

ASX ANNOUNCEMENT

19th March 2024



CGN Resources Set for Drilling After Compelling Geophysical Survey Results

Highlights:

- Induced polarisation surveys completed at Surus, Shep, Snorky, and Horton.
 - Strong IP chargeability anomaly coincident with the gravity anomaly at Surus enhances compelling IOCG drilling target.
 - Gravity surveys confirm the presence of regionally significant gravity targets at Surus, Tantor, Snorky and Horton.
 - Commencement of diamond drilling at Surus in early April, bolstered by \$220k in EIS funding.
 - EM Survey underway at the Shep base metal target.
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CGN Resources Limited (ASX: CGR, or “the Company”) is pleased to announce the completion of its ground gravity and induced polarisation (IP) geophysical programs at the Webb project in the West Arunta region of Western Australia. These survey results have been strongly supportive for all the high priority target areas. Notably, the IP survey at the Surus target has provided compelling evidence of a large chargeable and conductive body coincident with the gravity anomaly, corroborating the Company’s exploration model and underscoring the potential of the upcoming deep diamond drilling. The ground gravity surveys have confirmed and significantly refined the gravity targets at Surus, Snorky and Horton, which will improve our drill targeting for the 2024 drilling campaign. Preliminary results from Snorky, Horton and Shep also suggest conductive rocks are present and will be targeted with drilling in the coming months.

CGN Resources is well funded and has secured all the necessary permits to commence work immediately. In the event of a discovery, additional clearances are already in place to expedite further exploration.

CGN Resources Managing Director Stan Wholley commented:

“It is truly exciting to receive such positive results from our initial ground geophysical surveys. In all cases the surveys have refined and enhanced the targets we are looking to test with drilling in 2024. The gravity surveys confirm the quality of these regionally significant anomalies and provided far better resolution for drill targeting. The IP data has been particularly pleasing at Surus with clear and compelling chargeable and conductive bodies present coincident with our gravity target. This provides great confidence that our targeting strategy at the project is working well. Data processing is ongoing at the Snorky, Horton and Shep targets but preliminary raw data appears very encouraging.”

Drilling will commence in early April at the Surus target with a 650m deep diamond hole partially funded by a \$220k EIS grant. With such positive results from the recent IP survey, the team cannot wait to get the drill rig turning and test the source of this large dense and strongly chargeable target. As a geophysical IOCG target, this has everything we want to see. And, with \$8.5 million in the bank we are strongly positioned to push hard on the exploration front and try and emulate the success of some of our neighbours in the West Arunta.”

2024 Exploration Programs

The Company commends the geophysical contractors, Zonge and Atlas, for maintaining high productivity despite challenging weather conditions. The works were completed on time and budget. The EM Survey at Shep has now commenced and is expected to take about 8 days to complete. A dual-method RC/Diamond drill rig is mobilising from one of our neighbours and is set to commence at the Surus IOCG target at the start of April 2024. The planned 650m diamond hole has received \$220k in grant funding via the Exploration Incentive Scheme and is aiming to test the coincident gravity and IP anomalies (Figure 1).

