

# Troy Resources Limited

ASX:TRY

March 2020



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	
2019 gold production*	34,967 ounces
2019 revenue	US\$46m
2019 AISC	US\$1,114 per ounce

\*Nine months only to Sept 19 - Mine shut down 10 October 2019

Reserves & Resources (as at 30 June 2019)	
Ore Reserves	75 koz @ 1.9 g/t
Mineral Resources	986 koz @ 1.9 g/t

- Troy raised A\$4m from a placement in December 2019 and raised a further US\$8.07m through the provision of a gold loan of 5,200 ounces in January 2020.
- Funds raised will largely be used to restart the mine and increase exploration activities at the Karouni Mine

## Key Financials (as at 31 January 2020)

Gold Loan	5,200oz
Cash	A\$10m

## Capital Structure (as at 31 January 2020)

ASX Code	TRY
Share Price (\$)	\$0.094
Shares on Issue (m)	632.1
Market Capitalisation (\$m)	\$59.4

## Key Shareholders

Investor	Shares (m)	% of Total
M&G Investments	94.5	14.95%
Ruffer LLP	67.4	10.7%
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
Ray Parry	CFO & Company Secretary



- Mine was shut down due to a fatal accident at the Smarts open pit on 10 October 2019.
- Company undertook a placement to major shareholders for A\$4M in December 2019
- Company entered into a gold loan arrangement in January 2020 for the sale of 5,200 ounces repayable in 12 months.
- Mining recommenced at the Hicks deposit in January 2020.
- Milling recommenced in late January 2020.
- First gold shipment of ~1,000 ounces in late February 2020
- Ore mined to the 25 February was 44kt @2.71 g/t for 3.8koz
- Exploration is continuing with 2 rigs currently on site

