ASX ANNOUNCEMENT
24th October 2023

Quarterly Activities Report – September 2023

Highlights:

- **Successful IPO capital raising and ASX listing.**
- **IPO raising very strongly supported being oversubscribed for the $10 million maximum raise.**
- **Mobilised – technical team, camp and drill rigs to commence maiden base metal drilling program.**
- **Renegotiated heritage agreement with Tjamu Tjamu to include our recent tenement applications.**

CGN Resources Ltd (ASX: CGR) ("CGNR" or "the Company") is pleased to present our Activities Report and Appendix 5B for the period ending 30th September 2023. The past three months have been an incredibly busy and productive time for CGNR. In early July 2023 CGNR signed a mandate with joint lead managers Oracle Capital and 708 Capital to assist with completing an initial public offering ("IPO") to list CGNR on the ASX. The IPO was implemented to raise a minimum of $8 million up to a maximum of $10 million by issuing 40,000,000 shares up to a maximum of 50,000,000 shares at $0.20 per share.

In a two-month period month period we have been able to complete all of the compliance work required for the listing and in early September we opened the prospectus. There was significant interest in the project, and we were able to raise the full $10 million dollars in less than two weeks. The Company commenced trading on ASX on Wednesday 18 October 2023.

In addition to the listing process, we have also completed all the permitting required to undertake our maiden drilling program targeting base metal at the project. As part of our commitment to create value for shareholders via disciplined and effective exploration we have mobilised a technical team and drillers to site to commence two 600m diamond drill holes. The two holes will test our Tantor and Surus targets with a single hole into each of the targets. Each hole has received exploration incentive scheme ("EIS") grant funding to the tune of $400,000 significantly defraying the cost of this initial program.

As part of our ongoing commitment to work closely with our stakeholder communities we have recently renegotiated our land access agreement with the Tjamu Tjamu traditional owners. This is a fantastic result allowing us to bring all of our tenure including recent applications all under the same long term agreement. We continue to maintain strong links with the Kiwirrkurra community recently assisting them implement their AGM and employing several community members to assist with establishing access and drill pads for our upcoming field program.

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Exploration Activities

During the September quarter CGNR has planned and permitted a maiden drilling program to test two of the IOCG targets at the Webb Project. The drilling program commenced on 9 October. The first two targets to be tested will be Tantor and Surus (***Figure 1***). A 600m deep diamond drill hole has been planned to test each of the targets prior to commencement of the wet season (weather permitting).

The holes have been designed as a first pass test of the large gravity anomalies present at each target (***Figure 2*** & ***Figure 3***). Geophysical modelling indicates target depths of 250m to 600m. The holes will test the central part of each anomaly to a vertical depth of 520m. These holes will provide valuable first pass information on the geology and geochemistry on these high priority targets.

The drill rig arrived on site on the 30th of September and drilling commenced on 9 October 2023.

