ASX Release

ASX: REZ

24 December 2019

East Menzies Gold Project Exploration Update

Highlights

- **26 RC holes for 3,788 metres completed across three zones**
- **106 bottom of hole geochemical samples submitted for analysis**
- **15,000m + Regional RAB programme planned Jan 2020; This will test several high-priority targets across three areas**
- **Studying third-party offers to campaign-mine existing deposits; This could generate cashflow for the Company to invest in wider exploration at East Menzies**

Resources & Energy Limited (ASX: REZ) is pleased to provide an update on recent exploration results and upcoming drilling and potential third-party mining activities for its 100 per cent-owned East Menzies Gold Project (EMGP) in WA.

Phase 1 Reverse Circulation ('RC') Drilling Completed

26 RC holes for 3,788 metres have been completed at the Southern (Spion Kopp and Lady Kathleen Prospects), Central (Springfield Venn Corridor) and Eastern (Kore Prospect) Zones (Figures 1 and 2).

Gold assay results of note include:

19SVRC005 ***7m @ 1.33gpt from 39m*** and ***4m @ 1.07gpt from 53m*** (Oliver Twist)

19SKRC007 ***2m @ 2.59gpt from 49m*** (Spion Kopp)

The first three RC drill holes, which are part of a larger RC and RAB programme, at Kore Prospect intercepted 2 to 7 metre zones of massive sulphides (pyrrhotite and minor pyrite) approximately where the VTEM plates were modelled.

Assays indicated the massive sulphides were not the primary source of gold in the area, multi-element assaying will ascertain whether base metals are present. Systematic RAB will be conducted early in the new year to gain further geological and geochemical information aimed at identifying the source of the significant levels of gold in the area.

The remainder of assays indicated no significant intercepts, however multi-element work is ongoing for zones of interest – including Lady Kathleen, which intercepted the prospective VHMS horizon.

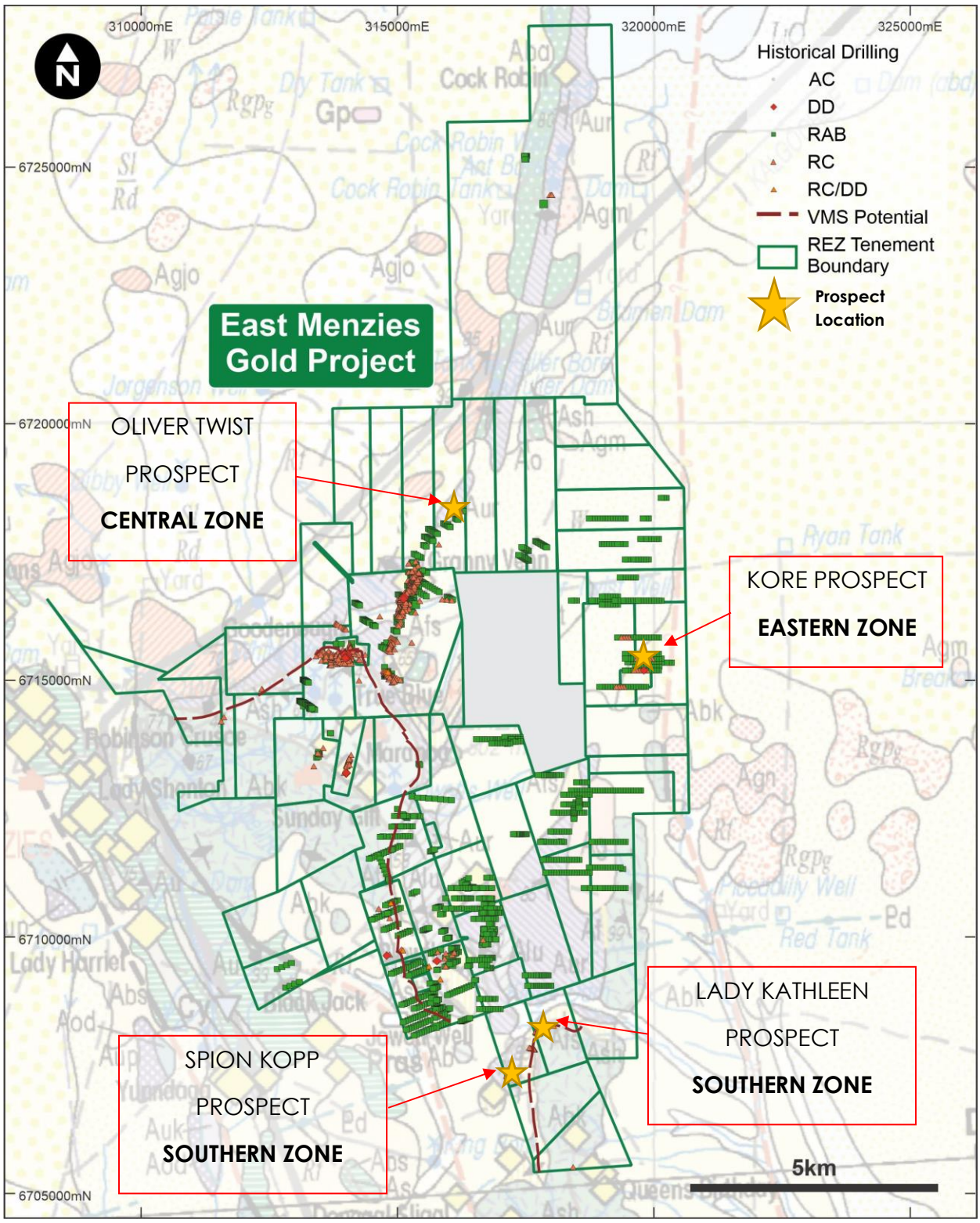


Figure 1 – East Menzies Gold Project Map

Regional 'Bottom of hole' Geochemical Sampling Programme

To date 106 samples have been collected from historical RAB holes across the project, where the fresh rock interface has been identified in relic sample piles (figure 2).

Samples have been submitted for full-digest 48 element and low-level gold analysis, with partial results received to date.

