



TROY RESOURCES LIMITED

QUARTERLY REPORT

FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2020

30 OCTOBER 2020

HIGHLIGHTS

- Gold production for the September Quarter was 6,334 ounces with mining operations focussed mainly on Hicks 4
- Company released a Mineral Resources/ Ore Reserves update:
 - Mineral Resources of 16Mt @ 2.0 g/t Au for 1,007k ounces
 - Ore Reserves of 1.1Mt @ 2.1 g/t Au for 77k ounces
- Outstanding exploration results from the infill diamond drilling campaign at Smarts Underground included:
 - Hole SDD183 – 32 m @ 4.29 g/t Au from 168 m
 - Hole SDD183 – 11 m @ 12.36 g/t Au from 251 m
 - Hole SDD183 – 8 m @ 15.50 g/t Au from 290 m
 - Hole SDD184 – 9 m @ 4.93g/t Au from 230 m
 - Hole SDD185 – 12 m @ 5.10 g/t Au from 208 m
 - Hole SDD185 – 10 m @ 5.99 g/t Au from 249 m
 - Hole SDD186 – 19 m @ 9.15 g/t Au from 173 m
 - Hole SDD187 – 26 m @ 3.58 g/t Au from 305 m
 - Hole SDD187 – 10 m @ 10.69 g/t Au from 384 m
- Following the end of the Quarter, the Company went on to announce further drill results from the Smarts Underground for holes SDD188 and SDD189 which included world-class intercepts Including:-
 - Hole SDD188 – 13 m @ 13.74 g/t Au from 273 m
 - Hole SDD189 – 11 m @ 131.93 g/t Au from 223 m
 - Hole SDD189 – 14 m @ 8.39 g/t Au from 248 m
- Outstanding exploration results from other prospects at Karouni including:
 - Goldstar – 17 m @ 2.21 g/t Au from 5 m
 - Goldstar – 6 m @ 10.00 g/t Au from 66 m
 - Smarts NW – 3 m @ 15.53 g/t Au from 97 m
 - Gem Creek – 13 m @ 3.21 g/t Au from 84 m



- Exploration drilling continues at Smarts Underground, Goldstar and Gem Creek
- Sales revenue for the Quarter was US\$11.4 million from the sale of 5,995 ounces of gold
- At the end of the Quarter, cash and equivalents (including gold inventories) totalled AUD\$6.6 million
- Subsequent to the end of the Quarter, the Company announced an AUD\$15 million capital raising by way of an institutional placement

OPERATIONS

KAROUNI, GUYANA (Troy 100% through Troy Resources Guyana Inc.)

Results Summary

A summary of key operational parameters at Karouni for the September Quarter is set out in Table 1.

Operations	March 2020 Quarter	June 2020 Quarter	September 2020 Quarter	CY Total
Open Pit Mining				
Total Mined (t)	2,299,511	2,606,733	1,344,705	6,250,949
Ore Mined (t)	117,827	154,861	129,929	402,617
Mine Grade (g/t)	2.15	1.49	1.28	1.64
Mill Production				
Processed (t)	128,977	205,550	200,814	535,341
Head Grade Gold (g/t)	1.42	1.14	1.03	1.20
Recovery Gold (%)	95.7	96.0	95.4	95.6
Gold Produced (oz) ⁽¹⁾	5,620	7,235	6,334	19,189
Gold Sold (oz)	2,712	8,656	5,995	17,363
Cash Cost (US\$/oz)	1,508	1,590	1,610	1,576
AISC (US\$/oz) ⁽²⁾	1,744	1,938	1,908	1,876
Gold Price Realised (US\$/oz)	1,572	1,728	1,902	1,764

(1) The preliminary figures announced 2020 were based upon unreconciled numbers.

(2) All-in Sustaining-Costs disclosed for the March Quarter are based upon February and March production figures only.

Table 1 - Quarterly Production and Costs Summary

During the September Quarter, 1,344,705 tonnes of material were mined.

Gold produced totalled 6,334 ounces, which was lower than expected due to a combination of lower ore tonnes being mined which resulted in more mineralised waste being processed and hence a lower head grade than forecast.

Mill throughput totalled 200,814 tonnes, which was in line with the forecast for the Quarter.

Mill feed grade of 1.03 g/t Au was lower than expected due to the higher tonnage of mineralised waste averaging 0.56 g/t Au being fed to the mill. This adversely impacted on the head grade for the Quarter.

Overall gold recovery for the Quarter was 95.4%, which was in line with forecast.

As at 30 September 2020, stockpiles of crushed ore encompassed 1,919 tonnes at an average grade of 0.88 g/t Au for 54 ounces.

During the Quarter, the Company's C1 operating costs were US\$1,610oz and All-in-Sustaining-Costs were US\$1,908oz. Mining during the Quarter was impacted by the extension of the wet season and also the Company's inability to rotate senior management into Guyana due to the hard lock down of the borders by the Guyanese Government. Although the operations continued throughout the Quarter, our ability to manage the day to day operations remotely was challenging. Consequently, mining productivity and general management on site was sub optimal. Post the end of the Quarter, the Guyanese Government commenced opening up the borders and we have started to rotate our front line expat management back into the country.

Gold sold for the Quarter was 5,995 ounces for total sales revenue of US\$11.4 million.

A more detailed breakdown of costs is set out in Table 2.

	March 2020 Quarter ⁽¹⁾	June 2020 Quarter	September 2020 Quarter	CY Total
	US\$/oz	US\$/oz	US\$/oz	US\$/oz
Mining	623	929	788	796
Processing	655	456	641	575
Mine & General Administration	276	212	253	244
Mineral Inventory Movements	(46)	(7)	(72)	(39)
C1 Cash Cost	1,508	1,590	1,610	1,576
Refining and Transport Costs	5	9	14	10
Royalties	72	202	172	155
Insurance	48	37	45	43
Corporate General and Administration Costs	48	37	53	45
Capital - Sustaining	63	63	14	47
All-In Sustaining Cost (AISC)	1,744	1,938	1,908	1,876

Table 2 - Quarterly Cash Costs

(1) March Quarter consists of February and March figures only as mine restarted January 2020

Health and Safety

The Total Recordable Injury Frequency Rate (TRIFR) was 5.6 at the end of the Quarter, increasing from 5.5 in the previous Quarter.

