

# Troy Resources Limited

ASX:TRY

June 2019



TROY RESOURCES LIMITED



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# Troy Resources - A Snapshot



- Track record beginning in mid 1980s with multiple gold mining operations in Australia and South America; long history of paying dividends
- Today, (essentially) solely focussed on the Karouni Gold Project, Guyana (South America), acquired through a c.\$188m merger with ASX/ TSX listed Azimuth Resources in 2013

- Mine was developed with funding of US\$75m from Investec

## Recent operational metrics

2018 gold production	70,207 ounces
2018 revenue	\$116m
2018 AISC	US\$931 per ounce

- The issue for Troy is its short mine life based on current reserves:

## Reserves & Resources (as at 30 June 2018)

Ore Reserves	120 koz @ 2.43 g/t
Mineral Resources	933 koz @ 2.1 g/t

- Following a small placement in December 2018 and small SPP in January 2019, Troy raised \$7.57m (before costs) via a placement in May 2019, with M&G Investments (one of the UK's largest investment firms) as majority investor
- Funds raised will largely be used to accelerate exploration activities at highly prospective Ohio Creek Project, only 10 kms from Karouni Mill

## Key Financials (as at 28 May 2019)

Bank debt	US\$3.7 m
Cash	A\$7.5m

## Capital Structure (as at 28 May 2019)

ASX Code	TRY
Share Price (\$)	\$0.096
Shares on Issue (m)	592.1
Market Capitalisation (\$m)	\$56.8

## Key Shareholders

Investor	Shares (m)	% of Total
M&G Investments	74.5	12.6%
Ruffer LLP	47.4	8.0%
Board & Management	10.6	1.8%

## Board & Management

Peter Stern	Non-Executive Chairman
Ken Nilsson	CEO & Managing Director
John Jones AM	Non-Executive Director
Richard Beazley	Non-Executive Director
Gerry Kaczmarek	CFO & Company Secretary
Eric Olson	GM – Ops Guyana

# Key Asset: Karouni Gold Mine, Guyana



## Why Guyana from a geopolitical perspective?

- Guyana is about the same size as the UK
- English speaking
- Population of 740,000 largely confined to coastal areas
- Part of the Caribbean “community”
- British Legal and Parliamentary System
- Mining is governed by a modern Mining Act
- Main industries:
  - Sugar cane, rice and rum
  - Timber
  - Bauxite
  - Gold
  - Oil (from 2020)
- 27.5% corporate tax and gold royalty 8%
- Rainfall of an average 2.5 metres p.a.