Analysis of data has commenced and used in conjunction with geophysical data sets for drill planning.

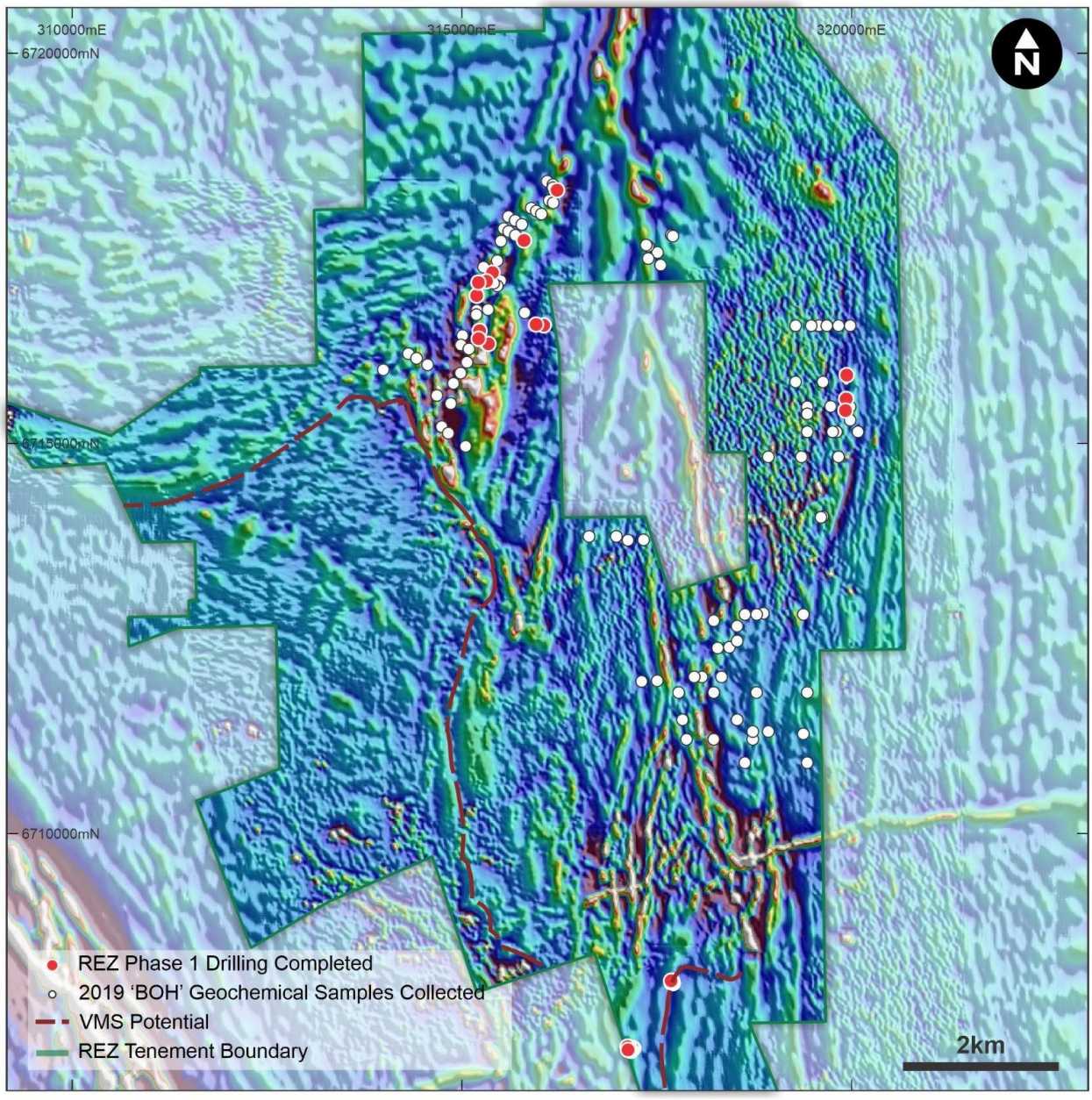


Figure 2: EMPG Phase 1 Drilling and Geochem Sample Location

Phase 2 Regional RAB Drilling Programme

The next phase of exploration involves a significant regional RAB drilling programme of approximately 15,000 metres covering three areas (Figure 3).

The programme is designed to collect and integrate high quality, broad spectrum analytical and geological information in key unexplored and prospective areas of the EMGP.

POWs are in place and drilling contractor scheduled to commence drilling early in January 2020.

Eastern Zone – Demeter

Historical drilling indicating a broad zone of anomalous gold mineralisation, in a region associated with significant regional and second order structures and intrusive bodies. Drilling will expand coverage south wards.

125 holes for approximately 6,000 metres planned

Central Zone – Athena

Detailed aeromagnetics, coupled with limited geochemical data indicates the juncture where the Moriarty Shear Zone meets the Springfield -Venn Fault is highly prospective. A significant portion of this area is under cover and has seen very limited drilling.

Recent results from 19SVRC005 (7m @ 1.33gpt from 39m and 4m @ 1.07gpt from 53m) is on the border of this area and warrants further attention from a regional perspective.

199 RAB holes for approximately 7,000 metres planned

Central Zone – Trinity

Large areas between prospects exist with geophysics indicating a complex interplay of flexures, folded / faulted stratigraphy and potential intrusive bodies. Historical drilling indicates potential large scale stockwork-style mineralisation.

35 RAB holes for approximately 2,000 metres planned.

Regional RAB drilling will extend to additional areas in the Eastern and Southern Zones as new tenements are granted over the next six months.

