

RESOURCES & ENERGY GROUP LIMITED
ACN 110 005 822

CLEANSING PROSPECTUS

For an offer of up to 20,000 Shares at an issue price of \$0.05 per Share to raise up to \$1,000 (before expenses) (**Offer**).

This Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

TABLE OF CONTENTS

1.	CORPORATE DIRECTORY	1
2.	TIMETABLE AND IMPORTANT NOTES	2
3.	DETAILS OF THE OFFER.....	5
4.	PURPOSE AND EFFECT OF THE OFFER.....	9
5.	RIGHTS AND LIABILITIES ATTACHING TO SHARES	11
6.	RISK FACTORS	14
7.	ADDITIONAL INFORMATION	21
8.	DIRECTORS' AUTHORISATION	28
9.	GLOSSARY	29

1. CORPORATE DIRECTORY

Directors

Gavin Rezos
Non-Executive Chairman

Richard Poole
Executive Director

Virginia Bruce
Non-Executive Director

Acting Chief Executive Officer

Christian Price

Chief Financial Officer and Company Secretary

Warren Kember

ASX Code

REZ

Share Registry*

Boardroom Pty Ltd
Grosvenor Place
Level 12, 225 George Street
SYDNEY NSW 2000

Telephone: +61 2 9290 9600

Registered Office

Level 33
52 Martin Place
SYDNEY NSW 2000

Telephone: + 61 2 9227 8900
Facsimile: +61 2 9227 8901

Email: communications@rezgroup.com.au
Website: www.rezgroup.com.au

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Auditor*

LNP Audit and Assurance
Level 14, 309 Kent Street
SYDNEY NSW 2000

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

2. TIMETABLE AND IMPORTANT NOTES

2.1 Indicative Timetable

Action	Date
Lodgement of Prospectus with the ASIC and ASX	28 May 2019
Opening Date	28 May 2019
Closing Date*	29 May 2019
Issue Date*	30 May 2019
Expected date for quotation of Shares issued under the Offer on ASX*	31 May 2019

*These dates are indicative only and may change without notice. The Directors reserve the right to extend the Closing Date at any time after the Opening Date without notice. Additionally, the date the Shares issued under this Prospectus (if any) are expected to commence trading on ASX may vary depending on the Company's ability to satisfy ASX requirements for reinstatement to trading.

2.2 Important Notes

This Prospectus is dated 28 May 2019 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Offer is only available to those who are personally invited to accept the Offer. Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

Although the Company's securities are currently suspended from ASX, the Company continues to be subject to the continuous disclosure regime provided for under the Corporations Act. This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

2.3 Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Shares under this Prospectus.

2.4 Suspension from ASX and Reinstatement and ASX Update

The Shares of the Company have been in voluntary suspension since 12 April 2018 and remain suspended as at the date of this Prospectus.

The Company is confident that it will be able to satisfy ASX that it has sufficient funding and level of activities to warrant the reinstatement to trading of its securities shortly after the lodgement of this Prospectus. The Company confirms it lodged its outstanding financial reports and other announcements required by the ASX Listing Rules on 21 May 2019.

The Company is proactively working with ASX to achieve its reinstatement, however until such time as the Company is able to demonstrate to ASX that the Company's operations and financial condition warrant quotation on ASX, the Shares will remain suspended from trading and there will be no readily available liquid market for Shares.

Although the Company's securities are currently suspended the Company continues to be a disclosing entity for the purposes of the Corporations Act.

Additionally, as previously disclosed, a component of the consideration for the East Menzies mine acquisition (that settled on 21 December 2018) had been agreed to be paid in cash. The payments were subject to the ASX determining their classification as reimbursements of expenditure as required by Chapter 10 of the Listing Rules. ASX has confirmed this classification and accordingly, the outstanding consideration can be paid in cash payments.

2.5 Risk factors

You should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which you should be aware are set out in Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. You should consider consulting your professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

2.6 Applicants outside Australia

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

2.7 Disclaimer

No person is authorised to give information or to make any representation in connection with the Offer described in this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer. You should rely only on information in this Prospectus.

2.8 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and our management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Prospectus.

2.9 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.rezgroup.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

3. DETAILS OF THE OFFER

3.1 The Offer

Pursuant to this Prospectus, the Company invites investors identified by the Directors to apply for up to 20,000 Shares at an issue price of \$0.05 per Share, to raise up to \$1,000 (before expenses).

