

# Resources & Energy Group

Ticker: ASX: REZ

March 24, 2026

## Undervalued WA gold story transitioning toward development

### Executive Summary

Resources & Energy Group (REZ) is emerging as a differentiated gold growth story within the Eastern Goldfields of Western Australia, combining a growing, shallow resource base with demonstrated production capability and a credible pathway toward near-term gold production.

The 23 March 2026 Goodenough Mineral Resource upgrade lifts East Menzies to ~101.9koz across multiple deposits, while materially increasing the proportion of higher-confidence Indicated ounces. Importantly, this should be viewed as the beginning of a broader upgrade cycle, with pending drilling results expected to support further resource growth.

REZ is also distinct in that East Menzies is not a conceptual asset. The company has already demonstrated operational capability, including three gold pours in 2025, and holds approval to scale onsite processing to ~40,000 tonnes. With gold prices above ~A\$6,000/oz, well above the ~A\$5,000/oz pit assumption, the project is advancing under more favourable economic conditions.

Overall, REZ provides exposure to resource growth, improving confidence, and a pathway toward near-term production, positioning it for potential re-rating as the project continues to scale.

### Investment Recommendation

**Rating: BUY**

**Price Target: A\$0.028 (110% Upside)**

**Current Price: A\$0.013**

**Horizon: 12 Months**

**Risk: HIGH**

### Investment Thesis

We initiate coverage of Resources & Energy Group (ASX: REZ) with a BUY rating and a 12-month price target of A\$0.028, implying substantial upside from current levels. We believe the market is materially underpricing the shift now underway at East Menzies.

First, the Goodenough resource upgrade represents a step-change in both scale and quality. The updated 61.2koz resource, with ~92% in the Indicated category, materially improves confidence and introduces a credible base for development. Combined with Gigante Grande, the project now exceeds 100koz and is clearly evolving into a coherent multi-deposit gold system with expansion potential.

Second, REZ has already begun to demonstrate execution capability, completing three gold pours and securing approval for onsite processing. This is a key differentiator, the company is not just defining resources, but actively progressing toward monetisation. As the resource base grows, this creates a clear pathway toward incremental production and cash flow generation. Notably, the company has already demonstrated the ability to mine, haul and process ore profitably, de-risking the transition from exploration to production.

Third, the valuation disconnect is compelling. At ~A\$12m Market Cap, REZ trades at a substantial discount to WA Goldfields peers, despite now establishing a multi-deposit resource base and demonstrating early operational progress. This discount appears unsustainable if the company continues to deliver on resource growth and development milestones.

In our view, REZ offers asymmetric upside, with multiple near-term catalysts and clear potential for re-rating as the project continues to scale.

Report prepared by Cashu Research, a division of Cashu Group. This report has been authored and issued by the analyst(s) named herein.

## Equity Research Australia

### Mining & Resources



Resources & Energy Group (ASX: REZ) is an Australian gold explorer and emerging developer focused on advancing its East Menzies Gold Project in Western Australia. The company is transitioning toward a multi-deposit gold system with growing resources, increasing confidence, and a pathway toward production.

Valuation	<b>A\$0.028</b>
Current price	<b>A\$0.013</b>
Market cap	<b>A\$11.9m</b>
Cash on hand	<b>A\$2.3m</b>

### Share Performance (A\$)



Over the past 12 months, REZ's share price has been volatile, peaking around ~\$0.03 before consolidating to ~\$0.014–0.017. The recent weakness appears disconnected from improving fundamentals, suggesting potential upside as the market begins to reflect recent progress.

