projects

[4] CANTERBURY BUSINESS & PROJECTS

4.1 Company Objectives and Strategies

Canterbury has an experienced team of resource industry professionals that have a track record of exploration success in the southwest Pacific region, a region that covers geological settings hosting multiple porphyry copper-gold and epithermal gold-silver deposits. Over the past seven years the Company has built a significant portfolio of exploration assets in well-endowed mineral provinces with the aim of finding potential Tier-1 assets, and a focus on copper-gold deposits.

Importantly, several of Canterbury's projects are currently entering the drill testing phase. If successful, these drill programs are a potential catalyst for considerable value uplift for shareholders. In parallel, Canterbury continues to enhance and expand its broader project portfolio by applying its exploration expertise, and tapping into its well established corporate and local networks.

At the same time, the outlook for commodity markets is positive due to synchronised growth in the world's advanced and emerging economies, which is supporting increased industrial activity and commodity demand. Against this backdrop, and with apparently limited large-scale copper projects currently being developed globally, the price of copper has risen by 50% from a cyclical low point of around US$2.00/lb in early-2016 to a level of around US$3.00/lb during 1H 2018. The Board of Canterbury believes emerging copper companies are well placed to continue attracting significant investor interest.

Canterbury's near-term field activities include involvement in three significant drill programs. Two of the programs (Briggs in Queensland and Ekoato on the PNG mainland) are being managed and funded by Canterbury, while the third (Bismarck on Manus Island in PNG) is being managed and funded by Rio Tinto PNG under a Farm-In and Joint Venture Agreement whereby Rio Tinto PNG has earned a 60% interest to date (see Section 10.1 for further detail).

The IPO budget fully funds an initial phase of drilling at each of these projects, all planned to commence in the latter part of 2018, as well as significant follow-up drilling during 2019 on the back of any exploration success.

At the Briggs porphyry prospect in south east Queensland, historic drilling has identified three large intrusive centres (Northern, Central and Southern zones) that outcrop in a ~2km northwest-southeast oriented mineralised corridor. Each zone has broad intercepts of low grade disseminated copper mineralisation, overlain by a thin higher-grade blanket of supergene enriched copper mineralisation. As its next phase of assessment, Canterbury is proposing to undertake a 9-hole diamond drilling program (around 3,000m) focussed on mineralisation in the Central Zone, including testing for a higher-grade core of the system. The program is scheduled to commence in the final quarter of 2018.

Most of the program will systematically drill the Central Zone over a strike length of approximately 500m to a depth of approximately 300m and a width of approximately 300m, evaluating an Exploration Target, based on the results of historic drill data combined with a modern understanding of the anatomy of porphyry systems, of 45 to 165Mt at 0.4 to 0.8% copper. The potential quantity and grade of the Exploration Target is conceptual in nature and there has been insufficient exploration to estimate a mineral resource and it is uncertain if further exploration will result in the estimation of a mineral resource. The proposed exploration activities are designed to test the validity of the Exploration Target and this program is scheduled for completion early in 2019. In addition, the drill program includes a scout hole in the Northern Zone. The Exploration Target at the Central Zone has been derived taking account of the following parameters:

- Mineralisation is porphyry in style and disseminated in nature with good continuity over extended intervals
- Mapped north west trending structural grain

- Coincident magnetic low
- Coincident soil geochemical anomaly >1000ppm copper
- Historic drill holes with significant intervals with an average grade greater than 0.2% copper;
- Above average copper grades can be anticipated in a more mineralised core of a causative intrusion speculated to occur at shallow depths;
- The Central Zone has a strke length of 450 to 550m, width estimated to vary between 200 and 400m and vertical extent from surface to depths between 200 and 300m; and
- A bulk density of 2.5 tonnes per cubic metre is used to estimate in-situ tonnage.

Competent Person's Statement

Mr Michael Erceg is responsible for the form and context of the Exploration Target statement above and on page 66. Mr Michael Erceg, MAIG RPGeo, 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 Michael Erceg is a Geological Consultant, a part-time Manager Exploration, and proposed Executive Director of Canterbury and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Follow-up drilling plans at Briggs in 2019 will depend on the results achieved from the initial program, and are likely to include infill and extension drilling at the Central Zone, plus further assessment of the Northern and Southern zones.

The Briggs and Mannersley tenements were acquired from RTX in February 2017 and RTX retains a 1% Net Smelter Royalty, plus certain claw-back rights in the event of a major resource being delineated (see Section 10.2 for further detail).

At the Ekoato copper-gold porphyry prospect, within its 100% owned Ekuti Range Project in PNG, Canterbury has identified a 4km^2 area of geochemical anomalism associated with high level felsic intrusions and coincident magnetic anomalies. A scout drilling program of five diamond holes (approximately 1,350m) has been designed to test major west/east trending structures hosting altered and veined felsic intrusions and hydrothermal breccias. Similar features are observed at the world-class Wafi-Golpu deposit 60km to the north and at the Hidden Valley gold mine 15km to the east. The drill program is scheduled to commence in September/October 2018. Follow-up exploration plans, including further drilling, will depend on the results achieved in the initial program.

At the Bismarck project on Manus Island, PNG, joint venture partner Rio Tinto PNG is planning a drilling program to test beneath an extensive lithocap for porphyry copper targets identified from a 2017 airborne ZTEM geophysical survey, plus associated ground geological, geochemical and geophysical ("AMT") surveys and historical data. Preliminary planning is based on a minimum of 1,500m diamond drilling in three to five holes, testing targets at the Main ZTEM Anomaly area, although the program may be revised in response to initial results. All targets have a strong geophysical component, supported by positive surface geochemistry. The drill holes are designed to intercept the target unit within 100m of surface and have a maximum length of 600m. The drill program is scheduled to commence in September 2018.

Under the 2016 Farm-In and Joint Venture ("JV") Agreement covering the Bismarck Project, Rio Tinto PNG has sole-funded more than A$5 million of exploration activity during the Initial Exploration and Stage-1 Exploration phases to earn a 60% JV interest. Rio Tinto PNG has now commenced the Stage-2 Exploration phase, and by sole-funding a further $12.5 million of exploration activity it will increase its JV interest to 80%,

which also triggers certain buyout rights (for further details see Section 10.1).

In parallel with the three drilling programs planned to commence over the next few months, Canterbury will undertake reconnaissance programs on its earlier stage prospects, as well as continuing to advance various applications through the relevant statutory assessment and approvals processes.

4.2 Budget

Over the next two years following admission of the Company to the official list of ASX, Canterbury intends to utilise the $7.8 million raised from the IPO, plus existing cash reserves and working capital, as follows:

Table 1 Proposed Use of Funds

Funds Available	A$	Percentage of Funds (%)
Cash reserves (31 Dec 2017)	383,348	
Working capital movements (2018)	150,000	
Funds raised from the Offer	7,800,000	
Total Funds	8,333,348	100%
Allocation of Funds		
Briggs drilling Phase-1	1,512,100	
Ekoato drilling Phase-1	2,327,100	
Follow-up drilling	2,000,000	
Sub-total drilling programs	5,839,200	70.1%
Mapping, sampling & geophysics (Australia, PNG & Vanuatu)	418,000	5.0%
Administration	1,385,000	16.6%
Costs of the Offer	651,449	7.8%
General working capital	39,699	0.5%
TOTAL	**8,333,348**	**100%**

4.3 Review of Canterbury's Projects:

Canterbury's exploration portfolio is sub-divided into three geographical regions; namely Papua New Guinea, eastern Australia and Vanuatu, as outlined in Figure 1.

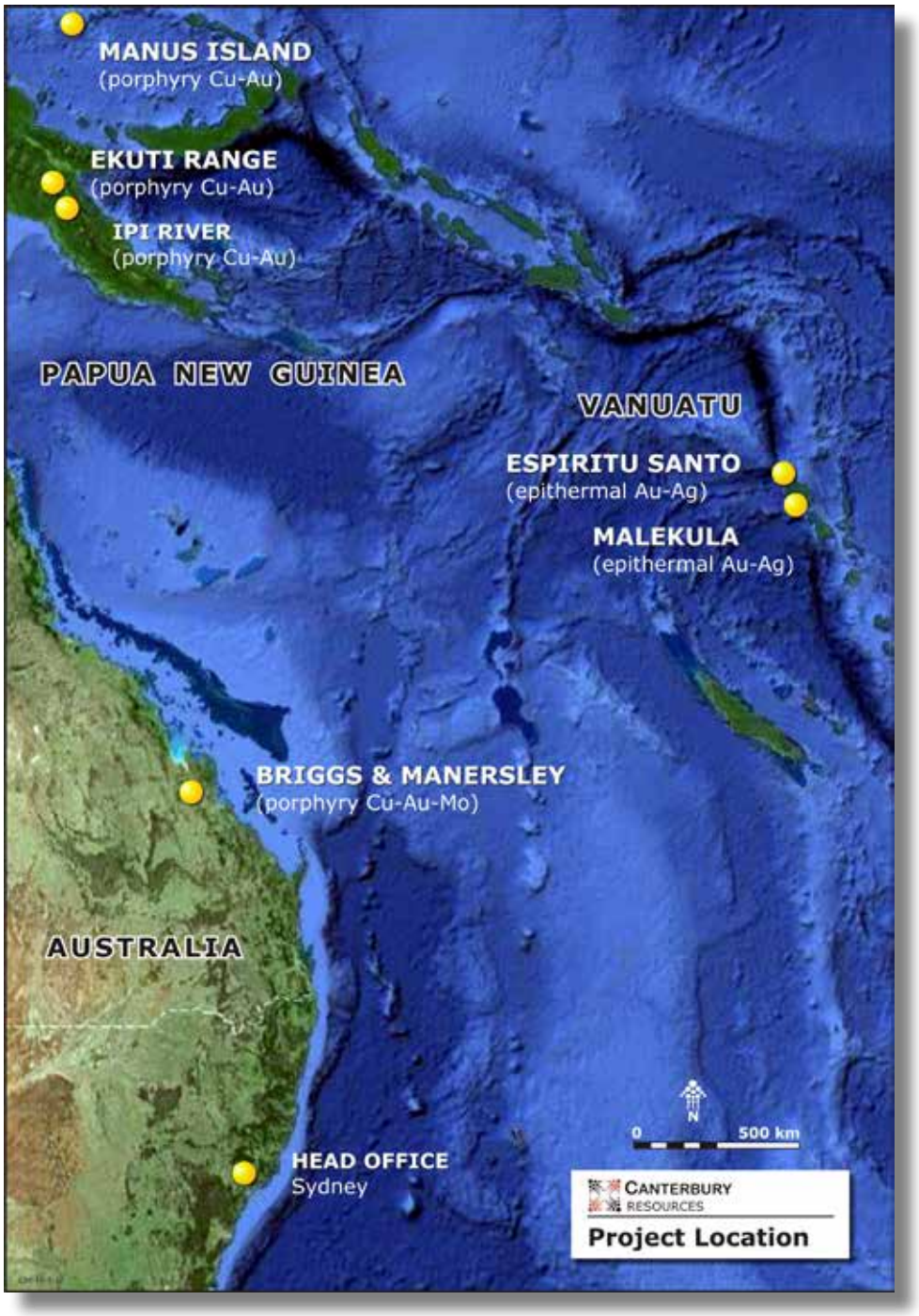


FIGURE 1 PROJECT LOCATION PLAN

4.3.1 Papua New Guinea:

In PNG, Canterbury has three projects: Ekuti Range and Ipi River on the mainland, and Bismarck on Manus Island.

FIGURE 2 PNG MINES AND SELECTED PROJECTS, LOCATION PLAN

The 100% owned **Ekuti Range Project** (EL2302 (Mt Leahy), EL2314 (Mt Evina) and EL2418 (Menyi)) in Morobe Province PNG is in a well-endowed metallogenic belt that hosts world class epithermal and porphyry style deposits, including the Hidden Valley gold mine (2017 Mineral Resources 8Moz gold) and the Wafi-Golpu project (2017 Mineral Resources 26Moz gold, 8.8Mt copper).

The Ekuti Range Project has reasonable access to infrastructure by PNG standards, being approximately 20km southwest of the regional towns of Wau and Bulolo (a former mining centre and now a hub for forestry) and 80km southwest of the major port city of Lae (PNG's second largest city) as outlined in Figure 3. The Menyamya Road, which links to Lae, crosses the northwestern portion of the tenements within the Menyi license area.

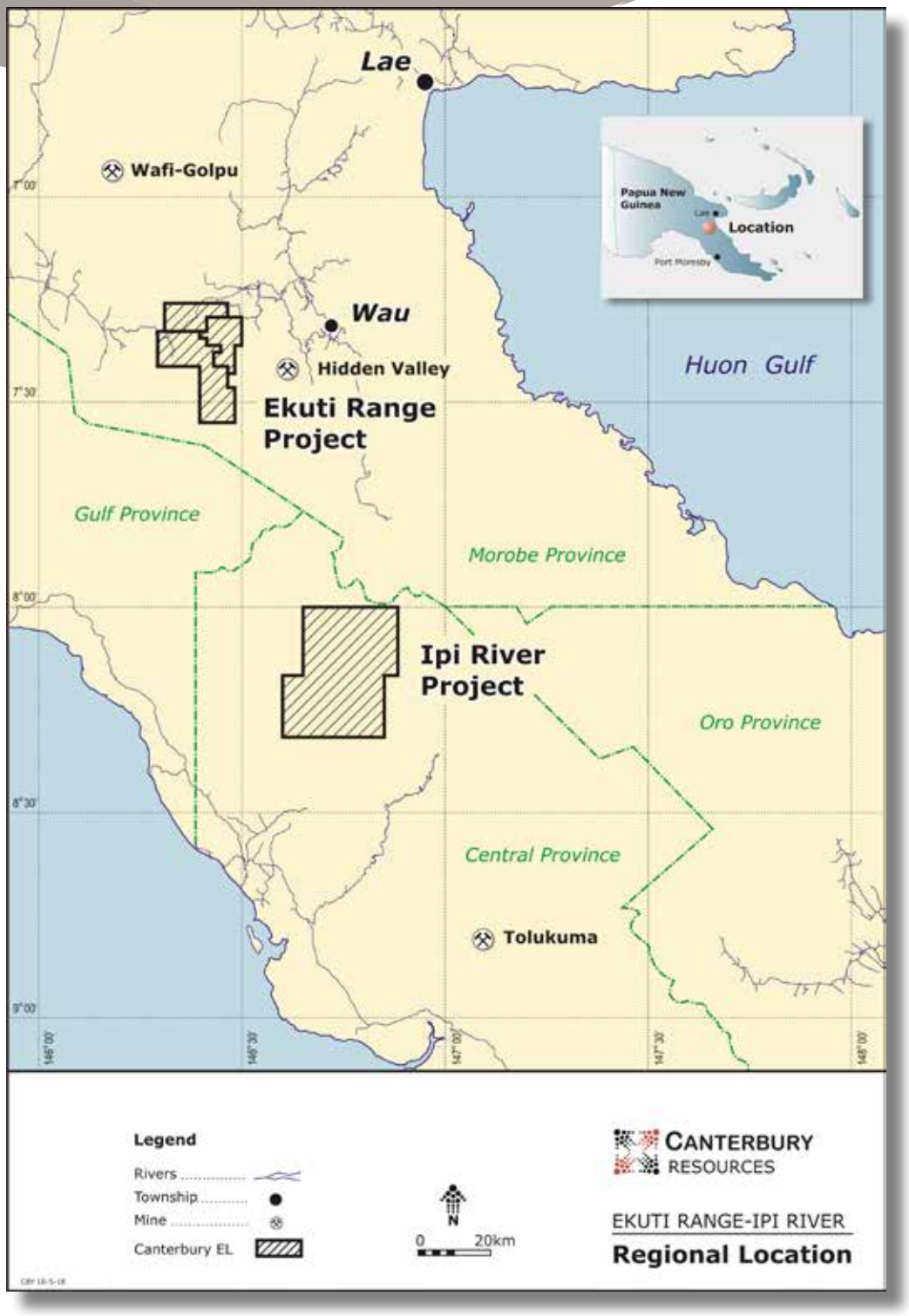


FIGURE 3 PNG MAINLAND PROJECTS, LOCATION PLAN

Within the project area, the Ekoato and Otibanda prospects were discovered by CRA Exploration in the late 1980s, although limited exploration has been conducted since that time. Triple Plate Junction ("TPJ") investigated the area from 2006 to 2013 focusing on narrow, high grade copper-gold lodes at Otibanda, Weke and Sepanda (Kopekio). Shallow drilling of 17 holes was undertaken by TPJ and returned 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

Historical drilling details and results are outlined in Section 5 in the Independent Geologist's Report.

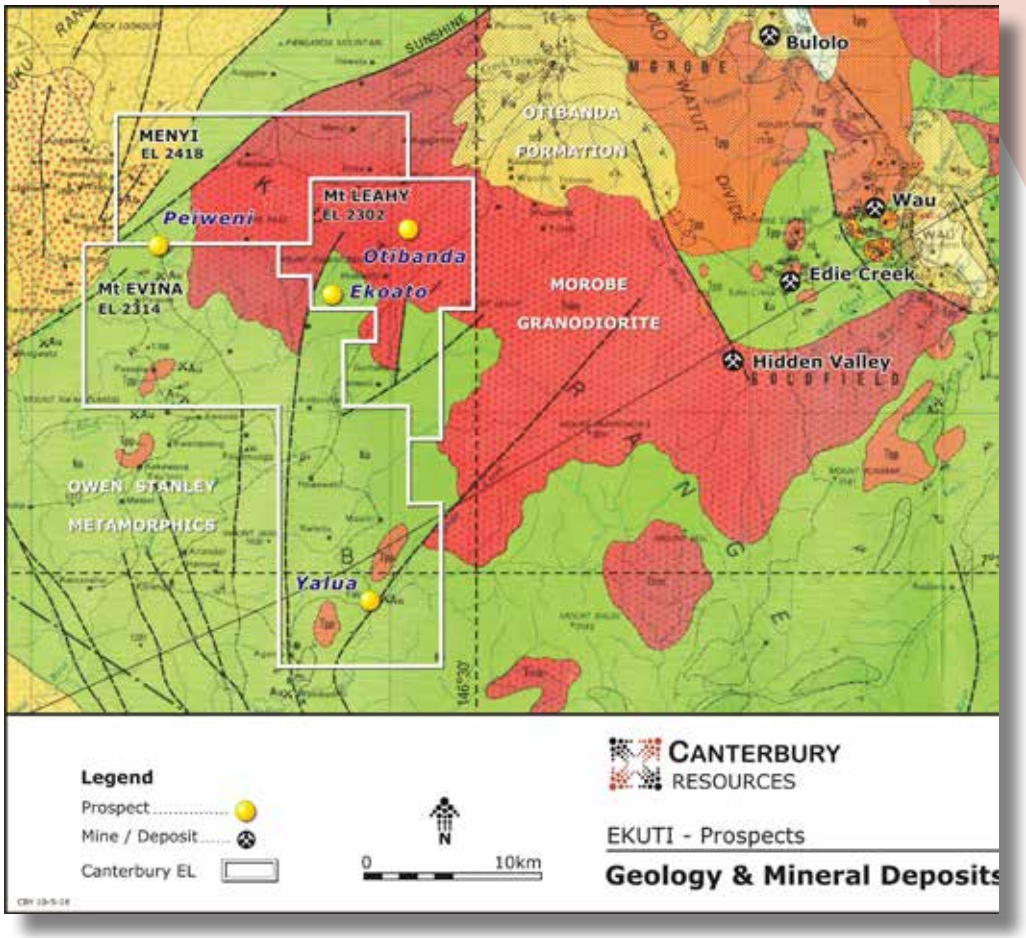


FIGURE 4 EKUTI RANGE PROJECT, GEOLOGY PLAN

Newmont, in joint venture with TPJ, recognized that the lodes were porphyry related and completed airborne geophysical surveys (100m line spacing, heli-magnetics and radiometrics) in 2010 and 2011. However, they withdrew from PNG before undertaking meaningful ground follow-up based on interpretation of the data.

Since the granting of its initial tenement (EL2302, Mt Leahy) in 2014, Canterbury has undertaken multiple investigative programs, including reconnaissance mapping, sampling,

petrology and geophysical interpretation. Results have been encouraging, with widespread mineralisation encountered across multiple prospects. In part, this work has been supported by technical input from major resource companies.

During 2014 Canterbury merged and interpreted the recently generated magnetic data with existing regional survey data, identifying at least ten discrete magnetic anomalies of moderate to high amplitudes, about the size and geometry for the magnetite rich potassic core of a porphyry system. Similarly, petrological investigations at selected prospects suggests the causative quartz monzodiorite porphyry intrusives have clearly exsolved metal bearing fluids into enclosing rocks dominated by pyrite, pyrrhotite and chalcopyrite mineralisation.

Field follow-up has been undertaken at selected prospects and, based on the accumulated data, an interpreted representation of the relative position of the most advanced prospects is illustrated on the following schematic section of a southwest Pacific porphyry system (Figure 5).

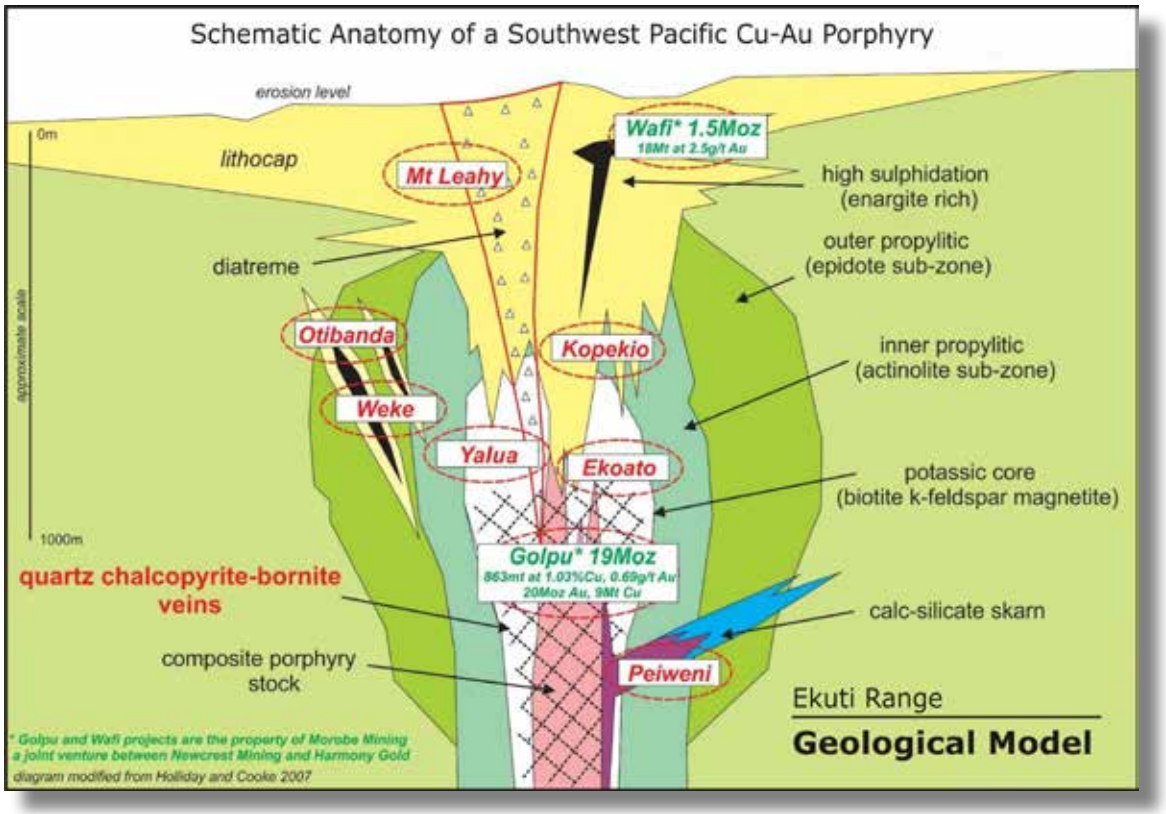


FIGURE 5 SCHEMATIC SECTION OF EKUTI RANGE EXPLORATION TARGETS
(M. ERCEG, JANUARY 2016)

Within the Ekuti Range Project, Canterbury's most advanced prospect is at Ekoato, where exposed tops of potentially large-scale porphyry systems have been interpreted based on outcrop of alteration, veining and a high sulphidation covellite-enargite mineral assemblage. Additionally, age dating of intrusions at Ekoato suggests that it is comparable in age to the Golpu porphyry, located 60km to the north.

An initial five-hole diamond drilling program is proposed at the Ekoato prospect, for approximately 1,350m, testing the following drill targets (Figures 6 to 9) (Note the drill hole site numbers are not in priority order):

- EKO001 will test a coincident copper-molybdenum-gold soil anomaly
- EKO002, drilled from the same pad as EKO001, will test a major north-west trending structure hosting altered intrusive and vein stockwork outcropping in Kaiwama Creek
- EKO003 will test a magnetic high, coincident with copper-gold anomalism in soil samples, which is interpreted to be the deeper central portion of a porphyry system
- EKO004 and EKO005 will test beneath artisanal gold workings that have exposed breccia hosting sulphide mineralisation in the middle and upper reaches of Kaiwama Creek

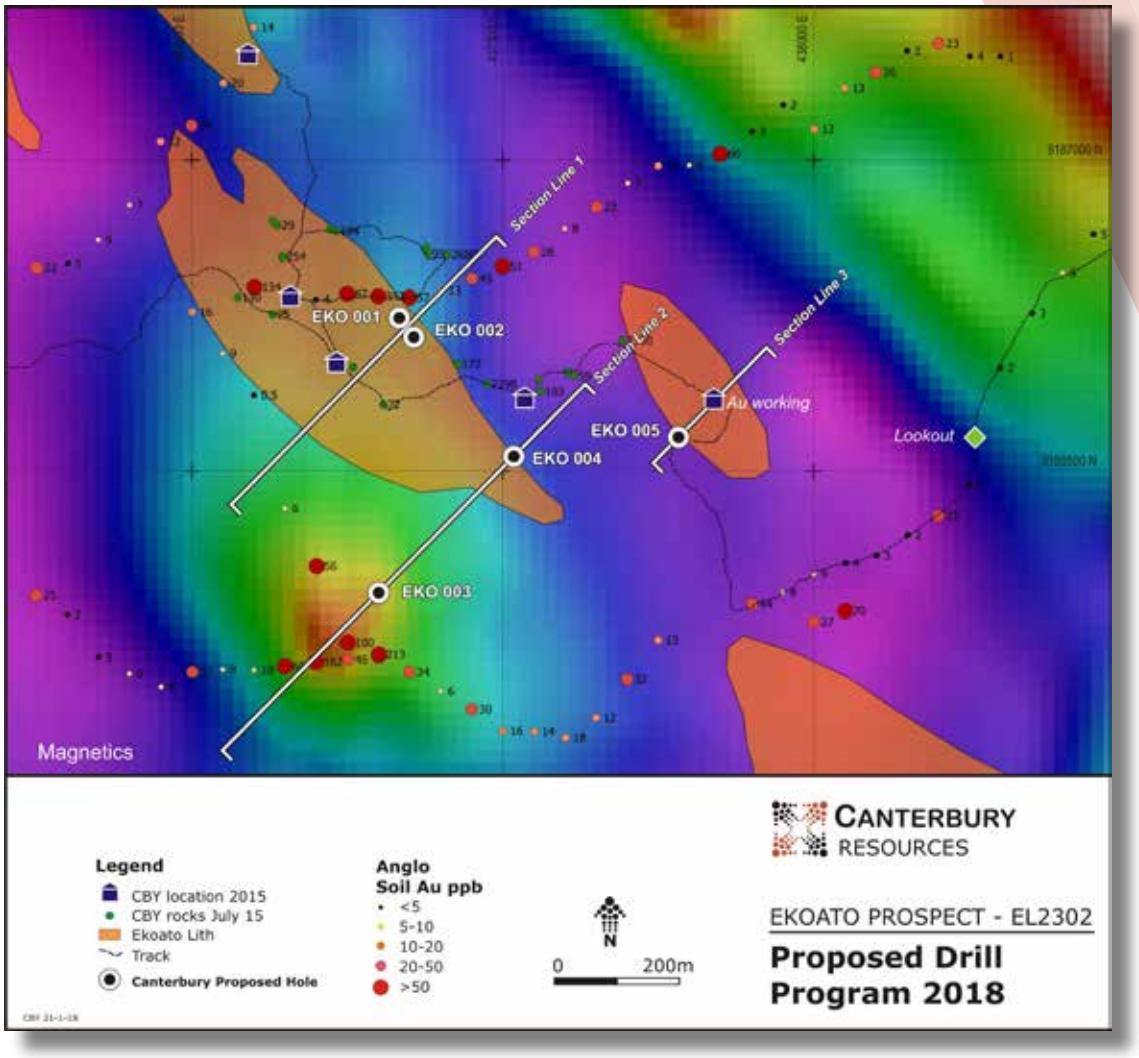


FIGURE 6 EKOATO GOLD IN SOILS AND DRILL PLAN, SUPERIMPOSED ON MAGNETICS

Overall, the initial drilling phase at Ekoato will test an area of approximately 1km^2 and provide valuable sub-surface geological information in what is believed to be the upper parts of an extensive porphyry copper-gold system. The drill program is scheduled to commence in October 2018.

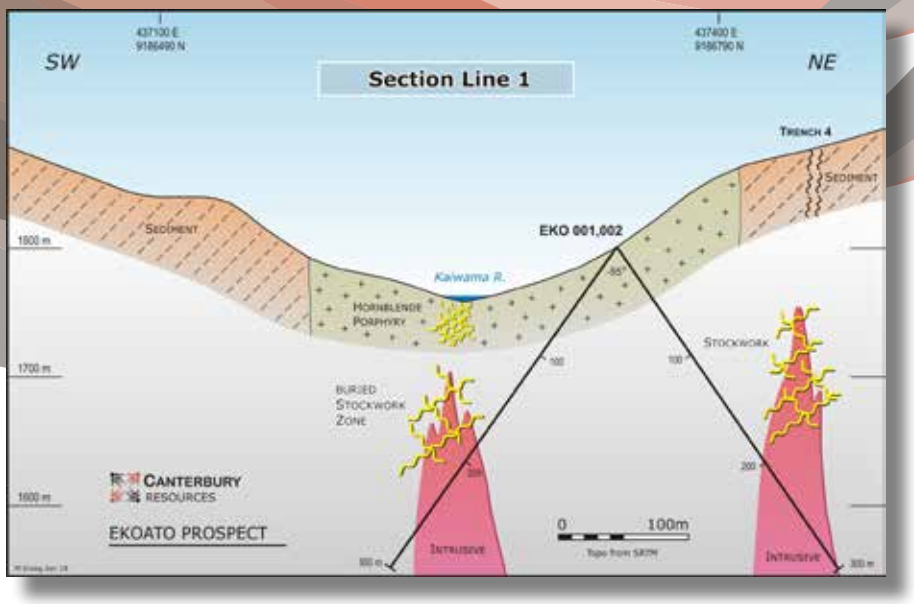


FIGURE 7 EKOATO SCHEMATIC SECTION 1, WITH PLANNED DRILL HOLES

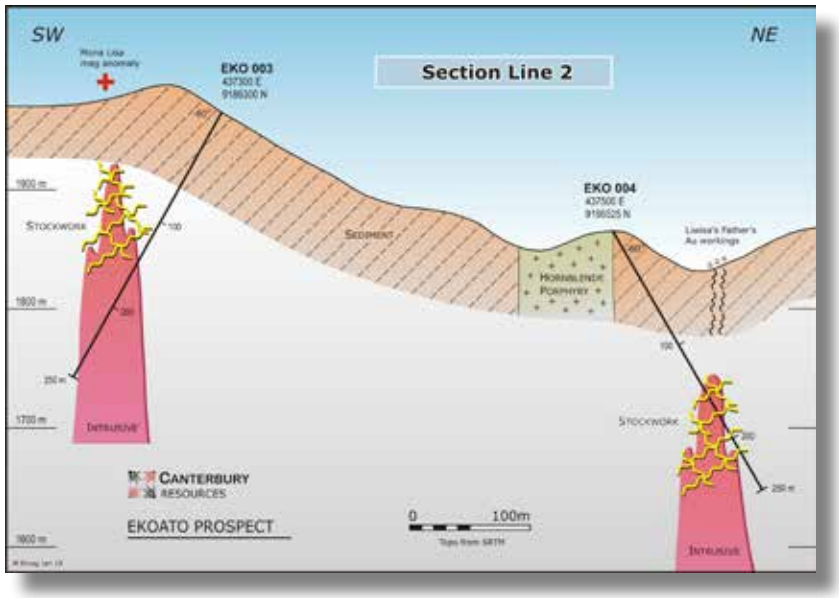


FIGURE 8 EKOATO SCHEMATIC SECTION 2, WITH PLANNED DRILL HOLES

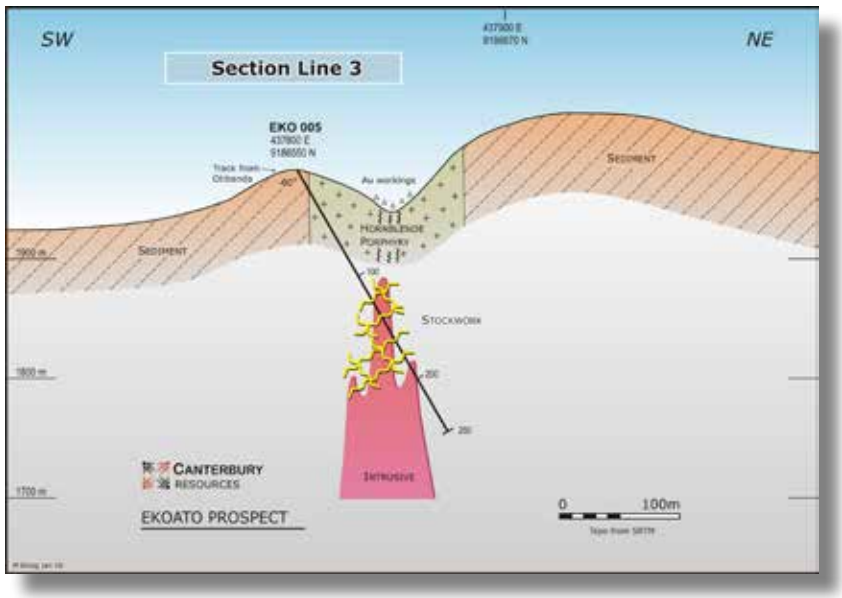


FIGURE 9 EKOATO SCHEMATIC SECTION 3, WITH PLANNED DRILL HOLE

The **Bismarck Project** (Exploration Licences 2378 and 2390, the "Bismarck ELs") is located on central Manus Island in northern PNG, some 830km north of Port Moresby. The tenements cover a porphyry copper and gold province that is 35km long and 7km wide, with the mineralised corridor having a north-west south-east orientation. Manus Island's commercial centre, Lorengau township, is in the east of the island and has a regular air service to Port Moresby (Figure 10).

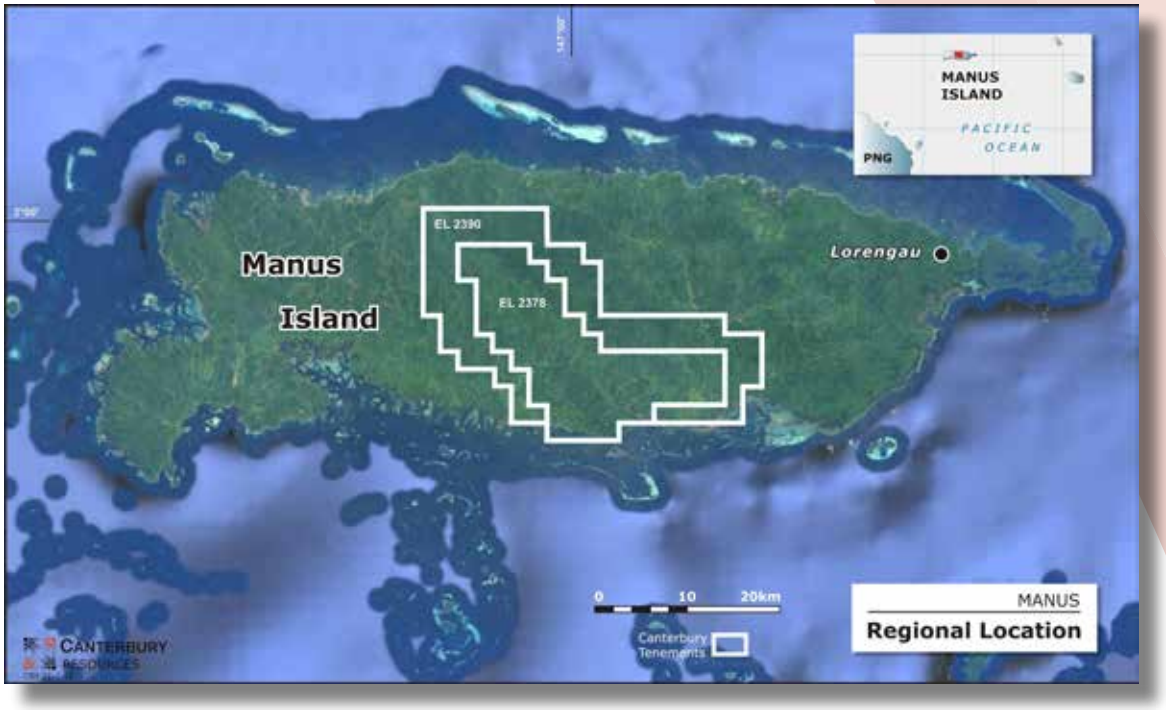


FIGURE 10 BISMARCK PROJECT LOCATION

The Bismarck EL's were granted to Finny Ltd (**"Finny"**) in December 2015, and Finny was subsequently acquired by Canterbury in 2018. In September 2016 Rio Tinto PNG entered into a Farm-In and Joint Venture Agreement with Finny whereby Rio Tinto PNG has the right to earn equity in, and potentially acquire, the Bismarck Project. Under the JV, Rio Tinto PNG has sole-funded more than A$5 million of exploration activity during the Initial Exploration and Stage-1 Exploration phases to earn a 60% JV interest in the Project. If Rio Tinto PNG completes the Stage-2 Exploration phase, including sole-funding a further $12.5 million of exploration activity, it will increase its JV interest to 80% (further details in Section 10.1).

Geologically, Manus Island is part of a dismembered volcanic arc on the Pacific Plate. The oldest exposed rocks are mid-Eocene to early Miocene volcanic rocks with calcareous interbeds and limestone lenses. Renewed volcanic activity is marked by the deposition of the Tasikim Volcanics, considered to be the extrusive equivalents of the large, early to middle Miocene multiphase quartz monzodiorite of the Yirri Intrusive Complex (Figure 11).

All copper and gold mineralisation on Manus Island appears to be genetically related to the Yirri Intrusive Complex. Preserved roof pendants within the Yirri Intrusive Complex are typically intensely brecciated and pyrite-silica-alunite altered, characteristic of high- sulphidation epithermal systems. Elsewhere hydrothermal alteration is more typical of deeper-seated porphyry copper mineralisation, and in the southeast of the mineralised corridor low-sulphidation epithermal vein and limestone replacement mineralisation occurs.

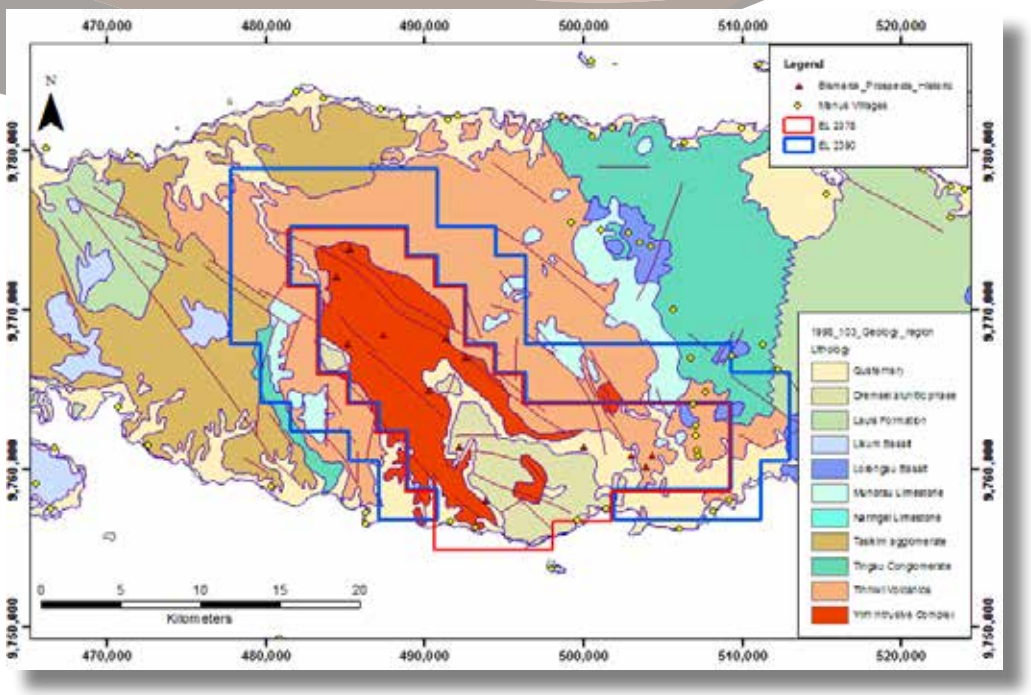


FIGURE 11 INTERPRETED MANUS REGIONAL GEOLOGY (AFTER SMITH, 1998) SHOWING EL2378 AND EL2390, THE PROSPECTIVE YIRRI INTRUSIVE COMPLEX (RED), AND THE LITHOCAP (YELLOW-GREEN) IN THE SOUTH-EAST PORTION OF THE COMPLEX (SOURCE: RIO TINTO PNG - DECEMBER 2016).

The region has undergone extensive and locally intensive early stage exploration over the past 50 years, including more than 5,000 stream sediment samples, 1,500 rock chip samples, 6,000 soil samples and 135 drill holes. However, historical drilling has failed to delineate any economic deposits. A list of available historic drilling and results is outlined in the Independent Geologist's Report in Section 5.

Two main mineralisation styles are recognised, with strong potential for a third:
1. Gold bearing low-sulphidation epithermal quartz veins;
2. Low-grade porphyry-style copper mineralisation hosted in the Yirri Intrusive Complex, and
3. Potential high-sulphidation copper-gold systems associated with extensive areas of silica-alunite lithocap.

Recognition of extensive lithocap in the southeast of the ELs has significant implications in the ongoing exploration for porphyry mineralisation. Lithocaps, defined as zones of advanced argillic alteration, may form above porphyry systems and may host late stage metal-rich ore zones e.g. Wafi gold deposit. Fertile lithocaps may also vector to concealed sizeable porphyry copper-gold deposits at depth e.g. Golpu copper-gold deposit.

- Rio Tinto PNG's exploration efforts since 2016 have assessed potential mineralisation associated with the lithocap through a combination of mapping, geochemical sampling and geophysics. Mapping has provided ample evidence of a well-developed advanced argillic lithocap.
- Re-interpretation of historical geochemical data has identified broad areas of coincident molybdenum, arsenic and bismuth over the lithocap area.
- Geophysics has identified buried potential porphyry style targets.

Rio Tinto PNG's geophysical activity commenced with an 860-line kilometre ZTEM survey, completed in March 2017. ZTEM (Z-Axis Tipper Electromagnetic) is an airborne audiofrequency magnetics system for electromagnetic surveying. It utilizes the naturally occurring or passive electro-magnetic fields from worldwide thunderstorm activity as the source of transmitted energy, and is regarded as being suited to mapping deeply buried, porphyry hosted and structurally controlled deposits.

The Rio Tinto PNG survey identified three significant anomalies that warranted further work (Main ZTEM Anomaly, ZTEM Anomaly 2, and ZTEM Anomaly 3). Evaluation of the Main ZTEM Anomaly concluded it was indicative of a resistive zone, interpreted as an intrusive stock, 500m in diameter with a conductive halo, interpreted as a sulphide zone (Figure 12).

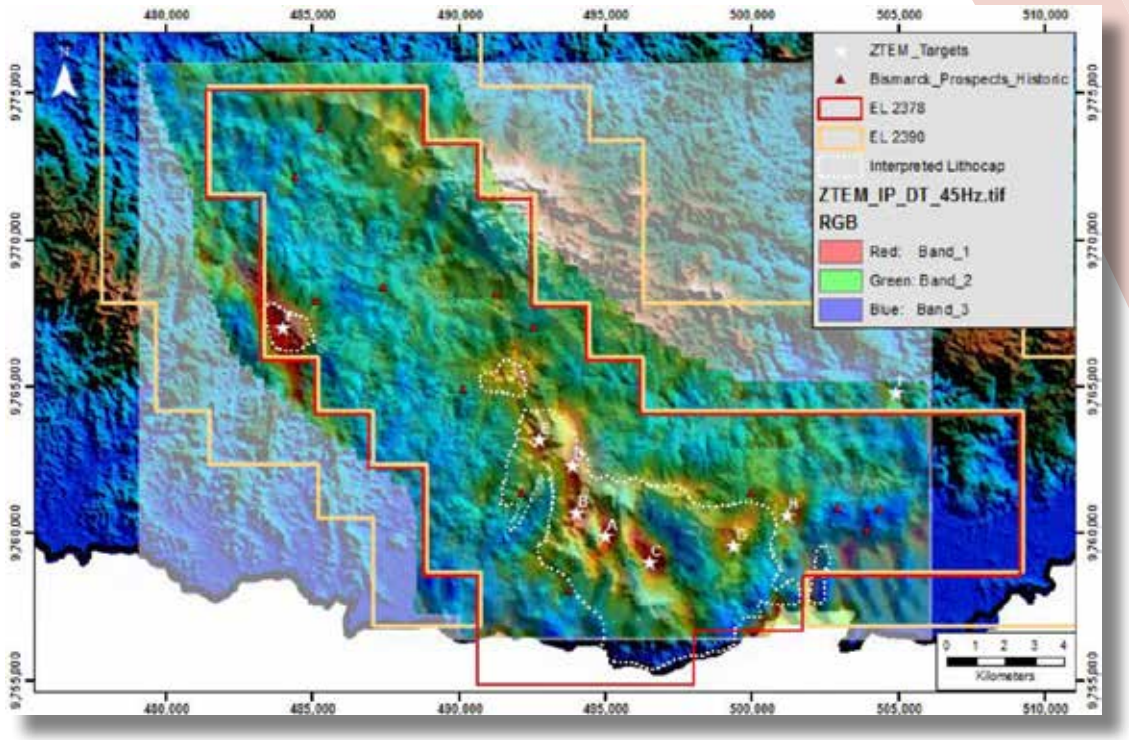


FIGURE 12 ZTEM ANOMALIES, HISTORIC ROCK CHIP MO ANOMALIES (>30PPM MO) AND LOCATION OF MAIN ZTEM ANOMALY DRILL TARGET (SOURCE: RIO TINTO PNG - APRIL 2018)

In late 2017 a 62-station Audio Magneto Telluric ("AMT") survey was completed to verify the identified ZTEM anomalies. The AMT results suggested that the conductive (sulphide) targets are present at shallower depths than that suggested by the ZTEM alone, with the lithocap interpreted to be less than 100m thick in most of the priority target areas.

Rio Tinto PNG has planned an initial diamond drill program of a minimum of 1,500m in up to five holes (DH001 to DH005, Figures 13 to 15) to initially test the Main ZTEM Anomaly area – an area that has not been previously drill tested. The program may be modified and extended in response to initial results.

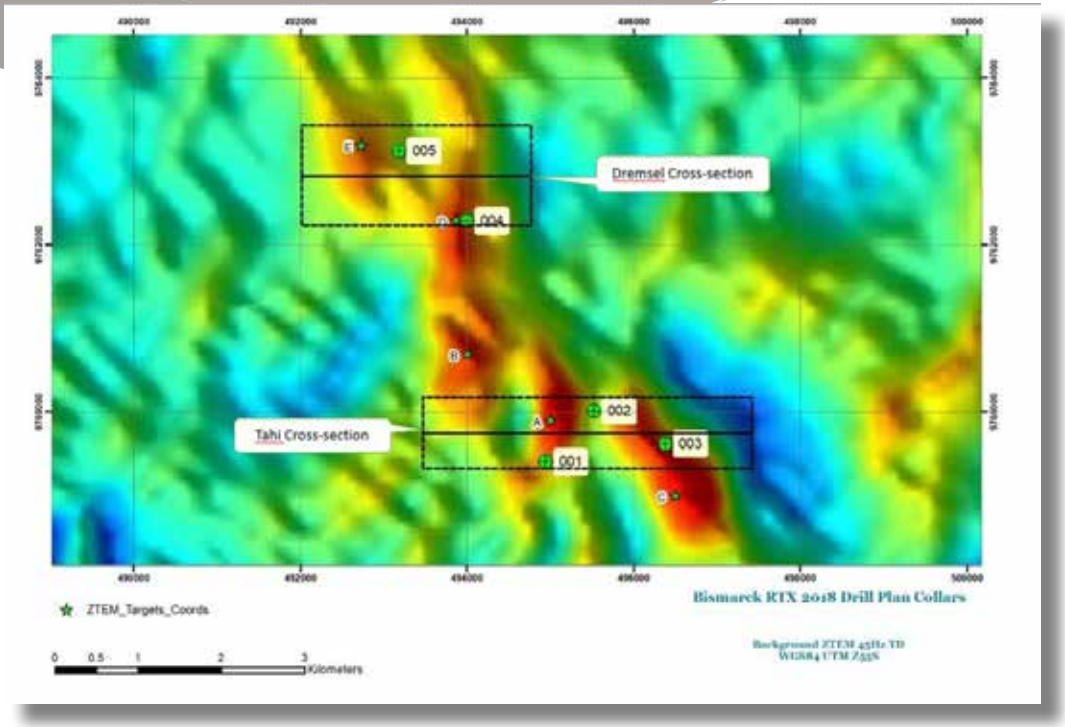


FIGURE 13 PLAN OF MAIN ZTEM ANOMALY AREA SHOWING LOCATION OF PROPOSED INITIAL DRILLING (001 TO 005) ON THE DREMSEL AND TAHI SECTIONS (SOURCE: RIO TINTO PNG - JUNE 2018).

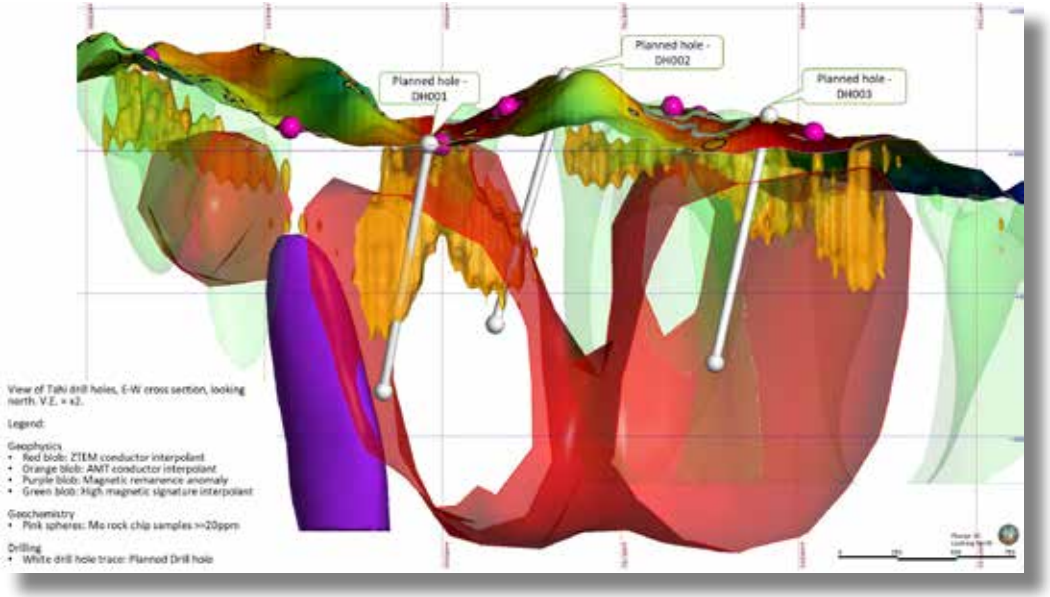


FIGURE 14 TAHI SECTION OF MAIN ZTEM ANOMALY SHOWING ZTEM CONDUCTOR AND PROPOSED DRILL TRACES (HOLES DH001 TO 003) (SOURCE: RIO TINTO PNG- JUNE 2018)

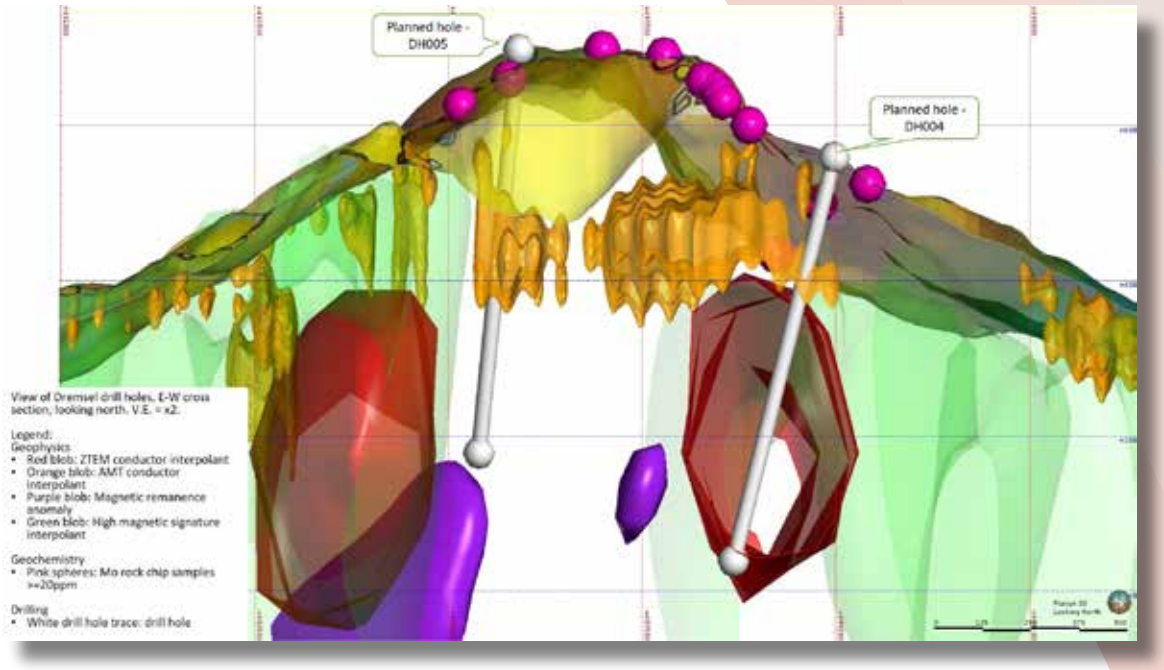


FIGURE 15 DREMSEL SECTION OF MAIN ZTEM ANOMALY SHOWING PROPOSED DRILL TRACES (HOLES DH004 AND 005) (SOURCE: RIO TINTO PNG - JUNE 2018)

Canterbury's 100% owned **Ipi River Project** (EL2509 (Tapini)) is located 150km north-northwest of Port Moresby in Central Province, PNG. Immediately prior to Canterbury's application, the area was held and explored by the PNG Government owned company Petromin PNG Holdings Limited ("Petromin"), which was exiting the exploration industry at that time.

The Ipi River area was initially evaluated by CRA Exploration in the early 1970's, with significant copper and gold mineralisation encountered in drainage sampling. BHP subsequently explored the area between 1973 and 1976, drill testing a buried intrusive beneath a colluvial terrace, encountering significant intervals of low grade copper-gold mineralisation.

Petromin acquired the area in 2008, and completed further mapping and geochemical sampling, a 3D Induced Polarized (IP) survey and drilled three diamond holes to further test the BHP porphyry target at Ipi River. A best intercept of 366m at 0.17% copper, 0.1g/t gold and 120ppm molybdenum was reported from the drilling program. A full list of historical drilling and results is outlined in the Independent Geologist's Report in Section 5.

Canterbury applied for ELA2509, covering many of the historical porphyry copper-gold and epithermal gold-silver prospects in the region, including Ipi River, in November 2016. The licence was granted on 29th August 2018, as noted on the PNG Mining cadastre portal on the PNG MRA website.

Canterbury will now undertake a detailed reassessment of historical data, including the Petromin IP data, and formulate a detailed exploration plan. Preliminary interpretation of existing data indicates the presence of several strong IP anomalies that appear to be associated with significant near-surface copper mineralisation, which are yet to be drill tested.

4.3.2 Australia

In **Australia** Canterbury holds 100% of the **Briggs** (EPM 19198) and **Mannersley** (EPM 18504) projects, which are prospective for large scale porphyry copper (± gold, ± molybdenum) mineralisation. The projects were acquired from Rio Tinto Exploration

Pty Limited ("**RTX**") in February 2017. RTX retains a 1% net smelter royalty (NSR), plus certain claw back rights in the event of a major discovery (further details in Section 10.2).

The two tenements are located inland from Gladstone, about 10km apart, at the southern end of the northwest–southeast trending Mt Morgan structural belt (Figure 16). The high-grade Mt Morgan mine produced around 8Moz of gold and 350,000t of copper before its closure in 1989. The potential to delineate an economic project in this region is enhanced by its accessibility to critical infrastructure, including power, transport, industrial services and skilled labour.

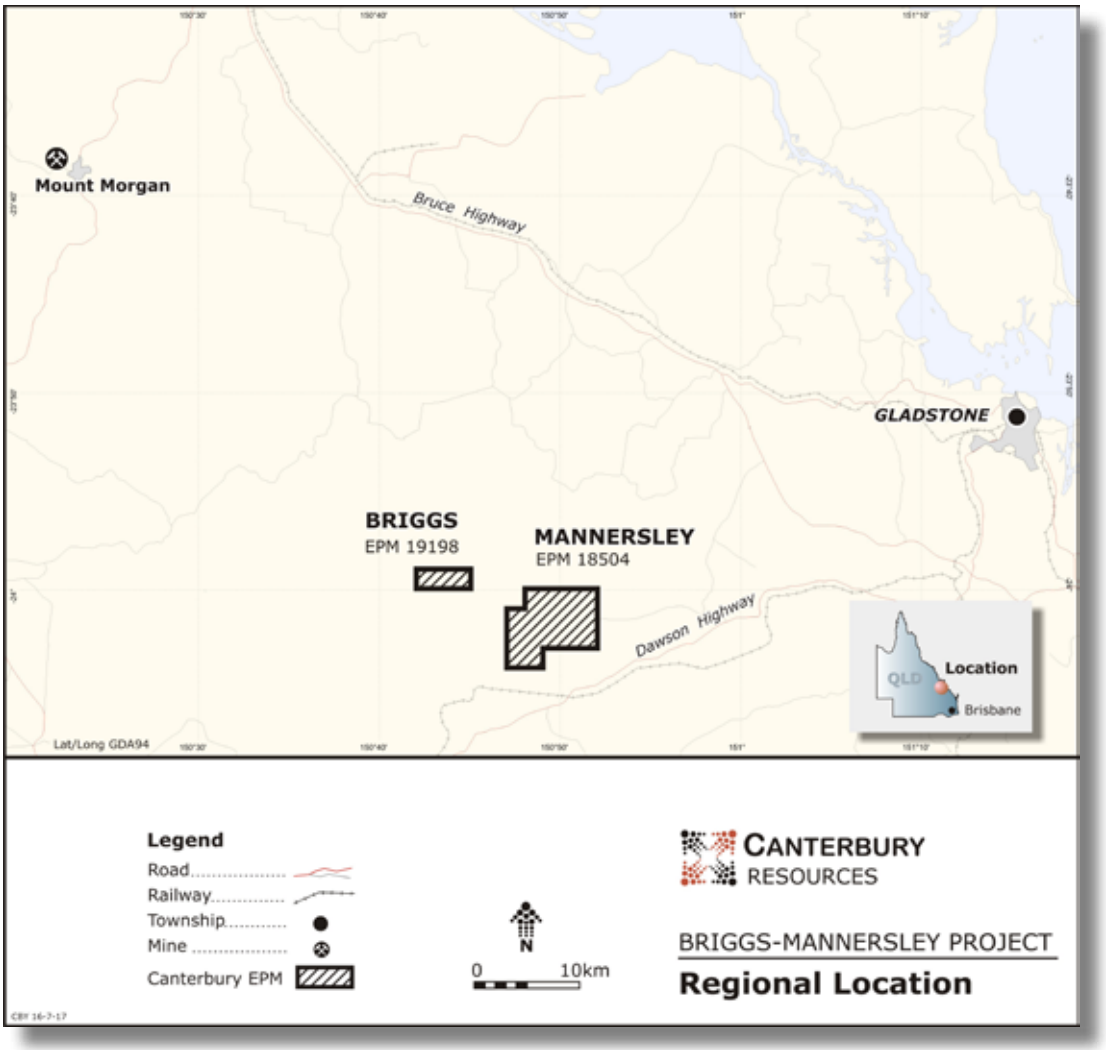


FIGURE 16 BRIGGS & MANNERSLEY, LOCATION PLAN

At Briggs, past explorers have included Noranda (1969 - 1972), Geopeko (1970's), Plutonic (1980's), CRA Exploration (1990's) and RTX (2011 - 2017), while at Mannersley, explorers have included Geopeko (1969 - 1972), Goldfields (1987), Asarco (1990 - 1991) and RTX (2010 to 2017).

These explorers have generated extensive geological datasets over the properties, outlining multiple large porphyry style mineralisation systems. Limited drill testing of these systems has discovered extensive low-moderate grade copper mineralisation, but is yet to discover the potentially higher grade causative intrusion or primary copper source at any of them.

Canterbury believes that the relative timing and spatial distribution of intrusion, alteration and mineralisation is crucial in effectively exploring porphyry systems, and is applying modern understanding of porphyry systems to optimise its exploration planning.

Evaluation of the Briggs system is at a more advanced stage than for Mannersley.

At Briggs a dominant northwest structural corridor is evident from magnetics and surface geochemistry, and historical mapping has outlined three intrusive centres; known as the Northern, Central and Southern zones. Within these zones multiple broad intercepts of low grade disseminated copper mineralisation have been encountered, often overlain by a higher-grade supergene enriched copper blanket.

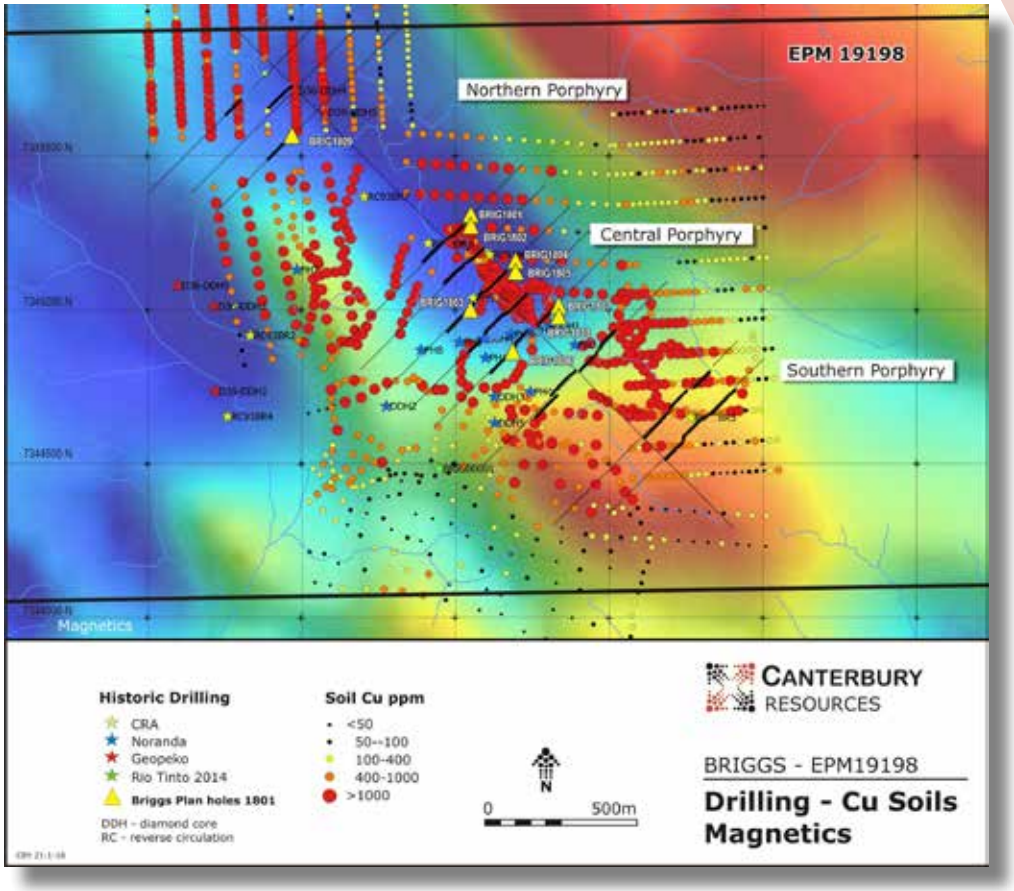


FIGURE 17 BRIGGS COPPER IN SOILS AND STAGE-1 DRILL PLAN, SUPERIMPOSED ON MAGNETICS

Historic exploration, particularly drilling, has focussed on assessing the Central Zone where around 15 holes have been drilled, albeit the average hole depth was only ~63m (maximum 152.5m) and all holes ended in mineralisation. Significant results from historic drilling of the Central Zone are outlined below (Table 2):

TABLE 2 BRIGGS CENTRAL ZONE HISTORIC DRILL RESULTS

Hole	From (m)	To (m)	Interval (m)	Copper (%)
PH1	0.00	54.90	54.90	0.21
PH2	21.35	35.08	13.73	0.41
PH4	25.93	45.75	19.83	0.54
PH5	4.58	42.70	38.12	0.50
PH6	0.00	33.55	33.55	0.31
PH9	9.15	32.03	22.87	0.76
DDH1	8.54	42.70	34.16	0.23
DDH2	0.00	15.25	15.25	0.36
DDH4	0.00	152.50	152.50	0.21
RC93BR1	0.00	126.00	126.00	0.27
Including	0.00	42.00	42.00	0.38
RC93BR5	4.00	109.00	105.00	0.35
Including	4.00	48.00	48.00	0.51

A full list of historical drilling and results is outlined in the Independent Geologist's Report in Section 5.

In general, the mineralisation at Briggs appears to display typical porphyry alteration patterns, with a large propylitic halo surrounding a zone of phyllic and potassic alteration that defines the geochemical core of the intrusive system. Drilling to date has outlined extensive copper mineralisation in near surface supergene zones, but has only sparsely assessed the deeper potential. Primary mineralisation consists of chalcopyrite, pyrite and minor molybdenite, with the copper mineral found disseminated and in veins associated with quartz and oligoclase, while the molybdenite is commonly found coating fractures and associated with veins of pyrite- quartz-albite. Both copper and molybdenum occur within the main intrusive phase and adjacent to the intrusive in a skarn zone.

Canterbury has designed an initial phase diamond drilling program, scheduled to commence in the December quarter 2018, as the next phase of exploration at Briggs. The program comprises nine holes for around 3,000m.

