

RESOURCES & ENERGY

Resources & Energy Group Limited

ASX/Media Release

30 April 2021

Quarterly Activities Report March 31, 2021

Highlights

- **Exploration Drilling at Gigante Grande Continues to intersect significant intervals of shallow gold mineralisation. Further drilling, and resource modelling is set to commence.**
- **Granny Venn Pit dewatered, and grade control drilling completed.**
- **A Profit-sharing agreement with BM Mining to investigate and exploit economically recoverable remnant resources at the Granny Venn mine has been executed.**
- **M29/434 Springfield Mining Proposal proceeds to Native Title Negotiations**
- **Drilling operations at Mount Mackenzie Commenced, first drill pad has been completed.**

Resources & Energy Group Limited (ASX: REZ or the Company) is pleased to provide its Quarterly Activities and Cash Flow Report for the period ending March 31, 2021.

East Menzies Gold Project (EMGP) West Australia

Gigante Grande Prospect

During the report period, the Company completed two drilling programs at its Gigante Grande Prospect, which is located on the east side of the EMGP. A total of 15 holes for an advance of 2430m were completed during the quarter. Gold assays have been received for five of the holes, with significant intervals of shallow gold mineralisation being reported. Peak down the hole results at a COG of 0.3g/t au include:

- 21EMRC001⁽¹⁾** 8m@1.66gt/ au from 11m, including 1m @ 9.36gt/ au from 14m. 17m@2.79gt/ au from 57m, including 4m@6.17gt/ au from 61m and 3m@ 4.7gt/ au from 68m.
- 21EMRC004⁽²⁾** 1m @ 19.02gt/au from 36m. 27m @3.7gt/au from 65m, and 7m@1.35gt/au from 100m.
- 21EMRC005⁽²⁾** 19m@2.02gt/ au from 47m including 2m@9.09gt/au from 47m, 1m@4.62gt/au from 78m and 1m@4.91gt/au from 118m.

The drilling activities completed so far have unveiled vein and shear hosted gold mineralisation within the Gigante Granite along its contact with the Moriarty Shear Zone. The mineralised structures are interpreted to be associated with a steeply dipping high rheological contrast zone between the Granite on the west and Greenstones on the east. In general, the productive zone runs North South through the entire length of the Gigante Grande prospect area.

The mineralised area which has been drilled to date has a length in the order of 1,200m-1,400m, and remains open to the north and south along strike, and down dip to the west. The mineralisation is

(1 and 2) ASX Releases March 2021,

shallow, as indicated by recent results from 21EMRC001, 004 and 005, and continuous at depth. This is supported by results from boreholes 20EMRC016⁽³⁾ (24m gold mineralisation from 54m including 8m @ 2.14g/t au from 186m) which is down dip of borehole 21EMRC001, and borehole 20EMRC012⁽⁴⁾ (20m @ 5.06gt/au from 116m), which is down dip of boreholes 21EMRC004, and 005, refer figure 1.

