CANTERBURY RESOURCES

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ASX Announcement **27th October 2020**

Quarterly Activities Report for the Period Ending 30 September 2020

HIGHLIGHTS

- **Initial Mineral Resource estimates were completed for the Idzan Creek and Wamum Cu-Au deposits, within the Wamum Project application (EL2658), based on available historic drilling results. The project is strategically located 15-20km northwest of the major Wafi-Golpu development project (owned by Newcrest and Harmony Gold).**
- **At Idzan Creek, the Inferred Mineral Resource contains 2.2Moz Au and 288kt Cu as follows:**

Deposit	Classification	Cut-off	Tonnes	Gold	Copper
Idzan Creek	Inferred	0.3g/t Au	103.6Mt	0.65g/t	0.28%

- **At Wamum, the Inferred Mineral Resource contains 0.5Moz Au and 281kt Cu as follows:**

Deposit	Classification	Cut-off	Tonnes	Gold	Copper
Wamum	Inferred	0.2% Cu	96.3Mt	0.15g/t	0.29%

- **Wardens Hearings were successfully completed on 15th-17th October for the Wamum application (EL2658) and Menyi renewal (EL2418) areas. The meetings were well attended, with strong support expressed for Canterbury's plans by local representatives.**
- **Design and costing of a major infill and strike extension drilling program is in progress for Idzan Creek, aimed at providing key data for a scoping study evaluation of a standalone operation. The program will be implemented once EL2658 is granted. In the interim, additional historic exploration data has been acquired, and is being reviewed and validated.**
- **Planning for the next phase of exploration at Briggs is well advanced, centered on a ~3,250m RC drill program testing extensions the Central Porphyry resource. The program will be implemented following the wet season, subject to achieving joint venture support.**
- **PNG and Vanuatu field activities were on hold during the quarter due to COVID-19 precautions. A resumption of limited field activities is anticipated shortly on the Menyi license.**
- **At the Bismarck Project (CBY 40%, Rio Tinto 60%), a re-prioritisation of drill targets and a reassessment of the operating model continues.**
- **During the September quarter Canterbury completed a share purchase plan (SPP) and related private placements at $0.10/share, raising a total of approximately $2,368,000.**
- **The 2020 AGM will be held as a virtual meeting, commencing at 10.30am on Friday 20th November. Details available at www.canterburyresources.com.au/2020-AGM/**

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Canterbury Resources Limited (ASX: CBY) ("Canterbury", the "Company") is pleased to provide an update on its activities for the quarter ending 30 September 2020.

OPERATIONAL ACTIVITIES

Queensland Projects – CBY 100%

Canterbury holds 100% of the Briggs (EPM 19198), Mannersley (EPM 18504) and Fig Tree (EPM27317) tenements which form a contiguous block, approximately 50km west of the major regional industrial centre of Gladstone (Figure 1).

