

ASX/Media Release

5 August 2021

Update on Mining and Exploration Activities and Current Gold and Silver Resources

- **Exploration supports open-cut mining in WA and Qld**
- **New frontier at Menzies' Gigante Grande being explored with potential for open cut mine**
- **Historical open-cut pits currently being mined at Menzies' Granny Venn**
- **Current indicated and inferred resources (JORC 2012) of 192k oz/au and 862k oz/ag**

Resources and Energy Group Limited (ASX: REZ) is an independent, ASX-listed mineral resources explorer and miner with a portfolio of highly prospective gold exploration and development projects in Australia. These projects are located in premier mining jurisdictions in Western Australia and Queensland.

In Western Australia, the Company's flagship is the East Menzies Gold Field project (EMGP), situated 130km north of Kalgoorlie. This Project is an advanced exploration play with numerous walk-up targets and a rich history of gold mining and production.

The EMGP represents a +100km² package of contiguous mining, exploration, and prospecting licenses, located within the Norseman-Wiluna Greenstone Belt. This is a significant orogenic lode gold province that has hosted most gold production in the Eastern Goldfields of West Australia. The project is currently divided into **three operational areas**: a combination of exploration and mining/production activities which include,

1. Exploration activities presently focussed around the Gigante Grande prospect in the eastern part of the project area and the Springfield-Venn prospect in the western part.
2. Mine operations and activities associated with near term mine development and resource upgrading which are located within and to the south of the Granny Venn Open Cut pit, located in the Central part of the project area, refer to figure 1.

In Queensland, the Company has a 12km² Mineral Development Licence over the Mount Mackenzie Mineral Resource and retains a further 15km² as an Exploration Permit. These Development and Exploration Licences are in the Connors-Auburn Arc and are prospective for high, intermediate, and low sulphidation gold and base metals mineralisation. The Company has recently completed a coring program, with samples recovered for detailed metallurgical and processing evaluation.

In parallel with Metallurgical studies, work on preparing a project development plan for Mount Mackenzie has commenced. This will include assessing studies required to inform an application for a Site-specific Environment Authority to support converting the existing MDL into a Mining lease. As a prelude to this, the Company has appointed a Project Manager to oversee the project as it progresses through feasibility studies and the project approvals process.

As of July 2021, the Company has combined gold and silver resources (JORC 2012) of 192k oz/au and 862k oz/au ag; refer to table 1.

Deposit	Material	Cut-off (gt/Au)	Indicated					Inferred					Indicated and Inferred				
			Tonnes (kt)	Au (g/t)	Ag (g/t)	Au (koz)	Ag (koz)	Tonnes (kt)	Au (g/t)	Ag (g/t)	Au (koz)	Ag (koz)	Tonnes (kt)	Au (g/t)	Ag (g/t)	Au (koz)	Ag (koz)
Mount Mackenzie ⁽¹⁾	Oxide	0.35	500	1.09	8	18	136	700	0.96	4	21	87	1200	1.02	6	39	223
	Primary	0.55	1200	1.25	13	48	482	1030	1.28	5	42	157	2220	1.27	9	90	639
Goodenough ⁽²⁾	Primary	1	634	1.84		38		82	1.99		5.2		716	2.07		43	
Granny Venn ⁽³⁾	Primary	1	134	2.03		9		41	2.14		2.9		175	2.1		12	
Maranoa ⁽⁴⁾	Primary	1						46			8	8.05	46	5.7		8	
Total			2468			113	618	1899			79	252	4357			192	862

