

# ASX ANNOUNCEMENT

16 January 2020

## EXPLORATION, OPERATIONS AND CORPORATE UPDATE

### Highlights

- Significant new intersections identified from infill drilling at Hicks 4 (previously called Hicks 1 Extension) including:
  - **16 m @ 2.42 g/t Au from 78 m incl. 6 m @ 5.40 g/t Au from 78 m**
  - **7 m @ 3.23 g/t Au from 50 m**
  - **4 m @ 3.42 g/t Au from 96 m**
  - **6 m @ 1.66 g/t Au from 96 m**
- Mineralisation at Hicks 4 now shown to extend over several sections within an overall strike length of approximately 800 metres with the mineralised zone, situated below shallow sand cover, up to typically 10 metres wide, steeply dipping, with excellent continuity of mineralisation, and which remains open at depth
- Mineral resources at Hicks 4 currently being updated
- Full-scale mining underway at Karouni, commencing with the removal of sand overburden at the Hicks 4 Pit
- Processing scheduled to re-commence late January as ore stocks are being built up

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Troy Resources Limited (**ASX: TRY**) (**Troy** or the **Company**) is pleased to provide an update on mining and exploration activities at the Company's wholly-owned Karouni Gold Project, Guyana.



A map of the Karouni Project, illustrating key locations including Troy's tenement holdings (grey-shaded), the Karouni Mill, the Ohio Creek and Hicks Prospects, and key geological features, is set out in Figure 1.