The Lost Time Incident Frequency Rate (LTIFR) was 5.2, down from 5.3 for the previous Quarter.

One lost time accident was recorded by a Troy contractor during the reporting period.

No injuries arose as a result of the previously reported fire at the Karouni mine site store.

TRIFR and LTIFR For 2020

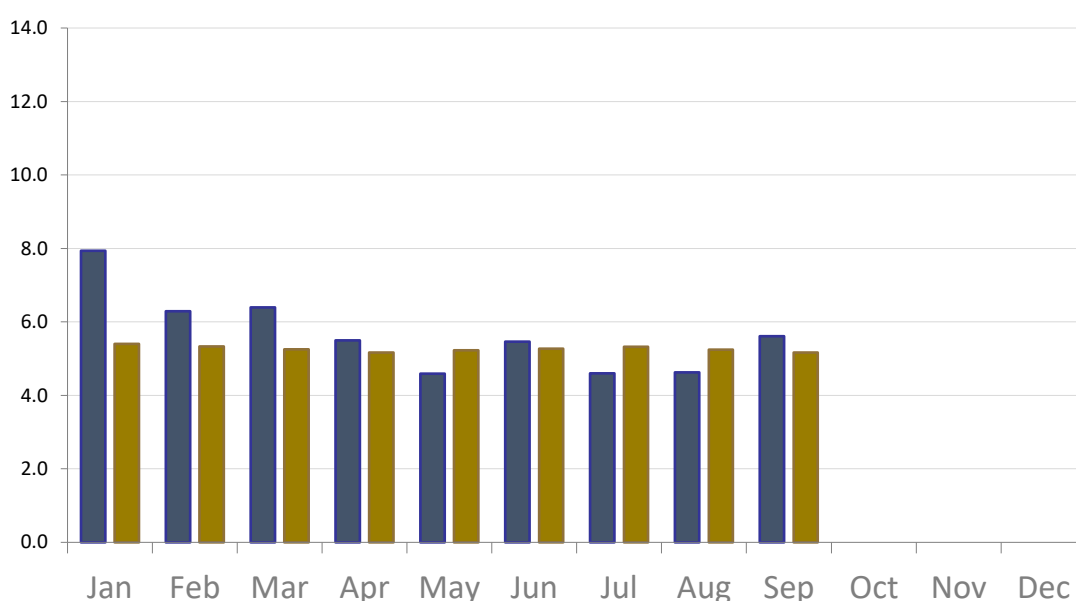


Table 3: TRIFR and LTIFR for CY 2020

Environment

During the Quarter, there were no environmental incidents that required reporting in accordance with Guyana Environmental Protection Agency (EPA). Routine water and noise sampling did not show any significant anomalies during this reporting period.

Stream flow and multi gas monitoring were conducted during the Quarter in accordance with our Environmental Permit.

TRGI's submitted its quarterly Environmental Report to the EPA as required.

Community

The Company's relationship with the local communities remains very strong. As at the end of the Quarter, the Company employed around 46 Amerindians on site, representing approximately 15% of the total work force.

Coronavirus

During the Quarter, operations at Karouni were affected by the virus mainly through our inability to maintain expat management staff in Guyana due to the border closures. Since Quarter's end, the Government has commenced reopening the airport and land entry points to Guyana and has also relaxed quarantine requirements for travellers. There have been some minor supplier disruptions, but these have largely been short term and manageable.

Subsequent to the Quarter's end, the Company was notified of a positive COVID-19 test result of an employee who had been sent off site on a referral. In response, the Company undertook a site wide COVID test of all employees, with 14 positive test results received. The employees who tested positive were transferred to Guyana for further testing, treatment and isolation.

The site has now tested all employees and implemented a system involving the testing of employees prior to entering site and also periodic testing whilst on site. Production at Karouni has been impacted by this in October; however, operations have continued albeit at a lower production rate.

Guyana's border control restrictions started to be lifted in a phased approach with increased repatriation flights to and from the US during September 2020. The country's international airports reopened to commercial flights on 12 October 2020. COVID-19 safety measures include a semi-countrywide lockdown with only essential businesses and services allowed to operate on a 24-hour basis. A curfew from 9.00 pm to 4.00 am is in place.

Guyana has recorded 4,023 cases of the virus and 119 deaths, as per the World Health Organisation situation report of 25 October 2020.

Troy continues to take active steps to prevent COVID cases from entering its Karouni mine site and continues to monitor the situation on a daily basis to ensure the safety and wellbeing of all employees, their families and other contacts.

Reserves and Resources

During the Quarter, the Company announced the update of its Ore Reserves and Mineral Resource statements as at the 30 June 2020. Both tables are outlined below:

Table 1: Karouni Ore Reserves									
	Proved Reserves			Probable Reserves			Total		
	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces
Smarts	-	-	-	359,000	3.0	34,500	359,000	3.0	34,500
Hicks	-	-	-	329,000	2.1	22,100	329,000	2.1	22,100
Spearpoint	-	-	-	167,000	1.8	9,600	167,000	1.8	9,600
Larken	20,000	2.5	1,700	7,000	2.1	400	27,000	2.4	2,100
Stocks	192,091	0.6	3,900	-	-	-	192,091	0.6	3,900
Total	212,091	0.8	5,600	862,000	2.4	66,600	1,074,091	2.1	72,200

