

31 July 2017

Market Announcements Office
ASX Limited

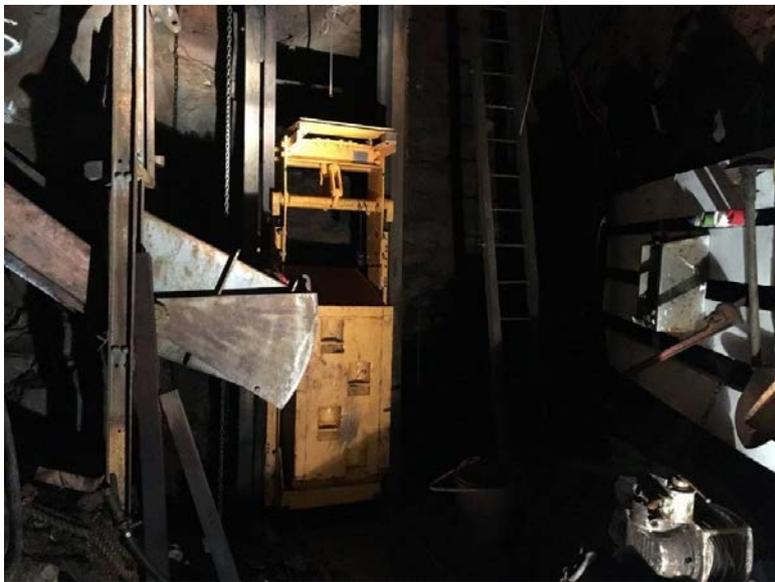
ACTIVITIES REPORT & QUARTERLY CASH FLOW QUARTER ENDED 30 JUNE 2017

During the June 2017 quarter Resources & Energy Group Limited (REZ) continued to undertake the development of the Radio Project located in Western Australia and evaluate the Mount Mackenzie Project in Central Queensland.

Radio Mine Project

Mine development activities continued at Radio towards the aim of establishing a high-grade underground shaft mine with onsite treatment for gravity recoverable gold.

Mine hoist commissioning was completed and sign-off given by the Department of Mines for man-riding, greatly improving access to the underground workings from the 10 Level crosscut. Work on the 10 Level plat location is ongoing, with ground support installed along the main access drive and the shaft sump emptied of rock, enabling the skip to be positioned for loading and providing greater sump volume for the main mine pump.



Mine pumping has continued with 70,000kL having been removed from the underground since commencement. The mine groundwater recharge has been calculated to be in the vicinity of 2.5 to 3.0 litres per second, this is in line with estimates and indicative of an optimal water supply available for ongoing mining and gravity gold separation activities.

Geological sampling of the historical underground has been undertaken at key areas to pinpoint bulk sample locations that are accessible and proximal to the shaft haulage. Assays results have confirmed the high-grade, nuggetty nature of the Radio lodes and broadly confirm those obtained when Radio was last dewatered and sampled by Carn Brae in 1991. Significant results from the recent sampling program are furnished in table 1 below and figure 1 overleaf. A complete set of results including sample locations are provided in Appendix –Table 2. From this work three (3) main locations have been identified which will form the initial mining blocks.

Table 1 Significant sample results

Sample ID	Description	Au g/t	Interval (M)
00042	9 Main Lode Nth Stope (far nth end)	109	0.4
00089	9 Main Lode Sth Ore Drive	90.6	0.4
00092	10 Main Lode Nth Stope Pillar - 110mN	80.6	0.2
00025	10 Main Lode Nth Ore Drive - Chute 3 Sth	73.5	0.2
00028	9 Main Lode Sth Chute RHS - 10mW	73.1	0.4
00029	9 Main Lode Sth Chute RHS - 5mW	66	0.3
00027	10 Main Lode Nth Stope	57.9	0.2
00056	9B East Lode Sth Stope - 5mN	54.3	0.4
010 RESI	9C Main Lode Sth FWD	54.2	0.3
00059	9B East Lode Sth Stope - 15mN	42.1	0.8
00102	10A CHUTE 1 (to loading pocket)	41.8	0.7
021 RESI	9 Main Lode Sth FWD	34.3	NA

Geotechnical assessment of the underground workings has revealed excellent rock mass conditions, with existing stopes and drives in the vicinity of the anticipated mining activities displaying very good geotechnical characteristics and little degradation. The rock mass is not heavily jointed, with generally only 2 sets observed being tightly healed & rough. Existing timbering and rock pillars display little or no stress and although calculated from a small data set, it is anticipated that a calculated hydraulic radii >10 will support large, stable stoping blocks.

