Interim Report – Half Year Ended 31 December 2022

Attached is the Interim Financial Report for the half year ended 31 December 2022 of Resources & Energy Group Limited (ASX:REZ).

Released with the authority of the Board.

For further information on the Company and our projects, please visit: rezgroup.com.au

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ABOUT RESOURCES ENERGY GROUP

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. The Company has delineated gold and silver resources of 183k oz/au and 862k oz/au ag (refer ASX Releases 20 October 2020, 4 May 2021, 2 November 2021)

In Western Australia, the Company's flagship is the East Menzies project (EMP), situated 130km north of Kalgoorlie. The EMP represents a 110km^2 package of contiguous mining, exploration, and prospecting licenses which are prospective for precious metals, nickel, and other technology metals. The tenements are located within a significant orogenic lode gold province.

The EMP currently encompasses seven operational areas, including the Gigante Grande Gold prospect on the east side project area, which has been subdivided into three geographical domains (North, Central and South. In the southwest, drilling investigations at Springfield have intersected magmatic Ni sulphides. This is a significant material exploration result that has opened a large tract of prospective ground for nickel, cobalt, copper, and platinum group elements. In the central west, the Company is investigating opportunities for mining operations in M29/189 Granny Venn, M29/141 Goodenough, and M29/427 Maranoa. In the north exploration planning is underway to investigate the Venn Springfield corridor, from the northern end of the Granny Venn Open Pit to the Cock Robin prospect located in E29/929.

In Queensland, the Company has a 12km^2 Mineral Development Licence over the Mount Mackenzie Mineral Resource and retains a further 15km^2 as an Exploration Permit. These tenements are prospective for high, intermediate, and low sulphidation gold and base metals mineralisation. The current MRE for Mount Mackenzie 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: refer to the Resource Summary. The Company is carrying out mining, groundwater, ecological, and metallurgical studies, to inform a PFS study and an application for an Environmental Authority to develop the project.

RESOURCES ENERGY GROUP

INTERIM REPORT

31 December 2022

Business Objective

Resources and Energy Group Limited (ASX:REZ) is an independent, ASX-listed mineral resources explorer, developer and producer, holding mining leases in Western Australia and Queensland. REZ aims to develop a portfolio of mining tenements through to production. REZ is currently focused on the development of the flagship Menzies Gold Project 130km north of Kalgoorlie in Western Australia.

Cover photo

Springfield-Venn gold corridor - East Menzies

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Corporate Directory

Directors

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Richard Poole
J Daniel Moore

Company Secretary

Warren Kember

Share Registry

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RSM Australia Partners
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Stock Exchange Listing

Resources & Energy Group Limited's fully paid ordinary shares are listed on the Australian Securities Exchange (ASX:REZ)

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Solicitor

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Perth, WA 6000

Bankers

National Australia Bank
255 George Street
Sydney, NSW 2000

Directors' Report

The directors present their report together with the consolidated financial report of Resources & Energy Group Limited (Company) and its controlled entities (the Group or consolidated entity) for the half-year ended 31 December 2022 and the Independent Review Report thereon.

Directors

The names of directors of the Company at any time during or since the end of the half year to the date of this report are set out below.

Mr Gavin Rezos	Appointed	22 April 2016
Mr Richard Poole	Appointed	12 July 2004
Mr J Daniel Moore	Appointed	12 July 2021

Dividends

No dividends have been paid or declared since the end of the previous financial year, nor do the directors recommend the declaration of a dividend (2021: $Nil).

Principal Activities

The principal activities of the Group are to explore and develop suitable mineral deposits, including gold and silver.

The company had 2 employees at 31 December 2022 (2021: 2 employees).

Operating Results for the Period

Financial results
The loss after tax of the Group for the period ended half-year ended 31 December 2022 was $574,394 (2021: $1,382,238).

Mount Mackenzie
The Mount Mackenzie Group Project (MMGP) is located on a 26sq kilometre area of land owned by the Group, located 150 kilometres north west of Rockhampton, Queensland.