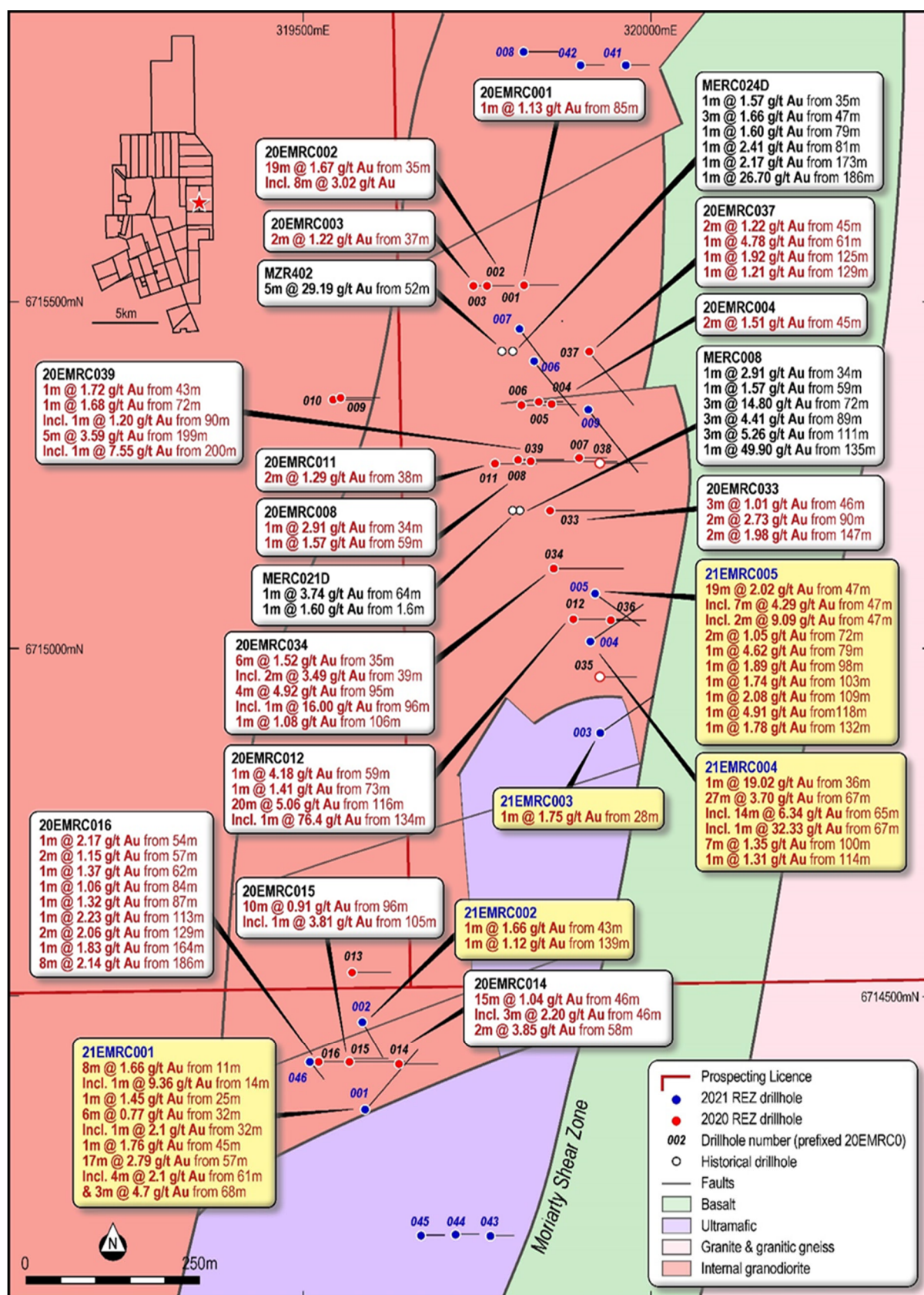


Figure 1 Borehole Location Plan Showing Significant Intervals of Gold Mineralisation March Quarter results highlighted.

The shallow nature of mineralisation and extensive strike combined with the tenor of grades and intervals encountered at Gigante underscore the potential for this prospect to host a large open cut gold resource. The next rounds of drilling investigation will investigate this potential further, with infill work directed at resource generation.

Granny Venn Cut Back

During March, the Granny Venn Open pit access ramp was rehabilitated, and the mine dewatered to expose the pit floor at completion of operations in 1998-an RL of approximately 380m, plate 1.



Plate 1 Granny Venn Pit Floor exposure at RL 380m following dewatering.

A program of RC drilling was subsequently completed, with operations focussed on a potential cut-back to exploit a sub vertical extension to the main Granny Venn ore body which is located on the North East side of the pit. A total of 68 holes were drilled within the footprint and periphery of the Granny Venn Open cut for an advance of 1779m. The samples have been submitted to ALS Kalgoorlie for gold assay.

In parallel, the company has entered into a profit share mining agreement with BM Mining who will further investigate the resource and subject to feasibility, manage mining operations to recover the resource. Under the agreement the company's (REZ group) maximum exposure is \$150,000, which relates to pre-development activities such as grade control drilling, assaying, and dewatering.

