



TROY RESOURCES LIMITED

# QUARTERLY REPORT

FOR THE THREE MONTHS ENDED 31 DECEMBER 2018

## HIGHLIGHTS

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- **Gold production for the December 2018 quarter was 14,227 ounces**
- Average head grade of ore treated for the quarter was 2.2 g/t Au with a recovery rate of 96.4%
- Sales revenue for the quarter was US\$21.5 million from the sale of 17,712 ounces of gold
- **AISC of US\$1,141/oz for the quarter**
- Ore stockpile at the end of the quarter stood at approximately 200,000 tonnes representing more than two months' processing
- RC drilling results at the Ohio Creek Prospect released during the quarter include:-
  - **TRC001 – 16 m @ 10.07 g/t Au from 2 m including 1 m @ 93.78 g/t Au from 2 m**
  - **TRC007 – multiple significant intersections including 1 m @ 23.34 g/t Au from 37 m**
  - **TRC013 – 9 m @ 40.52 g/t Au from 89 m including 6 m @ 60.1 g/t Au from 89 m**
  - **TRC025:**
    - **4 m @ 3.75 g/t Au from 67 m**
    - **2 m @ 39.56 g/t Au from 99 m**
    - **2 m @ 7.22 g/t Au from 118 m**
  - **TRC026:**
    - **4 m @ 2.12 g/t Au from 90 m**
    - **4 m @ 3.67 g/t Au from 106 m**
    - **3 m @ 5.74 g/t Au from 123 m**
  - **TRC028 – 2 m @ 8.64 g/t Au from 31 m including 1 m @ 13.59 g/t Au from 31m**
  - **TRC029 – 5 m @ 13.94 g/t Au from 34 m including 2 m @ 24.53 g/t Au from 34 m**
- Geotechnical event in Smarts 3 pit interrupted mining in October
- Loan repayment of **US\$3 million** made in October reducing the loan balance to **US\$8.19 million**
- Further loan repayment of **US\$3 million** made in early January 2019 reducing the loan balance to **US\$5.19 million**



- Cash and equivalents (gold inventories) totalled A\$11.2 million at the end of the quarter
- Hedge book reduced to 3,000 ounces at a price of US\$1,345 per ounce
- **Richard Beazley** appointed as a Non-Executive Director in October 2018

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

*"The December Quarter in particular was highlighted by exploration success with excellent results from the recently acquired Ohio Creek Prospect. A sizeable exploration and development program has been put in place with the aim to convert any resources to reserves from this project within a reasonably short time period to ensure mill feed is maintained to the Company's Karouni milling operation approximately 10 kilometres away. Permitting and approvals procedures have been put in place and to date the Company has received strong support from the Government. Within the next few months the Company will establish a small camp to support exploration and development of the northern tenements including Ohio Creek, Gem Creek, Upper Itaki and Gold Star.*

*"On the negative side, during the quarter the Company suffered a further setback with geotechnical problems in Smarts 3 pit which saw mining cease for the time being and thus limited the supply of high grade ore to the mill. At the end of the quarter, the geotechnical consultants presented the findings of a study undertaken covering Smarts 3 pit and also the Hicks open pits.*

*"Adjustments have been made to the Smarts 3 cut back design to conform to these recommendations and, similarly, some changes were made to Hicks mining parameters. It can be expected that stage one of the Smarts 3 pit cut back will start in early February which will take the pit down approximately 40 metres to its original cut back design by cutting back the northern wall. Such a cut back will move the pit wall outside the current contact zone. A further decision as regards a second stage of Smarts 3 cut back by cutting back the southern wall is pending the results of further infill drilling from near the bottom of the existing pit. Such a cut back will take the pit down a further 20 metres.*

*"Mining in Smarts 2 and 4 has ceased as planned due to the bottoming out of the ore body.*

*"The processing plant is performing well but the crushing circuit is exhibiting the effects of the very hard ore from Hicks 2 pit requiring higher maintenance and repairs. Gold recovery remains high and well in line with early test work. During the year, the Company plans to effect a tailings dam lift to cater for the existing processing plan as well as in preparation for the introduction of ore from outlying sources expected towards the end of the 2019 year.*

*"It is worth noting that the efforts to reduce costs and streamlining procedures have had a positive effect as has the ongoing changes in staffing to a higher local employee content. Relationships with the Government and other stakeholders remain good and all permits are in good standing with no environmental incidents or major OH&S issues.*

*"The Company currently has a reclamation program in place and, with the aid of the University of Guyana, is conducting further revegetation trials and also working closely with the indigenous population in order to achieve excellent outcomes."*



## OPERATIONS

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

#### Results Summary

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

Table 1: Quarterly and YTD Production & Costs Summary

Operations	June 2018 Quarter	September 2018 Quarter	December 2018 Quarter	6 Months to December 2018
<i>Open Pit Mining</i>				
Total mined (t)	1,021,705	1,142,663	1,475,319	2,617,846
Ore Mined (t)	170,945	248,344	239,424	487,632
Mine Grade (g/t)	2.10	2.08	2.10	2.08
<i>Mill Production</i>				
Processed (t)	195,548	219,324	207,947	427,272
Head Grade Gold (g/t)	3.19	2.79	2.21	2.51
Recovery Gold (%)	97.2	96.6	96.4	96.5
Gold Produced (oz.)	19,510	18,991	14,227	33,218
Gold Sold (oz.)	20,652	13,417	17,712	31,129
Cash Cost (US\$/oz.)	708	673	891	780
AISC (US\$/oz.)	895	824	1,141	974
Gold Price Realised (US\$/oz.) <sup>(1)</sup>	1,308	1,214	1,216	1215

(1) Before impact of hedging.

During the quarter, 1,475,319 tonnes of material were mined including 239,424 tonnes of ore at an average grade of 2.10 g/t. Total mining volumes were higher than the previous quarter due to increased material movements in Hicks 1. The increased movements from Hicks were scheduled as part of the transition from mining in Smarts to the lower grade Hicks deposits. Mining volumes in the next quarter will be lower.

During the quarter, 99,523 tonnes were mined from Smarts and 1,375,796 tonnes from Hicks. Of this, Smarts ore amounted to 67,778 tonnes at 2.25 g/t Au whilst Hicks ore represented 171,646 tonnes at 2.03 g/t Au. As such, Hicks ore represented 72% percent of the total as compared to 36% in the previous quarter.

As at 31 December 2018, stockpiles of ROM and crushed ore encompassed 206,500 tonnes at an average grade of 1.45 g/t Au for 9,640 ounces. This is a small increase over the previous quarter and represents in excess of two month's mill production.

During the quarter, 207,947 tonnes of ore were processed, a 5% decrease over the previous quarter. The decrease is related to throughput reduction caused by major crusher maintenance undertaken in December.

