

1/8/2019

ASX Release

Radio Gold Mine Partnership – \$4 million Farm-in to Develop and Expand High-Grade Gold Mine

Resources & Energy Group Limited (ASX: REZ) (**Company** or **REZ**), developing a portfolio of gold mining tenements through to production, is pleased to announce a Farm-in agreement to continue to develop and expand the Radio Gold Mine with Bullfinch One, a wholly owned subsidiary of Sulphide-X.

Radio Gold Mine has historical production of over 72,000oz @ 38.5g/t Au with recent bulk sampling mining areas, including current mining area 2.7m wide @ 50.6 g/t Au¹

Radio Gold Mine Bullfinch, WA

The Radio Gold Mine site is located 8km north west of Bullfinch, Western Australia, 400km east of Perth and 40km north of Southern Cross, and within the **Southern Cross Greenstone Belt** in the Yilgarn Craton. The Southern Cross province is estimated to have produced +15m oz of gold. Underground samples of up to 0.5m @ 522 g/t*

Current high grade 28,000oz JORC 2012 resource. The Radio Gold Mine achieved historical ore production of 72,000oz averaging 38.5g/t.

Radio Gold Mine in 7km north of the +1 moz Copperhead Mine.

* Radio gold positive sampling results, development ore 6.2g/t – ASX: REZ 4th June 2018

Key Facts

- Farm-in, Joint venture and Tribute Agreement for the Radio Gold Mine
- Sulphide X gains 50% interest in the project, by undertaking \$4,000,000 expenditure over a 2-year farm-in period
- REZ retains 50% of proceeds of gold sale after operating costs
- Sulphide X has the right to acquire further 25% interest in the project for \$2,000,000 cash over 24 months from commencement:
 - \$500,000 cash paid on conditions precedent being met (**Precedent Date**)
 - \$250,000 – 6 months from Precedent Date
 - \$250,000– 12 months from Precedent Date
 - \$1,000,000 cash balance paid once initial \$2,000,000 has been expended on the project by Sulphide-X
- REZ has the right to retain 25% interest in the Radio Gold project
- Agreement includes the overarching framework for the management of the farm-in, joint venture and tribute period

Overview

Resources and Energy Group limited currently owns 100% of the Radio Gold Project, the site of the Radio Gold Mine. Radio Gold Mine has been rehabilitated and approved for mine production bulk sampling undertaken over the last 18 months to test and prove a 28,000oz of Au JORC 2012 compliant resource.

¹ [Quarterly Activities Report September 2018 \(ASX:REZ\) – 21st May 2015](#)

Existing infrastructure includes, generators, dewatering facilities, offices, accommodation, workshops and a gravity processing facility in construction. The Radio Gold Mine has a historical underground operation where grades averages 38.5 g/t Au.

Sulphide X has acquired the highly prospective tenements surrounding the Radio Gold Mine, over 310km² overall landholding including 45km of the Northern Southern Cross Greenstone belt. The Radio Gold Mine cornerstones this project area.

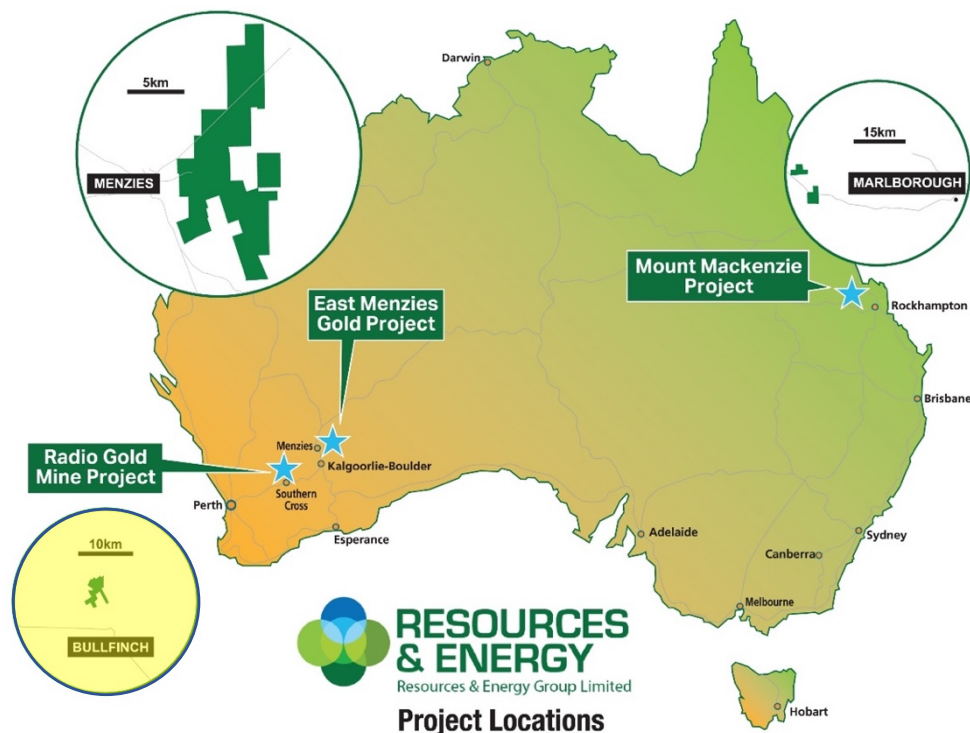
The farm-in deal between to the Resources and Energy Group and Sulphide X will see the Radio Gold Mine site being utilised a hub for the regional growth of the projects, with the immediate development of the Radio Gold Mine. Options of the onsite processing facility to be accelerated to secure the early cashflow opportunities from production to be scoped.



Figure 1 - Radio Gold Mine – Shaft headframe and Site Infrastructure

Christian Price, CEO Resources and Energy Group: “We are excited to develop and expand high grade Radio Gold Mine with Sulphide -X. The Sulphide X team understand high-grade mining operations. The right place, the right time with the right team.

“Recent developments over the last six months in the Australian market, with the performance of Bellevue Gold (ASX:BGL) and Spectrum Minerals Penny West deposit (ASX:SPX), demonstrates a greater understanding of these high grade gold mining opportunities. Through growth of the Radio Gold Mine including bulk sampling, processing and resource modelling, REZ has de-risked this opportunity for a rapid expansion and development, setting it up to be the next major high-grade project in Australia. REZ looks forward to working with Sulphide X in the expansion of the Radio Gold project.”



About Resources and Energy

Resources and Energy Group Limited (ASX: REZ) is an independent, ASX-listed mineral resources explorer, developer and producer, holding mining leases in Western Australia and Queensland. REZ aims to develop a portfolio of mining tenements through to production. REZ is currently focuses on the development of the Flagship Menzies Project 130km north of Kalgoorlie in Western Australia.

Competent Persons Statement and Consent

The information in this report that relates to Exploration Results is based on information compiled by Mr Stephen Pearson REZ Senior Resource Geologist and Mr. Michael Johnstone, Principal Consultant for Minerva Geological Services (MGS). Both Mr Pearson and Mr Johnstone are members of the Australasian Institute of Mining and Metallurgy. MGS has been contracted by Resources and Energy Group to provide Exploration Management and technical advice to the Company. MGS is a shareholder in REZ. Mr Johnstone has sufficient experience that is relevant to the reporting of Exploration Results to quantify 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.

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