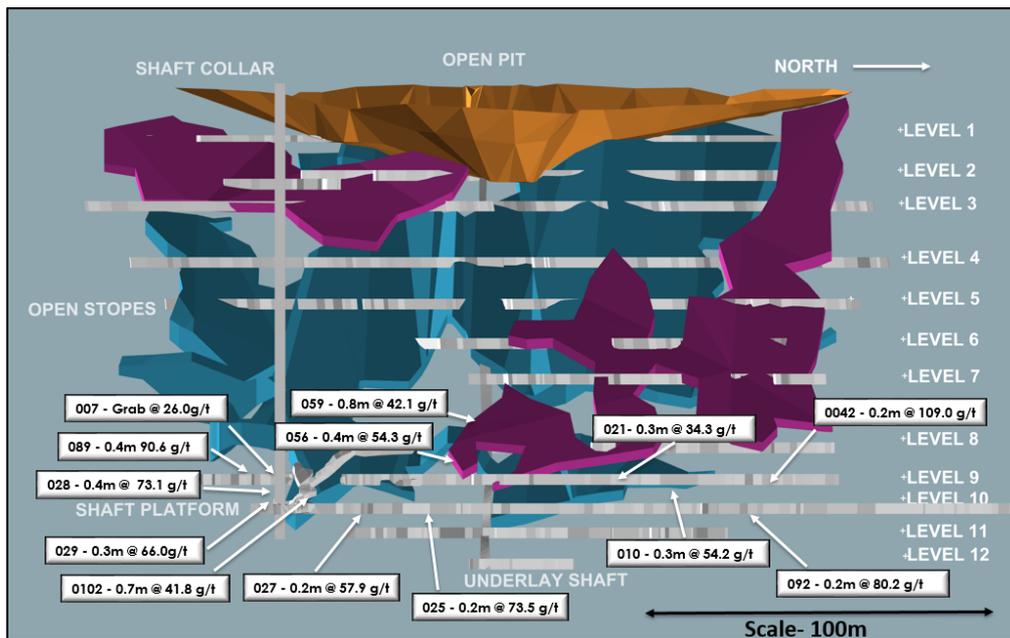


Figure 1 Radio Mine Long Section showing selected lode samples [width@grade]

The base of the Radio open pit has been cleared of rock and mud to expose the underlay shaft collar, thus providing flow-through natural ventilation of approximately 5m³ per second down the underlay shaft then through the old workings and up the vertical shaft. Rehabilitation and fit-out of the underlay shaft will continue in conjunction with development activities to be utilised as a secondary mine egress. The surface magazine installation is complete to relevant standards and ready to receive mining explosives.

Installation of the crushing circuit is underway with positioning of the jaw crusher, hammer mill, conveyors and bins almost complete. Electrical connections have been run and an automated panel installed in the hoist operators room to control ore movement from the headframe all the way to the 40 tonne fine ore bin, providing for single person operation of the ore haulage and crushing systems.

The next quarter will see completion of the gravity plant and commencement of mining activities underground.

Safety and environment remain priorities during the course of site activities and there have been zero LTI or environmental incidents in the reporting period.

Mt Mackenzie Project

During the reporting period metallurgical investigations including conventional leach extractive test-work on 3 master, and 15 variability composites representing oxide, transitional and primary ore types were completed. A further 2 samples of primary ore have been prepared for comprehensive flotation test-work with results expected in July. This work is being used to inform a project scoping study.

In parallel with metallurgical test work a number of mining and process options are being assessed. A preliminary geotechnical assessment/slope stability analysis has been completed as part of this process.

Work on the Clive Creek prospect progressed with the confirmation of historic gold and copper soil anomalies using recent MMI soil sampling. The results will be used to identify targets for follow up drilling.

Other

As discussed above, REZ expects that operating activities at the Radio mine will commence during the coming quarter. It is expected that the combination of cash held at 30 June 2017, utilisation of undrawn amounts of the project development note facility and cash generated from operations will be sufficient to meet the cash outgoings for the quarter ending 30 September 2017.

