
Quarterly Activities Report – March 2024

Highlights:

- Commenced high impact exploration campaign for 2024 at Webb Project.
- Completed ground-based gravity, IP, and EM surveys with compelling results.
- Surveys conducted over Surus, Snorky, Horton, Shep and Tantor.
- Locked in drilling contractors for the upcoming 2024 exploration campaign commencing in April.
- Surus target enhanced by geophysics with coincident gravity and IP anomalies.
- Refined gravity targets and IP anomalies present at Snorky and Horton.
- Received final tranche of EIS grant funding (\$44k).
- Presented at Future Facing Commodities conference garnered great interest.

CGN Resources Ltd (ASX: CGR) (“CGNR” or “the Company”) is pleased to present our Activities Report and Appendix 5B for the period ending 31st March 2024. The past three months have been a busy and productive time for CGNR. The focus for the March Quarter was to complete planning, permitting and contractor negotiations in advance of our substantial 2024 exploration campaign. By pushing hard early in the Quarter on planning and organisation CGNR successfully mobilised ground geophysical crews to site in late February, ahead of our ambitious schedule.

CGNR mobilised Zonge geophysical contractors to complete induced polarisation (IP) surveys over the Surus, Snorky, Horton and Tantor iron oxide copper gold (IOCG) targets followed by a fixed loop electromagnetic survey (FLEM) survey over the Shep nickel target. In early March Atlas Geophysics was mobilised to complete ground-based gravity surveys of Surus, Snorky, Horton and Tantor to refine the gravity anomalies and improve drill targeting at each site.

CGNR has also completed all required permitting and negotiated contracts for drilling to complete both Diamond and RC programs over the course of the 2024 exploration season. Drilling is planned to commence in late April / Early May at the Surus target for which the company has received \$220k in exploration incentive scheme (EIS) grant funding. The 650m deep diamond hole will test the compelling coincident gravity and IP anomaly of the large Surus IOCG target. At completion of Surus hole an RC rig will be mobilised to complete programs at the Shep nickel and Hathi REE targets and complete pre-collars at Snorky and Horton in preparation for additional diamond drilling. We are in the fortunate position to be well funded and should one or more of these targets prove successful we have all permitting in place to substantially increase our programs and push on with follow-up work.

The Tantor drilling completed during the December was partly funded by the WA Government EIS grant funding. We had already secured the first tranche of the funding agreement of \$158k in December with the remaining \$44k received in March.

December Quarter Exploration Activities

During the March Quarter, CGNR completed a series of ground based geophysical surveys and surveying in our proposed hole locations. The geophysical programs were designed to improve our understanding of target geometry for drill testing. The programs have provided valuable insights, enhancing the targets and improving the resolution of the gravity anomalies. Programs completed included:

- IP Surveys at Surus, Snorky, Horton, Shep and Tantor

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- Ground gravity surveys at Surus, Snorky, Horton and Tantor
- FLEM survey at Shep

The 2024 ground electrical geophysical surveys were collected in late February and March 2024 by Zonge comprising 19.4 line km of 2D pole-dipole induced polarisation (PDP) on five lines. Additionally, ~16 line km of fixed loop electromagnetics (FLEM) were collected across four transmitter loops. The surveys focused on five target areas: Surus, Tantor, Shep, Snorky and Horton (Figure 1).

The ground gravity surveys were conducted by Atlas during March 2024 over the four IOCG targets of Surus, Snorky, Horton and Tantor. The data was collected on 200m spaced lines with 100m station spacing over the areas shown in Figure 1.