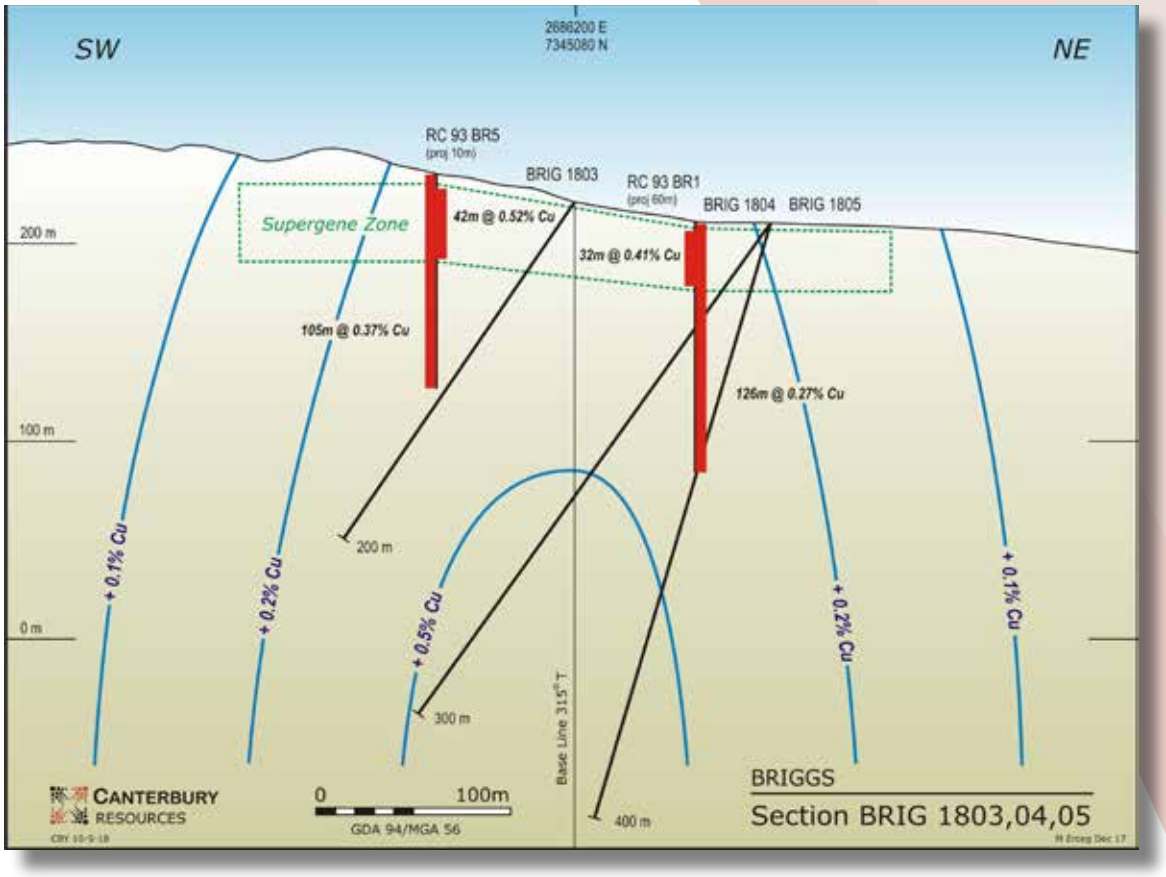


FIGURE 18 BRIGGS SCHEMATIC SECTION AND PROPOSED DRILL HOLES, CENTRAL ZONE, LINE 2

Most of the holes will further assess mineralisation within the ~500m strike length of the Central Zone where historic drilling has broadly outlined near surface copper mineralisation, but is yet to encounter the causative intrusive that potentially represents a deeper higher-grade core of the system (Figure 18).

Canterbury has estimated an Exploration Target, based on the results of historic drill data combined with a modern understanding of the anatomy of porphyry systems, of 45 to 165Mt at 0.4 to 0.8% copper for the upper approximately 300m of the Central Zone. The potential quantity and grade of the Exploration Target is conceptual in nature and there has been insufficient exploration to estimate a mineral resource and it is uncertain if further exploration will result in the estimation of a mineral resource. The proposed exploration activities are designed to test the validity of the Exploration Target and this program is scheduled for completion late in 2018/early 2019. The current drill program should also generate vectors to assist in locating a higher-grade core which is speculated to occur associated with a causative intrusion at shallow depths in this type of system.

The Exploration Target* at the Central Zone has been derived taking account of the following parameters:

- Mineralisation is porphyry in style and disseminated in nature with good continuity over extended intervals in historic shallow drilling;
- Mapped north west structural grain;
- Coincident magnetic low;
- Coincident soil geochemical anomaly >1000ppm copper;
- Historic drill holes with significant intervals with an average grade greater 0.2% copper;

- Above average copper grades can be anticipated in a more mineralised core of a causative intrusions speculated to occur at shallow depths;
- The Central Zone has a strike length of 450 to 550m, width estimated to vary between 200 and 400m and vertical extent from surface to depths between 200 and 300m; and
- A bulk density of 2.5 tonnes per cubic metre is used to estimate in-situ tonnage;

*Competent Person's Statement: See page 49.

The Northern and Southern zones are indicated from a combination of geological mapping, surface geochemistry (copper in soils) and magnetic data, but only very isolated historical drilling has been undertaken, albeit with encouraging results (Figure 17).

A single hole in the Southern Zone, RC93BR3, was drilled by CRA Exploration in 1993 and returned 108m at 0.23% Cu from 2m, finishing in mineralisation.

In the Northern Zone one hole, D36-DDH4, drilled by Geopeko in 1974 encountered 152.5m at 0.21% Cu from surface, finishing in mineralisation. The 2018 drill program will include a scout hole in the Northern Zone. A full list of historical drilling and results is outlined in the Independent Geologist's Report in Section 5.

A follow-up program of infill and extension drilling is proposed in 2019, dependent on results achieved in the 2018 program.

4.3.3 Vanuatu

In **Vanuatu** Canterbury has 100% of two Prospecting Licence's on **Malekula** (PL's 1836 and 1837), plus five PL applications on Malekula and Espiritu Santo (Figure 19). Sporadic exploration in Vanuatu has encountered widespread epithermal gold-silver and porphyry copper-gold mineralisation, and Canterbury's tenements and applications cover many of the key historical prospects.

Porphyry copper and epithermal gold-silver style mineralisation have been identified on both Espiritu Santo and Malekula. Porphyry style alteration and mineralisation occurs in a western belt whereas epithermal environments occur in a spatially separate belt to the east. Epithermal mineralisation on Espiritu Santo is hosted within the Central Santo Terrane where it appears to be related to subsidiary faults to the terrane boundary faults. Gold-silver-base metal mineralisation on Malekula occurs in the south of the island, with the main prospects at Taoran and Amethyst being epithermal in nature and related to west dipping thrust faults.

Exploration by Canterbury is at a relatively early stage. Field work has comprised several reconnaissance mapping and sampling campaigns focussed on the Taoran, Amethyst and Barius prospects where encouraging historical results have been reaffirmed by Canterbury.

The Taoran Prospect in PL1836 comprises gold-silver mineralisation hosted by numerous blue-clay pyrite shear zones and brecciated quartz veins which strike north-northwest and dip steeply east and west. The prospect was discovered in late 1985 by United Resources Vanuatu Ltd ("City Resources"). In 1993, ISCOR drilled twelve holes to assess a soil geochemical anomaly, with best results being 2m at 8.6 g/t Au (galena-sphalerite-quartz vein and breccia infill shear zone) and 13m at 1.5 g/t Au (weakly silicified and quartz veined andesite). A full list of historical drilling and results is outlined in the Independent Geologist's Report in Section 5.

The Amethyst Prospect in PL1836 was originally identified from amethystine quartz float in rivers. It has been evaluated by several explorers, including City Resources (1986/1987) that recorded anomalous results in sampling programs. Vanaust Minerals Ltd (1991) drilled nine shallow holes

FIGURE 19 VANUATU TENEMENTS & GEOLOGY

in a small area proximal to a sampling trench with exposed amethyst veins. Results of the Vanaust drilling bore little resemblance of the encouraging grades and apparent continuity of mineralisation obtained from surface trenching.

The Barius prospect in PL1837 comprises a 2km long northwest-striking alteration zone which coincides with a magnetic low and a potassic radiometric anomaly. Gold-silver-zinc mineralisation is associated with clay alteration, brecciation and quartz vein stockworking.

Canterbury has assessed historical data for its various application areas, identifying several promising targets.

At Fundor on Espiritu Santo, base metal-gold mineralisation is hosted by volcanoclastic sediments and limestone within a 500m by 500m alteration envelope comprising pervasive argillic alteration and propylitic-phyllic alteration. Several styles of base metal

and/or gold mineralisation are noted. The Tafuse prospect, located 1.5km northwest of Fundor, is localised by the same northwest trending structure. Epithermal style gold-silver-basemetal mineralisation occurs within a 800m by 250m alteration envelope within volcanics that are intensely hydrofractured and argillically altered.

Canterbury considers the geology, structural setting and styles of mineralisation on Espiritu Santo and Malekula analogous to the gold and base metal deposits and prospects of the Hauraki province in the Coromandel Peninsular of New Zealand.

The Hauraki Province has been a gold-silver-base metal producer since the mid-1800s and has produced more than 10Moz gold. Modern exploration since the early 1980s has led to a comprehensive understanding of deposit characteristics and controls on mineralisation. Canterbury proposes to apply this knowledge in its exploration strategies in Vanuatu.

4.4 Glossary Of Technical Terms

Terms not included in the glossary are used in accordance with their definition in the Concise Oxford Dictionary.

advanced argillic alteration	an alteration assemblage formed under low pH and high temperatures; common minerals include alunite, diaspore, pyrophyllite, dickite, tourmaline, topaz, zunyite and white mica.
aeromagnetic survey	a geophysical survey made from the air in which variations in the Earth's magnetic field are recorded.
AMT	natural-source Audio-frequency Magnetotellurics (AMT) is a surface electromagnetic survey technique that uses naturally-occurring ionospheric currents and lightning storms as passive energy sources to electrically map geologic structure to depths of 500 meters or more.
alluvial gold	gold found associated with water-transported material; synonymous with "placer gold".
alteration	any change in the primary mineral composition of a rock induced by chemical or physical action commonly induced by hydrothermal activity.
alteration halo	an envelope of secondary minerals formed in the wall rock surrounding a vein or fracture by hydrothermal alteration.
alunite	$KAl^{3}(SO^{4})^{2}(OH)^{6}$; sulphate mineral, related to acidic alteration within epithermal systems.
anomaly	value or characteristic different from the norm. Target of the exploration geologist. Can be geophysical, geochemical or geological or a combination.
argillic	an alteration assemblage characterized by the minerals illite, illite-smectite, smectite and carbonate. Found in the upper parts of porphyry copper-gold systems.
assay	testing and quantification metals of interest within a sample usually at a commercial laboratory.
auger sampling	method of collecting shallow sub surface samples.
average grade	the average metal content of a drill or bulk sample.
bcm	measure of volume of rock in-situ, abbreviation for bank or banked cubic metres.
base metal	relatively inexpensive and common metal such as copper, lead, zinc, iron, or tin that (unlike noble metals such as gold, silver, or platinum) corrodes and/or tarnishes when exposed to air or moisture.
biotite	a generally dark coloured iron, magnesium and potassium rich mica.

bornite	an ore mineral of copper, Cu^5FeS^4, and is known for its iridescent tarnish – "peacock ore".
breccia, brecciation	a class of rocks formed by fragmentation of pre-existing rocks by magmatic or hydrothermal processes. can be pipe-like in form hence term "breccia pipe"
bulk sampling	a method of testing a mineral deposit through collection of a large volume of sample relative to hand sampling methods and generally involving the use machinery.
caldera	a large basin-shaped crater or cluster of craters resulting from volcanic activity.
carbonate	a mineral or rock, generally a sedimentary rock, composed largely of minerals containing $C0^3$.
chalcopyrite	a common mineral of copper iron and sulphur ($CuFeS^2$).
chalcocite	a sulphide copper ore mineral (Cu^2S).
colluvial, colluvium	colluvium (also colluvial material or colluvial soil) is a general name for loose, unconsolidated sediments that have been deposited at the base of hillslopes by either rainwash, sheetwash, slow continuous downslope creep, or a variable combination of these processes.
conductor	exploration geophysics can be used to directly detect the target style of mineralization, via measuring its physical properties directly. For example, one may measure the electrical conductivity contrast between conductive sulfide minerals and the resistive silicate host rock.
core	cylindrical sample of rock produced by diamond drilling.
core drilling	drilling to produce cylindrical rock sample usually diamond drilling.
covellite	covellite is a rare copper sulfide mineral with the formula CuS. This indigo blue mineral is ubiquitous in copper ores, it is found in limited abundance and is not an important ore of copper itself. Covellite is diagnostic of very high sulfidation states.
cross section	a diagram that shows features transacted by a vertical plane drawn at right angles to the longer axis of a geological feature.
cut-off grade	analytical value used in mineral resource estimation and ore reserve calculation as the lowest grade of mineralised material that can be economically extracted.
dacite	fine-grained felsic volcanic rock.
detrital	material derived from pre-existing rocks.

diamond drilling	rotary drilling with diamond-impregnated bits to produce a solid continuous core sample of rock.
dilution	rock waste which is commingled with ore in the mining process.
discovery	the event, usually the assay results of a drill hole, where the economic potential of the deposit is first confirmed.
drainage sampling	sampling of active river material used in evaluation of large areas. Usually one or combination of panned concentrate (heavy fraction), stream sediment (sieved e.g. -80#), clay fraction (sieved 150um) or bulk (BCL),
drill core	the cylindrical sample of rock recovered by means of diamond drilling.
drill hole	a hole bored into prospective ground to recover cuttings or core
drilling	boring a hole into prospective ground to recover cuttings or core
EL	abbreviation for Exploration Licence in PNG. Granted to the holder for a period of two years, which may be extended for periods not exceeding two years.
EM (electro-magnetic)	an electromagnetic geophysical exploration survey technique based on measuring magnetic fields from currents usually artificially induced into the ground.
enargite	a copper arsenic sulfosalt mineral with formula: $Cu^{3}AsS^{4}$ found in high sulphidation hydrothermal deposits
epithermal	a mineral deposit, usually gold and silver, formed at a relatively low temperature near the surface from ascending hydrothermal solutions.
EPM	Exploration Permit for Minerals (all minerals other than coal) issued in Queensland. An exploration permit allows holder to prospect, conduct geophysical surveys, drilling, and sampling and testing of materials.
evaluation	the determination of the technical feasibility and commercial viability of a particular prospect.
exploration	the search for economic mineral deposits.
Exploration Target	used in public reporting to highlight an early stage mineral resource that is conceptual in nature where insufficient drilling has been done to define a Mineral Resource and that it is uncertain of further exploration will result in the estimation of a Mineral Resource. Refer JORC Code.
felsic	a term refering to igneous rocks composed mostly of feldspar and quartz.
feasibility study	a technical and financial study of a project at sufficient level of accuracy and detail to allow a decision as to whether or not the project should proceed.

follow-up	term used to describe more detailed exploration work over targets generated by regional exploration.
fracture	a break in a rock mass induced by intense folding or faulting.
g/t	grams per tonne, equivalent to parts per million (ppm).
galena	a lead sulphide mineral (PbS).
gangue	the valueless minerals constituent in a mineral deposit or ore.
geochemical survey	collection of representative rock or soil samples in order to study variations in their chemistry.
geochemistry	the study of the variation of chemical elements in rocks and soils.
geologist	earth scientist, in this context specialising in mineral exploration and resource evaluation
geophysicist	earth scientist – in this context specialising in the detection or mineral deposits by magnetic, electrical or gravitational methods.
geophysics	the study of the physical properties of the Earth by quantitative methods.
grade	the metal or mineral content per unit of rock.
ground magnetic survey	surface geophysical survey measuring variations in the earth's magnetic field intensity.
hard rock	descriptive of solid rock, as distinct from alluvium or other unconsolidated material.
high sulphidation epithermal	refers to the fundamental genetic state of the hydrothermal system (i.e., the highly oxidized state of sulphur). This group of deposits shows a common set of diagnostic minerals indicating high-sulphidation states (pyrite, enargite, luzonite) and acidic fluid conditions (alunite, kaolinite and pyrophyllite). The dominant and ubiquitous alteration feature of HS deposits is the presence of fracture controlled vuggy silica which is the result of intensive acid leaching. Lateral to a central vuggy leached silica zone, quartz occurs with magmatic-hydrothermal alunite and minerals such as pyrophyllite, kaolinite, diaspore, dickite and zunyite which are typical of hypogene acidic conditions.
hydrothermal alteration	alteration of rocks or minerals due to reaction with hot aqueous solutions usually associated with magmatic activity.
hydrothermal breccia	Fractured and often recemented rock formed by over-pressuring of hydrothermal fluids
igneous	a term applied to rocks formed from solidification of molten material either at surface (volcanic) or at depth (intrusive).
intercept, intersection	the length of a mineralised rock mass traversed by a drill hole.

intrusive	a term describing an igneous rock formed by intrusion of magma into the Earth's crust below the surface where it crystallised to form a solid rock.
intrusive centre	a cluster of intrusives, suggesting repeated igneous activity in a focused area over a period of time.
IP (induced polarisation)	a geophysical exploration method which measures changes in the magnetic and electrical fields induced in the earth by the application of an electrical current to the ground.
JORC Code	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC), December 2012.
lithocap	lithocaps are subsurface, broadly stratabound alteration domains that are laterally and vertically extensive. They form when acidic magmatic-hydrothermal fluids react with wallrocks during ascent towards the paleosurface. Commonly form above porphyry copper-gold deposits.
lode	a tabular or vein -like deposit of valuable mineral(s) with well defined walls of country rock
low sulphidation epithermal	formed from near neutral, reduced, low temperature (generally <200°C) hydrothermal fluids
magmatic	pertaining to or derived from magma.
magnetic survey	systematic collection of readings of the Earth's magnetic field at a series of different locations, in order to determine the distribution of values which may be indicative of different rock masses.
magnetic low	magnetic anomaly where the strength of the magnetic field is subdued, often caused by magnetite destruction due to hydrothermal alteration.
magnetic high	magnetic anomaly where the strength of the magnetic field is enhanced, often caused by abundance of primary or secondary magnetite the latter due to hydrothermal alteration
magnetite	magnetite is a rock mineral with the chemical formula Fe_3O_4. Of great interest in exploration for porphyry deposits as it tends to form in the cores of porphyry systems and in peripheral skarns, together with copper and gold and is readily detected by geophysical methods (magnetics)
metallurgy; metallurgical	the science and technology of metals usually pertaining to the processing and extraction of metals and minerals from ores in mining.
mineralisation	concentration of metals and their compounds in a rock mass; also a term used to refer to a body of rock containing an assemblage of valuable minerals.

Mineral Resource	a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. Refer JORC Code
Miocene	the Miocene is the first geological epoch of the Neogene Period and extends from about 23.03 to 5.333 million years ago
molydbdenite	a blue-grey mineral, typically occurring as hexagonal crystals. It consists of molybdenum disulphide (MoS2) and is the most common ore of molybdenum. It occurs in high temperature hydrothermal ore deposits. Its associated minerals include pyrite, chalcopyrite, quartz, anhydrite, fluorite, and scheelite.
monzodiorite	a coarse-grained igneous rock consisting of essential plagioclase feldspar, orthoclase feldspar, hornblende, and biotite, with or without pyroxene. Plagioclase is the dominant feldspar making up 60–90% of the total feldspar and varying from oligoclase to andesine in composition. The presence of the orthoclase feldspar distinguishes this rock from a diorite.
Net Smelter Royalty (NSR)	Net Smelter Return (NSR) is the net revenue that the owner of a mining property receives from the sale of the mine's metal/non metal products less transportation and refining costs. As a royalty it refers to the fraction of NSR that a mine operator is obligated to pay the owner of the royalty agreement.
open cut mining	pit mining designed to extract minerals that lie near the surface.
Order of Magnitude Study	study which has defined the extent and critical parameters of a mineral deposit.
ore	material that contains one or more minerals at least one of which has commercial value and which can be recovered at a profit.
orebody	a continuous well defined mass of material of sufficient ore content to make extraction economically feasible.
Ore Reserve	the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted. Refer JORC Code
ounces	Troy ounces of 31.1035 grams (being 1.097 Avoirdupois ounces)
oxide mineralisation	mineralisation usually near the surface resulting from the oxidation of sulphide mineralisation by water and air.

oz	abbreviation of "ounce" used in describing gold grades usually as ounce per tonne (oz/t) or the equivalent parts per million (ppm). Precious metals, including gold are measured in Troy ounces. There are 31.103 grams in a Troy ounce.
percussion drilling	a drilling method in which the drill hole is advanced by a hammering action of the drill bit.
petrology	the study of and identification of minerals in rock by microscopic methods.
pipe	a vertical to sub-vertical tubular or cylindrical body of rock.
phyllic	a type of hydrothermal alteration in which quartz and sericite are the main constituents of the alteration mineral assemblage.
PL	prospecting Licence in Vanuatu.
porphyry	an igneous rock with conspicuous crystals in a fine-grained groundmass.
porphyry copper	a class of mineral deposits in which copper minerals are widely disseminated; a term originally used for copper deposits associated with porphyritic rocks.
porphyry-style	a type of mineral deposit in which the valuable minerals, usually copper, gold, and molybdenum are widely disseminated in a porphyritic intrusive.
porphyry style alteration	porphyry Cu-Au deposits display complex patterns of zonation in alteration and mineralisation. Progade hydrothermal alteration is characterised as potassic (magnetite, secondary biotite, K-feldspar) grading outwards to inner propylitic (actinolite, epidote) and outer propylitic (chlorite, calcite) alteration.
porphyry copper	copper ore bodies which are associated with porphyritic intrusive rocks and the fluids that accompany them during the transition and cooling from magma to rock. Successive envelopes of hydrothermal alteration typically enclose a core of ore minerals disseminated in often stockwork-forming hairline fractures and veins. Porphyry ore bodies typically contain between 0.4 and 1% copper with smaller amounts of other metals such as molybdenum, silver and gold.
potassic	a type of hydrothermal alteration involving the secondary formation of potassium feldspar and/or biotite. Found in cores of porphyry deposits with copper and gold.
ppm	parts per million (the same as grams per tonne, g/t).
precious metals	usually referring to gold and silver but also includes the platinum group
primary mineralisation	that part of a mineral deposit that has not been subject to the effects of oxidation in a weathering environment; usually containing sulphide minerals.

project	area of interest with one or more Tenements.
propylitic alteration	a type of hydrothermal alteration generally involving the secondary formation of chlorite, epidote and carbonate. Found in the outer parts of porphyry copper-gold systems.
prospect	a mining property, the value of which has not been proved by exploration.
prospecting	mineral exploring.
pyrite	a common iron sulphide mineral (FeS_2).
pyritised; pyritisation	the addition of pyrite to a rock through deposition from hydrothermal solution usually accompanied by alteration.
pyrrhotite	an iron sulfide mineral with the formula Fe(1-x)S (x = 0 to 0.2). It is a nonstoichiometric variant of FeS, the mineral known as troilite. Pyrrhotite is also called magnetic pyrite, because the color is similar to pyrite and it is weakly magnetic.
radiometric survey	geophysical technique pertaining to the measurement of natural radiation produced by the spontaneous decay of certain atoms.
recovery	the proportion of valuable constituents of an ore that are obtained by its mining and metallurgical treatment.
reconnaissance	regional scale prospecting activities undertaken by the exploration geologist involving surface mapping, rock and drainage sampling
reverse circulation (RC)	a drilling method in which the sample is brought to the surface via an inner tube in the drill rod string, thereby reducing side-wall contamination.
resource	an *in situ* mineral occurrence from which valuable or useful minerals may be recovered.
ridge and spur sampling	usually in reference to soil sampling. Samples are collected along ridges and spurs to minimise effect of downslope movement of sampling material.
rock chip	sampling of rock outcrop by breaking chips off a rock face, usually for chemical analysis. Can be selective i.e. grab sample or systematic i.e. channel or chip.
scout hole	"wild cat" drill hole away from targeted area usually testing a concept.
silica	silicon dioxide mineral, of which quartz is one form (SiO2).
silicification	the process whereby original rock minerals are chemically replaced by various forms of silica.

skarn	a product of the thermal metamorphism and metasomatism of carbonate bearing sedimentary rocks principally limestone and dolomite.
soil sample	Sample collected usually by digging or augering soil profile. Used in the surface geochemical evaluation of prospects.
sphalerite	a zinc sulfide mineral with a chemical composition of (Zn,Fe)S. It is found in metamorphic, igneous, and sedimentary rocks in many parts of the world. Sphalerite is the most commonly encountered zinc mineral and the world's most important ore of zinc.
stockwork	a three-dimensional network of veinlets.
stream sediment	sample of finer fraction (clay-silt-sand) of active material in a river, assayed and used in rapid evaluation of mineral potential of large areas.
supergene enrichment / supergene blanket	supergene enrichment in a mineral deposit occurs when oxidising acids dissolve metal ions from the primary ore and redeposits it in more reducing, basic areas such as below the watertable. This results in an oxidised zone on top (gossan), a supergene blanket beneath and the hypogene (primary) ore beneath that.
syncline	a fold in rock strata that is concave upward with a core of younger rocks.
tailings	the finely-ground waste product from ore processing.
tenement	a land use instrument issued by state governments for regulation of mineral exploration and mining.
tenure	in the context of this Prospectus, the holding or possession of rights to or ownership of Crown-owned or privately-owned minerals for the term specified in any particular tenement.
Tier-1	large, low cost and long life deposits/ mines.
underground mining operations	mining method where economic minerals are accessed and extracted below surface by shafts or declines.
vein	a thin sheet-like infill of a fissure or crack.
Warden’s Hearing	statutory requirement in PNG where the Mines Department Warden attends a meeting(s) with affected landowners during an application or renewal of an exploration licence.
ZTEM	the z-axis tipper electromagnetic (ZTEM) geophysical method is an airborne system, using either a helicopter or fixed-wing aircraft. The inducing fields are naturally occuring electromagnetic fields. Solar winds and interaction with Earth’s magnetosphere generate EM fields at low frequencies while fields for higher frequencies are generated from thunderstorm activity.


P2-BKD

[5] Independant Geologist's Report

Independent Technical Assessment Report on the Mineral Assets of Canterbury Resources Limited

Prepared for:

Canterbury Resources Limited

Prepared by

SRK Consulting (Australasia) Pty Ltd

CTB001

October 2018

Independent Technical Assessment Report on the Mineral Assets of Canterbury Resources Limited

Canterbury Resources Limited

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October 2018

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Authors:

Stuart Munroe; Jeames McKibben

24 September 2018

The Directors
Canterbury Resources Limited
Suite 505, 35 Lime Street
Sydney NSW 2000

Dear Sirs

Canterbury Resources Limited – Independent Technical Assessment Report

At your request (agreement dated 17 January 2018), SRK Consulting (Australasia) Pty Ltd ("SRK") was engaged to prepare an Independent Technical Assessment Report ("ITAR") on the mineral assets of Canterbury Resources Limited ("Canterbury"). It is SRK's understanding that this report will be included in a Prospectus to be lodged with the Australian Securities and Investments Commission ("ASIC") for a proposed listing of Canterbury on the Australian Securities Exchange ("ASX"). The purpose of the Prospectus is to offer for subscription of approximately 26 million ordinary shares at an issue price of A$0.30 per share to raise a total of A$7.8 million before the costs of the issue in order to fund the future assessment of Canterbury's mineral tenements.

The key mineral assets to be considered in this report comprise a number of copper-gold porphyry and gold-silver epithermal projects namely:

- A 100% interest in the Briggs and Mannersley Project in central Queensland;
- A 100% interest in the Ekuti Range Project in Morobe Province of Papua New Guinea (PNG);
- A 100% interest in the Bismarck Project, Papua New Guinea (reducing to 40%, and potentially 20%, in accordance with a Farm In and Joint Venture Agreement with Rio Tinto Exploration (PNG) Limited);
- A 100% interest in the Ipi River Project in Central Province, Papua New Guinea; and
- A 100% interest in the Vanuatu Projects on Espiritu Santo and Malekula Islands, Vanuatu.

Collectively, these projects are known as the "Mineral Assets" throughout this report.

The objective of this report is to: (1) provide an overview of the geological setting of Canterbury's project areas and the associated mineralisation; (2) present for each project a geological description; (3) outline the recent exploration work undertaken on each project; (4) comment on the exploration potential of the project areas; and (5) consider the appropriateness of Canterbury's proposed work program and budget.

This report has been prepared in accordance with the ASX Listing Rules. Under these rules, reporting in accordance to the JORC Code (2012) and VALMIN Code (2015) mineral reporting codes (as defined herewith) is required.

The report was compiled by Mr Jeames McKibben, BSc(Hons), MBA, MAusIMM(CP), MAIG, MRICS – Principal Consultant (Project Evaluation), Dr Stuart Munroe BSc (Hons), PhD (Structural Geology), GDip (AppFinInv), MAusIMM – Principal Consultant (Geology), and Mr Chris Woodfull, BSc (Hons), MSc (Geology), MAusIMM, MAIG GAICD – Principal Consultant (Geology) and Managing Director, of SRK's Brisbane, Sydney and Newcastle offices respectively. All are full-time employees of SRK and have sufficient experience, which is relevant to the style of mineralisation and type of deposits under consideration and to the activity to that each is undertaking, to qualify as Competent Person as defined in the 2012 Edition of the JORC Code. Mr McKibben, Dr Munroe and Mr Woodfull consent to the inclusion in the Prospectus for Canterbury of the matters based on this information in the form and context in which they appear.

Information basis of this report

For the preparation of this report, Canterbury has made available all relevant information held by the Company. SRK has supplemented this information, where necessary, with information from its own geological databases or information available within the public domain. The principal sources of information are included in a reference list at the end of the report. The report includes information available up to the date of this report. Canterbury has stated that all information provided may be presented in the report and that none of the information is regarded as being confidential.

SRK conducted background research, including searches of government datasets and public domain data sources. The work included a review of Canterbury's proposed exploration program and budget.

SRK has relied on information provided by Canterbury, including historical information and the supplied JORC Code Table 1 statements, for the preparation of this report.

Legal matters

SRK notes that it is not qualified to make legal representations with regards to the ownership and legal standing of the Mineral Assets that are the subject of this report. SRK has not attempted to confirm the legal status of the tenements with respect to acquisition or joint venture agreements, Native Title, local heritage or potential environmental or land access restrictions. Instead, SRK has relied on information provided by Canterbury. SRK has prepared this report on the understanding that all the tenements of Canterbury are currently in good standing or pending and that there is no cause to doubt the eventual granting of any tenement applications.

SRK understands that the current ownership status and legal standing of the tenements are dealt with in a separate title report provided by lawyers to Canterbury as disclosed elsewhere in the Prospectus.

Statement of SRK independence

Neither SRK nor any of the authors of this report have any material present or contingent interest in the outcome of this report, nor do they have any pecuniary or other interest that could be reasonably regarded as being capable of affecting their independence or that of SRK.

SRK is qualified to provide such reports for the purposes of inclusion in public company prospectuses and admission documents. The effective date of the report is 29 June 2018.

SRK has no beneficial interest in the outcome of the technical assessment informing this report being capable of affecting its independence.

Consulting fees

SRK's estimated fee for completing this report is based on its normal professional daily rates plus reimbursement of incidental expenses. The fees are agreed based on the complexity of the assignment, SRK's knowledge of the assets and availability of data. The fee payable to SRK for this engagement is estimated at approximately A$42,000. The payment of this professional fee is not contingent upon the outcome of the Prospectus.

Warranties and indemnities

Canterbury has warranted, in writing to SRK, that full disclosure has been made of all material information and that, to the best of its knowledge and understanding, such information is complete, accurate and true. As recommended by the VALMIN Code, Canterbury has provided SRK with an indemnity under which SRK is to be compensated for any liability and/or any additional work or expenditure resulting from any additional work required:

- which results from SRK's reliance on information provided by Canterbury or from Canterbury not providing material information; or
- which relates to any consequential extension workload through queries, questions or public hearings arising from this report.

Consent

SRK has given and has not withdrawn its written consent for the report to be used for the purposes of Canterbury's listing on the ASX, including publication on Canterbury's company website and to the inclusion of statements made by SRK and to the references of its name in other documents pertaining to Canterbury's listing on the ASX. SRK provides this consent on the basis that the technical assessments expressed in the Summary and in the individual sections of this report be considered with, and not independently of, the information set out in the complete report and the Cover Letter.

SRK confirms that to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in the report is in accordance with the facts and does not omit anything likely to affect the import of such information.

SRK confirms that nothing has come to its attention to indicate any material change to what is stated in the report.

Yours faithfully

For and on behalf of SRK Consulting (Australasia) Pty Ltd

srk consulting

This signature has been scanned. The author has given permission to its use for this document. The original signature is held on file

SRK Consulting (Australasia) Pty Ltd

Mr Jeames McKibben, *BSc(Hons), MBA, MAusIMM(CP), MAIG, MRICS*
Principal Consultant (Project Evaluation)

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Disclaimer

The opinions expressed in this report have been based on the information supplied to SRK Consulting (Australasia) Pty Ltd (SRK) by Canterbury Resources Limited (Canterbury or the Company). The opinions in this report are provided in response to a specific request from Canterbury to do so. SRK has exercised all due care in reviewing the supplied information. Whilst SRK has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. SRK does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this report apply to the site conditions and features as they existed at the time of SRK's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this report, about which SRK had no prior knowledge nor had the opportunity to evaluate.

Glossary and List of Abbreviations

Term	Meaning
Acid	An igneous rock with more than 63% SiO_2
Ag	Chemical symbol for silver
AIG	Australia Institute of Geoscientists
Albite	A sodic plagioclase feldspar mineral ($NaAlSi_3O_8$)
Allochthonous	A deposit or formation that originated at a distance from its present position
Andesite	A pale coloured volcanic rock with 52% to 63% SiO_2
Anticline	The opposite of a syncline in that the strata re folded with the strata convex and younging upwards
Antiform	The opposite of a synform in that the strata re folded with the strata convex upwards
Aplite	An intrusive igneous rock in which the mineral composition is the same as granite, but in which the grains are much finer
Archaean	A geological eon, 4,000 to 2,500 million years ago
ASL	Above sea level
ASIC	Australian Securities and Investment Commission
Arenite	A sedimentary clastic rock with sand size grains between 0.0625 mm and 2 mm in diameter which contains less than 15% matrix
ASX	Australian Securities Exchange
AusIMM	Australasian Institute of Mining and Metallurgy
Au	gold
Autochthonous	A deposit or formation formed in its present position
Basalt	A dark-coloured volcanic rock with 45% – 52% SiO_2
Bornite	A sulfide mineral with chemical composition Cu_5FeS_4
Breccia	Fragmented rock
Calc-alkaline	A group of igneous rocks, common in volcanic arcs, high in calcium and potassium
Chalcocite	A copper-sulphide mineral (Cu_2S)
Chalcopyrite	A copper-iron-sulphide mineral ($CuFeS_2$)
Chert	A sedimentary rock composed of microcrystalline or cryptocrystalline quartz
Chlorite	A group of phyllosilicate minerals commonly formed by alteration following four endmembers based on their chemistry via substitution of Mg, Fe, Ni, and Mn in the crystal lattice
Clastic	Rock composed of fragments or clasts, of pre-existing minerals and rock
cm	centimetre
Co	cobalt
conglomerate	a coarse-grained clastic sedimentary rock that is composed of rounded to sub-angular clasts
Cretaceous	A period of geological time (65.5 million years ago to 145.5 million years ago)
Cu	Chemical symbol for copper
Dacite	An igneous, volcanic rock with a porphyritic texture and is intermediate in composition between andesite and rhyolite
DD	diamond core drilling
Diatreme	A volcanic pipe formed by a volcanic, hydrothermal and gaseous explosion
Diorite	An intrusive igneous rock with similar composition to andesite
Dyke	A narrow tabular intrusive rock body
Epithermal	Warm ground waters at shallow depth (<2 km) under conditions in the lower ranges of temperature and pressure

Term	Meaning
Fault	A fracture in earth materials, along which the opposite sides has been displaced parallel to the plane of the movement
Felsic	A group of minerals including feldspar, feldspathoids, quartz, and muscovite
g/t	grams per tonne
Gabbro	Mafic intrusive igneous rock chemically equivalent to basalt
Garnet	A class of silicate minerals formed by metamorphic or hydrothermal alteration which have the general chemical formula $A_3B_2(SiO_4)_3$
Geophysics	The study of the Earth using quantitative physical methods to measure its electrical conductivity, gravitational and magnetic fields
Granite	An acid intrusive rock
Granodiorite	A type of granitic rock with abundant feldspar
Granulite	An equigranular coarse grained metamorphic rock
Greenstone belt	Precambrian supracrustal rocks that include komatiite, basalt, andesite, and sedimentary rocks.
Hornfels	A contact metamorphic rock that have been heated and altered by the action of intrusive igneous activity
Hydrothermal breccia	A breccia formed by explosion of superheated water migrating from depth to the surface
Hydrothermal Fluid	Upward flowing fluids originating from igneous or metamorphic geological events
Hypogene	Formed from water ascending from within the earth
Igneous	An igneous rock formed entirely within the Earth's crust
Induced Polarisation (IP) survey	Geophysical survey method to measure the electrical property of rocks in the Earth
Intrusive	An igneous rock formed entirely within the Earth's crust
Jasper	An aggregate of microgranular quartz or chalcedony and other mineral phases that is produced from contact metamorphism and hydrothermal solution
JORC Code	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
km	kilometre
Lapilli	a size classification term for material that falls out of the air during a volcanic eruption being in the range from 2 to 64 mm
Limestone	A sedimentary rock composed mainly of skeletal fragments of marine organisms
Lithic	Fragments of other rocks that have been eroded and have formed part of a sedimentary rock
m	metre
m asl	Metres above sea level
Ma	Million years
MAC	Papua New Guinea Mining Advisory Council
Magmatic	Formed from molten rock
Magnetite	A mineral of iron oxide, Fe_3O_4, that often occurs with magnesium, zinc, and manganese and is an important ore of iron
Metamorphic rock	A rock altered by temperature and pressure within the earth
Mineral Resource	A Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality) and quantity that there is reasonable prospect for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge including sampling. Mineral Resources are sub-divided in order of increasing geological confidence into Inferred, Indicated and Measured categories.
Mineralisation	Geological occurrence of mineral of potential economic interest
Miocene	An epoch from about 23. to 5.3 million years ago

Term	Meaning
mm	millimetre
Mo	Chemical symbol for Molybdenum
Molybdenite	molybdenum disulphide (Mos2) mineral which is soft and commonly blue-grey. The most common ore of molybdenum
Mt	million tonnes
Mudstone	A fine-grained sedimentary rock originally composed of clay and muds. The grain size is up to 0.063 millimetres
Muscovite	A hydrated mineral of aluminium and potassium with formula $(KF)_2(Al2O_3)_3(SiO_2)_6$ which may form as a result of hydrothermal alteration, metamorphism or may crystallise from magma.
Ni	Nickel
Oligoclase	A rock-forming plagioclase feldspars mineral $(Ca,Na)(Al,Si)_4O_8$
Oxidation	Process of change in the rock mineral assemblage due to the action of surface-derived groundwater and air
Phyllic	Hydrothermal alteration typically resulting from removal of sodium, calcium, and magnesium, with pervasive hydrous replacement of most silicates
ppb	parts per billion
ppm	parts per million
Pliocene	An epoch in the geologic timescale from 5.3 million to 2.6 million years ago
Plutonic	An igneous rock crystallised at depth in the earth's crust
Polymict	A rock that consists of fragments of several other different rock types
Porphyry	An intermediate or acid igneous rock of fine-grained size, with some larger crystals, usually feldspar, scattered in the finer-grained groundmass
Potassic	Chemical alteration of a rock by hydrothermal and other fluids which results in the formation of potassium minerals
Precambrian	The Precambrian is the earliest period of Earth's history. It spans from the formation of Earth about 4.567 billion years ago to the beginning of the Cambrian Period about 541 million years ago, when hard-shelled creatures first appeared in abundance
Propylitic	Alteration of a rock, caused by hydrothermal fluids, which commonly results in the formation of epidote, chlorite and albite minerals
Pyrite	A mineral of iron sulphide (FeS_2)
Pyroclastic	Rock formed from the flow of hot gas and volcanic rock and lava is it moves from a volcanic vent
Quartz	A silicon mineral SiO_2
Quartz-vein	Planar occurrences of quartz infilling fractures in the rock at a late stage of metamorphic activity and formed from hydrothermal fluid deposition
RC	Reverse circulation
Rhyolite	A fine-grained igneous or volcanic rock of felsic composition
Sample	The removal of a small amount of rock pertaining to the deposit, which is used to estimate the grade of the deposit and other geological parameters.
Sandstone	A clastic sedimentary rock composed mainly of sand-sized mineral particles or rock fragments
Schist	A medium-grade metamorphic rock with grains in a preferred orientation. It is defined by having more than 50% platy and elongated minerals
Sedimentary	Rock formed at or near the surface by accumulation of detrital rock or precipitated from solution at atmospheric temperature and pressure
Sericite	A mineral composed of fine-grained white mica
Shale	A fine-grained sedimentary rock composed of mud that is a mix of flakes of clay minerals and silt-sized particles
Shear zone	Structural deformation of rock by shearing stress under brittle-ductile or ductile conditions at depths in high pressure metamorphic zones

Term	Meaning
Siderite	A mineral composed of iron carbonate ($FeCO_3$)
Silicified	A rock altered by addition of quartz
Siltstone	A fine-grained granular sedimentary rock
Skarn	Metamorphic rocks that form by the combined processes of heating from nearby intrusions and hydrothermal alteration created by the same intrusions
Slate	A fine-grained metamorphic **rock** that is created by the alteration of shale or mudstone by low-grade regional metamorphism
SRK	SRK Consulting (Australasia) Pty Ltd
Subduction	A geological process whereby oceanic rocks are thrust beneath other rocks (either continental or oceanic)
Supergene	Formed at or near the Earth's surface
Syenite	A coarse-grained intrusive igneous rock with a general composition similar to that of granite but with a lower quartz content
Syncline	The opposite of an anticline in that the strata are folded with the strata convex outwards and younging inwards
Synform	The opposite of an antiform in that the strata are folded with the strata convex downwards
Tenement	A general term for a Prospective, Exploration and/or Mining Lease.
Tertiary	A period of geological time (1.5 million years ago to 65.5 million years ago)
Tholeiite	A type of basalt commonly formed on the ocean floor
Tonalite	An intrusive rock of felsic composition where feldspar is present as plagioclase with 10% or less alkali feldspar and quartz makes up at least 20% of the rock.
tpa	tonnes per annum
Trondhjemite	An intrusive igneous rock that is a variety of tonalite in which the plagioclase is mostly in the form of oligoclase
Tuff	A rock made of volcanic ash of silt sized grains that is ejected from a volcanic vent during eruption
VALMIN Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets
Volcanic	Formed by or associated with a volcano
Volcaniclastic	Debris or rock formed from volcanic eruptions
VTEM	Versatile time domain electromagnetic survey
Weathered Rock	Rock which has been broken down by the influence of water and air and which becomes softened and partially decomposed

Executive Summary

At the request of Canterbury Resources Limited (Canterbury or the Company), SRK Consulting (Australasia) Pty Ltd (SRK) has prepared an Independent Technical Assessment Report (ITAR) on the Mineral Assets of Canterbury located in eastern Australia, Papua New Guinea (PNG) and Vanuatu (Figure ES-1). It is SRK's understanding that this report will be used in a prospectus to support an initial public offering (IPO) of shares (approximately 26 million fully paid shares at an issue price of A$0.30 per share to raise A$7.8 million in support of a proposed listing of the Company on the Australian Securities Exchange (ASX).

Canterbury is an unlisted public minerals exploration and development company which was incorporated in July 2011. Through a series of applications, plus acquisition and joint venture agreements, Canterbury has built a diverse portfolio of porphyry copper-gold and epithermal gold-silver interests in the southwest Pacific region.

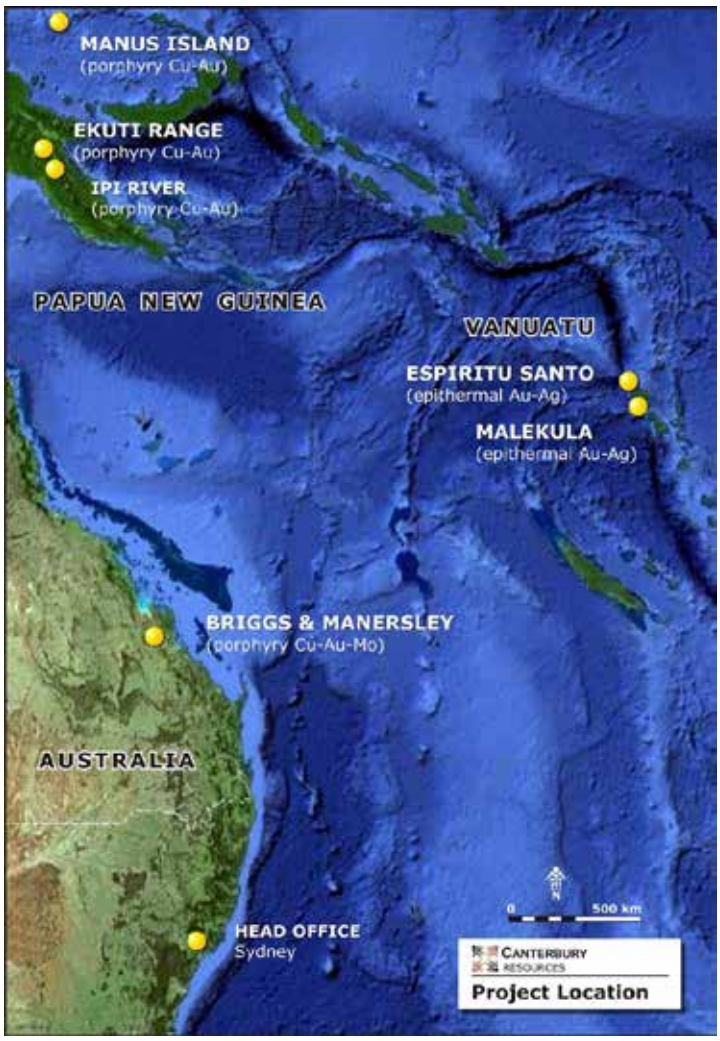

Figure ES-1: Location of Mineral Assets

Source: Canterbury

Mineral Assets

Canterbury's key mineral assets comprise a number of copper-gold porphyry and gold-silver epithermal projects in PNG, Vanuatu and Queensland (Figure ES-1), namely:

- A 100% interest in the Briggs and Mannersley Project in the Mount Morgan belt of central Queensland;
- A 100% interest in the Ekuti Range Project in Morobe Province of PNG;
- A 100% interest in the Ipi River application in Central Province of PNG;
- A 100% interest in the Bismarck Project, on Manus Island, PNG, which is the subject of a farm in and joint venture agreement whereby Rio Tinto Exploration (PNG) Limited may earn up to 80% interest; and
- A 100% interest in the Vanuatu Projects on Espiritu Santo and Malekula Islands, Vanuatu.

Collectively, these projects are known as the Mineral Assets" throughout this report.

Having secured a portfolio of prospective copper and gold properties in Australia, PNG and Vanuatu, Canterbury's exploration strategy is now focussed on delineating an economically viable resource base capable of transitioning the company from an explorer and developer to a mineral producer.

A number of prospects, but particularly the Ekoato Prospect within the Ekuti Range Project have been the focus of much of Canterbury's initial exploration since incorporation, with the Briggs Prospect within the Briggs and Mannersley Project coming to the fore more recently for additional exploration attention. Based on recent exploration activities, these projects have good potential for the definition of further zones of gold and copper-gold mineralisation. The remaining projects largely remain in the early stages of assessment or have only recently been acquired and hence remain to be fully evaluated by Canterbury.

Briggs and Mannersley Project

The Briggs and Mannersley Copper-Gold Porphyry Project comprises a disparate tenement holding totalling 33.7 km^2 in an area that covers volcanic and sedimentary rocks of the Mount Morgan belt in central Queensland. The project area may be accessed from the Dawson Highway and covers undulating country along the flanks of the Calliope and Mount Alma Ranges.

The Briggs and Mannersley permits have previously been the subject of considerable exploration dating from the late 1960s onwards and targeting the newly discovered Briggs porphyry. Since that time, various parties have conducted field examinations including drilling to fully understand the near surface potential of the porphyry mineralisation. All historical exploration was primarily focussed on targeting surface geochemical and shallow geophysical anomalies. While these are sound concepts for the discovery of near surface mineralised systems, experience in other parts of the world indicate porphyries are multiphase systems and that the surface expression is not always representative of potential mineralisation at depth. To this end more recent exploration has focused on deeper geophysical targets.

Canterbury has proposed to drill 9 holes for 3,000 m to initially test the Briggs target and to conduct geological mapping of the prospect given previous exploration does not appear to have compiled surface geochemistry, alteration and structure with existing drilling.

In SRK's opinion, the proposed exploration program for Briggs is consistent with the objective of advancing the project towards establishment of a resource. The proposed budget is aligned with the planned exploration activities. SRK considers the Briggs and Mannersley Project to be prospective for extending existing zones of mineralisation and delineating new areas of mineralisation.

Ekuti Range Project

Canterbury's Ekuti Range Copper-Gold Porphyry Project lies within the well-endowed Morobe Province in the Central Highlands of PNG. This globally significant region hosts the third party owned Wafi-Golpu (Cu-Au), and Hidden Valley (Au) Projects as well as extensive historic gold production from the nearby Bulolo and Edie Creek fields. The Ekuti Range Project comprises three granted exploration licences (EL) covering a combined area of 485.3 km^2 and encompassing a number of advanced prospects.

Previous exploration at the project has identified at least four copper-gold porphyry targets in addition to multiple narrow, high grade structures. Previous explorers drill assessed targets at the Otibanda, Waikanda and Sepanda Prospects encountering broad zones of low grade copper-gold (<0.8 g/t Au and <0.15% Cu) mineralisation, as well as narrow higher-grade shear/lode style mineralisation.

The Ekoato Prospect is the primary focus for Canterbury's ongoing exploration activities within the Ekuti Range Project. The Prospect is interpreted by Canterbury to represent the upper parts of a porphyry system and coincides with a bullseye magnetic geophysical anomaly. No drilling has been completed at the prospect to date.

Canterbury has proposed a 5 to 7 drill hole program to initially test targets at the Ekoato Prospect upon listing. In SRK's opinion the exploration program proposed appears well planned and is supported by the available geological and previous exploration data. Based on its review of the available technical data, SRK considers the Ekuti Range Project to be a highly prospective early stage exploration project.

Bismarck Project

The 511.5 km^2 Bismarck Project consists of two granted ELs located along the central southern portions of Manus island and covers several porphyry style copper and epithermal gold silver targets. Rio Tinto is currently farming into the project and has proposed drill testing buried geophysical targets in 2018. Canterbury has not proposed an exploration budget at this stage as its interests are being free carried by Rio Tinto Exploration (PNG) Limited in accordance with a Farm in and Joint Venture Agreement.

Other projects

Canterbury holds a 100% interest in a number of additional exploration projects in PNG and Vanuatu. These projects cover numerous conceptual or early stage copper-gold porphyry or gold-silver targets.

- The 932.1 km^2 Ipi River project comprises a single EL application (ELA 2509 Tapini). Most historical exploration has been directed towards the Ipi Prospect, where six diamond holes previously encountered wide zones (+50 m) of low grade copper-gold porphyry style mineralisation. Other targets of interest include the Kunimaipa, Kolaxi and Hane Prospects, which all remain at an early stage of assessment. Canterbury has not proposed a dedicated work program at this stage, with the project to be assessed as part of a regional targeting review once the tenure is granted.
- The Vanuatu project comprises a coherent tenure package comprising two granted ELs and three EL applications covering a combined area of 377.6 km^2 in the central portion of Malekula Island, and two EL applications covering 188 km^2 in central Espiritu Santo Island.

Collectively, these licences and licence applications cover the main historical targets in Vanuatu, including the Barius, Amethyst and Taoran – Livimboas Prospects. The Taoran – Livimboas Prospect is the most advanced prospect with previous drilling intersecting narrow zones of low grade gold mineralisation, with rare higher-grade intercepts. SRK considers that while previous superficial exploration has been conducted, the Project remains prospective for epithermal gold-silver and porphyry copper-gold mineralisation and as such further exploration is warranted.

Exploration Potential

In SRK's opinion, Canterbury's project areas in Queensland (Australia), PNG and Vanuatu hold good potential for extending existing mineralisation and/or the discovery of epithermal and porphyry related copper-gold and gold-silver mineralisation. This view is based on the location of the projects within belts of known mineralisation; the presence of multiple zones of anomalous base and precious metal mineralisation; the results of exploration activities conducted to date and the lack of modern exploration throughout much of Canterbury's project areas, particularly in PNG and Vanuatu.

The results from Canterbury's initial exploration over the Briggs and Ekuti Range project areas has been encouraging. These programs have shown these areas to be highly prospective for the delineation of additional mineralisation. Furthermore, Canterbury's use of modern geochemical and geophysical exploration techniques has succeeded in identifying a number of new targets in addition to those associated with areas of known mineralisation.

In addition to favourable geology, Canterbury's ultimate success in discovering and developing copper-gold and gold silver deposits within its portfolio will in SRK's opinion depend upon the skills of its exploration team. In SRK's opinion, Canterbury has the key elements in place to achieve its objectives. Furthermore, SRK considers Canterbury's exploration strategy to be justified and is satisfied that the proposed exploration programs have been well defined and are appropriate.

Proposed Work Program and Budget

Canterbury has outlined a staged two-year exploration budget in order to progress its Mineral Assets. Funds are to be directed principally towards further drill testing and advancement of its prospects within the Briggs and Mannersley Project, as well as the Ekuti Range Project, towards resource definition. In addition, a portion of the funds will be directed to conduct further regional exploration over its Ipi River and Vanuatu Projects, once the current applications are granted. The Bismarck Project is expected to be free carried under the current farm in and joint venture arrangements.

Table ES-1: Canterbury – proposed exploration budget

Project	Year 1	Year 2	Total
Briggs & Mannersley	1,512,100	-*	1,512,100
Ekuti Range	2,327,100	-*	2,327,100
Follow-up drilling at Briggs/Ekuti Range	-	2,000,000	2,000,000*
Bismarck	0**	0**	0**
General Exploration	164,000	254,000	418,000
Corporate	692,500	692,500	1,385,000
IPO Costs	651,449	0	651,449
TOTAL	**$5,347,149**	**$2,946,500**	**$8,293,646*** **

Note: * Year 2 funds to be applied at Briggs and Ekuti Range based on results in Year 1
** expected to be free carried
*** total budget includes existing funds on hand plus funds to be raised under the IPO.

SRK considers the proposed exploration programs and budget to be appropriate considering the differing styles of mineralisation and the maturity of the targets to be assessed. These work programs have been designed to realise the potential of the project areas in a prudent and efficient manner with the objective of discovering and delineating further copper-gold porphyry and gold-silver epithermal mineralisation able to be converted to resources in order to provide the impetus for the future growth of the company.

1 Introduction

1.1 Background

SRK Consulting (Australasia) Pty Ltd ("SRK") was requested by Canterbury Resources Limited ("Canterbury", or the "Company" or the "Client") to prepare an Independent Technical Assessment Report ("ITAR") to be included in a Prospectus to be lodged with the Australian Securities and Investments Commission ("ASIC") for a proposed listing of Canterbury on the Australian Securities Exchange ("ASX"). The purpose of the Prospectus is to offer for subscription of approximately 26 million ordinary shares at an issue price of A$0.30 per share to raise a total of A$7.8 million before the costs of the issue in order to fund the future assessment of Canterbury's mineral tenements.

The key mineral assets to be considered in this report comprise a number of copper-gold porphyry and gold-silver epithermal projects, namely:

- A 100% interest in the Briggs and Mannersley Project in central Queensland;
- A 100% interest in the Ekuti Range Project in Morobe Province of Papua New Guinea ("PNG");
- a 100% interest in the Bismarck Project on Manus Island, PNG (reducing to 40%, and potentially 20%, in accordance with a Farm in and Joint Venture Agreement with Rio Tinto Exploration (PNG) Limited);
- A 100% interest in the Ipi River application in Central Province, PNG; and
- A 100% interest in the Vanuatu Projects on Espiritu Santo and Malekula Islands, Vanuatu.

Collectively, these projects are known as the "Mineral Assets" throughout this report.

This report is intended to properly inform readers of the current status and exploration potential of the Company's mineral assets, and as such presents the following key technical information as at the Effective Date (defined below):

- An overview of the geological setting of Canterbury's mineral assets and the associated mineralisation;
- Outline the historical and recent exploration work undertaken at each of the projects;
- Present the exploration results reported in accordance with the terms and definitions of the JORC Code (2012) (defined below);
- Express SRK's opinion on the exploration and development potential of the projects; and
- Consider the appropriateness of Canterbury's budgeted work programs.

Certain units of measurements, abbreviations and technical terms are defined in the glossary of this report. Unless otherwise explicitly stated all quantitative data as reported in this report are reported on a 100% basis.

1.2 Reporting Compliance, Reporting Standard and Reliance

1.2.1 Reporting Compliance

This report has been prepared to the standard of, and is considered by SRK to be, a Technical Assessment Report under the guidelines of the *2015 edition of the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets* (the "VALMIN Code").

The VALMIN Code incorporates the "*2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves as published by the Joint Ore Reserves*

Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia" (the "JORC Code").

As per Clause 19 of the JORC Code (*for significant projects the reporting of all criteria of sections 1 and 2 of Table 1 on an 'if not, why not' basis is required, preferably as an appendix*), the required sections are included in Appendix 1 to which this report refers.

1.2.2 Reliance on SRK

SRK is responsible for this report and for all of the technical information that has been directly extracted from the report and reported in any documents associated with the proposed ASX listing to be released by the Company in connection with the Prospectus and to be dated around the same date as the report.

SRK declares that it has taken all reasonable care to ensure that the information contained in the report is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

SRK confirms that the presentation of information contained elsewhere in published documents associated with the proposed ASX listing which relates to information in the report is accurate, balanced and not inconsistent with the report.

SRK considers that its opinion must be considered as a whole and that selecting portions of the analysis or factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the opinions presented in this report. The preparation of a report is a complex process and does not lend itself to partial analysis or summary.

SRK has no obligation or undertaking to advise any person of any development in relation to the Mineral Assets which comes to its attention after the date of this report or to review, revise or update the report or opinion in respect of any such development occurring after the date of this report and its 'no material change' statement.

1.3 Base Technical Information, Effective Date and Publication Date

The base technical information date, and the Effective Date of the report is 29 June 2018 (the "Effective Date"). The technical information has been prepared as at the Effective Date.

As at the publication date of this report, SRK is not aware that any material change has occurred since the Effective Date. This includes, inter alia, no material change to the technical information as reported in this report.

1.4 Verification and Validation

This report is dependent upon technical, financial and legal input. In respect of the technical information as provided by the Company and taken in good faith by SRK, and other than where expressly stated, any figures presented have not been independently verified by means of re-calculation. SRK has however conducted a review and assessment of all material technical issues likely to influence the technical information included in this report, which included the following:

- A review of the historical data made available by the Company in respect of the Mineral Assets;
- Dr Stuart Munroe visited the Briggs permit (EPM 19198) on 9 February 2018 to inspect the style of mineralisation present within the Briggs and Mannersley Project. The Mannersley permit (EPM 18504) was not visited at this time, as the landowner access agreement remained to be finalised;
- Dr Munroe also visited the Ekoato prospect within the Ekuti Range Project on 5 March 2018 where the mineralisation in Kaiwama Creek (immediate drill target) was observed;

- The Bismarck Project in PNG was not visited as the Project is currently being managed and sole-funded by Rio Tinto, and no funds raised in this IPO are being spent on it;
- The Ipi River project in PNG was not visited as that licence remains under application;
- The granted leases in Vanuatu have not been visited as there is relatively little exploration proposed. Dr Munroe has previously visited and geologically mapped the Taoran and Livimboas prospects on Malekula in the late 1990s (now on PL1836) when it was held by a previous third-party explorer; and
- Enquiry of Canterbury's key project and head office personnel during late-2017 and into 2018.

SRK has also assessed the reasonableness of the commodity price assumptions in the projections reported herein.

Accordingly, Canterbury has provided technical data (geological information, assay information, exploration programs) to SRK for the purpose of this review and inclusion in the report. SRK confirms that it has performed all necessary validation and verification procedures deemed necessary and/or appropriate by SRK in order to place an appropriate level of reliance on such technical information.

1.5 Limitation, Reliance on Information, Declaration, Consent and Cautionary Statements

1.5.1 Limitations

The technical information supplied by Canterbury to SRK relies on assumptions regarding certain forward-looking statements. These forward-looking statements are estimates and involve a number of risks and uncertainties that could cause actual results to differ materially. The projections as presented and discussed herein have been proposed by Canterbury's management and cannot be assured. They are necessarily based on economic assumptions, many of which are beyond the control of the Company. Future cashflows and profits derived from such forecasts are inherently uncertain and actual results may be significantly more or less favourable. Unless otherwise expressly stated all the opinions and conclusions expressed in this report are those of SRK.

1.5.2 Reliance on Information

SRK has relied upon the accuracy and completeness of technical, financial and legal information and data furnished by or through Canterbury.

Canterbury has confirmed to SRK that, to its knowledge, the information provided by it (when provided) was complete and not incorrect or misleading in any material respect. SRK has no reason to believe that any material facts have been withheld. Whilst SRK has exercised all due care in reviewing the supplied information, SRK does not accept responsibility for finding any errors or omissions contained therein and disclaims liability for any consequences of such errors or omissions.

SRK has not undertaken any accounting, financial or legal due diligence of the Mineral Assets or the associated company structures and the comments and opinions contained in this report are restricted to technical and economic aspects associated with the Mineral Assets. Where aspects of legal issues, marketing, commercial and financing matters, insurance, land titles and usage agreements, and any other agreements and/or contracts Canterbury may have entered into are covered in this report, SRK has relied on information provided by the Client. SRK has not researched property title or mineral rights for the concession area and expresses no opinion as to the ownership status of the property.

This report includes technical information, which requires subsequent calculations to derive subtotals, totals and weighted averages. Such calculations may involve a degree of rounding and consequently introduce an error. Where such errors occur, SRK does not consider them to be material.

Financial Reliance

In considering all financial aspects relating to Canterbury's Mineral Assets, SRK has placed reliance on the Company that the following information is appropriate as at the Effective Date (defined in Section 1.3):

- Operating expenditures as included in the Company's development strategy and exploration programs
- Capital expenditures as included in the Company's development strategy and exploration programs
- All statutory and regulatory payments [and those due to other third parties] as may be necessary to execute the Company's development strategy and exploration programs.

Legal Reliance

In consideration of all legal aspects relating to Canterbury's Mineral Assets, SRK has placed reliance on the representations of the Company that the following are correct as of the Effective Date (defined in Section 1.3) and remain correct until the Publication Date (defined below):

- That save as disclosed in the supplement to the Schedule One, the Company Directors are not aware of any legal proceedings that may have any influence on the rights to explore, develop and mine the minerals present within and associated with the Company's Mineral Assets;
- That the legal owners of all mineral and surface rights have been verified; and
- That no significant legal issue exists which would affect the likely viability of the exploration and production licences as reported herein.

1.5.3 Declaration

Neither SRK nor the persons (as identified under Section 1.7, below) responsible for authoring this report, nor any Directors of SRK have at the date of this report, nor have had within the previous two years, any shareholding in the Company, the Mineral Assets, or any other economic or beneficial interest (present or contingent) in any of the assets being reported on. SRK is not a group, holding or associated company of the Company. None of SRK's partners or officers are officers or proposed officers of any group, holding or associated company of the Company.

Further, no person involved in the preparation of this report is an officer, employee or proposed officer of the Company or any group, holding or associated company of the Company. Consequently, SRK, the authors and the Directors of SRK consider themselves to be independent of the Company, its directors, senior management and technical consultants.

SRK will receive a fee for the preparation of this report in accordance with normal professional consulting practices. This fee is not dependent on the findings of this report or the success of the proposed ASX listing and SRK will receive no other benefit for the preparation of this report. Neither SRK nor any of the authors have any pecuniary or other interests that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Mineral Assets.

1.6 Indemnities Provided by the Company

Canterbury has warranted, in writing to SRK, that full disclosure has been made of all material information and that, to the best of its knowledge and understanding, such information is complete, accurate and true.

As recommended by the VALMIN Code, Canterbury has provided SRK with an indemnity under which SRK is to be compensated for any liability and/or any additional work or expenditure resulting from any additional work required:

- which results from SRK's reliance on information provided by Canterbury or from Canterbury not providing material information; or
- which relates to any consequential extension workload through queries, questions or public hearings arising from this report.

1.7 Qualifications of Consultants and Competent Persons

The SRK Group comprises over 1,400 staff, offering expertise in a wide range of mining and resource engineering disciplines with 45 offices located on six continents. The SRK Group prides itself on its independence and objectivity in providing clients with resources and advice to assist them in making crucial judgment decisions. For SRK this is assured by the fact that it holds no equity in either client companies/subsidiaries or mineral assets.

SRK has a demonstrated track record in undertaking independent assessments of resources and reserves, project evaluations and audits, Competent Persons' Reports, Mineral Resource and Ore Reserve Compliance Audits, Independent Valuation Reports and independent feasibility evaluations to bankable standards on behalf of exploration and mining companies and financial institutions worldwide. SRK has also worked with a large number of major international mining companies and their projects, providing mining industry consultancy service inputs. SRK also has specific experience in commissions of this nature.

This report has been prepared based on a technical and economic review by a team of consultants sourced from SRK's offices in Australia. These consultants have extensive experience in the mining and metals sector and are members in good standing of appropriate professional institutions. The consultants comprise specialists in the fields of: geology and resource estimation and project evaluation (hereinafter the "Technical Disciplines").

The Competent Person who undertook the site visit to the PNG and Queensland assets and has reviewed the mineral exploration aspects of the project portfolio as reported by Canterbury is Dr Stuart Munroe, BSc (Hons), PhD (Structural Geology), MAusIMM (CP), who is a full-time employee of SRK. Dr Munroe is a Member of the AusIMM. Dr Munroe has over 20 years' experience in the mining and metals industry and qualifies as a Competent Person as defined in the JORC Code (2012).

The Competent Person who has overall responsibility for the report is Mr Jeames McKibben, BSc (Hons), MBA, MAusIMM(CP), MAIG, MRICS (Registered Valuer and Chartered Valuation Surveyor), who is a Principal Consultant at SRK's Brisbane office. He is a current member of the VALMIN Code Review Committee. Mr McKibben has 25 years' experience in the mining and metals industry and also has been involved in the preparation of Independent Geologists' Reports comprising technical evaluations of various mineral assets internationally during the past 15 years, which is relevant to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012).

Table 1-1 provides a summary of the key report contributors.

Table 1-1: Responsibility table summarising the key contributors

Competent Persons					
Competent Person	**Position/Company**	**Responsibility**	**Independent of Canterbury**	**Date of last site visit**	**Professional designation**
Jeames McKibben	Principal Consultant (Project Evaluation)/SRK Consulting (Australasia) Pty Ltd	Overall report	Yes	None	BSc(Hons), MBA, MAusIMM(CP), MAIG, MRICS
Stuart Munroe	Principal Consultant (Geology)/SRK Consulting (Australasia) Pty Ltd	Exploration Results	Yes	March 2018	BSc(Hons), PhD, GDip AppFin Inv, MAusIMM,
Chris Woodfull	Principal Consultant (Geology)/SRK Consulting (Australasia) Pty Ltd	Peer Review	Yes	None	BSc(Hons), MSc, MAusIMM, MAIG, GAICD

SRK notes its previous involvement in relation to Canterbury's assets comprise:

- In May 2017, SRK and the authors of this report prepared a value opinion in relation to Canterbury's Ekuti Range, Briggs and Mannersley and Vanuatu Projects for internal decision-making purposes.
- In the late 1990s, SRK and Dr Munroe were involved with the Malekula Project in Vanuatu when it was held by a previous explorer.