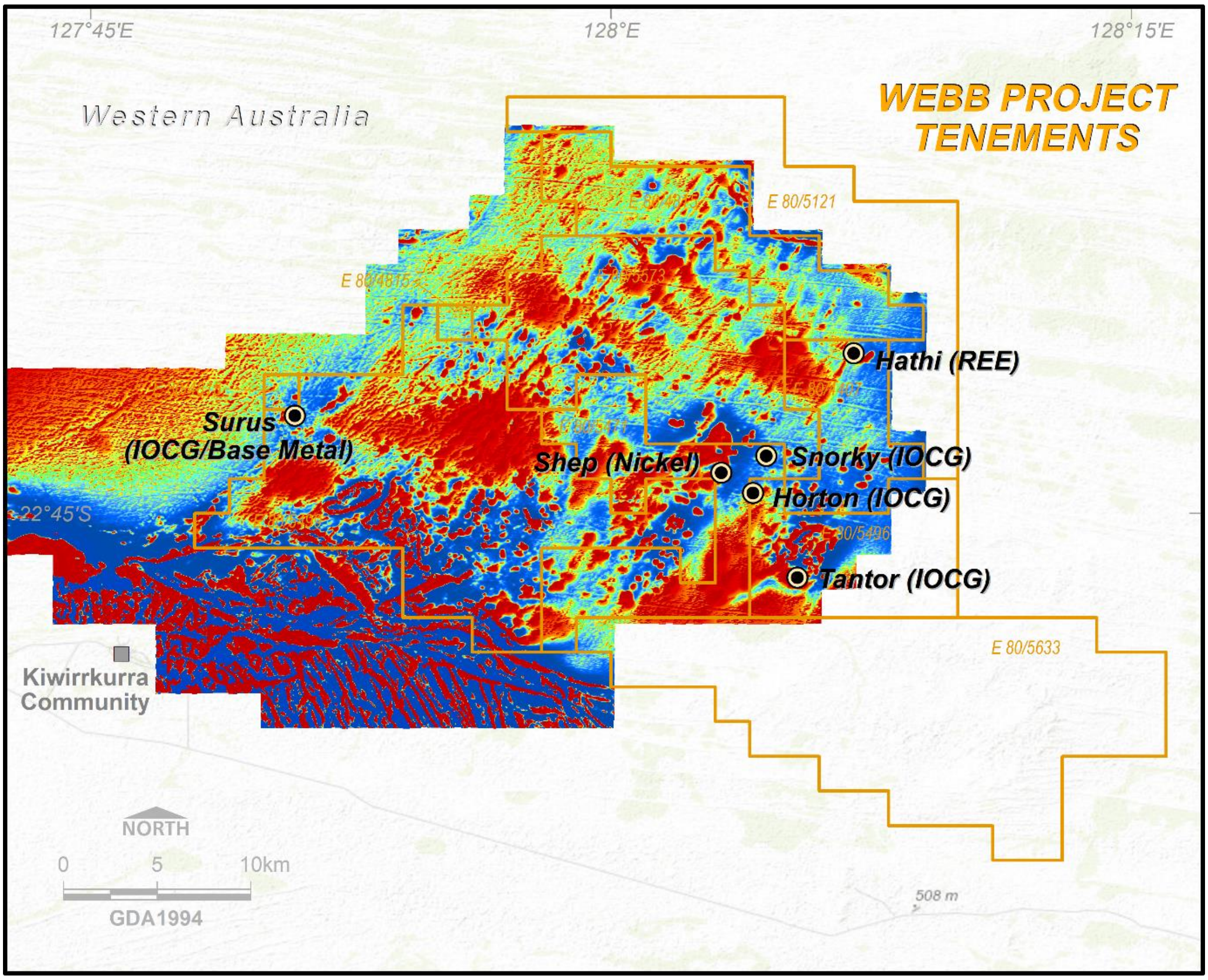

Figure 1. Target location Plan

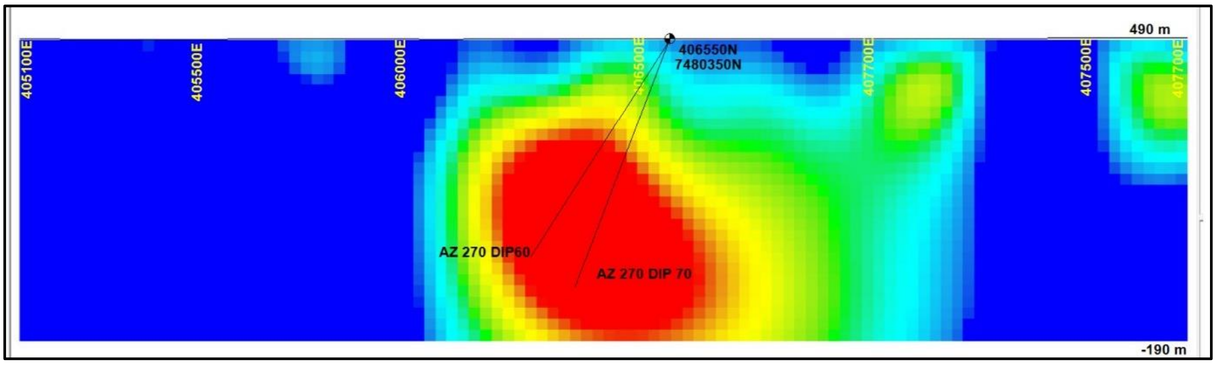

Figure 2. Cross section 7400350 mN Tantor target showing gravity inversion model.

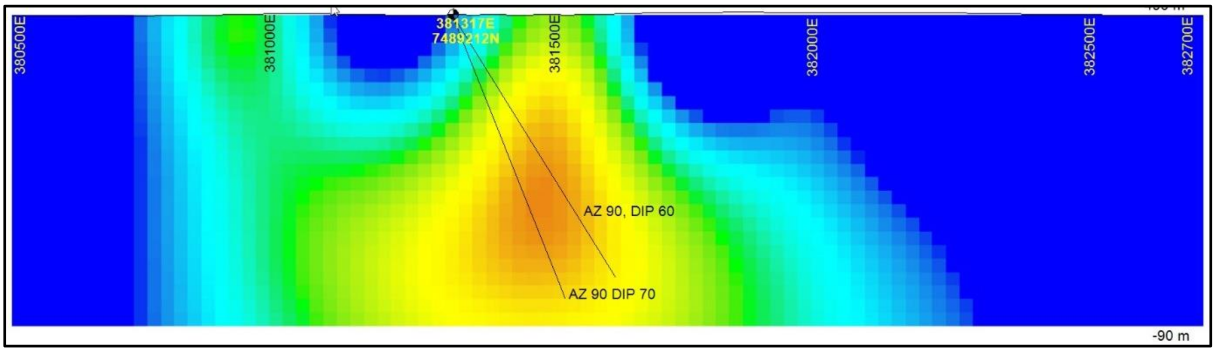

Figure 3. Cross section 7489180 mN Surus target showing gravity inversion model.