# 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.

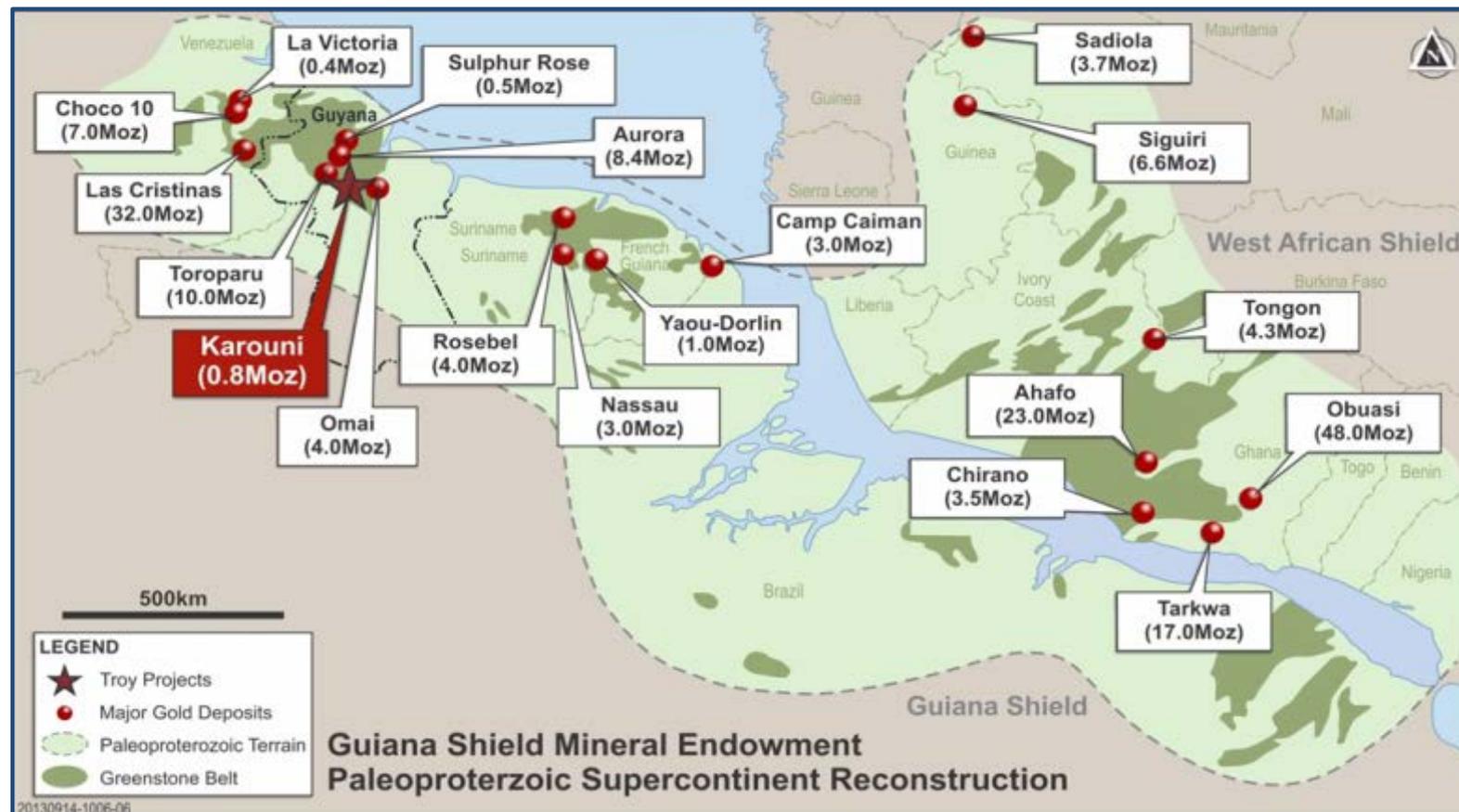


# Guiana Shield Greenstones & Gold Endowment



## 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

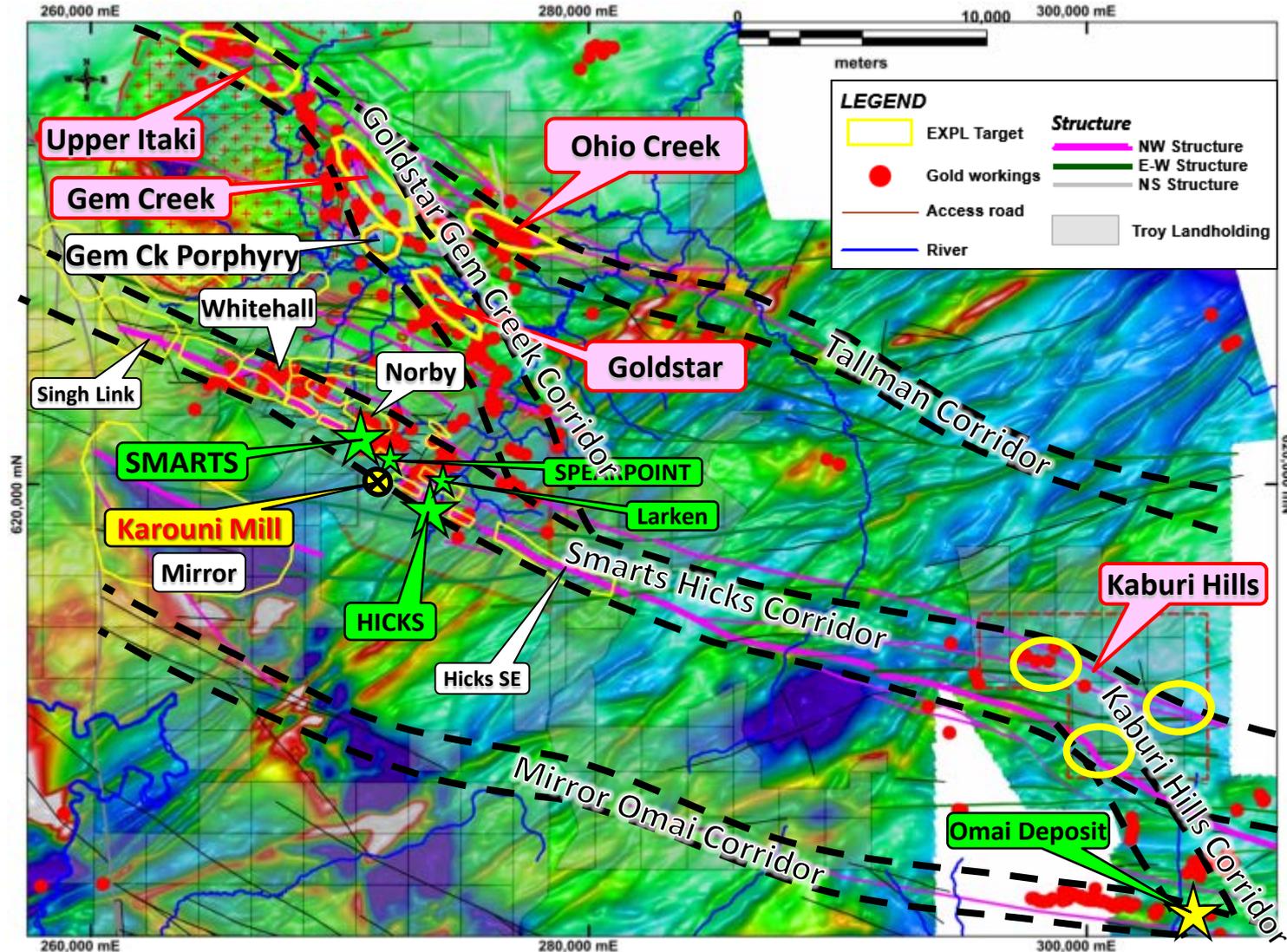


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# Troy's Ground Position at Karouni Gold Project