### Upcoming Catalysts/Next News

- Pending drilling results at Goodenough and Gigante Grande, targeting near-term resource growth
- Potential resource expansion toward ~120–150koz, including increased Indicated classification
- Ongoing gold production and additional pours, supporting near-term cash flow potential
- Progress toward Scoping Study-level work as the resource base scales
- Continued processing scale-up at Maranoa, leveraging existing approvals

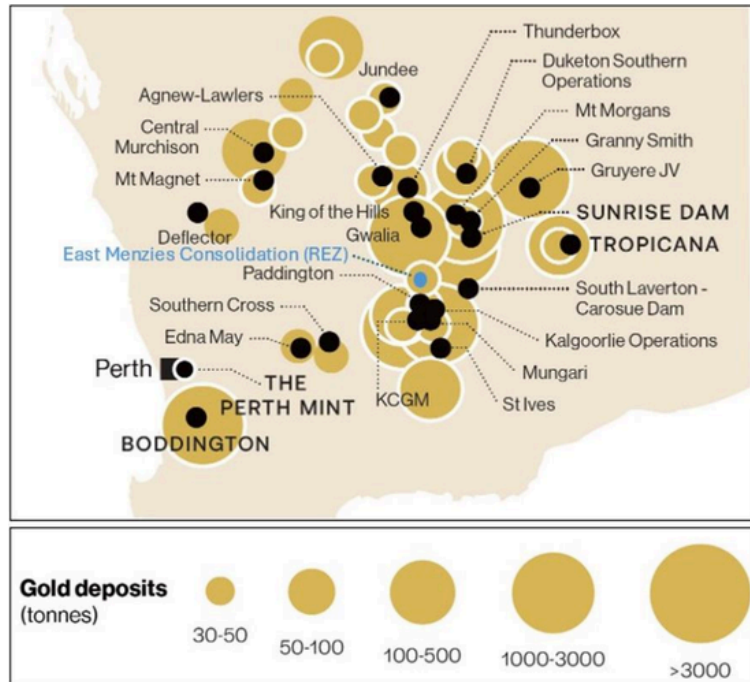
## Project Overview: East Menzies Gold Project

The East Menzies Gold Project is located in the Eastern Goldfields of Western Australia, one of the most established and consistently productive gold regions globally.

As shown in the map, REZ sits within a dense cluster of major gold operations and deposits, including long-life mines such as Kalgoorlie (KCGM), Granny Smith, Sunrise Dam, Tropicana, and Gwalia. This belt has produced tens of millions of ounces historically and continues to host some of Australia's largest and most profitable gold operations.

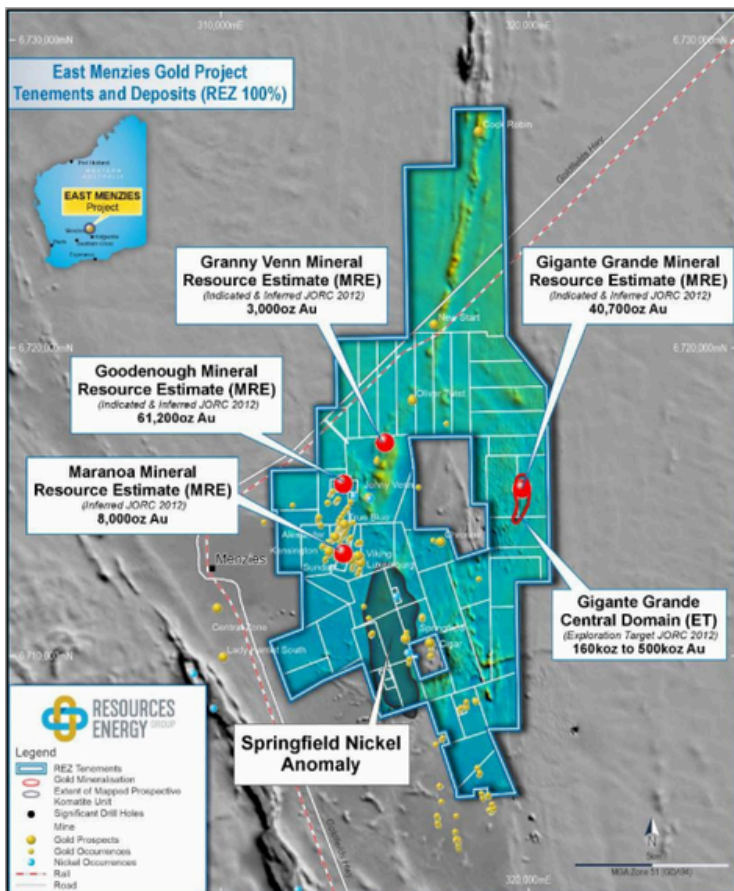
What stands out is not just the presence of individual deposits, but the concentration of large-scale systems within a relatively tight corridor. The distribution of deposits, ranging from smaller satellite pits through to multi-million-ounce operations, reflects a highly fertile geological setting capable of generating and sustaining gold mineralisation at scale.

