



TROY RESOURCES LIMITED

# ASX ANNOUNCEMENT

13 November 2017

## Investor Presentation – Revised

Troy Resources Limited (**ASX: TRY**) (**Troy** or the **Company**) refers to the Company's "Investor Presentation – London November 2017" released to the market on 9 November 2017.

That presentation contains a mistake in that the gold production for October noted on page 4 of the original presentation is incorrect.

The correct production is 4,564 ounces. This has been corrected on the revised presentation as attached. All other quoted production guidance for the December quarter and the 2017/18 year were correct and remain as originally presented.

**ENDS**

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# Investor Presentation

## London, November 2017

### Troy Resources Limited

#### Operational Performance & Outlook



**TROY RESOURCES LIMITED**



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# Key Highlights

- ❑ Troy Resources Limited (**TRL**) is undergoing a transformational change in the business performance of the Company. Over the last 8 to 10 months, TRL has established & implemented a road map for change.
- ❑ The focus has been on getting stability into the operation and to establish a robust operational platform for the Company to grow from. In the December 2017 Quarter (**Q2**), the focus will be reducing outstanding creditors by circa US\$4m and recommencing exploration activities in December.
- ❑ The Company is confident that the turn around will gain momentum leading to an improved financial performance in Q2 and achievement of the financial & operational targets set in the FY18 Budget.
- ❑ Over a short period of 2 years, the Company has built, commissioned and operated the Karouni mine; has “weathered” two full wet seasons and has substantially improved its operating knowledge of the ore body and mining conditions. The above was achieved during the most difficult financial period in the Company’s history. With the lessons learnt and having survived “trying” times, moving forward, the Company is now transitioning to a strong position to outperform as mining conditions and the financial position are set to improve significantly.



# Operational Performance – October 2017

*“A strong recovery in October with production back on budget whilst generating healthy ROM stocks to ensure solid gold production for November / December.”*

Karouni Mine – Infrastructure Area



October Preliminary Results

- ❑ Gold produced ~4,564 oz. Au. from 76,000 tonnes treated with a plant recovery at 94.6%
- ❑ ROM / crushed stocks at the end of month was 95,900 tonnes containing ~6,021 oz. Au.
- ❑ Operating results in line with budget and forecast
- ❑ Mining ore from all sections of Smarts plus Hicks
- ❑ Strip Ratio for October 4.2
- ❑ Continuing remedial work on Smarts 3 wall failure but now have full access to stage 3 pit.
- ❑ Maintaining mine extraction rates in line with budget and forecast



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# COMPANY SNAPSHOT





# Corporate Overview

## Corporate Structure (ASX:TRY)

Shares on Issue (3 Nov 17)	459.5 m
Share Price (3 Nov 17)	A\$0.105
Market Capitalisation (3 Nov 17)	A\$48.2
Cash and Inventories (30 Sept 17)	A\$6.4
Bank Debt (30 Sept 17) (US\$23.2m)	A\$29.6
Net Debt (30 Sept 17)	A\$23.2
Enterprise Value (3 Nov 17)	A\$71.4
Hedging 40,000 oz. @ US\$1,183.65	

## Board & Management

Peter Stern	Non-Executive Chairman
Ken Nilsson	CEO & Managing Director
John Jones	Non-Executive Director
Gerry Kaczmarek	CFO & Company Secretary
Eric Olson	General Manager – Operations

## Reserves & Resources (as at 30 June 2017)

Ore Reserves	210koz @ 2.2 g/t
Mineral Resources	985koz @ 2.3 g/t

## Top Shareholders (as at 10 Oct 2017)

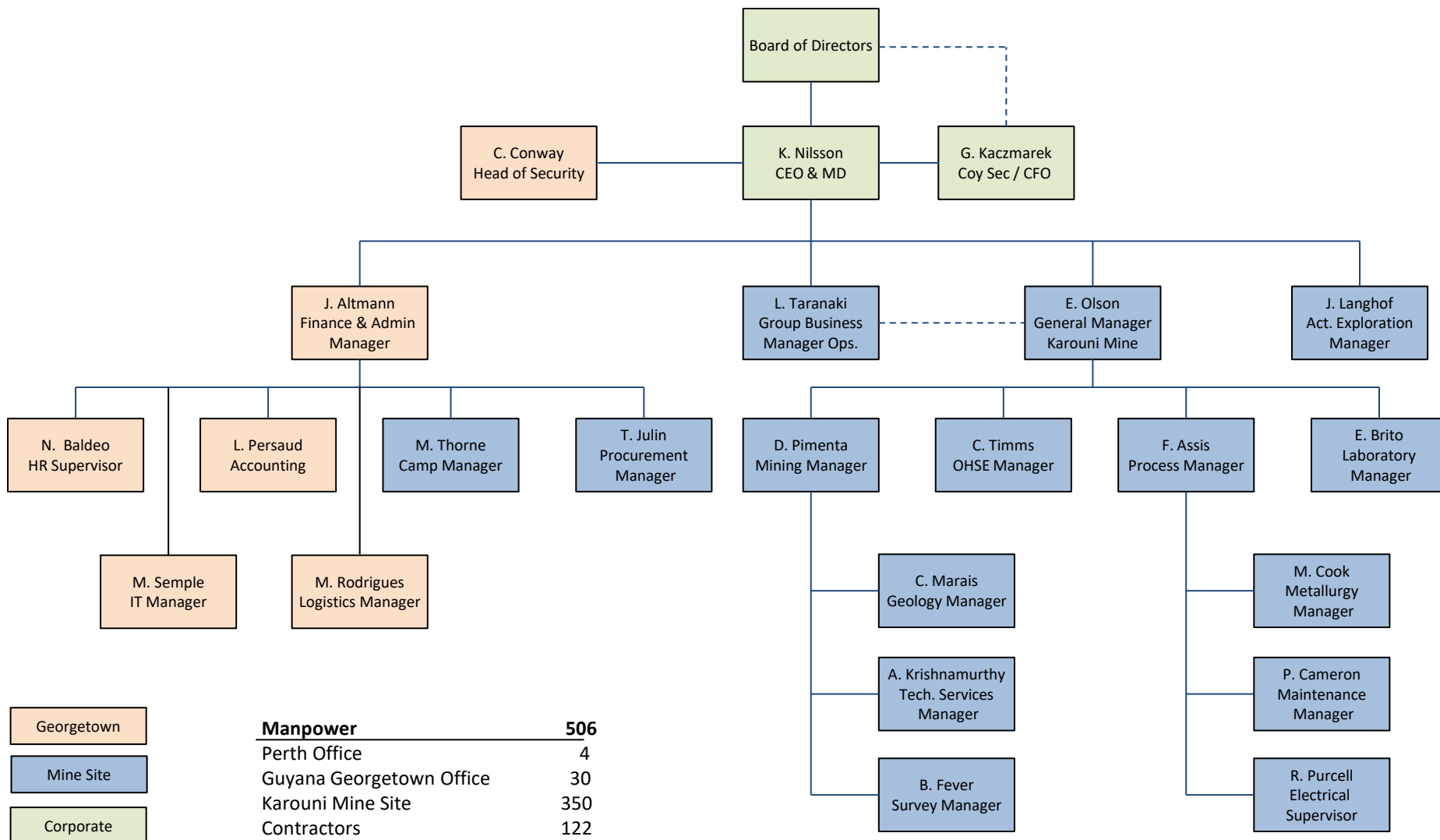
Investor	Shares (m)	% Holding
Ruffer LLP	28.0	6.2
Republic Investment Management Pte	25.0	5.4
Eduardo s Elsztain	23.9	5.0
Board & Management	9.9	2.1



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# Troy Resources Organization Structure

*"Streamlined corporate & management structure leading to significant cost reductions and improved communication and management."*







# Karouni Mine Facts & Figures

Key Personnel		Manpower	350
General Manager Operations	Eric Olson (US)	Expats	27
Grp Business Manager Operations	Lon Taranaki (Aus)	Locals	323
Process Manager	Francisco Assis (Bra)		
Maintenance Manager	Paul Cameron (Aus)	Mining	119
Mining Manager	Diniz Pimenta (Bra)	Processing / Laboratory	122
Laboratory Manager	Ediberto Brito (Bra)	Site Support	109
Manager Mine Geology	Christo Marais (Can)		
Safety & Environment Snr Manager	Craig Timms (Aus)	Contractors	120
Technical Services Manager	Anand Krishnamurthy (Aus)		