Table 4 Ore Reserves



Table 2: Karouni Mineral Resources (inclusive of Ore Reserves)

	cut-off grade	Measured Resources			Indicated Resources			Inferred Resources			Total		
		Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces
Smarts	0.5	-	-	-	355,000	3.2	36,500	2,726,000	1.7	145,300	3,081,000	1.8	181,800
Hicks	0.5	-	-	-	2,627,000	1.6	130,900	168,000	1.4	7,600	2,795,000	1.5	138,500
Ohio Creek	0.5	-	-	-	-	-	-	2,212,000	1.9	133,200	2,212,000	1.9	133,200
Goldstar	0.5	-	-	-	-	-	-	620,000	1.3	25,500	620,000	1.3	25,500
Larken	0.5	37,000	2.0	2,400	74,000	1.8	4,400	13,000	2.0	800	124,000	1.9	7,600
Spearpoint	0.5	-	-	-	693,000	1.3	29,700	328,000	1.3	13,500	1,021,000	1.3	43,200
Smarts Deeps	1	130,000	3.4	14,600	930,000	3.7	109,500	1,940,000	2.6	163,500	3,000,000	3.0	287,600
Hicks Deeps	1	-	-	-	1,336,000	2.1	91,200	1,606,000	1.8	94,800	2,942,000	2.0	186,000
ROM Stocks	-	13,000	1.7	700	-	-	-	-	-	-	13,000	1.7	700
MW	-	179,000	0.6	3,200	-	-	-	-	-	-	179,000	0.6	3,200
Total		359,000	1.8	20,900	6,015,000	2.1	402,200	9,613,000	1.9	584,200	15,987,000	2.0	1,007,300

Table 5 Mineral Resources

EXPLORATION, KAROUNI, GUYANA (Troy 100% through Troy Resources Guyana Inc.)

Overview

A map illustrating key exploration targets in respect of the Karouni Project is as follows:

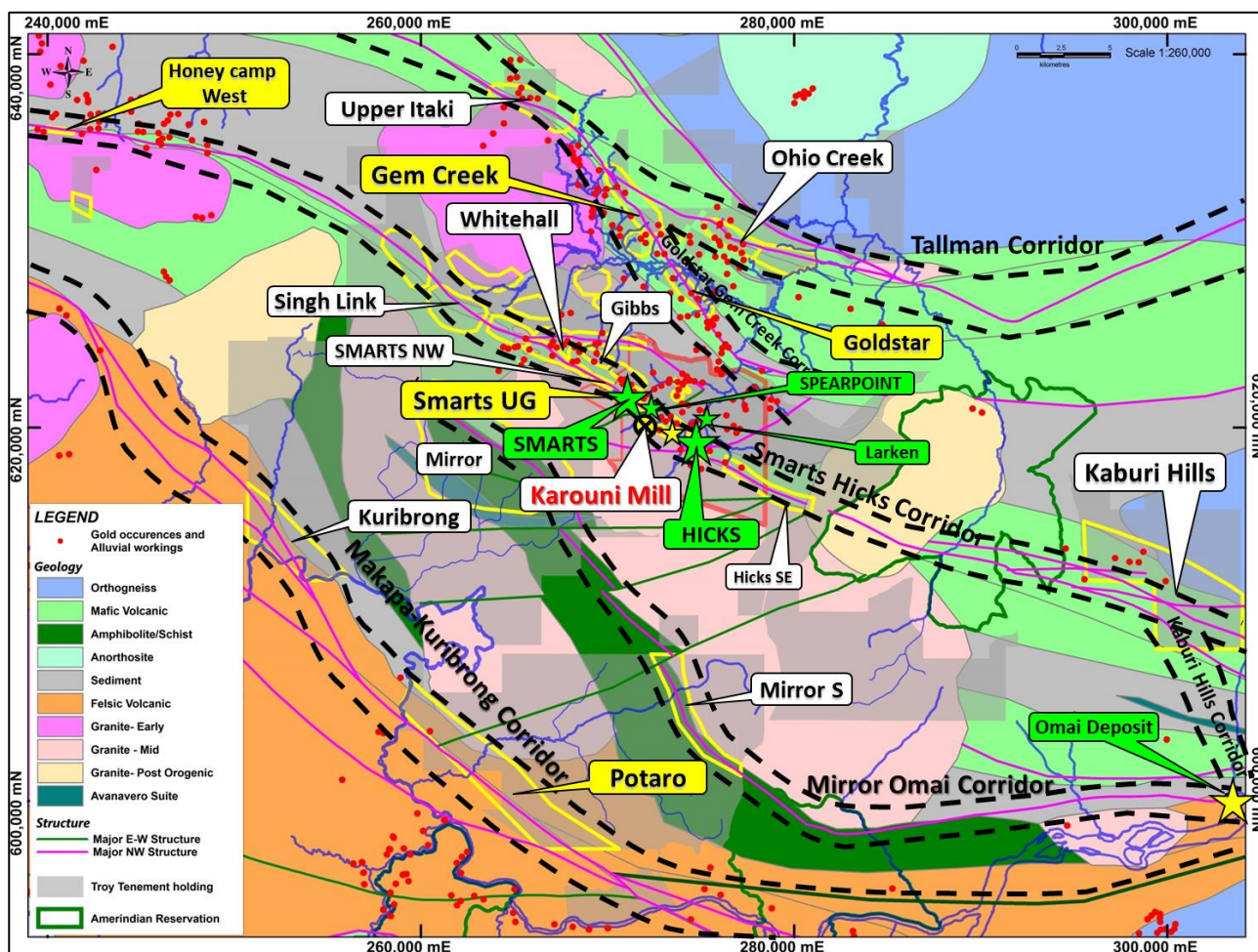


Figure 1 – Overview Karouni targets (activities during Q1 2020/21 yellow highlighted)

The exploration team continued with reconnaissance work, mapping, stream sediment sampling, trenching and target generation. The work focus was on interpretation of the Goldstar - Gem Creek - Upper Itaki data, trench work in Goldstar, mapping and stream sampling in Honey Camp West, as well as access preparation and stream sediment sampling in Potaro.

Exploration activities were impacted by the COVID 19 pandemic due to the lack of availability of operators in respect of the RC drilling rig due to travel restrictions as well as the lockdowns of local communities.

