TROY RESOURCES LIMITED

QUARTERLY REPORT

FOR THE THREE MONTHS ENDED 31 DECEMBER 2017

HIGHLIGHTS

- Gold production for the quarter was 16,109oz as compared to 12,885oz in the previous quarter, an increase of approximately 25%. The increased production is a result of focusing mining activities in the higher-grade Smarts 3 and Smarts 4 areas
- Average head grade of ore treated for the quarter was 2.42 g/t Au with a gold recovery rate of 93.6%
- Throughput of 222,785 tonnes for the quarter. While this was a 7% decrease from the record high September quarter throughput, it was still within budget parameters
- AISC of US$1,017/oz for the quarter, down 18% from the previous quarter's US$1,240/oz
- Sales revenue for the quarter was US$18.5 million from the sale of 14,490 ozs of gold
- The Investec loan was reduced by US$3 million to US$20.2 million in early January 2018
- Cash & equivalents (gold inventories) totalled A$11.2 million at the end of the quarter
- Gold production guidance for the 2017/18 year remains unchanged and in the range of 60,000oz to 70,000oz

Commenting on the results, Troy's Chief Executive Officer and Managing Director, Mr Ken Nilsson, stated:-

"As highlighted in our monthly updates to the market, the operating results from Karouni have continued to improve in line with budget and schedules. Mining will continue to focus heavily on the higher grade systems in Smarts which will result in a reduction of the high grade ore production within the current pit designs by around October 2018 at which time we will rely on production from Hicks together with lower volumes of ore from Smarts. Troy is currently looking at starting a program of re-optimisation of resources and reserves in view of actual mining costs experience and the increase in the price of gold since the last plan design was undertaken. In order to potentially increase the high-grade reserves in Smarts, Troy will undertake a series of additional RC holes focusing on Smarts 2 and 4.

"All-in-Sustaining-Costs for the quarter were US$1,017/oz, down 18% as compared to US$1,240/oz in the previous quarter.

"The decrease is primarily due to the increased production for the quarter and the benefit of the cost reduction campaigns undertaken over the last 6 months.

"Remedial work undertaken on Smarts 3 is essentially completed with only some minor work to be done to secure continuing safe access for mining. A study will commence shortly to look at the potential to continue mining beyond the current design utilising partial underground methods.

"The infill drilling at Spearpoint is ongoing following a slow start. We expect this drilling to be completed by mid-February. Results to date are in line with expectations and the potential to increase reserves remain. We expect to be able to start modelling the project once all the results are received towards the end of February.

"Once Spearpoint drilling is completed the next immediate target for infill drilling is Larkin.

"It should be noted that the production profile referred to above makes no allowance for any additional ounces from Spearpoint or Larkin, or any other near-mine targets not currently included in the current reserves calculation.

"The processing plant has continued to perform well and with the increase in depth we have a sharp and expected increase in sulphides with associated increase of coarse gold of up to 60%.

"Crushing and processing is still experiencing some issues with the very wet ores but this is now a standard feature of operating practice at Karouni.

"Pleasingly, Troy has now paid down the Investec debt by a further US$3 million. With the increase in production comes an increase in cash flow so that we are now in a better position to reduce outstanding creditors going forward. The operation is obviously also seeing the benefit of the lower strip ratio in Smarts which will reduce the pressure on mining. We are maintaining ore stockpiles at above 100,000t.

"So, in conclusion, the December quarter has confirmed the planned and predicted increase in cash flow, better overall performance, debt reduction and steady increase in gold production.

"Focus on cost control will remain a strong activity moving ahead.

"Safety and environmental performance remain on track to conform to world best practise and, as at today, the overall project has operated in excess of 165 days without a lost time injury. Notably the mining department has achieved more than one year free of lost time injuries."

OPERATIONS

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

Results Summary

A summary of key operational parameters at Karouni for the December quarter, the year-to-date and the two previous quarters is set out in the following table:-

Table 1: Quarterly and YTD Production & Costs Summary

Operations	June 2017 Quarter	September 2017 Quarter	December 2017 Quarter	6 months to December 2017
Being Open Pit Mining				
Total mined (t)	1,495,685	1,988,435	**1,519,308**	**3,507,743**
Ore Mined (t)	183,405	276,915	**277,177**	**554,092**
Mine Grade (g/t)	2.15	1.72	**2.74**	**2.23**
Mill Production				
Processed (t)	196,765	238,646	**222,785**	**460,431**
Head Grade Gold (g/t)	2.54	1.84	**2.42**	**2.12**
Recovery Gold (%)	95.9	91.3	**93.6**	**92.4**
Gold Produced (oz.)	15,411	12,885	**16,109**	**28,994**
Gold Sold (oz.)	17,328	12,771	**15,385**	**28,156**
Cash Cost (US$/oz.)	881	1,005	**832**	**903**
AISC (US$/oz.)	1,208	1,240	**1,017**	**1,107**
Gold Price Realised (US$/oz.) [(1)]	1,255	1,274	**1,276**	**1,275**

(1) Before impact of hedging.

During the quarter, 222,785 tonnes of ore were processed at an average grade of 2.42 g/t, reflecting a 7% decrease in tonnes milled which was more than offset by a 32% increase in grade milled. While the throughput represented a 7% decrease from the record high September quarter throughput, it was still within budget parameters. In December, only 68,000 tonnes were milled, accounting for the majority of the shortfall. The shortfall in December's tonnes milled related primarily to unscheduled maintenance activities including a partial mill reline. Recovery for the quarter increased to 93.6%.