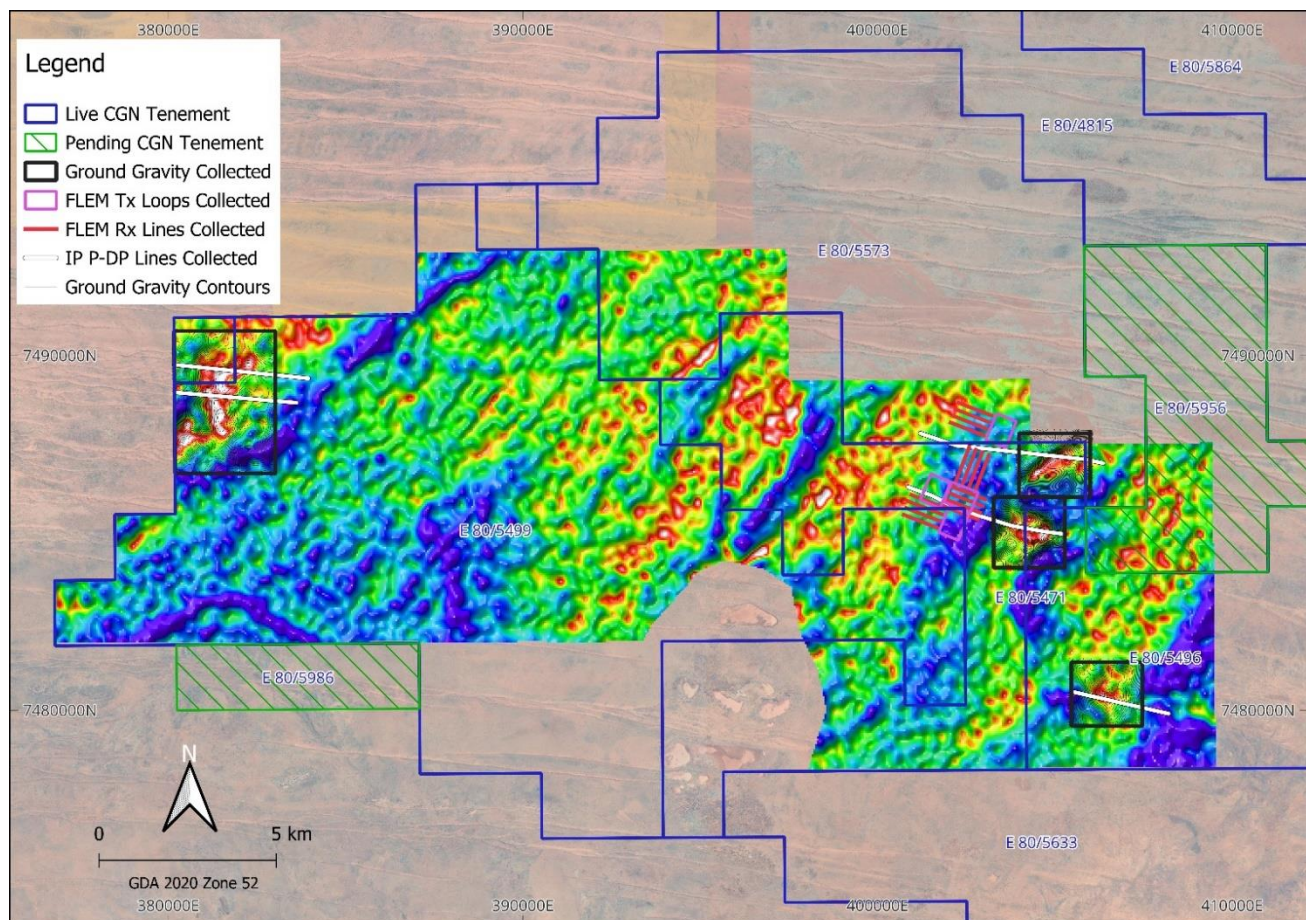


Figure 1. Ground Geophysics Survey Location Plan (background image is Falcon GDD data)

Gravity survey results

The ground gravity survey results successfully confirmed the regionally significant positive gravity anomalies originally interpreted from the Falcon GDD airborne gravity survey flown in 2022. Gravity surveys are considered a critical exploration tool for IOCG exploration. They can help map iron oxide alteration zones that typically result in large density contrasts and cause positive gravity anomalies. The results confirm the scale of the targets at Surus, Snorky, Horton and Tantor. The high-resolution

ground gravity survey has improved the Company's understanding of the shape and orientation of the targets. This has allowed CGN Resources to better define where to place our first pass drillholes into the targets. Figures 2 & 3 provide a plan view of the newly collected ground gravity data over Surus, Snorky and Horton anomalies. The company and our advisors are developing 3D inversions models of the data to improve further improve our drill targeting at the targets.

