



# RESOURCES & ENERGY

Resources & Energy Group Limited

ASX/Media Release

31 Oct 2021

## Quarterly Activities Report September 30, 2021

### HIGHLIGHTS

- **Reconnaissance Drilling along the Springfield-Venn Corridor intersects Nickel Sulphide mineralisation**
- **Resource modelling at Gigante Grande commences**
- **Granny Venn Pit Mining reaches Eastern Cutback, first ore production achieved, Milling Campaign at Lakewood commenced 18<sup>th</sup> October 2021**
- **Mount Mackenzie Environmental and Hydrological studies commence. Application for Significant Regional Project Status Lodged. Metallurgical test work commences in WA.**

Resources & Energy Group Limited (ASX: REZ or the Company) is pleased to provide its Quarterly Activities and Cash Flow Report for the period ending September 30, 2021.

### East Menzies Gold Project (EMGP) West Australia

#### Gigante Grande Prospect

During the report period, modelling work based on results obtained to date has commenced. This work is expected to generate resources in the southern part of the project area. Further drilling and some metallurgical investigation will be required to support the resource estimation process. An initial outcome from modelling is the identification of a shallow, and reasonably flat lying supergene resource which is developed within the sap-rock cover overlying the primary resource.

The exploration completed so far has unveiled an extensive vein and shear hosted gold system within the Gigante Granite along its contact with the Moriarty Shear Zone. The mineralised structures are interpreted to be associated with a steeply dipping high rheological contrast zone between the Granite on the west and Greenstones on the east. In general, the productive zone runs North South through the entire length of the Gigante Grande prospect area.

Due to its structural heterogeneity, the Gigante Grande prospect has the potential to be a very big system. The Company has secured additional prospecting licences north and south of the original discovery. This unlocks a further 4.6km strike length of Prospective Ground along the Moriarty Shear zone and its contact with the Gigante Granite for exploration. Bringing total strike to just over 8km. Programs of Work and exploration planning have been carried out to drill test the northern extension of mineralisation.

The shallow nature of mineralisation and extensive strike combined with the tenor of grades and intervals encountered at Gigante underscore the potential for this prospect to host a large open cut gold resource.