2 Overview of Canterbury

2.1 Introduction

Canterbury Resources Limited is a minerals exploration and development company with a key focus on porphyry copper-gold and epithermal gold-silver deposits in the southwest Pacific region, in particular in Australia, Papua New Guinea (PNG) and Vanuatu. The Company was registered on 19 July 2011 with the Australian Securities and Investment Commission ("ASIC") as Australian Company Number ("ACN") 152 189 369. The Company is domiciled in Sydney, New South Wales and currently operates through five controlled subsidiary entities:

- Canterbury Exploration Pty Ltd – 100% Australian Incorporated Company; ACN 153 459 137;
- Canterbury Resources (PNG) Ltd – 100% Papua New Guinean Incorporated Company (previously known as Kilcoo Limited); CN 100071;
- Capella Ventures Pty Ltd – 100% Australian Incorporated Company; ACN 151 411 317;
- Capella Vanuatu Limited – 100% Vanuatu Incorporated Company held by Capella Ventures Pty Ltd; CN36728; and
- Finny Ltd – 100% Papua New Guinean Incorporated Company; CN 104673.

Canterbury's corporate structure is summarised in Figure 2-1.

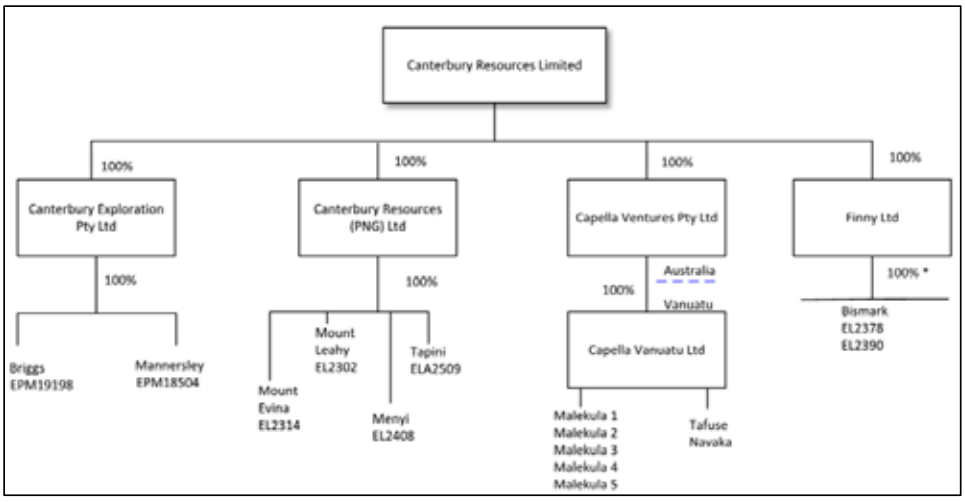

Figure 2-1: Canterbury's corporate structure

Source: SRK analysis.

Notes: *At the time of writing, Finny held a 100% interest, however Rio Tinto Exploration (PNG) Pty Ltd has recently met its expenditure requirements for Stage-1 earn in under the existing agreement, whereby it will have earnt a 60% joint venture interest once it has provided the relevant notices and completes reporting obligations to Finny– this process is expected to take 1 to 2 months to complete.

Canterbury was formed in order to discover gold and copper in the southwest Pacific and eastern Australian regions. In 2012, Canterbury acquired Capella Ventures Pty Ltd, a company holding five applications on the island of Malekula in Vanuatu which were deemed prospective for epithermal gold-silver and porphyry copper-gold mineralisation. These tenements were supplemented between 2014 and 2016 with the application and granting of three exploration licences in the Morobe Province of PNG, plus an application covering the Ipi River Project in Central Province, PNG. In 2017, Canterbury further enhanced its tenement holdings by acquiring the Briggs and Mannersley tenements

in the Mount Morgan belt of central Queensland from Rio Tinto, which was followed in 2018 with the acquisition of interests in the Bismarck Joint Venture in PNG (in collaboration with Rio Tinto).

Having secured a portfolio of prospective copper and gold properties in Australia, PNG and Vanuatu, Canterbury's exploration strategy is focussed on delineating an economically viable resource base capable of transitioning the company from an explorer and developer to a mineral producer.

2.2 Corporate Objectives

Canterbury has developed its corporate objectives within a distinct commercial framework, which SRK has assessed to be as follows:

Specialist explorer. Canterbury has established itself as a specialist copper-gold±molybdenum porphyry and gold-silver epithermal explorer with a particular emphasis on the southwest Pacific region. This region hosts some of the world's largest gold-silver and copper-gold deposits including Ok Tedi (17 Moz, Au, 6 Mt Cu), Porgera (7 Moz, Au), Lihir (30 Moz Au), Vatukoula (11 Moz Au), Wafi-Golpu (26 Moz Au, 9 Mt Cu), Panguna (25 Moz Au, 7 Mt Cu), Mount Morgan (8.4 Moz Au, 1.1 Moz Ag, 387 kt Cu) and Mount Carlton (1.4 Moz Au).

Focus on areas with demonstrated prospectivity and/or production. Canterbury has acquired the rights to an extensive tenement holding in well-established porphyry/epithermal provinces of PNG and Australia. Canterbury's objective is to re-examine these areas using advanced technologies to complement traditional geological, geochemical and geophysical methods to define deposits of at least a million ounces of gold (or its equivalent). The Company intends to generate targets using conceptual models to explore for:

- Higher grade copper-gold zones within large, low-grade porphyry hosted copper-gold deposits; and
- Moderate to high grade gold-silver deposits located within epithermal vein systems.

Experienced team. Canterbury intends to operate with a small team experienced in porphyry and epithermal exploration. As principals of Canterbury – Grant Craighead and Michael Erceg are highly regarded specialists in the exploration of porphyry and epithermal deposits. Mike has made significant contributions to the discovery and/or delineation of the Red Dome and Mungana deposits in Queensland, as well as the Wafi-Golpu and Ok Tedi deposits in PNG, while Grant has enjoyed successes at Red Dome, Mungana and Wafi-Golpu.

Joint Venture opportunities. Canterbury has secured joint venture arrangements with Rio Tinto, under which Canterbury is free carried during initial exploration at the Bismarck Project in PNG. While Canterbury intends to directly fund the ongoing evaluation of its other key projects, in the foreseeable future, the Company will consider other joint venture opportunities.

2.3 Mineralisation Styles Targeted

2.3.1 Porphyry Copper-Gold Deposits

Porphyry copper-gold deposits are generally of low metal tenor (commonly <1% Cu and <1 gram/tonne (g/t) Au) but may form large bulk-mineable resources and hence potentially represent high-value mineralised systems. While the porphyry copper-gold deposits of Australasia are broadly similar to examples of this style in other magmatic arcs (i.e. western USA and Chile), the high gold content of Australasian porphyry occurrences, relative to copper and molybdenum is a characteristic typical of many southwestern Pacific deposits.

Porphyry copper-gold deposits are interpreted to have formed at relatively deep (1 to 2 km) crustal levels (Figure 2-2). Mineralisation commonly occurs around smaller intrusions that develop from larger

magmatic masses at depth. Higher grade mineralisation is commonly associated with repeated emplacement of porphyritic intrusions.

The chalcopyrite–bornite–pyrite mineral assemblages typical of porphyry systems may be hosted within vein stockwork and sheeted quartz veins, or as fracture coatings, and less commonly as breccia fill. The highest ore grades are commonly close to the intrusion margin and often extend into the country rocks. Weathering of sulphide-rich porphyries may generate acidic groundwater that leach copper from upper levels of the system to subsequently replace sulphides near and below the base of oxidation, to form underlying chalcocite enrichment blankets of higher (1 to 2% Cu) metal grades. Copper and gold concentrate separately during weathering and oxidation (secondary) processes. Secondary gold enrichment occurs at near-surface settings, close to and above the base of oxidation.

2.3.2 Epithermal Gold-Silver Deposits

Epithermal gold-silver mineralisation develops at shallower crustal levels than porphyry systems, most commonly less than 1 km depth. Relatively, younger gold-silver mineralisation may be superimposed upon older porphyry systems that originally formed at deeper crustal levels and have been subsequently uplifted and eroded. Epithermal gold-silver-copper deposits may be distinguished into high-sulphidation and low-sulphidation styles on the basis of the environment of formation, hydrothermal fluid geochemistry and ore mineral assemblages (Figure 2-2).

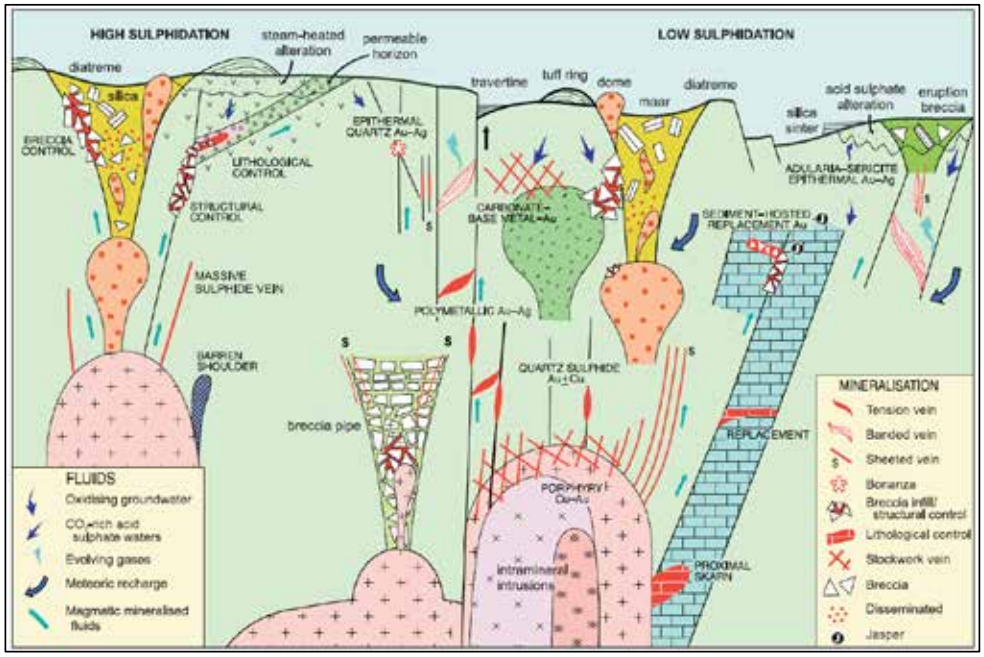

Figure 2-2: Conceptual model for styles of Pacific magmatic arc copper – gold - silver mineralisation

Source: After Corbett, 2002.

3 Queensland Projects

3.1 Project Setting

Canterbury holds a 100% interest in two separate Exploration Permits for Minerals (EPMs) in central Queensland, which are considered by the Company to be prospective for porphyry hosted copper-gold mineralisation.

The EPMs fall within an area stretching from Latitude 23°58'53" N to 24°04'00" N and Longitude 150°42' E to 150°52'00" E, which is covered by the Rockhampton (SF56-13) and Monto (SG56-01) 1:250,000 scale, as well as the Bajool (9050) and Biloela (9049) 1:100,000 scale topographic maps.

These EPMs are situated approximately 395 km north-northwest of Brisbane, 50 to 60 km west, southwest of Gladstone and 70 km south-southeast of Rockhampton.

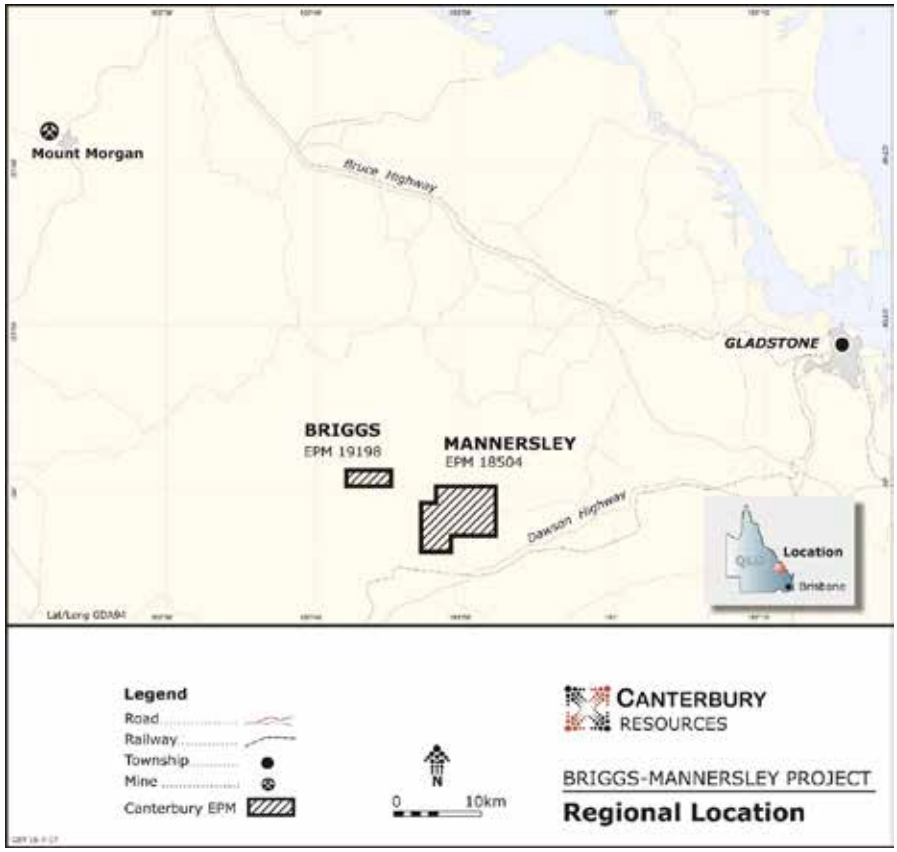

Figure 3-1: Location of the Briggs and Mannersley Project in central Queensland

Source: Canterbury.

The EPMs lie to the north of, and can be accessed from, the Dawson Highway approximately 72 km from Gladstone and 50 km west of Calliope and then via Duck Holes Road, Mount Alma Road and Fig Tree Road. Secondary station tracks provide adequate access through the EPMs. Rail connections are equally good with the Moura/Gladstone rail line, located immediately south of the EPMs providing links to multi-commodity shipping ports.

The city of Gladstone (population 61,640; 2016 census) is a major source of mining equipment and services to the surrounding region, as well as the coal mines of the Bowen Basin. Gladstone is well served in terms of infrastructure, with a range of industrial, retail, medical, accommodation, educational recreation and social facilities and amenities and is serviced by daily flights with connections to Brisbane.

The EPMs cover steep to undulating country and river flats to the east of the Calliope Ranges and south of the Mount Alma Ranges. The EPMs lie within the headwaters of the southeast flowing Calliope River and several tributaries of the ephemeral Alma and Harper Creeks. The highest point across the area is Mount Redshirt, which attains an elevation of 920 m above sea level, with elevations in the EPMs ranging from 65 m to 360 m. While much of the land has been cleared for low intensity cattle grazing, native vegetation includes broad-leaved ironbark, narrow leaved ironbark, blood wood, gum-topped box, poplar box or mixtures of these on undulating slopes.

The region experiences a sub-tropical maritime climate with hot summers and mild winters, with heavy falls likely from severe thunderstorms and occasionally from tropical cyclones typically occurring from November to April. Annual rainfall varies across the region from 890 mm at Gladstone to 691 mm at Biloela. Exploration activities may be able to be conducted year-round but may be curtailed intermittently over summer due to localised flooding and wet ground.

3.2 Project Tenure

Through its wholly owned subsidiary company, Canterbury Exploration Pty Ltd, Canterbury holds a 100% interest in the Briggs and Mannersley Project, which comprises two granted EPMs covering a combined area of 33.7 km^2. Details of these EPMs are summarised below:

Both EPMs are reportedly excluded from Native Title (QDME website) and are on the “Mount Alma”, “Colenso” and “Figtree” freehold properties.

The Briggs EPM overlaps the eastern edge of the Don River State Forest, although no exploration is proposed over the State Forest area.

All permits are reportedly in good standing and no impediments to operating currently known to exist. For further details regarding the status of these tenements, readers should refer to the Legal Report contained elsewhere within Canterbury’s Prospectus.

Table 3-1: Mineral assets held by Canterbury Exploration Pty Ltd (Briggs and Mannersley)

Name	Number	Status	Grant Date	Expiry Date	Area – sub-blocks (km^2)	Annual Rent (A$)	Current Commitment (A$)
Briggs	EPM19198	Granted	16/12/2011	15/12/2021	3 (9.4)	415.50	346,000
Mannersley	EPM18504	Granted	13/10/2010	10/12/2020	16 (24.3)	2,408.00	346,000

Source: MyMinesOnline and Canterbury.

3.2.1 Agreements

In early 2017, Canterbury acquired a 100% interest in the Briggs (EPM19198) and Mannersley (EPM18504) permits from Rio Tinto Exploration Pty Ltd (Rio Tinto). Key acquisition terms were:

- A$100,000 payment to Rio Tinto (satisfied by 1M Canterbury shares at A$0.10/share);
- Rio Tinto retains a 1% net smelter royalty; and
- Rio Tinto has a back-in option to claw back 60% joint venture equity by paying Canterbury A$15 million in cash and sole funding the next A$50 million of joint venture expenditure.

3.3 Geological Setting

3.3.1 Regional Geology

The EPMs lie within the Calliope Block of the Yarrol Province within the New England Orogen of central Queensland. Rocks of the Calliope Block comprise volcaniclastic sediments, coralline limestone lenses and volcanic rocks.

Within the surrounding region to the project area, the stratigraphic sequence is dominated by volcanic and sedimentary rocks of the Devonian age (359 to 419 Ma), Capella Creek Group, which have been intruded and thermally altered by the Permian to Triassic age (201 to 299 Ma) intrusions, principally the Galloway Plains Tonalite and associated granitoids.

The Capella Creek Group is subdivided into three formations; namely the Mount Dicks Beds, Mount Warner Volcanics and the Raspberry Creek Formation as shown in Table 3-2.

Table 3-2: Stratigraphy of the Briggs and Mannersley project area

Lower Carboniferous	Rockhampton Group	Oolitic limestone and ooid sandstones
Late Devonian	Mount Morgan Trondhjemite	Biotite – Hornblende Trondhjemite
	Three Moon Conglomerate	Conglomerate and minor andesite
	Mount Alma Formation	Siliceous sediments
	Balacalava Formation	Rhyolitic ignimbrite and acid volcaniclastics
	Mount Hoopbound Formation	Andesitic lavas and volcaniclastics
Middle Devonian	Capella Creek Group	
	Ginger Creek Member	Acid lavas and volcaniclastics
	Raspberry Creek Beds	Andesite lavas and sediments
	Mount Warner Volcanics	
	Hanging-wall Sequence	Acid volcaniclastics
	Banded Mine Sequence	Jaspers and siliceous sediments
	Silicified Rhyolite Sequence	Acid lavas and siliceous sediments
	Footwell Sequence	Andesitic volcaniclastics
	Mount Dick Beds	
	Sedimentary Sequence	Siltstone and sandstone
	Lava units	Andesitic, dacitic and rhyolitic lava
Early Devonian	Mount Holly Beds	Acid lavas and sediments, limestones

South of the Briggs and Mannersley EPMs is the Galloway Plains Tonalite, which intruded the volcanic and sedimentary sequence in the Late Permian - Triassic (260 - 200 million years ago). There is considerable contact metamorphism of the host rocks at the margin of the Galloway Plains Tonalite.

Locally, the tonalite is cut by multiple northeast-oriented rhyolite dyke swarms, interpreted to be related to the younger Mount Redshirt Granite. Less extensive unnamed Permian gabbro/diorite intrude sedimentary sequences further north and are present at the Briggs copper-gold prospect where these intrusions were observed to overprint quartz veining within the intrusions.

The stratigraphic sequence is gently to moderately folded along northwest trending axes by the regional Bindawalla Anticline and faulted to the west by extensions to the Moonal Fault. These structures are interpreted to have formed in the Permian prior to emplacement of the Galloway Plains Tonalite. Dips on the flanks of the anticline are moderate (<30°) and are relatively consistent, while

the core of the anticline is somewhat more complex hosting several normal faults and porphyry and aplite dyke intrusions. There is abundant vertical block-faulting.

3.3.2 Local Geology

Briggs EPM

The geology of the Briggs EPM is characterised by a multi-phase porphyritic granodiorite complex (the Briggs Intrusive Complex) that has intruded late Devonian - early Carboniferous (299 to 359 Ma) andesitic lavas and pyroclastics, with minor limestone and clastic material (Figure 3-2). The Briggs Intrusive Complex is located at the intersection of a major northwest trending lineament that has been disrupted by later northeast oriented faults.

The Briggs Intrusive Complex has been divided by previous explorers into two lobes (western and eastern lobe), separated by contact metamorphosed country rock. The surrounding country rock dips gently to the northeast and strikes northwest.

The northwest structural corridor has been noted by previous explorers at Briggs. A regional structural corridor in the same orientation has also been identified in magnetic geophysical data between the Briggs and Mannersley EPMs.

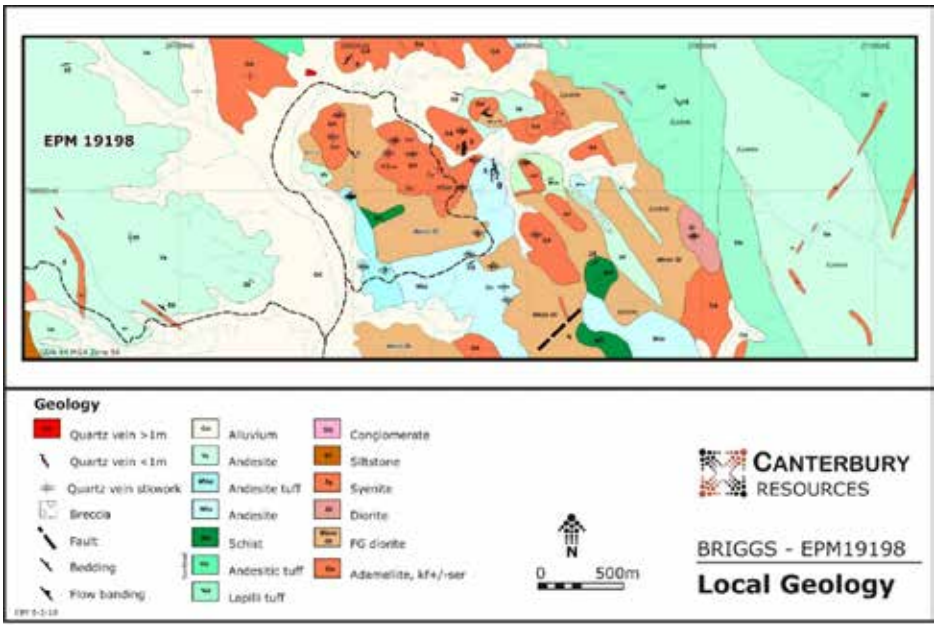

Figure 3-2: Biggs EPM19198 geology

There are two main sets of dyke orientations. The dominant group strike between 115° and 140° and the lesser between 040° and 050°. Commonly, dykes have intruded along shear zones and fault planes. These dykes are flow banded, have chilled margins against country rock and postdate all other rock types (Figure 3-3).

A typical porphyry alteration pattern is observed at Briggs with a large propylitic halo surrounding a zone of phyllic and potassic alteration. The relationship between alteration and mineralisation has yet to be well established at Briggs. Possibly there are multiple events and the alteration may be unrelated to the copper mineralisation.

Figure 3-3: Stockwork quartz veins in Briggs intrusion, overprinted by a later un-mineralised dyke

Source: SRK site visit.

Figure 3-4: Secondary copper mineralisation (malachite $Cu_2CO_3(OH)_2$) of fracture coatings overprinting a quartz vein at the Briggs prospect

Source: SRK site visit.

Mannersley EPM

The Mannersley EPM is centred on a quartz diorite porphyry that has intruded late Devonian to early Carboniferous sediments and volcanic rocks. The sedimentary sequence is composed of dark grey mudstone, interbedded fine-grained cherty siltstones, felsic volcaniclastic sandstones, polymictic conglomerate, fine to coarsely fragmental lithic crystal tuffs and andesite to dacite volcanic flow rocks.

The dominant country rock in the area is a siliciclastic sedimentary sequence, which has been contact metamorphosed to at least biotite grade or hornblende hornfels. Alteration is dominated by

disseminated and veined chlorite, epidote and albite (propylitic assemblage) and muscovite and pyrite (phyllic alteration). Siderite is frequently seen along vein margins.

The Mannersley prospect is a multi-phased intrusive system with two main variants; quartz diorite and quartz diorite porphyry. Four different felsic to intermediate intrusives were recognised upon drilling and range from hornblende-microdiorite, hornblende andesite, porphyritic latite to biotite tonalite. Due to the similar composition and interpreted emplacement time, contacts between the hornblende microdiorite and the hornblende andesite are transitional and therefore considered as one lithological unit.

3.3.3 Mineralisation

Briggs EPM

Primary mineralisation at the Briggs EPM consists of chalcopyrite, pyrite and minor molybdenite. Primary copper minerals are found disseminated and in veins associated with quartz + oligoclase, while molybdenite is commonly found coating fractures and associated with veins of pyrite-quartz-albite. Both copper and molybdenum occur within the main intrusive phase and adjacent to the intrusive in the contact metamorphic zone. Garnet-magnetite skarns occur where intrusive bodies are in contact with calcareous sedimentary units.

The creeks near the mineralisation at Briggs show evidence of infrastructure built to support historic alluvial gold mining, which was observed during SRK's site inspection. There is no recorded production from the area and no specific known gold occurrences, however there may be a gold association as there is at Mannersley.

Mannersley EPM

Sulphide mineralisation is dominated by disseminated pyrite with very minor disseminated chalcopyrite, however chalcopyrite and molybdenite are evident in a few translucent quartz veins.

The highest copper values occur within hornblende (-quartz) microdiorite to andesite near the contact to biotite tonalite or metasedimentary units of the surrounding country rock.

Garnet-magnetite skarns occur where intrusive bodies are in contact with calcareous sedimentary units. Gold is typically associated with chalcopyrite or disseminated pyrite.

3.4 Project History

3.4.1 Briggs

Previous explorers over the Briggs area included Noranda Australia Ltd (Noranda), (1969 to 1972), Geopeko Limited (Geopeko), (1970s), Plutonic Operations Ltd (Plutonic), (1980s), CRA Exploration Pty Ltd (CRAE) (1990s) and Rio Tinto Exploration Pty Limited (Rio Tinto), (2011 - 2017). Drilling was completed by Noranda, CRAE, Geopeko and Rio Tinto. Drill collars are detailed in Table 3-3 and significant intercepts are documented in JORC (2012) Table 1 in Appendix 1.

Noranda initially discovered anomalous copper and molybdenum during stream sediment geochemical surveying before completing ridge and spur soil and grid soil sampling, rock chip sampling and a small trenching program. These geochemical programs were followed by ground Induced Polarisation (IP) and magnetic geophysical surveys, which outlined a magnetic low coinciding with an intrusion and demonstrating good correlation between the magnetic highs and IP frequency response. Nine percussion holes (total 390 m) and 5 diamond holes (total 595 m) were subsequently completed. These holes were designed to test areas where anomalous copper and molybdenum in soils corresponded with IP anomalies and the Briggs intrusive or stock. Zones of alteration corresponding with surface geochemistry and IP anomalism were also targeted as a lower priority.

The main sulphide minerals identified during drilling were chalcopyrite, pyrite, minor molybdenite and trace sphalerite. Copper mineralisation was found to be mainly associated with widespread disseminations and veining throughout the tested portion of the intrusion and hornfels immediately adjacent. A relationship between mineralisation and alteration was also observed with the best mineralised intervals having an intense quartz-sericite alteration. Molybdenite is present at Briggs, however only in small quantities.

Geopeko completed extensive soil and stream sediment geochemical sampling, as well as three auger and two diamond drill holes. Diamond drill hole D36DDH5 was completed to 107 m depth and intersected volcanic and limey rock with a 0.90 m interval of magnetite skarn intersected carrying 0.2% Cu.

CRAE completed soil and limited rock chip geochemical sampling, before completing seven reverse circulation (RC) holes designed to test surface soil, magnetic anomalies and copper mineralisation intersected in previous drilling.

Limited metallurgical test work on three composites of drill chips from drill hole RC93BR5 of the CRAE drilling showed poor recoveries from sulphuric acid leaching. This is expected given the most abundant copper-bearing mineral observed was chalcopyrite. Some bornite was observed in a sample taken from the 4-28 m (down hole) composite sample, which had a copper extraction of 8.5% after 24 hours. Composite samples from deeper parts of the hole had lower recoveries after 24 hours (28-50 m – 4.0% copper extraction, 70-90 m – 3.2% copper extraction). Acid leaching of copper is generally only effective where secondary copper minerals (such as chalcocite or covellite) are formed. Samples from RC93BR5 indicated Briggs has a 30 to 40 m thick secondary enriched copper layer (Figure 3-6).

Rio Tinto acknowledged the shallow porphyry system had been tested and completed airborne electromagnetic (EM) and 3D Induced Polarisation (IP) geophysical surveys to test for deeper potential. The results from the IP survey suggested there remained potential for disseminated sulphide mineralisation at depth and adjacent to previously tested targets at Briggs. The EM results were dominated by highly conductive alluvial deposits. Subsequent drilling (BRIG0001) encountered only minor intrusive (predominantly host volcanoclastic), alteration and mineralisation but low metal contents.

Table 3-3: Summary of drill holes completed by previous explorers at the Briggs prospect

Hole ID	Type	Depth	East	North	RL	Dip (°)	Azi (TN)	Company
DDH1	Core	122	268917	7345134	213	-90	000	Noranda
DDH2	Core	60	268384	7344873	251	-90	000	Noranda
DDH3	Core	152	268735	7344903	249	-90	000	Noranda
DDH4	Core	152	268700	7345092	216	-90	000	Noranda
DDH5	Core	109	268737	7344818	255	-90	000	Noranda
PH1	Perc	54	268706	7345030	228	-90	000	Noranda
PH2	Perc	40	268857	7345122	216	-90	000	Noranda
PH3	Perc	33	268997	7345072	226	-90	000	Noranda
PH4	Perc	52	268853	7344920	232	-90	000	Noranda
PH5	Perc	43	268666	7345225	202	-90	000	Noranda
PH6	Perc	34	268622	7345081	221	-90	000	Noranda
PH7	Perc	46	268093	7345316	206	-90	000	Noranda
PH8	Perc	46	268497	7345055	229	-90	000	Noranda

Hole ID	Type	Depth	East	North	RL	Dip (°)	Azi (TN)	Company
PH9	Perc	35	268790	7345107	224	-90	000	Noranda
RC93BR1	RC	126	268270	7345365	216	-90	000	CRAE
RC93BR2	RC	149	267942	7345103	204	-90	000	CRAE
RC93BR3	RC	136	269254	7344822	200	-71	144	CRAE
RC93BR4	RC	84	267868	7344839	169	-90	000	CRAE
RC93BR5	RC	109	268666	7345225	202	-90	000	CRAE
RC93BR6	RC	45	268521	7345402	203	-90	000	CRAE
RC93BR7	RC	50	268312	7345554	184	-90	000	CRAE
DDH36-1	Core	24.02	267599	7345078	180	-90	000	Geopeko
DDH36-2	Core	21.59	267721	7344736	180	-90	000	Geopeko
DDH36-3	Core	19.95	267718	7345012	180	-90	000	Geopeko
DDH36-4	Core	270.97	267979	7345713	180	-90	000	Geopeko
DDH36-5	Core	106.98	268078	7345643	180	-90	000	Geopeko
BRIG0001	Core	417.8	268449	7344484	214	-70	059	Rio Tinto

Source:
Noranda – Small A.K., 1973 (QDEX Report 6765);
Geopeko – Frets D.C. 1974 (QDEX Report 5157) and Taube A. 1976 (QDEX Report 5840);
CRAE – Marinelli J.F. & Muggeridge G.D. 1994 (QDEX Report CR25329);
RioTinto – Mikitiuk D 2015 EPM19198 Annual (Confidential).
GDA94 datum; Cut off 0.1% Cu and 0.25% Cu minimum interval 10 m, maximum internal dilution 4 m.

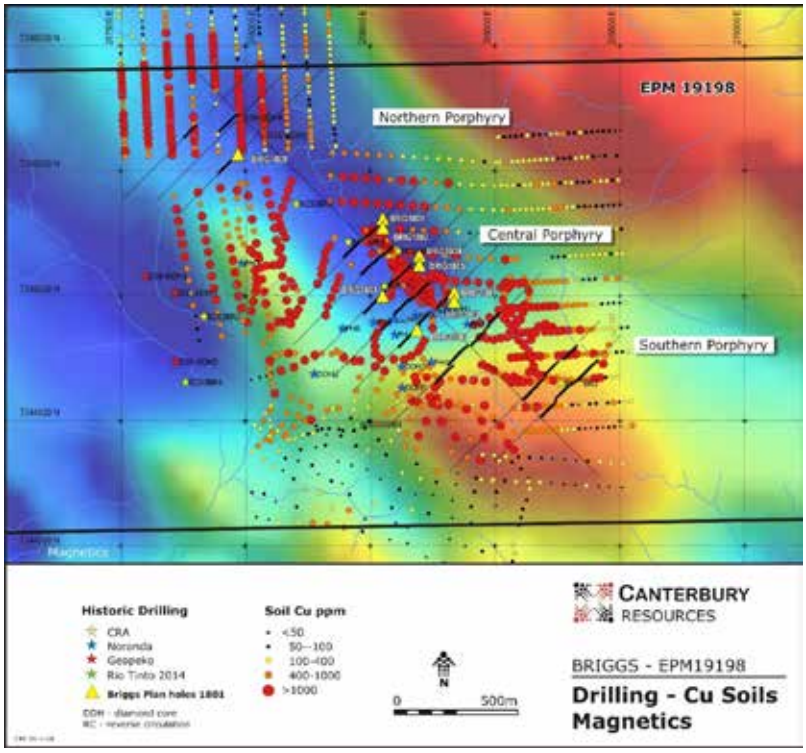

Figure 3-5: Location of previous drilling, soil geochemical samples and Canterbury's proposed drill collars over regional magnetic geophysical grid

Source: Canterbury historic data compilation and February 2018 drill proposal.

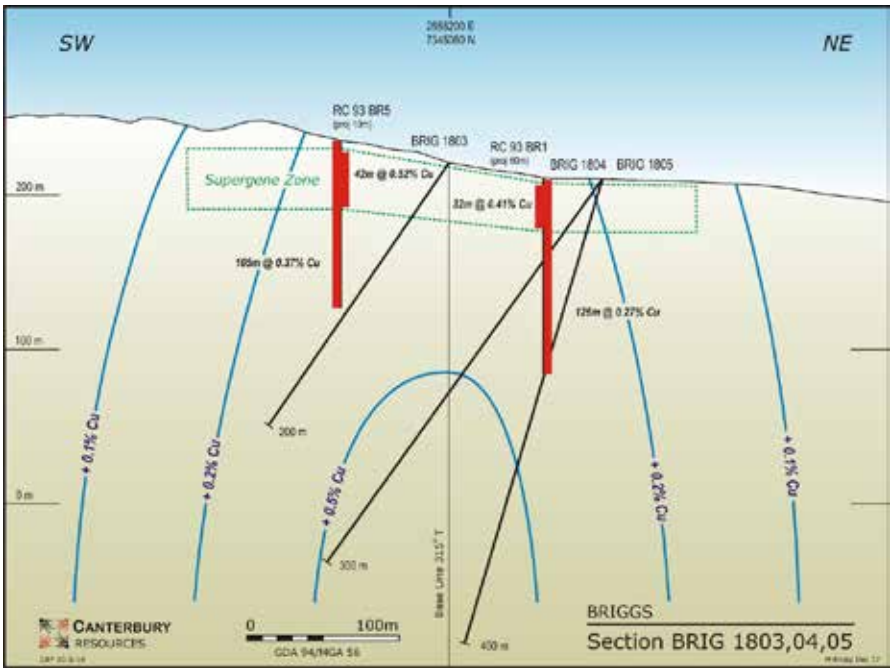

Figure 3-6: Drill section through the Briggs target with conceptual copper grade zonation (blue lines)

Source: Canterbury historic data compilation and February 2018 drill proposal.

3.4.2 Mannersley EPM

Previous explorers over the Mannersley EPM include Geopeko Limited (Geopeko), (1969 to 1972), Gold Fields Limited (Gold Fields), (1987), Asarco LLC (Asarco), (1990 to 1991), Rio Tinto Exploration Pty Limited (Rio Tinto), (2010 to 2017). Drill holes were completed by Geopeko and Rio Tinto (Table 3-4). Significant drill hole intercepts are shown in JORC (2012) Table 1 in Appendix 1.

Geopeko conducted regional stream sediment and subsequent ridge and spur soil geochemical sampling programs. Field verification of the results of these programs identified a recessive porphyritic granodiorite to the east of Mount Grim as the source. Detailed grid-based soil auger drilling was then carried out defining a large copper-molybdenum geochemical anomaly. This was followed by magnetic, self-potential (SP) and gradient array IP geophysical surveying. A total of three holes ranging from 140 m to 200 m in depth were then completed in order to test the geophysical and geochemical targets. Best results from this phase of drilling included 28.6 m at 0.19% Cu from 17.4 m depth in DDH43-2.

Gold Fields completed 61 rock chip geochemical samples to test for skarn mineralisation (roof pendants) with results confirming the presence of anomalous gold, arsenic and copper values.

Asarco carried out further geochemical sampling at Mount Grim to the west of Mannersley looking for gold mineralisation. A total of 13 rock chip, 33 soil and 51 stream sediment geochemical samples were collected with only slightly elevated values (with respect to background) returned.

Rio Tinto completed stream sediment geochemical sampling for mineralogy, a zircon and epidote chemistry study, petrology and vectoring study on Geopeko drill core and processing of one daytime ASTER Scene over the EPM. The mineral assemblage within stream sediment geochemical samples from Mannersley reportedly detected copper and gold with standalone gold grains observed and

usually several grains evident per sample. Copper minerals present included chalcopyrite and bornite, which provided good encouragement that surface anomalism was due to hydrothermal mineralisation associated with the Mannersley intrusive. The source of the gold and bornite has not been determined but is interpreted to represent an undetected phase of the Mannersley intrusive complex. The results of the epidote fertility and chlorite vectoring studies were inconclusive. Rio Tinto subsequently completed one diamond hole (MANN0001, 447.7 m) in 2015 to test the IP geophysical anomaly located south of the known porphyry. This hole intersected narrow copper mineralised zones (best 1 m at 0.16% Cu from 201 m down hole) and no significant gold or molybdenum grades were returned. Despite the positive evidence of a gold component to mineralisation at Mannersley, drilling results were considered to be inconclusive due a lack of any high-grade gold intercepts along with the gold detection limit being too high at the time of the drilling.

Table 3-4: Summary of drill holes completed by previous explorers at the Mannersley prospect

Hole ID	Type	Depth	East	North	RL	Dip (°)	Azi (T)	Company
DDH43-1	Core	201.4	279820	7340511	98.7	-90	0	Geopeko
DDH43-2	Core	141.73	279661	7340925	89.6	-90	0	Geopeko
DDH43-3	Core	149.33	279791	7340606	93.1	-90	0	Geopeko
MAN0001	Core	24.02	279640	7340244	123.0	-65	029	Rio Tinto

Source:
Geopeko – Taube 1976 (QDEX Report 5840);
Rio Tinto – Mikitiuk D. 2015 Annual Report EPM19198 2015.

3.5 Proposed Work Program

Canterbury has planned 9 drill holes (total of 3,000 metres) to test the Briggs copper target. At the same time as establishing and operating the drill program, Canterbury propose to undertake detailed geological and structural mapping over the prospect. Despite significant previous exploration at the project, no geological map has been found that can be used to relate the surface geochemistry and existing drilling to a series of geological controls.

In SRK's opinion, the proposed exploration program for Briggs is consistent with the objective of advancing the project towards establishing a resource. The budget proposed is consistent with the planned exploration.

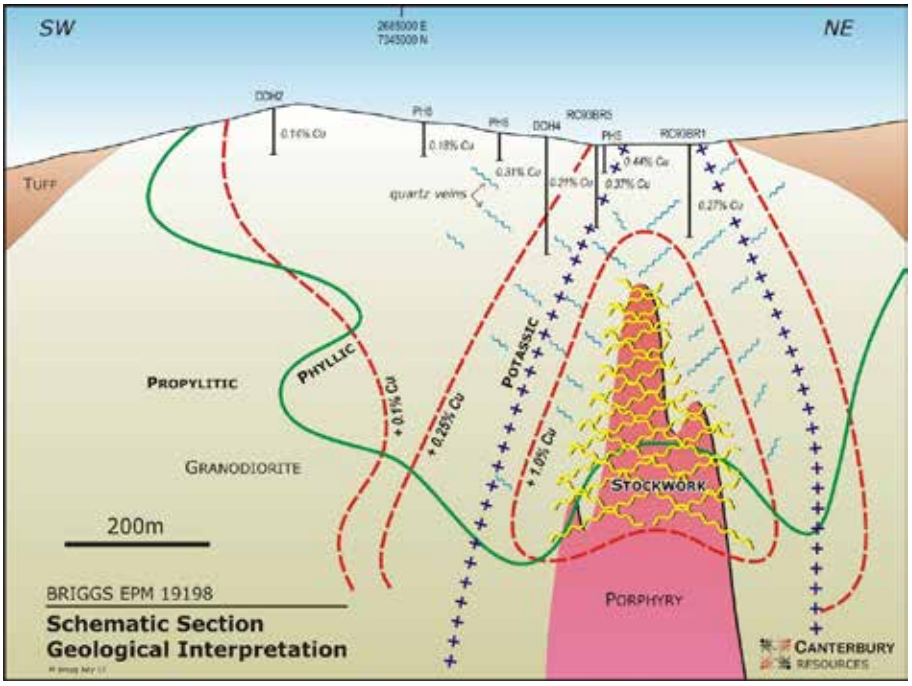

Figure 3-7: Conceptual drill target at depth for the Briggs Prospect

Source: Canterbury historic data compilation and February 2018 drill proposal.

3.6 SRK's Opinion

3.6.1 Briggs (EPM 19198)

From its review of the available technical data, SRK considers the Briggs intrusive complex has been well defined and described, vein orientations known and controls on mineralisation are at least partially understood. The encountered grades are relatively low. A deeper target located towards an interpreted higher-grade core is proposed to be tested by Canterbury. In SRK's opinion, Rio Tinto's previous drill holes may have been drilled too far to the south and thus missed the intrusive complex. Targeted drilling to moderate depths as proposed by Canterbury (300 to 400 m depth) is required to fully test the prospect.

3.6.2 Mannersley (EPM 18504)

Based on its review of the available technical data, SRK considers that the potential for shallow copper mineralisation at Mannersley has been adequately tested and found to be of low grade. The gold found in stream sediment samples may have been derived from distal veins or skarns. Canterbury's proposed target is late stage, high grade copper-gold mineralisation hosted in a stock ("finger porphyry"), skarn and/or breccia. This style of target commonly occurs along structural zones and/or along the margins of early porphyry intrusions. Canterbury have yet to identify a specific drill target at Mannersley. Further work is required to establish a target. Progress on the nearby Briggs project may provide some encouragement to test specific structural targets.

4 PNG Projects

4.1 Introduction

Canterbury currently holds interests in two projects on mainland PNG as shown in Figure 4-1, plus one on Manus Island in northern PNG:

- The Ekuti Range Project comprising a 100% interest in three granted exploration licences (ELs), to the west of Harmony Gold Mining Company Limited (Harmony), Hidden Valley Mine and south of Newcrest Mining Limited (Newcrest) and Harmony's Wafi-Golpu Project, on the Ekuti Range (Figure 4-1).
- The Ipi River Project comprising a 100% interest in a single EL application located to the southeast of the Ekuti Range Project and northwest of the Tolukuma Gold Mine.

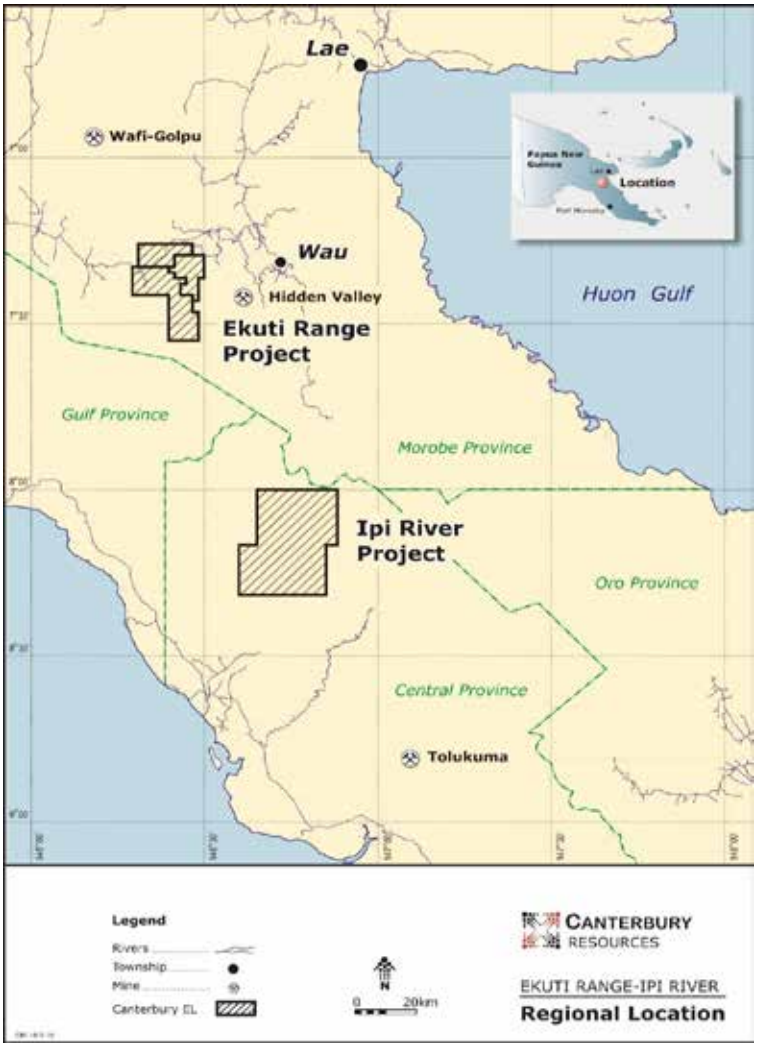

Figure 4-1: Location of Canterbury's mainland PNG projects

Source: Canterbury.

In addition, Canterbury has acquired the Bismarck Project comprising two granted ELs covering the central portion of Manus Island. Under a farm in and joint venture agreement, Rio Tinto has recently met its expenditure obligations to earn a 60% joint venture interest in the Project, with the right to increase this to 80% by sole-funding a further A$12.5 million of exploration.

4.1.1 Legal Context

PNG is a constitutional monarchy. The Head of State is Her Majesty Queen Elizabeth II, represented in PNG by a Governor-General, currently His Excellency Sir Robert Dadae. The Governor-General is elected directly by Members of the National Parliament and performs mainly ceremonial functions.

PNG has three levels of government - national, provincial and local. The National Parliament is a 111-member unicameral legislature elected for five-year terms by universal suffrage. The Prime Minister is appointed and dismissed by the Governor-General on the proposal of Parliament. The Cabinet – known as the National Executive Council – is appointed by the Governor-General on the recommendation of the Prime Minister. The Supreme Court, National Court, and local and village courts form an independent justice system.

Members of the National Parliament are elected from 89 single-member electorates and 22 regional electorates. The regional electorates correspond to Papua New Guinea's 20 provinces, plus the Autonomous Region of Bougainville and the National Capital District. Members from regional electorates also serve as provincial Governors. Each province has its own provincial assembly and administration.

4.1.2 PNG Mining Law

In PNG, the national government owns mineral rights for all property. Individuals and groups are allowed to own the surface title. The PNG Mining Act of 1992 grants the holder of an Exploration Licence (EL) access to the property for exploration purposes.

An EL entitles the holder to exclusively explore for minerals for a period of two years and gives the holder the right to apply for a mining lease or special mining lease. The mining lease permits the holder to exclusively mine the lease for a period of up to 20 years, with the right to apply for 10-year extensions and the special mining lease permits the holder to exclusively mine the lease for a period of up to 40 years with the right to apply for a renewal of up to 20 years.

Once an EL is granted, it must be renewed every two years, or at the end of each term. Holders are required to pay rental for each EL and are required to accumulate a minimum amount of exploration expenditure for each EL.

Although landowners are not entitled to mineral rights, they are entitled to compensation for work related disturbances that occur on their property, as specified by the Government of PNG. Prior to exploration or mine development, compensation is to be negotiated with the local land owner association (LOA) for affected land owners.

4.2 Ekuti Range Project

4.2.1 Project Setting

Location and access

Canterbury's Ekuti Range Project is situated in the Bulolo District of Morobe Province, approximately 250 km north-northwest of Port Moresby (the national capital), 90 km southwest of Lae, 30 km southwest of the regional town of Bulolo, 50 km south of the Wafi-Golpu porphyry project (held in joint

venture by Harmony and Newcrest), and 30 km northwest of Harmony's Hidden Valley gold mining operation.

Logistic support for the Ekuti Range Project has historically been out of Lae. Access is by sealed road from Lae to Bulolo, then via the Menyamya Road (in the north of the ELs) or Supanda Village in the Watut Valley (to the east) and thereafter by foot track to Ekuti Range. Alternatively, the key prospect areas are a 5 to 6 hour walk from either the Menyama Road or Supanda village. Bulolo has a short take-off and landing (STOL) airstrip and heliport making it accessible by charter air from the main international airports of Port Moresby and Lae.

For SRK's site visit, transport to the Ekuti Range Project was by helicopter from Nadzab (Lae) Airport, which takes approximately 30 minutes.

Lae (population of about 100,000) is the capital of Morobe Province and the second largest city in PNG. Lae is also the largest port city in PNG and an important industrial hub with transport links to the Highlands region and the coast.

Topography, Elevation and Vegetation

The Ekuti Range Project straddles the Ekuti Dividing Range at an average elevation of approximately 1,100 m, with the highest elevation in proximity to the project area up to about 2,956 m (Mount Amung) and the lowest elevation down to about 712 m. Much of the terrain is steep and rugged (with significant portions of the project with slopes greater than 40°).

The western side of the Ekuti Range is drained by the Indiwa, Kareeba and Kapau Rivers, tributaries of the Tarui and Tiveri Rivers, which drain to the south to the Gulf of Papua. To the north and east, are the headwaters of the north draining Watut and Bulolo Rivers, which discharge into the Huon Gulf at Lae.

Most of the project area is covered with dense tropical vegetation, "moss forest". Clearings in this vegetation are associated with villages, local dwellings, camps, or isolated portions of the hillslopes used to grow fruits and vegetables. The major industries in the surrounding region to the projects are forestry, mining (large scale and artisanal), and agriculture.

Climate and length of operating season

The climate at the project is that of a high-elevation tropical, equatorial environment. Humidity is high, and precipitation is frequent. Skies tend to be clear early in the morning, but by late morning and for the remainder of the day, cloudy, reduced visibility conditions are common. Average annual temperature is around 18°C, with average highs around 25°C and average lows down to 12°C. Rainfall in the project area ranges between 3 to 5 metres per annum, with higher quantity of precipitation in the rainy season (typically from December through March). The project area is not affected by tropical cyclone activity.

In most years, the field activities at site will ramp up in March and ramp down in late November. This is largely a response to the onset of the rainy season, when visibility and flying conditions can severely limit the helicopter accessibility. Exploration activities (mapping, sampling, drilling, etc.) are typically very limited during the rainy season due to poor helicopter flying conditions and poor road conditions, but the area is still accessible and some activities may continue year-round.

Infrastructure availability and sources

In part, the project requires helicopter-support during exploration. Fuel, materials, equipment, and personnel are flown to camps directly from Bulolo. There are not sufficiently long flat areas to use sizeable fixed-wing aircraft.

The Menyamya Road, which links to Lae, crosses the northwest portion of the project area within the Menyi EL. At present, this gravel road has not been extended to the point that materials can be brought into other parts of the project on a safe and regular basis by vehicle. The existing trails throughout the project area are mainly used for walking and bringing produce (i.e. coffee) to the road and are in a condition suitable for bringing in personnel and some materials.

There are a number of local villages dispersed throughout the project area. Locals in the vicinity of the project sell fresh fruit and vegetables to the camp but other staples such as rice and meat have to be flown in.

Power is provided with diesel-powered generators. There are no overhead telephone lines, however satellite phones can be used to provide mobile coverage over a large portion of the project area.

Water is readily available throughout the area.

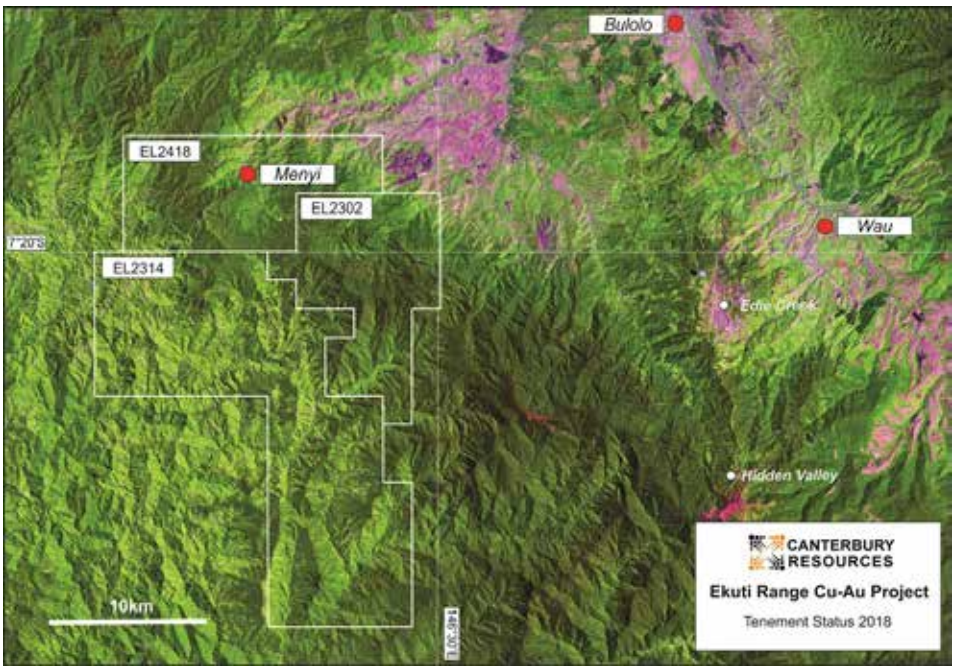

Figure 4-2: Location of Canterbury's Ekuti Range Project

Source: Canterbury.

4.2.2 Project Tenure

Canterbury's mineral interests in PNG are held by its 100% owned subsidiary company, Canterbury Resources (PNG) Limited (CRP), (Table 4-1).

The Ekuti Range Project comprises three granted exploration licences (ELs) covering a combined area of approximately 485 km^2.

For further details in relation to the project tenure, readers should refer to the Legal Report elsewhere within this Prospectus.

Table 4-1: Mineral assets held by Canterbury Resources (PNG) Limited at Ekuti Range

Name	Number	Status	Grant Date	Expiry Date	Area – sub-blocks (km^2)	Annual Rent (PNG Kina)	Security Deposit (PNG Kina)	2 Year Exp. Commitment (PNG Kina)	2 Year Exp. Commitment (AUD) (1)
Mount Evina	EL2314	Renewal Pending (2)	02/11/2015	01/11/2017	75 (254.2)	11,070	6,000	800,000	320,000
Mount Leahy	EL2302	Renewal Pending (3)	25/02/2014	24/02/2018	30 (102.3)	3,060	6,000	1,000,000	400,000
Menyi	EL2418	Granted	11/07/2016	10/07/2018	38 (128.8)	3,420	6,000	70,000	28,000

Notes:

(1): Assuming 2.5 PNG Kina is equivalent to A$1.

(2): Renewal was considered at the February 2018 meeting of the MAC, and renewal is anticipated.

(3): Renewal is expected to be considered at a future meeting of the PNG MAC.

(4) Canterbury currently holds 100% ownership of the tenements. There are no other royalties, back-in rights or other encumbrances on the projects. In the EL agreements, the State (PNG) reserves the right to purchase up to 30% equity interest in any mineral discovery arising from the EL prior to the commencement of mining. The purchase price would be equal to the State's pro-rata accumulated exploration expenditures and thereafter its pro-rata share of exploration and development costs.

(5) There are no known environmental liabilities for Canterbury's PNG Projects. An environmental permit is required when undertaking drilling to be permitted to "discharge wastes into the environment." Canterbury currently holds a permit for drilling and a permit for water extraction. Canterbury was issued these permits under Section 65 of the PNG Environment Act 2000, and they expire on August 3, 2017.Canterbury has indicated that application for any necessary permits will be made to undertake the exploration and drilling of the projects. If the project advances into development, there are a number of other permits and licenses that would also be required.

4.2.3 Geological Setting

Regional Geology

The island of New Guinea is a zone of complex interaction between the Indo-Australian and Pacific plates. The result is a number of microplates accommodating the large-scale compression and transpression by rotation, subduction, dip-slip and strike slip movement, and localised extension. The resultant New Guinea Mobile Belt (regionally divided into packages of fold and thrust belts) encompasses the mountainous region running centrally through the length of the island, and it includes slices of metamorphic basement, ophiolites, intrusions and sedimentary packages.

Canterbury's Ekuti Range Project lies within the New Guinea Mobile Belt, which stretches from the south-eastern portion of the island, through the central mountain ranges, into Irian Jaya, Indonesia, and to the west of Freeport's Grasberg copper-gold deposit (Figure 4-3).

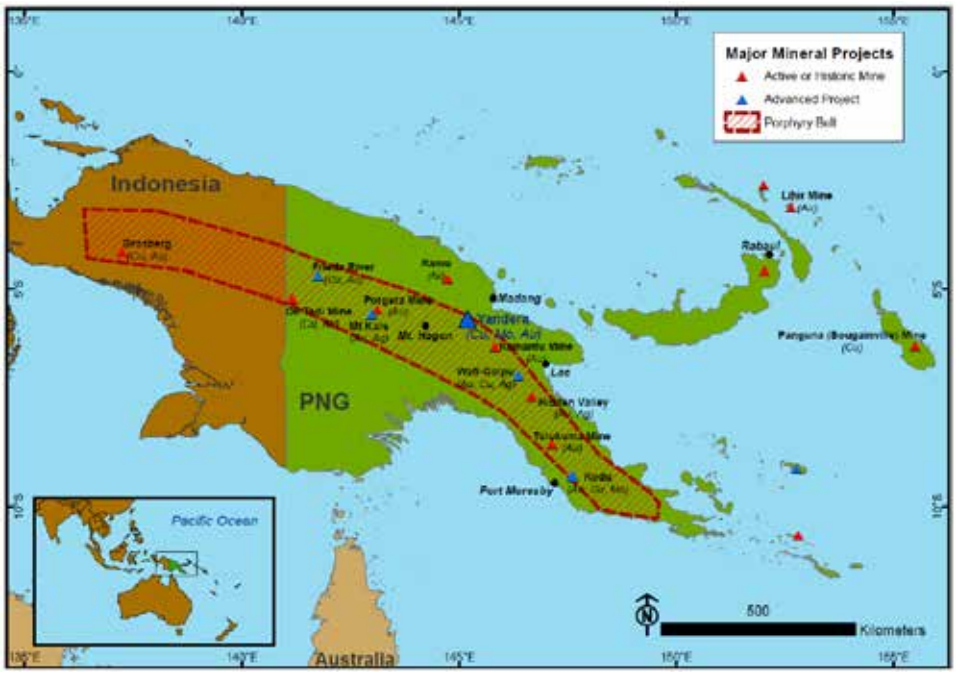

Figure 4-3: Location of the major porphyry, epithermal and intrusive-related deposits in the New Guinea Mobile Belt in PNG

Source: Marengo 2015.

Local Geology

The basement rocks in the Ekuti Range area are the Mesozoic Owen Stanley Metamorphics comprising blue-black slate and shale, chloritic and sericitic schist and phyllite and subordinate limestone/marble and volcanolithic arenite.

The Owen Stanley Metamorphics have been intruded by a Middle Miocene age granitic batholith known as the Morobe Granodiorite, which has been radiometrically dated at 12 to 13 Ma. Resurgence of igneous activity in the Pliocene culminated in the intrusion of further stocks and plugs, as well as the extrusion of volcanic rocks (such as the Bulolo Volcanics) and the emplacement of several shallow breccia intrusions. Fluvial to shallow marine sedimentary rocks of the Pliocene Otibanda Formation unconformably overlies these igneous intrusive and extrusive bodies.

Deposit types

Two styles of mineralisation have been recognised in the district: early gold mineralisation associated with intrusion of the Morobe Granodiorite and later epithermal gold-silver mineralisation associated with the intrusion of later porphyries. The regional structures are important focus for porphyry and diatreme emplacement and subsequent mineralising hydrothermal fluids. All deposits display a strong link between faulting and mineralisation.

The Ekuti Range Project offers potential for intrusive-related gold-copper (porphyry-style) mineralisation, which may be similar to the Wafi-Golpu and Wamum deposits to the north. Although along strike, the mineralisation style at Ekuti Range appears to be different to the adjacent Hidden Valley and Hamata deposits (epithermal carbonate-base metal gold-silver affinities). Both porphyry copper-gold and epithermal gold-silver mineralisation in the Morobe area are hosted by Miocene age Morobe Granodiorite and/or Cretaceous Owen Stanley Metamorphics and may be spatially related to the younger Pliocene age Edie Porphyry. The Ekuti Range Project lies within a western north-south striking porphyry belt that extends from Wamum and Wafi-Golpu in the north to the Hides porphyry in the south. The Hidden Valley and Hamata epithermal deposits are located in a spatially distinct parallel zone to the east.

Five main targets have been identified within the Ekuti Range Project area. The Waikanda, Otibanda Kopekio and Mount Leahy prospects are hosted within Miocene Morobe Granodiorite and the Ekoato prospect is hosted within basement Owen Stanley Metamorphic rocks. All the prospects have elements of a porphyry copper-gold system and may be associated with Pliocene age porphyry intrusions. The Waikanda and Otibanda shear zones are associated with porphyry dykes. The Mount Leahy prospect may represent the remnants of a lithocap overlying a porphyry style deposit.

Based on petrographic analysis, it is probable that the intrusion-related or porphyry style mineralisation, includes retrograde mesothermal to epithermal, low sulphidation styles of alteration and base metal-precious metal. Mineralisation at Kopekio and Ekoato appears to be related to emplacement and cooling of quartz diorite to quartz monzodiorite intrusions.

4.2.4 Project History

Prior to Canterbury's involvement from 2013 onwards, the Ekuti Range Project area had previously been explored by CRA Exploration Pty Ltd (CRAE), (1984 to 1992) and Triple Plate Junction Incorporated (TPJ), (2006 to 2013), in joint venture with Newmont Mining Corporation (Newmont), (2008 to 2012). Early investigations realised the conceptual link between shear/lode mineralisation and a buried porphyry target.

CRAE completed helicopter supported stream sediment geochemical sampling (approximately one sample per 8 km^2), which identified the Upper Watut River and Kapua-Kabu-Kariba areas as having anomalous gold, arsenic, antimony, mercury, copper, pallidum and zinc values. Fine gold is present in most creeks draining the area (and recovered by artisanal miners) and would likely to have been known to the alluvial miners in the Bulolo and Watut Rivers possibly as far back as the early 1920s.

In 1989, CRAE completed detailed creek traversing and rock chip/float, ridge and spur soil geochemical sampling, as well as geological mapping. Float samples assaying up to 58 g/t gold and outcrop samples up to 54 g/t gold were returned from numerous shear zones at a complex fault contact between the Morobe Granodiorite and Owen Stanley Metamorphics. TPJ traced the widespread surface anomalism to lode type structures at Otibanda and Waikanda.

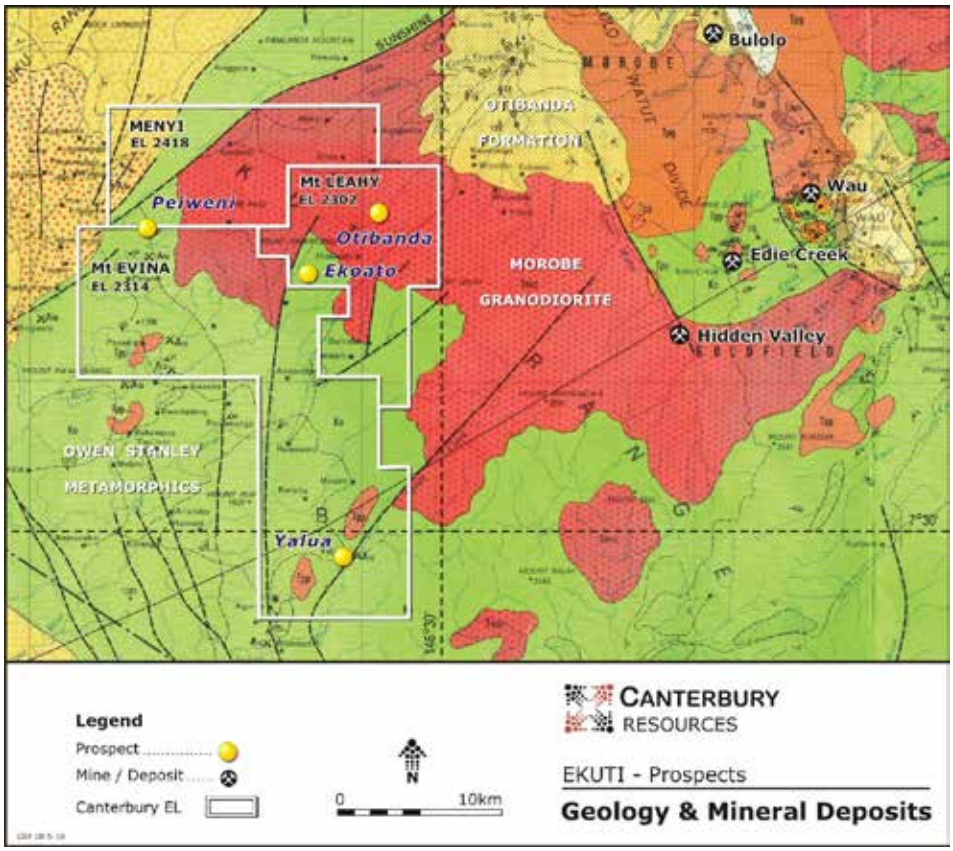

Figure 4-4: Geology and main prospects within the Ekuti Range Project

Source: Canterbury.

