ASX ANNOUNCEMENT
17th May 2024

Drilling Update Webb Project

Highlights:

- **Surus diamond drilling currently at 580m depth, completion expected in the next week.**
- **RC rig has arrived at site for next the phase of target testing.**
- **Next phase to focus on Shep nickel, Hathi REE, and Horton and Snorky pre-collars.**
- **Full EIS grant funding expected for Surus drilling.**

CGN Resources Limited (**ASX: CGR, or "the Company"**) is pleased to announce the next phase of exploration will commence at the Webb Project this weekend. Topdrill have mobilised an RC drill rig today (Figure 1) to commence a series of programs at our high priority targets. The programs are planned to follow up on nickel and REE mineralisation intersected at the Shep and Hathi targets respectively, as well as completing pre-collars for the IOCG targets at Snorky and Horton. Diamond drilling is ongoing at the Surus target.

CGN Resources Managing Director, Stan Wholley, commented:

"It is always an exciting time when the drill rigs are turning on site. It is great to have the Topdrill team on site to commence the next round of RC drilling exploration at the project. This represents the next phase of our strategy to assess areas of mineralisation already detected at the project. Key programs are following up the plus 1% nickel intercepts at the Shep nickel target, then making our way to Hathi to investigate the source of the 37m at 0.38% TREO, and then prepping pre-collars for the next round of deep diamond drilling later in the year. Its great to embarking on the next phase of the strategy and seeking out new mineralisation within the project."

Figure 1. Topdrill RC Rig mobilising to the Shep project area

RC Programme Summary

The RC rig will be used to assess the Shep and Hathi targets and complete pre-collars at Snorky and Horton (Figure 2). The Shep target will be tested first using a series of vertical 200-250m deep RC drill holes designed to test the geochemical anomaly first detected in hole W14RC009 (see announcement

on 1st Nov 2023) (Figure 2). At the Hathi rare earth element (REE) target, drilling will comprise a series of vertical RC drill holes targeting the strong geochemical results and intriguing magnetic features associated with WR14RC045 (see announcement 1 Nov 2023).