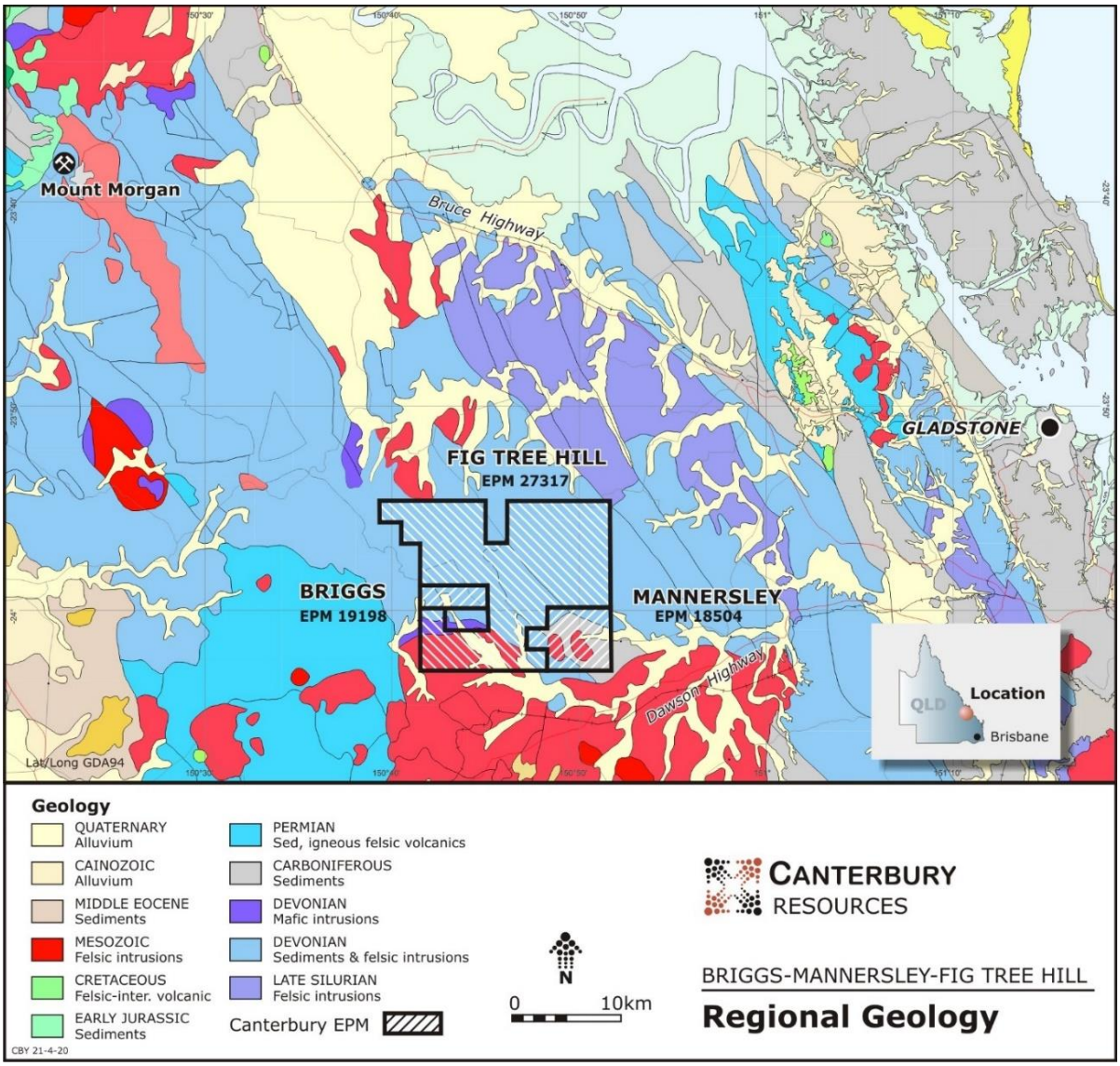


Figure 1 Regional Geology & Tenement Location Plan

Canterbury acquired the Briggs and Mannersley tenements in 2017 from Rio Tinto Exploration Pty Ltd (Rio Tinto) which retains certain rights including a 1% NSR. Discussions are ongoing with Rio Tinto. During the quarter the Fig Tree Hill tenement was granted, substantially increasing Canterbury's footprint in the region.

Exploration to date by Canterbury has focussed on the Central Porphyry zone of the Briggs deposit, where extensive copper mineralisation outcrops. This work has included a deep diamond drilling program that successfully outlined broad intervals of low-grade copper mineralisation (142.8Mt at 0.29% Cu at a 0.2% cut-off).

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During the quarter reprocessing of VTEM/magnetic survey data was completed and has provided an enhanced understanding of strike extensions of the Central porphyry system. This has aided planning for the next phase of field activity at Briggs, which is centred on a proposed RC percussion drill program. RC drilling represents a cost-effective, efficient alternative for testing regional targets. A site visit was completed during the quarter to investigate potential drill pad locations.

The goal of the program is to substantially add to the mineral resource inventory by testing the Central Porphyry eastern contact where higher grades are indicated, and to test extensions along strike at the Northern Porphyry and Southern Porphyry prospects which have been outlined by a combination of surface geochemistry and geophysics.

13 holes for ~3,250m have been designed, as illustrated in Figure 2. The planned holes are spread over a ~2km strike and the altered porphyry targets appear as areas of subdued magnetism.

The timing and implementation of program will be impacted by restrictions and precautions relating to COVID-19, as well as progress in discussions with potential joint venture partners.

