ASX ANNOUNCEMENT

19 March 2018

EXPLORATION UPDATE

Troy Resources Limited (**ASX: TRY**) ("**Troy"** or the "**Company"**) is pleased to provide shareholders with an exploration update on the recently completed Spearpoint Prospect infill drilling programme and a summary of future work.

Highlights:

- The Spearpoint RC drilling programme encompassed 34 drill holes for a total of 2,657m
- Significant intercepts include:-
  - **7m @ 13.08g/t gold, including 2m @ 32.88g/t, from 41m (Hole SRC 827)**
  - **7m @ 7.55g/t from 54m (SRC 822)**
  - **9m @ 5.38g/t from 63m (SRC 823)**
  - **5m @ 5.32g/t from 82m (SRC 819)**
  - **4m @ 8.88g/t from 74m (SRC 830)**
  - **9m @ 4.34g/t from 27m (SRC 831)**
  - **6m @ 6.45g/t from 37m (SRC 834)**
- High grade gold intercepts occur in coarse mafic units, strongly silicified in part and associated with NS veining

The programme was designed to confirm the continuation of the main Smarts Shear Zone.

All assay results have now been received and collated.

Troy Managing Director, Mr Ken Nilsson, said: *"As previously announced, the Company has completed a 34 hole reverse circulation programme ("RC") on the Spearpoint Prospect located approximately 350 metres from the Karouni processing plant and approximately 650 metres SE of the Smarts 1 pit.*

"The results show a very robust mineralised zone with mineable widths of high grade gold over approximately 400 metres of strike length. In addition to the main veins, there is an enriched saprolite layer closer to surface that requires additional shallow drilling to fully evaluate the size of that portion of the Spearpoint Prospect."

The results of holes SRC 811 to 819 inclusive were reported in the Company's December 2017 Quarterly Report released to the ASX on 31 January 2018.