Gold recovery for the quarter was 96.4% as compared to 96.6% for the previous quarter.

**Gold production** for the quarter was **14,227 ounces**, a decrease on the 18,991 ounces achieved in the previous quarter. The December quarter was affected by a pit wall failure which curtailed mining of



the higher grade Smarts 3 pit. The quarter was also affected by major maintenance to the primary and secondary crushers.

During the quarter, the Company's C1 operating costs were US\$891/oz as compared to US\$673/oz in the previous quarter. The increase in unit operating cash costs is primarily due to a decrease in gold production due to lower throughput and gold grades for the quarter as a result of the geotechnical failure.

All-in-Sustaining-Costs ("AISC") for the December quarter were **US\$1,141/oz** as compared to US\$825/oz in the previous quarter.

Gold sold for the quarter was 17,712 ounces for total sales revenue of US\$21.6 million. At the end of the quarter, the Company had 1,951 ounces at the refinery awaiting sale.

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

**Table 2: Quarterly and YTD Cash Costs**

	June 2018 Quarter US\$/oz.	September 2018 Quarter US\$/oz.	December 2018 Quarter US\$/oz.	6 month to December 2018 US\$/oz.
Mining	294	318	426	372
Processing	266	279	363	293
Mine & General Admin	131	125	157	128
Mineral Inventory Movements	17	(49)	(55)	(14)
<b>C1 Cash Cost</b>	<b>708</b>	<b>673</b>	<b>891</b>	<b>780</b>
Refining and transport costs	5	4	8	5
Reclamation and remediation	-	-	-	5
Royalties	123	108	177	115
Insurance	9	10	13	13
Exploration - sustaining	8	-	-	8
Corporate general and administration costs	27	27	36	37
Capital - sustaining	150	3	17	10
<b>All-In Sustaining Cost (AISC)</b>	<b>895</b>	<b>825</b>	<b>1,141</b>	<b>974</b>

During the quarter, the north wall of Smarts 3 sloughed preventing safe access to the remaining Smarts 3 ore. Rather than remediate the area immediately, the Company determined it was not financially feasible and the remaining Smarts 3 ore was temporarily abandoned.

No injuries were suffered, or personnel endangered, and no machinery was lost or damaged as a result of the incident. The slip is considerably smaller than that which occurred in December 2016. Following a site visit in October, the Company's geotechnical consultants made several recommendations as how to move forward in this area.

The Company is currently in the final stages of planning a cut-back of the higher-grade Smarts 3 orebody which is scheduled to commence late in Q3, pending Board approval and financing. The



Company is envisaging two phases to the cut-back. Phase 1 will focus on the north wall and see mining to an elevation of RL -20. Phase 2 will focus on the south wall and see mining to an elevation of RL -50.

Phase 2 requires additional confirmation drilling which will be scheduled late in the third quarter.

Therefore, the slip will likely have no substantive impact on Ore Reserves in the pit, life of mine or costs, but will have an impact on the short and medium-term mining with ore containing approximately 3,000 ounces of gold production needing to be rescheduled into late 2019.

During the quarter, mining in Smarts 4 ceased according to plan and all the mining activities are now focused on the Hicks area.

Mining continues without interruption from Hicks 1 and Hicks 2 pits. A small amount of ore remains to be mined from Smarts 2 pit during January.

However, as Smarts 3 contributed slightly higher grade ore than other sources, so the average grade of ore processed in the Quarter was slightly lower and will remain lower than initial budget for the March 2019 quarter.

For the period January to June 2019, gold production is now estimated to be in the range of 30,000 to 32,000 ounces.

Therefore, gold production for the full 2018/19 financial year is estimated to be in the range of 62,000 to 65,000 ounces which is at the lower end of original guidance of 65,000 to 75,000 ounces.

In addition, the Company submitted the Environmental Management Plan ("EMP") to the EPA in late December for both the Larken and Spearpoint satellite deposits. Approval is expected in late January and mining could start at Larken as early as mid-February.

While still in the early stages of exploration, the Company has begun planning of the Ohio Creek EMP. Early work will include baseline flora and fauna studies.

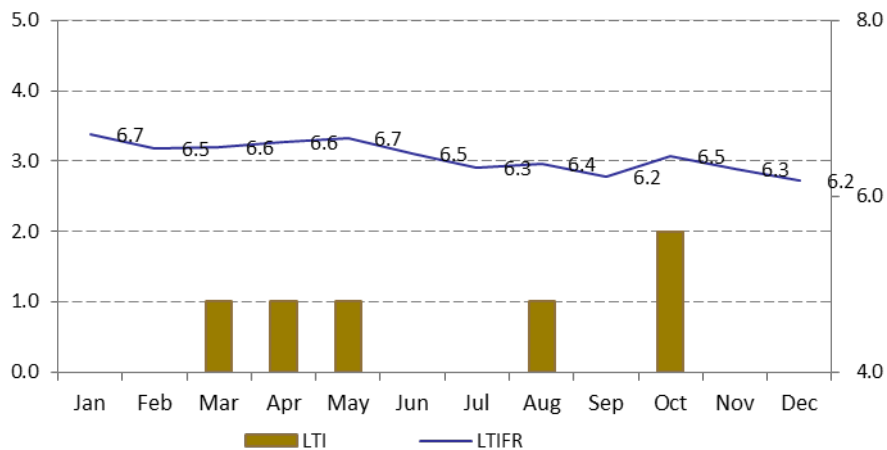
The processing plant continues to perform well. Repairs were made to the secondary crusher sub-frame. In January, there was a scheduled stoppage of 72 hours to reline the mill and replace conveyor belts.

## Health and Safety

Safety performance did not improve during the quarter with a total of two (2) Lost Time Injuries, three (3) Medical Treatment Injuries and seven (7) First Aid Injuries.

Safety performance decreased during the quarter based on the industry standard Total Recordable Injury Frequency Rate ("TRIFR"). TRIFR at the end of the quarter was 10.4, up from 10.2 for the previous quarter. The site's Lost Time Incident Frequency rate ("LTFR") was 6.0, down from the previous quarter of 6.2 and below the budget of 6.4. The LITFR is shown in the graph below.

The Company maintains its strong commitment to Health and Safety and continues to train its workforce daily.



**Table 3: LTI and LTIFR for 2018 year.**

### Environment

No reportable environmental incidents occurred during the quarter in accordance with Guyanese Environmental Protection Authority (“EPA”) 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 formed an alliance with the University of Guyana whereby the university will conduct a test planting program at Karouni in order to select the optimum vegetation type for reclamation. The program was initiated in October and will continue throughout 2019.

