24 May 2017

Market Announcements Office
ASX Limited

RADIO SAMPLING COMMENCES

Resources & Energy Group Limited (ASX:REZ) is pleased to advise that the development of its Radio mine in Western Australia has reached an important milestone. Dewatering has been completed and initial sampling from areas adjacent to the main shaft at levels 8, 9 and 10 has yielded positive results.

The dewatering of Radio has been completed to level 10 and initial rock chip sampling has been undertaken in the development faces, stoping areas and from loose rock in mine drives.

Sampling undertaken from selected lode exposures and broken floor rock immediately adjacent to the 10 level shaft access yielded the following significant assays;

- 54.2g/t – 9 Level Footwall Lode
- 34.3g/t – 8 Level East Lode
- 26.0g/t – 9 to 10 Level Chute grabs
- 12.6g/t – 9 Level Footwall Lode

Work continues with a systematic lode sampling program under development to identify initial bulk stoping mining locations, and provide high quality information for resource modelling.

Mine services have now been installed underground, the refurbishment of the shaft including all ladders has been completed and the skip installed in the main shaft. The head frame and man-riding hoist is undergoing final commissioning in preparation for final regulatory approval. Assembly of a processing plant is proceeding to plan and targeting removal of bulk samples in June with processing of initial sample ore in July.

A plan showing the sample locations and a table report of the exploration results are shown below.

Isometric View of Radio Mine Workings
recent sample results

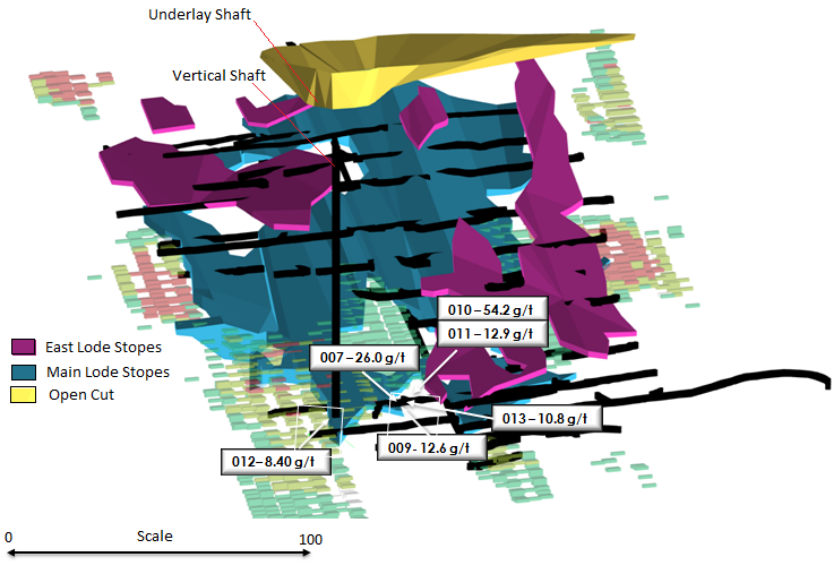

Table 1
Radio Sample Results

Sample Reference	Sample Type (Grab/ Rock Chip)	Level	Sample Location	Load	Au (ppm) dup	Au (ppm)	Au (ppm) rpt1	Easting (Mga)	Northing (Mga)	RL
005 RESI	GRAB	10	10S MLS ACC	Main		0.21		699102.61	6577993.56	238.96
006 RESI	GRAB	10	10S MLS ACC	Main		0.58		699102.61	6577993.56	238.96
007 RESI	GRAB	9	9S MLS CHU	Main	26.1	26.0		699097.80	6577993.00	242.3
008 RESI	GRAB	9	9S MLS CHU	Main		0.44		699091.60	6577996.00	244.81
009 RESI	GRAB	9	9S MLS CHU	Main	5.99	12.6		699112.00	6577987.00	240.9
010 RESI	ROCK CHIP	9	9S MLS FWD	Main	45.5	54.2		699106.73	6578025.68	248.1
011 RESI	ROCK CHIP	9	9S MLS FWD	Main	3.96	12.9		699106.73	6578025.68	248.1
012 RESI	GRAB	9	9S MLS SLT	Main	2.75	8.40		699106.73	6578025.68	248.14
013 RESI	GRAB	9	9S MLS SLT	Main	5.55	10.8		699106.73	6578025.68	248.1
014 RESI	GRAB	10	10L CHUTE SHAFT	Main		7.39	7.13	699111.99	6577987.49	240.92
021 RESI	ROCK CHIP	9	9S MLS FWD	Main	29.1	34.3		699106.73	6578025.68	248.1
0022704 RESI	GRAB	10	10S ELS SLT	East		0.57		699108.00	6577995.00	244.95
0032704 RESI	ROCK CHIP	10	10S MLS ODR	Main		2.10		699096.20	6577984.00	241.43
0042704 RESI	ROCK CHIP	10	10S MLS STO	Main		0.14		699097.30	6577986.00	241.43
0160305 RESI	ROCK CHIP	9	9N MLN ODR	Main		0.42		699130.10	6578121.00	255.46
0170305 RESI	ROCK CHIP	9	9N ELS STO	East	2.41	1.79		699135.40	6578073.00	245.66
0180305 RESI	GRAB	9	9N MLN STO	Main		0.16		699135.17	6578106.95	250.55
0190305 RESI	ROCK CHIP	9	9N ELS ODR	East	0.88	3.90		699123.10	6578089.00	255.46
0200305 RESI	ROCK CHIP	8	8N MLN ODR	Main		2.67	2.72	699135.17	6578106.95	250.55
0220305 RESI	ROCK CHIP	8	8N ELS ODR	East		0.11		699118.90	6578066.00	252.96
0230305 RESI	GRAB	8	8N ELS ODR	East	11.5			699118.9	6578066.00	252.96