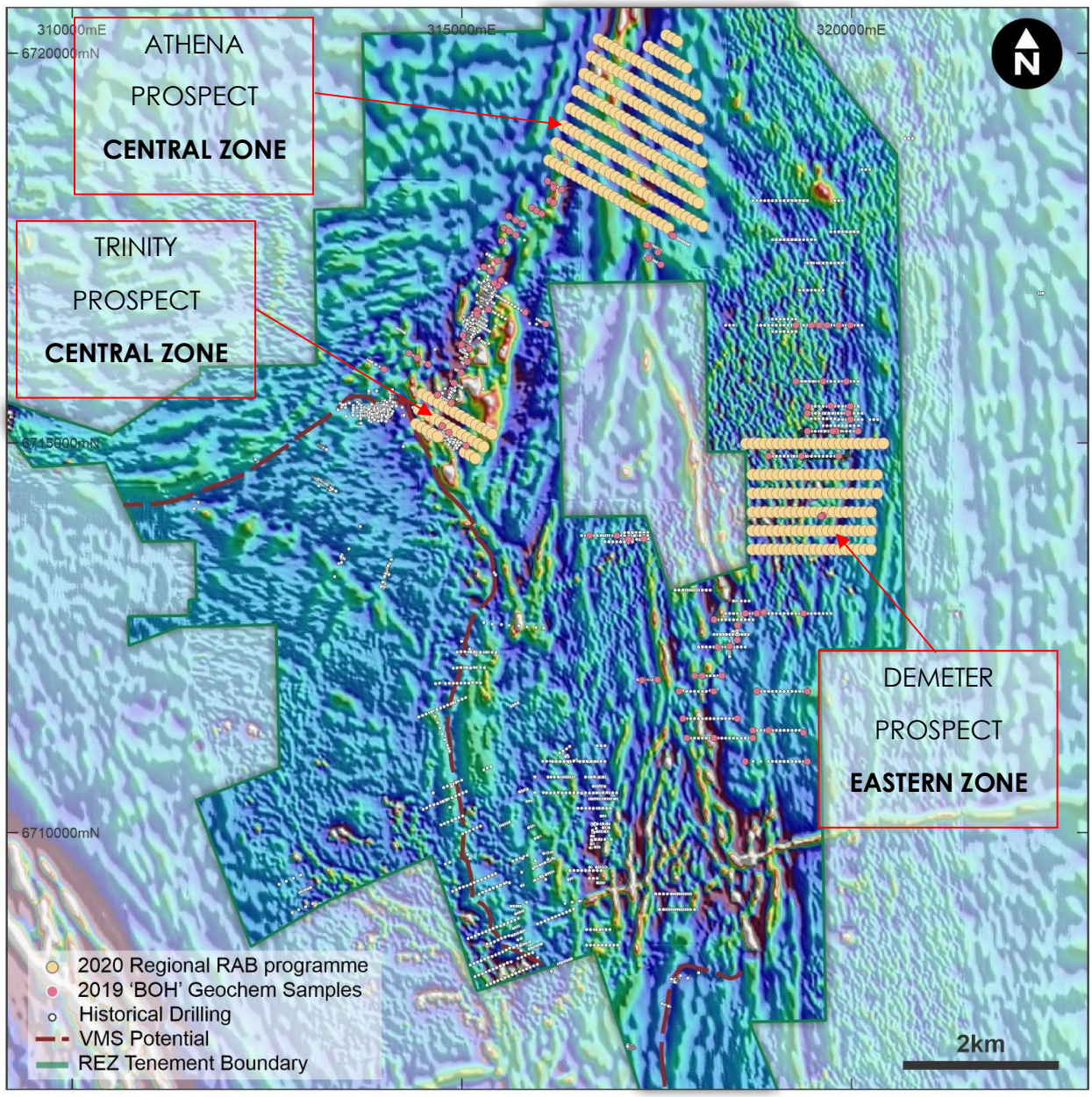


Figure 3: EMGP Phase 2 Regional RAB Drilling

REZ Group Chief Executive David Frances said: "The combination of the historical results and our preliminary work confirms there is huge exploration potential at East Menzies. We need to pursue this in a systematic manner to ensure we develop a thorough understanding of the geology, which will in turn enable us to unlock the full value of the asset. As part of this approach, we will embark on an extensive RAB program early in the new year. The results of this are expected to flow through in the March quarter and enable us to plan the next steps in our strategy. At the same time, we will consider the offers we have received from third-parties to campaign-mine the existing deposits with a view to potentially generating cashflow to help support our wider exploration campaign."

