

Resources & Energy Group Limited

Small-scale gold production

Resources & Energy Group Limited (ASX:REZ) is a Western Australian (WA) focused gold explorer and producer whose now sole focus is on the East Menzies Gold Project. This project hosts a JORC-compliant resource of ~54koz with REZ currently conducting a trial mining and processing operation which is likely to generate revenue to the company over H1 '25. This trial will be used to ramp-up production through an expanded bulk mining operation and ultimately a proper small-scale mining operation that removes the need for toll treating. With estimated cash of \$0.18m as of May 2025, another \$0.90m due from an asset sale, and further revenue from gold ore sales, REZ appears funded to further advance the project and expand production levels.

Portfolio Description

[Post the divestment](#) of the Mount Mackenzie project to QMines Limited (ASX:QML) in April 2025, the company's sole focus is on the East Menzies project. This project contains a global JORC-compliant indicated and inferred resource of ~54koz which consists of three deposits, Granny Venn (3koz), Maranoa (8koz) and Goodenough (43koz). REZ is currently conducting a trial mining and vat leach trial to produce gold from ore sourced from Maranoa with operations commencing in late 2024.

As noted, REZ recently [sold the Mount Mackenzie gold project](#) for \$2.49m comprising \$1.0m in cash and 33.0m shares in QMines Limited (ASX:QML).

The Key Projects

East Menzies Gold Project is the core asset which comprises 50 tenements covering ~100km² immediately east of the Menzies township. REZ conducted [a mining campaign](#) at the Granny Venn deposit in 2021-22 which produced ~8,700oz and generated ~\$23m in revenue (~A\$2600/oz) under a joint venture with BML Ventures Ltd.

In October 2024, [REZ announced](#) it had received approvals to conduct a vat leach trial and trial mining programme which will mine and process up to 5,000t of ore with a diluted grade of 4.6gpt from the Maranoa deposit. The company expects to complete the mining and processing of the 5,000t of ore by 30 June 2025.

The [first carbon strip](#) was completed in February 2025 and shipped to Kalgoorlie for processing. Later that month REZ announced the results of the [first gold pour](#). Announced alongside confirmation of the first gold pour, REZ detailed the company has submitted a second proposal to expand the vat leaching operation covering up to eight new vats and the mining and processing of up to 40kt of ore from Maranoa.

A [second gold pour](#) was completed in June 2025 and the company noted that to date it had completed two shipments totalling ~34.1oz produced which are expected to generate ~\$160k in gold sales. The release noted that a third gold pour was imminent.

Over the medium term, REZ has stated a goal of further expanding the operation to mine ore from the Goodenough deposit and install a CIL circuit on site to remove the reliance on toll treating to produce gold ore.

More broadly, REZ has progressively tested the exploration potential of the tenement package of the project with the most recent success demonstrated at the [Gigante gold prospect](#). 10km+ of drilling has identified a gold bearing structure over a strike length of ~1,600m with several intercepts of over 1gpt. This prospect shows the exploration potential on the eastern side of REZ's tenements which typically sit underneath transported cover.

ASX-listed peers

Western Australian small-scale current and near-term gold producing peers include Auric Mining (ASX:AWJ), Brightstar Resources (ASX:BTR), Rumble Resources (ASX:RTR), Lefroy Exploration (ASX:LEX) and Gibb River Diamonds (ASX:GIB).

Share Details

ASX code	REZ
Share price (27-Jun)	\$0.016
Market capitalisation	\$10.7M
Number of shares	671.6M
Options @ \$0.025-\$0.08	170M
Performance rights	0M
Net cash at 31-May-2025	~\$0.18M

Share Price Performance (12 months)



Upside Case

- Better-than-expected recovery from the vat leach process
- Further success in vat leaching opens up the ability to process ore from the Goodenough deposit
- Gigante gold prospect demonstrates exploration success

Downside Case

- Sustained fall in the gold price
- Failure to gain approvals for the expanded vat leach and mining application
- Failure to extend the exploration potential of Gigante

Catalysts

- Approvals for the expanded mining and vat leach processing application
- Third and ongoing gold pours

Comparative Companies (Australia & NZ)

AWJ, BTR, RTR, LEX, GIB

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FINANCIAL SERVICES GUIDE

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