Table 1 Resources and Energy Group Resources

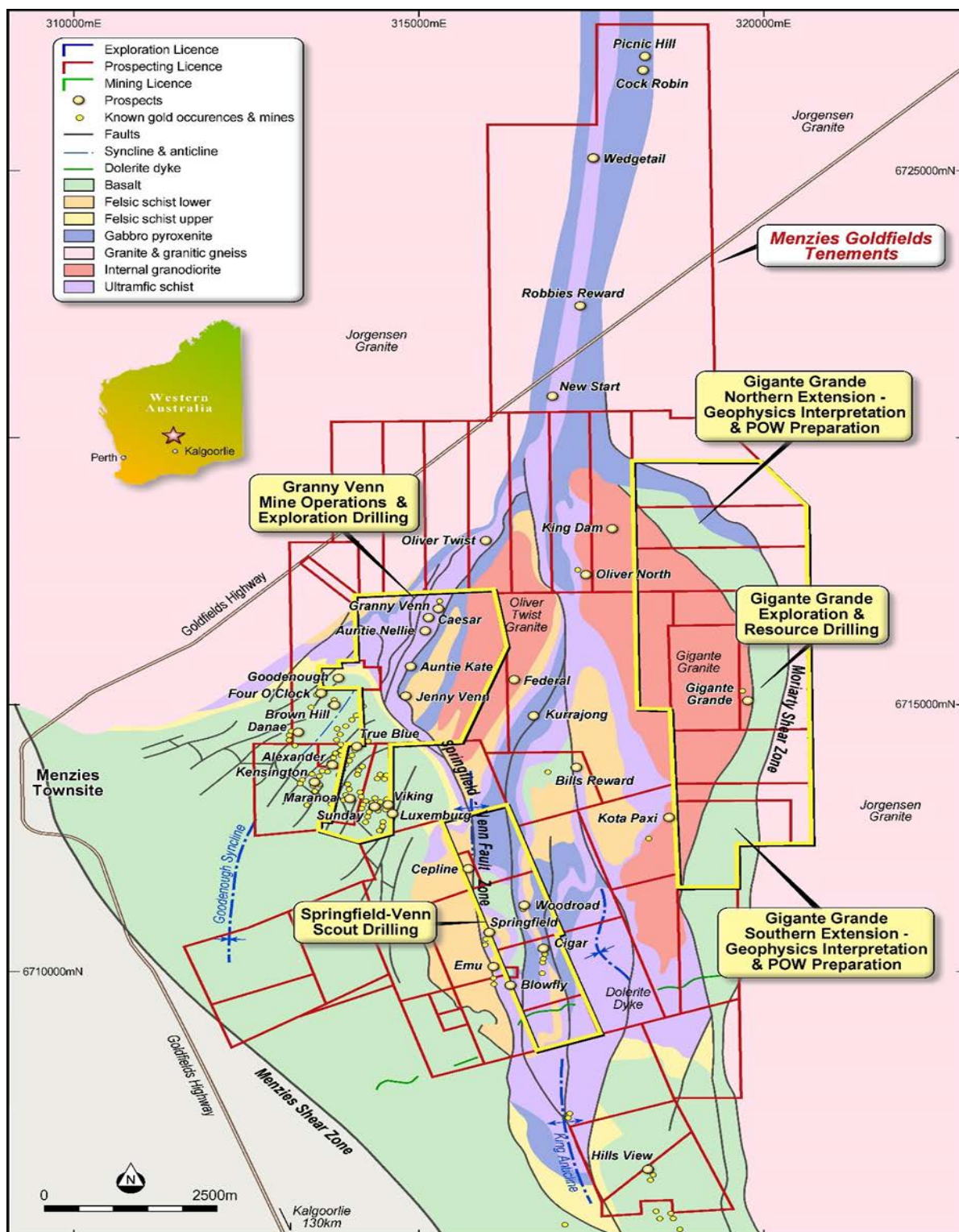


Figure 1; East Menzies Gold Project-Tenement and Operations Location Plan

(1) ASX Release 19 May 2020, (2) ASX Release 3 November 2020, (3) ASX Release 19 February 2021, (4) ASX Release 22 November 2018

East Menzies Gold Project (EMGP) West Australia

Gigante Grande Prospect

The Company identified the Gigante Grande Prospect following a regional air core drilling program in August 2020. Follow up RC drilling in September 2020 resulted in the first "discovery" hole **20EMRC012- 20m@5.1g/t au from 116m, including 1m at 76gt/t au from 134m**. Since that time, the Company has completed just over 8773m of RC drilling. This work has unveiled an extensive vein and shear hosted gold system within the Gigante Granite along with its contact with the Moriarty Shear Zone. Significant results from exploration completed to date are presented in figure 2.