Springfield Project

In September 2020, the company lodged a mining proposal (M29/434-Springfield) for small mining operations over a portion of P29/2226. The application area embraces a number of historical high grade artisanal workings on the western side of the EMGP area, of which the Viking, Birthday Gift and Luxemburg are the most significant, refer figure 2.

Old production records show the historic workings with M29/434 are high grade, for example Sunday Gift at 53.6g/t. However, the lodes are typically narrow and tabular, generally 1.0 meter wide and exceptionally achieving 2.0m width. The lodes are dipping 70°-80° southeast and in the main the country rock, which is basalt is barren with respect to gold mineralisation.

The Springfield application has been technically assessed and in March 2021 has proceeded to Native Title Negotiations with the claimant group-the Nyalpa Pirniku people. As part of this process the

company has lodged a submission, and dialogue on reaching an agreement with the claimant group is expected to commence shortly.

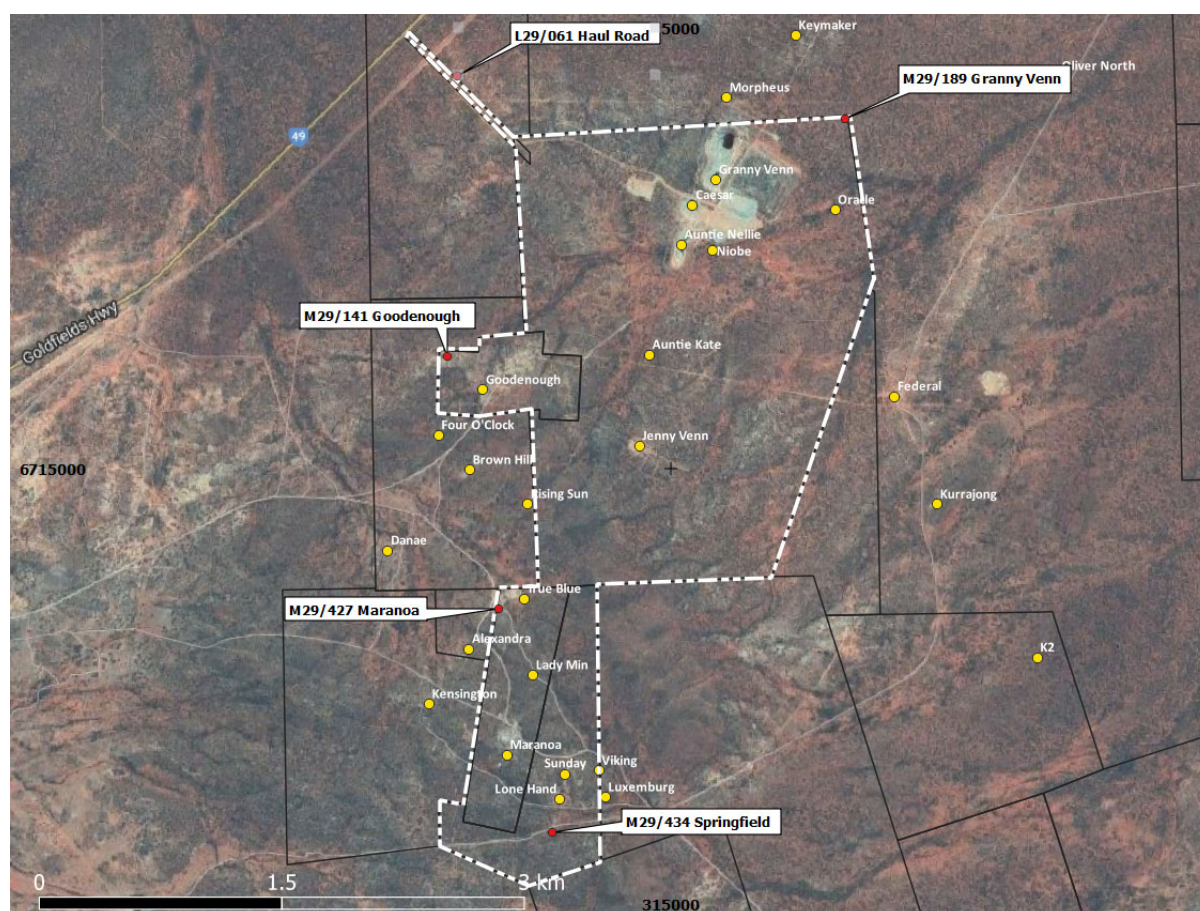


Figure 2 East Menzies Gold Project Mining Lease Location Plan

The objective of the Springfield application is to enable continued exploration, and exploitation of a number of small high grade gold occurrences. This presents opportunity to contribute to potential production activities which have been flagged over adjoining Mining leases M29/427-Maranoa, M29/141 Goodenough, and M29/189 Granny Venn.

Mount Mackenzie Gold and Silver Project

Drilling operations at Mount Mackenzie commenced in early February, with work targeting the South West Slopes. Drilling progress has been hampered by difficult ground conditions, and water circulation issues which has slowed daily coring rates. Regardless, at the end of the quarter operations on the first pad, have been completed with approximately 200m of transitional and primary ore recovered.

The primary ore zone in MET001 encountered mineralisation from a depth of approximately 64.5m to a TD of 201m down the hole, a thickness of about 135m. The ore zone was represented by variably fractured and vuggy silica altered andesite, visible sulphides (pyrite up to 8% with minor arsenopyrite and lesser Galena) with quartz halo's throughout, refer plate 2.

Activities Planned for the June 2021 Quarter

