

*ASX/Media Release*

*5 August 2021*

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Resources & Energy Group Limited (**ASX: REZ**) advises that its recently released Quarterly Activities Report for the 3 months ending 30 June 2021 has been updated to contain a statement required pursuant to ASX's Listing Rule 5.3.5.

An updated version of the quarterly report is attached which includes the required statement.

Further information:

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Approved for Release by the REZ Board



# RESOURCES & ENERGY

Resources & Energy Group Limited

ASX/Media Release

5 August 2021

## Quarterly Activities Report June 30, 2021 (updated)

### HIGHLIGHTS

- **34 Exploration holes completed for an advance of 3,673m**
- **Scout Drilling along the Springfield-Venn Corridor commenced**
- **Granny Venn Pit Mining Proposal Approved and Operations Commence.**
- **Drilling operations at Mount Mackenzie Completed, Metallurgical Testwork underway**

Resources & Energy Group Limited (ASX: REZ or the Company) is pleased to provide its Quarterly Activities and Cash Flow Report for the period ending June 30, 2021.

### East Menzies Gold Project (EMGP) West Australia

#### Gigante Grande Prospect

During May and June, the Company completed 25 holes at the Gigante Grande Prospect for an advance of 2773m. The work was designed to enable 1st pass resource generation between N6714500 and N6715600 including extension of mineralisation north of 20EMRC002 and to test the presence of shallow oxidised mineralisation between N6715000 and N6715300. A total of 28 holes were originally planned for the campaign, however 3 holes, testing the resource extension to the north, could not be reached due to wet ground conditions. Results for these drilling activities are expected in late July and early August.

The exploration completed so far has unveiled an extensive vein and shear hosted gold system 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 shallow nature of mineralisation and extensive strike at Gigante underscore the potential for this prospect to host large open cut gold resources

The mineralised area which has been drilled to date has a strike length in the order of 1,200m-1,400m, and remains open to the north and south along, and down dip to the west. Broad zones of ore grade mineralisation have been intersected from depths as shallow as 11m (EMRC001- 8m@1.77g/t) and as deep as 186m (EMRC46-8m@2.14g/t). The resource remains untested below 200m.

Work on expanding the footprint of the resource has also commenced with evaluation of Geological and Geophysical data sets covering the northern and southern extensions of the prospect, along the Moriarty Shear Zone. These areas offer potential to increase the strike of the mineralised system by a further 5.5km.

