

31 July 2017

Market Announcements Office
ASX Limited

RADIO HIGH GRADE SAMPLING RESULTS

Resources & Energy Group Limited (ASX: REZ) is pleased to advise that the development of its Radio mine in Western Australia continues to achieve high grade sampling.

During June and July geological sampling of the historical underground mine areas has been undertaken at key areas to pinpoint bulk sample locations that are accessible and adjacent 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 are summarised in the table below. From this work three main locations have been identified which will form the initial mining blocks.

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

* This presentation contains information initially provided in a release made by the REZ to the ASX on 31 July 2017 on the Radio Mine Project. REZ is not aware of any new information or data that materially affects the information included in previous ASX announcements and that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

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.

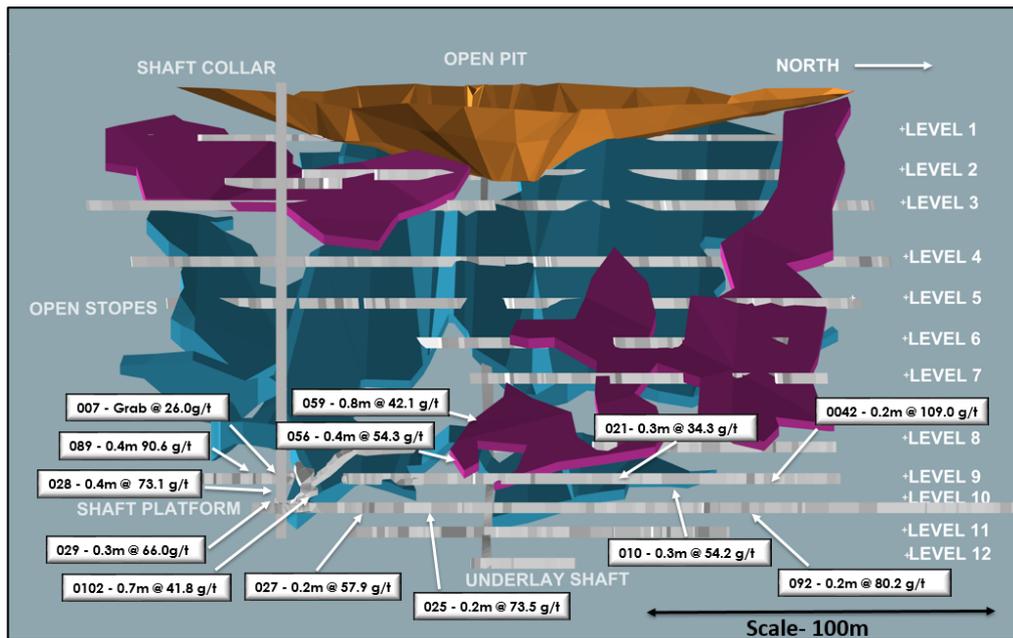


Figure 1 Radio Mine Long Section showing selected lode samples [width@grade]

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 September 2017 quarter will see completion of the gravity plant and commencement of mining activities underground.

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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.