



Drilling Operations at Mount Mackenzie Gold and Silver Project Completed

- **Two zones of primary Mineralisation intersected, each up to 150m wide.**
- **Core sample road freighted to ALS Townsville for initial preparation and Assay.**
- **Metallurgical test work underway**

Resources & Energy Group Limited (ASX: REZ or the Company) advise that drilling operations at Mount Mackenzie were completed in late April.

Background

Resources and Energy Group Ltd is currently developing the Mount Mackenzie Gold and Silver Project located 150km North West of Rockhampton, Qld. A scoping study conducted in July 2020 returned an indicated and inferred (JORC 2012) resource of 3.42Mt at 1.18g/t Au and 9g/t Ag totalling 129,000oz Au and 862,000 oz Ag. This work also 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 392k oz of silver⁽¹⁾.

Previous test work and interpretation highlighted a high amenability of the weathered mineralisation at Mount Mackenzie to standard Gravity/CIL, and further core was required to complete work on the transitional and the 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.

The adoption of a flotation process to produce a polymetallic concentrate could unlock additional primary ore at Mount Mackenzie, which is currently not included in the optimised pit shell.

Drilling Program

The drilling program was designed to:

- **Recover cored intervals through the entire ore body for metallurgical testing.**
- **Investigate Primary Mineralisation below the current drilled extents.**
- **Infill current drilled intervals and upgrade the South West Slopes resource to the Indicated Class.**

The original program envisaged recovery of 600m of core (HQ3) which was to be distributed over 7 holes. However, this was reduced to 400m which targeted two zones of primary mineralisation. This modification was a results of difficult drilling conditions which slowed down-hole progress due to frequent tripping, short runs, and water circulation issues.

The holes penetrated the full width of the mineralised zones, each about 150m in width. In both cases the ore zone was approximately 20-25m thicker than model

- MET001 41.44-200.21 (158.77m)
- MET002 60.64-196.39 (135.75m)

(1) REZ ASX Release July 2020

Intense, and extensive silica and pyrophyllite alteration typical of High Sulphidation Epithermal mineralisation were noted, with up to 10% sulphides (principally Pyrite, with lesser amounts of Chalcopyrite, Arsenopyrite and suspected Galena) being observed, plates 1 and 2.



Plate 1- South West Slopes Sulphide Mineralisation (MET001 @ 127m depth)



Plate 2-South West Slopes Vuggy Silica Alteration, with very fine-grained disseminated sulphides

Test Program

The bore-core has been loaded onto pallets and dispatched to ALS Townsville. The initial metallurgical test-work will be carried out by ALS, and will include core photography, spitting, half core assays, and determination of density over selected intervals. Following completion of this work JT Metallurgical Services Pty Ltd will prepare a combination of master and variability composites for evaluation. As part of the program the effectiveness of gravity preconcentration, cyanide leaching, and flotation will be investigated.

Competent Persons Statement and Consent

The information in this release that relates 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.

About Resources and Energy

Resources and Energy Group Limited (ASX: REZ) is an independent, ASX-listed mineral resources explorer, with projects located in premier mining jurisdictions in Western Australia and Queensland, figure 1.