About Resources and Energy Group Limited

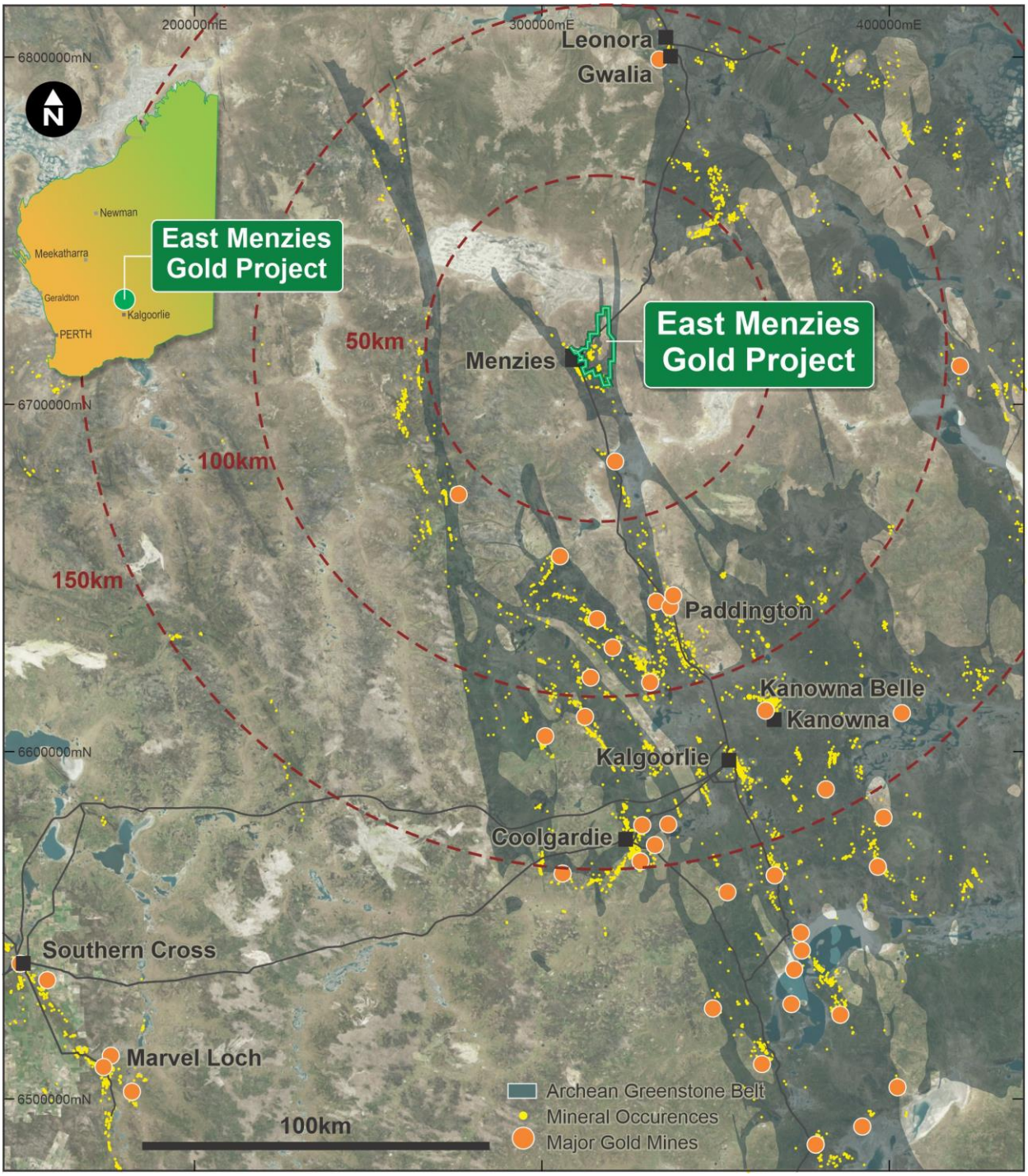
Resources and Energy Group Limited (ASX:REZ) is an independent, ASX-listed mineral resources explorer, with projects located in key mining jurisdictions in Western Australia and Queensland. REZ aims to discover significant gold deposits in areas overlooked or under explored using modern exploration techniques. REZ is currently focused on the flagship Menzies Project 130km north of Kalgoorlie in Western Australia.

Announcements

(1) 17th July 2019 – (ASX:REZ)- East Menzies - Outstanding Bedrock Gold Anomaly Identified
(2) 25th July 2019 (ASX:REZ) - East Menzies Update - Drilling at Goodenough
(3) 1st of August 2019 – (ASX:REZ) - Radio Gold $4m Farm-in Partnership
(4) 21st August 2019 – (ASX:REZ) - $3 million Raised - Placement Oversubscribed
(5) 4th September 2019– (ASX:VAL) - Acquisition of Radio Gold Project Farm-In
(6) 4th September 2019 – (ASX:REZ) - Acquisition of Radio Gold Project Farm-in
(7) 19th September 2019 – (ASX:REZ) - Highly Promising Drill Targets at Menzies Gold Project
(8) 26th of September 2019 – (ASX:REZ) Hits of up to 9gpt to Underpin Resource Update at Goodenough
(9) 30th of September 2019 - (ASX:REZ) Annual Report to shareholders
(10) 30th of September 2019 - (ASX:REZ) Appendix 4G and Governance Statement 2019
(11) 3rd of October 2019 - (ASX:REZ) New Drilling Program Underway at Menzies
(12) 4th of October 2019 - (ASX:REZ) Results of Meeting
(13) 8th of October 2019 - (ASX:REZ) Additional 20sqkm of Ground at Menzies
(14) 14th of October 2019 - (ASX:REZ) Appendix 3B
(15) 17th of October 2019 - (ASX:REZ) Radio Gold Farm-in
(16) 18th of October 2019 – (ASX:REZ) Change in substantial holding
(17) 18th of October 2019 – (ASX:REZ) Change in substantial holding
(18) 22nd of October 2019 - (ASX:REZ) Appointment of New Management Team
(19) 23rd of October 2019 – (ASX:REZ) Appendix 3Y
(20) 30th of October 2019 - (ASX:REZ) Quarterly Cash Flow Report September 2019
(21) 30th of October 2019 - (ASX:REZ) Quarterly Activities Report September 2019
(22) 31st of October 2019 – (ASX:REZ) Notice of Annual General Meeting/Proxy Form
(23) 2nd of November 2019 – (ASX:REZ) Results of Annual General meeting
(24) 11TH of November 2019 - (ASX:REZ) Drilling Program at East Menzies
(25) 3rd of December 2019 - (ASX:REZ) Resources Rising Stars Investor Presentation
(26) 3rd of December 2019 - (ASX:REZ) ASIC Form 484 - Cancellation and Buy-Back of Shares
(27) 3rd of December 2019 – (ASX:REZ) Change of Auditor
(28) 5th of December 2019 – (ASX:REZ) Mount Mackenzie Scoping Study

Competent Persons Statement and Consent

The information in this report that relates to Exploration Results is based on information compiled by Mr. Nicholas Jolly, Chief Geologist for REZ Group. Mr Jolly is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the reporting of Exploration Results to quantify 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 Jolly consents to the inclusion in this report of the matters based on their information in the form and context in which it appears


200000mE
300000mE
400000mE
6800000mN
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N
Newman
Meekatharra
Geraldton
Kalgoorlie
PERTH
East Menzies Gold Project
50km
100km
150km
Leonora
Gwalia
Menzies
East Menzies Gold Project
Paddington
Kanowna Belle
Kanowna
Kalgoorlie
Coolgardie
Southern Cross
Marvel Loch
100km
Archean Greenstone Belt
Mineral Occurences
Major Gold Mines