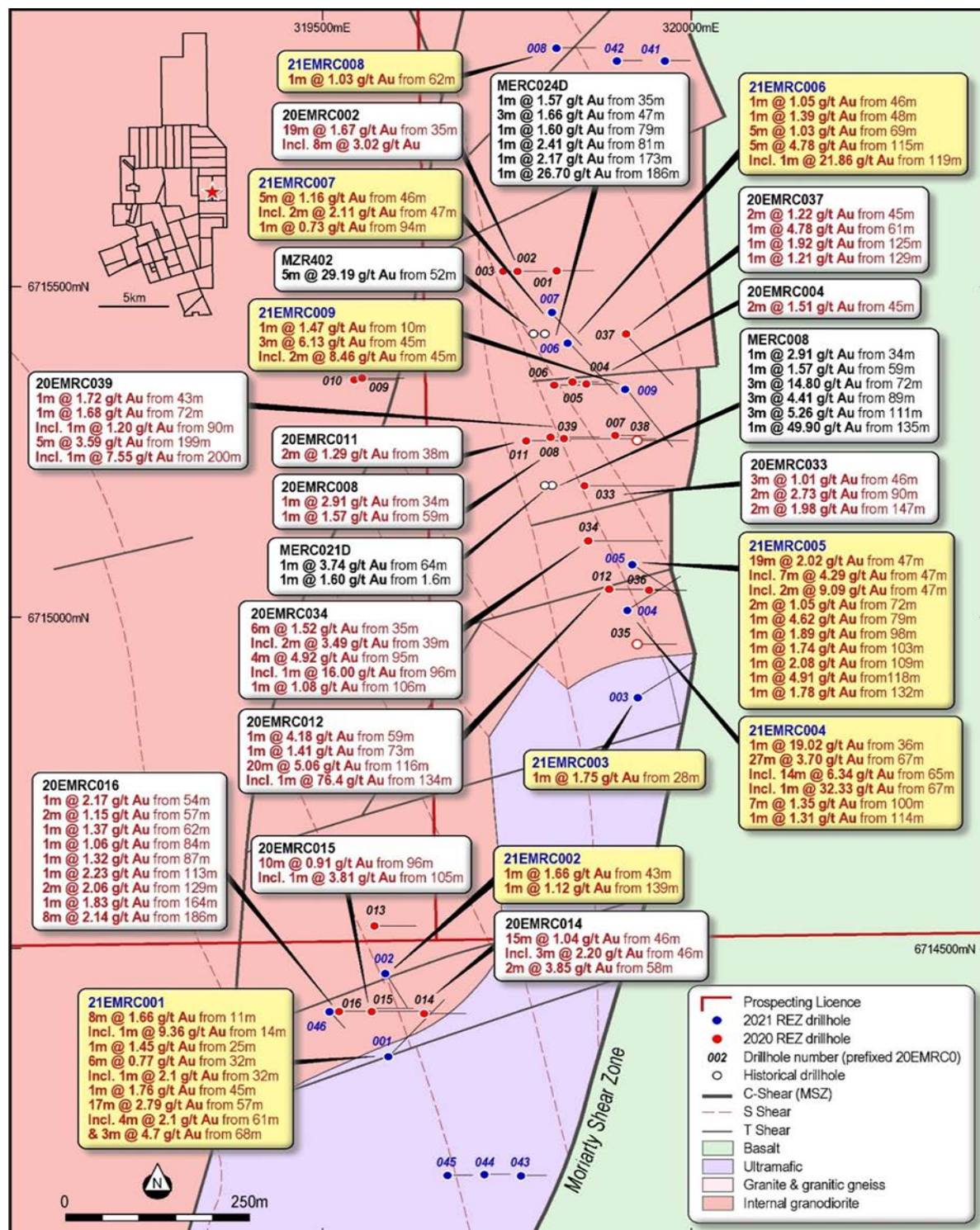


Figure 2 Borehole Location Plan Showing Significant Intervals of Gold Mineralisation

In general, the productive zone at Gigante Grande runs North-South along with the contact of the Gigante Granite with the Moriarty Shear Zone and plunges to the west. The mineralised area drilled to date has a length in the order of 1,200m-1,400m and remains open to the north and south along strike and down dip to the west. Broad zones of ore grade mineralisation intersect with depths as shallow as 11m (**EMRC001- 8m@1.77g/t**) and as deep as 186m (**EMRC46-8m@2.14g/t**). The resource remains untested below 200m.

Gigante Grande is highly prospective. 30 of 44 holes drilled so far have collectively intersected over 111 intervals of gram level mineralisation, with an aggregated thickness of 434m. At a COG of 0.3g/t Au these mineralised intervals have a weighted grade of 2.29gt/au. These results are very strong indicators that the Gigante Grande Prospect has the potential to support large and shallow open cut gold mining operations.

The Company recently completed a further 25 holes at the Gigante Grande Prospect for an advance of 2773m. The work was designed to enable 1st pass resource generation and between N6714500 and N6715600, including the extension of mineralisation north of 20EMRC002 and to test the presence of shallow, oxidised mineralisation between N6715000 and N6715300.

The exploration results generated from the June Quarter drilling program will be used for preparing an Exploration Target for the central part of the Gigante Grande Prospect. This will enable a resource definition program to be designed, budgeted, and implemented.