## Key targets along structural corridors



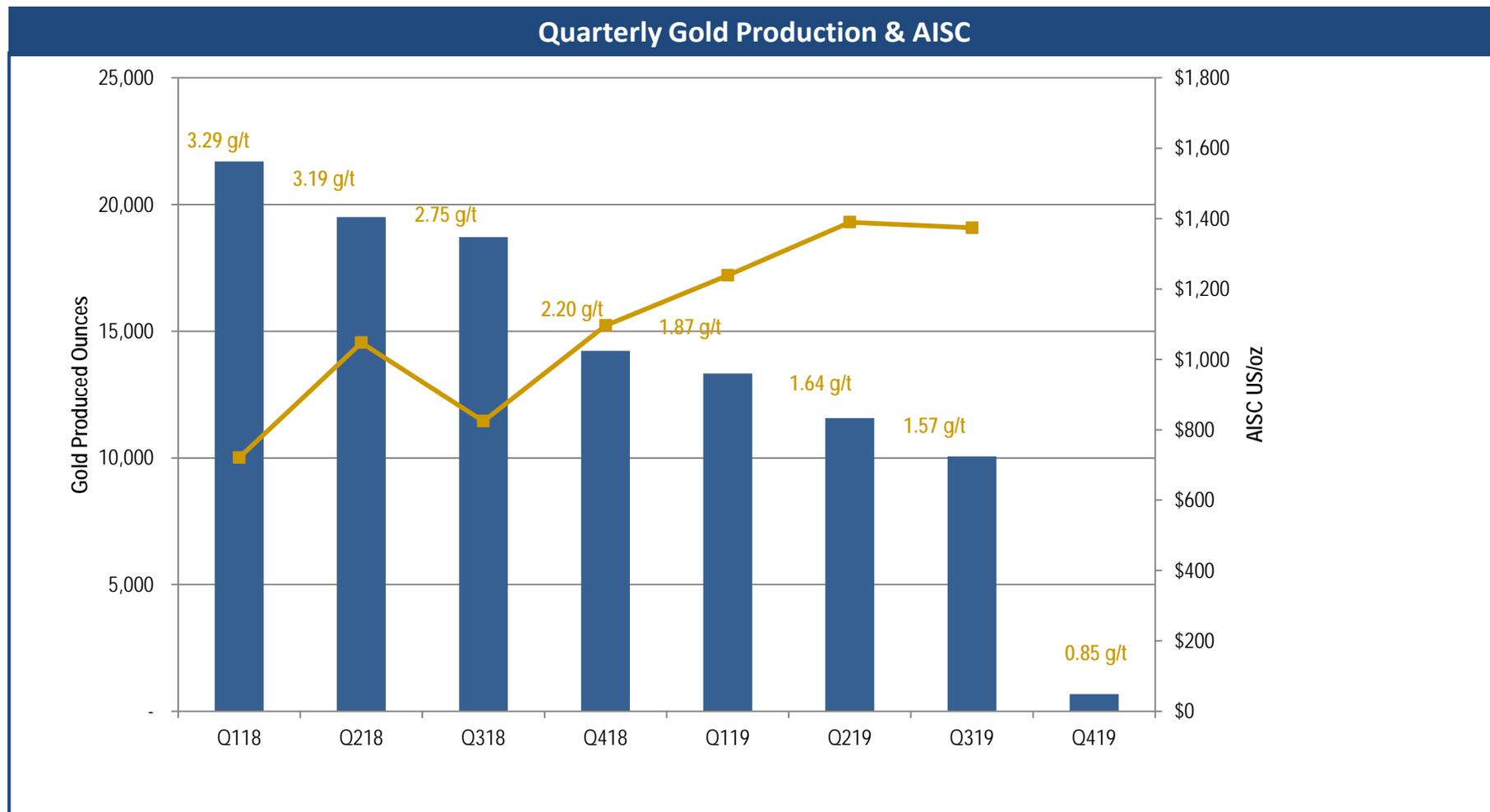


- Mill commissioned in 2015
- Nameplate 1 mtpa capacity
- Recoveries typically greater than 95%
- Centrally located

# Operational Performance – Smarts & Hicks Pits



- Declining head grade mainly due to introducing mineralised waste into the processing blend.
- Q419 impacted by fatality on site



# 3-Year Share Price Chart



## Trading History (Feb 17 – Jan 20)

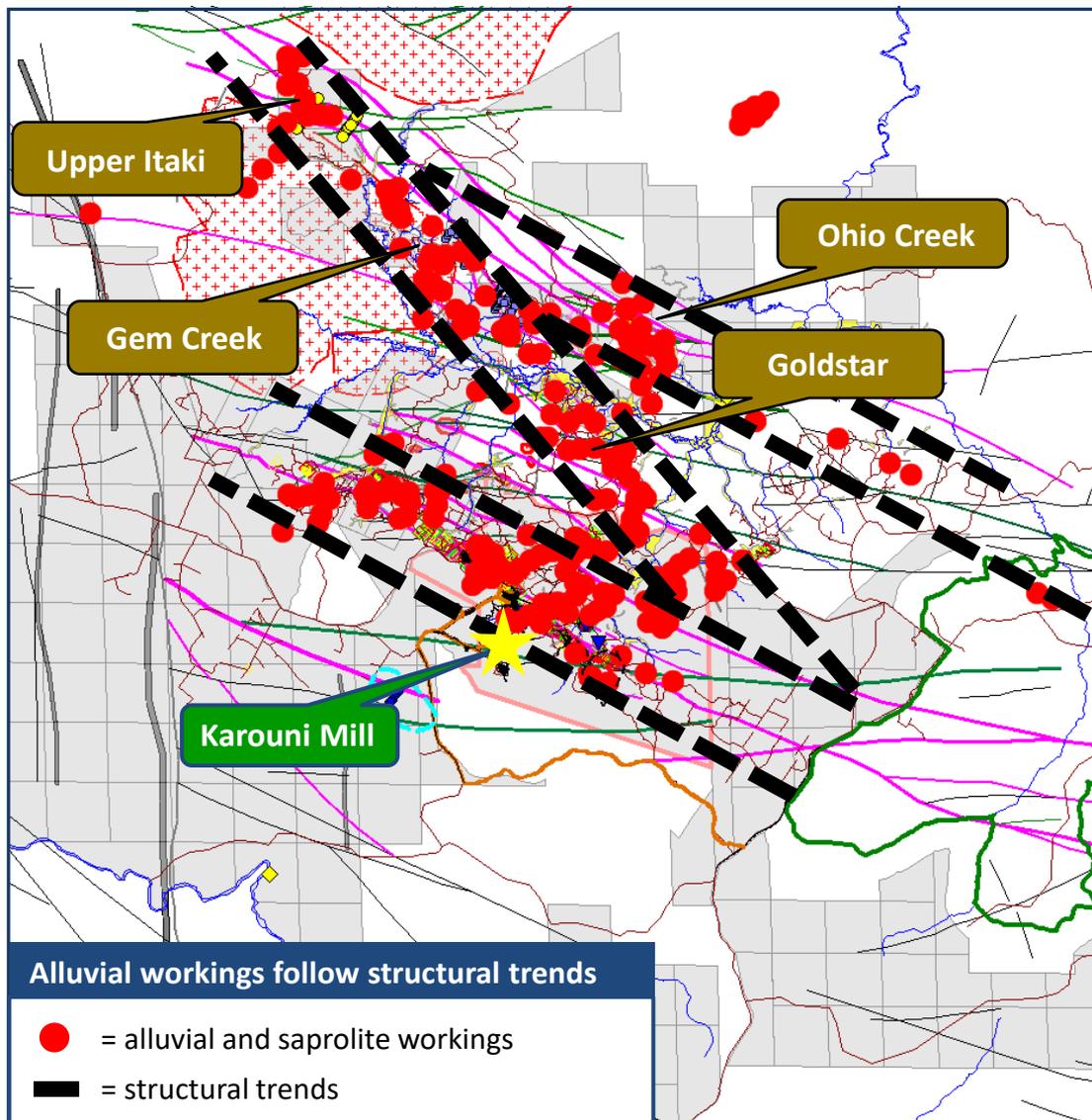


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# Significant Potential For New Discovery



- ~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





**Aerial photo showing extensive alluvial workings**



**Flaky alluvial gold recovered from Upper Itaki**  
(bag of gold not an asset of Troy)





- Hicks is located approximately 2km from the Karouni mill
- Hicks 1 extension was recently renamed Hicks 4
- Hicks 1 has already been mined and reconciled well geologically.
- Exploration is continuing to extend the Hicks deposit.