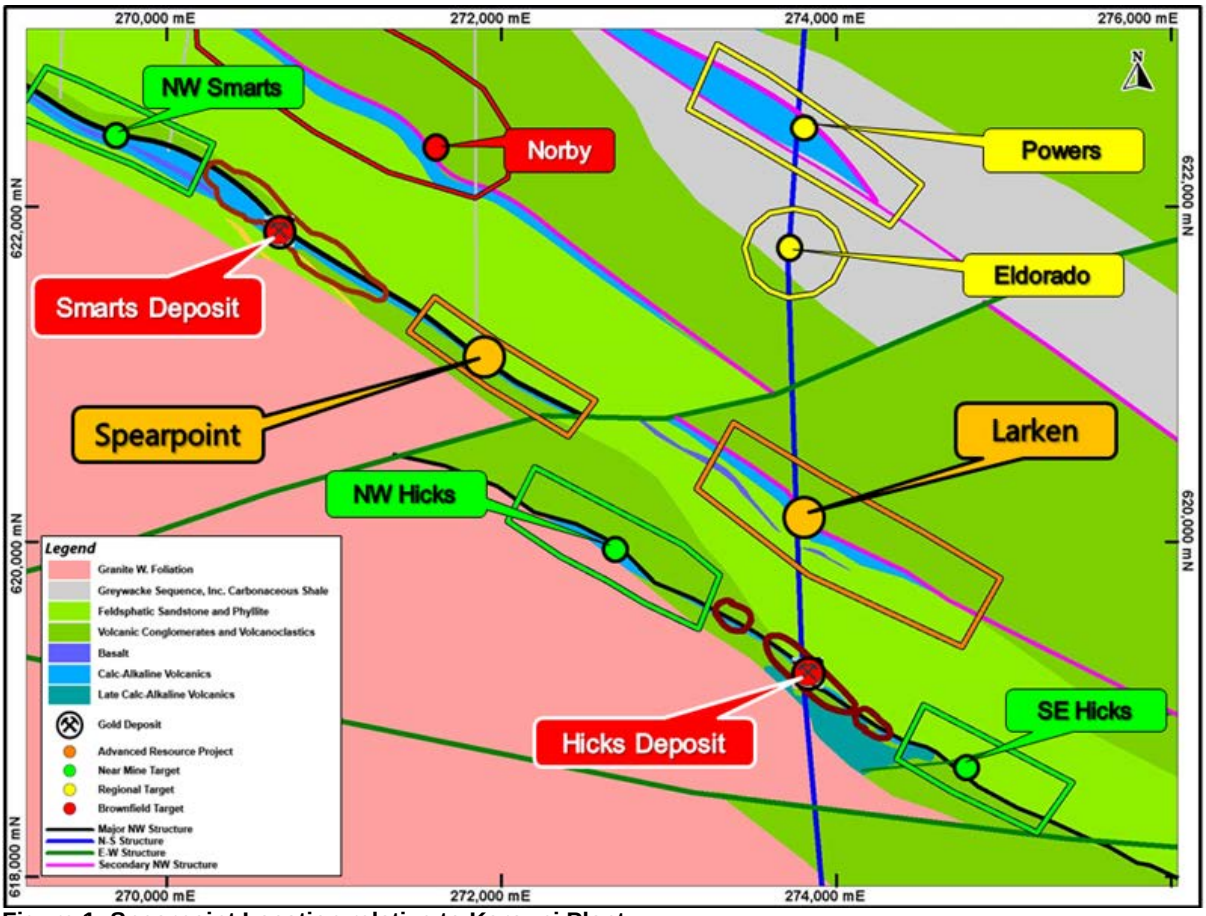

Figure 1: Spearpoint Location relative to Karouni Plant

The results from the programme which have not previously been reported are summarized in Table 1 below (a complete listing of the drilling results for the entire 34 hole Spearpoint programme are set out in Table 2 at the end of the release):-

Table 1: Spearpoint Drilling Summary of Latest Results

Hole	Easting	Northing	Elevation (m)	Depth (m)	Azimuth	Dip	Peak Gold Assay Intervals
SRC819	271921.45	620982.88	89.52	120	35	-55	**5m at 5.32g/t gold from 82m**
SRC820	271958.89	620955.64	96.36	69	35	-55	abandoned, NS
SRC820A	271958.39	620955.14	95.86	86	35	-55	abandoned, NS
SRC821	271836.54	621064.98	77.6	91	35	-55	1m at 0.87g/t gold from 15m and
							6m at 2.71g/t gold from 74m
SRC822	271853.47	621053.63	76.23	88	35	-55	1m at 2.09g/t gold from 47m and
							1m at 2.65g/t gold from 51m and
							7m at 7.55g/t gold from 54m and
							2m at 1.86g/t gold from 75m
SRC823	271798.46	621093.09	74.57	85	35	-55	**9m at 5.38g/t gold from 63m**
SRC824A	271783	621111.43	73.04	86	35	-60	4m at 3.18g/t gold from 50m
SRC825	271518.95	621299.03	94.27	97	35	-55	NSR

SRC826	271565.98	621269.55	96.89	91	36	-55	3m at 1.75g/t gold from 59m and 4m at 1.56g/t gold from 81m
SRC827	271604.62	621274.13	91.33	55	35	-60	6m at 2.6g/t gold from 26m and **7m at 13.08g/t gold from 41m** and 1m at 6.82g/t gold from 53m
SRC828	271597.75	621225.68	92.85	115	30	-60	4m at 1.12g/t gold from 105m
SRC829	271614.24	621221.9	91.53	103	30	-55	1m at 1.88g/t gold from 90m
SRC830	271661.4	621207.06	81.27	91	35	-60	1m at 1.36g/t gold from 30m and 1m at 1.46g/t gold from 38m and 1m at 2.32g/t gold from 54m and **4m at 8.88g/t gold from 74m**
SRC831	271664.61	621225.31	80.06	77	90	-55	**9m at 4.34g/t gold from 27m**
SRC832	271686.69	621212.16	82.76	55	35	-60	4m at 1.68g/t gold from 32m
SRC833	271690.84	621208.42	82.95	79	90	-55	**5m at 3.92g/t gold from 39m**
SRC834	271711.54	621178.76	81.1	76	35	-60	4m at 2.56g/t gold from 26m and **6m at 6.45g/t gold from 37m**
SRC835	271733.96	621184.5	78.27	52	35	-60	5m at 1.77g/t gold from 34m
SRC836	271707.59	621188.01	81.17	91	90	-55	**4m at 3.18g/t gold from 23m** and **4m at 5.13g/t gold from 43m** and 2m at 0.9g/t gold from 49m and 1m at 0.7g/t gold from 76m
SRC837	271742.51	621157.05	70.63	79	90	-55	1m at 0.51g/t gold from 39m and 1m at 3.31g/t gold from 48m and **3m at 6.73g/t gold from 56m**
SRC838	271733.87	621151.27	71.12	79	60	-60	1m at 2.49g/t gold from 37m and 3m at 0.94g/t gold from 45m and 1m at 0.72g/t gold from 75m
SRC839	271605.6	621273.91	91.23	73	90	-55	**5m at 3.97g/t gold from 29m** and **3m at 8.34g/t gold from 55m** and 1m at 0.61g/t gold from 63m and 1m at 1.52g/t gold from 66m
SRC840	271943.9	620960.14	95.43	88	50	-55	abandoned, NS