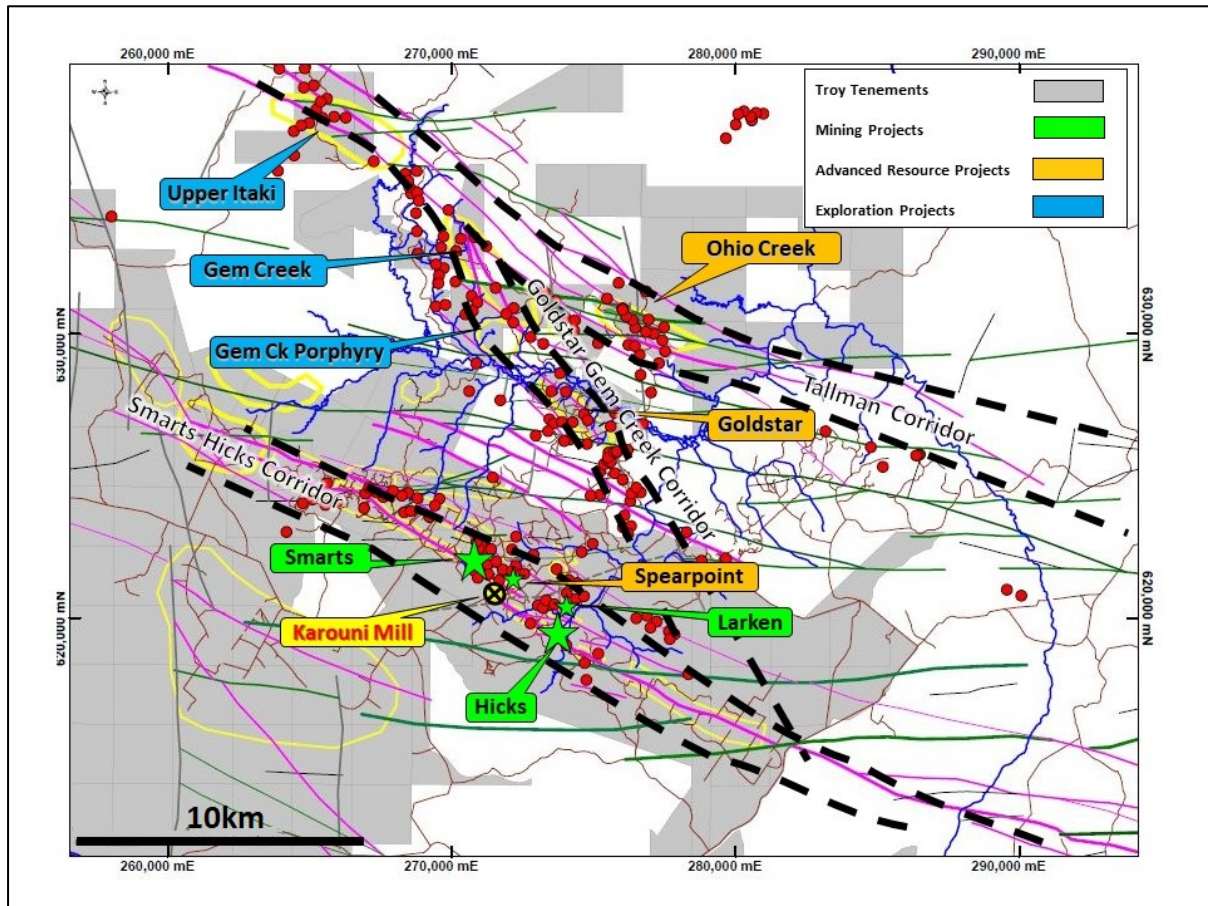


Figure 1 – Map of Karouni Project, illustrating key locations including Troy's tenement holdings (grey-shaded), the Karouni Mill, the Ohio Creek and Hicks Prospects, and key geological features.

## Exploration

Exploration at Hicks has continued during the temporary cessation of mining at Karouni with the undertaking of both infill and extensional Reverse Circulation ("RC") drilling.

In order to maintain the naming protocol of the Hicks pits, the pit previously called the Hicks 1 Extension Pit will now be called the Hicks 4 Pit. The Hicks 1 Extension Pit was first announced in the 'Resources and Reserves Update – June 2019' released on 10 October 2019. The pit designs illustrated on the following figures are all based on this reserve statement. The Hicks Shear exploration target to the north-west of the Hicks 4 pit will be called the Hicks NW target.

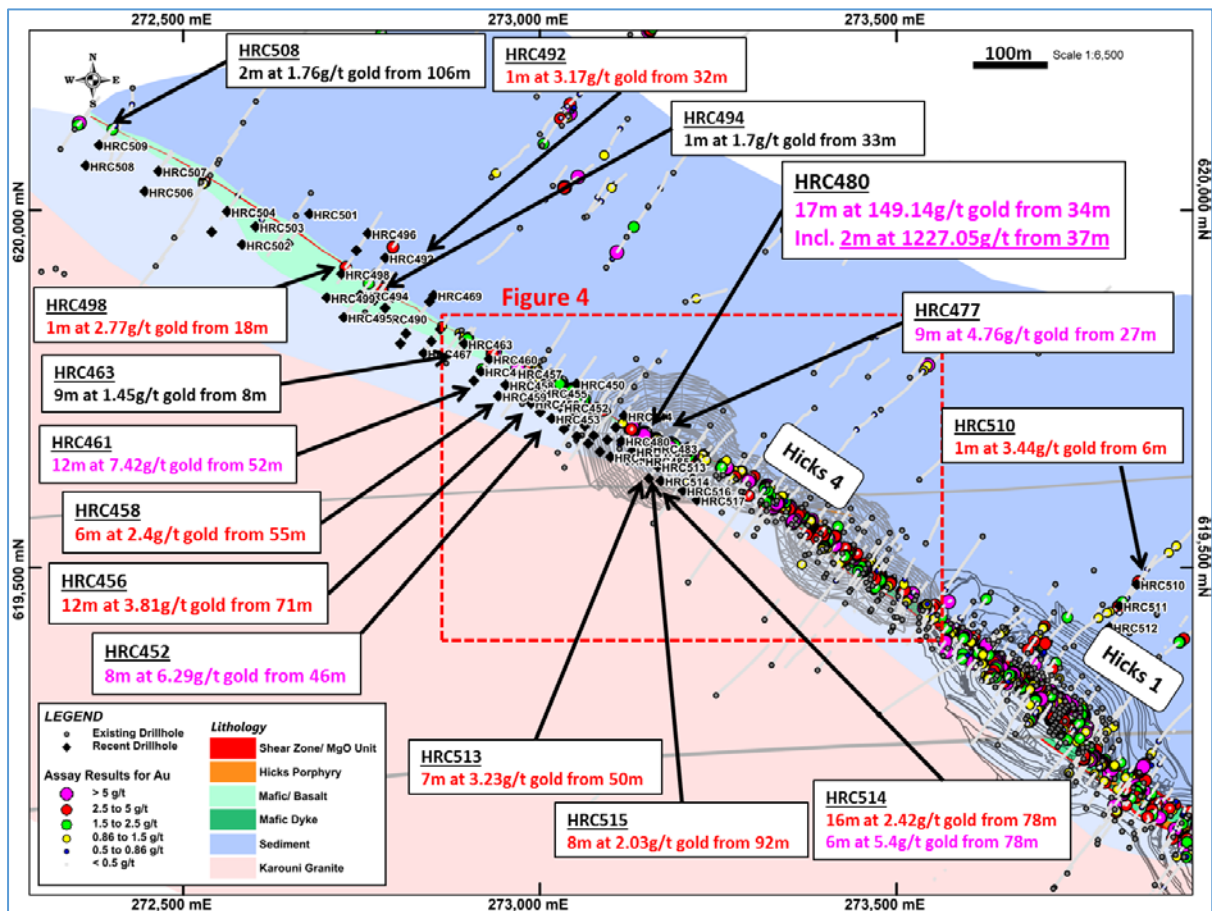


Figure 2 – Map of the Hicks 1 and Hicks 4 Pits and the Hicks NW target showing recent drilling

Infill RC drilling, which was undertaken in the area of the designed Hicks 4 Pit, completes the infill of this area to 20 metre spacing to the base of the Hicks 4 Pit.

