

ASX Release

3rd October 2019

New drilling program underway to test historic high-grade mining areas at Menzies gold project in WA

Historic workings and drilling results show grades above 14gpt⁽¹⁾; The campaign is part of the ongoing strategy to expand the resource inventory across Menzies Project

Highlights

- New RC drilling program underway at the Menzies Project to test two key prospects in the Southern Zone:
 - Southern Zone - Spion Kopp
 - Southern Zone - Lady Kathleen/King Dam
- Both prospects contain historic workings and drilling results with grades above 14gpt
- The drilling program will target areas of known mineralisation and extensions
- Spion Kopp and Lady Kathleen sit 10km south of the Goodenough prospect, where REZ last week announced a host of strong drilling results of up to 9gpt (see ASX release dated September 26, 2019)
- The Menzies project is close to the Menzies townsite, including haulage network, infrastructure and multiple processing options in the Eastern Gold-fields region

Resources & Energy Group Limited (ASX: **REZ** or the **Company**) is pleased to announce the next drilling campaign has started at its Menzies Gold Project, 130km north of Kalgoorlie in WA, targeting two key areas containing high-grade historic workings and drilling results.

The two prospects, Spion Kopp and Lady Kathleen, are in the Southern Zone at Menzies. They are also 10km from the Goodenough prospect, where REZ recently announced a host of strong drilling results of up to 9gpt.

The new drilling program is the next step in the Company's strategy to establish a commercial-scale high-grade resource at the Menzies Project, which comprises a 20km-long continuous strike in the heart of the Norseman-Wiluna Greenstone Belt, including the Springfield Venn Gold Corridor, and the Goodenough Syncline.

(1) ASX:REZ Announcement – REZ Investor Presentation - 21st of August 2019

There is evidence of gold mineralization and historical production throughout the tenement package.

There are multiple project areas with existing exploration targets supported by high-grade drill results largely untested below 100m.

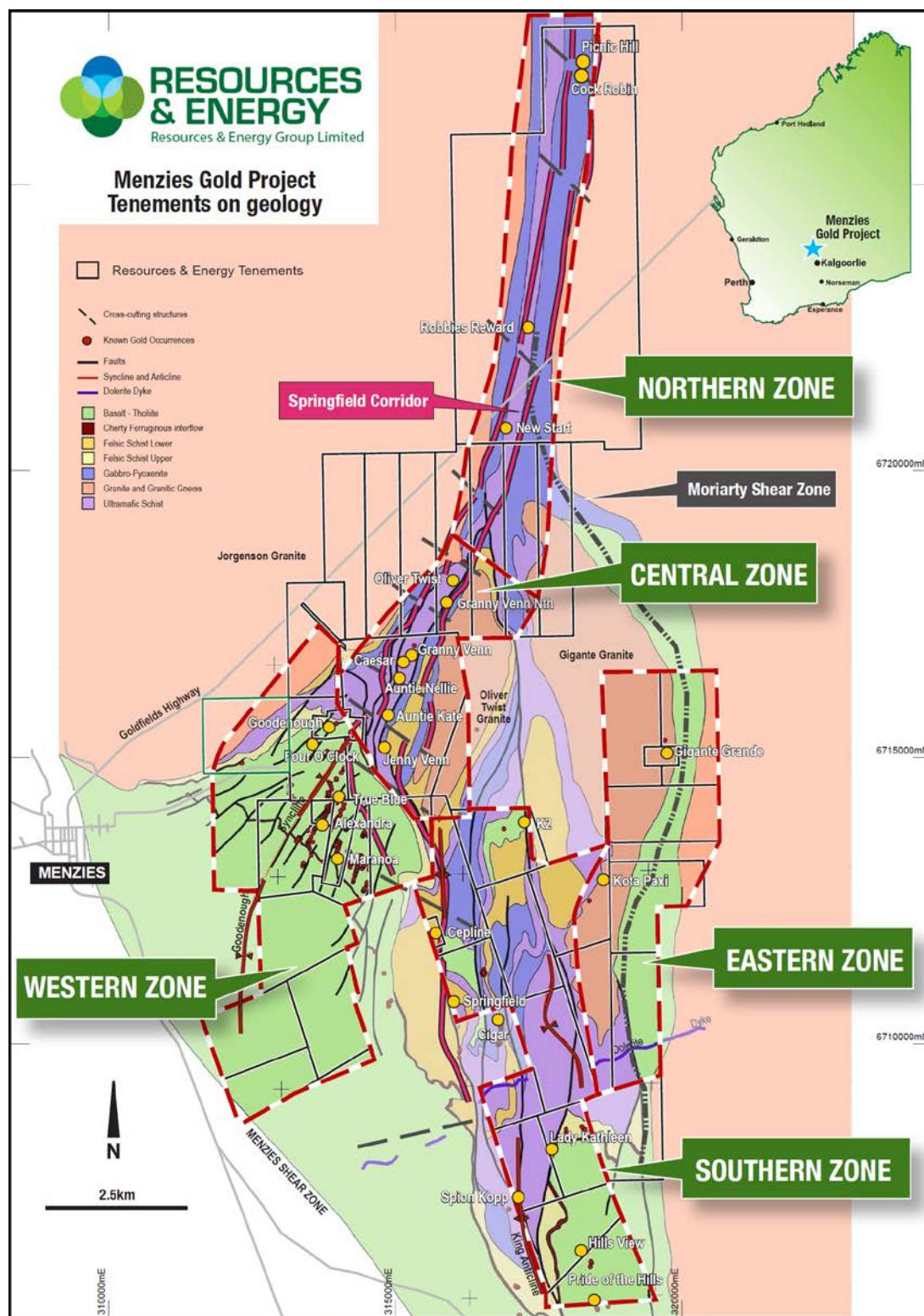


Figure 1 - Menzies Gold Project

REZ Chief Executive Christian Price noted, “There is ample evidence of widespread mineralisation across the Southern Zone. The historic workings, mapping, geophysical surveys and drilling results show that this area has immense potential to play a key role in our strategy to expand the resource.”