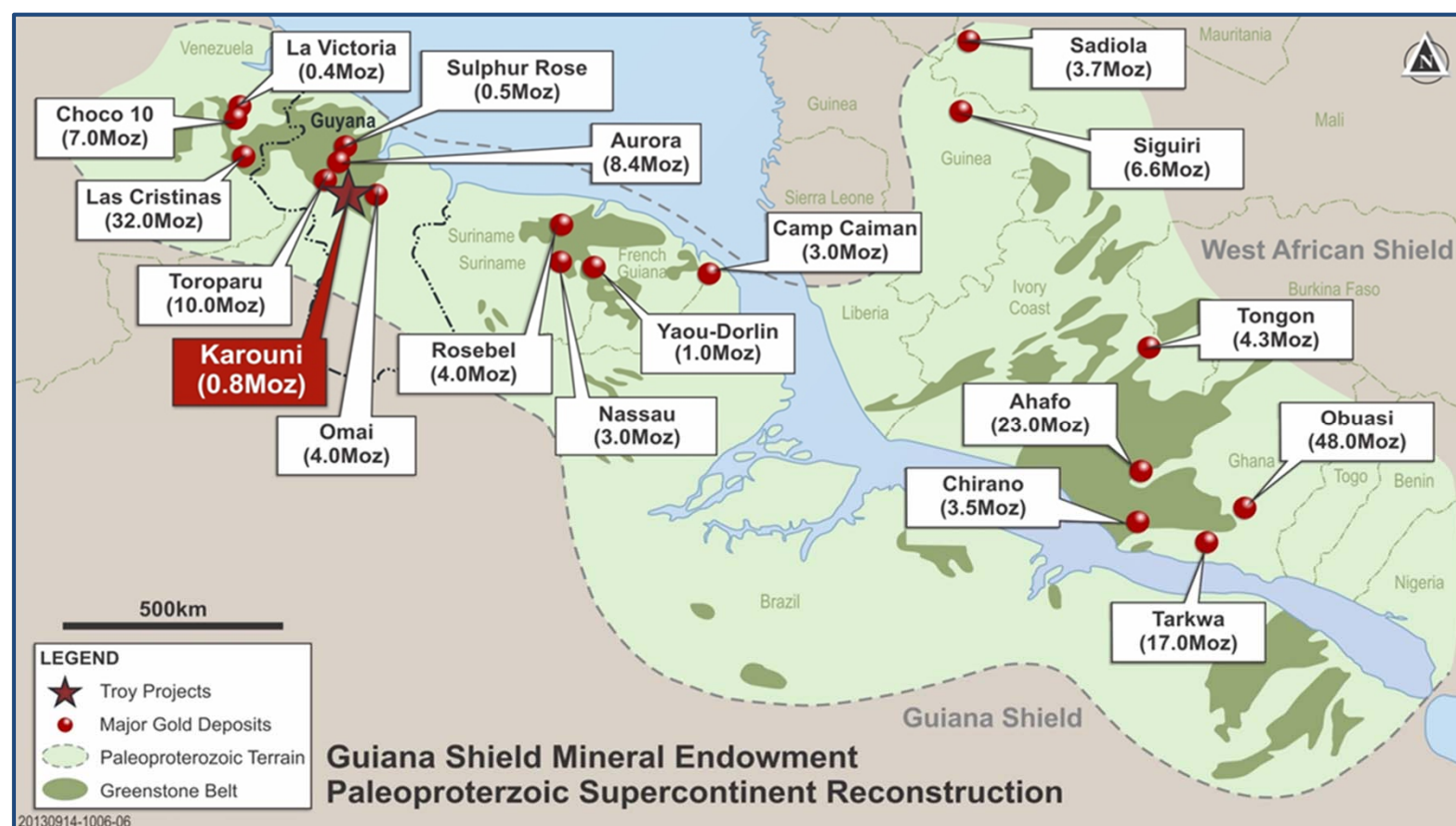


# Guiana Shield Greenstones & Gold Endowment



## Why Guyana from a geological perspective?

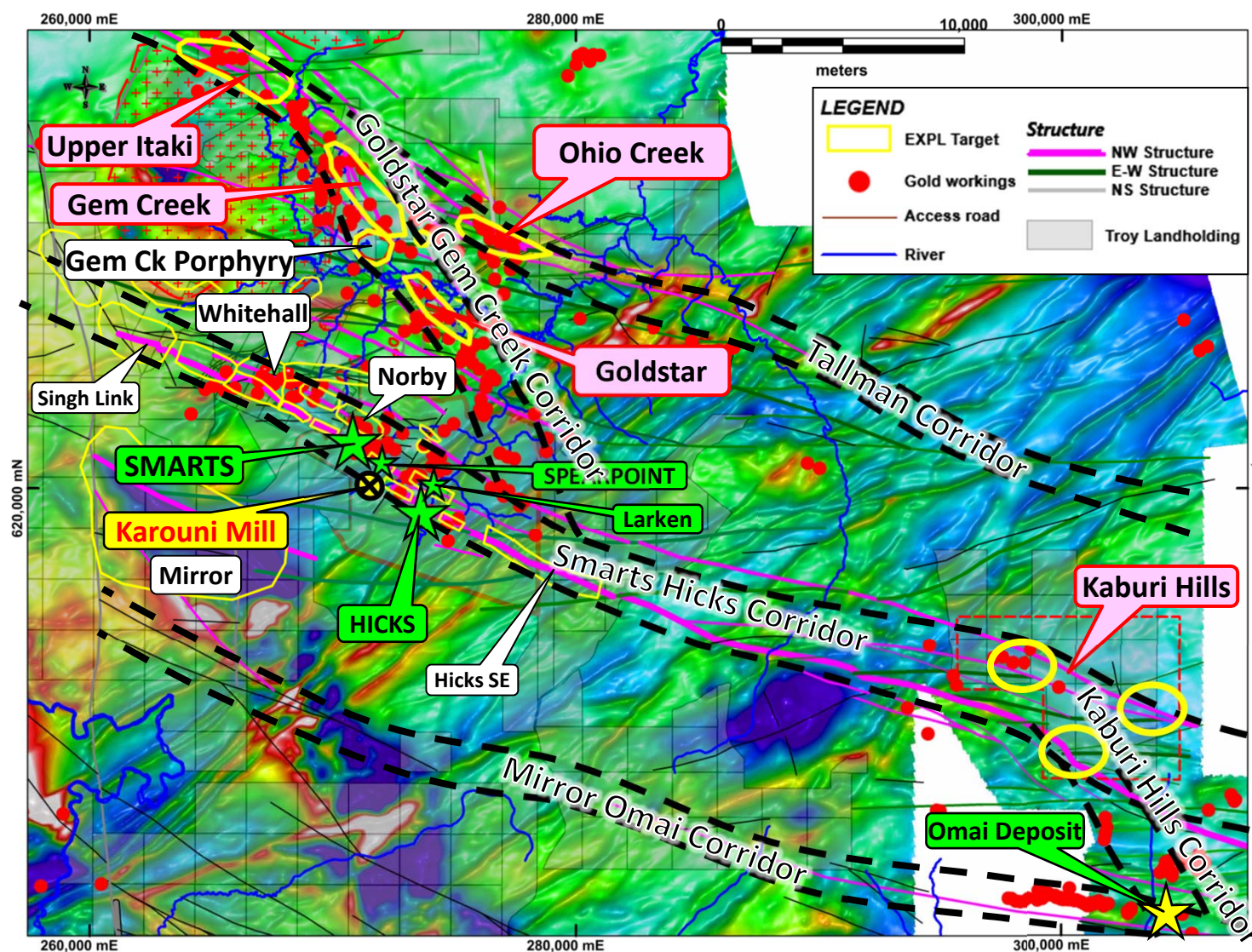
- One of few underexplored Greenstone terrains left on Earth – very limited application of modern exploration techniques
- Troy holds a “camp scale” ground position along a major regional structural corridor