Here, several holes returned high grade intersections including:

- HRC514 - 16 m @ 2.42 g/t Au from 78 m inc. 6 m @ 5.4 g/t Au from 78 m
- HRC513 - 7 m @ 3.23 g/t Au from 50 m
- HRC515 - 4 m @ 3.42 g/t Au from 96 m
- HRC517 - 6 m @ 1.66 g/t Au from 96 m

These results were much as expected and increase confidence in the high-grade nature of the gold mineralisation in this section of the Hicks Shear.

A map of the Hicks 4 Pit focussing on a zone of higher-grade mineralisation within this pit is set out in Figure 3.



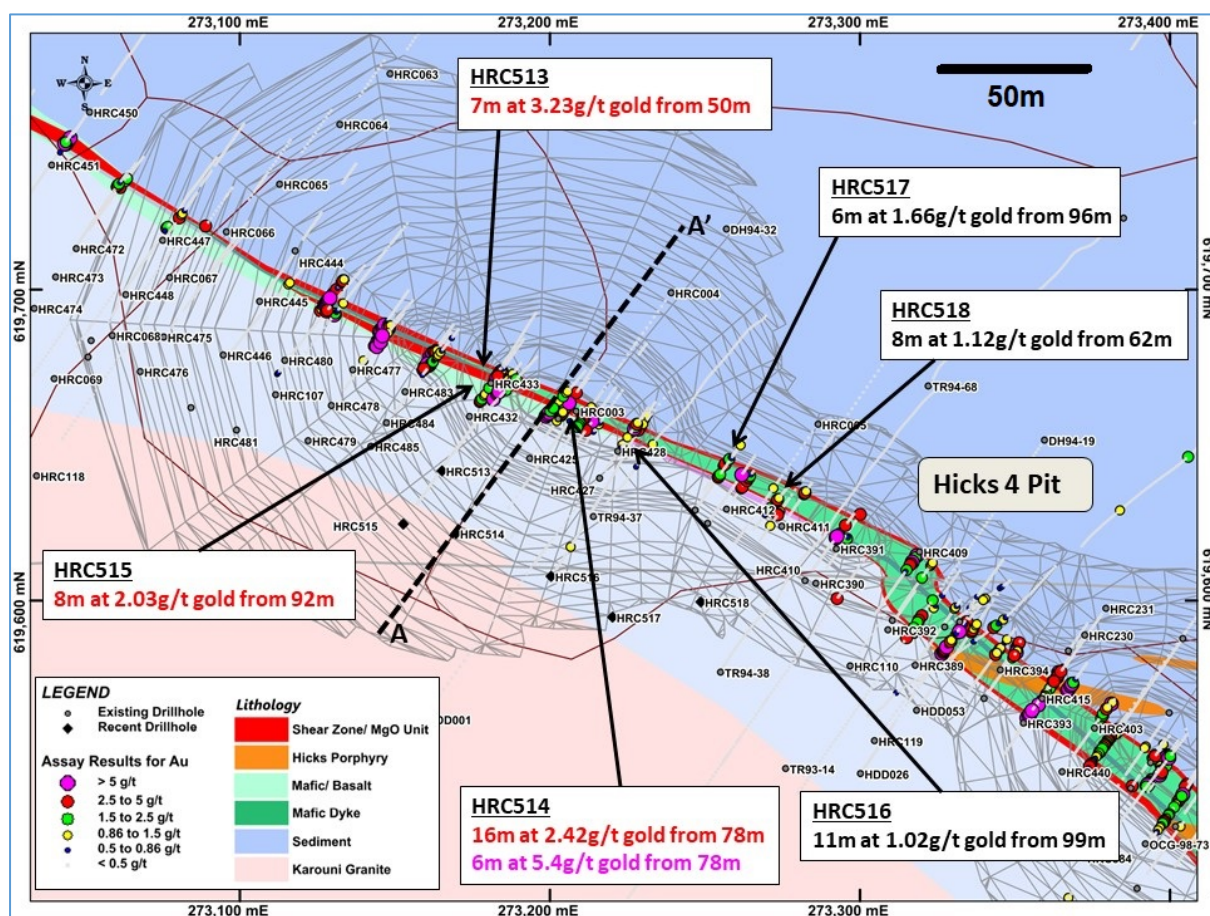


Figure 3 – Map of Hicks 4 Pit focussing on higher-grade mineralisation from latest drilling within the pit outline and showing location of cross-section at A-A' (refer Figure 4 below).