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 5.

3.2 Background to the Offer

Pursuant to Shareholder approval obtained on 21 December 2018 and 17 April 2019, the Company issued:

- (a) 32,400,000 Shares on 21 December 2018 in consideration for the Acquisition; and
- (b) an aggregate of 157,470,000 Shares between 14 and 16 May 2019, comprising of the issue of:
 - (i) 54,550,000 Shares to participants in the Capital Raising;
 - (ii) 87,920,000 Shares to holders of project development notes pursuant to the PDN Conversion; and
 - (iii) 15,000,000 Shares to Fontelina Pty Ltd <AAP Trust> **(Fontelina)** pursuant to the Debt Conversion.

The Company also cancelled 33,551,191 Options held by holders of project development notes pursuant to the PDN Conversion.

Refer to the notices of meeting for the Shareholders meetings held on 21 December 2018 and 17 April 2019 for further details of the Acquisition, the Capital Raising, the PDN Conversion and the Debt Conversion.

As announced on 20 May 2019, the Company also issued the following Shares under the Company's ASX Listing Rule 7.1 placement capacity:

- (a) 4,208,219 Shares to unrelated parties in conversion of debt at a deemed issue price of \$0.05; and
- (b) 10,000,000 Shares to an unrelated contractor as part of the fee for drilling services to be provided,

(Additional Shares).

3.3 Objective

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including the Shares issued pursuant to the Acquisition, the Capital Raising, the PDN Conversion and

the Debt Conversion and the Additional Shares). Accordingly, the Company is seeking to raise only a nominal amount of \$1,000 under this Prospectus as the purpose of this Prospectus is not to raise capital.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

3.4 Applications

Applications for Shares under the Offer must only be made by investors at the direction of the Company and using the Application Form accompanying this Prospectus. By completing an Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the Application Form together with a complete and unaltered copy of the Prospectus.

Payment for Shares must be made in full at the issue price of \$0.05 per Share.

Completed Application Forms and accompanying cheques must be mailed or delivered to the Company as follows:

Delivery by hand	Delivery by post
Level 33 52 Martin Place SYDNEY NSW 2000	GPO Box 2537 SYDNEY NSW 2001

Completed Application Forms and accompanying cheques, made payable to "Resources & Energy Group Limited" and crossed "**Not Negotiable**". Completed Application Forms and accompanying cheques must be mailed or delivered to the address set out above by no later than the Closing Date.

3.5 Minimum subscription

There is no minimum subscription.

3.6 Oversubscriptions

No oversubscriptions will be accepted by the Company.

3.7 Underwriting

The Offer is not underwritten.

3.8 Issue of Shares

As noted in Section 3.2, the primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to the date of this Prospectus).

If the Directors decide to issue Shares under this Prospectus, the issue of Shares under the Offer will take place as soon as practicable after the Closing Date. Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. Any interest earned on the application monies will be for the benefit of the Company and will be retained by the Company irrespective of whether any Shares are issued, and each Applicant waives the right to claim any interest.

The Directors will determine the recipients of all the Shares. The Directors reserve the right to reject any application or to allocate any Applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, the surplus monies will be returned by cheque as soon as practicable after the Closing Date. Where no issue of Shares is made, the amount tendered on application will be returned in full by cheque as soon as practicable after the Closing Date. Interest will not be paid on monies refunded.

The Company's decision on the number of Shares to be allocated to an Applicant will be final.

3.9 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. Although the Company's Shares are currently suspended from trading on ASX, the Company is confident that it will be able to satisfy ASX that it has sufficient funding and level of activities to warrant the reinstatement to trading of its securities shortly after the lodgement of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

3.10 Restrictions on the distribution of the Prospectus

The distribution of this Prospectus outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws.

The Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

3.11 Enquiries

Any questions concerning the Offer should be directed to Warren Kember, the Company Secretary, on +61 2 9227 8900.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date (including prior to the date of this Prospectus).

Under the Offer, an amount of approximately \$1,000 (before expenses) may be raised. The funds raised from the Offer will be applied towards the expenses of the Offer. Refer to Section 7.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

4.2 Effect on capital structure

The effect of the Offer on the Company's capital structure is set out below.

