

ASX ANNOUNCEMENT

28 January 2021

GOLD PRODUCTION STABILISED AT KAROUNI

Key Highlights:

- Production for the December Quarter 2020 was 4,195 ounces
- Production for the Half Year ended 31 December 2020 was 10,529 ounces
- December Quarter production was impacted by a number of factors as announced to the market in the Guidance Update on 25 November 2020
- The Company is pleased to report that production levels appear to be returning to normal levels and reconciling well to forecast
- Troy expects updated production guidance to be released to the market shortly
- Additional ore sources from Smarts Underground and the at-surface Goldstar prospect are being progressed, with JORC Reserve and Resource updates due shortly

Troy Resources Limited (**ASX: TRY**) (**Troy** or the **Company**) wishes to provide a production update for the Karouni Gold Project, Guyana.

Production for the December Quarter was 4,195 ounces and for the Half Year to 30 December was 10,529 ounces.

Production for the quarter was below initial expectations which was due to a number of factors as announced in the Guidance Update on 25 November 2020. These included continuing uncertainty related to the COVID-19 pandemic, apparent difficulties in the reconciliation between mine and mill production, as well as apparent process reporting and production issues. This occurred at a time of above average inclement weather for the season and lack of suitable ore stocks.

Since that time, a considerable amount of investigation and effort has been undertaken, both by Company employees and external consultants. This work has identified a number of issues that have since been remedied encompassing ore modelling, plant procedures and personnel matters.

Troy is pleased to now advise that production levels would seem to be returning to normal, with actual production now reconciling well with forecast. Whilst the Company's production going forward is being monitored closely, over the past week it has averaged approximately 70 ounces per production day and gradually improving.



The actual break-even for the operation (excluding head office costs) is approximately 2,000 ounces per month or approximately 75 ounces per day at the current gold price. The expectation is that, from 1 February, the operation will be cash positive and able to drive the project forward.

Further information in relation to production, operations and costs will be set out in the Company's December Quarterly report which will be released to the ASX before the end of January.

Troy expects to be in a position to provide revised production guidance shortly.

Meanwhile, work is continuing on a number of fronts. At Smarts Underground, Mineral Resource assessment and modelling work is continuing. Completion of the revised model is now only awaiting final geotechnical input from the Company's consultants.

The Company is currently drilling the second of four diamond drill holes held over from the 2020 program at Smarts Underground.

At Goldstar, a Mineral Resource upgrade is expected to be announced shortly. Ore from Goldstar is expected to become a source of mill feed, supplementing ore from Hicks 4 Phase 1 and 2 and Spearpoint, in the second half of February which will see a further increase in the production profile.

The availability of ore from multiple sources will assist in seeing the mill return to running at full capacity.

This announcement has been authorised for release by the Board of Directors.

ENDS

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