

Resources & Energy Group Ltd

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Resources & Energy Group enters farm-in to develop and expand high-grade gold mine

Resources & Energy Group Ltd (ASX:REZ) has entered a farm-in which aims to establish the Radio Gold Mine site as a hub for the regional growth of gold projects, including immediate development of the Radio mine.

This \$4 million agreement is with Bullfinch One, a wholly-owned subsidiary of Sulphide-X, which has acquired the highly prospective tenements surrounding the mine in Western Australia.

Sulphide-X will gain a 50% interest in the Radio project by undertaking \$4,000,000 expenditure over a 2-year farm-in period with REZ retains 50% of proceeds of gold sales after operating costs.

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Resources and Energy Group CEO Christian Price said: "We are excited to develop and expand high grade Radio Gold Mine with Sulphide-X.

"The Sulphide-X team understands 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 Ltd (ASX:BGL) and Spectrum Minerals Ltd (ASX:SPX) Penny West deposit, demonstrates a greater understanding of these high-grade gold mining opportunities."

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Sulphide-X has the right to acquire further 25% interest in the project for \$2 million in cash over 24 months from commencement and REZ has the right to retain a 25% interest.

The agreement includes the overarching framework for the management of the farm-in, joint venture and tribute period.

Radio Gold Mine has historical production of more than 72,000 ounces at 38.5 g/t with recent bulk sampling of mining areas, including the current mining area, returning 2.7 metres at 50.6 g/t.

The mine, which is 7 kilometres north of the plus-1 million-ounce Copperhead mine, currently hosts a high-grade resource of 28,000 ounces.

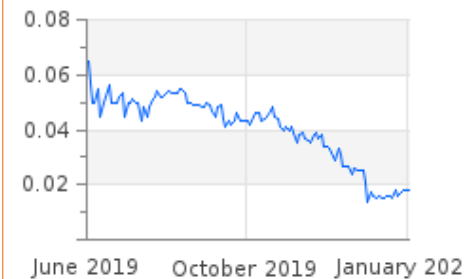
Rehabilitated and approved

It has been rehabilitated and approved for mine production with bulk sampling undertaken over the last 18 months to test and prove the resource.

Price: 0.018

Market Cap: \$6.98 m

1 Year Share Price Graph



Share Information

Code: REZ

Listing: ASX

52 week High Low
0.065 0.013

Sector: Gold & silver

Website: www.rezgroup.com.au

Company Synopsis:

Resources & Energy Group Ltd (ASX:REZ) is listed on the Australian Securities Exchange.

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Price said: "Through growth of the Radio Gold Mine including bulk sampling, processing and resource modelling, REZ has de-risked this opportunity for 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."

Existing infrastructure

Existing Radio infrastructure includes, generators, dewatering facilities, offices, accommodation, workshops and a gravity processing facility in construction.

The mine cornerstones an area that includes the 310 square kilometre overall landholding of Sulphide-X, which occupies 45 kilometres of the Northern Southern Cross Greenstone belt.

Options of accelerating development of the onsite processing facility will be scoped with the aim of securing early cashflow opportunities from production.

READ: Resources & Energy Group drills 21 metres at 7.11 g/t gold, potential for large deposit

Radio Gold Mine site is 8 kilometres northwest of Bullfinch, 400 kilometres east of Perth and 40 kilometres north of Southern Cross, and within the Southern Cross Greenstone Belt in the Yilgarn Craton.

The Southern Cross province is estimated to have produced in excess of 15 million ounces of gold.

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