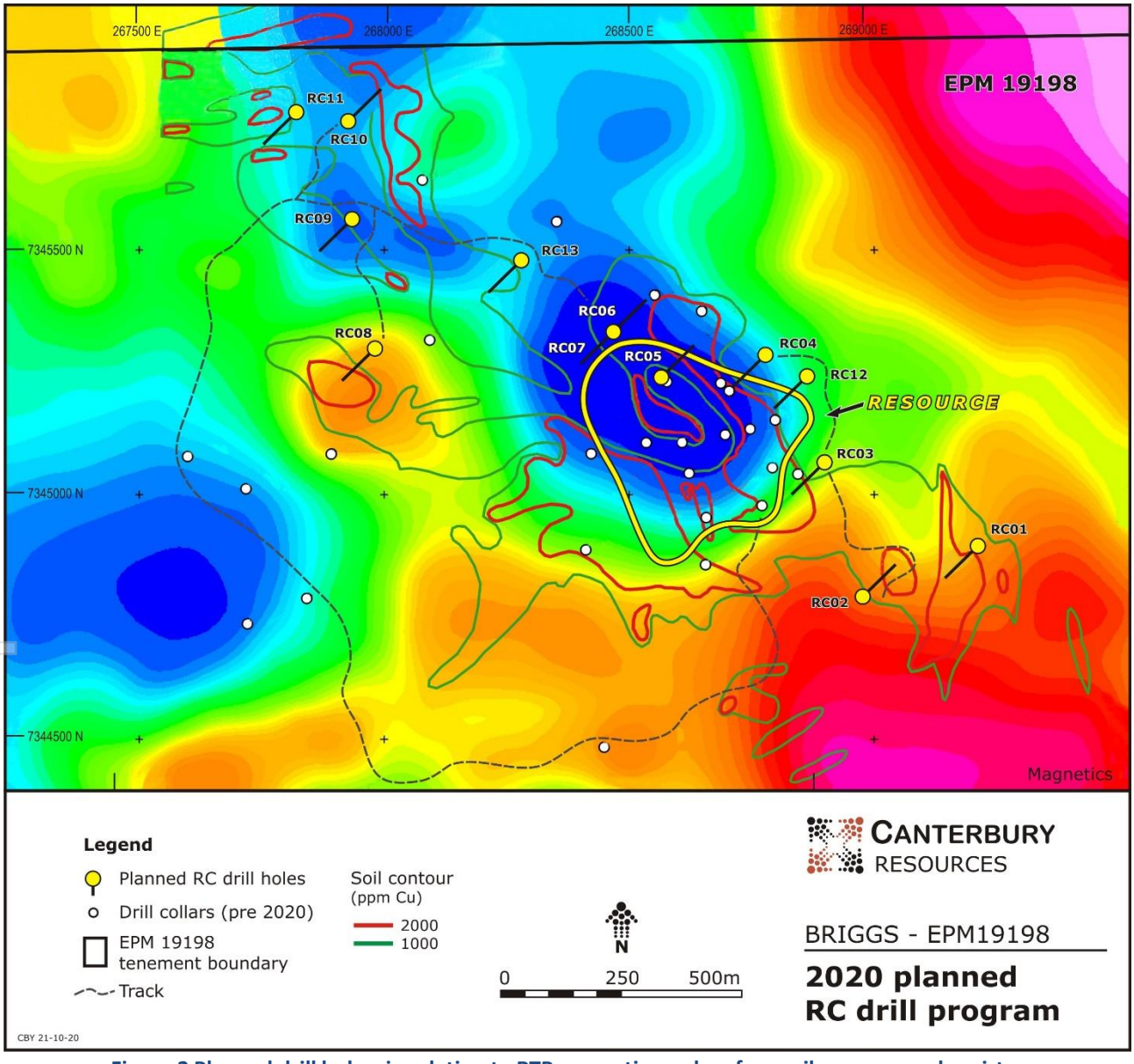


Figure 2 Planned drill holes, in relation to RTP magnetics and surface soil copper geochemistry

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Ekuti Range and Wamum Projects, Morobe Province, PNG – CBY 100%

Canterbury holds a series of tenements and applications in Morobe Province, a well-endowed metallogenic belt that hosts world class epithermal and porphyry style deposits, including Harmony Gold's 150-200koz pa Hidden Valley gold mine and the major Wafi-Golpu copper-gold development project (Mineral Resources containing 27Moz Au, 8.8Mt Cu) owned by Newcrest and Harmony Gold.

