



TROY RESOURCES LIMITED

[www.troyres.com.au](http://www.troyres.com.au)

# Investor Update Presentation

February 2016



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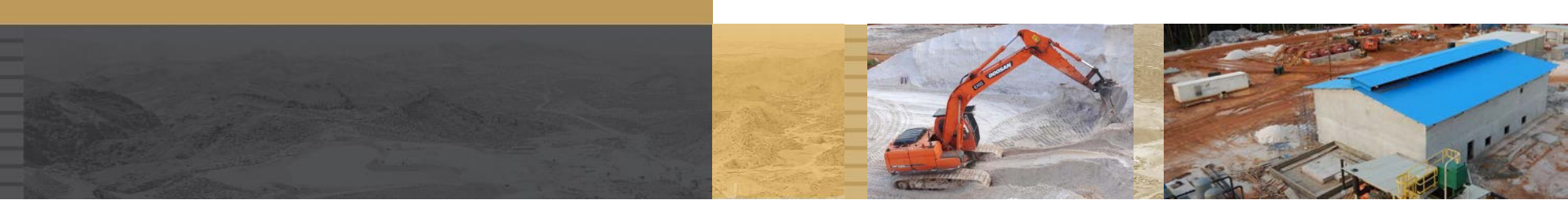
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# Presentation Overview

1. Company Overview
2. Karouni Ramp Up & Reconciliation
3. LOM Extension Planning
4. Regional Exploration
5. Outlook





# 1. Company Overview



# Introduction



# Board of Directors



## ***Executive***



### **Martin Purvis**

**(54, ~1 year on board)**

#### **Chief Executive Officer & Managing Director**

Mining engineer with over 30 years' experience in the Resource Sector. He has worked in a wide range of corporate and operational roles at Executive and Board level and in a number of multi-national mining houses in a broad range of commodities and been the CEO of both listed and private companies in Australia and Singapore.

### **Ken Nilsson**

**(75, ~18 years on board)**

#### **Executive Director Project Development**

Over 35 years international mine construction and production experience. Ken has been responsible for the construction and development of all Troy's Projects over close to 2 decades including the Karouni mine in Guyana.



## ***Non-Executive***

### **Fred Grimwade**

**(57, ~5 years on board)**

#### **Acting Chairman**

Non-executive Director of Select Harvests Limited, Chairman of CPT Global Limited and is a Principal and Executive Director of Fawkner Capital. He has held general management positions at Colonial Agricultural Company, the Colonial Group, Western Mining Corporation and Goldman, Sachs & Co.



### **John Jones**

**(71, ~27 years on board)**

#### **Non-executive Director**

John has overseen the development of Troy from a junior Western Australian exploration company in the early stages through to a dividend paying gold producer with operations in Australia and overseas. John has been a prominent player in the gold mining sector for over 30 years with a long list of successes.