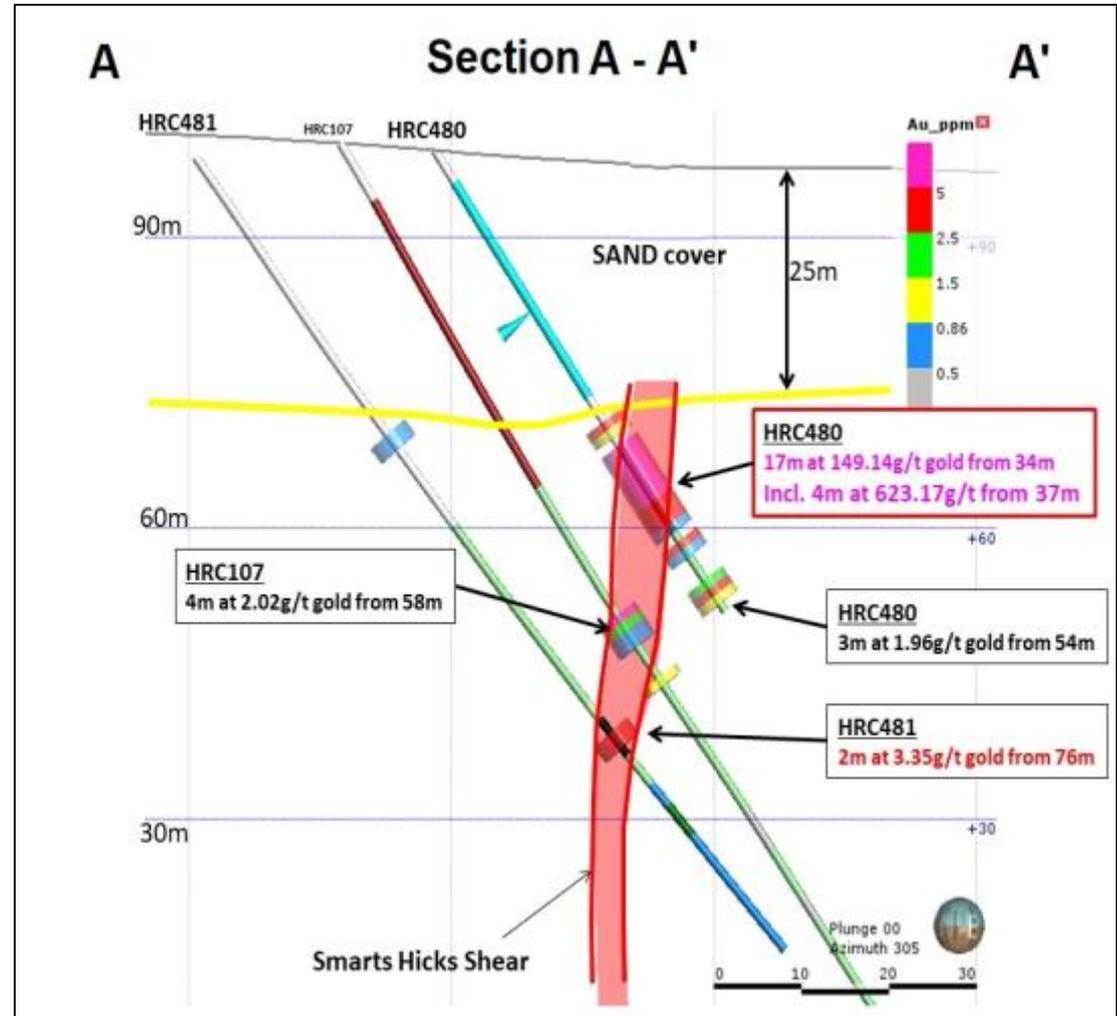


Mining at Hicks 4 in January 2020



## Bonanza Grades from Drilling

- Recent drilling from the Hicks 4 pit include the following intercepts:
  - 17 m @ 149.14 g/t Au from 34 m including**
    - 4 m @ 623.17 g/t Au from 37m**
  - 15 m @ 4.41 g/t Au from 40 m**
  - 9 m @ 4.76 g/t Au from 27 m**
  - 4 m @ 6.90 g/t Au from 63 m**
  - 5 m @ 4.61 g/t Au from 35 m**
  - 7 m @ 3.41 g/t Au from 23 m**
- Mineralisation known to extend along strike for approximately 2 kilometres, with the shear zone typically in the order of ten metres wide
- Mineralisation underlies sand cover of approximately twenty-five metres and, at this stage, is open at depth

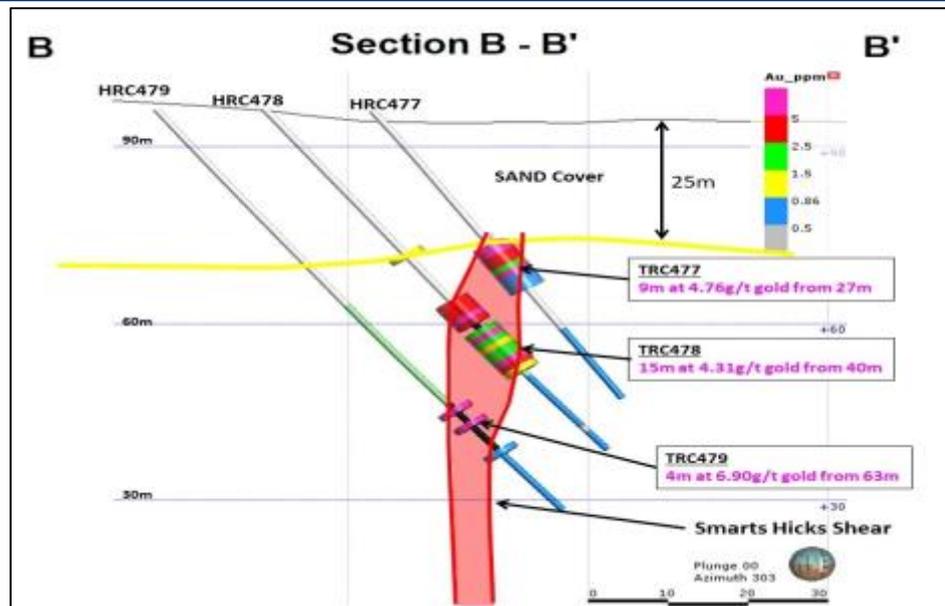


Cross section AA illustrating recent RC drilling.