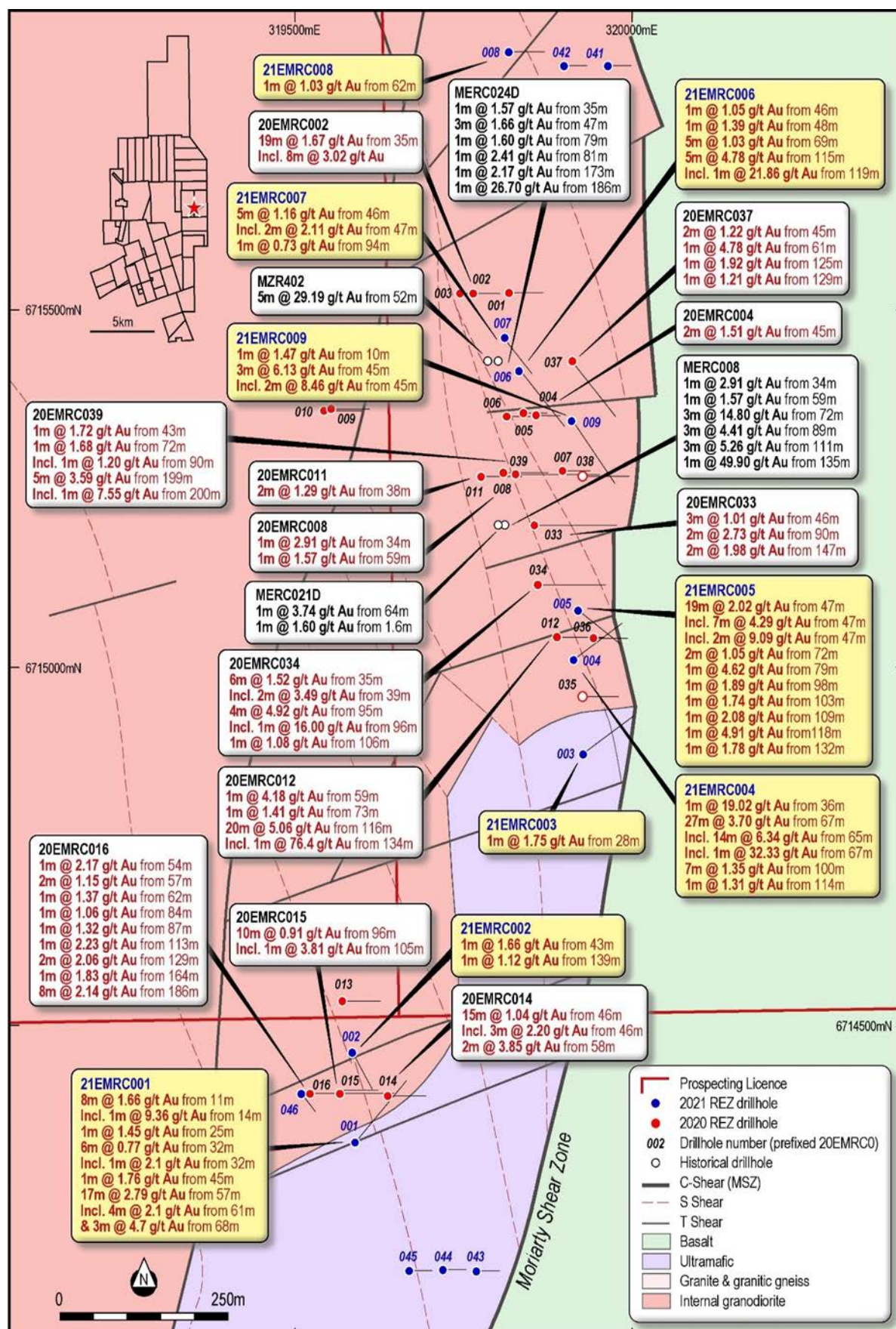