REZ also continues to investigate other opportunities, with a focus on projects with potential for early reserves identification, development and cash flow.

Tenement Schedule

State	Project	Number	Status	REZ beneficial ownership	Expiry
Queensland	Mt Mackenzie	EPM10006	Live	100%	28/03/2018
	Mt Mackenzie	EPM12546	Live	100%	28/01/2018
	Mt Mackenzie	EMP17515	Live	100%	Being renewed
Western Australia	Radio	ML77/633	Live	100%	24/08/2036

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About Resources & Energy

Resources & Energy Group Limited (ASX: REZ) is an independent, ASX-listed gold explorer, holding mining leases in Western Australia and Queensland. REZ aims to develop a portfolio of mining tenements through to production.

Competent Persons Statement and Consent

The information in this report that relates to Exploration Results is based on and fairly represents information compiled by Mr. Michael Johnstone who is a member of the Australasian Institute of Mining and Metallurgy, and Principal Consultants for Minerva Geological Services (MGS). MGS has been contracted by Resources and Energy Group to provide Exploration Management and technical advice to the company. Mr Johnstone has sufficient experience that is relevant to the reporting of Exploration Results to qualify as a Competent Person 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 report of the matters based on their information in the form and context in which it appears.

APPENDIX 1: JORC Code, 2012 Edition – Table 1

Radio Mine Project, Quarterly Activities Report June 2017

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralization that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralization types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> The sample program consisted of 5 grab and 79 channel samples. These were collected from exposed lodes currently accessible following dewatering of mine workings. Details of all sample locations and results are included in supporting documentation. Rock chip samples were collected by hand from lode exposures in the underground workings using a hand geology pick. Samples were obtained by chipping as evenly as possible across the lode expression in a direction perpendicular to the lode dip. Grab samples of rill material were collected by digging into a selected rill at one or more discrete locations and combining the material into one sample bag. The Radio Mine is noted for its coarse gold component which can be problematic due to inherently variable results caused by a dramatic nugget effect. In addition to drilling, to determine a better understanding to the true grade consideration needs to be given to the historical mining production, larger sample mass including bulk sampling, and channel sampling from lode exposures.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Not applicable, the report does not include drilling samples
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximize sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Not applicable, the report does not include drilling results
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geo-technically 	<ul style="list-style-type: none"> No, the samples are not intended to be used for resource estimation, mining

Criteria	JORC Code explanation	Commentary
	<p>logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</p> <ul style="list-style-type: none"> Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<p>or metallurgical studies.</p> <ul style="list-style-type: none"> This is not applicable. The report does not include drilling results
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> This does not apply. The exploration results are not based on core. The sample was collected in-situ and in general a surface wet state. The results relate to whole rock sample and with exception of washing sample to remove mud there has been no pre-treatment prior to handover to laboratory for assay. After initial collection in the field all subsequent sample preparation is carried out in a laboratory, under controlled conditions specified by ALS. Samples are dried, crushed to -2mm and then riffle split into approx. 250g portions. One of these splits is pulverized and assayed, the remainder is recombined as a reserve sample. Au is by 50g Fire Assay with ICPOES finish
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. or geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> The laboratory procedures adopted for determining the results for gold assay are industry standard. This is not applicable. The results are not based on geophysical tools, spectrometers or other devices requiring calibration. During sampling, no standards or blanks were introduced. The company has relied on the internal laboratory checks for determining accuracy
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> The work has been verified by the Chief Operating Officer and other mine engineering personnel of REZ, and results verified by the Exploration Manager. This does not apply. The report does not include drilling results. The company is in process of developing a validated and quality checked data base for the Radio Project. This is not applicable. The Assay data presented in this report has not been adjusted
Location of data	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral 	<ul style="list-style-type: none"> The grab sample locations have been identified on plan by reference to distance from Shaft, load and working level. These references can be