# Troy's Ground Position at Karouni Gold Project



## Key targets along structural corridors





# Karouni Mill and Smarts Pit



**Commissioned in 2015; nominal 1 mtpa capacity**



# 3-Year Share Price Chart



## Trading History (Jan 16 – May 19)





# Our Focus

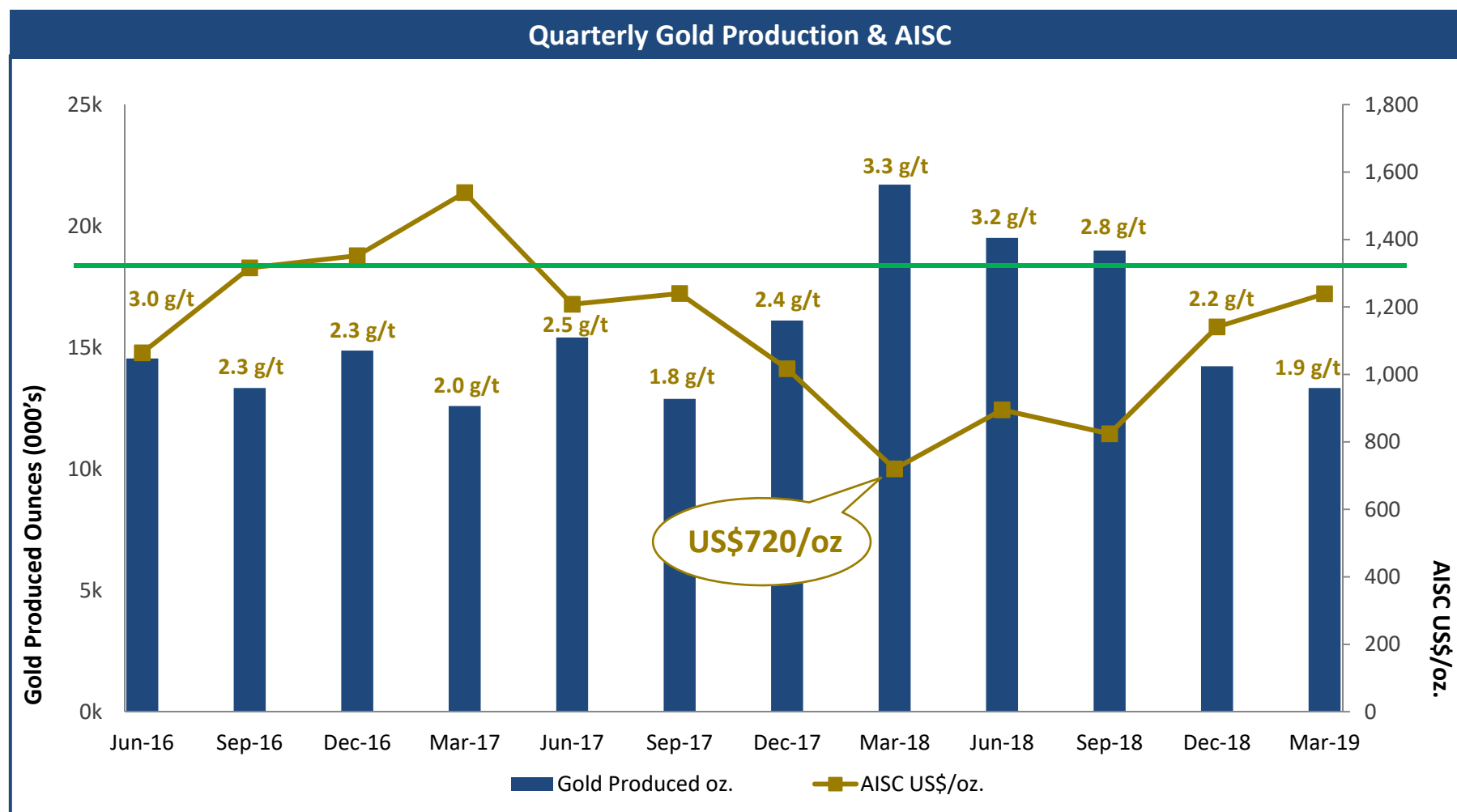


<b>Stabilize Board</b>		Stable Board since mid 2017, strengthened with a recent addition
<b>Increase gold production</b>		Production increased from 56,200 ounces in 2017 to 70,207 ounces in 2018
<b>Reduce operating costs</b>		AISC reduced from US\$1,345 per ounce in 2017 to US\$931 per ounce in 2018
<b>Raise capital</b>		Aggregate \$11.7 million recently raised, incl. introduction of M&G as cornerstone
<b>Reduce bank debt</b>		Only US\$3.7 million outstanding today after US\$24 million repaid in last 18 months
<b>Reduce creditors</b>	<b>In progress</b>	With bank debt almost eliminated, creditor reduction becomes a key focus
<b>Increase mine life</b>	<b>In progress</b>	<ul style="list-style-type: none"><li>— Smarts 3 pit cut-back</li><li>— Exploration at Ohio Creek and elsewhere</li></ul>

# Operational Performance – Smarts & Hicks Pits



- With a head grade of 3 g/t Au or above, the AISC is significantly less than spot, resulting in significant free cash flow