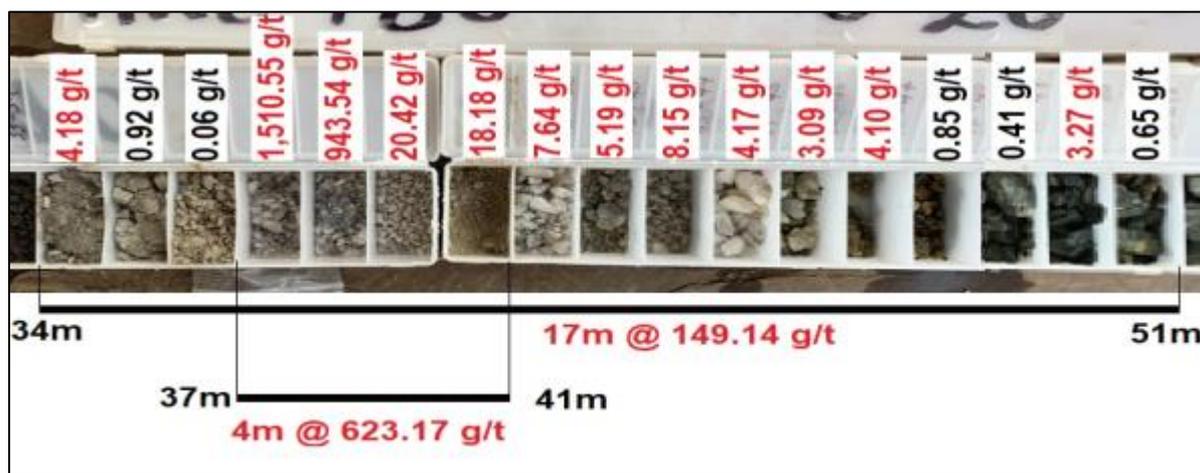
# Hicks Recent Exploration



- Updating of Mineral Resource estimates and mining studies on the Hicks 4 is continuing
- Located close to existing infrastructure and with mineralisation variously high-grade and relatively near-to-surface, the Hicks 4 represents a highly-attractive near term mining target



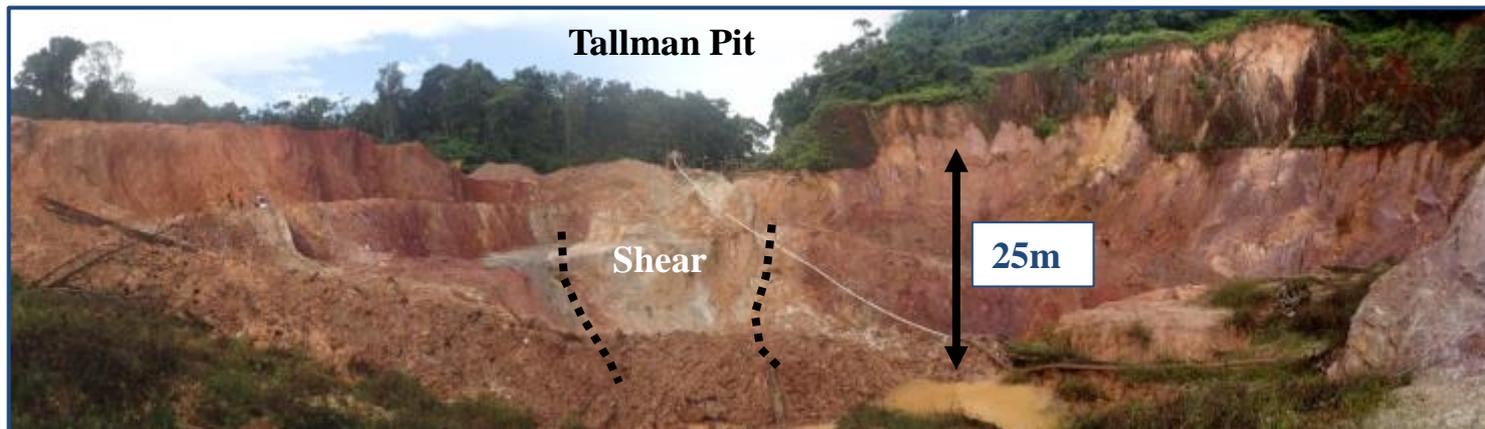
Cross section BB illustrating recent RC drilling.



Drilling chips from HRC480 showing high grade, quartz hosted mineralisation



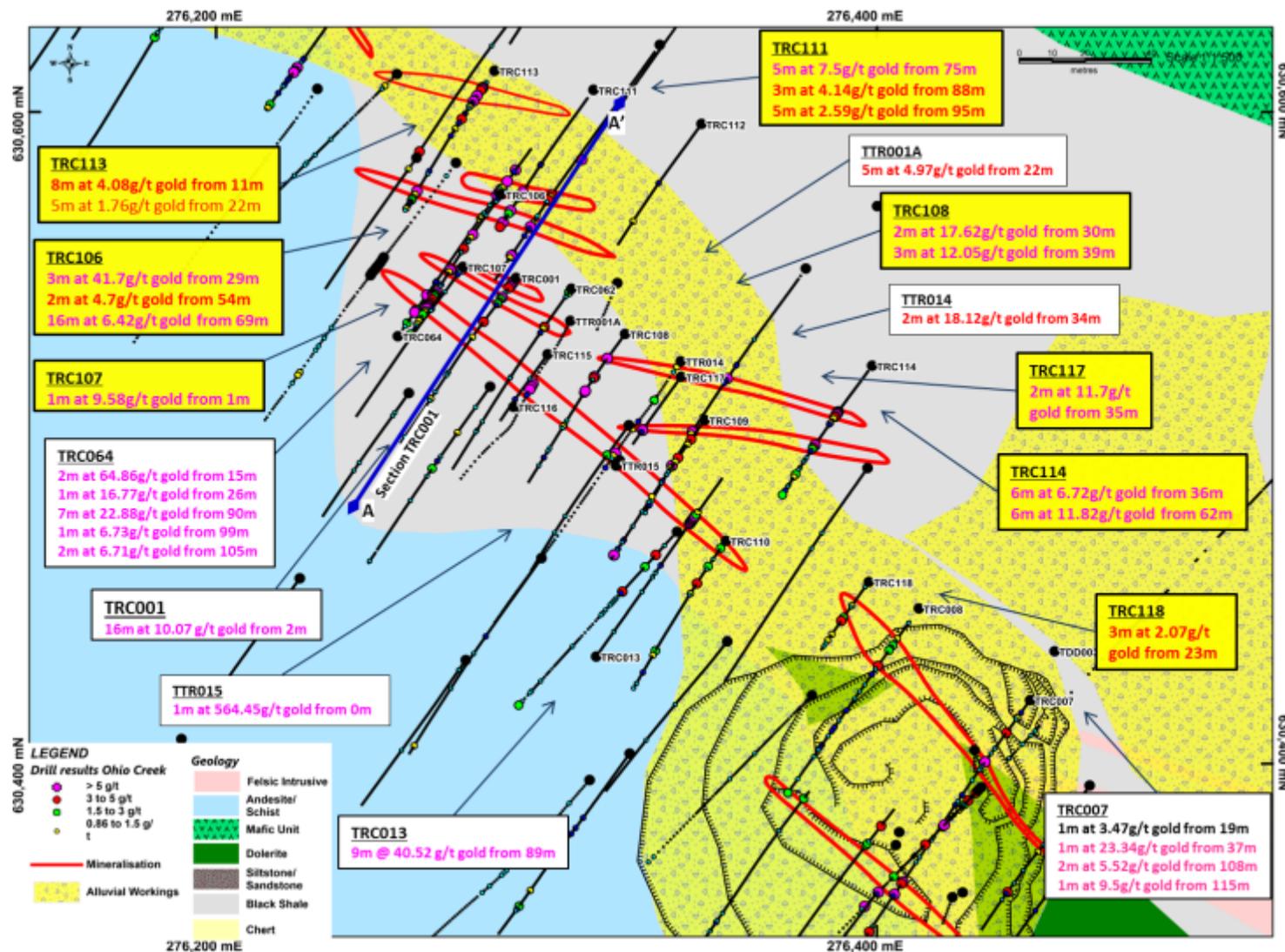
- Identified by Troy as a key target for acquisition in 2013
- 10 kilometres from Karouni Mill
- Tallman Pit been developed by Guyanese locals – unusual for area
- Only modern work undertaken in 1995 by TSX listed Cathedral Gold which undertook an auger geochemistry program followed by a modest diamond 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