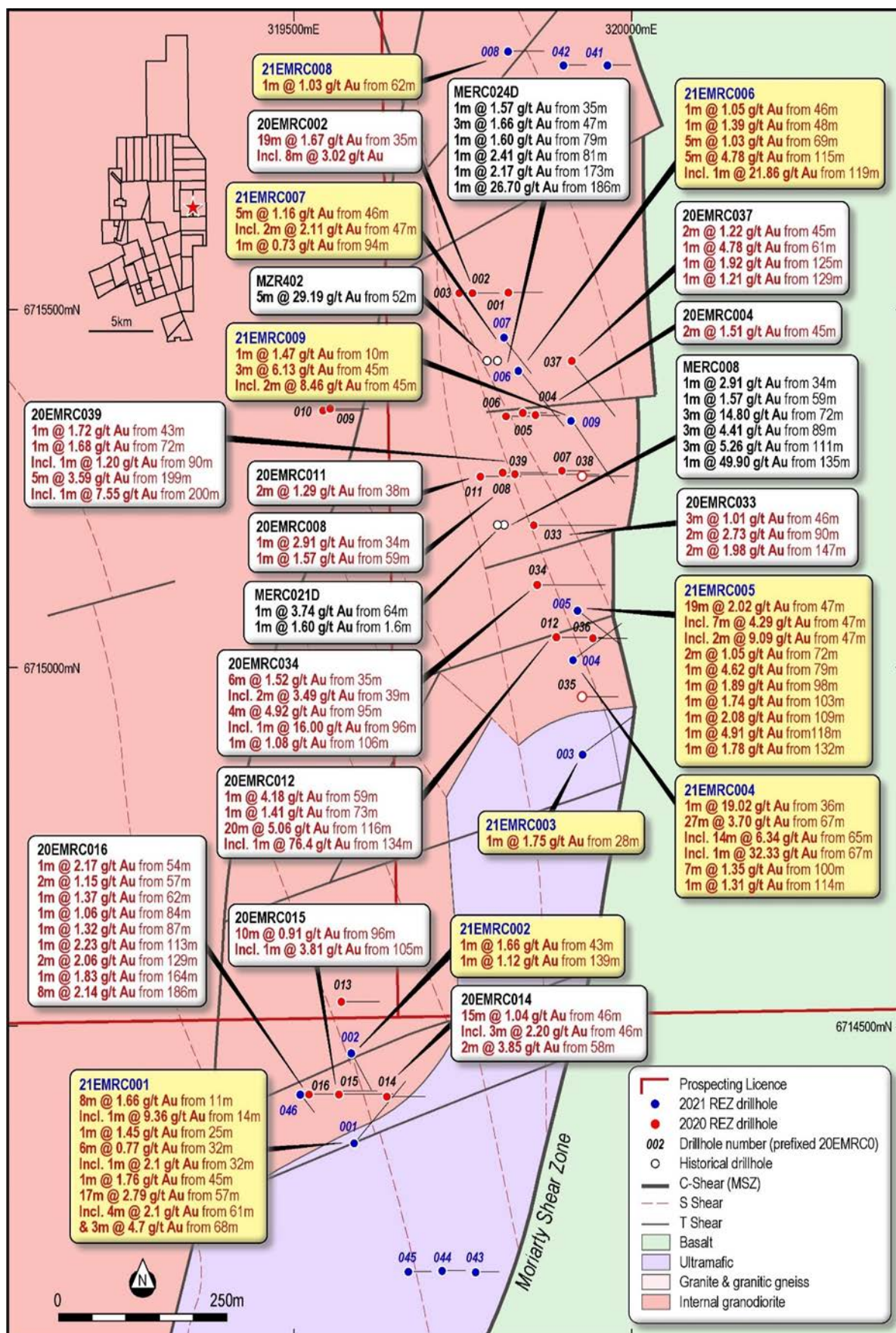


Figure 1 Borehole Location Plan Showing Significant Intervals of Gold Mineralisation.

## Granny Venn Mining Operations

During the quarterly period, a Mining proposal to resume open cut operations at M29/189 Granny Venn was approved. A notification of commencement of Operations was lodged in late June, with the



removal of first overburden taking place shortly thereafter. Mining operations will initially commence in the north west corner of the Granny Venn Pit where grade control drilling has defined a previously unrecognized extension to the resource. During the report period additional Grade Control drilling over this area, and within the immediate vicinity of the pit, has identified a near term production target of 8,800 oz au.



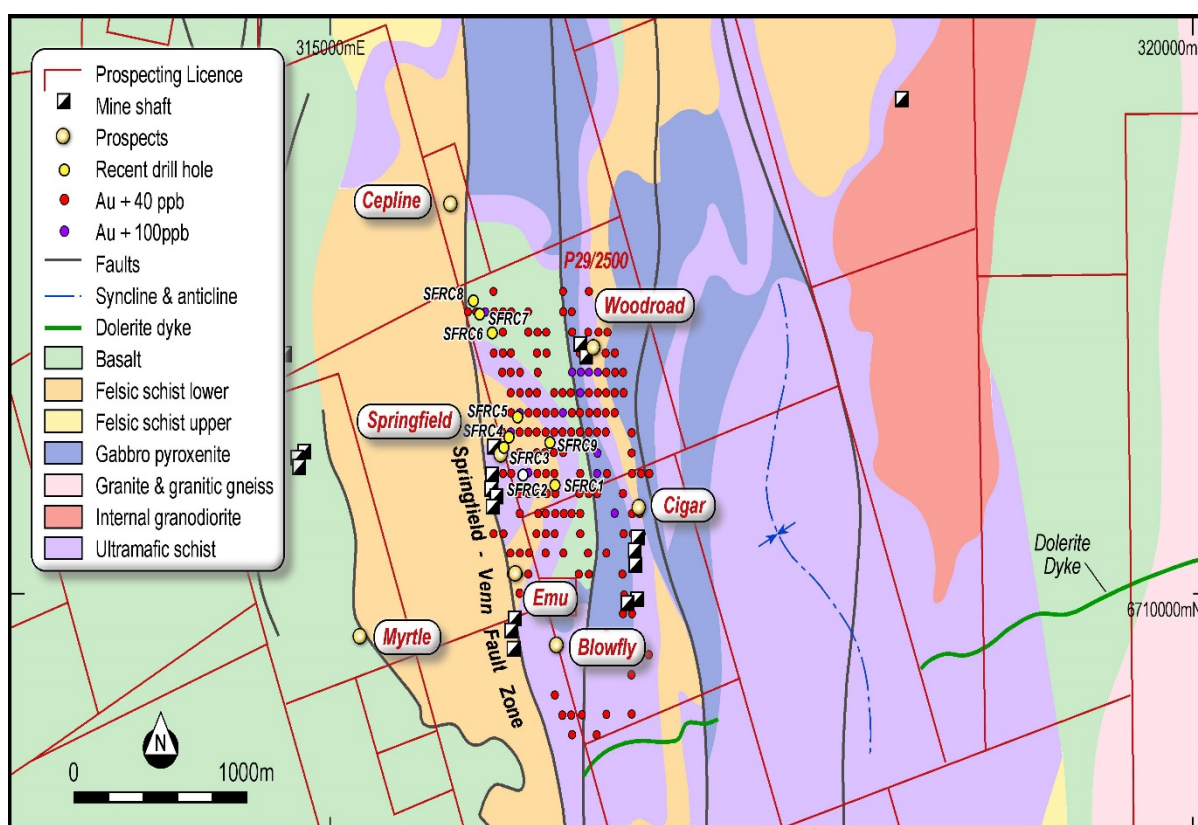
*Plate 1 Granny Venn Commencement of Mine Operations*