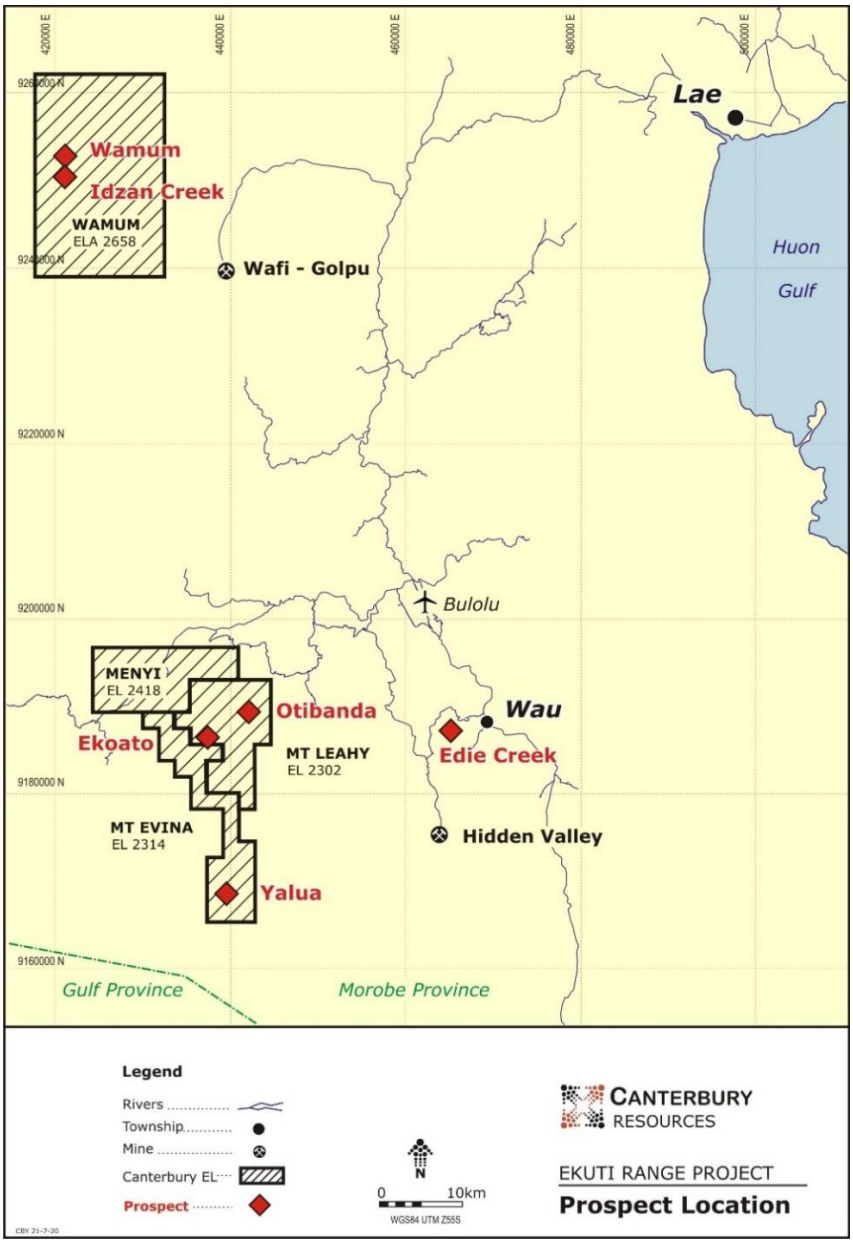


Figure 3 Location Plan of Ekuti and Wamum Projects, including Canterbury Prospects

Ekuti Range Project:

No field activities were undertaken during the quarter, with COVID-19 related restrictions and precautions continuing to constrain potential field activities. Planning has commenced for a soil sampling program to assess a ~5km gap between an alteration system in the upper reaches of Menyi River within EL2418 that appears to connect to the high grade Otibanda Au-Cu lodes in adjacent EL2302.

A Wardens Hearing was successfully completed for renewal of EL2418 (Menyi) on 15th October, with no objections and strong support from local landowners.

Discussions with potential joint venture parties continue, with the aim of supporting future drill programs. Drill targets have been defined at Ekoato, Otibanda and Yalua.

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Wamum Project:

Canterbury holds an Exploration Licence application (EL2658) covering the Idzan Creek and Wamum copper-gold porphyry deposits. The project adjoins the northwest margins of the major Wafi-Golpu Project and is around 50km north of the Ekuti Range Project.

EL2658 is in the application phase. A Wardens Hearing was successfully completed on 17th October, with no objections and strong support for Canterbury's planned activities from local landowners.



Figure 4 Leaders from the four representative clans addressing the Wamum Wardens Hearing at Onom village

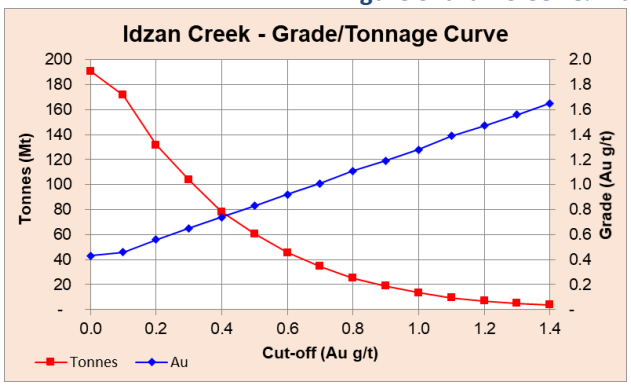
The Wamum region has been intermittently explored over the past +40 years, with significant, widespread copper and gold mineralisation encountered during periodic drilling programs undertaken by CRA, Highlands Gold, Barrick and Newcrest (total of 31 diamond drillholes for ~11,253m).

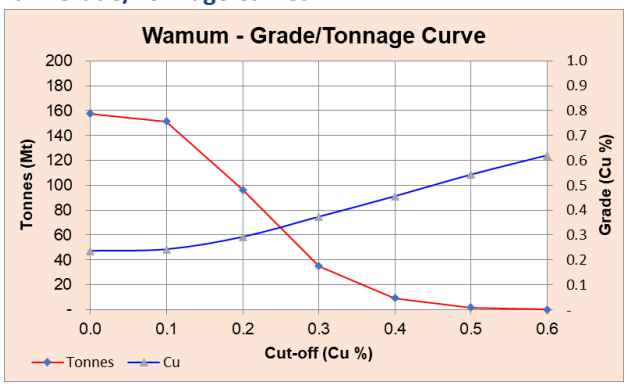
During the quarter Canterbury reviewed and validated available historic data, and released initial Mineral Resource estimates for the Idzan Creek and Wamum deposits on 26th August in accordance with JORC (2012) guidelines, as follows:

Table 1 Wamum Project - Mineral Resource Estimates

Deposit	Classification	Cut-off	Tonnes	Gold	Copper	Contained Metal	
						Gold	Copper
Idzan Creek	Inferred	0.3g/t Au	103.6Mt	0.65g/t	0.28%	2.2Moz	288kt
Wamum	Inferred	0.2% Cu	96.3Mt	0.15g/t	0.29%	0.5Moz	281kt

Figure 5 Idzan Creek & Wamum Grade/Tonnage Curves





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Mineralisation in the Wamum/Idzan Creek area displays the typical characteristics of SW Pacific porphyry systems. Three common rock types occur, comprising volcanic, volcanosedimentary and hypabyssal facies associations. These include andesitic lavas and breccias and lesser coherent basalt. Lavas and their associated breccia facies, including reworked material, occur throughout.