Activity was also restricted in the early part of the Quarter due to the rainy season.

Smarts Underground Project Resource Definition Diamond drilling

Drilling at the Smarts Underground resumed in September after the heavy rainy season and continued beyond the end of the Quarter.

The campaign is designed to infill gaps at depth in the central part of the Smarts Underground and test for the density of high-grade quartz veins. This includes the extension of the N-S oriented high-grade veins, below the Smarts 2 Pit.

Key intersections reported during the Quarter are as follows:

SDD183:

- 32m @ 4.29 g/t Au from 168 m
- 11m @ 12.36g/t Au from 251 m
- 8 m @ 15.50 g/t Au from 290 m

SDD184:

- 9 m @ 4.93 g/t Au from 230 m

SDD185

- 8m @ 4.14g/t Au from 135m
- 8 m @ 4.59 g/t Au from 192 m
- 12 m @ 5.10 g/t Au from 208 m
- 10 m @ 5.99 g/t Au from 249 m
- 4 m @ 6.03 g/t Au from 299 m
- 3 m @ 6.71 g/t Au from 348 m

SDD186

- 19 m @ 9.15g/t Au from 173m

SDD187:

- 2 m @ 31.38 g/t Au from 175 m
- 6 m @ 8.12 g/t Au from 196 m
- 2m @ 26.38 g/t Au from 211 m
- 2 m @ 15.68 g/t Au from 291 m
- 26 m @ 3.58 g/t Au from 305 m
- 10 m @ 10.69 g/t Au from 384 m

Following the end of the Quarter, Troy announced assay results for SDD188 and SDD189, with best intercepts of:

SDD 188

- 1m @ 57.60 g/t Au from 221 m
- 3m @ 10.30 g/t Au from 261 m
- 13m @ 13.74 g/t Au from 273 m

SDD 189

- 11m @ 131.93 g/t Au from 223 m
- 14m @ 8.39 g/t Au from 248 m
- 6m @ 7.56 g/t Au from 209 m
- 2m @ 24.49 g/t Au from 141 m
- 25m @ 2.70 g/t Au from 171 m

These results are world class by any standard.

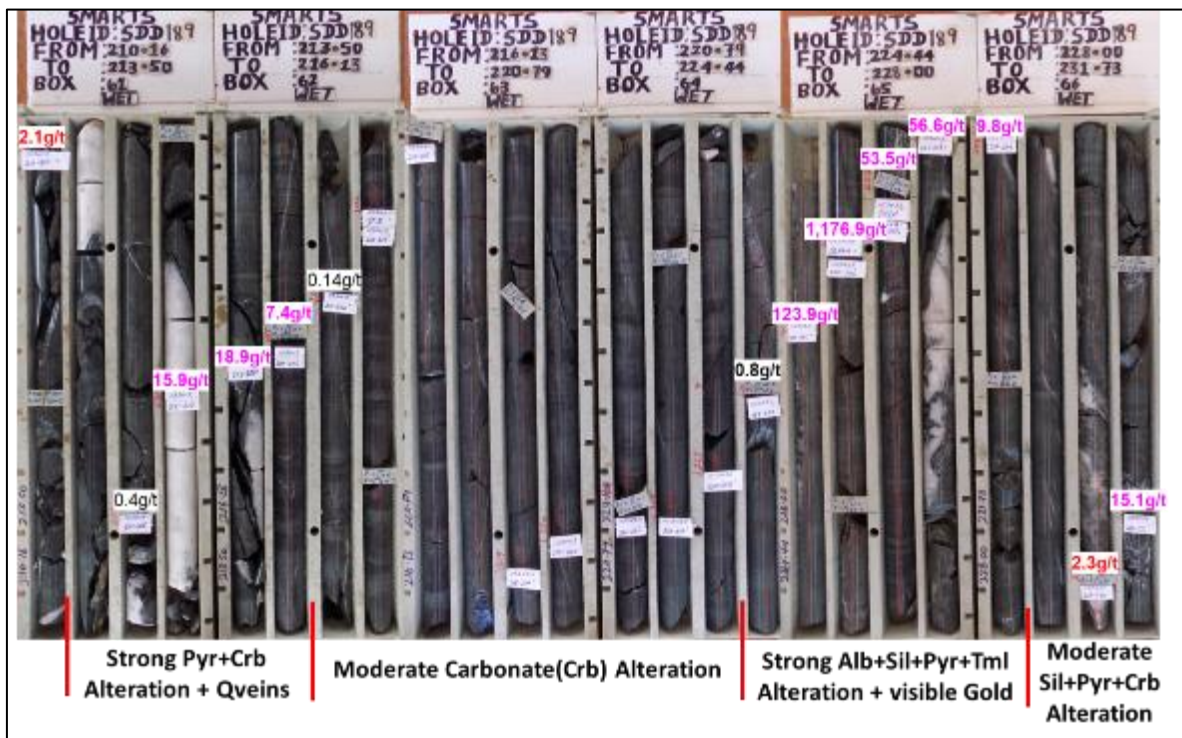


Figure 2 – SDD189 – Core from 210.16m to 231.73m with mineralisation.



Figure 3 – SDD189 – High grade intercept of 1m at 1176.99 g/t Au from 225m with strong alteration and multiple occurrences of visible gold.



Drilling intersected expected lithologies with abundant quartz veining and several shears. Often, the quartz veining shows visible gold. Lithologies encountered included basalt, volcanoclastic rocks and minor andesite dikes. Major structures consisted of intense zones of shearing associated with the main Smarts-Hicks shear zone. The lower grade mineralisation is in strongly deformed quartz-carbonate veins within the shear zones and the high-grade gold mineralisation in brittle quartz-carbonate veins up to 50 cm thick associated with zones of intense coarse disseminated pyrite. Several of those NS oriented veins showed coarse visible gold.

There are several very high-grade zones with the best gold mineralisation in SDD189 drilled October 2020 with 11m at 131.93 g/t Au from 223m including the best single intercept of 1m at 1176.99 g/t Au from 225m.