### **Springfield Prospect**

In late June, the Company commenced a scout program of RC drilling along the south-western side of the East Menzies Gold Project Area known as Springfield. The work is targeting historical RAB and Auger gold anomalies which were identified in 2005 by Great Australian Resources. This exploration activity complements work already underway along the eastern side of the project area at Gigante Grande, where drilling investigations are continuing to define the resource extents, and to the north where production activities at Granny Venn Open Pit have commenced, refer figure 4.

Exploration along the western or Springfield side of the project area is investigating potential for mineralisation along the Springfield-Venn fault zone and in particular interflow sediments, which are predicted to occur within a tightly folded and thrust faulted sequence of Mafic basalts and Felsic-Ultramafic schists. Investigations will initially commence in P29/2500, where a total of 9 holes are planned for an advance of approximately 900m, refer figure 2.

The Springfield workings occur within ultramafic schist, close to the contact with felsic dacitic schist to the west. Altogether there are seven old mining shafts in the prospect area, the main one reputed to be an underlay shaft to a vertical depth of 36m. The old workings and shafts extend over a distance of 140m with north-south alignment, parallel to the ultramafic-felsic contact. Documented production between 1900-1945 for Springfield is 1003.9t for 22.04 kg Au (21.9 g/t).



*Figure 2 East Menzies Gold Project Springfield Prospect and Borehole -Location Plan*

## Mount Mackenzie Gold and Silver Project

Drilling operations at Mount Mackenzie were completed in late April and bore-core recovered from the program has been loaded onto pallets and dispatched to ALS Townsville. The initial metallurgical test-work will be carried out by ALS, and will include core photography, spitting, half core assays, and determination of density over selected intervals. Subsequent testwork will be carried out in West Australia under the supervision of JT Metallurgical Services Pty Ltd.

During the report period, the Company appointed a Project Manager to oversee the project as it progresses through feasibility Studies, and to supervise the project approvals process.

## Activities Planned for the September 2021 Quarterly Period

The exploration results generated from the May/June drilling program will be used for preparing an Exploration Target for the central part of the Gigante Grande Prospect. This will enable a resource definition program to be designed, budgeted, and implemented. The drilling completed so far has already identified several areas where there is sufficient information to generate an inferred resource. Work on converting these areas to JORC resources will also commence. Some high-level leach-well and bottle roll investigations on RC chip samples are planned to provide indications on the metallurgical character of the Gigante Ore, and its amenability to a conventional CIL process route.

At Granny Venn, mine operations directed at recovering the first parcel of ore will be carried out as well as predevelopment activities on accessing additional ore from within the pit.