Notes to above table:

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. *NS – No Sample, NSR – No Significant Result*

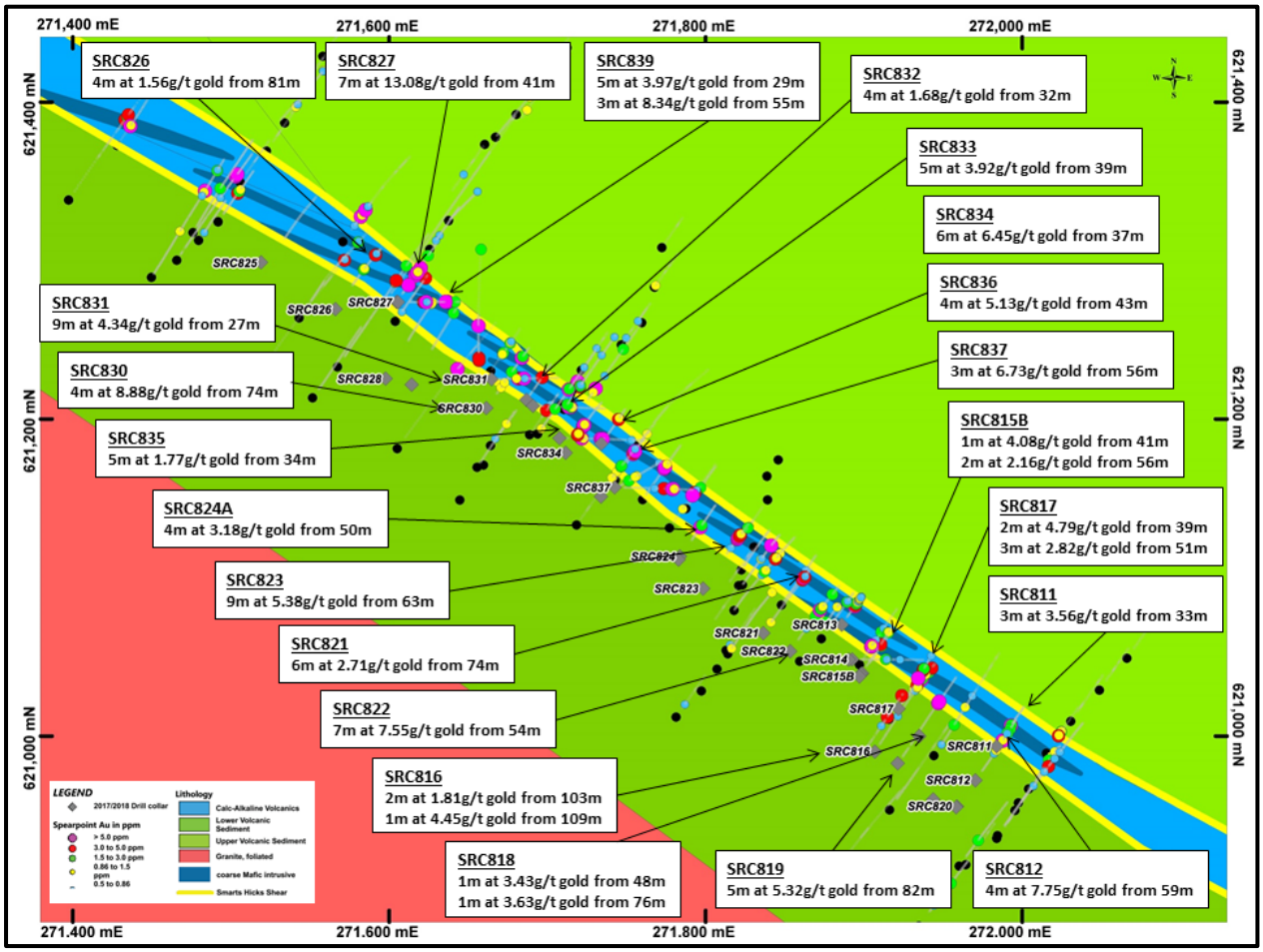

Figure 2: Spearpoint Drill collar location 2017/18 with best assay results in Au g/t

This Spearpoint drilling programme confirms the continuation of the Smarts Shear Zone consisting of hanging wall and foot wall shears. The shears, which are approximately 10 to 20 metres apart, surround a mafic package of MgO basalt, fine basalts and a coarse mafic unit which could be an intrusive. A minor porphyritic unit mixed with coarse mafic has been identified between the shears.

