

QUARTERLY ACTIVITIES REPORT MARCH 2024

HIGHLIGHTS

- Planning for Maranoa project trial vat leach option for shallow oxide gold resources targeting higher-grade ore has been advanced.
- The trial will process 5,000 tonnes of ore with an estimated head grade of ~4.6 g/t Au, aiming to confirm recovery levels.
- Expected outcome includes producing 821 ounces of gold, generating \$2.7 million revenue at a gold price of AUD\$3,300, with potential for larger-scale vat leach campaigns if economic viability is confirmed.
- At Goodenough, REZ plans to initiate a scoping study encompassing mine design, production schedules, and waste dump design, alongside additional drilling to confirm gold recoveries, characterise ore and waste materials, and enhance the resource model.
- Post quarter end, REZ received firm commitments for a placement to raise \$1.488 million.
- Funds raised will be used primarily to support gold vat leaching production at the East Menzies Gold Project.

Resources & Energy Group Limited (ASX: REZ) (REZ or the Company), is pleased to provide its Quarterly Activities and Cash Flow Report for the quarter ending 31 March 2024.

PRODUCTION PLANNING AT EAST MENZIES

During the March 2024 quarter REZ has been advancing its plans for a trial vat leach option for shallow oxide gold resources at its Maranoa project. Maranoa has been identified as ideal shallow, higher-grade ore to support a vat leach gold production campaign at the East Menzies Project.

The Company plans to run a trial campaign that will initially treat 5,000 tonnes of ore with a diluted head grade of ~4.6gt/ Au to verify the recovery levels from metallurgical studies. The trial campaign is expected to produce 821 ounces of gold which would generate revenue of \$2.7m at a gold price of AUD\$3,300.

On confirmation of the economics of the process, REZ will develop a larger-scale vat leach campaign to treat additional shallow resources that have been identified at the Maranoa (8,000 Oz) and Goodenough (43,000 Oz) gold deposits. These deposits have been thoroughly drilled out and represent low-risk production opportunities.

Lamington Minerals Pty Ltd have been chosen as the preferred contractor for the proposed vat leach gold processing campaign. The company has over 20 years' experience in delivering high-quality and cost-effective mining and processing solutions to the gold mining industry. Having Lamington as a partner will allow REZ to fast track the company into gold production at the East Menzies Gold Project whilst ensuring low capital and operating costs.

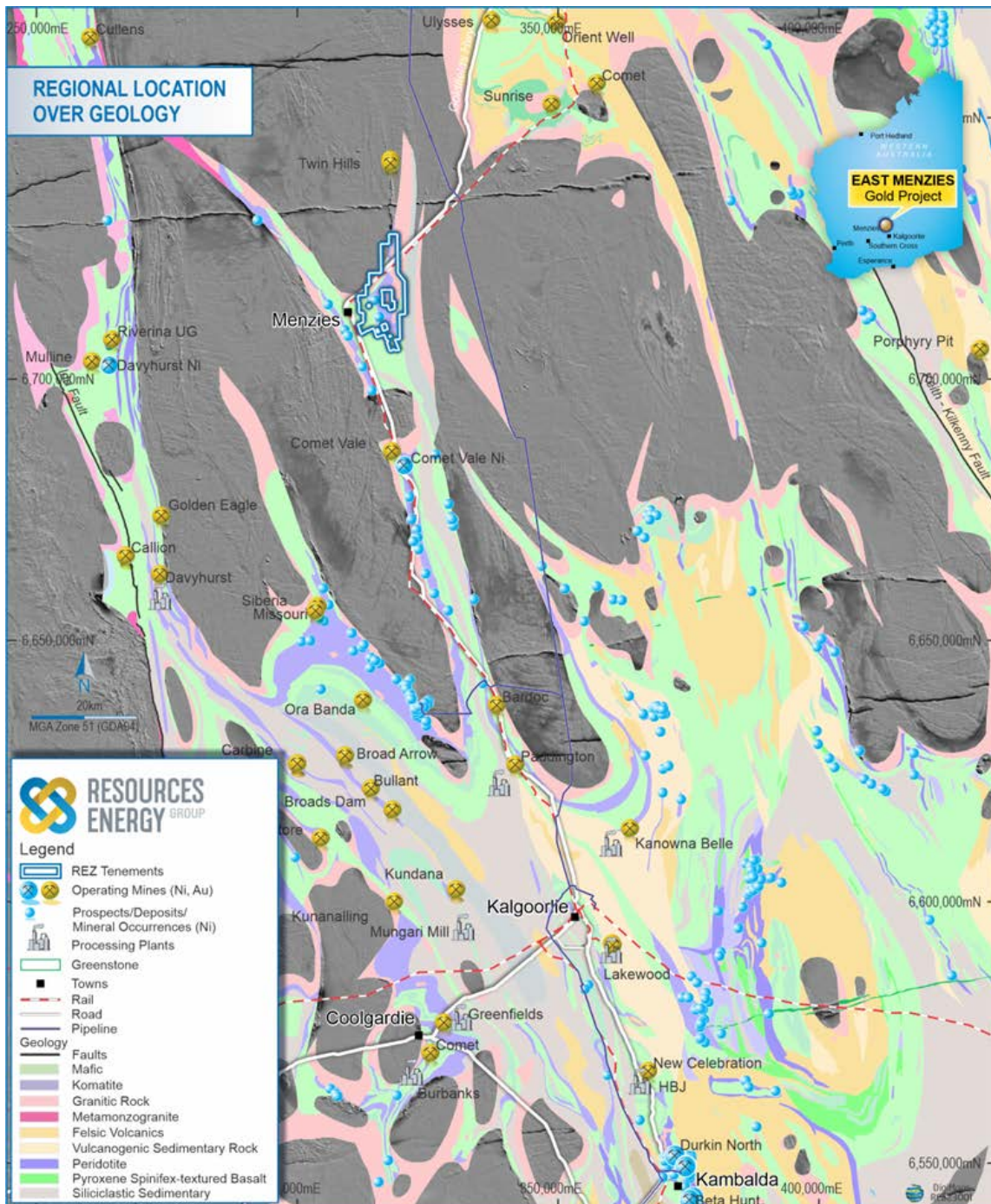
Cash profits generated from the vat leach project will be used to fund the development of a modular 120ktpa Carbon In Leach (CIL) gold production plant to treat fresh ore from both Maranoa and Goodenough. Gold production from this phase is expected to be significantly higher than the vat leach project.

