

ASX Release

Market Update

29 September 2020

Attached is a market update on Resources & Energy Group Limited's activities.

Authorised for release by Richard Poole, Director.



Warren Kember
Company Secretary

Investor enquiries:

Richard Poole
Executive Director
E: rjpoole@rezgroup.com.au
P: +61 2 9227 8900

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Resources and Energy Group (ASX: REZ) near term gold producer in QLD and +million-ounce explorer in WA

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Executive Summary



Resources and Energy (ASX: REZ)

Owens a portfolio of **highly prospective advanced, quality gold exploration and development projects** in Australia including:

1. East Menzies Gold Field (East Menzies):

- Includes 20km of Norseman-Wiluna Greenstone Belt, WA.
- Majority ownership of historic goldfield.
- Under explored with multiple walk up targets and significant historical results.
- RC Drilling currently underway.

2. Mount Mackenzie Gold and Silver Project:

- In Connors – Auburn Arc Qld, host to economic gold zones, incl high and low-sulfidation epithermal gold, Mt. Carlton +1moz, Cracow +1moz.
- Defined near surface JORC resource, properties analogous to Mt Carlton.
- Nearing decision on production.

Focused on making a **major gold discovery** whilst establishing production operations at existing resources.

Tier 1 geological provinces host to some of the most productive gold mines in Australia.

Both in **close proximity to regional infrastructure, services and facilities.**



Resources and Energy – Corporate Overview



Capital Structure

ASX code	REZ
Total Issued Capital	~388m
Share Price (at 23/09/20)	\$0.022
Market Cap	~\$8.5m
Directors holding	18%
Top 20 holding	~58%
Duncan Family Office hold	17.66%

Note: 26m unlisted options with strike price above 7.5c with expiry dates ranging from 31 March 2021 to 15 December 2022.