The Company submitted the EMP for the permitting of both the Spearpoint and Larken deposits to the Government EPA in December. The Company does not anticipate any issue or delays in receiving the additional necessary permits.

### Community

The Company continues to work closely with the local Amerindian community. 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. Several members of the community are now fully trained in operating mining equipment.



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

Troy holds a 30% equity interest in the Casposo Gold Mine in Argentina which is managed by Austral Gold Ltd ("Austral").

Troy does not receive any direct share of production or contribute to costs during Austral's earn-in period.

As at the date of this release, the final operational statistics for Casposo for the December 2018 quarter have not been finalised by Austral.

Full results will be available in Austral's quarterly report due for release around 31 January 2019.

Following a request by Austral, Troy has agreed to extend the closing date for the exercise of Option 3 of the Casposo Sale Agreement from 15 January 2019 to 31 March 2019. This Option was part of the original Sale Agreement in respect of 70% of the Casposo project in Argentina to Austral signed in March 2016, with Option 3 enabling Austral to acquire an additional 10% of the project. The remaining 20% is also subject to 2 further options of 10% each exercisable in January 2020 and January 2021.



## EXPLORATION

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

#### Overview

The focus of exploration during the Quarter was mainly reverse circulation (RC) drilling at Ohio Creek with auger sampling undertaken at the adjacent Gem Creek target during drill rig downtimes or drilling breaks.

The RC campaign at Ohio Creek was highly successful with approximately 50% of the drill holes returning assay results above 0.5 g/t Au. In hole TRC013, the single highest grade assay was recorded, being 1 metre @ 251.27 g/t Au.

The Gem Creek auger program also returned excellent gold assay results and, equally importantly, excellent XRF results, demonstrating that the highly prospective high MgO and mafic corridor continues in this area.

A map illustrating Troy's ground position, identifying Ohio Creek and Gem Creek Prospects as well as the Karouni Mill is set out in Figure 1.

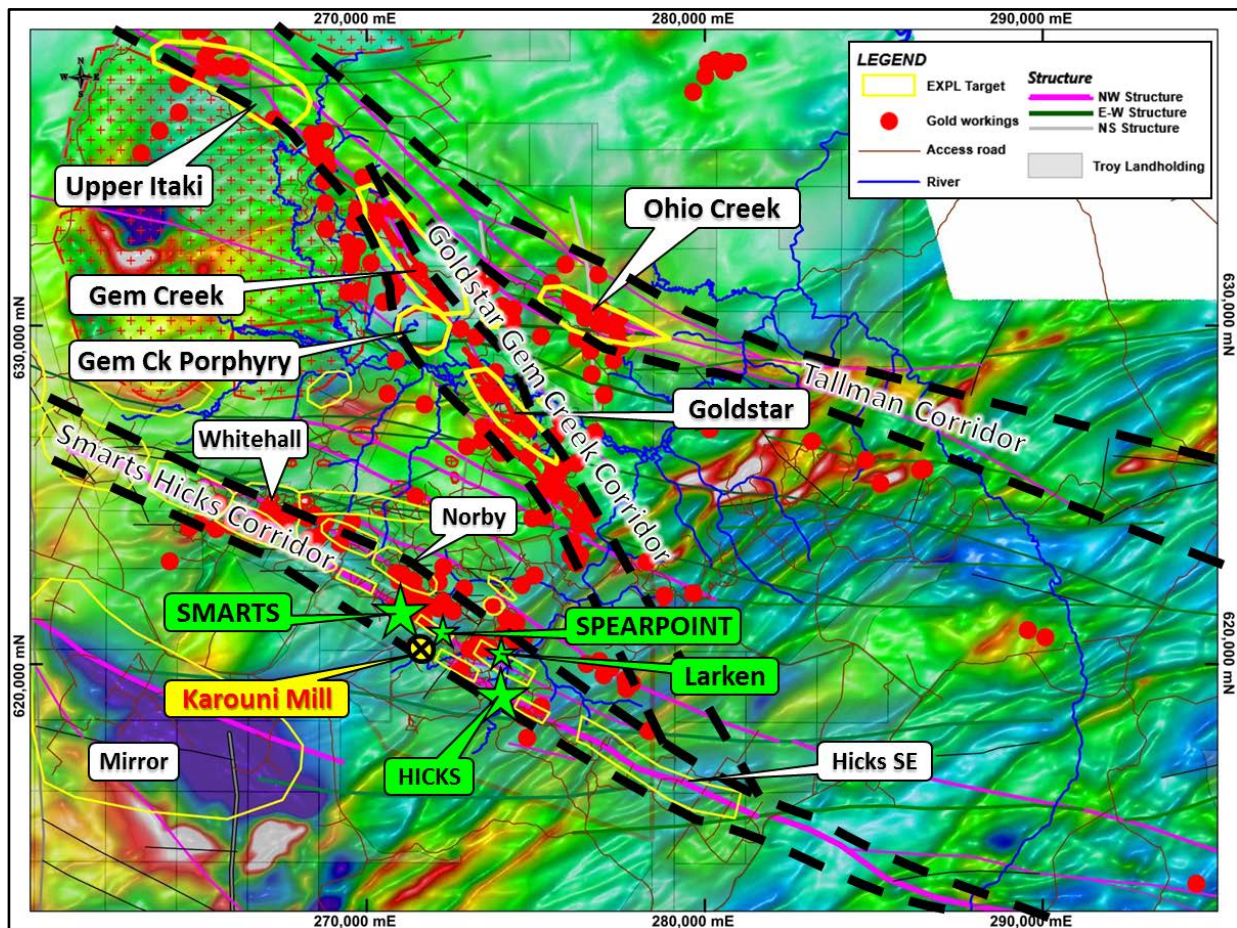


Figure 1 – Map illustrating Troy's ground position, identifying both the Ohio Creek and Gem Creek Prospects as well as the Karouni Mill.





## **Ohio Creek Prospect**

Ohio Creek is located within the north eastern sector of Troy's tenement holdings and in close vicinity to several other highly prospective, underexplored targets including Gem Creek, Goldstar and Upper Itaki, each of which is located only approximately 10 kilometres from the Karouni processing facility.

During the quarter, Troy completed a Phase 1 RC drilling campaign and commenced a Phase 2 campaign at Ohio Creek.

The Phase 1 campaign, completed by the end of November, encompassed 39 RC holes for an aggregate 3,917 metres, with individual hole depths of between 70 and 140 metres.

Drilling primarily tested the NW and SE extensions of the Tallman Pit.

Anomalous gold mineralisation, occurring in approximately 50% of the holes drilled, has so far been identified to extend along strike to the NW of the Tallman Pit for approximately 650 metres.

With the successful completion of the Phase 1 campaign, the decision was made to immediately commence the Phase 2 campaign.