A cross-section at A-A' illustrating recent drill results and the outline of interpreted mineralized zone is set out in Figure 4.

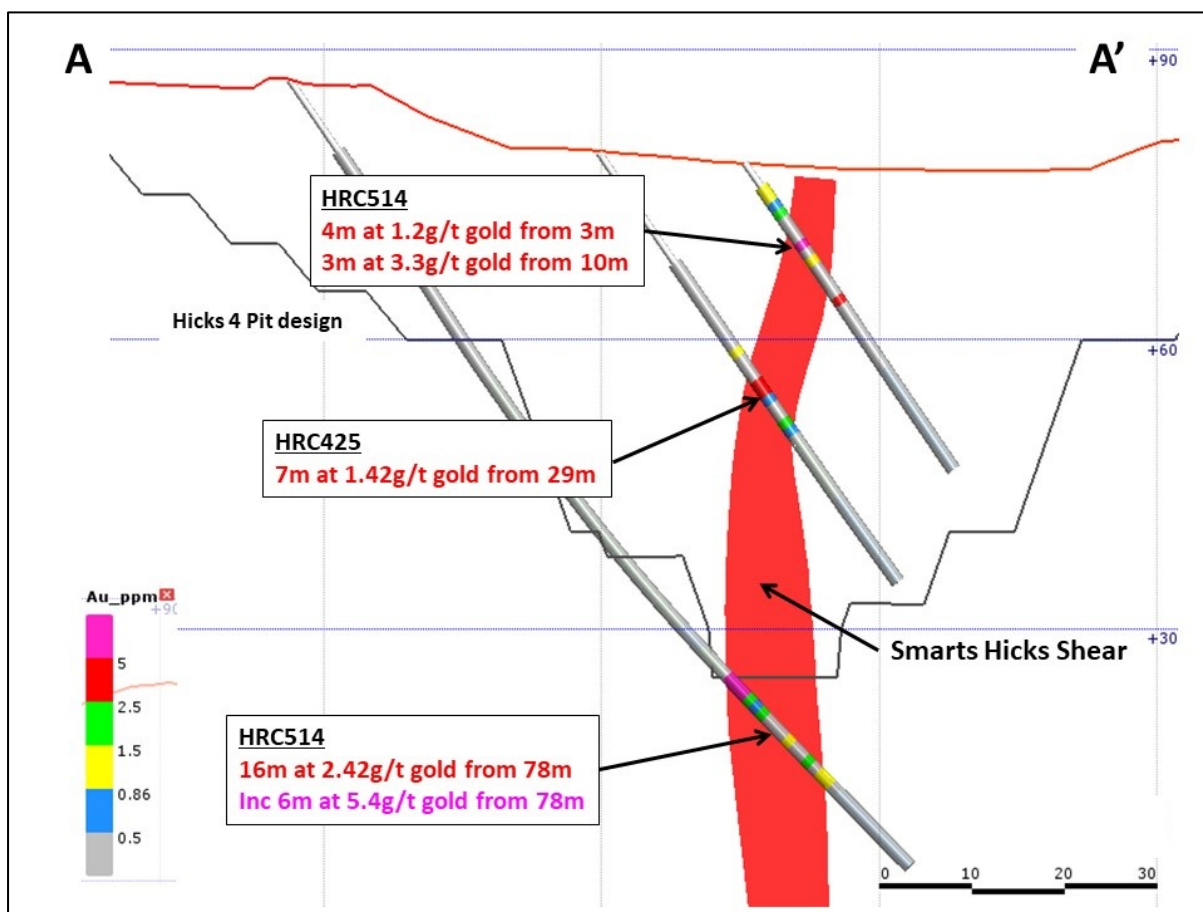


Figure 4 – Cross section at A-A' illustrating recent drill results, outline of mineralized zone and Hicks 4 design.

As illustrated, the Smarts-Hicks Shear Zone at this location appears to be approximately 10 metres wide and steeply dipping, with excellent continuity of mineralisation, and which remains open at depth.

High-grade mineralisation extends over several sections along a strike length of approximately 100 metres, rendering this zone within the Hicks 4 Pit as a continuous, coherent high grade mining target.