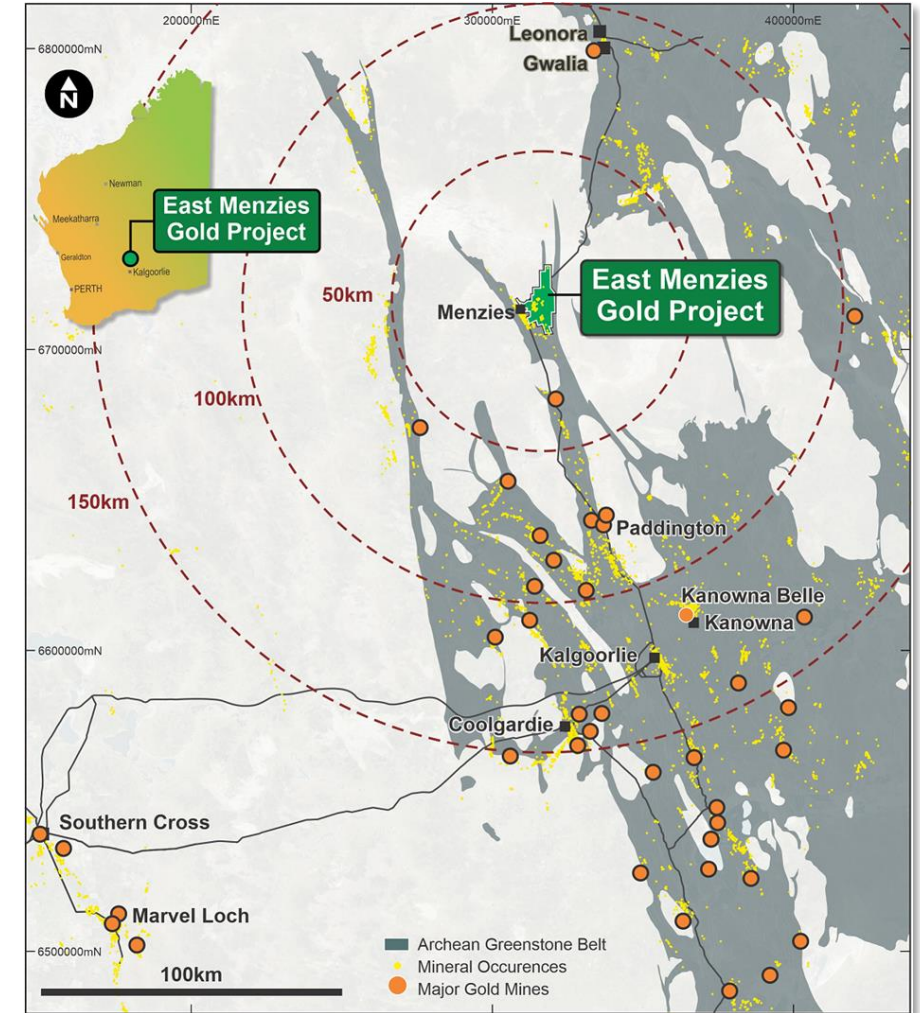


East Menzies Gold Field

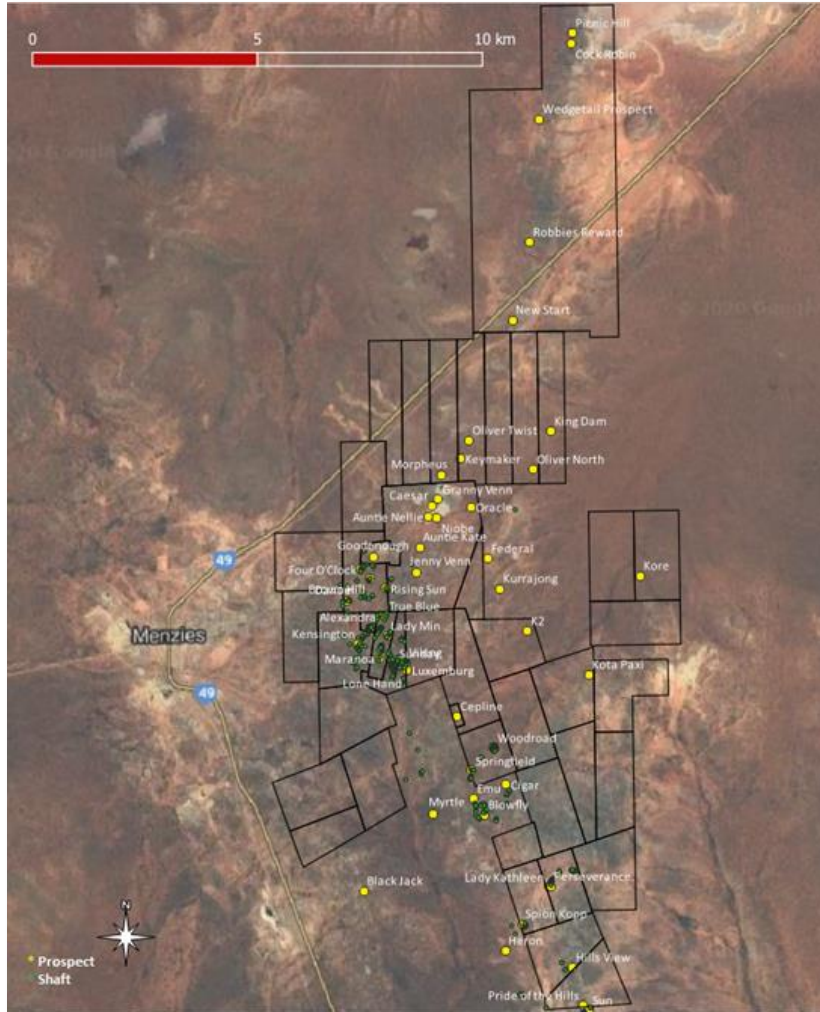


Advanced Exploration Targets in a massive goldfield area

- Located in the **historic Menzies Goldfields** in WA, 130km north of Kalgoorlie.
- The Project is an advanced exploration play with a rich history of gold mining.
- **East Menzies comprises 100km² surface area** in a major historic gold field.
- Encompassing **20km of continuous strike of the Norseman-Wiluna Greenstone Belt**, a highly prospective orogenic lode gold province.
- Includes 3 Mining Leases, 33 Prospecting Leases, 1 Exploration Lease and 15 Prospecting Lease Applications.



East Menzies Gold Field



Huge potential in known Gold Field

- Significant mineralised structures within East Menzies including **Springfield Venn Gold Corridor, the Goodenough Syncline and the Moriarty Shear Zone.**
- Recent air-core drilling identified **multiple zones of anomalous gold mineralisation in regolith** cover along the east side of the East Menzies Gold Field.
- Analogous in scale to the initial discovery of gold in regolith cover at **Woodcutters Gold Field (1.4moz).**
- The west is already host to multiple project areas with existing exploration targets supported by high grade drill results.
- The known resource areas are largely untested below 100m and **historical underground mined grades of over 18g/t** are noted across the lease package.
- Three of the project areas have drilled resources that can be upgraded to JORC 2012 from existing information; **M29/189 Granny Venn, M29/141 Goodenough, and M29/427 Maranoa.** Work on these upgrades has commenced.