Planned to encompass 46 holes with depths of from 70 to 100 metres, Phase 2 aims to decrease line spacing to 40 metres so as to test continuation of the mineralised zone.

At the time of writing, 19 holes have been drilled for a total of 1,974 metres.

In summary, a total of 58 RC holes were drilled for the Quarter for a total of 5,891 metres.

At the end of the Quarter, assay results for all 39 Phase 1 holes had been received. All results for Phase 2 holes are awaited.

Key assay results received thus far include:

- **TRC001 – 16 m @ 10.07 g/t Au from 2 m including 1 m @ 93.78 g/t Au from 2 m**
- **TRC007 – multiple significant intersections including 1 m @ 23.34 g/t Au from 37 m**
- **TRC013 – 9 m @ 40.52 g/t Au from 89 m including 6 m @ 60.1 g/t Au from 89 m**
- **TRC025:**
  - **4 m @ 3.75 g/t Au from 67 m**
  - **2 m @ 39.56 g/t Au from 99 m**
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- **TRC026:**
  - **4 m @ 2.12 g/t Au from 90 m**
  - **4 m @ 3.67 g/t Au from 106 m**
  - **3 m @ 5.74 g/t Au from 123 m**
- **TRC028 – 2 m @ 8.64 g/t Au gold from 31 m including 1 m @ 13.59 g/t Au from 31 m**
- **TRC029 – 5 m @ 13.94 g/t Au gold from 34 m including 2 m @ 24.53 g/t Au from 34 m**

A map illustrating drill hole locations and key assay results from all holes drilled thus far is set out as Figure 2.

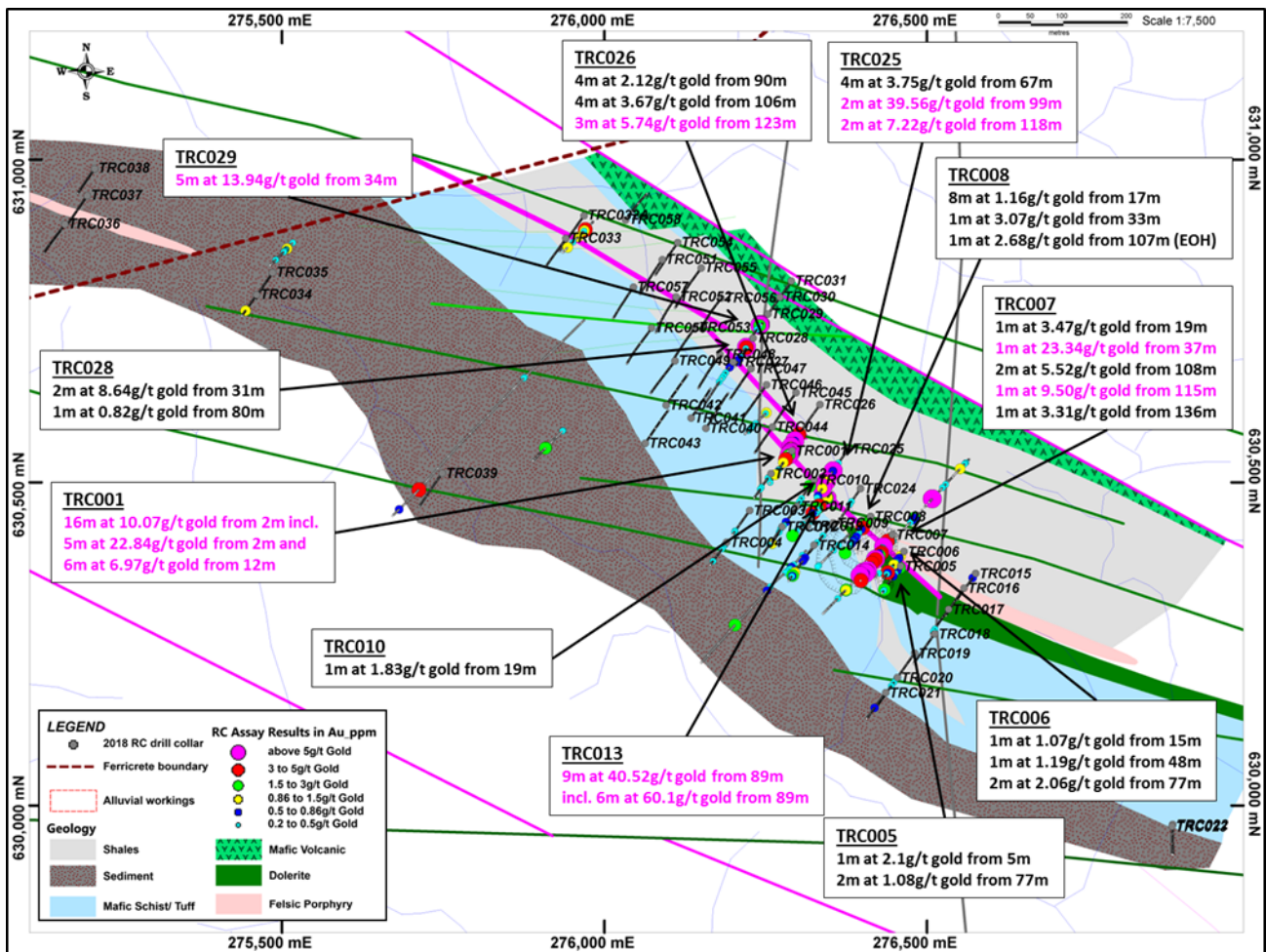


Figure 2 – Geological map illustrating drill hole locations and key assay results from holes reported to the end of the quarter.

A table of all assay results is appended to this report as Appendix 1.

Whilst the main structural control on mineralisation appears, at this stage, to be the NW–SE trending shear with mineralisation currently identified along strike for 650 metres, other controls are also apparent.

As is the case in respect of the Smarts-Hicks shear, some ten kilometres to the south, late stage (post mineralisation) east-west oriented faults, potentially more strongly developed than at Smarts-Hicks, would seem to have offset mineralisation at Ohio Creek for up to 100 metres in some places.

This might well explain why various holes have not returned significant assays as anticipated.

Evidence of thrust folding is also apparent.

With the geology at Ohio Creek obviously complex, the forthcoming diamond drilling campaign (refer discussion below) will no doubt provide a better understanding of structural controls on the location of mineralisation.

A geological cross section encompassing holes TRC013 and TRC025 is illustrated in Figure 3.