Corporate Activities

The primary focus of the September quarter was preparation to complete an IPO to list the Company on the ASX. We successfully completed all of the required compliance documentation enabling us to complete a prospectus which we lodged with the ASIC in late August 2023. The prospectus outlined our plan to raise funds by an issuing share at $0.20 per share aiming for a minimum of $8 million and 40,000,000 shares up to a maximum of $10 million for 50,000,000 shares.

We opened the prospectus on the 1st September 2023 and we were able to raise the maximum $10 million in two weeks, closing the prospectus on the 15th September 2023. There was significant interest in the project and the offering was closed oversubscribed. The Company commenced trading on ASX on 18 October 2023.

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

Attached below is our Appendix 5B company cash flow statement. During the quarter the Company spent approximately $342k on operating expenses. Significant expenses for the quarter related to the preparation of the prospectus, marketing and fund-raising activities. Payments to related parties of the entity and their associates totalled $92k which included Chairman fees, Managing Director salary, rent, company secretarial costs and payment to an outgoing director.

The Company also completed a pre-IPO seed capital raise of $800k by issuing 16,0000,000 shares at $0.05 per share. The funds were raised as working capital to advance the IPO and commence the exploration activities at the Webb Project. As at the 30th of September, the Company had $674,000 cash in the bank which excluded funds from the IPO ($10 million) which was received after the end of the quarter.

Activities for the Current Period

For the 3 months ending 31st December 2023 the Company will undertake the following activities:

- Commence and complete first pass drilling programs at Tantor and Surus targets.
- Cut and sample diamond core in Perth for analysis.
- Receive and report on the assays results from the Tantor and Surus targets.
- Report to DMIRS to receive our EIS grant funding.
- Complete a heritage Survey to cover the programs required for 2024 at the Webb Project.
- Target generation and planning for the 2024 exploration campaign.

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 located in the Eastern Kimberly region of Western Australia approximately 20km east of the Kiwirrkurra aboriginal community. The Project comprises seven granted exploration licences and one exploration licence application. The tenements cover 948 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 detailed 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 CGNR has changed focus from diamonds exploration to base metal and specialty metal exploration which will be the focus of work over the coming years.

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 (MAIG). 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 at Start of Quarter	Interest at end of Quarter
E80/4815	LIVE	WEBB	LAKE MACKAY	86%	86%
E80/5471	LIVE	WEBB	WANMAN	86%	86%
E80/5496	LIVE	WEBB	ELIZABETH HILLS	86%	86%
E80/5499	LIVE	WEBB	ELIZABETH HILLS	86%	86%
E80/5573	LIVE	WEBB	WANMAN	86%	86%
E80/5633	LIVE	WEBB	WEBB	86%	86%
E80/5864	LIVE	WEBB	WANMAN	86%	86%
E80/5956	PENDING	WEBB	WANMAN	86%	86%

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 2023

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)	(59)	(59)
	(b) development		
	(c) production		
	(d) staff costs	(73)	(73)
	(e) administration and corporate costs	(210)	(210)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(342)**	**(342)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant, and equipment		
	(d) exploration & evaluation (if capitalised)		
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
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)	800	800
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**	**800**	**800**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	215	215
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(342)	(342)
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)	800	800
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)**	**674**	**674**

Note 1: Subsequent to the end of the Quarter, the Company issued 50 million shares to raise $10 million pursuant to its IPO prospectus and the listing of the Company on ASX.

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	674	216
5.2	Call deposits		
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)**	**674**	**216**

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	92
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

		Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
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.*		
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)	(342)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(342)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	674
8.5	Unused finance facilities available at quarter end (Item 7.5)	
8.6	Total available funding (Item 8.4 + Item 8.5)	674
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	1.97 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: The Company will have increased expenditure in the December 2023 Quarter as a result of a forthcoming drilling program and expenses of the Issue of the IPO.

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: Subsequent to the end of the Quarter, the Company issued 50 million shares to raise $10 million pursuant to its IPO prospectus and the listing of the Company on ASX.

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: Yes, the Company will pursue its objectives set out in the IPO prospectus and continue to operate as a going concern.

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: 24 October 2023

Authorised by: By order of the Board of Directors

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 – eg 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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