



Granny Venn Mining Operations (on the Move)

- **First material movement occurred on 9 July**
- **Ore Production from GV North Cut Back Has Commenced**

Resources & Energy Group Limited (ASX: REZ or the Company) advise that the first material movement at Granny Venn was recorded on the 9th of July, and ore production from GV North has commenced.

Operations

Throughout the month of July mining activities undertaken by BM Mining have taken place in three separate cutbacks; GV North, GV Ramp and GV East, refer figure 1.

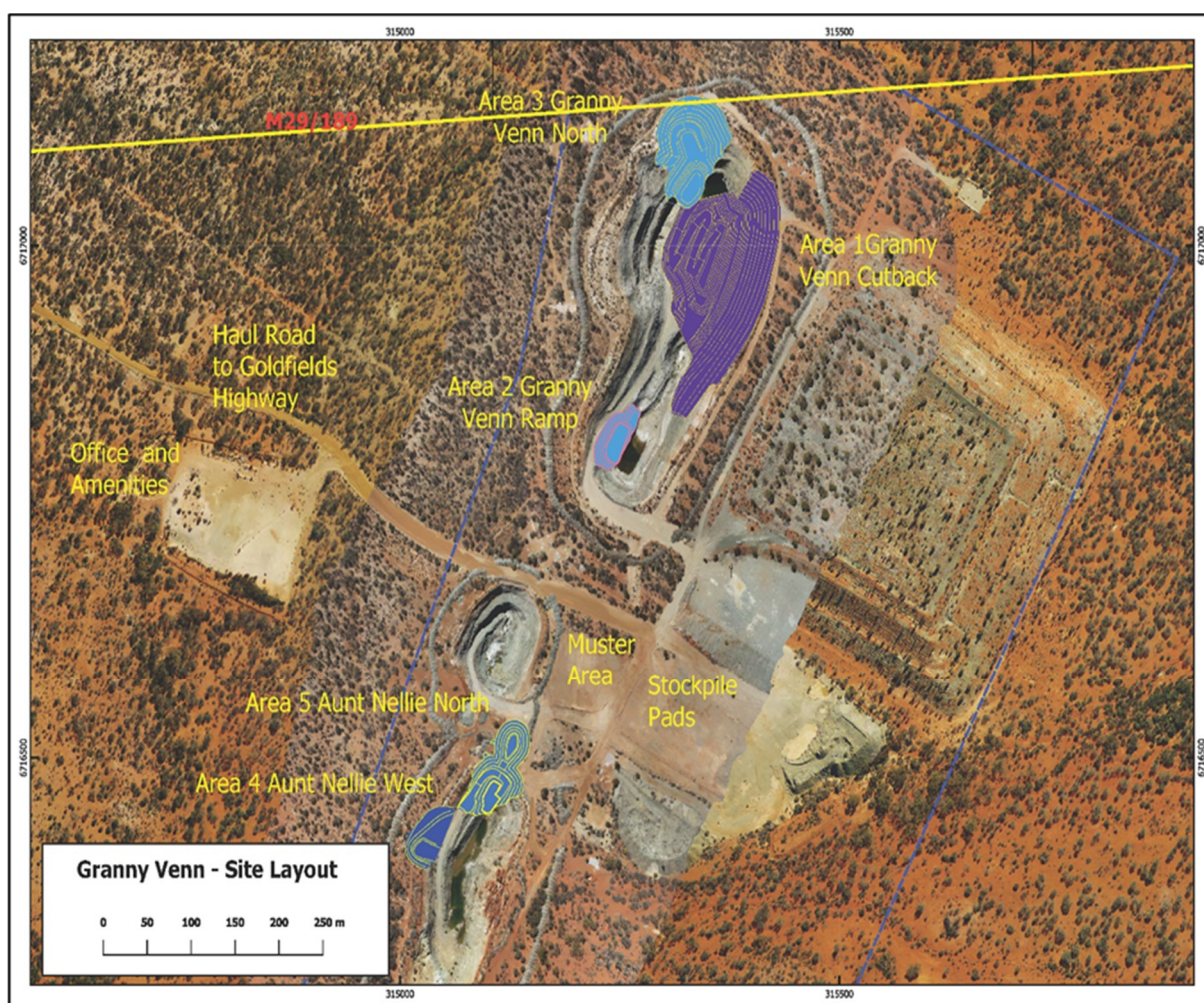


Figure 1: Granny Venn Site Layout and Operational Areas

The initial operations have primarily targeted the GV North Cutback, where waste removal has exposed first ore at an RL of 425m. Pre-development work including haul road construction and bunding, as well as pad preparation along the east side of the Granny Venn Cutback have also commenced, refer Plates 1, and 2.