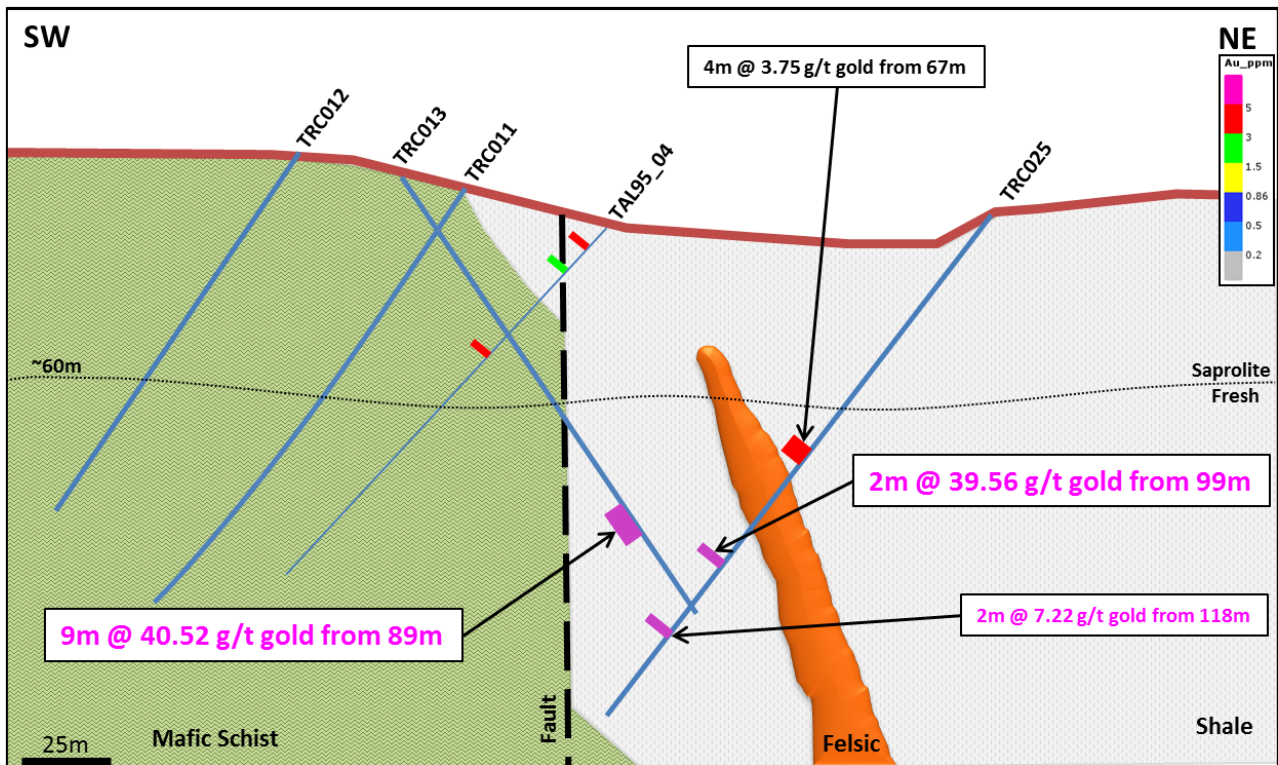


Figure 3 – Geological cross section illustrating key assay results from TRC013 and TRC025.

A geological cross section encompassing holes TRC001 and TRC026 is illustrated in Figure 4.

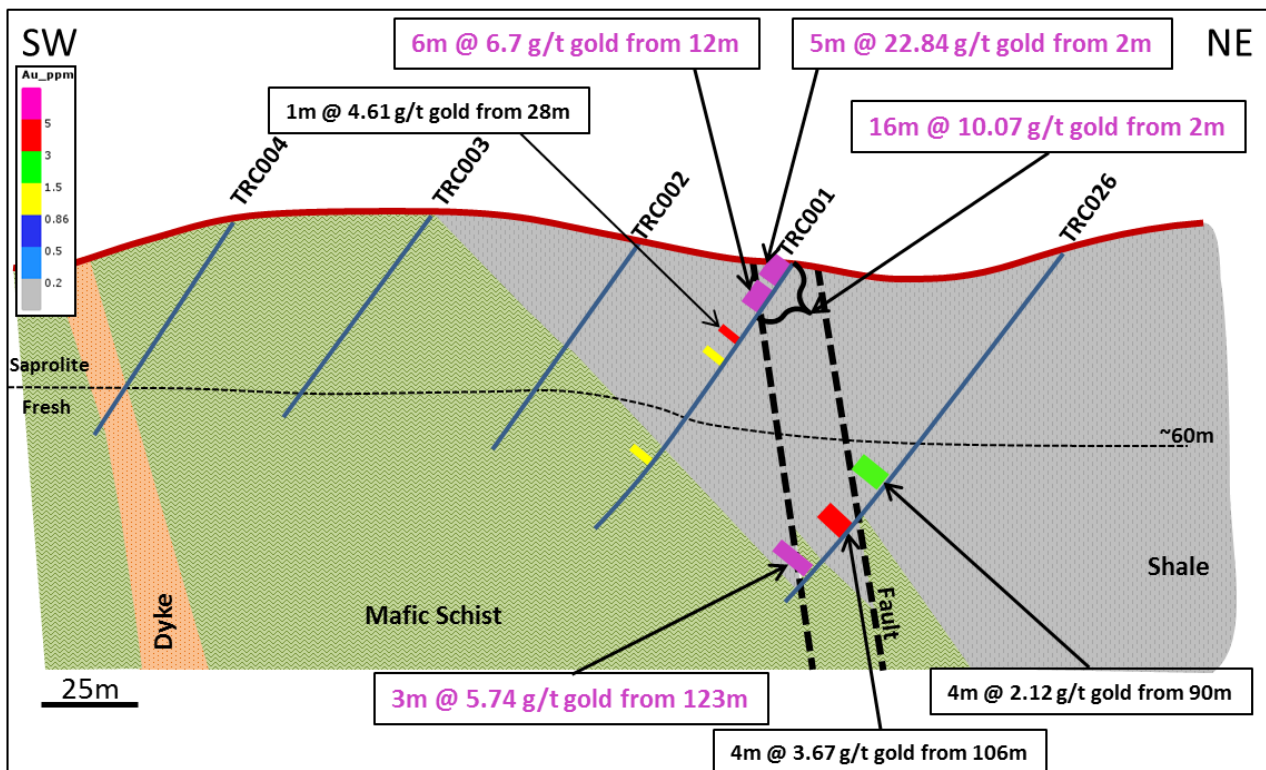


Figure 4 – Geological cross section illustrating key assay results from TRC001 and TRC026.

With all drilling to date by way of RC rather than diamond drilling, structural measurements are, at this stage, problematic.





However, the geological interpretation at this stage indicates a 50 to 70 degree dip of mineralisation towards the NE.