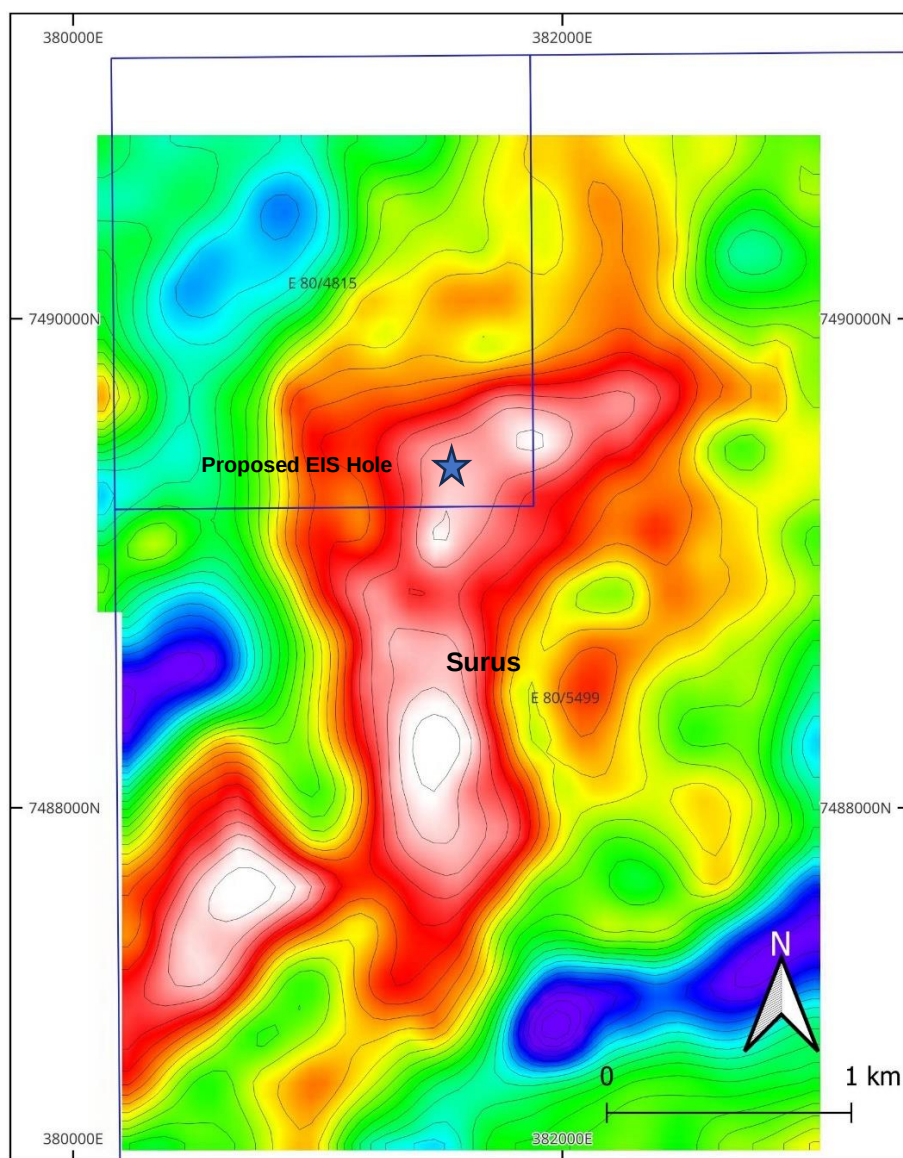


Figure 2. Ground gravity plan view of Surus anomaly (red/white shading), (image is gravity bouguer anomaly using 2.00 g/cm^3 half vertical derivative with contours 0.01 mgal , GDA2020 Zone 52)