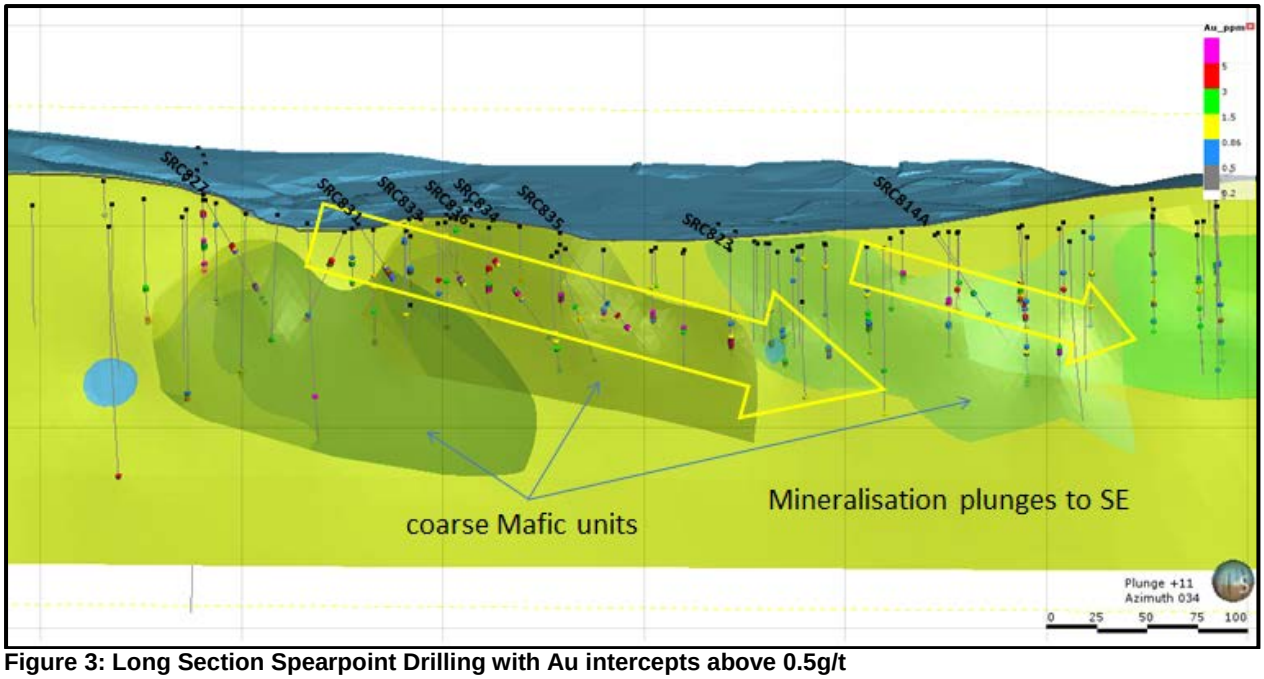

Figure 3: Long Section Spearpoint Drilling with Au intercepts above 0.5g/t

The gold mineralisation is related to NS veining within the coarser mafic unit which displays coarse pyrite and silica alteration. The shear zone has minor mineralisation which is probably related to the development of NS veins within the sheared unit. The high-grade gold mineralisation plunges to the SE.

