ASX ANNOUNCEMENT
15th October 2024

Quarterly Activities Report – September 30th, 2024

Highlights:

- **Competed 1600 line-kilometre high-resolution airborne gravity and magnetic survey.**
- **New gravity and magnetic anomalies delineated in preliminary survey data.**
- **Final data received and detailed Interpretation, geophysical modelling and target ranking has commenced.**
- **Stakeholder engagement commenced with Tjamu Tjamu traditional owners to commence heritage survey in October.**
- **Heritage clearance to cover work programs including surface geochemistry, ground geophysics and drilling.**
- **Received EIS funding for Surus, Hathi and Shep drilling programs.**
- **Pegged new tenure exploration in Leonora prospective for gold.**

CGN Resources Ltd (ASX: CGR) ("CGNR" or "the Company") continued to aggressively explore its exciting Webb IOCG & REE project located in the West Arunta, Western Australia. During the quarter the company extended the FALCON Airborne Gravity ("FALCON") coverage, received EIS grant funding and received assay results from RC drilling completed last quarter.

The preliminary results from the FALCON survey have identified several intriguing gravity and magnetic anomalies located in areas that are virtually unexplored but are interpreted to have the right geological and structural setting for the emplacement of large magmatic mineral systems. The Final data has now been received and detailed geophysical modelling, interpretation and target ranking has commenced. The Company is eager to get this work completed as soon as possible and will provide a further update once the final targets are confirmed.

Based on the encouraging preliminary FALCON results CGNR has commenced the heritage clearance survey process. The Company will seek clearance to complete several exploration programs including surface geochemistry, ground gravity survey, ground induced polarisation survey and a series of drilling programs. The heritage survey is due to commence in late October.

Also, during the quarter, the Company applied for an exploration tenement in the Leonora district. The tenure is interpreted to be highly prospective for orogenic gold mineralisation and is approximately 7km along strike from the 10Moz Gwalia mine currently operated by Genesis Minerals Ltd.

September Quarter Exploration Activities

Webb Project:

During the September Quarter completed a total of 1600 line kms of high definition FALCON airborne gravity survey. The survey was completed on east-west flight lines spaced at 200m intervals over the Kandula, Elmer and Mahmud target areas (Figure 1). The company previously identified these areas as highly prospective for a mix of deposit styles known to exist within the West Arunta region including iron-oxide-copper–gold ("IOCG"), niobium / rare earth element rich carbonatite ("Carbonatite") as well as magmatic nickel and/or copper sulphide deposits. The areas of interest for the survey have seen almost no previous exploration other than several holes targeting diamonds in kimberlite.

The preliminary results from the FALCON survey have identified several intriguing gravity and magnetic anomalies located in these highly prospective areas. The final data has been received and detailed geophysical modelling, interpretation and target ranking has commenced.

Further assay results from the 17 holes completed at the Shep, Hathi, Snorky and Horton targets last quarter were received. The primary focus of the program was to follow-up anomalous nickel intercepts at the Shep target and anomalous rare earth element targets at Hathi. The holes intersected a wide variety of lithologies providing an improved understanding of the geology of the Webb Project. Although no economic intercepts were recorded the results support the potential for fertile intrusive bodies being present within the tenure which need to be followed up with further drilling.

