

QUARTERLY ACTIVITIES REPORT DECEMBER 2024

HIGHLIGHTS

- Trial gold mining operations have resumed at the East Menzies Gold Project using the vat leach method, marking a key milestone for REZ.
 - REZ secured approval from the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS) to initiate the trial vat leach and bulk sampling program.
 - Initial mining efforts will focus on the Maranoa deposit, targeting the processing of 5,000 tonnes of hard rock material.
 - Vat 1 was completed in December and is operational.
 - Post quarter end, the carbon from the trial vat leach program at the East Menzies Gold Project was transported to Kalgoorlie for processing.
 - The first strip from the initial trial vat leach processing is scheduled for Saturday, 1st February 2025.
 - Following the initial trial, the Company submitted a second mining application to DMIRS for a subsequent vat leach campaign.
 - This trial phase paves the way for near-term gold, aiming to unlock the full potential of the consolidated East Menzies tenement package.
 - The East Menzies project is well-positioned for growth, with a strong pipeline of high-grade gold deposits and significant expansion opportunities.
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Resources & Energy Group Limited (ASX: REZ) (REZ or the Company), is pleased to provide its Quarterly Activities and Cash Flow Report for the period ending 31 December 2024.

EAST MENZIES GOLD PROJECT

In October, the Company has reached a major milestone with the recommencement of gold mining and operations at the East Menzies Gold Project. (Refer [ASX Announcement 16 October 2024](#).) Initial mining will focus on the Maranoa deposit, with plans to process 5,000 tonnes of hard rock material via newly constructed vat leach facilities, the first of which was completed in December and is currently operational.

This milestone follows approval from the Department of Mines, Industry Regulation and Safety (DMIRS) (refer [ASX Announcement 8 October 2024](#)) and sets the stage for the first gold pour in the next few weeks. This marks the beginning of a sustained production phase, providing key insights for optimising future resource development.

The Maranoa site has been identified as a critical contributor to the project's early stages. The outcomes of this initial phase will pave the way for the first gold pour, by the first quarter of 2025, and for scaling up operations to treat additional resources at the East Menzies Gold Project.

Post quarter end, REZ announced that carbon extracted from the trial vat leach program was transported to Kalgoorlie. (Refer to [ASX Announcement 31 January 2025](#)). This milestone sets the stage for the extraction of any gold in the carbon, which is expected on Saturday 1st February 2025. The successful completion of this process will mark a significant step in demonstrating the viability of the trial vat leach operation.

SECOND MINING APPLICATION SUBMITTED

REZ has also lodged a second mining application with DMIRS for a subsequent vat leach campaign, building on the outcomes of the first vat leach. This initiative aligns with the Company's strategy to develop and scale production capacity and optimise gold recovery across the wider East Menzies site.

OPERATIONAL PROGRESS AND TRANSPARENCY

The trial vat leach program is on track to deliver near-term gold and valuable data on the efficiency of the process. The outcomes of this phase will play a pivotal role in scaling up operations and informing future development strategies.

GEOLOGY AT MARANOA

- Banded quartz-amphibolite rocks with minor sulphides hosted in a broad envelope of sheared metabasalt with proximal biotite alteration.
- Centimetre-scale banding of quartz veins associated with coarse plagioclase and carbonate with minor disseminated ilmenite, chalcopyrite and pyrrhotite.
- The broad diffuse shears appear to be axial planar to the regional folding.



BUILDING ON GRANNY VENN SUCCESS

The recommencement of mining operations at East Menzies follows the success of REZ's previous campaign at the Granny Venn deposit, which produced 8,700 Oz of gold from 130,000 tonnes of ore and generated \$23 million in revenue despite lower gold prices at that time (~AUD 2600/oz). The current high gold price environment and the adoption of the low-cost vat leach process place REZ in a solid position to capitalise on rising market conditions and optimise production costs.

NEXT STEPS

- Conduct first carbon strip on Saturday 1st February 2025.
- Analyse results from the initial vat leach campaign to refine future processing operations.
- Progress additional mining applications and ramp up production capacity.