Located within the Connors Magmatic Arc of the New England Fold Belt region, the broader area has produced over 50 million ounces of gold and large amounts of copper and silver. The region is acknowledged as the largest high sulphuration epithermal systems in Eastern Australia, comparable with those associated with major gold-copper porphyry systems around the world.

There are 9 separate prospect areas within the MMGP, which assessment work to date has indicated an optimised open cut resource of 100,000 ounces of gold and 634,000 ounces of silver.

The Group's scoping study confirms a potential low-cost gold project, generating 43,000 ounces of gold with a possible $54 million in earnings before interest, tax, depreciation and amortisation from a $13 million capital investment. The scoping study investigated a range of production and processing options and identifies a 300,000 tonnes per annum open cut development with an onsite gold plant as the most appropriate case for the progression of the project to Feasibility Study. The processing plant is proposed to be a low-cost modular crushing, grinding and CIL circuit.

During the reporting period studies related to mining, metallurgy, environmental water quality, and other environmental studies were further progressed. The reports from these studies will be used to inform a PFS study and an application for an Environmental Authority (EA) to develop the project.

Work to support the Progressive Rehabilitation and Closure Plan was completed by MEC Mining Consultants. This included an open pit mining and waste dump schedule for the project, which showed that one of the larger pits can be backfilled to minimise the overall disturbance footprint. This schedule also allows for effective management of potential acid forming and non-acid forming rock types to give the best environmental outcome after mining is completed.

A study of tailings storage facility options using LiDAR topographical data captured indicates a low cost outcome with improved environmental and risk metrics within the Mineral Development Licence.

Water sampling continued to prepare studies and documentation required to be lodged as part of the EA application process. Communications with landholders continued as needed to keep them informed of progress and no issues that would affect the project's development have been raised by landholders.

East Menzies

The East Menzies Gold Project (EMGP) is located 130km north of Kalgoorlie, with a collective surface area of 103km2 and consists of over 30 tenements, a mixture of mining lease's, mining lease applications, prospecting lease's and prospecting lease applications. These mining and exploration instruments are host to a 20km continuous strike of a mineralised greenstone belt, including the Springfield Venn Gold Corridor and the Goodenough Syncline.

Over total of 194 soil samples have been collected from a number of tenements for mobile metal ion analysis which were subject to assay analysis. Work on compiling and evaluating historical exploration data has commenced, and the Company is in the process of assembling a complete data base representing all historical and recent exploration data. The database includes data from 13,895 holes, 17,090 geochemical samples and 97,502 assay intervals.