# Smarts 3 Pits



## Cut-back and Production Forecast

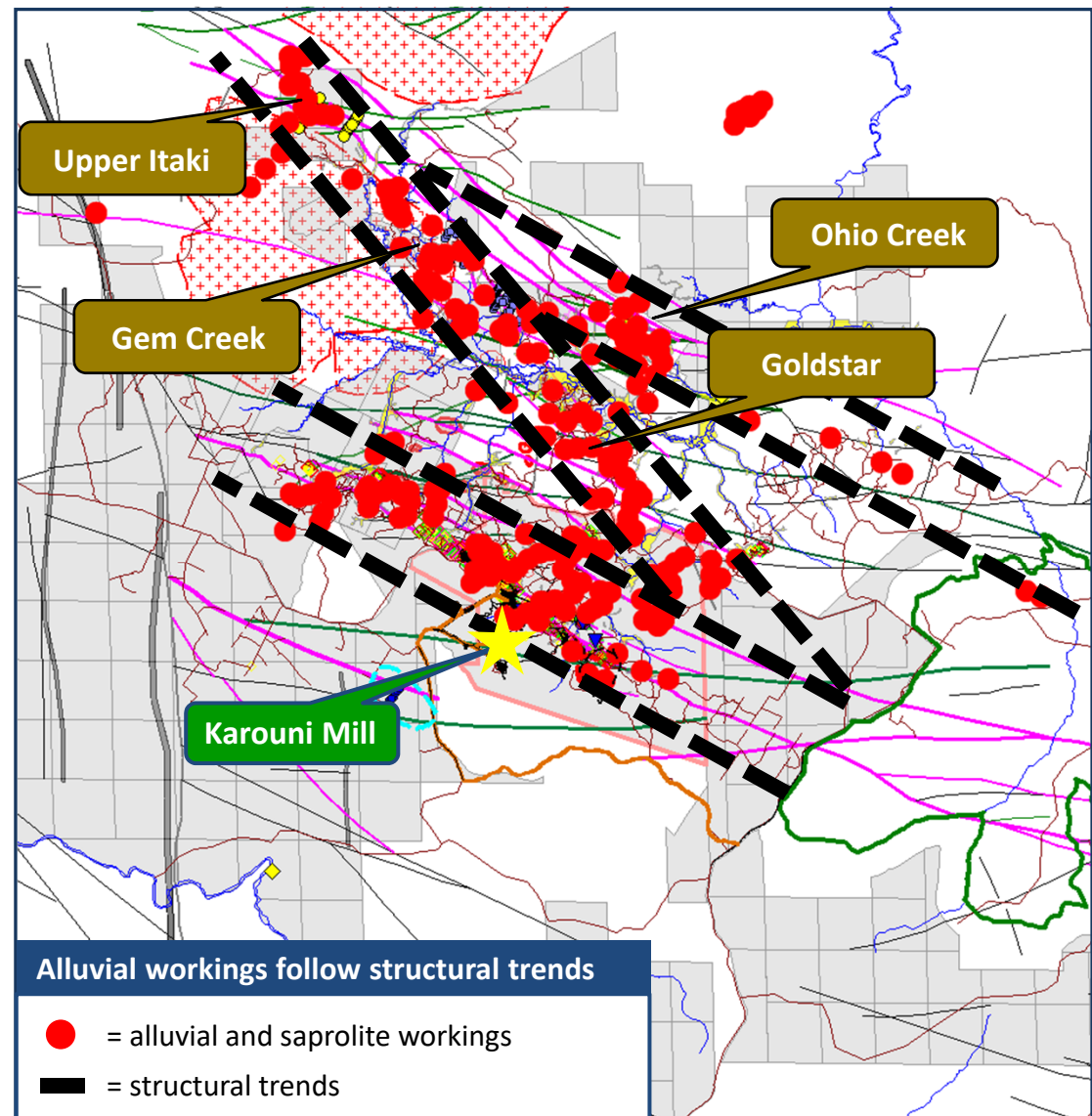
- Smarts 3 has been Karouni's highest grade pit averaging approximately 3.1 g/t Au
- Cut-back commenced January 2019
- Significant ore to be accessed from June 2019
- Cut-back will see significant additional production at an average head grade of approximately 3.2 g/t Au
- Mining forecast to be completed by May 2020



# Significant Potential For New Discovery



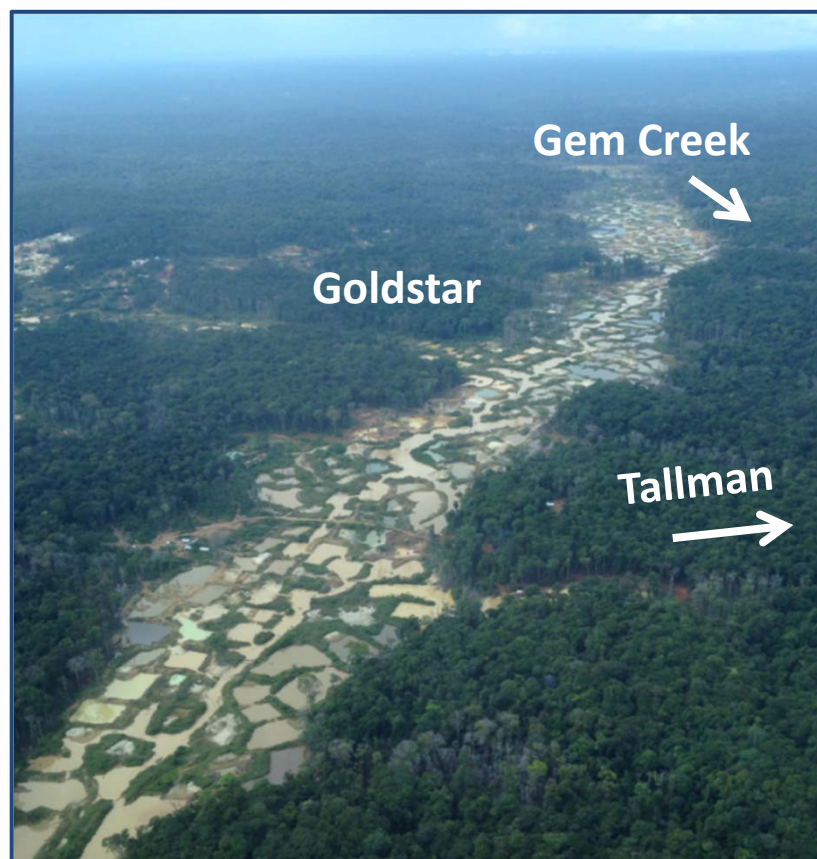
- ~850 sq. km tenement holding in good standing
- Outstanding exploration potential with more than 20 km shear corridor and saprolite workings
- Substantial artisanal gold mining with strong production since early 20th century
- Troy's aggregate exploration spend only approximately US\$7 million
- Have only scratched the surface