The bore-core recovered from the Mount Mackenzie drilling program will be initially prepared at ALS Townsville. The core will then be forwarded to JT Metallurgical services in Perth for detailed metallurgical and processing evaluation.

In parallel with Metallurgical studies, work on putting together a project development plan will commence. This will include assessment of studies required to inform an application for a Site-specific Environment Authority which would support conversion of the existing MDL into a Mining lease.



### Listing Rule 5.3.5

Payments to related parties and their associates during the quarter totalled approximately \$60,000 and comprised of fees paid to the Directors and Arthur Phillip Pty Limited (**Arthur Phillip**) who provides REZ with management, strategic and other services. The Executive Director has a financial interest in and control of Arthur Phillip.

### About Resources and Energy

Resources and Energy Group Limited (ASX: REZ) is an independent, ASX-listed mineral resources explorer and miner, 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 +100km<sup>2</sup> package of contiguous mining, exploration, and prospecting licenses, which are located within a significant orogenic lode gold province figures 3 and 4.

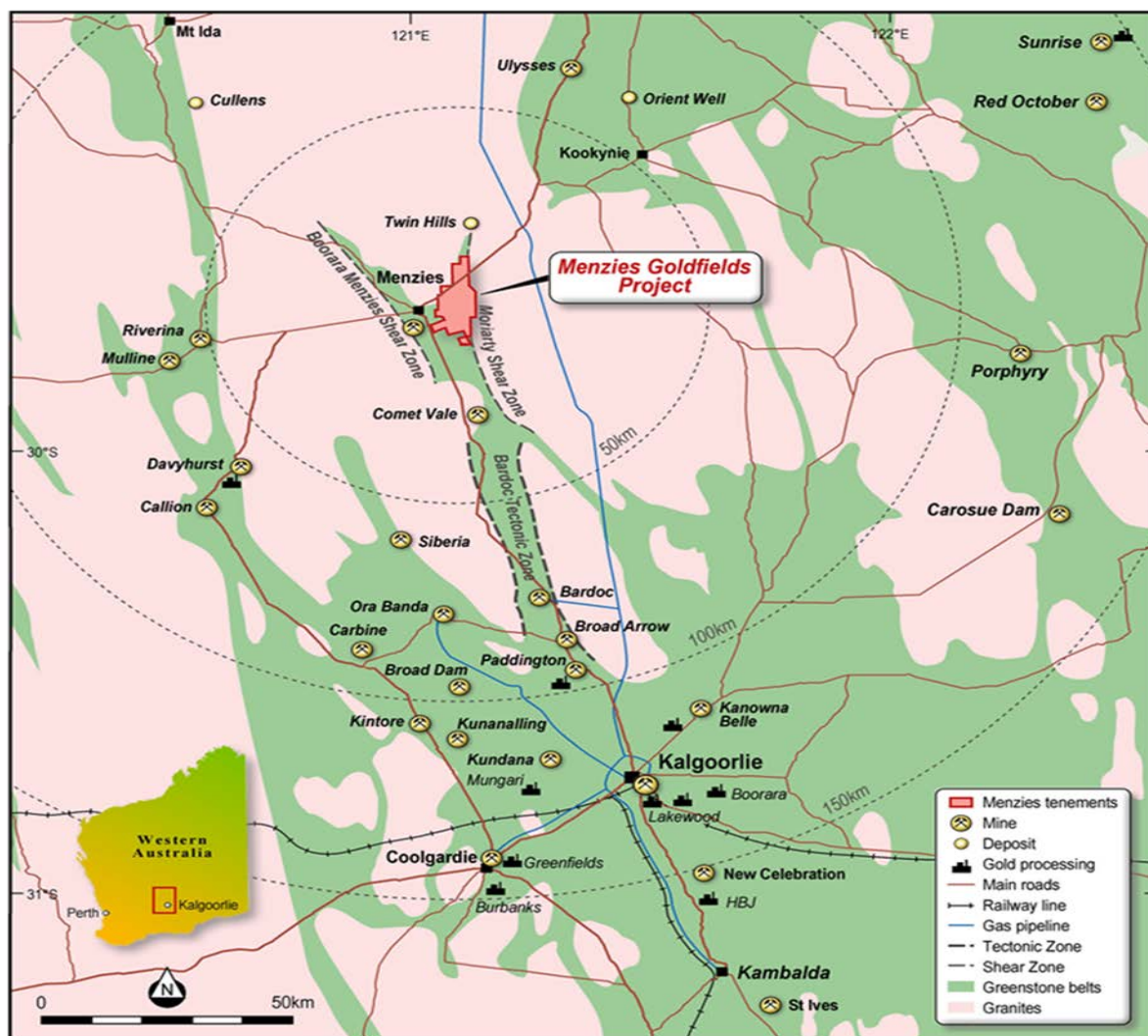
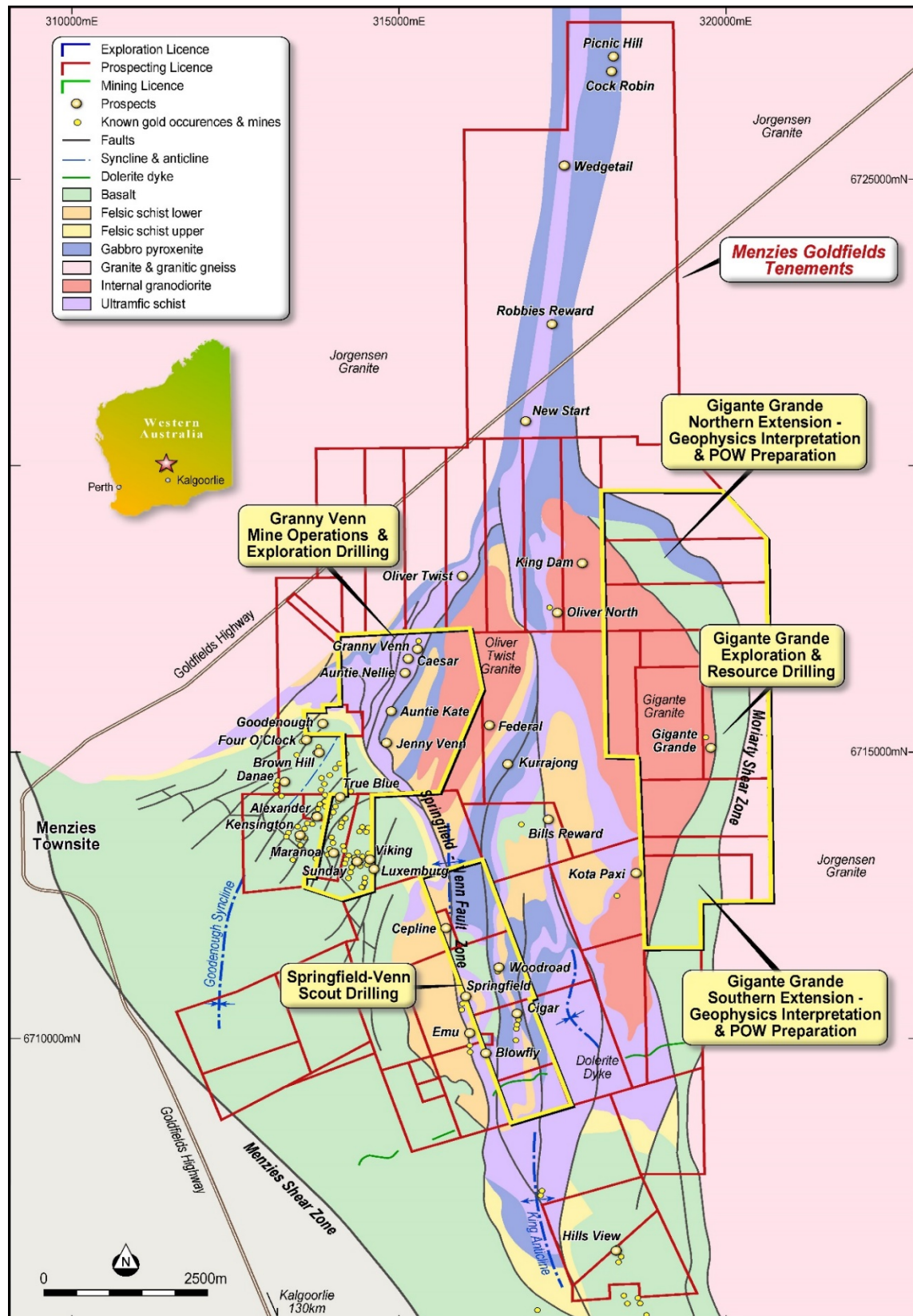


Figure 3; East Menzies Gold Project-Regional Location Plan

For resource growth, the company's focus is presently exploring the eastern side of the project area at Gigante Grande. 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.