Plate 1 Granny Venn North Waste Removal and Ore exposed RL425



Plate 2 Granny Venn Cutback, bench development and Haul Road Construction

Removal of ore from GV North has commenced refer plates 1 and 3, whilst mining of ore in the GV Ramp is expected to commence shortly. The ramp area has been drilled and is ready for shot firing, refer Plate 4.



Plate 3 Granny Venn North High-Grade Ore in the Excavator Bucket



Plate 4 Granny Venn Ramp Ready for firing

Geology and Resource Extension drilling

Three diamond core holes were drilled at the project in June, for details refer to Appendix 1 JORC checklist. A hole at the base of Granny Venn and another hole on the western margin of the Aunt Nellie pit. The purpose of the holes within the Granny Venn Pit was to verify previously reported grades in 21EMRC040-22m@ 3.09 g/t au ⁽¹⁾ and to recover intact core to assist as a visual reference for ore spotting during excavation.

⁽¹⁾ ASX Release May 1 2021

The second hole GVDD21-002 intersected 24.4 metres @ 3.19 g/t Au from 6.9 metres downhole. This mineralised interval is a variably altered talc chlorite amphibole (tremolite-actinolite) and biotite/phlogopite schist after an ultrabasic rock. The interval has a fine dissemination of sulphides which are elongated along the foliation plane including pyrrhotite, pyrite and lesser chalcopryite, pentlandite and violarite (Verbeeten, 2021).

As part of the project's internal QA/QC assessment, the ALS pulps for GVDD21-002 were submitted to Bureau Veritas for fire assaying as a check of the original analysis. The BV results correlate quite well with the original ALS results at 24.4 metres of mineralisation at 3.17 g/t Au compared to 24.4m at 3.19 g/t, and 22m at 3.09 for the original RC hole 21EMRC040, figure 2.