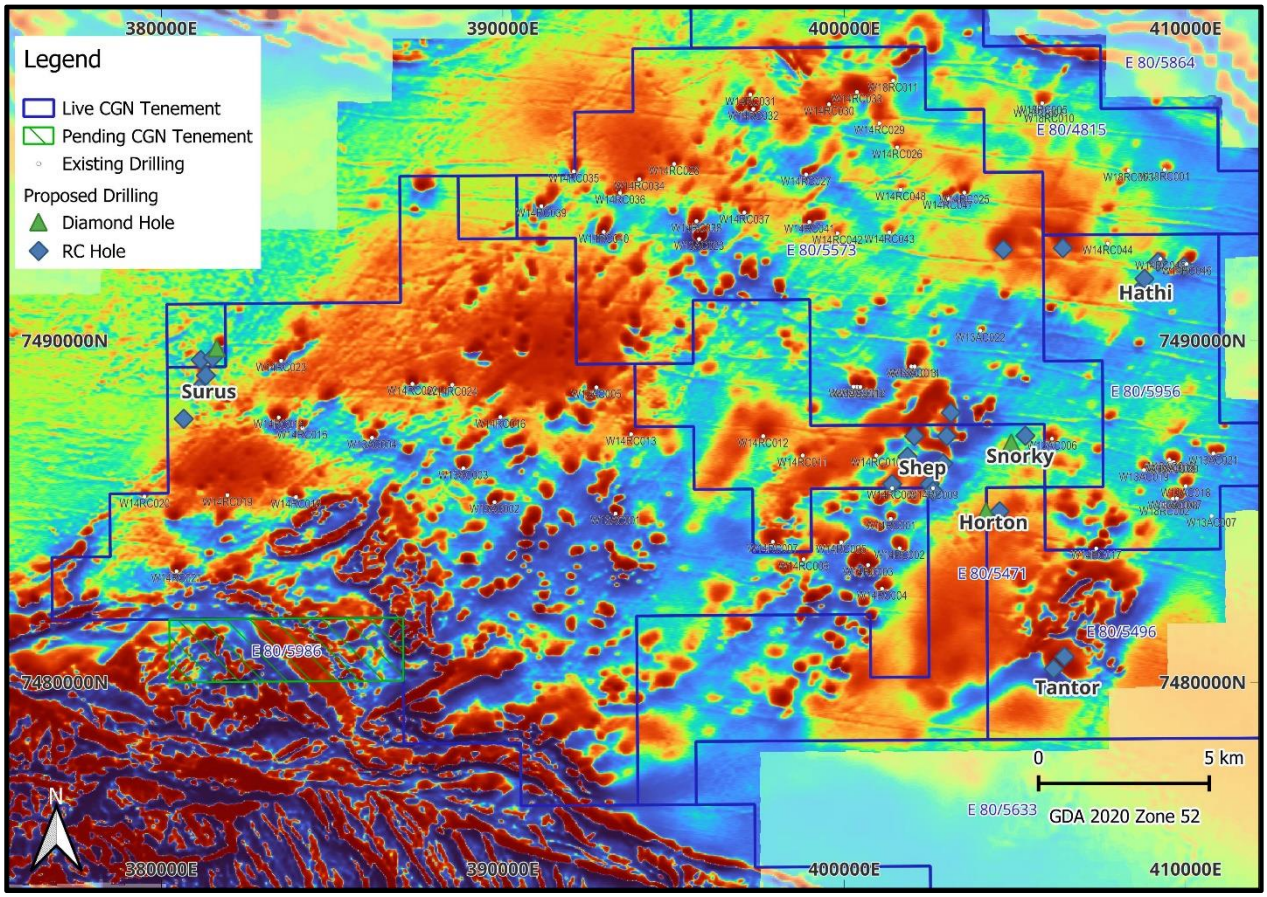

Figure 2. Drilling target location plan (background is aeromagnetic data total magnetic intensity, first vertical derivative)

Diamond Programme Summary

The first hole at Surus is evaluating the coincident density and chargeable/conductive IP anomalies detected in the 2024 geophysical surveys. At the time of writing, the hole was at depth 580m into the planned 750m hole. A summary of the drill hole will be provided to market after the completion of drilling. The drill core will be dispatched to Perth for processing and sampling, the results will be announced when available.

At Snorky and Horton the Company plans to complete first-pass diamond drilling into each target aimed at testing both the density and induced polarisation (IP) features interpreted from the 2024 geophysical surveys. The plan is to complete 200m pre-collars for these deep diamond holes at Snorky and Horton, which will both be completed with diamond drilling later in the year to depths of 700m.

Project Overview

CGN Resources' flagship Webb Project encompasses a significant 961km^2 package of tenements located in the highly prospective West Arunta Orogen in Western Australia (Figure 3). The region has

garnered recognition as a unique opportunity for targeting copper, nickel, and critical metals within a mineral-rich terrain that has seen limited prior exploration. The Webb Project is surrounded by prominent mining corporations (Figure 3) and ambitious exploration companies, including WA1 Resources Ltd (ASX: WA1), the Rio Tinto Group – Tali Resources Pty Ltd Joint Venture, Encounter Resources Ltd (ASX: ENR) and IGO Ltd (ASX: IGO).

CGN Resources has already demonstrated the potential for diamondiferous kimberlites at Webb, discovering the largest kimberlite field in Australia. During its diamond exploration efforts, the Company compiled a collection of high-quality regional datasets. These datasets include multielement geochemistry data from drill holes, high-resolution aeromagnetic data spanning most of the tenement area, a detailed Falcon gravity survey, as well as publicly available data from organisations such as the GSWA and Geoscience Australia. The company has used these data to develop six high priority targets targeting IOCG, nickel and rare earth elements. With the recent discovery of niobium and REE rich carbonatites on neighbouring properties with similar target criteria to the IOCG targets this deposit type is now also a valid target.