The recommencement of mining and production at the Maranoa deposit marks a significant step in advancing the East Menzies Gold Project, paving the way for sustained gold output and highlighting the broader potential of the consolidated tenement package. The timing of the vat leach program aligns with record-high gold prices, offering a cost-effective and expedited method for gold extraction. Building on operational efficiencies and insights gained from the recent Granny Venn campaign, REZ aims to optimise costs and enhance margins. Cash flow generated from this phase will be reinvested into exploring high-grade deposits across the East Menzies tenements, supporting scalable and targeted operations that drive long-term shareholder value.

Following this initial phase, REZ plans to expand mining operations to other key targets within the East Menzies tenement area, including the Goodenough and Granny Venn deposits. With a robust pipeline of projects, REZ is well-positioned to deliver long-term value to its shareholders through continued exploration and production, including plans to upgrade processing to a CIL plant onsite.

Investors can stay informed on our mining and processing activities via our [X](#) and [LinkedIn](#) pages.



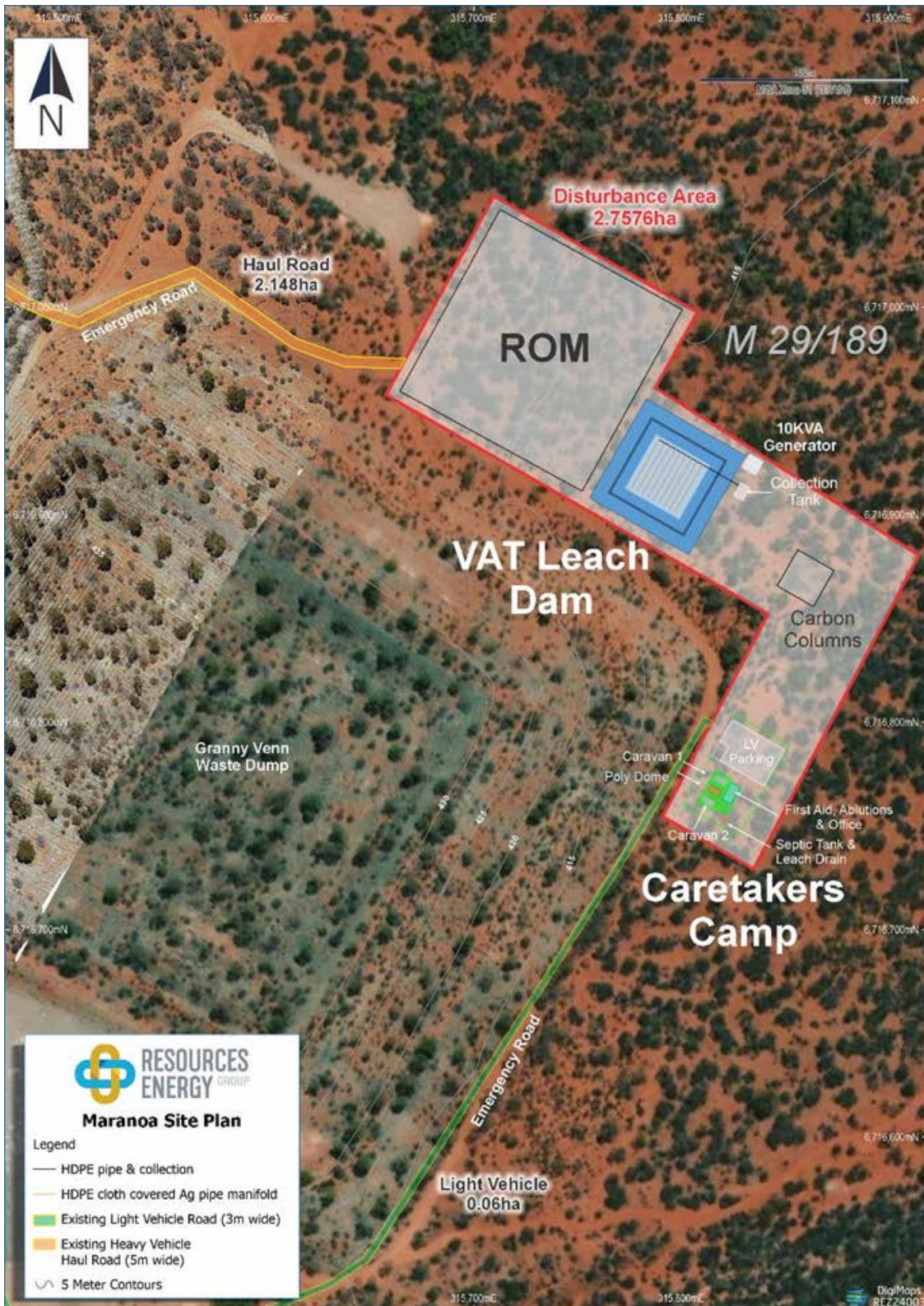


Figure 1: East Menzies Gold Project Site Plan October 2024

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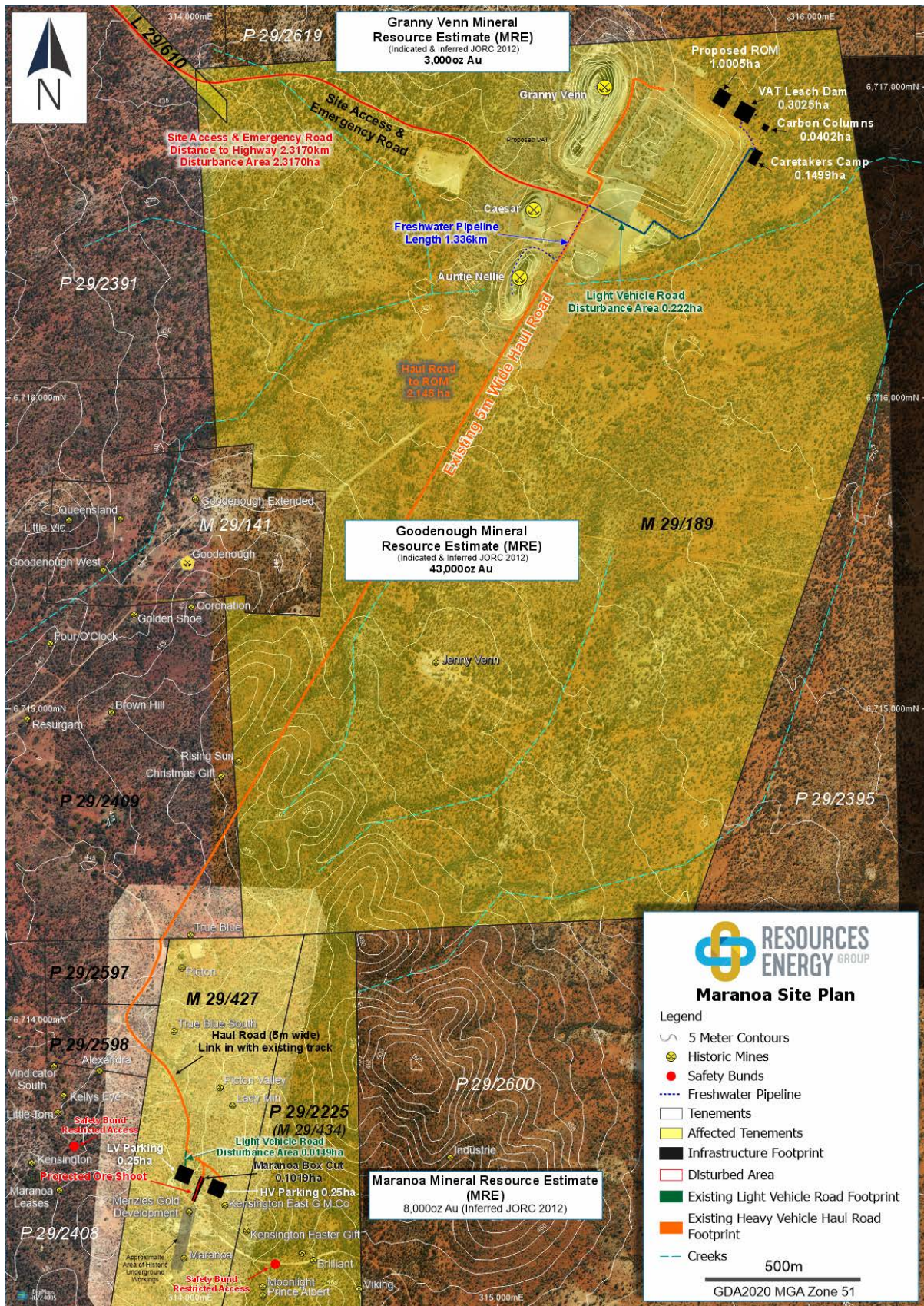