Criteria	JORC Code explanation	Commentary
points	Resource estimation. <ul style="list-style-type: none"> • Specification of the grid system used. • Quality and adequacy of topographic control. 	considered to have an accuracy of +/- 5m. <ul style="list-style-type: none"> • Mga. • RL and survey control datum has been established on site .
Data spacing and distribution	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied. 	<ul style="list-style-type: none"> • Grab samples have been collected randomly and opportunistically based on exposure, and safe working conditions. • This is not applicable. The results are not being used to establish grade continuity for the purposes of resource estimation. • Sample compositing has not been carried out.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> • The sample locations were based on accessibility, rather than any governing principles of structure and mineralization. Quartz lodes, which in historical context were known to be gold bearing have been preferentially sampled. • This is not applicable. The report does not include drilling results.
Sample security	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<ul style="list-style-type: none"> • Samples are transported directly from site by REZ personnel to ALS laboratory in Perth for assaying and submitted to the Laboratory Manager with an accompanying form of sample identifiers.
Audits or reviews	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> • At this stage no audits or reviews of sampling techniques has been carried out.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> • Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area. 	<ul style="list-style-type: none"> • The areas over which the results are reported are located wholly within M77/633 (The Tenement). The Tenement is a granted Mining Lease which is owned by Radio Gold Pty Limited-a wholly owned subsidiary of Resources and Energy Group Limited. The land, from which the results have been obtained, is not subject to Native Title Interests, and does not encompass wilderness or National park or environmentally protected settings. • At the time of reporting the results The Tenement is in good standing. The mining proposal and project management plans for The Tenement have been approved by regulatory authority. There are no known impediments which would prohibit operations in accordance with the license conditions, or any environmental covenants that may attach to the approval.

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> The Radio Gold Mine was privately operated during the period 1918 to 1968, when it was sold to Vam Ltd. Mine operations ceased in 1974. In 1991 Carn Brea Resources NL completed a major exploration campaign which included mine dewatering, mapping and sampling of remnant ore zones and limited diamond drilling. In 1995 Burmine Ltd completed a 3000m RC drilling campaign. During the period 1999-2001 Sons of Gwalia commenced exploration at Radio with a RAB drilling program (118 drill holes for 4180m) followed by a reverse circulation drilling program (38 drill holes for 3181m). SOG concluded that the mineralization is still open and considerable scope exists for potential extensions to the known lodes systems. During the period 2004-2008 Gryphon completed a further 30 RC holes for 2662m. This work and drilling results from earlier campaigns was the basis of a resource model which was also put together by Gryphon. In 2010 Renaissance Minerals completed some preliminary mine planning, and a works proposal to re-open the Radio Mine was prepared. Several RC holes (with intended diamond tails) were drilled as part of this process, but never completed.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralization. 	<ul style="list-style-type: none"> The Radio Mine lies on the eastern side of the Southern Cross Greenstone Belt, overlapping onto the western margin of the granitoid Ghooli Dome. The host rock to the mineralized lodes is a foliated heterogeneous granitoid containing abundant rafts of partially assimilated greenstones adjacent to the main greenstone belt. Gold mineralization occurs in 2 sub-parallel quartz lodes that occur in shears that strike north east and dip to the south east. The lodes are referred to as the Foot wall (West and Main Reefs) and the Hanging wall (East Reef). The lodes appear to be continuous over a strike length of 130m and can be traced, although discontinuously on the surface for a total strike length of 720m. The host rocks to the lodes are generally granitic gneiss/migmatite which is intercalated with mafic rocks.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> This is not applicable. The report does not include drilling results. The report does not include drilling results. The exploration results are not related to information obtained from drilling.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> Aggregation methods are not applicable to this sampling method. No top cuts or weighting and averaging of results has been applied. This is not applicable, aggregation methods are not applied to this sampling method This is not applicable, metal equivalents are not reported
Relationship between mineralization widths and intercept lengths	<ul style="list-style-type: none"> If the geometry of the mineralization with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> This is not applicable, the report does not include drilling results The lode widths are measured across the full width and can be considered to be reasonably true.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> An appropriately scaled plan is included showing the location of significant results relative to the position of the Radio Gold Mine shaft collar and historical record mine tracings. Grid-coordinates in mGA have been provided for all results reported.
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> Comprehensive reporting has been adopted. All results have been included in the supporting documentation.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> REZ has previously released a number of reports on the Radio Gold Mine. These reports can be accessed in the announcements section of the ASX website.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Recommendations for further work are described in the report Additional resource areas have been described in the report