At the **Otibanda Prospect** group (Figure 4-4), including nearby Waikanda, Sepanda (Kopekio) and Mount Leahy, CRAE investigated a stream sediment geochemical anomaly and located a pyritic vein stockwork hosted within weathered granodiorite. Subsequent channel sampling over this stockwork zone returned discouraging results. The observed copper/gold mineralisation at the Otibanda Prospect appeared to be associated with a regional scale, east-west trending shear zone (possibly thrusts) comprising several single shears or parallel structures. None of the shear zones appear to be greater than 5 m in width. This structural setting is interpreted to have similarities to the Hidden Valley gold-silver deposit, located some 30 km to the southeast. Gold grades at Otibanda are modest (approximately 5 ppm Au) to high and the copper mineralisation occurs sporadically. In 1991, CRAE recommended grid-based Wacker geochemical sampling over the Otibanda Prospect in order to confirm the location of a mineralised regional shear. This sampling was not completed and no further work was carried out at the prospect.

Within the broader Ekuti Range Project area, only three of the identified mineralised lodes have been partially drill tested, namely the Waikanda-Weke, Otibanda, Kopekio-Mount Leahy lodes.

The Waikanda and Otibanda lodes each have a strike length of over 2 km although alteration and mineralisation are generally restricted to within several metres of the structure. At these lodes, TPJ conducted extensive surface geochemical sampling (mainly trenching) and drilled 17 diamond drill holes for a total advance of 2,468.55 m (deepest hole - 290.30 m) in 2007 to 2008 (Table 4-2).

Table 4-2: Summary of TPJ drill holes at the Ekuti Range Project

Hole ID	Prospect	Type	Depth	East	North	RL	Dip (°)	Azi (T)
OTI001	Otibanda	Core	80.8	440669	9190090	1956	-63	180
OTI002	Otibanda	Core	144.9	440444	9190214	2022	-55	180
OTI003	Otibanda	Core	160.2	440444	9190214	2022	-69	180
OTI004	Otibanda	Core	161.7	440149	9190303	2117	-56	180
OTI005	Otibanda	Core	77.4	439087	9190548	1889	-49	180
OTI006	Waikanda	Core	99.26	437862	9189164	2217	-54	180
OTI007	Waikanda	Core	128.05	437862	9189164	2217	-74	180
OTI008	Waikanda	Core	99	438281	9188953	2180	-52	180
OTI009	Sepanda	Core	176.5	440721	9187178	2332	-69	224
OTI010	Sepanda	Core	180.1	440694	9187222	2303	-60	224
OTI011	Sepanda	Core	290.3	440219	9186641	2398	-50	146
OTI012	Sepanda	Core	191	440261	9186537	2451	-60	050
OTI013	Sepanda	Core	146.2	440261	9186537	2451	-65	146
OTI014	Sepanda	Core	140.5	440261	9186537	2451	-50	230
OTI015	Sepanda	Core	114.9	440565	9186507	2467	-55	240
OTI016	Sepanda	Core	160.1	440565	9186507	2467	-50	200
OTI017	Waikanda	Core	118	437958	9189084	2184	-53	200

Source: Terrasearch PNG data compilation; coordinates in AGD66 UTM Zone 55.

This drilling encountered several narrow to moderately thick intervals with high gold values and sporadic, sub-economic to marginal (<1% Cu) copper grades as shown in JORC (2012) Table 1 in Appendix 1. Best intersections include drill hole OTI003 – 6.65 m at 5.6 g/t Au and 0.69% Cu (Otibanda), drill hole OTI014 - 8.0 m at 3.1 g/t Au and 0.07% Cu (Sepanda) and at the Waikanda-Weke lode, drill hole OTI006 – 3.63 m at 11.9 g/t Au and 0.21% Cu.

At the Waikanda Prospect, gold mineralisation occurs within diffuse quartz - pyrite - sphalerite veins in iron and clay altered granodiorite. In 1989, CRAE collected outcrop rock chip and float geochemical samples, which returned values to 6.2 g/t gold and 26.8 g/t gold respectively. The source of the float was not located.

More laterally extensive alteration zones and breccias occur at the Ekoato, Weke, Good Friday Creek and Bobanda Prospects and may represent individual porphyry targets. None of these targets have been drill tested.

Newmont, through a joint venture with TPJ, flew an airborne magnetic-radiometric geophysical survey in 2010 and 2011, but withdrew from the joint venture and from PNG before any detailed ground follow-up was completed. The aeromagnetic geophysical data has subsequently been interpreted by Canterbury and incorporated into a geological model.

Canterbury's initial interest in the Ekuti Range area focussed on the narrow high-grade intersections reported in TPJ drilling along the Otibanda and nearby Waikanda shear/lodes and the potential to develop a small tonnage, high grade copper-gold deposit to be trucked to the Hidden Valley processing plant.

The Kopekio Prospect (4 km southeast of Otibanda) was recognised by Canterbury early as potentially reflecting the upper portion of a porphyry system. Copper mineralisation is associated with quartz-pyrite cement in intrusive breccias possibly representing breccia pipes emanating off a buried

intrusive centre. This geological setting was interpreted as being prospective for a near-surface bulk tonnage porphyry copper-gold system with both sphalerite-galena bearing quartz veins (low sulphidation) and pyrite-bornite bearing veins (more intermediate sulphidation) evident and indicative of marginal vein types to a porphyry system. Surface mineralisation found at the prospect includes chalcopyrite, tennantite/tetrahedrite, arsenopyrite, galena, sphalerite, argentite, sulphosalts and possibly free gold occurring in paragenetic association with low-sulphidation, mesothermal to epithermal silica and carbonate. Mesothermal to epithermal alteration mineral assemblages in surface rock from Kopekio includes mosaic to chalcedonic quartz, sericite/illite, chlorite, Fe/Mg/Ca-carbonate, epidote/clinozoisite and pyrite, overprinting prograde metasomatic and hornfels assemblages including biotite, actinolite/tremolite, epidote, magnetite and pyrrhotite.

In 2015, Canterbury drilled five shallow holes (<6 m depth) with a man portable diamond rig testing a remnant lithocap target on the ridge adjacent to Kopekio (the western extension of the lithocap at Mount Leahy) and confirmed phyllic (sericite) alteration as well as completing reconnaissance geological mapping and geochemical sampling (rock chip and surface clay) over a 4 km^2 area.

The **Ekoato Prospect** (Figure 4-4) is the primary focus of Canterbury's ongoing exploration activities within EL2302. The prospect is interpreted to represent the upper parts of a porphyry system (deeper than Kopekio, but still relatively shallow), coinciding with a bulls-eye magnetic anomaly and interpreted to represent a separate system to the other prospects. Small scale artisanal gold workings sluice gold from clay shear zones (Figure 4-5).

The area is characterised by altered feldspar-hornblende porphyry, metasedimentary breccias (with quartz-pyrite-chalcopyrite), (Figure 4-6), quartz-sulphide-clay shears and massive pyrrhotite-chalcopyrite (possibly skarn) with fracture-controlled alteration including chlorite-pyrite-magnetite with pyrite veinlets and sheeted quartz veins. Although frequently gold-bearing and probably laterally extensive, the shears are of insufficient width or density to constitute an economic gold target, however the source of the breccias and massive sulphide (potentially skarn mineralisation) is yet to be found. Known mineralisation includes native gold, bismuth-sulphosalt minerals, arsenopyrite and chalcopyrite occurring in paragenetic association:

- With structurally and lithologically controlled thermal metamorphic-related metasomatism; and
- Structurally controlled retrograde metasomatic overprinting of hornfelsed siliciclastic metasedimentary and metasedimentary breccia rocks.

Figure 4-5: Shear zone in carbonaceous shale dipping moderately south, immediately below mineralised zone at small scale gold slicing operation on the Kaiwana Creek

Source: SRK Ekoato site visit artisanal gold workings in Kaiwana Creek.

Figure 4-6: Breccia of angular fragments of intrusive and weathered shale with sulphide matrix and sulphide veins

Source: SRK Ekoato site visit float in Kaiwana Creek

To date, the majority of work by Canterbury has focussed on the assessment of several prospects within EL2302, including the Ekoato Prospect. During 2017, a field team comprising Anglo American and Canterbury geologists also evaluated the Peiweni porphyry within EL2418 and the Yalua

quartz-pyrite-chalcopyrite stockwork zone within the EL2314 as part of a 3 to 4-month due diligence field program.

Historic Mineral Resource estimates

Exploration at Ekoato Range remains in the early stages of assessment and no Mineral Resource have been estimated to date.

Previous Production

There are no records of previous gold or copper-gold production from within the Ekuti Range Project tenements. Small scale artisanal mining for fine gold recovery from surface sluicing is on-going.

4.2.5 Proposed Work Program

Canterbury has proposed an initial program of five diamond core drill holes upon completion of the listing to test key targets at the Ekoato Prospect (Figure 4-7, Figure 4-8). SRK expects that the results of this program will be validated against the exploration results from other prospects before proposing additional work.

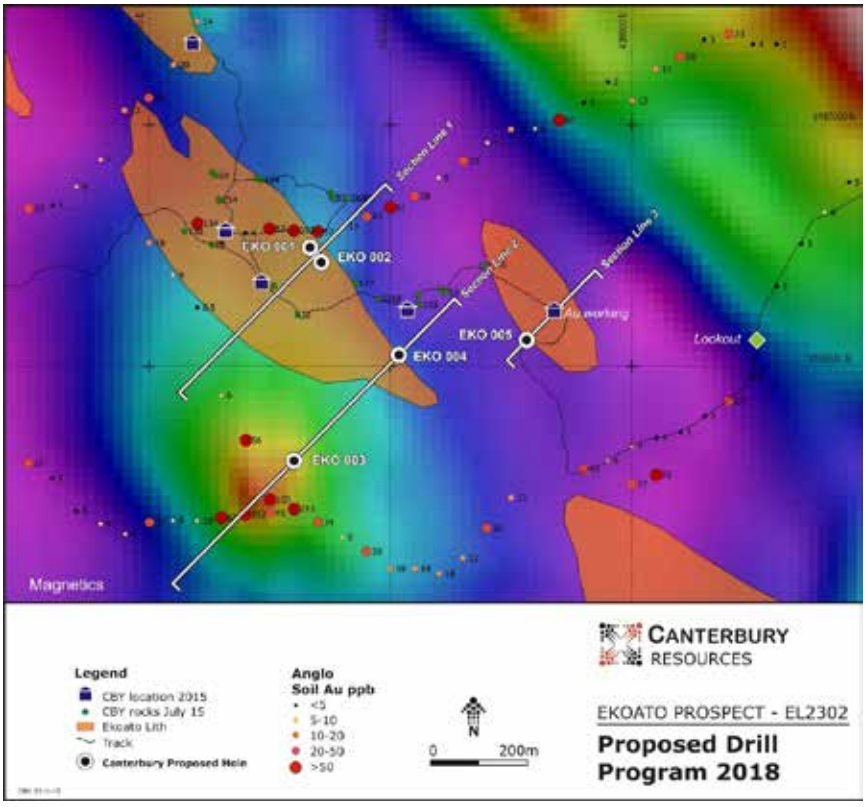

Figure 4-7: Ekoato proposed exploration drill plan targeting quartz vein stockwork controlled by Pliocene intrusions and north-northwest-striking faults

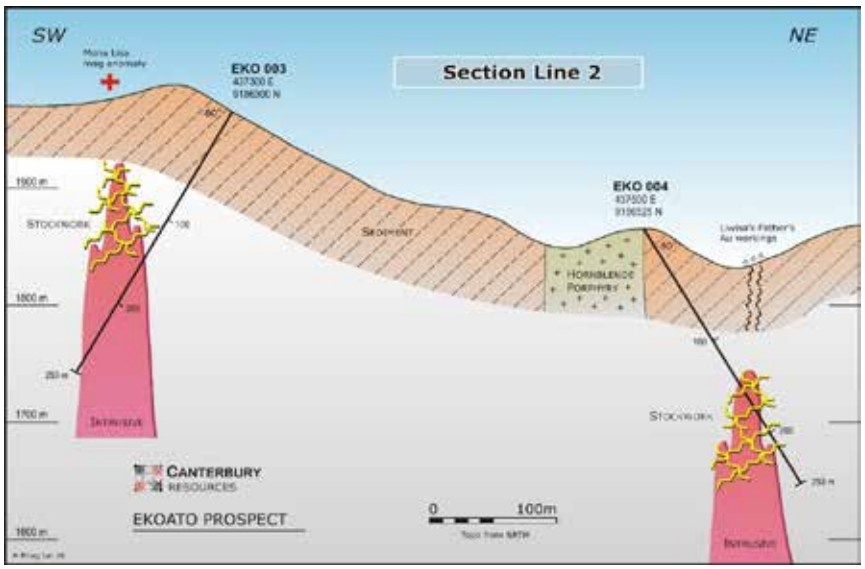

Figure 4-8: Proposed Ekoato drill section targeting quartz vein stockwork controlled by conceptual Pliocene intrusions and north-northwest-striking faults

4.2.6 SRK's Opinion

Based on SRK's review of the available technical data, SRK considers the Ekuti Range Project to be a highly prospective early stage exploration project. The Project has sufficient upside to warrant further significant exploration effort requiring first pass drilling in some areas and additional extensional and infill drilling in other areas, as well as geological modelling to determine if a JORC Code (2012) compliant Mineral Resource is capable of being established and reported.

In SRK's opinion, while limited and focused in nature, the exploration program proposed for Ekoato is well planned and supported by the available geological and past exploration data. The exploration program is appropriate for the style of mineralisation evident at surface and will provide an initial proof of concept test for the prospect.

4.3 Ipi River Project

4.3.1 Project Setting

Canterbury's Ipi River Project is located in the Goilala District of PNG's Central Province, some 150 km northwest of Port Moresby and 80 km southeast of the Company's Ekuti Range Project.

The Project comprises a single application (ELA2509 Tapini) covering an area of 275 sub blocks or 932 km^2, (Figure 4-9), which includes the main area of interest at the Ipi Prospect (Figure 4-10).

The project may be accessed by road from Port Moresby by the Hiritano Highway and thereafter along the Bakoidu-Tapini-Guari Road. Travel time from Port Moresby is approximately 5 hours. More often the region is accessed by air, generally by helicopter directly from Port Moresby. It is also possible for fixed wing light aircraft to fly to the bush airstrips at Fane mission or to Wiotape. Walking trails connect the project with these airstrips. Travel time by air is approximately 25 minutes.

Topography in the region is very steep and rugged with altitudes ranging from 1,200 m to in excess of 3,000 m above sea level, with the highest peak being at Mount Albert Edward (approximately 3,990 m).

The project area is drained by a number of rivers including the northwest flowing Kunimaipa River and tributaries of the Alabule-Anabunga River which drains into the Gulf of Papua at Halls Sound.

The region experiences a highlands tropical climate with average rainfall ranging from 2,200 mm (or 2.2 m) near the district headquarters of Tapini to 3,200 mm (or 3.2 m). Tapini station (district population 7,315) comprises approximately 50 buildings around a grass airstrip; most being the houses of school and other government staff and some locals. The township lies in relative proximity to the Tolukuma Gold mine, which was a dual open pit and underground mine that operated from 1995 to 2008. The mine has had a series of owners since 1983 including Newmont Australia (1983 to 1993), Dome Resources (1993 to 1999), DRD Gold Ltd (1999 to 2001), Emperor Mines Limited (2001 to 2008) and Petromin PNG Holdings Ltd (2008 to 2015) and is currently undergoing liquidation proceedings.

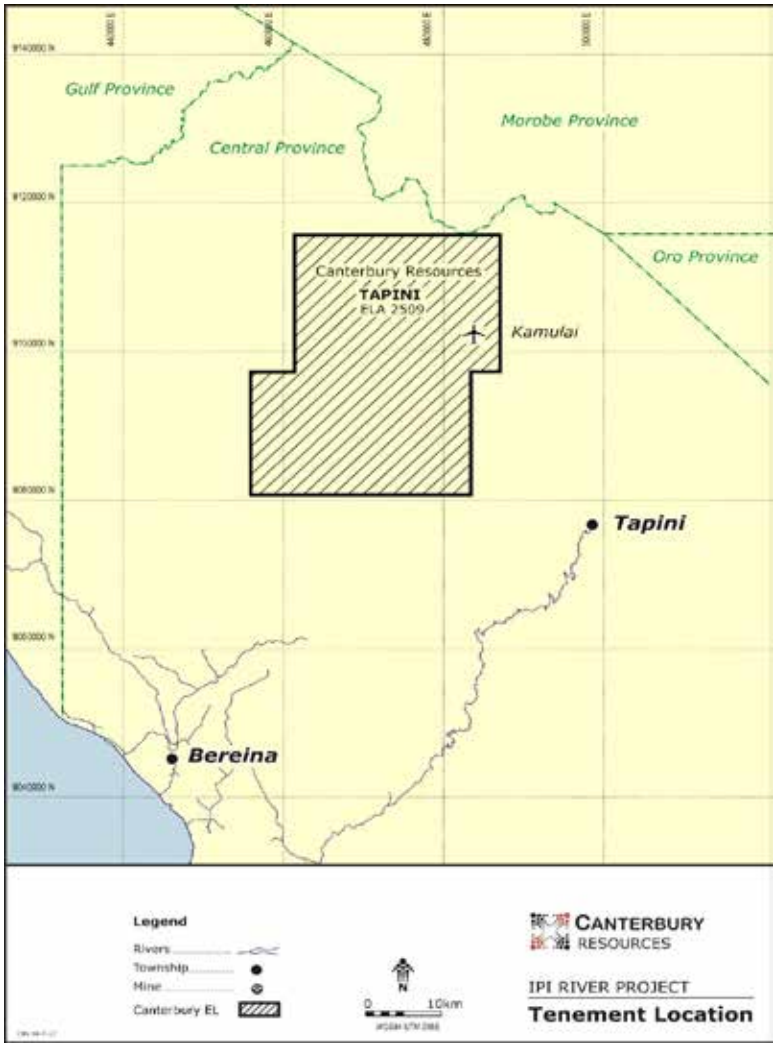

Figure 4-9: Location of the Ipi River Project

Source: Canterbury.

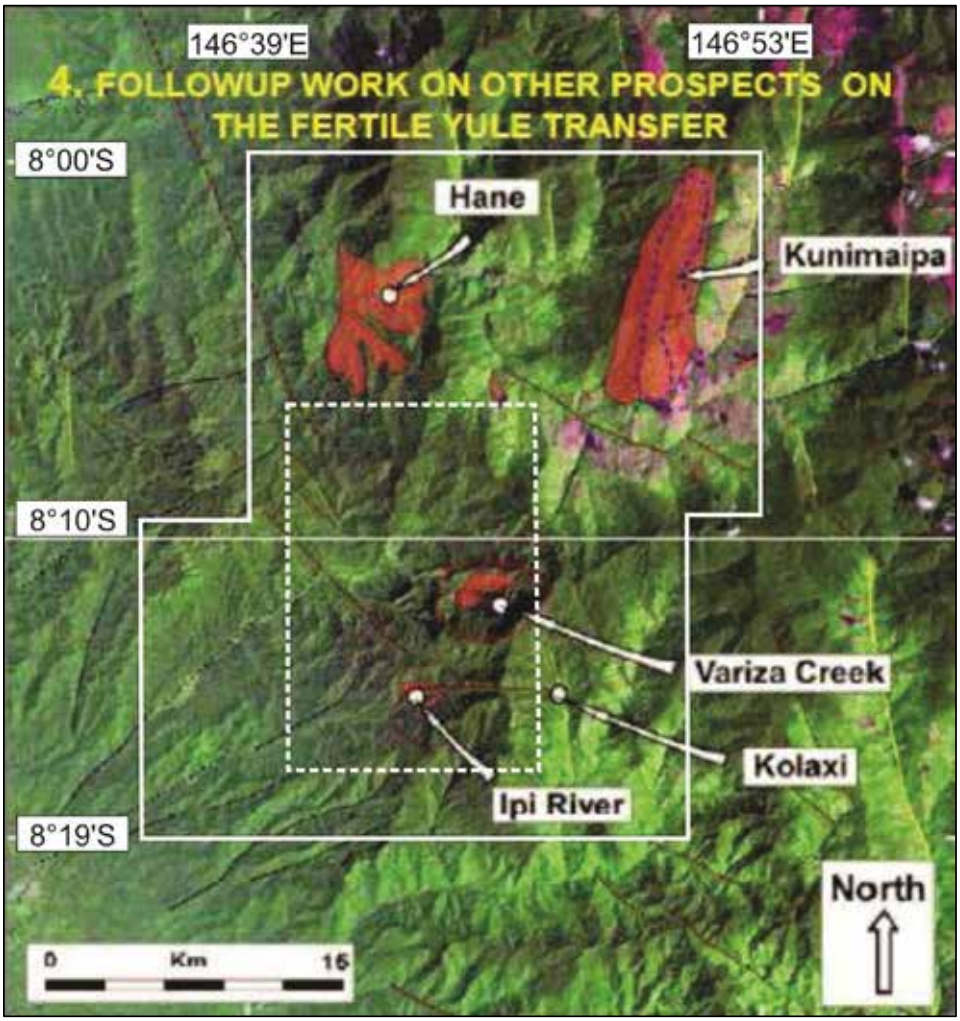

Figure 4-10: Location of the key prospects within ELA2509 denoted by the solid white boundary

Source: Canterbury Resources Limited.

4.3.2 Project Tenure

Canterbury's mineral interests at Ipi River are held by its 100% owned subsidiary company, Canterbury Resources (PNG) Limited (CRP), (Table 4-3).

Canterbury's Ipi River project comprises a single application (ELA2509 Tapini) covering an area of 275 sub blocks (932 km^2). ELA2509 was expected to be considered at the May 2018 meeting of the PNG Minerals Advisory Council (MAC), however Canterbury is still awaiting notification of the outcome.

For further details in relation to the project tenure, readers should refer to the Solicitor's Report elsewhere within this Prospectus.

Table 4-3: Mineral assets held by Canterbury Resources (PNG) Limited at Ipi River

Name	Number	Status	Grant Date	Expiry Date	Area – sub-blocks (km^2)	Annual Rent (PNG Kina)	Security Deposit (PNG Kina)	2 Year Exp. Commitment (PNG Kina)	2 Year Exp. Commitment (AUD) (1)
Tapini	ELA2509	Application (2)	-	-	275 (932.1)	24,750	6,000	600,000	240,000

Notes:

(1): Assuming 2.5 PNG Kina is equivalent to A$1.

(2): Renewal/Application is expected to be considered at the May 2018 meeting of the PNG MAC.

(3) Canterbury currently holds 100% ownership of the tenements. There are no other royalties, back-in rights or other encumbrances on the projects. In the EL agreements, the State (PNG) reserves the right to purchase up to 30% equity interest in any mineral discovery arising from the EL prior to the commencement of mining. The purchase price would be equal to the State's pro-rata accumulated exploration expenditures and thereafter its pro-rata share of exploration and development costs.

(4) There are no known environmental liabilities for Canterbury's PNG Projects. An environmental permit is required when undertaking drilling to be permitted to "discharge wastes into the environment." Canterbury currently holds a permit for drilling and a permit for water extraction. Canterbury was issued these permits under Section 65 of the PNG Environment Act 2000, and they expire on August 3, 2017. Canterbury has indicated that application for any necessary permits will be made to undertake the exploration and drilling of the projects If the project advances into development, there are a number of other permits and licenses that would be required.

4.3.3 Geological Setting

Cretaceous to Eocene schist, slate and shale of the Kagi Metamorphic belt and the Auga Beds are the oldest rocks in the region. The Kagi Metamorphic belt and the Auga Beds form part of the Cretaceous age Owen Stanley metamorphic belt. These rocks are in turn overlain by Miocene age volcanic rocks of the Talama Volcanics. The sequence has been intruded in part by Miocene to Pliocene age granodiorite, diorite and gabbroic stocks and dykes. The Ipi River porphyry stock is a composite intrusion with feldspar-hornblende porphyritic intrusion measuring roughly 2 kilometres in diameter. Widespread phyllic alteration with associated porphyry style quartz-sulphide vein stockwork and peripheral carbonate-base metal epithermal veins are evident. The best copper in rock values associated with chalcopyrite-galena-sphalerite-bornite-pyrite bearing veins in granodiorite dykes intruding volcanic rocks are in the southwest of the area.

4.3.4 Project History

The Ipi River Project was first evaluated by CRAE between 1972 and 1973 through regional drainage sampling. A small alteration zone along the Ipi River was prospected and drill tested by Dampier Mining (Dampier) and BHP Pty Limited (BHP) between 1973 and 1976, with low copper grades returned. The main drilling target comprised a buried intrusive beneath colluvial terrace. Petromin PNG Holdings Limited (Petromin), (~2010-2016) undertook IP geophysical surveying and drilled three holes, testing BHP's target beneath the colluvial terrace. The best intersection recorded 272.2 m at 0.18% copper, 0.1 g/t gold and 113 ppm Mo from 61 m downhole depth. Other prospects include:

- **Kunimaipa** – An altered hornblende diorite intrusion with zones of potassic and phyllic alteration mapped discontinuously over 10 kilometres. The intrusion returned anomalous Cu-Au-Ag geochemistry from rock chip samples and weak stream float copper at SE Kunimaipa associated with intermediate dykes. Regional magnetic interpretation indicated NNE-striking deep intrusive system. Potassic altered core with surrounding phyllic and outer propylitic zones.
- **Kolaxi** – A high order stream sediment reconnaissance anomaly (6 samples yielded greater than 0.5 ppm gold and another four greater than 0.2 ppm gold). Possible epithermal gold system peripheral to the Variza Creek – Ipi River system.
- **Hane** – Miocene – Pliocene age intrusion, relatively large in size associated with gold in panned concentrate to 2.47 ppm gold. Possible porphyry target but samples collected contain visible gold in black-banded, sulphide-bearing, epithermal-style veins. Regional magnetic interpretation indicates deeper intrusive system. This prospect is relatively poorly understood geologically.
- **Variza** – 2.7 km^2 zone of Cu-Au stream sediment anomalism. Follow up soils to 6.9 ppm gold. Diorite monzonite stock with a coincident magnetic anomaly. Porphyry target.

Within the Ipi River Prospect, six drill holes were completed by Dampier and Petromin for a total of 1,819.7 m Table 4-4. Significant intercepts are shown in JORC (2012) Table 1 in Appendix 1.

Table 4-4: Summary of drill holes completed at the Ipi River prospect

Hole ID	Type	Depth	East	North	RL	Dip (°)	Azi (T)	Company
DDH1	Core	200	469459	9087595	1800	-90	0	Dampier
DDH2	Core	200	469459	9087995	1800	-90	0	Dampier
DDH3	Core	200	469707	9087736	1900	-90	0	Dampier
PDH001	Core	427	469459	9087395	939	-60	9	Petromin
PDH002	Core	461.7	469459	9087395	939	-60	130	Petromin
PDH003	Core	331	469707	9087736	1078	-70	315	Petromin

Source:
Dampier Mining PA192 Final Report D Wood & G Torr 1976 (coordinates approximate);
Petromin database 2016; coordinates in AGD66 UTM Zone 55.

4.3.5 Proposed Work Program

Canterbury has not yet proposed a work program for Ipi River given that the current Exploration Licence application remains to be granted.

4.3.6 SRK's Opinion

From its review of the available technical data, SRK considers Canterbury's Ipi River application offers sufficient encouragement from previous exploration to warrant further work, with the currently defined prospects remain at an early stage of assessment.

4.4 Bismarck Project

4.4.1 Project Setting

Manus Island is the largest island of the Admiralty Group at the northern end of the Bismarck Archipelago being enclosed by latitudes 1°57' and 2°13' S and longitudes 146°30' and 147°50' E, which is covered by the Malai and Lorengau 1:100,000 scale topographic maps. Manus lies approximately 830 km north of Port Moresby and 370 km north of Madang in northern PNG. The island measures around 100 km in length by 30 km in width, with an area of 2,100 km^2.

The provincial capital of Lorengau lies on Seeadler Harbour along the island's north-eastern coast and is connected by bridge to the Momote Airport, located on the nearby Los Negros Island. There are daily flight connections to Port Moresby. Lorengau has well established deep-water port facilities.

The population of Manus Island is approximately 60,400 residents (2011 census), which largely reside along the northern and eastern third of the island. The remainder of the island is sparely populated and movement is generally difficult away from established roads and tracks. The Project area can be accessed from Lorengau by road or by sea.

Manus Island is covered in lowland tropical rain forest. The highest point on Manus Island is Mount Dremsel (718 masl), which forms part of two subparallel west-northwest trending ranges along the central southern coast. A complex dendritic drainage pattern covers the central and highest portions of the island.

Temperatures and humidity are uniformly high throughout the year with the mean maximum temperature of 31°C and mean minimum temperature of 25° C. Rain falls throughout the year in the form of short, violent thunderstorms, with approximately 3,500 mm (or 3.5 m) falling annually.

4.4.2 Project Tenure

Canterbury's mineral interests on Manus Island are held by the Company's wholly owned subsidiary, Finny Ltd (Finny), a PNG incorporated entity. Canterbury acquired a 100% interest in Finny on the 4th June 2018 for an initial consideration of eight million shares in Canterbury Resources Limited, plus a contingent consideration of six million shares in Canterbury Resources Limited when Rio Tinto Exploration (PNG) Limited (RTX) commits to Stage-2 of the Bismarck Project under the Farm In and Joint Venture Agreement. The Bismarck Project consists of two contiguous granted exploration licences located in the centre of Manus Island (Figure 4-11 and Table 4-5).

Table 4-5: Status of the Bismarck exploration licences

Tenement	Applied	Granted	Expires	Holder	Term (years)	Size (km^2)	Size (sub-blocks)
EL2378	9/4/2015	18/12/2015	17/12/2017	Finny Limited (100%)	2	257.4	75
EL2390	26/6/2015	17/12/2015	16/12/2017	Finny Limited (100%)	2	254.,1	74

Note: Renewal applications were submitted for both EL2378 and EL2390 on 14 September 2017.

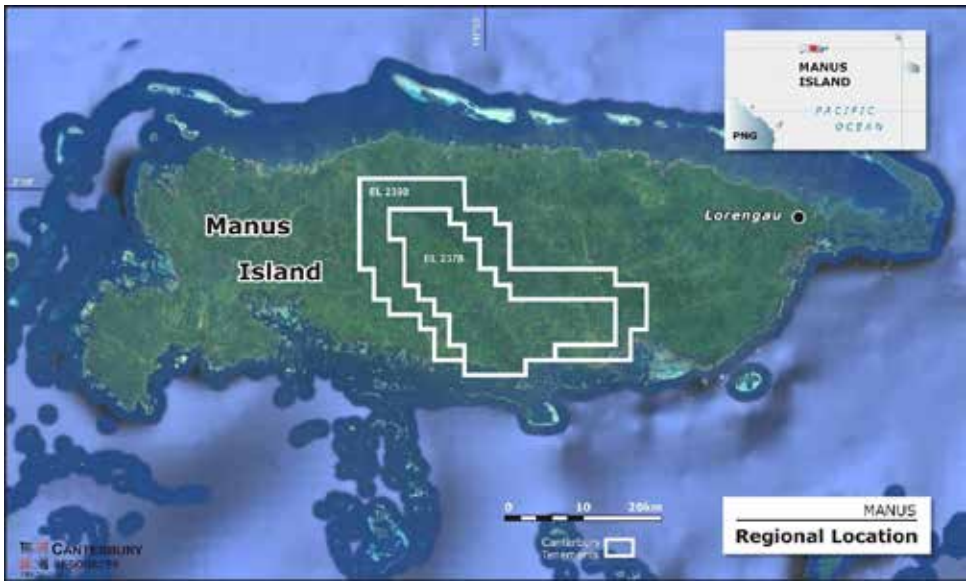

Figure 4-11: Location of Canterbury's interests on Manus Island

Source: Canterbury.

Following a term sheet dated 28 September 2015, Finny entered into a Farm In and Joint Venture Agreement (JV) with RTX on 1 September 2016, in order to fund the future exploration of EL 2378 and EL 2390. Minor revision of the JV agreement was undertaken when Finny was acquired by Canterbury. Under the current terms of the JV agreement, RTX has completed A$5million of exploration expenditure to meet its Stage-1 requirements earning a 60% JV interest in the Bismarck Project. RTX may earn a further 20% JV interest during Stage-2 by sole-funding a further A$12.5 million in exploration expenditure over three years, including a minimum of 1,500 m of drilling.

Following the change in ownership of Finny, RTX has elected to continue with the JV and continues to manage all exploration activities at the Project. This includes an initial drilling program proposed to commence in July 2018.

4.4.3 Geological Setting

Regional Geology

Manus Island is volcanic in origin and is interpreted to form part of a dismembered island arc extending from Manus Island through New Ireland to the Solomon Islands. The substrate of the island is either directly volcanic or from uplifted coral limestone, which probably broke through the ocean's surface in the late Miocene, (8 to 10 Ma).

The oldest exposed rocks on the island are early Miocene Tiniwi Volcanics (andesitic and basaltic pyroclastics, breccias and lavas). The volcanics are unconformably overlain by calcareous rocks of the early Miocene Louwa Unit, which are unconformably overlain by early to middle Miocene Mundrau Limestone.

Renewed volcanic activity is marked by the deposition of the Middle to late Miocene Taskim Volcanics (andesitic and basaltic agglomerate, lavas and pyroclastics), which are unconformable on the previous units. The Taskim Volcanics are considered to be the extrusive equivalents of the large Miocene (multi-phase) Yirri Intrusive Complex (quartz monzodiorite). The Yirri Intrusive Complex is associated with extensive silica-alunite alteration and is interpreted to have been emplaced in a broad, open fold

structure. Late Miocene to early Pliocene Lauis Formation (volcaniclastics, tuff, basalt and limestone) unconformably overlies the Taskim Volcanics.

The distribution of the described units is illustrated in Figure 4-12.

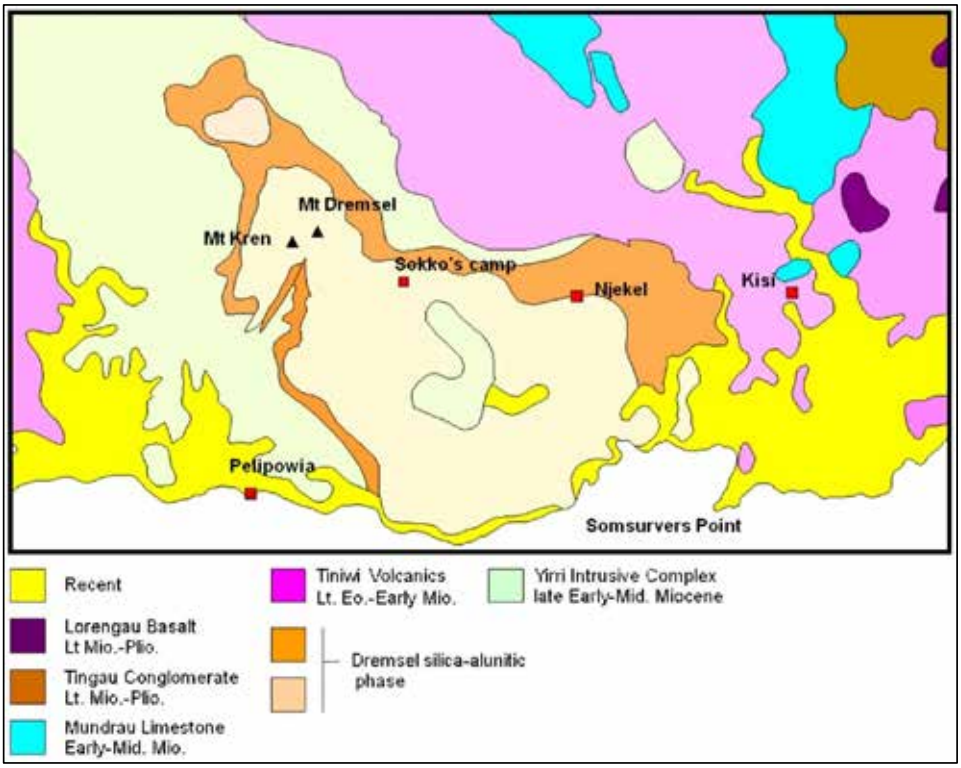

Figure 4-12: Geology of the surrounding region to Canterbury's Bismarck Project

Source: ACA Howe International Limited (2010) after Jaques (1980).

Local Geology

The geology of EL 2378 is dominated by quartz monzodiorite bodies associated with the Yirri Intrusive Complex (Figure 4-12) while EL 2390 predominantly covers units of the Tiniwi Volcanics.

Within EL 2378, the presence of an extensive area of alunite-bearing alteration (Dremsel silica-alunitic phase and Dremsel brecciated intrusive) has significant exploration implications. The Dremsel phase and breccia are collectively referred to as a lithocap.

Findlay (2006) interpreted the widespread silica-alunite-altered volcanics (SAA) in the Mount Kren to Njekel areas to represent high sulphidation alteration flanking a late Miocene caldera complex. The SAA alteration may be contemporaneous with the Lorengau Basalt (further east) but is older than the Tingau Conglomerate (which contains SAA clasts). The presence of jasperoidal facies of the SAA on ridges and in adjacent creeks in the Njekel area has been interpreted to indicate that the SAA was facilitated by and has steeply dipping fault pathways and may not simply be a sub-horizontal cap. Subsequent geological mapping of the SAA in the southeast tenement area has demonstrated that significant areas of SAA are unlikely to be in-situ, with large blocks "shedding off" northwest striking faults.

Mineralisation

The Bismarck Project is considered prospective for three main mineralisation styles, namely:

1. Low sulphidation gold-silver epithermal quartz veins) such as those that are exposed near Kisi village. Finlay (2006) (in Ackerman, 2013) suggested that the Late Miocene or Early Pliocene intrusions in the Njekel and Kisi areas may be related to occurrences of epithermal mineralisation on the edge of the Yirri Intrusive Complex.
2. Porphyry-style copper-gold-molybdenum mineralisation has been previously identified at Arie, Wamuk, Aniwea, Lorokan, Chiniwea, Mount Kren and Puan, all hosted within the Yirri Intrusive Complex.
3. High-sulphidation copper-gold mineralisation associated with the extensive area of silica-alunite lithocap.

4.4.4 Project History

The central Bismarck tenement area has undergone extensive and locally intensive early stage exploration over a period of more than 50 years; previous explorers include Australian Anglo American (Anglo), CRA Exploration Pty Ltd (CRAE), Highlands Pacific Limited (Highlands), BHP Pty Limited (BHP), Exoil Limited (Exoil), IMC, KNMJV (Kennecott-Niugini Mining JV), Tarangau, Triple Plate Junction Incorporated (TPJ) and Newcrest Mining Limited (Newcrest). Much of the previous exploration has concentrated on Miocene aged gold and molybdenum rich porphyry copper deposits at the Arie and Mount Kren prospects.

The known surface samples collected over the project area include more than 5,000 stream sediment samples, more than 1,500 rock samples and more than 6,000 soil samples. Interpretation of the historical surface sampling data is complicated by the different analytical methods, varying detection limits, different sampling mediums and varying suite of elements analysed for by the different explorers. Overall, most of the central tenement area (EL 2378) has been sampled in some way, with identified prospects having been generally defined by follow-up, gridded sampling prior to drilling. Known diamond drill holes within EL 2378 total 133, but only 50 were more than 100 m deep (for 11 of the holes the total depth is unknown). A summary of the drill hole collars and significant results for the Bismarck project can be found in the JORC Table 1 in Appendix 1. Given the level of surface sampling, it may be assumed that any outcropping mineralisation has been previously sampled.

Three main geophysical surveys are documented within the open file literature in the MRA library:

- Exoil completed an IP geophysical survey at Mount Kren in 1971. The data from this survey was later recompiled by TPJ (Deakin, 2006) and presented in a GIS platform;
- Anglo commissioned an aeromagnetic geophysical survey covering approximately 20% of Manus Island at 400 m line spacing and 150 m nominal terrain clearance; and
- Newcrest completed a heli-magnetic and radiometric geophysical survey (over most of EL 2378 and EL 2390) totalling 8,311-line km, with 90 m spaced north-south oriented lines flown at 60 m nominal terrain clearance. The purpose of the survey was to aid in target definition (porphyry and epithermal style mineralisation) and geological mapping (surface lithologies and alteration).

Numerous geological mapping programs have been completed by the previous explorers. The most recent detailed mapping was completed by Newcrest (Meldrum, 2012) and was focussed upon the lithocap. Key observations and preliminary interpretations are summarised below:

- The Yirri Intrusive Complex has been extensively faulted;
- The major fault structures trend northwest and appear to be important controls on the Yirri Intrusive Complex and lithocap;

- Subtle northeast and north-northeast trending structures appear to be important controls on late alteration and mineralisation;
- The porphyry occurrences around the northern periphery of the Yirri Intrusive Complex are possibly spatially and temporally distinct from the main lithocap;
- Several areas previously mapped as silica-alunite altered lithocap are areas of siliceous deflationary blocks and hence the extent of the main lithocap may be smaller than is currently mapped;
- The depth of erosion increases significantly to the north; and
- The lithocap shallows to the south.

More recent exploration conducted by the Finny – RTX JV has included reprocessing of geophysical data, remote sensing interpretation, ground reconnaissance (involving geological mapping and limited geochemical sampling at the Mount Kren, Puan and Njekel prospects) and a helicopter-borne Z-Axis Tipper electromagnetic (ZTEM™ system comprising approximately 720-line km) geophysical survey. Based on subsequent processing and interpretation of the ZTEM™ airborne survey data, three significant geophysical anomalies were outlined within the central-southern portions of EL 2378. Subsequently, a ground-based Audio Magneto-Telluric (AMT) survey was conducted to verify the presence and depth of conductors identified in the ZTEM™ survey.

Priority drilling targets have been identified by RTX based on their geophysical and geochemical characteristics, coupled with the interpreted geology. Initial drilling is proposed in the second half of 2018.

Defined Prospects

Based on previous exploration activities, the following prospects have been identified (Figure 4-13):

- **Arie** (porphyry copper-gold-molybdenum): Pyrite and chalcopyrite with minor bornite and molybdenite in high level porphyritic dioritic intrusions in a 1,450 m long zone parallel to the contact with Tinniwi Volcanics. Drilling by Kennecott in the 1980s led to the estimation of a resource that does not meet current JORC Code reporting standards. 26 diamond core drill holes have been completed (for a total of 8,351 m) buy Exoil (1971), Anglo (1974) and Newcrest (3 holes in 2013). Newcrest drill hole AD0002 reported 111m at 0.26% Cu and 0.10 g/t gold from 116m down hole.
- **Mount Kren and Puan**: At Mount Kren: The Puan prospect lies to the southwest of Mount Kren, and has a similar geology, with limestone in altered roof pendants. There is visible gold noted in streams draining this area. 49 drill holes have been completed at Mount Kren. Drilling led to the estimation of a resource at Mount Kren that does not meet current JORC Code reporting standards. Many holes have no reported significant intersections. The best intersections at Mount Kren were completed by a JV, reported by Anglo in 1974, including 54.8 m at 0.45% Cu from 7.6m in MK12 and 65.5m at 0.34% Cu from 22.9m in MK37. At Puan a further 3 holes were completed by Anglo in 1976.
- **Wamuk**: The area hosts an extensive copper-in-soil geochemical anomaly. One drill hole was completed by Anglo in 1975 with no reported assays.
- **Chiniwea**: Copper/gold mineralisation is localised at the intersection of southeast and southwest dipping faults. Float boulders of malachite-stained, near-massive and disseminated bornite are associated with quartz veined, brecciated, and silicified monzodiorite. A sample of massive bornite float returned 19 g/t gold. Visible gold is present in stream concentrates. Nine drill holes were completed by Anglo in 1975, with relatively poor assay results returned. The best result is 25.9 m at 0.15% Cu from surface in CHJ4. Subsequent explorers considered that the drill holes may have been wrongly sited and oriented.

- **Yirri**: Anomalous copper and gold values (up to 9.0 g/t gold) returned in float and visible gold is present in stream concentrates.
- **Njekel**: Numerous altered float boulders with anomalous gold values are reportedly from an area of altered agglomerate and limestone intruded by microdiorite. Silica alteration is located within north-trending breccia zones in limestone.
- **Kisi**: Significant gold values were encountered in a road cutting close to Kisi village by Highlands Pacific in the 1990s, within a siliceous zone measuring 130 m by 20 m, which was open to the northeast. Samples from a jasperoid core zone within a road cutting returned 10 m at 8.6 g/t gold and 84 g/t silver. Fourteen drill holes were completed at Kisi (total of 2,494 m) by Highlands (1996), TPJ (3 holes) and Newcrest (6 holes). Newcrest hole KD0002B returned 18m at 0.34 g/t Au from surface.
- **Kisi North, Losi, Lolau Creek, Lumlum and Drankei**: These silicified zones were identified in early exploration. Grab rock samples from narrow jasperoid veins at Kisi North and Losi returned 27 g/t gold and 4.1 g/t gold respectively. 2 shallow drill holes were completed at North Drankie by Highlands in 1995 although no assays are reported.
- **Worei and Kah**: Geochemical surveying by Highlands Pacific in the 1990s outlined two areas of anomalous gold values in partially lateritised deep colluvium or possibly collapsed karstic fill of uncertain age near the Metaworei River, within an east-northeast-trending belt measuring approximately 3,000 m in length by 1,000 m in width. Detailed testing of both prospects was terminated at an early stage due to landowner problems. Four drill holes were completed at Kah for a total of 480 m, although no assays were reported.
- **Aniwea**: Seven shallow drill holes completed by Anglo (1975) and CRAE (1979) with the best result reported being 120m at 0.17% Cu from surface in hole 79MC4.

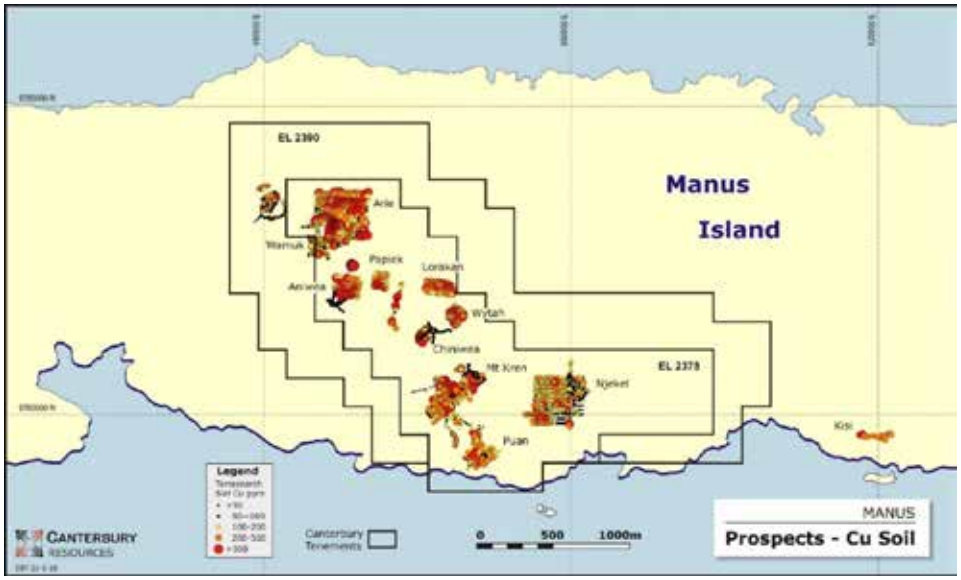

Figure 4-13: Location of the main prospects and copper in soil geochemical anomalies within the Bismarck Project

Source: Canterbury.

4.4.5 Proposed Work Program

The Bismarck Project work program for 2018 is being managed and sole-funded by RTX as part of the Stage 2 exploration program under the JV agreement. Planned exploration activities include:

- Obtaining approvals to conduct drill testing of identified targets;
- Environmental baseline study prior to commencement of any ground disturbance;
- Establishment of a Lorengau-based exploration camp and associated temporary infrastructure to allow drill testing of identified targets; and
- Diamond drilling of priority exploration targets (minimum 1,500 m of drilling), with associated environmental monitoring.

It is proposed that the JV will drill test up to five targets in 2018, likely with up to 600 m deep diamond drill holes. The current priority targets defined by RTX identified for testing are shown in Figure 4-14. The program is subject to amendment based on ongoing assessment of results and other matters, including community agreements, weather, logistics and land access.

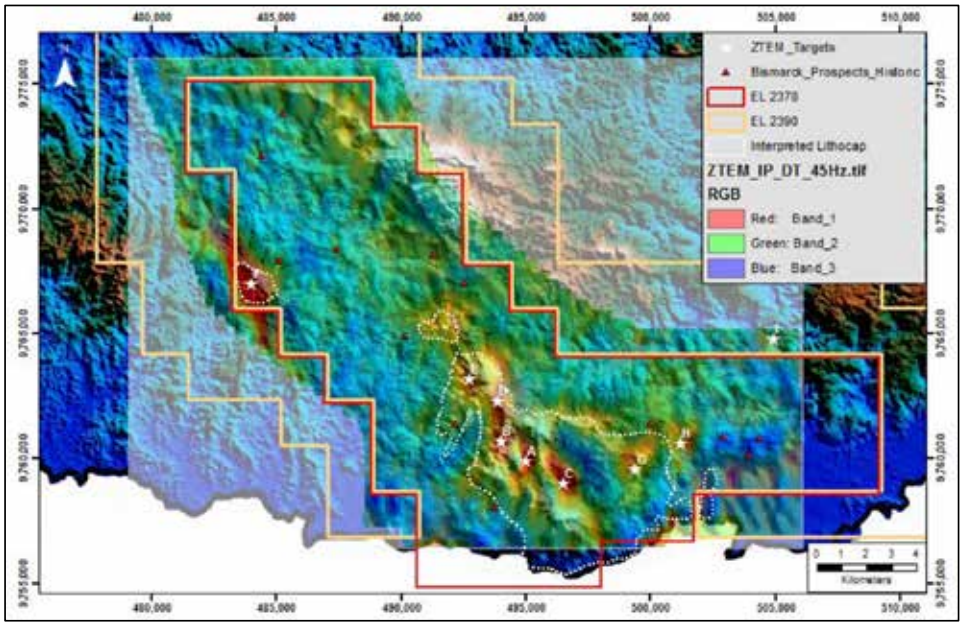

Figure 4-14: Proposed drill target locations over ZTEM™ survey and topographic grids

Source: RTX exploration report, March 2018.

4.4.6 SRK's Opinion

Based on its review of the available technical data SRK considers the Bismarck Project to be prospective for deep porphyry copper gold mineralisation given that previous drilling does not appear to have tested the potential for deeper possibly higher-grade mineralised zones. Recent geophysical surveying by Canterbury's JV partner, RTX, has outlined several valid, drillable targets which appear worthy of further exploration to the extent being proposed by the JV.

5 Vanuatu Project

5.1 Project Setting

Vanuatu is a volcanic archipelago consisting of about 82 small islands located at the margin of the Australian and Pacific plates stretching over a north-south distance of approximately 1,300 km. In total the land mass is around 12,200 km^2 of which it is estimated that only 10% is suitable for agriculture. The two largest islands are Espiritu Santo (Santo) and Malekula. These two islands are prospective for both porphyry copper and epithermal gold deposits, although there are currently no operating mines in Vanuatu.

The nation's largest towns are the capital, Port Vila on Efate Island and Luganville on Santo. The country's estimated population is approximately 234,000 (2009 Census) with almost three quarters of the population based in rural areas.

5.1.1 Location and access

The country's islands are widely scattered, which makes access time-consuming and relatively costly. The lack of proximity to major shipping routes means that the transportation costs for imports and exports are high.

Canterbury holds two granted prospecting licences (PLs) on Malekula, a further three licence applications on Malekula and two licence applications on Santo (PLAs).

Canterbury's Malekula Project is located in southern part of the island, approximately 21 km west of the village of Lamap on the south-eastern coast. Access to the PLs on Malekula is by boat or coastal road from Lamap village along the south coast to Faroun village. Access to the project from Farun northwards into the island's interior is by well used foot tracks for a distance of approximately 7 km.

There are three airports on Malekula at Norsup in the north, Lamap in the southeast and Southwest Bay. Norsup has a tarmac surface. Air Vanuatu operates daily to Malekula. Vanuatu Helicopters also offers a commercial service and long-line sling transport for remote locations.

5.1.2 Topography, Elevation and Vegetation

The interior of Malekula is steep to mountainous, rugged and heavily forested in most locations. Four-wheel drive tracks are rare and most commonly located only near the coast. There are numerous walking tracks between villages. Walking up creeks and ridges is also possible in most areas, although creeks may drain into caves in karst environments.

The vegetation is commonly rainforest with a thick tree canopy with relatively undisturbed and commonly thick undergrowth.

5.1.3 Climate and length of operating season

The climate ranges from sub-tropical to tropical in the southern islands to tropical in the north. Vanuatu is highly susceptible to cyclones between November and April each year. The wet season in Vanuatu runs from December to April, with January to March commonly being the time of highest rainfall. Typically, over those three months, rainfall is expected to reach 1,000 mm (or 1 m) and the risk of tropical cyclones is higher. Average temperatures change little through the year. Typically, temperatures range from 20°C to 28°C in the dry season and 23°C to 30°C in the wet season.

Field operations are largely restricted to the dry season.

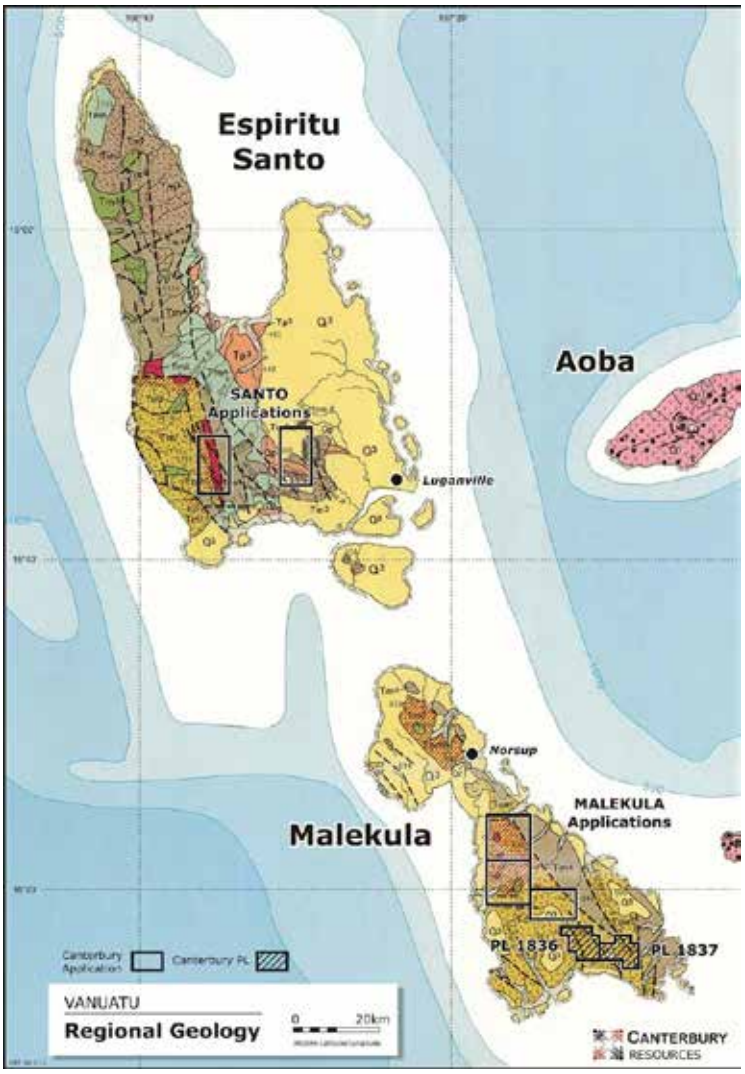

Figure 5-1: Location of Canterbury's Vanuatu projects

Source: Canterbury.

5.1.4 Infrastructure availability and sources

Vanuatu's main natural resources are fish, and hardwood forests. The country has significant small-holder fruit and vegetable production and an expanding organic beef industry that exports to New Caledonia and Australia.

Malakula's economy is largely based on agriculture with extensive copra plantations on the eastern coastal plains around Norsup/Lakatoro. Lakatoro has several stores, a market house, bank branch, an Air Vanuatu office, the main wharf and it is the administrative centre for the region. Norsup has a provincial hospital. Both Norsup and Lakatoro have telephones and 24-hour electricity.

Logistically, Canterbury maintains a rented storage facility in Vanuatu's capital, Port Vila, with people and supplies air freighted or freighted by regular ferry service (15 hours) to the town of Lamap on Malekula.

The local government office runs a guesthouse in Lamap which is used as a base on Malekula. Field activities are operated from temporary fly-camps as required. Most supplies are sourced from Port Vila with very little available locally.

5.2 Project Tenure

5.2.1 Legal Context

Vanuatu is a representative parliamentary democracy with a constitution based on a tripartite separation of powers between the Executive, the Judiciary and the Legislature. As a republic, it has both an elected President (the Head of the Republic) and an elected Prime Minister (the Head of Government). The President is in the main, a ceremonial position; elected every 5 years by a two-thirds majority of an electoral college comprised of members of parliament and presidents of Regional Councils. The Prime Minister is elected by an absolute majority of the Members of Parliament. The Parliament is unicameral and operates in close alignment to the Westminster system.

Executive power in the country resides with the Prime Minister and the Council of Ministers who are appointed by the Prime Minister and who cannot exceed 25% of the total number of elected members of parliament. The Parliament comprises 52 members representing 17 multi-seat constituencies and is elected for a 4-year term. There are at least 34 political parties with no single party holding a majority of the seats, with the result that power is exercised through majorities created in the Parliament by both informal alliances and formal coalitions between independents and parties. The composition of government and the Ministerial structure change relatively frequently.

Although parties and individuals have changed, a complex mix of a few broad-based and numerous 'single-issue' parties has more or less characterised Vanuatu politics and government since the country achieved independence in 1980, following the joint condominium administration of France and Britain established in 1906. Another dimension of Vanuatu politics, which has prevailed throughout the post-independence period, has been the linguistic divide between Francophones and Anglophones.

Administratively, Vanuatu is divided into six provinces – Malampa, Penama, Sanma, Shefa, Tafea, and Torba (with the names of each province being an acronym of the principal islands). Provinces are autonomous units, with their own popularly-elected provincial governments known officially as provincial councils. They collect local taxes and make by-laws in local matters like tourism, the provincial budget or the provision of some basic services. They are headed by a chairman elected from among the members of the local parliaments and assisted by a secretary appointed by the Public Service Commission.

5.2.2 Vanuatu Mining Law

Mineral tenure in Vanuatu is administered under the *Mines and Minerals Act (Cap 190 Consolidated Edition 2006)*, which vests all property in minerals in the Republic of Vanuatu. Six forms of mineral tenure are recognised, namely:

Exploration Licence - a nonexclusive right to explore for minerals over a prescribed area for a period of no more than 12 months (renewable for up to 12 months).

Prospecting Licence – an exclusive right to carry on prospecting for any mineral to which the licence relates over a prescribed area (not exceeding 100 km^2) for a period of no more than 3 years (renewable twice for no more than 2 years each with 50% reduction in area at each renewal).

Mining Licence - confers exclusive rights to carry on exploration, prospecting and mining, sell or otherwise dispose of any mineral to which the licence relates over a prescribed area for a period of no more than 25 years (renewable for a single further term not exceeding 25 years).

Prospecting Permits – authorises entry on any land identified in the permit as land in which he is authorised to prospect and carry on prospecting operations for any mineral specified for a period of 12 months. A holder of a prospecting permit may peg a claim or claims, which provides the right to enter the claim area and the exclusive right, while the claim is registered to prospect and mine therein and to remove and dispose of the specified minerals.

Quarry Permits – authorises entry upon the land specified in the permit and mine and remove and dispose of any building minerals for a period not exceeding 10 years (renewable for further 2-year periods).

Under the Act, mineral royalties are payable to the custom owners of the land and to the Local Government Council from which the minerals or building minerals were derived at an amount not exceeding 40% and 20% respectively out of the revenue received.

5.2.3 Mineral Permits

Canterbury's mineral interests in Vanuatu are held through its wholly owned subsidiary, Capella Vanuatu Limited. Details of these licences are summarised in Table 5-1.

The granted PL's were renewed on 5 August 2016 for a further two-year term. Capella has fully complied with statutory reporting and met expenditure commitments for the initial 3-year terms. Slow progress is being experienced in the assessment process for the remaining PLA's.

Further details relating to the Project tenure can be found in the Legal Report elsewhere within Canterbury's Prospectus.

Table 5-1: Mineral assets held by Capella Vanuatu Limited

Name	Number	Status	Grant Date	Expiry Date	Area (km^2)	Annual Rent (V T)	Annual Exp. Commitment (VT)	Annual Exp. Commitment (AUD) (1)
Malekula 1	PL1836	Granted	31/1/2013	5/8/2018	49.5	247,000	5,000,000	59,750
Malekula 2	PL1837	Granted	31/1/2013	5/8/2018	46.1	230,600	5,000,000	59,750
Santo 1 (Tafuse)	PLA1	Application			94			
Santo 3 (Navaka)	PLA2	Application			94			
Malekula 3	PLA3	Application			94			
Malekula 4	PLA4	Application			94			
Malekula 5	PLA5	Application			94			

Notes:

(1): Assuming 83.7 Vatu (VT) is equivalent to A$1.

There are no known significant factors and risks that may affect access, title or the right or ability to perform work on the granted exploration licences.

5.3 Geological Setting

5.3.1 Regional Geology

The major geological framework for Santo and Malekula islands in Vanuatu is shown in Figure 5-2.

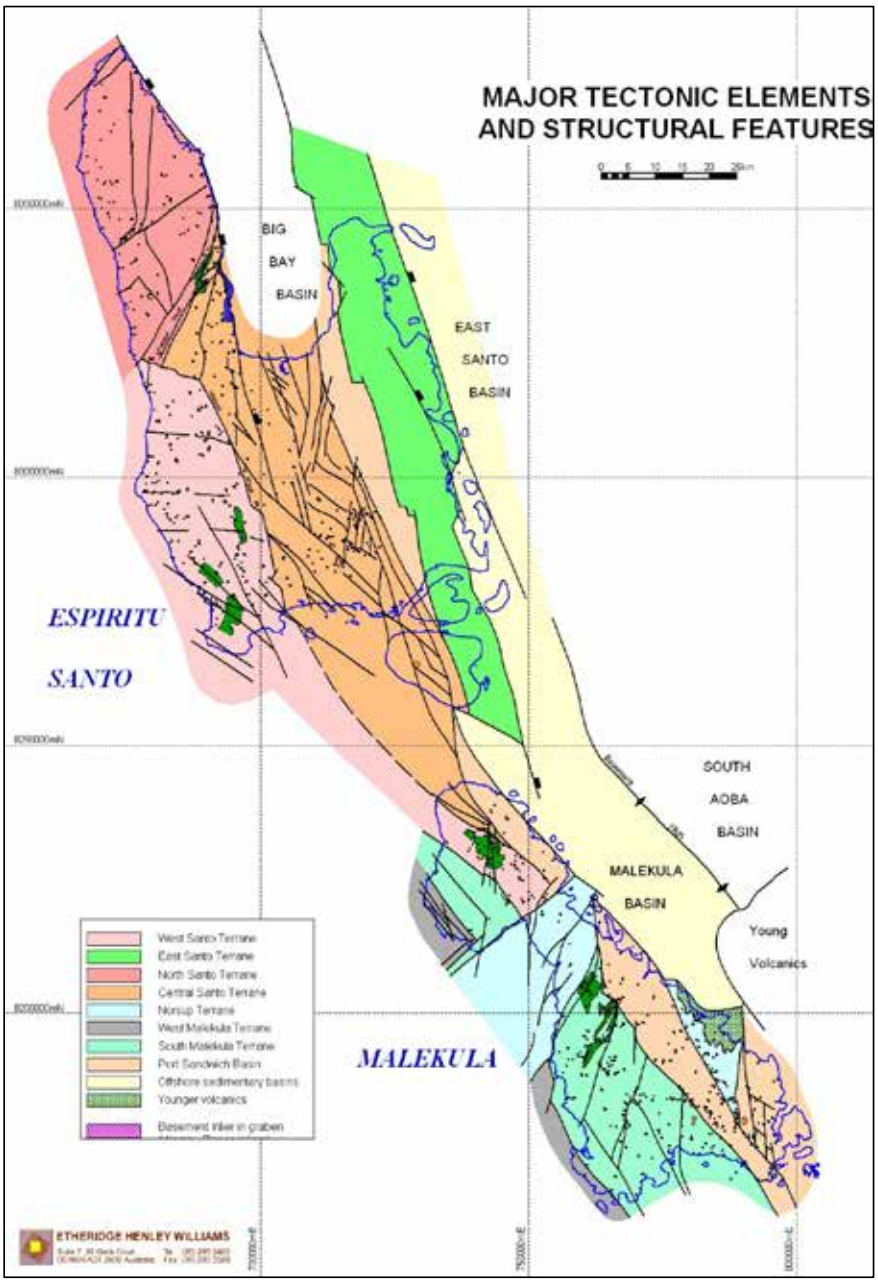

Figure 5-2: Geology and major structure of Malekula and Espiritu Santo

Source: EHW/SRK Consulting Vanuatu Mineral Exploration Initiative, 1996, updated 2005.

Santo has been divided into four major structural terranes.

- The West Santo terrane comprises early to middle Miocene submarine volcanic breccia, volcanic rocks and intrusions;
- The Central Santo terrane is dominated by younger sequences formed in complex strike-slip, compressional setting. The Central Santo terrane overlays the middle Miocene volcanic rocks, and is then overlain by Pleistocene reef limestone;
- The East Santo Terrane is covered by raised, reef limestones. The East Santo terrane is separated from the Central Santo terrane by a narrow fault-bounded basin along the terrane boundary; and
- The North Santo terrane comprises largely volcanic breccia rocks and is separated from the West Santo terrane by the mineralised Pialapa fault system.

Only small segments of the East and Central Santo terranes can be identified on the aeromagnetic geophysical images of Malekula. The aeromagnetic pattern of the North Malekula Region is similar to the West Santo terrane. The West Malekula terrane comprises a narrow belt with a linear magnetic character and variable magnetic intensity. Rocks within this zone are dominated by red mudstone and sea-floor sedimentary deposits and are inferred to be thrust over the South Malekula terrane. The Eastern Santo terrane is not present on Malekula and may be represented by the offshore magnetic high in or east of the Malekula Basin. The Port Sandwich Basin developed as an extensional sedimentary basin on the older volcanic edifice and is probably the onshore equivalent of the Malekula Basin (EHW, 1996).

5.3.2 Deposit styles

Within its granted and application tenure, Canterbury is targeting gold (epithermal) and copper-gold (porphyry) mineralisation based on the concept that the geological setting in Vanuatu is analogous with the Coromandel region of New Zealand and is relatively underexplored (Erceg and Stevens, 2017). Mineralisation encountered to date comprises:

- Epithermal: located on eastern side of Malekula and Santo Islands. Gold-silver mineralisation associated with adularia-sericite alteration controlled by northwest and northeast-striking faults. There is potential for high-sulphidation epithermal mineralisation, low sulphidation epithermal mineralisation, carbonate replacement and breccia-hosted styles of epithermal gold-silver mineralisation.
- Porphyry: deep copper-gold associated with intrusions, porphyry dykes, intrusion-related breccia and vein stockwork controlled by northwest striking faults.

5.4 Project History

Exploration at Malekula remains at an early stage, although trenching and limited drilling has been completed at the four main prospects within the granted tenure, namely the Barius, Amethyst, Taoran and Livimboas Prospects.