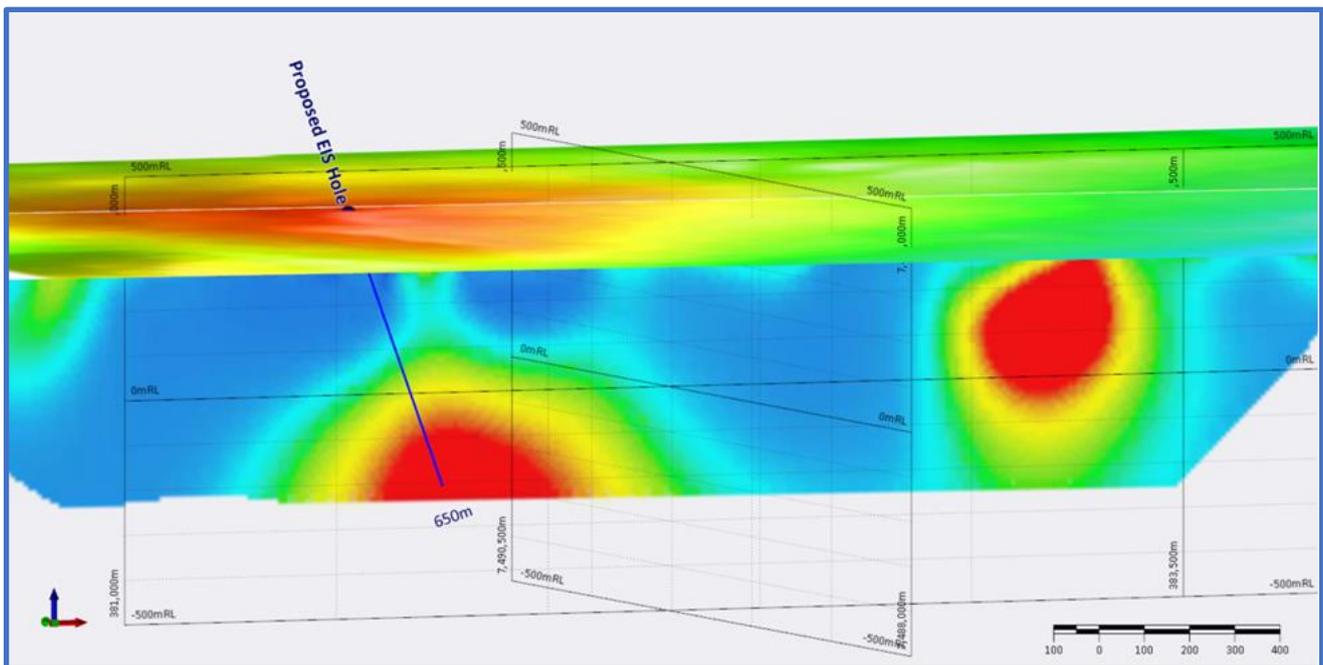


Figure 1. Schematic diagram showing Falcon Gravity data draped on surface and Line 4 IP section showing chargeable and conductive target. Proposed Hole in blue.

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 survey also suggests chargeable and conductive rocks are present coincident with the gravity anomaly (Figure 2). The attributes are consistent with geophysical features seen in other IOCG systems in Australia and globally.

Additionally, the site's proximity to niobium-rich carbonatite discoveries by WA1 Resources (ASX: WA1) and Encounter Resources (ASX: ENR) introduces the possibility that the anomaly may represent a carbonatite body.

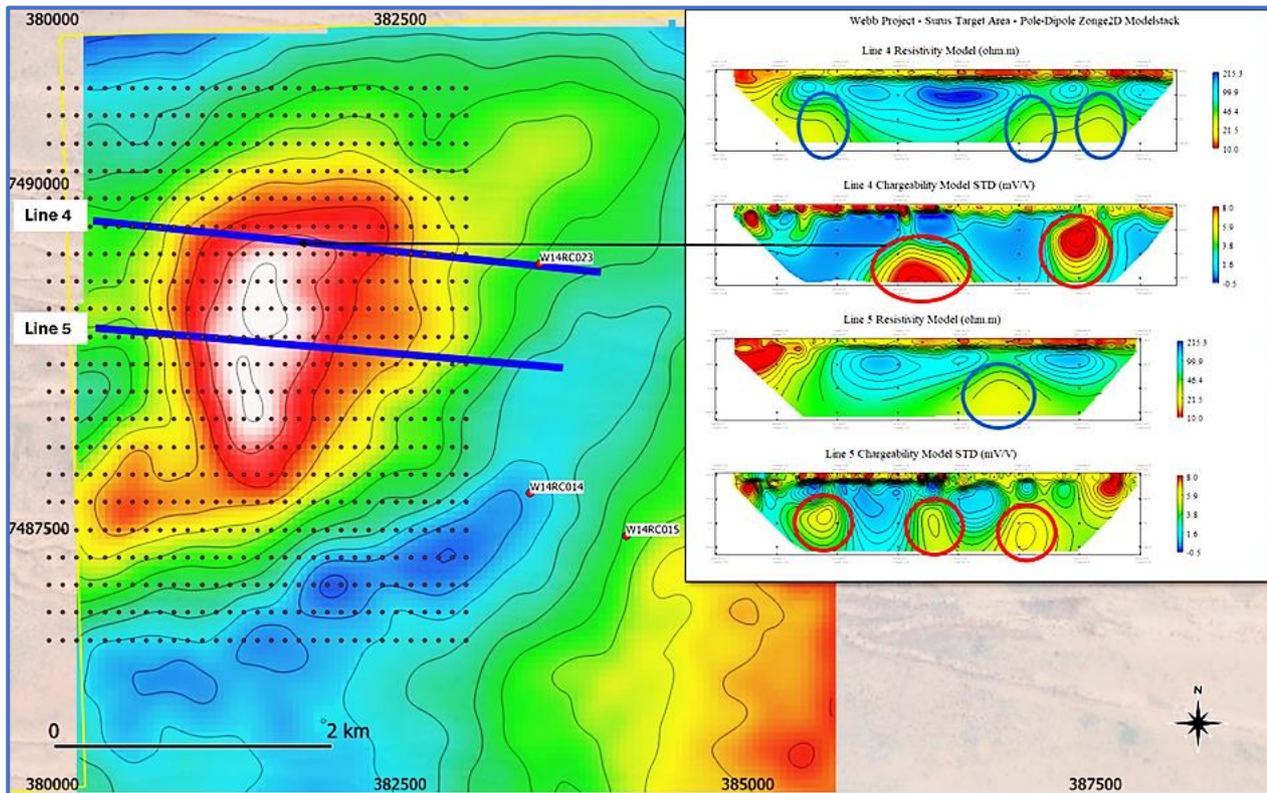


Figure 2. Falcon gravity data anomaly showing IP Lines in blue, inset shows results of IP modelling.