Key Statistics – FY18		Key Financials	
Annual Total Movements (tonnes)	5,900,000	Annual Revenue (US\$m)	79.0
Annual Ore Mined (tonnes)	1,013,000	Annual Royalty Payment (US\$m)	6.5
Average Mined Grade (g/t)	2.12	Government Royalty (%)	8
Average Strip Ratio	5		
Annual D&B Metres (mtr.)	305,000	Contractor Company's Onsite	11
Annual Tonnes Milled (tonnes)	1,000,000	Nationalities Onsite	14
Annual Gold Produced (oz.)	60-70,000		
Gold Recovery (%)	93-95		
Ave. Annual Rainfall (mm.)	2,648		



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# **TURNAROUND ACHIEVEMENTS**



# Performance Improvement Road Map

## Turnaround Achievements Jan17 – Oct 17

Focus & Initiatives Implemented	Outcomes & Achievements
<ol style="list-style-type: none"><li>1. Restructure / re-organization at corporate &amp; mine site level.</li><li>2. Re-assessment of the mine plan &amp; preparation of a “first principles build-up” of a budget model.</li><li>3. Full review of existing contracts &amp; performance against contracts.</li><li>4. Assessment of TRL equipment &amp; initiation of an improvement programme to increase utilisation / productivity.</li><li>5. Initiated discussions with Investec to amend / renegotiate the terms &amp; conditions of the loan facility.</li><li>6. Re-establish the mine in preparation for the up-coming wet season.</li><li>7. Improve operational and financial KPI generation &amp; analysis to identify cost saving initiatives.</li></ol>	<ol style="list-style-type: none"><li>1. Corporate personnel reduced significantly, new management &amp; technical team employed at Karouni. Organisation chart streamlined.</li><li>2. Budget developed, new mining plan generated and implemented. Currently below cost &amp; on budget for physicals. Grade is below budget, but improving.</li><li>3. Over \$3.8mn in savings identified &amp; in the process of being realised.</li><li>4. TRL equipment performance has improved significantly leading to the commencement of the demobilisation of mining contractors.</li><li>5. Terms and conditions of the loan facility successfully re-negotiated.</li><li>6. Mining targets achieved (above budget in some areas), ROM / crushed stocks at 95,900 tonnes (~6,020 oz. Au.) at the end of Oct 17. Gold production target for Oct 17 achieved.</li><li>7. New Management Operating System (<b>MOS</b>) implemented with daily, weekly and monthly tracking of KPI's.</li></ol>

***“Re-focus on the core business with a fit for purpose approach to the business”***

***“Tangible outcomes achieved, establishing a strong track record...”***



# Performance Improvement Road Map

## Future Outlook & Upside Potential

### Expected Outcomes Against Current Plan

1. Karouni well positioned heading into Q2 & H2 of the budget year:-
  - i. ROM / crushed stocks at 95,900 tonnes (~6,020 oz. Au.) at the end of Oct 17.
  - ii. Current forecast to produce 6koz per month for Nov & Dec 17 Q2 gold target of ~17,000 oz. Au.
  - iii. Smarts 3 pit access re-established which presents further upside to the FY18 budget.
2. H2 costs to continue to drop due to:-
  - i. Contractor activity on site to reduce significantly leading to further cost savings.
  - ii. Strip Ratio will continue to drop as the pits deepen.
  - iii. Rationalization of TRL fleet to continue to deliver improved utilisation & productivity on more favorable financial terms.

### Upside Potential to the Financial Performance

1. The Company has a number of initiatives & opportunities available that present significant upside potential for the business:-
  - i. A prospective nearby mine development opportunity in Spearpoint that could be developed quickly & with minimal capital.
  - ii. Identified cost saving initiatives that can deliver ~US\$2.8m in savings in H2.
  - iii. Underground development potential of Smarts Orebody.
  - iv. Significant land holding (in good standing) which is highly prospective but largely un-explored.
  - v. Securing the balance sheet in late CY17 (though the reduction of outstanding creditor payments) provides a solid platform for growth in CY18.

***“The company is in a robust position to deliver against the stated plan...”***

***“Significant potential to increase resources and reserves...”***



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# Turnaround Achievements

## Achievements Jan 17-Oct 17

### “Strong operational performance, Smarts Stage 3 re-established”

The Continuous Improvement (CI) & Performance Improvement (PI) programme has been broken into Phases. Phase 1 (inception to August) included the following initiatives;

- Review of all commercial terms associated with each contract to ensure that invoices / charges are in line with contractual obligations. A number of issues were identified resulting in **refunds of ~US\$314k being claimed.**
- Contract negotiations were initiated with the Drill & Blast Contractor after benchmarking deemed that TRL was paying well above market rates. **The Contractor agreed to a 33% drop in rates resulting in a saving of ~US\$300k per month (annualised US\$3.2m).**
- A strong focus was placed on improving the availability & utilisation of Company equipment which would have a direct saving by reducing the reliance on contractor equipment [see attached case study].
- **Re-negotiated equipment hire arrangements with the Mining Contractor** – moved to a fixed monthly rate, which incentives TRL to maximize usage.
- Became more involved in the management of the Company equipment and in some instances took on direct management of spares to help reduce margins being paid to contractors. **Potential saving of US\$240-300k per year.**
- The MOS associated with diesel management was overhauled as there were a number of issues associated with controls/reporting.



\* Preliminary figures for October 2017

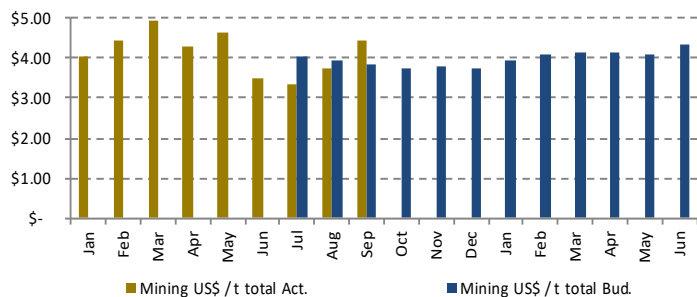


# Turnaround Achievements

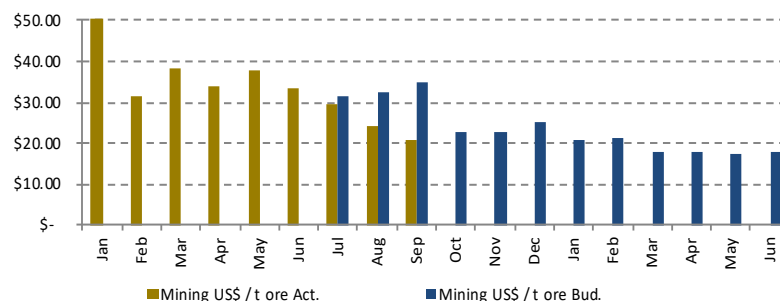
## September Site Unit Cost Performance

- Overall cost management is performing well for Budget FY18. Across all departments YTD, costs are under budget.
- The following analysis is for direct site costs and does not take into account some administrative & corporate costs.
- Total Unit Cost for Gold produced is above budget, which is mainly the result of the lower than budgeted grade & hence gold produced.

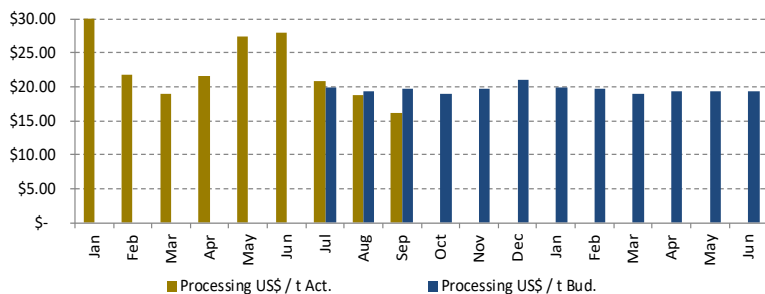
Mining Cost per Tonne (US\$/t total) [LHS]



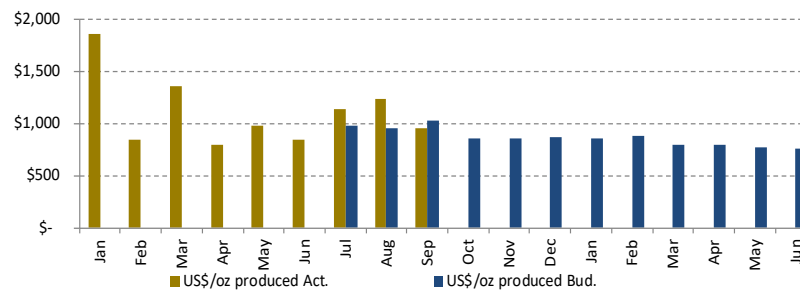
Mining Cost per Tonne Ore (US\$/t ore) [LHS]