The Smarts Underground target is currently mapped over a strike length of approximately 350 metres and to a depth of approximately 350 metres.

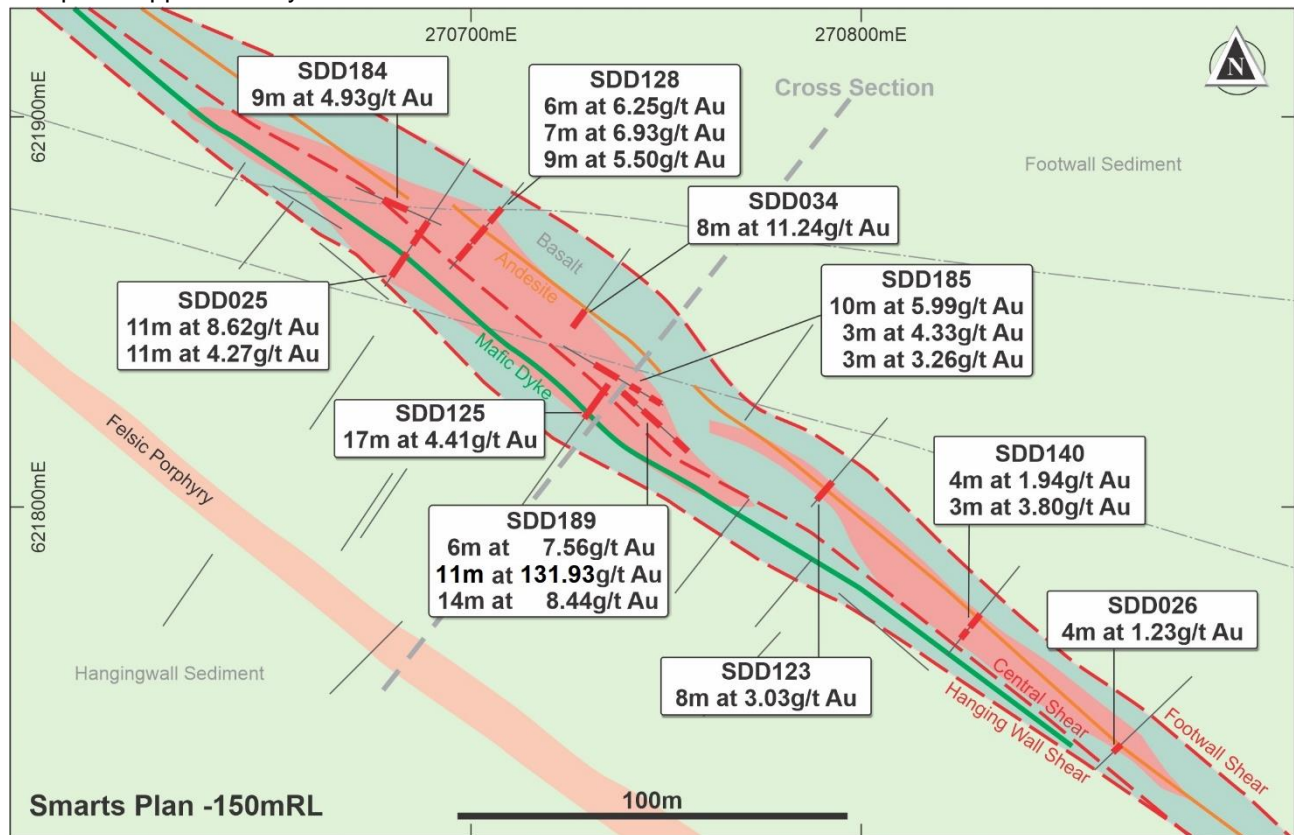


Figure 4 – Map of Smarts Underground illustrating key assets.