Hypabyssal intrusions include dikes, sills, and stocks and are interpreted to have been emplaced at relatively shallow levels. Alteration and associated mineralisation are hosted in and around multiphase dioritic intrusions, with three main intrusive phases recognised:

- hornblende-bearing feldspar phyric diorite,
- fine grained acicular hornblende-bearing feldspar phyric diorite, and
- quartz eye feldspar phyric diorite.

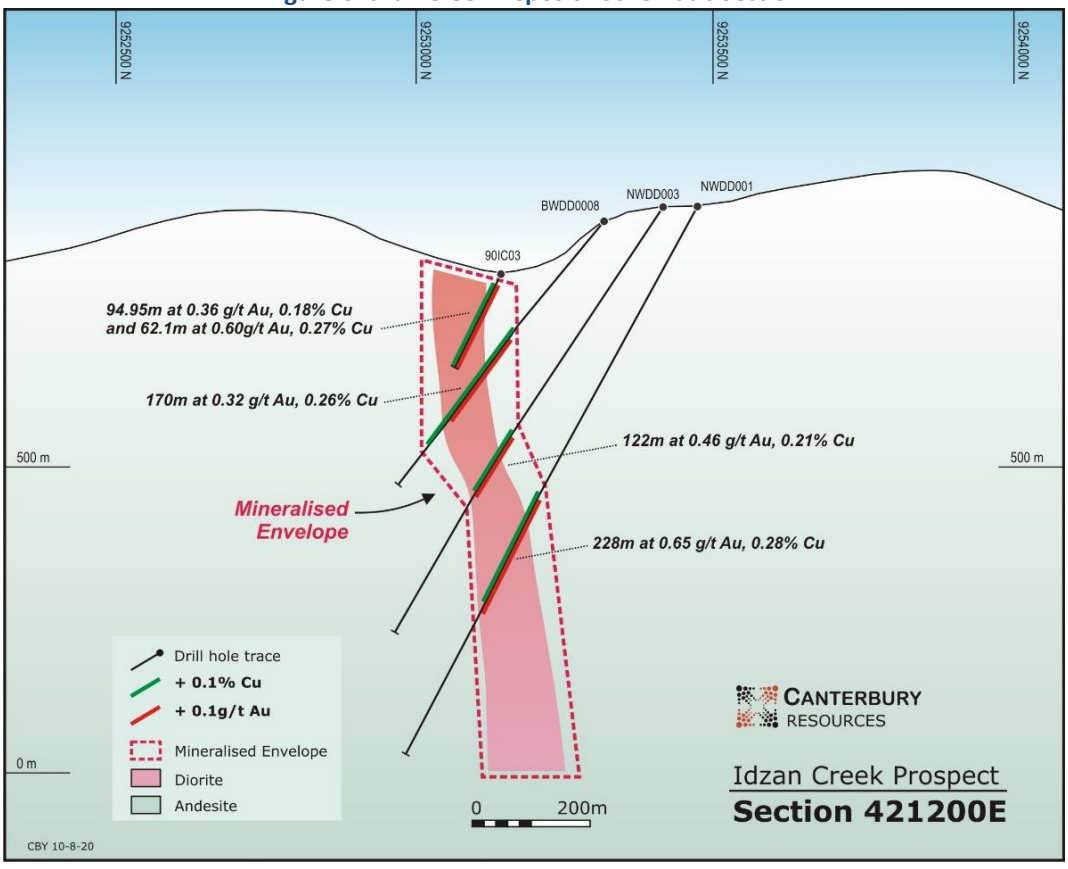
Near identical intrusive phases have been recognised at Golpu.

At both Idzan Creek and Wamum, the best copper and gold grades are observed in areas of moderate abundance magnetite (quartz) veinlets and/or stockworks that overprint calc-sodic (actinolite-albite-magnetite) and calc-potassic (actinolite-biotite-magnetite-K-feldspar) alteration. Metal grades are highest immediately adjacent to single intrusive phases.

Both deposits are characterised by a predictable zonal arrangement of hydrothermal alteration from: an inner biotite-chlorite (K-feldspar-zeolite) → magnetite-actinolite-albite → actinolite ± albite → distal chlorite-epidote alteration.

At Idzan Creek, hydrothermal alteration, plus associated mineralisation and geochemistry, occurs as a 900m by 300m linear zone that trends east-west. There are indications of increasing grades at depth. The deposit remains open along strike and at depth.