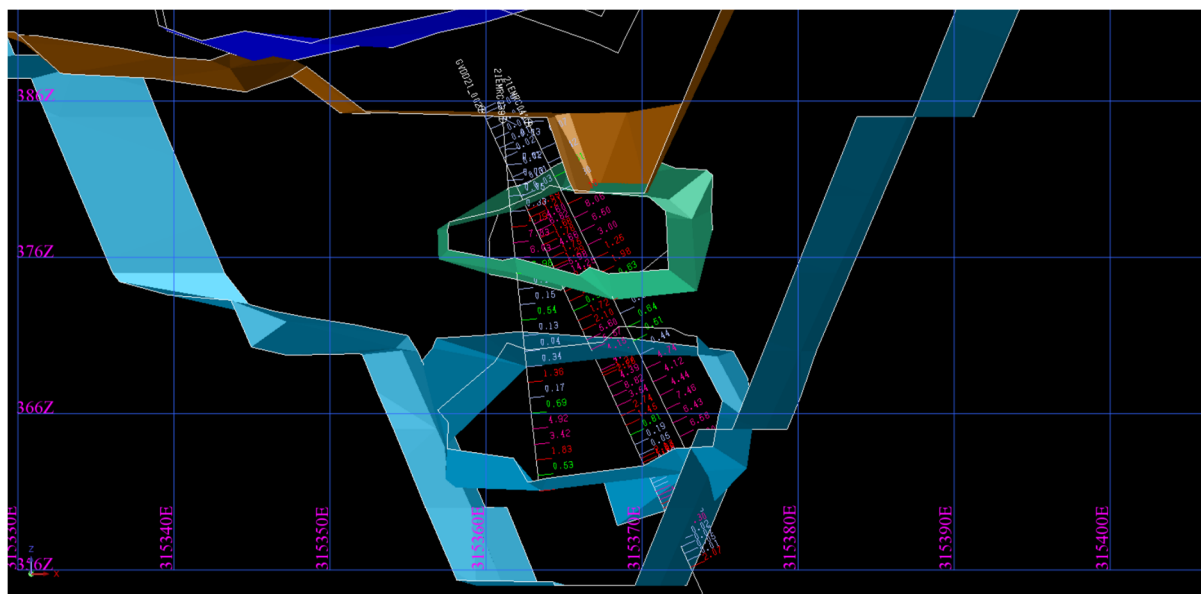


Figure 2 GVDD21-002 Intersecting mineralisation between RC holes 21EMRC039 and 21EMRC040

The single vertical diamond core hole was drilled on the western flank of the Aunt Nellie pit to a depth of 17.1 metres. Mineralisation was intersected at 1.6 metres downhole and included 3.85 metres @ 1.61 g/t Au. The mineralisation is hosted in a highly weathered talc-chlorite ultramafic schist with variable biotite/phlogopite and carbonate alteration.

A blast hole sampling programme at Aunt Nellie West has been designed to assess the extents of the near surface mineralisation encountered from previous historical exploration and more recent work completed by the Company in March. A total of 60 holes have been designed on a 4m x 4m pattern in the vicinity of the March 2021 RC drilling

A suite of fifteen 10 metre blast holes on a 4m x 4m pattern have also been designed targeting mineralisation intersected in an earlier drilled Money Mining RAB hole FRB0119. The interval of reported mineralisation is 8 metres @ 3.37 g/t Au from surface.

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 project (EMGP), situated 130km north of Kalgoorlie. The EMGP 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 and southwestern sides of the project area (Gigante Grande and Springfield Prospects). On the western side of the project area studies to investigate opportunities for renewed mining operations in M29/189 Granny Venn, M29/141 Goodenough, and M29/427 Maranoa have commenced. As of End July 2021, the Company has combined gold and silver resources (JORC 2012) of 192k oz/au and 862k oz/au ag; refer to table 1.

Deposit	Material	Cut-off (gt/Au)	Indicated					Inferred					Indicated and Inferred				
			Tonnes (kt)	Au (g/t)	Ag (g/t)	Au (koz)	Ag (koz)	Tonnes (kt)	Au (g/t)	Ag (g/t)	Au (koz)	Ag (koz)	Tonnes (kt)	Au (g/t)	Ag (g/t)	Au (koz)	Ag (koz)
Mount Mackenzie ⁽¹⁾	Oxide	0.35	500	1.09	8	18	136	700	0.96	4	21	87	1200	1.02	6	39	223
	Primary	0.55	1200	1.25	13	48	482	1030	1.28	5	42	157	2220	1.27	9	90	639
Goodenough ⁽²⁾	Primary	1	634	1.84		38		82	1.99		5.2		716	2.07		43	
Granny Venn ⁽³⁾	Primary	1	134	2.03		9		41	2.14		2.9		175	2.1		12	
Maranoa ⁽⁴⁾	Primary	1						46			8	8.05	46	5.7		8	
Total			2468			113	618	1899			79	252	4357			192	862