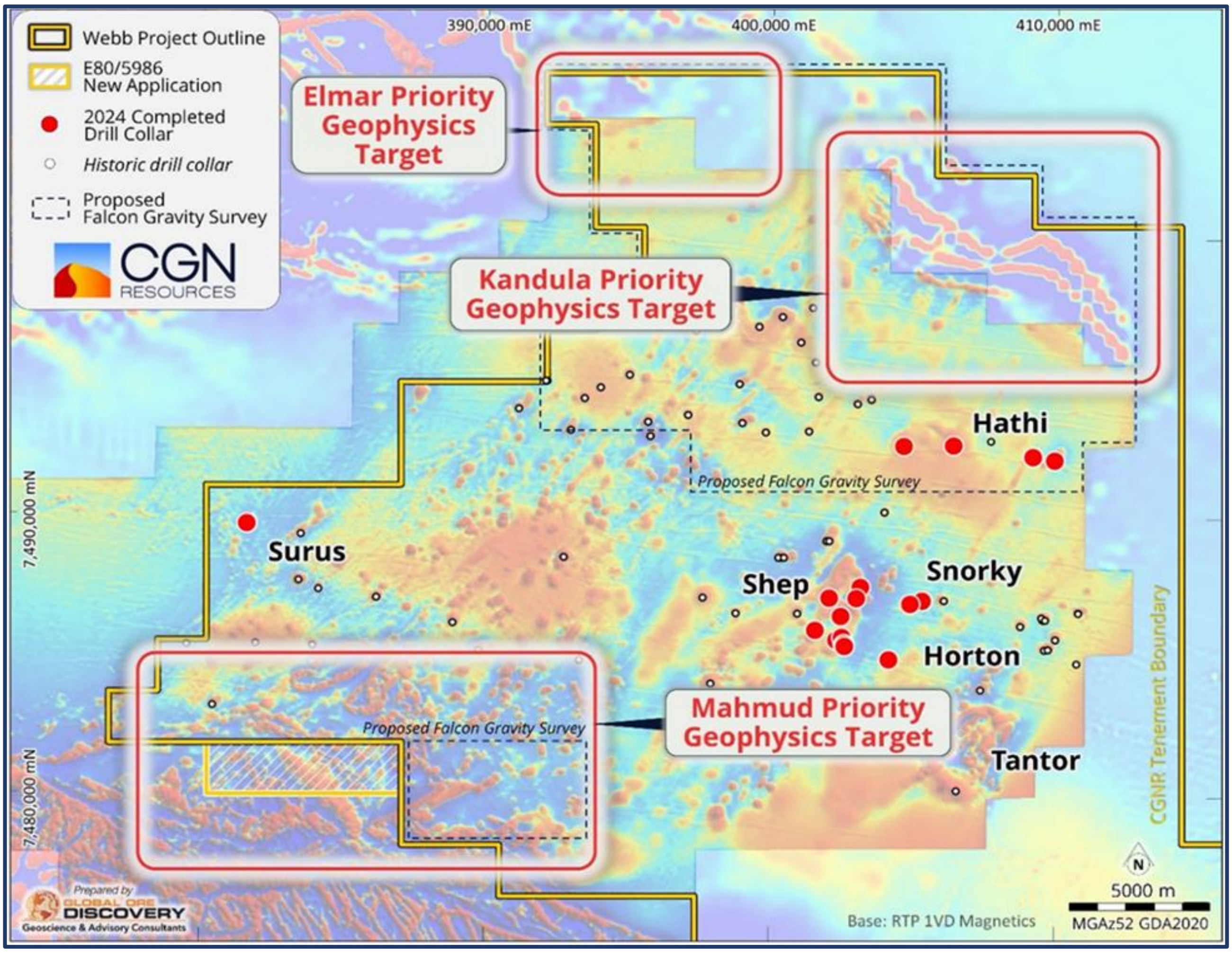

Figure 1. Airborne Survey area at the Webb Project.

Using the preliminary data as a basis the Company has commenced the Heritage Clearance process. This will allow the modelling and Heritage Clearance to be done concurrently to allow field activities to commence as soon as possible.

The Company also completed the reporting requirements to receive our EIS grant funding monies for the programs at Surus, Shep and Hathi. Total funds received from EIS funding sources since our listing is $345k.

Panhandle Project:

As part of the ongoing commitment to create value for shareholders the Company reviews project opportunities that align with our company strategy to use excellence in geoscience to make tier one discoveries. In line with this strategy, the Company has made an application for an exploration licence 10km south of Leonora in Western Australia (Figure 2) named the Panhandle Project. The tenure is interpreted to be highly prospective for orogenic gold mineralisation and is approximately 7km along strike from the 10Moz Gwalia mine currently operated by Genesis Minerals Ltd.