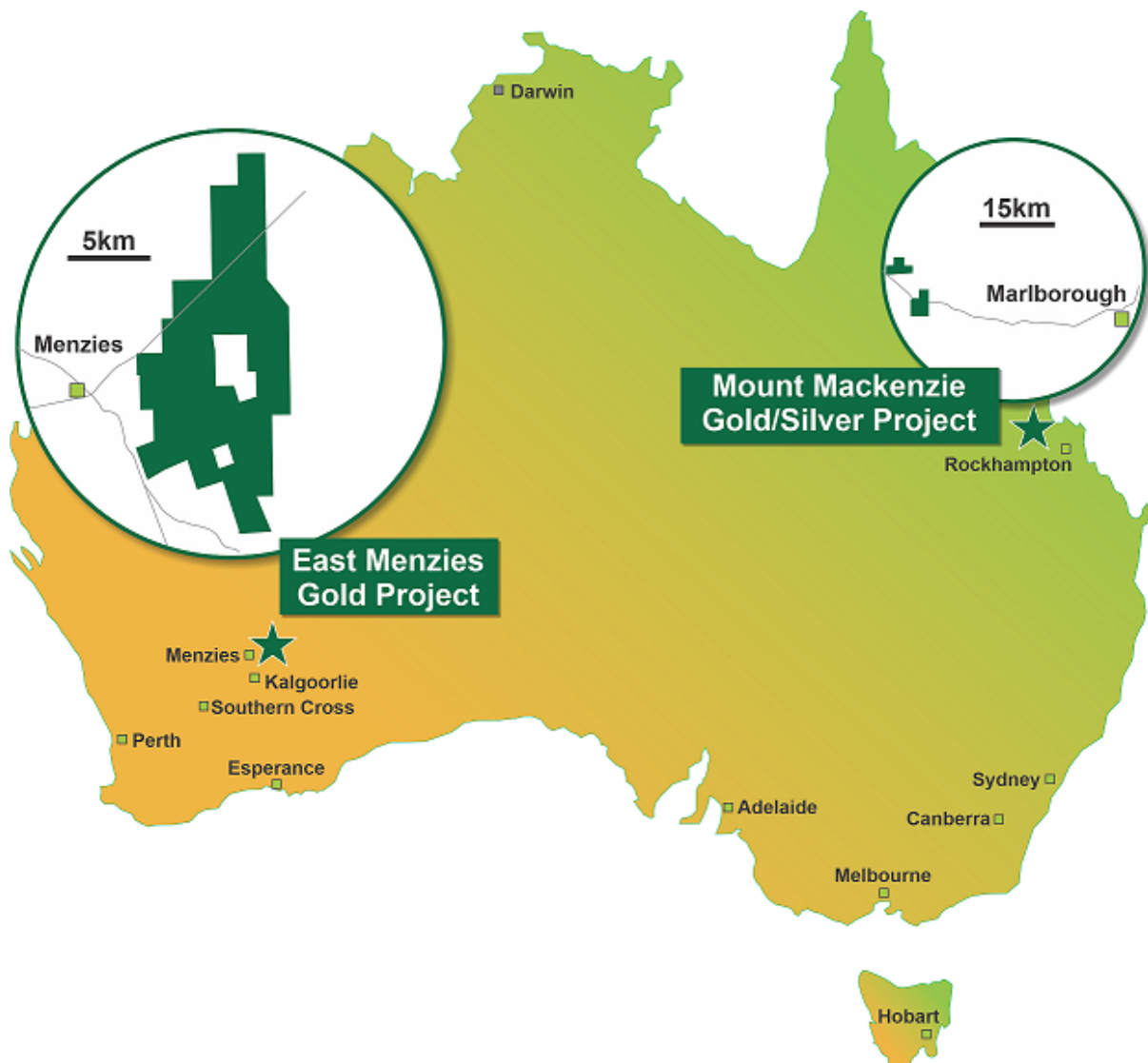


Figure 1 Resources and Energy Group Project Locations

In Western Australia, the company's flagship is the East Menzies Gold Field project (EMG), situated 130km north of Kalgoorlie. The EMG represents a +100km² package of contiguous mining, exploration, and prospecting licenses, which are located within a significant orogenic lode gold province.

For resource growth, the company's focus is presently exploring the eastern side of the project area. On the western side of the project area scoping and pit optimisation studies to investigate opportunities for renewed mining operations in M29/181, M29/141, and M29/427 have commenced. As part of this program the company recently upgraded the JORC 2012 MRE for M29/141-Goodneough which now stands at 37.5k oz indicated and 5.2k oz inferred for a total Indicated and Inferred Mineral Resource Estimate of 42.7k oz of Gold. Resource work on Granny Venn has also commenced.

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 figure 2. 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 current resource has been estimated at 3.42Mt @ 1.18g/t gold and 9g/t silver for a total of 129,000 oz gold and 862k oz silver.

Further information:

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Approved for Release by the REZ Board

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