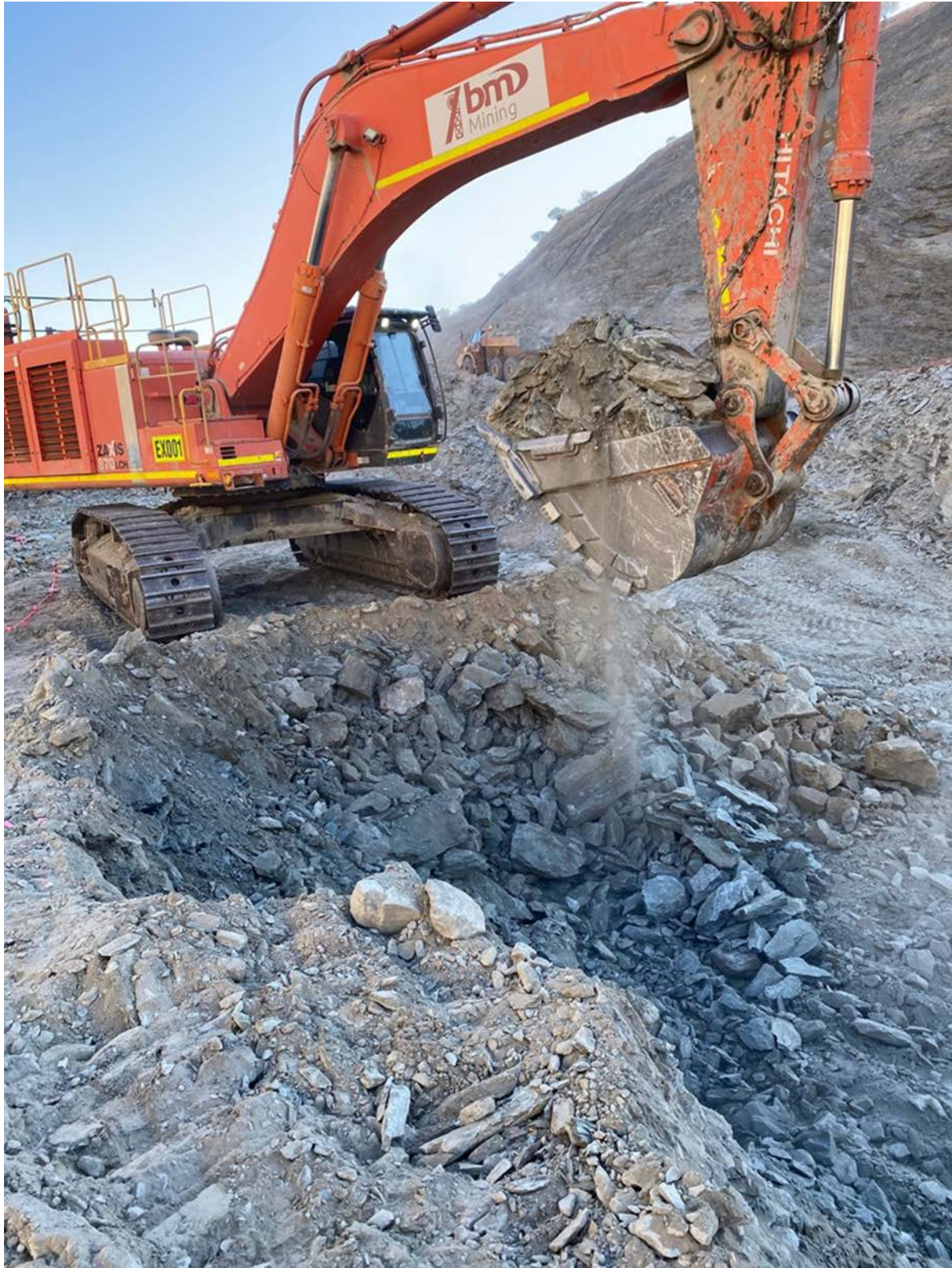