### **Richard Monti**

**(51, ~2 years on board)**

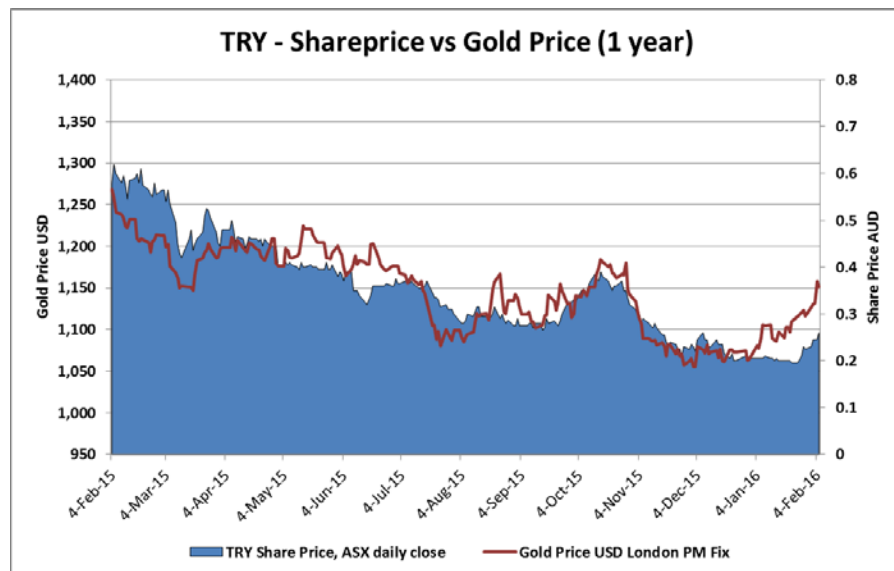
#### **Non-executive Director**

A 26 year career working in the technical, commercial, marketing and financial fields of the international exploration and mining industry. Richard left Ventnor Capital in 2010 primarily to spend more time at Azimuth Resources Ltd which was subsequently taken over by Troy Resources in 2013.

# A Time of Transition

Troy's high grade **Karouni** operation is ramping-up to full production and is forecast to generate an avg. \$80m annual operating cashflow. **Casposo** is transitioning to care and maintenance, **Andorinhas** is being rehabilitated.

## Share Price Performance

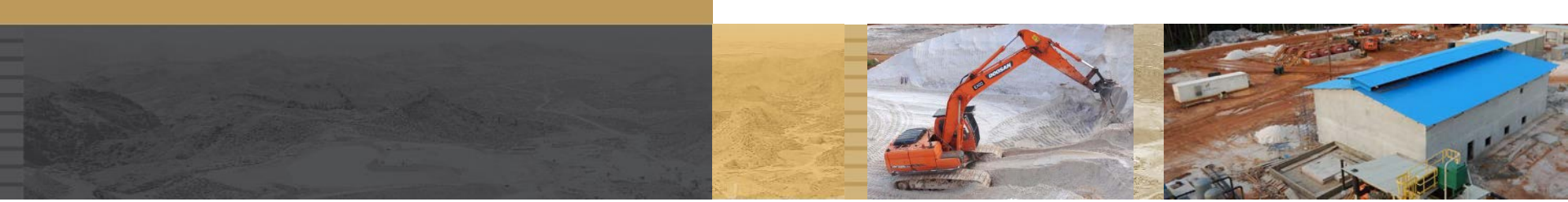


Market capitalisation (close 12 Feb) A\$109m

Enterprise value A\$162m

## Karouni

Location	Guyana
Status	Ramp-up
Commodity	Gold
Reserves	2.6Mt @ 3.8g/t
Resources	11.8Mt @ 2.8g/t
Nominal Throughput Capacity	1.0Mtpa
CY16 Gold Production Guidance	100-120 koz pa
CY16 Cash Costs (AISC) Guidance	US\$520 - 550/oz
Capital Spent	A\$133m