The geology of the region comprises mafic volcanic rock, mafic schists, metavolcanic sediments and younger laminated sediments/shales. Some felsic and mafic dyke intrusions have also been noted. A more andesitic looking sequence has been seen in several holes, but is not yet fully understood and could be just a coarser version of the mafic sequence.

Gold mineralisation would appear associated with increased quartz veining with visible gold mainly in the carbonaceous shale bands of the laminated sediments.

Photographs of a core tray from TRC013 in which a sample assaying 1 metres @ 251.27 g/t Au was recorded, as well as a sample containing visible gold from the mineralised interval, is set out as Figure 5.



Figure 5 – Photograph of core tray from TRC013 in which record intercept of 1 m @ 251.27 g/t Au was recorded, as well as sample of visible gold from mineralised interval.

The Phase 2 campaign is to continue in March 2019 quarter and will be followed by a Phase 3 campaign, the aim of which is to further evaluate the mineralised corridor to the NW and SE of the Tallman Pit.

A diamond drilling campaign is planned to commence late February.

### **Gem Creek Prospect**

During the Quarter, an auger soil sampling program was undertaken over the prospective Gem Creek Prospect.

The Gem Creek Prospect is located approximately ten kilometres to the north of the Karouni Mill, and some three kilometres to the ENE of the Ohio Creek Prospect.





The program was designed as a 400 metre by 40 metre grid with Azimuth 45 degrees (NE) line orientation.

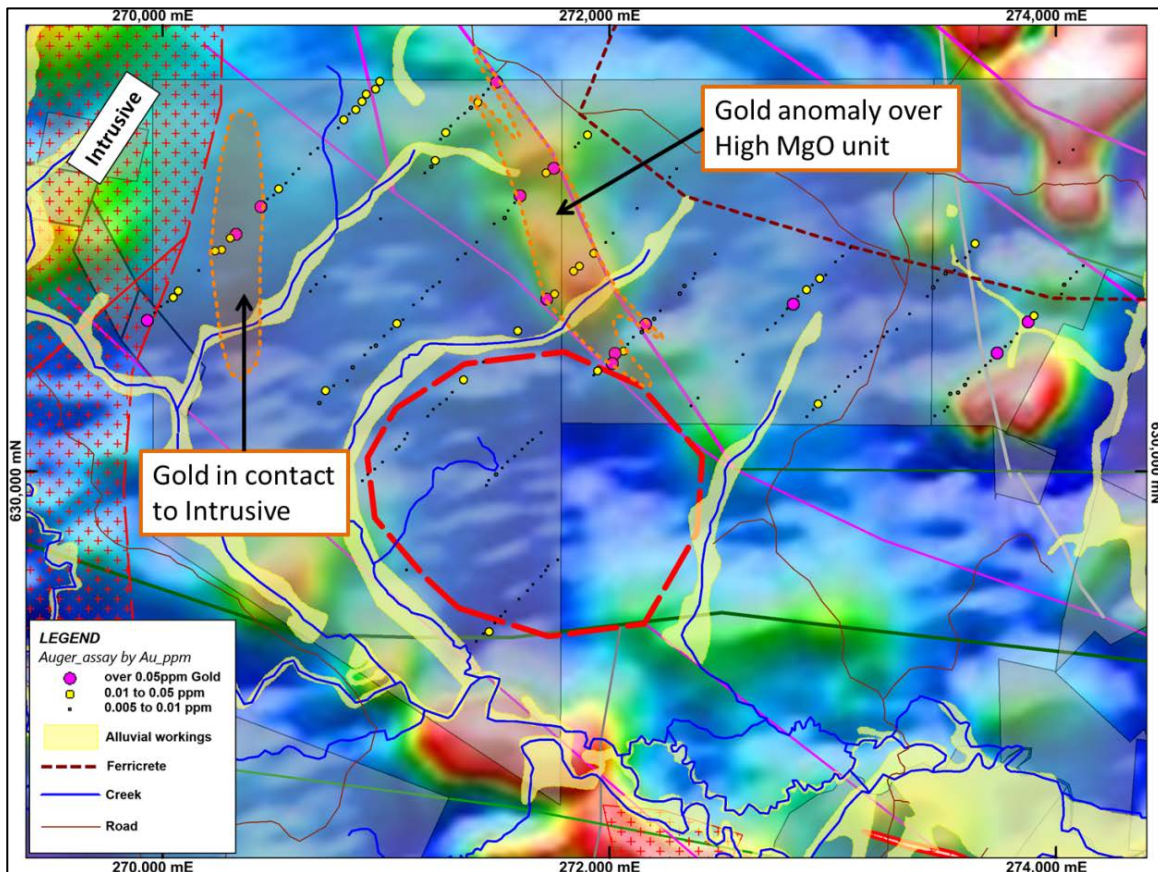
The program sampled the 0.3 to 1 metres horizon below the surface.

The northern part of the prospect, covered by a thick and very hard ferricrete, was excluded from sampling.

Samples have been analysed by the in-house XRF lab to identify favourable stratigraphy such as high MgO, high titanium and high iron. All samples have been sent to Act Laboratories in Georgetown for a fire assay with AAS finish on gold.

The assays returned two areas with anomalous gold values. The central anomaly is consistent over four auger lines or about 1,200 metres of strike extension. The high gold values correlate with the high MgO unit, which is the host unit for the Smarts gold deposit. The second anomaly is situated close to an interpreted batholith to the west.

The map of the Gem Creek Prospect illustrating the location of the auger program and the two areas of interest based on gold assay results overlain on an airborne magnetic map is set out as Figure 6.



**Figure 6: Gold assay results from auger soil sampling program at Gem Creek Prospect identifying two areas of interest.**

First pass RC drilling at the prospect is planned to commence in late March/ early April, depending on both progress at Ohio Creek and drill rig availability.