Processing Cost per Tonne Milled (US\$/t milled) [LHS]



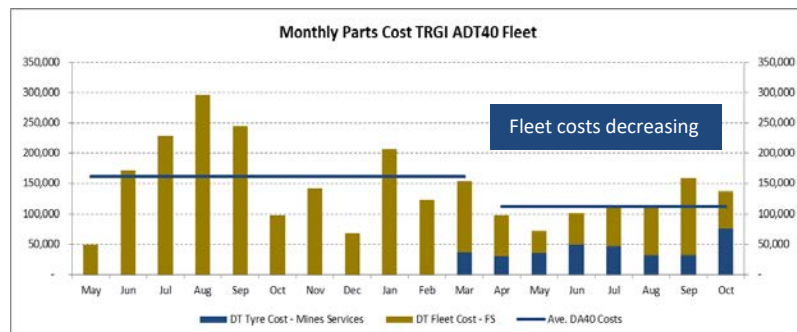
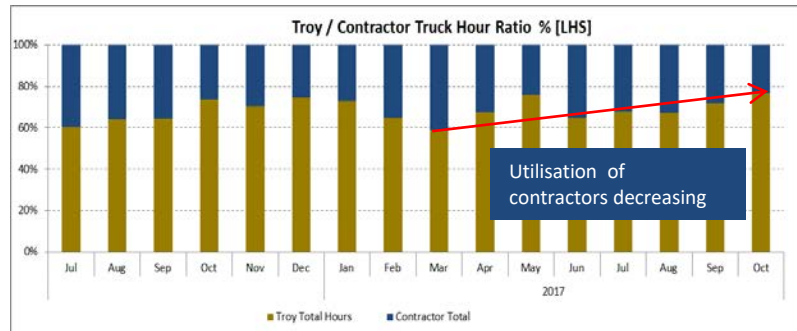
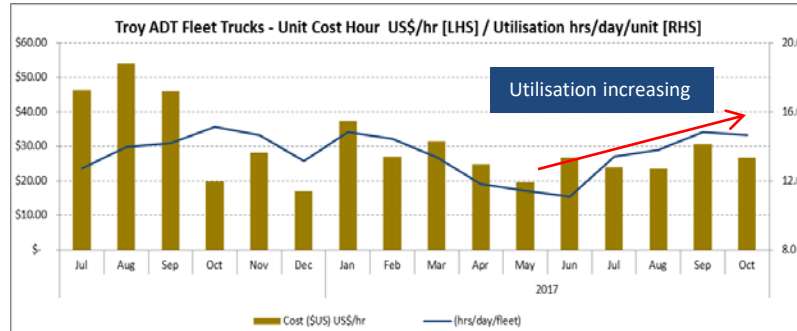
Total Unit Cost (US\$/oz.) [LHS]





# Turnaround Achievements

## TRL Equipment Usage Optimisation – ADT40



- The cost per hour for the operation of the ADT40 fleet has stabilised. This is despite the aging fleet, with utilisation on par with long term average despite have 2 trucks down for ~3mths.
- Initiatives undertaken include:-
  - Daily meetings with maintenance contractor to discuss strategy & priorities and to consider maintenance decisions i.e. greater scrutiny.
  - TRL now purchase tyres direct saving the margin (~\$US700/tyre or \$20k/mth).
  - Initiated a training programme to be better train operators on the correct operating procedure for the trucks.
- Initiatives undertaken include:-
  - Focus on increasing the availability & utilisation of the TRL DA40 fleet resulting in reduced contractor hours. (TRL equipment is 1/3 the cost of contractors).
  - Greater scrutiny of contractor hours.
  - For November, the % Truck Hours from contractors will reduce to less than 20%.
  - TRL will continue to lease 775 trucks as they provide productivity gains especially when hauling ore from Hicks.
  - Improvement to Hicks haul road dramatically decreased haul times .

### Continuing focuses / initiatives moving forward include:-

- Improving our mining practices, better training for operators on how to better position equipment.
- Improving pit conditions facilitates better mining practices.
- Better road maintenance to reduce tyre / equipment damage.
- Move from Breakdown Maintenance to Preventative Maintenance for equipment.
- Continue operator training.
- Safety: TRIFR is less than 50% of the December 2016 levels.





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# **FUTURE OUTLOOK & UPSIDE POTENTIAL**



# Forward Looking Strategic Considerations

- ❑ Focus on reducing debt in the near term through cash flow from production and capital injection.
- ❑ Strengthening of the Board composition.
- ❑ Exploration focused on identified and partly drilled near mine targets to increase mineable Ore Reserves.
- ❑ Re-establish Regional exploration starting with areas which have produced good results from previous work with ie. Goldstar, Whitehall and the Gem Creek corridor.
- ❑ Upgrade the processing plant to full automation with increased capacity to deal with lower grade material.
- ❑ Corporate discussions / project acquisition.



## Future Outlook

*“Having re-established pit positions and through continuing to drive operating costs down, the operation is well positioned to achieve the stated targets of Budget FY18.”*

- ❑ Having utilised the dry period to re-establish operations in Smarts 3, there is now the ability to recover the shortfall in gold production from Q1. Karouni is well positioned to out-perform in Q2 to be back on budget by the end of H1 FY18.
- ❑ H2 FY18 is budgeted to be the profitable half as strip ratio and cost continue to drop.
- ❑ At the end of October 2017, ROM / crushed stocks were at 95,900 tonnes containing ~6,021 oz. Au. With the pits in good condition and with healthy ROM stocks, the operation is forecasting production of ~6,000 oz. Au. per month for Nov & Dec, which would deliver production of ~17,000 oz. Au. for Q2.
- ❑ The operation is in advanced preparations for the ensuing wet season with the objective of minimal production delays / stoppages over this period.
- ❑ H2 costs will continue to drop due to the following:-
  - A reduction in mining contractor activity on site which will reduce mining & site administration costs.
  - Strip Ratio will continue to drop as the pits deepen, especially at Smarts.
  - Rationalisation of the TRL fleet to continue to deliver improved utilisation & productivity at lower cost.



# Upside Potential

## Phase 2 Cost Saving Initiatives

Costs Centres	US\$
<b>Contracts</b>	<b>15,320,949</b>
Medical	264,000
Catering	2,664,166
Drill & Blast	9,236,504
Contract Equip.	1,055,006
Equip. Maint.	1,688,052
Contractors (Macorp etc.)	413,221
<b>Reagents / Explosives</b>	<b>7,140,487</b>
Reagents	3,413,349
Explosives	3,727,138
<b>Labour</b>	<b>11,110,468</b>
Expats	3,530,839
Locals	5,945,606
Oncosts	1,634,023
<b>Maintenance - Mobile</b>	<b>3,560,267</b>
TRGI Mobile Fleet	3,560,267
<b>Diesel</b>	<b>11,896,618</b>
Gensets	5,746,161
Mobile Equip.	6,150,457
<b>Travel &amp; Acc.</b>	<b>2,173,223</b>
Locals + Other	1,474,058
Overseas	699,165

Phase 2 proposed initiatives include:-

- Renegotiating the Medical and Catering contracts. Initial negotiations on the medical contract indicate a potential saving of 10-15%.
- Initiatives are being implemented for better controls and checking of contractors invoices.
- A study has commenced on changing the D&B design. The initial results indicate that by moving to a larger diameter hole (3.5in→4.5in) and using a large diameter explosive, that the amount of drilling required could reduce by up to 45% which is estimated to be a significant saving of US\$800k over 6mths.
- Labour numbers will be reviewed. As production output decreases so should manpower numbers. A review will be initiated with Snr Management.
- Consideration of moving local employees from a 2/1 roster to a 4/2 roster. This would reduce the number of flights to site by ~50% (or US\$700k). This would also result in a significant increase in productivity as each shift change in the mining department loses ~8-10hrs of effective production.
- Management is reviewing the aviation contractors as the market has changed which should result in more competitive rates.
- **Potentially, Phase 2 can deliver ~US\$2.8m in savings in H2.**