The project was identified from regional gravity, magnetic and drilling data publicly available in the DEMIRS GeoView and WAMEX databases. The gravity and magnetic data suggest the project occurs in a similar structural and geological setting to the Gwalia mine 7km along strike to the north. Additionally, the magnetic data is interpreted to have several favourable structural sites for hosting orogenic gold mineralisation (Figure 3) similar to other projects in the district. It is interpreted the tenure overlies the same stratigraphy that hosts the Gwalia mine, however, these key target lithologies are buried beneath 10-50m of transported cover sediments. The cover sequence and multiple changes in ownership has resulted in limited systematic investigation of this compelling target area.

Since the early 90's the tenure has formed part of various projects and been held by various companies including Dalrymple Resources Ltd, Sons of Gwalia Ltd (SOG), then St Barbara Mining Ltd and most recently Patronus Resources Ltd. SOG and St Barbara were the most active in the region and completed multiple aircore and RC programs targeting strike extensions of the Gwalia mine stratigraphy (mostly outside the Company tenure). Their work delineated multiple gold prospects along the prospective trend (Figure 3). The southernmost of their targets, Rockies, trends directly into the Panhandle project. Both St Barbara and Patronus aimed to test the stratigraphy further to the north along strike which recorded thin +1 g/t Au hits. However, all previous workers have concentrated on the prospective stratigraphy further to the north closer to the mine and there are only 12 aircore holes recorded in WAMEX within the tenure boundary, and none of these test CGN Resources' highest priority target areas.

The Company is in the process of compiling these regional historical data sets into our database to refine our targeting within the tenure. The company anticipates the tenure to be granted towards the end of 2024. When granted, the company will commence permitting for first pass drill programs to test the high priority targets within the Project (Figure 3).

Corporate Activities

- Completed the Company annual audit with our new Auditor HLB Mann Judd.
- Completed all Annual reporting requirements.
- Expanded our project profile by making an application for new tenure 10km south of Leonora.