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

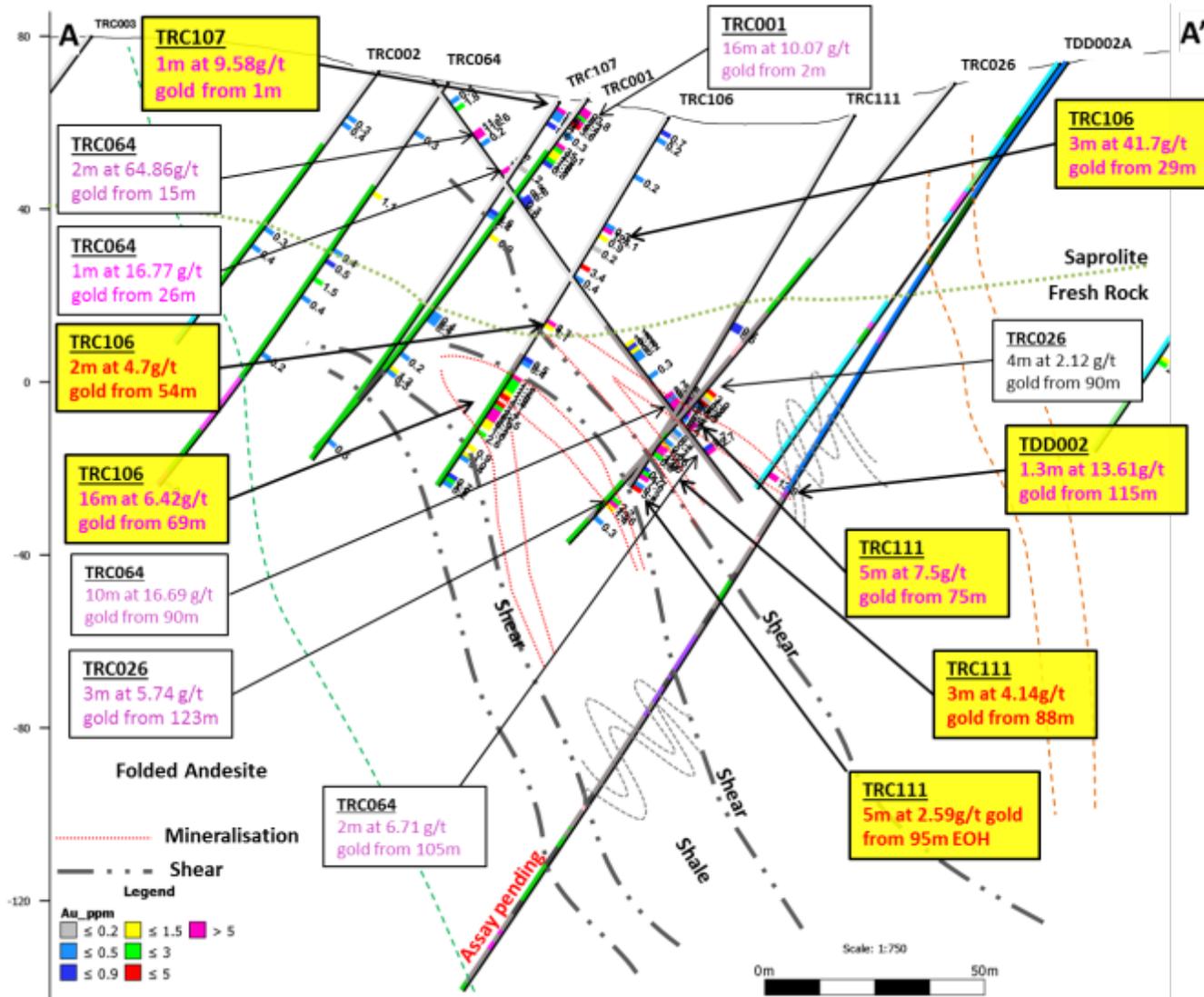


\* For further details, refer to ASX Announcement of 31 May 2019 entitled "New high-grade intersections from infill drilling at Ohio Creek".

