



TROY RESOURCES LIMITED
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ASX Release

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KAROUNI GOLD PROJECT - OPERATIONAL UPDATE

Perth, Western Australia: Troy Resources Limited (ASX: TRY) today announced an update on operational activities at its Karouni Gold project in Guyana, South America.

The past month or so has been an extremely busy period at Karouni as the construction team of over 500 employees and contractors worked through heavy seasonal rainfall to push completion of the plant as far as possible. The various pictures and associated remarks set out in this update show just how much progress has been achieved on site since construction started back in February this year.

Inevitably, under these conditions, there have been some difficulties that the team has had to address, including the Mill installation in particular, as well as delays experienced in clearing goods and containers held at the port. Whilst this process has improved, we are currently waiting on the last few containers and pallets of equipment and reagents held at the wharf to be cleared.

At the end of June, the only major items that were still under construction were the Mill and the Thickener, with all the other major components and site facilities ready for power connection and commissioning. All site infrastructure work is complete and all the Administration buildings are functioning.



Karouni Plant Site where construction commenced in February 2015

Mining

Mining activities are on schedule. Total ore placed on the ROM pad is now approaching 40,000 tonnes at an estimated grade of 2.3g/t. The majority of this initial material has been sourced from the Hicks Pit, which averages just over 2g/t, whilst production from the high grade Smarts Pit, averaging close to 5g/t, is gradually ramping up. The ROM pad now has a nominal capacity of just over 200,000 tonnes, which provides sufficient flexibility for blending as well as ensuring the contingency necessary to deal with the impact of future rainfall cycles.



Power Station

All generators have been mechanically commissioned and connected to transformers and the switch room. Operational High Voltage (HV) commissioning will only proceed once sufficient power load has been established – including the Mill and Thickener circuits. The Low Voltage (LV) circuit will be operated through separate generators in order to connect and test the site facility network and small operating units such as pumps.

The control room for the plant will be fully operational once power is available to enable electrical commissioning to occur.



ROM Pad & Reclaim Conveyor

ROM pad operational. Reclaim tunnel and conveyor systems complete. Installation of wear plates, cover and braces in the ROM bin underway. By the end of August there is expected to be more than 150,000 tonnes of ore on the ROM pad.



<p>Conveyors</p> <p>Structures complete. Belt installation about to commence.</p>	
<p>Apron Feeder</p>	<p>Final alignment with Primary Crusher Station in progress.</p>
<p>Primary & Secondary Crusher</p> <p>Structures complete. Final installation of walkway mesh and stairs in progress.</p>	
<p>Raw Water Dam & Process Water Dam</p> <p>Construction complete. Lining and pumps installed and tested.</p>	

CIL Tanks

Substantially complete. All agitators and walkway mesh installed. Some of the valves and pipework required to complete the leach circuit still in the process of being cleared through Customs.



Grinding Mill

Construction of the formwork foundation for the Mill commenced in April. Assembly of the component parts on the pedestals started in June. During the latter stages of assembly, a number of significant issues with the bearing shells, lubrication system and alignment of the Mill were identified. In order to address these issues, which could have impacted on the ongoing performance of the Mill, site management engaged a specialist installation team from Outotec, the manufacturer of the Mill. This team is currently on site and working to resolve the specified issues in order to ensure that all tolerances and design specifications are met, before the Mill is put into operation. It is now estimated that this additional work will take up to 5 weeks to complete. As a consequence, testing of the HV circuit will also be delayed by a similar period of time due to load constraints.



Gravity Circuit

Steelwork in place and both Knelson concentrators have been installed.

Thickener

All civils complete and petal steel-ring installed. The tank bridge, centre discharge box and weir are currently scheduled to clear Customs in the last week in July. Plant air compressors, low pressure blowers and air receivers ready to be commissioned.



Mobile Equipment Workshop

Complete and operational.



Elution Circuit

Ready to commission.



Gold Room & Laboratory

Building complete. Fit out in progress. Commissioning will occur once processing has started. The Sample, Prep and Assay Lab is complete and calibration and training programmes are underway.



<p>Diesel Fuel Farm</p> <p>Complete and operational.</p>	
<p>Detox Tanks</p>	<p>Agitators have been installed in all tanks. Walkways and grating installation complete. Air blowers fitted.</p>
<p>Tailings Dam</p>	<p>Nearing completion. Stage 1 cell will be operational within scheduled requirements.</p>
<p>Camp/Medical Station/Offices/Exploration Buildings/Kitchen</p> <p>Complete</p>	 

All logistics relating to refining, security and transportation arrangements have been put in place.

Whilst the recent difficulties with the Mill installation and delays in clearing goods through Georgetown Port are disappointing, the fact that this fast-track construction project has been conducted with very few serious health and safety incidents stands as a noteworthy achievement.

With the prospect of better weather on the horizon and the entire focus of the construction crew on the few remaining major tasks to get the plant into full operation, the target now is to start wet commissioning in early September. The first gold pour is now expected to occur approximately 3 to 4 weeks after the start of wet commissioning.

The Company is in the process of awarding the contract for Air-core and RC drilling to enable exploration activities to commence at its priority targets. A further update on this will be provided in due course.

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