The total design length of the Hicks 4 Pit is currently approximately 800 meters.

The mineral resource in this area is now being updated with the latest results to refine pit designs and mining schedules.

Extensional RC drilling was undertaken along the Smarts-Hicks Shear Zone further to the north-west of the Hicks 4 Pit, at the Hicks NW target (refer location of drilling in Figure 2 above).

Whilst this drilling intersected the Smarts-Hicks Shear Zone as expected, assay results generally only returned narrow, moderate grade intersections.

Slight changes in the strike and position of the shear zone within the mafic sequence could be factors impacting on the deposition of gold at this location.

Troy is currently planning a new campaign of exploration at Hicks 4 involving both RC and diamond drilling, with the broad location of drilling illustrated in Figure 5.

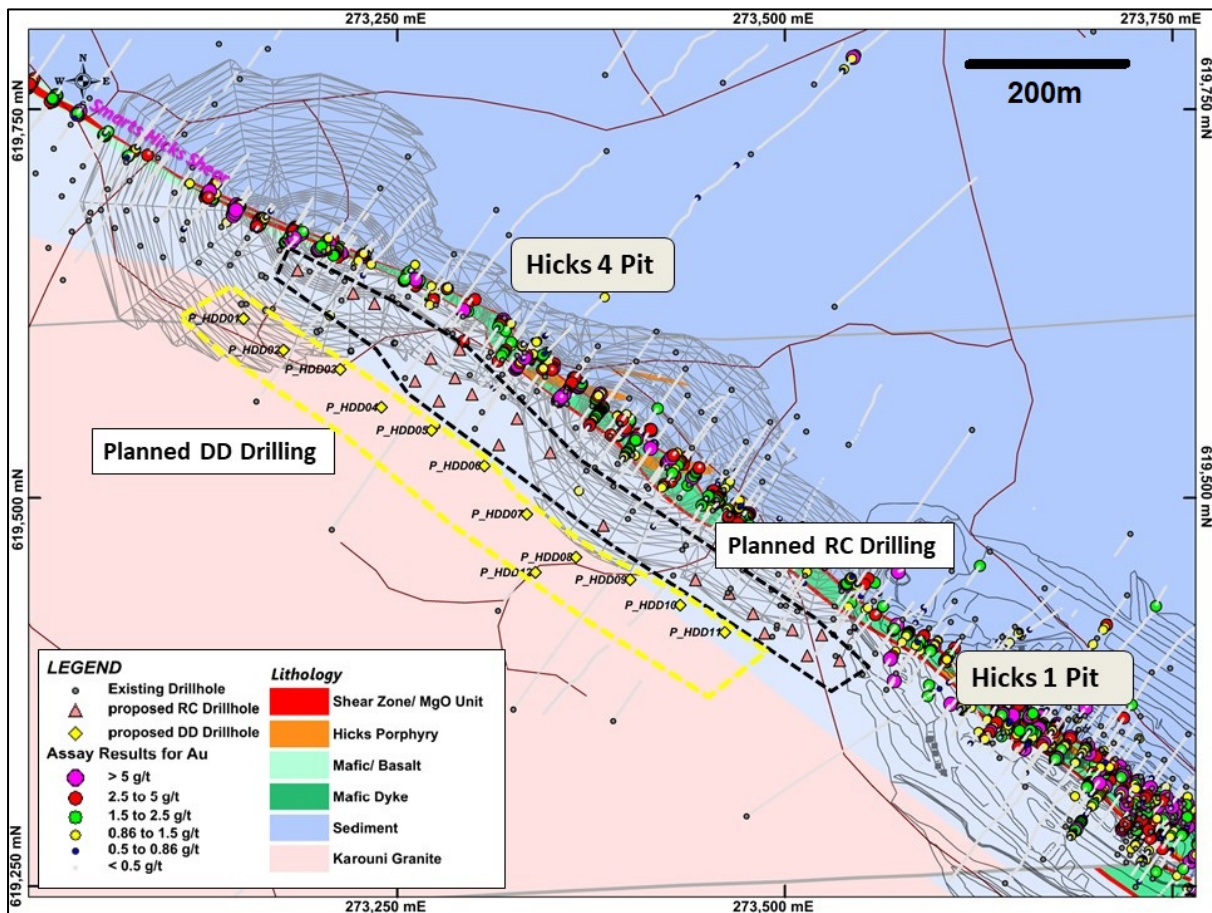


Figure 5 – Map of Hicks 4 Pit showing areas of proposed diamond and RC drilling.