Table 1 Gold and Silver Resource Summary

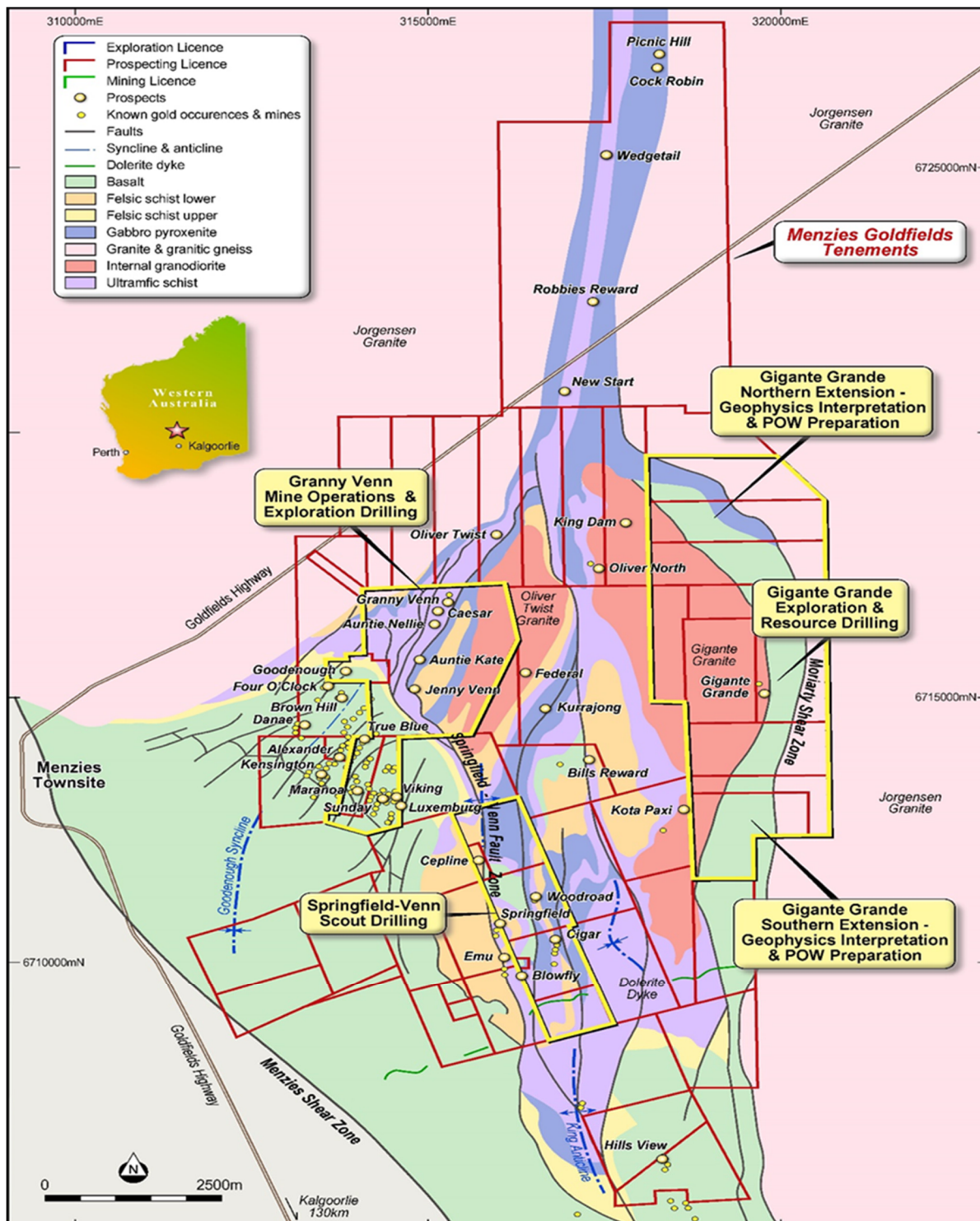


Figure 1; East Menzies Gold Project-Tenement and Operations Location Plan

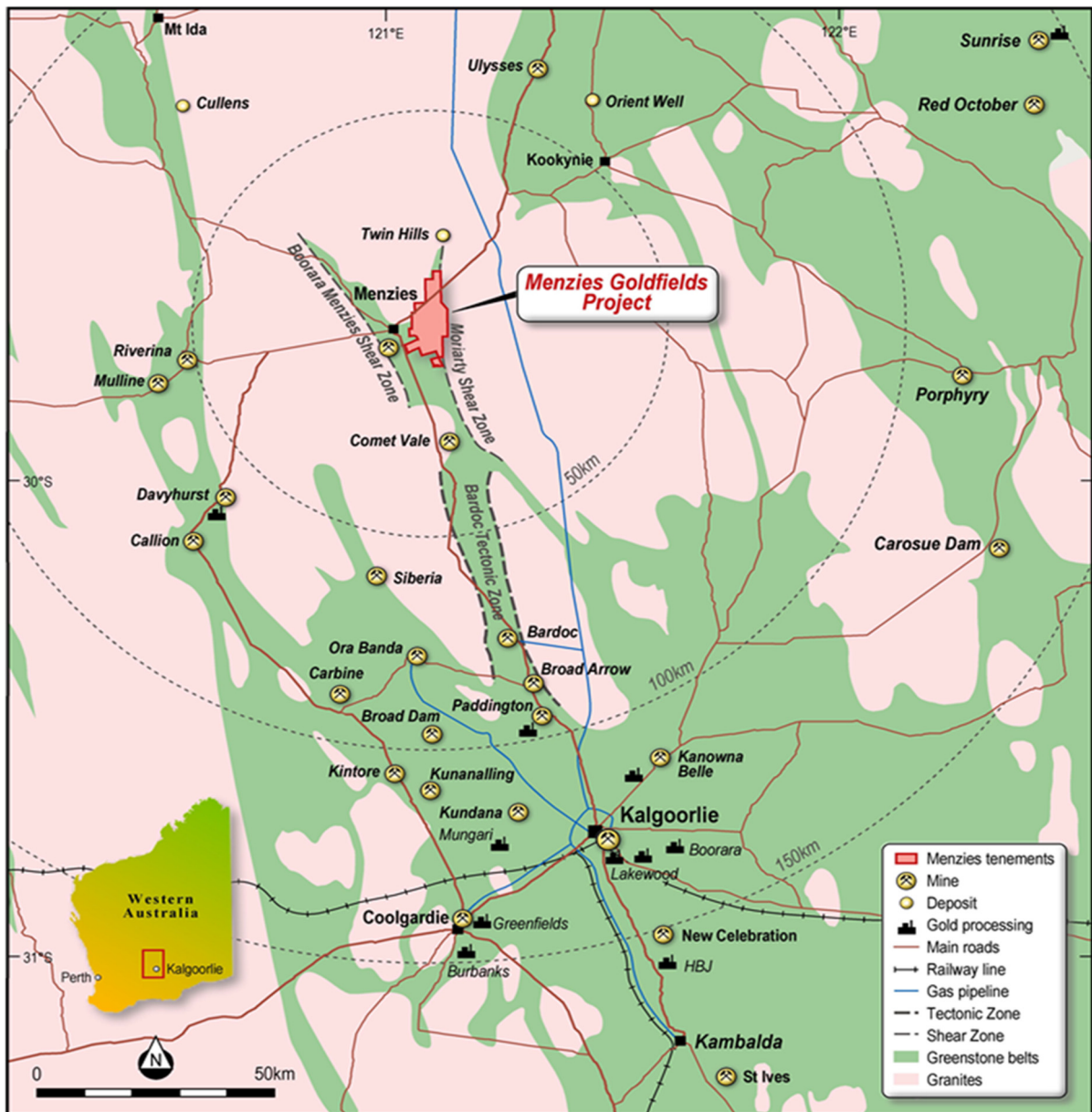


Figure 4 Regional Location Plan

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. A metallurgical test program is currently underway to investigate processing options for primary mineralisation below the current resource extents.

Further information:

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Approved for Release by the REZ Board

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.



Appendix 1 JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	The results are based on samples recovered from a core drilling program.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	The entire cored intervals were split in half and one half was submitted for assay
	<i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>	The report includes Core drilling results only.
	<i>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent</i>	The sampling method are industry standard.

Criteria	JORC Code explanation	Commentary
	<i>sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• The exploration results are based on HQ3 core samples.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed.	• Recoveries for core samples were assessed and determined by reconciliation to drilled intervals.
	• Measures taken to maximise sample recovery and ensure representative nature of the samples.	• Drill progress and core condition is monitored and assessed by the supervising geologist. Any core loss is noted, and if required the hole is redrilled if a threshold of 95% recovery in mineralisation is not achieved.
	• Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• No relationship has been identified at this stage.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	• Core samples have been geologically logged with alteration, colour, weathering, texture, mineralisation and main lithology reported. Thin sections of core have also been submitted for mineralogical assessment.