In parallel with the trials at Maranoa, the Goodenough gold resource is also being investigated for opportunity to resume mining operations. The Goodnough deposit has previously been worked as an underground resource, with historical production of approximately 21,532 t @ 15.91 g/t.

Since acquiring Goodenough, the Company has reviewed historic work and mineralisation at the project. These studies has generated a JORC 2012 MRE estimate which comprises 42.7k oz/au (ASX Release 3 November 2020) at a COG of 1gt/au, represented by:

- total Indicated: 633.8kt @ 1.84g/t au for 37.5k oz au.
- total Inferred: 81.9kt @ 1.99g/t au for 5.2k oz au.

The Company is planning to commence a scoping study including mine design, production schedules and waste dump design. Some additional drilling will also be necessary to confirm gold recoveries, and to assist with ore and waste materials characterisation, and to further inform the resource model.



East Menzies Gold Project

SALE OF MOUNT MACKENZIE GOLD AND SILVER PROJECT, QUEENSLAND

The Mount Mackenzie Gold Project is located 150km north west of Rockhampton, Queensland. The project includes a 28.4km² tenement package held by the Group.

In 2023, the REZ Board undertook an evaluation of the benefits of continuing to hold and fund the development of the Mount Mackenzie prospect. The results of this review determined that for the current level of financial resources, the Company could be expected to obtain greater value from its interests in its East Menzies tenement package. The Board then began a process of discussion with possible parties for either a joint venture or outright sale. This culminated in an offer being made which the Board accepted for the outright sale of the Mount Mackenzie tenement package.

In September 2023, the Company advised that it had executed a binding heads of agreement (Agreement) for the sale of its tenements and associated land located near Mount Mackenzie, Queensland (MM Project). ([See ASX Release 19 September 2023](#))

In December 2023, the Company advised that it had allowed the proposed purchaser of its Mount Mackenzie project (MM Tenements) further time to conclude the settlement. ([See ASX Release 11 December 2023](#)) The purchaser, Aureus Mining Limited (Aureus), was to settle an initial amount of \$750,000 on 8 December. However, due to Aureus Mining requesting additional time to perform due diligence, the settlement due date was extended to 20 February 2024 and then recently to 30 April 2024. Further discussions with Aureus are ongoing.

FINANCIAL COMMENTARY AND EXPENDITURE SUMMARY

The Company's Quarterly Cashflow Report (Appendix 5B) follows this activities report. The Company had \$22,000 in cash as of 31 March 2024 (31 December 2023: \$104,000).

Net cash outgoings from operating activities were \$49,000 (December 2023 quarter \$85,000). Net cash used in investing activities of \$33,000 (December 2023 quarter \$35,000) applied to exploration expenditure on East Menzies.

The total amount paid to related parties of REZ and their associates for directors remuneration and expenses, as per item 6.1 of the Appendix 5B, was nil.

The previously announced (refer ASX announcement dated 22 November 2023) standby working capital facility of \$600,000 provided by directors of REZ was not utilised during the March quarter.