Figure 1 Borehole Location Plan Showing Significant Intervals of Gold Mineralisation.



### Granny Venn Cut Back

During the quarterly period, Mining Operations at Granny Venn have excavated approximately 140kbcm of waste, and 22kt of Ore from two cutback areas within the Grany Venn Pit, known as GV Ramp and GV North. Pre-stripping operations have exposed first ore from the GV East cut-back area, which represents the main repository of ore, refer plate 1



*Plate 1 Mining High Grade Ore Granny Venn East Cut Back 400m Bench*

Ore Haulage to the Lakewood Gold Mill has commenced and approximately 15kt of ore has been delivered to Lakewood at end of quarter, refer plates 2 and 3. A milling campaign originally scheduled



for September subsequently commenced 18<sup>th</sup> October 2021 (refer ASX release dated 21 October 2021).



*Plate 2 Panorama showing ROM stockpiles High Grade (right) and Low-grade (Left) ore fingers*



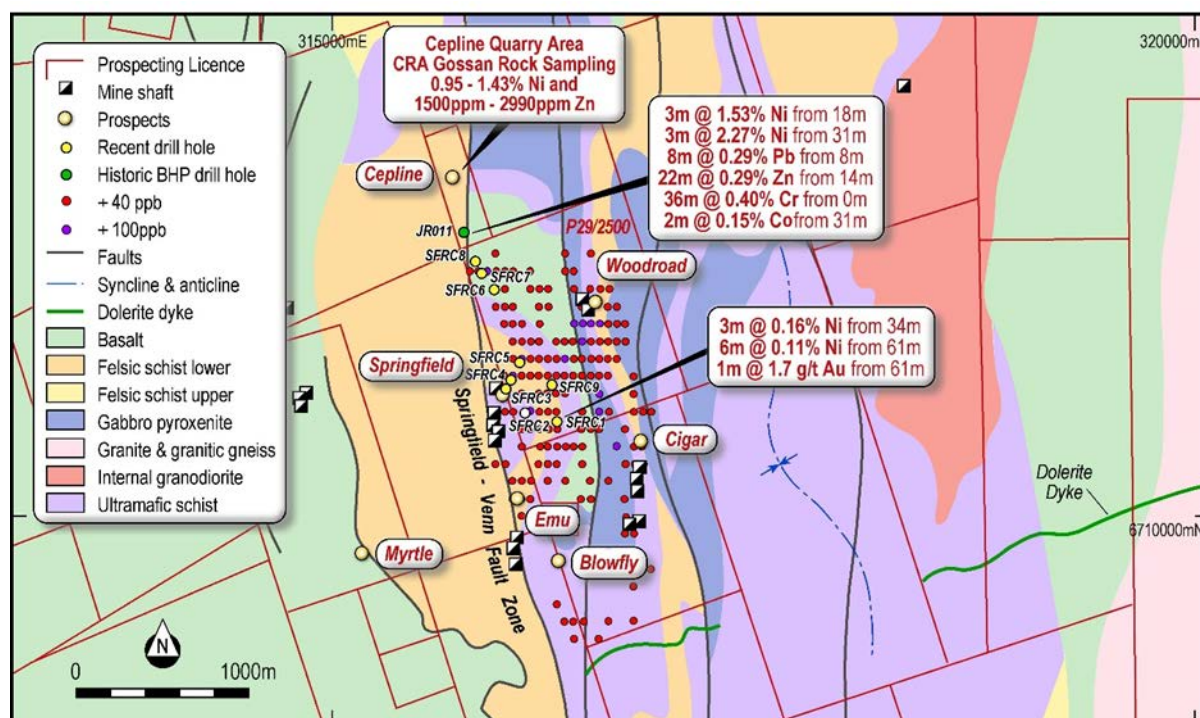
*Plate 3 Granny Venn Ore Stockpiles-Lakewood Mill*

### **Springfield Prospect**

The Springfield area was identified by the Company following a review of historical exploration and gold mining activities. The documented occurrences of sulphides north of Springfield at Cepline, are prospective features for the occurrence of volcanogenic nickel and base metal deposits as well.

A reconnaissance program of RC drilling was completed over the prospect, with several holes intersecting significant intervals of sulphide mineralisation. The geochemical results obtained from one of the scout holes SFRC01 returned anomalous concentrations of Nickel, with a peak assay of 3m@ 0.15% Ni from 31m and 6m @0.11% Ni from 61m. This mineralisation was accompanied by Cobalt, Chromium, Lead, and Zinc. There appears to be an intimate association of these elements and concentrations of them, within a sequence of interflow sediments which occur above and intermingle with the Komatiites below.

The mineralised intervals are potentially significant, and warrant follow up exploration. The Company is undertaking further research towards developing a suitable exploration program over this part of the project area. In this connection the company is checking all previous exploration activities, including ground truthing, and checking borehole locations, and geological observations at prospect scale. The Company has also resampled 193 RC intervals from the Springfield drilling program. These samples have been submitted for Multi Element analysis by ICP MS and Platinum Group analysis by Fire assay.



*Figure 2 East Menzies Gold Project Springfield Prospect and Borehole -Location Plan*

## Mount Mackenzie Gold and Silver Project

During the Quarterly period the Company completed a water supply assessment of the project site to identify options for securing a reliable water supply for the project. As part of this study, plant water demand, Tailing's storage requirements and various site layouts have also been evaluated. A key finding from the study is that an adequate and reliable water supply is available. One option available to the Company is a direct allocation of water from the regulatory authority, which has reserved capacity for regionally significant projects. To trigger the process the Company has lodged a submission for the project to be declared regionally significant.

The Company has also engaged CQG consulting to assist in managing the environmental and approvals process for the project. Planning work on an environmental audit of the project has been completed and a Spring ecological survey has been scheduled for completion during October.

Metallurgical investigations on a range of composites prepared from bore core samples have commenced in Western Australia. The test work program has been designed and supervised by JT Metallurgical Services Pty Ltd. Results from the program will progressively become available over the next few months.