An investor update is being separately released that provides further details on both of REZ's current projects, Radio and Mount Mackenzie.

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About Resources & Energy

Resources & Energy Group Limited (ASX: REZ) is an independent, ASX-listed gold explorer, holding mining leases in Western Australia and Queensland. REZ aims to develop a portfolio of mining tenements through to production.

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 who is a member of the Australasian Institute of Mining and Metallurgy, and Principal Consultants for Minerva Geological Services (MGS). MGS has been contracted by Resources and Energy Group to provide Exploration Management and technical advice to the company. Mr Johnstone 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 in which it appears.

APPENDIX 1: JORC Code, 2012 Edition – Table 1
Radio Project, 24 May 2017

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg cut channels, random chips, or specific specialized 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.	• The initial sample program consisted of 21 grab and chip samples. These were collected from either loose ore dumps or exposed lodes currently accessible following dewatering of mine workings.
	• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	• Details of all sample locations and results are included in supporting documentation.
	• Aspects of the determination of mineralization that are Material to the Public Report.	• Rock chip samples were collected by hand from lode exposures in the underground workings using a hand geology pick. Samples were obtained by chipping as evenly as possible across the lode expression in a direction perpendicular to the lode dip. Samples of rill material were collected by digging into a selected rill at one or more discrete locations and combining the material into one sample bag.
	• 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 sampling problems. Unusual commodities or mineralization types (eg submarine nodules) may warrant disclosure of detailed information.	• The Radio Mine is noted for its coarse gold component which can be problematic due to inherently variable results caused by a dramatic nugget effect. In addition to drilling, to determine a better understanding to the true grade consideration needs to be given to the historical mining production, larger sample mass including bulk sampling, and channel sampling from lode exposures.
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).	• Not applicable, the report does not include drilling samples
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximize sample recovery and ensure representative nature of the samples. • 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.	• Not applicable, the report does not include drilling results

Criteria	JORC Code explanation	Commentary
Logging	• Whether core and chip samples have been geologically and geo-technically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• No, the samples are not intended to be used for resource estimation , mining or metallurgical studies. • This is not applicable. The report does not include drilling results
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples. • 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. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• This does not apply. The exploration results are not based on core. • The sample was collected in-situ and in general a surface wet state. • The results relate to whole rock sample and with exception of washing sample to remove mud there has been no pretreatment prior to handover to laboratory for assay. • After initial collection in the field all subsequent sample preparation is carried out in a laboratory, under controlled conditions specified by ALS. • Samples are dried, crushed to -2mm and then riffle split into approx. 250g portions. One of these splits is pulverized and assayed, the remainder is recombined as a reserve sample. • Au is by 50g Fire Assay with ICPOES finish
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • or 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. • 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.	• The laboratory procedures adopted for determining the results for gold assay are industry standard. • This is not applicable. The results are not based on geophysical tools, spectrometers or other devices requiring calibration. • During sampling, no standards or blanks were introduced. The company has relied on the internal laboratory checks for determining accuracy
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• The work has been verified by the Chief Operating Officer and other mine engineering personnel of REZ, and results verified by the Exploration Manager. • This does not apply. The report does not include drilling results. • The company is in process of developing a validated and quality checked data base for the Radio Project. • This is not applicable. The Assay data presented in this report has not been adjusted