5.4.1 Barius Prospect

The Barius Prospect lies within PL1837 and comprises a 2 km long northwest trending alteration zone, which coincides with a magnetic geophysical low and a coincident potassic radiometric anomaly. Gold-silver-zinc mineralisation encountered to date at the prospect is associated with clay alteration, brecciation and quartz vein stockwork.

The prospect was initially discovered by United Resources (Vanuatu) Ltd (City Resources) after panning gold in an adjacent river draining east into Port Sandwich. Follow-up investigation revealed a zone of silica-clay alteration with weak gold values at the prospect. Subsequent exploration activities include stream sediment, pan concentrate, float and ridge and spur soil geochemical sampling campaigns (totalling 138 samples - Figure 5-3). This sampling has returned values up to 0.75 g/t gold, up to 209 g/t silver, up to 0.85% zinc and defined a 2 km by 0.2 km alteration zone.

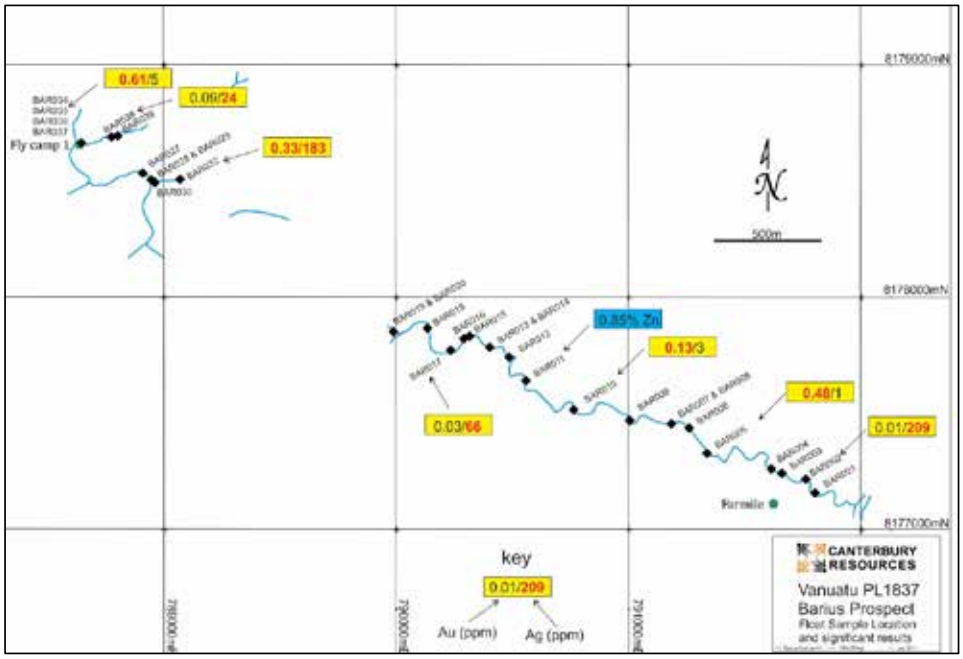

Figure 5-3: Float sample locations and significant results for the Barius Prospect

Source: Canterbury.

5.4.2 Amethyst Prospect

The Amethyst Prospect lies within PL1836 (near boundary with PL1837), with the prospect identified from amethystine quartz float in creeks and rivers that flow north into the Pankumu River. The prospect has been evaluated by a number of previous explorers including:

- City Resources (1986 to 1987) who conducted bench geochemical sampling the area (returning best results of 5 m at 7.0 g/t gold, 5 m at 7.5 g/t gold and 5 m at 6.4 g/t gold).
- Vanaust (1991) completed nine drill holes for 824.1 m into a small area located in proximity to a trench exposed outcrop of amethyst veins (Figure 5-4, Figure 5-5).
- ISCOR Limited (ISCOR) (1993) drilled one further hole (TR-13) to test 100 m below the Vanaust holes. The geological interpretation from this hole had the vein system dipping at 60° to the west, which is steeper than previously thought. Core recovery was better. Samples of the mineralisation in this hole returned low grades (JORC (2012) Table 1 in Appendix 1). ISCOR identified large potassium radiometric anomaly to the south with rock chip of 10.4 g/t gold indicating a possible extension to the system.

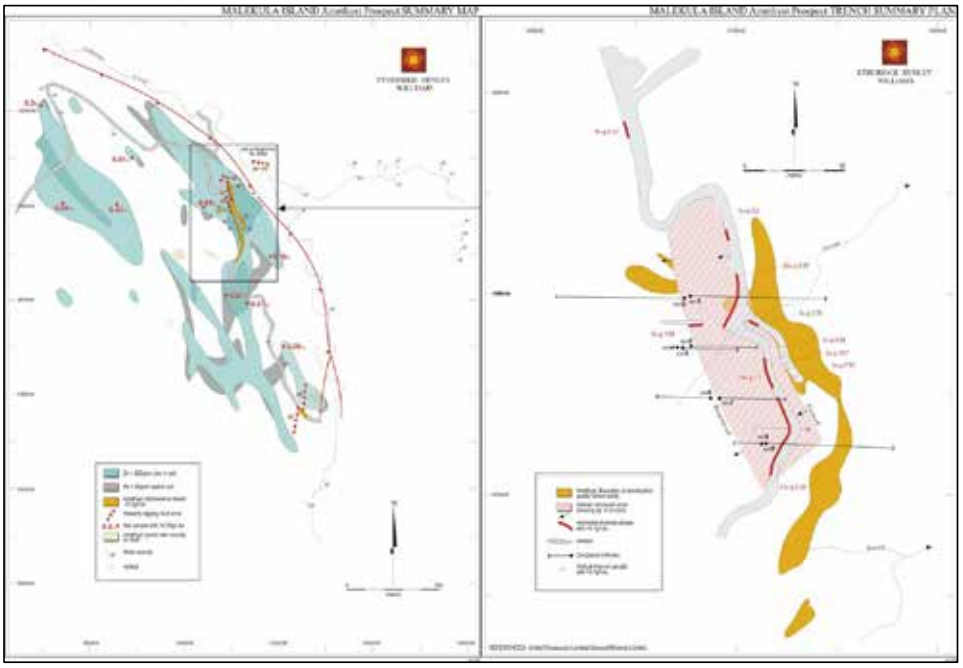

Figure 5-4: Plan of the Amethyst soil and rock chip samples (left) and trench and drill hole locations (right)

Source: EHW/SRK Consulting Vanuatu Mineral Exploration Initiative, 1996, updated 2005.

A summary of the drill holes is shown in Table 5-2 and significant intersection shown in JORC (2012) Table 1 in Appendix 1.

Table 5-2: Summary of drill holes completed at the Amethyst prospect

Hole ID	Type	Depth	East	North	RL	Dip (°)	Azi (T)	Company
ADH1	Core	146.2	782582	8180564	233	-60	101	Vanaust
ADH2	Core	148.3	782579	8180565	233	-60	281	Vanaust
ADH3	Core	41.4	782574	8180540	248	-55	101	Vanaust
ADH4	Core	75	782573	8180540	248	-90	0	Vanaust
ADH5	Core	68	782576	8180540	248	-60	101	Vanaust
ADH6	Core	71.8	782582	8180512	256	-70	281	Vanaust
ADH7	Core	63	782587	8180512	256	-60	101	Vanaust
ADH8	Core	126.8	782601	8180484	256	-60	101	Vanaust
ADH9	Core	83.6	782601	8180484	256	-80	281	Vanaust
TR-13	Core	235.70	782457	8180562	281	-60	090	ISCOR

Source: Annual Report for Taoran & Amethyst – PLs 1585, 1584 1 February 1998 to 31 January 1999 R Hartley ISCOR Australia and ISCOR drill database.

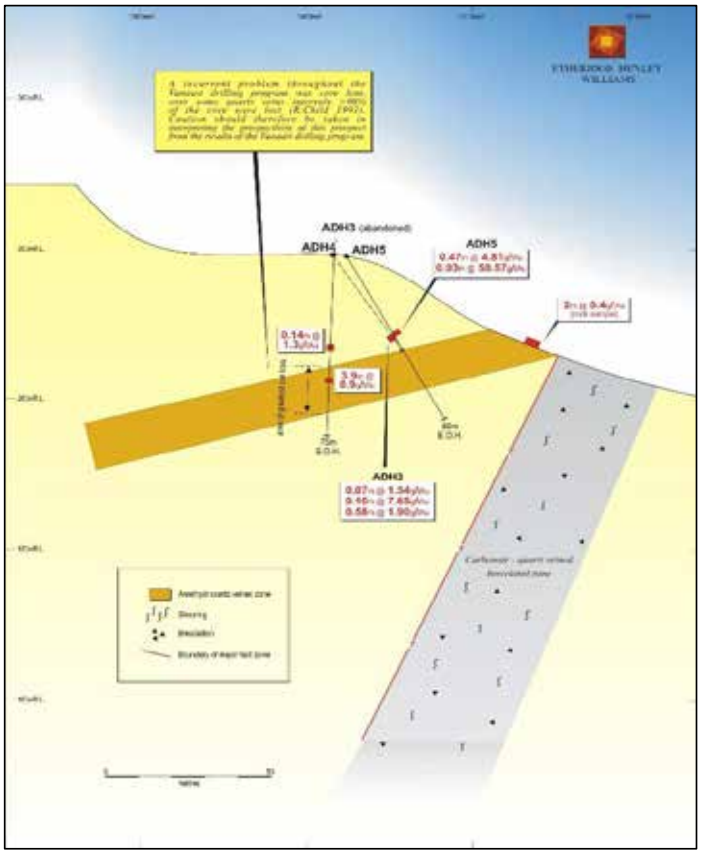

Figure 5-5: Drill section at the Amethyst prospect

Source: EHW/SRK Consulting Vanuatu Mineral Exploration Initiative, 1996, updated 2005.

To date, Canterbury has collected 10 rock chip geochemical samples from the prospect with half of these returning elevated gold values of greater than 1.0 g/t gold with a maximum of 2.7 g/t gold (Figure 5-8).

5.4.3 Taoran-Livimboas Prospect

The Taoran Prospect lies within PL1836 and comprises gold-silver mineralisation hosted by numerous blue-clay pyrite shear zones and brecciated quartz veins hosted by andesitic lava and agglomerate. These shear and brecciated zones strike north-northwest and dip steeply east and west.

The prospect was discovered by City Resources in late 1985 using helicopter supported stream reconnaissance following epithermal vein silica, amethyst and pan concentrate geochemical sampling in the Pankumu River. Regional mapping interpreted a series of low angle, north-northwest trending, west dipping, reactivated thrust faults, which have folded and disrupted the sedimentary sequence. The best intersections encountered in trenching included 12.3 m at 3.3 g/t gold (“forty-gram” area), 4.0 m at 3.0 g/t gold (central stockwork area), 17.8 m at 1.4 g/t gold (silica replaced limestone, (Annual Report for Taoran & Amethyst – PLs 1585, 1584 1 February 1998 to 31 January 1999). Three diamond drill holes (for 425.0 metres) were drilled parallel to the mineralised trend in 1986. All drill holes returned relatively low gold grades.

In 1993, ISCOR drilled nine holes (total 1,265.6 metres, Table 5-3) to assess a soil geochemical anomaly (greater than 0.25 g/t gold in soil over approximately 100 m). Best results from this campaign included 4 m at 4.4 g/t gold from 44 m downhole depth in TR07 (galena-sphalerite-quartz vein and breccia infill shear zone) and 13 m at 1.5 g/t gold from 18 m downhole depth in TR09 (from weakly silicified and quartz veined andesite) as shown in Figure 5-7 and JORC (2012) Table 1 in Appendix 1.

Table 5-3: Summary of drill holes completed at the Taoran prospect

Hole ID	Type	Depth	East	North	RL	Dip (°)	Azi (T)	Company
TR001	Core	145.6	780167	8181727	275	-90	0	City Resources
TR002	Core	179.6	780168	8181728	275	-60	151	City Resources
TR003	Core	99.8	780019	8181549	260	-60	351	City Resources
TR-04	Core	131.6	779973	8181577	250	-60	070	ISCOR
TR-05	Core	61.90	779939	8181565	260	-60	070	ISCOR
TR-06	Core	166.80	780120	8181415	278	-60	070	ISCOR
TR-07	Core	191.80	780020	8181500	265	-60	070	ISCOR
TR-08	Core	52.60	780485	8181185	300	-60	250	ISCOR
TR-09	Core	159.40	780410	8181190	301	-60	250	ISCOR
TR-10	Core	82.50	780414	8181190	301	-60	070	ISCOR
TR-11	Core	224.40	780279	8181243	325	-60	270	ISCOR
TR-12	Core	194.60	780295	8180855	330	-60	270	ISCOR

Source: Annual Report for Taoran & Amethyst – PLs 1585, 1584 1 February 1998 to 31 January 1999 R Hartley ISCOR Australia and ISCOR drill database.

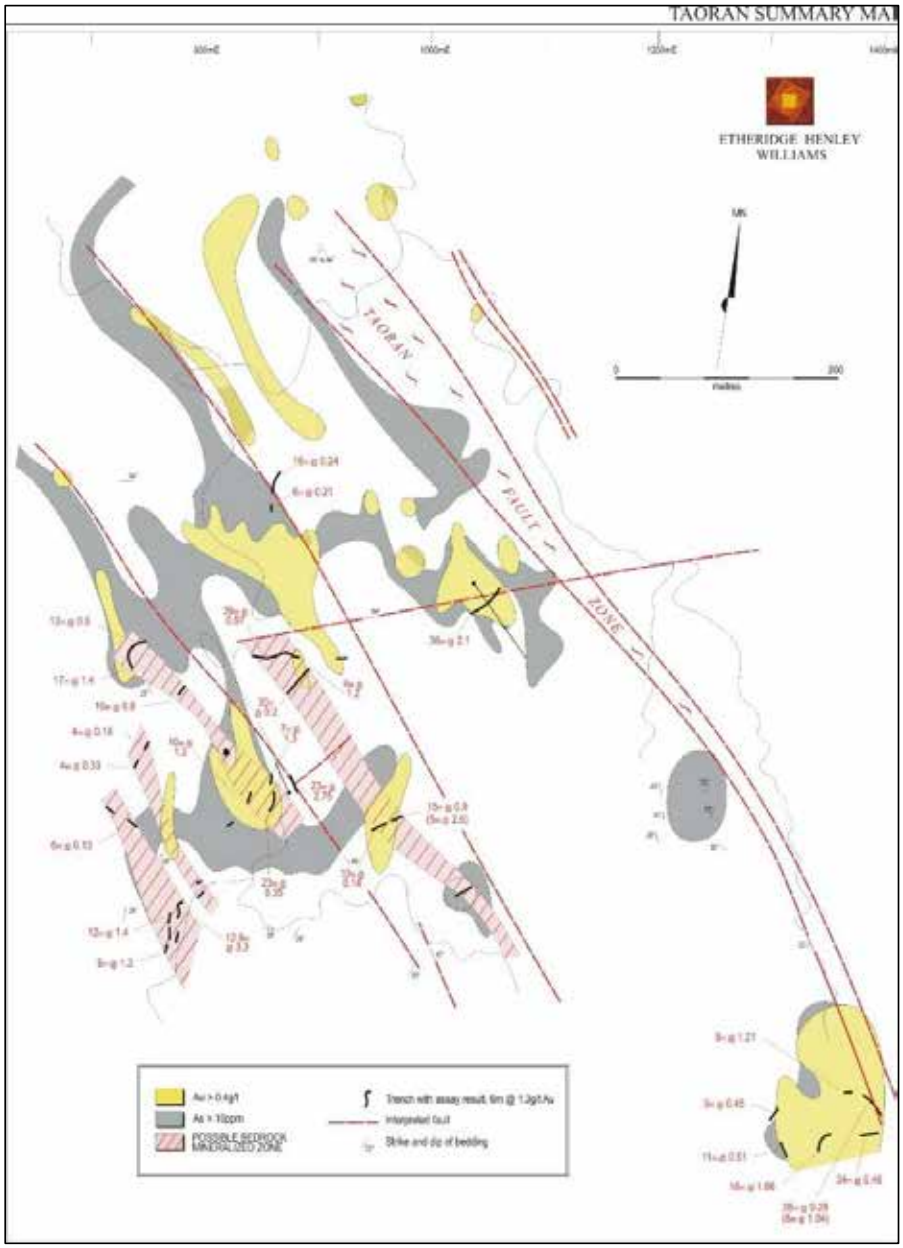

Figure 5-6: Plan of the Taoran prospect soil geochemistry and trench results

Source: EHW/SRK Consulting Vanuatu Mineral Exploration Initiative, 1996, updated 2005.

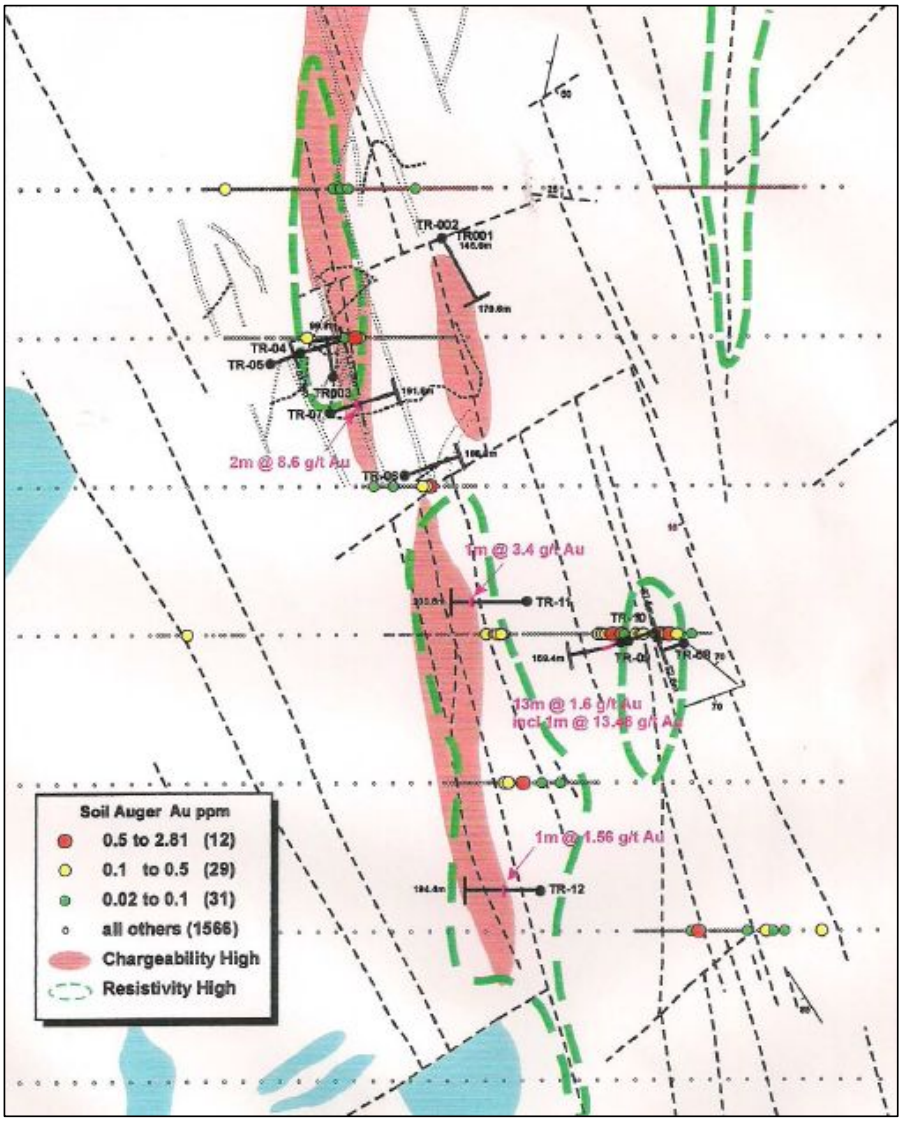

Figure 5-7: ISCOR soil auger, geophysical survey anomalies and drill hole locations at Taoran

To date, Canterbury has collected rock chip and float geochemical samples from creeks around Taoran, some of which have returned gold greater than 1.0 g/t (Figure 5-8).

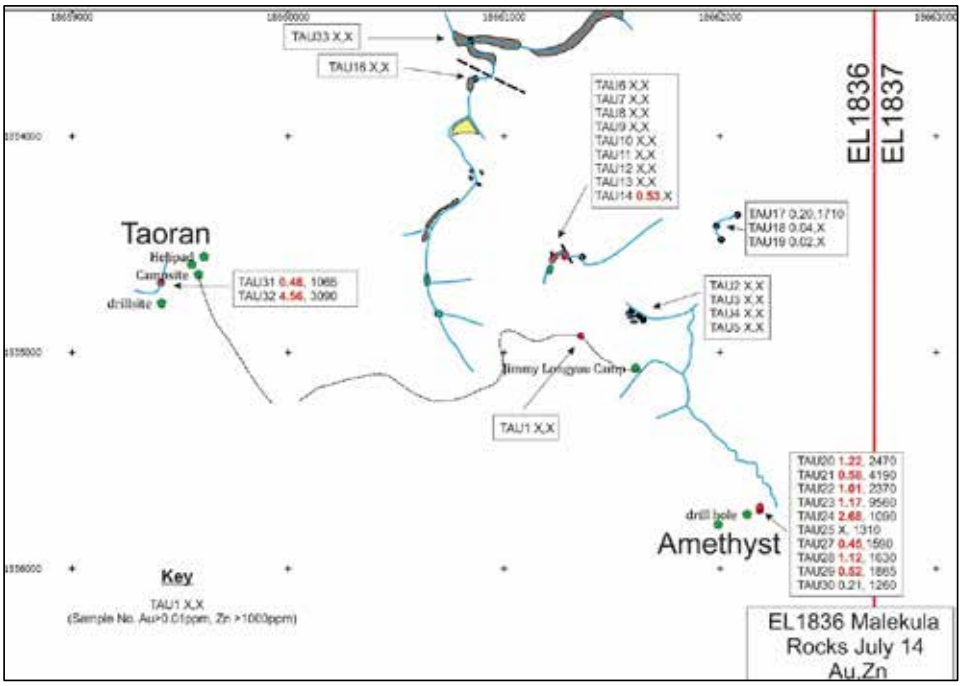

Figure 5-8: Canterbury (Capella) rock chip and float samples from the Taoran and Amethyst Prospects

The Livimboas Prospect lies along the southern extension of the Taoran grid within PL1836 and covers a drainage system 3 km south of the Taoran Prospect. Work completed to date has included geological mapping, soil geochemical sampling, ground magnetic and electrical geophysical survey in 1997- to 1998 but no drill testing.

Canterbury has not undertaken any exploration at the Livimboas Prospect to date.

In addition to its granted tenure, Canterbury has commenced data acquisition activities over its remaining application areas. This data compilation has highlighted a number of targets to be assessed upon grant of tenure. These targets include:

- **The Fundor Prospect**: A high level intrusive related epithermal gold prospect within PLA1 on Espiritu Santo Island. The prospect comprises a 1.2 km by 0.9 km argillic and propylitic-phyllic altered zone with associated copper-gold-zinc mineralisation occurring within a quartz stockwork hosted by Miocene andesite, basaltic volcanics, siltstone, sandstone, marl, limestone and sub-volcanic feldspar porphyry. Previous drilling by City Resources comprised three holes, of which two targeted a silicified limestone, which assayed 0.9 m at 2.3 g/t gold and a deeper hole intersected a narrow siliceous breccia zone which returned 0.4 m at 5.9 g/t gold and 1 m at 1.1 g/t gold. The mineralisation is interpreted to have formed at a depth of approximately 300 to 500 m below the palaeosurface.
- **The Tafuse Prospect** is located 1.5 km north of Fundor on the same northwest-striking structure. Previous exploration has outlined shallow adularia-sericite alteration with epithermal gold-silver mineralisation hosted in quartz stockworks (colloform and crustiform textures) associated with Miocene-aged volcanics, which is typical of a high-level epithermal gold system (probably eroded

to no more than 100 m below palaeosurface) but no sinters are recognised. The breccia zone is aligned along 0.75 km elongate northwest trending fault with brecciation and stockwork up to 0.25 km wide. Previous rock chip geochemical sampling returned elevated gold and silver results (up to 10 g/t gold and 860 g/t silver). City Resources completed two drill holes but did not adequately test the target as the drilling was reportedly sub-parallel to the main host structures.

- Also, within PLA1 is the **Webe Creek Prospect**, which comprises pyritised, silicified breccia in association with pyritic, propylitic and argillic alteration over a 5 km strike. Discovered by City Resources following a train of epithermal silica float and pan concentrate in the Fartpoy/Torefura drainage in 1985 to 1987. City Resources completed several geochemical sampling exercises including 25 m by 12.5 m and 50 m by 12.5 m soil, rock chip and bulldozer trenching over the area. In 1994, Cominco Resources carried out 100 m gridding and auger soil, float and rock chip geochemical sampling targeting shallow mineralisation.
- The **Vira Prospect** is partially explored (no adequate geological map) with associated alteration and rock texture indicating both sub-volcanic and epithermal style mineralisation. This mineralization occurs within brecciated, silicified and clay altered volcanic units, local quartz veining and quartz-sulphide bearing shears over a 1,000 m by 350 m area.
- Within PLA2 on Espiritu Santo Island, previous exploration has defined the **Ora Prospect** in association with the 6 km long by 2.5 km wide north-northwest trending zone within the Navaka intrusive complex (multiphase mafic – felsic). This complex comprises a series of dioritic to gabbroic intrusions, which have intruded Miocene sedimentary and volcanic rocks and deformed by steeply dipping north-south (Navaka Fault) and northwest to north-northwest (Ora Fault) striking faults. The Navaka Fault separates the West Santo and Central Santo geological terranes. Known porphyry style mineralisation within the area occurs as sulphide disseminations in altered intrusions or volcanics, pyritic stockwork and veins, clay-pyrite altered shears and skarns. The area has previously been assessed by Kennecott (1974 to 1975), United Resources (1986) and Placer Pacific (1992 to 1993), which defined a hydrothermal alteration zone with copper and/or gold mineralization in bedrock and copper-gold anomalism in soils. Following limited exploration, Placer Pacific concluded that the area offered potential for structurally controlled, high-grade, intrusive-related mineralisation. Rock chip sampling from the area returned values up to 6.4% copper and up to 4.9 g/t gold (magnetite skarn).

No information is currently available for any prospects on the Malekula applications PLA3, PLA4 and PLA5.

5.5 Proposed Work Program

At present, Canterbury has not proposed a dedicated work program for the Vanuatu Projects. Rather the projects are to be reviewed as part of an integrated targeting program to be completed once all licences are granted. Within this context, SRK considers the Vanuatu Projects are worthy of the evaluation to the extent being proposed by Canterbury.

5.6 SRK's Opinion

Based on its review of the available technical data, SRK considers Canterbury's Vanuatu tenure is best represented as an early stage to advanced exploration project which offers potential for epithermal gold-silver mineralisation. While previous exploration activities have been largely surficial, a number of drill holes have been completed and encountered narrow zones of low to modest grade mineralisation.

6 Proposed Exploration Program and Expenditure

6.1 Proposed exploration work program

Canterbury has proposed a staged program of exploration and development for its Australian, PNG and Vanuatu projects over a two-year period following listing on the ASX. Canterbury's principal strategy on its 100% owned projects is to initially drill test its advanced exploration targets, such as those at the Briggs Prospect within the Briggs & Mannersley Project and the Ekoato Prospect within the Ekuti Range Project, and use these targets to support the future assessment of its other local regional opportunities, such as those evident at Ekuti Range, Ipi River and on Malekula, as well as other prospects which may be generated through ongoing targeting activities.

In parallel, RTX is managing and sole-funding the next phase of exploration on the Bismarck Project in accordance with the Farm In and Joint Venture Agreement. The current plans include near term drilling of buried porphyry copper targets, with follow-up activities dependent on initial results.

Canterbury's ongoing program will include compilation, verification and critical assessment of the geology and historical exploration data through a regional targeting review of all the tenements to generate detailed targets for subsequent follow-up assessment. In concert with this target generation activity, Canterbury plans to:

- Undertake further exploration drilling at the advanced Briggs and Ekoato Prospects, with a view to upgrading and expanding the currently defined mineralisation and outlining higher grade zones within these copper-gold porphyry systems.
- Re-evaluate additional targets such as historical workings, structural/stratigraphic, geochemical and geophysical targets with favourable geological indicators to define drill targets capable of hosting high grade gold and base metal resources. Canterbury plans to assess these targets through detailed geological mapping, detailed geochemical and geophysical surveys, interpretation and modelling and diamond drilling.
- The generation of new base metal and gold anomalies and associated concepts associated with favourable geological parameters. Canterbury proposes to assess these targets through geological mapping, soil, stream and rock chip geochemical sampling, geophysical surveying, interpretation of satellite and aeromagnetic imagery and diamond drilling.

SRK considers the work program proposed by Canterbury is well conceived and provides adequate consideration of the differing styles of mineralisation and have been designed to realise the potential of the project areas in a prudent and efficient manner. The exploration programs currently planned by Canterbury total A$4,003,200 in Year 1 and A$2,254,000 in Year 2 following their equity raising (Table 6-1).

Table 6-1: Canterbury – proposed exploration budget

Project	Year 1	Year 2	Total
Briggs & Mannersley	1,512,100	-*	1,512,100
Ekuti Range	2,327,100	-*	2,327,100
Follow-up drilling at Briggs/Ekuti Range	-	2,000,000	2,000,000*
Bismarck	0**	0**	0**
General Exploration	164,000	254,000	418,000
Corporate	692,500	692,500	1,385,000
IPO Costs	651,449	0	651,449
TOTAL	**$5,347,149**	**$2,946,500**	**$8,293,646*** **

Note: * Year 2 funds to be applied at Briggs and Ekuti Range based on results in Year 1
** expected to be free carried
*** total budget includes existing funds on hand plus funds to be raised under the IPO.

In SRK's opinion, Canterbury's proposed expenditures are realistic in the context of the available working capital currently held by the company. It should be possible to evaluate the resource potential of its key project areas at Briggs and Ekuti Range in the two-year period. Furthermore, the budget proposed should permit a meaningful assessment of the potential and limited drilling of the key targets identified within its regional projects of Mannersley, Ipi River Malekula and Santo. SRK cautions, however, that the proposed exploration programs may change in Year 2 from that currently stated and will be dependent on the results from the Year 1 program.

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Appendices

Appendix A: JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

This JORC Code, 2012 Edition – Table 1 relies on data from various historic exploration drilling campaigns at the various Projects which have been reported periodically according to the various statutory exploration licence conditions and are now in the public domain. These historic exploration results are being used by Canterbury to develop geological models and exploration plans and are not being used to inform a Resource Estimate.

Information about the historic drilling, sampling and analysis of samples is not exhaustive and, in most cases, predates the JORC (2012) reporting criteria.

It is expected that further validation of these historic data and/or re-drilling of the holes would be required if they were to be used for Resource estimation in the future.

The following tables summarise the exploration drilling that is known at the Canterbury Projects.

Summary of drill holes completed by Triple Plate Junction Incorporated at the Ekuti Range Project:

Hole ID	Prospect	Type	Depth	East	North	RL	Dip (°)	Azi (T)
OTI001	Otibanda	Core	80.8	440669	9190090	1956	-63	180
OTI002	Otibanda	Core	144.9	440444	9190214	2022	-55	180
OTI003	Otibanda	Core	160.2	440444	9190214	2022	-69	180
OTI004	Otibanda	Core	161.7	440149	9190303	2117	-56	180
OTI005	Otibanda	Core	77.4	439087	9190548	1889	-49	180
OTI006	Waikanda	Core	99.26	437862	9189164	2217	-54	180
OTI007	Waikanda	Core	128.05	437862	9189164	2217	-74	180
OTI008	Waikanda	Core	99	438281	9188953	2180	-52	180
OTI009	Sepanda	Core	176.5	440721	9187178	2332	-69	224
OTI010	Sepanda	Core	180.1	440694	9187222	2303	-60	224
OTI011	Sepanda	Core	290.3	440219	9186641	2398	-50	146
OTI012	Sepanda	Core	191	440261	9186537	2451	-60	050
OTI013	Sepanda	Core	146.2	440261	9186537	2451	-65	146
OTI014	Sepanda	Core	140.5	440261	9186537	2451	-50	230
OTI015	Sepanda	Core	114.9	440565	9186507	2467	-55	240
OTI016	Sepanda	Core	160.1	440565	9186507	2467	-50	200
OTI017	Waikanda	Core	118	437958	9189084	2184	-53	200

Source: Terrasearch PNG data compilation; coordinates in AGD66 UTM Zone 55. Depth and co-ordinates in metres.

Summary of drill holes completed at the Ipi River prospect:

Hole ID	Type	Depth	East	North	RL	Dip (°)	Azi (T)	Company
DDH1	Core	200	469459	9087595	1800	-90	0	Dampier
DDH2	Core	200	469459	9087995	1800	-90	0	Dampier
DDH3	Core	200	469707	9087736	1900	-90	0	Dampier
PDH001	Core	427	469459	9087395	939	-60	9	Petromin
PDH002	Core	461.7	469459	9087395	939	-60	130	Petromin
PDH003	Core	331	469707	9087736	1078	-70	315	Petromin

Source: Dampier Mining PA192 Final Report D Wood & G Torr 1976 (coordinates approximate);
Petromin database 2016; coordinates in AGD66 UTM Zone 55. Depth and co-ordinates in metres.

Summary of drill holes completed at the Amethyst prospect within the Malekula Project:

Hole ID	Type	Depth	East	North	RL	Dip (°)	Azi (T)	Company
ADH1	Core	146.2	782582	8180564	233	-60	101	Vanaust
ADH2	Core	148.3	782579	8180565	233	-60	281	Vanaust
ADH3	Core	41.4	782574	8180540	248	-55	101	Vanaust
ADH4	Core	75	782573	8180540	248	-90	0	Vanaust
ADH5	Core	68	782576	8180540	248	-60	101	Vanaust
ADH6	Core	71.8	782582	8180512	256	-70	281	Vanaust
ADH7	Core	63	782587	8180512	256	-60	101	Vanaust
ADH8	Core	126.8	782601	8180484	256	-60	101	Vanaust
ADH9	Core	83.6	782601	8180484	256	-80	281	Vanaust
TR-13	Core	235.70	782457	8180562	281	-60	090	ISCOR

Source: Annual Report for Taoran & Amethyst – PLs 1585, 1584 1 February 1998 to 31 January 1999 R Hartley ISCOR Australia and ISCOR drill database. Depth and co-ordinates in metres.

Summary of drill holes completed at the Taoran prospect within the Malekula Project:

Hole ID	Type	Depth	East	North	RL	Dip (°)	Azi (T)	Company
TR001	Core	145.6	780167	8181727	275	-90	0	City Resources
TR002	Core	179.6	780168	8181728	275	-60	151	City Resources
TR003	Core	99.8	780019	8181549	260	-60	351	City Resources
TR-04	Core	131.6	779973	8181577	250	-60	070	ISCOR
TR-05	Core	61.90	779939	8181565	260	-60	070	ISCOR
TR-06	Core	166.80	780120	8181415	278	-60	070	ISCOR
TR-07	Core	191.80	780020	8181500	265	-60	070	ISCOR
TR-08	Core	52.60	780485	8181185	300	-60	250	ISCOR
TR-09	Core	159.40	780410	8181190	301	-60	250	ISCOR
TR-10	Core	82.50	780414	8181190	301	-60	070	ISCOR
TR-11	Core	224.40	780279	8181243	325	-60	270	ISCOR
TR-12	Core	194.60	780295	8180855	330	-60	270	ISCOR

Source: Annual Report for Taoran & Amethyst – PLs 1585, 1584 1 February 1998 to 31 January 1999 R Hartley ISCOR Australia and ISCOR drill database. Depth and co-ordinates in metres.

Summary of drill holes completed by previous explorers at the Briggs Project:

Hole ID	Type	Depth	East	North	RL	Dip (°)	Azi (TN)	Company
DDH1	Core	122	268917	7345134	213	-90	000	Noranda
DDH2	Core	60	268384	7344873	251	-90	000	Noranda
DDH3	Core	152	268735	7344903	249	-90	000	Noranda
DDH4	Core	152	268700	7345092	216	-90	000	Noranda
DDH5	Core	109	268737	7344818	255	-90	000	Noranda
PH1	Perc	54	268706	7345030	228	-90	000	Noranda
PH2	Perc	40	268857	7345122	216	-90	000	Noranda
PH3	Perc	33	268997	7345072	226	-90	000	Noranda
PH4	Perc	52	268853	7344920	232	-90	000	Noranda
PH5	Perc	43	268666	7345225	202	-90	000	Noranda
PH6	Perc	34	268622	7345081	221	-90	000	Noranda

Hole ID	Type	Depth	East	North	RL	Dip (°)	Azi (TN)	Company
PH7	Perc	46	268093	7345316	206	-90	000	Noranda
PH8	Perc	46	268497	7345055	229	-90	000	Noranda
PH9	Perc	35	268790	7345107	224	-90	000	Noranda
RC93BR1	RC	126	268270	7345365	216	-90	000	CRAE
RC93BR2	RC	149	267942	7345103	204	-90	000	CRAE
RC93BR3	RC	136	269254	7344822	200	-71	144	CRAE
RC93BR4	RC	84	267868	7344839	169	-90	000	CRAE
RC93BR5	RC	109	268666	7345225	202	-90	000	CRAE
RC93BR6	RC	45	268521	7345402	203	-90	000	CRAE
RC93BR7	RC	50	268312	7345554	184	-90	000	CRAE
DDH36-1	Core	24.02	267599	7345078	180	-90	000	Geopeko
DDH36-2	Core	21.59	267721	7344736	180	-90	000	Geopeko
DDH36-3	Core	19.95	267718	7345012	180	-90	000	Geopeko
DDH36-4	Core	270.97	267979	7345713	180	-90	000	Geopeko
DDH36-5	Core	106.98	268078	7345643	180	-90	000	Geopeko
BRIG0001	Core	417.8	268449	7344484	214	-70	059	Rio Tinto

Source: Noranda – Small A.K., 1973 (QDEX Report 6765);
Geopeko – Frets D.C. 1974 (QDEX Report 5157) and Taube A. 1976 (QDEX Report 5840);
CRAE – Marinelli J.F. & Muggeridge G.D. 1994 (QDEX Report CR25329);
RioTinto – Mikitiuk D 2015 EPM19198 Annual (Confidential).
Collar coordinates in GDA94. Depth and co-ordinates in metres.

Summary of drill holes completed by previous explorers at the Mannersley Project:

Hole ID	Type	Depth	East	North	RL	Dip (°)	Azi (T)	Company
DDH43-1	Core	201.4	279820	7340511	98.7	-90	0	Geopeko
DDH43-2	Core	141.73	279661	7340925	89.6	-90	0	Geopeko
DDH43-3	Core	149.33	279791	7340606	93.1	-90	0	Geopeko
MAN0001	Core	24.02	279640	7340244	123.0	-65	029	Rio Tinto

Source: Geopeko – Taube 1976 (QDEX Report 5840);
Rio Tinto – Mikitiuk D. 2015 Annual Report EPM19198 2015.
Collar co-ordinates in GDA94. Depth and co-ordinates in metres.

Summary of drill holes completed by previous explorers at the Bismarck Project:

Hole ID	Prospect	Date	Type	Depth	East	North	RL	Dip (°)	Azi (T)	Company
R1	Arie	1971	Core	279.5	NR	NR	NR	NR	NR	Exoil
R2	Arie	1971	Core	297.8	NR	NR	NR	NR	NR	Exoil
R3	Arie	1971	Core	181.7	NR	NR	NR	NR	NR	Exoil
R4	Arie	1971	Core	183.2	NR	NR	NR	NR	NR	Exoil
R5	Arie	1971	Core	182.9	NR	NR	NR	NR	NR	Exoil
R6	Arie	1971	Core	124.1	NR	NR	NR	NR	NR	Exoil
DDH1	Mt Kren	1973	Core	259.14	NR	NR	NR	NR	NR	Exoil
DDH2	Mt Kren	1973	Core	173.89	NR	NR	NR	NR	NR	Exoil
MA1A	Arie	1974	Core	218.22	5600*	1140*	66	-60	360	Anglo
MA1B	Arie	1974	Core	519.45	5600*	1140*	66	-50	360	Anglo
MA2	Arie	1974	Core	275	4000*	2300*	120	-50	200	Anglo

Hole ID	Prospect	Date	Type	Depth	East	North	RL	Dip (°)	Azi (T)	Company
MA3	Arie	1974	Core	270	7770*	400*	110	-50	200	Anglo
MA4	Arie	1974	Core	227.77	3800*	1400*	95	-50	20	Anglo
MA4 redrill	Arie	1974	Core	290	3800*	1400*	95	-55	20	Anglo
MA5	Arie	1974	Core	300	5600*	-100*	60	-50	360	Anglo
MA6	Arie	1974	Core	353	3200*	2500*	148	-50	180	Anglo
MA7	Arie	1974	Core	420	4800*	2100*	128	-50	180	Anglo
MA8	Arie	1974	Core	422.85	4800*	300*	50	-50	360	Anglo
MA9	Arie	1974	Core	450	5600*	1600*	108	-50	180	Anglo
MA10	Arie	1974	Core	269.04	5600*	800*	58	-50	180	Anglo
MA11	Arie	1974	Core	322.1	6800*	650*	114	-50	180	Anglo
MA12	Arie	1974	Core	299.67	6800*	200*	91	-50	180	Anglo
MA13	Arie	1974	Core	550	8000*	200*	90	-50	180	Anglo
MA14	Arie	1974	Core	368.89	4800*	525*	50	-47	180	Anglo
MA15	Arie	1974	Core	132.6	NR	NR	NR	NR	NR	Anglo
DCH1	Chiniwea	1974	Core	334.3	NR	NR	NR	NR	NR	Anglo
MK1	Mt Kren	1974	Open Hole	NR	NR	NR	NR	-90	0	Consortium
MK4	Mt Kren	1974	Open Hole	25.91	492422	9761365	NR	-90	0	Consortium
MK4A	Mt Kren	1974	Open Hole	NR	NR	NR	NR	-90	0	Consortium
MK5	Mt Kren	1974	Open Hole	36.58	492400	9761429	NR	-90	0	Consortium
MK6	Mt Kren	1974	Open Hole	36.58	492367	9761459	NR	-90	0	Consortium
MK7	Mt Kren	1974	Open Hole	30.48	492388	9761466	NR	-90	0	Consortium
MK8	Mt Kren	1974	Open Hole	35.05	492339	9761447	NR	-90	0	Consortium
MK9	Mt Kren	1974	Open Hole	38.1	492353	9761471	NR	-90	0	Consortium
MK10	Mt Kren	1974	Open Hole	45.72	492317	9761455	NR	-90	0	Consortium
MK11	Mt Kren	1974	Open Hole	NR	NR	NR	NR	-90	0	Consortium
MK12	Mt Kren	1974	Open Hole	62.45	492267	9761494	NR	-90	0	Consortium
MK13	Mt Kren	1974	Open Hole	65.53	492286	9761433	NR	-90	0	Consortium
MK14	Mt Kren	1974	Open Hole	44.2	492244	9761508	NR	-90	0	Consortium
MK15	Mt Kren	1974	Open Hole	62.48	492263	9761371	NR	-90	0	Consortium
MK16	Mt Kren	1974	Open Hole	65.53	492231	9761530	NR	-90	0	Consortium
MK17	Mt Kren	1974	Open Hole	68.58	492330	9761304	NR	-90	0	Consortium
MK18	Mt Kren	1974	Open Hole	48.76	492203	9761546	NR	-90	0	Consortium
MK19	Mt Kren	1974	Open Hole	54.86	492172	9761554	NR	-90	0	Consortium
MK21	Mt Kren	1974	Open Hole	47	492480	9761600	NR	-90	0	Consortium
MK21A	Mt Kren	1974	Open Hole	38.1	492167	9761761	NR	-90	0	Consortium
MK21B	Mt Kren	1974	Open Hole	NR	NR	NR	NR	-90	0	Consortium
MK22	Mt Kren	1974	Open Hole	35.05	492272	9761783	NR	-90	0	Consortium
MK22A	Mt Kren	1974	Open Hole	54.86	492299	9761798	NR	-90	0	Consortium
MK23	Mt Kren	1974	Open Hole	35.5	492282	9761868	NR	-90	0	Consortium
MK24	Mt Kren	1974	Open Hole	60.96	492155	9761564	NR	-90	0	Consortium
MK25	Mt Kren	1974	Open Hole	51.82	492122	9761560	NR	-90	0	Consortium
MK26	Mt Kren	1974	Open Hole	NR	NR	NR	NR	-90	0	Consortium

Hole ID	Prospect	Date	Type	Depth	East	North	RL	Dip (°)	Azi (T)	Company
MK36	Mt Kren	1974	Core	80.77	492165	9761623	NR	-90	0	Consortium
MK37	Mt Kren	1974	Core	156.97	492296	9761607	NR	-90	0	Consortium
MK38	Mt Kren	1974	Core	57.91	492414	9761603	NR	-90	0	Consortium
MK42	Mt Kren	1974	Core	96	492450	9761788	NR	-90	0	Consortium
SH1	Mt Kren	1974	Open Hole	60.96	492028	9761971	NR	-90	0	Consortium
SH2	Mt Kren	1974	Open Hole	22.86	492190	9761902	NR	-90	0	Consortium
SH2A	Mt Kren	1974	Open Hole	NR	NR	NR	NR	-90	0	Consortium
SH2B	Mt Kren	1974	Open Hole	60.96	492227	9761945	NR	-90	0	Consortium
SH3	Mt Kren	1974	Open Hole	44.2	492038	9762154	NR	-90	0	Consortium
HQ1	Mt Kren	1974	Open Hole	NR	NR	NR	NR	-90	0	Consortium
HQ2	Mt Kren	1974	Open Hole	NR	NR	NR	NR	-90	0	Consortium
WJ1	Wytah	1975	Open Hole	26	NR	NR	NR	-90	0	Anglo
WJ2	Wytah	1975	Open Hole	64.9	NR	NR	NR	-90	0	Anglo
WJ3	Wytah	1975	Open Hole	36.9	NR	NR	NR	-90	0	Anglo
WJ4	Wytah	1975	Open Hole	29.9	NR	NR	NR	-90	0	Anglo
WJ5	Wytah	1975	Open Hole	32.9	NR	NR	NR	-90	0	Anglo
WJ6	Wytah	1975	Open Hole	44	NR	NR	NR	-90	0	Anglo
WJ7	Wytah	1975	Open Hole	36	NR	NR	NR	-90	0	Anglo
LJ1	Wytah	1975	Open Hole	65	NR	NR	NR	-90	0	Anglo
DK1	Mt Kren	1975	Core	250	NR	NR	NR	NR	NR	Anglo
DK2	Mt Kren	1975	Core	abandoned	NR	NR	NR	NR	NR	Anglo
DK3	Mt Kren	1975	Core	178	NR	NR	NR	NR	NR	Anglo
DK4	Mt Kren	1975	Core	225	NR	NR	NR	NR	NR	Anglo
DK5	Mt Kren	1975	Core	84	NR	NR	NR	NR	90	Anglo
DK6	Mt Kren	1975	Core	253	NR	NR	NR	90	0	Anglo
AN1	Aniwea	1975	Core	282	NR	NR	NR	NR	NR	Anglo
ANJ1	Aniwea	1975	Core	50.3	NR	NR	NR	NR	NR	Anglo
ANJ2	Aniwea	1975	Core	12.2	NR	NR	NR	NR	NR	Anglo
ANJ3	Aniwea	1975	Core	NR	NR	NR	NR	NR	NR	Anglo
DCH1	Chiniwea	1975	Core	334	NR	NR	NR	NR	NR	Anglo
CHJ1	Chiniwea	1975	Core	61.8	NR	NR	NR	NR	NR	Anglo
CHJ2	Chiniwea	1975	Core	34.8	NR	NR	NR	NR	NR	Anglo
CHJ3	Chiniwea	1975	Core	54.3	NR	NR	NR	NR	NR	Anglo
CHJ4	Chiniwea	1975	Core	50.5	NR	NR	NR	NR	NR	Anglo
CHJ6	Chiniwea	1975	Core	54	NR	NR	NR	NR	NR	Anglo
CHJ7	Chiniwea	1975	Core	54	NR	NR	NR	NR	NR	Anglo
CHJ8	Chiniwea	1975	Core	30	NR	NR	NR	NR	NR	Anglo
WA1	Wamuk	1975	Core	285.15	NR	NR	NR	NR	NR	Anglo
PJ1	Puan	1975	Core	38.1	NR	NR	NR	NR	NR	Anglo
PJ2	Puan	1975	Core	44.2	NR	NR	NR	NR	NR	Anglo
PJ3	Puan	1975	Core	32	NR	NR	NR	NR	NR	Anglo
79MC1	Mt Kren	1979	Core	71	9425*	6303*	400	-90	0	CRAE

Hole ID	Prospect	Date	Type	Depth	East	North	RL	Dip (°)	Azi (T)	Company
79MC2	Mt Kren	1979	Core	111	9270*	6305*	435	-90	0	CRAE
79MC3	Aniwea	1979	Core	99.35	NR	NR	NR	-90	0	CRAE
79MC4	Aniwea	1979	Core	120	NR	NR	NR	-90	0	CRAE
79MC5	Aniwea	1979	Core	86.3	NR	NR	NR	-90	0	CRAE
79MC6	Mt Kren	1979	Core	75.3	9212*	6268*	310	-90	0	CRAE
001MD95	Kisi	1996	Core	15.6	503889	9760066	53	-50	355	Highlands
002MD95	Kisi	1996	Core	60	503942	9760313	41	-90	360	Highlands
003MD95	Kisi	1996	Core	100	503889	9760055	52	-45	164	Highlands
004MD95	Kisi	1996	Core	84.8	503890	9760234	52	-45	38	Highlands
005MD95	Kisi	1996	Core	60.1	504157	9760413	29	-90	360	Highlands
006MD95	Peiyr	1996	Core	97.1	504385	9760758	36	-90	360	Highlands
007MD95	Peiyr	1996	Core	97.6	504588	9760861	16	-90	360	Highlands
008MD95	Peiyr	1996	Core	97.6	504286	9760587	29	-90	360	Highlands
009MD95	Peiyr	1996	Core	97.3	504779	9760960	21	-90	360	Highlands
010MD95	Peiyr	1996	Core	97.3	504925	9761064	33	-90	360	Highlands
011MD95	Peiyr	1996	Core	36.7	505019	9761146	41	-90	360	Highlands
012MD95	Nankupe	1996	Core	44.2	505194	9761079	50	-90	360	Highlands
013MD95	Metaworie	1996	Core	60.8	505275	9761011	52	-45	30	Highlands
014MD95	NDrankie	1996	Core	64	505751	9761041	29	-90	360	Highlands
015MD95	NDrankie	1996	Core	46.9	505892	9761135	12	-90	360	Highlands
016MD95	Lulumat	1996	Core	52.5	506357	9761246	9	-90	360	Highlands
97MDH17	Kah	1999	Core	134.6	502700	9760700	68	-55	355	Highlands
97MDH18	Kah	1999	Core	143.9	502800	9760850	51	-50	355	Highlands
97MDH19	Kah	1999	Core	52.6	503000	9760900	52	-50	355	Highlands
97MDH20	Kah	1999	Core	148.6	503000	9760800	40	-50	355	Highlands
KIS001	Kisi	2008	Core	96.1	504013	9760224	59	-50	5	TPJ
KIS002	Kisi	2009	Core	200	504052	9760244	65	-50	270	TPJ
KIS003	Kisi	2009	Core	280	504052	9760244	65	-70	270	TPJ
KD0001	Kisi	2012	Core	212	504135	9760181	99	-60	320	Newcrest
KD0002B	Kisi	2013	Core	255.8	504837	9761304	45	-60	180	Newcrest
KD0003	Kisi	2013	Core	285.4	504458	9761238	46	-60	180	Newcrest
KD0004	Kisi	2013	Core	310.5	504420	9760950	48	-62	360	Newcrest
KD0005	Kisi	2013	Core	235.5	504038	9760338	49	-60	110	Newcrest
KD0006	Kisi	2013	Core	298.1	503012	9760558	41	-60	5	Newcrest
AD0001	Arie	2013	Core	527.6	484984	9773559	95	-60	25	Newcrest
AD0002	Arie	2013	Core	405.4	484681	9773717	117	-61	27	Newcrest
AD0003	Arie	2013	Core	480.9	485350	9773770	150	-63	205	Newcrest

* easting and northing in local grid.
Regional coordinates in AGD66. Depth and co-ordinates in metres. NR = Not Reported

Source: PA84/234 Exoil Quarterly Report to 14 February 1972. MRA Report 72/71
PA84/234 Exoil Quarterly Report to 14th May 1973. MRA Report 73/31
PA84/234 Australian Anglo American Quarterly Report ending 14th November 1974. MRA Report 74/34
PA84/234 Australian Anglo American Quarterly Report ending 14 August 1974. MRA Report 74/35
PA84/234 Australian Anglo American Technical Report May 1971-December 1974. MRA Report 74/151
PA84/234 Anglo Quarterly Report to 14th February 1975. MRA Report 75/38.

PA84/234 Anglo Quarterly Report to 14th May 1975 Vol II. MRA Report 75/39
PA84/234 Anglo Quarterly Report to 14th May 1975 Vol III. MRA Report 75/39
PA436 CRA Exploration Quarterly Report to 26th March 1979. MRA Report 79/13
PA436 CRA Exploration Interim Report to March 1979. MRA Report 79/14
EL1326 Triple Plate Junction Annual Report to 30th April 2008
EL1326 Triple Plate Junction Annual Report to 30th April 2009
Tony Williamson Highland Pacific digital files 2018
EL1326 Newcrest PNG Exploration Annual Report to 30th April 2012. MRA Report 2012/198.
EL1326 Newcrest PNG Exploration Annual Report to 30th April 2013. MRA Report 2013/189.
Rio Tinto compilation for Bismarck Leapfrog Model 2018.

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.*	• Ekuti Range Project: Between 2007-2008, Triple Plate Junction's completed 17 diamond drill holes. The diamond drill core was cut longitudinally and the half core sampled over 2 m intervals or reduced to geological boundaries. • Ipi River Project: Dampier drilled 3 diamond core holes in 1976. Drill core was cut using a mechanical core splitter, with the resultant half core sampled over 3 m intervals. Petromin drilled 3 diamond core holes around 2015. The sampling procedure was not documented. • Malekula Project: For the Vanaust (1991) and City Resources (1986-87) drilling, no sampling procedures have been documented. In 1998, ISCOR drill diamond core using an LM80 drill core rig. Diamond drill core was cut longitudinally using a diamond saw and sampled over 1 m intervals. • Briggs & Mannersley Project: In the 1970s, Geopeko diamond core was sampled generally on 1 m intervals. There is no drilling or sampling information available from exploration conducted by Noranda between 1969 and 1972. CRAE's drilling in the 1990s comprised RC drill cuttings sampled over 2 m intervals. Current JV operator, Rio Tinto completed 1 diamond core hole completed in 2015 for which the details remain confidential. Core cut longitudinally by RTX in Brisbane and sampled on 1m intervals honouring geological boundaries. • Bismarck Project: Newcrest: Sampling methodology from MRA report 2013/189. Core cut in two (if HQ diameter core), or quarter core (if PQ diameter core) and sampled in 1m intervals. If barren, quarter core of HQ or eighth core of PQ composited over 4 m. No information is available on the Bismark drilling programs and sampling techniques. The current JV manager is compiling historic information. • To date, no reports of duplicates, standards nor blank samples have been found for any of the drill samples.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. 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.).*	• The drill type is shown the tables at the beginning of this section. • All drilling has been surface drilling. • Drill hole diameters and core diameters are not recorded. For percussion holes, the bits and cutting specifications are not recorded in reports available to date.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and*	• No detailed information relating to sample weights, core length recovery, sample recovery methods and the relationship between grade and sample recovery has not been presented in the available historical reports.

Criteria	JORC Code explanation	Commentary
	whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	
Logging	• *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 studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• Historical geological, geotechnical and structural logs are available in some reports. Logging is available for the following projects and has been used to guide future exploration: • Ipi River Project: Dampier Mining – geological drill logs Petromin – geological drill logs. • Malekula Project: ISCOR – geological and geotechnical drill logs. • Briggs & Mannersley Project: Geopeko –geological drill logs. CRAE – summary log for RC93BR3. Rio Tinto – Core logged on site and included detailed geological descriptions, sulphide data, structural data and rock quality data. • Bismarck Project: Anglo American – some summary logs in quarterly reports. Highlands Pacific – digital drill logs Newcrest – database printout drill logs.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Due to the duration of historical exploration and work being conducted by numerous companies, sample preparation procedures are variable, and range from undocumented to standard industry practice. • Sub-sampling techniques, where documented, are indicated under “Sampling Technique” criteria. These sub-sampling techniques are appropriate. • There is no additional information in the historic public reports. • There are no reports of field duplicates being used. • Sample intervals reported are appropriate for the styles of mineralisation.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools,*	• Information relating to the laboratories used and sample preparation/analysis methods that is available is outlined below. • These assay techniques are considered appropriate for the determination of metal content as outlined. • The following information on assay data is available but not complete for all projects:

Criteria	JORC Code explanation	Commentary
	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. • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• Ipi River Project: Dampier Mining – bagged core samples were submitted to the Government Mines Division Laboratory in Port Moresby. Samples were analysed for Copper (Cu) and Molybdenum (Mo) and every third sample for gold (Au). All analyses were by Atomic Adsorption spectrometry (AAS). • Malekula Project: ISCOR – samples were submitted to ALS Brisbane for Au by 50 g fire assay and Silver (Ag), lead (Pb), zinc (Zn) and Cu by AAS. • Briggs & Mannersley Project: Rio Tinto – Samples were submitted to ALS Minerals Stafford, Brisbane for analysis of major and trace elements (RIOMS61P30 – 51 element suite including platinum group elements (PGE) and 30 g Fire Assay). • Bismarck Project: Newcrest – samples airfreighted to ITS Laboratory Services in Lae for sample preparation. A 200 g split sent to Genalysis Laboratory in Townsville for check assay. • All assays reported have been done at certified laboratories. No hand-held x-ray fluorescence (XRF) or down hole tools were used to estimate grades.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• There are no reported of independent verification of sample assays by independent or other parties. • No holes are reported as twinned holes. • Available data is stored in MS Excel spreadsheets for each project. • There has been no adjustment of the assay data reported.
Location of data points	• *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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Surveys are a mix of types due to the various drilling campaigns and number of previous explorers. • Drill hole collar co-ordinates are recorded in the tables at the beginning of this Section. • Drill collars have been surveyed in the local grid or regional grid that was being used for the project at the time and can be converted as required. • The method of determining the location of the drill collars is not reported. • There have been no checks done to relocate the collars and check survey their location. • The accuracy of the collar co-ordinates is suitable for Canterbury's purposes at the present time, where the historic drill hole data is being used for determining the style of mineralisation present and planning future exploration. • The down-hole surveys, where reported, have not been used for exploration planning.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade*	• There is no regular spacing of the historic drill hole for any project as they are early-stage exploration drilling and not a resource estimation drill-out program. • Geological continuity and grade continuity between holes is not relevant for the stage of exploration. • No Mineral Resource and Ore Reserve estimation has been

Criteria	JORC Code explanation	Commentary
	continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	undertaken for any of the projects. • Sample compositing has not been considered.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	• Ekuti Range Project: Drill holes have been orientated perpendicular to structure as determined from surface information. • Ipi River Project: Disseminated style of mineralisation with no preferred orientation established. • Malekula Project: Drill holes have been orientated perpendicular to structure as determined from surface information. • Briggs & Mannersley Project: For Briggs and Mannersley Project, Rio Tinto diamond drill core was orientated for every run using a Reflex ACT3 tool so that the orientation of structures within the hole could be determined. • Bismarck Project: Some deposits have a disseminated style of mineralisation with no preferred orientation established. Highlands Pacific, TPJ and Newcrest identified a vein style of mineralisation and attempted to drill perpendicular to the veins. • No orientation based sampling bias has been established for any for the Projects.
Sample security	• *The measures taken to ensure sample security.*	• No information of sample security has been provided for any of the projects in the reports available.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The are no reported historic audits or reviews of the sampling techniques and data.

Section 2 Reporting of Exploration Results

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

The following table provide a summary of significant intercepts from reported historic assay results. All mineralized widths are reported as down hole widths. True widths are unknown.

Significant intercepts at the Ekuti Range prospect.

Hole	From	To	Width (m)	Au (ppm)	Ag (ppm)	Cu (%)	Pb (%)	Zn (%)
OTI001	27.20	31.50	4.30	0.64	0.77	0.010	0.001	0.010
and	37.60	41.40	3.80	0.34	0.36	0.022	<0.001	0.010
and	43.80	45.30	1.50	0.85	2.50	0.932	0.004	0.008
OTI002	53.00	54.10	1.10	0.13	0.30	0.013	<0.001	0.004
and	96.22	98.43	2.21	0.34	2.58	0.136	0.001	0.007
and	109.10	132.00	22.90	0.61	0.65	0.025	0.001	0.012
OTI003	55.00	61.65	6.65	5.62	34.00	0.686	0.011	0.878
and	70.85	75.28	4.43	1.00	2.69	0.044	0.006	0.026
and	98.90	100.30	1.40	0.82	2.30	0.058	0.002	0.010
and	108.3	109.39	1.36	0.62	1.00	0.145	<0.001	0.004
OTI004	47.70	49.70	2.00	1.80	1.70	0.008	<0.001	0.005
and	90.90	95.30	4.40	0.17	0.46	0.012	0.001	0.006
and	98.52	101.80	3.28	1.13	10.46	0.502	0.010	0.020
and	105.50	107.90	2.40	0.38	1.33	0.052	<0.001	0.006
and	110.65	113.30	2.65	0.47	3.03	0.096	0.001	0.006
and	138.60	144.90	6.30	1.53	5.45	0.246	0.005	0.008
and	149.43	155.25	5.82	0.64	0.35	0.014	<0.001	0.005
OTI005	23.30	24.30	1.00	0.60	2.60	0.010	0.064	0.106
OTI006	14.90	15.90	1.00	0.62	0.90	0.016	0.040	0.015
and	24.70	25.97	1.27	0.84	0.63	0.016	<0.001	0.006
and	30.50	32.20	1.70	0.86	0.54	0.013	0.001	0.007
and	35.10	37.10	2.00	0.21	0.20	0.004	<0.001	0.006
and	47.64	48.50	0.86	1.94	1.80	0.062	0.001	0.002
and	59.27	62.90	3.63	11.85	9.35	0.212	0.007	0.015
and	79.40	81.10	1.70	0.46	3.58	0.021	0.022	0.063
and	91.40	92.20	0.80	5.43	21.40	0.084	0.013	0.017
and	94.90	96.40	1.50	0.36	1.70	0.023	0.002	0.006
OTI007	0.90	5.30	4.40	0.61	0.27	0.011	0.004	0.023
and	49.31	50.30	0.99	17.50	23.98	0.629	0.013	0.026
and	55.50	60.00	4.50	0.43	0.63	0.010	0.002	0.007
and	71.00	80.60	9.60	0.52	0.59	0.020	0.003	0.010
and	112.90	113.60	0.70	3.89	32.90	0.060	0.014	0.014
OTI008	62.60	69.30	6.70	3.47	0.55	0.049	<0.001	0.004
OTI009	76.80	80.70	3.90	0.09	10.44	0.024	0.070	0.217
OTI010	177.00	178.00	1.00	1.95	0.20	0.008	<0.001	0.006
OTI011	No significant intercepts							

Hole	From	To	Width (m)	Au (ppm)	Ag (ppm)	Cu (%)	Pb (%)	Zn (%)
OTI012	1.80	38.40	36.60	0.67	5.50	0.053	0.124	0.005
OTI013	0.00	26.00	26.00	0.25	3.63	0.070	0.004	0.005
OTI014	2.00	4.00	2.00	0.46	0.30	0.017	0.002	0.009
and	8.00	13.30	5.30	0.26	0.46	0.029	0.005	0.003
and	24.50	32.50	8.00	3.07	11.31	0.070	0.005	0.006
and	41.30	48.70	7.40	0.21	2.61	0.159	0.002	0.006
OTI015	No significant intercepts							
OTI016	No significant intercepts							
OTI017	13.50	15.00	1.50	0.88	0.50	0.017	0.003	0.011
and	19.00	21.00	2.00	0.55	0.50	0.228	0.002	0.013
and	27.40	29.20	1.80	0.59	1.50	0.011	0.002	0.006
and	38.00	53.50	15.50	0.41	1.15	0.008	0.003	0.013
and	80.60	82.30	1.70	0.15	1.60	0.010	0.002	0.006
and	91.90	94.30	2.40	0.49	7.69	0.256	0.010	0.044

Note: 0.1 ppm Au cut off – minimum intercept 1.0 m, max internal dilution 2 m.
Down-hole lengths reported. True widths are unknown.

Significant intersections for the Ipi River prospect

Hole ID	From	To	Width (m)	Au (ppm)	Cu (%)	Mo (ppm)
DDH-1	106.00	160.00	54.00	no assay	0.120	88
DDH-2	164.00	200.00	36.00	no assay	0.109	53
DDH-3	No Significant intercepts					
PDH001	21.00	61.00	40.00	0.11	0.002	1
and	61.00	333.20	272.20	0.11	0.182	113
and	355.80	427.00	71.20	0.10	0.186	185
PDH002	8.40	224.00	215.60	0.12	0.153	82
and	236.00	275.00	39.00	0.12	0.144	62
and	347.00	360.00	13.00	0.12	0.203	77
and	445.00	459.90	14.90	0.07	0.125	32
PDH003	97.00	149.00	52.00	0.15	0.031	16

Source: Dampier Mining PA192 Final Report D Wood & G Torr 1976;
Petromin database 2016; cut off 0.1% Cu or 0.1 g/t Au, minimum intercept 10 m, maximum internal dilution 8 m.
Note: Down-hole lengths reported. True widths are unknown.

Significant drill hole intersections at the Amethyst prospect

Hole ID	From	To	Width (m)	Au (ppm)	Ag (ppm)	Zn (%)
ADH-1	18.00	20.00	2.00	0.16	no assay	no assay
and	23.97	25.84	1.87	0.37	no assay	no assay
ADH-2	10.40	13.91	3.51	0.58	no assays	no assay
ADH-3	no	data				
ADH-4	no	data				
ADH-5	no	data				
ADH-6	no	data				
ADH-7	no	data				
ADH-8	no	data				
ADH-9	no	data				
TR-13	0.00	3.00	3.00	0.13	<1	0.037
and	130.00	131.00	1.00	0.68	2	3.350
and	206.00	207.00	1.00	0.10	<1	0.048
and	234.00	235.00	1.00	0.14	<1	0.243

Source Annual Report for Taoran & Amethyst – PLs 1585, 1584 1 February 1998 to 31 January 1999 R Hartley ISCOR Australia and ISCOR drill database; cut off 0.1 ppm Au, minimum intercept 1m, maximum internal dilution 2 m.
Down-hole lengths reported. True widths are unknown.

Significant drill hole intersections at the Mannersley prospect (EPM 18504)

Hole ID	From	To	Intercept	Cu (%)
DDH43-1	No significant intercepts			
DDH43-2	17.40	46.00	28.60	0.19
and	51.00	61.00	10.00	0.15
and	100.00	141.00	41.00	0.12
DDH43-3	No significant intercepts			
MANN0001	No significant intercepts			

Source Geopeko – Taube A. 1976 (QDEX Report 5840); Rio Tinto Mikitiuk D. 2015 Annual Report EPM18504.
Significant drill intercepts reported using cut-off of 1m at 0.1% Cu cut-off.
Note: Down-hole lengths reported. True widths are unknown.