A third program of EMRC2021 drilling investigations is planned for Gigante, with work expected to take place in early May 2021. This drilling program will comprise a combination of infill holes for first pass resource estimation and step out holes to further test the mineralised extents of the resource along the GG/MSZ corridor. Some high-level leach-well and bottle roll investigations on RC chip

samples are also planned to provide indications on the metallurgical character of the Gigante Ore, and its amenability to a conventional CIL process route.

At Granny Venn, a mining proposal will be lodged seeking approval to recommence operations, subject to receipt of drilling results from RC drilling completed during March 2021. Native Title negotiations with the Nyalpa Pirniku people will proceed, as a fundamental requirement towards grant of M29/434.

Additional drilling investigations at Mount Mackenzie are underway with an expectation that the program should be completed in late April. Bore core from the program will be road freighted to ALS Townsville for initial preparation (core splitting, preliminary assays, and determination of density. The core will then be forwarded to JT Metallurgical services in Perth for detailed metallurgical and processing evaluation.



Plate 2 Mount Mackenzie South West slopes Primary High Sulphidation Epithermal Mineralisation

About Resources and Energy

Resources and Energy Group Limited (ASX: REZ) is an independent, ASX-listed mineral resources explorer, with projects located in premier mining jurisdictions in Western Australia and Queensland. In Western Australia, the company's flagship is the East Menzies Gold Field project (EMG), situated 130km north of Kalgoorlie. The EMG represents a +100km² package of contiguous mining, exploration, and prospecting licenses, which are located within a significant orogenic lode gold province figures 3 and 4.

For resource growth, the company's focus is presently exploring the eastern side of the project area. On the western side of the project area scoping and pit optimisation studies to investigate opportunities for renewed mining operations in M29/181, M29/141, and M29/427 have commenced. As part of this program the company recently upgraded the JORC 2012 MRE for M29/141-Goodneough

which now stands at 37.5k oz indicated and 5.2k oz inferred for a total Indicated and Inferred Mineral Resource Estimate of 42.7k oz of Gold. Resource work on Granny Venn has also commenced.