In October 2020, the Company secured potential extensions to the Gigante resource to grant additional Licenses north and south of the original prospect area. These areas offer the potential to increase the strike of the mineralised system by 6.5km to just under 8km. Work on expanding the footprint of Gigante has started with the evaluation of Geological and Geophysical data sets covering the northern and southern extensions of the prospect underway. In parallel, Program of Work applications to enable exploration drilling in the extensions to the north and south of the prospect are being prepared.

M29/189 Granny Venn Mining Operations

In July 2020, the Company commenced an evaluation of three contiguous mining leases, **M29/189, Granny Venn, M29/141 Goodenough, and M29/427 Maranoa**. The fourth area of interest was also added to the group in September 2021, with the application for **M29/434** which covers the former Springfield line of workings. These mining tenements are located in the Central West parts of the EMGP area, figure 3.

The Company's evaluation has been specifically directed at the potential of these mining leases to support near-term mine development, emphasising upgrading resources, utilising existing facilities and approvals, and 3rd party mining and processing contractors. As part of this process, the Company rehabilitated the Granny Venn access ramp in February 2021 and dewatered the former open cut to expose the pit floor. A 68-hole program of confirmatory and grade control drilling was then carried out.

The results of the drilling exceeded expectations. High-grade and extensive intervals of gold mineralisation were intersected below the former pit floor. The work also identified a previously unrecognised extension to the resource in the northwest corner of the pit. Peak assays included: **26m@3.73gt/au from 1m (21EMRC023)**, and **11m @ 5.46gt/au from 23m (21EMRC016)** and **16m @ 3.08gt/au from 5m (21EMRC065)**.