Whereas exploration drilling completed to date has focussed on shallow mineralisation amenable to open pit mining, these proposed new holes will target deeper mineralisation beneath the Hicks 4 Pit.

If deeper mineralisation is identified, this can potentially be extracted either by way of a significant pit cutback or via underground mining methods.

## Mining

Mining at Karouni is now underway at full capacity, commencing with the removal of sand cover to expose high grade mineralisation at the Hicks 4 Pit.

A photograph illustrating current activity at the Hicks 4 Pit is set out in Figure 6. Areas of sand cover are being mined to uncover the high grade mineralisation.





**Figure 6 – Photograph showing mining activity at the Hicks 4 Pit.**

Ore processing is scheduled to re-commence in late January as ore stocks are being built up.

Gold sales will commence soon after in February.

## **Corporate**

Troy is pleased to advise of a number of personnel changes.

As previously flagged, Mr Ray Parry has now commenced as CFO and Company Secretary of Troy Resources Limited.

Mr Jeremy Creech has commenced in the role of Administration and Finance Manager for Troy Resources Guyana Inc, located in Guyana.

Mr Dale Ekmark has accepted the position of General Manager for the Karouni Project on contract.

Mr Ekmark, a US citizen, is a Mining Engineer with solid experience in Mine and Operations Management.

**ENDS**

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**Competent Person's Statement**

*The information in this report that relates to Exploration Results is based on information compiled by Richard Maddocks, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr. Maddocks is employed as an independent consultant to the Company. Mr. Maddocks has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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'. Mr. Maddocks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The information contained in this report referring to Ore Reserves and pit designs is extracted from the announcements entitled "Reserves and Resources Statement – June 2019" released on 10 October 2019 and 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 announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates 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 are presented have not been materially modified from the original market announcement.*





Table 1 – Hicks Reverse Circulation Drilling Results

Hicks 4 (Previously Hicks 1 Extension) Drilling results							
Hole	Easting	Northing	Elevation (m)	Depth (m)	Azimuth	Dip	Peak Gold Assay Intervals
HRC488	272794	619878	65	40	35	-55	NSR
HRC489	272783	619863	65	52	35	-55	NSR
HRC490	272774	619849	67	79	35	-55	NSR
HRC491	272768	619874	65	55	35	-55	NSR
HRC492	272783	619933	64	55	35	-55	1m at 0.60g/t gold from 22m 1m at 3.17g/t gold from 32m
HRC493	272768	619911	65	48	35	-55	NSR
HRC494	272748	619881	65	70	35	-55	1m at 1.70g/t gold from 33m
HRC495	272725	619850	65	100	35	-55	NSR
HRC496	272759	619968	65	60	35	-55	NSR
HRC497	272743	619944	63	60	35	-55	NSR
HRC498	272722	619911	63	48	35	-55	1m at 2.77g/t gold from 18m
HRC499	272701	619878	64	88	35	-55	NSR
HRC500	272647	619953	64	79	35	-55	NSR
HRC501	272677	619995	63	60	35	-55	results pending
HRC502	272583	619952	68	94	35	-55	1m at 0.54g/t gold from 71m
HRC503	272601	619977	71	64	35	-55	1m at 0.51g/t gold from 46m
HRC504	272562	619998	83	70	35	-55	1m at 0.62g/t gold from 49m
HRC505	272540	619970	81	104	35	-55	NSR
HRC506	272446	620026	84	124	35	-55	NSR
HRC507	272465	620055	81	76	35	-55	NSR
HRC508	272363	620063	73	118	35	-55	2m at 1.76g/t gold from 106m 1m at 0.52g/t gold from 117m
HRC509	272382	620091	74	76	35	-55	NSR
HRC510	273837	619477	73	82	35	-55	1m at 3.44g/t gold from 6m 1m at 0.85g/t gold from 43m
HRC511	273813	619446	71	64	35	-55	results pending
HRC512	273799	619417	74	52	35	-55	1m at 0.56g/t gold from 46m 7m at 3.23g/t gold from 50m
HRC513	273165	619642	87	76	35	-55	2m at 1.33g/t gold from 63m 1m at 0.89g/t gold from 68m
HRC514	273170	619622	87	106	35	-55	16m at 2.42g/t gold from 78m inc 6m at 5.40g/t gold from 78m
HRC515	273153	619625	89	114	35	-55	1m at 1.86g/t gold from 92m 4m at 3.42g/t gold from 96m
HRC516	273200	619608	80	118	35	-55	1m at 1.11g/t gold from 20m 11m at 1.02g/t gold from 99m