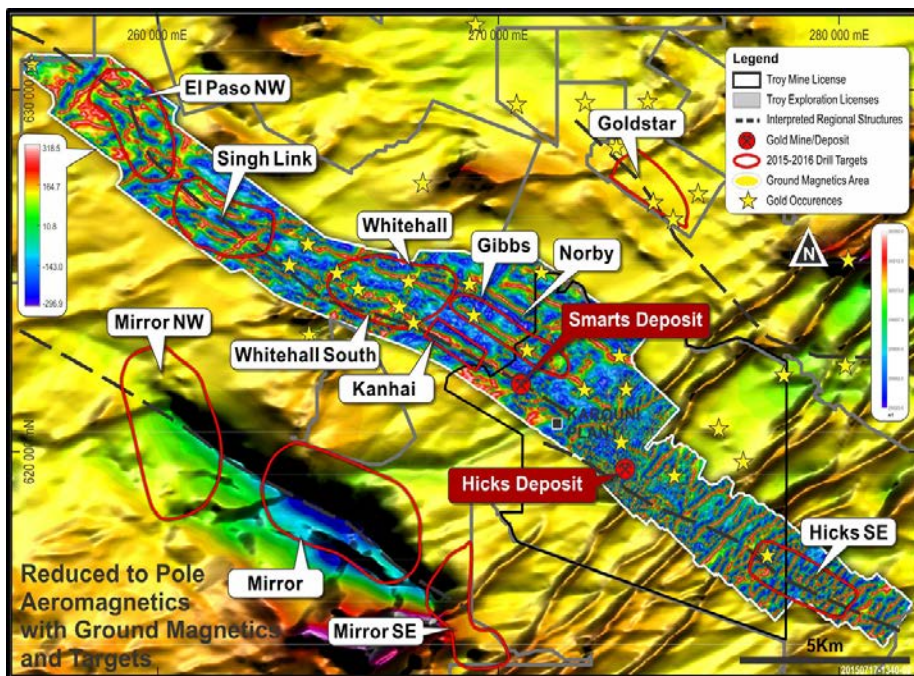


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# Upside Potential Resource / Reserve Growth Potential

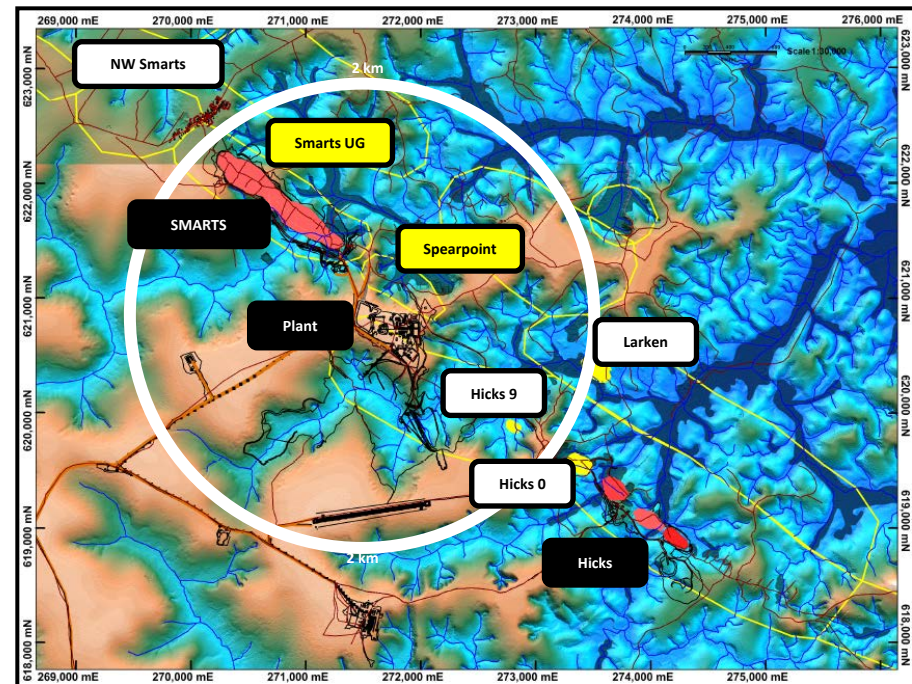
## Regional Exploration Upside Potential

- TRL holds significant exploration concessions which are highly prospective but largely unexplored.
- On the recommencement of the regional exploration programme the potential exists to grow the resource / reserve standing for the Karouni Gold Project.
- All exploration ground is in good standing with the government.



## Near Mine Exploration / Development Potential

- Numerous highly prospective development opportunities exist within a 2km radius of the processing facility. These opportunities can potentially provide additional ore sources for minimal capital investment.
- The most advanced opportunity, Spearpoint, is adjacent to Smarts Pit and only 350 metres from the mill.
- The underground potential at Smarts remains highly prospective. The intent is to advance the status of the underground resources to reserves.





Upside Potential

# **NEAR MINE DEVELOPMENT POTENTIAL**

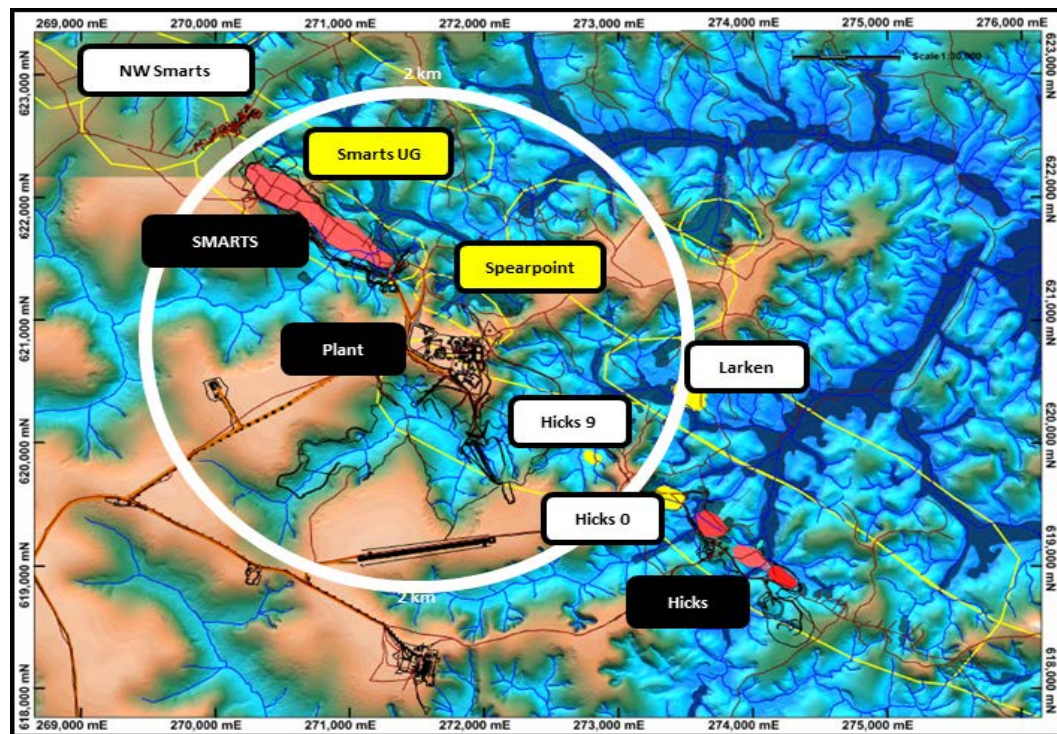




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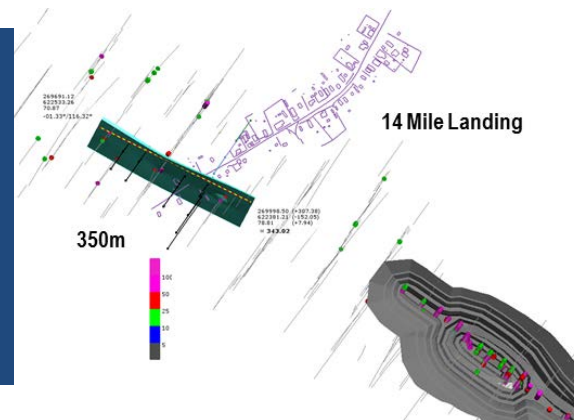
# Upside Potential Near Mine Opportunities