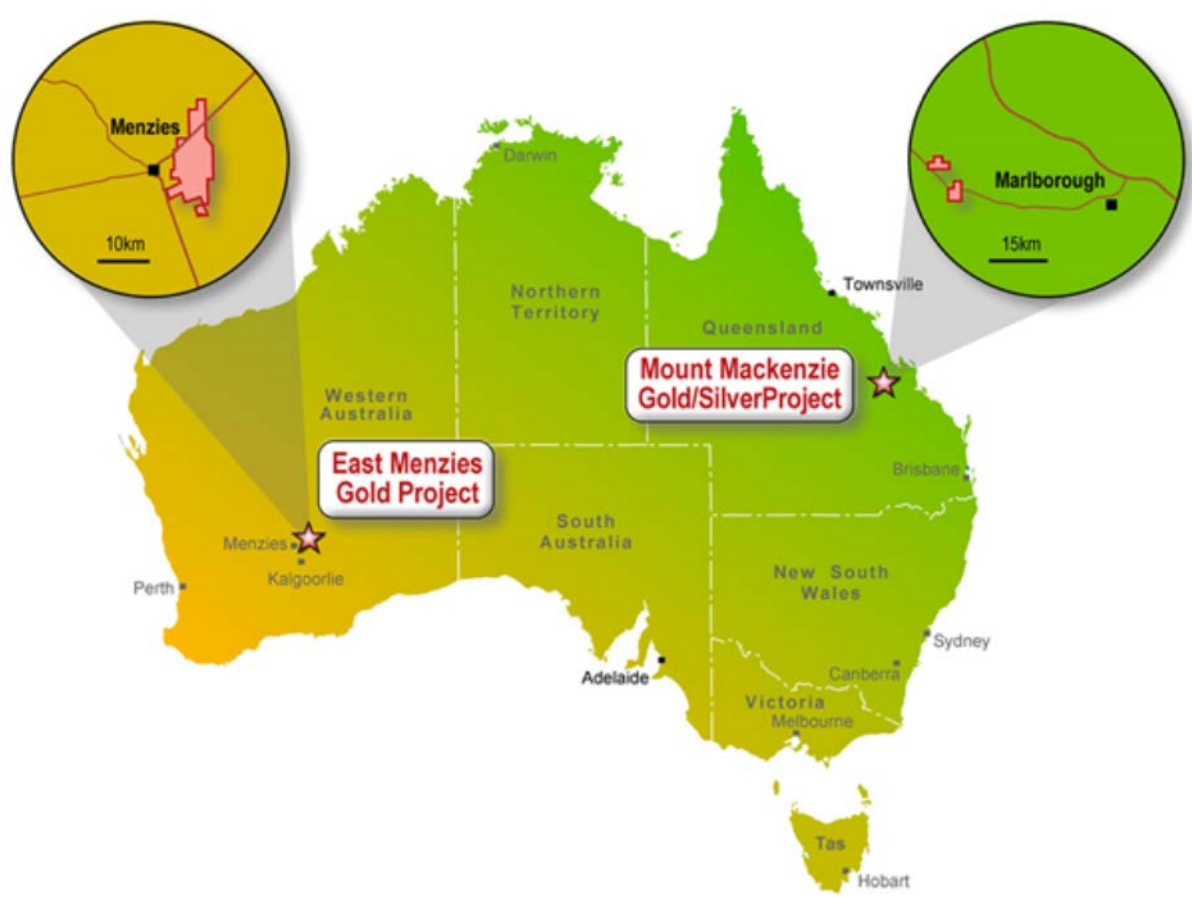
In Queensland, the company has a 12km<sup>2</sup> Mineral Development Licence over the Mount Mackenzie Mineral Resource and retains a further 15km<sup>2</sup> as an Exploration Permit. These Development and Exploration Licences are in the Connors-Auburn Arc and are prospective for high, intermediate, 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.



*Figure 4; East Menzies Gold Project-Tenement and Operations Location Plan*

## 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.



### Further information:

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