During the quarter, a total of 1,519,000 tonnes of material were mined, including 277,000 tonnes of ore at an average grade of 2.74 g/t. The decrease in tonnes generally reflects the anticipated changes in mining according to the FY 2018 Budget. Mining activities focused on the high-grade areas of Smarts 3 and Smarts 4. There was minimal ore production from the Hicks pits, but stripping continued in these areas during the quarter.

As at 31 December 2017, stockpiles of ROM and crushed ore encompassed 115,646 tonnes at an average grade of 1.48g/t.

Gold production from Karouni for the quarter was 16,109ozs compared to 12,885ozs in the previous quarter, with some 3,224 ounces or 25% increase over the September quarter.

The increased gold production in the quarter was a result of the Company having gained access to higher grade material from Smarts 3 and 4 ore bodies. Mining of the lower grade Hicks deposits only amounted to approximately 5% of the total ore mined during the quarter.

During the quarter, the Company's C1 operating costs were US$832/oz, down 17% as compared to US$1,005/oz in the previous quarter.

All-in-Sustaining-Costs ("AISC**"**) for the December quarter were US$1,017/oz, down 18% as compared to US$1,240/oz in the previous quarter.

The decrease in unit operating costs is primarily due to the increased production for the quarter and the benefit of the cost reduction campaign undertaken over the last 6 months.

Gold sold for the quarter was 14,490oz with an increase in gold at refinery due to the Christmas holiday period.

A more detailed breakdown of costs is set out in the following table:-

Table 2: Quarterly and YTD Cash Costs

	June 2017 Quarter	September 2017 Quarter	December 2017 Quarter	6 Months to December 2017
	US$/oz	US$/oz.	US$/oz.	US$/oz
C1 Cash Cost	881	1,005	**832**	**903**
Refining and transport costs	5	5	**4**	**4**
Reclamation and remediation – amortisation	6	7	**6**	**6**
Royalties	129	105	**107**	**105**
Insurance	17	21	**16**	**18**
Exploration - sustaining	68	18	**7**	**12**
Corporate general and administration costs	48	72	**41**	**54**
Capital equipment	52	7	**4**	**5**
All-In Sustaining Cost (AISC)	1,208	1,240	**1,017**	**1,107**

Health and Safety

During the quarter, the site worked approximately 389,000 man-hours with zero lost time injuries. As of December 31, there has been 136 days without a lost time injury, a site record.

Safety performance continues to improve on the basis of the industry standard Total Recordable Injury Frequency Rate ("TRIFR"). TRIFR at the end of the quarter was 6.2, down from 7.4 for the previous quarter.

These results are a strong endorsement of the Company's efforts to achieve an accident-free work environment.

Environment

No reportable environmental incidents occurred during the quarter in accordance with the Guyanese Environmental Protection Authority guidelines. Routine water and noise sampling did not show any significant anomalies.

All permits and licenses are up to date and the Company is in full compliance with its ongoing requirements.

During the quarter, the Company completed a bio-diversity study with another study being conducted next quarter.

The Company has continued to work on its reclamation efforts whereby native plant specimens are collected with the help of workers from the local indigenous community and several test plots planted.

Community

The Company continues to work closely with the local Amerindian community and participates in local heritage activities. In addition members of the community are engaged in company activities on a semi regular basis providing additional labour as required and performing specific tasks. Troy also continues to provide assistance to the children going to school in other areas.

Employment from members of the local Amerindian community has increased as part of Troy's commitment.

CASPOSO, ARGENTINA (Troy 30% - Austral Gold Limited (ASX:AGD) (Manager) 70%)

Results Summary

A summary of key operational parameters at Casposo for the December quarter, the year-to-date and the two previous quarters is set out in the following table.

Table 3: Casposo Quarterly and YTD Production & Costs Summary

	June 2017 Quarter	September 2017 Quarter	December 2017 Quarter	6 months to December 2017
Ore processed (t)	65,124	65,481	**59,942**	**125,423**
Grade (g/t Au)	2.4	2.4	**2.9**	**2.64**
Grade (g/t Ag)	224	272	**332**	**301**
Gold recovery (%)	89%	92%	**91%**	**92%**
Silver recovery (%)	86%	86%	**88%**	**87%**
Gold produced (oz.)	4,360	4,396	**5,544**	**9,940**
Silver produced (oz.)	374,583	505,514	**517,125**	**1,022,639**
C1 Cash cost (US$/oz. Au Eq)	981	930	**918**	**923**
AISC (US$/oz Au_Eq)	1,311	1,043	**1,145**	**1,100**

Troy currently holds a 30% equity interest in Casposo but does not receive any direct share of production or contribute to costs during Austral's earn-in period.

EXPLORATION

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

Exploration recommenced in the December quarter focusing on infill drilling at the Spearpoint target, located approximately 350m north of the processing plant (Refer Figure 1). The Spearpoint drilling is testing the southeast extension of the Smarts Shear Zone for grade and continuity. Historical drilling confirmed the continuation of the Smarts Shear Zone with several high-grade gold intercepts as previously reported in 2012 and 2014.

Spearpoint lies on the south east extension of the Smarts ore bodies along the Smarts main shear within a previously framework drilled strike length of approximately 800m. (Refer to Figure 1 below).