Near Mine Opportunities Ranking	Higher Priority <span style="float: right;">Lower Priority</span>				
Project / Opportunity Name	Spearpoint	Hicks 0	Hicks 9	Smarts NW	Larken
Strike Potential (mtrs)	~350-400	200	120	350	300
Depth of Opportunity (mtrs)	40 - 50	80	50	75 - 100	50 - 75
Gold Potential (oz.)	TBA	TBA	TBA	TBA	31,800*
Distance from Mill (km)	0.350	2.3	1.5	3.0	1.5

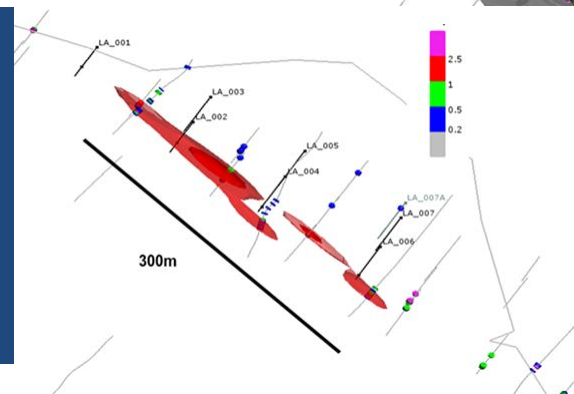


\* Mineral Resource and Ore Reserve Statement as at 30 June 2017

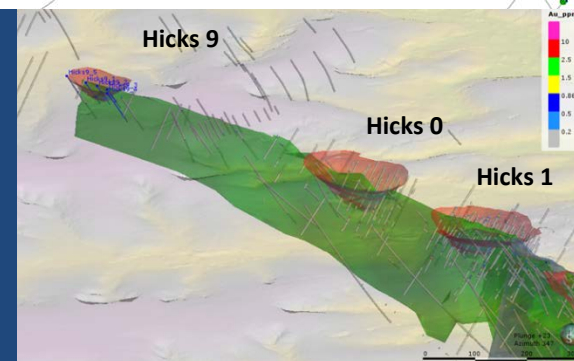
Smarts NW



Larkens



Hicks 0 & Hicks 9







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# Upside Potential Near Mine Opportunity- Spearpoint

## Criteria Details / Data

**Project / Opportunity Name** Spearpoint

**Strike Potential (meters)** ~350-400

**Depth of Opportunity (meters)** 40 - 50

**Gold Potential (oz)** TBA

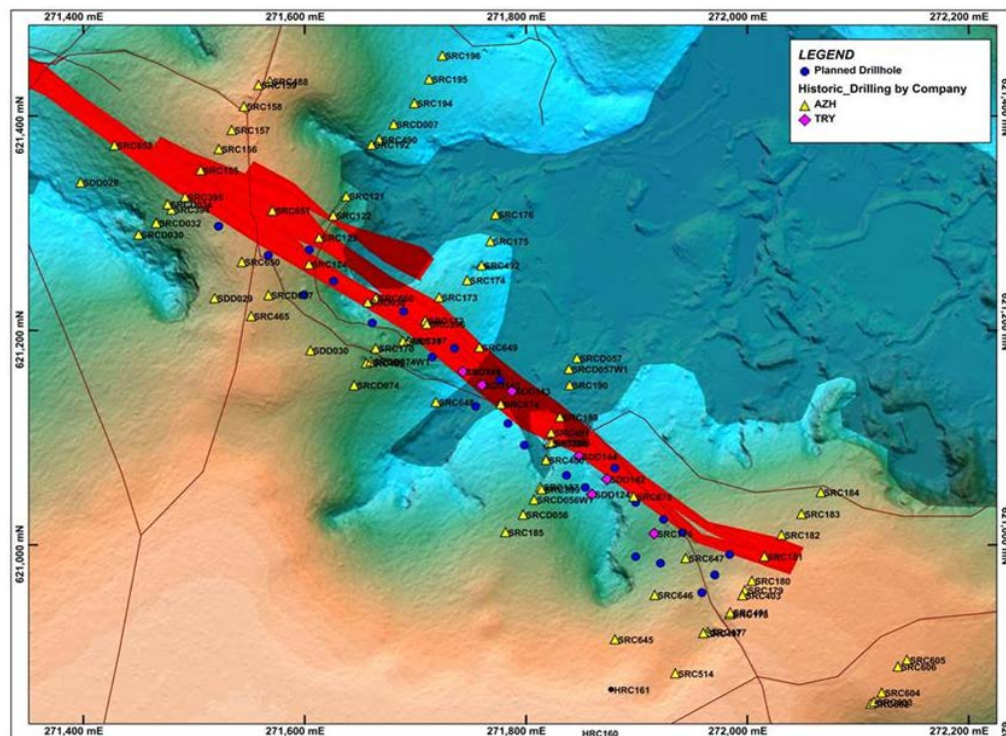
**Distance from Mill (km)** 0.350

The holes with good intercepts from Azimuth are as follows:

Hole_ID	Depth From	Depth To	Interval Width	Grade	Intercept Description	Gramm Au per meter
SRC123	11	14	3	9.21	3m @ 9.21 g/t	27.63
SRC171	37	38	1	4.02	1m @ 4.02 g/t	4.02
SRC172	33	36	3	4.5	3m @ 4.50 g/t	13.50
SRC181	26	34	8	1.05	8m @ 1.05 g/t	8.40
SRC395	44	52	8	1.07	8m @ 1.07 g/t	8.56
SRC396	34	38	4	2.18	4m @ 2.18 g/t	8.72
SRC397	68	70	2	4.5	2m @ 4.50 g/t	9.00
SRC398	63	66	3	3.05	3m @ 3.05 g/t	9.15
SRC400	75	79	4	2.45	4m @ 2.45 g/t	9.80
SRC403	77	78	1	4.22	1m @ 4.22 g/t	4.22
SRC492	88	89	1	12.57	1m @ 12.57 g/t	12.57
SRC650	114	118	4	1.33	4m @ 1.33 g/t	5.32
SRC651	37	40	3	8.3	3m @ 8.30 g/t	24.90
SRC651	46	48	2	4.1	2m @ 4.10 g/t	8.20
SRC652	25	27	2	6.02	2m @ 6.02 g/t	12.04
SRC660	20	26	6	1.26	6m @ 1.26 g/t	7.56
SRC660	64	69	5	1.17	5m @ 1.17 g/t	5.85
SRC674	43	51	8	6.77	8m @ 6.77 g/t	54.16
SRC675	39	43	4	17.25	4m @ 17.25 g/t	69.00
SDD028	106	114	8	1.63	8m @ 1.63 g/t	13.04
SDD030	118	119	1	7.62	1m @ 7.62 g/t	7.62
SDD038	19	23	4	3.54	4m @ 3.54 g/t	14.16
SDD038	56	60	4	2.66	4m @ 2.66 g/t	10.64
SDD038	143	146	3	1.83	3m @ 1.83 g/t	5.49
SRCDO30	127	130	3	3.13	3m @ 3.13 g/t	9.39
SRCDO32	139	143	4	20.99	4m @ 20.99 g/t	83.96
SRCDO37	123	128	5	1.11	5m @ 1.11 g/t	5.55
SRCDO56W1	11.2	15.2	4	2.04	4m @ 2.04 g/t	8.16

The best Intercepts for Troy drilling (all drilled in Feb2014) are:

Hole_ID	Depth From	Depth To	Interval Width	Grade	Intercept Description	Gramm Au per meter
SDD145	41	49	8	2.99	8m @ 2.99 g/t	23.92
SDD146	35	40	5	6.95	5m @ 6.95 g/t	34.75
SRC770	60	63	3	4.47	3m @ 4.47 g/t	13.41



\* All results and statements relating to drilling results have previously been released to the market in various ASX announcements and quarterly reports