**Hicks 4 (Previously Hicks 1 Extension) Drilling results**

Hole	Easting	Northing	Elevation (m)	Depth (m)	Azimuth	Dip	Peak Gold Assay Intervals
<b>HRC517</b>	273220	619595	77	115	35	-55	<b>6m at 1.66g/t gold from 96m</b>
							<b>1m at 0.52g/t gold from 58m</b>
<b>HRC518</b>	273249	619600	73	85	35	-55	<b>8m at 1.12g/t gold from 62m</b>



## Appendix 1: JORC Table

Guyana Karouni Section 1: Sampling Techniques and Data		
Criteria	JORC Code Explanation	Commentary
<b>Sampling Technique</b>	<p>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</p> <p>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.</p> <p>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.</p>	<p>The Drilling program at the Hicks 1 extension was commenced in May 2019 and is continuing. To the date of this announcement a total of 153 RC holes for 8,808m has been completed.</p> <p>A sample interval of 1m has been selected for the RC drilling. This sample spacing ensures a representative sample weight is collected at a scale sufficient to define geological and mineralisation boundaries.</p> <p>The use of a 1m sample interval was selected after consideration of the following:</p> <ul style="list-style-type: none"> <li>• Consideration of previous sampling methodology.</li> <li>• The RC drilling method and sample collection process for current drill campaigns.</li> <li>• A representative sample weight suitable for transport, laboratory preparation and analysis.</li> <li>• The lithological thickness of the White Sands Formation and underlying basement lithology.</li> <li>• A mineralisation zone thickness ranging from several metres to tens of metres.</li> <li>• 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).</li> </ul> <p>Trench samples were collected from approximately 2m beneath the natural surface. Samples were taken at 1m or 2m intervals from the NW wall.</p> <p>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).</p> <p>Diamond drilling (DDH) is sampled nominally at 1m intervals but is sampled to geological boundaries where practical to do so. Core is sawn in half with one half dispatched for assay.</p> <p>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.</p>
<b>Drilling</b>	<p>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).</p>	<p>Reverse Circulation "RC" drilling within the prospect area comprises 5.0-inch diameter face sampling hammer drilling and hole depths range from 36m to 120m.</p> <p>Reverse Circulation Rig supplied and operated by Major Drilling of Canada.</p> <p>The diamond drilling is HQ (63.5mm diameter). Core is collected in 3m runs. Split tube barrels are used in weathered areas to maximise core return.</p>
<b>Drill sample recovery</b>	<p>Method of recording and assessing core and chip sample recoveries and results assessed.</p> <p>Measures taken to maximize sample recovery and ensure representative nature of the samples.</p> <p>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.</p>	<p>RC and Diamond Core recoveries are logged and recorded in the database. Overall recoveries are &gt;75% for the RC; there are no significant sample recovery problems. A technician is always present at the rig to monitor and record recovery. The diamond core recovery can be poor in weathered horizons and occasionally in deeper shear zones.</p> <p>RC samples were visually checked for recovery, moisture and contamination. The consistency of the mineralised intervals is considered to preclude any issue of sample bias due to material loss or gain.</p>





<b>Logging</b>	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 RC and DDH samples recorded regolith, lithology, mineralogy, mineralisation, structural (DDH only), weathering, alteration, colour and other features of the samples. Chips are taken and stored in plastic chip trays.
<b>Sub-sampling technique and sample preparation</b>	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.	<p>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. Diamond core is sawn in half with an automatic core saw. Half core is submitted for assay.</p> <p>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.</p> <p>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.</p> <p>Field duplicates were taken for 1m RC splits using a riffle splitter.</p> <p>The sample sizes are appropriate to correctly represent the style of mineralisation, the thickness and consistency of the intersections.</p>
<b>Quality of Assay data and Laboratory tests</b>	<p>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</p> <p>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.</p> <p>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.</p>	<p>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 report. 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.</p> <p>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.</p> <p>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.</p> <p>Repeat or duplicate analysis for samples shows that the precision of samples is within acceptable limits.</p> <p>Sample preparation conducted by Actlabs Guyana Inc. and fire assay performed by Actlabs Guyana by 50g fire assay with gravimetric finish for samples greater than 10g/t.</p> <p>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).</p>
<b>Verification of Sampling and Assaying</b>	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.	<p>The Company's exploration manager has verified significant intersections and the competent person visited the site during August 2018.</p> <p>Primary data was collected using a set of company standard Excel™ 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 data shed database.</p> <p>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.</p>