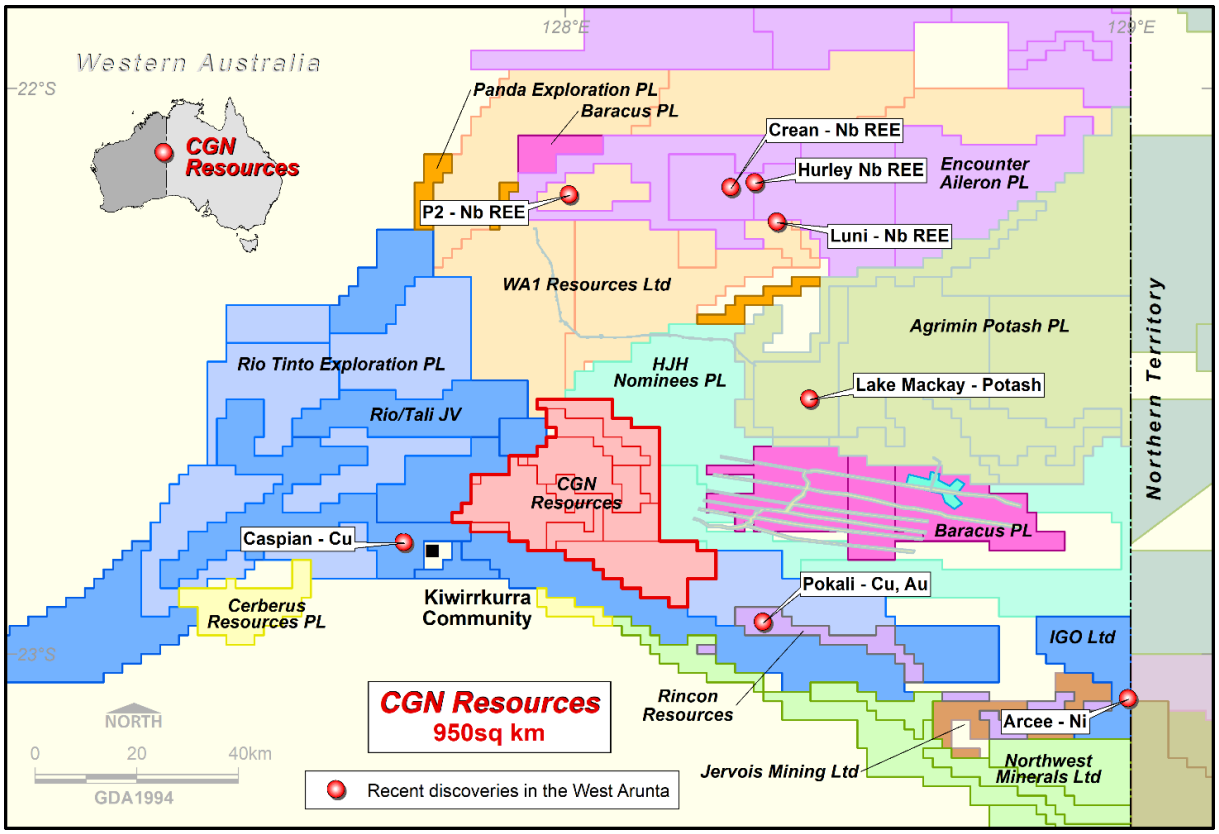

Figure 3. Location of CGN Resources' Webb Project in the West Arunta, Western Australia.

ENDS

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

For Further Information, Please Contact:

Mr Stan Wholley **Managing Director**	Mr Grant Mooney **Non-Executive Director / Company Secretary**

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Tel: +61 421 109 664 info@cgnresources.com.au	Tel: +61 8 9226 0085 info@cgnresources.com.au

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.