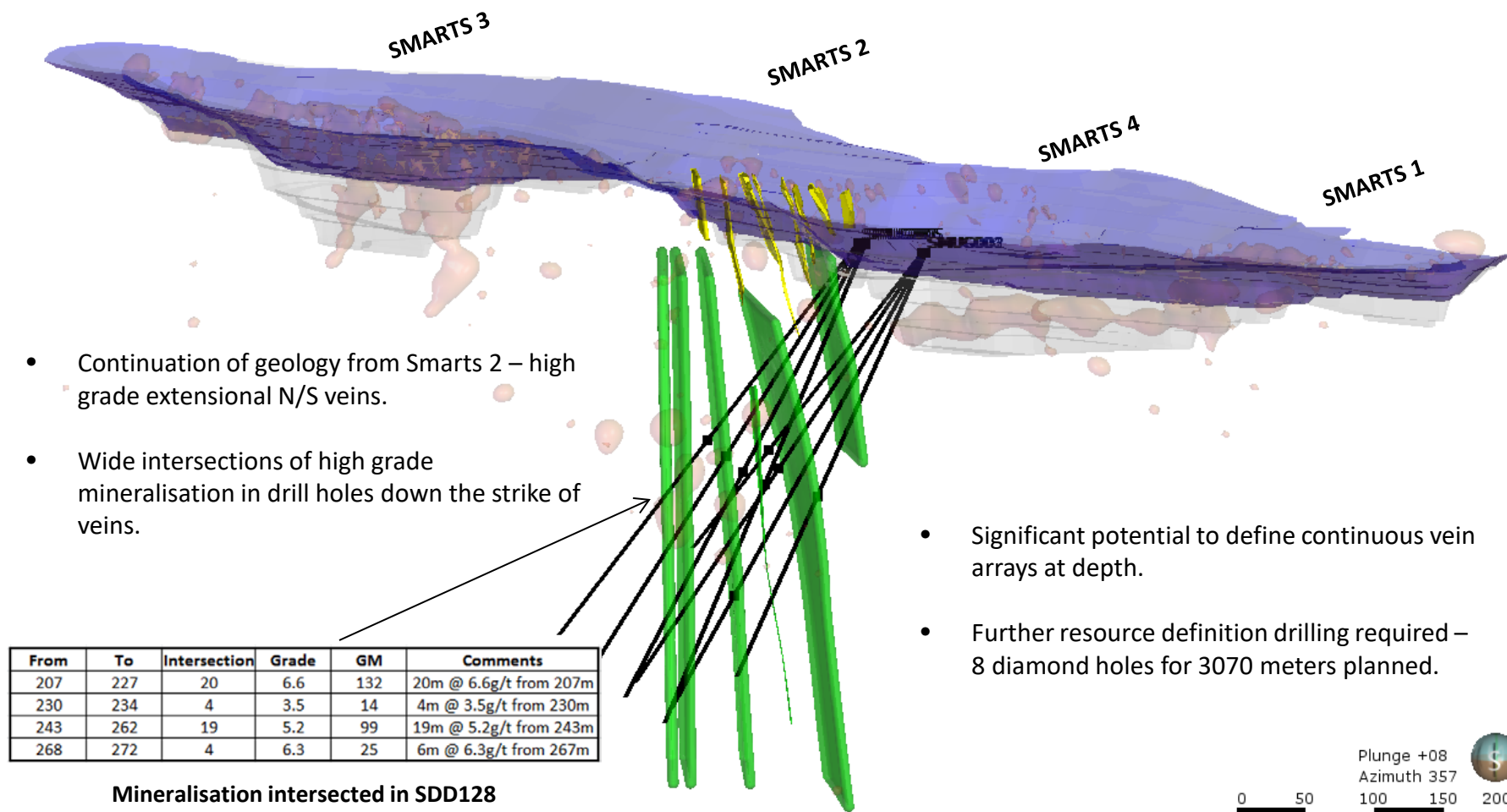
# Smarts Pit – Aerial View

October 2017





# Upside Potential Opportunity - Smarts Underground

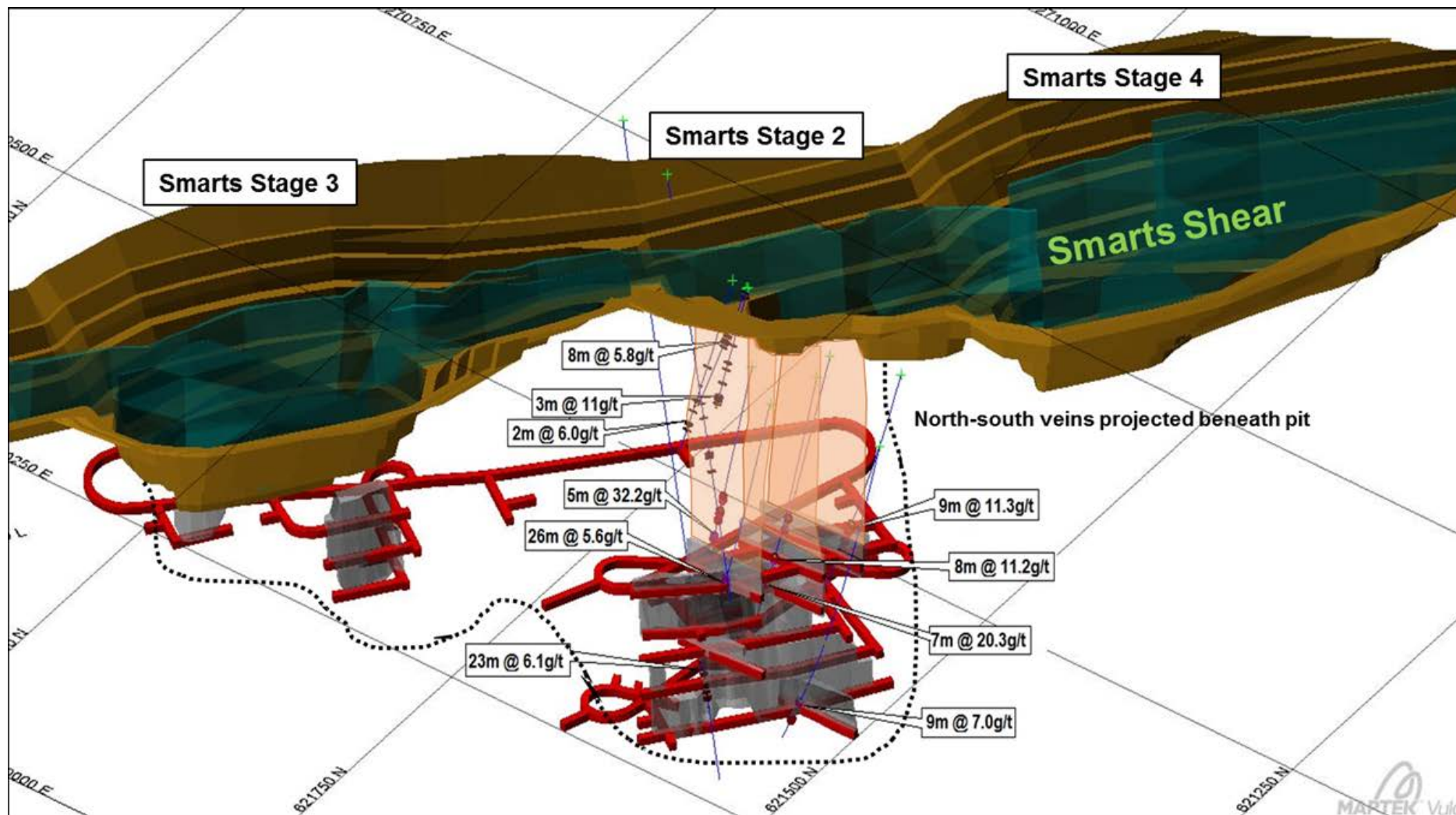


\* For details of drilling results refer to the Company's March 2014 Quarterly Report released to the ASX on 28 April 2014.