Criteria	JORC Code explanation	Commentary
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Logging is qualitative and descriptive using look up tables. Core samples are photographed, and sawn, with one half retained on site for reference.
	The total length and percentage of the relevant intersections logged.	100% of the historical drilling has been logged and has lithological information present.
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	Initially half cut.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Not applicable.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The field procedures adopted for core drilling are industry standard, adequate and appropriate. After initial collection and cutting at site all subsequent sample preparation is carried out in a laboratory, under controlled conditions and specified by the relevant standards.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	The programme QAQC involved re-assay of pulps using an alternative laboratory
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	100% of the drilled and sampled interval is submitted for assay. Laboratory procedures also include the use of certified reference samples and blanks for internal QA/QC assurance. In the main Standards and blanks are inserted into submissions every 10-13m.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes are considered appropriate given nature of the material being sampled
Quality of assay data and	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the	The primary assay technique used was Fire Assay by ALS in Kalgoorlie, which is considered an appropriate assay technique.

Criteria	JORC Code explanation	Commentary
laboratory tests	<i>technique is considered partial or total.</i>	
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Not applicable, the results are not based on these instruments.
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Datasets have been analysed, with no significant issues related to bias.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	All drilling intersections are verified by the Field Geologist, who has been present on site during the complete drilling process. The sampled intersections are also checked by the Supervising Geologist by reference to hole number, drilling depths, sample numbers, blanks and standards introduced into the sampling stream.
	The use of twinned holes.	No twin holes have been undertaken.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	The primary data was collected at the drill site as drilling progressed by the Field Geologist and Field Technician. The Field Geologist recorded all lithological logging data directly into digital format via a rugged computer. The sample data, including allocation of sample number to interval, sample quality/recovery data, was recorded on a field sheet by the Field Technician and reviewed by the Field Geologist in the field. This data was later validated against assay files and checked by the Supervising Geologist. For recent drilling field sheets are kept on file and digital data backed up. The project data is stored in a MS access database on a cloud server.

Criteria	JORC Code explanation	Commentary
	Discuss any adjustment to assay data.	No adjustments have been made to the assay data.
Location of data points	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	All EMGP drill collars were initially located in the field by hand-held GPS, a final relocation survey has been carried out using a dGPS by a qualified surveyor.
	Specification of the grid system used.	The grid system used is MGA94_51s.
	Quality and adequacy of topographic control.	A bench-mark and surveyed datum point has been established at the top of the pit.
Data spacing and distribution	Data spacing for reporting of Exploration Results.	The holes are close spaced and typically less than 10m apart
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied	This is not applicable as a Mineral Resource or Ore Reserve is not being determined.
	Whether sample compositing has been applied	Drill holes have not been composited.
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	Based on present understanding, the drill holes have been orientated to be reasonably perpendicular to interpreted mineralised interval.
	If the relationship between the drilling	The selected orientation has minimized potential for introducing sampling bias.

Criteria	JORC Code explanation	Commentary
	<i>orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	
Sample security	<i>The measures taken to ensure sample security.</i>	A chain of custody procedure was put in place. The sample batches were loaded by the field team and transported directly to the Laboratory. The receiving laboratory verified sample numbers against the sample submission sheet/manifest and confirmed receipt. After receipt, the samples were bar coded and tracked through the entire analytical process.
Audits or re-views	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audits have been undertaken. Check assays using alternative laboratories have been carried out