# Why we Believe in the Region



**Aerial photo showing extensive alluvial workings**



**Flaky alluvial gold recovered from Upper Itaki**

(bag of gold not an asset of Troy)

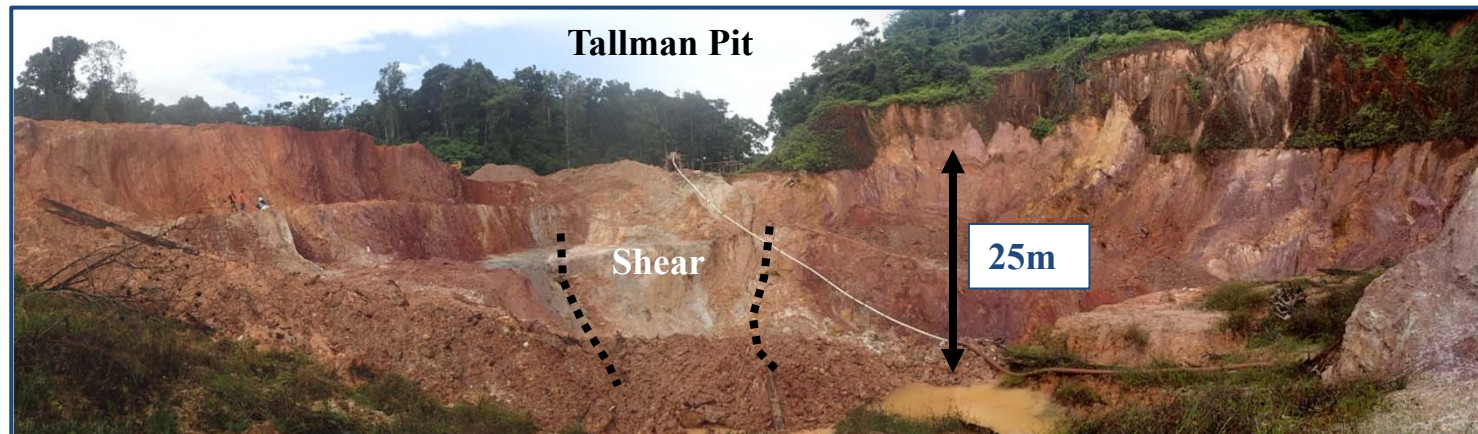




# Ohio Creek Prospect



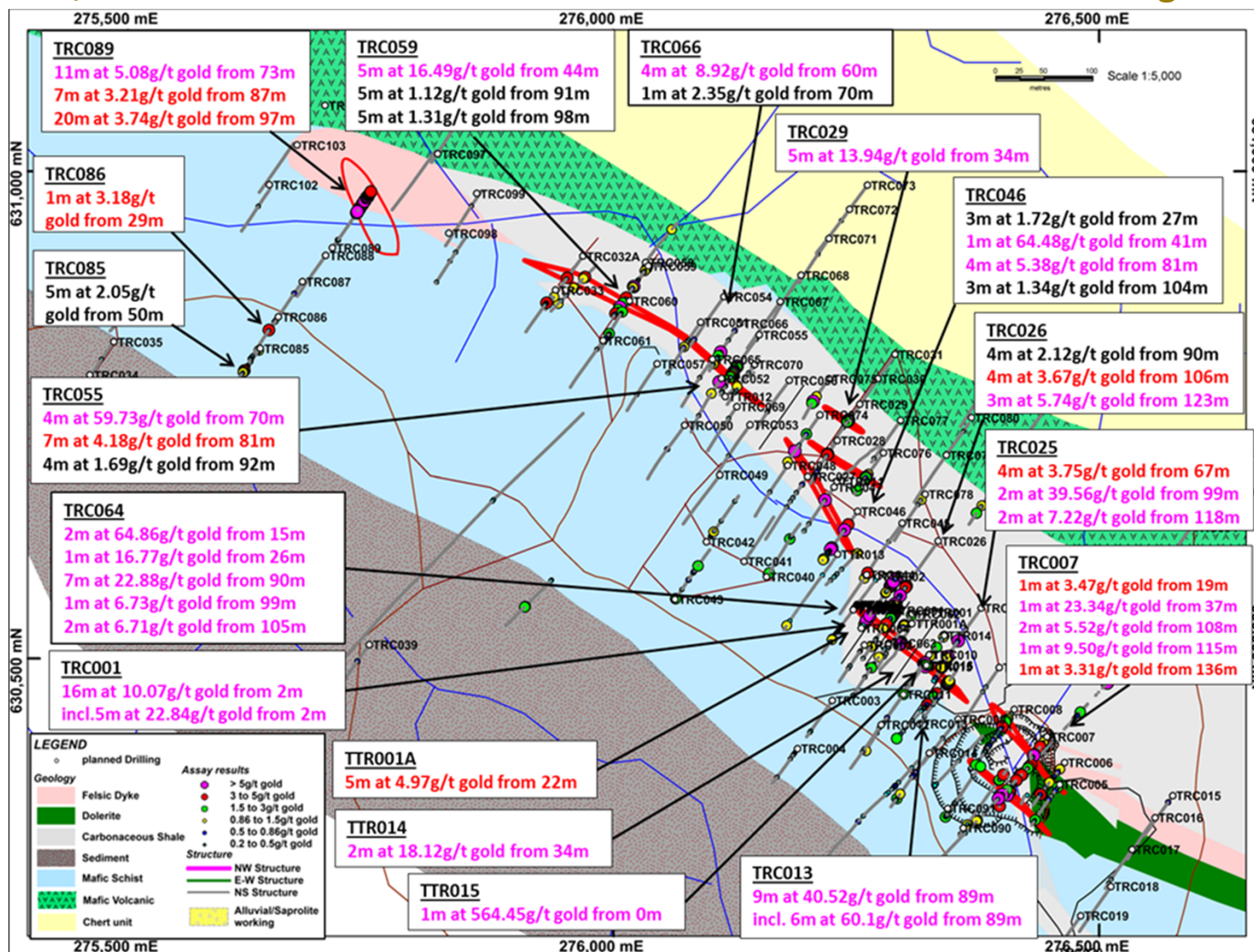
- Identified by Troy as a key target for acquisition in 2013
- 10 kilometres from Karouni Mill
- Tallman Pit been developed by Guyanese locals – unusual for area
- Only modern work undertaken in 1995 by TSX listed Cathedral Gold which undertook an auger geochemistry program followed by a modest diamond drilling program of 11 holes for a total of 1,364m
- Best assay of 1 metre @ 868.7 g/t Au from 61 metres – highest gold grade recorded in the region
- Acquired by Troy in September 2018; exploration commenced in October
- Mining application awaiting Government approval
- Construction of haul road to Karouni Mill has commenced
- Satellite camp nearing completion