Criteria	JORC Code explanation	Commentary
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. • Specification of the grid system used. • Quality and adequacy of topographic control.	• The grab sample locations have been identified on plan by reference to distance from Shaft, load and working level. These references can be considered to have an accuracy of +/- 10m. • The Radio mine uses a Local Grid, which has been transformed to Mga. • Topographic control is not relevant.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • 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. • Whether sample compositing has been applied.	• Grab samples have been collected randomly and opportunistically based on exposure, and safe working conditions. • This is not applicable. The results are not being used to establish grade continuity for the purposes of resource estimation. • Sample compositing has not been carried out.
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. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• The sample locations were based on accessibility, rather than any governing principles of structure and mineralization. Quartz lodes, which in historical context were known to be gold bearing have been preferentially sampled. • This is not applicable. Non directional grab samples collected only. The report does not include drilling results.
Sample security	• The measures taken to ensure sample security.	• Samples are transported directly from site by REZ personnel to ALS laboratory in Perth for assaying and submitted to the Laboratory Manager with an accompanying form of sample identifiers.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• At this stage no audits or reviews of sampling techniques has been carried out.

Section 2 Reporting of Exploration Results

Criteria	JORC 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 security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	• The areas over which the results are reported are located wholly within M77/633 (The Tenement). The Tenement is a granted Mining Lease which is owned by Radio Gold Pty Limited-a wholly owned subsidiary of Resources and Energy Group Limited. The land, from which the results have been obtained, is not subject to Native Title Interests, and does not encompass wilderness or National park or environmentally protected settings. • At the time of reporting the results The Tenement is in good standing. The mining proposal and project management plans for The Tenement have been

Criteria	JORC Code explanation	Commentary
		approved by regulatory authority. There are no known impediments which would prohibit operations in accordance with the license conditions, or any environmental covenants that may attach to the approval.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• The Radio Gold Mine was privately operated during the period 1918 to 1968, when it was sold to Vam Ltd. Mine operations ceased in 1974. In 1991 Carn Brea Resources NL completed a major exploration campaign which included mine dewatering, mapping and sampling of remnant ore zones and limited diamond drilling. In 1995 Burmine Ltd completed a 3000m RC drilling campaign. During the period 1999-2001 Sons of Gwalia commenced exploration at Radio with a RAB drilling program (118 drill holes for 4180m) followed by a reverse circulation drilling program (38 drill holes for 3181m). SOG concluded that the mineralization is still open and considerable scope exists for potential extensions to the known lodes systems. During the period 2004-2008 Gryphon completed a further 30 RC holes for 2662m. This work and drilling results from earlier campaigns was the basis of a resource model which was also put together by Gryphon. In 2010 Renaissance Minerals completed some preliminary mine planning, and a works proposal to re-open the Radio Mine was prepared. Several RC holes (with intended diamond tails) were drilled as part of this process, but never completed.
Geology	• Deposit type, geological setting and style of mineralization.	• The Radio Mine lies on the eastern side of the Southern Cross Greenstone Belt, overlapping onto the western margin of the granitoid Ghooli Dome. The host rock to the mineralized lodes is a foliated heterogeneous granitoid containing abundant rafts of partially assimilated greenstones adjacent to the main greenstone belt. Gold mineralization occurs in 2 sub-parallel quartz lodes that occur in shears that strike north east and dip to the south east. The lodes are referred to as the Foot wall (West and Main Reefs) and the Hanging wall (East Reef). The lodes appear to be continuous over a strike length of 130m and can be traced, although discontinuously on the surface for a total strike length of 720m. The host rocks to the lodes are generally granitic gneiss/migmatite which is intercalated with mafic rocks.
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: o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth	• This is not applicable. The report does not include drilling results.

Criteria	JORC Code explanation	Commentary
	o hole length. • 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.	• The report does not include drilling results. The exploration results are not related to information obtained from drilling.
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. • Where aggregate intercepts incorporate short lengths of high grade 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. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Aggregation methods are not applicable to this sampling method. No top cuts or weighting and averaging of results has been applied. • This is not applicable, aggregation methods are not applied to this sampling method • This is not applicable, metal equivalents are not reported
Relationship between mineralization widths and intercept lengths	• If the geometry of the mineralization with respect to the drill hole angle is known, its nature should be reported. • 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').	• This is not applicable, the report does not include drilling results • The results relate to grab samples, the mineralized extents are not known.
Diagrams	• 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.	• An appropriately scaled plan is included showing the location of samples relative to the position of the Radio Gold Mine shaft collar and historical record mine tracings. Grid-coordinates in mGA have been provided for all results reported.
Balanced reporting	• 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 misleading reporting of Exploration Results.	• Comprehensive reporting has been adopted. All results have been included in the supporting documentation.
Other substantive exploration data	• 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.	• REZ has previously released a number of reports on the Radio Gold Mine. These reports can be accessed in the announcements section of the ASX website.
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Recommendations for further work are described in the report • Additional resource areas have been described in the report