Post end of the quarter, REZ announced that it had received firm commitments from professional and sophisticated investors to raise \$1,488,000 (before costs) through a share placement (refer ASX announcement 26 April 2024) Proceeds will be used to support gold vat leaching production at the Company's flagship East Menzies Gold Project as well as working capital requirements. In addition to the placement, directors of REZ have agreed to subscribe for \$100,000 on the same terms, which is subject to shareholder approval being granted at a general meeting of shareholders.

The Company received binding commitments for a placement to sophisticated and professional investors, via the issue of 124,000,000 new fully paid ordinary shares at 1.2c. The new shares are being issued at a 7.7% discount to the last trading price of 1.3 cents and will be made using the Company's capacity under ASX Listing Rules 7.1 and 7.1A.

For every 4 shares issued, one free attaching 4 cent option will be issued with a three-year expiry from date of issue and an exercise price of 4 cents each. Issue of the options is subject to shareholder approval.

-Ends-

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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COMPETENT PERSONS STATEMENT

The information in this release related 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 Australian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the reporting of Exploration Results to qualify as a Competent Person 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 it appears.

ABOUT RESOURCES AND ENERGY GROUP

Resources and Energy Group Limited (ASX: REZ) is an ASX-listed mineral resources explorer and miner, with projects located in premier mining jurisdictions in Western Australia and Queensland. **As of April 2024, the Company has gold and silver resources of 183k oz/au and 862k oz/au ag as follows:**

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		3	
Maranoa ⁽⁴⁾	Primary	1						46			8	8.05	46	5.7		8	
Total			2468			113	618	1899			79	252	4357			183	862

(1), (2) (4) Refer to ASX releases made on 26 February 2016, 21 June 2016 and 19 May 2020 concerning the Mt Mackenzie Resource and 11 June 2020, 3 November 2020, 14 January 2021, 22 March 2021 and 4 May 2021 concerning Menzies. (3) Depleted for Mining Activity at GVCB

In Western Australia, the Company's flagship is the **East Menzies project (EMP)**, situated 130km north of Kalgoorlie. The EMP represents a 108km² 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 and 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.

