



RESOURCES & ENERGY

Resources & Energy Group Limited

ASX/Media Release

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GIGANTE GRANDE PROJECT UPDATE

- **Second stage of drilling operations targeting the Moriarty Shear Zone completed**
- **New Prospecting Licenses granted**
- **A further 4.6km strike of prospective ground unlocked for exploration**
- **A third program of RC investigations set to commence in Mid-December**

Resources & Energy Group Limited (ASX: REZ or the Company) announce that the second round of drilling investigations has been completed at Gigante Grande. Eight RC holes including two re-entries over 20EMRC016 and 20EMRC008 were carried out, refer figure 1 and table 1. The work covered a strike length of 470m North-to South along the Moriarty Shear Zone, for a total advance of 1275m with 1200 samples collected.

The samples have been freighted to MinAnalytical Laboratory in Perth for gold photon assay. The company has elected to use the Perth facility, where submission back-logs are not as extensive as Kalgoorlie. This will improve turn assay around times, which will assist with future exploration planning.

With the exception of 20EMRC037 all of the holes drilled were orientated -60/090 and all of them were targeting the Moriarty Shear Zone (MSZ). 20EMRC037 was drilled -60/140 reaching an interpreted strike-slip fault (SW-NE). Statistically this hole has captured more quartz veins/metre than others drilled in the program and is particularly richer from 16m to 61m at 10% and from 96m to 119m at 5%. As with most holes completed so far, the quartz veining is associated with biotite alteration and the presence of sulphides which increase in intensity towards the shear zone.

Drillhole Reference	Easting (MGA Z51)	Northing (MGA Z51)	Elevation (m AHD)	Azimuth (MGRA)	Dip (Degrees)	TD (m)
20EMRC033	319854	6715198	408	90	-63	222
20EMRC034	319860	6715115	403	90	-60	192
20EMRC035	319925	6714960	405	90	-60	102
20EMRC037	319910	6715428	408	140	-60	193
20EMRC036	319940	6715043	403	90	-60	94
20EMRC038	319926	6715268	408	90	-60	127
20EMRC008	319826	6715271	408	90	-60	240
20EMRC016	319523	6714405	403	90	-70	231

Table 1 Drilling details

Significant delays continue to be encountered in laboratory assay turn-around times, and in response to this the company has elected to implement shorter drilling programs on a monthly not quarterly basis. In this regard a third program of drilling has been scheduled to commence mid-December. Borehole locations for the third program will be decided once results from the second stage program are received. This approach is expected to improve exploration planning by enabling the company to follow up and target specific results from each preceding exploration campaign.