# Upside Potential Opportunity - Smarts Underground



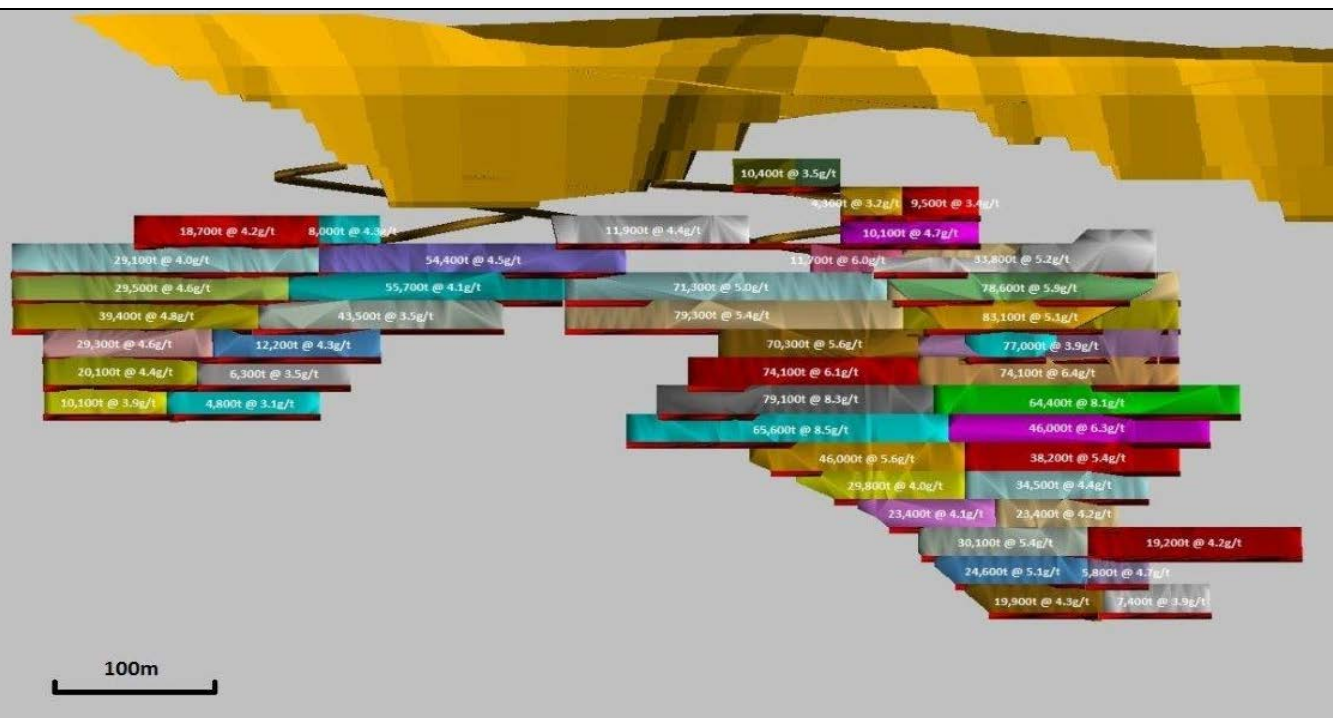
\* All results and statements relating to drilling results have previously been released to the market in various ASX announcements and quarterly reports



# Upside Potential Opportunity - Smarts Underground

## Smarts Underground Scoping Study – August 2016

- **Target Potential: 808,000t @ 5.0g/t containing 131,000oz**
- **Resource Potential: 2,702,000t @ 4.2g/t 273,000oz Au. [Mineral Resource and Ore Reserve Statement as at 30 June 2017]**
- Current design/schedule is based on industry average mining costs. When the scoping study is upgraded to a more detailed study which will include more detail around mining methods, geotechnical conditions and accurate cost analysis, resources will be re-classified to reserve. Some inferred resources will also require upgrading.



## Smarts Underground Design August 2016 Physicals

Capital Development	4,811m
Operating Development	3,203m
Stoping Tonnes	591,044
Grade Mined	4.97
Development Ore Mined	216,907
Grade Mined	5.28
Total Ore Mined	807,951
Grade	5.05
Contained Gold	131,281oz
Mine life	30 months

\* Diagram extracted from the Company's announcement of 21 January 2014 titled "West Omai Preliminary Economic Assessment and Scoping Study".



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Upside Potential

# **REGIONAL EXPLORATION POTENTIAL**

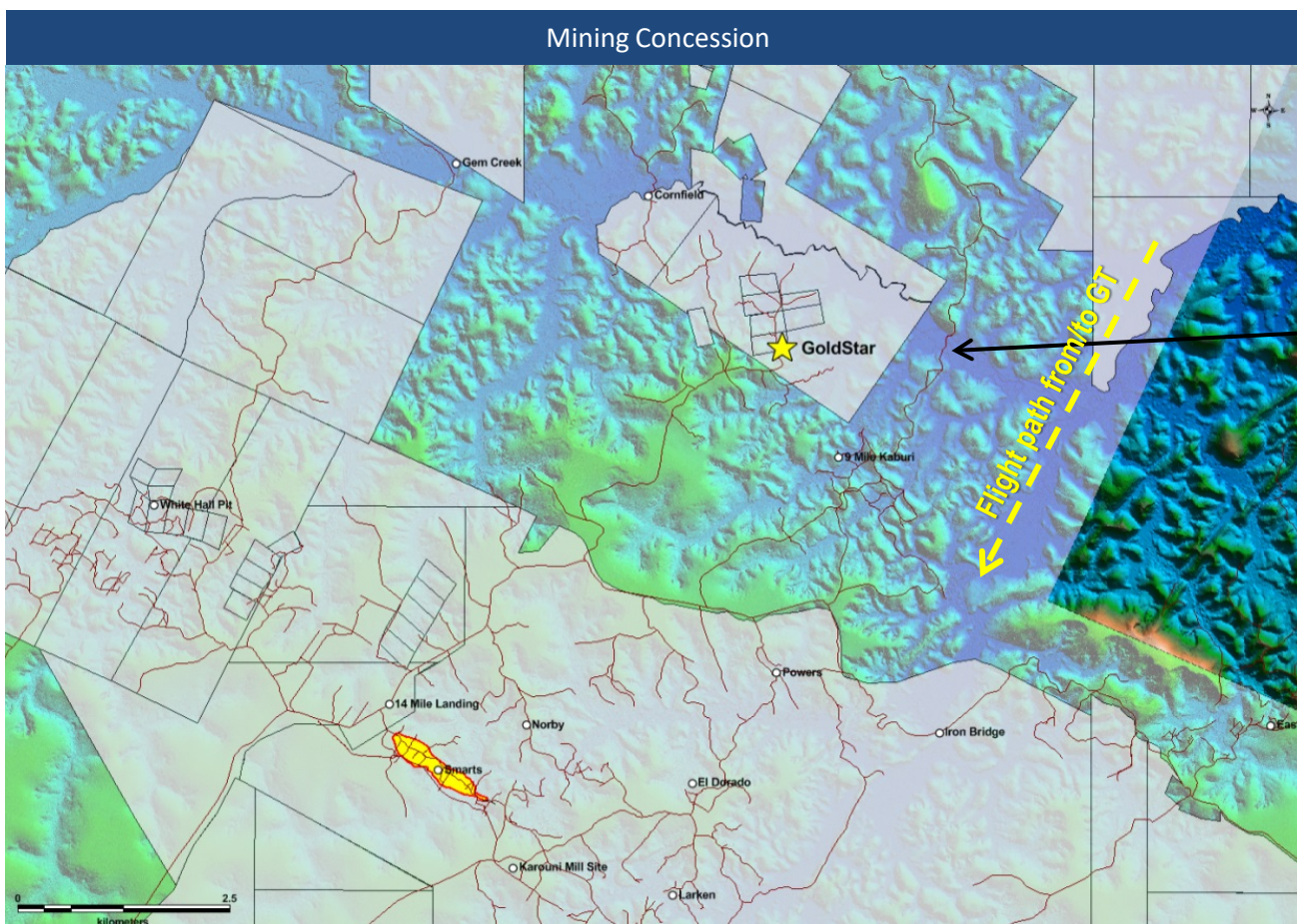




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# Upside Potential Goldstar

- ❑ Heavy historical Pork Knocker operation adjacent and in the area.
- ❑ Located on the parallel Goldstar – Gem Creek Trend
- ❑ Approximately 6km in a direct line NNE of Smarts deposit



