
Quarterly Activities Report – December 31st, 2024

Highlights:

- A large airborne gravity and magnetic geophysical survey at Webb identifies 11 new copper/gold (IOCG) and niobium (carbonatite) targets
 - Project-scale integrated structural study has further demonstrated the prospectivity of the geophysical targets and provides a framework in which to prioritise drilling
 - Heritage clearances to allow drilling to commence is already completed
 - EIS funding received for Hathi and Surus drilling
 - The Company continued to build a land position at the highly prospective Leonora gold district through low-cost tenement pegging
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CGN Resources Ltd (ASX: CGR) (“CGNR” or “the Company”) has maintained a strong exploration focus during the final quarter of 2024, focused on its Webb IOCG, Nb & REE project located in the West Arunta, Western Australia. Key activities during this period include the completion of the Falcon Airborne Gravity Gradiometry (FALCON) survey, detailed geophysical and structural modelling, a comprehensive heritage survey, and an Ultrafine surface geochemical sampling program.

The FALCON survey, which covered the northern half of the tenure, successfully identified multiple new high-priority targets (Figure 1). This survey was conducted over an area that was previously unexplored but had geological and structural characteristics favourable for large magmatic mineral system emplacement. These new and exciting geophysical anomalies are considered to be mix of iron oxide copper gold (IOCG) systems, Nb/REE-rich carbonatites, and orogenic gold targets.

Additionally, thanks to strong relationships with traditional owners, the Company was able to complete a heritage clearance survey in late October. This cleared the way for upcoming exploration activities, including surface geochemistry, ground gravity surveys, and drilling programs. The Company acknowledged the flexibility and cooperation of the Tjamu Tjamu RNTBC and the Kiwwirrkurra people for facilitating the survey despite the late timing in the season.

The Company also expanded its exploration efforts beyond the Webb project, securing a suite of exploration and prospecting licenses in the Leonora district (Figure 2), targeting orogenic gold deposits. A site visit was completed to conduct an initial ground investigation of the project areas.

These developments reflect CGN Resources ongoing commitment to advancing its exploration initiatives and building strong partnerships with local communities. The Company could not be happier with the results of the recent work which provide a compelling series of targets for testing during 2025.

September Quarter Exploration Activities

Webb Project:

CGN Resources has always placed a high value on excellence in geoscience as key factor in making major discoveries. To this end, the Company commissioned respected structural geologist Dr Barry Murphy and geophysicist Thomas Merlin-Harris to work with the CGN technical team to complete an integrated project review, structural interpretation and targeting study using all available data. The wide-ranging study included data from the recent FALCON survey, the 2022 FALCON survey, regional geology, gravity and magnetic data sets and data from our drilling programs. The study has provided an excellent structural framework and better understanding of the Webb Project in a regional geology

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context. The improved understanding has allowed us to prioritise the best targets in the best structural settings for large mineral systems.

This work has provided 11 high-rank targets within the northern half of the tenure (Figure 1) which the Company will systematically investigate. For a target to be selected it must have sufficient scale to host a significant deposit, be a regionally significant gravity anomaly and occur in a favourable structural position. These characteristics have proved effective in a global context for making large magmatic mineral system discoveries such as IOCG and carbonatites.

Additionally, the Shep target has been prioritised for further exploration base on the results of the targeting study providing a strong structural target and the positive results from the fixed loop electromagnetic (FLEM) data, the IP data and the results of initial drilling.

Given the quality of results from the recent work, the Company fast tracked a heritage clearance survey in October 2024. The Tjamu Tjamu RNTBC were highly supportive pulling together a clearance team so late in the year and with a very busy schedule. The helicopter assisted survey was able to clear all the new access tracks, drill pads and a series of surface geophysical and geochemical survey areas. This enables the Company to mobilise to site as early as possible after the wet season ends in March.