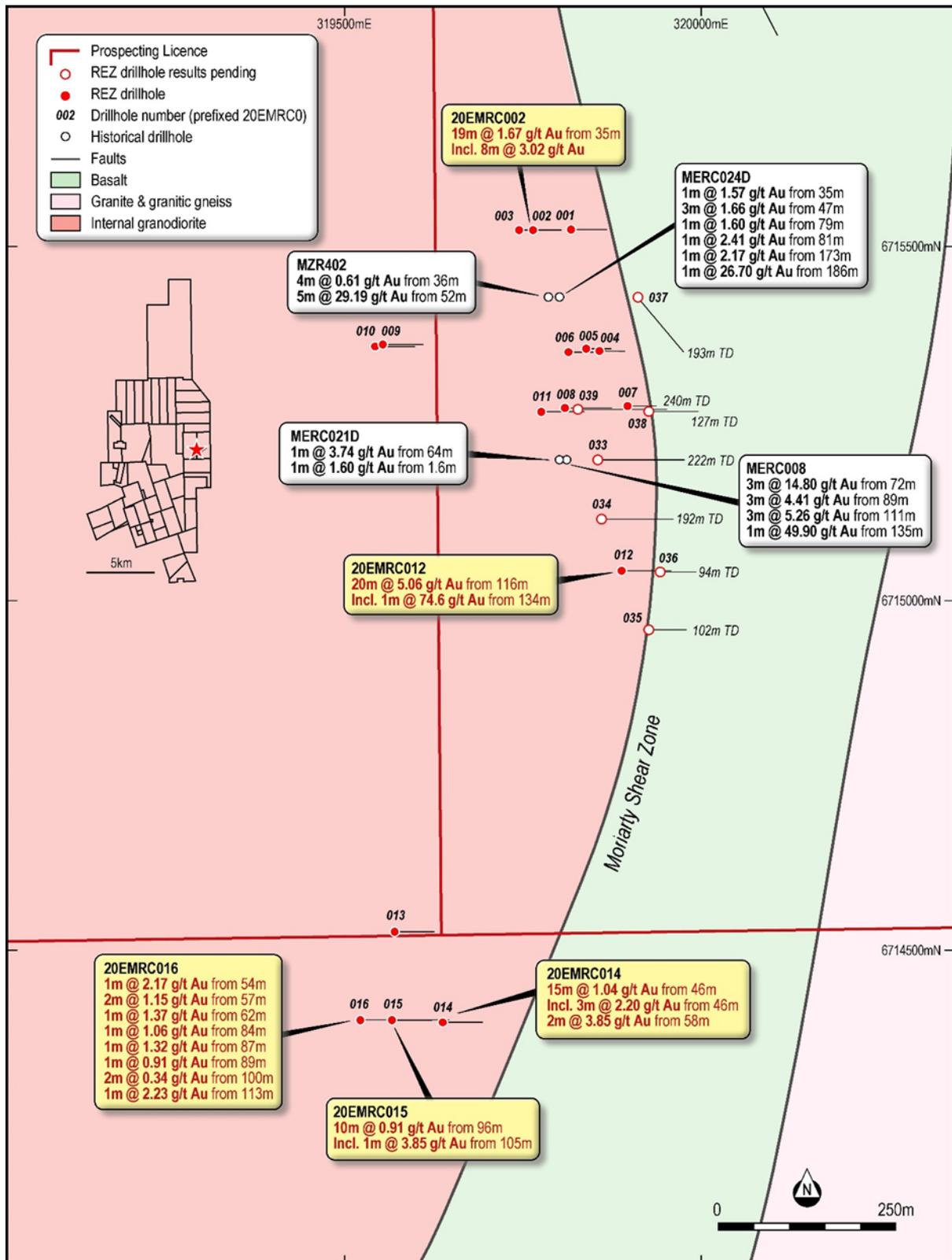


Figure 1 Gigante Grande Drillhole Location Plan

The Company also announces that during November, 11 prospecting licences including 29/2553-2558 and P29/2563-2568 were granted. The grant of these prospecting licenses unlocks a further 4.6km strike length of the Moriarty Shear zone and its contact with the Gigante Granite for exploration. Significant strike extensions to the Springfield-Venn Fault Zone have also been obtained with the granting of these new tenements, refer figure 2.