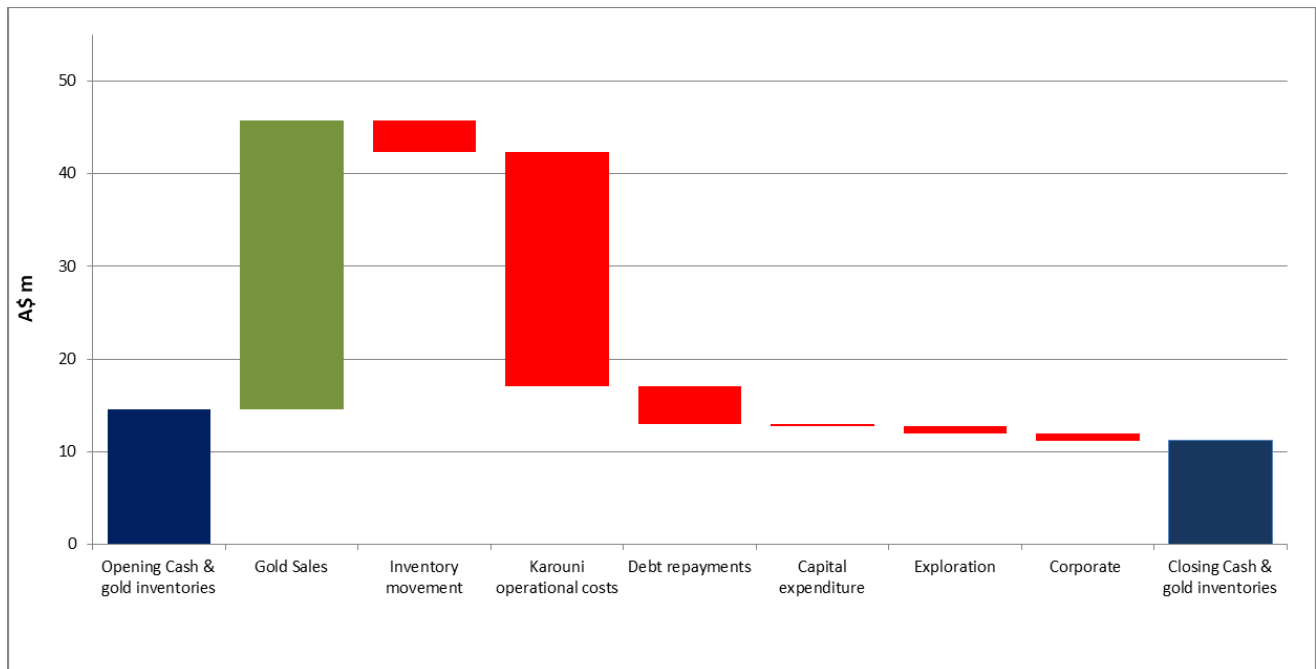


## FINANCIAL INFORMATION

At the end of the quarter, the Company had total liquidity of \$11.2 million, including available cash of \$3.3 million and gold inventories at market value of \$7.9 million.

On 3 January 2019 the Company completed a share placement (refer to the section on “Capital Structure” below for more details). No proceeds from the placement have been included in the cash balance as at 31 December 2018 as they will be included in the March 2019 quarter cash inflow.

Key movements in cash flow are illustrated in Figure 7 below:-



**Figure 7: December 2018 Quarter Cash Movements**

*Notes:*

1. *Key movements - unaudited*
2. *Liquid assets include cash, gold doré, GIC at market value and excludes any proceeds from the share placement completed in January 2019.*

### Debt Facility

The Company reached agreement with Investec to amend the repayment schedule for its Syndicated Debt Facility (“**Facility**”).

The Facility repayment schedule was changed such that the then remaining US\$8.19 million would be repaid in January 2019 and March 2019, instead of December 2018 and March 2019 as was previously scheduled. The January 2019 payment has been made, refer to ASX release dated 17 January 2019 titled “December 2018 Quarter Gold Production and Corporate Update”.

The revised repayment schedule is as follows:-



Date	Existing Repayment Schedule		Amended Repayment Schedule	
	Facility Limit (US\$'000)	Repayment (US\$'000)	Facility Limit (US\$'000)	Repayment (US\$'000)
Current	8,192		8,192	
31 Dec 2018	4,000	-4,192		
10 January 2019			5,192	-3,000
31 March 2019	-	-4,000	-	-5,192

The Company repaid the **US\$3 million** as scheduled in early January reducing the loan balance to **US\$5.19 million**.

## Hedging

The Company has continued to close out its hedging positions with the book, at the end of the quarter, in a positive mark-to-market position.

A summary of the Company's gold hedging positions at 31 December 2018 is set out in the table below.

**Table 4: Gold Hedging Position as at 30 December 2018**

Settlement Period	Gold oz.	US\$/oz.
January 2019	3,000	\$1,344.80

## Exploration Expenditure

Exploration expenditure incurred during the quarter was \$0.8 million.

## Capital Expenditure

Expenditure incurred in relation to plant and equipment and sustaining capital at Karouni during the quarter was \$0.2 million. This excludes new equipment leases.

## CORPORATE

### Director Appointment

On 3 October 2018, Mr **Richard Beazley** joined the Company as a Non-Executive Director.

Richard is a mining engineer with 30 years of industry experience. He has a strong corporate, operational and technical background in the resources industry. Richard is currently the Interim Chief Operating Officer of Sandfire Resources NL and Director of Altair Mining Consultancy.

His former roles have included Managing Director of Peak Resources Limited, General Manager Operations at Consolidated Minerals and General Manager - Southern Cross Operations at St Barbara Limited.

Richard's qualifications include a Master of Business Administration from Deakin University and a Bachelor of Engineering (Mining) from the University of New South Wales. He is an active member of the Australian Institute of Company Directors (AICD) and The Australasian Institute of Mining and Metallurgy (AusIMM).



## AGM

The Company held its Annual General Meeting on 26 November 2018 with Mr Beazley elected as a Director and Mr Jones re-elected as a Director, and with all other resolutions passed.

## Capital Structure

In late December, the Company announced a share placement at a price of \$0.105 which raised approx. \$2.76 million (before costs) and resulted in the issue of 26,284,808 shares. Whilst proceeds of the placement were partly received by the end of December, the placement was not completed until January 2019 and the new shares were issued in January 2019.

No proceeds from the issue have been included in the cash balance as at 31 December 2018 and will form part of the March 2019 quarter cash inflow.

**Table 5: Equity Structure as at 31 December 2018 (before the issue of new shares)**

Issued Capital (as at 31 December 2018)	
Ordinary Shares	459,543,474
Options (\$0.13 exercise price; final expiry 30 September 2019)	27,780,000

## Shareholder Purchase Plan (SPP)

On 24 December 2018, the Company announced the launch of a Share Purchase Plan ("SPP") to provide the opportunity for existing eligible shareholders to add to their holdings by acquiring new shares in the Company at the same price as the investors who participated in the share placement.

The terms and conditions are detailed in the offer document (**Offer**) which was despatched on 21 January 2019.

Under the SPP, eligible shareholders will be able to subscribe for shares in the Company up to the value of \$15,000 which, at the issue price of \$0.105 per share, represents a maximum of 142,858 shares.

The Company intends to cap the Offer proceeds at \$7.5 million. The Company has approximately 7,250 Eligible Shareholders so if the Offer is fully subscribed by all Eligible Shareholders, the intended raising equates to approximately \$1,000 per Eligible Shareholder.

The Company intends to accept applications in priority of receipt. Eligible Shareholders are therefore encouraged to submit their applications early.