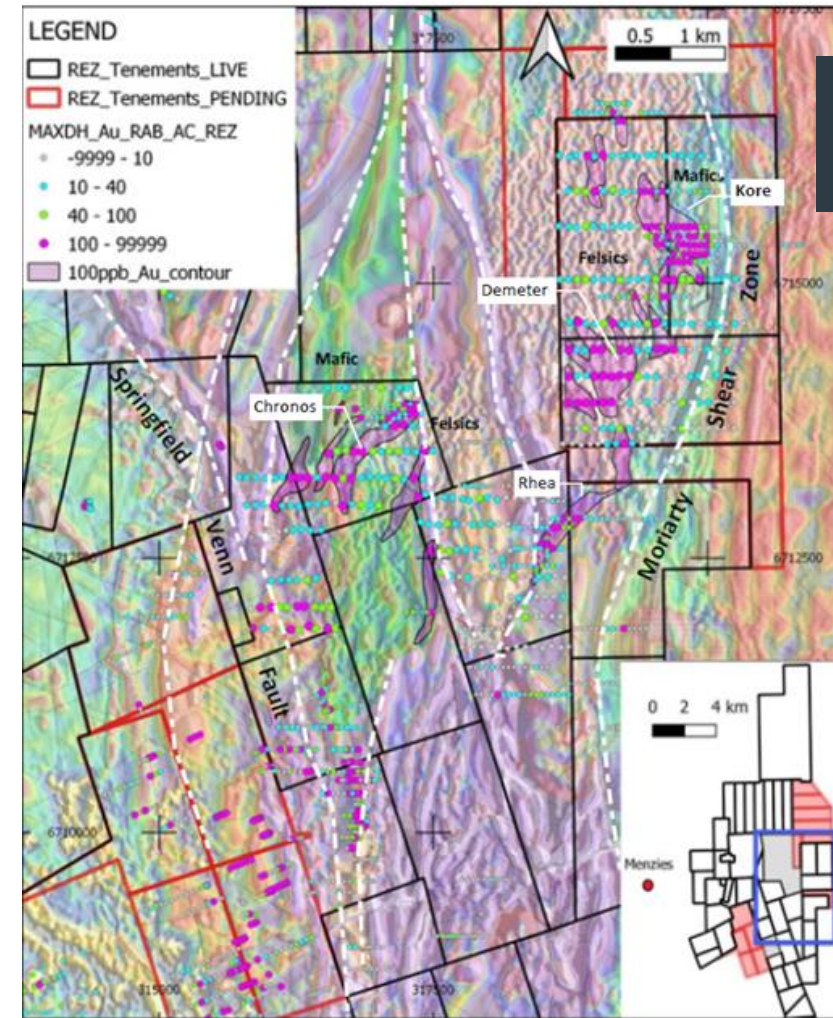
East Menzies – Accelerated RC Drilling Campaign



REZ in Pursuit of a Major Gold Discovery at East Menzies

A **+5,000-metre RC drilling campaign** is now currently underway to drill test the resource potential of the mineralised systems in the East side

- Initially, includes 26 holes totalling 2600m of drilling, expected to be **completed early October**.
- Focus will be on **drill testing large gold in regolith anomalies** identified at Gigante Grande - Kore-Demeter and Chronos prospects, which delivered results of up to 6.7 g/t and outlined large multiple zones of (+100ppb) gold mineralisation in the regolith.
- The RC program will drill deeper into the fresh bedrock to test potential for higher grade mineralised systems below the regolith, which may lead to an **economic gold discovery**.
- The areas include the previously announced drill results of 21st April, including **21m@ 7.1gpt** from 36m, **5m@ 29.2gpt** from 52m terminating at 13.8gpt (MZR402), **8m@ 6.9gpt** from 72m and **1m@ 49.9gpt** from 135m (MERC008).



Phase 2 air-core target locations

East Menzies, 400+ Old Workings, 100+sqKm of highly prospective exploration and mining tenements



Central Zone

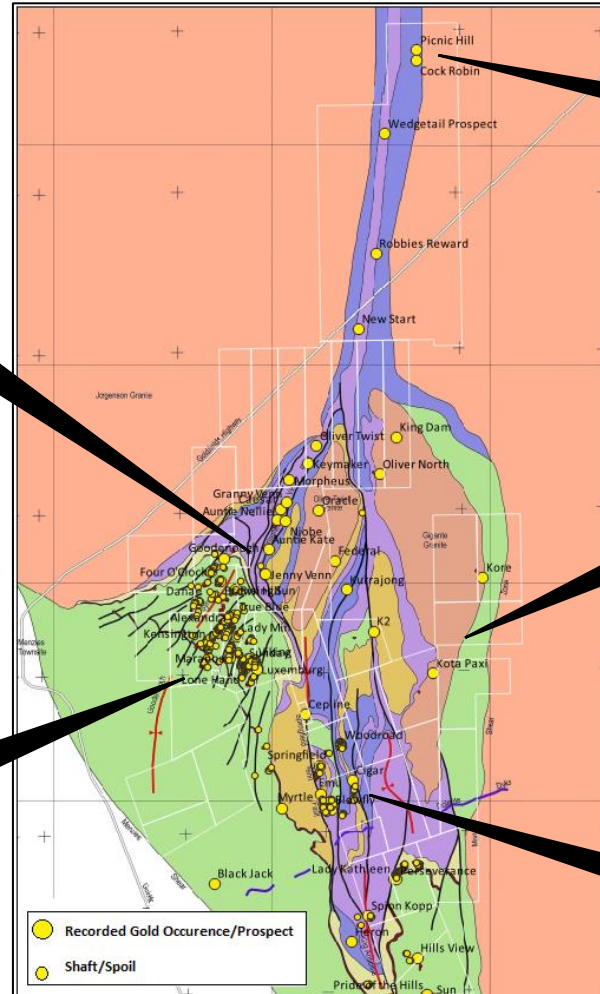
Granny Venn, Caesar, Auntie Nellie, Auntie Kate, Jenny Venn, Trinity, Athena – 4km strike