# Ohio Creek Cross Section



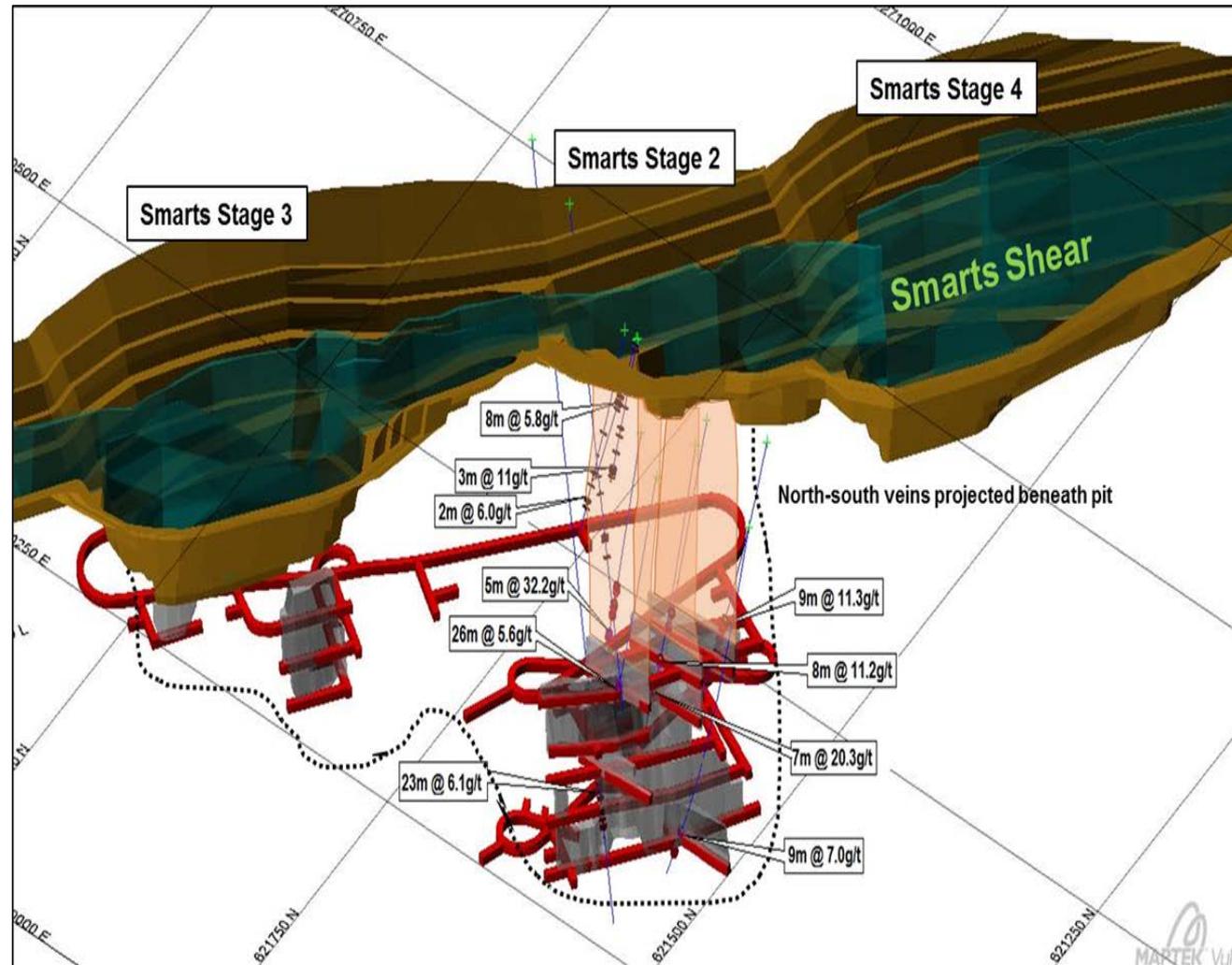
(through TRC001, TRC064, TRC106, TRC107 and TRC111)



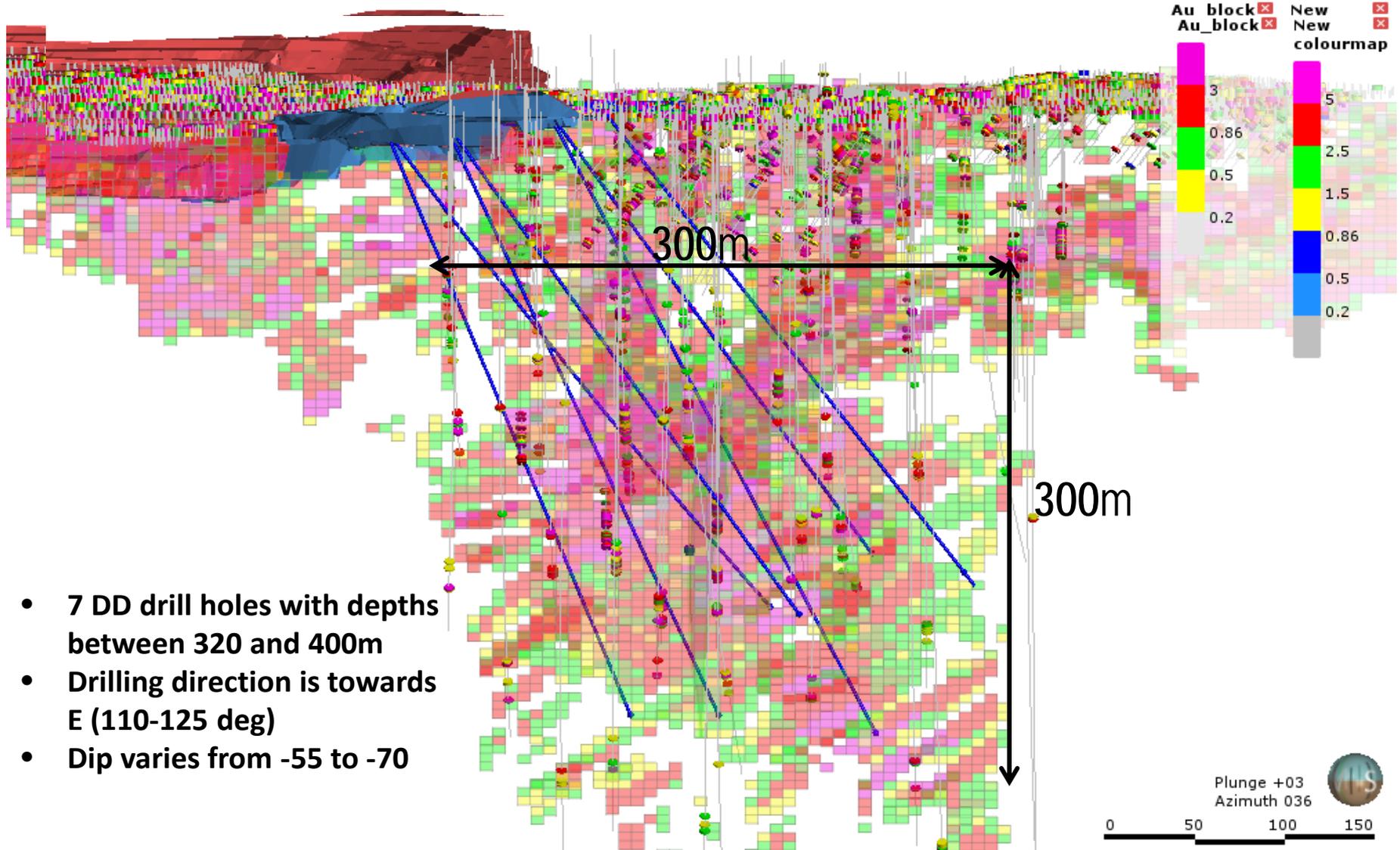
\* For further details, refer to ASX Announcement of 31 May 2019 entitled "New high-grade intersections from infill drilling at Ohio Creek".