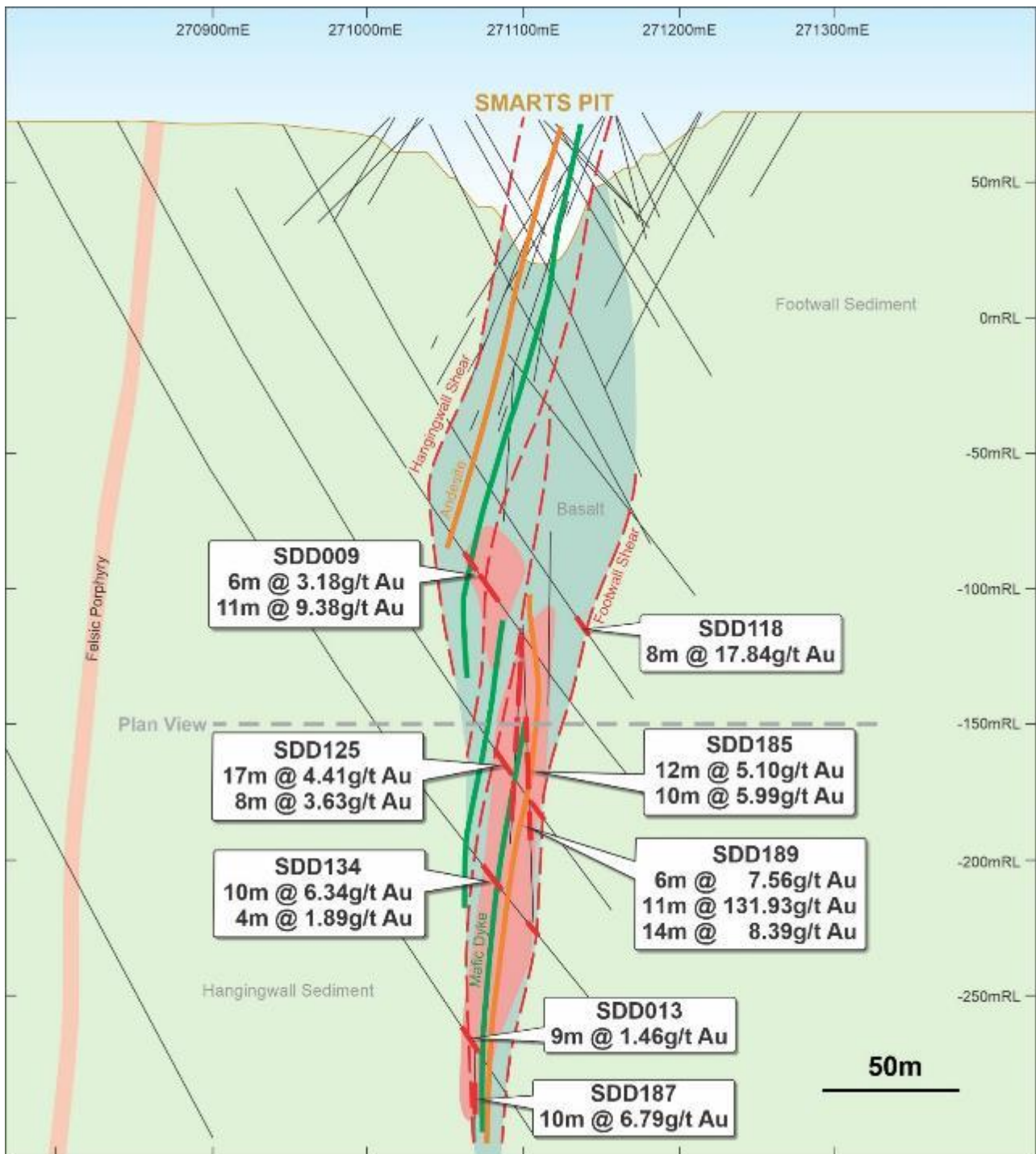


Figure 5 – Long-section with assays

Mineralisation at Smarts Underground is open both along strike to the north-west and at depth.

Subsequent to the end of the Quarter, SDD190 was drilled at -45 degrees for the purposes of providing geotechnical information required for resource/ reserve calculations.

As a result of the success of the infill drilling campaign, the Company has committed to a further drilling campaign of an additional nine holes for an aggregate 1,500 to test for strike extensions to the north-west.

Potaro-Kuribrong

During the Quarter, following construction of an access road, the Company commenced a stream sediment programme at the previously unexplored (by Troy) Potaro-Kuribrong prospect located approximately 10km to the south of Karouni.

The work was slowed by high stream levels during the rainy season with high water levels and transported sand exposure in the creeks. The programme was subsequently postponed until the dry season.

Nevertheless, thirty pan concentrate and -80 mesh samples have been taken from creeks in proximity to the projected Makapa - Kuribrong shear zone; assays are pending. An additional 111 sample points are planned for the region.

A simple air core drill programme to test the soil below the sand is planned.

Work on access into some of the more remote areas is continuing.

Gem Creek

During the Quarter, scanning of RC chips for multi-element geochemistry by pXRF was completed. A total of 7,079 samples have been scanned. The data, together with drill results received in the previous Quarter, have been reviewed with additional drilling planned. Drill pads for the campaign are currently being constructed.

The geological map for the Goldstar - Gem Creek - Upper Itaki district was updated with the new data. There is clear evidence that the High MgO basalt unit continues to the NW and can be found in small lenses in Upper Itaki (soil pXRF geochemistry).