<b>Location of Data Points</b>	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.	<p>All drill holes have been located by DGPS in UTM grid PSAD56 Zone 21 North.</p> <p>Downhole surveys were completed at the end of every hole where possible using a Reflex Gyro downhole survey tool, taking measurements every 5m.</p> <p>Trenches have been surveyed with DGPS.</p> <p>Lidar data was used for topographic control.</p>
<b>Data Spacing and Distribution</b>	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 at Hicks is 25m along strike and 10-20m across strike.
<b>Orientation of Data in Relation to Geological Structure</b>	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.	<p>Most of the data in is drilled to magnetic 035° orientations, which is orthogonal/ perpendicular to the orientation of the mineralised trend. The bulk of the drilling is almost perpendicular to the mineralised domains.</p> <p>No orientation-based sampling bias has been identified in the data at this point.</p>
<b>Sample Security</b>	The measures taken to ensure sample security	<p>Chain of custody is managed by Troy.</p> <p>Samples are stored on site and delivered by Troy personnel to Actlabs, Georgetown, for sample preparation.</p> <p>Whilst in storage, they are kept under guard in a locked yard. Tracking sheets are used track the progress of batches of samples.</p>



Section 2 Karouni Reporting of Exploration Results		
Criteria	JORC Code Explanation	Commentary
<b>Mineral Tenement and Land Status</b>	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.	<p>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.</p> <p>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%.</p> <p>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.</p> <p>All licences, permits and claims are granted for either gold or gold, diamonds or precious stones.</p> <p>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.</p> <p>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.</p> <p>Troy acquired the Ohio tenements in September 2018 from the Kaburi Development Company</p>
<b>Exploration done by other parties</b>	Acknowledgment and appraisal of exploration by other parties.	<p>Little modern exploration has been carried out over the tenement prior to Azimuth's involvement which commenced in 2011.</p> <p>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.</p> <p>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).</p> <p>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.</p> <p>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.</p> <p>In 1995, on the Ohio Creek prospect, Cathedral Gold Corporation ("Cathedral"), the Canadian listed company that first drilled out and then delineated a mineral resource at the (now) Troy-owned Hicks deposit, undertook a 200 metre x 40 metre auger drilling program. Achieving encouraging results, this program was immediately followed up by Cathedral with a diamond drilling program encompassing 11 diamond holes for an aggregate 1,364 metres drilled (for an average of approximately 124 metres per hole)</p>





<b>Geology</b>	<p>Deposit type, geological setting and style of mineralisation.</p>	<p>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.</p> <p>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.</p> <p>The evaluation of airborne geophysical data has however indicated that the Barama-Mazaruni Greenstone Belts and associated syntectonic intrusives persist at shallow depth beneath this cover.</p> <p>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.</p> <p>The high-grade gold mineralisation is usually associated with zones of dilational and stockworks quartz veining within and adjacent to the shear zone.</p> <p>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.</p> <p>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, sericitisation 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.</p> <p>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.</p> <p>Gold mineralisation at Ohio Creek is associated with an interpreted north west trending shear zone and strong quartz veining in the weathered saprolite profile. The outcropping saprolite on the prepared drill pad shows foliation which is probably derived from sediment. It also confirms the in-situ nature of the formation. The saprolite profile tested during the drilling is typically 50 to 60 metres deep</p>
<b>Drill hole Information</b>	<p>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:</p> <ul style="list-style-type: none"> <li>• easting and northing of the drill hole collar</li> <li>• elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>• dip and azimuth of the hole</li> <li>• down hole length and interception depth</li> <li>• hole length</li> <li>• 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.</li> </ul>	<p>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.</p>



<b>Data Aggregation Methods</b>	<p>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.</p> <p>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.</p> <p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	<p>All intersections are assayed on one-meter intervals.</p> <p>No top cuts have been applied to exploration results.</p> <p>Mineralised intervals are reported on a weighted average basis.</p> <p>The cut-off grade for reporting mineralization is 0.5g/t gold with a maximum of 2m of internal dilution.</p>
<b>Relationship between Mineralisation widths and intercept lengths</b>	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</p>	<p>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.</p>
<b>Diagrams</b>	<p>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.</p>	<p>The appropriate plans, sections and 3D views have been included in the text of this document.</p>
<b>Balanced Reporting</b>	<p>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.</p>	<p>All grades, high and low, are reported accurately with "from" and "to" depths and "drill hole identification" shown. Reporting is balanced</p>
<b>Other Substantive Exploration Data</b>	<p>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.</p>	<p>At this stage no other substantive exploration work of data has been completed or reported.</p>
<b>Further Work</b>	<p>The nature and scale of planned further work (eg tests for lateral extensions or large scale step out drilling).</p> <p>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</p>	<p>Further work program includes additional drilling, geological modelling, block modelling and ultimately resource estimation depending on the results received.</p>