# Smarts UG Conceptual Design

- Conceptual design of Smarts UG complete
- Drilling results indicate strong potential for an underground mine to be developed at Smarts
- Further infill drilling planned in 2020
- Likely low capex expansion opportunity
- Open at depth



# Smarts UG 2020 Diamond Drilling Plan



# Current Exploration Focus 2020

## Summary

### Near Mine drilling/ Resource extension

#### Hicks

- Diamond drilling for a total of 20 holes to extend the Hicks resource to depth
  - Drilling focused on Hicks 4 deep and Hicks 1 deep – later potential to extend Hicks 2 and Hicks 3

#### Smarts

- Diamond Infill Drilling in the UG Resource – 7 DD drill holes planned with 320 – 450m depth

### Exploration Drilling

#### Larken SE

- First Pass RC drilling for 18 Holes over the interpreted Larken structure

#### Gem Creek

- First ever RC Drilling over in 2019 defined Gold in Soil Anomaly
  - Greenfield RC Drilling of about 90 RC holes with total of 7,300m over four different Gold Anomalies

#### Upper Itaki

- First ever RC Drilling over in 2019 defined Gold in Soil Anomaly
  - Greenfield RC Drilling of about 80 RC holes with total of 7,000m over 3,000m strike extension

#### Ohio Creek East

- Three Gold Anomalies defined in 2019 – RC drill testing of Bedrock potential with about 50 drill holes

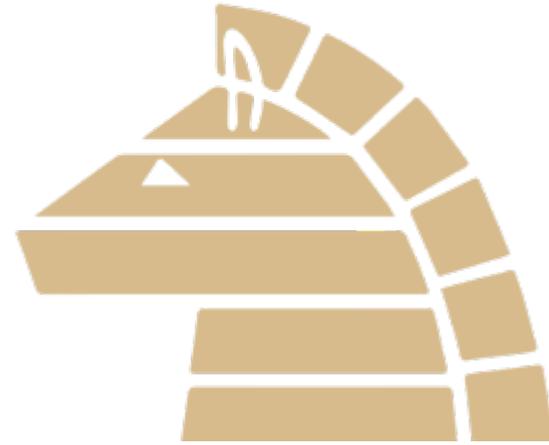
#### Goldstar

- RC Infill drill current 160m spaced RC and Diamond drilling with best results – Infill drill the Resource area – about 40 RC drill holes



THANK YOU





## APPENDIX

# Mineral Resources and Ore Reserve

*As at June 2019*



# MINERAL RESOURCES AND ORE RESERVE – June 2019



Table 1: Karouni Ore Reserves

	Proved Reserves			Probable Reserves			Total		
	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces
Smarts	-	-	-	447,000	3.0	42,700	447,000	3.0	42,700
Hicks	-	-	-	165,000	2.1	11,100	165,000	2.1	11,100
Spearpoint	-	-	-	167,000	1.8	9,600	167,000	1.8	9,600
Larken	31,000	3.0	2,900	9,000	1.9	600	40,000	2.7	3,500
Stocks	384,000	0.7	8,200	-	-	-	384,000	0.7	8,200
<b>Total</b>	<b>415,000</b>	<b>0.8</b>	<b>11,100</b>	<b>788,000</b>	<b>2.5</b>	<b>64,000</b>	<b>1,203,000</b>	<b>1.9</b>	<b>75,100</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)

	Measured Resources				Indicated Resources			Inferred Resources			Total		
	cut-off grade	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces
Smarts	0.5	-	-	-	446,000	3.2	45,400	2,730,000	1.7	145,400	3,176,000	1.9	190,800
Hicks	0.5	-	-	-	2,468,000	1.5	115,300	168,000	1.3	6,900	2,636,000	1.4	122,200
Ohio Creek	0.5	-	-	-	-	-	-	2,226,000	1.9	134,300	2,226,000	1.9	134,300
Goldstar	0.5	-	-	-	-	-	-	620,000	1.3	25,500	620,000	1.3	25,500
Larken	0.5	48,000	2.4	3,800	78,000	1.8	4,500	13,000	2.0	800	139,000	2.0	9,100
Spearpoint	0.5	-	-	-	693,000	1.3	29,700	328,000	1.3	13,500	1,021,000	1.3	43,200
Smarts Deeps	1.0	130,000	3.4	14,600	930,000	3.7	109,500	1,940,000	2.6	163,500	3,000,000	3.0	287,600
Hicks Deeps	1.0	-	-	-	1,199,000	2.1	82,300	1,393,000	1.9	83,100	2,592,000	2.0	165,400
ROM Stocks	-	34,000	1.7	1,800	-	-	-	-	-	-	34,000	1.6	1,800
MW	-	350,000	0.6	6,400	-	-	-	-	-	-	350,000	0.6	6,400
<b>Total</b>		<b>562,000</b>	<b>1.5</b>	<b>26,600</b>	<b>5,814,000</b>	<b>2.1</b>	<b>386,700</b>	<b>9,418,000</b>	<b>1.9</b>	<b>573,900</b>	<b>15,794,000</b>	<b>1.9</b>	<b>986,300</b>

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



### 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 the -35m RL (being the base of the current pit designs).
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 outside of the A\$2,000 pit shell for Smarts and below the -35mRL at Hicks.
5. Differences may occur due to rounding.

#### Reserves

1. Reserves calculated at a gold price of USD \$1,400 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, 2019 based on survey and sampling. Due to increases in the gold price the Mineralised Waste stockpiles are now considered Ore Reserves.
7. 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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**TROY RESOURCES LIMITED**