Shares

	Number
Shares on issue as at the date of this Prospectus¹	302,222,070
Shares offered pursuant to the Offer	20,000
Total Shares on issue after completion of the Offer	302,242,070

Notes:

1. Includes 23,920,000 Shares subject to escrow until 21 December 2019.
2. Includes 7,500,000 Shares which are subject to a performance milestone (**Milestone Shares**). The Company has determined that the performance milestone in respect of the Milestone Shares has not been achieved and it intends to seek Shareholder approval to buy-back and cancel the Milestone Shares.

Options

	Number
Options on issue as at the date of this Prospectus	
Unquoted Options exercisable at \$0.12 each on or before 31 December 2019	1,000,000
Unquoted Options exercisable at \$0.12 each on or before 31 March 2021	10,908,333 ¹
Unquoted Options exercisable at \$0.14 each on or before 31 March 2021	250,000 ²
Unquoted Options exercisable at \$0.14 each on or before 15 December 2022	2,000,000 ²
Total	11,000,000
Options offered pursuant to the Offer	Nil
Total Options on issue after completion of the Offer	11,000,000

Notes:

1. 2,500,000 of these Options are subject to vesting conditions.
2. These Options are subject to vesting conditions.

4.3 Financial effect of the Offer

The expenses of the Offer (of approximately \$13,000) are expected to exceed the amount raised under this Prospectus. The excess will be met from the Company's existing cash reserves.

The Offer will have a non-material effect on the Company's financial position, being receipt of funds of \$1,000 less costs of making the Offer of approximately \$13,000.

5. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

5.1 General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

5.2 Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

5.3 Dividend rights

Subject to and in accordance with the Corporations Act, the ASX Listing Rules, the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time decide to pay a dividend to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as are referred to in the resolution and which plan provides for any dividend which the Directors may declare from time to time and payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to this Constitution or any law be entitled or obliged to retain, to be applied by the Company to the payment of the subscription price of Shares.

5.4 Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

5.5 Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

5.6 Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

5.7 Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Shares contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

5.8 Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

5.9 Alteration of Constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6. RISK FACTORS

6.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Company specific

(a) Suspension and Illiquidity of Shares

The Company's securities have been suspended from trading on ASX since 12 April 2018. As such, there is no market for Shares and the Shares offered pursuant to this Prospectus are highly illiquid.

(b) Reinstatement of Company's securities to official quotation on ASX

The Company is confident that it will be able to satisfy ASX that it has sufficient funding and level of activities to warrant the reinstatement to trading of its securities shortly after the lodgement of this Prospectus. The Company confirm it lodged its outstanding financial reports and other announcements required by the ASX Listing Rules on 21 May 2019.

The Company is proactively working with ASX to achieve its reinstatement, however until such time as the Company is able to comply with the requirements of ASX, the Shares will remain suspended from trading on ASX and there will be no readily available liquid market for Shares.

(c) Control risk

Gaffwick Pty Limited (**Gaffwick**) and the Poole Parties (together, the **Substantial Shareholders**) are currently substantial Shareholders of the Company holding a relevant interest in 22.6% and 22.5% of the issued capital of the Company respectively. The Poole Parties are also a related party of the Company by virtue of being controlled by Richard Poole, a Director of the Company.

As Gaffwick and the Poole Parties hold a significant interest in the capital of the Company, they are able to potentially influence the financial decisions of the Company, and their interests may not align with those of all other Shareholders.

(d) **Going concern**

Despite the fact that the recent financial reports of the Company (being the auditor reviewed half yearly report for the period ended 31 December 2018 and the audited annual report for the year ending 30 June 2018 (both released to ASX on 21 May 2019)) were prepared on a going concern basis, the auditors have included a note on the financial condition of the Company. The auditor concluded that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern.

The auditors consider that the ability of the Company to continue as a going concern and to meet planned and committed expenditure requirements is subject to the Company:

- (i) successfully exploiting the availability of equity and financing facilities to fund working capital requirements;
- (ii) realising value from its assets through joint ventures or outright sale;
- (iii) being able to scale back activities in order to preserve cash when required; and
- (iv) continuing to maintain the financial support from Directors and related parties as required.

The Directors are of the opinion that the Company will be able to continue as a going concern in light of the continued financial support of the Directors, and the current financiers, creditors and Shareholders of the Company. This was demonstrated in May 2019 where certain financiers and creditors agreed to convert their debts to equity and the Company was able to raise funds through its capital raising.