## 2. Karouni Ramp Up & Reconciliation

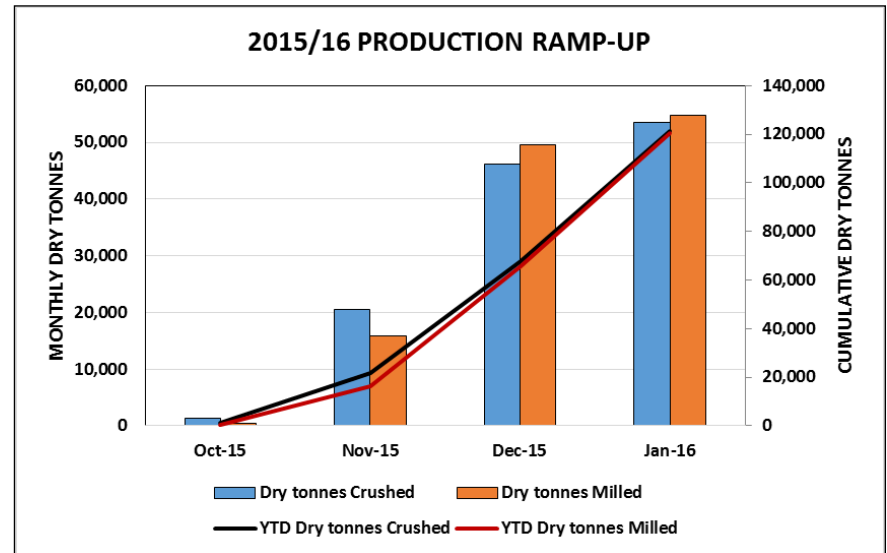


# Karouni Ramp Up Performance



***Karouni commenced ramp up during Dec 15 Quarter, expecting to reach mill throughput design capacity in March 2016***

- Significant positive reconciliation between actual oz mined from the Karouni Pits and the Ore Reserve. Studies are progressing to further evaluate this.
- Commissioning of the milling circuit was completed during the Dec quarter, achieving above forecasted availability.



	Ore Reserve Model			Mined			Reconciliation		
	Tonnes	Grade	Oz	Tonnes	Grade	Oz	Tonnes	Grade	Oz
Hicks Stage 3	117,429	1.86	7,020	129,094	2.40	9,958	110%	129%	142%
Smarts Stage 2	14,595	4.51	2,117	53,615	2.55	4,390	367%	56%	207%
Smarts Stage 3	27,249	3.79	3,316	59,904	5.19	9,985	220%	137%	301%
Total	159,273	2.43	12,453	242,613	3.12	24,333	152%	128%	195%

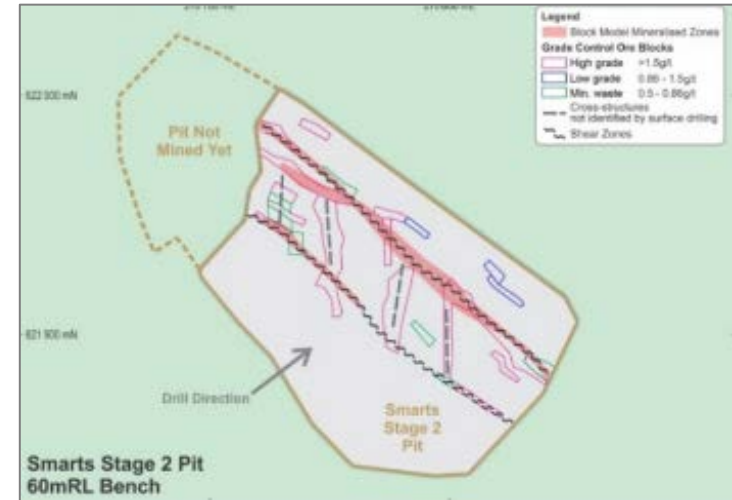
# Karouni Positive Reconciliations



***Karouni is experiencing positive reconciliations in grade control drilling with the Ore Reserve***

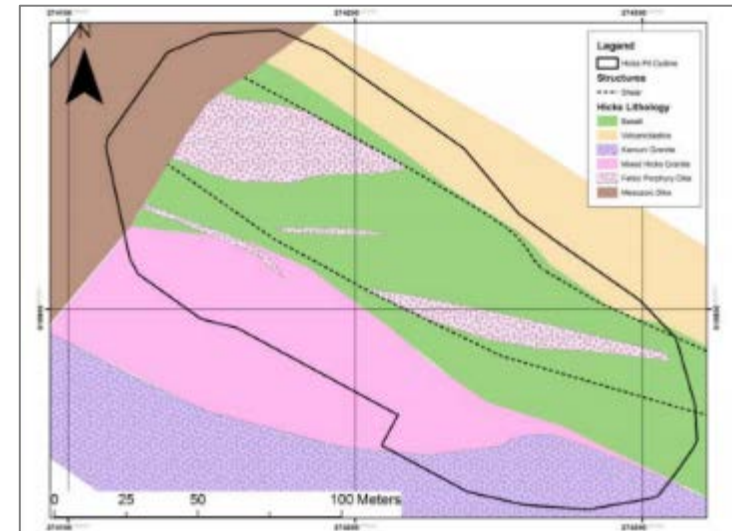
- **Smarts**

- The north-south linking structures between the main Smarts shear zones are mineralised with quartz veining containing abundant visible gold.
- These veins are sub-parallel to the resource drilling direction so were not adequately tested during the exploration phase.