“The grades in the historical production and the more recent drilling provide a basis for the further extension of this resource footprint.”

“To have such an extensive landholding of this calibre and which has been exposed to limited modern-day exploration is a huge opportunity for our Company.”

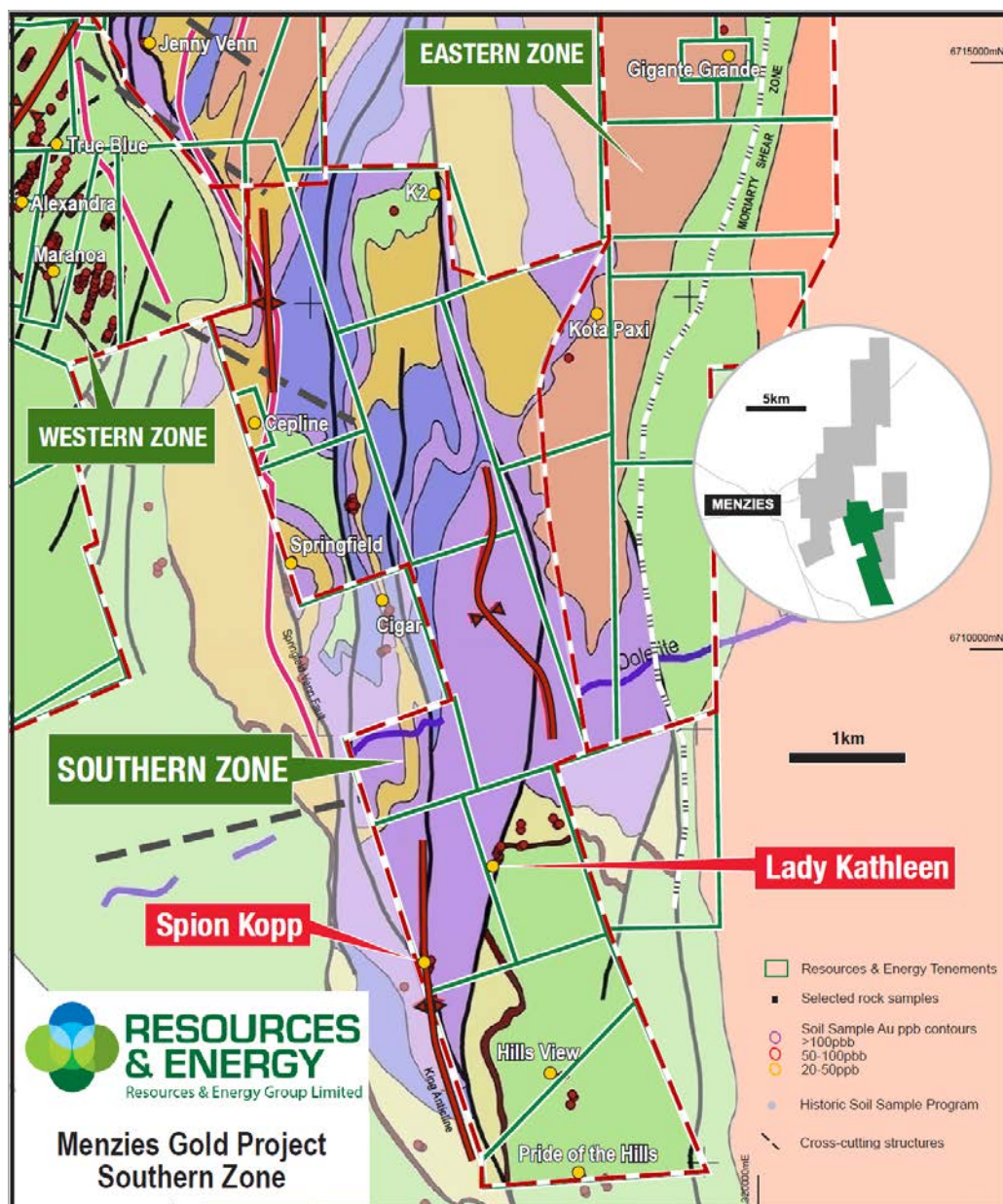


Figure 2 - Menzies Project - Southern Zone

About Resources and Energy Group Limited

Resources and Energy Group Limited (ASX:REZ) is an independent, ASX-listed mineral resources explorer, developer and producer, holding mining leases in Western Australia and Queensland. REZ aims to develop a portfolio of mining tenements through to production. REZ is currently focused on the development of the flagship Menzies Project 130km north of Kalgoorlie in Western Australia.