Should the Company not be successful in the above, there is material uncertainty as to the ability of the Company to continue as a going concern and to realise its assets and extinguish liabilities as they arise.

(e) **Future requirements for capital**

As set out above, the Company may require additional funding in the future to effectively implement its business and operations plans, to take advantage of opportunities for acquisitions, joint ventures or other opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. There no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company. The Company's failure to raise capital or secure funding, if and when, needed, could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

6.3 Industry specific

(a) Exploration

The mineral tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its tenements and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the tenements, a reduction in the case reserves of the Company and possible relinquishment of the tenements.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(b) Resource Estimates

Resource estimates are expressions of judgment based on knowledge, experience, and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate.

As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(c) Mine development

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving

the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

(d) **Tenure and access**

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved.

Tenements are subject to the applicable mining acts and regulations in Western Australia and Queensland. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

(e) **Acquisitions and Contractual Risks**

As previously disclosed, the Company continues to investigate further opportunities for growth including acquisitions, joint ventures or other transactions regarding, or complimentary to, its existing projects and business. Any such future transactions are accompanied by the risks commonly encountered in relying on third parties and making acquisitions of companies or assets, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving mineral exploration success and retaining key staff.

Specifically, the ability of the Company to achieve its objectives will depend on the performance by the other parties to agreements which the Company may enter into in the future. If a party defaults in the performance of its obligations it may be necessary for the Company to approach a court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will be ultimately granted on the appropriate terms. If a joint venture agreement is entered there is also a risk of financial failure or default under joint venture arrangements by a participant in any joint venture to which the Company may become a party. Any withdrawal by a joint venture party or any issues with their ability to perform the obligations due under the joint venture arrangements could have a material adverse impact on the financial position of the Company. There is also the risk of disputes arising with the Company's joint venture partners, the resolution of which could

lead to delays in the Company's proposed development activities or financial loss.

(f) **Results of Studies**

Subject to the results of exploration and testing programs to be undertaken, the Company may progressively undertake a number of studies in respect to the Company's projects. These studies may include scoping, pre-feasibility, definitive feasibility and bankable feasibility studies.

These studies will be completed within parameters designed to determine the economic feasibility of the Company's projects within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Company's projects or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Even if a study confirms the economic viability of the Company's projects, there can be no guarantee that the project will be successfully brought into production as assumed or within the estimated parameters in the feasibility study (e.g. operational costs and commodity prices) once production commences. Further, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

(g) **Environmental Risks**

The operations and activities of the Company are subject to State and Federal laws and regulation concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company conducts its activities in compliance with all environmental laws. The Company is not aware of any non-compliance at this point in time.

(h) **Regulatory Risks**

The Company's exploration and any future development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure

could result in suspension of the Company's activities or forfeiture of one or more of the tenements.

(i) **Legislative Changes and Government Policy Risk**

Changes in government regulations and policies may adversely affect the financial performance of the Company. The Company's capacity to explore and in the future mine, in particular the Company's ability to explore and mine any reserves, may be affected by changes in government policy, which are beyond the control of the Company.

6.4 General risks

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Reliance on key management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(d) **Security Investments**

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular, securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often

been unrelated to the operating performances of such companies. These factors may materially affect the market prices of the securities regardless of the Company's performance.

Mineral exploration and mining are speculative activities that may be hampered by circumstances beyond the control of the Company. Profitability depends on successful exploration and/or acquisition of reserves, design, and construction of efficient processing facilities, competent operation and management and proficient financial management.

Exploration in itself is a speculative endeavour, while mining operations can be hampered by force majeure circumstances and cost overruns for unforeseen events.

6.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

7. ADDITIONAL INFORMATION

7.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
28 May 2019	Implementation of Shareholder Approvals and Update
21 May 2019	Change of Substantial Holding
21 May 2019	Change of Director's Interest Notice & Substantial Holding Poole
21 May 2019	Quarterly Cash Flow Report March 2019
21 May 2019	Quarterly Activities Report March 2019
21 May 2019	Half Year Accounts 2018
21 May 2019	Quarterly Cash Flow Report December 2018
21 May 2019	Quarterly Activities Report December 2018
21 May 2019	Quarterly Cash Flow Report September 2018
21 May 2019	Quarterly Activities Report September 2018
21 May 2019	Quarterly Cash Flow Report June 2018
21 May 2019	Quarterly Activities Report June 2018
21 May 2019	Quarterly Cash Flow Report March 2018
21 May 2019	Quarterly Activities Report March 2018
21 May 2019	Notice of Annual General Meeting
21 May 2019	Corporate Governance Statement 2018
21 May 2019	Annual Report 2018
20 May 2019	Appendix 3B

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website, www.rezgroup.com.au.