## Listing Rule 5.3.5

Payments to related parties and their associates during the quarter totalled approximately \$67,000 and comprised of fees paid to the Directors and Arthur Phillip Pty Limited (**Arthur Phillip**) who provides REZ with management, strategic and other services. The Executive Director has a financial interest in and control of Arthur Phillip.

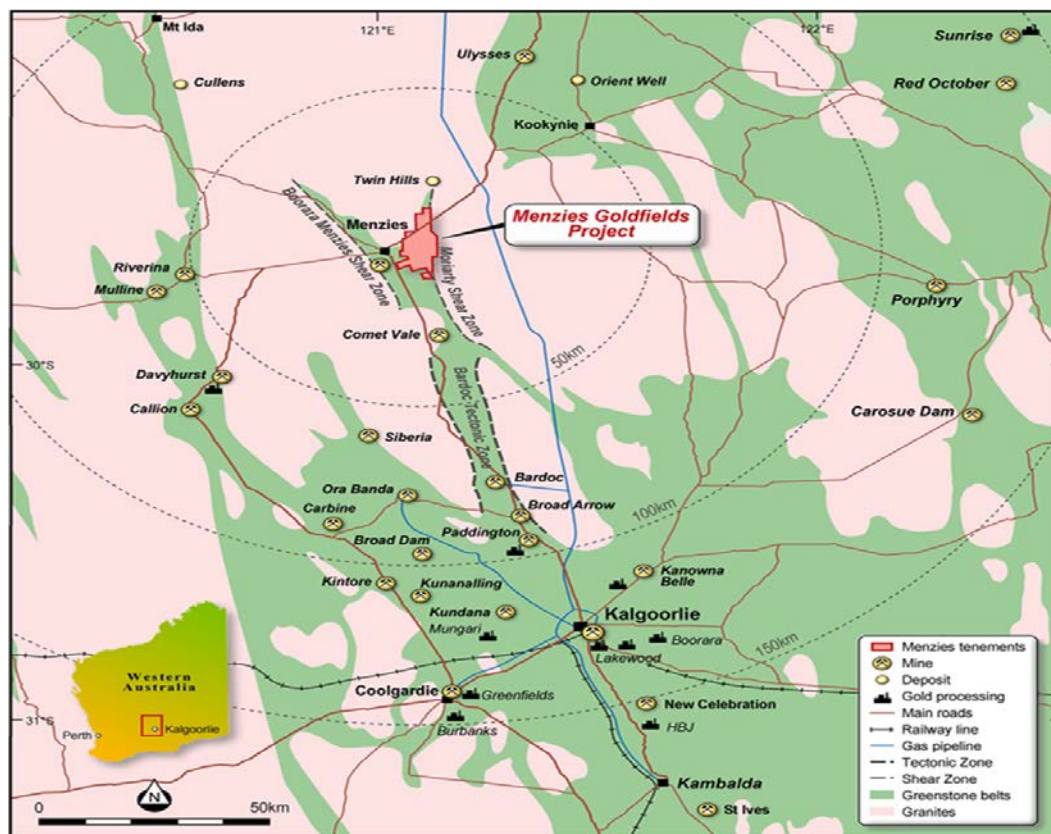
## About Resources and Energy

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. As of July 2021, the company has delineated gold and silver resources of 192k oz/au and 862k oz/au ag, refer 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>			<b>2468</b>			<b>113</b>	<b>618</b>	<b>1899</b>			<b>79</b>	<b>252</b>	<b>4357</b>			<b>192</b>	<b>862</b>