Figure 3: Mining Operations Plan – East Menzies Gold Project

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Figure 4: At the East Menzies Gold Project, freshly crushed ore is prepared for vat leaching, signalling the start of gold extraction and highlighting the project's operational progress, November 2024



Figure 5: Crushed material about to be loaded into the vat leach facility at East Menzies Gold Project, November 2024



Figure 6: Vat 1 complete and full of ore, water and cyanide, December 2024



Figure 7: Carbon Tanks in situ at East Menzies extracting and holding onto precious metals, December 2024

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Figure 8: From vat leaching to carbon capture — gold production in full swing at East Menzies, December 2024

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Figure 9: Lamington Minerals team transporting carbon from first tank to Kalgoorlie, January 2025

MOUNT MACKENZIE GOLD AND SILVER PROJECT, QUEENSLAND

The Mount Mackenzie Gold Project is located 150km north west of Rockhampton, Queensland. The project includes a 28.4km² tenement package held by the Group.

The REZ Board has reevaluated the benefits of continuing to hold the Mount Mackenzie prospect. The reevaluation concluded that with the current level of financial resources, the Company is now in a position to hold the Mount Mackenzie tenement package and will continue to seek full value for the prospect.

FINANCIAL COMMENTARY AND EXPENDITURE SUMMARY

The Company's Quarterly Cashflow Report (Appendix 5B) follows this activities report. The Company had \$222,000 in cash as of 31 December 2024 (30 September 2024: \$802,000).

Net cash outgoings from operating activities were \$469,000 (September 2024 quarter \$604,000). Net cash used in investing activities of \$93,000 (September 2024 quarter \$77,000) applied to exploration expenditure on East Menzies.

The current level of operating and investing outgoings is expected to continue during the March 2025 quarter. However as announced to ASX on 31 January 2025 (and prior related releases 8 and 16 October 2024), REZ expects to achieve cash flow from its trial vat leech program at the Maranoa site commencing during the first half of February and then regularly thereafter. The Board continues to assess the need for further capital raisings and/or entering into a new standby loan facility, which had been previously provided by two of the company's directors. The outcome of these considerations is dependant on the timing and amount of cash flows achieved from the Maranoa vat leech program during February and March 2025.

No amounts were paid in cash to related parties of REZ and their associates for directors remuneration and expenses, as per item 6.1 of the Appendix 5B.

-Ends-

Released with the authority of the Board.

For further information on the Company and our projects, please visit: rezgroup.com.au

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ABOUT RESOURCES AND ENERGY GROUP

Resources and Energy Group Limited (ASX: REZ) is an 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 project (EMP)**, situated 130km north of Kalgoorlie. The EMP represents a 108km² package of contiguous mining, exploration, and prospecting licenses which are prospective for precious metals, nickel, and other technology metals. The tenements are located within a significant orogenic lode gold province.

The EMP currently encompasses seven operational areas, including the **Gigante Grande Gold** prospect on the east side project area, which has been subdivided into three geographical domains (North, Central and South. In the southwest, drilling investigations at **Springfield** have intersected magmatic Ni sulphides. This is a significant and material exploration result that has opened a large tract of prospective ground for nickel, cobalt, copper, and platinum group elements. In the central west, the Company is investigating opportunities for mining operations in M29/189 Granny Venn, **M29/141 Goodenough**, and **M29/427 Maranoa**.

In the north exploration planning is underway to investigate the Venn Springfield corridor, from the northern end of the Granny Venn Open Pit to the Cock Robin prospect located in E29/929.

In October 2024, REZ reached a key milestone with recommencement of trial gold mining and production at the East Menzies, focusing initially on the Maranoa deposit. With approval from the Department of Mines, Industry Regulation and Safety (DMIRS), the Company plans to process 5,000 tonnes of hard rock material via a vat leach facility by 30 June 2025, with first gold pour anticipated in the first quarter of 2025. The ore, with a diluted grade of 4.6g/t Au, will provide valuable insights into the scalability of future operations, marking the start of a sustained production phase.