Project	Zone	Programme	Prospect	Tenement ID	Hole_ID	Hole Type	NAT_Grid ID	EOH Depth	Grid Azimuth	Dip	Easting	Northing	RL	Date Completed
EMGP	Southern	SKRC_Phase 1	Spion Kopp	P29/2220	19SKRC001	RC	MGA94 z51	30	106	-60	317,204	6,707,299	424	1/10/2019
					19SKRC002			40	106	-60	317,187	6,707,304	423	2/10/2019
					19SKRC003			50	106	-60	317,168	6,707,309	422	2/10/2019
					19SKRC004			57	106	-60	317,149	6,707,314	421	2/10/2019
					19SKRC005			70	106	-60	317,130	6,707,320	420	2/10/2019
					19SKRC006			40	106	-60	317,176	6,707,267	424	2/10/2019
					19SKRC007			55	106	-60	317,157	6,707,272	422	2/10/2019
					19SKRC008			70	106	-60	317,137	6,707,279	420	3/10/2019
EMGP	Southern	LKRC_Phase 1	Lady Kathleen	P29/2221	19LKRC001	RC	MGA94 z51	100	110	-60	317,711	6,708,134	413	3/10/2019
					19LKRC002			114	110	-60	317,693	6,708,141	413	3/10/2019
					19LKRC003			102	110	-60	317,705	6,708,158	413	4/10/2019
					19LKRC004			132	110	-60	317,689	6,708,164	413	4/10/2019
EMGP	Central	SVRC_Phase 1	Oliver Twist	P29/2245	19SVRC005	RC	MGA94 z51	198	300	-54	316,226	6,718,295	413	11/11/2019
			Keymaker	P29/2245	19SVRC006	RC	MGA94 z51	198	300	-54	315,802	6,717,651	417	15/11/2019
					19SVRC007			198	300	-54	315,398	6,717,237	427	12/11/2019
				M29/189	19SVRC011			198	300	-54	315,320	6,717,128	433	15/11/2019
			Granny Venn	M29/189	19SVRC008			246	120	-54	315,217	6,717,111	427	11/11/2019
					19SVRC009			198	120	-54	315,195	6,716,944	434	13/11/2019
			Niobe	M29/189	19SVRC002			198	300	-54	315,232	6,716,493	418	9/11/2019
					19SVRC003			198	300	-54	315,346	6,716,325	416	9/11/2019
					19SVRC004			198	300	-54	315,220	6,716,392	416	10/11/2019
			Oracle	M29/189	19SVRC001			198	300	-54	316,054	6,716,563	411	8/11/2019
					19SVRC010			198	30	-54	315,957	6,716,573	411	14/11/2019
EMGP	Eastern	KRRC_Phase 1	Kore	P29/2460	19KRRC001	RC	MGA94 z51	198	90	-60	319,943	6,715,925	396	5/12/2019
					19KRRC002			218	90	-60	319,936	6,715,620	434	7/12/2019
					19KRRC003			286	90	-60	319,926	6,715,471	404	9/12/2019

Table 1: Drill Hole collar location:

Project	Zone	Programme	Prospect	Tenement ID	Hole_ID	Hole Type	NAT_Grid ID	EOH Depth	mFrom	mTo	Int (m)	Au gpt (FA50)	Au gpt (PA500)
EMGP	Southern	SKRC_Phase 1	Spion Kopp	P29/2220	19SKRC001	RC	MGA94 z51	30	13	14	1	2.55	NA
					19SKRC002			40	24	25	1	0.58	0.45
					19SKRC003			50	NSI				
					19SKRC004			57	NSI				
					19SKRC005			70	NSI				
					19SKRC006			40	NSI				
					19SKRC007			55	49	51	2	2.59	NA
					19SKRC008			70	59	60	1	2.34	NA
EMGP	Southern	LKRC_Phase 1	Lady Kathleen	P29/2221	19LKRC001	RC	MGA94 z51	100	84	85	1	0.58	0.45
					19LKRC002			114	NSI				
					19LKRC003			102	NSI				
					19LKRC004			132	111	116	5	0.73	0.98
EMGP	Central	SVRC_Phase 1	Oliver Twist	P29/2245	19SVRC005	RC	MGA94 z51	198	39	46	7	WOA	1.33
									53	57	4	WOA	1.07
			Keymaker	P29/2245	19SVRC006	RC	MGA94 z51	198	NSI				
					19SVRC007			198	30	31	1	WOA	1.95
				M29/189	19SVRC011			198	NSI				
			Granny Venn	M29/189	19SVRC008			246	NSI				
					19SVRC009			198	NSI				
			Niobe	M29/189	19SVRC002			198	NSI				
					19SVRC003			198	NSI				
					19SVRC004			198	NSI				
			Oracle	M29/189	19SVRC001			198	NSI				
					19SVRC010			198	NSI				
EMGP	Eastern	KRRC_Phase 1	Kore	P29/2460	19KRRC001	RC	MGA94 z51	198	NSI				
					19KRRC002			218	NSI				
					19KRRC003			286	NSI				

FA50 / PA500: 50g Fire Assay / 500g Photon Assay
NA: Not assayed
WOA: Waiting on assays
NSI: No significant intercept

Table 2: Drill Hole Significant Intercepts

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APPENDIX 1: JORC Code, 2012 Edition – Table 1 Checklist

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (e.g. 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. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralization that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverized 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 (e.g. submarine nodules) may warrant disclosure of detailed information.	• The 2019 drilling programs conducted by Resource & Energy Group (REZ) ultilisied a T685 Schramm wheel Mounted rig on an 8x8 Mercedes Carrier for Reverse Circulation (RC) drilling. • Drilling percussion chip samples are collected every 1m using a cone splitter housed under the cyclone. • For the Spion Kopp and Lady Kathleen programme, a 1m primary sample was collected from the splitter, with a second field duplicate sample collected every 20th metre. The off-split collected in a green bag and deposited on the ground in rows of twenty. • For the Springfield-Venn Corridor (SVC) and Kore programmes, sampling was modified to collect 1m primary and 1m duplicate calico samples every metre. The off-split was collected in buckets and deposited on the ground in rows of twenty.
Drilling techniques	• Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. 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).	• The exploration results are based on Reverse Circulation drilling using a face sampling percussion hammer. The RC bits used ranged from 125mm to 150mm in diameter.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed.	• RC samples recoveries were visually assessed in the field and weighed and recorded at the laboratory. Results are