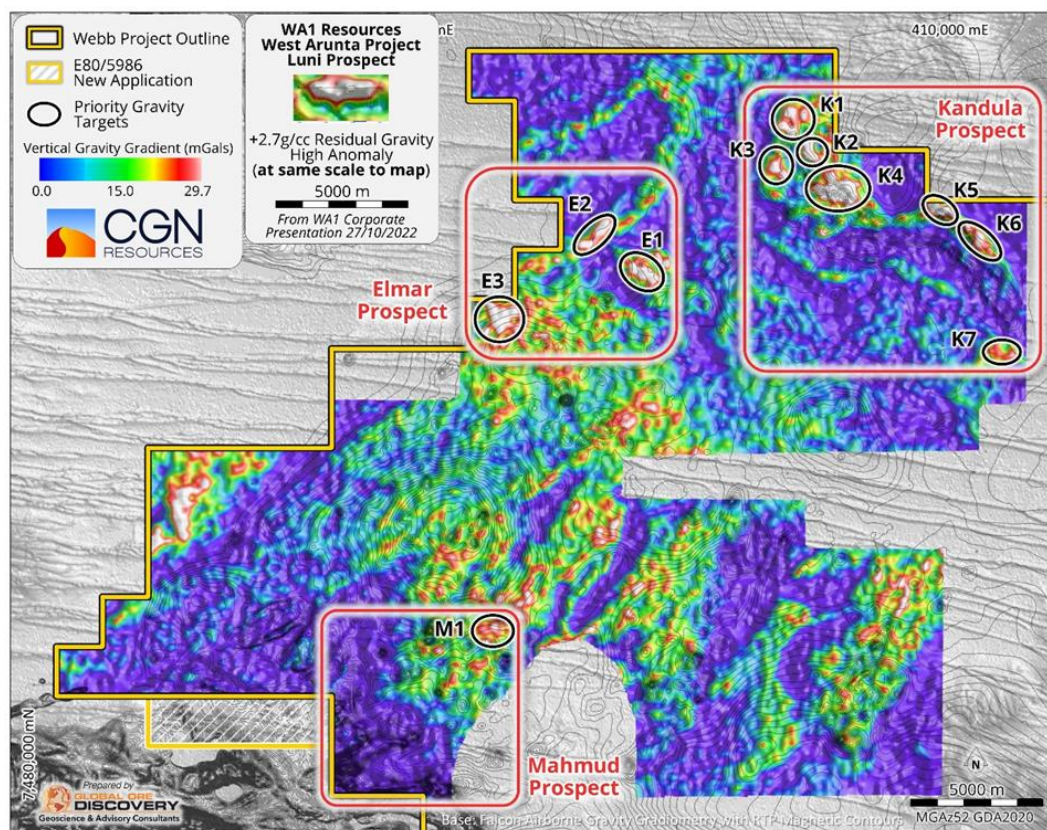


Figure 1. Location Plan of high priority gravity targets (background is surface topography in grey, with AGG in colour shade data and magnetic contours).

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Leonora Project:

As part of its ongoing commitment to create value for shareholders, the Company continuously reviews project opportunities that align with its strategy of leveraging excellence in geoscience to make significant mineral discoveries. In line with this strategy, the Company is continuing to build a land position targeting the highly prospective Gwalia gold corridor within the Leonora gold district through low-cost tenement applications (Figure 2).

The Company believes these tenement acquisitions are highly prospective for orogenic gold mineral systems, particularly targeting the highly mineralised gold corridor that occurs along and adjacent to the contact between the Raeside Batholith and the Eastern Goldfields Superterrane. This mineralised gold corridor hosts a number of high-quality gold mines, including the ~8 million ounce Gwalia Mine, King of the Hills, Kailis, Tower Hill and Tarmoola. The Leonora project areas are directly along strike from these mines and have only seen sporadic exploration due to most of the bedrock geology being obscured by transported cover.

The projects were identified based on regional gravity, magnetic, and drilling data, which are publicly available through the DEMIRS GeoView and WAMEX databases. Gravity and magnetic data suggest that parts of the projects are situated in a similar structural and geological setting to the Gwalia, Tower Hill, and Kailis mines, all of which are located adjacent to this significant geological contact.

The Company is currently compiling regional historical data into its internal database to refine targeting within the project areas. Upon grant of the exploration licenses, expected in the first half of 2025, the Company will begin exploration programs to assess the prospectivity of both the Panhandle and Christmas Well Projects.

The Company will also be assessing any possible JV opportunities to further target this corridor.

Activities for the Current Period

For the 3 months ending 31st March 2025, the Company will undertake the following activities:

- Finalise permitting requirement for 2025 Webb project drilling.
- Finalise drilling contracts with RC and Diamond drillers.
- Complete earth works for upcoming drilling programs at Webb.
- Complete any compliance matters required to secure the granting of new Leonora tenure.
- Detailed program design for the next phase of exploration at Leonora projects.
- Review results of preliminary geochemical survey at Webb.
- Stakeholder engagement with traditional owners.