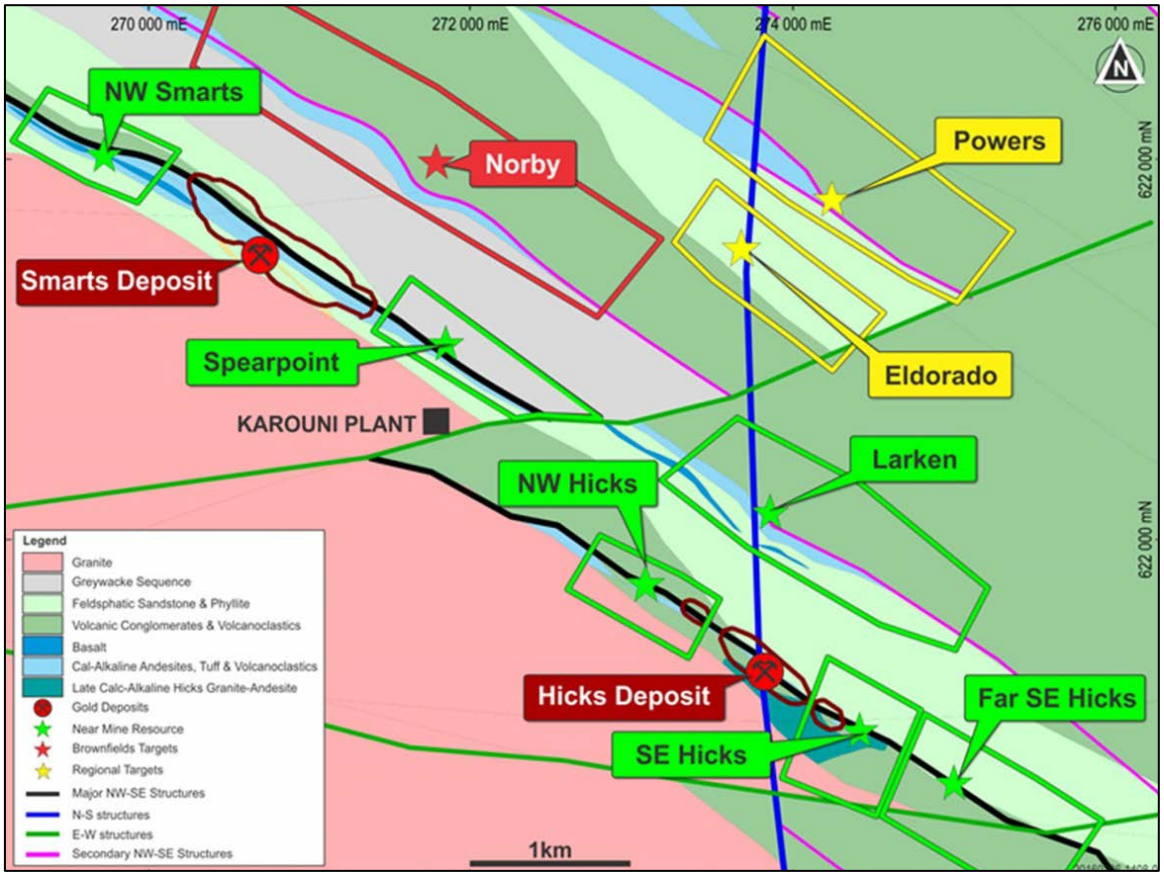

Figure 1: Potential Near Mine Drilling Targets

The initial reverse circulation ("RC") drilling program consists of approximately 30 RC drill holes with a targeted depth ranging from 45m to 120m. The drilling orientation is a combination of holes perpendicular to stratigraphy on the main shear zone to the northeast and east-west direction to target for possible north-south vein gold mineralisation found in Smarts. The program is designed to test about 650m of strike extension of the Smarts Shear zone.

Drilling commenced in December due to a slow start up and the Christmas break. A total of 11 RC drill holes totalling 731 meters were completed to the end of the quarter. During the drilling, mechanical issues with the drill rig resulted in failure to reach the target depth on some holes and these had to be abandoned early and that a "no significant result" description on the table of results is not necessarily indicative of a lack of mineralisation.

The drilling commenced on the southeast end of the Spearpoint prospect and is progressing towards the northwest where historically wider zones and higher grades were intercepted.

Drill hole assays received to date are detailed in Table 4 below:-

Table 4: Spearpoint Target Drilling - Summary Of Results

Hole	Easting (m)	Northing (m)	Elevation (m)	Depth (m)	Azimuth	Dip	Gold Assay Intervals (Metres at g/t gold)[1]
SRC811	271984	620993.6	96.02	66	35	-60	3m at 3.56g/t gold from 33m
SRC812	271970.5	620972.1	95.5	94	35	-60	1m at 1.09g/t gold from 46m, and 4m at 7.75g/t gold from 59m, and 2m at 1.38g/t gold from 72m, and 1m at 1.73g/t gold from 79m
SRC813	271886	621070.3	77.7	43	35	-60	NSR
SRC814	271892.7	621048.4	79.8	25	90	-55	Hole abandoned, NSR
SRC814A	271890.56	621048.24	79.23	79	89	-55	2m at 1.3g/t gold from 39m
SRC815	271899.01	621039.63	81.3	49	35	-55	Hole abandoned, NSR
SRC815A	271898.03	621039	81.04	41	35	-55	Hole abandoned, NSR
SRC815B	271897.16	621037.57	81.19	67	35	-55	1m at 4.08g/t gold from 41m, and 2m at 2.16g/t gold from 56m
SRC816	271906.93	620990.28	86.07	115	33	-55	2m at 0.89g/t gold from 83m, and 2m at 1.81g/t gold from 103m, and 1m at 4.45g/t gold from 109m
SRC817	271921.94	621017.17	85.53	73	35	-55	2m at 4.79g/t gold from 39m, and 3m at 1.63g/t gold from 45m, and 3m at 2.82g/t gold from 51m
SRC818	271899.03	620989.05	85.2	79	35	-55	1m at 3.43g/t gold from 48m, and 1m at 3.63g/t gold from 76m

NSR: No Significant Assay Results

Additional notes to Table 4 above:

1. *Intervals calculate at a cut-off grade 0.5g/t gold with a maximum of 2m internal dilution*
2. *Intercepts are not true widths.*
3. *All holes are Reverse Circulation (RC) Drill Holes.*
4. *All reported intersections assayed at 1m sampled downhole intervals.*
5. *Mineralised intervals reported as weighted averages.*

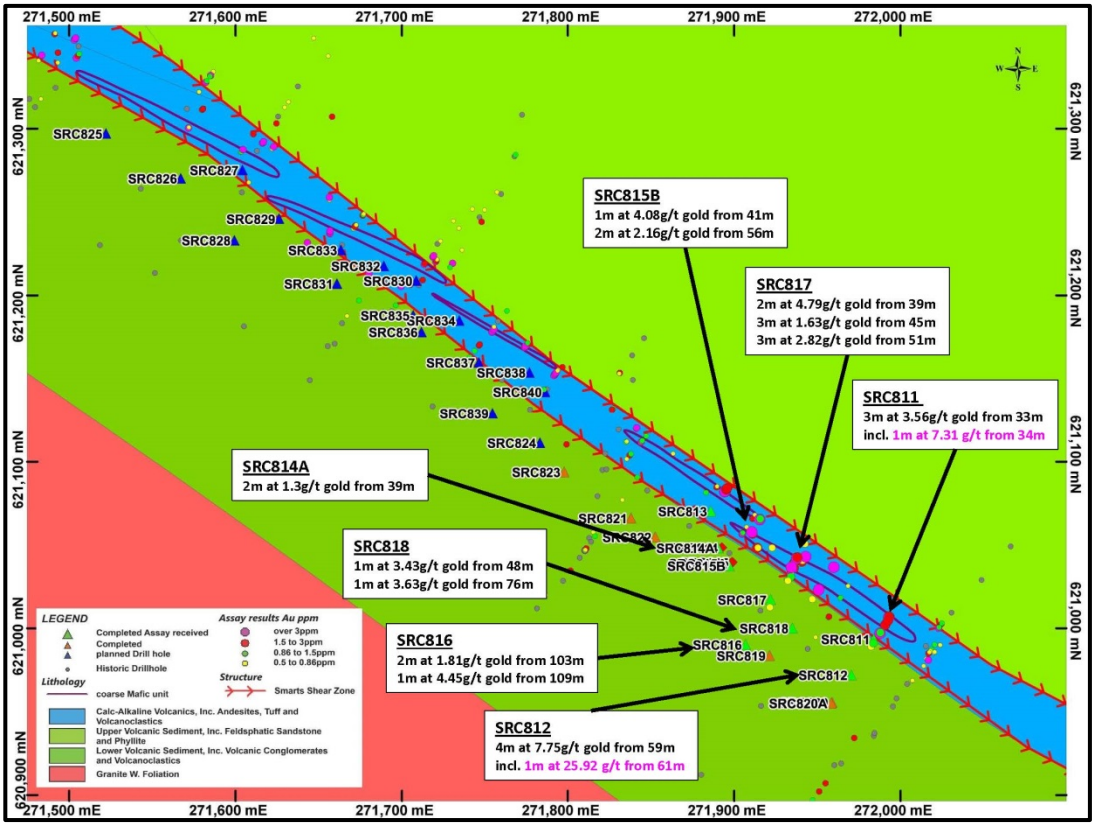

Figure 2: Results Spearpoint Drilling

To date, the overall drilling confirms the existence of the Smarts Shear Zone with narrow, but high-grade intercepts. The drilling intersected the same stratigraphy found in Smarts with sediments in the hanging and footwall, two shear zones and mafics (basalts/ dolerite) between the shears. The coarser mafics show intensive pyrite alteration.

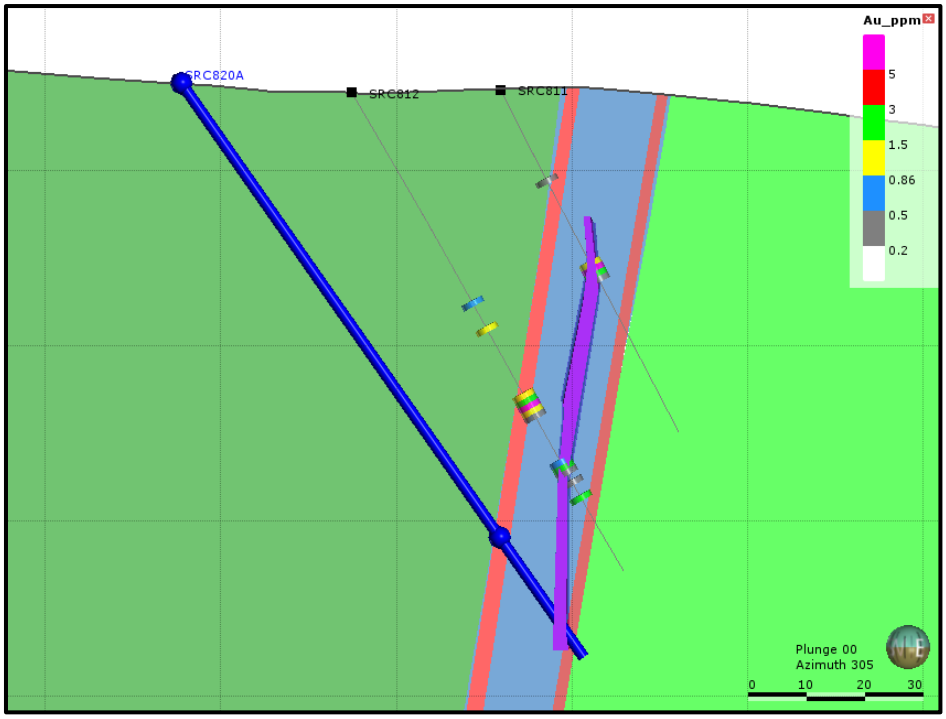

Figure 3: Section view SRC811 and SRC812 ("Blue" is planned drill hole)

FINANCIAL INFORMATION

At the end of the quarter, the Company had total liquidity of $11.2 million, including available cash of $3.0 million and gold inventories at market value of $8.2 million including 1,075 ozs (US$1.4m) at the refinery. This does not take into account the debt repayment of US$3 million made to Investec in early January 2018.

