



TROY RESOURCES LIMITED

ASX ANNOUNCEMENT

23 December 2019

FUNDING, RESTART OF OPERATIONS AND LIFTING OF ASX SUSPENSION

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

Further to the Company's ASX announcement of 29 November 2019, Troy advises that all matters required to be finalised for the restart of operations at the Karouni Gold Mine in Guyana, including financing and working capital required for the restart, have now been put into place.

Funding

The Company has made a placement of 40 million fully paid ordinary shares at a price of 10 cents per share. The placement was made to its two largest shareholders, namely M&G plc and Ruffer LLP, whom participated for 20 million shares each raising a total of \$4 million before costs.

The placement is being made out of the Company's currently available placement capacity under ASX Listing Rules 7.1A.

The placement was facilitated by CED Capital Limited, London.

The Company has also signed a Term Sheet for the provision of a gold loan (**Facility**) from Malaysian-based investment fund, Asian Management Investment Services Ltd (**AIMSL**). AIMSL is not a "related party" or a "person of influence" as described under ASX Listing Rule 10.1.

The Facility is for the amount of 5,200 ounces of gold and is available in one or more tranches as required by the Company. Based on a gold price of US\$1,450/oz, this equates to funding of approximately US\$7.54 million or approximately A\$11 million based on an AUD:USD exchange rate of 0.68.

The Facility has a term of 12 months with a bullet repayment, though early repayment is permitted.

The loan will be secured by a general security interest over the Company's assets.



The Facility is subject to completion of final documentation and provision of the security deed. It is expected that this will be completed by mid-January 2020.

Together, this provides total funding of approximately A\$15 million, supplementing the Company's remaining cash reserves, and will be used for the purposes of restarting operations at the Karouni God Mine in Guyana.

Restart of Operations

As noted in its 29 November 2019 ASX announcement, the Company has now complied with all the requirements of, and received all the requisite approvals from, all the various governmental agencies in Guyana to enable operations to restart.

This includes the transfer of the mining tenements and licenses in respect of Ohio Creek and the reissuance of the importation permit conforming to the previous agreed "Karouni Mineral Agreement" between Troy and the Government of the Republic of Guyana.

Since late November the Company has been working on sourcing the working capital required to make a formal decision to restart the operations, as discussed above.

With that funding now secured, the Board has formally approved the recommencement of operations at the Karouni Gold Mine.

The restart of operations will begin immediately but progressively, initially with the employment of personnel involved in mining activities and later, after approximately two weeks, personnel involved in the processing area.

The lag is due to all available ore having been processed before the mill was placed on care and maintenance so a rebuild of ore is required before milling can recommence. Maintenance on the processing plant will continue to take place while awaiting a full restart of ore processing.

Based on the above, it is likely that first gold sales revenue from the restart of operations will not be received for some six to eight weeks.

Recommencement of Trading on the ASX

This announcement will release Troy from its ASX voluntary trading suspension and, hence, **trading in the Company's shares on the ASX will recommence today.**

Troy's Chief Executive Officer, Ken Nilsson said today:

"I am delighted that we have finally been able to put together the funding package required for the restart of operations. It is with great relief that we can now get back to the business of producing gold.

"The Board would like to thank all its employees, shareholders and suppliers for their patience during this difficult time.

"We would also very much like to thank M&G and Ruffer for their continued support, and also AIMSL for the provision of the gold loan as we embark on this new chapter in the Company's journey.



“In both Hicks Extension and Ohio Creek, we now have two new and relatively high-grade sources of ore, the prospectivity of which is yet to be fully determined, but which we believe can sustain the Karouni operation for quite some time to come.”

ENDS

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This announcement has been authorised for release by the Board.