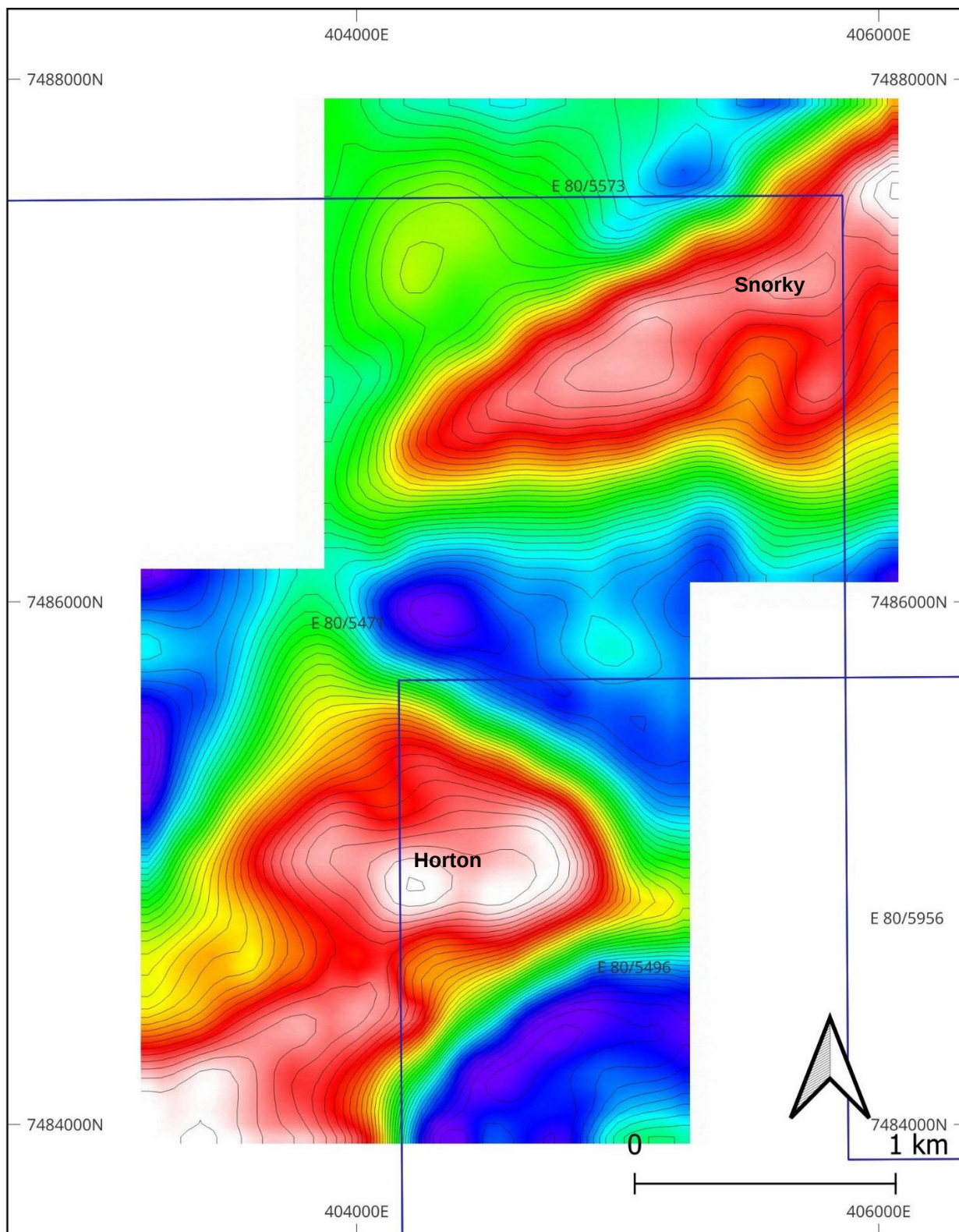


Figure 3 Ground gravity plan view of Snorky and Horton Anomalies (red/white shading), (image is gravity bouguer anomaly using 2.00 g/cm^3 half vertical derivative with contours 0.01 mgal , GDA2020 Zone 52)

IP & FLEM survey results

The initial results of the IP and FLEM surveys are considered very encouraging. IP surveys are used to detect disseminated sulphide mineralisation and alteration zones that are commonly associated with IOCG deposits. The results indicate the presence of chargeable and conductive anomalies coincident with the targeted gravity anomalies at all four of the IOCG targets and with the interpreted mafic sill at Shep. EM surveys are used to detect massive sulphide mineralisation typical of magmatic nickel and base metal deposits. The results obtained indicate the presence of four discrete mid to late time conductor anomalies. Two of these anomalies are coincident with the interpreted mafic sill at Shep. The presence of these chargeable and conductive anomalies is exactly what was being targeting by these surveys, and to have them well aligned with our other data sets (gravity and magnetic) is highly encouraging.