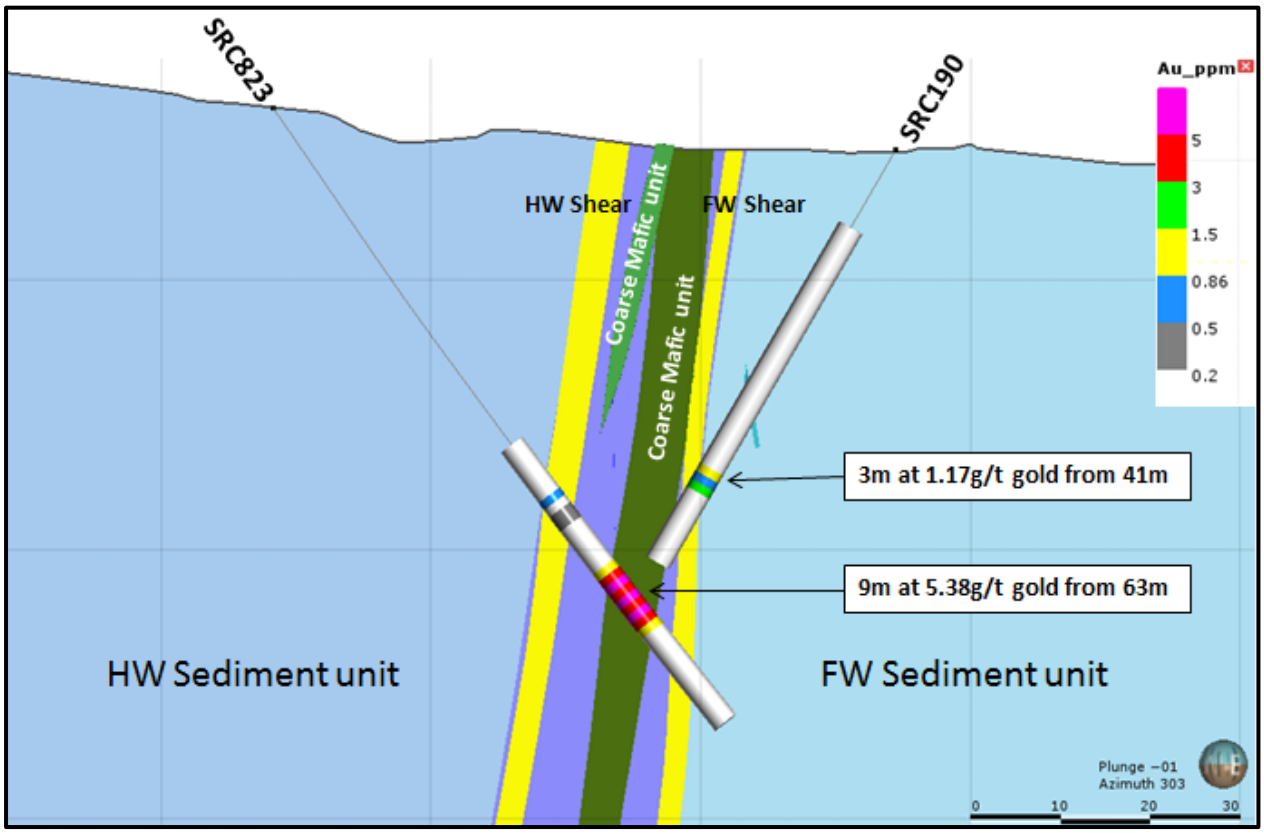

Figure 4: SRC823 Cross section with geology

A geological model for Spearpoint has been completed. Work is continuing on the modelling of the development of the structural control of the mineralisation. Once the geological and structural models for Spearpoint have been completed, the Company will begin work on a resource model.

