ASX Release **17th October 2019**

Resources & Energy receives initial $500,000 payment as part of Radio Gold Mine farm-out

Proceeds will be used to fund ongoing drilling at the Menzies Gold Project in WA

Highlights

- **Initial $500,000 cash payment received as part of the previously-announced [(1)] Radio Gold Mine farm-out deal with private company Bullfinch One**
- **Key Points of the Radio farm-out and Joint Venture agreement:**
  - **Bullfinch One can earn a 50% interest in the project by spending $4m over two years**
  - **REZ retains 50% of proceeds of gold sales after operating costs**
  - **Bullfinch One has the right to acquire further 25% interest in the project for $2m cash over 24 months from commencement:**
    - **$500,000 cash paid on conditions precedent being met (complete and now paid as stated above)**
    - **$250,000 – 6 months from Precedent Date**
    - **$250,000 – 12 months from Precedent Date**
    - **$1m cash balance paid once initial $2m has been spent on the project by Bullfinch One**
  - **REZ has the right to retain 25% interest in the Radio Gold project**

Resources & Energy Group Limited (ASX: REZ) is pleased to announce that it has received the initial $500,000 payment under the terms of its farm-out deal with private company Bullfinch One over the Radio Gold Mine in WA.

The payment means Bullfinch One now has a 6.25 per cent stake in the Radio Gold tenements and can increase this to 25 per cent by paying REZ a further $1.5 million.

Bullfinch One can increase its interest in the Radio Gold tenements by 50 per cent, taking its stake to a maximum of 75 per cent, by spending a further $4 million on exploration at Radio over a 2-year period (see ASX release dated August 1, 2019).

Bullfinch One, owned by Sulphide X is the subject of a conditional acquisition agreement with Valor (ASX:VAL) as announced on the 4th of September 2019.[2]

REZ Chief Executive Christian Price said: "The farm-out agreement will generate additional funding for the exploration program at our flagship Menzies gold Mine in WA while also ensuring we retain an ongoing exposure to any exploration and production success at Radio."

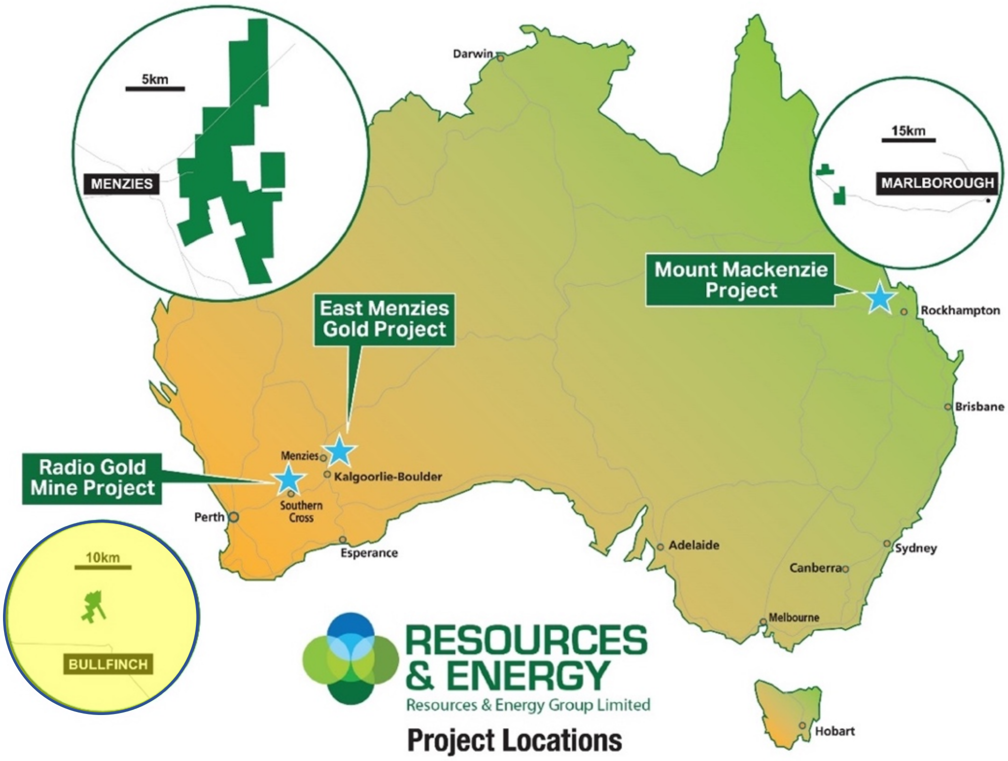
Radio is located 400km east of Perth and 40km north of Southern Cross, within the **Southern Cross Greenstone Belt** in the Yilgarn Craton. The Southern Cross province is estimated to have produced +15m oz of gold. Underground samples of up to 0.5m @ 522 g/t[4]. Radio is 7km north of the +1Moz Au Copperhead Mine. Radio has a 28,000oz JORC 2012 Resource and has historically produced 72,000oz averaging 38.5g/t.

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.

Announcements

(1) 1st of August 2019 – (ASX:REZ) - Radio Gold $4m Farm-in Partnership
(2) 4th September 2019– (ASX:VAL) - Acquisition of Radio Gold Project Farm-In
(3) 4th September 2019 – (ASX:REZ) - Acquisition of Radio Gold Project Farm-in
(4) 4th of June 2018 – (ASX:REZ) - Radio gold positive sampling results, development ore 6.2g/t



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