Surus IOCG target

The Surus target is a large, regionally significant gravity anomaly adjacent to major a crustal feature that splays off the Central Australian Suture. The recent IP and gravity surveys provides evidence of chargeable and conductive rocks are present coincident with a significant density anomaly (Figure 4). These attributes are consistent with geophysical features seen in other IOCG systems in Australia and globally.

The Surus results confirm the area as a priority IOCG target. Of particular interest is a moderate to high amplitude chargeability anomaly in the centre of the LINE PDP 4, which is flanked by two conductors, and is coincident with the density anomalies originally identified from Falcon AGG data and confirmed by the recently completed ground gravity survey(see announcement 20th March 2024). Drilling is planned to commence at the target in late April / early May 2024. The area has been the subject of a significant weather event which has closed the access roads delaying the start of the program. We are awaiting the completion of drilling from a neighbouring project before the rig will mobilise to site. The planned hole is designed to test parts of the coincident gravity and IP anomalies from the recent campaign (Figure 5).

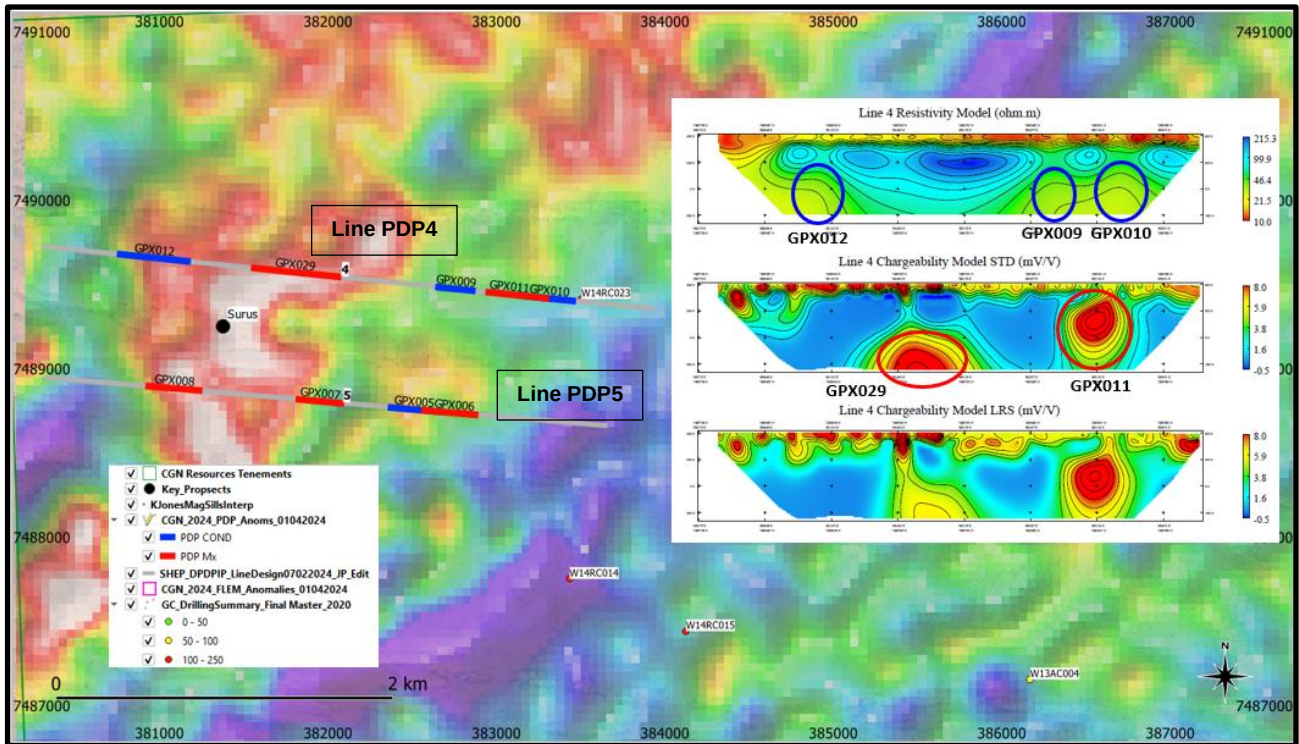


Figure 4. Summary figure showing preliminary results of the IP survey at the Surus Target.
(background image is Falcon GDD gravity with anomaly shown as white/red, insets are 2D models of Line PDP4 - top is raw data, second is a combination of 100 and 200m spaced dipole data and the bottom is 100m spaced dipole data, GDA94 Zone 52)

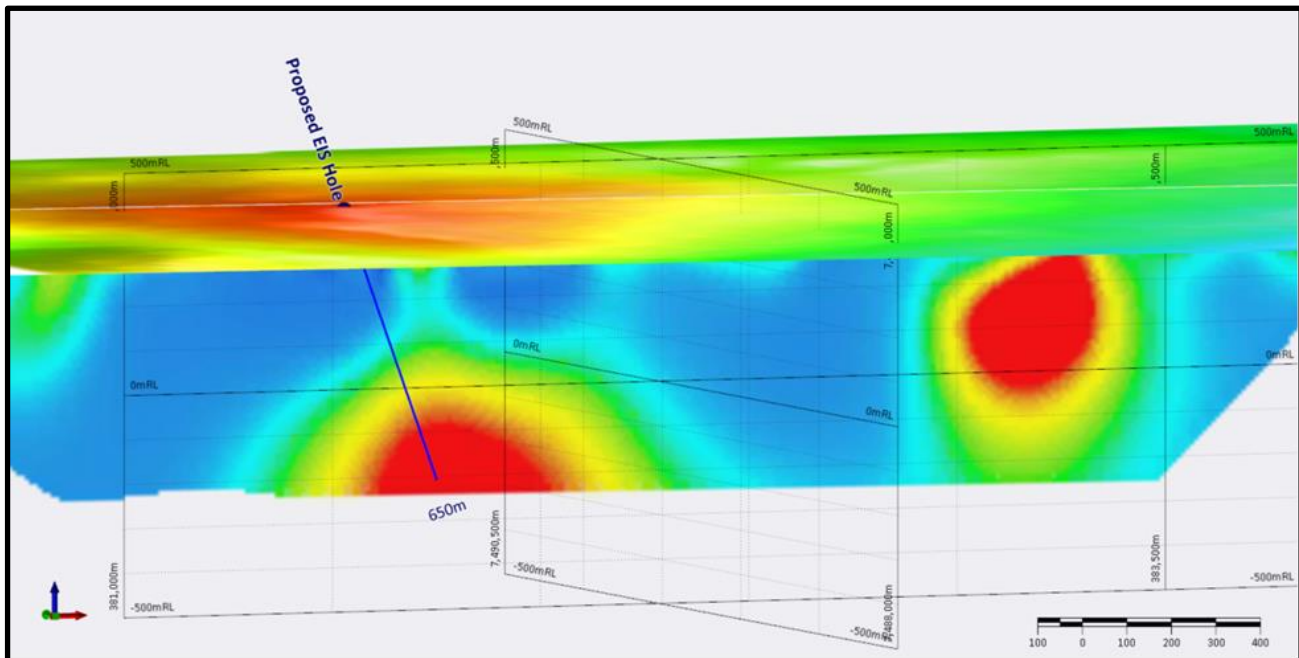


Figure 5. Schematic diagram showing Falcon Gravity data draped on surface and Line PDP 4 modelled section showing chargeable and conductive target. Proposed hole shown in blue.