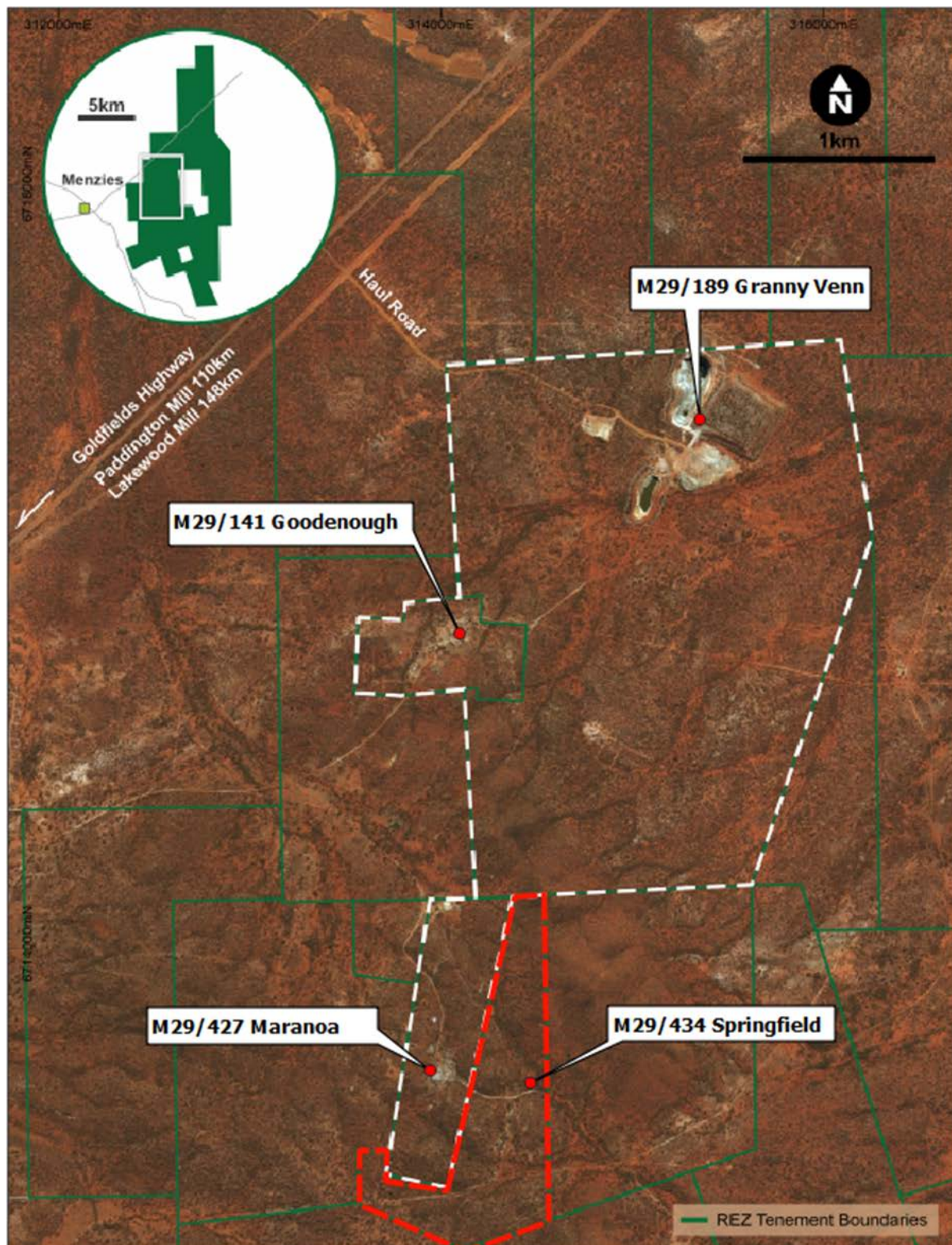


Figure 3 East Menzies Gold project ML Location Plan and study area

The Company has quickly moved to resume mining operations at Granny Venn and, in April 2021, entered into an agreement with BM Mining Services to manage and direct mining operations. Since that time, BM Mining mobilised plant and equipment to site and established site facilities, including accommodation, office, first aid and communications. Over the past few months, the project has accelerated, and the following key milestones have been achieved:

- Mine Proposal and Project Management Plan approved.
- Clearing Permit and Water Abstraction Licenses have been approved

- Contractor mobilised and support facilities established
- Notification of Commencement of Operations lodged
- First ore production from Granny Venn North has commenced; and
- Toll Milling Agreements in place.

Mine planning by BM Mining has been updated to incorporate the grade control drilling, and a production schedule has been prepared and implemented. This schedule has identified a Near Term Production Target of 120kt @ 2.3gt/au for 8,800oz au distributed over five areas; refer to figure 3. Initial drill and blast operations commenced in late June. A formal notice of commencement of operations has been issued, enabling the first haulage of overburden to occur in early July. Based on the schedule, the first ore production is expected to commence in late July, and the first Milling Campaign is programmed for September.