Tenement Schedule

State	Tenement	Holder	Area (Ha)	Grant	Expiry	Rent (\$)	Committ (\$)
WA	P29/2225	MGFPL	79	05-Sep-12	04-Sep-20	240	3200
WA	P29/2270 ⁽¹⁾	MGFPL	196	23-Apr-13	22-Apr-21	588	7840
WA	P29/2455	MGFPL	194	01-Feb-19	01-Jan-23	582	7760
WA	P29/2456	MGFPL	188	01-Feb-19	31-Jan-23	564	7520
WA	P29/2457	MGFPL	168	01-Feb-19	31-Jan-23	504	6720
WA	P29/2458	MGFPL	116	01-Feb-19	31-Jan-23	348	4640
WA	P29/2459	MGFPL	162	01-Feb-19	31-Jan-23	486	6480
WA	P29/2460	MGFPL	200	01-Feb-19	31-Jan-23	600	8000
WA	P29/2461	MGFPL	200	01-Feb-19	31-Jan-23	600	8000
WA	P29/2528	MGFPL	14	25-Oct-19	24-Oct-23	42	2000
WA	P29/2474	MGFPL	198	13-Mar-20	12-Mar-24	594	7920
WA	P29/2469	MGFPL	198	25-Mar-20	24-Mar-24	594	7920
WA	P29/2497	MGFPL	149	26-Mar-20	25-Mar-24	447	5960
WA	P29/2472	MGFPL	192	26-Mar-20	25-Mar-24	576	7680
WA	P29/2473	MGFPL	77	26-Mar-20	25-Mar-24	231	3080
WA	P29/2496	MGFPL	175	26-Mar-20	25-Mar-24	528	7040
WA	P29/2500	MGFPL	121	26-Mar-20	25-Mar-24	363	4840
WA	P29/2471	MGFPL	200	15-Jun-20	14-Jun-24	600	8000
WA	P29/2492	MGFPL	10	15-Jun-20	14-Jun-24	29.5	2000
WA	P29/2494	MGFPL	199	15-Jun-20	14-Jun-24	597	7960
WA	P29/2470	MGFPL	198	17-Jul-19	16-Jul-24	594	7920
WA	P29/2553	MGFPL	88	16-Nov-20	15-Nov-24	267	3560
WA	P29/2554	MGFPL	197	16-Nov-20	15-Nov-24	591	7880
WA	P29/2555	MGFPL	120	16-Nov-20	15-Nov-24	363	4840
WA	P29/2556	MGFPL	134	16-Nov-20	15-Nov-24	402	5360
WA	P29/2557	MGFPL	100	16-Nov-20	15-Nov-24	303	4040
WA	P29/2558	MGFPL	120	16-Nov-20	15-Nov-24	363	4840
WA	P29/2567	MGFPL	197	17-Nov-20	16-Nov-24	591	7880
WA	P29/2564	MGFPL	132	17-Nov-20	16-Nov-24	399	5320
WA	P29/2568	MGFPL	123	17-Nov-20	16-Nov-24	369	4920
WA	P29/2565	MGFPL	184	17-Nov-20	16-Nov-24	555	7400
WA	P29/2566	MGFPL	197	17-Nov-20	16-Nov-24	594	7920
WA	P29/2563	MGFPL	112	18-Nov-20	17-Nov-24	339	4520
WA	P29/2391	MGFPL	193	03-Apr-17	02-Apr-25	579	7720
WA	P29/2395	MGFPL	70	20-Apr-17	19-Apr-25	210	2800
WA	P29/2601	MGFPL	183	19-May-21	19-May-25	550	7338
WA	P29/2600	MGFPL	167	19-May-21	19-May-25	501	6676
WA	P29/2602	MGFPL	76	19-May-21	19-May-25	228	3034
WA	P29/2604	MGFPL	195	19-May-21	19-May-25	585	7797
WA	P29/2408	MGFPL	179	03-Jul-17	02-Jul-25	537	7160
WA	P29/2409	MGFPL	176	29-Sep-17	28-Sep-25	528	7040
WA	P29/2595	MGFPL	111	04-Nov-21	04-Nov-25	333	4439
WA	P29/2596	MGFPL	114	04-Nov-21	04-Nov-25	341	4541
WA	P29/2619	MGFPL	199	05-Nov-21	05-Nov-25	597	7959
WA	P29/2623	MGFPL	200	05-Nov-21	05-Nov-25	599	7984
WA	P29/2625	MGFPL	199	05-Nov-21	05-Nov-25	598	7977
WA	P29/2621	MGFPL	195	05-Nov-21	05-Nov-25	586	7818
WA	P29/2620	MGFPL	197	05-Nov-21	05-Nov-25	590	7862
WA	P29/2622	MGFPL	199	05-Nov-21	05-Nov-25	597	7956
WA	P29/2624	MGFPL	200	05-Nov-21	05-Nov-25	599	7984
WA	P29/2599	MGFPL	185	16-Nov-21	16-Nov-25	555	7401
WA	E29/0979	MGFPL	2000	24-Feb-17	23-Feb-27	2275	30000
WA	M29/0141	MGFPL	38	01-Aug-91	31-Jul-33	780	10000
WA	M29/0427	MGFPL	57	12-Feb-19	11-Feb-40	1140	10000
WA	M29/0189	MGFPL	526	16-Oct-98	15-Oct-40	10540	52700
WA	L29/0061	MGFPL	5	01-Apr-99	31-Mar-41	89.5	0
QLD	MDL2008	MMGMPL	1200	01-Nov-19	1-Nov-24	28540	NA
QLD	EPM10006	MMGMPL	1500	01-Mar-94	1-Mar-23	855	NA

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Resources & Energy Group Limited

ABN

12 110 005 822

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows		Current quarter (3 months) \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	(185)
	(b) development		
	(c) production		
	(d) staff costs	-	(94)
	(e) administration and corporate costs	(49)	(222)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	(49)	(501)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements	-	-
	(c) property, plant and equipment	-	(2)
	(d) exploration & evaluation	(33)	(179)
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter (3 months) \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(33)	(181)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	-	
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	104	704
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(49)	(501)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(33)	(181)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter (3 months) \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	22	22

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	22	104
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	22	104

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		600,000
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>As announced to the ASX on 22 November 2023, the Company has put in place funding of \$600,000 for its ongoing working capital requirements. The funding comprises two standby loan facilities (Facilities), being:</p> <ul style="list-style-type: none"> a A\$120,000 facility with Viaticus Capital Pty Ltd, an entity which is owned and controlled by Director Gavin Rezos; and a A\$480,000 facility with Arthur Phillip Pty Limited, an entity which is owned and controlled by Director Richard Poole, <p>The Facilities have 12-month terms with commercial conditions as set out in the annexure to the 22 November 2023 release to ASX. On 19 March 2024 a general meeting of shareholders approved the Facilities.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(49)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(35)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(84)
8.4	Cash and cash equivalents at quarter end (item 4.6)	22
8.5	Unused finance facilities available at quarter end (item 7.5)	600
8.6	Total available funding (item 8.4 + item 8.5)	622
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	7.4
	<p><i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i></p>	
8.8	<p>If item 8.7 is less than 2 quarters, please provide answers to the following questions:</p> <p>8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?</p> <p>Answer: Refer Item 7.6 above in relation to the undrawn Facilities.</p>	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: As announced to ASX on 26 April 2024 the Company has commitments for a placement of its shares to raise \$1.488 million with settlement due by 2 May 2024..

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2024

Authorised by: By order of the Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.