

RESOURCES & ENERGY

Resources & Energy Group Limited

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ASX/Media Release

27 October 2021

First Gold Pours for Granny Venn Open Cut Mine

Resources & Energy Group Limited (ASX: REZ or the Company) are pleased to advise that the first Gold pours for the Granny Venn mine took place at the Lakewood Gold Mill on Tuesday 26th October. This represents production from the preceding 9 days of Milling operations. The initial pours have yielded 22.84kg of Dore ⁽¹⁾. This represents a combination of gold recovery from Gravity and CIL circuits.



Plate 1 REZ 01-Gravity Bar 7.95kg

Discussion

The first toll treatment for the Granny Venn Cut Back (campaign 1) has reached the midway mark. This resulted in the first gold pours for the project, which occurred yesterday morning at the Lakewood Gold Room. A total of 22.84kg of gold dore was produced from the pour. This comprised 7.96kg from the Gravity Circuit and 14.88kg from the CIL circuit. Umpire samples of production have been taken, and the gold dore is now being dispatched to the Perth Gold Mint for determination of assay for out-turn certification.

(1) Subject to completion of Gold in Circuit Calculations

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Since commencement of the toll campaign 1, approximately 17kt has been processed to date. The metallurgical performance of the ore is highly encouraging. The unreconciled weighted head grade of the mill feed is calculated to be 2.59gt. This exceeds the forecast campaign head grade of 2.14 g/t.

Resources and Energy Group Director Richard Poole commented: “The Company is delighted to report this outcome. It represents a pivotal moment in the Company’s growth as it transitions from exploration to production. Since acquiring ground in the East Menzies Goldfield, the Company has moved rapidly to identify and commercialise resources, whilst maintaining a vigorous exploration strategy which has delivered some outstanding results for gold at Gigante Grande, and for nickel at Springfield. I would like to thank our mining partners at BM Mining Pty Ltd who have done an amazing job at managing Mining Operations at Granny Venn and enabling this outcome to be achieved.

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.



Plate 2 Gold Pour and CIL Leach Bar 14.88kg

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.