Significant drill hole intersections at the Taoran prospect

Hole ID	From	To	Width (m)	Au (ppm)	Ag (ppm)	Zn (%)
TR001	3.00	6.00	3.00	1.04	<1	0.072
and	59.00	61.00	2.00	0.19	<1	0.068
and	76.00	79.00	3.00	0.30	<1	0.077
and	86.00	87.00	1.00	0.13	<1	0.005
and	90.00	92.00	2.00	0.13	<1	0.097
TR002	0.00	2.00	2.00	1.38	<1	0.056
and	34.00	44.00	10.00	0.23	<1	0.047
and	72.00	74.00	2.00	0.14	<1	0.010
and	94.00	100.00	6.00	0.46	<1	0.036
and	106.00	108.00	2.00	0.12	<1	0.014
TR003	19.10	24.60	5.50	0.76	<1	0.096
TR-04	no	significant	intercepts			
TR-05	51.00	52.00	1.00	0.35	<1	0.031
TR-06	no	significant	intercepts			
TR-07	10.00	11.00	1.00	0.17	<1	0.056
and	35.00	36.00	1.00	0.13	<1	0.012
and	40.00	41.00	1.00	0.15	<1	0.024
and	44.00	48.00	4.00	4.39	2	1.898
and	51.00	52.00	1.00	0.10	<1	0.016
and	126.00	127.00	1.00	1.59	<1	0.345
TR-08	25.00	26.00	1.00	0.16	<1	0.006
TR-09	0.00	4.00	4.00	0.39	1	0.024
and	18.00	31.00	13.00	1.46	3	0.195
and	54.00	55.00	1.00	0.12	1	0.008
and	104.00	105.00	1.00	0.34	<1	0.724
TR-10	0.00	6.00	6.00	0.56	2	0.036
and	9.00	18.00	9.00	0.28	<1	0.246
and	24.00	33.00	9.00	0.23	1	0.004
and	57.00	58.00	1.00	0.19	<1	0.837
and	66.00	69.00	3.00	0.39	<1	0.096
TR-11	74.00	75.00	1.00	0.17	1	0.011
and	135.00	136.00	1.00	3.40	2	0.041
TR-12	12.00	15.00	3.00	0.18	<1	0.055
and	96.00	97.00	1.00	1.56	<1	0.103

Source Annual Report for Taoran & Amethyst – PLs 1585, 1584 1 February 1998 to 31 January 1999 R Hartley ISCOR Australia and ISCOR drill database; cut off 0.1 ppm Au, minimum intercept 1 m, maximum internal dilution 2 m.
Down-hole lengths reported. True widths are unknown.

Significant drill hole intersections at the Briggs prospect (EPM 19198)

Hole ID	From (m)	To (m)	Intercept (m)	Cu (%)
DDH1	8.54	42.70	34.16	0.23
and	48.80	122.00	73.20	0.16
DDH2	0.00	15.25	15.25	0.36
and	48.80	61.00	12.20	0.13
DDH3	0.00	91.50	91.50	0.23
and	103.70	152.50	48.80	0.21
DDH4	0.00	152.50	152.50	0.21
DDH5	24.40	48.80	24.40	0.18
PH1	0.00	54.90	54.90	0.21
PH2	0.00	39.95	39.65	0.24
PH3	0.00	42.70	42.70	0.11
PH4	0.00	51.85	51.85	0.30
PH5	3.05	42.70	39.65	0.49
PH6	0.00	33.55	33.55	0.31
PH7	No Significant Intercepts			
PH8	1.53	45.75	44.22	0.18
PH9	7.63	33.55	25.92	0.68
RC93BR1	0.00	126.00	126.00	0.27
RC93BR2	0.00	44.00	44.00	0.20
RC93BR3	2.00	110.00	108.00	0.23
and	122.00	136.00	14.00	0.16
RC93BR4	No Significant Intercepts			
RC93BR5	4.00	109.00	105.00	0.35
RC93BR6	2.00	45.00	43.00	0.16
RC93BR7	No Significant Intercepts			
DDH36-1	No Significant Intercepts			
DDH36-2	No Significant Intercepts			
DDH36-3	No Significant Intercepts			
DDH36-4	0.00	93.00	93.00	0.22
and	107.00	201.00	94.00	0.28
and	209.00	270.97	61.97	0.22
DDH36-5	No Significant Intercepts			
BRIG0001	No Significant Intercepts			

Note: Significant drill intercepts reported using cut-off of 1m at 0.1% Cu cut-off, minimum interval 10 m, maximum internal dilution 4 m. Down-hole lengths reported. True widths are unknown.

Significant drill hole intersections at the Bismarck Project

Hole ID	From	To	Interval	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Cut-off	Source
R1	24.40	51.10	26.70	NR	NR	0.38	NR	NR	NR	Exoil
and	51.10	74.80	23.70	NR	NR	0.28	NR	NR	NR	Exoil
and	83.40	103.80	20.40	NR	NR	0.38	NR	NR	NR	Exoil
and	103.80	185.20	81.40	NR	NR	0.20	NR	NR	NR	Exoil
and	185.20	279.50	94.30	NR	NR	0.12	NR	NR	NR	Exoil
R2	33.50	70.10	36.60	NR	NR	0.51	NR	NR	NR	Exoil
and	70.10	163.10	93.00	NR	NR	0.34	NR	NR	NR	Exoil
and	169.20	205.70	36.50	NR	NR	0.30	NR	NR	NR	Exoil
and	210.30	219.50	9.20	NR	NR	0.23	NR	NR	NR	Exoil
and	219.50	256.00	36.50	NR	NR	0.57	NR	NR	NR	Exoil
and	256.00	297.80	41.80	NR	NR	0.28	NR	NR	NR	Exoil
R3	23.40	76.80	53.40	NR	NR	0.38	NR	NR	NR	Exoil
and	81.40	87.50	6.10	NR	NR	0.24	NR	NR	NR	Exoil
and	92.10	148.40	56.30	NR	NR	0.36	NR	NR	NR	Exoil
and	148.40	181.70	33.30	NR	NR	0.41	NR	NR	NR	Exoil
R4	12.20	42.70	30.50	NR	NR	0.45	NR	NR	NR	Exoil
and	42.70	73.90	31.20	NR	NR	0.48	NR	NR	NR	Exoil
and	73.90	104.30	30.50	NR	NR	0.38	NR	NR	NR	Exoil
and	104.30	134.90	30.60	NR	NR	0.32	NR	NR	NR	Exoil
and	134.90	165.40	30.50	NR	NR	0.25	NR	NR	NR	Exoil
and	165.40	183.20	17.80	NR	NR	0.36	NR	NR	NR	Exoil
R5	29.70	41.10	11.40	NR	NR	0.31	NR	NR	NR	Exoil
and	41.10	79.20	38.10	NR	NR	0.20	NR	NR	NR	Exoil
and	91.40	121.90	30.50	NR	NR	0.25	NR	NR	NR	Exoil
and	121.90	163.10	41.10	NR	NR	0.18	NR	NR	NR	Exoil
and	163.10	183.00	19.90	NR	NR	0.29	NR	NR	NR	Exoil
R6	45.70	93.00	47.30	NR	NR	0.23	NR	NR	NR	Exoil
and	100.60	108.20	7.60	NR	NR	0.24	NR	NR	NR	Exoil
and	121.90	138.70	16.80	NR	NR	0.13	NR	NR	NR	Exoil
and	146.30	160.00	17.70	NR	NR	0.13	NR	NR	NR	Exoil
DDH1	no	assays	reported							
DDH2	no	assays	reported							
MA1A	0.00	50.00	50.00	NR	NR	0.43	NR	NR	NR	Anglo
and	50.00	60.00	10.00	NR	NR	0.18	NR	NR	NR	Anglo
and	60.00	72.00	12.00	NR	NR	0.34	NR	NR	NR	Anglo
and	72.00	100.00	28.00	NR	NR	0.15	NR	NR	NR	Anglo
and	100.00	136.00	36.00	NR	NR	0.18	NR	NR	NR	Anglo
and	136.00	156.00	19.00	NR	NR	0.13	NR	NR	NR	Anglo
and	175.00	212.00	37.00	NR	NR	0.36	NR	NR	NR	Anglo
MA1B	138.00	224.00	86.00	NR	NR	0.14	NR	NR	NR	Anglo
MA2	15.50	256.00	240.50	NR	NR	0.34	NR	NR	NR	Anglo

Hole ID	From	To	Interval	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Cut-off	Source
MA3	38.00	126.00	88.00	NR	NR	0.20	NR	NR	NR	Anglo
and	126.00	270.00	144.00	NR	NR	0.31	NR	NR	NR	Anglo
MA4	0.00	39.00	39.00	NR	NR	0.14	NR	NR	NR	Anglo
and	39.00	141.00	102.00	NR	NR	0.27	NR	NR	NR	Anglo
and	141.00	239.00	98.00	NR	NR	0.37	NR	NR	NR	Anglo
MA4 redrill	80.00	295.00	215.00	NR	NR	0.34	NR	NR	NR	Anglo
MA5	48.15	74.00	25.85	NR	NR	0.12	NR	NR	NR	Anglo
MA6	142.00	214.00	72.00	NR	NR	0.12	NR	NR	NR	Anglo
and	342.00	350.00	8.00	NR	NR	0.21	NR	NR	NR	Anglo
MA7	60.00	348.00	288.00	NR	NR	0.31	NR	NR	NR	Anglo
MA8	15.21	420.00	404.79	NR	NR	0.12	NR	NR	NR	Anglo
MA9	34.00	382.00	348.00	NR	NR	0.31	NR	NR	NR	Anglo
MA10	26.14	270.00	243.86	NR	NR	0.10	NR	NR	NR	Anglo
MA11	43.50	264.00	220.50	NR	NR	0.30	NR	NR	NR	Anglo
MA12	0.00	299.67	299.67	NR	NR	0.12	NR	NR	NR	Anglo
MA13	0.00	550.00	550.00	NR	NR	0.11	NR	NR	NR	Anglo
MA14	23.00	36.60	13.60	NR	NR	0.44	NR	NR	NR	Anglo
MA15	23.00	38.50	15.50	NR	NR	0.12	NR	NR	NR	Anglo
DCH1	no	assays	reported							
MK1	no	significant	assays						0.1 % Cu	Anglo
MK4	no	significant	assays						0.1 % Cu	Anglo
MK4A	no	significant	assays						0.1 % Cu	Anglo
MK5	24.38	27.43	3.05	NR	NR	0.14	NR	NR	0.1 % Cu	Anglo
and	32.00	33.53	1.53	NR	NR	0.11	NR	NR	0.1 % Cu	Anglo
and	35.05	36.58	1.53	NR	NR	0.11	NR	NR	0.1 % Cu	Anglo
MK6	0.00	4.57	4.57	NR	NR	0.15	NR	NR	0.1 % Cu	Anglo
	18.29	19.81	1.52	NR	NR	0.28	NR	NR	0.1 % Cu	Anglo
	21.34	22.86	1.52	NR	NR	0.12	NR	NR	0.1 % Cu	Anglo
	32.00	33.52	1.52	NR	NR	0.12	NR	NR	0.1 % Cu	Anglo
MK7	12.19	16.76	4.57	NR	NR	0.38	NR	NR	0.1 % Cu	Anglo
and	18.29	21.34	3.05	NR	NR	0.55	NR	NR	0.1 % Cu	Anglo
and	24.38	30.48	6.10	NR	NR	0.33	NR	NR	0.1 % Cu	Anglo
MK8	1.52	24.38	22.86	NR	NR	0.16	NR	NR	0.1 % Cu	Anglo
and	32.00	35.05	3.05	NR	NR	0.20	NR	NR	0.1 % Cu	Anglo
MK9	0.00	6.10	6.10	NR	NR	0.42	NR	NR	0.1 % Cu	Anglo
and	10.67	12.19	1.52	NR	NR	0.15	NR	NR	0.1 % Cu	Anglo
and	18.29	22.86	4.57	NR	NR	0.18	NR	NR	0.1 % Cu	Anglo
and	27.43	28.96	1.53	NR	NR	0.16	NR	NR	0.1 % Cu	Anglo
and	30.48	32.00	1.52	NR	NR	0.20	NR	NR	0.1 % Cu	Anglo
MK10	0.00	3.05	3.05	NR	NR	0.14	NR	NR	0.1 % Cu	Anglo
and	27.43	32.00	4.57	NR	NR	0.12	NR	NR	0.1 % Cu	Anglo
and	36.58	45.72	9.14	NR	NR	0.16	NR	NR	0.1 % Cu	Anglo

Hole ID	From	To	Interval	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Cut-off	Source
MK11	1.52	4.57	3.05	NR	NR	0.27	NR	NR	0.1 % Cu	Anglo
	9.14	15.24	6.10	NR	NR	0.17	NR	NR	0.1 % Cu	Anglo
MK12	0.00	1.52	1.52	NR	NR	0.82	NR	NR	0.1 % Cu	Anglo
	7.62	62.48	54.86	NR	NR	0.45	NR	NR	0.1 % Cu	Anglo
MK13	0.00	1.52	1.52	NR	NR	0.14	NR	NR	0.1 % Cu	Anglo
	7.62	65.53	57.91	NR	NR	0.16	NR	NR	0.1 % Cu	Anglo
MK14	1.52	3.05	1.52	NR	NR	0.95	NR	NR	0.1 % Cu	Anglo
	28.96	44.20	15.24	NR	NR	1.10	NR	NR	0.1 % Cu	Anglo
MK15	0.00	30.48	30.48	NR	NR	0.23	NR	NR	0.1 % Cu	Anglo
and	50.29	62.48	12.19	NR	NR	0.16	NR	NR	0.1 % Cu	Anglo
MK16	0.00	65.53	65.53	NR	NR	0.17	NR	NR	0.1 % Cu	Anglo
MK17	0.00	15.24	15.24	NR	NR	0.16	NR	NR	0.1 % Cu	Anglo
and	10.67	68.58	57.91	NR	NR	0.33	NR	NR	0.1 % Cu	Anglo
MK18	0.00	48.77	48.77	NR	NR	0.14	NR	NR	0.1 % Cu	Anglo
MK19	6.10	9.14	3.05	NR	NR	0.13	NR	NR	0.1 % Cu	Anglo
and	18.29	28.96	10.67	NR	NR	0.13	NR	NR	0.1 % Cu	Anglo
and	36.58	39.62	3.05	NR	NR	0.14	NR	NR	0.1 % Cu	Anglo
and	45.72	51.82	6.10	NR	NR	0.13	NR	NR	0.1 % Cu	Anglo
MK21	19.81	35.05	15.24	NR	NR	0.53	NR	NR	0.1 % Cu	Anglo
and	56.39	60.96	4.57	NR	NR	0.15	NR	NR	0.1 % Cu	Anglo
MK21A	21.34	38.10	16.76	NR	NR	0.34	NR	NR	0.1 % Cu	Anglo
MK21B	no	significant	assays						0.1 % Cu	Anglo
MK22	24.38	35.05	10.67	NR	NR	0.17	NR	NR	0.1 % Cu	Anglo
MK22A	25.91	33.53	7.62	NR	NR	0.13	NR	NR	0.1 % Cu	Anglo
and	41.15	54.86	13.72	NR	NR	0.18	NR	NR	0.1 % Cu	Anglo
MK23	9.14	21.34	12.19	NR	NR	0.20	NR	NR	0.1 % Cu	Anglo
and	28.96	35.05	6.10	NR	NR	0.33	NR	NR	0.1 % Cu	Anglo
MK24	22.86	60.96	38.10	NR	NR	0.19	NR	NR	0.1 % Cu	Anglo
MK25	22.86	33.53	10.67	NR	NR	0.26	NR	NR	0.1 % Cu	Anglo
and	41.15	51.82	10.67	NR	NR	0.23	NR	NR	0.1 % Cu	Anglo
MK26	39.62	51.82	12.19	NR	NR	0.17	NR	NR	0.1 % Cu	Anglo
MK36	0.00	15.24	15.24	NR	NR	0.21	NR	NR	0.1 % Cu	Anglo
and	30.48	80.77	50.29	NR	NR	0.17	NR	NR	0.1 % Cu	Anglo
MK37	22.86	88.39	65.53	NR	NR	0.34	NR	NR	0.1 % Cu	Anglo
and	97.54	109.73	12.19	NR	NR	0.16	NR	NR	0.1 % Cu	Anglo
MK38	19.81	22.86	3.05	NR	NR	0.13	NR	NR	0.1 % Cu	Anglo
and	44.20	50.29	6.10	NR	NR	0.13	NR	NR	0.1 % Cu	Anglo
MK42	30.48	83.82	53.34	NR	NR	0.27	NR	NR	0.1 % Cu	Anglo
SH1	no	significant	assays						0.1 % Cu	Anglo
SH2	no	significant	assays						0.1 % Cu	Anglo
SH2A	no	significant	assays						0.1 % Cu	Anglo
SH2B	38.10	57.91	19.81	NR	NR	0.19	NR	NR	0.1 % Cu	Anglo

Hole ID	From	To	Interval	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Cut-off	Source
SH3	no	significant	assays						0.1 % Cu	Anglo
HQ1	no	significant	assays						0.1 % Cu	Anglo
HQ2	21.34	76.20	54.86	NR	NR	0.17	NR	NR	0.1 % Cu	Anglo
WJ1	7.62	10.36	2.74	NR	NR	0.10	NR	NR	0.1 % Cu	Anglo
WJ2	15.85	17.68	1.83	NR	NR	0.10	NR	NR	0.1 % Cu	Anglo
and	23.78	26.21	2.43	NR	NR	0.11	NR	NR	0.1 % Cu	Anglo
and	32.31	39.93	7.62	NR	NR	0.15	NR	NR	0.1 % Cu	Anglo
and	58.53	63.10	4.57	NR	NR	0.13	NR	NR	0.1 % Cu	Anglo
WJ3	22.86	24.69	1.83	NR	NR	0.11	NR	NR	0.1 % Cu	Anglo
WJ4	no	significant	assays						0.1 % Cu	Anglo
WJ5	6.70	9.14	2.44	NR	NR	0.11	NR	NR	0.1 % Cu	Anglo
WJ6	20.42	22.56	2.14	NR	NR	0.11	NR	NR	0.1 % Cu	Anglo
and	26.87	28.65	1.78	NR	NR	0.15	NR	NR	0.1 % Cu	Anglo
WJ7	no	significant	assays						0.1 % Cu	Anglo
LJ1	15.20	24.60	9.40	NR	NR	0.16	NR	NR	0.1 % Cu	Anglo
DK1	no	assays	reported							
DK2	no	assays	reported							
DK3	no	assays	reported							
DK4	no	assays	reported							
DK5	no	assays	reported							
DK6	no	assays	reported							
AN1	no	assays	reported							
ANJ1	47.20	48.10	0.90	NR	NR	0.11	NR	NR	0.1 % Cu	Anglo
ANJ2	no	analyses	done							
ANJ3	no	analyses	done							
DCH1	no	assays	reported							
CHJ1	22.30	26.60	4.30	NR	NR	0.11	NR	NR	0.1 % Cu	Anglo
and	40.30	48.50	8.20	NR	NR	0.20	NR	NR	0.1 % Cu	Anglo
CHJ2	49.90	57.60	7.70	NR	NR	0.16	NR	NR	0.1 % Cu	Anglo
CHJ3	7.52	14.00	6.48	NR	NR	0.13	NR	NR	0.1 % Cu	Anglo
CHJ4	0.00	25.90	25.90	NR	NR	0.15	NR	NR	0.1 % Cu	Anglo
CHJ6	no	significant	assays						0.1 % Cu	Anglo
CHJ7	no	significant	assays						0.1 % Cu	Anglo
CHJ8	no	analyses	done							
WA1	no	assays	reported							
PJ1	28.30	38.10	9.80	NR	NR	0.21	NR	NR	0.1 % Cu	Anglo
PJ2	13.40	16.40	3.00	NR	NR	0.15	NR	NR	0.1 % Cu	Anglo
and	21.00	25.00	4.00	NR	NR	0.12	NR	NR	0.1 % Cu	Anglo
and	29.50	32.00	2.50	NR	NR	0.28	NR	NR	0.1 % Cu	Anglo
PJ3	0.00	9.14	9.14	NR	NR	0.13	NR	NR	0.1 % Cu	Anglo
79MC1	no	significant	assays						0.1 % Cu	CRAE
79MC2	no	significant	assays						0.1 % Cu	CRAE

Hole ID	From	To	Interval	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Cut-off	Source
79MC3	0.00	99.00	99.00	NR	NR	0.11	NR	NR	0.1 % Cu	CRAE
79MC4	0.00	120.00	120.00	NR	NR	0.17	NR	NR	0.1 % Cu	CRAE
79MC5	0.00	86.00	86.00	NR	NR	0.13	NR	NR	0.1 % Cu	CRAE
79MC6	no	significant	assays						0.1 % Cu	CRAE
001MD95	10.00	15.60	5.60	2.00	NR	NR	NR	NR	NR	TPJ
002MD95	0.00	5.90	5.90	0.78	NR	NR	NR	NR	NR	TPJ
003MD95	3.00	6.00	3.00	0.61	NR	NR	NR	NR	NR	TPJ
and	10.00	15.00	5.00	0.51	NR	NR	NR	NR	NR	TPJ
and	20.00	25.00	5.00	0.84	NR	NR	NR	NR	NR	TPJ
and	38.00	40.00	2.00	0.85	NR	NR	NR	NR	NR	TPJ
004MD95	6.00	8.50	2.50	2.58	NR	NR	NR	NR	NR	TPJ
and	26.00	28.00	2.00	1.25	NR	NR	NR	NR	NR	TPJ
005MD95	0.00	24.00	24.00	0.72	NR	NR	NR	NR	NR	TPJ
006MD95	0.00	38.00	30.00	0.25	NR	NR	NR	NR	NR	TPJ
007MD95	0.00	2.80	2.80	0.69	NR	NR	NR	NR	NR	TPJ
008MD95	0.00	14.80	14.80	0.85	NR	NR	NR	NR	NR	TPJ
009MD95	0.00	15.00	15.00	0.56	NR	NR	NR	NR	NR	TPJ
010MD95	0.00	17.75	17.75	0.29	NR	NR	NR	NR	NR	TPJ
011MD95	0.00	6.00	6.00	0.41	NR	NR	NR	NR	NR	TPJ
012MD95	0.00	20.00	20.00	0.26	NR	NR	NR	NR	NR	TPJ
013MD95	4.00	18.45	14.45	0.35	NR	NR	NR	NR	NR	TPJ
014MD95	no	assays	reported							TPJ
015MD95	no	assays	reported							TPJ
016MD95	no	assays	reported							TPJ
97MDH17	no	assays	reported							TPJ
97MDH18	no	assays	reported							TPJ
97MDH19	no	assays	reported							TPJ
97MDH20	no	assays	reported							TPJ
KIS001	72.33	73.90	1.57	8.08	17.8	<0.1	<0.1	<0.1	NR	TPJ
KIS002	37.10	40.00	2.90	0.91	14.3	<0.1	<0.1	<0.1	NR	TPJ
and	52.30	57.10	4.80	0.93	9.8	<0.1	<0.1	<0.1	NR	TPJ
and	116.40	122.00	5.60	4.98	26.2	<0.1	<0.1	<0.1	NR	TPJ
KIS003	28.30	33.30	5.00	1.66	34.3	<0.1	<0.1	<0.1	NR	TPJ
KD0001	32.00	36.00	4.00	0.15	0.7	NR	NR	NR	0.1 g/t Au	Newcrest
and	48.00	50.00	2.00	0.12	1.7	NR	NR	NR	0.1 g/t Au	Newcrest
and	103.00	105.00	2.00	0.24	1.5	NR	NR	NR	0.1 g/t Au	Newcrest
and	120.75	121.11	0.36	0.71	7.0	NR	NR	NR	0.1 g/t Au	Newcrest
and	127.00	129.00	2.00	0.20	1.9	NR	NR	NR	0.1 g/t Au	Newcrest
and	132.00	133.00	1.00	0.10	1.6	NR	NR	NR	0.1 g/t Au	Newcrest
and	151.80	152.10	0.30	0.21	1.5	NR	NR	NR	0.1 g/t Au	Newcrest
and	179.00	188.00	8.00	0.87	8.4	NR	NR	NR	0.1 g/t Au	Newcrest
including	180.20	186.00	5.80	1.20	12.0	NR	NR	NR	0.1 g/t Au	Newcrest

Hole ID	From	To	Interval	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Cut-off	Source
KD0002B	0.00	18.00	18.00	0.34	0.5	NR	NR	NR	0.1 g/t Au	Newcrest
including	1.00	2.00	1.00	1.00	0.7	NR	NR	NR	0.1 g/t Au	Newcrest
and	57.00	58.00	1.00	0.16	0.2	NR	NR	NR	0.1 g/t Au	Newcrest
KD0003	0.00	9.00	9.00	0.43	0.0	NR	NR	NR	0.1 g/t Au	Newcrest
and	141.00	143.00	2.00	0.15	NR	NR	NR	NR	0.1 g/t Au	Newcrest
and	234.90	238.10	3.20	0.10	NR	NR	NR	NR	0.1 g/t Au	Newcrest
KD0004	0.20	8.30	8.10	0.49	0.9	NR	NR	NR	0.1 g/t Au	Newcrest
and	42.70	46.80	4.10	0.40	4.4	NR	NR	NR	0.1 g/t Au	Newcrest
KD0005	0.00	9.70	9.70	0.26	2.0	NR	NR	NR	0.1 g/t Au	Newcrest
and	36.00	40.00	4.00	0.13	2.8	NR	NR	NR	0.1 g/t Au	Newcrest
and	112.00	113.00	1.00	0.11	3.2	NR	NR	NR	0.1 g/t Au	Newcrest
and	114.90	118.00	3.10	0.43	9.4	NR	NR	NR	0.1 g/t Au	Newcrest
and	152.00	156.00	4.00	0.34	1.1	NR	NR	NR	0.1 g/t Au	Newcrest
and	185.00	190.00	4.00	0.19	0.7	NR	NR	NR	0.1 g/t Au	Newcrest
and	192.00	196.00	4.00	0.21	1.7	NR	NR	NR	0.1 g/t Au	Newcrest
and	200.00	202.00	2.00	0.24	1.1	NR	NR	NR	0.1 g/t Au	Newcrest
and	206.20	208.80	2.60	0.77	4.0	NR	NR	NR	0.1 g/t Au	Newcrest
including	206.80	207.70	0.90	1.30	5.9	NR	NR	NR	0.1 g/t Au	Newcrest
KD0006	6.00	14.00	8.00	0.18	0.7	NR	NR	NR	0.1 g/t Au	Newcrest
and	72.00	76.00	4.00	0.26	0.3	NR	NR	NR	0.1 g/t Au	Newcrest
and	92.00	96.00	4.00	0.12	0.1	NR	NR	NR	0.1 g/t Au	Newcrest
AD0001	51.00	68.00	17.00	0.20	NR	0.21	NR	NR	0.1 g/t Au	Newcrest
and	77.10	101.40	24.30	0.13	NR	0.17	NR	NR	0.1 g/t Au	Newcrest
and	130.00	159.00	29.00	0.12	NR	0.17	NR	NR	0.1 g/t Au	Newcrest
and	164.00	183.00	19.00	0.11	NR	0.18	NR	NR	0.1 g/t Au	Newcrest
AD0002	70.00	94.00	24.00	0.10	NR	0.27	NR	NR	0.1 g/t Au	Newcrest
and	116.00	227.00	111.00	0.10	NR	0.26	NR	NR	0.1 g/t Au	Newcrest
and	252.00	263.00	11.00	0.10	NR	0.45	NR	NR	0.1 g/t Au	Newcrest
AD0003	261.00	274.00	13.00	0.13	NR	0.42	NR	NR	0.1 g/t Au	Newcrest
and	309.00	349.00	40.00	0.12	NR	0.48	NR	NR	0.1 g/t Au	Newcrest
and	316.00	327.00	11.00	0.17	NR	1.00	NR	NR	0.1 g/t Au	Newcrest

Source: Exoil PA84/234 Quarterly Report to 14th May 1972. MRA Report 72/72
Australian Anglo American PA84/234 Quarterly Ending 14th August 1974. MRA Report 74/35
Australian Anglo American PA84/234 Quarterly Ending 14th November 1974. MRA Report 74/34
Australian Anglo American PA84/234 Technical Report May 1971-December 1974. MRA Report 74/151
Anglo PA84/234 Quarterly Report to 14th February 1975. MRA Report 75/38
Anglo PA84/234 Quarterly Report to 14th May 1975 Vol II. MRA Report 75/39
Anglo PA84/234 Quarterly Report to 14th May 1975 Vol III. MRA Report 75/39
CRA PA436 Quarterly Report to 26th March 1979. MRA Report 79/13
Triple Plate Junction EL1326 Annual Report to 30th April 2009. MRA Report 2009/251
Newcrest PNG Exploration EL1326 Annual Report to 30th April 2012. MRA Report 2012/198.
Newcrest PNG Exploration EL1326 Annual Report to 30th April 2013. MRA Report 2013/189.
Note: Down-hole lengths reported. True widths are unknown.

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.* • *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.*	• Past exploration has been completed under previous titles and more recently under existing titles prior to Canterbury's involvement. Information on current titles and joint ventures is provided in the Independent Technical Assessment Report to which this Section is appended. The following historic titles are recorded: • Ekuti Range Project: Triple Plate Junction – EL1370. • Ipi River Project: Dampier Mining – PA192. Petromin – EL1352 & EL1696. • Malekula Project: Vanaust – no title information United – no title information ISCOR – PLs 1584, 1585. • Briggs & Mannersley Project: Geopeko – AtoP508M Noranda – Lease 504, 505. CRAE – EPM8445. Rio Tinto – EPM19198, EPM18504 • Bismarck Project: Exoil – PA84 & PA234 Anglo American – PA84 & PA234 CRAE – PA436 Highlands Pacific – EL1073 TPJ – EL1326 Newcrest – EL1326 • There are no impediments to obtaining a licence to operate on the Projects.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• the results of drilling on all Projects is historic data which has been reported by third parties in periodic reports to Government, now on open file and the public domain. These data have been compiled and summarised by Mr Mike Erceg (Senior Geologist on contract to Canterbury) and reviewed by SRK. • To date, Canterbury has note completed any drilling on the Projects.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Details of the geological setting for each project can be found in the Independent Technical Assessment Report to which this Section is appended. A summary of the mineralisation style for each project follows: • Ekuti Range Project: Porphyry style Cu-Au. • Ipi River Project: Porphyry Cu-Au-Mo. • Malekula Project: Epithermal Au-Ag and base metal. • Briggs & Mannersley Project: Porphyry Cu • Bismarck Project Porphyry Cu-Au-Mo and Epithermal Au-Ag
Drill hole Information	• *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:* ○ *easting and northing of the drill hole collar*	• All available, historic drill data located to date is summarised in the tables at the beginning of Section 1.

Criteria	JORC Code explanation	Commentary
	○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *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.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Weighted averages have been used for all significant assay interval calculations. Notes accompanying significant intercept Tables provide cut off grades used, minimum interval and maximum dilution allowable.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only*	• All assays are reported over down hole lengths; true widths are unknown”

Criteria	JORC Code explanation	Commentary
	the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	
Diagrams	• *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.*	• No significant discovery is being reported, rather compiled historical data considered material to Canterbury's proposed work programs. • Diagrams in the Canterbury prospectus provide spatial context: • Fig 4 uses part of Wau 1:250k Geology Map SB55-14. • Fig 6 uses geological mapping undertaken by Anglo American in 2017 during a due diligence on Ekuti Range Project; and results of ridge and spur soil sampling also by Anglo American; and magnetic data flown by Newmont in 2010/2011 and modelled by geophysicist Terry Hoschke in 2015. • Fig 7 to 9 illustrate Canterbury's exploration targets. Surface geology is based on Canterbury's traverses (2015) and Anglo's mapping (2017) • Fig 11 geological map information is sourced from publicly available data (Smith 1998) • Fig 12 to 15 illustrate Rio Tinto's geophysical targets to be drill tested in 2018/2019 and includes ZTEM and AMT geophysical anomalies generated by aerial and ground surveys conducted and modelled by Rio Tinto. • Fig 17 illustrates historical geochemical data (raw data compiled from statutory reports lodged with Queensland Department of Energy and Natural Resources); location of historical drill holes and planned drill holes; and magnetic geophysical data from Rocky-Monto survey (1994-1995) flown by World Geoscience Corp for the Queensland Department of Mines and Energy. • Fig 18 is a representative section of planned drilling illustrating several historic drill holes, proposed drill holes and drill target. • Fig 19 uses part of Geological Map of the New Hebrides Condominium 1:1,000,000 compiled by Dr D.I.J. Mallick 1974.
Balanced reporting	• *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.*	• All available historic holes have been reported as far as the data allows.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey*	• Geological observations are based on historic maps lodged as part of statutory reporting in government libraries in PNG, Vanuatu and Queensland. Additional data has been collected as part of CBY's expeditions into the Project areas. • Geophysical information is based on historical government maps and recent surveys conducted by Newmont (Ekuti Range) and Rio Tinto (Bismarck).

Criteria	JORC Code explanation	Commentary
	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.	• Surface geochemical compilations are presented from historic reports. Little information is available on sampling and assaying of historic data. For the Bismarck Project, a small soil sampling program was conducted by Rio Tinto in 2014 (Annual Report to 14 Jan 2015 EPM19198). Rio Tinto state that "*copper values in soils broadly correlate with the copper values recorded in historical campaigns. Molybdenum values on the other hand do not agree with historical values*".
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Ekuti Range Project: Scout drilling (~1,500 m) planned for 2018 at Ekoato prospect. • Ipi River Project: Application awaiting approval by MRA. • Malekula Project: Regional sampling & mapping planned for 2018/2019 field season. • Briggs & Mannersley Project: Drilling (~4,000 m) planned for 2018 at Briggs prospect. • Bismarck Project: No economic mineralisation indicated in prospects tested historically. Scout drilling planned to commence late 2018 on ZTEM geophysical targets below Mount Dremsel lithocap.

SRK Report Client Distribution Record

Project Number: CTB001

REPORT Title: Independent Technical Assessment Report on the mineral assets Canterbury Resources Limited

Date Issued: 2 October 2018

Name/Title	Company
Grant Craighead	Canterbury Resources Limited

Rev No.	Date	Revised by	Revision Details
0	01/06/2018	J McKibben	DRAFT report issued to client
1	26/06/2018	J McKibben	DRAFT report issued to client
2	2/07/2018	J McKibben	Final report
3	06/08/2018	J McKibben	Revised Final report
4	27/08/2018	J McKibben	Updated final report
5	24/09/2018	J McKibben	Final report issued
6	02/10/2018	S Munroe / J McKibben	Revised final report with JORC Code 2012 Table 1 (Appendix A)

[6] Solicitors' Review of Mineral Tenements

MELBOURNE | BRISBANE | PERTH

The Directors
Canterbury Resources Limited
Suite 505, 35 Lime Street,
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Australia

BY EMAIL: Grant Craighead
gcraighead@canterburyresources.com.au

Dear Sir,

Solicitor's Report – Mineral Tenements

This Report has been prepared at your request to examine and comment on the location, standing, any material qualification and registered ownership of several mining tenements beneficially or absolutely held by Canterbury Resources Limited for the purpose of inclusion in a prospectus for listing on the Australian Stock Exchange.

This report has been prepared in accordance with the following:

- the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports 2015 (the VALMIN Code);
- the attendant Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (the JORC Code); and
- the conditions placed on Expert Reports by the *Corporations Act* 2001 (Cth) and in particular ASIC Regulatory Guides 55, 111 and 112.

1 Aim

The aim of this Report is to collate, summarise and interpret available information to ascertain the location, standing, registered ownership and any material qualification regarding the Status of fifteen (15) tenements located in Queensland (Australia) and Vanuatu respectively.

2 Scope

The scope of the Report has been restricted to compliance with the following legislation:

- *Mineral Resources Act* 1989 (Qld) ("MRA")
- *Mineral Resources Regulations* 2013 (Qld)
- *Aboriginal Cultural Heritage Act* 2003 (Qld)
- *Local Government Act* 2009 (Qld)
- *Native Title Act* 1993 (Cth)
- *Mines and Minerals Act [CAP.190]* 1986 (Vanuatu)

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- *Environment Management and Conservation Act [CAP 283]* 2002 (Vanuatu)

3 Qualifications, Experience and Independence

TAS Legal Pty Ltd, ("TAS Legal") and the individuals responsible for the preparation of this Report are sufficiently qualified to prepare such a Report in respect of the Tenure.

Jay Evans-Wheeler BSc(Hons) DipCM MBus LLB – Lawyer & Senior Consultant

The author is a qualified Geologist, Accountant, Chartered Secretary and Australian Lawyer who has worked extensively in mining tenement administration in Australasia and internationally for over 30 years. She is an Expert and Specialist for the purposes of Definition D10 of the VALMIN Code, and is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy, a member of the Mining Industry Consultants Association, the Institute of Chartered Practising Accountants, the Institute of Chartered Secretaries, the Law Institute of Victoria and the Resources and Energy Law Association (AMPLA). She is at all times subject to the various Codes of Ethics of each of these institutions and professional bodies.

The author is responsible for managing and auditing tenements throughout Australia, Asia, Africa and the Pacific and has extensive experience in the examination and management of mining tenure for extant and former clients, including major international mining companies, in the relevant jurisdictions covered by this Report.

In undertaking examination of the Vanuatu tenements, a forensic comparison of the legislation was undertaken with the Queensland *Minerals Resources Act 1989,* and any differences specifically investigated and highlighted in the Report. In addition, extensive research on all available legal platforms was undertaken indicating that no cases dealing with the imposition of conditions or otherwise in relation mining law and mining tenements has been decided in Vanuatu.

TAS Legal has not provided due diligence services to Canterbury in the past, and will be paid normal and usual professional fees for the preparation of this Report ($10,500 – 13,500). Other than in respect of its professional fees, neither TAS Legal nor its directors have any material or contingent interest in Canterbury or its subsidiaries.

4 The Tenure Schedule

We refer to the Schedule attached which forms part of this Report. As a result of, and based upon, the information derived we confirm that the information and particulars included in the Schedule is an accurate statement of the Tenure particulars.

5 Sources of Information

Information in respect of the mineral tenements has been derived from extracts of registers obtained from the relevant government statutory bodies:

- The Department of Natural Resources, Mines and Energy ("DNRME") (Qld);
- the Department of Aboriginal and Torres Strait Islander and Multicultural Affairs (Queensland) ("DATSIP") Cultural Heritage Register of Aboriginal cultural heritage sites,
- the National Native Title Tribunal ("NNTT") Register of Native Title; and
- the Banana Shire Council and Gladstone Regional Council (QLD)
- The Department of Lands and Natural Resources ("DLNR - VAN") (Vanuatu)

6 Assumptions

This Report is prepared on the following assumptions:

1. that the list of Tenure described in the commission is true and correct in terms of their materiality to the Report, and that there is no other Tenure which affects the Report;
2. that there are no charges, liens or encumbrances affecting the mineral tenements extant but not yet registered as at 21 September 2018;
3. that information provided by the sources listed in Item 5 are accurate, complete and current.

We have not relied upon any information provided by other third parties.

7 Background to legislation

7.1 Queensland

Minerals and permits generally

Ownership of minerals located on or below the surface of the land, excepting certain limited circumstances (relating to limited categories of historic land parcels), is vested in the Crown.

As owner of the minerals, the Crown is entitled to confer rights on lessees or licensees to explore for and mine one or more minerals, collectively referred to as mining tenements.

The *Mineral Resources Act* 1989 (MRA) is the principal legislations regulating mining, exploration, extraction and processing of minerals within Queensland.

In Queensland, mining tenements may be granted for defined minerals, coal and solid hydrocarbons, and infrastructure. The material mining tenements are Exploration Permits for Minerals ("EPM"s) as detailed in the Schedule.

For the purposes of section 8(1)(k) of the *Personal Property Securities* Act 2009 of the Commonwealth, the MRA declares that no tenement is personal property for the purpose of that Act.

An Exploration Permit for Minerals ("EPM") pursuant to the MRA:

- Allows the holder to carry out exploration for mineral within the boundaries of the licence by all approved methods permitted under a mineral authority in accordance with a lodged and approved plan;
- Test for, and evaluate the feasibility of, mineral production;
- May be granted for a period of up to 12 years, and may be renewed; and
- Must not exceed 100 sub-blocks in area*.

The holder of an EPM must, immediately upon discovery of any mineral of commercial value in what appears to be significant quantities within the boundaries of the EPM, report to the Minister the fact of that discovery and such other particulars as the Minister may subsequently require.

An EPM does not authorise the production of, or studies into the production of, minerals.

Details of the EPMs are as follows:

Tenement	Holder and Interest	Area	Date granted	Current Expiry Date
EPM 19198	Canterbury Exploration Pty Ltd 100%	3 sub-blocks	16/12/2011	15/12/2021
EPM 18504	Canterbury Exploration Pty Ltd 100%	16 sub-blocks	13/10/2010	12/10/2020

7.1.1 Access rights to land

During the term of a EPM, the holder may, with all by vehicles, vessels, machinery or equipment as necessary enter onto any part of land comprised in the EPM, provided the land is not a restricted reserve (for example, a national park) or private (freehold) land where regulatory access procedures have not been undertaken and completed.

Where agreement for access with cannot be reached with underlying landowners and stakeholders as required by law, recourse may be had to the Land Court of Queensland to determine disputes.

In addition, the *Regional Planning Interests Act* 2014 (Qld) governs the interaction and balance between competing land uses. A Regional Interests Development Approval ("RIDA") may be required where a resource or regulated activity is proposed to be located in an area of regional interest.

There is no record that any relevant compensation agreements with affected landowners having been registered against the relevant land title in accordance with the new* Mineral and Energy Resources (Common Provisions) Act 2014 *. We are advised that all relevant compensation agreements have been so lodged.

We have not been requested to examine the terms of any compensation agreements. Any agreements should be examined for terms and compliance, as valid compensation compliance is a condition precedent to the exercise of rights conveyed by the tenements.

There is no evidence that an RIDA is required at this time.

7.1.2 Conditions of an EPM

Conditions are imposed on granted licences, and generally include conditions relating to the environment, payment of rates, fees and charges, minimum expenditure or work provisions, and exclusions.

Where licence conditions are not complied with, the holder may be subject to disciplinary action or the EPM may not be renewed at the expiry of current term.

Each EPM is subject to conditions, inter alia, that the holder:

- carry out such programs of exploration works as are approved from time to time and in accordance with the MRA;
- pay rental as prescribed;
- deposit any bond from environmental rehabilitation as required by the Minister from time to time;
- must when, and in the form required, give to the Minister annual progress, and final technical and expenditure reports, (accompanied by documents and materials as prescribed) detailing the EPM holder's activities;
- carry out environmental restoration of the damage caused on the EPM (such as repairing and capping drill holes to acceptable norms) pursuant to a relevant Environmental Authority issued by the Department of Environment and Heritage Protection;
- where the lease is reduced in area, remove and make good all plant and equipment;
- not obstruct or interfere with any right of access by any authorised persons in respect of the land;
- prior to termination of the EPM, remove all equipment and plant on all in the land comprised in the EPM unless otherwise authorized;
- comply with the mandatory provisions of the land access code;
- comply with the MRA and any other relevant legislation and regulations; and
- comply with such other conditions as may be imposed.

In addition, conditions may be imposed requiring aboriginal cultural heritage surveys to be conducted and areas of aboriginal cultural significance to be identified and isolated. In some cases, pursuant to relevant agreements, monitoring mineral activities may be required by relevant aboriginal groups.

Tenement	Rent	2017/18 Commitment	Special Conditions
EPM 19198	$467.00	$346,000 over five years	Compliance with approved work programme
EPM 18504	$2,493.00	$346,000 over five years	Compliance with approved work programme

Standard conditions pursuant to sections 276 of the MRA and ss. 101, 103, 104 and 311 of the* Environmental Protection Act (1994) *(Qld) have been imposed in relation to any Crown land portions underlying the licence, which has been granted predominantly for private land.

No non-standard environmental conditions have been imposed on the tenements, and no additional bond has been either requested or lodged.

There is no evidence that any bond issues remain outstanding. We note, however, that no guarantee can be given that further bonds will not be sought for additional works, or that any holder (whilst solvent) will not be called upon for additional environmental works.

7.2 Vanuatu (VAN)

Minerals and permits generally

Section 2(1) of the *Mines and Minerals Act [CAP.190] 1986 ("MA-VAN")* provides that all minerals in their natural condition, located in any land (including territorial waters) in Vanuatu are owned by the State.

As owner of the minerals and the land itself, the State is entitled pursuant to s.3(1) to confer rights on lessees or licensees to explore for and mine one or more minerals, collectively referred to as mining tenements over all land and waters 'in Vanuatu'.

In Vanuatu, mining tenements may be granted for all minerals, excepting water and hydrocarbons. The material mining tenements are Prospecting Licences ("PL"s) as detailed in the Schedule, and grant the exclusive right to carry on prospecting operations in or in relation to the tenement for any mineral to which the licence relates, and to execute in the prospecting area such works as are necessary for that purpose. PLs may be issued for varying types of minerals, and overlapping tenements may stratify commodity rights.

Unlike Queensland or PNG, the *Personal Property Securities* Act 2008 of Vanuatu, which commenced operation on 07 July 2008, does not explicitly provide that a mining tenement is not personal property, but merely that for the purposes of s.9 that this Act does not apply to an interest '… [in] the creation or transfer of an interest in land.'

An examination of the implications of these provisions, which we recommend be considered, is outside the scope of this Report.

A PL pursuant to the MA-VAN:

- Allows the holder exclusive rights to carry out exploration for minerals within the boundaries of the licence by all approved methods in accordance with a lodged and approved work programme;
- May be granted for a period of up to three (3) years, and may be renewed for further two further periods of two (2) years; and
- Must not exceed 100 km2 in area.

An approved programme must be submitted with any application for initial grant of, or further renewal of, a PL.

In addition, any approved programme must meet the expenditure requirements proposed in the relevant application for grant or renewal, and may be subject (where the work programme is not varied in the prescribed manner) to pay damages to the State in respect of any failure to fulfil his obligations under any such programme pursuant to s.30 of the MA-VAN on the basis that on the basis that the failure constitutes a breach of a contract with the Republic to fulfil the obligation.

The holder of a PL must, immediately upon discovery of any mineral of commercial value in what appears to be significant quantities within the boundaries of the PL, report to the Minister the fact of that discovery and such other particulars as the Minister may subsequently require.

A PL does not authorise the production of, or studies into the production of, minerals.

Details of the PLs are as follows:

Tenement	Holder and Interest	Area	Date granted	Current Expiry Date
PL 1836	Capella Vanuatu Limited 100%	49.5 km2	24/01/2013	04/08/2018 (Renewal pending)
PL 1837	Capella Vanuatu Limited 100%	46.1 km2	24/01/2013	04/08/2018 (Renewal pending)
Malekula 3	Capella Vanuatu Limited 100%	95 km2	Pending	Not Applicable
Malekula 4	Capella Vanuatu Limited 100%	95 km2	Pending	Not Applicable
Malekula 5	Capella Vanuatu Limited 100%	95 km2	Pending	Not Applicable
Santo 1	Capella Vanuatu Limited 100%	95 km2	Pending	Not Applicable
Santo 3	Capella Vanuatu Limited 100%	95 km2	Pending	Not Applicable

Note that, pursuant to s.24(3) of the MA-VAN, where any prospecting licence is subject to an application for renewal, the tenement continues in force pending the

determination of that renewal, and the renewed term commences on the first day following the day on which the term would otherwise have expired.

The author has no reason to believe that the tenements subject to renewal, which have complied with their obligations, will not be renewed in due course.

7.2.1 Access rights to land

During the term of a PL, the holder may, with all equipment as necessary enter onto any part of land comprised in the EL, where compensation as set out in s.71 of the MA-VAN have been undertaken and completed.

Compensation may be paid for disturbance of the rights of the lawful occupier of any land or damage to any crops, trees, buildings, stock or works thereon to customary landholders, who retain the rights to graze on and cultivate any subject land.

Where agreement for access with cannot be reached with underlying landowners and stakeholders as required by law, recourse may be had to the Valuer-General to determine disputes.

We have not been requested to examine the terms of any compensation paid or compensation agreements. Any agreements should be examined for terms and compliance, as valid compensation compliance is a condition precedent to the exercise of rights conveyed by the tenements.

7.2.2 Conditions of a PL

Conditions are imposed on granted licences, and generally include conditions relating to the environment, payment of fees and charges, minimum expenditure, and exclusions.

Where licence conditions are not complied with, the holder may be subject to disciplinary action or the PL may not be renewed at the expiry of current term.

Each PL is subject to conditions, inter alia, that the holder:

- As previously noted, carry out such programmes of exploration works as are approved from time to time and in accordance with the MA-VAN;
- pay rental as prescribed;
- deposit any security for environmental rehabilitation, and unpaid fees, rents, royalties, compensation, penalties or other money or costs incurred by the Department in ensuring that any liabilities are met;
- relinquish not less than 50% of the area the subject of the tenement at the time of application or previous renewal;
- when, and in the form required, give to the Minister quarterly technical and expenditure reports, (accompanied by documents and materials as prescribed) detailing the PL holder's activities;

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- carry out environmental restoration of the damage caused on the PL(such as repairing and capping drill holes to acceptable norms where the tenement is reduced in area, remove and make good all plant and equipment;
- not obstruct or interfere with any right of access by any customary landowner in respect of the land;
- prior to termination of the PL, remove all equipment and plant on all in the land comprised in the PL unless otherwise authorised;
- comply with the requirement to pay compensation;
- comply with the MA-VAN and any other relevant legislation and regulations; and
- comply with such other conditions as may be imposed.

Tenement	Rent	2017/18 Commitment	Special Conditions
PL 1836	VT 475,000	VT 10,000,000 over 2 years	No transfer without written consent of the Hon. Minister; all unskilled employees to be citizens of Vanuatu
PL 1837	VT 475,000	VT 10,000,000 over 2 years	No transfer without written consent of the Hon. Minister; all unskilled employees to be citizens of Vanuatu
Malekula 3	VT 475,000	VT 80,000 over 3 years	Not yet imposed
Malekula 4	VT 475,000	VT 80,000 over 3 years	Not yet imposed
Malekula 5	VT 475,000	VT 80,000 over 3 years	Not yet imposed
Santo 1	VT 475,000	VT 170,000 over 3 years	Not yet imposed
Santo 3	VT 475,000	VT 170,000 over 3 years	Not yet imposed

Standard conditions pursuant to section 21(1)(a) of the MA-VAN have been imposed in relation to the land underlying the granted tenements.

No non-standard environmental conditions have been imposed on the granted tenements, and no additional bond has been either requested or lodged.

There is no evidence that any bond issues remain outstanding. We note, however, that no guarantee can be given further bonds will not be sought for additional works, or that any holder (whilst solvent) will not be called upon.

8 Licences and Documents

We note that licence documents (in the relevant approved form) have been issued for all the subject tenure, and that all such documents are in the possession of the registered holder, or (at the time of renewal) with the relevant Department.

9 Encumbrances and Interests

We note that none of the tenure is held in the name of Canterbury Resources Limited. We are advised that Canterbury Exploration Pty Ltd, and Capella Vanuatu Limited are wholly-owned subsidiaries of Canterbury Resources Limited.

We note that consent caveats forbidding transfer or other dealing have been lodged by former holder Rio Tinto Exploration Pty Ltd against EPMs 19198 and 18504. The terms and conditions of any agreement underpinning these caveats is discussed elsewhere in the Prospectus, of which this Report forms part.

Other than those material encumbrances listed in the Schedule, the tenure has, from the information available, no other charges, liens or encumbrances extant.

Please note that, as registration of documents evidencing interests of third parties is not compulsory in Queensland or Vanuatu, warranties should be sought of the tenement holders as to the existence of any other interests.

10 Bonds and Rehabilitation

There is no evidence that any additional bond issues remain outstanding.

We note that no guarantee can be given that further bonds will not be sought for additional works, or that any holder (whilst solvent) will not be called upon for additional environmental works.

11 Government and Other Royalties

All of the subject tenements are exploration or prospecting tenure only, and therefore state royalty regimes are not applicable, as production from these tenures is not permitted.

However, as registration of documents evidencing royalty interests of third parties is not compulsory in Queensland or Vanuatu, warranties should be sought of the tenement holders as to the existence of any other royalties.

12 Local Government Rates

There are no local government rates due or payable on any of the subject Tenure.

13 Pending Court Action

There is no evidence that any of the Tenure is subject to any pending court actions.

Offices
Level 4, 345 Ann Street
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Telephone: (07) 3012 7503
Facsimile: (07) 3211 0424

Level 2, 326 Hay Street
East Perth WA 6004
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Facsimile: (08) 9421 1331

1748 Gisborne-Melton Rd
Kurunjang VIC 337
Telephone: (03) 9746 7500
Facsimile: (03) 9746 7799

TAS Legal Pty Ltd
ABN 97 152 618 441

E: tas@taslegal.com.au
W: www.taslegal.co.au

14 Annual Mineral Exploration Reports

Extracts of Register and communications from each of the relevant Departments indicates that no reporting is currently outstanding.

15 Annual Expenditure Reports

Extracts of Register and communications from each of the relevant Departments indicates that no reporting is currently outstanding.

16 Survey

In all of the relevant jurisdictions, survey is not a condition imposed on any exploration or prospecting tenement.

17 Native Title

17.1 Queensland

The common law of Australia recognises a form of native title, which, in circumstances where it has not been extinguished, reflects the entitlement of the indigenous inhabitants, in accordance with their laws or customs, to their traditional lands. Native title may be extinguished by the valid exercise of government power provided there is a clear and plain intention to do so.

The *Native Title Act* 1993 (Cth)("Native Title Act"), as amended, inter alia:

- provides that native title is recognised and protected in accordance with the Native Title Act, and prevents extinguishment of native title contrary to the Act;
- provides a procedural framework for indigenous people to claim native title rights in relation to land and water, and then for the courts to determine who the rightful claimants are and which of their native title rights exist;
- validates (in tandem with complementary state and territory legislation) past acts by the Commonwealth and State governments which, because of the existence of native title, would otherwise have been invalid;
- provides a framework within which Commonwealth and State governments can
- undertake future actions that may impact on native title; and
- provides a mechanism by which holders of native title can claim, and have determined, compensation for acts done that in some way impact on their native title rights.

Various state and territory legislations complement the operation of the Native Title Act, for example, confirming existing rights to natural resources and access to waterways and public places, and in various other respects. However, state and territory legislation inconsistent with the provisions of the Native Title Act, and relevant provisions of the *Racial Discrimination Act* 1975 (Cth), has been held to be invalid where the relevant state or

territory purports to extinguish native title or discriminates against indigenous people or groups in certain relevant respects.

The Native Title Act sets out the procedures which must be followed when lodging an application for a determination of native title. These procedures require the Federal Court to refer a native title claim to the Native Title Registrar who must apply the "registration test" set out in the Native Title Act. If the Native Title Registrar considers that a claim satisfies the registration test in accordance with the relevant statutory criteria, the claim is entered on the register of Native Title claims maintained by the Tribunal. Upon registration, various procedural rights are granted, and notification to the public and various specified persons is required. A native title claimant must prove its claim in the Federal Court, in order to have the native title recognised, where the claim is contested (although native title can be recognised by agreement between the relevant parties, subject to the Federal Court determining the orders sought are within its power).

When native title is determined, the native title holders may make a further application to the Federal Court for a determination of what, if any, compensation may be payable for actions that have impacted on their native title rights in the past.

Given the potential complexity and length of any contested proceedings in the Federal Court, mediation (and sometimes, further mediation) by way of a conference is usually ordered by the court except in certain circumstances.

Pursuant to the Native Title Act, the validity of the grant of a mining title is determined in accordance with the date of grant of the mining title.

Importantly, the future act regime found within the Native Title Act does not as such give the holders of native title any right to veto the doing of a future act; instead, the relevant future act provisions establish ways in which future dealings affecting native title may proceed, and the standards set for such dealings (in addition to any relevant questions of compensation).

It should be appreciated that despite the operation of the regime under the Native Title Act as noted above, it is still open to a party to commence an action outside of the provisions of the Native Title Act, under the common law, in courts other than the Federal Court (or the High Court, which also has jurisdiction under the Native Title Act). It appears that such actions will only serve to declare rights as between the relevant parties to the action.

We note that provision has been made under the Native Title Act for an equivalent state/territory body to determine native title claims where so recognised.

Right to negotiate

The valid grant of a mining title can be achieved if the procedures of the Native Title Act and applicable State procedures are followed. The primary procedures are collectively known as the "right to negotiate" procedures.

Upon registration of a native title claim, the claimant is entitled the "right to negotiate" with respect to certain "acts" that may affect native title. Where right to negotiate procedures apply and are not complied with, the relevant "future act" will be unlawful to the extent that it affects native title. The grant of a mining title is an "act" that may affect native title and is likely to attract the right to negotiate procedures unless the mining title is wholly over land where a claim has not been lodged or land over which native title has been extinguished. Overall, there is a duty to negotiate in good faith with a native title claimant/group.

Notwithstanding the above, the “expedited procedure” of the Native Title Act, where applicable, exclude the right to negotiate. Certain exceptions to the “right to negotiate” provisions are “approved exploration acts”, “approved gold or tin mining acts”, or the renewal, re-grant or re-making of certain valid acts which create a right to mine, and for certain acts creating a right to mine opals or gems in an approved area. Satisfaction of the procedures in relation to the expedited procedure requires advertisement of any mining tenement application, following which time is permitted during which any claimant may object to the. matter proceeding by way of the expedited procedure. If the objection is not withdrawn (either after the entering into of an Ancillary Agreement and Section 31 Deed, or otherwise), and the native title is successful in its objections, the matter will be determined by way of the right to negotiate procedures.

An objection may result in the conclusion of a deed between the applicant and the claimant party which will generally require (inter alia) compensation payments and terms relating to indigenous employment. Where no objection is lodged the holder of the mining tenement need only satisfy any conditions which are generally incorporated as conditions to the granting of the mining tenements in any case.

Native Title and the mineral tenements

EPMs 19198 and 18504 were granted after 23 December 1996 and as such will continue to be valid where compliance with the “future act” procedures under the Native Title Act continues:

Aboriginal Heritage

All significant Aboriginal cultural heritage sites are protected in Queensland pursuant to the *Aboriginal Cultural Heritage Act* 2003 (Qld.
Tenement holders must comply with the requirements of the relevant cultural heritage legislation.

Holders have a duty of care imposed in carrying out any of their activities to take all reasonable and practicable measures to ensure that the activity does not harm Aboriginal cultural heritage.

This duty applies regardless of whether or not an Aboriginal heritage site is recorded on the relevant official register and applies regardless of whether native title exists, is claimed, or

has been extinguished over land. Substantial penalties apply for interference with Aboriginal cultural materials or objects without lawful excuse

Aboriginal Heritage and the mineral tenements

Research has been carried out in relation to the mineral tenements and the results indicate there are no listed heritage sites on the departmental record affecting EPM 19198. There are four artefact scatters affecting EPM 18504.

We note however, that the absence of any objects or sites of cultural heritage on the Registers does not preclude the possible existence of unregistered objects or sites within the boundaries of the material mineral tenements, but that searching the Registers is a relevant

consideration in determining whether a corporation or individual has complied with the cultural heritage duty of care.

However, as such information is privileged and is only available where precise delineation of areas of interest is made, we recommend that further research in this respect should be carried out as more detailed exploration programs, including specified geographic areas of interest, are identified.

17.3 Vanuatu

In Vanuatu, all land (with a very few minor freehold alienations) reverted to the traditional custodians on proclamation of Section 73 of the *Constitution of the Republic of Vanuatu, Act 10 of 1980*

However, at the time of writing of this Report, notwithstanding this express recognition of native title, no legislation nor government processes are currently in effect for the formalised protection of indigenous heritage.

Notwithstanding the lack of formal requirement, Canterbury Resources Limited has advised that its Sustainability Policy specifically addresses its Cultural Heritage Policy, and that Cultural Heritage Management Plans are captured in the individual Exploration Management Plans for each project.

18 Assessment of Standing

As required by the JORC code, we are required to give an assessment of the security (the "status") of tenure.

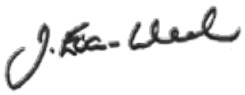
In assessing the status, we have both the rental and bond situation and other matters considered material.

We have concluded on the basis of the evidence obtained that the Tenure is in **good standing**.

19 Consent to release and publication

TAS Legal has given its consent, and the author and primary reviewer of this Report, Jay Evans-Wheeler has provided her consent, and neither has, before the release of this Report withdrawn such consent to the release and publication of this Report in the form and context in which it appears only.

Yours faithfully,
TAS Legal Pty Limited



21 September 2018

Tenement type, reference name and/or number and area	Tenement reference name	Area	Ownership, including details of co-venturers and their interests	Impediments to title	Status; application or approval is pending	Grant Date	Expiry and Renewal Date	Tenement expenditure commitments to date	Tenement expenditure reported to date	Scheduled 2017/2018 commitment	Annual rent	Relevant Native Title Claimants	Conditions, endorsements and notes*
EPM 19198	Briggs	3 sb	Canterbury Exploration Pty Ltd 100%	Nil	Granted	16/12/2011	15/12/2021	$1,095,000	$1,329,092	$57,000	$467.40	Gaangalu Nation People QC2012/009; Port Curtis Coral Coast Claim QC2001/029	Strategic Cropping Area; granted for private and land excluded from native title only.
EPM 18504	Mannersley	16 sb	Canterbury Exploration Pty Ltd 100%	Nil	Granted	13/10/2010	10/12/2020	$ 467,000	$ 719717	$5,000	$2,492.80	Port Curtis Coral Coast Claim QC2001/029; Bailai, Gurang, Gooreng Gooreng, Taribelang Bunda People QCD2017/010 DET	Strategic Cropping Area; granted for private and land excluded from native title only.
PL 1836	Malekula	49.5 km2	Capella Vanuatu Limited 100%	Nil	Granted	24/01/2013	4/08/2018	VT 8,000,000 over three years	VT 15,280,918	VT 5,000,000 over 2 years	VT 247,000	Not applicable	Standard conditions
PL 1837	Malekula	46.1 km2	Capella Vanuatu Limited 100%	Nil	Granted	24/01/2013	4/08/2018	VT 8,000,000 over three years	VT 19,020,148	VT 5,000,000 over 2 years	VT 236,000	Not applicable	Standard conditions
Malekula 3	Malekula	95 km2	Capella Vanuatu Limited 100%	Nil	Application only	Not applicable	Not applicable	Not applicable	Not applicable	VT 80,000 over 3 years on grant	VT 475,000	Not applicable	Not yet imposed

Tenement type, reference name and/or number and area	Tenement reference name	Area	Ownership, including details of co-venturers and their interests	Impediments to title	Status; application or approval is pending	Grant Date	Expiry and Renewal Date	Tenement expenditure commitments to date	Tenement expenditure reported to date	Scheduled 2017/2018 commitment	Annual rent	Relevant Native Title Claimants	Conditions, endorsements and notes*
Malekula 4	Malekula	95 km2	Capella Vanuatu Limited 100%	Nil	Application only	Not applicable	Not applicable	Not applicable	Not applicable	VT 80,000 over 3 years on grant	VT 475,000	Not applicable	Not yet imposed
Malekula 5	Malekula	95 km2	Capella Vanuatu Limited 100%	Nil	Application only	Not applicable	Not applicable	Not applicable	Not applicable	VT 80,000 over 3 years on grant	VT 475,000	Not applicable	Not yet imposed
Santo 1	Malekula	95 km2	Capella Vanuatu Limited 100%	Nil	Application only	Not applicable	Not applicable	Not applicable	Not applicable	VT 170,000 over 3 years on grant	VT 475,000	Not applicable	Not yet imposed
Santo 3	Malekula	95k m2	Capella Vanuatu Limited 100%	Nil	Application only	Not applicable	Not applicable	Not applicable	Not applicable	VT 170,000 over 3 years on grant	VT 475,000	Not applicable	Not yet imposed

大成DENTONS

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3 October 2018

The Directors
Canterbury Resources Limited
Suite 505, 35 Lime Street
SYDNEY NSW 2000

Our ref: KYL/38221725

Dear Sirs

Canterbury Resources (PNG) Limited and Finny Limited – Report on Tenements and Corporate Status

This Report has been prepared for inclusion in the Replacement Prospectus to be dated 3 October 2018 (**Prospectus**) for the proposed offer of 26,000,000 ordinary shares at an issue price of $0.30 each in Canterbury Resources Limited ACN 152 189 369 (**Canterbury**).

1. Scope of Report

We have been requested to report:

(a) on the interest of Canterbury Resources (PNG) Limited (PNG company number 1-86939) and Finny Limited (PNG company number 1-104673) (collectively the **Subsidiaries**) held in Exploration Licences 2302, 2314, 2418, 2509, 2378 and 2390 in Papua New Guinea (collectively, the **Tenements**); and

(b) the corporate status of the Subsidiaries.

The Tenements are listed and details relating to them are set out in the Schedule of Tenements (**Schedule**) attached to this letter. The Tenements have all been granted under the *Mining Act 1992* of Papua New Guinea (**Mining Act**).

Section 5(1) of the Mining Act provides that all minerals located on, within or below the surface of any land in Papua New Guinea are the property of the Independent State of Papua New Guinea (**State**). Individuals and groups are allowed to own the surface title of land in Papua New Guinea.

The Mining Act provides that the State may, on the application of a person and after considering a recommendation of the Mining Advisory Board, grant Exploration Licences to persons who wish to undertake mineral exploration activities on property in Papua New Guinea. An Exploration Licence granted under the Mining Act:

(a) entitles the holder to carry out exploration for mineral within the boundaries of the licence by all approved methods in accordance with a lodged and approved plan for a period of up to two years (which may be renewed);

(b) allows the holder to test for, and evaluate the feasibility of, mineral production;

(c) gives the holder the right to apply for a mining lease[1] or special mining lease;[2] and

(d) must not exceed 750 sub-blocks in area.

Holders are required to pay rental for each Exploration Licence and are required to accumulate a minimum amount of exploration expenditure for each Exploration Licence.

The State reserves the right prior to commencement of mining, to make a single purchase of a participating interest of up to 30% equity in any mineral discovery arising from an exploration licence. At any time that the State exercises this right to acquire an interest it will then contribute to further exploration and development. The conditions upon which each Exploration Licence is granted, is contained in both the Mining Act 1992 (PNG), and as conditions on the instrument of grant. This Report:

(a) relates only to the laws of Papua New Guinea and is given on the basis of the laws of Papua New Guinea that are in force as at the date of this Report; and

(b) is governed by the laws of Papua New Guinea and shall be construed only in accordance with Papua New Guinea law.

We express no opinion about the laws of any other jurisdiction other than Papua New Guinea.

Unless the context indicates otherwise, terms defined in the Prospectus have the same meaning in this Report and the Schedule.

2. Opinion on Tenements

For the purposes of this Report, we have:

(a) carried out on 28 September 2018 searches of the Tenements in the Register of Tenements maintained by the Registrar under the Mining Act (**Register of Tenements**); and

(b) made enquiries of the Registrar of Tenements and other officers of the Mineral Resources Authority (**MRA**).

On this basis and subject to the assumptions and qualifications set out in this Report, we are satisfied that the current status and ownership of the Tenements are as set out in the Schedule.