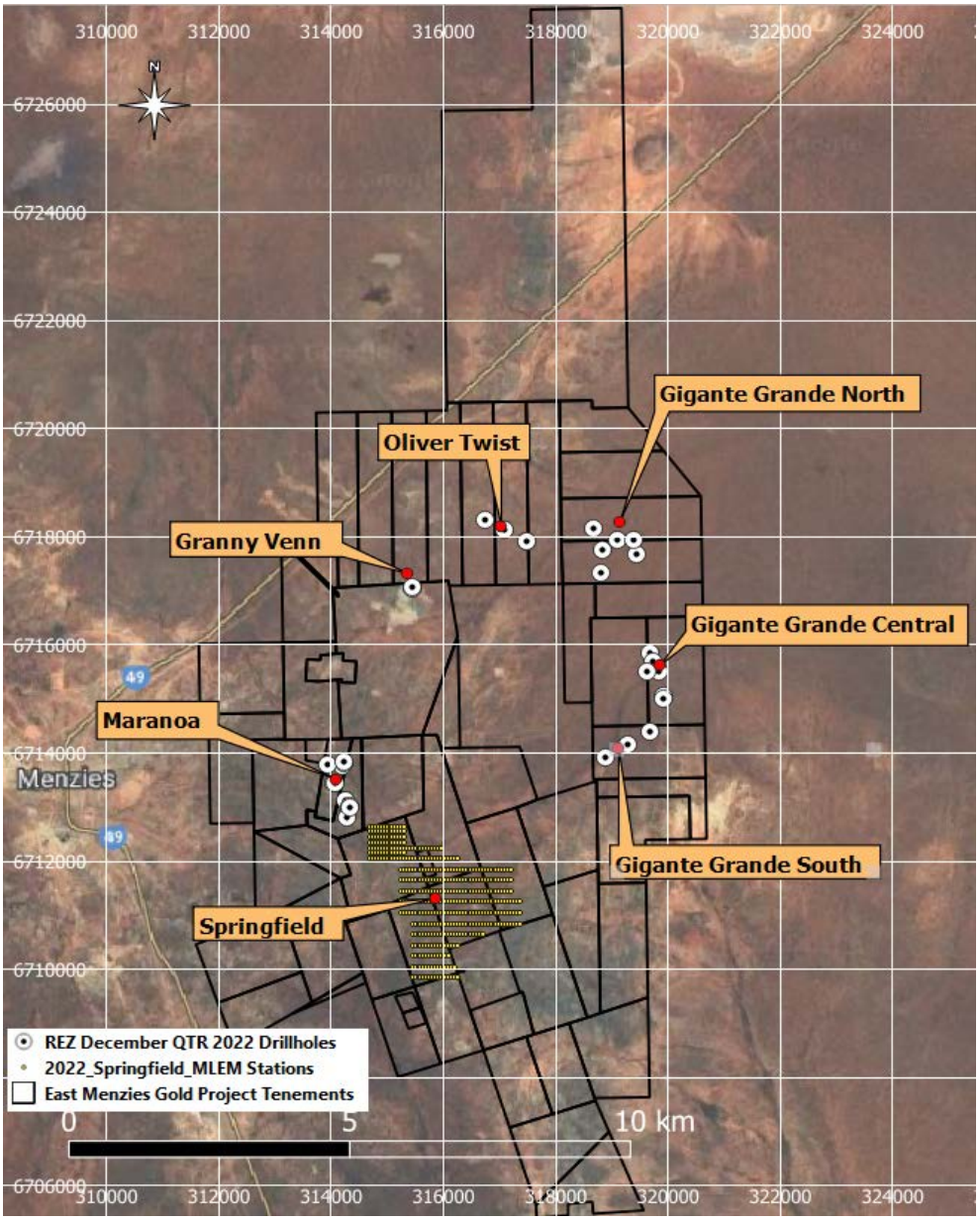
An analysis of the drilling data acquired has highlighted the overall shallow tenor of previous exploration. This historical approach to drilling shallow drill holes has highlighted areas of near surface mineralisation, however, there still remains significant exploration potential for further discoveries at depth and within areas that have yet to be drill tested. A review of the open file multi element geochemical data as well as information contained within the project databases, has revealed large coincident gold, arsenic, lead and sulphur anomalies within the Menzies tenement package. Many of these have never been followed up by modern drilling. The geochemical samples when incorporated into the database show areas that have known gold deposits, such as Granny Venn-Caesar which has a very consistent and focused gold-in-soil response.

During the reporting period 32 reverse circulation drill holes for an advance of 3495m were completed. These drilling Investigations targeted multiple prospects within the greater East Menzies Goldfield Project area including Gigante Grande, Maranoa, Granny Venn North, and Oliver Twist. A Moving Loop Electromagnetic Survey (MLEM) was also completed over the Springfield project.

The drilling investigations completed at Gigante included step out holes to test for a continuation of mineralisation in the northern and southern parts of the prospect. Drillholes GGRC32 in the north, and GGRC43 in the south successfully tested the concept intersecting 9m@1.87 gt/au from 111m and 2m@ 2.54gt/au from 90m, respectively.

This is a significant exploration result and confirms that the mineralised system along the Moriarty Shear Zone is at least 5km long on strike and remains open to the north south and west.

The prospects which were targeted by the exploration programs are shown in the diagram below.