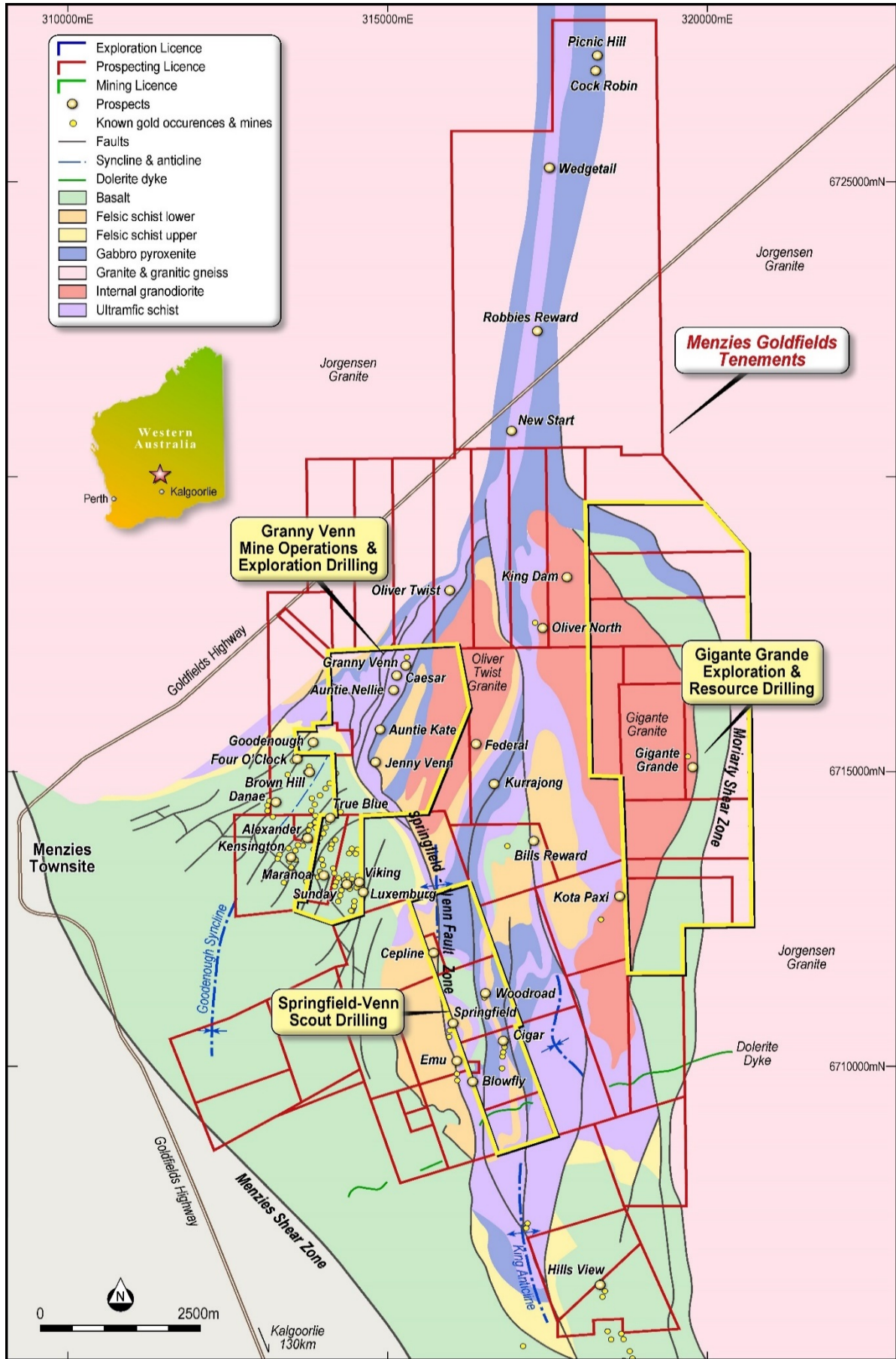


Figure 2 East Menzies Gold Project tenement and Operations Plan

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 +100km² package of contiguous mining, exploration, and prospecting licenses, which are located within a significant orogenic lode gold province figures 2 and 3.

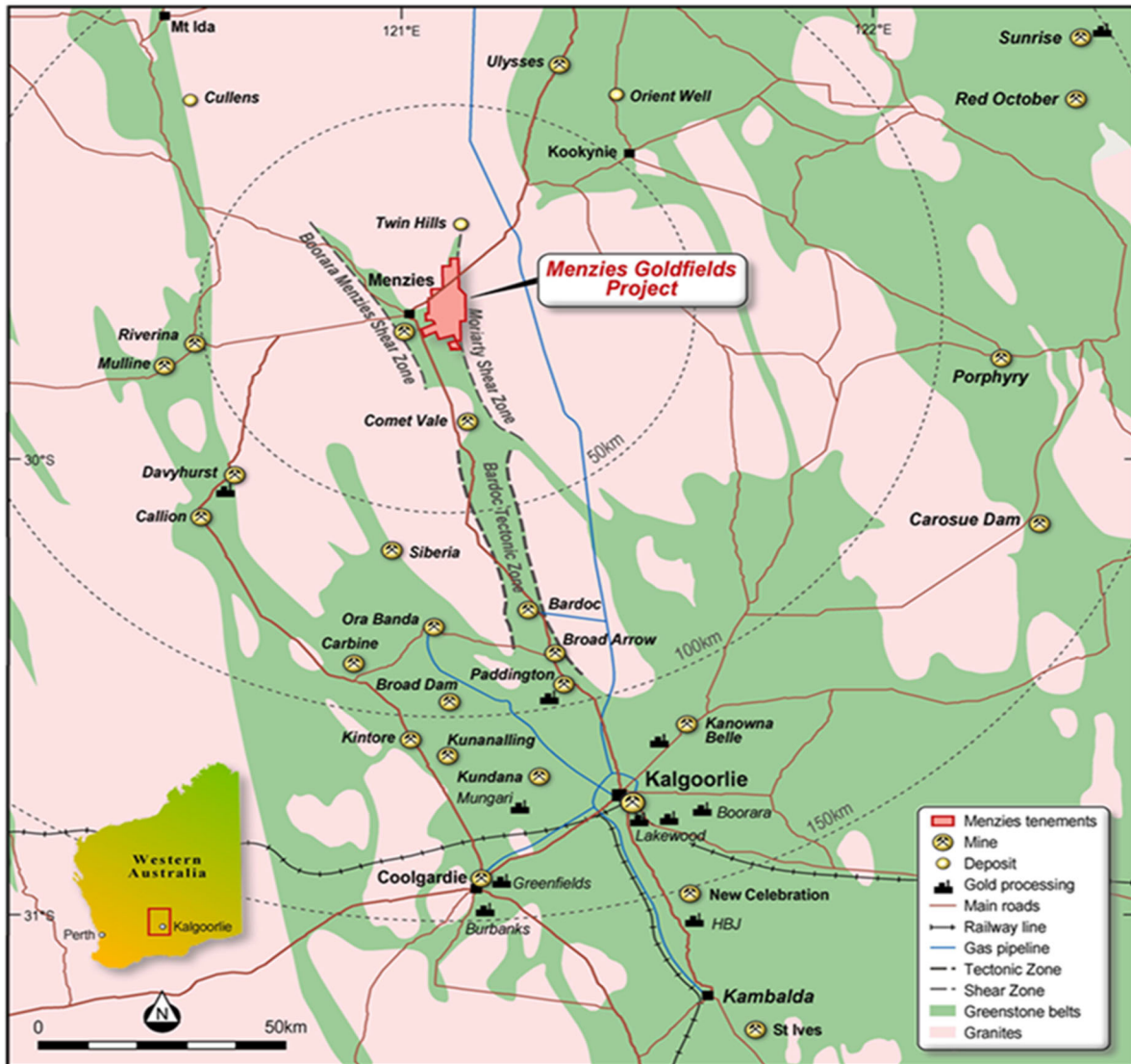


Figure 3 East Menzies Gold Project Regional Location Plan

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 ⁽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 Gold and Silver Resource Summary

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 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