Appendix-1 Table 2 Channel and Grab sample results

Sample ID	Area	Description	Sample Type	AU (PPM)	Interval (M)	Easting	Northing	RL
00025	10 MLN ODR	10 MLN ODR - STH OF CHUTE 3	Channel	73.5	0.2	699113.58	6578015.72	254.25
00026	10 MLN CHU 3	10N MLN CHU - RILL	Grab	3.1	N/A	699114.09	6578017.34	254.25
00027	10 MLN STO	10 MLN STO to 9 MLN	Channel	57.9	0.2	699108.52	6578008.19	254.25
00028	9 MLS CHU	9 MLS CHUTE RHS - 10mW	Channel	73.1	0.4	699097.45	6577997.55	255.63
00029	9S MLS ODR	9 MLS CHUTE RHS - 5mw	Channel	66	0.3	699100.56	6577997.64	253.94
00030	9S MLS ODR	9LS CHUTE BLIND 15m FROM CHUTE	Channel	11.3	N/A	699087.56	6577990.91	260.96
00031	9S MLS STO	9LS STOPE LHS	Channel	0.31	N/A	699080.09	6577992.30	265.80
00032	9S MLS	9LS STOPE RHS	Channel	1.32	N/A	699080.66	6577995.25	266.75
00033	9S MLS ODR	9LS ODR - CB SAMPLE 178	Channel	0.47	N/A	699085.59	6577983.22	260.96
00034	10 ELN	10L SHAFT CHUTE	Channel	0.18	N/A	699113.86	6577995.58	256.50
00036	10 ELN	10L SHAFT CHUTE MIDDLE RISE	Channel	0.57	N/A	699105.60	6577997.45	261.30
00037	9S MLN FWD 1	9L FW STAB UPPER - 10M FROM UL SHAFT	Channel	0.18	0.6	699104.28	6578028.18	260.34
00038	9S MLN FWD 2	9L FW STAB LOWER - 10M FROM UL SHAFT	Channel	0.15	0.6	699104.28	6578028.17	259.10
00039	9 MLN	9 MLN FW STUB #2	Channel	4.56	0.6	699127.43	6578071.32	260.96
00040	9 MLN	9L FW STAB RILL - 10M FROM UL SHAFT	Grab	14.8	N/A	699109.34	6578029.45	259.10
00041	9N ELS ODR	9 ELS STH ODR - FACE	Channel	2.3	1.0	699125.06	6578031.30	260.34
00042	9N MLN STO	9 MLN STO - FAR END	Channel	109	0.4	699143.36	6578116.31	261.59
00043	9N MLN STO	9L NTH STOPE - FAR END	Channel	5.34	0.6	699141.65	6578110.57	263.34
00044	9N MLN ODR	9L NTH OD FACE	Channel	0.57	0.1	699146.70	6578116.87	260.34
00045	8N ELS ODR	8L NTH EAST L STH	Channel	7.6	1.00	699128.51	6578122.49	271.28
00046	8N MLN N STO	8 MLS STOPE NTH	Channel	18.7	0.4	699124.86	6578122.09	273.31
00047	8S MLS ODR	9 MLS ODR - End of the Drive before bad ground in stope	Channel	0.17	1.00	699042.31	6577979.02	284.34
00048	8S MLS ODR	9 MLS ODR 5m of sample 00047	Channel	0.23	0.5	699045.56	6577983.77	283.58
00049	8S MLS ODR	9 MLS ODR 6m of sample 00048	Channel	0.28	1.00	699048.71	6577988.42	279.57
00050	8S MLS ODR	9 MLS ODR 5m of sample 00049	Channel	0.34	0.5	699051.57	6577992.54	275.82
00051	8S MLS ODR	9 MLS ODR 10m of sample 00050	Channel	0.19	0.8	699057.21	6578000.83	273.56
00052	8S MLS ODR	9 MLS - 6m of sample 00051	Channel	0.85	1.2	699060.60	6578005.80	277.45
00053	9N MLN STO	9 MLN -Near sample 42	Channel	2.05	0.5	699142.95	6578113.29	262.02
00054	9N MLN STO	9 MLN STO	Channel	16.2	0.6	699144.41	6578119.12	262.39
00055	9N MLN STO	9C MLN FW	Channel	0.26	0.2	699132.54	6578084.14	260.96
00056	9N MLN STO	9B ELS STO - 5mN	Channel	54.3	0.4	699123.10	6578035.64	261.14
00057	9N MLN STO	9B ELS STO - 8mN	Channel	0.14	0.5	699121.42	6578036.30	262.01