The IP survey, conducted by Zonge, was completed using a pole-dipole array and 100m Rx dipoles. The results of the preliminary models are highly encouraging and show the survey has been effective at testing to depths of ~400m. The Surus results are particularly encouraging. Using the images above, it is interpreted that a thin conductive unit, possibly a conglomerate, similar to that seen in previous drilling, is present from 0-50m. This overlies less conductive material (possibly Amadeus Basin sediments) down to ~200m at which point there are several distinct chargeable and conductive features in the basement, with a top of target at approximately 200m RL. Of particular interest is a moderate to high amplitude chargeability anomaly in the centre of the LINE 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.

At the completion of diamond drilling at Surus, the Company will mobilise an RC drill rig to the Shep prospect towards the end of April 2024. The drilling will initially focus on the significant nickel mineralisation intersected in previous drilling grading up to 1.18% Ni (see announcement 1/11/23). RC drilling will also be used to follow up the previous rare earth element (REE) mineralisation intersected at Hathi. Drilling will look to replicate or enhance the 37 m intercept grading 0.38% REE located in hole W14RC045 (reported in previous announcement 1/11/2023). The next phase will include RC/diamond drilling at our Snorky and Horton targets later in the year (Figure 3).

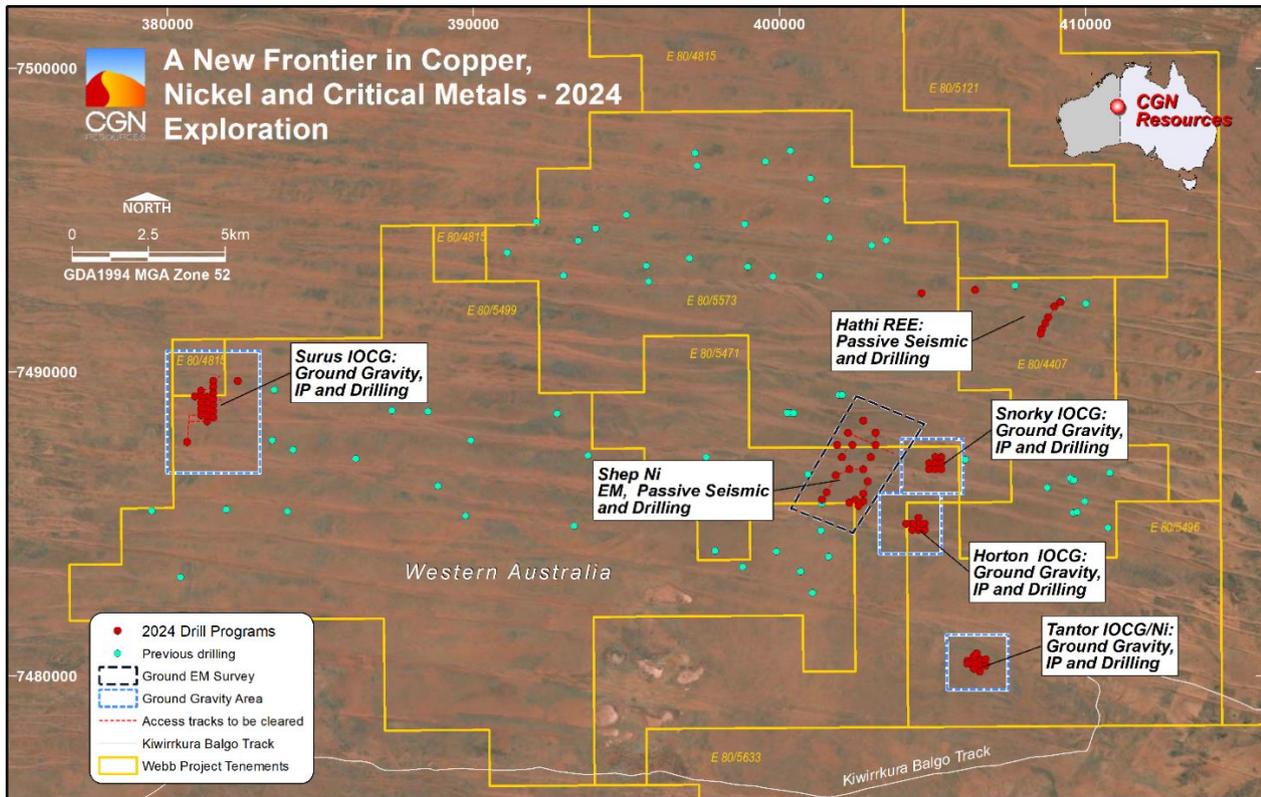


Figure 3. 2024 exploration programs - heritage cleared areas.