Key movements in cash flow are illustrated in Figure 5 below.

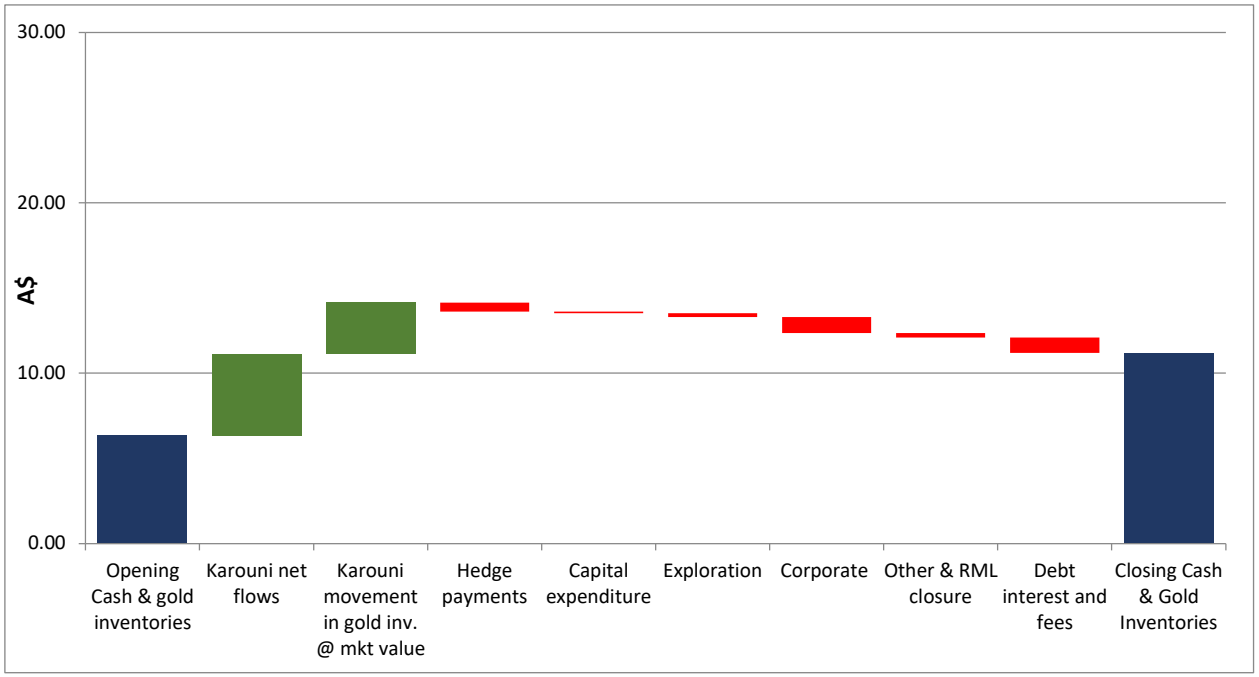

Figure 5: December Quarter Cash Movements

Notes:

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

Debt Facility

The Company repaid US$3 million of its Debt Facility with Investec in early January 2018. The loan balance post this repayment is US$20.192 million.

Hedging

A summary of the Company's gold hedging positions at 31 December 2017 is set out in the table below.

Table 5: Gold Hedging Position as at 31 December 2017

Settlement Period	Gold oz.	US$/oz.
March Qtr. 18	9,000	$1,183,65
June Qtr. 18	9,000	$1,183.65
Sept Qtr. 18	9,000	$1,183,65
Dec Qtr. 18	13,000	$1,233.34
TOTAL	**40,000**	**$1,199.80**

Exploration Expenditure

Exploration expenditure incurred during the quarter was A$0.3 million.

Capital Expenditure

Expenditure incurred in relation to the plant and equipment and sustaining capital at Karouni during the quarter was A$0.1 million.

CORPORATE

Board and Management

During the last quarter, a substantial shareholder requisitioned a general meeting of the Company's shareholders with resolutions to remove Mr Stern and Mr Jones as Directors of the Company, and to have three of its nominees elected to the Board.

That general meeting was held on 10 October 2017. None of the resolutions were passed with the result that Mr Stern and Mr Jones remain as Directors.

The Company held its Annual General Meeting on 27 November 2017 with Mr Stern being re-elected as a director.

Capital Structure

Issued Capital (as at 31 December)	
Ordinary Shares	459,543,474
Options ($0.18 exercise price; final expiry 20 April 2019)	27,780,000

On 20 December 2017, the last 141,000 Employee Share Appreciation Rights (Rights) expired unexercised and hence the Company currently has no Rights on issue.

For further information please contact:

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Directors

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

Competent Person's Statements.

The scientific and technical content of this release that relates to Exploration Results for the Karouni project has been prepared by, or under the supervision of A.E. Olson, FAusIMM and Carolina Milla, P. Eng., and has been reviewed and approved by Mr. Olson and Ms. Milla. Ms Milla is a Geologist and Member of APEGA, the Association of Professional Engineers and Geoscientists of Alberta, and a Professional Engineer in Alberta - Canada. Mr. Olson is a mining engineer and a Fellow of the Australian Institute of Mining and Metallurgy. Mr. Olson is a consultant to the Company and Ms. Milla is an employee of the Company. Both Mr. Olson and Ms. Milla are a "competent person" for the purposes JORC Code and of National Instrument 43-101, Standards of Disclosure for Mineral Projects. Both Mr. Olson and Ms. Milla have sufficient experience in deposits of this nature.