Criteria	JORC Code explanation	Commentary
	• 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.	uploaded into the database and sample weights were analysed as part of QAQC protocols. • Field procedures included checking the splitter every sample to ensure no residue remained from the previously drilled interval. The cyclone and housing is also checked regularly and cleaned with compressed air. Checks on splitter level are made using a spirit level. Each calico sample collected weighed on average 3kg • No relationship has been identified at this stage.
Logging	• Whether core and chip samples have been geologically and geotechnically 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.	• Lithology, colour veining, alteration, mineralisation and weathering condition has been noted on all logs. • Logging is qualitative and descriptive using look up tables. Chip trays for recent drilling are labelled and photographed and have been retained and stored for future reference. • All logging, sampling and assaying data was uploaded into the EMGP access database • 100% of recently drilled holes have been completely logged in detail appropriate for early stage exploration. • For earlier historical drilling, intervals of no logging or missing logs have been recorded in the borehole data base. A programme of relogging and sampling has been initiated in key areas of interest where drill spoils are available.
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.	• Not applicable. • For RC samples, a cone splitter was used to obtain 1m sub samples with a weight of approximately 3kg. In the majority cases the sample has been classified dry. No overly wet sample intervals were encountered that would compromise the quality of the sample.

Criteria	JORC Code explanation	Commentary
	• 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.	• The field procedures adopted for RC drilling and sampling are Industry standard and appropriate. After initial collection in the field all subsequent sample preparation is carried out in a laboratory, under controlled conditions and specified by the relevant standards. • The Spion Kopp / Lady Kathleen programme QAQC involved inserting blanks and collecting field duplicates samples per 20 metres drilled. Blanks consisted of inert crushed gravel sourced offsite. The field duplicates were collected from the 2nd chute of the cone splitter. Off-split sample material was collected in green bags. • The primary assay technique was 50g Fire Assay (FA50). • Duplicate samples were later collected from zones of interest from riffle splitting the off-split material for an approximate 3kg sample, and submitted with Certified Reference Material (CRM), one per zone. Duplicate samples were submitted to a separate laboratory. • The duplicate assay technique used was 500g Photon Assay (PA500). • Company QAQC practices were modified for the SVC and Kore drilling programmes. Pre-numbered continuous Primary and Duplicate calico samples were collected every metre drilled. Blanks and CRMs were inserted every 20 metres, with multiple grade ranges of appropriate matrix material selected for the CRMs. • Duplicate samples were selected based on the primary assay results with an appropriate 3 metre buffer either side of each zone.

Criteria	JORC Code explanation	Commentary
		• The laboratories engaged also employ internal laboratory checks using certified reference material, blanks, splits and replicates as part of the in-house procedures. The QA protocol requires that for each batch of 40 samples a reagent blank, two replicate determinations, and two standards are included. The system also uses a bar coding and scanning technology that provides complete chain of custody records at every stage of the analytical process.
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.	• For the Spion Kopp and Lady Kathleen program, samples were primary samples were analysed by FA50 by ALS Laboratory in Kalgoorlie for gold. Duplicate samples were analysed by MinAnalytical Laboratory in Kalgoorlie for gold. Both gold assaying techniques are considered total, however PA500 has a larger sample size. • For subsequent drilling programmes, the primary assay technique used was PA500 by MinAnalytical Laboratory in Kalgoorlie, which given the high-grade / coarse gold nature of Menzies-Style mineralisation is considered an appropriate assay technique. • Photon Assay is highly accurate, chemical-free and completely non-destructive of the sample. The 500g single-use jars allow for bulk analysis with no chance of cross contamination between sample. The Photon Assay technique uses x-ray bombardment to "see" gold even if it is not liberated from the ore, providing accurate results on crushed but non-pulverised samples. MinAnalytical has National Association of Testing Authorities (NATA) accreditation for the technology, in accordance with ISO/IEC-17025 testing requirements. • The duplicate sample assay technique used was a FA50,

Criteria	JORC Code explanation	Commentary
		which uses a standard industry preparation of oven drying, crushing and pulverization to less than 75 microns. Homogenised pulp material is used for assaying. Assaying was completed by MinAnalytical Kalgoorlie (sample prep) and Perth (analysis).
	• For 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.	• Magnetic Susceptibility readings were taken of every 1m primary sample interval, using a Fugro RT-1 Mag Sus instrument. • Additionally, pulps have been selected for full-digest 48 element ICP-OES / ICP-MS multi-element geochemistry (ME) analysis to assist with targeting mineralized systems for ongoing drill testing. ME assaying was completed by MinAnalytical Laboratory Perth.
	• Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	• Datasets have been analysed, with no significant issues related to bias. PA500 has precision issues at approximately 0.1ppm which does not impact detecting Menzies style of mineralisation, Where Barium is present, precision issues can be further impacted. As part of ongoing test work, selected zones of interest were selected for FA50. • Sub 1ppm CRM material has been included in the sample streams, results to date have indicated none of the gold mineralisation encountered in drilling has been masked by the PA500 technique. • The Company views PA500 as a superior method for the Menzies style of gold mineralisation, with the advantages of non-destructive, larger sample size and faster TAT which provide the ability to make informed decisions in the field and will continue to use as the primary assaying technique for advanced exploration, where deemed appropriate with ongoing FA50 test work planned.