### East Menzies and Major Gold Deposits in WA's Goldfields



Source: REZ Presentation (adapted from Minerals Council of Australia, 2024)

### East Menzies Gold Project Tenements and Deposits



Source: REZ Announcement 24 March 2026

For REZ, this positioning is significant. It places East Menzies within a proven gold-producing province where:

- mineralised systems are known to extend and grow over time,
- discoveries can evolve into larger resource bases with continued drilling, and
- development pathways are supported by nearby infrastructure and processing options.

The project also benefits from proximity to existing mills, haulage networks, and an experienced workforce, materially reducing development friction compared to more isolated projects.

REZ controls a substantial tenement position across this corridor, covering multiple mineralised trends. Importantly, this position represents a largely consolidated ~100km<sup>2</sup> landholding assembled from numerous smaller tenements, a structure that historically underpinned major gold camp developments in Western Australia. With more than one defined deposit now established, East Menzies is increasingly demonstrating the characteristics of a coherent gold system within a highly productive district, rather than a single isolated discovery.

## Asset Summary

The EMGP encompasses seven operational areas within the broader East Menzies tenement package. The district is characterised by structurally controlled orogenic gold systems, the same style responsible for the world-class deposits that define the Eastern Goldfields of Western Australia.

### Goodenough Gold Deposit: Updated JORC Resource (2026)

The flagship Goodenough deposit has been materially upgraded in REZ's latest resource estimate, announced 23 March 2026. The updated JORC Mineral Resource totals 1.36 Mt at 1.40 g/t Au for 61,200 oz gold, representing a +54% increase in tonnes and +15,090 oz increase in contained gold from the previous 2020 estimate of 886 kt at 1.61 g/t for 46,100 oz.

The defining feature of this upgrade is resource confidence: 92% of the resource (56,400 oz) is now classified as Indicated, providing a strong foundation for development studies and mine planning. The resource is constrained within an optimised open pit shell using conservative assumptions, including a A\$5,000/oz gold price, which sits materially below the current spot price above A\$6000/oz. This highlights significant embedded upside in any future economic assessment. The Goodenough deposit is located on granted Mining Lease M29/141, materially de-risking the pathway to development and enabling a faster transition toward production.

Importantly, this resource should be viewed as the starting point of a broader upgrade cycle, not the end-state. The re-estimate was driven by a data review of undervalued prospects, and with assays pending from recent drilling, there is clear potential for further resource growth in the near term.

Historical underground mining at Goodenough between 1897 and 1984 produced approximately 19,328 tonnes at an average grade of 16.7 g/t Au, confirming the presence of high-grade gold within the broader system. Mineralisation remains open below the optimised pit shell and along strike, reinforcing the view that the current resource represents a platform for continued expansion.

**Table 1: Updated Goodenough Mineral Resource**

Classification	Tonnes	Grade (g/t Au)	Gold (oz)
Indicated	1,271,000	1.38	56,400
Inferred	87,000	1.72	4,800
<b>Total</b>	<b>1,358,000</b>	<b>1.4</b>	<b>61,200</b>

**Table 2: Resource Comparison: Previous vs Updated**

Metric	Previous (2020)	Updated (2026)
Tonnes	886 kt	<b>1,358 kt (+53%)</b>
Grade (g/t Au)	1.61	<b>1.4</b>
Contained Gold	46,100 oz	<b>61,200 oz (+33%)</b>
% Indicated	<b>55%</b>	<b>92%</b>

### Combined Resource Position

The combined resource across Gigante Grande and Goodenough now sits at just over 100koz, marking a clear step-change in the scale of the East Menzies project.