The MLEM over the Springfield Prospect targeted a highly altered sequence of komatiite basement rocks which are prospective for disseminated and massive Ni-Fe sulphides. A total of 685 stations distributed along 25 lines @ 200m line spacing were originally planned in a series of east west lines. Due to difficult terrain and time constraints the program was modified to include only 15 higher priority lines.

The survey area was significantly affected by IP interference due to local nature of cover rocks which includes conductive and polarizable minerals in the regolith. However, two discrete bedrock conductor anomalies, and five weaker EM responses, possibly masked by more conductive regolith have been identified after modelling.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of $574,394 and net cash outflows from operating activities was $416,573 for the half-year ended 31 December 2022. The ability to continue as a going concern and realise its exploration assets is dependent on a number of factors, the most significant of which is to source additional funding to continue the development of the tenements at its Menzies operation.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

(i) the Group has net currents assets of $1,579,624 and cash at bank of $1,985,698 as at 31 December 2022;
(ii) the directors may seek additional equity and financing facilities to fund working capital requirements;
(iii) the ability for the directors to scale back activities in order to preserve cash when required; and
(iv) continuing financial support from directors and related parties as required.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

Significant Changes during the Period

The Company issued 20,000,000 options to the Chief Executive Officer, with an exercise price of 8 cents and expiring 5 years from date of issue.

Significant Events Post Balance Date

There have been no significant events occurring after the balance date which may affect either the Group's operations, results of those operations or the Group's state of affairs.

Auditor Independence

A copy of the external auditor's declaration under Section 370C of the Corporations Act in relation to the audit for the financial year is attached to the Financial Statements.

Signed in accordance with a resolution of the directors.

Mr Gavin Rezos
Chairman
Sydney, 13 March 2023

Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2022

	Notes	Consolidated 31 Dec 2022 $	31 Dec 2021 $
Revenue from continuing operations			
Sale of gold		**-**	-
Consulting fees		**(46,888)**	(143,944)
Legal costs		**-**	(327)
Explroation and evaluation costs expensed		**(70,325)**	-
Corporation maintenance expenses		**(158,266)**	(187,465)
Director fees		**(129,419)**	(89,100)
Employee benefits expense		**(42,663)**	(39,111)
Finance costs		**-**	4
Depreciation		**(667)**	(667)
Share-based payments expense		**(24,075)**	(803,243)
Other expenses		**(102,090)**	(118,385)
Loss before income tax		**(574,394)**	(1,382,238)
Income tax benefit		-	-
Loss after tax from continuing operations		**(574,394)**	(1,382,238)
Other comprehensive income		-	-
Total comprehensive loss for the year attributable to the owners of Resources & Energy Group Limited		**(574,394)**	(1,382,238)
Total comprehensive loss is attributable to:			
- shareholders of Resource & Energy Group Limited		**(574,365)**	(1,382,199)
- non- controlling interests		**(29)**	(39)
		(574,394)	(1,382,238)
		Cents	Cents
Loss per share – basic and diluted	**7**	**(0.11)**	(0.31)

This consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the financial statements.

Statement of Financial Position

As at 31 December 2022

	Notes	Consolidated 31 Dec 2022 $	30 June 2022 $
Assets			
Current assets			
Cash and cash equivalents		**1,985,698**	3,839,241
Trade and other receivables		**102,342**	335,331
Other		**67,698**	20,000
Total current assets		**2,155,738**	4,194,572
Non-current Assets			
Property, plant and equipment		**31,888**	32,555
Exploration and evaluation assets	**4**	**10,953,144**	9,525,406
Total non-current assets		**10,985,032**	9,557,961
Total assets		**13,140,770**	**13,752,533**
Liabilities			
Current liabilities			
Trade and other payables		**561,231**	660,771
Provisions		**14,883**	15,255
Total current liabilities		**576,114**	676,026
Non-current liabilities			
Provisions		**380,110**	341,642
Total non-current liabilities		**380,110**	341,642
Total liabilities		**956,224**	1,017,668
Net assets		**12,184,546**	12,734,865
Equity			
Issued capital	**5**	**36,811,242**	36,811,242
Share-based payments	**6**	**1,733,770**	1,709,695
Retained earnings		**(28,723,935)**	(28,149,570)
Total equity attributable to the shareholders of Resources & Energy Group Limited		**9,821,077**	10,371,367
Non-controlling interests		**2,363,469**	2,363,498
Total equity		**12,184,546**	12,734,865