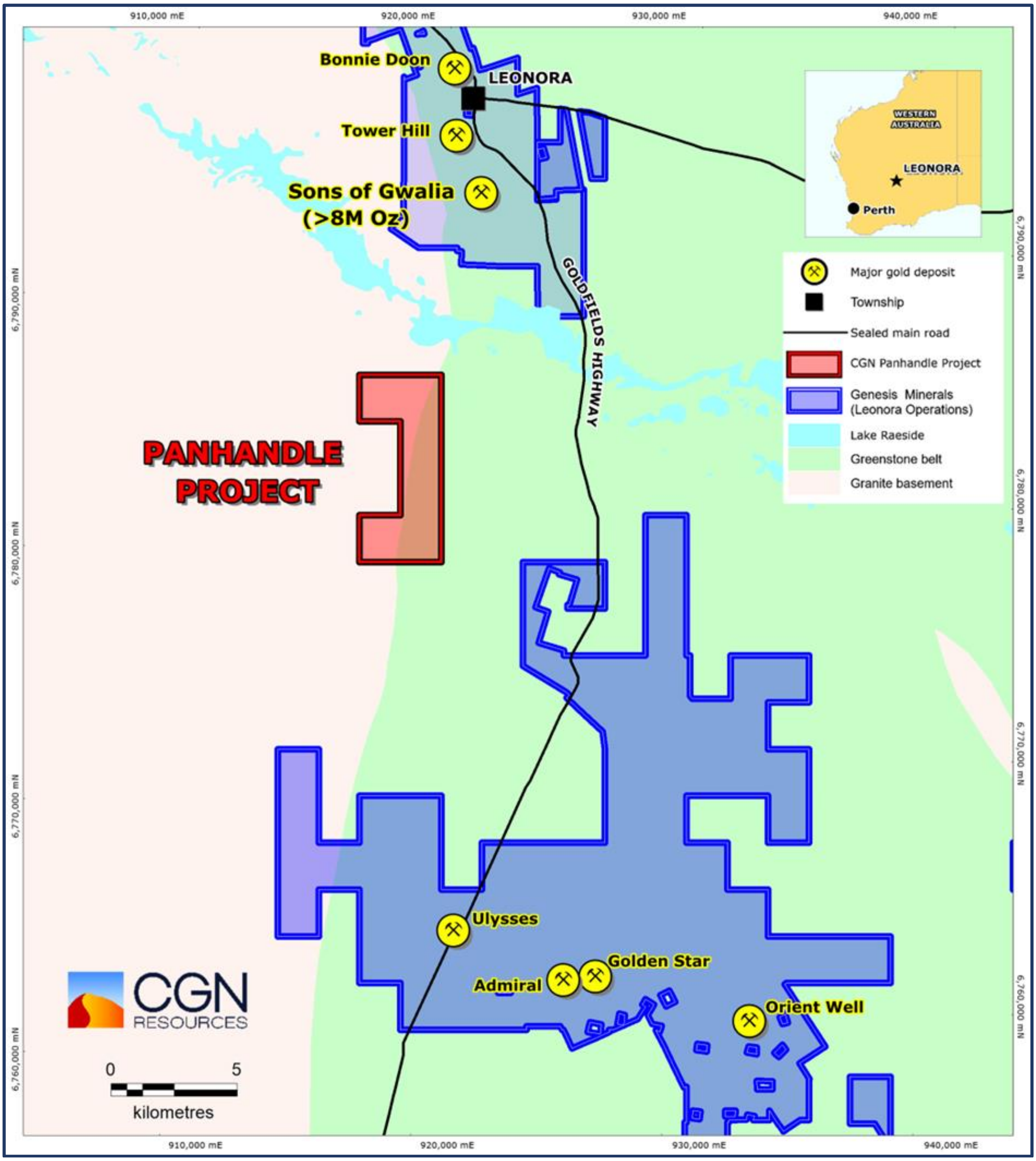

Figure 2. Panhandle Project location plan

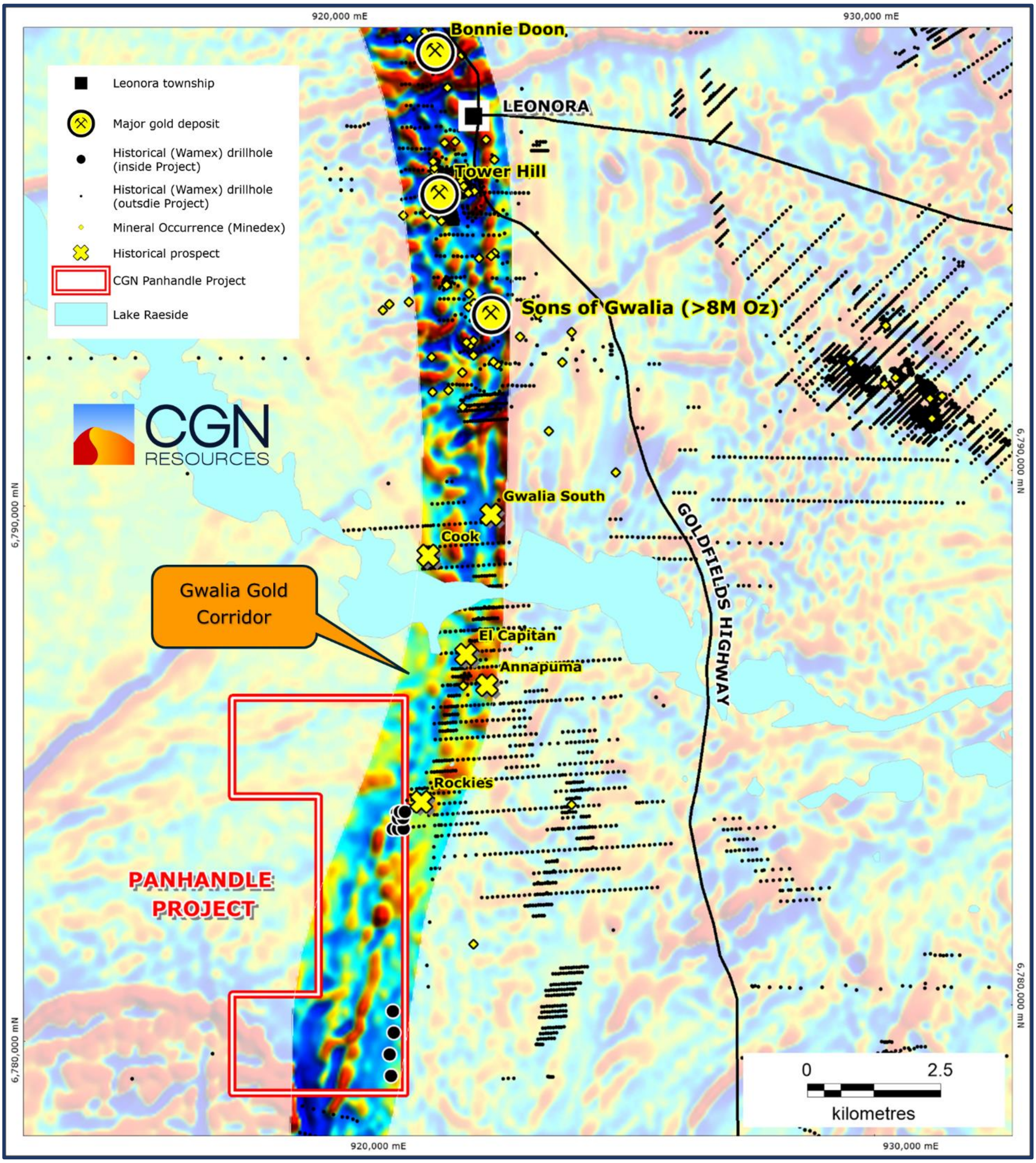

Figure 3. Project Panhandle target location plan

June Quarter Cashflow (including note to Section 6 of Appendix 5B)

Attached below is the Appendix 5B company cash flow statement. During the quarter CGNR spent approximately $1,031k on operating expenses. Significant expenses for the quarter related to geophysical survey, contractor costs to support the field programs, project planning, stakeholder engagement and marketing. Payments to related parties of the entity and their associates totalled $82k which included Chairman fees, Managing Director salary, Non-executive director fees, rent and company secretarial costs.

Table 1. Summary of use of Funds

Use of Funds Year 1 (from Prospectus)	Prospectus Estimated Use of Funds ($'000)	Actual Use of Funds (YTD $'000)
Exploration and evaluation programs at the Webb Project	2,996	3,863
Costs of the Offer	850	776
General administration costs	550	267
Working capital	1,362	77
Sub-total (Year 1)	5,758	4,786

Activities for the Current Period

For the 3 months ending 31st December 2024 the Company will undertake the following activities:

- Complete inversion modelling of gravity and magnetic data.
- Data interpretation and target ranking.
- Detailed program design for the next phase of exploration at Webb.
- Complete heritage clearance survey for the next phase of exploration programs.
- Finalise EIS grant funding reporting for Shep and Hathi programs.
- Commence site exploration by completing surface geochemical sampling over key gravity targets.
- Stakeholder engagement with traditional owners.

ENDS

This announcement has been authorised by the Board of Directors of the Company.