Project Overview

CGN Resources' flagship Webb Project encompasses a significant 961km² package of tenements located in the highly prospective West Arunta Orogen in Western Australia (Figure 4). 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 4) 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, a high-resolution aeromagnetic survey 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.

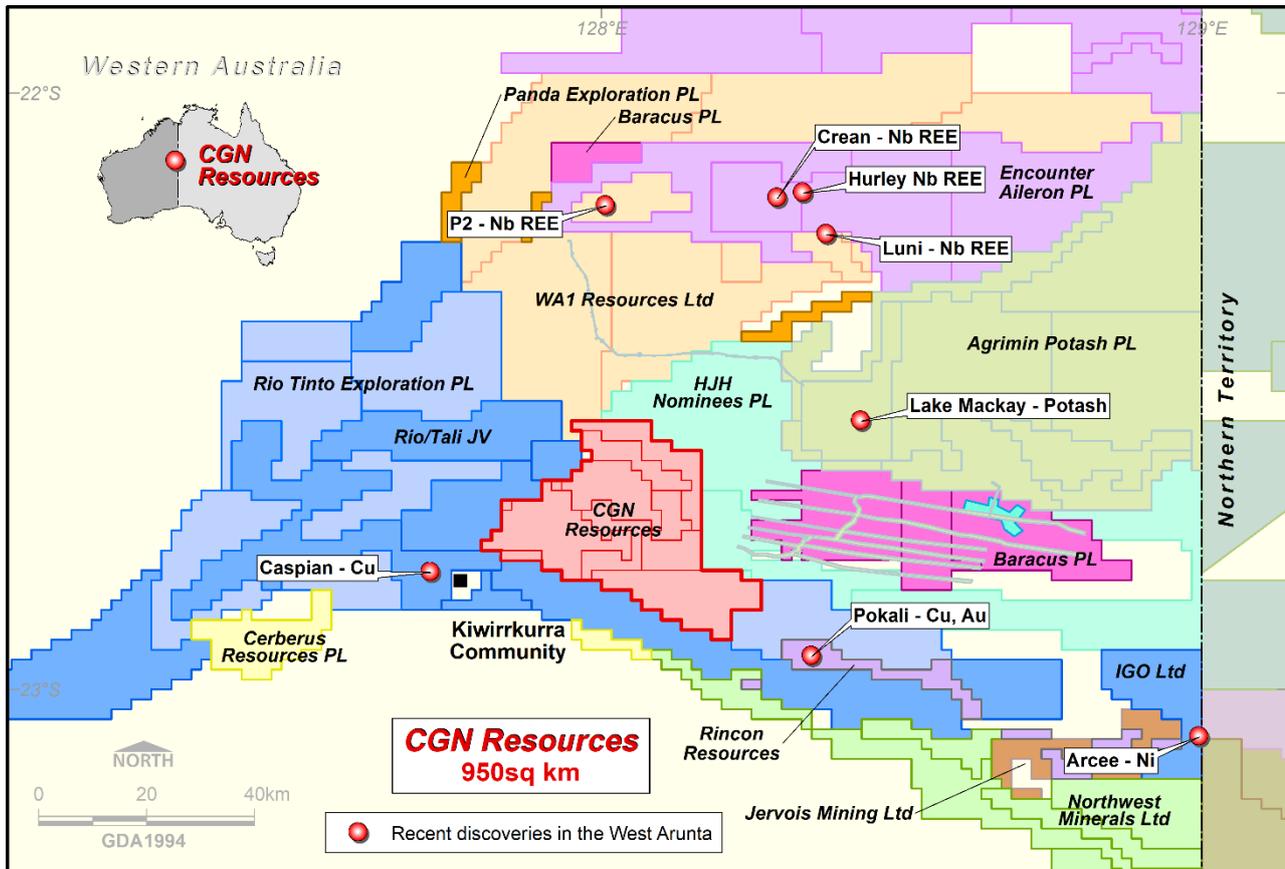


Figure 4. Location of CGN's Webb Project in the West Arunta, Western Australia.

ENDS

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

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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.

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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.