Shep nickel target

The Shep target was the only location that had both IP and FLEM surveys collected. The target was conceived as a potential nickel sulphide target based on high-grade nickel intercepts in earlier drilling coincident with a magnetic anomaly interpreted to be a potential ultramafic sill (see announcement November 1st, 2023).

The electrical surveys have upgraded the nickel prospectivity at the Shep target. The two IP lines (PDP Line 1 and 2) both detected chargeable and conductive zones coincident with the interpreted position of the mafic sills. Four FLEM conductor anomalies were observed, two of which are coincident with the interpreted position of the magnetic sills. Modelling and interpretation work on these data are ongoing.

Snorky and Horton targets

The Snorky and Horton targets are significant (kilometre scale) gravity anomalies present in both the airborne and ground-based surveys. The targets are adjacent to the west of a large regional structure splaying off the central Australian suture. The targets occur within a regional copper geochemistry anomaly based on previous drilling (see Prospectus October 2023).

The electrical surveys have upgraded the IOCG prospectivity at the Snorky and Horton targets. The two IP lines (PDP Line 1 and 2) detected mod to strong chargeability anomalies coincident with the Falcon gravity anomalies.

Corporate Activities

Established new company office at Level 2, 25 Richardson Street, West Perth. The registered office remains at Suite 4, 6 Richardson Street, West Perth.

Presented at the Future Facing Commodities conference in Singapore in late March. We received great feedback both at the Booth and post presentation.

March 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 \$388k 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 \$114k 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	1,621
Costs of the Offer	850	776
General administration costs	550	103
Working capital	1,362	28
Sub-total (Year 1)	5,758	2,529

Activities for the Current Period

For the 3 months ending 30th June 2024 the Company will undertake the following activities:

- Data processing and interpretation of geophysical data.
- Earthmoving requirements for drilling.
- Mobilise diamond core drilling contractors to site to complete diamond drilling at Surus.
- Mobilise RC drillers to site to complete programs at Shep and Hathi.
- Finalise EIS grant funding reporting for the Surus hole.
- Complete investor tour in the eastern states.
- Stakeholder engagement with traditional owners.
- Target generation and planning for the 2024 exploration campaign.

ENDS

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

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About the Webb Project

The Webb Project is 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 (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 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 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 critical metal exploration which will be the focus of work over the coming years.

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	88.5%	88.5%
E80/5471	LIVE	WEBB	WANMAN	88.5%	88.5%
E80/5496	LIVE	WEBB	ELIZABETH HILLS	88.5%	88.5%
E80/5499	LIVE	WEBB	ELIZABETH HILLS	88.5%	88.5%
E80/5573	LIVE	WEBB	WANMAN	88.5%	88.5%
E80/5633	LIVE	WEBB	WEBB	88.5%	88.5%
E80/5864	LIVE	WEBB	WANMAN	88.5%	88.5%
E80/5956	LIVE	WEBB	WANMAN	88.5%	88.5%
E80/5986	PENDING	WEBB	WANMAN	88.5%	88.5%

Appendix 5B

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

Name of entity

CGN Resources Limited

ABN

51 122 958 810

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(337)	(1,625)
	(b) development		
	(c) production		
	(d) staff costs	(122)	(308)
	(e) administration and corporate costs	(7)	(332)
1.3	Dividends received (see note 3)		
1.4	Interest received	36	39
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives	42	200
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	(388)	(2,206)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant, and equipment	(50)	(68)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	(50)	(68)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		10,800
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		(677)
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		10,123

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	8,682	215
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(388)	(2,026)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(50)	(68)
4.4	Net cash from / (used in) financing activities (item 3.10 above)		10,123
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)	8,244	8,244

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	50	188
5.2	Call deposits	8,194	8,493
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)	8,244	8,682

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

114

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

7.	Financing facilities <i>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.</i>	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)	(388)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(388)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	8,244
8.5	Unused finance facilities available at quarter end (Item 7.5)	
8.6	Total available funding (Item 8.4 + Item 8.5)	8,244
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	21.3 quarters

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

- 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:

- 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:

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

Answer:

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: 17 April 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.