Central Zone 4km strike anchored by the existing 3 open pits including Granny Venn which historically produced 70k oz Au. 7 identified prospects and significant historical results. Potential GV cut back under consideration.

Western Zone

Goodenough, Four O'clock, True Blue, Maranoa, Viking, Birthday Gift, Kensington – 5km strike

Western Zone 5km strike – within the 20km strike length of the Norseman-Wiluna Greenstone belt. High-grade historical Goodenough prospect produced 9m @ 16.63g/t Au through the 'bonanza intercept' reported in June 2013. 7 identified prospects, multiple walk up targets and existing resources being defined.



Northern Zone

Northern Springfield –Venn Corridor – Cock Robin, Newstart, Picnic Hill, Robbie's Reward – 8 km strike – 2 km wide

Northern Zone 8km strike - topped by high grade historical Cock Robin mine, anchored by the New Start prospect. Multiple prospects, work continuing.

Eastern Zone

Gigante Grande, Kota Paki, Demeter, Kore – Moriarty Shear Zone – 6 km strike

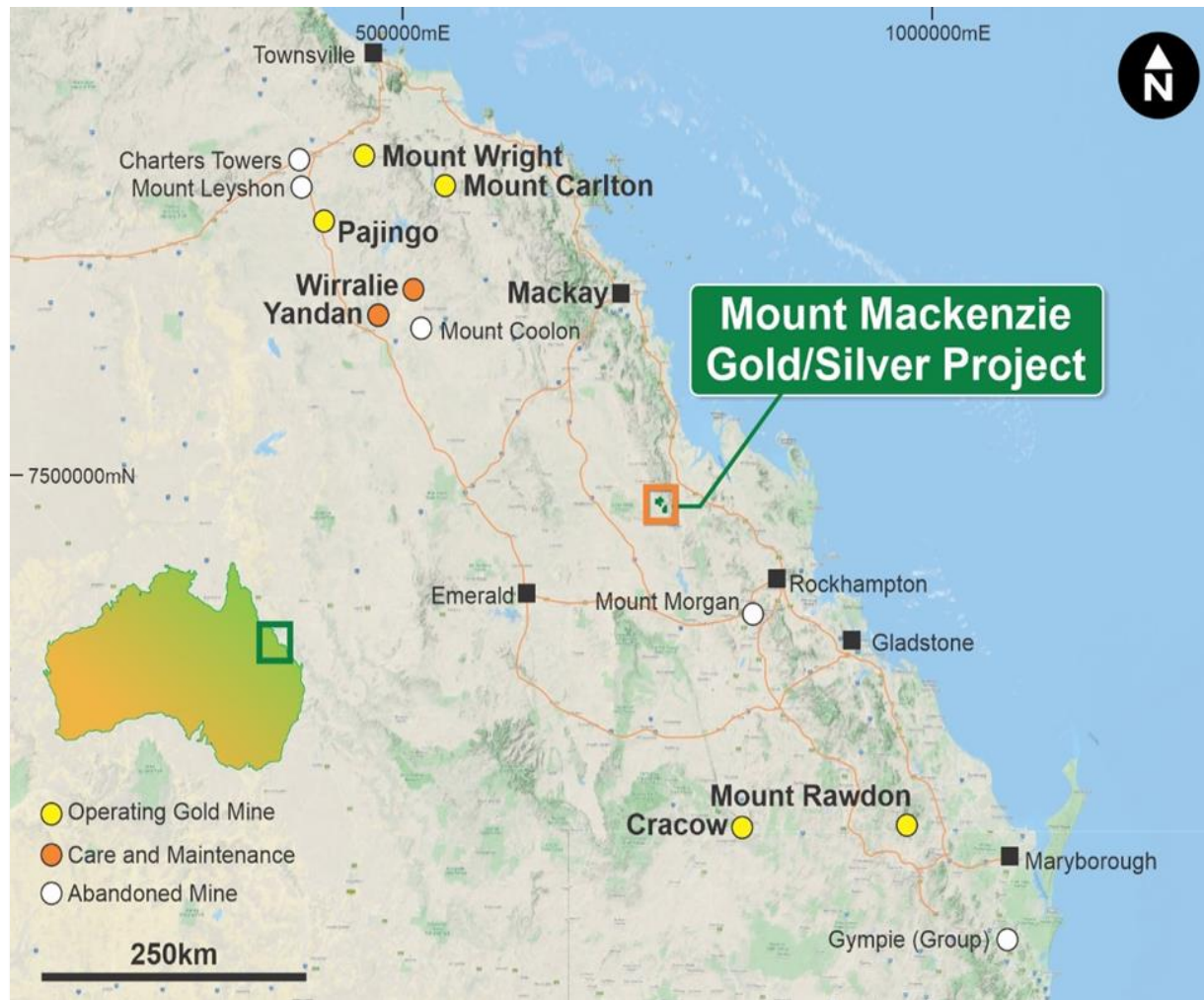
Eastern Zone 6km strike – successful Air core program has identified 10 significant, mineralised gold systems over 2.5km in length and 400m wide. Currently implementing an RC drill program, 4 targeted prospects.