MINERAL RESOURCES AND COMPETENT PERSONS STATEMENT

Project	Type	Cut off (g/t)	Indicated			Inferred			Total		
			Tonnes (kt)	Gold grade (g/t)	Gold metal (koz)	Tonnes (kt)	Gold grade (g/t)	Gold metal (koz)	Tonnes (kt)	Gold grade (g/t)	Gold metal (koz)
Menzies											
Goodenough	Open Cut	1.00	634	1.84	38.0	82	1.99	5.2	716	1.86	43.0
Granny Venn	Open Cut	1.00				41	2.14	2.9	41	2.14	2.9
Maranoa	Open Cut	1.00				46	5.70	8.0	46	5.70	8.0
			634	1.84	38.0	169	3.04	16.1	803	2.09	53.9

The above JORC Mineral Resource Estimates (MRE) for Granny Venn, Goodenough and Maranoa were previously confirmed by a Competent Person in the Company's 2024 Annual Report (page 16). The Company confirms that it is not aware of any new information or data that materially affects the information and results included in that market announcement and that all material assumptions and technical parameters underpinning the MRE continue to apply and have not materially changed.

Tenement Schedule @ 31 December 2024

State	Tenement	Holder	Area (Ha)	Grant	Expiry	Rent (\$)	Committ (\$)
WA	P29/2225	MGFPL	79	05-Sep-12	04-Sep-20	240	3200
WA	P29/2270 ⁽¹⁾	MGFPL	196	23-Apr-13	22-Apr-21	588	7840
WA	P29/2455	MGFPL	194	01-Feb-19	01-Jan-23	582	7760
WA	P29/2456	MGFPL	188	01-Feb-19	31-Jan-23	564	7520
WA	P29/2457	MGFPL	168	01-Feb-19	31-Jan-23	504	6720
WA	P29/2458	MGFPL	116	01-Feb-19	31-Jan-23	348	4640
WA	P29/2459	MGFPL	162	01-Feb-19	31-Jan-23	486	6480
WA	P29/2460	MGFPL	200	01-Feb-19	31-Jan-23	600	8000
WA	P29/2461	MGFPL	200	01-Feb-19	31-Jan-23	600	8000
WA	P29/2528	MGFPL	14	25-Oct-19	24-Oct-23	42	2000
WA	P29/2474	MGFPL	198	13-Mar-20	12-Mar-24	594	7920
WA	P29/2469	MGFPL	198	25-Mar-20	24-Mar-24	594	7920
WA	P29/2497	MGFPL	149	26-Mar-20	25-Mar-24	447	5960
WA	P29/2472	MGFPL	192	26-Mar-20	25-Mar-24	576	7680
WA	P29/2473	MGFPL	77	26-Mar-20	25-Mar-24	231	3080
WA	P29/2496	MGFPL	175	26-Mar-20	25-Mar-24	528	7040
WA	P29/2500	MGFPL	121	26-Mar-20	25-Mar-24	363	4840
WA	P29/2471	MGFPL	200	15-Jun-20	14-Jun-24	600	8000
WA	P29/2492	MGFPL	10	15-Jun-20	14-Jun-24	29.5	2000
WA	P29/2494	MGFPL	199	15-Jun-20	14-Jun-24	597	7960
WA	P29/2470	MGFPL	198	17-Jul-19	16-Jul-24	594	7920
WA	P29/2553	MGFPL	88	16-Nov-20	15-Nov-24	267	3560
WA	P29/2554	MGFPL	197	16-Nov-20	15-Nov-24	591	7880
WA	P29/2555	MGFPL	120	16-Nov-20	15-Nov-24	363	4840
WA	P29/2556	MGFPL	134	16-Nov-20	15-Nov-24	402	5360
WA	P29/2557	MGFPL	100	16-Nov-20	15-Nov-24	303	4040
WA	P29/2558	MGFPL	120	16-Nov-20	15-Nov-24	363	4840
WA	P29/2567	MGFPL	197	17-Nov-20	16-Nov-24	591	7880
WA	P29/2564	MGFPL	132	17-Nov-20	16-Nov-24	399	5320
WA	P29/2568	MGFPL	123	17-Nov-20	16-Nov-24	369	4920
WA	P29/2565	MGFPL	184	17-Nov-20	16-Nov-24	555	7400
WA	P29/2566	MGFPL	197	17-Nov-20	16-Nov-24	594	7920
WA	P29/2563	MGFPL	112	18-Nov-20	17-Nov-24	339	4520
WA	P29/2391	MGFPL	193	03-Apr-17	02-Apr-25	579	7720
WA	P29/2395	MGFPL	70	20-Apr-17	19-Apr-25	210	2800
WA	P29/2601	MGFPL	183	19-May-21	19-May-25	550	7338
WA	P29/2600	MGFPL	167	19-May-21	19-May-25	501	6676
WA	P29/2602	MGFPL	76	19-May-21	19-May-25	228	3034
WA	P29/2604	MGFPL	195	19-May-21	19-May-25	585	7797
WA	P29/2408	MGFPL	179	03-Jul-17	02-Jul-25	537	7160
WA	P29/2409	MGFPL	176	29-Sep-17	28-Sep-25	528	7040
WA	P29/2595	MGFPL	111	04-Nov-21	04-Nov-25	333	4439
WA	P29/2596	MGFPL	114	04-Nov-21	04-Nov-25	341	4541
WA	P29/2619	MGFPL	199	05-Nov-21	05-Nov-25	597	7959
WA	P29/2623	MGFPL	200	05-Nov-21	05-Nov-25	599	7984
WA	P29/2625	MGFPL	199	05-Nov-21	05-Nov-25	598	7977
WA	P29/2621	MGFPL	195	05-Nov-21	05-Nov-25	586	7818
WA	P29/2620	MGFPL	197	05-Nov-21	05-Nov-25	590	7862
WA	P29/2622	MGFPL	199	05-Nov-21	05-Nov-25	597	7956
WA	P29/2624	MGFPL	200	05-Nov-21	05-Nov-25	599	7984
WA	P29/2599	MGFPL	185	16-Nov-21	16-Nov-25	555	7401
WA	E29/0979	MGFPL	2000	24-Feb-17	23-Feb-27	2275	30000
WA	M29/0141	MGFPL	38	01-Aug-91	31-Jul-33	780	10000
WA	M29/0427	MGFPL	57	12-Feb-19	11-Feb-40	1140	10000
WA	M29/0189	MGFPL	526	16-Oct-98	15-Oct-40	10540	52700
WA	L29/0061	MGFPL	5	01-Apr-99	31-Mar-41	89.5	0
QLD	MDL2008	MMGMPL	1200	01-Nov-19	1-Nov-24	28540	NA
QLD	EPM10006	MMGMPL	1500	01-Mar-94	1-Mar-23	855	NA