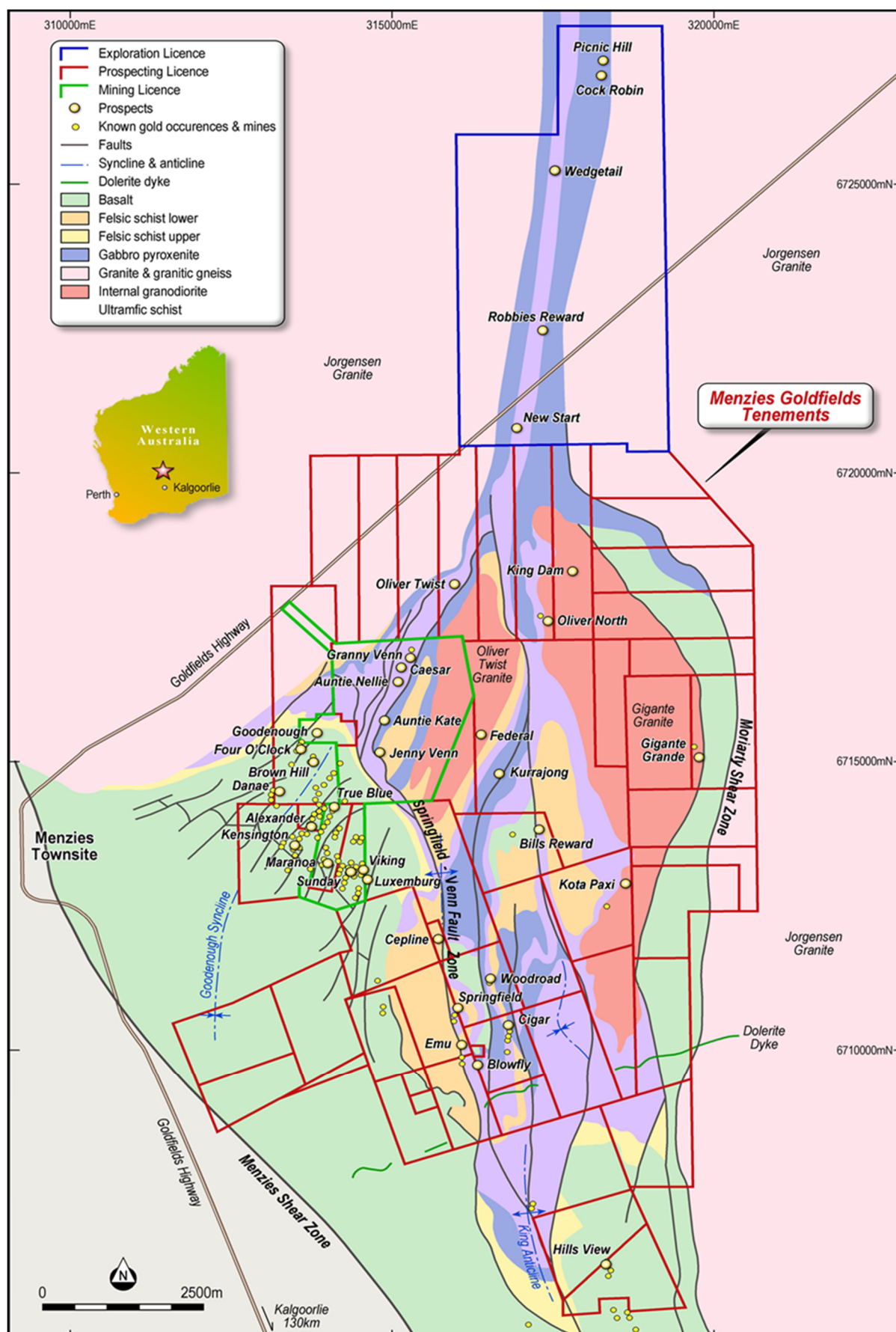


Figure 3; East Menzies Gold Project-Tenement Location Plan

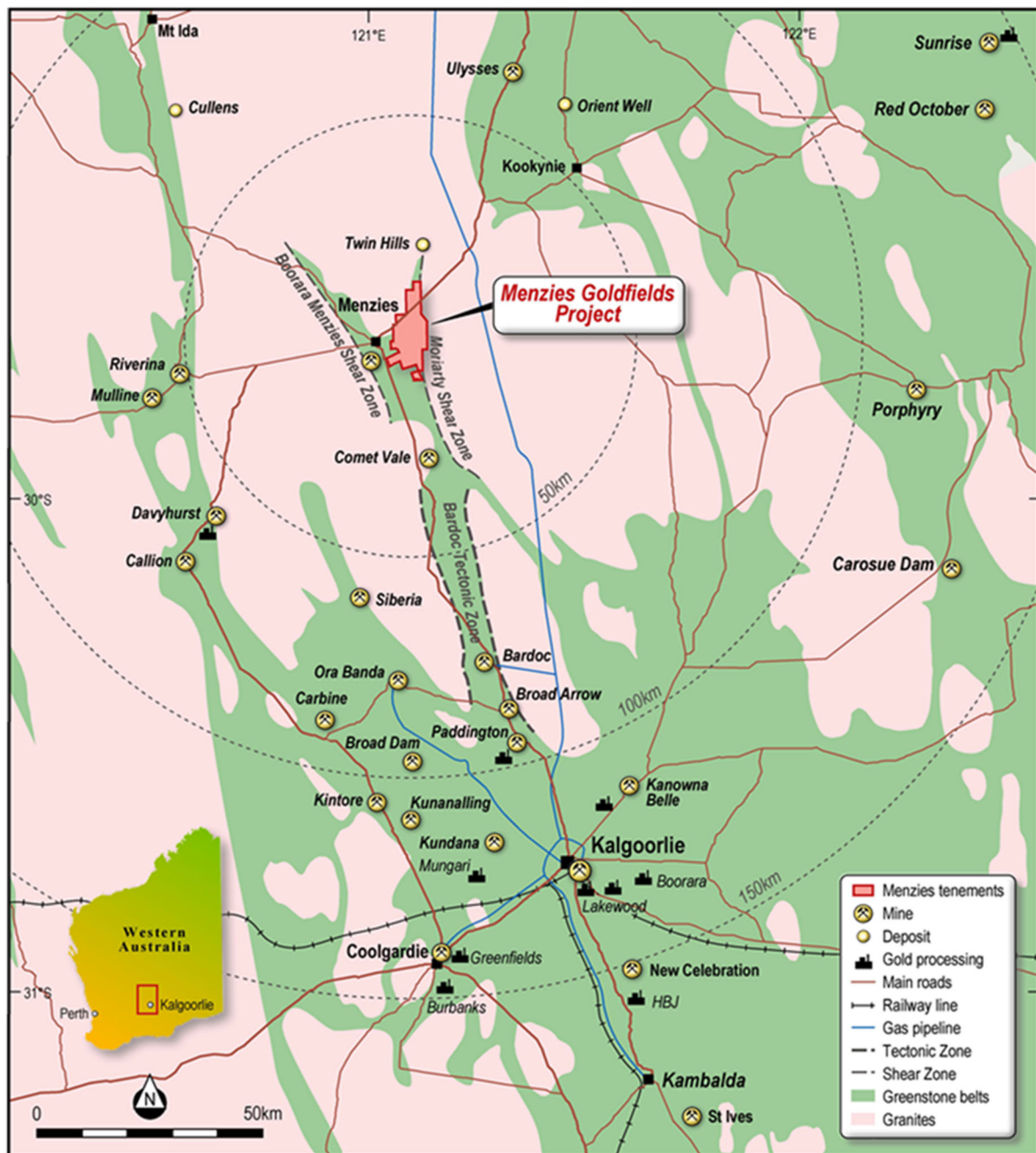


Figure 4; East Menzies Gold Project-Regional Location Plan

In Queensland, the company has a 12km² Mineral Development Licence over the Mount Mackenzie Mineral Resource and retains a further 15km² as an Exploration Permit. These Development and Exploration Licences are in the Connors-Auburn Arc and are prospective for high, intermediate, and low sulphidation gold and base metals mineralisation. The current resource has been estimated at 3.42Mt @ 1.18g/t gold and 9g/t silver for a total of 129,000 oz gold and 862k oz silver. An initial scoping study for the project shows a positive net \$63m of free cash excluding any option to produce a concentrate from the primary ore.

Competent Persons Statement and Consent

The information in this release that relates to Exploration Results is based on and fairly represents information compiled by Mr. Michael Johnstone Principal Consultant for Minerva Geological Services (MGS). Mr Johnstone is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the reporting of Exploration Results to qualify as a Competent

Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Johnstone consents to the inclusion in this release of the matters based on their information in the form and context in which it appears.

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Approved for Release by the REZ Board