7.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The Company has been suspended from trading since 12 April 2018. Due to the suspension the highest and lowest market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus is not available. The last recorded closing sale price of the Shares on ASX prior to the voluntary suspension and lodgement of this Prospectus with the ASIC was \$0.105 (12 April 2018). This price is not a reliable indicator as to the potential value of Shares after closure of the Offer or upon reinstatement to trading on ASX.

7.4 Details of substantial Shareholders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Poole Parties	67,987,302	22.5%
Gaffwick Pty Limited	68,213,334	22.6%

In the event the Offer is fully subscribed there will be no change to the substantial holders on completion of the Offer.

7.5 Directors' Interests

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares	Options
Gavin Rezos	250,000 ¹	7,500,000
Richard Poole	67,987,302	Nil
Virginia Bruce	50,000	Nil

Notes:

1. Vantage House Limited, a related party of the Company by virtue of being controlled by the son of Director, Gavin Rezos, was also issued 10,000,000 Shares upon conversion of a project development note. Refer to the notice of meeting released on 18 March 2019 for further details. Gavin Rezos does not control these Shares and Vantage House Limited is not considered an associate of Gavin Rezos.

No Director or any of their associates intend to participate in the Offer.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the directors prior to the first annual general meeting of the Company and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$200,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors.

Director	Proposed remuneration for the year ending 30 June 2019	Remuneration for the year ended 30 June 2018	Remuneration for the year ended 30 June 2017
Gavin Rezos	\$48,000	\$48,000	\$48,000
Richard Poole	\$33,000	\$33,000	\$33,000
Virginia Bruce	\$36,000	\$36,000	\$36,000

7.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$7,000 (excluding GST and disbursements) for these services.

7.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and

- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

7.8 Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$13,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

Expense	(\$)
ASIC fees	3,206
ASX fees	1,884
Legal fees	7,000
Miscellaneous, printing and other distribution	910
Total	13,000

7.9 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 2 9227 8900 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.rezgroup.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

7.10 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

7.11 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

8. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Gavin Rezos
Non-Executive Chairman
For and on behalf of
RESOURCES & ENERGY GROUP LIMITED

9. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Acquisition means the acquisition by the Company of a 100% interest in the Menzies Project, a gold project located in Western Australia, pursuant to Shareholder approval obtained on 21 December 2018.

Applicant means an investor who applies for Shares pursuant to the Offer.

Application Form means an application form either attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Capital Raising means the issue of 54,550,000 Shares to professional, sophisticated and institutional investors which occurred on 16 May 2019.

Closing Date means the date specified in the timetable set out in Section 2.1 of this Prospectus (unless varied).

Company means Resources & Energy Group Limited (ACN 110 005 822).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Debt Conversion means the issue of 15,000,000 Shares to Fontelina (or its nominee) in consideration for the complete redemption and cancellation of debt to the value of \$750,000.

Directors means the directors of the Company as at the date of this Prospectus.

Fontelina means Fontelina Pty Ltd (ACN 145 837 547) <AAP Trust>.

Offer means the offer of Shares referred to in Section 3 of this Prospectus.

Official Quotation means official quotation on ASX in accordance with the ASX Listing Rules.

Opening Date means the date specified in the timetable set out in Section 2.1 of this Prospectus (unless varied).

Option means an option to acquire a Share.

PDN Conversion means the conversion of project development notes through the issue of Shares at a conversion price of \$0.05 per Share, the pro rata cancellation of unexercised Options held by project development noteholders and the payment of all accrued interest owing in respect of the redeemed portion of the project development notes within 24 months of the date of issue of the Shares.

Poole Parties means Richard Poole, Australian Mineral Partners Pty Ltd (ACN 137 293 899), RIQO Pty Ltd (ACN 153 832 967) and Fontelina.

Prospectus means this prospectus.

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.