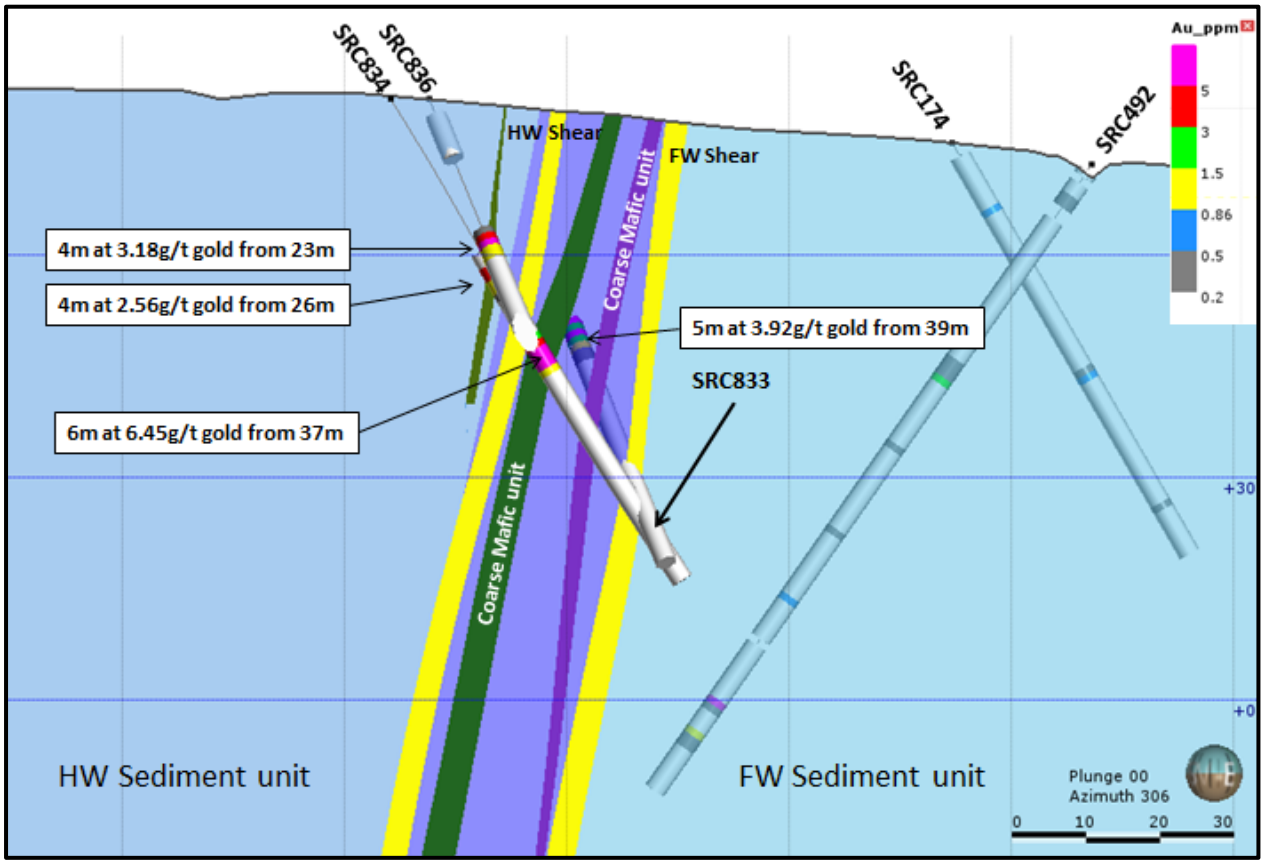

Figure 5: SRC834 Cross Section – with collar of SRC836 (off section) and Tail SRC833 (off section)

The Company will shortly drill 8 follow-up shallow holes in central Spearpoint to confirm the width of mineralisation in the enriched saprolite zone and infill to closer drill spacing.

The results of this work will also be incorporated into the Spearpoint Resource estimate.

Larken Prospect

The Company also intends to shortly drill 29 RC holes totalling approximately 1,400m in the nearby Larken Prospect (Refer Figure 1 above for location).

The Larken prospect is located approximately 2 kilometres to east of the Karouni plant site.

Larken is a shear hosted deposit on a shear that runs parallel to the Smarts & Hicks shears. The mineralisation is related to the contact of sheared high MgO basalt and a Fe-rich mafic unit which is similar to the Smarts deposit.

The Larken Prospect has been previously drilled and contains an Inferred Resource of 309,000 tonnes at 3.2g/t for 31,800 ounces of gold. (*Refer to the ASX Announcement of 24 October 2017 titled "Mineral Resources and Ore Reserve Statement*).

This new drilling programme is aimed at both extensional and infill work to potentially firm up the Mineral Resource to Ore Reserve status for inclusion into future mining plans.

ENDS

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The complete results of the 34-hole Spearpoint drilling program is tabled below:-

Table 2: Complete Spearpoint Drilling Summary of Results

Hole	Easting	Northing	Elevation (m)	Depth (m)	Azimuth	Dip	Peak Gold Assay Intervals
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	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	1m at 1.8g/t gold from 36m
SRC815A	271898.03	621039	81.04	41	35	-55	abandoned, NS
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
SRC819	271921.45	620982.88	89.52	120	35	-55	**5m at 5.32g/t gold from 82m**
SRC820	271958.89	620955.64	96.36	69	35	-55	abandoned, NS
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SRC821	271836.54	621064.98	77.6	91	35	-55	1m at 0.87g/t gold from 15m and 6m at 2.71g/t gold from 74m

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SRC835	271733.96	621184.5	78.27	52	35	-60	5m at 1.77g/t gold from 34m
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SRC840	271943.9	620960.14	95.43	88	50	-55	abandoned, NS

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 meter is sent to Actlabs in Georgetown for sample preparation and assaying.

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

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.

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.