# Ohio Creek Exploration Results



In short time, mineralisation has been identified over 950 metres of strike length



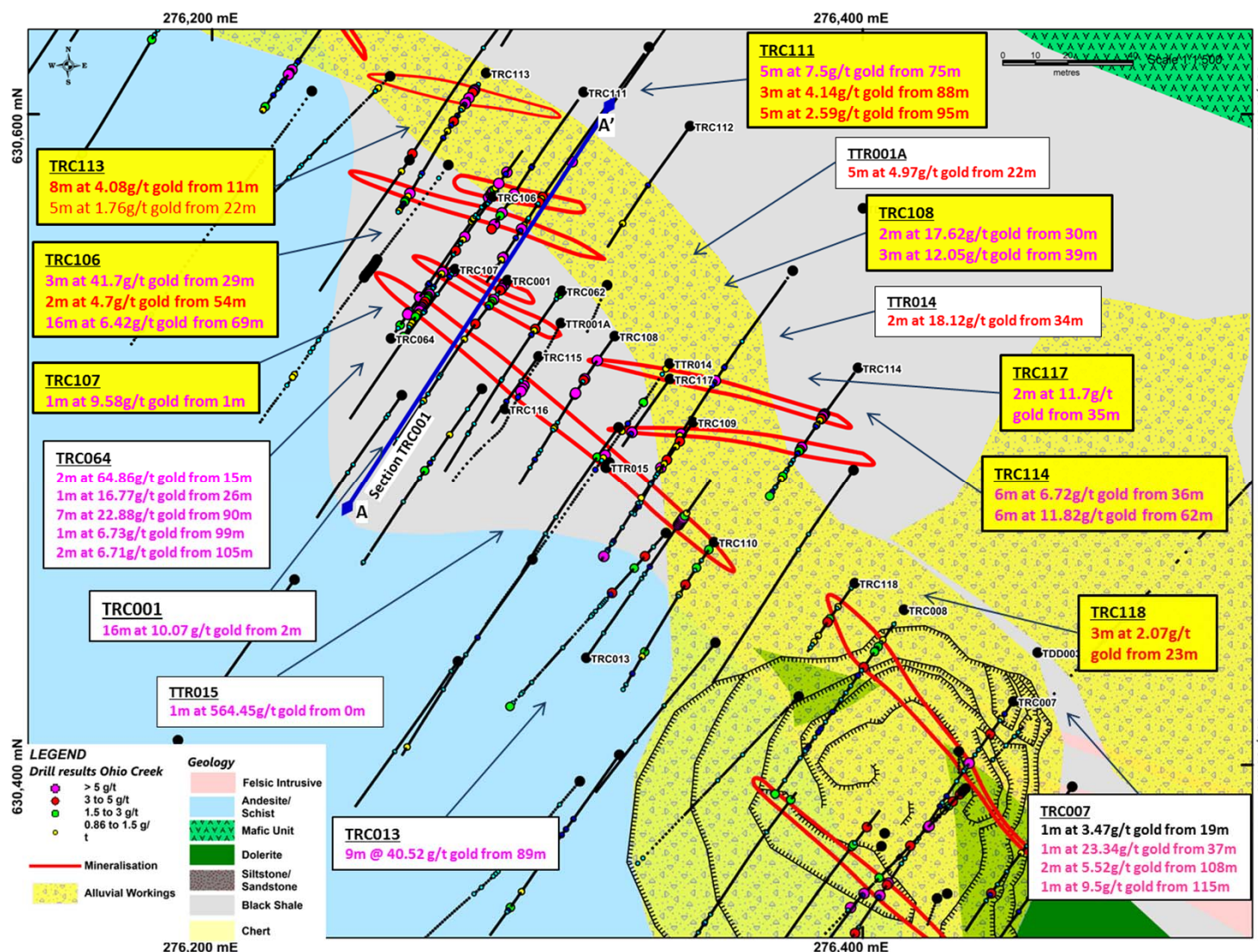
\* For further details, refer to ASX Announcement of 19 March 2019 entitled "Outstanding assay result at Ohio Creek extends strike length of known high grade mineralisation to 950 metres".