Evaluation work is ongoing at Gem Creek

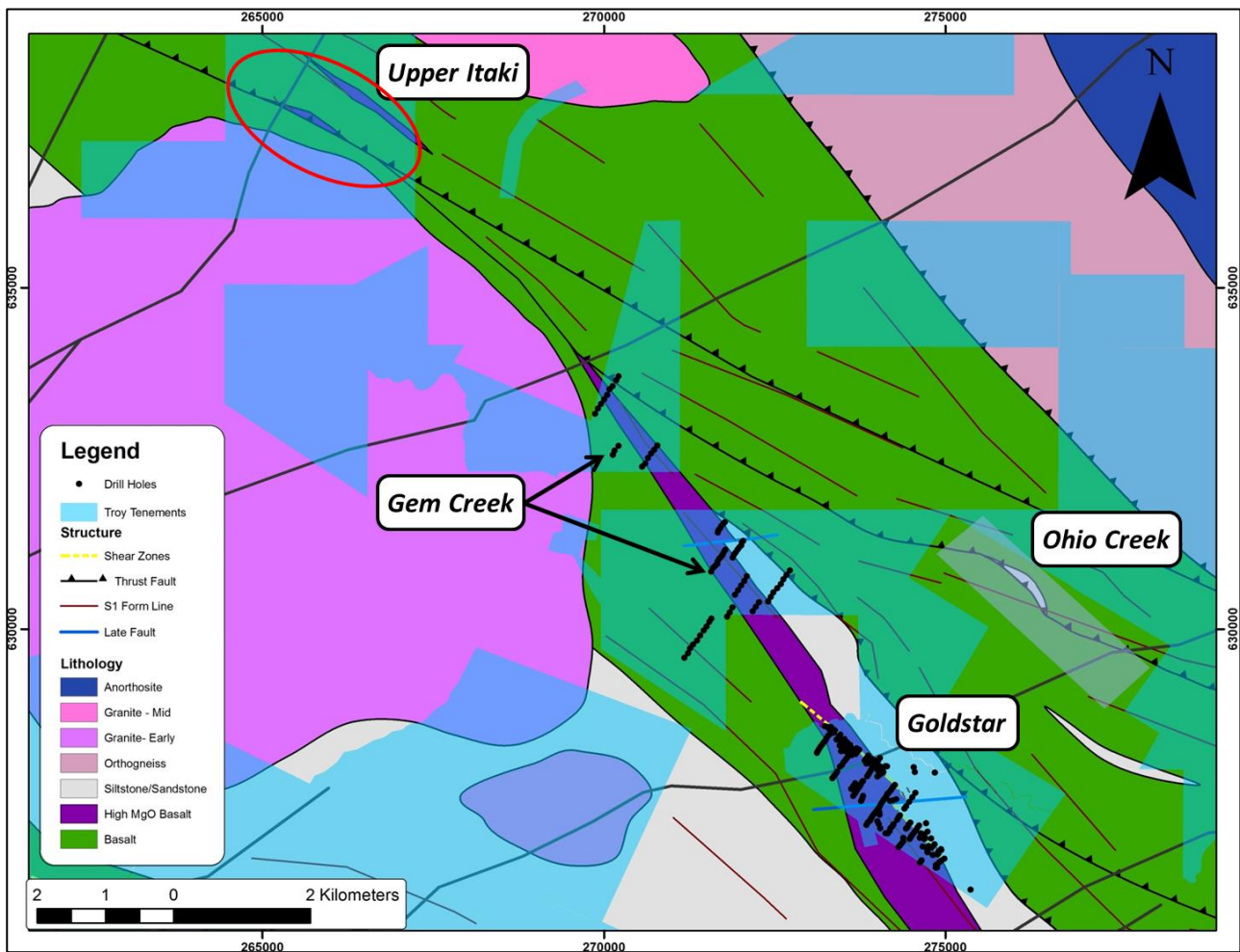


Figure 6 – Goldstar – Gem Creek – Upper Itaki District

Honey Camp West

During the Quarter, Troy commenced exploration in the area west of Honey Camp, located on the Smarts-Hicks corridor approximately 12 km to the northwest of Karouni. Access to the area from Karouni is well developed via the recently upgraded Bartica-Issano road.

This area is known to have been mined since the late 19th century and is considered one of the main gold mining districts in Guyana. Artisanal workings are abundant.

The work undertaken involved mapping and sampling and first pass field work has found some promising rock samples from the creeks in the area.

Rocks encountered were weakly weathered mafics bearing thin veinlets and disseminated pyrite, siltstone and weathered to fresh felsic units. The area comprises of a large granitic porphyry stock (central), with mafic boulders mapped to the South and Siltstone to the North. Dolerite float mapped in creeks suggest the presence of small dykes possibly cutting all major lithology. In addition, thirteen points primarily along favoured creeks were selected for stream sediment sampling, both-80 mesh and pan con; assay results are pending. Many of these samples contained visible gold grains.



Figure 7 - (A) Panning and sieving of samples (B) Visible gold grains in pan from point BSS002 (see map below)

Review of the mapped data and gold in pan can result in follow up planning including additional mapping and prospecting as well as a 300x40m soil grid.

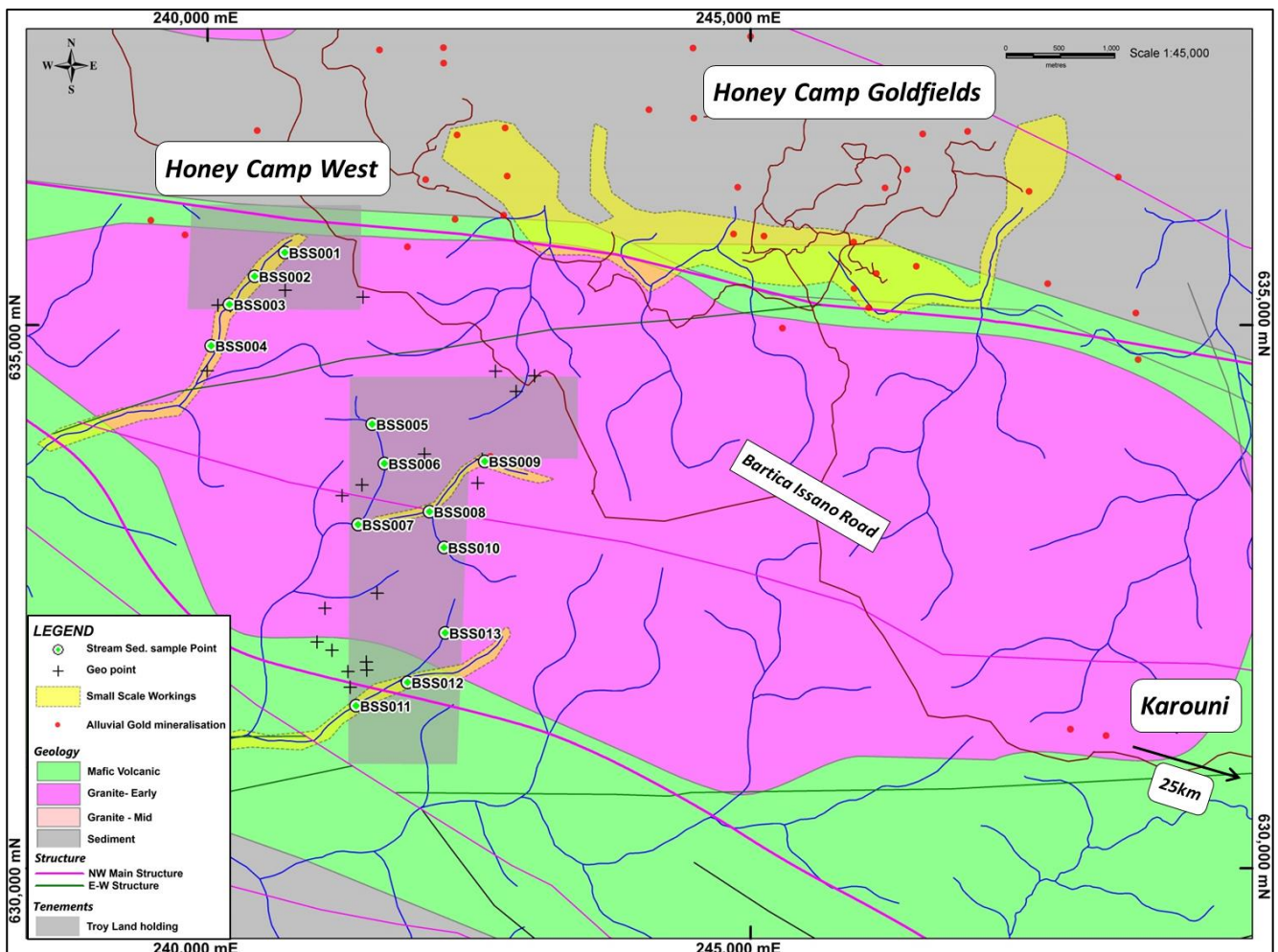


Figure 8 – Map Honey Camp area with Stream sediment sample points and mapped Geo points

FINANCIAL INFORMATION

At the end of the Quarter, the Company had total liquidity of \$6.56 million, including available cash of \$1.23 million and gold inventories at market value of \$5.33 million. Key movements in cash flow are illustrated in Figure 9.