Appendix-1 Table 2 Channel and Grab sample results

Sample ID	Area	Description	Sample Type	AU (PPM)	Interval (M)	Easting	Northing	RL
00058	9N MLN STO	9B ELS STO - 11mN	Channel	4.88	0,8	699120.62	6578039.82	263.06
00059	9N MLN STO	9B ELS STO - 10mN	Channel	42.1	0.8	699117.66	6578040.97	264.56
00060	9N MLN STO	9B ELS STO - 12mN	Channel	2.95	1.0	699116.98	6578044.45	265.35
00061	9N MLN STO	9B ELS STO- 15mN	Channel	0.06	1.0	699115.72	6578048.15	267.07
00062	8 MLN STO	8 MLN STO	Channel	5.27	0.8	699116.35	6578121.17	278.26
00063	8 MLN STO	8 MLN STO	Channel	0.2	0.4	699119.81	6578121.55	276.65
00064	7E ELN ODR	7E ELN ODR 1	Channel	0.14	0.5	699112.43	6578076.25	284.72
00065	7D ELN ODR	7D ELN ODR 1	Channel	11	0.3	699120.62	6578126.78	283.44
00066	8 MLN STO	8 MLN STO	Channel	0.98	0.3	699122.66	6578121.85	274.78
00067	8B ELN STO	8B ELN STO	Channel	0.4	0.6	699126.75	6578081.00	268.73
00068	8A ELS STO	8A ELS STO	Channel	2.88	0.5	699120.27	6578066.95	269.76
00069	9B ELS ODR	9B ELS ODR	Channel	0.66	0.6	699135.77	6578063.53	260.31
00070	10 MLN	10MLN Drag	Channel	2.29	0.15	699130.69	6578059.27	253.63
00071	10 MLN ODR	10 MLN ODR 90mN	Channel	13.1	0.6	699140.97	6578076.99	253.68
00072	10 MLN ODR	10 MLN ODR 100mN	Channel	15.3	0.4	699143.99	6578086.53	253.91
00073	10 MLN ODR	10 MLN ODR 120mN	Channel	0.63	0.8	699148.24	6578095.67	253.98
00074	10 MLN ODR	10 MLN ODR 160mN	Channel	1.08	0.6	699157.67	6578134.64	253.55
00075	10 MLN ODR	10 MLN ODR 170mN	Channel	1.93	0.5	699157.44	6578145.20	253.69
00076	10 ELN STO	Marks Cut	Channel	1.23	0.4	699103.32	6577996.10	262.62
00077	10 ELS CHU	10 ELS - Chute 1 STH Wall	Channel	6.76	0.3	699110.67	6577992.60	257.21
00078	10 ELS CHU	10 ELS - Chute 1 Rill	Grab	0.82	N/A	699110.44	6577996.42	257.86
00079	10A ELS STO	10A ELN Face	Channel	5.13	0.4	699145.59	6578072.25	253.63
00080	10A ELS STO	10A ELS Pillar	Channel	0.35	0.6	699135.14	6578045.60	253.63
00081	10A ELS STO	10A ELS STO	Channel	4.82	0.6	699140.52	6578029.00	249.61
00082	10A ELS STO	10A ELS STO	Channel	3.14	0.4	699138.00	6578029.95	250.83
00083	10A ELS STO	10A ELS STO	Channel	9.02	0.3	699143.41	6578028.68	247.01
00084	10A ELS STO	10A ELS ODR	Channel	10.3	0.3	699135.99	6578030.85	251.73
00085	10 MLN	10 MLN RISE F/W	Channel	0.71	0.3	699148.65	6578111.06	257.45
00086	10 MLN	10 MLN RISE FACE	Channel	0.21	0.3	699149.40	6578117.07	257.96
00087	10 MLN	10 MLN ODR	Grab	1.82	0.8	699157.26	6578117.22	253.76
00088	10 MLN	10 MLN ODR	Channel	0.21	0.6	699157.96	6578150.42	253.78
00089	9 MLS ODR	9 MLS ODR	Channel	90.6	0.4	699090.00	6577995.53	260.08