Southern Zone

Springfield – Venn Corridor, Spion Kopp, Lady Kathleen and Chronos – 10km strike

Southern Zone 10km strike.

Mount Mackenzie Gold and Silver Project



Located 150 km north west of Rockhampton, within the under explored Connors Magmatic Arc of the New England Fold Belt, which has delivered over 50 million ounces of gold as well significant amounts of copper and silver

- Mount Mack is one of the largest high sulphidation epithermal systems in Eastern Australia, and is analogous with the Mount Carlton deposit, which is located in the same geological province
- REZ updated its JORC 2012 MRE for its Mount Mack Project to 129k oz Au and 862k oz Ag,
- Completed a scoping study with overall tonnage and a project FCF on 67,000 oz au milled of \$63m (@ \$2,550/oz).
- Results confirm a low cost and profitable open cut development.
- REZ ready to undertake an additional drill program to increase the size of the resource and improve the project return including reviewing the ability to produce a concentrate thereby increasing recovery of primary ore similar to Evolutions Mt Carlton mine.

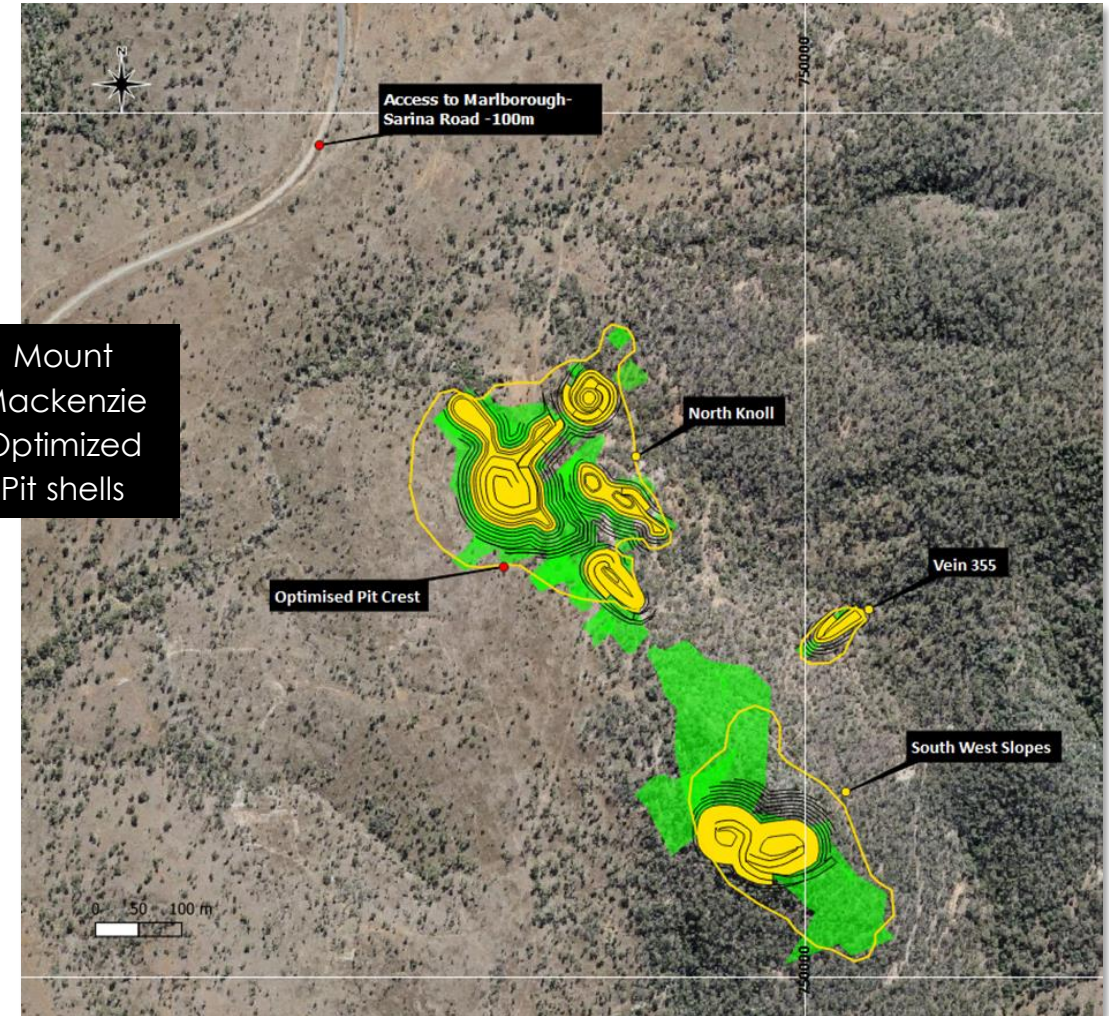


Mount Mackenzie Gold and Silver Project

Key statistics

Ownership	100% Mount Mackenzie Mines Limited (REZ)
Location	Queensland - Australia
Tenement Status	Granted Mineral Development License
Commodity	Gold-Silver
Deposit type	High Sulphidation Epithermal
Status	Pre-Development/Scoping
Global Resource	129koz Au + 862koz Ag
Resource Status	JORC 2012
Resource Class	1.70Mt Indicated, 1.73Mt Inferred
Mine type	Open Cut
Plant Type	Conventional CIL
Proposed Milling capacity	500kta
Proposed Production	67koz Au: 392koz Ag
Estimated C1 Cash Costs	\$1,397/oz
LOM Strip Ratio	4.1 (t:t)
Mine life	62months
Free Cash Flow	\$63m net assumes no concentrate

