



31 October 2014

Market Announcements Office  
ASX Limited

**ACTIVITIES REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

Resources and Energy Limited has been working to develop a geothermal project in South Australia and owns 51.85% of Deep Energy Pty Limited.

Deep Energy currently holds one geothermal exploration licence (GEL 486) which was consolidated from 6 GELs to 1 GEL, with a five-year term and has agreed a relevant work program which it is now implementing.

Resources & Energy Group (REZ) is also developing the Mount Mackenzie project in Central Queensland and is regarded as one of the largest hydrothermal systems in eastern Australia. It represents a significant opportunity in gold and copper.

As previously advised, the company’s applications for exploration licences in Queensland are still in process. The Company will then embark on an initial exploration program focused on the potential for Uranium.

Resources and Energy continues to look at other opportunities locally and overseas.

Deep Energy holds the following Geothermal Exploration Licence at the end of the 30 September 2014 quarter.

	Number	State	Area	% Ownership	Expiry
1	GEL 486	South Australia	1,934km <sup>2</sup>	100%	28/05/19
	<b>Total</b>		<b>1,934km<sup>2</sup></b>		

Mount MacKenzie Mines holds the following Exploration Permits at the end of the 30 September 2014 quarter.

	Number	State	% Ownership
1	EPM10006	Queensland	100%
2	EPM12546	Queensland	100%
3	EMP17515	Queensland	100%

During the quarter, the Company did not hold any in farm-in or farm-out agreements at the end of the quarter.

The directors are seeking shareholders' approval at the upcoming AGM to issue up to 18 million shares to raise approximately \$720,000 to allow the company to continue to develop the Company's projects.

**By the Order of the Board**

**Cindy Louie  
Company Secretary  
Resources & Energy Group Limited**

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Resources & Energy Group Limited

ABN

12 110 005 822

Quarter ended ("current quarter")

30 September 2014

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$'000	Year to date (3 months) \$'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(15)	(15)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(93)	(93)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	3	3
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
	<b>Net Operating Cash Flows</b>	<b>(105)</b>	<b>(105)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (Cash acquired from purchase of subsidiary)	-	-
	<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(105)</b>	<b>(105)</b>

1.13	Total operating and investing cash flows (brought forward)	(105)	(105)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (cost of raising funds)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(105)	(105)
1.20	Cash at beginning of quarter/year to date	219	219
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	114	114

### Payments to directors of the entity and associates of the directors

### Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	22
1.24	Aggregate amount of loans to the parties included in item 1.10	-

### 1.25 Explanation necessary for an understanding of the transactions

- Payments totaling \$4,950 were made to Arthur Phillip Pty Ltd, an associated entity of Mr R Poole. The disbursements were in relation to company secretarial fee, rent, preparation of half year and ASX reporting requirements.
- Payments totalling \$4,400 were paid to Mr R Poole, for director fees owing.
- Payments totaling \$5,000 were paid to Farshore Business Solutions Pte Ltd Ltd, an associated entity of Mr M Hogg. The disbursements were in relation to director fees.
- Payments totaling \$8,250 were paid to Reality Energy Attitude Life Pty Ltd, an associated entity of Ms V Bruce. The disbursements were in relation to director fees.

### Non-cash financing and investing activities

#### 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

#### 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

## Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	40
4.2 Development	-
4.3 Production	-
4.4 Administration	40
<b>Total</b>	<b>80</b>

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	114	114
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>114</b>	<b>114</b>

## Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			

6.2 Interests in mining tenements acquired or increased

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### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>*Ordinary securities</b>	45,342,306	45,342,306		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>*Convertible debt securities</b> (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> (description and conversion factor)				
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter			<i>Exercise price</i>	<i>Expiry date</i>

7.11	<b>Debentures</b> <i>(totals only)</i>		
7.12	<b>Unsecured notes</b> <i>(totals only)</i>		

### **Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Print name: Cindy Louie  
(Company Secretary)

Date: 31 October 2014

### **Notes**

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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