



## Commencement of Toll Milling Campaign for Granny Venn Open Cut Gold Mine

Resources & Energy Group Limited (ASX: REZ or the Company) are pleased to provide an update for Mining Operations at the Granny Venn Open Cut.

Toll Treatment for the first ore production from the Granny Venn Cutback operation has commenced. The initial metallurgical performance of the ore is highly encouraging. The unreconciled head grade of the mill feed is calculated to be 3.12g/t. This exceeds the forecast campaign head grade of 2.14 g/t. The gold milling campaign is being carried out at the Lakewood Gold Plant which is located at Kalgoorlie-Boulder and operated by Golden Mile Milling. Over the past month, the company has been progressively hauling ROM ore to Lakewood for crushing and preparation, refer plates 2 and 3.

The formal commencement of processing started on the morning of 18<sup>th</sup>. This followed after the weighing of dry carbon GIC (Gold in Circuit) samples for certification offsite by an independent laboratory. The milling campaign is being supervised by JT Metallurgical Services, with an independent Metallurgist also attending.

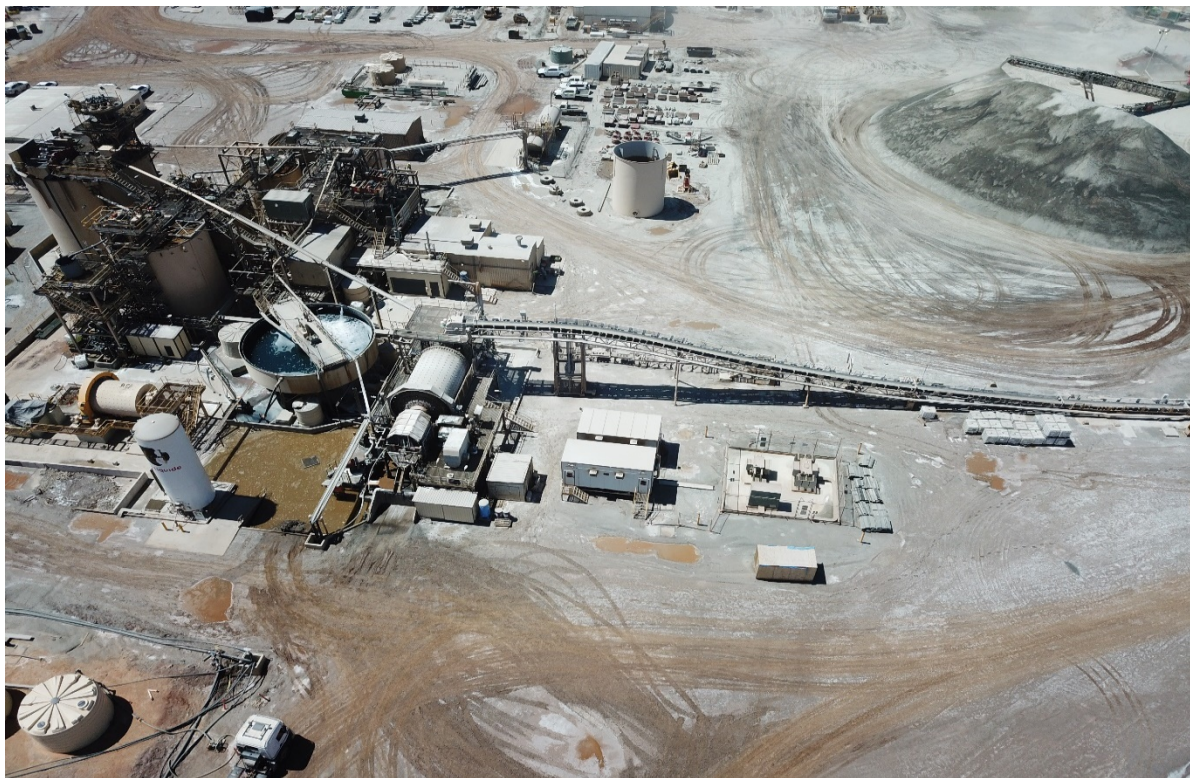
The operational plan for the first milling campaign comprises about 25,500t of ore which has been recovered primarily from the Granny Venn Ramp, and Granny Venn North Cutbacks.



*Granny Venn Open Cut development, Showing East and North Cutbacks*



The Cut-Back at the Granny Venn Ramp area is completed. The reconciliation in this area is substantially better than model with 157% of the tonnes being achieved for 132% of the ounces. Mining Operations in GV North and GV East are continuing, with emphasis on GV East which represents the main repository of ore, refer plate 1, which highlights the first High Grade Bench in the east cut.



*Plate 2 Lakewood Gold Mill, showing Crushed Granny Venn Ore Stocks as at 18<sup>th</sup> October 2021*



*First Ore being loaded into the Hopper at Lakewood*



The first gold pour is expected to take place early next week, which will include a combination of gold recovered from elution and gravity circuits.