This condensed consolidated statement of financial position should be read in conjunction with the notes to the financial statements

Statement of Cash Flows

For the half-year ended 31 December 2022

	Notes	Consolidated 31 Dec 2022 $	31 Dec 2021 $
Cash flows from operating activities			
Payments to suppliers and employees		**(416,573)**	(438,146)
Net cash flows used in operating activities		**(416,573)**	(438,146)
Cash flows from investing activities			
Exploration and evaluation costs capitalised		**(1,389,273)**	(955,532)
Other		**(47,698)**	-
Net cash flows used in investing activities		**(1,436,971)**	(955,532)
Cash flows from financing activities			
Proceeds from placement of ordinary shares		**-**	2,725,000
Costs of share issues		**-**	(194,151)
Net cash flows provided by financing activities		**-**	2,530,849
Net increase/(decrease) in cash and cash equivalents		**(1,853,543)**	1,137,172
Cash and cash equivalents at beginning of period		**3,839,241**	1,016,448
Cash and cash equivalents at end of period		**1,985,698**	2,153,620

This consolidated statement of cash flow should be read in conjunction with the notes to the financial statements

Statement of Changes in Equity

For the half-year ended 31 December 2022

	Issued capital $	Share-based payment reserve $	Retained earnings $	Non-controlling interests $	Total $
Balance at 1 July 2021	**34,388,392**	**763,990**	**(28,313,361)**	**2,365,132**	**9,204,153**
Total comprehensive loss for the period	-	-	(1,382,199)	(39)	(1,382,239)
Share issue	2,725,000	-	-	-	2,725,000
Cost of share issues	(194,150)	-	-	-	(194,150)
Share-based payment expense during the period		803,243	-	-	803,243
Balance at 31 December 2021	**36,919,242**	**1,567,233**	**(29,695,560)**	**2,365,093**	**11,156,007**
Balance at 1 July 2022	**36,811,242**	**1,709,695**	**(28,149,570)**	**2,363,498**	**12,734,865**
Total comprehensive loss for the period	-	-	(574,365)	(29)	(574,394)
Share-based payment expense during the period	-	24,075	-	-	24,075
Balance at 31 December 2022	**36,811,242**	**1,733,770**	**(28,723,935)**	**2,363,469**	**12,184,546**

This consolidated statement of changes in equity should be read in conjunction with the notes to the financial statements

1 Corporate informaton

Resources & Energy Group Limited (the “Company”) is a listed public company incorporated and domiciled in Australia. The consolidated financial statements for the half year ended 31 December 2022 comprise the Company and its controlled entities (together referred to as the “Group”).

The financial statements are presented in Australian dollars which is the Group's functional and presentation currency.

The consolidated financial statements were approved by the Board of Directors on 13 March 2023.

The principal accounting policies are set out below. The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

2 Summary of significant accounting policies

a Basis of preparation

This condensed consolidated financial report for the half-year ended 31 December 2022 has been prepared in accordance with *Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Act 2001* .

This consolidated half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2022 and any public announcements made by the Company during the half-year ended 31 December 2022 in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the Australian Securities Exchange's listing rules.

b Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of $574,394 and net cash outflows from operating activities was $416,573 for the half-year ended 31 December 2022. The ability to continue as a going concern and realise its exploration assets is dependent on a number of factors, the most significant of which is to source additional funding to continue the development of the tenements at its Menzies operation.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

(i) the Group has net currents assets of $1,579,624 and cash at bank of $1,985,698 as at 31 December 2022;

(ii) the directors may seek additional equity and financing facilities to fund working capital requirements;

(iii) the ability for the directors to scale back activities in order to preserve cash when required; and