While still early in its growth curve, this level of inventory establishes a solid foundation for a multi-deposit development strategy, with both deposits remaining open and offering clear pathways for further expansion. Importantly, the increasing proportion of higher-confidence ounces and the presence of multiple mineralised centres position the project to continue building scale through ongoing drilling.

Taken together, East Menzies is increasingly emerging as a coherent, growing gold system, rather than a single-asset exploration story, with meaningful upside potential as additional resources are defined. Management's stated objective is to continue scaling this system materially, with longer-term potential to move toward a significantly larger resource base.

**Table 3: East Menzies Combined JORC Resource Position**

Deposit	Resource (oz Au)
Goodenough	61200
Gigante Grande	~40,700
<b>COMBINED TOTAL</b>	<b>~101,900</b>

## Processing & Production

REZ has already demonstrated real operational capability, a key differentiator at this stage of development.

The company has completed three gold pours and secured approval to process up to 40,000 tonnes onsite at Maranoa, providing clear evidence that the project can move beyond exploration into tangible gold production. Importantly, East Menzies is not a conceptual asset, both historical operations and more recent campaigns have demonstrated that gold can be mined and processed profitably, even under less favourable gold price conditions.

With gold now trading above A\$6,000/oz, materially above prior operating environments, REZ is advancing toward production in a significantly more attractive economic setting. Combined with existing approvals and near-surface mineralisation, this creates a credible pathway toward incremental production and near-term cash flow.

This positions REZ ahead of many peers, with a de-risked transition from resource definition to production, and a clear foundation to scale operations as the resource base continues to grow.

### Maranoa Pipeline Plan



Source: REZ Presentation November 2025

## Growth Strategy

REZ's strategy is focused on systematically building both the scale and quality of its resource base, with a clear pathway toward development.

Ongoing drilling at Gigante Grande and the continued expansion of Goodenough provide near-term opportunities to grow ounces, while multiple additional targets across the broader project area offer further upside. At the same time, increasing the proportion of Indicated resources is expected to progressively strengthen the foundation for mine planning and development studies.

Importantly, recent work including pit optimisation and early-stage processing demonstrates that the company is already moving beyond pure exploration. As the resource base continues to expand, REZ is well positioned to transition toward a more defined development strategy, supported by both growing scale and improving resource confidence.

## Upcoming News & Catalysts

The Goodenough resource upgrade represents a clear inflection point, but importantly should be viewed as the first step in a broader upgrade cycle, driven by REZ's data review and ongoing drilling programs.

With assays pending from recent drilling, near-term news flow is expected to focus on further resource growth at Goodenough and across the broader East Menzies project. At the same time, continued gold production and processing activity provides a parallel pathway toward monetisation, reinforcing the company's transition toward a development-stage profile.

### Near Term (H1 2026):

- Pending drilling results from Goodenough, targeting extensions and resource growth
- Ongoing drilling at Gigante Grande and additional EMGP targets
- Continued gold production and additional pours, supporting near-term cash flow potential

### Medium Term (H2 2026):

- Resource growth toward ~120–150koz, a key re-rating threshold
- Potential resource upgrades at Gigante Grande, including Indicated classification
- Progress toward a Scoping Study, translating resources into project economics
- Continued processing scale-up

### Longer Term (12+ months):

- Advancement toward Pre-Feasibility Study (PFS)
- Potential strategic partnerships or offtake discussions
- Expansion of production and processing capacity

## Valuation

REZ remains at an early stage relative to producing peers, however the underlying trajectory is strengthening.

The transition to a multi-deposit resource base, the introduction of a meaningful Indicated component, and demonstrated production capability are all factors that support a re-rating as the project continues to develop. Importantly, REZ is increasingly differentiating itself from typical explorers through its ability to produce gold and its pathway toward near-term cash flow in a strong gold price environment.