For Further Information, Please Contact:

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About the Webb Project

The Webb Project is in the Eastern Pilbara region of Western Australia approximately 20km east of the Kiwirrkurra aboriginal community. The Project comprises eight granted exploration licences and one exploration licence application (see Appendix 1). The tenements cover 961 sq km of the highly prospective West Arunta Orogen, a package of Proterozoic to Archean aged rocks considered highly prospective for large magmatic base metal, precious metal, and kimberlitic diamond deposits. The project has been the subject of exploration for diamonds resulting in the discovery of Australia's largest kimberlite field comprising at least 280 kimberlite pipes. Although microdiamonds have been discovered in in surface loam samples no diamonds have been discovered in the 50 kimberlite pipes tested to date. During exploration for diamonds multiple holes returned highly anomalous base metal intersections for copper, nickel, and rare earth elements. Based on these results CGN Resources has changed focus from diamonds exploration to base metal and critical metal exploration which will be the focus of work over the coming years.

About the Panhandle Project

On the 14th of October the Company made an application for the Panhandle Project, a six graticular block exploration licence 10km south of the township of Leonora in the Goldfields - Esperance region of Western Australia. The Panhandle Project is seven kilometres along strike to the south from the Sons of Gwalia Mine in an area interpreted to have the same stratigraphy buried under cover. The area is highly prospective for orogenic gold mineral systems and has seen very little exploration. The WAMEX database records only a dozen aircore holes within the tenure with depths ranging to depths of 30-70m. The holes do not target the most prospective parts of the project which warrants further exploration.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning CGN Resources Limited's planned exploration programme and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are forward-looking statements. Although CGN Resources Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Competent Person's Statement

The information in this announcement that relates to Exploration Results for the Webb Project is based on, and fairly represents, information compiled by Mr Daniel Wholley, a Competent Person who is a Member of the Australian Institute Geoscientists (AIG). Mr Wholley is a fulltime employee of CGN Resources Limited. Mr Wholley 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 JORC Code. Mr Wholley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 1 – Interests in Tenements

Tenement Id	Status	Project	Jurisdiction	Interest ant Start of Quarter	Interest at end of Quarter
E80/4815	LIVE	WEBB	LAKE MACKAY	91%	92%
E80/5471	LIVE	WEBB	WANMAN	91%	92%
E80/5496	LIVE	WEBB	ELIZABETH HILLS	91%	92%
E80/5499	LIVE	WEBB	ELIZABETH HILLS	91%	92%
E80/5573	LIVE	WEBB	WANMAN	91%	92%
E80/5633	LIVE	WEBB	WEBB	91%	92%
E80/5864	LIVE	WEBB	WANMAN	91%	92%
E80/5956	LIVE	WEBB	WANMAN	91%	92%
E80/5986	PENDING	WEBB	WANMAN	91%	92%
E37/1567	PENDING	PANHANDLE	LEONORA	100%	100%

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity
CGN Resources Limited

ABN	Quarter ended ("current quarter")
51 122 958 810	30 September 2024

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(962)	(962)
	(b) development		
	(c) production		
	(d) staff costs	(145)	(145)
	(e) administration and corporate costs	(23)	(23)
1.3	Dividends received (see note 3)		
1.4	Interest received	9	9
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives	90	90
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(1,031)**	**(1,031)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
	(d) exploration & evaluation (if capitalised)		
	(e) investments		
	(f) other non-current assets		
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**		

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other		
3.10	**Net cash from / (used in) financing activities**		

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	7,017	7,017
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,031)	(1,031)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		
4.4	Net cash from / (used in) financing activities (item 3.10 above)		
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period (See note 1 below)**	**5,986**	**5,986**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	320	597
5.2	Call deposits	5,666	6,420
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**5,986**	**7,017**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	82
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		

7.5	**Unused financing facilities available at quarter end**	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,031)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(1,031)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	5,986
8.5	Unused finance facilities available at quarter end (Item 7.5)	
8.6	Total available funding (Item 8.4 + Item 8.5)	5,986
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	5.8 quarters

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

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Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 15 October 2024

Authorised by: ....

By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – e.g. Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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