Criteria	JORC Code explanation	Commentary
		• Annual 3rd party umpire assaying will be conducted on 5% of sample pulps at the conclusion of each financial year.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel.	• All drilling intersections are verified by the Field Geologist, who has been present on site during the complete drilling process. The sampled intersections are also checked by the Supervising Geologist by reference to hole number, drilling depths, sample numbers, blanks and standards introduced into the sampling stream.
	• The use of twinned holes.	• While not true 'twinning', the Company has used historical drilling (RAB and RC) to target these prospects which range in distance from 5-20m proximity.
	• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	• The primary data was collected at the drill site as drilling progressed by the Field Geologist and Field Technician. The Field Geologist recorded all lithological logging data directly into digital format via a rugged computer.
		• The sample data, including allocation of sample number to interval, sample quality/recovery data, and insertion of QA/QC samples was recorded on a field sheet by the Field Technician and reviewed by the Field Geologist in the field.
	• Discuss any adjustment to assay data.	• This data was later validated against assay files and checked by the Supervising Geologist. For recent drilling field sheets are kept on file and digital data backed up. The project data is stored in a MS access database on a cloud server.
		• Analytical data is not adjusted.
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.	• All EMGP drill collars were initially located in the field by hand held GPS, later surveyed using a dGPS by a qualified surveyor. A selection of historical drill collars were also included in the dGPS survey to ascertain accuracy.

Criteria	JORC Code explanation	Commentary
	• Specification of the grid system used.	• Down-the hole surveys were completed using a north seeking Axis Champ Gyro which sits behind the overshot taking surveys every 30m during drilling operations to monitor deviation, and a continuous survey at the completion of each hole. • The Grid System is GDA94 Zone 51S • RTK GPS pickups of borehole collars will be used for local topographic control and modelling.
	• Quality and adequacy of topographic control.	
Data spacing and distribution	• Data spacing for reporting of Exploration Results.	• Various drill spacing has been used.: Spion Kopp: two lines of drilling, spaced 20m either side of a historical line of drilling. Hole spacing was a nominal 20m. Lady Kathleen: two existing lines of drilling, spaced 20m apart we're extended with 20m spaced holes. Springfield-Venn Corridor: drilling was exploratory in nature, targeting under historical RAB drilling indicating mineralisation, or within proximity to the Granny Venn series of pits to target areas of specific geological interest. Kore: drilling was exploratory in nature, targeting conductors modelled from a VTEM dataset.
	• 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.	• Drill spacing at Spion Kopp and Lady Kathleen could be used in a Mineral Resource or Ore Reserve if further drilling defined an economic discovery. Drill spacing at the Springfield-Venn Corridor and Kore Prospects are considered exploratory in nature and not applicable as a Mineral Resource or Ore Reserve is not being determined.
	• Whether sample compositing has been applied.	• Drill hole samples have not been composited

Criteria	JORC Code explanation	Commentary
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 mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• Spion Kopp and Lady Kathleen - based on present understanding, this orientation is reasonably perpendicular to the known higher grade mineralisation as defined by historical workings and drilling. • Springfield-Venn Corridor – based on present understanding, this orientation is reasonably perpendicular to the known higher grade mineralisation as defined by historical workings and drilling, which include flat and steep mineralisation – both styles were accounted for in drilling designs and the company does not consider a sampling bias was introduced at this stage of exploration. • Kore – drilling was designed to be perpendicular to the orientation of modelled conductors, which were intersected in each hole. No sample bias can be ascertained at this stage.
Sample security	• The measures taken to ensure sample security	• A chain of custody procedure was put in place. Samples were checked against the sample record sheet in the field prior to collection into sequentially numbered plastic bags. The plastic bags were sealed with cable ties before being secured in bulker bags, along with sample submission sheets. • The sample batches were loaded by the field team and transported directly to the Laboratory by a 3rd party contractor. The receiving laboratory verified sample numbers against the sample submission sheet/manifest and confirmed receipt. After receipt the samples were bar coded and tracked through the entire analytical process.

Criteria	JORC Code explanation	Commentary
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• An audit was conducted on sampling and QAQC procedures by the Chief Geologist in October, with changes reflected in this report.

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.	• Spion Kopp Prospect is located within P29/2220; Lady Kathleen Prospect is located within P29/2221; Springfield Venn Corridor Prospects are located within M29/189, P29/2244 and P29/2245 ; Kore Prospect is located on P29/2461 and P29/2460 • These mining and exploration tenements are 100% wholly owned by Resources and Energy Group through a purchase agreement completed in December 2018. The land, from which the Exploration Results have been derived, are not subject to Native Title Interests, and does not encompass Strategic cropping lands, wilderness or protected landscapes.
	• 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.	• At the time of reporting the tenement is in good standing. There are no known impediments which would prohibit operations in accordance with the license conditions. • The tenements are located on a portion of the Menzies Town water Reserve which may add some compliance requirements on any future mining activity.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• The project area is host to numerous historical or artisanal workings, which attest to its Prospectivity. These historic workings collectively fall into 5 groups, which are known as Kensington, Maranoa, Federal, Four o'clock and Goodenough. • Within the vicinity of the project area, modern exploration started in the late 1960's with New Consolidated Goldfields of

Criteria	JORC Code explanation	Commentary
		Australia drilling 9 diamond holes beneath the old workings at Goodenough, reputedly this work was for nickel (Marlow, 1969). Esso Minerals, in a Joint Venture with Jones Mining also mapped and sampled gossan horizons which are well developed in the Goodenough area, again this work was for nickel and base metals (Johnson,1981). • In 1983, Aberfoyle Exploration, in Joint Venture with Jones Mining, completed a program of surface mapping, magnetics, EM, IP, underground mapping and sampling. During this time Aberfoyle completed 29 RC holes (PGE01- PGE29) to test mineralisation. Most of this drilling was to the east of the Goodenough Mine area (M29/141).The Goodenough mine has been the subject of relatively modern mechanised mine development in the 1980's. Recorded production up to mine closure in 1984 was reported at 19,328t for 10,408oz au at 16.9gt/au. At closure the last reported head grade for Goodenough was 7.16gt/au. • During the 1990's the East Menzies Goldfield was extensively investigated by Money Mining. This work included a large program focussing on soil geochemistry on 200m*25m grid. This work outlined anomalous zones within the area based on a threshold of 20ppb gold. Strongly anomalous zones were defined by the 50ppb gold contour and these were followed up by either RAB or RC drilling. The investigations completed by Money resulted in the identification of several prospects in M29/189 known as Granny Venn, Aunt Nellie, Aunt Kate, and Jenny Venn. Two of these (Granny Venn and Aunt Nellie) were the subject of open cut mine development, resulting in the recovery of 60k oz au during the period 1997-1999.