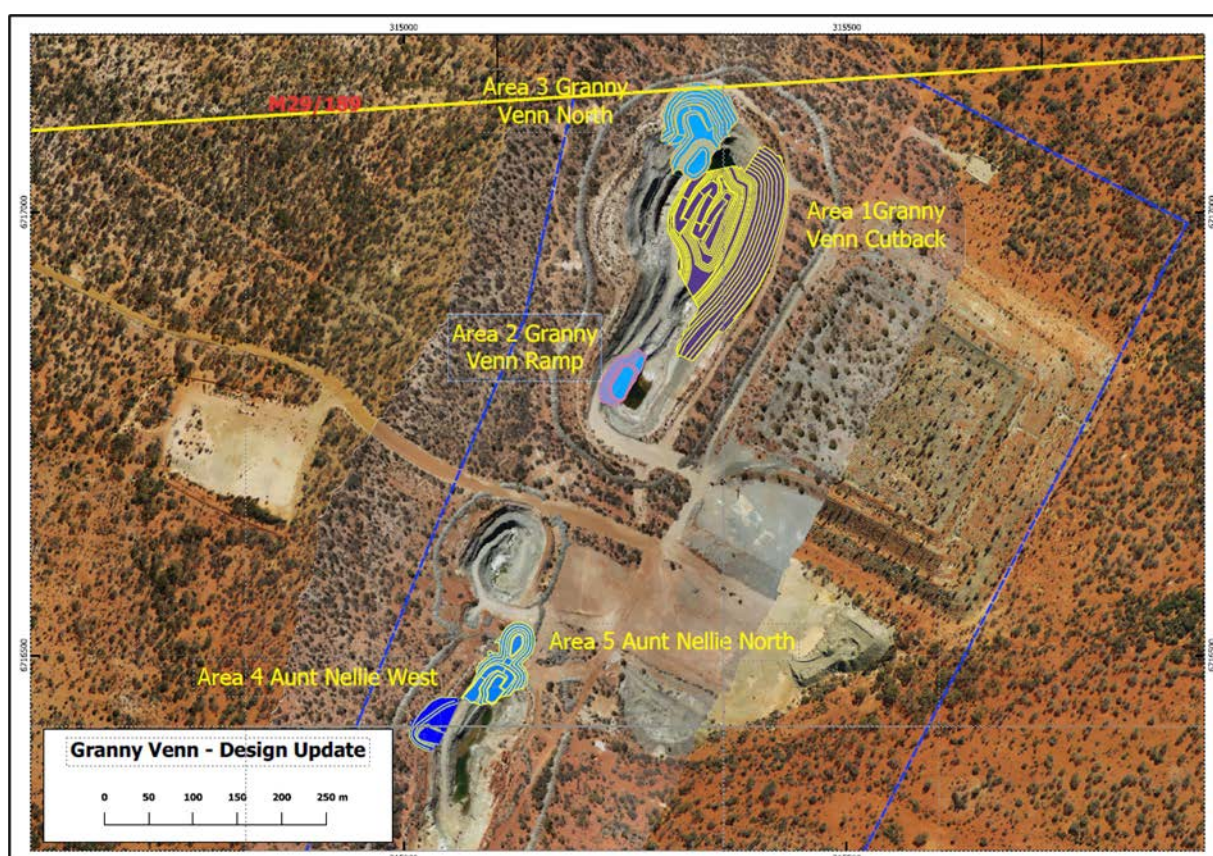


Figure 4 Location Plan showing Granny Venn Pit and Proposed Mining Areas

M29/141 Goodenough Project Resource Upgrade

The Goodenough Project has been traditionally viewed as an underground prospect. However, the Company's exploration in 2019, combined with the current gold price regime, indicates potential for some open-cut operations. Historical open cut and more recent shallow underground mining operations at Goodenough have collectively recovered 29kt@18.2gt/au for 17.5koz/au, which provides some context to this approach.

In November 2020, the Company upgraded the mineral resource estimate for M29/141-Goodenough to JORC 2012. The mineral resource estimate for Goodenough at a COG of 1gt/au is 42.7k oz/au, currently represented by:

- Total Indicated: 633.8kt @ 1.84g/t au for 37.5k oz au
- Total Inferred: 81.9kt @ 1.99g/t au for 5.2k oz au

The updated MRE for Goodenough will be the basis for further mine planning to investigate early start-up "campaign" style open pit mining options. This production stream could potentially augment

production from operations at Granny Venn. On a broader canvas, the modelling work has also identified areas where further peripheral and deeper drilling could improve the mineralised footprint of the Goodenough resource, which may support a standalone project.

Springfield Prospect

In late June, the Company commenced a scout program of RC drilling along the south-western side of the East Menzies Gold Project Area known as Springfield. The work targets historical RAB and Auger gold anomalies identified in 2005 by Great Australian Resources. This exploration activity complements work already underway along the eastern side of the project area at Gigante Grande, where drilling investigations are continuing to define the resource extents, and to the north where production activities at Granny Venn Open Pit have commenced, refer to figure 4.

Exploration along the western or Springfield side of the project area investigates the potential for mineralisation along the Springfield-Venn fault zone and, in particular, interflow sediments, which are predicted to occur within a tightly folded and thrust faulted sequence of Mafic basalts and Felsic-Ultramafic schists. Investigations will initially commence in P29/2500, where a total of nine holes are planned for an advance of approximately 900m, refer to figure 2.

The Springfield workings occur within ultramafic schist, close to the contact with felsic dacitic schist to the west. Altogether there are seven old mining shafts in the prospect area, the main one reputed to be an underlay shaft to a vertical depth of 36m. The old workings and shafts extend over 140m with north-south alignment, parallel to the ultramafic-felsic contact. Documented production between 1900-1945 for Springfield is 1003.9t for 22.04 kg Au (21.9 g/t).