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 announcement.

QA/QC

As part of the Company's Quality Assurance and Quality Control procedures (QA/QC) the Company reviews results from Certified Standard Reference materials (CRSM or Standards), which are inserted at a rate of 5 per 100 samples. Within the results disclosed herein there were no samples with results outside of the recommended tolerances for the standards. In Troy's drill programs, the RC sample is collected at the rig using a three-tier riffle splitter. One sample every metre is sent to Actlabs in Georgetown for sample preparation and assaying.

The remaining half of the RC sample is kept at the Company core shack for future assay verification, or any other further investigation. Assays within intervals below the 0.005 g/t detection limit for Au were given a zero value. All drill samples were prepared, screened, and assayed by Actlabs in Georgetown using standard fire assay AAS finish. Gold assays over 10.0 g/t Au, were re-assayed and completed with a gravimetric finish.

QA/QC included the insertion and continual monitoring of numerous standards, blanks and duplicates into the sample stream, at random intervals within each batch. In total the QA/QC samples comprise 15% of the total samples analyses.

Appendix 1: JORC Table

Guyana Karouni Section 1: Sampling Techniques and Data		
Criteria	**JORC Code Explanation**	**Commentary**
Sampling Technique	Nature and quality of sampling (eg cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverized to produce a 50 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	The Spearpoint target is being in-fill drilled and drill tested for continuation along strike using Reverse Circulation (RC) drilling. The existing drill spacing (50mx50m) is being in-filled to nominal 25m x 25m grid spacing. The drilling (11 holes for 731m), consisting of 11 RC holes, was completed to improve the drill hole density from the current 50m by 50m grid to 25m by 25m. The Holes were angled towards Azimuth 050° or 015° magnetic at declinations of between -55° and -60°, to optimally intersect mineralised zones. The current Phase 1 Infill Drilling program at Spearpoint target is to be completed in early February 2018. A sample interval of 1m has been selected for the RC and Diamond Core drilling with proximity to gold mineralisation (buffer zone). This sample spacing ensures a representative sample weight is collected at a scale sufficient to define geological and mineralisation boundaries. The use of a 1m sample interval was selected after consideration of the following: • Consideration of previous sampling methodology. • The RC drilling method and sample collection process for current drill campaigns. • A representative sample weight suitable for transport, laboratory preparation and analysis. • The lithological thickness of the White Sands Formation and underlying basement lithology. • A mineralisation zone thickness ranging from several metres to tens of metres. • Suitability for statistical analysis. A standard sample length ensures all assay results are treated on equal support when reviewing assay statistics (before sample compositing for geostatistical analysis and resource estimation). • The Diamond Core and RC drilling method will in general provide superior sample collection compared to open-hole drill methods (e.g. auger or RAB) and reduce the possibility of down-hole grade smearing or contamination. All RC samples were weighed to determine recoveries. All potentially mineralised zones were then split and sampled at 1m intervals using three-tier riffle splitters. QA/QC procedures were completed as per industry best practice standards (certified blanks and standards and duplicate sampling). Samples were dispatched to Actlabs in Georgetown, Guyana for sample preparation, where they were crushed, dried and pulverized to produce a sub sample for analysis. Actlabs has a fire assay facility in Georgetown where 50g fire assays, gravimetric finishes and screen fire assays have been conducted.
Drilling	Drill type (eg core, reverse circulation, open- hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face- sampling bit or other type, whether core is oriented and if so, by what method, etc).	Reverse Circulation "RC" drilling within the resource area comprises 5.5-inch diameter face sampling hammer drilling and hole depths range from 43m to 115m. Reverse Circulation Rig supplied and operated by Orbit Garant Drilling of Canada.

Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximize sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	RC recoveries are logged and recorded in the database. Overall recoveries are >75% for the RC; there are no significant sample recovery problems. A technician is always present at the rig to monitor and record recovery. RC samples were visually checked for recovery, moisture and contamination. The bulk of the Resource is defined by DC and RC drilling, which have high sample recoveries. The style of mineralisation, with frequent high-grades and visible gold, require large diameter core and good recoveries to evaluate the deposit adequately. The consistency of the mineralised intervals is considered to preclude any issue of sample bias due to material loss or gain.
Logging	Whether core and chip samples have been geologically and geotechnical logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean/Trench, channel, etc) photography. The total length and percentage of the relevant intersections logged.	Logging of diamond core and RC samples recorded regolith, lithology, mineralogy, mineralisation, structural (DDH only), weathering, alteration, colour and other features of the samples. RC samples were photographed in wet form. All drilling has been logged to standard that is appropriate for the category of Resource which is being reported. Geotechnical logging was carried out on all diamond drill holes for recovery, RQD and number of defects (per interval). Information on structure type, dip, dip direction, alpha angle, beta angle, texture, shape, roughness and fill material are stored in the structure/Geotech table of the database.
Sub-sampling technique and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub- sampling stages to maximize representability of samples. Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled.	RC samples were collected on the rig using a three-tier riffle splitter. Wet samples were initially speared to produce a preliminary sample. The remainder of the wet sample is to be dried and then put through a three-tier splitter for a final sample. The sample preparation for all samples follows industry best practice. Actlabs in Georgetown, Guyana for sample preparation, where they were crushed, dried and pulverized to produce a sub sample for analysis. Sample preparation involving oven drying, coarse crushing, followed by total pulverization LM2 grinding mills to a grind size of 85% passing 75 microns. Field QC procedures involve the use of certified reference material as assay standards, blanks, and duplicates for the RC samples only. The insertion rate of these averaged 2:20 for core and 3:20 for RC. Field duplicates were taken for 1m RC splits using a riffle splitter. The sample sizes are appropriate to correctly represent the style of mineralisation, the thickness and consistency of the intersections.