An application has been made to the Registrar of Tenements for renewal of Exploration Licences 2418, 2378 and 2390. These applications for renewal have not been granted at the date of this Report and are at various stages of the renewal process as determined by our searches, and are subject to either a process of review, Warden's hearing, Mining Advisory Council review and/or Ministerial approval. Until such applications for renewal have been determined, the relevant Tenement continues in force pending determination of that renewal

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[1] The mining lease permits the holder to exclusively mine the lease for a period of up to 20 years, with the right to apply for 10-year extensions.

[2] The special mining lease permits the holder to exclusively mine the lease for a period of up to 40 years with the right to apply for a renewal of up to 20 years.

application. In the event of renewal being granted, the renewed term commences on the first day following the day on which the term would otherwise have expired.

We have examined copies of executed Tenement Transfer Forms 16 for EL2378 and EL2390 provided to us by Canterbury. These Tenement Transfer Forms purport to transfer a 60% participating interest in EL2378 and EL 2390 to Rio Tinto Exploration (PNG) Limited, and are required to be submitted for stamp duty (if applicable) and registration pursuant to the Mining Act. Until approved and registered under the Mining Act, the conveyance contemplated by such instruments are of no force or effect.

3. Opinion on corporate status of Subsidiaries

For the purpose of the Report, we have obtained on 28 September 2018 electronic extracts of the public records relating to the Subsidiaries as maintained by the Registrar of Companies.

On this basis and subject to the assumptions and qualifications set out in this Report, we are satisfied that each of the Subsidiaries:

(a) is a company duly incorporated and currently registered in Papua New Guinea; and

(b) is a wholly owned subsidiary of Canterbury.

4. Opinion on certification of Subsidiaries as foreign enterprises in Papua New Guinea

A. Canterbury Resources (PNG) Limited

For the purpose of the Report, we have:

(a) conducted a search on 2 October 2018 and obtained a copy of the Foreign Enterprise Certification Extract from the Investment Promotion Authority (**IPA**) registry in Papua New Guinea for Canterbury Resources (PNG) Limited;

(b) obtained from Canterbury a copy of the certificate given by the Investment Promotion Authority under the *Investment Promotion Act 1992* of Papua New Guinea (**IP Act**).

On this basis and subject to the assumptions and qualifications set out in this Report, we are satisfied that Canterbury Resources (PNG) Limited is permitted to carry on business in the activities of:

> ISIC 7421, being an activity class of mining and more specifically described as Architectural and Engineering activities and related technical consultancy – Mineral Exploration,

in the operating location of – EL 2302, Bulolo, Morobe Province, Papua New Guinea.

B. Finny Limited

For the purpose of the Report, we have:

(a) conducted a search and obtained a copy of the Foreign Enterprise Certification Extract from the Investment Promotion Authority registry in Papua New Guinea for Finny Limited;

(c) obtained from Finny a copy of the certificate given by the Investment Promotion Authority to Finny Limited under the *Investment Promotion Act 1992* of Papua New Guinea.

On this basis and subject to the assumptions and qualifications set out in this Report, we are satisfied that Finny Limited is permitted to carry on business in the activities of:

> ISIC 7421, being an activity class of mining and more specifically described as Architectural and Engineering activities and related technical consultancy – Mineral Exploration;

in the operating location of – Lorengau, Manus Town, Manus Province, Papua New Guinea for EL 2390 and Pelipowai, Gar Station, Manus Province, Papua New Guinea for EL 2378 Province.

5. Assumptions

In preparing this Report, we have assumed the following:

(a) the authenticity of all seals and signatures and of any duty, stamp or marking;

(b) the completeness, and the conformity to original instruments and documents, of all copies provided to us, and that any document provided to us continues in full force and effect;

(c) no person has been, or will be, engaged in conduct which is misleading or deceptive or likely to mislead or deceive;

(d) the entries in respect of the Tenements in the Register of Tenements maintained by the Registrar of Tenements under the Mining Act are correct, complete and up to date;

(e) at the date of this Report, there are no other agreements, documents or instruments which, if reviewed by us, would alter our view of the Tenements as set out in the Schedule of Tenements;

(f) the records maintained by the Registrar of Companies in respect of the Subsidiaries are correct, complete and up to date;

(g) the entries in the statutory and other registers and corporate records maintained by or on behalf of the Subsidiaries are correct, complete and up to date;

(h) the Tenements and any extension of the term of the Tenements (other than applications for Tenements) have been validly granted. The good standing of the Tenements and the holder's interests in the Tenements are subject to the holder continuing to comply with the respective terms and conditions applicable to the Tenements under the Mining Act and any regulation made under the Mining Act;

(i) the execution and delivery of, and the performance of any obligations under agreements entered into between Canterbury, the Subsidiaries and/or any of the registered licence holders are not illegal, invalid or unenforceable, satisfy all requirements under the laws of the governing jurisdiction and do not affect the validity or enforceability of the rights granted under the Tenements;

(j) insofar as any obligation under any document examined by us is to be performed in any jurisdiction outside Papua New Guinea, its performance will not be illegal or ineffective by virtue of the law of that jurisdiction.

(k) the IPA has not issued a notice of suspension or cancellation of the certificate granted to the Subsidiaries under the IP Act permitting the Subsidiaries to carry on business in Papua New Guinea; and

(l) all statements and warranties of fact in any document on which this Report relies, and the instructions which we have received as to all matters of fact, are and continue to be correct and complete and were not false or misleading in the form or context they were represented to us, and no relevant matter was withheld from us (whether deliberately or inadvertently).

Nothing has come to our attention to cause us to believe that the above assumptions are not correct.

6. Qualifications

This Report is subject to the following qualifications:

(a) we neither express nor imply any opinion as to, and have not made any investigation of, the laws of any jurisdiction other than Papua New Guinea;

(b) we have not made any independent investigations or searches except as stated herein. We have relied on searches of and copies of documents obtained from Canterbury, public records kept at the offices of the MRA and electronic extracts of the public records as maintained by the Registrar of Companies and IPA. While we have assumed, as noted above, that these records are correct, complete and up to date, they may not be, in that documents may not be filed at the relevant offices immediately, may not have been entered onto the database at all or correctly, may no longer be on file, may be replaced or may otherwise not appear on the extract search. In addition, the database maintained by the Registrar of Companies or the Foreign Certification registry maintained by IPA is often not complete, accurate and up to date in that documents are sometimes not entered in the both registers contemporaneously and onto the respective data bases for some time after filing;

(c) the Register of Tenements does not provide details of instruments which may have been lodged for approval and registration but are not yet entered in the Register of Tenements. Once registered, any such instrument may affect the title of persons holding interests shown in the Register of Tenements;

(d) the Mining Act establishes a system under which reliance can be placed on the Register of Tenements because an instrument under which a legal or equitable interest in a tenement is or may be created is of no force until approved by the Minister for Mining and entered in the Register of Tenements. However, it does not create a system of absolute title by registration;

(e) a registered tenement is liable to cancellation if the tenement holder is in breach of the conditions of the tenement or the Mining Act or is in default in payment of moneys under the Mining Act. The Register of Tenements does not provide a record of any non-compliance;

(f) we express no opinion as to whether renewals of the Tenements, where renewals have been or are about to be applied for under the Mining Act, will ultimately be granted in whole or in part;

(g) we express no opinion as to whether there are any national cultural property on the Tenements as regulated by the National Cultural Property (Preservation) Act (Ch 156) (PNG);

(h) a tenement holder cannot enter or occupy land the subject of the tenement for the purpose of mining until an agreement or determination has been made in relation to landowner compensation, any such agreement is registered, and compensation is paid;

(i) the good standing of the Tenements and the holder's interest in the Tenements are subject to the holders continuing to comply with the respective terms and conditions of the Tenements under the Mining Act and any regulation made under that Act. We express no opinion as to the registered holders compliance with the conditions imposed on the Tenements or the Mining Act generally;

(j) the Mining Act and its predecessor declares that minerals at or below the surface of the land are the property of the State. It has been argued in a number of Supreme Court proceedings that the legislation purports compulsorily to acquire property without complying with the Constitution and is, therefore, invalid. The proceedings have all been disposed of without determination of these arguments;

(k) the courts of Papua New Guinea are obliged by section 158(2) of the Constitution of Papua New Guinea to give paramount consideration to the dispensation of justice in interpreting the law. Authoritative decisions of courts of Papua New Guinea have interpreted this section as giving rise to an alternative substantive principle of jurisprudence, which may impact upon the enforcement of rights under the Tenements;

(l) while the publicly available records maintained by the IPA contain details of certificates issued or cancelled under the IP Act to permit foreign enterprises to carry on business in Papua New Guinea, those records do not contain details of infringements, notices to comply or rectify breaches and may not be up-to-dateas to the approved operating locations of that activity. Certain terms or conditions applicable to the granting of the certificate may also not appear on the publicly available records and may only be including in the approval letter issued with the certificate direct to the entity and are not searchable. Nor do those records disclose whether a certificate has been suspended;

(m) it is a condition of IPA certification that certified enterprises lodge 6 monthly reports. We are not able to say if this and any other conditions of the Subsidiaries' IPA certificates have been complied with;

(n) except as noted in paragraph 2 above, we have not considered or reviewed copies of various agreements, deeds of variation and other instruments or documentation relating to the Tenements;

(o) we have not examined the corporate records of the Subsidiaries, however, we have conducted public searches of the Subsidiaries maintained by the Registrar of Companies; and

(p) we requested searches from MRA on 27 September 2018 and results were obtained on 28 September 2018. MRA provided copies of the register of mining tenements for the 6 exploration licences referred to above. Searches were also conducted on MRA's online mining portal site: http://portal.mra.gov.pg/map/ which was accessed on 27 September 2018. The Schedule of Tenements is a combination of the information obtained from searches on the portal and the physical register of mining tenements.

7. Using this Report

We intend that this Report be read in conjunction with the Prospectus.

8. Consent

Dentons PNG has given its written consent to the issue of the Prospectus with this Report included in the form and context in which it is included, and has not withdrawn its consent prior to the lodgement of the Prospectus with the Australian Securities and Investments Commission.

Yours faithfully

Steve Patrick
Dentons PNG

Schedule – Summary of Tenements

No.	Mining Tenement	Name of Tenement	Locality of Tenement	Holder	Term	Area	Annual Rent	Application Date	Date of Grant	Date of Expiry	Status	Remarks
1.	Exploration Licence No. 2302	Supanda	Bulolo, Morobe Province	Canterbury Resources (PNG) Limited (100%)	2 years	30 Sub Blocks	K 6,120 **Recent date paid:** 24 February 2018	**Original Application Date:** 19 August 2013 **Last Application Date for extension:** 15 November 2017	**Original date of grant:** 25 February 2014 **Last date of extension grant:** 25 February 2018	24 February 2020	Active	• Security deposit paid: K6,000 on 25 April 2014
2.	Exploration Licence No. 2314	Hoganiwa	Bulolo, Morobe Province	Canterbury Resources (PNG) Limited (100%)	2 years	75 Sub Blocks	K 11,070 **Recent date paid:** 7 February 2017	**Original Application Date:** 26 February 2014 **Last Application Date for extension:** 01 August 2017	**Original date of grant:** 02 November 2015 **Last date of extension grant:** 02 November 2017	01 November 2019	Active	• Security deposit paid: K6,000 on 4 November 2015
3.	Exploration Licence No. 2418	Menyi	Bulolo, Morobe Province	Canterbury Resources (PNG) Limited (100%)	2 years	38 Sub Blocks	K 3,420 **Recent date paid:** 11 July 2018	**Original Application Date:** 09 November 2015 **Last Application Date for extension:** 5 April 2018	**Original date of grant:** 11 July 2016 **Last date of extension grant:** 10 July 2018	10 July 2018	Pending renewal – warden hearing completed	• Security deposit paid: K6,000 on 18 July 2016
4.	Exploration Licence No. 2509	Kumulai	Tapini, Goilala, Central Province	Canterbury Resources (PNG) Limited (100%)	2 years	275 Sub Blocks	No info provided	**Original Application Date:** 18 November 2016	**Original date of grant:** 29 August 2018	28 August 2020	Active	• No info for any security deposit being paid • Application was second in time on 18 November 2016
5.	Exploration Licence No. 2378	Lorengau	Manus Island, Manus Province	Finny Limited (100%)	2 years	75 Sub Blocks	PGK6,750 **Recent date paid:** 17 February 2017 for year ending 17 December 2017	**Original Application Date:** 09 April 2015	**Original date of grant:** 18 December 2015	17 December 2017	Pending renewal – agenda before Mining Advisory Council .Pending transfer of 60% interest to	• Security deposit paid: K6,000 on 25 February 2016

No.	Mining Tenement	Name of Tenement	Locality of Tenement	Holder	Term	Area	Annual Rent	Application Date	Date of Grant	Date of Expiry	Status	Remarks
								Last Application Date for extension: 14 September 2017			Rio Tinto Exploration (PNG)Limited	
6.	Exploration Licence No. 2390	Lorengau	Manus Island, Manus Province	Finny Limited (100%)	2 years	74 Sub Blocks	PGK6,660 **Recent date paid:** 11 July 2018 for year ending 16 December 2017	**Original Application Date** 26 June 2015 **Last Application Date for extension:** 14 September 2017	**Original date of grant:** 17 December 2015	16 December 2017	Pending renewal – agenda before Mining Advisory Council. Pending transfer of 60% interest to Rio Tinto Exploration (PNG) Limited	• Security deposit paid: K6,000 on 20 January 2016

[7] Financial Information & Investigating Accountant's Report

bdjpartners

CHARTERED ACCOUNTANTS

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2 October 2018

The Directors
Canterbury Resources Limited
Suite 505, 35 Lime Street
Sydney NSW 2000

Dear Sirs

Investigating Accountant's report on Canterbury Resources Limited historical and pro forma historical financial information

Introduction

We have been engaged by Canterbury Resources Limited (**"Canterbury"** or the **"Company"**) to prepare this Investigating Accountant's Report (the "**Report**") on the historical financial information and pro forma historical information of the Company as at 31 December 2017 for inclusion in the Replacement Prospectus dated on or about 3 October 2018 and relating to the following offer of Shares.

An offer of 26,000,000 Shares at an issue price of $0.30 each to raise $7,800,000 before costs.

Expressions and terms defined in the Replacement Prospectus have the same meaning in this report.

Scope

Historical financial information

You have requested BDJ Partners to review the following historical financial information of the Company included in Appendix 1 of the the Report:

- The historical Consolidated Statements of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2015, 30 June 2016, 30 June 2017 and the period ended 31 December 2017.
- The historical Consolidated Statements of Financial Position as at 30 June 2015, 30 June 2016, 30 June 2017 and the period ended 31 December 2017.
- The historical Consolidated Statements of Cash Flows for the years ended 30 June 2015, 30 June 2016, 30 June 2017 and the period ended 31 December 2017.

The historical financial information has been prepared in accordance with the stated basis of preparation, being recognition and measurement principles contained in Australian Accounting Standards and the Company's accounting policies. The historical financial information has been extracted from the financial reports of the Company for the years ended 30 June 2015, 30 June 2016 and 30 June 2017 respectively, which were audited by BDJ Partners in accordance with Australian Auditing Standards. The historical financial information has been extracted from the financial report of the Company for the period ended 31 December 2017 which was reviewed by BDJ Partners in accordance with Australian Standards on Review Engagements.

BDJ Partners issued an unmodified review report on the financial report for the period ended 31 December 2017 and an unmodified audit opinion on the financial reports for the the years ended 30 June 2015, 30 June 2016 and 30 June 2017. The historical financial information is presented in the Replacement Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and the other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro forma historical financial informaton

You have requested BDJ Partners to review the pro forma historical Consolidated Statement of Financial Position as at 31 December 2017 referred to as "the pro forma historical financial information" as included in Appendix 2 of the Report:

The pro forma historical financial information has been derived from the historical financial information of Canterbury, after adjusting for the effects of the subsequent events described in Appendix 4 and the pro forma transactions described in Appendix 5 of the Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma transactions relate, as described in Appendix 4 and Appendix 5 of the Report, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the Company's actual or prospective financial position.

The pro forma historical financial information as described in Appendix 2 of the Report has been prepared by adjusting the Consolidated Statement of Financial Position of Canterbury as at 31 December 2017 to reflect the subsequent events as described in Appendix 4 and the financial effects of the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the capital raising:

- Subscription – the issue of 26,000,000 Shares at an issue price of $0.30 each to raise $7,800,000 before costs of $651,449, being the subscription pursuant to the Public Offer under the Replacement Prospectus;
- Subscription – costs of Public Offer are estimated to be $651,449 based on the subscription.

Directors' responsibility

The directors of Canterbury are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determinaton of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Informaton.*

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review reports on any financial information used as a source of the financial information.

Conclusions

Historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information, as described in Appendix 1 of the report and comprising

- The historical Consolidated Statements of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2015, 30 June 2016, 30 June 2017 and the period ended 31 December 2017.

- The historical Consolidated Statements of Financial Position as at 30 June 2015, 30 June 2016, 30 June 2017 and the period ended 31 December 2017.

- The historical Consolidated Statements of Cash Flows for the years ended 30 June 2015, 30 June 2016, 30 June 2017 and the period ended 31 December 2017 is not presented fairly, in all material aspects, in accordance with the stated basis of preparation as described in Appendix 3 of the Report.

Pro forma historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information comprising the Consolidated Pro Forma Statement of Financial Position as at 31 December 2017 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Appendix 3 of the Report.

Restriction on Use

We disclaim any assumption of responsibility for any reliance on this report or on the prospective financial information to which this report relates for any purpose other than the purpose for which it was prepared. This report should be read in conjunction with the Replacement Prospectus.

General Advice Limitation

This report has been prepared and included in the Replacement Prospectus to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Independence

BDJ Partners does not have any interest in the outcome of the issue of shares other than in the connection with this Report and participation in due diligence procedures for which normal professional fees will be received.

Consent

BDJ Partners have consented to the inclusion of this Investigating Accountant's Report in the Replacement Prospectus in the form and context in which it is so included. At the date of this Report our consent has not been withdrawn. BDJ Partners make no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Replacement Prospectus.

BDJ Partners has not authorised the issue of the Replacement Prospectus and our Report should not be taken as an endorsement of the Company or a recommendation by BDJ Partners of any participation in the share issue by any intending investors.

Yours faithfully
BDJ Partners

Anthony Dowell
Partner
Dated this 2nd day of October 2018

[7] FINANCIAL INFORMATION AND INVESTIGATING ACCOUNTANT'S REPORT

The Company

Canterbury Resources Limited was formed in July 2011 with the objective of generating and exploring resource opportunities in the southwest Pacific region, and since that time has systematically built a portfolio of exploration projects throughout Papua New Guinea, eastern Australia and Vanuatu.

The Investigating Accountant's report prepared by BDJ Partners incorporates abbreviated historical consolidated statements of profit or loss and other comprehensive income and historical consolidated statements of cash flows for the Company, for the financial period ended 31 December 2017 and the years ended 30 June 2015, 30 June 2016 and 30 June 2017.

Please refer to Appendix 1 of the Investigating Accountant's Report in Section 7 for further information.

The pro forma consolidated statement of financial position referred to in Appendix 2 has been derived from the Company's historical consolidated statement of financial position as at 31 December 2017, adjusted for the subsequent events outlined in Appendix 4.

The audited financial statements (inclusive of significant accounting policies) of the Company for the financial years ended 30 June 2015, 30 June 2016 and 30 June 2017 are available (free of charge) on request to the Company on (02) 9392 8020 between 9.00am and 5.00pm (Sydney time) Monday to Friday, or can be downloaded from the Company website at http://www.canterburyresources.com.au/newsroom/annual-reports/.

Given the limited trading history of the Company, no assurance can be given that the Company will achieve commercial production and accordingly, an investment in the Company should be considered high risk.

Appendix 1 Historical Financial Information

Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income

For the Years Ended 30 June 2015, 30 June 2016, 30 June 2017 and Period Ended 31 December 2017.

	30 June 2015 $	30 June 2016 $	30 June 2017 $	31 December 2017 $
Revenue				
Revenue	246	40	89,497	20,508
Expenses				
Administration	(27,651)	(31,214)	(31,044)	(30,199)
Corporate Costs	(31,441)	(24,000)	(77,800)	(20,958)
Consultancy	(25,533)		(11,400)	(77,400)
Depreciation & Amortisation	(266)	(267)	(393)	(1,696)
Exploration Expense			(8,407)	(1,888)
Travel	(5,609)	(343)	(5,986)	(2,424)
Insurance	(9,694)	(10,588)	(10,188)	(8,893)
Registration Fees	(2,612)	(2,589)	(1,425)	(1,797)
Share Based Payment Expense			(75,600)	
Other Expenses	(506)	(247)	(3,866)	(61,200)
Comprehensive Income for the Period	(103,066)	(69,208)	(136,612)	(185,947)

Historical Consolidated Statements of Financial Position

For the Years Ended 30 June 2015, 30 June 2016, 30 June 2017 and Period Ended 31 December 2017

	30 June 2015 $	30 June 2016 $	30 June 2017 $	31 December 2017 $
ASSETS				
Current Assets				
Cash & Cash Equivalents	253,662	56,069	223,198	383,348
Trade & Other Receivables	5,676	5,539	500	11,651
Other Current Assets	6,880	6,247	6,597	827
Total Current Assets	266,218	67,855	230,295	395,826
Non-Current Assets				
Property, Plant & Equipment	1,065	798	1,039	14,343
Exploration & evaluation	607,960	940,207	1,364,316	1,503,546
Total Non-Current Assets	609,025	941,005	1,365,355	1,517,889
TOTAL ASSETS	875,243	1,008,860	1,595,650	1,913,715
LIABILITIES				
Current Liabilities				
Trade & Other Payables	10,675	10,480	13,582	55,820
Total Current Liabilities	10,675	10,480	13,582	55,820
Total Non-Current Assets	0	0	0	0
TOTAL LIABILITIES	10,675	10,480	13,582	55,820
NET ASSETS	864,568	998,380	1,582,068	1,857,895
EQUITY				
Issued Capital	1,172,000	1,375,020	2,019,720	2,481,494
Reserves	56,836	56,836	132,436	132,436
Retained Earnings	(364,268)	(433,476)	(570,088)	(756,035)
TOTAL EQUITY	864,568	998,380	1,582,068	1,857,895

Historical Consolidated Statements of Cash Flows

For the Years Ended 30 June 2015, 30 June 2016, 30 June 2017 and Period Ended 31 December 2017

	30 June 2015 $	30 June 2016 $	30 June 2017 $	31 December 2017 $
Cashflow from Operating Activities				
Other Income	193	40	89,497	22,559
Payments to Suppliers & Employers	(118,775)	(68,406)	(142,325	(129,333)
Net Operating Activities	(118,582)	(68,366)	(52,828)	(106,774)
Cashflow from Investing Activities				
Payments for Exploration & Evaluation	(173,341)	(332,247)	(324,743)	(134,850)
Net Investing Activities	(173,341)	(332,247)	(324,743)	(134,850)
Cashflow from Investing Activities				
Capital Raising Costs	0	0	0	(6,471)
Proceeds from Issue of Shared	402,200	203,020	544,700	408,245
Net Financing Activities	402,200	203,020	544,700	401,774
Net Increase in Cash & Cash Equivalents	110,277	(197,593)	167,129	160,150
Cash & Cash Equivalents at Beginning of the Year	143,385	253,662	56,069	223,198
Cash & Cash Equivalents at Beginning of the Year	253,662	56,069	223,198	383,348

APPENDIX 2 - Consolidated Pro Forma Statements of Financial Position

	Notes	6 Months Ending 31 December 2017 $	Subsequent Events $	Pro Forma after Public Offer
ASSETS				
Current Assets				
Cash & Cash Equivalents	2	383,348	(503)	7,531,396
Trade & Other Recievables		11,651		11,651
Other Current Assets		827		827
Total Current Assets		395,826	(503)	7,543,874
Non-Current Assets				
Property, Plant & Equipment		14,343		14,343
Exploration & Evaluation		1,503,546	433,332	1,936,878
Investment			2,800,000	2,800,000
Total Non-Current Assets		1,517,889	3,233,332	4,751,221
TOTAL ASSETS		1,913,715	3,232,829	12,295,095
LIABILITIES				
Current Liabilities				
Trade & Other Payables		55,820		55,820
Total Current Liabilities		55,820		55,820
Total Non-Current Assets		0		0
TOTAL LIABILITIES		55,820		55,820
NET ASSETS		1,857,895		12,239,275
EQUITY	3			
Issued Capital		2,481,494	3,775,700	14,057,194
Reserves	3	132,436		132,436
Share Issue Transaction Costs				(651,449)
Retained Earnings		(756,035)	(542,871)	(1,298,906)
TOTAL EQUITY		1,857,895	3,232,829	12,239,275

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of the historical and pro forma financial information are set out below. These policies have been consistently applied to all periods presented unless otherwise stated:

a- Reporting framework

The historical and pro forma financial information has been prepared in accordance with the recognition and measurement principles (but not all the disclosure requirements) prescribed by Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board.

The historical and pro forma financial information has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities based on directors' estimates of Net Realisable Value. The historical and pro forma financial information is presented in Australian dollars.

b- Going concern

The historical and pro forma historical financial information has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and liabilities in the normal course of business.

The directors believe that it is appropriate preparing the historical financial information on a going concern basis for the following reason:

It expects to raise new funds to meet its obligations pursuant to the IPO.

It is for this reason that the Directors consider the Group to be a going concern.

Notwithstanding the material uncertainties of future events inherent in the above, the Directors consider it is appropriate to prepare the financial information on a going concern basis and hence no adjustments have been made to the financial information relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary if the entity does not continue as a going concern.

c- Exploration and evaluation expenditure

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- expenditures are expected to be recouped through successful development and exploitation of the area of interest; or

- activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and

commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to mining property and development assets within property, plant and equipment.

No deferred tax asset, relating to exploration licence deductions, has been accounted for to date, as it cannot be reliably determined that the Group will earn sufficient taxable profit in future periods to utilise the tax benefits, at this exploration and evaluation stage.

d - Basis of consolidation
The historical and pro forma financials include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by the entity were different from those adopted by the consolidated entity.

A list of controlled entities is contained in the Prospectus in 3.1

Subsidiaries
Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and can affect these returns through its power to direct the relevant activities of the entity.

e - Trade and other receivables
The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

f - Trade and other payables
The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

g - Goods and services tax ("GST")
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

h - Critical Accounting Estimates and Judgements
The directors have made estimates and judgements during the preparation of the historical and pro forma financial information regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the historical and pro forma statements, however as additional information is known then actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates – fair value of financial instruments
The Group has certain financial assets and liabilities which are measured at fair value. Where fair value has not been able to be determined based on quoted price, a valuation method has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

NOTE 2 - CASH AND CASH EQUIVALENT

	Reviewed as at 31 December 2017 $	Pro forma after Public Offer $
Cash at Bank	383,348	383,348
Subsequent Events Receipts		975,700
Subsequent Events Payments		(976,203)
Issue of Shares		7,800,000
Share issue costs		(651,449)
Pro forma balance		7,531,396

NOTE 3 - CONTRIBUTED EQUITY

	Reviewed as at 31 December 2017 $	Pro forma after Public Offer $
Contributed equity - fully paid ordinary shares	2,481,494	6,257,194
Proceeds from shares issued under this Prospectus		7,800,000
Share issue costs		(651,449)
Total contributed equity	2,481,494	13,405,745

NOTE 4 - RELATED PARTY DISCLOSURES
a. Letters of appointment have been signed by each of the Directors on standard terms, and deeds of indemnity and right of access to documents (refer section 10.6 of the Prospectus for details). Annual remuneration is $45,000 plus GST for non-executive directors and $54,000 plus GST for the Chairman. Any additional services, beyond normal director services, are at a per diem rate of $1,200 plus GST.

b. On 23rd April 2018 the Company entered into a services contract with Gage Resources Pty Limited ATF Craighead Family Trust, a company controlled by Mr Grant Craighead, for the services of Mr Craighead as Managing Director of Canterbury. Pursuant to the terms of this contract, Mr Craighead will be paid an amount of $240,000 plus GST to be reviewed annually. Further details are outlined in Section 10.5 of the Prospectus.

c. On 25th March 2015 the Company entered into a contract with Mike Erceg Geological Services, for the services of Mr Erceg as Exploration Manager of Canterbury. Pursuant to the terms of this, Mr Erceg is paid a per diem rate of $1,200 plus GST, reviewed annually. Further details are outlined in Section 10.7 of the Prospectus.

d. On 14th May 2013 the Company entered into a services contract with Breakaway Mining Services, a company in which Mr Grant Craighead and former director Dr Stephen Bartrop are directors and shareholders, for office rental plus corporate, company secretarial and clerical services. Mr Craighead was paid a per diem rate of $1,200 plus GST for services up until 31 December 2017 and Ms Veronique Morgan-Smith is paid a per diem rate of $1,250 plus GST, reviewed annually. Further details are outlined in Section 10.7 of the Prospectus.

e. Gage Resources Pty Limited has been paid $176,000.00 (incl. GST) for its services from 1st January 2018 to the date of this prospectus.

f. Breakaway Mining Services Pty Limited has been paid $101,196.07 (inc. GST) for its services from 1st January 2018 to the date of this prospectus.

g. Mr John Anderson has been paid $92,627.16 (incl. GST) for his services from 1st January 2018 to the date of this prospectus.

h. Mr Ross Moller has been paid $30,000.00 (incl. GST) for his services from 1st January 2018 to the date of this prospectus.

i. Mr Gary Fallon has been paid $32,602.72 (incl. GST) for his services from 1st January 2018 to the date of this prospectus.

j. Mr Mike Erceg, trading as Mike Erceg Geological Services, has been paid $71,246.69 (incl. GST) for his services from 1st January 2018 to the date of this prospectus.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

At the date of the pro forma financial information no material commitments or contingent liabilities exist that we are aware of, other than as follows:

Exploration Expenditure

The company has certain obligations with respect to tenements and minimum expenditure requirements in Australia, Papua New Guinea and Vanuatu (expressed in A$ terms at current exchange rates) as follows:

Within 1 year	$1,271,682
1-2 years	$1,369,482
Total	**$2,641,164**

APPENDIX 4 - Subsequent Events

Since 31 December 2017 the following events have arisen that have been adjusted for in the pro forma historical Statement of Financial Position.

- The Company completed the acquisition of Finny Limited, which owns the Bismarck Project on Manus Island, on 4th June 2018 and issued 8,000,000 shares at a deemed value of $0.20 as the Initial Consideration. A Contingent Consideration of 6,000,000 shares was then issued on 17th July 2018 when a relevant milestone event occurred. This fully completed all payments under the terms of the Finny Limited acquisition.
- The Company issued 1,055,556 shares from the conversion of $0.09 options, raising $95,000.04.
- The Company issued 430,000 shares from the conversion of $0.20 options, raising $86,000.
- The Company issued 1,440,334 shares at a value of $0.15 as part of a Personal Placement offer, raising $216,050.10.
- The Company issued 465,000 shares at a value of $0.20 as part of a Personal Placement offer, raising $93,000.
- The Company Issued 1,388,889 Shares at a value of $0.225 as part of a personal placement offer raising $312,500.

- The Company issued 865,750 Shares from the conversion of $0.20 options, raising $173,150.

In aggregate, receipts from the capital raising activities during 2018 total $975,700. These funds, plus available working capital of $383,348 as at 31 December 2017, are being applied to corporate administration, preparation for the proposed listing of the Company on ASX and ongoing exploration activities. On an unaudited basis, $976,203 of payments have occurred during 2018 with $433,332 relating to direct exploration activities (mainly pre-works and equipment purchases for the proposed drilling programs, plus geological supervision) and the balance of $542,871 relating to corporate administration and preparation for the IPO.

APPENDIX 5 - Assumptions Adopted in Compiling the Pro Forma Statement of Financial Position

The pro forma historical Statement of Financial Position is shown in Appendix 2. This has been prepared based on the financial statements as at 31 December 2017 adjusted for subsequent events, and the following transactions and events relating to the issue of Shares under this Prospectus:

- Subscription – the issue of 26,000,000 Shares at an issue price of $0.30 each to raise $7,800,000 before costs of $651,449, pursuant to the Offer under the Prospectus.

[8] Corporate Governance Statement

[8] CORPORATE GOVERNANCE STATEMENT

Canterbury is committed to implementing high standards of corporate governance. The Board of Directors is responsible for corporate governance, and has the authority to determine, all matters relating to the strategic direction, policies, practices, management goals and operations of Canterbury. It also monitors the business and affairs of Canterbury on behalf of the Shareholders by whom they are elected and to whom they are accountable. The responsibilities of the Board are set down in Canterbury's Board Charter, which is available in Canterbury's Policies handbook along with all of its Charters and Policies, and is located at www.canterburyresources.com.au/about-us/corporate-governance.

The Board has endorsed most of the ASX Corporate Governance Council Principles and Recommendations (3rd edition, issued on 27 March 2014) ("ASX Recommendations"). Under the ASX Listing Rules, Canterbury is required to provide a Corporate Governance Statement on its website or in its annual report and to disclose the extent to which it has followed the ASX Recommendations in the relevant reporting period. The Corporate Governance Statement can be found at www.canterburyresources.com.au/about-us/corporate-governance, and is also set out below.

The ASX Recommendations are guidelines, not prescriptions. At a number of its meetings the Board examined Canterbury's corporate governance practices and the progress towards a review of its practice compared to the best practice principles proposed by the ASX Corporate Governance Council.

While Canterbury is attempting to comply with all the ASX Recommendations, it is mindful that, in light of its size and operations, there may be some instances where the Board has considered that compliance is not practicable and that this is the most practical and cost-effective manner to manage and direct Canterbury at that point in time. Canterbury's Corporate Governance Committee and its Board of Directors have recently reviewed the ASX Recommendations, and approved Canterbury's Corporate Governance Statement. In many cases Canterbury was already achieving the standards required. In other cases Canterbury has considered other arrangements to enable compliance. In a number of instances, Canterbury has determined not to meet the standards set out in the ASX Recommendations, largely due to that ASX Recommendation being considered by the Board to be unduly onerous and costly for a company of its size.

The Board's reasoning for any departure from the ASX Recommendations, the extent of Canterbury's compliance with the ASX Recommendations, and any alternative governance practices that have been adopted in lieu of the ASX Recommendations are further detailed in the table below. Except as set out in this section, the Board does not anticipate that the Company will depart from the ASX Recommendations, however, it may do so in the future if it considers that such a departure is reasonable. Such table will be reviewed by Canterbury's Governance Committee on an annual basis and as soon as new Recommendations are issued by the ASX Corporate Governance Council.

8.1 Board Committees

The Board has established five Committees to assist it in fulfilling its responsibilities, being:

a) Audit Committee;
b) Corporate Governance Committee;
c) Nomination Committee;
d) Remuneration Committee; and
e) Risk Management Committee.

Each of these Committees has the responsibilities described in their Committee Charters (which have been prepared having regard to the ASX Recommendations) that were adopted by the Board and can be found in the document "Canterbury Resources Policies" on Canterbury's website at www.canterburyresources.com.au/about-us under Corporate Governance. The Board

may also establish other committees from time-to-time to assist in the discharge of its responsibilities.

8.2 Canterbury Policies

Canterbury has also adopted the following policies, codes and charters, which are available on Canterbury's website at www.canterburyresources.com.au:

8.2.1 Company Code of Conduct

The Company's Code of Conduct sets out Canterbury' responsibilities to shareholders, the financial community, customers, suppliers, the general community and individuals, and guides Canterbury's compliance with legal and other obligations.

8.2.2 Codes Regarding Company Standards in Terms of Behaviour

This document, which includes the parts entitled "Our People", "Governments and Communities" "Third Party Relationship", and "Harassment and Bullying" sets out the various principles which Canterbury expect its personnel to comply with while being a part of Canterbury or representing Canterbury. It can be found in the document "Canterbury Resources Policies" on Canterbury's website at www.canterburyresources.com.au/about-us under Corporate Governance.

8.2.3 Securities Trading Policy

The Securities Trading Policy restricts the Directors, executives, employees and some contractors from dealing with Canterbury' shares at times when the market may not be fully informed as to Canterbury's activities. When they are in possession of unpublished price-sensitive information, Directors, executives, employees and some contractors may not trade in Canterbury' securities. In addition, they cannot trade during designated Blackout or Closed Periods. The policy explains how insider trading laws affect the dealings of Directors, executives, employees and contractors in Canterbury's shares. This policy can be found in the document "Canterbury Resources Policies" on Canterbury's website at www.canterburyresources.com.au/about-us under Corporate Governance .

8.2.4 Market Disclosure Policy

The Market Disclosure Policy describes:

- reporting lines and decision-making processes that are designed to ensure that Canterbury complies with its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act; and

- Canterbury's practices for ensuring effective communication with its shareholders and the market, sets out the standards, protocols and law relating to disclosure of Canterbury' information, and sets out the requirements expected from all Directors, senior management, employees and contractors for complying with Canterbury's policy on disclosure of price-sensitive information.

This policy can be found in the document "Canterbury Resources Policies" on Canterbury's website at www.canterburyresources.com.au/about-us under Corporate Governance.

8.2.5 Diversity and Inclusion Policy

The Diversity and Inclusion Policy sets out Canterbury's commitment to promoting diversity amongst its personnel, at management level and within the Canterbury group of companies ("Canterbury Group") as a whole.

8.3 Compliance with the Third Edition of the ASX Corporate Governance Council's Principles and Recommendations

Canterbury is required to report its compliance with, and departures from, the ASX Recommendations in its annual Corporate Governance Statement released to ASX and included on Canterbury' website in the Governance section. Canterbury's compliance with, and departures from, the ASX Recommendations are set out below.

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Recommendation 1.1 A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Yes	The monitoring and ultimate control of the business of the Company is vested in the Board. The Board's primary responsibility is to oversee Canterbury's business activities and management for the benefit of its Shareholders. The Board is accountable to the Shareholders for the performance of Canterbury and has overall responsibility for its operations. The responsibility for the day-to-day operation and administration of Canterbury is delegated by the Board to the Managing Director. The Board ensures that the Managing Director and the management team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Managing Director and executive directors. Canterbury has disclosed further detail on the respective roles and responsibilities of its Board and management, and the functions reserved by the Board and those delegated to senior management, in Canterbury's Board Charter. This information is available in the document "Canterbury Resources Policies" on Canterbury's website at www.canterburyresources.com.au/about-us under Corporate Governance.
Recommendation 1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Yes	When a new member is to be appointed to the Board, consideration is given to seeking a candidate that has relevant experience, time availability to devote to the position of Director and appropriate skills and expertise that will increase or enhance board diversity and effectiveness, to provide the expertise to achieve the strategic and economic goals of the Canterbury Group. Canterbury undertakes a number of checks before appointing a person or putting forward to security holders a candidate for election as a Director and provides material information to shareholders about a candidate for election or re-election. Canterbury's Nomination Committee provides recommendations to assist the Board of Directors with ensuring that appropriate checks and references are taken for new Directors and key executives, and that effective induction and education procedures exist for new Board appointees and key executives. These include checks as to the person's character, experience and education. Information provided to security holders in the Notice of Meeting includes: biographical details and the skills the

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		candidates bring to the Board; details of any other material directorships currently held by the candidate; details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of Canterbury and its security holders generally
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	It is the Company's practice and policy to obtain a written agreement with each Director and senior executive setting out their terms of appointment. These agreements take the form of letters of appointment in the case of Non-Executive Directors and service contracts in the case of Executive Directors or other senior executives. For each Non-Executive Director, the agreement generally sets out the following: the terms of appointment; the time commitment envisaged, including any expectations regarding involvement with committee work and any other special duties attaching to the positions; remuneration, including superannuation entitlements; the requirement to disclose Directors' interests and any matters that may affect Directors' independence; the requirement to comply with key corporate policies, including Canterbury's Corporate Code of Conduct and its Securities Trading Policy; Canterbury's policy on when Directors may seek independent professional advice at the expense of Canterbury (which is generally whenever Directors, especially Non-Executive Directors, judge such advice necessary for them to discharge their responsibilities as Directors); indemnity and insurance arrangements; ongoing rights of access to corporate information; and ongoing confidentiality obligations. In the case of Executive Directors or other senior executives, the agreements generally set out the information above (to the extent applicable), as well as: descriptions of their positions, duties and responsibilities; the persons or bodies to whom they report; the circumstances in which their services may be terminated; and any entitlements on termination. Canterbury is required under the ASX Listing Rules to disclose the material terms of any employment, service or consultancy agreement it or a subsidiary enters into with itsManaging Director, any of its Directors, and any other person or entity who is a related party of its Managing Director or any of its Directors. It is also

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		required to disclose any material variation to such an agreement.
Recommendation 1.4 The Company Secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	The Company Secretary of Canterbury is accountable directly to the Board, through the Chairperson, on all matters to do with the proper functioning of the Board. The Company Secretary plays an important role in supporting the effectiveness of the Board and its Committees. The role of the Company Secretary includes: advising the Board and its Committees on governance matters; monitoring that Board and Committee policies and procedures are followed; co-ordinating the timely completion and despatch of Board and Committee papers; ensuring that the business at Board and Committee meetings is accurately captured in the minutes; and helping to organise and facilitate the induction and professional development of Directors. Each Director is able to communicate directly with the Company Secretary and vice versa. The decision to appoint or remove a Company Secretary is made or approved by the Board.
Recommendation 1.5 A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:	Partially	Canterbury's workforce, including employees, contractors, management and the Board, is made up of individuals with diverse skills, values, backgrounds and experiences that bring to Canterbury the skills and expertise that are required for Canterbury to enhance its performance. Canterbury values diversity and recognises the benefit it can bring in achieving Canterbury's goals. To this end, Canterbury has a Diversity and Inclusion Policy that reflects its commitments and objectives.Board, A copy of Canterbury's Diversity and Inclusion Policy in the document "Canterbury Resources Policies" on Canterbury's website at www.canterburyresources.com.au/about-us under Corporate Governance. Due to the current early stage, size and composition of the organisation, the Board does not consider it appropriate to provide measurable objectives in relation to gender. Canterbury is committed to ensuring that the appropriate mix of skills, experience, expertise and diversity are considered when employing staff at all levels of the organisation, and when making new senior executive and Board appointments, and is satisfied that the composition of employees, senior executives and members is appropriate considering its size and environment. Canterbury has the objective to improve the current ratio of women to men with its proposed staff

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(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.		recruitment as soon as the scale of its operations allows so. Canterbury will disclose the proportion of men and women on the Board, in senior executive positions and across the whole organisation in its Annual Reports and will provide further details as to its compliance with these recommendations in its future Annual Reports and in its annual Corporate Governance Statements.
Recommendation 1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Partially	The Nomination Committee Charter describes the process that Canterbury uses for evaluating the performance of its Board, its committees and individual Directors, and this Charter is available for review in the document "Canterbury Resources Policies" on Canterbury's website at www.canterburyresources.com.au/about-us under Corporate Governance. Canterbury has an informal annual review process for evaluating the performance of the board, its committees and individual directors. Canterbury will adopt a process whereby its Directors complete Board Evaluation Questionnaires that evaluate the performance of the Board, its committees and individual Directors. In accordance with that process, its first Questionnaire will be issued at the end of this financial year, and thereon Canterbury will continue to assess the results derived from future Questionnaires, on at least an annual basis as part of the process for periodically evaluating the performance of the Board, its Committees and individual Directors. Canterbury will provide an update on its compliance with this recommendation its future Annual Reports and Corporate Governance Statements released to ASX and on its website.
Recommendation 1.7 A listed entity should:	Partially	Canterbury has an informal annual review process for evaluating the performance of the its senior executives.

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(a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.		Canterbury will adopt a process for evaluating its senior executives using a Senior Executive Evaluation Form. The Board will assess the results of this process on an annual basis as part of the process for periodically evaluating the performance of its senior executives. In accordance with that process, its first Questionnaire will be issued at the end of this financial year. The responsibilities of the Board include ratifying other senior executive appointments, organisational changes and senior management remuneration policies and practices. Canterbury will provide an update on its compliance with this recommendation its future Annual Reports and Corporate Governance Statements released to ASX and on its website.
Recommendation 2.1 The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to	Yes	The Board of Canterbury has a Nomination Committee, which consists of four members, a majority of whom are independent Directors, and is chaired by an independent Director. The members of the Committee are: - Mr John Anderson (Committee Chairperson), who is an independent and non-executive Director; - Mr. Grant Craighead, who is the Managing Director; - Mr Gary Fallon, who is an independent and non-executive Director; and - Mr Ross Moller, who is an independent and non-executive Director. The Nomination Committee Charter governs the composition, membership, roles and responsibilities of the Directors, and provides recommendations to assist the Board of Directors. The Charter is available in the document "Canterbury Resources Policies" on Canterbury's website at www.canterburyresources.com.au under Corporate Governance. The purpose of the Nomination Committee is to provide recommendations to assist the Board with respect to: ensuring the filling of any vacancies on the Board with the best possible candidate through the use of executive search firms and/or by direct approach; considering the appointment of additional Directors to provide the expertise to achieve the strategic and economic goals of Canterbury, ensuring that remuneration policies and

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address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.		practices are consistent with the strategic goals of Canterbury and are relevant to the achievement of those goals and finally to ensure that an effective induction process is implemented for new Board appointees and key executives.
Recommendation 2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Yes	Canterbury has and discloses a Board Skills Matrix setting out the mix of skills and diversity that the Board currently has in its membership. The Skills Matrix is set out in Appendix A below. The Corporate Governance Committee has reviewed the collective skills of the Board and will consider the mix in Canterbury's professional development initiatives for Directors and in its Board succession planning.
Recommendation 2.3 A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 (of the ASX Corporate Governance Coujncil's Corporate Governance Principles and Recommendations publication) but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	Yes	The Board considers that Messrs John Anderson, Gary Fallon and Ross Moller, while their shareholding in the Company is substantial at the date of this Prospectus as disclosed in section 11.7.2, this does not interfere with the independent exercise of their duties, and they are free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of the Director's judgement, and that each are able to fulfil the role of an independent director for the purposes of the ASX Recommendations. Mr. Grant Craighead is considered by the Board not to be independent, having regard to the indicators of independence set out in Box 2.3 of the ASX Recommendations. The length of service of each Director as at the date of this Statement is as follows: - Mr. John Anderson, appointed on 19 July 2011; - Mr Grant Craighead, appointed on 19 July 2011; - Mr Gary Fallon, appointed on 19 July 2011; and - Mr Ross Moller, appointed on 19 July 2011.
Recommendation 2.4 A majority of the board of a listed entity should be independent directors.	Yes	The Board has a majority of independent Directors with three of the four being independent. It is expected that, when Canterbury is listed on the ASX, there will be five

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		Directors including the current three independent Directors.
Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Yes	The Chairperson of the Board of Canterbury is independent and non-executive.
Recommendation 2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	It is the role of Canterbury's Nomination Committee to ensure that an effective induction process is implemented for new Board appointees and key executives. It is the Company's practice that every new Director receives a Letter of Appointment accompanied by: a Director's Deed of Indemnity; information on Canterbury's policies and charters; and an induction meeting. The Board considers training to develop skills and experience of individual Board members in conjunction with its review of the Skills Matrix. In order to ensure the Board is able to discharge its responsibilities properly, the Nomination Committee has a process whereby Directors are able to obtain independent professional advice, to develop and maintain their skills and knowledge to perform their role as Directors when necessary at the expense of Canterbury.
Recommendation 3.1 A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	Yes	Canterbury has a Company Code of Conduct that has been fully endorsed by the Board and applies to all Directors, senior executives and employees. The Code of Conduct is reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism, and the practices necessary to maintain confidence in the Group's integrity, and to take into account legal obligations and reasonable expectations of Canterbury's stakeholders. A copy of the Code of Conduct is available in the document "Canterbury Resources Policies" on Canterbury's website at www.canterburyresources.com.au/about-us under Corporate Governance.
Recommendation 4.1 The board of a listed entity should:	Yes	The Board of Canterbury has an Audit Committee, which was established by the Board to review and monitor financial, audit and reporting.

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(a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.		The Committee consists of two Non-Executive Directors, both of which are independent Directors. The Committee consists of the following Directors: • Mr Ross Moller (Committee Chairperson), non-executive, independent director, experienced company secretary and chartered accountant; and • Mr Gary Fallon, non-executive, independent director, very experienced in the type of business carried on by Canterbury; The Chairperson of the Committee, who the Board agreed was the most qualified for this role, is an independent Director, and is not the Chairperson of the Board. A copy of the Charter of the Audit Committee is available in the document "Canterbury Resources Policies" on Canterbury's website at www.canterburyresources.com.au/about-us under Corporate Governance. The relevant qualifications of the members of the Committee can be found in the About Us and in the Directors' Report in Canterbury's Annual Report. Canterbury will report periodically the number of Committee meetings and Director attendances at these meetings in its future Annual Reports.
Recommendation 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with	Yes	Before it approves Canterbury's financial statements for a financial period, the Board of Canterbury will receive assurance from the Managing Director, via a declaration, that the financial records of Canterbury have been properly maintained, and that, to the best of his knowledge, considering that the accouting process it outsourced, the financial statements comply with the appropriate accounting standards, and give a true and fair view of the financial position and performance of Canterbury, and that their opinion is

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the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.		founded on a sound system of risk management and internal control, and that the system is operating effectively in all material aspects in relation to financial reporting risks.
Recommendation 4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	Canterbury has in the past and when listed, will continue to invite its external Auditor to attend its Annual General Meeting (AGM), and to be available to answer shareholders' questions about the conduct of the audit, and the preparation and content of the Auditor's Report.
Recommendation 5.1 A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	Yes	Canterbury has a written policy, being its Market Disclosure Policy, which complies with its obligations under the ASX Listing Rules and is in the document "Canterbury Resources Policies" on its website at www.canterburyresources.com.au/about-us under Corporate Governance. The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX, as well as communicating with the ASX.
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	Yes	Canterbury provides information about itself and Canterbury's corporate governance on its website including: - Canterbury's Corporate Governance Statement and Policies; - Reports and Presentations, a link to Canterbury's ASX Announcements and contact details of Canterbury's Share Registry; - Any prospectus; - biographical information on Canterbury's Board and Management; and - the Company's contact details.
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-	Yes	Canterbury has designed and implemented an investor relations program to facilitate effective two-way communication with investors. Canterbury has adopted relevant policies including a Shareholder Communications Strategy, a policy on Third

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way communication with investors.		Party Relationships, which are available within the document "Canterbury Resources Policies" on Canterbury's website at www.canterburyresources.com.au/about-us under Corporate Governance. Canterbury actively engages with shareholders at its meetings of security holders, meeting with them upon request and responding to any enquiries they may make from time-to-time.
Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	Canterbury has disclosed the processes it has in place to facilitate and encourage participation at meetings of security holders in its Market Disclosure Policy, which is available in the document "Canterbury Resources Policies" on its website at www.canterburyresources.com.au/about-us under Corporate Governance. Written policies that Canterbury has formed on security holder participation at meetings cover disclosure of price-sensitive information and ensure that the requirements of continuous disclosure are met. These written policies are designed to enable appropriate communication with, and participation by, shareholders. Canterbury views its meetings of shareholders as an important forum for two-way communication between Canterbury and its security holders. They provide an opportunity for Canterbury to impart to security holders a greater understanding of its business, governance, financial performance and prospects, as well as to discuss areas of concern or interest to the Board and management. These meetings also provide an opportunity for security holders to express their views to Canterbury's Board and management about any areas of concern or interest for them.
Recommendation 6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	Canterbury gives security holders the option to receive communications from, and send communications to, Canterbury and its security registry electronically. The Contact Us section of Canterbury's website contains Canterbury's contact details and security holders can also choose to sign up to receive by email Canterbury's periodical market updates on its operations by completing the mailing section.
Recommendation 7.1 The board of a listed entity should:	Yes	The Board of Canterbury has a Risk Management Committee to review and monitor risk management processes and reporting, and oversee risk.

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(a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.		The Committee consists of four Directors, a majority of whom are independent Directors including the chairperson. The Charter of the Committee is available in the document "Canterbury Resources Policies" on Canterbury's website at www.canterburyresources.com.au/about-us under Corporate Governance. At the date of the Prospectus, the members of the Committee are: - Mr Gary Fallon (Committee Chairperson), non-executive and independent Director; - Mr Grant Craighead, executive Director, not independent; - Mr John Anderson, non-executive and indpendent Director; and - Mr Ross Moller, non-executive and independent Director. Canterbury will report periodically on the number of times the Committee met throughout the period and the individual attendances of the members at those meetings.
Recommendation 7.2 The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	Yes	Management is responsible for designing, implementing and reporting on the adequacy of Canterbury's risk management and internal control system. Management reports to the Risk Management Committee on Canterbury's key risks and the extent to which it believes these risks are being monitored at each Committee meeting. The Risk Management Committee reviews and monitors Canterbury's risk management framework, and internal compliance and control systems, at least annually to satisfy itself that it continues to be sound. The Risk Management Committee will meet when circumstances dictate and the Board will include on its meeting's agenda a risk component to ensure periodical reporting by the Committees to the Board. Canterbury will disclose whether the risk review has taken place within the stated period.

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Recommendation 7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Yes	Canterbury does not have an internal audit function, due to its size and the scale of its operations. Management is responsible for maintaining appropriate accounting and financial reporting policies and internal controls and procedures that provide for compliance with accounting standards and applicable laws and regulations. The process Canterbury employs for evaluating and continually improving the effectiveness of its risk management and internal control processes is the monthly review of its actual versus budget variances in revenue and expenses.
Recommendation 7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	Canterbury operates with a long-term perspective in order to achieve a level of economic growth utilising the experience of a Board of Directors who have achieved success in the mining industry and in business. The Risk Management Committee identifies and manages potential or apparent business, economic, environmental and social sustainability risks (where appropriate). Review of Canterbury's risk management framework is conducted at least twice a year. To the extent that Canterbury is exposed to economic, environmental and social sustainability risks, Canterbury has disclosed such risks in Section 9 in this Prospectus and Canterbury intends to disclose such information in future annual reports.
Recommendation 8.1 The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose:	Yes	The Board of Canterbury has appointed a Remuneration Committee, which consists of three members, all of whom are independent Directors, and consequently is chaired by an independent Director. The members of the Committee are: - Mr Ross Moller (Committee Chairperson), non-executive, independent Director, - Mr John Anderson, non-executive, independent Director; and - Mr Gary Fallon, non-executive, independent Director. The Remuneration Committee Charter is to ensure that remuneration policies and practices are consisent with the strategic goals of Canterbury and are relevant to

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(3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.		the achievement of those goals. The Charter is available in the document "Canterbury Resources Policies" on Canterbury's website at www.canterburyresources.com.au/about-us under Corporate Governance.
Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	Canterbury will separately disclose its policies and practices regarding the remuneration of Canterbury's Non-Executive Directors and the remuneration of its Executive Director in the Remuneration Report in Canterbury's Annual Report. Information about the Remuneration of Directors is available in Section 11.7 of this Prospectus.
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	Yes	Canterbury has an equity-based remuneration scheme, being its Employee Stock Option Plan (ESOP), which is summarised in Section 11.2.3 of this Prospectus. Canterbury has a policy that participants in the ESOP are not permitted to enter into transactions that limit the economic risk of participating in the scheme. You will find the Securities Trading Policy in the document "Canterbury Resources Policies" on Canterbury's website at www.canterburyresources.com.au/about-us under Corporate Governance.

Appendix A

Skills, Diversity and Experience of the Board*	
Leadership	5
Corporate Governance and Compliance	5
Regulatory Compliance	4
Membership of Governance or Regulatory Bodies	1
Position held on Financial Bodies and Councils	0
Strategy	5
Senior Management positions held outside CBY	5
Directorships held outside CBY	5
CEO / CFO / COO experience	3
General Management	5
Tenure – with CBY for up to three years	0
Tenure – with CBY for over three years	5
Operations	5
Occupational Health and Safety	3
Experience Managing Environment Issues in an Organisation	3
Project Delivery	5
Sector / Industry Experience - Geology / Mining	5
Geographic Experience – Global	5
Geographic Experience – Asia Pacific	5
International Business	5
Finance	4
Accounting	3
Mergers and Acquisitions / Equity / Capital Markets	4
Experience in Growing a Business	5
Experience in Implementing Capital Projects	5
Banking	3
Business Development	5
Risk Management	4
Marketing	2
Remuneration	4
Government Relations	3
Human Resources Management / People	4
Professional Services	4
Gender Diversity – worked with women on Boards	4
Technology in Exploration / Mining	3
Tertiary Qualifications	5
Post-Graduate Business Studies and CA or CPA	2
Residency in Australia	4
Residency outside Australia	1
AICD directors course	4

**This table includes Mr Michael Erceg's skills as he will join the Board upon listing of Canterbury on the ASX.*

[9] Risk Factors

[9] RISK FACTORS

9.1 INTRODUCTION

The Shares offered under this Prospectus are considered to be a speculative investment because of the nature of the business activities conducted by the Company which involves mineral exploration across various countries. Whilst the Directors commend the Offer, potential investors should be aware that an investment in the Company involves risks, which may be higher than the risks associated with an investment in other companies. There are numerous specific risks associated with the Company's business and its involvement in the exploration industry across multiple jurisdictions. There is also a range of widespread risks associated with investing in any form of business and with investing on the share market generally. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the business of the Company.

Persons considering whether to invest in the Company should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate, before any decision is made to apply for Shares. Prospective investors should consider whether the Shares offered are a suitable investment for them having regard to their own personal investment objectives and financial circumstances and the risk factors set out below. If in any doubt, they should consult with their professional advisors before deciding whether to apply for Shares.

The following statement, which is not exhaustive, identifies some of the major risks associated with an investment in the Company. Where relevant, the risks below assume Completion of the Offer has occurred. The specific risks considered below and other more global risks with uncertainties not currently known to the Company, or that are currently considered immaterial, may materially and adversely affect the Company's business operations, the financial performance of the Company and the value and market price of Company Shares. Potential investors need to consider these risks before making a decision on whether to invest in the Company's Shares.

9.2 RISKS SPECIFIC TO THE COMPANY

9.2.1 Exploration

The Company holds numerous projects, including early-stage projects.

Varying amounts of historical exploration have been conducted on the Company's projects and since 2011 the Company has been undertaking its own exploration activities. Until the Company can realise value from its projects it is likely to incur ongoing operating losses.

A significant risk for the Company is that the proposed exploration programs will not result in exploration success. Mineral exploration by its nature is a high risk endeavor and consequently there can be no assurance that exploration of the projects described in this Prospectus, or any other projects that may be acquired in the future, will result in discovery of an economic mineral deposit. Should a mineral discovery be made, there is no guarantee that it will be commercially viable. Only a small percentage of individual exploration projects result in the discovery of viable economic deposits, and there are substantial development and operational risks to overcome before a commercial mine may be established.

While the Directors will make every effort to reduce these risks through their experience in the exploration industry, commercially viable mineral discoveries are very much the exception rather than the rule and success can never be guaranteed.

The future viability of the Company, as an exploration company, is dependent on many factors including, but not limited to, the following:

- long term injury or adverse health conditions requiring change in current

company personnel;
- risks inherent in exploration including, among other things, successful exploration and discovery of economic mineralisation;
- volatility in commodity prices and exchange rates, particularly the price of copper and gold;
- risks associated with negative exploration results, including relinquishment (in whole or in part) of tenements, even though a viable mineral deposit may be present, but is undiscovered;
- risks associated with obtaining grant of any exploration tenements which are applications, or renewal of tenements upon expiry of their current term;
- risks arising from native title and/or landowner rights within each of the operating countries which may affect the Company's ability to gain access to prospective exploration areas, and compensatory obligations that may be necessary in settling claims lodged in relation to tenements held by the Company;
- environmental management issues which the Company may be required to comply with from time to time and which may be adversely impacted by natural events including cyclones, flooding, bushfire, etc.;
- risk of material adverse changes in the government policies or legislation in regions where the Company operates, including Australia, Papua New Guinea and Vanuatu, affecting the level of exploration activity;
- poor weather conditions over a prolonged period which might adversely affect exploration activities;
- unforeseen major failures, breakdowns or repairs required to key items of exploration plant and equipment, resulting in significant delays and additional costs;
- risks associated with the cost of maintaining exploration properties in good standing, which depends on the Company having access to sufficient working capital, and in turn is reliant on market conditions when new capital is needed to be raised;
- risks associated with the financial failure or default by a participant in any joint venture or other contractual relationship to which the Company is or may become a party to; and
- acts of nature like earthquakes, tsunamis and volcanic eruptions affecting direct or indirect delays to the transport network, country infrastructure and exploration activities.

9.2.2 Dilution

Upon successful Completion of the Offer, the number of Shares in the Company will increase from 58,060,408 to 84,060,408 based on the IPO subscription. This means that the number of Shares will increase by 44.78%. On this basis, existing Shareholders should note that if they do not participate in the Offer (and even if they do), their shareholdings may be significantly diluted by up to 44.78% (compared to their current shareholdings and the number of Shares on issue as at the date of this Prospectus).

Further, at the time of admission there will be 14,296,975 Options on issue. Each Option gives the holder the right to subscribe to one Share before the expiry date of the Option. On that basis, after admission of the Company on the ASX, shareholders will be diluted by up to 17.01% after admission.

9.2.3 PNG Government and Stakeholder Equity

PNG Government policy provides the State with the right (expressed as a condition in each exploration licence), but not the obligation, to take up an equity position in any future mining project. It has the right to purchase an interest of up to 30% in a mineral discovery at the prorata accumulated exploration cost. If the PNG Government elects not to take up its rights in full, it may exercise this right to a limited extent to provide local stakeholders with an equity participation.

9.2.4 Exploration Targets, Resources and Reserves

An Exploration Target has been estimated for the Central Zone of the Briggs prospect in accordance with the 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. This target will be drill tested in 2018/19. However the risks inherent in exploration mean there is no guarantee that a Mineral Resource will be successfully delineated.

In the future, the Company may identify exploration targets based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. In that case, insufficient data may exist to provide certainty over the extent of the mineralisation. Accordingly, no assurances can be given that any additional exploration will result in the determination of a Mineral Resource on any of the exploration targets identified. Even if a Mineral Resource is identified no assurance can be provided that this can be economically extracted and an Ore Reserve identified.

Even if Mineral Resource or Ore Reserve estimates are made in the future, these estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.

9.2.5 Development and Acquisition Opportunities

The success and growth of the Company partially depends upon its ability to identify, secure and develop a portfolio of high quality projects and strategic industry partnerships. The Company will actively pursue and assess new business opportunities and relationships which may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits and/or direct equity participation or acquisition of a company or group of companies.

There is a risk that the Company will be unable to secure such opportunities on acceptable terms, thereby potentially limiting the growth of the Company.

The acquisition of projects (whether completed or not) may require the payment of monies (notably as a deposit and/or exclusivity) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

9.2.6 Restricted securities

Subject to the Company being admitted to the Official List, certain securities on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of official quotation.

During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to trade their Shares in a timely manner. This could also affect the prevailing market price at which Shareholders are able to sell their Shares. Following the end of the relevant escrow periods, a significant sale of Shares by one or more of the escrowed Shareholders or the perception that such sales might occur, could adversely affect the market price of the Shares at the time. The Company will announce to the ASX full details (including quantity and duration) of the securities required to be held in escrow prior to the Shares commencing trading on ASX.

9.2.7 Future Capital Requirements

Exploration and administration costs will reduce the cash reserves of the Company. The Company has no operating revenue and is unlikely to generate any operating revenue unless and until projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds of the Offer should be adequate to fund its business development activities, exploration program and other objectives in the short term as stated in this Prospectus.

In order to successfully develop the projects and for production to commence the Company will be dependent on securing further financing in the future, in addition to the amounts raised pursuant to the Offer. The Company may then seek development capital through equity, debt or joint venture financing. Any additional equity financing may be dilutive to the Shares, may be undertaken at lower prices than the then-market price (or Offer price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may also involve restrictions on financing and operating activities.

Though the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities including Tenements being subject to forfeiture, and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Shares and/or securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding, and possibility of sales of such Shares may have a depressive effect on the price of Shares. In addition, because of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

9.2.8 Valuation of Projects

No valuation has been completed of the projects or the Shares of the Company. The Company makes no representation in this Prospectus on the value of its projects. It is recommended that intending investors and their advisors make their own assessment of the value of the projects.

9.2.9 Dependence on Key Personnel

The Company's success depends to a significant extent upon the continuing efforts of Directors and key management personnel, as well as other management and technical personnel including those employed on a contractual basis. The loss of the services of certain personnel may result in the Company not being able to locate or employ qualified personel with the relevant experience or on acceptable terms which could have a materially adverse effect upon the Company and its activities. See Section 10.7 for further information in relation to Services Contracts.

9.2.10 Rights and Actions of Project Partners

The Company currently operates in joint venture partnership with Rio Tinto PNG on the Bismarck Project and RTX retains certain rights in the Company's Briggs & Mannersley Project including the potential to claw back a 60% joint venture interest by payment of $15m cash to Canterbury, plus RTX sole-funding the first $50 million of joint venture expenditure. See Sections 10.1 and 10.2 for further information. Canterbury is also likely to seek new partnerships with third parties on other projects in the future, particularly in relation to project funding. However, Canterbury will have no control of the decision-making process of its partners which may include withdrawal of funding support at the project level. As such,

decisions of Canterbury's partners could have an adverse effect upon the Company and its activities.

9.2.11 Other Risks Specific to the Company

The current and future operations of the Company, including exploration and appraisal activities, may be affected by a range of factors, including:

- geological conditions;
- amendments to programs and budgets;
- unanticipated operational and technical difficulties encountered during exploration activities;
- mechanical failure of plant and equipment, adverse weather conditions, industrial and environmental accidents, industrial disputes and force majeure;
- unavailability of equipment to undertake geological and geophysical investigations;
- unexpected shortages, or increases in the costs, of consumables, spare parts, plant and equipment;
- prevention or restriction of access because of political unrest, outbreak of hostilities, and inability to obtain consents or approvals (including clearance of work programs pursuant to access agreements entered into with landowners or native title claimants);
- influence of community consultation on the grant or renewal of tenements;
- impact of virusus and diseases that are part of the tropical operating environment; and
- un-insured losses and liabilities.

9.3 GENERAL RISKS ASSOCIATED WITH EXPLORATION PROJECTS

9.3.1 Tenements

Interests in tenements are governed by the mining acts and regulations of the various countries in which the Company operates. Each tenement is granted for a specific term and carries with it annual expenditure and reporting commitments. The renewal of tenements upon expiry of their current term and the granting of applications for new exploration licences, exploration permits or leases is subject to ministerial approval. Non-approval, or a delay in the approval process, could have a negative impact on exploration conducted by the Company as well as the Share price of the Company. At the date of this Prospectus, Canterbury has five active tenements (three in PNG and two in Queensland), plus renewals pending for five tenements (three in PNG and two in Vanuatu). Vanuatu has minimal historical mining activity and in the event of a material exploration discovery by Canterbury there is uncertainty over the application of the Mining Act.

9.3.2 Native Title and Land Access

The Company's activities in Australia are subject to the Native Title Act 1993 (Cth) and corresponding legislation in Papua New Guinea and Vanuatu relating to native title, which are discussed in the Solicitor's Review of Tenements in Section 6. Uncertainty associated with native title issues may impact on the Company's future.

9.3.3 Indigenous Sites of Cultural Heritage or Significance

Australian Commonwealth and State legislation obliges the Company to identify and protect sites of significance to Aboriginal customs and traditions. Further details of this legislation are set out in the Solicitor's Review of Mineral Tenements in Section 6 of this Prospectus. Some sites of significance may be identified within the Tenements. It is therefore possible that one or more sites of significance will exist in an area which the Company considers to be prospective. The Company's policy is to carry out clearance surveys prior to conducting exploration which would cause a disturbance to the land surface.