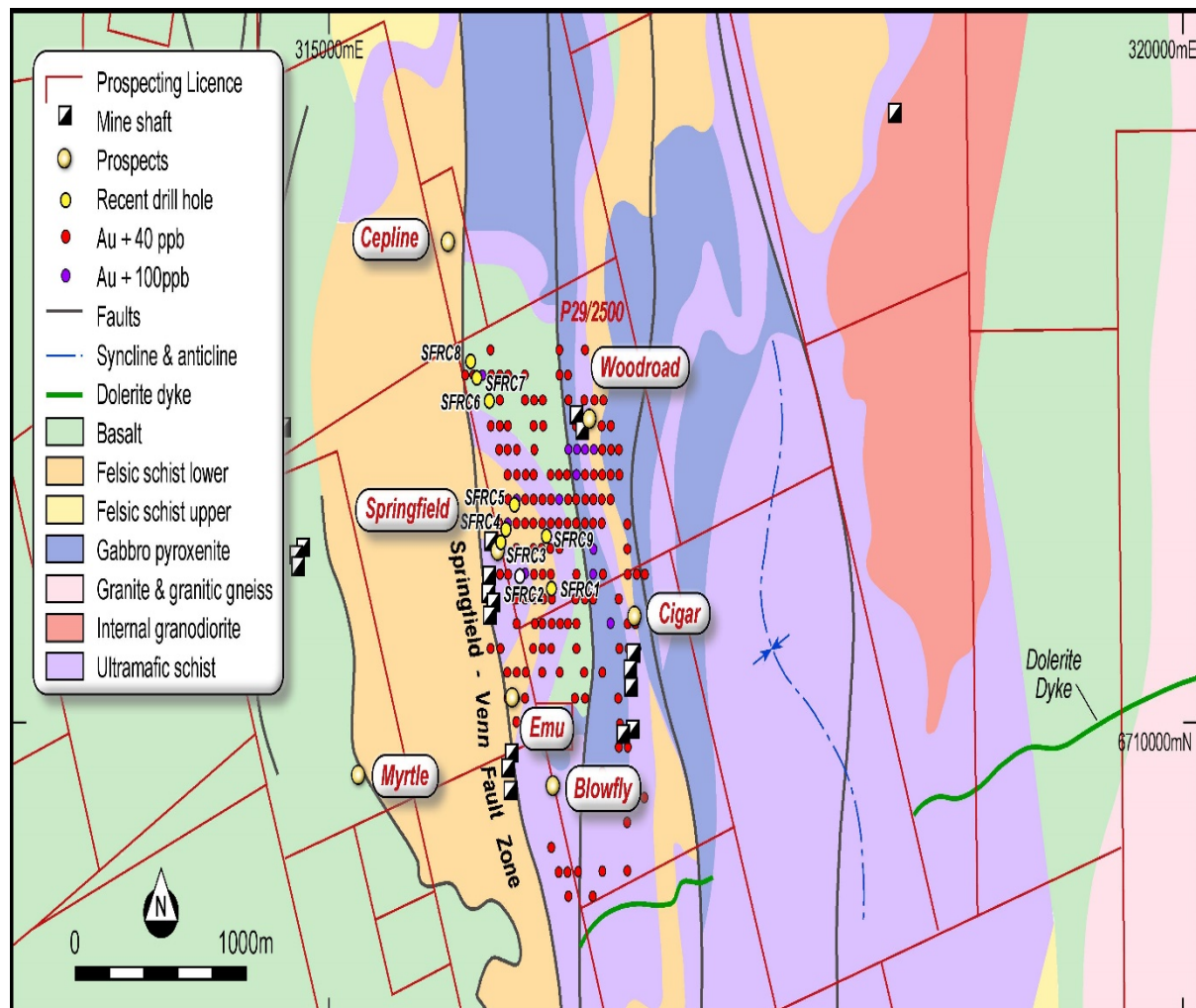


Figure 5 East Menzies Gold Project Springfield Prospect and Borehole -Location Plan

Mount Mackenzie Gold and Silver Project-Queensland

The Mount Mackenzie Gold and Silver Project is located 150km northwest of Rockhampton, within the under-explored Connors Magmatic Arc of the New England Fold Belt. This tectonic province has delivered over 50 million ounces of gold and significant amounts of copper and silver, refer to figure 6.