Appendix-1 Table 2 Channel and Grab sample results

Sample ID	Area	Description	Sample Type	AU (PPM)	Interval (M)	Easting	Northing	RL
00090	9 MLS ODR	9 MLS ODR	Channel	5.51	0.2	699089.59	6577991.34	260.03
00091	9 MLS ODR	9 MLS ODR	Channel	0.84	N/A	699087.33	6577986.93	260.36
00092	10 MLN ODR	10 MLN ODR - STO PILLAR - 110mN	Channel	80.6	0.2	699147.34	6578094.90	254.65
00093	10 MLN	10 MLN ODR	Channel	1.95	0.2	699150.65	6578104.40	253.64
00094	10 MLN	10 MLN ODR	Channel	0.49	0.5	699154.23	6578113.76	253.64
00095	10 MLN	10 MLN ODR	Channel	0.82	0.2	699157.78	6578123.15	253.68
00096	10 MLN	10 MLN ODR	Channel	7.78	0.3	699159.64	6578133.33	253.69
00097	10 MLN	10 MLN ODR	Channel	0.14	0.3	699159.13	6578144.63	253.70
00098	10 MLN	10 MLN ODR	Channel	0.16	0.41	699159.62	6578155.46	253.71
00099	10 MLN	10 MLN ODR	Channel	0.14	0.513	699143.96	6578067.17	253.63
00100	10A ELS	10A CHUTE 1	Channel	0.82	0.67	699114.47	6577991.14	254.44
00101	10A ELS CHU	10A CHUTE 1 - 3.2m from 00102	Channel	0.63	0.55	699114.34	6577992.42	255.32
00102	10A ELS CHU	10A CHUTE 1 - 3.2m from 101	Channel	41.8	0.67	699111.77	6577994.81	257.21
00103	10Z ODR	10Z RISE - H/W Sample	Channel	5.7	0.3	699098.80	6577988.81	253.32
00104	10 Z ODR	10Z ODR - H/W Sample - 3m from Sample 104	Channel	0.08	0.3	699098.10	6577987.23	253.20
00105	10 MLN ODR	10 MLN ODR - 142mN	Channel	0.09	0.37	699159.33	6578127.66	253.83
00106	10 MLN ODR	10 MLN ODR - 130mN	Channel	1.62	0.25	699159.64	6578124.44	253.82
00107	10 MLN ODR	10 MLN ODR - 125mN	Channel	0.16	0.32	699155.68	6578112.10	253.76
00108	10 MLN STO	10 MLN STO - 110mN	Channel	12.2	0.3	699147.60	6578102.31	257.23
00109	10 MLN STO	10 MLN STO Rill - 105mN	Grab	24.3	N/A	699146.22	6578092.04	252.36

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Resources & Energy Group Limited	
ABN	Quarter ended ("current quarter")
12 110 005 822	30 June 2017

Consolidated statement of cash flows	Current quarter (3 months) \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(20)	(573)
(b) development	(321)	(1,228)
(c) production	-	-
(d) staff costs	(70)	(321)
(e) administration and corporate costs	(150)	(566)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	(268)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	(20)	(103)
1.9 Net cash from / (used in) operating activities	(581)	(3,059)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets	(53)	(420)

Consolidated statement of cash flows	Current quarter (3 months) \$A'000	Year to date (9 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) 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	(53)	(420)
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings	863	2,872
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	863	2,872
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	91	927
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(581)	(3,059)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(53)	(420)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	863	2,872

Consolidated statement of cash flows		Current quarter (3 months) \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	320	320

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	320	320
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)	320	320

6. Payments to directors of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	65
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Management, corporate advisory and accounting fees from current and prior periods

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities		
	Project Development Note – issue 1	2,228	1,977
	Project Development Note – issue 2	1,540	1,540
8.2	Credit standby arrangements		
8.3	Other (please specify)		
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Project Development Note – issue 1
 Lenders: Wholesale investors
 Interest rate: 8.0% per annum
 Security: Unsecured

Project Development Note – issue 2
 Lenders: Wholesale investor
 Interest rate: 8.0% per annum
 Security: Unsecured

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	20
9.2	Development	50
9.3	Production	300
9.4	Staff costs	90
9.5	Administration and corporate costs	120
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	580

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

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.



Sign here:

Date: 31 July 2017

Print name: Warren Kember
Company Secretary

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.