Quality of Assay data and Laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	The laboratory used a fire assay analytical method for detection of 5 – 10,000ppb gold with an AAS finish samples exceeding 10,000ppb. No geophysical tools were used to determine any element concentrations used in this Resource Estimate. Sample preparation checks for fineness were carried out by the laboratory as part of their internal procedures to ensure the grind size of 85% passing 75 microns was being attained. Laboratory QA/QC involves the use of internal lab standards using certified reference material, blanks, splits and duplicates as part of the in-house procedures. Certified reference materials, having a good range of values, were inserted blindly and randomly. Results highlight that sample assay values are accurate, and that contamination has been contained. Repeat or duplicate analysis for samples shows that the precision of samples is within acceptable limits. Sample preparation conducted by ActLabs Guyana Inc. and fire assay performed by ActLabs Guyana by 50g fire assay with gravimetric finish. QA/QC protocol: For diamond core one blank and one standard inserted for every 18 core samples (2 QA/QC samples within every 20 samples dispatched, or 1 QA/QC sample per 10 samples dispatched) and no duplicates. QA/QC protocol: For RC samples we insert one blank, one standard and one duplicate for every 17 samples (3 QA/QC within every 20 samples or 1 every 8.5 samples).
Verification of Sampling and Assaying	The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. The verification of significant intersections by either independent or alternative company personnel. Discuss any adjustment to assay data.	The verification of significant intersections has not been verified by independent personnel. The Company's exploration manager has verified significant intersections. Primary data was collected using a set of company standard ExcelTM templates and Logchief on Toughbook laptop computer using lookup codes. The information was validated on-site by the Company's database officers and then merged and validated into a final datashed database. Review of raw assay data indicated that some missing intervals resulted from low to no recovery it is not necessarily an indication of grade not been present.
Location of Data Points	Accuracy and quality of surveys used to locate drill holes (collar and down- hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used Quality and adequacy of topographic control.	All drill holes have been located by DGPS in UTM grid PSAD56 Zone 21 North. Downhole surveys were completed at the end of every hole where possible using a Reflex Gyro downhole survey tool, taking measurements every 5m. Lidar data was used for topographic control.

Data Spacing and Distribution	Data spacing for reporting of Exploration Results Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied.	The nominal drill hole spacing is 25m by 25m and in places 30m (northwest) by 25m (northeast). The mineralised domains have demonstrated sufficient continuity in both geological and grade to support the definition of Mineral Resource and Reserves, and the classifications applied under the 2012 JORC Code. Samples have been composited to one-meter lengths and adjusted where necessary to ensure that no residual sample lengths have been excluded (best fit).

Orientation of Data in Relation to Geological Structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	Most of the data is drilled to either magnetic 050° or 015° orientations, which is orthogonal/ perpendicular to the orientation of the mineralised trend. The bulk of the drilling is almost perpendicular to the mineralised domains. Structural logging based on oriented core indicates that the main mineralisation controls are largely perpendicular to drill direction. No orientation-based sampling bias has been identified in the data at this point.
Sample Security	The measures taken to ensure sample security	Chain of custody is managed by Troy. Samples are stored on site and delivered by Troy personnel to Actlabs, Georgetown, for sample preparation. When applicable the sample pulps for assay are then delivered to DHL and freighted to Actlabs, Santiago assay laboratory. Whilst in storage, they are kept under guard in a locked yard. Tracking sheets are used track the progress of batches of samples

Section 2 Karouni Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
Mineral Tenement and Land Status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title Interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known Impediments to obtaining a license to operate in the area.	The Karouni Project tenements cover an aggregate area of 211,013 acres (85,394ha), granting the holders the right to explore for gold or gold, diamonds or precious stones. The tenements have been acquired by either direct grant to Troy Resources Guyana Inc. (15,160 acres/6,135ha) or by contractual agreements with Guyanese tenement holders (195,853acres/79,259ha). Apart from the Kaburi Agreement (28,089 acres/11,367ha) which provides for the Company to earn a 90% interest, all other vendor agreements provide the Company with the right to obtain an ultimate interest of 100%. The Karouni Project comprises a single (large scale) mining Licence, 40 (small scale) claim licences, 164 (medium scale) prospecting permits and 44 (medium scale) mining permits. All licences, permits and claims are granted for either gold or gold, diamonds or precious stones. The various mining permits that cover the Smarts Deposit were originally owned by L. Smarts and George Hicks Mining. The permits were purchased by Pharsalus Gold (a wholly owned subsidiary of Azimuth Resources) in 2011. Troy Resources acquired the permits with the acquisition of Azimuth Resources in August 2013. All transfer fees have been paid, and the permits are valid and up to date with the Guyanese authorities. The payment of gross production royalties is provided for by the Act and the amount of royalty to be paid for mining licences 5%, however recent mineral agreements entered stipulate a royalty of 8% if the gold price is above US$1,000 per ounce.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Little modern exploration has been carried out over the tenement prior to Azimuth's involvement which commenced in 2011. Portions of the Karouni Project have been held continuously by small family gold mining syndicates (locally termed 'Pork Knockers') since the 1960's. This situation persists to the present day. Portions of the current project area were variously held under option to purchase agreements by Cominco (1974-75), Overseas Platinum Corporation (1988) and Cathedral Gold Corporation (1993-2002). In 1999, Cathedral Gold joint ventured the property to Cambior, then owner and operator of the Omai Gold Mine located 40km to the east, with a view to processing the Hicks mineralisation through the Omai processing facility. Cambior intended to use its existing mining fleet, rather than road trains, to haul mill feed from the Hicks Deposit. Execution of this approach proved uneconomic and disruptive to the mining schedule at Omai itself. No further work was undertaken, and the joint venture was terminated in 2000. Available historic records and data were reviewed by both Troy during Due Diligence prior to the takeover and by Runge as part of the Resource modelling and estimation work.