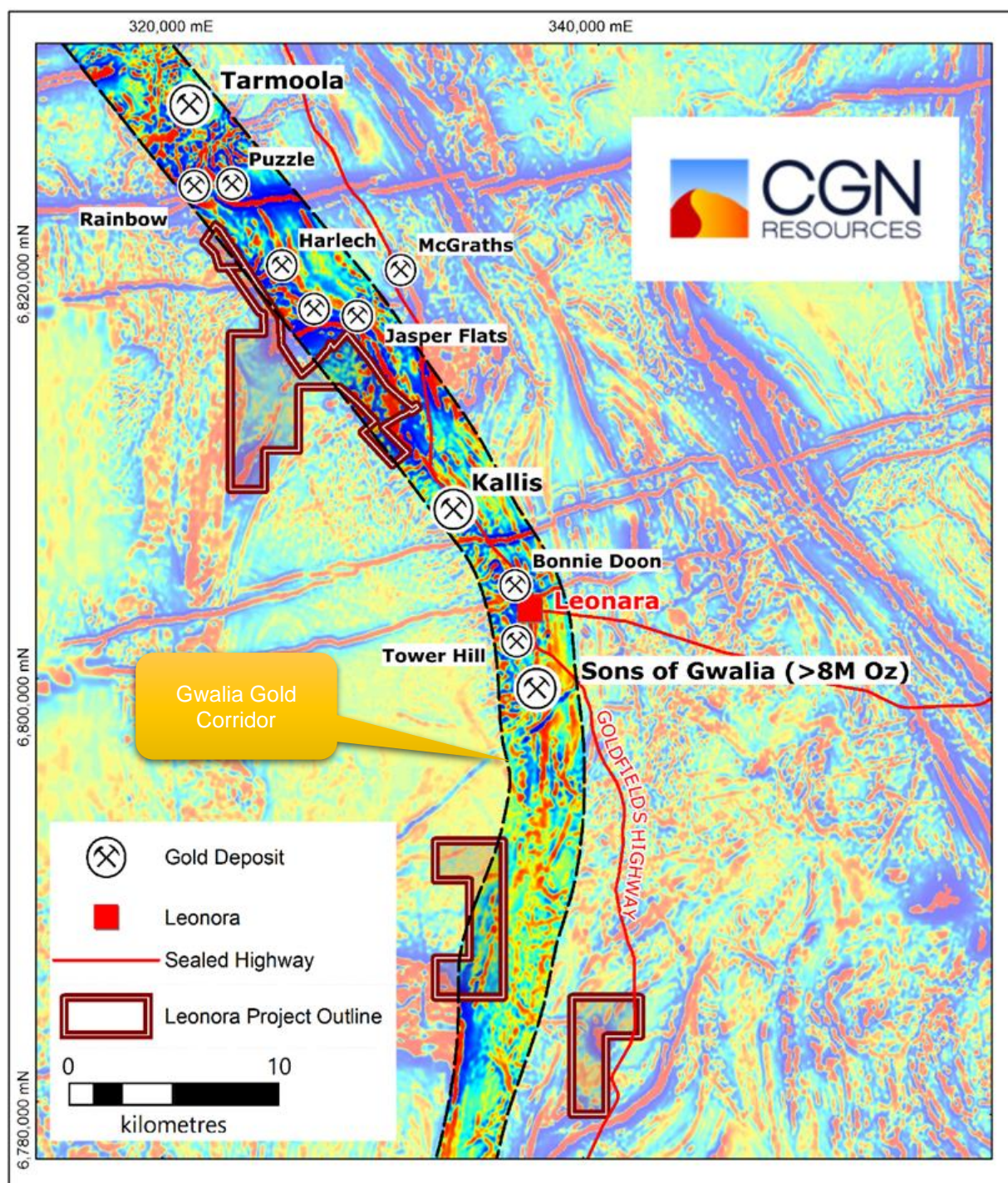


Figure 2. Location of the newly acquired Leonora tenements targeting the Gwalia Gold Corridor (showing tenement groups over the regional 1VD aeromagnetic data)

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Corporate Activities

- Completed all annual reporting requirements.
- Expanded our project profile by making new tenure application in the Leonora District.