(iv) continuing financial support from directors and related parties as required.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

c New and amended standards adopted by the Group

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

d Critical accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimate uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Carrying value of exploration and evaluation assets

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

Impairment of assets

An impairment exists when the carrying value of an asset or Cash Generating Unit (CGU) exceeds its recoverable amount, which is the lower of its fair value less costs to sell and its value-in-use. Each mine is considered to be a separate CGU. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value-in-use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next financial year and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance or the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Determination of mineral resources and ore reserves

The Group estimates its Mineral Resources and Ore Reserves in accordance with the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves ("the JORC Code"). The information on mineral resources and ore reserves is prepared by or under the supervision of Competent Persons as defined in the JORC Code. The amounts presented are based on the Mineral Resources and Ore Reserves determined under the JORC Code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation which may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. Such changes in reserves could impact depreciation and amortisation rates, asset carrying values and impairment assessments.

3 Segment Information

The Group is organised into one operating segment, being the exploration and evaluation of gold resources. This is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The operating segment information is the same information as provided throughout the financial statements and therefore not duplicated.

	31 Dec 2022 $	30 June 2022 $
4 Exploration and evaluation assets		
Exploration and evaluation expenditure - at cost	**10,953,144**	**9,525,406**
Reconciliation of the written down values at the beginning and end of the current financial half-year are set out below:		
Carrying amount at the beginning of the period	9,525,406	8,933,030
Additions - other	1,427,738	2,003,524
Remeasurement of rehabilitation provision	-	(174,256)
Amortisation	-	(1,236,892)
Carrying amount at the end of the period	10,953,144	9,525,406

Exploration licenses are carried at cost of acquisition less impairment losses. The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. The recoverable amount of development expenditure is determined as the higher of its fair value less costs to sell and its value in use.

5 Issued capital

(a) Movement in ordinary share capital

	31 Dec 2022 $	30 June 2022 $	31 Dec 2022 Shares	30 June 2022 Shares
Ordinary shares - fully paid	**36,811,242**	36,811,242	**499,805,789**	499,805,789

Movements in fully paid ordinary shares	31 Dec 2022			
	Date	Issue price	Shares	$
Balance at the beginning of the period			499,805,789	36,811,242
Balance at the end of the period			**499,805,789**	**36,811,242**

(b) Movement in options

20,000,000 options were approved to be issued by shareholders on 24 November 2022. Details of the options issued were:

Grant date	24/11/2022
Expiry date	24/11/2027
Exercisable from	24/11/2022
Exercise price	$0.0800
Number of options issued	20,000,000
Fair value at grant date	$159,800
Fair value at grant date per option	$0.0094
Vesting conditions	Various

The fair values of the share options were determined using the following parameters:

Expected volatility of ordinary shares	%	106.00%
Risk free interest rate	%	3.42%
Underlying share price at valuation date	$/share	$0.0165
Weighted average life of option	years	5.0
Exercise price	$/share	$0.0800
Valuation method		Binomial

28,000,056 options expired unexercised during the reporting period.

Share options outstanding at the end of the period have the following expiry date and exercise prices.

Class	Vesting Conditions	Grant date	Expiry date	Exercise price	Number of share options 31 Dec 2022	Number of share options 30 June 2022
Class L	Vested	18/12/2017	15/12/2022	$0.140	-	1,000,000
Class M	Vested	18/12/2017	15/12/2022	$0.140	-	1,000,000
Class N	Vested	11/10/2019	11/10/2022	$0.080	-	15,000,000
Class P	Vested	14/10/2020	30/09/2025	$0.050	**15,000,000**	15,000,000
Class Q	Vested	2/11/2020	31/10/2022	$0.200	-	11,000,056
Class R	Vested	15/07/2021	31/08/2026	$0.080	**8,000,000**	8,000,000
Class S		14/09/2021	31/08/2026	$0.080	**21,000,000**	21,000,000
Class T		14/09/2021	31/08/2026	$0.080	**11,000,000**	11,000,000
Class U		27/10/2021	31/08/2026	$0.080	**8,000,000**	8,000,000
Class V		24/11/2022	24/11/2027	$0.080	**20,000,000**	-
					83,000,000	91,000,056