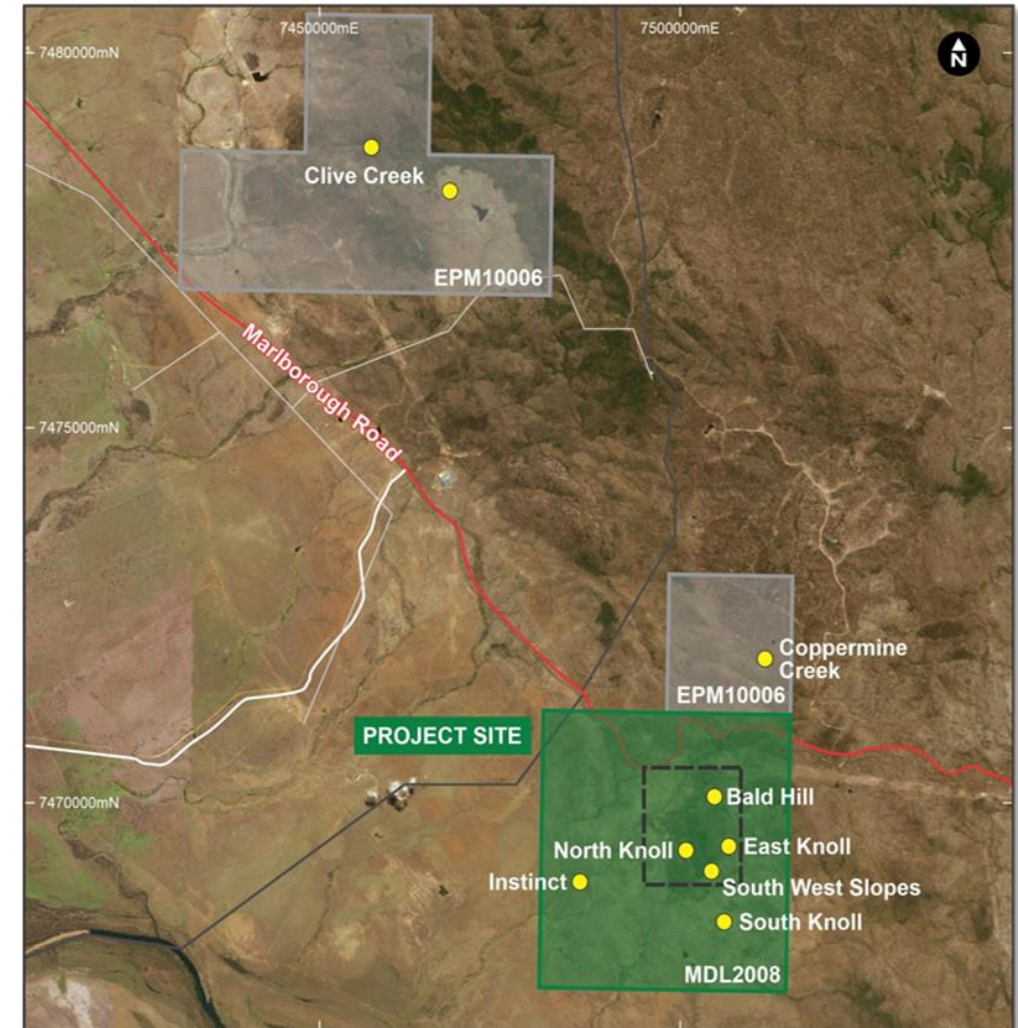
Mount
Mackenzie
Optimized
Pit shells





Mount Mackenzie Gold and Silver Project

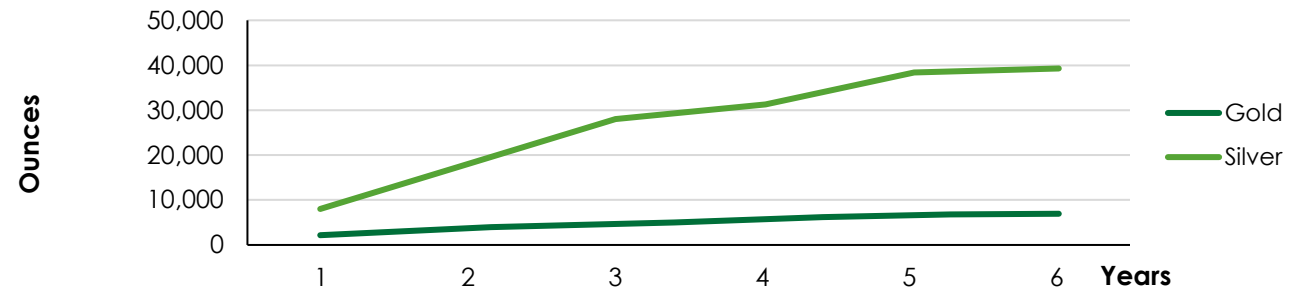
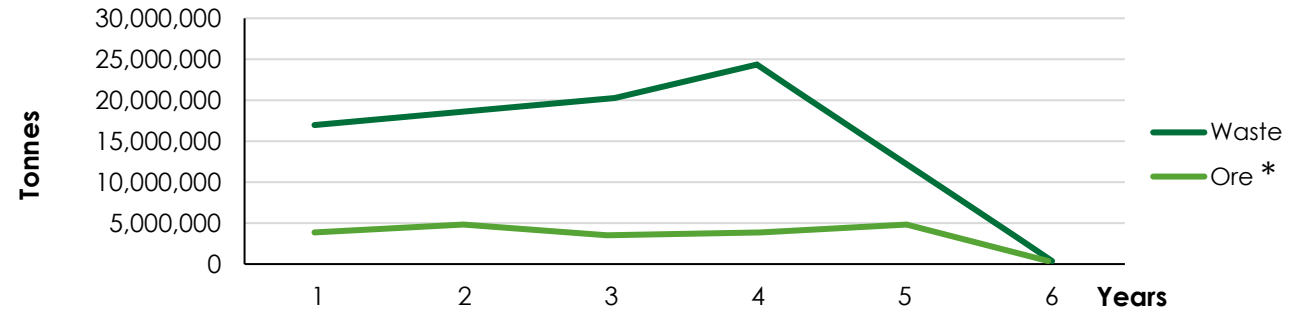
- The Mount Mack tenement package encompasses a surface area of 26km, which are host to 9 prospects (within 2-6km):
 - North Knoll, SW Slopes, East Knoll, Bald Hill, South Knoll
 - Instinct
 - Coppermine Creek
 - Clive Creek, Quinine Gully, Sphinx Hill.
 - Mineral Development Licence granted over the existing resource.
- To date REZ has focussed solely on the top 100m of North Knoll and South West slopes which have so far yielded an optimised open cut resource comprising JORC 2012 129,000 oz of Gold and 862,000 oz of Silver.
- The Instinct prospect is targeting a deep Porphyry Gold Copper system.
- Clive Creek prospects are targeting an epithermal system of comparable scale to the existing North Knoll and South West Slopes i.e. a +150,000oz resource.
- Coppermine Creek represents a number of unexplored shallow copper workings identified to the north of Mount Mack.