If total demand for the Offer exceeds \$7.5 million, the Company reserves the right to close the Offer early and scale back applications in its absolute and sole discretion. However, the Company reserves absolute discretion regarding the final amount raised under the Offer. If the Company receives applications in excess of \$7.5 million, the Company also reserves the right to accept oversubscriptions (subject to compliance with ASX Listing Rules and the Corporations Act) in its absolute and sole discretion.

Any shares not subscribed for under the SPP may be offered to qualified, institutional, sophisticated or professional investors at the discretion of the Board subject to receipt of the necessary approvals.





Patersons Securities Limited will act as Lead Manager for the Offer. Patersons has also agreed to act as Lead Manager if there is any shortfall and if the Company elects to conduct a placement of any such shortfall to the Offer. The maximum number of shares that may be issued under the placement of the shortfall (if any) is equal to the Company's remaining placement capacity under ASX Listing Rules 7.1 and 7.1A. The Offer is not underwritten.

Proceeds from the SPP will be used to further accelerate exploration activities at the Company's highly prospective Ohio Creek Project, strengthen the balance sheet, including the retirement of part of the Investec loan, and for general working capital purposes.

The SPP opened at 9.00 am (Perth time) on 21 January 2019 and will close at 5.00pm (Perth time) on 15 February 2019.

Participation in the SPP will be open to all eligible Troy shareholders registered as at 21 December 2018 ("Record Date").

Eligible Shareholders are those with registered addresses in Australia and New Zealand.

**All Directors who are eligible shareholders intend to apply to subscribe for the maximum amount of \$15,000 of shares as permitted by the terms and conditions of the Offer.**

## Directors

**Peter Stern**, Non-Executive Chairman  
**Ken Nilsson**, CEO and Managing Director  
**John Jones AM**, Non-Executive Director  
**Richard Beazley**, Non-Executive Director

## ENDS

For further information please contact:

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**Peter Stern**, Non-Executive Chairman  
T: +61 8 9481 1277  
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## Appendix 1 – Ohio Creek Drilling Results

Ohio Creek Drilling results							
Hole	Easting	Northing	Elevation (m)	Depth (m)	Azimuth	Dip	Peak Gold Assay Intervals
TRC001	276291	630549	71	102	215	-55	16m at 10.07g/t gold from 2m incl. 5m at 22.84g/t gold from 2m incl. 6m at 7.71g/t gold from 12m 1m at 4.61g/t gold from 28m
TRC002	276258	630514	72	78	215	-55	NSR
TRC003	276225	630457	80	78	215	-55	NSR
TRC004	276189	630408	77	78	215	-55	NSR
TRC005	276459	630371	66	90	215	-55	1m at 2.1g/t gold from 5m 2m at 1.08g/t gold from 77m
TRC006	276468	630395	62	102	215	-55	1m at 1.07g/t gold from 15m 1m at 1.19g/t gold from 48m 2m at 2.06g/t gold from 77m
TRC007	276448	630425	59	138	215	-50	1 m @ 3.47 g/t Au from 19 m 1 m @ 23.34 g/t Au from 37 m 1 m @ 6.59 g/t Au from 108 m 1 m @ 4.44 g/t Au from 109 m 1 m @ 9.50 g/t Au from 115 m 1 m @ 3.31 g/t Au from 136 m
TRC008	276417	630446	60	108	215	-50	8m at 1.16g/t gold from 17m 1m at 3.07g/t gold from 33m 1m at 2.68g/t gold from 107m (EOH)
TRC009	276355	630438	61	102	217	-55	NSR
TRC010	276325	630504	65	90	215	-55	1m at 1.83g/t gold from 19m
TRC011	276298	630463	74	120	215	-55	1m at 0.89g/t gold from 115m
TRC012	276276	630432	80	96	215	-55	NSR
TRC013	276315	630433	76	120	35	-55	9m at 40.52g/t gold from 89m incl. 6m at 60.1g/t gold from 89m
TRC014	276325	630403	79	120	215	-55	1m at 0.97g/t gold from 92m 3m at 0.76g/t gold from 102m
TRC015	276576	630359	66	90	215	-55	NSR
TRC016	276558	630337	68	96	215	-55	NSR
TRC017	276534	630304	69	96	215	-55	NSR
TRC018	276512	630266	73	102	215	-55	NSR
TRC019	276481	630236	74	105	215	-55	NSR
TRC020	276454	630198	71	102	215	-55	Assay results pending



TRC021	276436	630175	70	90	215	-55	NSR
TRC022	276963	629936	62	84	180	-55	Assay results pending
TRC023	276880	629968	61	77	180	-55	NSR
TRC024	276397	630491	65	122	215	-50	NSR
							<b>4m at 3.75g/t gold from 67m</b>
TRC025	276378	630552	65	144	215	-50	<b>2m at 39.56g/t gold from 99m</b>
							<b>2m at 7.22g/t gold from 118m</b>
							4m at 2.12g/t gold from 90m
TRC026	276334	630621	68	138	215	-50	<b>4m at 3.67g/t gold from 106m</b>
							1m at 0.67g/t gold from 113m
							<b>3m at 5.74g/t gold from 123m</b>
TRC027	276200	630687	68	120	215	-50	1m at 0.73g/t gold from 15m
TRC028	276230	630724	74	96	215	-55	<b>2m at 8.64g/t gold from 31m</b>
							1m at 0.82g/t gold from 80m
TRC029	276253	630761	78	90	215	-55	<b>5m at 13.94g/t gold from 34m</b>
TRC030	276272	630787	79	96	215	-55	NSR
TRC031	276290	630812	81	123	215	-55	NSR
TRC032A	275968	630913	62	102	215	-50	Assay results pending
TRC033	275940	630878	70	84	215	-50	Assay results pending
TRC034	275461	630791	80	72	215	-55	1m at 1.08g/t gold from 54m
TRC035	275485	630825	83	87	215	-55	Assay results pending
TRC036	275163	630900	83	102	215	-55	Assay results pending
TRC037	275198	630944	83	99	215	-55	Assay results pending
TRC038	275210	630986	92	82	215	-55	Assay results pending
TRC039	275748	630514	74	96	215	-50	Assay results pending

\* Notes to table 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. NSR – No Significant Result

### Competent Person's Statements

The information contained in this report referring to Exploration Results at Ohio Creek is extracted from the announcements entitled "Acquisition of Ohio Creek Prospect in Guyana" released on 12 September 2018, "Outstanding First Pass assays Results at Ohio Creek" released on 7 November 2018 and "Further High Grade Assay Results at Ohio Creek" released on 14 December 2018 all of which are available to view on [www.troyres.com.au](http://www.troyres.com.au) or the ASX website under the company code "TRY".

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.