Criteria	JORC Code explanation	Commentary
		• The early work by Money Mining in the Menzies area during the 1990's represented a significant contribution to the knowledge and understanding of the EMGF. In particular similarities in the structural setting of the Menzies Goldfield with the Kambalda region were noted:- o Layer planar thrusting and imbrications of units producing flat lying fault bounded segments which often failed along interflow bedding planes. o The direction of stress was from south west towards north east. Dips shallow to the south west. o Doming by granitoids and injection of cross cutting porphyry dykes. o Ductile strike-slip faulting followed closely by a gold mineralising event. • In 2004 Yilgarn Gold completed a program of RC drilling, again focussing on mineralisation in the Goodenough mine area. Several holes however were drilled on the west side of Goodenough, with emphasis on a gossan outcrop, which trends longitudinally southwards along the central eastern part of the Goodenough Syncline. This work resulted in the generation of a JORC 2004 mineral resource estimate comprising a combined Indicated and Inferred tonnage of 547,000t @ 2.08gt/au. • In 2006 Yilgarn also completed a program of surface sampling, with emphasis on gossan outcrops in the Goodenough Syncline area. Samples were collected on a 50 metre spaced North-South grid pattern at intervals of 50 metres. The samples were analysed for Au, As, Ni, Cu, Co. Overall the work by Yil-

Criteria	JORC Code explanation	Commentary
		garn did not identify any consistent or significant gold anomalies. • During the period 2008- 2011 Peak resources completed a review of earlier work by Money Mining in M29/189. A resource model over the Granny Venn open cut pit was prepared as part of this process. This work resulted in the generation of an inferred resource of 165,000t @1.95gt/au. Peak withdrew from the area without drill testing these remnant resources. • The project was subsequently acquired by RIQO Pty Ltd in 2012. RIQO's ownership was consolidated with a larger group of prospecting licenses held by Stratum Metals in 2013, which became known as the East Menzies Gold Project under combined reporting group C84/2013, which is now operated by Menzies Goldfield Limited.
Geology	• Deposit type, geological setting and style of mineralization.	• The gold deposits of the EMGF occur in triangular shaped area of Archaean greenstone, ultramafic schist (komatiite or Hi-Mg basalt), gabbro-pyroxenite sills, felsic volcanic schist, dacite, tholeiitic basalt and interflow chert. This area is shaped by the Venn-Springfield shear zone to the west and the Moriarty Shear Zone to the east, both of which converge to the south. • The intervening greenstone terrain is truncated to the north by regional granite batholiths, notably the Jorgenson granite. On the east side of the goldfield the Oliver Twist and Gigante Grande Granite dominate geology. • The discontinuity between the central and eastern domains is called the Venn- Springfield Structure (SVF), which is host to the

Criteria	JORC Code explanation	Commentary
		Venn-Springfield corridor. The Venn Springfield corridor is a north-northeast line of gold mineralisation which is approximately 800m wide and 25km long. • This corridor is host to the Twin Hills, Cock Robin, Ant Bore and Robbie's Reward Gold mines, which are located to the north of the EMGF, and the Oliver Twist, Granny Venn, Caesar, Aunt Nellie, Aunt Kate, Jenny Venn, Goodenough, Maranoa gold mines, which are located within. • Altogether there are over 100 gold mines in the EMGF ranging from Victorian and turn of century artisanal and semi-mechanised workings, to more contemporary drill-identified occurrences. The latter includes the Goodenough underground mine and more recent open pit excavations namely Granny Venn, Aunt Nellie and Caesar. • The high level of historic workings and prospecting gives an indication as to the endowment of gold mineralisation within the EMGF. In regional context, the EMGF one of the several domains that comprises the Wiluna-Norseman Greenstone Belt which has produced over 3 Moz of gold from a range of deposits, the largest being Paddington (~1.2 Moz). • This sheared system is connected along strike to the Boulder-Lefroy Shear and the Kalgoorlie tectonic domain which hosts much larger deposits such as the giant Golden Mile camp that has produced over 40M oz gold to date.
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:	• Co-ordinate location, elevation, depth, dip and azimuth of all drill holes reported in this release are provided in Appendix 1

Criteria	JORC Code explanation	Commentary
	• easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length.	Table 1, of the accompanying documentation. Table 1 also includes Downhole length and linear weighted grades
	• 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 announcement include comprehensive reporting of all exploration results obtained and reported in this release. Only those elements which are material to this release have been included.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	• Tabulated intervals represent all holes drilled whether or whether not significant mineralisation was encountered. The interval grade is calculated by linear weighted average, with no cutting of grades. In determining intercept lengths a lower cut-off grade of 0.5g/t Au was used for reporting the primary mineralised interval, with up to 2 metres of lower grading assays if supported by the geological logging..
	• 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 broad nature of the mineralisation interpretation means in some instances shorter intervals of higher grade may be present within an individual drill hole.
	• The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Not applicable, metal equivalents are not reported
Relationship between mineralization widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralization with respect to the drill hole angle is known, its nature should be reported.	• Based on historical data used to generate drill targets, where gold mineralisation has been intercepted, results indicate drilling is broadly in line with previous results indicating the angle was approximately perpendicular.
	• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	• All sample intervals have been described as down hole lengths as true width is not known.

Criteria	JORC Code explanation	Commentary
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.	• Appropriately scaled plans have been provided in this announcement. A plan showing all drill hole collar locations accompanies this announcement.
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 of all material data has been adopted.
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.	• A detailed magnetic dataset and high resolution HeliTEM survey which highlights prospective structures and conductor anomalies within and adjacent to the project area has been completed by the previous operator. An output from this survey has been used in this information release, and has been used for exploration planning.
Further work	• The nature and scale of planned further work (e.g. 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 accompanying release. • The next stage of exploration is provided within the release, including location of the next drilling programmes.