6 Reserves

	31 Dec 2022	30 June 2022
	$	$
Share-based payment reserve		
Balance at the beginning of the financial year	1,709,695	763,990
Share-based payment	24,075	945,705
Balance at the end of the financial year	**1,733,770**	1,709,695

7 Asset backing and earnings per share

	31 Dec 2022	31 Dec 2021
	cents per share	cents per share
Basic and diluted earnings per share (continuing operations) (cents per share)	**(0.11)**	(0.31)
Basic and diluted net assets per share (continuing operations) (cents per share)	**2.44**	2.48

	31 Dec 2022	31 Dec 2021
	$	$
The following reflects the income and share data used in the basic and diluted earnings per share calculations:		
Loss attributable to shareholders of the Company used in the calculation of basic and diluted earnings per share	**(574,365)**	(1,382,199)
Weighted average number of ordinary shares for basic earnings per share	**499,805,789**	450,666,445
Effect of dilution of share options on issue (i)	**-**	-
Weighted average number of ordinary shares adjusted for the effect of dilution	**499,805,789**	450,666,445

(i) Share options on issue that have been assessed as being dilutive for the purpose of calculating earnings per share have been excluded from the calculation of earnings per share as the Group has incurred a loss after tax. In that circumstance the inclusion of share options would reduce the earnings per share (loss) and present a misleading result.

8 Tenement lease commitments

	31 Dec 2022 $	31 Dec 2021 $
Minimum expenditure commitment on tenement leases		
Committed but not provided for and payable:		
Within one year	**1,075,651**	760,738
One year or later and no later than for five years	**1,108,812**	1,232,386
Over 5 years	**1,265,512**	924,555
	3,449,975	2,917,679

9 Related party disclosures

Key management Personnel

Transactions with, or with persons or entities associated with, Mr Richard Poole, a director of the Company, during the financial period were as follows:

	31 Dec 2022 $	31 Dec 2021 $
Fees payable for the provision of accounting, administration, and consulting services	134,528	115,500

An amount of $22,000 is unpaid as at the reporting date and is included in Trade and Other Payables.

10 Events after balance sheet date

There have been no significant events occurring after the balance date which may affect either the Group's operations, results of those operations or the Group's state of affairs.

11 Contingent Liabilities

	31 Dec 2022 $	31 Dec 2021 $
Corporate and management fees	493,964	493,964

Amounts invoiced by a director related entity are not payable unless and until the Group has a proven mineral resources of gold or the equivalent value of another mineral as follows:

a) $246,982 when the Company has announced a resource of 400,000 ounces of gold; and

b) $246,982 when the Company has announced a resource of 600,000 ounces of gold.

Directors' Declaration

In accordance with a resolution of the directors of Resources & Energy Group Limited, the directors declare that:

(a) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

(b) the financial statements and notes of the company are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and

(ii) complying with Accounting Standards AASB 134 *Interim Financial Reporting,* the *Corporations Regulations 2001* and other mandatory professional reporting requirements.

On behalf of the Board,

Mr Gavin Rezos
Chairman
Sydney, 13 March 2023

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Resources and Energy Group Limited for the half year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

RSM AUSTRALIA PARTNERS

C J Hume
Partner

Sydney, NSW
Dated: 13 March 2023

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RSM Australia Partners ABN 36 965 185 036

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Certified System Quality ISO 9001

RSM

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

RESOURCES AND ENERGY GROUP LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Resources and Energy Group Limited, which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Resources and Energy Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Resources and Energy Group Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(b) in the financial report, which indicates that the Company incurred a net loss of $574,394 and had net cash outflows from operating activities of $416,573 for the half-year ended 31 December 2022. As stated in Note 2(b), these events or conditions, along with other matters as set forth in Note 2(b), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Resources and Energy Group Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM AUSTRALIA PARTNERS

Sydney, NSW
Dated: 13 March 2023

C J Hume
Partner