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Resources & Energy Group Limited

ABN

12 110 005 822

Quarter ended ("current quarter")

31 December 2024

Consolidated statement of cash flows	Current quarter (3 months) \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(42)	(291)
(b) development	-	-
(c) production	(274)	(463)
(d) staff costs	(17)	(60)
(e) administration and corporate costs	(135)	(258)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(469)	(1,073)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(93)	(170)
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter (3 months) \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(93)	(170)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	450
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(15)	(43)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(15)	407
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	802	1,059
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(469)	(1,073)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(93)	(170)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(15)	407

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter (3 months) \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	222	222

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	222	802
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	222	802

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		600,000
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
A \$600,000 standby loan facility provided for a 12 month period by two of REZ's directors (Mr Gavin Rezos and Mr Richard Poole) expired during the quarter. The Board is currently assessing whether a further standby loan facility is required.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	469
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	93
8.3 Total relevant outgoings (item 8.1 + item 8.2)	563
8.4 Cash and cash equivalents at quarter end (item 4.6)	222
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	222
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.4
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: The current level of outgoings is expected to continue during the March 2025 quarter. However as announced to ASX on 31 January 2025 (and prior related releases), REZ expects to achieve cash flow from its trial vat leech program at the Maranoa site commencing during the first half of February and then regularly thereafter.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: The Board continues to assess the need for further capital raisings and/or entering into a new standby loan facility, which had been previously provided by two of the company's directors. The outcome of these considerations is dependant on the timing and amount of cash flows achieved from the Maranoa vat leech program during February and March 2025.	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The Board is confident that current levels of support from existing shareholders, directors and other stakeholders will ensure its business objectives can be met.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2025

Authorised by: By order of the Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.