# Ohio Creek Exploration Results



## Emerging coherent 100-metre-long high-grade zone at/ near surface



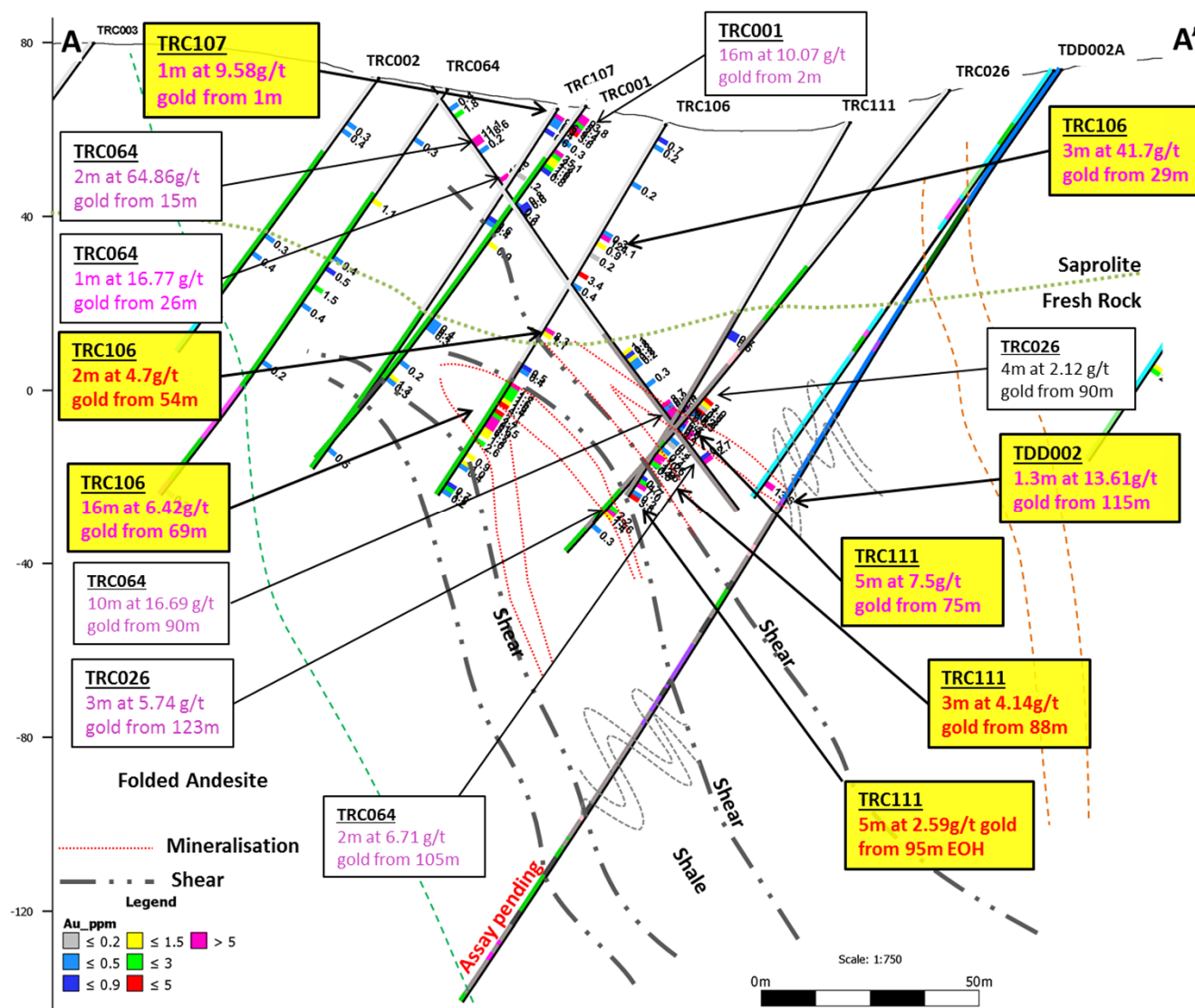
\* For further details, refer to ASX Announcement of 31 May 2019 entitled "New high-grade intersections from infill drilling at Ohio Creek".



# Ohio Creek Cross Section



(through TRC001, TRC064, TRC106, TRC107 and TRC111)



\* For further details, refer to ASX Announcement of 31 May 2019 entitled "New high-grade intersections from infill drilling at Ohio Creek".

# Current Exploration Activities



## Likely to be significantly more information forthcoming

### Ohio Creek

- Assays from 11 reverse circulation holes currently awaited
- Reverse circulation drilling – step out drilling to extend mineralisation to NW and SE – approximately 50 holes planned over next 1.5 months or so plus a grade control program over near surface mineralization using a scout drill to be onsite in May
- Diamond drill rig arrived on site early April. Approximately 20 holes planned to:
  - Priority 1 – target known mineralization to better understand style, type and host, and for structural orientation of mineralization/ geology
  - Priority 2 – target interpreted fault and fold zones to understand mineralization offset
  - Priority 3 – infill drill lines to build a robust geological and structural model
- Specialist structural and geotechnical geologist recently added to the team

### Gem Creek

- Auger soil sampling program recently expanded following identification of Au anomaly concordant with high MgO basalt
- Near surface drilling program using scout RC rig post Ohio Creek campaign

