



TROY RESOURCES LIMITED

ASX ANNOUNCEMENT

26 October 2020

\$15 MILLION CAPITAL RAISING TO DRIVE KAROUNI

Highlights

- \$15m Placement underpinned by existing and new institutional and sophisticated investors
- The Placement will allow a step change in exploration activities for Troy with the proceeds to be used to:
 - finalise the maiden Ore Reserve at Smarts Underground which is due this Quarter, where the most recent hole returned a world class intersection of 11m @ 131.93g/t Au
 - fund an expanded extensional drilling program of 9 holes for 1,500m at Smarts Underground to initially test the strike extensions to the north-west
 - undertake as an aggressive regional exploration program targeted to increase mining inventory from the significant exploration upside within the Company's portfolio (drilling at the Ohio Creek Prospect currently underway)
- Results pending for third hole of the Ore Reserve definition program at Smarts Underground. Resource extensional drilling currently underway

Troy Resources Limited (**ASX: TRY**) (**Troy** or the **Company**) is pleased to announce that it has received commitments from investors for a placement of approximately 125 million new shares (**Placement Shares**) to raise \$15.0 million (before costs) through a two-tranche placement (the **Placement**).

The Placement was supported by existing shareholders and will also see a number of new high quality institutional and sophisticated investors join the Company's register.

The Placement Shares are to be issued at a price of \$0.12 per share.

Canaccord Genuity acted as sole Lead Manager to the Placement with Azure Capital acting as corporate advisor to the Placement.

Troy CEO and Managing Director, Mr Ken Nilsson, said:

"We are delighted to have successfully completed this capital raise at what is an exciting time for the Company and our shareholders. The new funds will enable us to expand the drilling campaign at Smarts Underground and ramp-up the exploration effort both near-mine and across some high quality regional targets."



“Following the recent high grade intercepts, we are excited to be progressing towards a maiden Ore Reserve at Smarts Underground later this year and uncover the enormous exploration potential which the recent drill results have confirmed.”

USE OF FUNDS

Proceeds from the Placement will be used for the following purposes:

- Expand drilling campaign at Smarts Underground, following up on the recently announced drill intersections, which included hole SDD189 which recorded 11m @ 131.93g/t Au from 223m¹;
- Completion of the Smarts Underground mining study and delivery of maiden high-grade Smarts Underground Ore Reserve in Q4 2020;
- Targeted near-mine exploration campaign with 30,000 metres of reserve definition drilling planned across Ohio Creek and Gold Star, which are both shallow open pit resources located approximately 10 kilometres from the Company’s Karouni mill; and
- Accelerate regional exploration to test multiple high priority drill targets, with approximately 20,000 metres of drilling planned covering Gem Creek, Upper Itaki, Kaburi Hills, Ohio Creek East, Singh Link and Whitehall.

PLACEMENT

The Placement comprises two tranches, with the first tranche of 100 million new shares to be issued at \$0.12 to raise \$12 million (before costs), utilising the Company’s placement capacities under ASX Listing Rules 7.1 and 7.1A.

The second tranche of the Placement will be completed subject to shareholder approval at the Annual General Meeting (**AGM**), expected to be held in early December 2020, which will result in the issuance of a further 25 million new shares at the same issue price of \$0.12 to raise a further \$3 million (before costs).

As per the indicative timetable below, the issue of the first tranche of Placement Shares is expected to occur on 30 October 2020. The second tranche of the Placement shares are, subject to shareholder approval at the AGM, expected to be issued shortly after the AGM in early December 2020.

Table 1: Indicative Timetable*

Key Event	Date
Announcement of Completion of Capital Raising	26 October 2020
Settlement of First Tranche Placement Shares	30 October 2020
Allotment and Quotation of Placement Shares	2 November 2020
AGM Notice sent to Shareholders	6 November 2020
AGM	10 December 2020
Settlement of Second Tranche of Placement Shares	15 December 2020
Allotment and Quotation of Placement Shares	15 December 2020

* Note: The above timetable is indicative only and subject to change.

This announcement has been authorised for release by the Managing Director.

ENDS

This announcement concludes the Trading Halt for the Company’s securities which can now be lifted.



For further information, please contact:

Ken Nilsson - CEO and Managing Director

T: +61 8 9481 1277

E: troy@troyres.com.au

Peter Stern - Non-Executive Chairman

T: +61 8 9481 1277

E: troy@troyres.com.au

Ray Parry - CFO and Company Secretary

T: +61 8 9481 1277

E: troy@troyres.com.au

¹ See ASX Announcement 13 October 2020 "Bonanza drill intersections at Smarts underground"