Mount Mackenzie – Scoping Study



- The optimised pit generates a production target of 2.2mt at a head grade of 1.32g/t Au and 8.5g/t Ag.
- Open cut with LOM of 62months producing 67k oz au and 392k oz Ag.
- A program of reverse circulation and diamond drilling has been designed to enable conversion of remaining inferred resources to the indicated class.
- Emphasis on testing the amenability of the primary ore for preparation of a flotation concentrate which will significantly enhance the project FCF.
- The primary ore zone at Mount Mack has not been closed off by drilling and remains untested generally below 80m.
- The ability to produce a polymetallic concentrate is likely to also unlock substantial additional feed sources at Mount Mack similar to operations at Mt Carlton.



* Table 2: Mount Mackenzie Ore and Waste Volumes constrained at \$2400/oz Au.



East Menzies

- ✓ Execute +5,000m RC Drilling Programme currently underway.
- ✓ Further extension and upgrades of various resources to JORC 2012 status.
- ✓ Progress third party offers for campaign mining.
- ✓ Continue exploration for major find.

Mount Mackenzie

- ✓ Undertake RC and diamond drilling program to convert all resources to indicated, and to test the resource extents at depth. Review potential for Reserve classification at the same time.
- ✓ Further drilling and metallurgical studies to be completed to investigate primary ore bulk concentrate option.
- ✓ Progress studies and assessments to capitalise on the opportunity to commence production.
- ✓ Drill test additional resource targets identified at Clive Creek.

Board and Management



Gavin Rezos – Chairman

Gavin has extensive Australian and international investment banking experience and is a former investment banking Director of HSBC Group with regional roles during his career in London, Sydney and Dubai. Gavin has held chief executive officer positions and executive directorships of companies in the technology sector in Australia, the United Kingdom, the US and Singapore and former non-executive director of Rowing Australia. He is a principal of Washington DC based Viaticus Capital LLC. Gavin was previously a Non-Executive Director of Iluka Resources (ASX:ILU) from 2006 to 2016 and is the current chairman of Vulcan Energy Resources Limited ASX:VUL).



Richard Poole – Director

Richard has built a diversified portfolio of projects and companies including mining, energy, media and online both in Australia and internationally including 2 from scratch to revenues of approx. \$500m. He has raised funding for multiple projects and assisted in building start ups beyond \$1B market cap. Richard is also Co-founder, funder and was Executive Strategic and Operations Director of Entrust Energy US, based in Texas with operations in 13 states, creating partnerships and working with Shell Energy North America and Nippon Gas (Japan). He is now focussed on building Hunter Energy and REZ into significant groups.



Virginia Bruce – Director

Virginia's international reputation was developed through her key role in developing International brand and business strategies for many Fortune 500 brands including Warner Bros, Mattel, Avon, Disney, Kellogg's, Audi, Volkswagen, Coca Cola, Network 7 including four back to back Olympics starting with the Sydney Olympic Games. She has worked extensively in the USA, Australia, Asia, China, Middle East and Europe, establishing business operations in all of these markets. Virginia is currently the CEO of The REAL Group, which focuses on social development and mentoring programs.



Warren Kember – Chief Financial Officer & Company Secretary

Warren is the Chief Financial Officer and Company Secretary of the Group and is responsible for directing all financial, legal and risk management. Warren has significant experience in executive finance having served as Chief Financial Officer for a number of ASX listed companies in the construction, mining and technology sectors. More recently he was the Chief Financial Officer and, ultimately, the Chief Executive Officer of Australian Power & Gas Limited, a high growth, ASX listed energy retailer.



Michael Johnstone – Exploration Manager and Chief Geologist

Michael has 37 years of mining and exploration experience in the resources sector. During this time he has managed exploration programs or contributed significantly to mining studies related to the assessment and development of mineral resource projects in Australia, India, Pakistan, Philippines, Vietnam and New Zealand. Michael has a successful track record in the identification, exploration and development of large resource projects and is a long standing Member of the Australasian Institute of Mining and Metallurgy (MAusIMM).

Contact

Richard Poole

Director

rjpoole@rezgroup.com.au

Michael Johnstone

Exploration Manager

mjohnstone@rezgroup.com.au

Address

Level 33, 52 Martin Place

Sydney, NSW 2000

Australia

Website

rezgroup.com.au

Email

communications@rezgroup.com.au

Phone

+612 9227 8900

Mt Mac Gold and Silver - Qld



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The information in this presentation that relates to exploration results of East Menzies and Mount Mackenzie projects is based upon information extracted and reviewed by Mr Michael Johnstone, Principal Geologist with Minerva Geological Services Pty Ltd. Mr Johnstone is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the 2012 edition of the 'Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Michael Johnstone consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.