

ASX ANNOUNCEMENT

11 January 2018

OPERATIONAL UPDATE

Troy Resources Limited (**ASX: TRY**) (**Troy** or the **Company**) is pleased to provide shareholders with this operational update.

For the month of December 2017, the Company achieved production of 6,224 ounces of gold.

This represents an increase of approximately 17% over the month of November, which in turn was an increase of approximately 17% over October. This made December the highest gold production month since March 2016.

Production for the December 2017 quarter was 16,109 ounces. This is 25% (3,224 ounces) higher than the September 2017 quarter production of 12,885 ounces and is also the highest quarterly production since the March 2016 quarter.

The increased production in the month of December was a result of the Company having gained access to higher grade material from Smarts 3 and 4 ore bodies.

On an annualised basis, the December production figure would see Troy produce approximately 75,000 ounces of gold.

It is noted that production for the month of December would have been higher but for an unscheduled partial mill re-line which resulted in a mill closure for 2 days.

The ore stockpile at Karouni is now more than 125,000 tonnes which has the Company well prepared for the rainy season. This represents in excess of five weeks of mill production.

Average grade of the stockpile is estimated at approximately 1.55 g/t Au which equates to total contained gold of approximately 6,250 ounces. Approximately 25% of the stockpile is high grade ore with an average grade of 3.23 g/t Au. Mining is focused on maintaining the grade milled as high as possible and thus preferentially processing the high grade stocks.

In the absence of any unscheduled mill issues and with the high grade ore continuing to be processed, the Company is expecting gold production for ensuing months will continue at these levels.



During December, the Company continued the drilling of its Spearpoint Prospect located only approximately 350 metres to the north of the Karouni plant. Drilling stopped for a short break over the Christmas/New Year period but has now resumed.

At month's end, 8 reverse circulation drill holes out of the proposed 22-hole programme had been completed. First assay results are expected to be received during January.

Troy Managing Director, Mr Ken Nilsson, said today:-

"As we foreshadowed mid-2017, it has taken a while but the problems of late 2016/early 2017 are now behind us and we are free and clear to exploit Karouni to its maximum potential.

"We expect to have the project back on budget in another month or so.

"Full production and cash cost information will be provided in the December Quarterly Report which will be released later in January."

ENDS

For further information please contact:

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Competent Person's Statements

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 relevant Competent Person's findings are presented here have not been materially modified from the original market announcements.