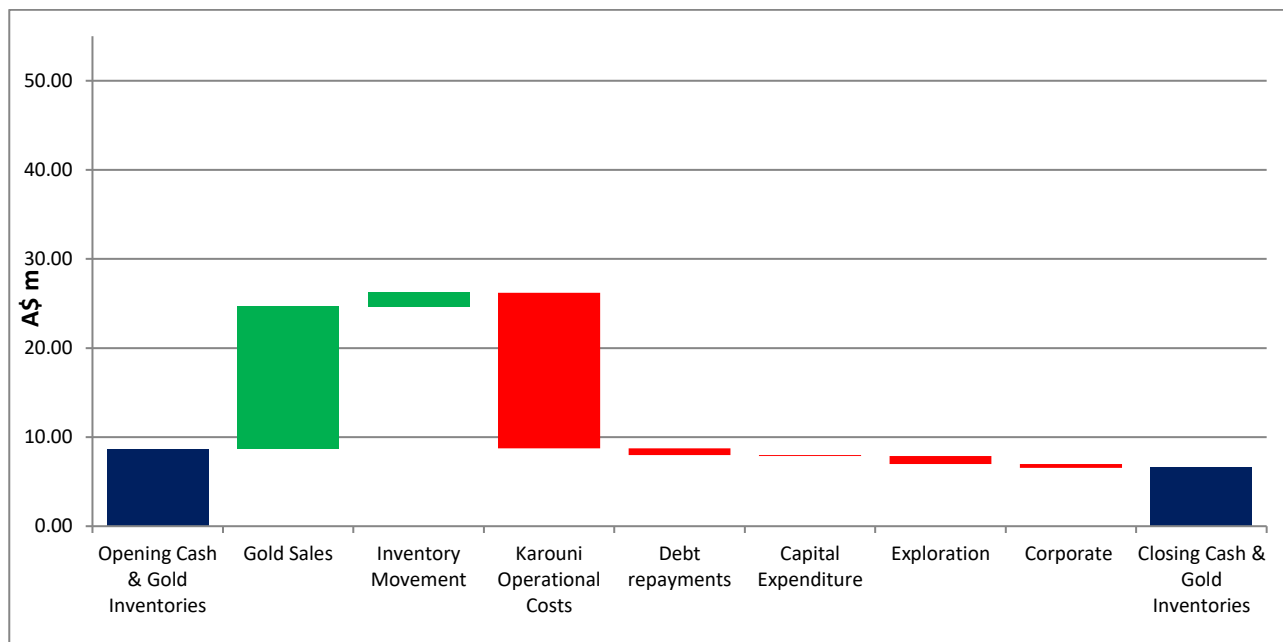


Figure 9 – September 2020 Quarter Cash Movements

Notes:

1. Key movements - unaudited
2. Liquid assets include cash, gold doré & GIC at market value.

Exploration Expenditure

Exploration expenditure incurred during the Quarter was \$0.9 million.

Capital Expenditure

Expenditure incurred in relation to plant and equipment and sustaining capital at Karouni during the Quarter was \$0.13 million.

CORPORATE

After the Quarter end, Mr John Jones announced his decision to retire at the December 2020 AGM.

Capital Structure

The Company's capital structure as at 30 September 2020 was as follows:

Issued Capital and Equity Structure as at 30 September 2020

Ordinary Shares	632,063,768
Options (\$0.10 exercise price expiring 16 January 2022)	6,000,000

Subsequent to the end of the Quarter, the Company announced the placement of approximately 125 million shares to raise \$15 million through a two-tranche placement encompassing:

- Tranche 1 – 100 million shares to raise \$12 million.
- Tranche 2 – 25 million shares to raise \$3million (subject to shareholder approval, which approval is to be sought at the Company's forthcoming AGM).

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

ENDS

Directors

Peter Stern, Non-Executive Chairman
Ken Nilsson, CEO and Managing Director
John Jones AM, Non-Executive Director
Richard Beazley, Non-Executive Director

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Competent Person Statement

The information contained in this report referring to Ore Reserves and Mineral Resources is extracted from the announcement 'Production Guidance, Mineral Resources and Ore Reserves Statements and Exploration Update' released on 21 September 2020 and 'Spectacular Results Continue From First Hole at Smarts Underground' released on 6 October 2020 and available to view on www.troyres.com.au or the ASX website under the company code TRY.

The information contained in this report referring to Exploration Results at Smarts and Goldstar is extracted from the announcements entitled "June Quarter Production and Exploration Update, Karouni Project," released on 13 July 2020, "Exploration Update, Karouni Project" released on 3 August 2020, "Exploration Update, Karouni Project" released on 7 August 2020 and Bonanza Drill Intersections at Smarts Underground' released on 13 October 2020 which is available to view on www.troyres.com.au or the ASX website under the company code TRY.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements relating to the drill results or geophysical review and that all material assumptions and technical parameters underpinning the drill results and geophysical review in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings as presented here have not been materially modified from the original market announcements.

The information in this report that relates to Exploration Results is based on information compiled by Richard Maddocks, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Maddocks is employed as an independent consultant to the Company. Mr Maddocks has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify 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 Maddocks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.