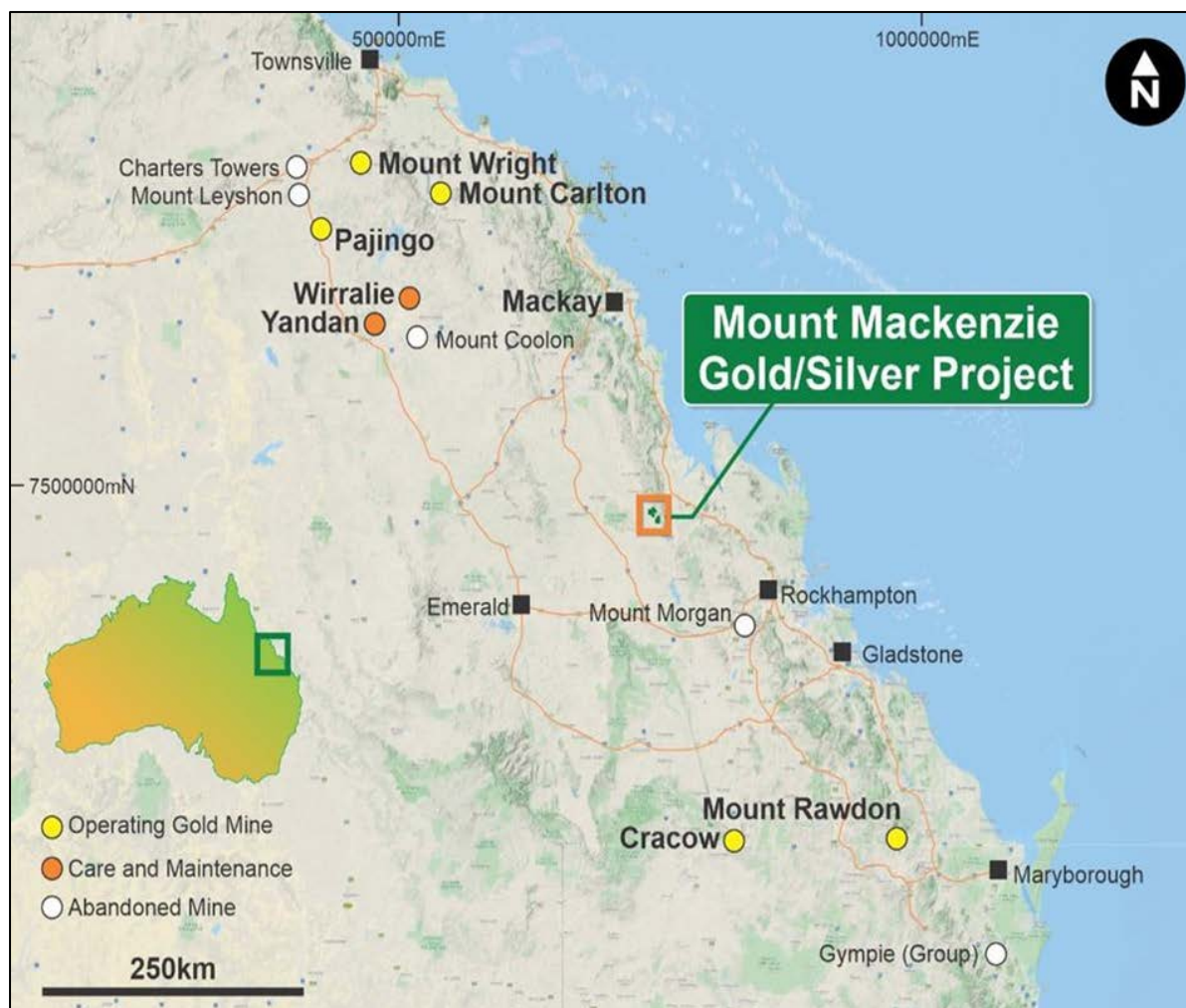


Figure 6 Mount Mackenzie Gold and Silver Project-Regional Location Plan

Mount Mackenzie is one of the largest high sulphidation epithermal systems in Eastern Australia and is analogous to the Mount Carlton deposit located in the same geological province. In early 2020 the Company completed an updated mineral resource estimate for the project and a revised scoping study based on a contemporary gold price of \$2550/oz.

This work generated a production target of 2.2mt with a head grade of 1.32gt/Au and 8.5gt/Ag for an estimated 67koz of gold and 392koz of silver ⁽¹⁾. The revised scoping study highlighted the high amenability of the weathered mineralisation at Mount Mackenzie to standard Gravity/CIL. Further core was required to complete work on the transitional and fresh zones. The July study also noted that subject to validation by additional metallurgical investigations. There may be the opportunity to transition the plant from leach-only to a crushing, grinding and bulk sulphide flotation process.

In late April 2021, drilling operations at Mount Mackenzie to recover the bore core for metallurgical investigations were completed. The initial metallurgical test-work will be carried out by ALS and will include core photography, spitting, half core assays, and density determination over selected intervals. Subsequent testwork will be carried out in West Australia under the supervision of JT Metallurgical Services Pty Ltd.

During the reporting period, the Company appointed a Project Manager to oversee the project as it progresses through feasibility studies and supervises the project approvals process.

Competent Persons Statement and Consent

The information in this release related to Exploration Results is based on and fairly represents information compiled by Mr Michael Johnstone, Principal Consultant for Minerva Geological Services (MGS). Mr Johnstone 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 qualify as a Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Johnstone consents to the inclusion in this release of the matters based on their information in the form and context in which it appears.



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Approved for Release by the REZ Board