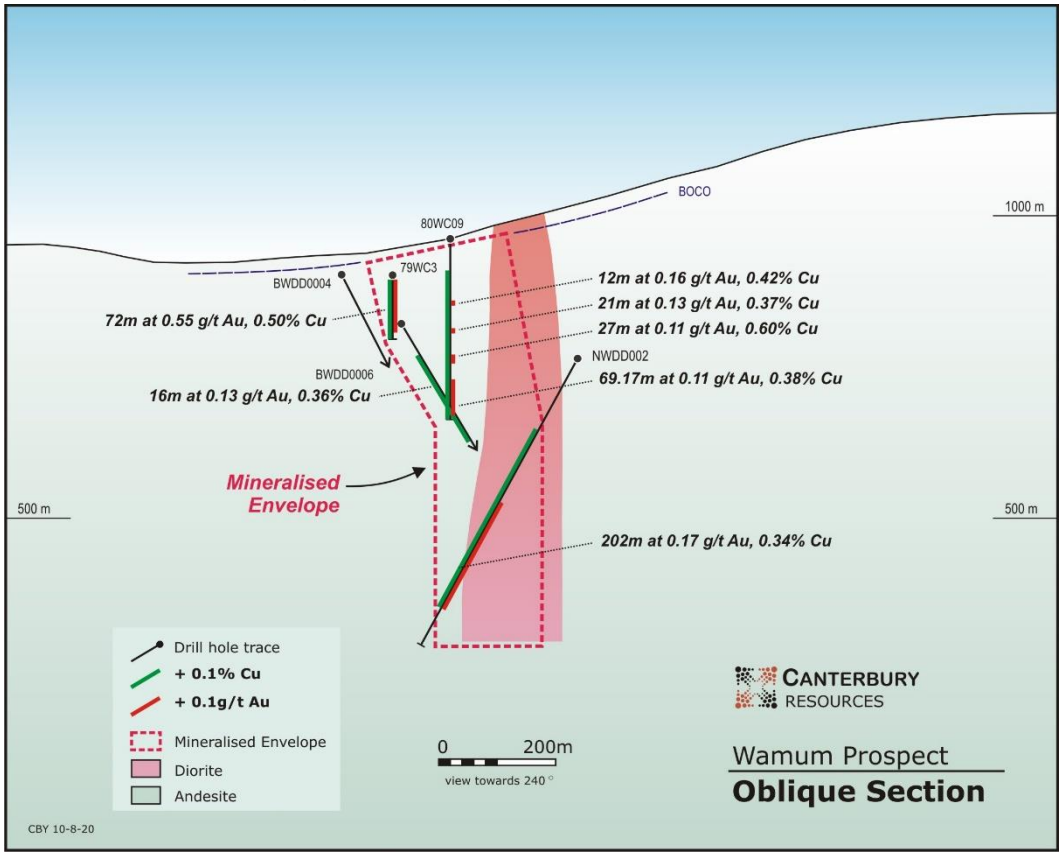
Figure 6 Idzan Creek Deposit - Schematic Section



By contrast, at Wamum it occurs as a 700m by 500m zone that trends northeast-southwest. The deposit also remains open along strike and at depth.

A leached advanced argillic alteration and vuggy quartz (Wafi-style) lithocap (<50m thick) occurs above Wamum. The alteration is partially eroded to expose the porphyry related mineralisation. Similar to Golpu, the lithocap implies potential for significant vertical extent of the porphyry-related mineralisation.

Figure 7 Wamum Deposit - Schematic Section



Canterbury continues to acquire historic data, including further details of early drilling by CRA and Highlands Gold. The data is being reviewed and validated, with the aim of completing updated Mineral Resource estimates during the December quarter.

Planning for the next phase of exploration has also commenced, including design of a major infill and extension drilling program at the Idzan Creek deposit. Preliminary metallurgical testwork and geotechnical assessment is also proposed. A key objective will be to generate enough data to undertake a scoping study for a potential standalone gold-copper operation at Idzan Creek.

Bismarck Project, Manus Island, PNG – CBY 40%, Rio Tinto Exploration (PNG) Limited 60%

The Bismarck Project is currently managed and sole-funded by Rio Tinto Exploration (PNG) Limited under a Farm-In and Joint Venture Agreement. No field activities were undertaken during the quarter, with ongoing access challenges and precautions associated with the COVID 19 pandemic.

A review of exploration plans is in progress, including a re-prioritisation of drill targets and a reassessment of the operating model.

Ipi River Project, Central Province, PNG – CBY 100%

No field activities were undertaken during the quarter.

Santo Project, Vanuatu – CBY 100%

No field activities were undertaken during the quarter.

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CORPORATE ACTIVITIES

Capital Raising

During the quarter the Company completed a Share Purchase Plan (SPP) and associated Private Placements at $0.10 per share raising approximately $2,368,000 (before costs).

Quarterly Expenditure

During the quarter Canterbury spent approximately $403,000 on exploration activities (see Appendix 5B).

IPO - Use of Funds

Canterbury provides the following comparison between its forecast 'Use of Funds', as outlined in its 2018 Prospectus and related Supplementary Prospectus's, and actual expenditure incurred following its listing on the ASX. The forecast 'Use of Funds' estimate is derived from the minimum subscription and maximum subscription scenarios in the Third Supplementary Prospectus dated 28 November 2018, plus the Pre-Quotation Statements dated 4 March 2019. The comparison covers estimated expenditure for the period from 1 January 2019 to 30 September 2020.