Further value realisation is expected to be driven by continued resource growth, increasing resource confidence, and progress toward a clearly defined development pathway.

### Valuation Framework

We apply an EV/resource ounce (in-situ) methodology, benchmarked against Western Australian Goldfields peers.

At a current share price of approximately A\$0.013 and a market capitalisation of ~A\$11.9 million, REZ has approximately ~915–920 million shares on issue.

Adjusting for cash of approximately ~A\$2.3 million (as at December 2025), REZ is currently trading at an implied:

~A\$95–105/oz EV/resource ounce (based on ~101.9koz total resource)

This places REZ at the low end of the explorer valuation range, despite now demonstrating characteristics more consistent with an emerging developer, including:

- A multi-deposit resource base (>100koz)
- A high proportion of Indicated ounces (~92% at Goodenough)
- Demonstrated gold production and onsite processing capability
- Mining approvals and near-surface mineralisation supporting development
- Location within a tier-1 WA gold district

### Base Case Valuation

Our base case assumes a modest increase in resource scale toward ~120koz, supported by pending drilling results, combined with a re-rating toward approximately ~A\$200/oz EV/resource ounce, in line with early-stage WA gold developers. On this basis, we derive an implied equity valuation of ~A\$26 million, equating to a share price of approximately ~A\$0.028.

This implies ~100%+ upside from current levels and is underpinned by incremental resource growth and continued operational execution, without requiring a material step-change in development. We view this as a conservative and achievable re-rating outcome as the market begins to reflect the improving scale, confidence and production profile of the asset.

### Resource Expansion Upside

A more substantial re-rating is achievable where REZ delivers meaningful resource growth toward ~150koz, supported by ongoing drilling and further validation of the development pathway. Applying A\$250–300/oz EV/resource ounce to this expanded resource base implies an equity valuation of approximately ~A\$40–48 million, corresponding to a share price of approximately ~A\$0.044–0.052.

This represents ~200–300% upside from current levels and is supported by positive drilling results at Goodenough and Gigante Grande, continued resource expansion, ongoing gold production and processing scale-up, and progress toward Scoping Study-level work. In this scenario, REZ transitions more clearly into an emerging developer profile, attracting a higher market multiple.

Metric	Assumption / Output
Resource Base	~120,000 oz
EV/oz Applied	A\$200/oz
Implied Enterprise Value	~A\$24.0 million
Add: Net Cash (Dec 2025)	~A\$2.3 million
Implied Equity Value	~A\$26.0 million
Shares on Issue	~915–920 million
<b>Implied Share Price</b>	<b>~A\$0.028</b>

	100koz (current)	120koz (base case)	150koz
<b>A\$100/oz</b>	A\$0.013 ◀	A\$0.016	A\$0.019
<b>A\$150/oz</b>	A\$0.019	A\$0.022	A\$0.027
<b>A\$200/oz</b>	A\$0.024	A\$0.028 ★	A\$0.035
<b>A\$250/oz</b>	A\$0.030	A\$0.035	A\$0.043

### EV/Resource Ounce Sensitivity Analysis

Orange = Current implied multiple (100koz @ A\$100/oz ≈ A\$0.013)  
Green = Base case (120koz @ A\$200/oz)  
Blue = Expansion upside