Section 2 Reporting of Exploration Results

Criteria	IORC Code explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	The results have been obtained from M29/189. This mining license is wholly owned by Resources and Energy Group through a purchase agreement completed in December 2018.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenements are in good standing. There are no known impediments which would prohibit operations in accordance with the license conditions.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Exploration of the tenement has been completed over a number of campaigns and years with significant contributions by Money Mining who discovered the Granny Venn deposit in 1997. In 2011 Data Geo re-examined the block model to determine the remnant mineralization in the pit and compiled a verified drilling database with checked/validated collar details using MGA grid reference system. In 2012 Dr D Gee completed a review and data compilation of the area on behalf of Resource Assets Pty Ltd and RIQO Pty Ltd. In 2014 Stratum Metals commissioned a HeliTem survey by Fugro Pty Ltd over the greater East Menzies Goldfield and an interpretation of results by Core Geophysics Pty Ltd. In 2015-2016 Menzies Goldfield Pty Ltd completed 2 programs of MMI sampling over the prospect area, and carried out RC drilling investigations to the immediate south of Granny Venn at Aunt Nellie, and to drill test the Caesar pit area, which sits between Aunt Nellie and Granny Venn open pits.
Geology	Deposit type, geological setting and style of mineralisation.	The Granny Venn open pit is located within an Archaean Geological Terrane, which is part of the Wiluna-Norseman Greenstone Belt-a significant Orogenic lode gold province. At a prospect scale the project consists mainly of dacite and ultramafic schist. The mineralised intervals comprise

		boudins of dacite, which are enclosed within a variably altered talc chlorite amphibole (tremolite-actinolite) and biotite/phlogopite schist after an ultrabasic rock. Gold is associated with a fine dissemination of sulphides including pyrrhotite, pyrite and lesser chalcopyrite, pentlandite and violarite.																												
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length.	• Co-ordinate locations, elevation, depth, dip, and azimuth of the three cored drillholes is provided in the table below.<table border="1"><thead><tr><th>Hole ID</th><th>Mga East</th><th>Mga North</th><th>RL</th><th>TD</th><th>Azimuth</th><th>Dip</th></tr></thead><tbody><tr><td>GVDD21_001</td><td>315362.64</td><td>6717047.38</td><td>385.41</td><td>43.5</td><td>102</td><td>-57.3</td></tr><tr><td>GVDD21_002</td><td>315359.7</td><td>6717020.02</td><td>385.45</td><td>33.2</td><td>121.6</td><td>-61.8</td></tr><tr><td>ANDD21_001</td><td>315020.9</td><td>6716430.35</td><td>418.14</td><td>17.1</td><td>0</td><td>-90</td></tr></tbody></table> • Downhole length, interception depths and assay results have been furnished in the accompanying documentation.	Hole ID	Mga East	Mga North	RL	TD	Azimuth	Dip	GVDD21_001	315362.64	6717047.38	385.41	43.5	102	-57.3	GVDD21_002	315359.7	6717020.02	385.45	33.2	121.6	-61.8	ANDD21_001	315020.9	6716430.35	418.14	17.1	0	-90
	Hole ID	Mga East	Mga North	RL	TD	Azimuth	Dip																							
GVDD21_001	315362.64	6717047.38	385.41	43.5	102	-57.3																								
GVDD21_002	315359.7	6717020.02	385.45	33.2	121.6	-61.8																								
ANDD21_001	315020.9	6716430.35	418.14	17.1	0	-90																								
	• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• All core drilling results which are available to the company have been included in the accompanying documentation.																												
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.	• The reported grades are weighted intervals at a lower COG of 0.3g/t au. No top cutting has been applied.																												
	• Where aggregate intercepts incorporate short lengths of high grade	• The broad nature of the mineralisation interpretation means in some instances shorter intervals of																												

	<i>results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	higher grade may be present within an individual drill hole.
	• <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	• Metal equivalents have not been used.
Relationship between mineralisation widths and intercept lengths	• <i>These relationships are particularly important in the reporting of Exploration Results.</i>	
	• <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	• The drillholes are believed to be perpendicular to mineralisation.
	• <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	• All sample intervals have been reported as down hole lengths.
Diagrams	• <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	• The accompanying documentation includes plans showing specific areas of interest within the project area.
Balanced reporting	• <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid</i>	• Reporting of all material data has been adopted.

	<i>misleading reporting of Exploration Results.</i>	
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	A high resolution HeliTEM survey which highlights prospective structures and conductor anomalies within and adjacent to the project area has been completed by the previous operator. An output from has been used for exploration planning.
Further work	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	Recommendations for future work are contained within the announcement
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Maps that show possible extensions to mineralisation have been included in the main body of the release