Canterbury - Available Funds	
Opening Cash Reserves	$ 58,670
Funds Raised via IPO	$6,147,222
IPO Funds Available	**$6,205,892**
Post-IPO Funds Raised & other Revenue	$3,647,190
Total Funds Available	**$9,853,082**

Allocation of Funds	**IPO Years 1 & 2**	**Actual to 30 Sept 2020**	**Comments**
Briggs Programs	$1,512,100	$1,926,729	Mineral Resource estimate completed. Scope of activity expanded. Tenement position increased.
Ekuti Range Programs (incl. Ekoato Drilling)	$2,000,000	$3,308,162	Additional regional field activity, particularly at the new Yalua prospect. Extended Bulolo exploration compound usage. Over budget helicopter costs.
Other Programs	$ 746,596	$1,146,919	New tenements at Wamum and Fig Tree Hill. Field work completed at Tafuse. Resource studies undertaken at Wamum & Idzan Creek. New project evaluations.
Working Capital	$ 262,511	$1,847,979	
Administration	$1,385,000	$1,341,147	Increased staff, compliance, accounting, auditing and fund-raising costs.
Costs of the IPO	$ 299,685	$ 282,147	Excludes $300,000 IPO subscription by Canaccord in lieu of broking fees.
Total	**$6,205,892**	**$9,853,082**	New capital raised to support expanded and accelerated exploration activity. Revenue from government support programs.

Authorised on behalf of the Board



Grant Craighead
Managing Director

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ADDITIONAL INFORMATION

CORPORATE INFORMATION

Directors & Key Personnel

John Anderson	Chairman
Grant Craighead	Managing Director
Michael Erceg	Executive Director, Manager Exploration
Ross Moller	Non-Executive Director & Co-company Secretary
Robyn Watts	Non-Executive Director
Veronique Morgan-Smith	Co-company Secretary & In-House Legal Counsel
Wanu Tamu	PNG Country Manager

Capital Structure (as at 30 September 2020)

Ordinary Shares	110,761,864
Options (unlisted)	7,200,000
Market Capitalisation (undiluted) at 12cps	$13 million
Cash as at 30 September 2020	$1.8 million

Canterbury Group

Subsidiary	Held by CBY	Tenements	Country
Canterbury Exploration Pty Limited	100%	Briggs*, Mannersley*, Fig Tree Hill	Australia
Finny Limited	100%	Bismarck**	Papua-New Guinea
Canterbury Resources (PNG) Limited	100%	Ekuti Range, Ipi River, Wamum (application)	Papua-New Guinea
Capella Vanuatu Limited	100% through Capella Ventures Pty Ltd	Santo	Vanuatu

* Subject to 1% NSR and other rights in favour of Rio Tinto Exploration Pty Ltd

** Subject to a Joint Venture and Farm-In Agreement with Rio Tinto Exploration (PNG) Limited which is currently sole-funding exploration aimed at increasing its JV interest from 60% to 80%

COMPETENT PERSON'S STATEMENT

The technical information in this report which relates to Exploration Results is based on information compiled by Mr Michael Erceg, MAIG RPGeo. Mr Erceg is an Executive Director of Canterbury Resources Limited and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Erceg consents to the inclusion in this report of the matters based on that information in the form and context in which it appears.

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

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ABOUT CANTERBURY RESOURCES LIMITED

Canterbury Resources Limited (ASX: CBY) ("Canterbury" or the "Company") is an ASX-listed resource company focused on creating shareholder wealth by generating, exploring and monetising potential Tier-1 copper-gold projects in the southwest Pacific. It has established a strong portfolio of projects in Australia, Papua New Guinea and Vanuatu that are prospective for porphyry copper-gold and epithermal gold-silver deposits. The Company is managed by an experienced team of resource professionals, with a strong track record of exploration success and mine development in the region.

Canterbury has undertaken several drilling programs at its more advanced assets – the Ekoato and Bismarck porphyry copper-gold projects in Papua New Guinea and the Briggs porphyry copper project in Queensland. Each project provides potential for the discovery and/or delineation of a large-scale copper (± gold, ± molybdenum) resource. A maiden Mineral Resource of 142.8 Mt at 0.29% copper has been estimated at the Briggs project. The Company also holds a strategically significant application at the Wamum project where historical exploration has outlined two large-scale gold-copper deposits.