9.3.4 Environmental Risks

The minerals and mining industries have become subject to increasing environmental responsibility and liability. The potential for liability is an ever-present risk. The use and disposal of chemicals in the mining industry

is under constant legislative scrutiny and regulation. It is the practice and intention of the Company to conduct activities to relevant standards of obligation, including compliance with all environmental laws. Non-compliance with relevant environmental laws and regulations could result in significant fines, penalties, sanctions or costs which could have a materially adverse effect on Canterbury's actvities and financial position.

Exploration work will be carried out in a way that causes minimum impact on the environment. Consistent with this, it may be necessary in some cases to undertake baseline environmental studies prior to certain exploration activities, so that environmental impact can be monitored, and as far as possible, minimised. While the Company is not aware of any endangered species of fauna and flora within any of its project areas, no baseline environmental studies have been undertaken to date, and discovery of such could prevent further work in certain areas.

9.4 OTHER GENERAL RISKS

9.4.1 Share Market Conditions
The future viability and profitability of the Company is dependent on many other market based factors that may affect the performance of the Company or the general share market. Share market conditions may affect listed securities regardless of operating performance. Share market conditions are affected by many factors including, but not limited to, the following:

- general economic conditions in Australia and for its major trading partners, including economic growth, inflation rates, interest rates, commodity supply and demand factors, currency exchange rates and industrial disruptions;
- volatility in commodity prices;
- the strength of the equity and share markets in Australia and throughout the world including changes in investor sentiment towards particular market sectors;
- introduction of tax reform or other new legislation;
- the demand for, and supply of, capital;
- industrial disputes in Australia, PNG and Vanuatu, and elsewhere; and
- terrorism or other hostilities.

Investors should recognise that once the Shares are listed on ASX, the price of the Shares may rise or fall. Many factors will affect the price of the Shares including local and international stock markets, movements in commodity prices, interest rates, economic conditions and investor sentiment generally.

9.4.2 General Economic Factors
Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption may have an impact on operating costs, commodity prices and stock market processes. The Company's future possible revenues and Share price can be affected by these factors which are beyond the control of the Company and its Directors.

9.4.3 Currently No Market for the Company's Shares
There is currently no public market for the Company's Shares, the price of its Shares is subject to uncertainty and there can be no assurance that an active market will develop or continue after Completion of the Offer.

The price at which the Company's Shares trade on the ASX after listing may be higher or lower than the Offer price and could be subject to fluctuation in response to operating performance and results, as well as external factors over which the Directors and the Company have no control.

There can be no guarantee that an active market in the Company's Shares will develop or that the price of the Shares will increase.

There is no guarantee that there will be an ongoing liquid market for the Company's securities. If the Company's securities become illiquid there is a risk that Shareholders will be unable to realise their

investment in the Company.

9.4.4 Changes in Commodity Prices
Commodity prices are influenced by physical and investment demand for those commodities, as well as supply factors. Fluctuations in commodity prices may influence perceptions of market value for the projects in which the Company has an interest. Specifically, changes in the price of copper and gold may adversely impact on the Company's operations and prospects.

9.4.5 Changes in Government Policy and Legal Risk
Changes in government, monetary policies, taxation and other laws can have a significant influence on the outlook for companies and the returns to investors. Government policies and regulations vary in different countries and States, and may be subject to change over time.

The purchase and the sale of the Shares will have tax consequences, which will differ depending on the individual financial status of each investor. All potential investors are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally. To the maximum extent permitted by law the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of applying for Shares under this Prospectus.

The Company's activities will require compliance with various laws relating to the protection of the environment, indigenous culture, heritage and native title, and the protection of workers and the public. Changes in government, government policies and legislation could have a material adverse effect on the Company.

The Company is unable to guarantee that our internal control system will be effective in preventing the occurrence of corruption, bribery or other illegal activities. Our failure to influence associated and independent parties to comply with international anti-corruption behaviour could have a material and adverse impact on our reputation, business, gaining prospects and results of operations.

9.4.6 Litigation Risk
While the Company is not currently engaged in any litigation, it remains exposed to possible litigation risks including contractual claims, native title claims, tenure disputes, environmental claims, occupational health and safety claims, and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven may adversely impact on the Company's operations, financial performance and financial position.

9.4.7 Insurance Risk
The Company has insured its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the Company's operations, financial situation and results. Insurance against all risks associated with mining exploration and production is not always available and where available the cost may be prohibitive and unsustainable.

9.4.8 Reliance on Third Parties
The Company is unable to predict the risk of the insolvency or managerial failure by any of the contractors used (or to be used in the future) by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used (or to be used in the future) by the Company for any activity. The Company's financial perfomance may be adversely impacted by financial failure, insolvency or default of its contractors or service providers.

9.4.9 Occurrence of a Force Majeure

Event
The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labor unrest, civil disorder, subvervise activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

9.5 Speculative Nature of Investment

The above list of risk factors ought not be taken as exhaustive of the risks faced by Canterbury or by investors in Canterbury. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of Canterbury and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that investment in Canterbury is highly speculative and should consult their professional advisors before deciding whether to apply for Shares pursuant to this Prospectus.

[10] Material Contracts

Set out below are brief summaries of the contracts to which the Company and/or one of its wholly-owned subsidiaries is a party and which have been identified by the Directors as material in terms of the Offer or the operations of the Company or are of such a nature that an investor may wish to have details of them when making an assessment whether to apply for Shares under the Offer.

Investors however need to bear in mind that, in order to fully understand all rights and obligations of a material contract, it would be necessary to review such contract in full, and that the Company may be under confidentiality obligations preventing the full disclosure of the terms of such contracts.

10.1 Contracts regarding the Bismarck Project (Papua New Guinea)

Share and Claims Sale Agreement

On 15 February 2018, Canterbury entered into a Share and Claims Sale Agreement ("Finny Sale Agreement") with the owners of all issued shares held in Finny Limited (a company incorporated in Papua New Guinea having the company number CN 1-104673) ("Finny") (Messrs Duncan Hardie, Anthony Williamson and James Spence) ("Finny Shareholders") for the purchase of all the shares in Finny, and the balance of shareholder loans (approx. PGK 12,500).

Finny is the registered owner of Tenements EL 2378 and EL 2390 on Manus Island in Papua New Guinea ("Bismarck Tenements"), subject to the terms of the Farm-in and Joint Venture Agreement with Rio Tinto Exploration (PNG) Limited ("Rio Tinto PNG") which was entered into on 1 September 2016 for the exploration of the Bismarck Tenements ("Finny FIJVA"). Under the Finny FIJVA, Finny grants to Rio Tinto PNG the exclusive right to farm-in and earn interest in the Bismarck Tenements through staged expenditure and exploration requirements.

On 10 May 2018, Rio Tinto PNG agreed to waive their pre-emption right ("2018 Waiver Letter") triggered by the change of control resulting from the sale of the Finny shares to Canterbury. Accordingly the Finny Sale Agreement completed and became final on 4 June 2018. Finny is now a wholly-owned subsidiary of Canterbury.

The consideration payable by Canterbury to the Finny Shareholders is twofold:

- the issue of 8,000,000 Shares to the Finny Shareholders, allocated pro rata to their respective shareholdings in Finny, on 4 June 2018.

- the issue of 6,000,000 Shares to the Finny Shareholders, allocated pro rata to their respective shareholdings in Finny, following delivery of a Stage 2 exploration election notice by Rio Tinto PNG to Finny. The Stage 2 notice was received on 12 July 2018.

Farm-In and Joint Venture Agreement

The Finny FIJVA was entered into on 1 September 2016 by Rio Tinto PNG and Finny regarding the Bismarck Tenements. The Finny FIJVA became effective on 7 September 2016 and was amended by the Rio Tinto PNG 2018 Waiver Letter executed by Finny, Rio Tinto PNG and Canterbury on 11 May 2018.

The FIJVA contains two arrangements, being a farm-in arrangement and a joint-venture ("JV") arrangement.

- The farm-in arrangement has three stages, being the initial exploration requirement, Stage 1 exploration option, and Stage 2 exploration option:

    - The initial exploration requirement comprised a farm-in arrangement and started on 7 September 2016 where Rio Tinto PNG is the farminor and Finny the farminee. As the farminor, Rio Tinto PNG would earn the right to enter into a joint-venture arrangement with Finny by incurring an initial $1.5 million exploration expenditure towards the

Bismarck Tenements during the initial exploration period and deliver an initial exploration report. This initial stage was completed on 14 March 2018 when Rio Tinto PNG produced the initial exploration report to Finny and issued the Stage 1 exploration election notice.

- The Stage 1 exploration program, which started on 14 March 2018, covered the next stage of the farm-in arrangement between Rio Tinto PNG and Finny pursuant to which Rio Tinto PNG has the right to earn a 60% joint-venture interest ("JVI") by incurring expenditure of $3.5 million within the Stage 1 exploration period, with Finny holding the remaining 40% JVI.

  Rio Tinto PNG completed its obligations under Stage 1 following delivery of the Stage 1 exploration report to Finny on 12 July 2018.

  Under the FIJVA, Finny must transfer to Rio Tinto PNG an undivided 60% legal interest in the Tenements within 30 days of Rio Tinto PNG producing the Stage 1 exploration report. Formalities are in progress.

- On 12 July 2018 Rio Tinto PNG issued the Stage 2 election notice covering the next stage of the farm-in arrangement with Finny pursuant to which Rio Tinto PNG has the right to earn an 80% JVI with Finny holding the remaining 20% JVI.

  Rio Tinto PNG's obligations during Stage 2 are to incur a further $12.5 million in expenditure including at least 1,500m of drilling, or complete an Order of Magnitude Study, and issue the Stage 2 exploration report to Finny to earn an 80% JVI. Stage 2 may last up to three years from the date the Stage 2 election notice.

  Within 30 days of Rio Tinto PNG producing the Stage 2 exploration report, Finny must transfer to Rio Tinto PNG an undivided legal interest in the Tenements and other assets under the FIJVA so that Rio Tinto PNG holds an 80% JVI. Within 60 days of Rio Tinto PNG producing the Stage 2 exploration report, Rio Tinto PNG may elect to buy out Finny's JVI for a fair market value. The fair market value will be an amount agreed by the parties, or the average of the valuations made by two independent experts applying the VALMIN Code. If the valuations are more than 10% apart a third expert will provide a valuation and the fair market value will be the average of the two closest estimates.

  If Rio Tinto PNG does not elect to buy Finny out, Finny must contribute to future exploration expenditure pro rata to its 20% JVI.

- The Joint-Venture arrangement commenced at the end of Stage 1 when Rio Tinto PNG produced the Stage 1 exploration report. From that date, the parties are Joint Venturers, with all liabilities and obligations to third parties to be borne severally in proportion to their respective JVI, and the JV property will be held by the Joint Venturers as tenants in common in proportion to their respective JVI.

  The objects of the Joint Venture are to:

  - maintain the Bismarck Tenements in good standing; and
  - explore the Bismarck Tenements Area for Minerals,

  but exclude the commercial development of a mining activity unless the parties decide otherwise. If a decision to mine is resolved, then further negotiation will take place to agree on the terms of a mining JV.

The management of the JV is carried out by the JV manager ("Manager") and a JV management committee ("Management Committee"). Rio Tinto PNG is the first Manager. The Management Committee will consist of one representative of Finny and two representatives of Rio Tinto PNG and one representative of the Manager of the Joint Venture. It will meet at least every 6 months. The Manager will conduct Joint Venture activities in accordance with approved budgets and programs, while the Management Committee will supervise the Manager and provide strategy including for the acquisition of goods and services, consider and approve JV annual programs and budgets,exploration programs, development and mining activities, a decision to mine, surrender of any part of the Tenements, remove and appoint Manager.

The JV Manager has the usual scope of authority of a JV manager to conduct the JV activities having regard to the strategy and budget approved by the Management Committee.

Funding is made by quarterly cash calls pro rata to the respective JVI. Unpaid cash calls attract interest. A JV party can decide not to contribute to a cash call and will be subject to dilution. If a party is diluted below 20%, then it must offer its JVI for sale to the other JV party.

The principal risks pertaining to the Finny FIJVA are:

- Rio Tinto PNG's right of withdrawal at any time after Stage 1 notice is issued, subject to 30 days written notice;
- Several liability of the JV parties;
- Finny's obligation to provide future funding especially if there is decision to mine;
- The Government of PNG has the right to participate and take an equity interest in the Bismarck Tenements and the JV of up to 30%, thus reducing pro rata Finny's JVI; and
- The pre-emptive right of Rio Tinto PNG if there is a change of control of Finny or if Finny wants to sell its JVI.

The FIJVA includes anti-corruption clauses which are consistent with Canterbury's policies. As per the FIJVA, Finny and Rio Tinto PNG entered into a funding and security financing deed, under which Finny agreed to fund the minimum expenditure required under the PNG Mining Act and granted a fixed and floating over all its assets, including the Bismarck Tenements, to Rio Tinto PNG until the PNG Mineral Authority registers a legal interest in the Tenements in the name of Rio Tinto PNG, and Rio Tinto PNG agreed to pay Finny an annual funding amount in the range of PGK130,000 per annum with expectations of about 10% increase each year, subject to the submission of a valid tax invoice by Finny. Finny must use Rio Tinto PNG's payments to fund the minimum expenditure. Other clauses are the usual clauses found in fixed and floating charges.

10.2 Contracts Regarding the Briggs & Mannersley Projects (Queensland)

Canterbury Exploration Pty Limited ("CEPL") entered into the Briggs & Mannersley Asset Sale Agreement dated of 9 February 2017 ("Briggs & Mannersley Agreement") with Rio Tinto Exploration Pty Limited ("RTX") to acquire the Briggs and Mannersley Tenements in Queensland (EPM 19198 and 18504) ("Briggs and Mannersley Tenements") and corresponding mining information. Canterbury is also a party to the agreement as guarantor and issuer of the consideration shares. The guarantee expires when Canterbury sells all of its shares in CEPL, or CEPL selling all of the Briggs and Mannersley Tenements to a third party.

The consideration payable by CEPL is:

- 1 million ordinary shares in Canterbury with a value of $100,000; and
- 1% net smelter royalty to RTX (see Royalty Deed below below).

Under its provisions RTX has been granted:

- a right of first refusal to buy back the Briggs and Mannersley Tenements at Fair Market Value, triggered if CEPL elects to sell, transfer or assign all or part of them, or if a change of control or insolvency event occurs;
- a mortgage over the Briggs and Mannersley Tenements;
- the conditional right to enter into a joint venture 60/40 (see the conditional JV terms below);
- the right to receive a one-off payment calculated as $0.50/tonne contained copper equivalent metal in JORC compliant reserves, payable ("Decision to Mine Payment") if CEPL decides to commence mining.

This agreement was completed on 14 February 2017. Transfer of the Briggs and Mannersley Tenements to CEPL was effected upon approval by the Minister on 4 May 2017.

The shareholding of RTX in Canterbury at the date of this Prospectus is about 1.7%.

Under the Briggs & Mannersley Agreement CEPL has granted RTX an option to purchase a 60% legal and beneficial interest in the assets and minerals within both or either Tenement ("Back-In Option") in the event that:

- A Mineral Resource is identified within the Briggs and Mannersley Tenements that has an in-situ value equal or greater than $1,000,000,000; or
- CEPL completes an order of magnitude study; or
- CEPL completes a pre-feasibility study without a prior order of magnitude study; or
- CEPL completes a feasibility study without a prior pre-feasibility study or order of magnitude study being undertaken.

If RTX elects to exercise the Back-In Option, it results in the following:

- creation of unincorporated joint venture with RTX holding 60% and CEPL holding 40%;
- payment of $15 million by RTX to CEPL;
- RTX sole-funding the first $50 million of joint venture expenditure;
- termination of the RTX's rights to royalties and RTX's right to the Decision to Mine Payment;
- creation of a Management Committee where RTX will be the first manager of the Joint Venture; and
- usual joint-venture clauses around budget, programs, decisions to mine, surrender, funding, dilution are applicable.

At the date of this Prospectus, the conditions for the Back-In Option have not materialised.

In a separate Royalty Deed executed on 9 February 2017, CEPL granted a Net Smelter Royalty to RTX payable pursuant to the terms and conditions of the Briggs & Mannersley Agreement and the Royalty Deed. Canterbury is a guarantor of CEPL's obligations under the Royalty Deed.

The Net Smelter Royalty applies to all products withdrawn from the Briggs & Mannersley Tenements and sold during each quarter, if and when any commercial mining operation is established. Net Smelter Royalty means the amount (in AUD) calculated by subtracting the deductions from the total gross proceeds deemed received by CEPL from the sale of ore, concentrates or other primary, intermediate or final product of any minerals produced by CEPL from the Briggs & Mannersley Tenements and then multiplying this sum by 1%. The obligation to pay royalty terminates if RTX exercises the Back-

In Option.

In a separate Mortgage Deed executed on 9 February 2017, CEPL, as beneficial owner, granted a fixed charge over the Briggs & Mannersley Tenements and corresponding Mining Information to RTX as security for any monies payable to RTX under the Royalty Agreement and the Briggs & Mannersley Agreement, being essentially any royalty, decision to mine payment, on-sale right, Back-In-Option and other ancillary costs. This charge was granted by CEPL in consideration of the acquisition of the Tenements under the Briggs & Mannersley Agreement.

10.3 Contract Regarding the Projects Based in Vanuatu

On 21 December 2012, Canterbury completed a sale and purchase agreement for the sale of 100% of the ordinary shares in Capella Ventures Pty Ltd to Canterbury with Gage Resources Pty Ltd <as trustee for the Craighead Family Trust A/C>, an entity controlled by Mr Grant Craighead, and St Jude Exploration Pty Ltd, which is the entity acting as Trustee for the McGee Family Superannuation A/C.

Capella Ventures Pty Ltd is the holding company of Capella Vanuatu Limited, which at time of the acquisition, held the Malekula Project (5 PLA) and the Santo Project (3 PLA). Since then PL 1836 and 1837 on Malekula have been granted and one of the PLA of Santo has been relinquished.

Consideration for the sale was:

- 1,500,000 ordinary shares at $0.02 per share issued to Gage Resources Pty Ltd <as trustee for the Craighead Family Trust A/C>; and
- 1,500,000 ordinary shares issued at $0.02 per share to St Jude Exploration Pty Ltd <as trustee for the McGee Family Superannuation A/C>.

Canterbury also had to ensure the payment of funds for the discharge of an existing shareholder loan for the value of $60,579.15.

The balance of the shareholders' loan resulted from expenditure made on the Malekula PLAs and Santo PLAs.
It is noted that this transaction is a related-party transaction due to one of the vendors being Mr Grant Craighead's family trust. Mr Grant Craighead was at the time of the transaction and still is a director of Canterbury. It is also noted that St Jude Exploration Pty Ltd currently holds 2.25 million shares in Canterbury, which is less than 4% of the Canterbury issued share capital at the date of this Prospectus.

10.4 Contract Regarding the Projects based in Ipi River (Papua New Guinea)

Under the WCB Subscription Deed dated 18 August 2017, Canterbury Resources (PNG) Limited ("Canterbury PNG") acquired significant exploration information from WCB PNG Exploration Limited ("WCB") which had applied for and subsequently relinquished the Makua ELA encompassed by the Tapini ELA held by Canterbury PNG in the Ipi River vicinity. In consideration, Canterbury has issued 400,000 Shares at $0.15 per Share (eq. value of $60,000) to WCB Pacific Pty Ltd, the holding company of WCB.

10.5 Managing Director's Contract

Canterbury entered into a services contract with Gage Resources Pty Ltd <as trustee for Craighead Family Trust> ABN 32 092 283 657 dated 23 April 2018 for the services of Mr Grant Craighead as Managing Director of Canterbury for a term of 36 months, starting 1 January 2018, automatically renewable unless terminated by six (6) months written notice.

The management services include but are not limited to:

- Developing and executing Canterbury's business strategies in order to attain the goals of the Board and shareholders;
- Providing strategic advice to the Board and Chairperson so that they will have accurate view of the market and Canterbury's future;

- Ensuring Canterbury's policies and legal guidelines are communicated all the way from the top down in the Company and that they are followed at all times;
- Communicating and maintaining trust relationships with shareholders, business partners and authorities;
- Overseeing Canterbury's financial performance, investments and other business ventures;
- Delegating responsibilities and supervise the work of executives providing guidance and motivation to drive maximum performance;
- Reading all submitted reports by lower rank managers to reward performance, prevent issues and resolve problems;
- Acting as the public speaker and public relations representative of the Company in ways that strengthen its profile; and
- Analysing problematic situations and occurrences and provide solutions to ensure company survival and growth.

The annual remuneration is $240,000 +GST to be reviewed annually.

This contract is a related party contract as Gage Resources Pty Ltd <as trustee for Craighead Family Trust> is an entity controlled by Mr Grant Craighead who is one of its two directors.

Information on Mr Grant Craighead's direct and indirect shareholdings and option holding is provided in Section 11.7.

10.6 Directors' Letters of Appointment and Directors' Deeds of Indemnity and Access

10.6.1 Officers' Letters of Engagement

Canterbury has entered into non-executive appointment letters with Mr John Anderson, Mr Gary Fallon, and Mr Ross Moller on the following key terms:

- Appointment of a Director is until the date proposed for re-election on the basis of the Constitution of Canterbury;
- Each Director will have the powers and duties expected by Directors under the Corporations Act, the Constitution and at law. No Director has the power to bind Canterbury in a contract without the agreement of the Board.
- Duties will generally include:
    - Technical input into the strategy of the Company;
    - Participation in meetings of the Board;
    - Participation in meetings of the various committees of the Board;
    - Review of minutes after preparation;
    - Assistance with the preparation of Board Agendas and Board Papers;
    - Review of operations in the context of compliance with the various laws applicable to Canterbury in Australia, Papua New Guinea and Vanuatu; and
    - Working with corporate finance advisers, brokers and investors as requested by the Board from time to time.
- Remuneration is $45,000 for each non-executive director and $54,000 for the Chairman. Those amounts are inclusive of superannuation

Mr Ross Moller has also acted as company secretary of Canterbury since its incorporation. He has received $27,225 over the financial years 2014 to 2017 for his services as company secretary.

Mr Gary Fallon has also acted as senior geophysicist for Canterbury since its incorporation. He has received $24,396 over the financial years 2014 to 2017 for his services as geophysicist.

Mr John Anderson has not received any cash remuneration over financial years 2014 to 2017.

Since 1 March 2013, any work undertaken by the Company's directors, on top of their normal director duties, has been at a per diem rate of $1,200 (ex GST).

Canterbury has entered into an appointment letter with Mr Grant Craighead as Managing Director with the additional duties:

- Technical input into the strategy with particular reference to mining and historical aspects of the projects;
- Guidance to the management of Canterbury and input into the development of the strategic direction of Canterbury; and
- Contribution to the preparation of Board Agendas.

His remuneration is addressed in Section 10.5 Managing Director's contract above.

10.6.2 Officers' Deeds of Indemnity and Access

As permitted by the Constitution, the Company has entered into a deed of indemnity and access with each Director and with the Company Secretary. The indemnity is subject to restrictions prescribed in the Corporations Act.

In summary, the deed:

- indemnifies an officer, while he or she is an officer of Canterbury or a subsidiary of Canterbury and for 7 years thereafter, against liabilities incurred as a result of acting as an officer subject to certain exclusions and provides for related legal costs to be paid by the Company;
- requires the Company to maintain an insurance policy against any liability incurred by an officer in his capacity as an officer during that person's term of office and 7 years thereafter; and
- provides the officer with a right of access to board papers and other documents while in office and for 7 years thereafter.

The deeds also provide for non-disclosure obligations binding the officers regarding the business of Canterbury. The deed is effective for 7 years after the officer ceases to act as an officer of Canterbury.

10.7 Services Contracts

10.7.1 Exploration Manager Consulting Contract

Canterbury entered into a services contract with Mr Michael Erceg on 25 March 2015 for him to act as exploration manager for the Company including the following services:

- The safe planning, execution and management of exploration programs, including compliance with the OH&S policies of Canterbury;
- Training and supervision of field staff;
- Production of appropriate scale maps;
- Compilation and interpretation of data gathered in the field;
- Preparation of reports after field programs, including recommendations for follow-up activities;
- Preparation of statutory reports for relevant Government Departments;
- Undertake project generation as directed by the Managing Director; and
- Undertake technical evaluations of projects and opportunities as presented.

Mr Erceg's fee is $1,200 + GST per day. Since his appointment, he has earned earned $146,500 to 31 December 2017.

The Company has invited Mr Erceg to join the Board of Canterbury as soon as the Company is listed on the ASX. Accordingly, Mr Erceg is considered as a related party to Canterbury.

10.7.2 PNG Country Manager Consulting Contract

Canterbury has entered into a consulting contract with Mr Wanu Tamu (trading under the business name Tamu Consulting Services) on 26 April 2018 for his services as Canterbury's Country Manager in Papua New Guinea.

Mr Tamu is a very experienced geologist with 35 years mineral exploration experience in the southwest Pacific region, particularly Papua New Guinea. He has been involved in a full range of exploration field activities including design, management and implementation of field programs, plus

government and landowner liaison.

The fee is PGK 1,000 + PNG GST per day plus expenses, with a guaranteed minimum 10 days of work per month. Mr Tamu is a beneficiary of the Canterbury Employee Stock-Option Plan.

This contract can be terminated subject to three months written notice by either party. Mr Tamu will be paid for stand-in time or any suspension of work due to force majeure up to the guaranteed minimum of 10 days.

Mr Tamu is under non-disclosure obligations regarding the operations of Canterbury.

10.7.3 Broker Contract

Canterbury entered into a services contract on 7 May 2018, ammended on 13 September 2018 with Canaccord Genuity (Australia) Limited to act on an exclusive basis as the Broker for this Offer and listing of Canterbury on ASX.

The services include assisting Canterbury in the overall management of the Offer, providing advice as to proper timing, pricing and structuring of the Offer, and using best endeavours to find sufficient investors to participate in the offer to satisfy the spread requirements under the ASX Listing Rules.

This contract excludes any underwriting arrangement though Canaccord has the option to enter into such an arrangement.

The fee is as follows:

- A management fee of 1% of the total amount raised under the Offer;
- A selling fee of 4% of the Offer proceeds;
- 1 million Options at a strike price of $0.40 with an expiry date of 30 June 2021;
- 1 million Options at a strike price of $0.45 with an expiry date of 30 June 2021; and
- 1 million Options at a strike price of $0.50 with an expiry date of 30 June 2021.

Canaccord is entitled to be reimbursed for reasonable expenses, including up to $20,000 of legal fees. This engagement letter can be terminated subject to 7 days written notice.

10.7.4 IPO Advisory Consulting Contract

Canterbury entered into a service agreement with Strzelecki Advisors Pty Ltd (ABN 69 160 668 057) on 28 May 2018 for the services of Mr Neil Watson to provide strategic advice with respect to the Offer. Mr Watson has wide experience dealing with capital raising and relations with regulators. The term of the contract originally 1 July 2018, was extended to 30 December 2018, and may be terminated by either party by providing 2 months notice.

His fee is twofold, being a monthly retainer fee totalling 800,000 Options and a maximum success fee of 1,200,000 Options, payable when the Company lists on the ASX. Options terms: expiring 30 June 2021, at an exercise price of $0.40 per Share. At the date of this Prospectus, Mr Watson indirectly holds 688,775 Shares.

10.7.5 Local Agent Contracts

Sinton Spence Chartered Accountants prepared an engagement letter dated 11 June 2018 for the provision of financial services to Canterbury and Finny for the year ended 31 December 2018. Under the terms of the letter, Canterbury will use the services of Sinton Spence Chartered Accountants to carry out all compliance work and accounting work of its subsidiaries in Papua New Guinea, namely Canterbury Resources (PNG) Limited and Finny. Mr Spence resigned as auditor of Canterbury Resources (PNG) Limited in April 2018 due to his conflict resulting from being a vendor in the Finny transaction described in paragraph 10.1 above. His firm however remains Canterbury's local agent in Papua-New Guinea. Sinton Spence Chartered Accountants has been paid K83,187.50 (approximately $33,275) for audit and other services from August 2013 up until 31 December 2017.

Canterbury uses the services of Barrett & Partners in Vanuatu to carry out all

compliance work for its subsidiary Capella Vanuatu Limited in Vanuatu.

10.7.6 BMS Contracts

Canterbury entered into a contract with Breakaway Mining Services Pty Ltd ("BMS") on 14 May 2013 for office rental and other services starting 1 May 2013. This agreement was renewed on 28 May 2018 on the same terms, and included Canterbury's Australian subsidiaries (Canterbury Exploration Pty Ltd and Capella Ventures Pty Ltd). BMS also invoiced Canterbury for the executive services rendered by Mr Grant Craighead up to 31 December 2017 on the basis of the per diem rate of $1,200 +GST and the corporate services rendered by Ms Veronique Morgan-Smith on the basis of the per diem rate of $1,250 +GST. A new corporate services agreement dated 6 June 2018 was entered with BMS for the services of Ms Veronique Morgan-Smith who will provide various corporate advisory services, and corporate secretarial and other services as required. This new contract covers the period starting 1 January 2018.

Mr Grant Craighead and former Canterbury director Dr Stephen Bartrop are directors and shareholders of BMS.

Over the years since 2013, BMS was paid $598,363 (ex. GST) for the period to 31 December 2017 as disclosed in Canterbury's annual and half yearly reports.

10.8 Restriction Agreements

By agreement yet undated between the holder and controller of restricted securities in Canterbury Resources and the escrow trustee, the escrow trustee will hold the restricted securities during the escrow period in respect of those securities.

The restriction period applicable to Shares held by seed capitalists that are related parties or promoters is 24 months from listing. This will apply to Shares issued prior to the Offer. The cash formula applies.

The restriction period applicable to Shares held by seed capitalists that are not related parties or promoters is 12 months from issue, if the subscription price was less than 80% of the listing price. This will apply to Shares issued prior to the Offer.

The restriction period applicable to Shares held by vendors of company assets that are related parties or promoters is 24 months from listing. This will apply to all Shares issued prior to the Offer.

The restriction period applicable to Shares held by an unrelated vendor of a classified asset is 12 months from issue.

The restriction period applicable to Shares held by promoters or professional consultants is 24 months from listing.

The restriction period applicable to Shares resulting from the exercise of stock-options held by beneficiaries of the Canterbury Employee Stock Option Plan who are related parties or promoters is 24 months from listing. The cash formula applies.

During the escrow period, the escrow trustee must not dispose of, or agree to dispose of the restricted securities or create any interest in the restricted securities, transfer ownership or control of the restricted securities or participate in a return of capital by Canterbury.

Other escrow arrangements will be entered into on the basis of the rules above and other rules as set out in ASX Listing Rules Appendix 9B.

10.9 Constitution

The Constitution of Canterbury is effectively a contract between Canterbury and each member, Canterbury and each Director and Company Secretary, and between a member and each other member, pursuant to section 140 of the Corporations Act.

Investors who acquire Shares under this Offer will become bound by the Constitution of Canterbury and must agree to observe

and perform the provisions of the Constitution and any regulations or by-laws which may be made thereunder.

The salient provisions are as follows:

- Clause 1 provides that the ASX Listing Rules prevail;
- Clause 2.6 allows the Company to treat the registered holder of any Shares as the absolute owner irrespective of any equitable or other claims or interests in those Shares;
- Clauses 10 and 11 provide for the right of members to participate in members' meetings and the right to vote;
- Clause 12 provides for the appointment and retirement of Directors (min. 3);
- Clause 16.1 provides that Directors may have financial benefits and remuneration;
- Clauses 16.2 and 16.3 provide that Directors may have a material personal interest subject to compliant disclosure and voting; and
- Transfers, transmissions, liens and restrictions applicable to Shares are also provided in the Constitution in Clauses 2 to 8.

For further detail and other rights and obligations of shareholders of the Company, please consult the Constitution and Section 11.4 below.

The Constitution incorporates Appendix 15A of the Listing Rules. Accordingly, if the Company is admitted to the Official List, the following applies:

(a) Notwithstanding anything contained in the Constitution, if the Listing Rules prohibit an act being done, the act shall not be done;

(b) Nothing contained in the Constitution prevents an act being done that the Listing Rules require to be done;

(c) If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);

(d) If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision;

(e) If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision; and

(f) If any provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

10.10 Other Material Contracts

10.10.1 Insurance
The Company has put into place:

- a $10 million cover under general/public liability and products liability insurance, subject to the terms and conditions in the public disclosure document relevant to the insurer and the type of insurance; and

- a $5 million cover under Directors & Officers insurance, subject to the terms and conditions in the public disclosure document relevant to the insurer and the type of insurance.

[11] Additional Information

[11] ADDITIONAL INFORMATION

11.1 Registration

Canterbury Resources Limited was registered as a public company limited by shares with ASIC on 19 July 2011.

Canterbury holds the following subsidiaries:

- 100% of the share capital of Canterbury Exploration Pty Limited (ACN 153 459 137), which holds the Briggs and Mannersley Projects (see Section 4.3.2);

- 100% of the share capital of Capella Ventures Pty Ltd (ACN 151 411 317), 100% holding company of Capella Vanuatu Limited (CN 36728), which holds the Vanuatu Tenements (see Section 4.3.3);

- 100% of the share capital of Canterbury Resources (PNG) Ltd (CN 1-86939), which holds the Ekuti Range and Ipi River Projects (see Section 4.3.1); and

- 100% of the share capital of Finny Ltd (CN 1-104673), which holds the Bismarck Project (see Section 4.3.1).

11.2 Share Capital

11.2.1 History of Shares

At the date of this Prospectus, the Company has 58,060,408 Shares on issue.

11.2.2 Substantial Shareholders' interests after Completion of the Offer

The Company anticipates that the parties in the table below will have substantial holdings (i.e. control 5% or more of the issued Shares) following the close of the Offer:

Position Capital	Holder Name	Holding	% Issued Capital after IPO
1	Duncan John Hardie	7,929,825	9.43%
2	Grant Alan Craighead held indirectly through Gage Resources Pty Ltd ATF Craighead Superannuation Fund and Gage Resources Pty Ltd ATF Craighead Family Trust and through an indirect 28% holding in Breakaway Investment Group Pty Ltd, and through Edward John Craighead and Greta Louise Craighead	7,700,612	9.16%
3	James Sinton Spence	5,444,444	6.48%

11.2.3 Options Over New Shares

At the date of this Prospectus, the Company has granted 13,792,725 Options over new Shares (including 3,950,000 under the Employee Share Option Plan ("ESOP")), of which 4,495,750 have been exercised (including 605,000 under the ESOP).
The situation at the date of this Prospectus is as follows:

OPTIONS CURRENTLY GRANTED (including ESOP) AND OUTSTANDING		
Maturity Date	**Number of Options**	**Exercise Price**
31-December-2018	2,136,087	20c
30-June-2019	4,783,888	20c
30-June-2020	1,350,000	25c
30-June-2021	1,000,000	40c
Total	**9,296,975**	

OPTIONS TO BE GRANTED UPON COMPLETION OF THE OFFER UNDER THIS PROSPECTUS			
	Maturity Date	**Number of Options**	**Exercise Price**
Strzelecki Advisors Pty Ltd retainer fee (see Section10.7.4 above) – expected 6 months fee	30-June-2021	800,000	40c
Strzelecki Advisors Pty Ltd success fee (see Section10.7.4 above) – maximum	30-June-2021	1,200,000	40c
Canaccord Genuity (Australia) Limited (see Section10.7.3 above)	30-June-2021	1,000,000	40c
Canaccord Genuity (Australia) Limited (see Section10.7.3 above)	30-June-2021	1,000,000	45c
Canaccord Genuity (Australia) Limited (see Section10.7.3 above)	30-June-2021	1,000,000	50c
TOTAL		**5,000,000**	

At the date of this Prospectus, 3,950,000 Employee Options have been granted under the Plan, and 605,000 have been exercised.

If the 5,951,975 Options (non-ESOP) currently on issue, the balance of 3,345,000 Employee Options and the 5,000,000 Options (non-ESOP) expected to be granted upon listing, are all exercised, the shareholding of Shareholders existing prior to exercise of these Options, amounting to 84,060,408 Shares would be diluted by 17.01%.

11.3 Terms of Options

11.3.1 Terms of Options (non-ESOP)

Subject to the terms of the Options, one Option converts to one Share when the Option exercise price is paid before the expiry date. The Shares will rank equally in all respects with the Company's existing Shares. They will therefore have the same dividend, voting and other rights as other Shares on issue.

The Options were issued for services rendered to the Company.

No financial assistance has been or will be provided by the Company to the grantee for the purpose of exercising the Options. Subject to any restrictions imposed by law, Options may be transferred at any time before lapsing.

There are no participating rights or entitlements inherent in the Options and holders of Options will not be entitled to participate in new issues of capital which may be offered to shareholders during the currency of the Options.

In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the number and exercise price of Options will be reconstructed in the same proportion as the issued capital of the Company is reconstructed and in a manner which will not result in any additional benefits being conferred on Option holders which are not conferred on shareholders (subject to the same provisions with respect to round off of entitlements as sanctioned by the meeting of shareholders at which the reconstruction of capital is approved), but in all other respects the terms of exercise will remain unchanged. If the Company is at the time of any reconstruction, listed on the Australian Stock Exchange (ASX), then the terms of the Options, including provisions relating to any reconstruction shall be in accordance with the Listing Rules of ASX.

11.3.2 Terms of Options Issued Under the Employee Share Option Plan

The shareholders approved the Canterbury Employee Share Option Plan ("ESOP" or "Plan") on 1 March 2013.

The purpose of this ESOP is to provide incentives to senior staff to achieve the Company's long term objectives and improve the long term performance of the Company. The Plan is a key part of the longer term retention and incentive strategy of the Company.

The Plan recognises that the growth and profitability of the Company is heavily dependant on the retention of key senior staff.

The ESOP is administered by the Board in accordance with the ESOP rules. The Board has full discretion, subject to the terms of the ESOP, the Constitution, the Corporations Act and the Listing Rules.

The options granted under the ESOP ("Employee Options") are issued for nil consideration, unless the Board resolves otherwise. The Employee Options are non-transferable. There is no obligation on the Company to apply for quotation of the Employee Options on the ASX. Optionholders have no rights or entitlements to participate in dividends declared by the Company or rights to vote at meetings of the Company until that Employee Option is exercised. Shares allotted upon exercise of the Employee Options will rank equally with Shares previously issued by the Company and will be listed in accordance with ASX Listing Rules. The Board sets in its absolute discretion the exercise price of the Employee Options, their number and the period during which the Employee Option can be exercised. The number of Employee Options that can be issued by the Board under the ESOP at any time is limited on the basis that the total number of Shares which might be issued pursuant to the exercise of Employee Options both unexercised and unexpired, and the total number of Shares issued as a result

of the exercise of Employee Options during the previous 5 years cannot exceed 10% of the total number of Shares on issue (while the Company is unlisted). In accordance with ASIC RG49, the Company will limit the grants of Employee Options under the ESOP to 5% of the total number of Shares on issue.

Beneficiaries of the ESOP are employees and deemed employees. Eligible employees are full time or part-time employees or directors of the Company. Deemed employees are casual employees who have worked for the Company or a subsidiary for more than one year and consultants who have worked for the Company or a subsidiary for more than one year and have derived more than 80% of their income from the Company or a subsidiary.

Employee Options lapse and are forfeited:

- 30 days after resignation by the employee; or
- Immediately upon dismissal for wilful misconduct, repeated disobedience, incompetence, fraud or dishonesty, or any other fair and reasonable cause.

Employee Options will be adjusted in accordance with any pro-rata issues, bonus issues or reconstruction event. The Plan may be terminated at any time or suspended for any period by resolution of the Board and notification thereof to the ASX. Termination or suspension of the Plan does not affect the rights of the Holders of unexpired Employee Options previously granted under the Plan and these Rules will continue to apply to those options until the Employee Options lapse or are exercised.

11.4 Rights Attaching To Shares

The Shares to be issued under this Prospectus will rank equally with the issued fully paid ordinary shares in the Company. The rights attaching to Shares are set out in the Company's Constitution and, in certain circumstances, are regulated by the Corporations Act 2001 (Cth), the Listing Rules and general law. The Constitution of the Company may be inspected during normal business hours at the registered office of the Company. The following is a summary of the more significant rights of the holders of ordinary shares of the Company. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's members. The summary assumes that the Company is admitted to the Official List of ASX.

11.4.1 General Meeting

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Company's Constitution, the Corporations Act or the Listing Rules.

11.4.2 Voting

Subject to any rights or restrictions for the time being attached to any class or classes of shares whether by the terms of their issue, the Constitution, the Corporations Act or the Listing Rules, at a general meeting of the Company every person who is or was the registered holder of a share at the time prescribed for that purpose in the notice convening the meeting ("Eligible Member") is entitled to vote in person, by proxy or representative.

Each Eligible Member has one vote on a show of hands and each Eligible Member has one vote per share, or a fraction of a vote on a partly paid share, on a poll.

A person who holds an ordinary share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share.

A member is not entitled to vote if there are any calls or other sum oustanding on his or her shares. If a share is held jointly and more than one member votes in respect of that share, only the vote of the member whose name appears first in the register of

members will be counted.

11.4.3 Issues of Further Shares
The Directors may, subject to the Constitution, the Corporations Act and the ASX Listing Rules, and any rights for the time being attached to the shares in special classes of shares, issue, allot or grant options for or otherwise dispose of shares; and decide the terms and condtions on which shares or options are granted and the rights and restrictions attached to those shares or options.

11.4.4 Variation of Rights
At present, the Company has on issue one class of shares only, namely ordinary shares. The rights attached to the shares in any class of shares may be varied or cancelled by special resolution of the Company and by special resolution passed at a separate meeting of the members holding shares in that class or with the written consent of members with at least 75% of the votes attaching to shares in the class.

11.4.5 Transfer of Shares
Subject to the Company's Constitution, the Corporations Act and the Listing Rules, shareholders may freely transfer all or any of their shares by any method of transferring or dealing in shares introduced by the ASX or operated according to the ASX Settlement Operating Rules or the Listing Rules and recognised by the Corporations Act; or any instrument in writing in any usual or common form or in any other form that the Directors or the ASX approve.

The Directors may, in their absolute discretion, decline to register a transfer of shares, where to do would not contravene the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules; The Board must decline to register a transfer of shares where required by law, the Listing Rules or the ASX Settlement Operating Rules or a transfer of shares that are restricted securities during the escrow period expect as permitted by the Listing Rules or the ASX. If the Directors decline to register a transfer, the Directors must, within five business days after the transfer is lodged with the Company, give the transferee written notice of the refusal.

11.4.6 Partly Paid Shares
The Board may, subject to compliance with the Company's Constitution, the Corporations Act and the Listing Rules, issue partly paid shares upon which amounts are or may become payable at a future time(s) in satisfaction of all or part of the unpaid issue price. Subject to compliance with the Corporations Act and the Listing Rules, the Directors may make calls on shareholders in respect of any money unpaid on the shares held by them, unless and to the extent that the terms of those shares require that money to be paid at fixed times.

11.4.7 Dividends
The Board may determine a dividend or declare that a dividend is payable and fix the amount of the dividend, the time for payment and the method of payment. Interest is not payable by the Company in respect of any dividend.

11.4.8 Winding Up
Subject to the rights of holders of shares with special rights in a winding up, if the Company is wound up, any surplus resulting from the winding up of the Company will be divided among the members in proportion to the issued share capital paid up on their shares.

11.4.9 Directors
The Company's Constitution states that the minimum number of directors is three (3) including two (2) ordinarily residing in Australia.

11.4.10 Powers of the Board
Subject to the Corporations Act, the Listing Rules and the Constitution, the business of the Company is to be managed by the Directors who may exercise all powers of the Company. The Directors may by power of attorney appoint any person to be an attorney of the Company for such

purposes, with such powers, authorities and discretation for such period and subject to such conditions as they think fit.

11.4.11 Company Secretaries
The Company's Constitution states that the Directors must appoint at least one person to be Secretary and at least one Secretary must be ordinarily resident in Australia.

11.5 Tax Status and Financial Year

The Company will be taxed in Australia as a public company at the prevailing corporate tax rate for base rate entities which is 30%. The financial year of the Company ends on 30 June annually.

11.6 Litigation

As at the date of this Prospectus, the Directors are not aware of any legal proceedings which have been threatened or actually commenced against the Company or any of its subsidiaires.

11.7 Directors Interests

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of the Shares; or
- the Offer of the Shares.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, options or otherwise) have been paid or given or agreed to be paid or given to any Director or to any company or firm with which a Director is associated to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her or any company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Offer of the Shares.

11.7.1 Remuneration of Directors
Directors are entitled to remuneration out of the funds of the Company but the remuneration of the non-executive Directors may not exceed in any year the amount fixed by the Company in general meeting for that purpose. The aggregate remuneration of the non-executive Directors has been fixed by the Shareholders at a maximum aggregate of $300,000 per annum. The Remuneration Committee recommended that directors fees be paid starting 1 January 2018, and to be apportioned among the non-executive Directors on the basis of $45,000 per non-executive Director and $54,000 for the Chairman of the Board. The Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at the Board meetings and otherwise in the execution of their duties as Directors.

Please refer to Section 10.6 - Directors' letters of Appointment and Directors' Deeds of Indemnity for further information on remuneration to non-executive Directors.

With respect to the Executive Directors' remuneration, please refer to the Section 10.5 Managing Director's Contract, Section 10.7.2 Exploration Manager Consulting Contract and 10.6 - Directors' Letters of Appointment and Directors' Deeds of Indemnity and Access and the financial information provided with the Investigating Accountants Report in Section 8.

11.7.2 Directors' Interests in Company's Securities
Directors are not required under the Constitution to hold any Shares. The direct and indirect interests of the Directors in the securities of the Company are set out below as at the date of this Prospectus, upon completion of the Offer.

Note that:

- Mr Grant Craighead is the Managing Director of the Company and indirectly holds 28% of Breakaway Investment Group Pty Limited.
- The Company intends to appoint Mr Michael Erceg as Executive Director upon listing of Canterbury on the ASX.

Directors' and Proposed Directors' Shareholdings

At the date of this Prospectus, the shareholding of Directors, Proposed Directors and their related parties is as follows:

Registered Holding Name	Director/ Person	Current Balance	% of pre-IPO Capital
Gage Resources Pty Ltd <Craighead Super Fund A/C>	Mr Grant Craighead	4,781,586	8.24%
Gage Resources Pty Ltd <Craighead Family A/C>	Mr Grant Craighead	1,500,000	2.58%
Edward John Craighead	Mr Grant Craighead	60,000	0.10%
Greta Louise Craighead	Mr Grant Craighead	60,000	0.10%
Breakaway Investment Group Pty Limited	Mr Grant Craighead	1,299,026	2.24%
Fallon Nominees Pty Ltd <Fallon Family A/C>	Mr Gary Fallon	3,053,571	5.26%
Icekins Pty Ltd <John Anderson S/F A/C>	Mr John Anderson	2,675,000	4.61%
Travel Systems Pty Ltd <Moller Family Super Fund A/C>	Mr Ross Moller	2,250,000	3.88%
Erceg Super Pty Ltd <Erceg Family Super Fund A/C>	Mr Michael Erceg	665,000	1.15%
Matthew David Erceg	Mr Michael Erceg	71,500	0.12%
Sarah Jean Erceg	Mr Michael Erceg	71,500	0.12%
Stephanie Louise Erceg	Mr Michael Erceg	107,250	0.18%
Tracey Lee Erceg	Mr Michael Erceg	71,500	0.12%

Directors' and Proposed Directors' Optionholding
At the date of this Prospectus, Directors, Proposed Directors and their related parties hold the following numbers of Options:

Optionholdings:

Registered Holding Name	Director	Current Balance
Gage Resources Pty Ltd <Craighead Super Fund A/C>	Mr Grant Craighead	775,000
Breakaway Investment Group Pty Limited*	Mr Grant Craighead	400,000
Fallon Nominees Pty Ltd <Fallon Family A/C>	Mr Gary Fallon	1,478,174
Icekins Pty Ltd <John Anderson S/F A/C>	Mr John Anderson	475,000
Travel Systems Pty Ltd <Moller Family Super Fund A/C>	Mr Ross Moller	1,112,500
Andrew Thomas Moller	Mr Ross Moller	187,500
Simon Ross Moller	Mr Ross Moller	187,500
Erceg Super Pty Ltd <Erceg Family Super Fund A/C>	Mr Michael Erceg (proposed director)	125,000
Michael Erceg	Mr Michael Erceg (proposed director)	350,000
Matthew David Erceg	Mr Michael Erceg (proposed director)	35,750
Sarah Jean Erceg	Mr Michael Erceg (proposed director)	35,750
Tracy Lee Erceg	Mr Michael Erceg (proposed director)	35,750

11.7.3 Indemnity and Access

The Company has entered into Deeds of Indemnity and Access with each of the Directors. Details of the Deeds of Indemnity and Access are set out in Section 10.6 of this Prospectus.

11.7.4 D&O Insurance

The Company maintains Directors' and Officers' Liability Insurance on behalf of the Directors and Officers of the Company.

11.8 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of the Shares; or
- the Offer of the Shares.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, options or otherwise) have been paid or given or agreed to be paid or given to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Offer under this Prospectus.

BDJ Partners has acted as investigating accountants in relation to the Offer. As investigating accountants, BDJ Partners has been involved in undertaking due diligence in relation to financial and taxation matters and preparing pro-forma financial accounts, and has prepared the Investigating Accountant's Report which has been included in this Prospectus. In respect of this work the Company has agreed to pay BDJ Partners fees in the order of $10,000 + GST for these services.

Breakaway Mining Services Pty Ltd has assisted the Company with the preparation of this Prospectus. In respect of this work, the Company has agreed to pay Breakaway Mining Services in the order of $20,000 + GST for these services up to the date of this Prospectus.

SRK will receive professional fees in the order of $40,000 + GST for the provision of the Independent Geologist's Report.

Tas Legal will receive professional fees of $12,927 + GST for the provision of the Solicitor's Report on Mineral Tenements located in Australia and Vanuatu.

Canaccord Genuity (Australia) Limited will receive a management fee of 1% of the total amount raised under the Offer and a capital raising fee of 4% of the Offer proceeds, to be paid only on the issue or transfer of any shares under the Prospectus.

Dentons assisted the Company in its management and implementation of the due diligence process and verification procedure in relation to the Offer, and the review of this Prospectus as prepared by the Company. The Company has paid, or agreed to pay, approximately $ 80,000 (excluding disbursements and GST) for these services up until the date of this Prospectus.

Strzelecki Advisors Pty Ltd will receive a retainer fee and a success fee both payable in options (see section 10.7.4 above).

11.9 Expenses of the Offer

The estimated expenses connected with the Offer which are payable by the Company are as follows (ex- GST):

	Amount $
Independent Accountant's Report	10,000
Corporate Advisory & Legal Expenses	94,175
Independent Geologist's Report	39,909
Independent Title Review	12,927
Printing, Share Registry, ASIC and other miscellaneous offer costs	14,961
Broker or Dealers' commission	390,000
ASX listing fees	89,477
TOTAL	**651,449**

11.10 Consents

Each of the parties referred to in this Section 11.10:

a) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based, other than as specified in this Section 11.10; and

b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section 11.10.

The Independent Geologist's Report has been prepared by SRK Consulting (Australasia) Pty Ltd and was compiled by Dr Stuart Munroe – Principal Consultant. Dr Munroe is a full-time employee of SRK and has sufficient experience which is relevant to the syle of mineralisaiton and type of mineral deposit under consideration, and 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 ("the JORC Code"). Dr Munroe and SRK have given their written consent to the inclusion in Section 5 of this Prospectus of the Independent Geologist's Report and to all statements referring to that report in the form and context in which they appear and have not withdrawn such consents before lodgement of this Prospectus with ASIC.

Tas Legal has given its written consent to the inclusion of its Report on Queensland and Vanuatu Tenements in Section 6 of this Prospectus and to all statements referring to that report in the form and context in which they appear and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

Dentons PNG has given its written consent to the inclusion of its Report on PNG Tenements in Section 6 of this Prospectus and to all statements referring to that report in the form and context in which they appear and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

BDJ Partners has given its written consent to the inclusion of their Investigating Accountant's Report in Section 7 of this Prospectus and to all statements referring to that report in the form and context in which they appear and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

Automic Pty Ltd has given and, as at the date hereof, has not withdrawn its written consent to be named as Share Registrar in the form and context in which it is named. Automic Pty Ltd has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registrar to the Company. Automic Pty Ltd has not authorised or caused the issue of any part of this Prospectus.

Furthermore, each of the following has consented in writing to being named in the Prospectus in the capacity as noted below and has not withdrawn such consent prior to the lodgement of this Prospectus with ASIC:

- Rio Tinto Exploration Pty Ltd and Rio Tinto Exploration (PNG) Limited with respect to Section 4 and Sections 10.1 and 10.2 of this Prospectus;
- Breakaway Mining Services as the corporate advisory consultants to the Company;
- Dentons Australia Pty Ltd as the legal representatives;
- Canaccord as Broker;
- Mr Neil Watson and his associated entity as IPO adviser; and
- Mr Michael Erceg as a Competent Person under the JORC Code and Director to be appointed upon Canterbury listing on the ASX.

Copies of the consents to the issue of this Prospectus are available for inspection, without charge, at the registered office of the Company.

There is a number of other persons referred to in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons.

These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of the Prospectus.

11.11 Director's Participation in the Offer

Directors are entitled to participate in the Offer by subscribing for Shares on the same terms and conditions as other Applicants.

11.12 Electronic Prospectus

Pursuant to Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus on the basis of a paper prospectus lodged with ASIC and the issue of securities in response to an electronic application form subject to compliance with certain provisions.

If you have received this Prospectus as an electronic prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company at admin@canterburyresources.com.au and the Company will send to you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such case, the Application Monies received will be dealt with in accordance with Section 722 of the Corporations Act.

11.13 Definitions

In this Prospectus, unless the context otherwise requires:

"**A$**" and "**$**" means Australian dollars, unless otherwise stated.

"**Applicant**" means a person who submits an Application.

"**Application**" means a valid application to subscribe for Shares offered under this Prospectus.

"**Application Form**" means the application form contained in this Prospectus or a copy of the application form contained in this Prospectus or a direct derivative of the application form which is contained in this Prospectus (including the electronic form).

"**Application Monies**" means the amount payable in respect of each Share under the Offer which accompanies the Application Form.

"**ASIC**" or "**Commission**" means Australian Securities and Investments Commission.

"**ASX**" means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

"**ASX Recommendations**" means the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Third Edition).

"**ASX Settlement**" means ASX Settlement Pty Ltd (ACN 008 504 532).

"**ASX Settlement Rules**" means the operating rules of the ASX Settlement and, to the extent that they are applicable, the operating rules of ASX and the operating rules of Australian Clearing House Pty Ltd.

"**Board of Directors**" and "**Board**" means Board of Directors of the Company unless the context indicates otherwise. "Business Day" means a day on which the trading banks are open in Sydney, New South Wales.

"**Broker**" means Canaccord Genuity (Australia) Limited (ABN 19 075 071 466).

"**Canterbury**" **or "CBY"** means Canterbury Resources Limited (ACN 152 189 369), the issuer of the Prospectus.

"**CHESS**" means ASX Clearing House Electronic Subregistry System.

"**Company**" means Canterbury Resources Limited (ACN 152 189 369), the issuer of the Prospectus.

"**Completion of the Offer**" means the allotment of all the Shares offered under this Prospectus to successful Applicants in accordance with the terms of the Offer.

"**Corporations Act**" means the Corporations Act 2001 (Cth) of Australia.

"**Directors**" means directors of the Company unless the context indicates otherwise.

"**ESOP**" means the Canterbury Resources Employee Stock Option Plan approved on 1 March 2013 described in Section 11.3.2 of this Prospectus.

"**EPM**" means an area granted under the Mineral Resources Act in respect to mineral exploration.

"**email**" means an electronic mail service that allows users to send and receive messages via the Internet.

"**Exposure Period**" means the period of seven days (or longer as ASIC may direct) from the date of lodgement of the Prospectus with ASIC.

"**Group**" means Canterbury Resources Limited (ACN 152 189 369), the issuer of the Prospectus, and its related entities.

"**HIN**" means holder identification number.

"**Issue**" means the issue of Shares pursuant to this Prospectus.

"**Issuer Sponsored**" means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder

being admitted as an institutional participant in CHESS.

"JORC Code" means the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

"**Kina**" means the Papua-New Guinean Kina, being the currency issued by Papua-New Guinea.

"**Listing Date**" means the date the Company is admitted to the Official List.

"**Listing Rules**" means listing rules of the ASX, as amended from time to time.

"**Minimum Allotment**" means seven thousand (7,000) Shares.

"**Mineral Resources Act**" means the Mineral Resources Act 1989 (Qld).

"**Offer**" means the invitation to Australian and New Zealand residents to apply for Shares pursuant to this Prospectus.

"**Offer Closing Date**" means 26 October 2018.

"**Offer Opening Date**" means 4th October 2018.

"**Offer Period**" means the period commencing on the Opening Date and ending on the Offer Closing Date.

"**Official List**" means the Official List of the ASX.

"**Optionholder**" means a holder of any Options.

"**Options**" means the Options referred to in Section 11.2 of this Prospectus.

"Original Prospectus" means the Prospectus dated 13 September 2018 and lodged with ASIC on that date (which is replaced by this Prospectus).

"**Participant**" means a participant for the purpose of CHESS.

"**PLA**" means prospecting licence application.

"**PNG**" means the country of Papua New Guinea.

"**proper ASTC transfer**" as the same meaning given in the Corporations Act.

"**Prospectus**" **or "Replacement Prospectus"** means this disclosure document dated 3 October 2018 (including the electronic form of this Prospectus) which replaces the Original Prospectus, and any supplementary or replacement prospectus in relation to this document.

"**Quotation**" means quotation of the Shares on the Official ASX List.

"**Rio Tinto PNG**" means Rio Tinto Exploration (PNG) Limited CN 1-16359, a company registered in Papua-New Guinea.

"**RTX**" means Rio Tinto Exploration Pty Limited, ABN 76 000 057 125, a company registered in Australia.

"**Share**" means a fully paid ordinary share in the capital of the Company.

"**Share Registry**" means Automic Pty Ltd ACN 152 260 814.

"**Shareholder**" means a holder of Shares in the Company.

"**Subsidiary**" means the same as that term is defined under Section 9 of the Corporations Act.

"**Tenement**" means an Exploration Licence or any other form of mineral licence or title held or applied for by the Company or in which the Company has an interest.

11.14 Governing Law

This Prospectus and the contracts that arise from the acceptance of the applications and bids under this Prospectus are governed by the law applicable in New South Wales and each applicant and bidder submits to the exclusive jurisdiction of the courts of New South Wales.

11.15 Photos Without Captions

Page	Photo	Date
Cover	Drilling Mannersley prospect, Rio Tinto	Circa 2014
Cover	Drilling Wafi prospect, Elders Resources	Circa 1989
Inside Cover	Chief Terimbe & wife, & Mike Erceg, Ekuti Range Project	Jul 2014
15	Drill rig, Mannersley, Rio Tinto	Circa 2015
22	Lithocap drilling, Mt Leahy	Circa 2015
30	Wanu Tamu, Otibanda lode, Ekuti Range Project	Nov 2016
31	Stream sediment sampling, Ekuti Range Project	Circa 2015
41	Quartz vein stockwork, Briggs Project	Nov 2017
46	Lithocap drilling, Mt Leahy	Circa 2015
64	Grant Craighead & Mike Erceg, stockwork outcrop, Briggs prospect	May 2017
68	Drilling Mannersley Project, Rio Tinto	Circa 2014
69	Helipad & villagers, Ekuti Range Project	Nov 2016
79	l to r - Kevin, Giwasa, Wanu Tamu, Ekuti Range Project	Jun 2015
80	Reconnaisance mapping, Ekuti Range Project	March 2018
191	Mike Erceg panning, north of Wafi	Nov 2009
218	Drill rig, Wafi district	Oct 2011
230	Drilling, Wafi district	May 2011
231	Global drilling equipment	July 2018
247	Global drilling equipment	July 2018
249	Reconnaisance, Manus Island	Aug 2010
257	Local markets, Bulolo	Circa 2009
258	Drilling WR90, Wafi prospect	Nov 1990
269	Bulolo airfield	Circa 2009
270	Stream sediment sampling, Malekula	Circa 2014
277	Wafi drilling	Circa 1989
281	Drilling Pad	May 2011
Inside Cover	Mike Erceg & villagers, Otibanda	Circa 2016
Rear	Mannersley prospect	2014 & 2017

11.16 Directors' Consent

The issue of this Prospectus has been authorised by each Director by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each of the Directors, Mr John Anderson, Mr Grant Craighead, Mr Gary Fallon and Mr Ross Moller, and Mr Michael Erceg as proposed Director, have consented in writing to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company pursuant to a resolution of the Board by:

John Anderson

Chairman

Dated: 3 October 2018

Canterbury Resources Limited

ACN 152 189 369

Applicants who received this Application Form from their broker must return their Application Form and Application Monies back to their broker

Broker Code

Adviser Code

Application Form

Application Options:

Option A: Apply Online and Pay Electronically (Recommended)

Apply online at: https://automic.com.au/canterburyresourceslimited.html

- ✓ **Pay electronically:** Applying online allows you to pay electronically, for Australian residents through BPAY®. Overseas Applicants in permitted jurisdictions can also pay electronically through an electronic funds transfer.
- ✓ **Get in first, it's fast and simple:** Applying online is very easy to do, it eliminates any postal delays and removes the risk of it being potentially lost in transit.
- ✓ **It's secure and confirmed:** Applying online provides you with greater privacy over your instructions and is the only method which provides you with confirmation that your Application has been successfully processed.

To apply online, simply scan the barcode to the right with your tablet or mobile device or you can enter the URL above into your browser.

Option B: Standard Application and Pay by Cheque

Enter your details below (clearly in capital letters using pen), attach cheque and return in accordance with the instructions on the reverse.

1. Number of Shares applied for , ,

Application payment (multiply box 1 by $0.30 per Share) A$, , .

Applications must be for a minimum of 7,000 Shares (A$2,100), and thereafter in multiples of 1,000 Shares (A$300).

2. Applicant name(s) and postal address: refer to naming standards for correct form of registrable title(s) overleaf

Name of Applicant 1

Name of Applicant 2 or <Account Designation>

Name of Applicant 3 or <Account Designation>

Postal address

Unit / Street Number / Street name or PO Box

Suburb/Town State Postcode

Country and ZIP Code (if outside Australia)

3. Contact details

Telephone Number ( )

Contact Name (PLEASE PRINT)

Email Address

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).

4. CHESS Holders Only – Holder Identification Number (HIN)

X

Note: if the name and address details in sections 2 do not match exactly with your registration details held at CHESS, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.

5. TFN/ABN/Exemption Code

Applicant 1 Applicant #2 Applicant #3

If NOT an individual TFN/ABN, please note the type in the box

C = Company; P = Partnership; T = Trust; S = Super Fund

YOUR PRIVACY

Automic Pty Ltd (ACN 152 260 814) trading as Automic advises that Chapter 2C of the Corporation Act 2001 requires information about you as a Securityholder (including your name, address and details of the Securities you hold) to be included in the public register of the entity in which you hold Securities. Primarily, your personal information is used in order to provide a service to you. We may also disclose the information that is related to the primary purpose and it is reasonable for you to expect the information to be disclosed. You have a right to access your personal information, subject to certain exceptions allowed by law and we ask that you provide your request for access in writing (for security reasons). Our privacy policy is available on our website – www.automic.com.au

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities can hold Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual	Mr John Richard Sample	J R Sample
Joint Holdings	Mr John Richard Sample & Mrs Anne Sample	John Richard & Anne Sample
Company	ABC Pty Ltd	ABC P/L or ABC Co
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Trust
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample < Food Health Club A/C>	Food Health Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

This is an Application Form for Shares in Canterbury Resources Limited (ACN 152 189 369) ('Company'), made under the terms set out in the Prospectus dated 3 October 2018. The expiry date of the Prospectus is the date which is 13 months after the date of the Original Prospectus.

The Prospectus contains important information relevant to your decision to invest and you should read the entire Prospectus before applying for Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus and any supplementary prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary prospectus (if applicable) and an Application Form, on request and without charge.

1. **Shares applied for & payment amount** - Enter the number of Shares you wish to apply for. Your Application must be for a minimum of 7,000 Shares (A$2,100). Next, enter the amount of the Application Monies payable. To calculate this amount, multiply the number of Shares applied for by the offer price, which is A$0.30 per Share.
2. **Applicant name(s) and postal address** - Note that ONLY legal entities can hold Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person. You should refer to the table above for the correct forms of registrable title(s). Applicants using the wrong form of names may be rejected. Next, enter your postal address for the registration of your holding and all correspondence. Only one address can be recorded against a holding.
3. **Contact Details** - Please provide your contact details for us to contact you between 9:00am (Sydney time) and 5:00pm (Sydney time) should we need to speak to you about your Application. In providing your email address you elect to receive electronic communications. You can change your communication preferences at any time by logging in to the Investor Portal accessible at https://investor.automic.com.au/#/home
4. **CHESS Holders** - If you are sponsored by a stockbroker or other participant and you wish to hold Securities allotted to you under this Application on the CHESS subregister, enter your CHESS HIN. Otherwise leave the section blank and on allotment you will be sponsored by the Company and a "Securityholder Reference Number" (SRN) will be allocated to you.
5. **TFN/ABN/Exemption** - If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application.
6. **Payment** - Payments for Applications made through this Application Form can only be made by cheque. Payment can be made by both BPAY and EFT but only by making an online Application, which can be accessed by following the web address provided on the front of the Application Form. **Do not forward cash with this Application Form as it will not be accepted.**

   Your cheque must be made payable to "Canterbury Resources Limited" and drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable". Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned, and the acceptance deemed to be invalid. Sufficient cleared funds should be held in your account as your Application may be rejected if your cheque is dishonoured.

DECLARATIONS

BY SUBMITTING THIS APPLICATION FORM WITH THE APPLICATION MONIES, YOU DECLARE THAT:

- you have received a paper or electronic copy of the Prospectus that accompanies this Application From and have read the Prospectus in full and agree to be bound by the terms and conditions of the offer as declared in the Prospectus;
- all details and statements made on the form are complete and accurate;
- where information has been provided about another individual, that individual's consent has been obtained to transfer the information to the Company;
- the Company and their respective officers and agents are authorised to do anything on your behalf (including the completion and execution of documents) to enable the Shares to be allocated to you;
- you agree to be bound by the constitution of the Company;
- neither the Company not any person or entity guarantees any particular rate of return on the Shares, nor do they guarantee the repayment of capital.

LODGEMENT INSTRUCTIONS

The Offer opens at 9:00am ((Sydney time)) on 04 October 2018 and is expected to close on 26 October 2018. The Company may elect to extend the Offer or close it (after the Offer is open) at any earlier date and time, without further notice. Applicants are therefore encouraged to submit their Applications as early as possible. Completed Application Forms and cheques must be:

POSTED TO:	DELIVERED TO (during business hours only - 9am to 5pm (Sydney time):
Canterbury Resources Limited C/- Automic PO Box 2226 STRAWBERRY HILLS NSW 2012	Canterbury Resources Limited C/- Automic Level 29, 201 Elizabeth Street SYDNEY NSW 2000

Your application Form must be received by Automic no later than 5:00pm (Sydney time) 26 October 2018.

If you have any enquiries in respect of this Application, please contact Automic by either phone on **1300 288 664** or at corporate.actions@automic.com.au.