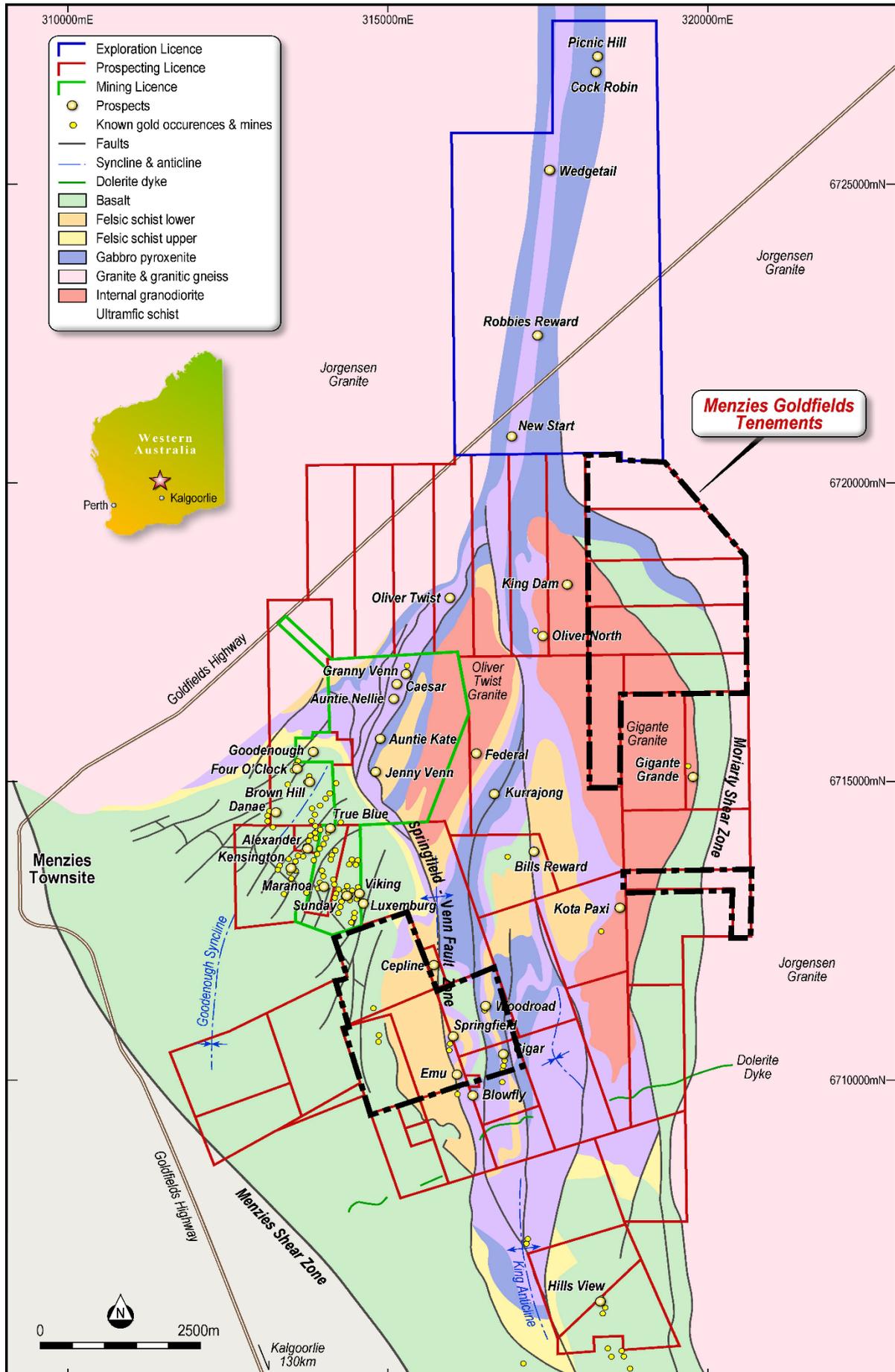
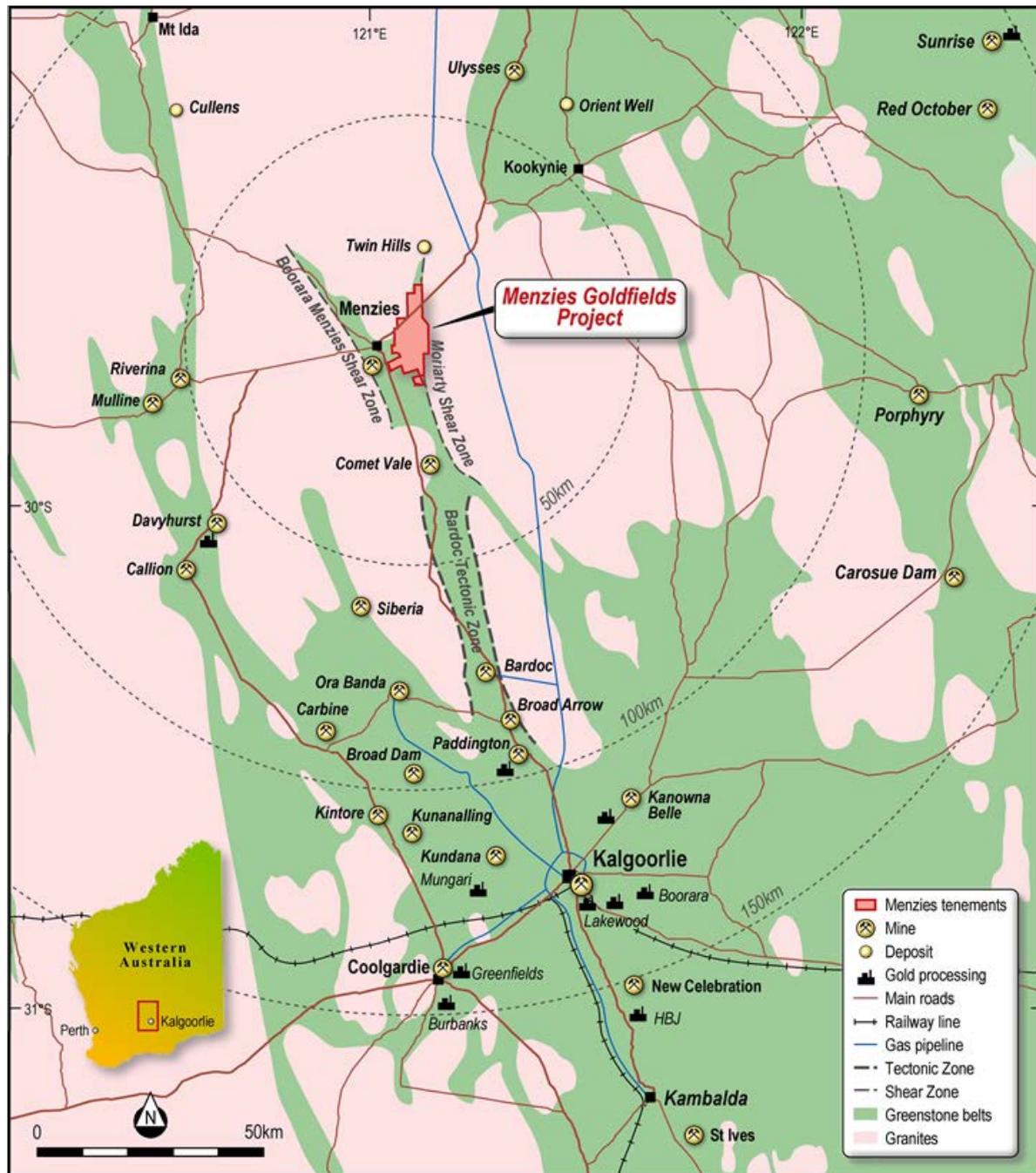


Figure 2 Tenement location Plan

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. 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(1), 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.

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.

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Approved for Release by the REZ Board