### Upper Itaki

- Near surface drilling program using scout RC rig post Ohio Creek campaign

### Goldstar

- Planning for first diamond drilling campaign underway

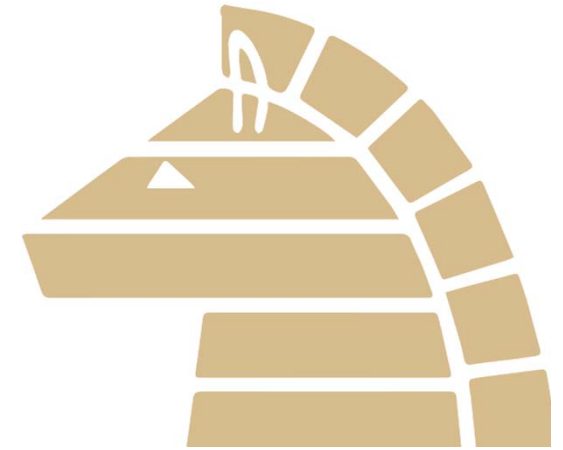




THANK YOU







## APPENDIX

# Mineral Resources and Ore Reserve

*As at June 2018*





# MINERAL RESOURCES AND ORE RESERVE — June 2018



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

	Proven Reserves			Probable Reserves			Total		
	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces
<b>Smarts</b>	86,000	2.12	5,900	602,000	2.97	57,500	688,000	2.87	63,400
<b>Hicks</b>	-	-	-	511,000	2.30	37,700	511,000	2.30	37,700
<b>Spearpoint</b>	-	-	-	170,000	1.76	9,600	170,000	1.76	9,600
<b>Stocks</b>	167,000	1.71	9,200	-	-	-	167,000	1.71	9,200
<b>Total</b>	<b>253,000</b>	<b>1.84</b>	<b>15,000</b>	<b>1,283,000</b>	<b>2.54</b>	<b>104,800</b>	<b>1,536,000</b>	<b>2.43</b>	<b>119,800</b>

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

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

	Measured Resources				Indicated Resources			Inferred Resources			Total		
	Cut-off grade (g/t)	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces
<b>Smarts</b>	0.5	94,000	2.1	6,500	610,000	3.2	61,900	3,479,000	1.9	215,700	4,183,000	2.1	284,100
<b>Hicks</b>	0.5	-	0.0	-	1,432,000	1.8	84,100	26,000	2.1	1,700	1,458,000	1.8	85,800
<b>Larken</b>	0.5	50,000	2.5	4,000	13,000	2.0	800	85,000	2.0	5,400	148,000	2.1	10,200
<b>Spearpoint</b>	0.5	-	-	-	693,000	1.3	29,700	328,000	1.3	13,500	1,021,000	1.3	43,200
<b>Goldstar</b>	0.5	-	0.0	-	-	-	-	621,000	1.3	26,000	621,000	1.3	26,000
<b>Smarts Deeps</b>	1	135,000	3.4	14,600	930,000	3.7	109,400	1,935,000	2.6	163,500	3,000,000	3.0	287,500
<b>Hicks Deeps</b>	1				1,566,000	2.0	99,900	1,210,000	2.1	80,500	2,776,000	2.0	180,400
<b>Stocks</b>	na	167,000	1.7	9,200	-	-	-	-	-	-	167,000	1.7	9,200
<b>MW</b>	na	341,000	0.6	6,200	-	-	-	-	-	-	341,000	0.6	6,200
<b>Total</b>		<b>787,000</b>	<b>1.6</b>	<b>40,500</b>	<b>5,244,000</b>	<b>2.3</b>	<b>385,800</b>	<b>7,684,000</b>	<b>2.1</b>	<b>506,300</b>	<b>13,715,000</b>	<b>2.1</b>	<b>932,600</b>

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

# MINERAL RESOURCES AND ORE RESERVE – June 2018

## Additional Notes



### Additional notes to Resource and Reserve Estimates

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

#### Resources

1. Resources for Smarts are calculated at a cut-off of 0.5 g/t constrained to a A\$2,000 pit shell.
2. Resources for Hicks are calculated at a cut-off of 0.5 g/t constrained to a A\$2,000 pit shell.
3. Resources for Larken, Spearpoint and Goldstar are calculated at a cut-off of 0.5 g/t.
4. Resources for Smarts Deeps and Hicks Deeps are calculated at 1.00 g/t cut-off grade.
5. Differences may occur due to rounding.

#### Reserves

1. Reserves calculated at a gold price of USD \$1,200 per ounce.
2. Reserves for Smarts are calculated at a cut-off of 0.86 g/t.
3. Reserves for Hicks are calculated at a cut-off of 0.86 g/t.
4. Ore loss attributed to both Hicks and Smarts of 5%.
5. Dilution of 10% at a gold grade of 0.00 g/t added to both Hicks and Smarts after ore loss.
6. Stockpiles include ROM and Fine Ore crushed as of June 30, 2018 based on survey and sampling. Included are 162,000 tonnes of ROM (run-of-mine) at 1.7 g/t and 4,700 tonnes of crushed fine ore at 2.1 g/t.
7. Source is Troy updated internal modelling and actual sampling of stockpiles.
8. Differences may occur due to rounding.

### Competent Person's Statement

*Information of a scientific or technical nature that relates to exploration results, Mineral Resources or Ore Reserves is based on, and fairly represents, information and supporting documentation prepared under the supervision of Mr Richard Maddocks. Mr. Maddocks has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a "competent person" as defined under the Australian JORC Code as per the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Maddocks has reviewed and approved the information contained in this announcement. Mr. Maddocks:-*

- *Is a consultant to Troy Resources Limited*
- *Has sufficient experience which is relevant to the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'*
- *Is a Fellow of the Australasian Institute of Mining and Metallurgy*
- *Has consented in writing to the inclusion of this data*

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

*The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements relating to drill results, mineral resource estimates or studies and that all material assumptions, and technical parameters underpinning the drill results and estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented here have not been materially modified from the original market announcements.*





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