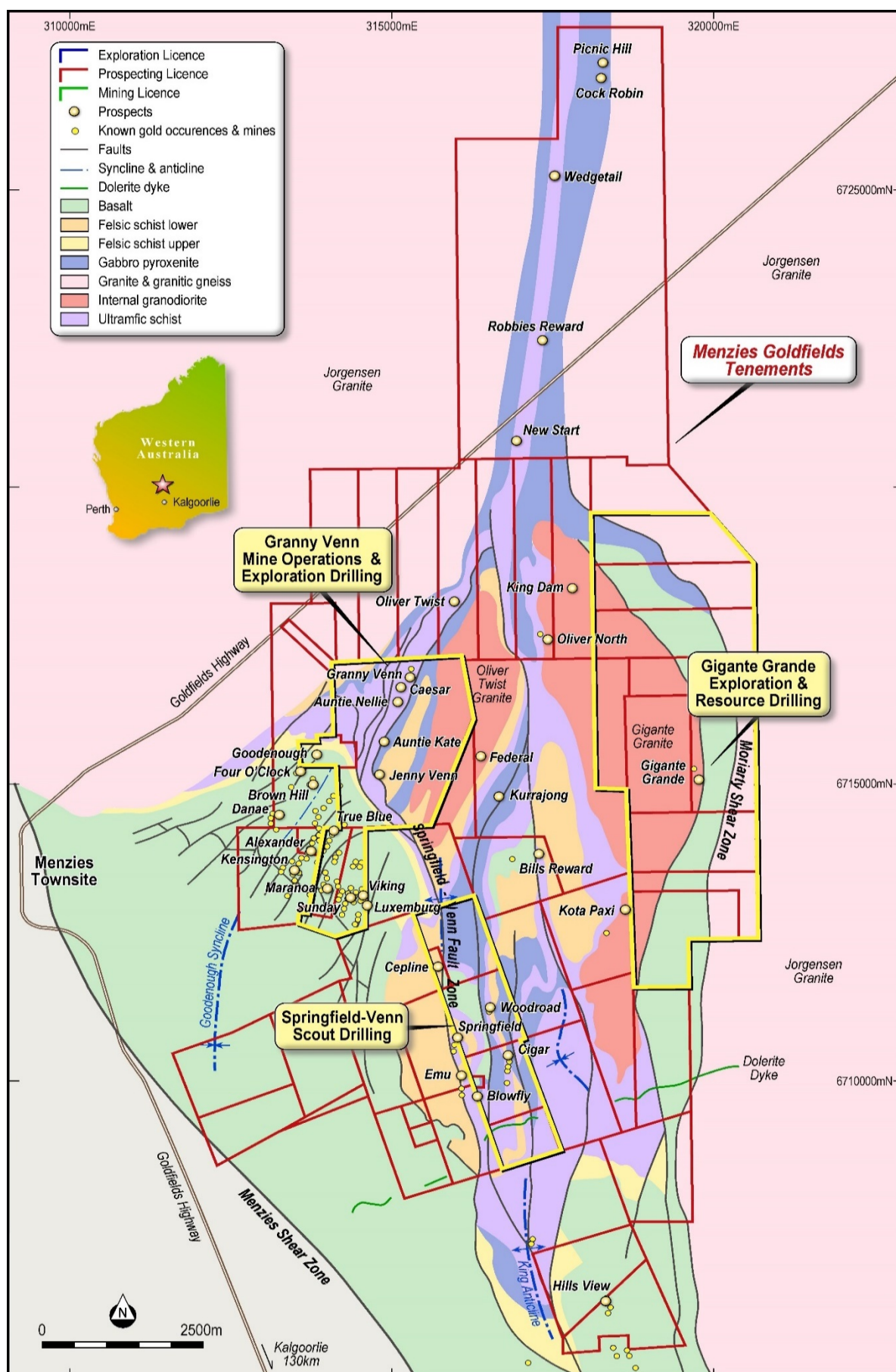


Figure 2 East Menzies Gold Project tenement and Operations Plan

## 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, and miner with projects located in premier mining jurisdictions in Western Australia and Queensland. In Western Australia, the company's flagship is the East Menzies Gold project (EMGP), situated 130km north of Kalgoorlie. The EMGP represents a +100km<sup>2</sup> package of contiguous mining, exploration, and prospecting licenses, which are located within a significant orogenic lode gold province figures 2 and 3.