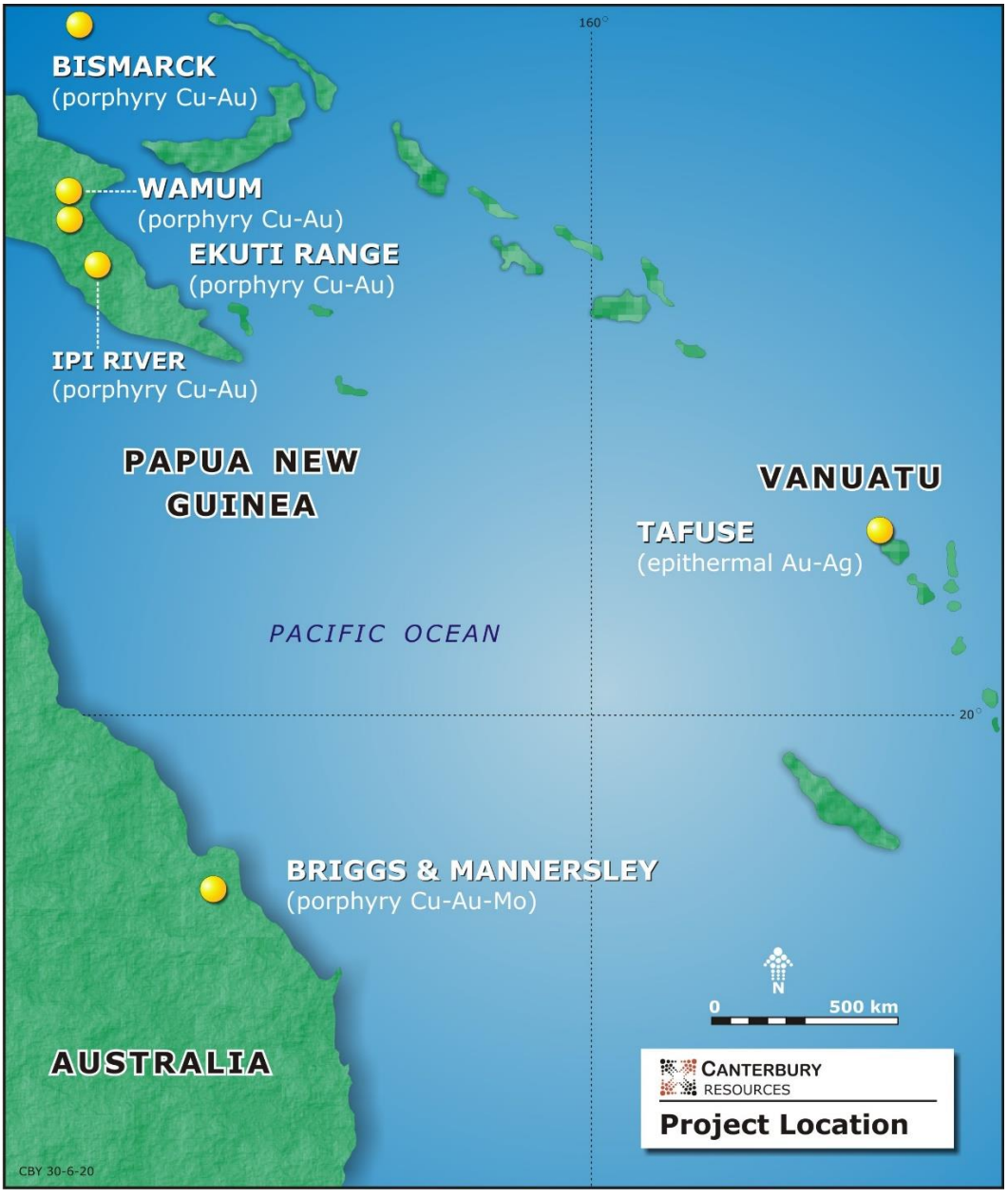


Figure 8 Canterbury Project Locations – October 2020

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DISCLAIMER

Forward-looking statements are statements that are not historical facts. Words such as “expect(s)”, “feel(s)”, “believe(s)”, “will”, “may”, “anticipate(s)”, “potential(s)”and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company’s prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events. The term "Canterbury" must be loosely construed to include the subsidiaries of Canterbury Resources Limited where relevant.

TENEMENT INFORMATION

Tenement	Location	Project	Status	Start of Quarter	End of Quarter
EPM 19198	SE Queensland	Briggs *	Granted	100%	100%
EPM 18504	SE Queensland	Mannersley *	Granted	100%	100%
EPM 27317	SE Queensland	Fig Tree Hill	Granted	100%	100%
EL 2302	Morobe Province, PNG	Ekuti Range	Granted	100%	100%
EL 2314	Morobe Province, PNG	Ekuti Range	Granted	100%	100%
EL 2418	Morobe Province, PNG	Ekuti Range	Granted	100%	100%
EL 2658	Morobe Province, PNG	Wamum	Application	100%	100%
EL 2509	Central Province, PNG	Ipi River	Granted	100%	100%
EL 2378	Manus Island, PNG	Bismarck **	Granted	40%	40%
EL 2390	Manus Island, PNG	Bismarck **	Granted	40%	40%
PL 1851	Santo, Vanuatu	Santo	Granted	100%	100%
Santo 2	Santo, Vanuatu	Santo	Application	100%	100%

* Subject to 1% NSR and certain other rights in favour of Rio Tinto Exploration Pty Ltd

** Subject to a Joint Venture and Farm-In Agreement with Rio Tinto Exploration (PNG) Limited which is currently sole-funding exploration aimed at increasing its JV interest from 60% to 80%