December 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 \$413k 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 \$121k 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	3,758
Costs of the Offer	850	776
General administration costs	550	208
Working capital	1,362	44
Sub-total (Year 1)	5,758	4,786
Use of Funds Year 2 (from Prospectus)		
Exploration and evaluation programs at the Webb Project	2,408	520
General administration costs	550	22
Working capital	1,362	(127)
Sub-total (Year 2)	4,320	415
Total	10,078	5,201

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 nine 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 Leonora Projects

The Company's exploration efforts are focused on two key areas surrounding the township of Leonora in Western Australia: The Panhandle Project and the Christmas Well Project. Both areas lie along strike from some of the region's most prominent gold deposits, including the Gwalia Mine, which has over 8 million ounces of gold.

The Panhandle Project is located approximately seven kilometres south of the Gwalia Mine, the Panhandle Project covers two exploration licences in an area where the stratigraphy is interpreted to be similar to that of Gwalia but buried under cover.

The Christmas Well Project is situated 10 kilometres north of Leonora. The project is strategically located along strike from several significant gold mines. The tenements target the contact zone between the Raeside Batholith and the Eastern Goldfields Superterrane, a geological feature that hosts multiple +1-million-ounce gold mines, including Gwalia, Tower Hill, Kailis, and King of the Hills.

Both projects have experienced limited systematic exploration due to the depth of alluvial cover sediments that obscure the underlying bedrock. However, the area remains highly prospective, with the bedrock geology hidden beneath the cover offering substantial exploration potential. The Company aims to unlock this potential by continuing exploration efforts in these underexplored regions.

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 at Start of Quarter	Interest at end of Quarter
E37/1567	PENDING	PANHANDLE	MALCOLM	100%	100%
E37/1579	PENDING	CHRISTMAS WELL	MALCOLM	100%	100%
E40/0454	PENDING	PANHANDLE	MARMION	100%	100%
E80/4815	LIVE	WEBB	LAKE MACKAY	91%	91%
E80/5471	LIVE	WEBB	WANMAN	91%	91%
E80/5496	LIVE	WEBB	ELIZABETH HILLS	91%	91%
E80/5499	LIVE	WEBB	ELIZABETH HILLS	91%	91%
E80/5573	LIVE	WEBB	WANMAN	91%	91%
E80/5633	LIVE	WEBB	WEBB	91%	91%
E80/5864	LIVE	WEBB	WANMAN	91%	91%
E80/5956	LIVE	WEBB	WANMAN	91%	91%
E80/5986	LIVE	WEBB	WANMAN	91%	91%
P37/9857	PENDING	CHRISTMAS WELL	LEONORA NORTH	100%	100%
P37/9858	PENDING	CHRISTMAS WELL	LEONORA NORTH	100%	100%
P37/9859	PENDING	CHRISTMAS WELL	LEONORA NORTH	100%	100%
P37/9860	PENDING	CHRISTMAS WELL	LEONORA NORTH	100%	100%
P37/9861	PENDING	CHRISTMAS WELL	LEONORA NORTH	100%	100%
P37/9862	PENDING	CHRISTMAS WELL	LEONORA NORTH	100%	100%
P37/9863	PENDING	CHRISTMAS WELL	LEONORA NORTH	100%	100%
P37/9864	PENDING	CHRISTMAS WELL	LEONORA NORTH	100%	100%
P37/9865	PENDING	CHRISTMAS WELL	LEONORA NORTH	100%	100%
P37/9866	PENDING	CHRISTMAS WELL	LEONORA NORTH	100%	100%
P37/9867	PENDING	CHRISTMAS WELL	LEONORA NORTH	100%	100%

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 December 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(446)	(1,409)
	(b) development		
	(c) production		
	(d) staff costs	(121)	(267)
	(e) administration and corporate costs	(22)	(45)
1.3	Dividends received (see note 3)		
1.4	Interest received	129	138
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives	48	139
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	(413)	(1,444)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(1)	(1)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(d) exploration & evaluation (if capitalised)		
	(e) investments		
	(f) other non-current assets	(14)	(14)
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	(15)	(15)

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	5,986	7,017
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(413)	(1,444)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(15)	(15)
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)	5,558	5,558

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	63	320
5.2	Call deposits	5,495	5,666
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)	5,558	5,986

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**

121

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.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000

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)	(413)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(413)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	5,558
8.5 Unused finance facilities available at quarter end (Item 7.5)	
8.6 Total available funding (Item 8.4 + Item 8.5)	5,558
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	13 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: 28th January 2025

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.

ASX Listing Rules Appendix 5B (01/12/19). + See chapter 19 of the ASX Listing Rules for defined terms.