Geology	Deposit type, geological setting and style of mineralisation.	Primary gold mineralisation is exposed at several localities within the Karouni Project, the most notable being the Hicks, Smarts and Larken Prospects along the northern extremity of the Project, where the White Sand Formation cover has been removed by erosion to expose the underlying mineralised Paleoproterozoic Greenstone successions of the Trans- Amazonian Barama-Mazaruni Group. Extensive superficial cover of White Sand Formation within the central and southern portions of the Project tenements masks the basement lithology and conceals any gold mineralisation. The evaluation of airborne geophysical data has however indicated that the Barama-Mazaruni Greenstone Belts and associated syn-tectonic intrusives persist at shallow depth beneath this cover. The mineralisation at the Smarts, Hicks and Larken Zones is associated with a shear zone that transects a sequence of mafic to intermediate volcanic and sedimentary volcanoclastics. The shear zone dips steeply towards the southwest, strikes northwest to southeast, and is characterized by intense brittle-ductile deformation and carbonate alteration plus quartz veining and abundant pyrite. The high-grade gold mineralisation is usually associated with zones of dilational and stockworks quartz veining within and adjacent to the shear zone. At the Smarts Deposit gold is hosted by a northwest trending, sub-vertical to steeply southwest dipping shear zone 2,800m in strike length and up to 60m wide. The shear zone has developed within basalts and andesites comprising the footwall greenstone succession along the north-eastern limb of a shallowly northwest plunging anticline. Auriferous mineralisation is also noted at the contacts of porphyry-granite intrusives. The shear zone is comprised of semi- continuous zones of quartz lenses and quartz-carbonate veining or brecciation. Numerous, moderately well-defined gold-rich lenses, up to 15m wide, occur within the shear zone and are characterized by anomalous quartz veining, quartz flooding, shearing, chloritization, seritisation and pyritisation. Visible gold and the majority of gold values typically occur within and along margins of quartz veins, in either silicified granitic porphyries, and in adjacent, carbonate altered and pyritic sheared basalt or in coarser mafic dyke lenses with intensive pyrite alteration. Pyrite is common at up to 5% by volume associated with auriferous quartz veins. Mineralisation is variously accompanied by silica-albite- sericite-chlorite-carbonate-pyrite-tourmaline alteration, while fuchsite is developed within porphyry intrusives in contact with high magnesium basalts and along shear zones.
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Intercepts that form the basis of this announcement are tabulated in Table 1 in the body of the announcement and incorporate Hole ID, Easting, Northing, Dip, Azimuth, Depth and Assay data for mineralised intervals. Appropriate maps and plans also accompany this announcement. Complete detailed data on the project is included in the NI-43101 Tech Reports available on the Company's website with the current report dated September 8, 2014.

Data Aggregation Methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.	All intersections are assayed on one-meter intervals. No top cuts have been applied to exploration results. Mineralised intervals are reported with a maximum of 2m of internal dilution of less than 0.5g/t. Mineralised intervals are reported on a weighted average basis. The cut-off grade for mineralization is 0.5g/t gold.
Relationship between Mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg	The orientation of the mineralised zone has been established and the majority of the drilling was planned in such a way as to intersect mineralisation in a perpendicular manner. However, due to topographic limitations some holes were drilled from less than ideal orientations.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	The appropriate plans, sections and 3D views have been included in the text of this document as Figures 1 to Figure 3.
Balanced Reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All grades, high and low, are reported accurately with “from” and “to” depths and “drill hole identification” shown.
Other Substantive Exploration Data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Metallurgical test work has been completed, with excellent results. Gold recoveries exceed 95% from CIL tests, and a significant proportion of the gold is recoverable by gravity concentration. Magnetics is a geophysical survey technique that exploits the considerable differences in the magnetic properties of minerals with the ultimate objective of characterizing the Earth’s sub-surface. The technique requires the acquisition of measurements of the amplitude of the magnetic field at discrete points along survey lines distributed regularly throughout the area of interest. It is the induced and remnant fields that are of particular interest to the geoscientist because the magnitudes of these fields are directly related to the magnetic susceptibility, spatial distribution and concentration of the local crustal materials. Fortunately, only a few minerals occur abundantly enough in nature to make a significant contribution to the induced and remnant fields. The Ground Magnetics survey work was performed on a grid cut at 100m line separation with 10m station intervals. Survey crews and equipment supplied by Quantec International Geophysical Contractors. A total of four GEM GSM-19 Overhauser Magnetometers (1 base station unit, 2 rover units) was used to complete the survey. The ground magnetic data was incorporated and levelled with the existing geophysical data from past surveys.
Further Work	The nature and scale of planned further work (eg tests for lateral extensions or large scale step out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Further infill drilling is planned and is ongoing, aimed at increasing the amount of resource categorized as Indicated, as well as upgrading some of the Indicated Resource to Measured status. Drilling aimed at increasing the Resource below the current depth extent is also planned. A program of dedicated metallurgical and geotechnical drill holes is planned.