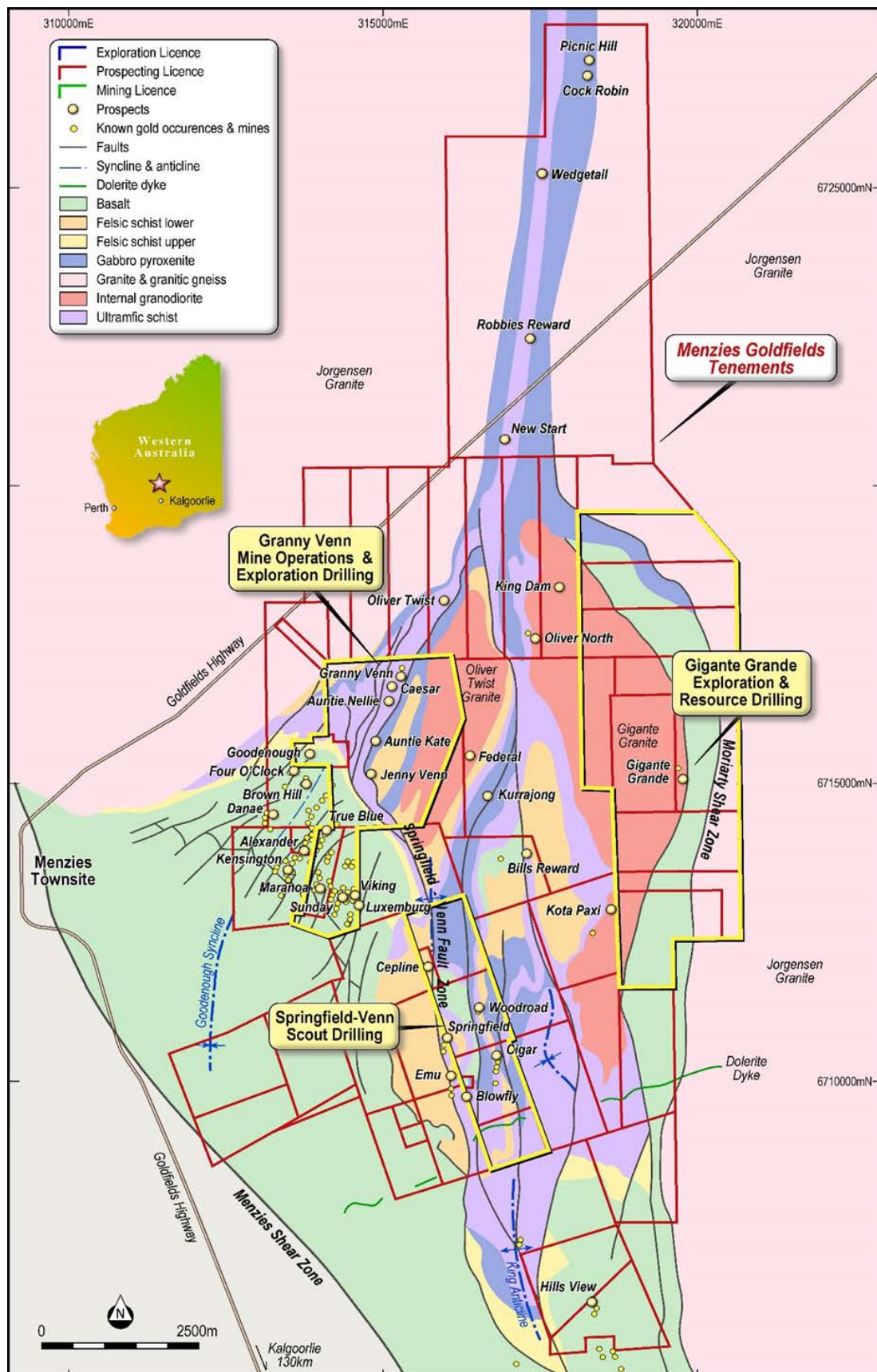
**Table 1 Resources and Energy Group Resources**

In Western Australia, the company's flagship is the East Menzies Gold Field project (EMG), situated 130km north of Kalgoorlie. The EMG 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 3 and 4.



**Figure 3; East Menzies Gold Project-Regional Location Plan**

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.



**Figure 4; East Menzies Gold Project-Tenement and Operations Location Plan**

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.

### **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.

### **Further information:**

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Approved for Release by the REZ Board