West Kaburi River







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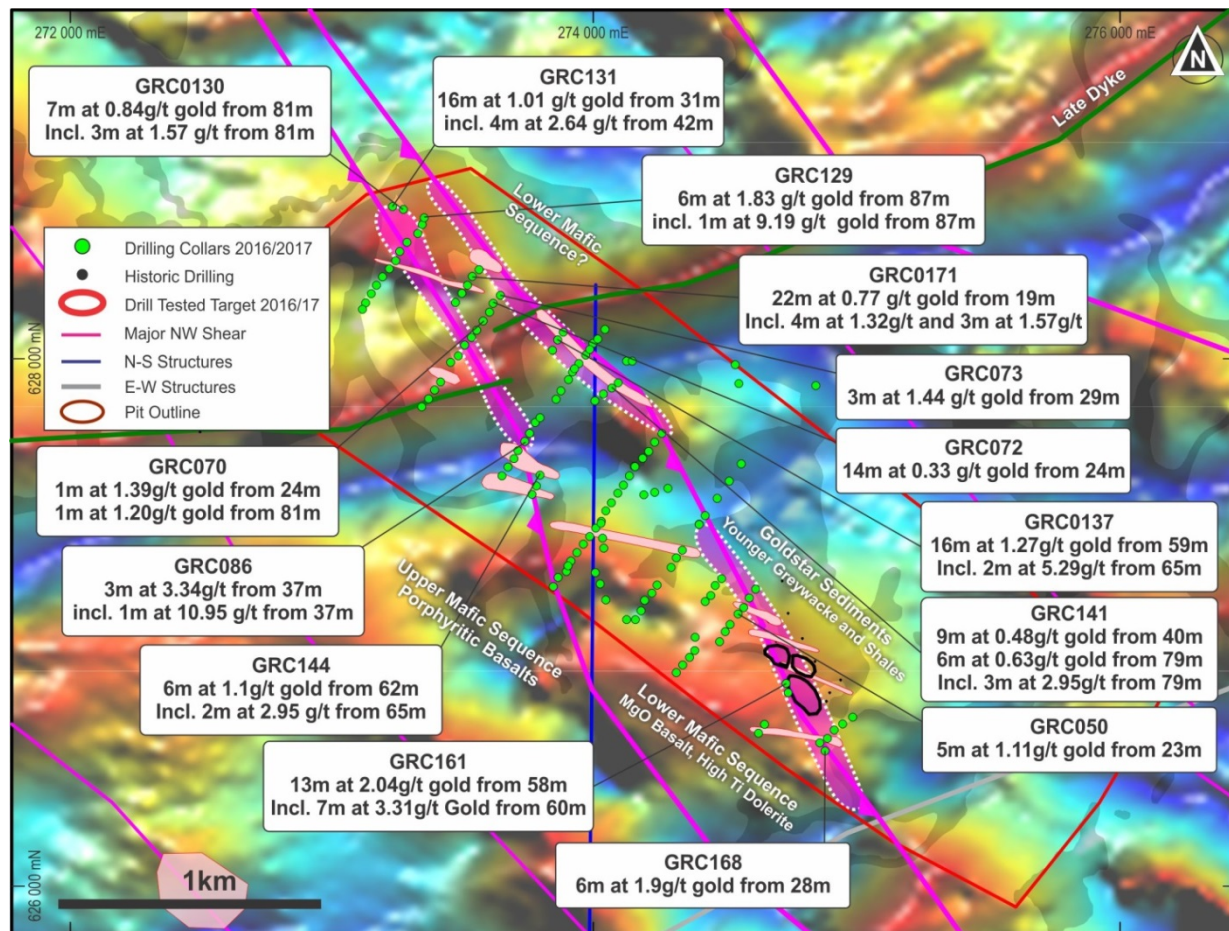
# Upside Potential Goldstar

## Progress To Date

- ❑ 11,505m drilled for 137 holes.
- ❑ 15+ ore grade hits, including:
  - 7m at 3.31g/t Au
  - 3m at 3.08g/t Au
  - 3m at 4.35g/t Au
  - 4m at 2.64g/t Au
- ❑ High-Ti Basalt within or in contact to high Cr
- ❑ Multiple porphyry intrusive recognized within high-Cr corridor
- ❑ Gold associated to Quartz veining and Felsic porphyries

## Current Focus

- ❑ Updating geology
- ❑ Economic study underway on size and grade
- ❑ Planning of oriented diamond drilling programme to better understand orientation of structures, lithology and mineralisation



\* For details of drilling results refer to the Company's announcement of 26 April 2017 titled "Exploration Update".



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Mineral Resources and Ore Reserve – June 2017

# APPENDIX 1



# MINERAL RESOURCES AND ORE RESERVE – June 2017

Table 1: Karouni Ore Reserves <sup>1</sup>

	Proven Reserves			Probable Reserves			Total		
	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces
<b>Smarts</b>	1,232,000	2.46	97,400	513,000	2.25	37,100	1,745,000	2.40	134,500
<b>Hicks</b>	660,000	2.05	43,500	524,000	1.84	31,000	1,184,000	1.96	74,500
<b>Stocks</b>	11,000	2.95	1,000	-	-	-	11,000	2.95	1,000
<b>Total</b>	<b>1,903,000</b>	<b>2.32</b>	<b>141,900</b>	<b>1,037,000</b>	<b>2.04</b>	<b>68,100</b>	<b>2,940,000</b>	<b>2.22</b>	<b>210,000</b>

<sup>1</sup> Refer to the notes on Reserves at the end of this statement.

Table 2: Karouni Mineral Resources (inclusive of Ore Reserves) <sup>2</sup>

	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
<b>Smarts</b>	1,709,000	2.38	130,800	2,824,000	2.06	187,000	1,206,000	2.03	78,700	5,739,000	2.15	396,500
<b>Hicks</b>	699,000	2.17	48,800	1,880,000	1.84	111,200	1,827,000	2.02	118,700	4,406,000	1.97	278,700
<b>MW</b>	259,500	0.56	4,700	-	-	-	-	-	-	259,500	2.97	4,700
<b>Larken</b>	-	-	-	-	-	-	309,000	3.20	31,800	309,000	3.20	31,800
<b>Smarts UG</b>	91,000	6.00	17,600	813,000	3.80	99,300	1,798,000	2.70	156,100	2,702,000	4.20	273,000
<b>Total</b>	<b>2,758,500</b>	<b>2.28</b>	<b>201,900</b>	<b>5,517,000</b>	<b>2.24</b>	<b>397,500</b>	<b>5,140,000</b>	<b>2.33</b>	<b>385,300</b>	<b>13,415,500</b>	<b>2.28</b>	<b>984,700</b>

<sup>2</sup> Refer to the notes on Resources at the end of this statement.



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# MINERAL RESOURCES AND ORE RESERVE – June 2017

## Additional Notes

### Additional notes to Resource and Reserve Estimates

The notes should be read in conjunction with the Resource and Reserve tables above and thus forms an integral part of the Resources and Reserves.

Classification is based on the confidence of the geological interpretation. The variable nature of the north-south veins determines that Inferred is the appropriate category for most of this vein material. The veins are generally narrow, of variable thickness from a few centimeters to tens of centimeters and also of variable strike length.

#### **Resources**

1. Resources for Smarts are calculated at a cut-off of 0.86 gm/t.
2. Resources for Hicks are calculated at a cut-off of 0.86 gm/t.
3. Resources for Larken are calculated at a cut-off of 1.00 gm/t.
4. Resources for Smarts UG are calculated at 1.00 gm/t.
5. The MW is calculated at a cut-off of 0.5 gm/t.
6. Source is Troy updated internal modelling and actual sampling of MW.
7. Resources include material from Smarts 3 slip area. No assurances can be given that all of this material can be mined.
8. Differences may occur due to rounding.

#### **Reserves**

1. Reserves calculated at a gold price of USD \$1,300 per ounce.
2. Reserves for Smarts are calculated at a cut-off of 0.86 gm/t.
3. Reserves for Hicks are calculated at a cut-off of 0.86 gm/t.
4. Ore loss attributed to both Hicks and Smarts of 5%.
5. Dilution of 10% at a gold grade of 0.00 gm/t added to both Hicks and Smarts after ore loss.
6. Stockpiles include ROM and Fine Ore crushed as of June 30, 2017 based on survey and sampling. Included are 7,200 tonnes of ROM (run-of-mine) at 2.82 gm/t and 3,900 tonnes of crushed fine ore at 2.80 gm/t.
7. Source is Troy updated internal modelling and actual sampling of stockpiles.
8. Reserves include material from Smarts 3 slip area. No assurances can be given that all of this can be mined.
9. Differences may occur due to rounding.

### Competent Person's Statement

The information in this presentation that relates to exploration results, Mineral Resources and/or Ore Reserves for the Karouni project is based on, and fairly represents, information and supporting documentation prepared by Mr A.E Olson, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Olson 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 Olson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Mr Olson is a full time consultant to Troy Resources Limited.

The information relating to the Karouni Mineral Resource and Ore reserves is extracted from the announcement titled 'Mineral Resources and Ore Reserves Update' released on 24 October 2017 and available to view at [www.troyres.com.au](http://www.troyres.com.au).

The information relating to exploration results from the Karouni Gold project is extracted from various Troy ASX Announcements and Quarterly Reports previously release to the ASX and are available to view at [www.troyres.com.au](http://www.troyres.com.au) or the ASX website.

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 drill results, mineral resource estimates or studies and that all material assumptions and technical parameters underpinning the drill results and estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented here have not been materially modified from the original market announcements.