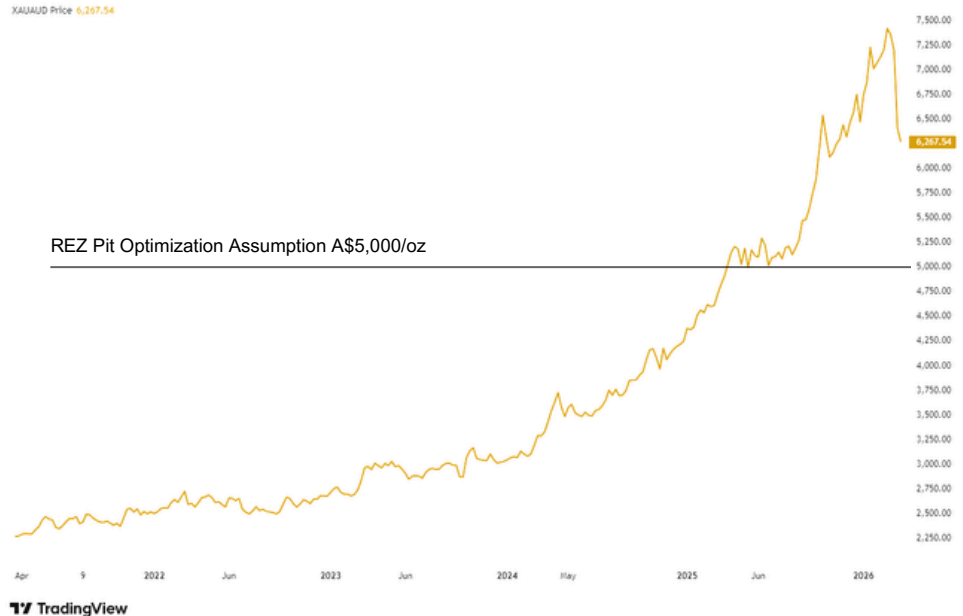
Assumptions: ~918m shares on issue, A\$2.3m net cash, Implied share price = (Resource oz × EV/oz + Net Cash) ÷ Shares on issue

## Gold Market Context

The gold price environment is currently providing a strong structural tailwind, particularly in Australian dollar terms where pricing remains near record levels.

For junior developers and emerging producers, this is highly significant. Elevated gold prices not only enhance project economics but also expand the range of viable development scenarios, including smaller-scale and staged operations that may not have been economic in lower price environments.

## Gold Price (AUD/oz) Past 5 Years



This dynamic is particularly relevant for projects like East Menzies. Higher realised prices can support lower cut-off grades, improve margin resilience, and increase flexibility in mine planning, all of which are critical in the early stages of project development. Importantly, REZ's current resource and pit optimisation assumptions are based on a gold price of A\$5,000/oz, well below current spot pricing above ~A\$6,000/oz, implying embedded upside to project economics.

In this context, REZ is advancing its asset base at a time when market conditions are favourable for converting growing resources into potential production outcomes, providing a supportive backdrop as the project continues to scale.

## Key Risks

- Early-stage project: The East Menzies project remains at an early stage, with no completed feasibility or economic studies to date.
- Resource scale: Current resource inventory (~100koz) is still modest and requires further growth to support standalone development.
- Exploration dependency: Continued resource expansion is reliant on ongoing drilling success across multiple targets.
- Funding requirements: Advancement toward development will require additional capital, potentially leading to dilution.
- Execution risk: Transitioning from exploration to production introduces operational and technical risks.
- Commodity price exposure: Project economics remain sensitive to fluctuations in the gold price.

## Conclusion

Resources & Energy Group is rapidly emerging as a compelling multi-deposit gold story, with increasing scale, improving resource confidence, and a clear pathway toward development.

The recent Goodenough resource upgrade represents a step-change in both quality and momentum, but importantly should be viewed as the beginning of a broader growth cycle, not the end-state. With further drilling results pending and mineralisation remaining open, there is clear potential for continued resource expansion in the near term.

Crucially, REZ is not starting from zero. The company has already demonstrated its ability to produce gold at East Menzies, and is now advancing toward renewed production in a materially stronger gold price environment. With near-surface resources, granted mining tenure, and expanding processing capability, near-term cash flow is a credible and differentiating outcome.

Combined with a consolidated land position and district-scale exploration upside, REZ offers leverage to both resource growth and production progression. As the project continues to scale and development pathways become more clearly defined, we see a clear pathway for valuation re-rating, supported by both operational delivery and favourable gold market conditions.

**Disclosures:**

This report was commissioned by Resources & Energy Group (ASX: REZ). Cashu Research received fees for its preparation.

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