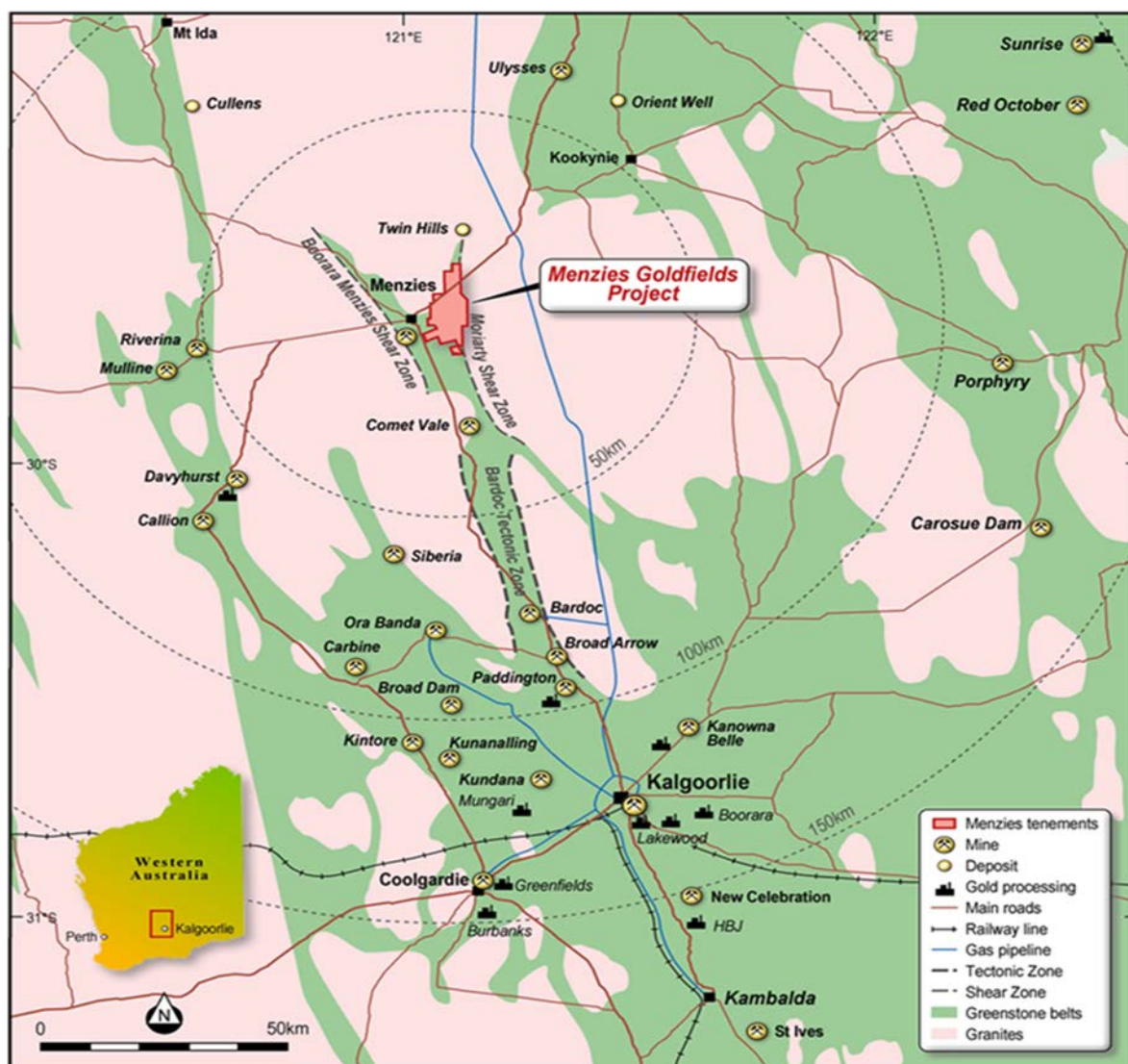


Figure 3 East Menzies Gold Project Regional Location Plan

For resource growth, the company's focus is presently exploring the eastern and southwestern sides of the project area (Gigante Grande and Springfield Prospects). On the western side of the project

area studies to investigate opportunities for renewed mining operations in M29/189 Granny Venn, M29/141 Goodenough, and M29/427 Maranoa have commenced. Most recently the company completed grade control drilling within the Granny Venn open pit and has resumed mining operations at the Granny Venn Open Pit Gold Mine. As of End 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 <sup>(1)</sup>	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 <sup>(2)</sup>	Primary	1	634	1.84		38		82	1.99		5.2		716	2.07		43	
Granny Venn <sup>(3)</sup>	Primary	1	134	2.03		9		41	2.14		2.9		175	2.1		12	
Maranoa <sup>(4)</sup>	Primary	1						46			8	8.05	46	5.7		8	
<b>Total</b>			2468			113	618	1899			79	252	4357			192	862

**Table 1 Gold and Silver Resource Summary**

In Queensland, the company has a 12km<sup>2</sup> Mineral Development Licence over the Mount Mackenzie Mineral Resource and retains a further 15km<sup>2</sup> 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 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. A metallurgical test program is currently underway to investigate processing options for primary mineralisation below the current resource extents.

Further information:

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Approved for Release by the REZ Board