- **Hicks**

- Mining in the Hicks Stage 3 pit has also revealed high grade mineralisation contained within and controlled by felsic intrusives have a steeply dipping plunge component to them.
- These intrusives were unable to be adequately modelled in the Mineral Resource estimate due to lack of data.

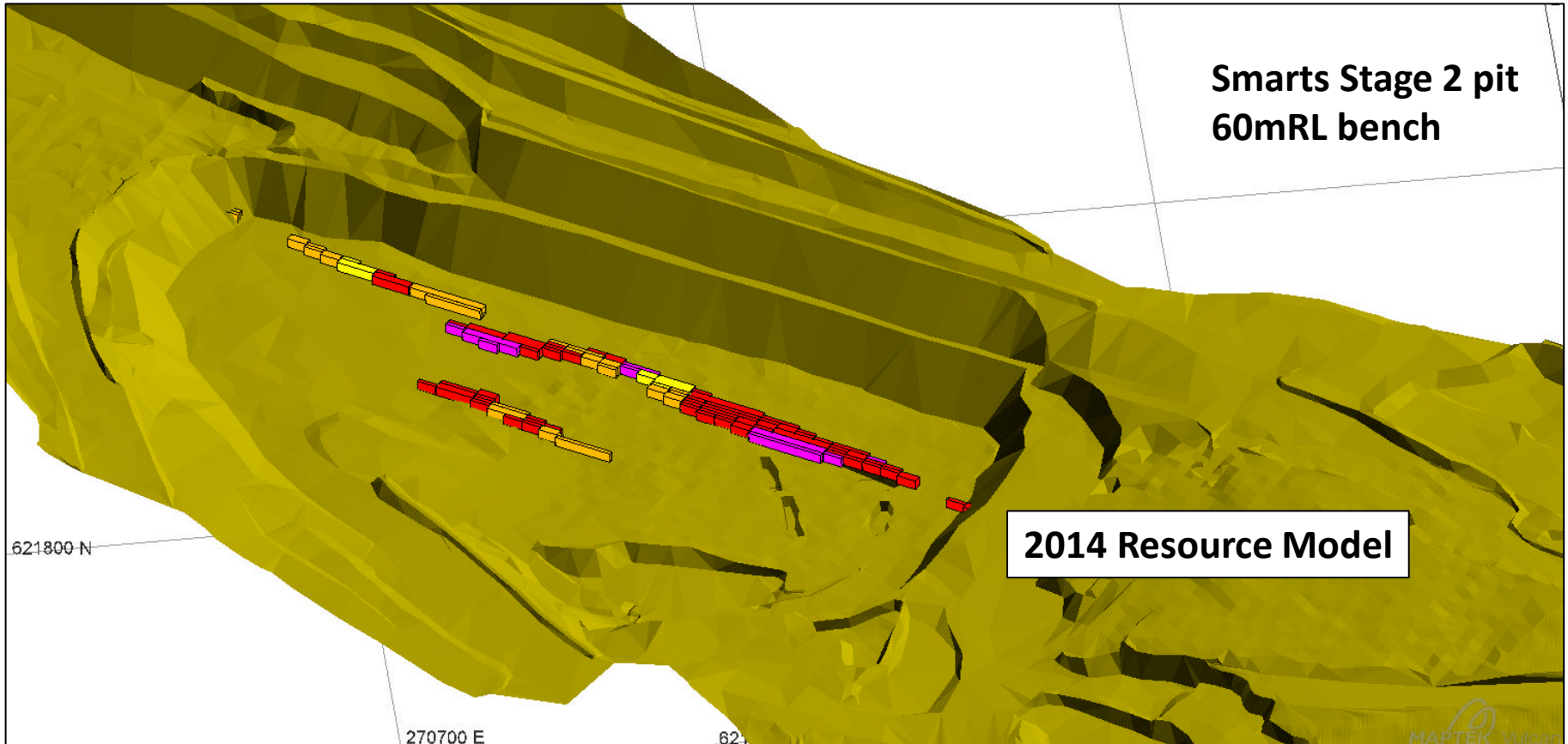


# Smarts – Initial Interpretation & Block Model



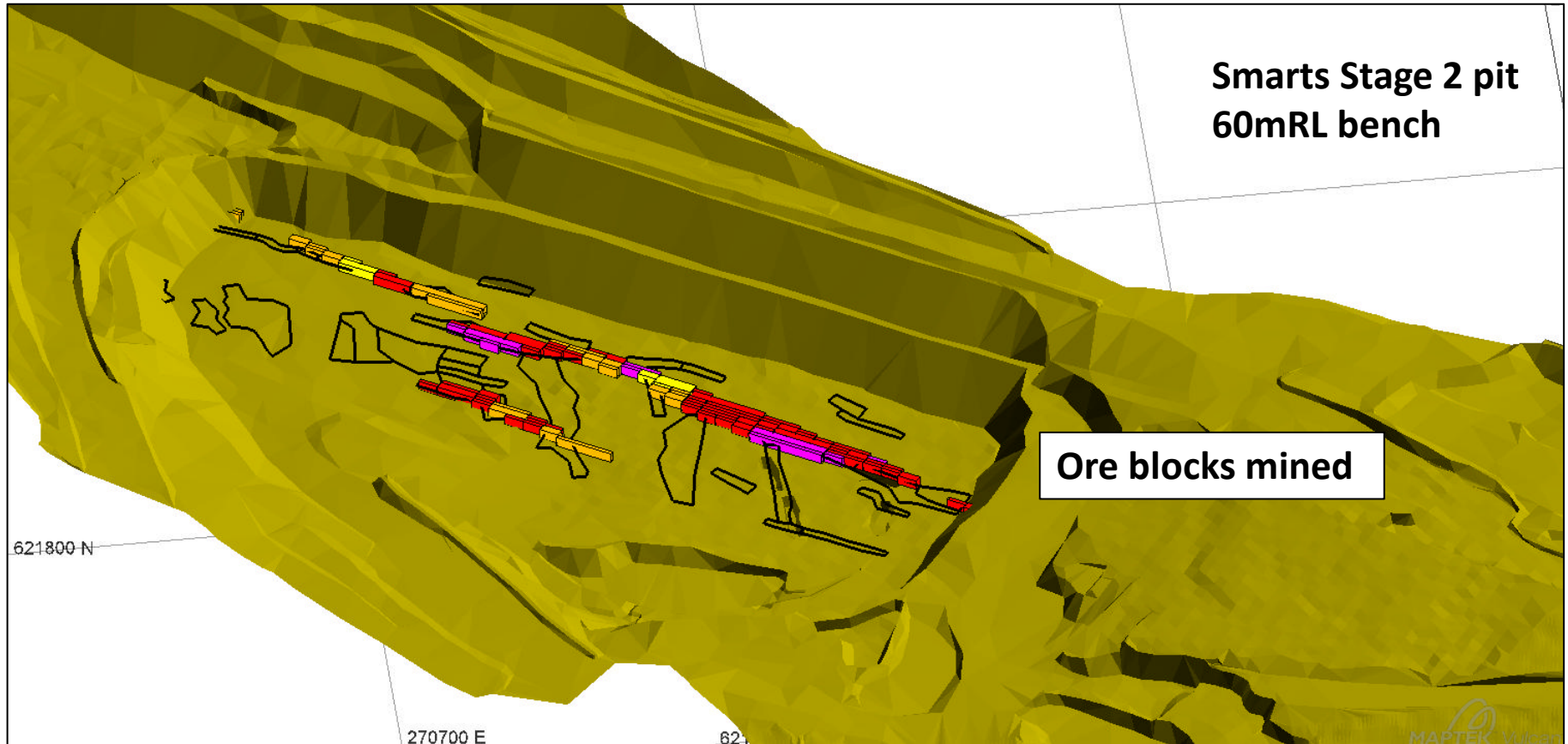
**Smarts Stage 2 pit  
60mRL bench**

**2014 Resource Model**



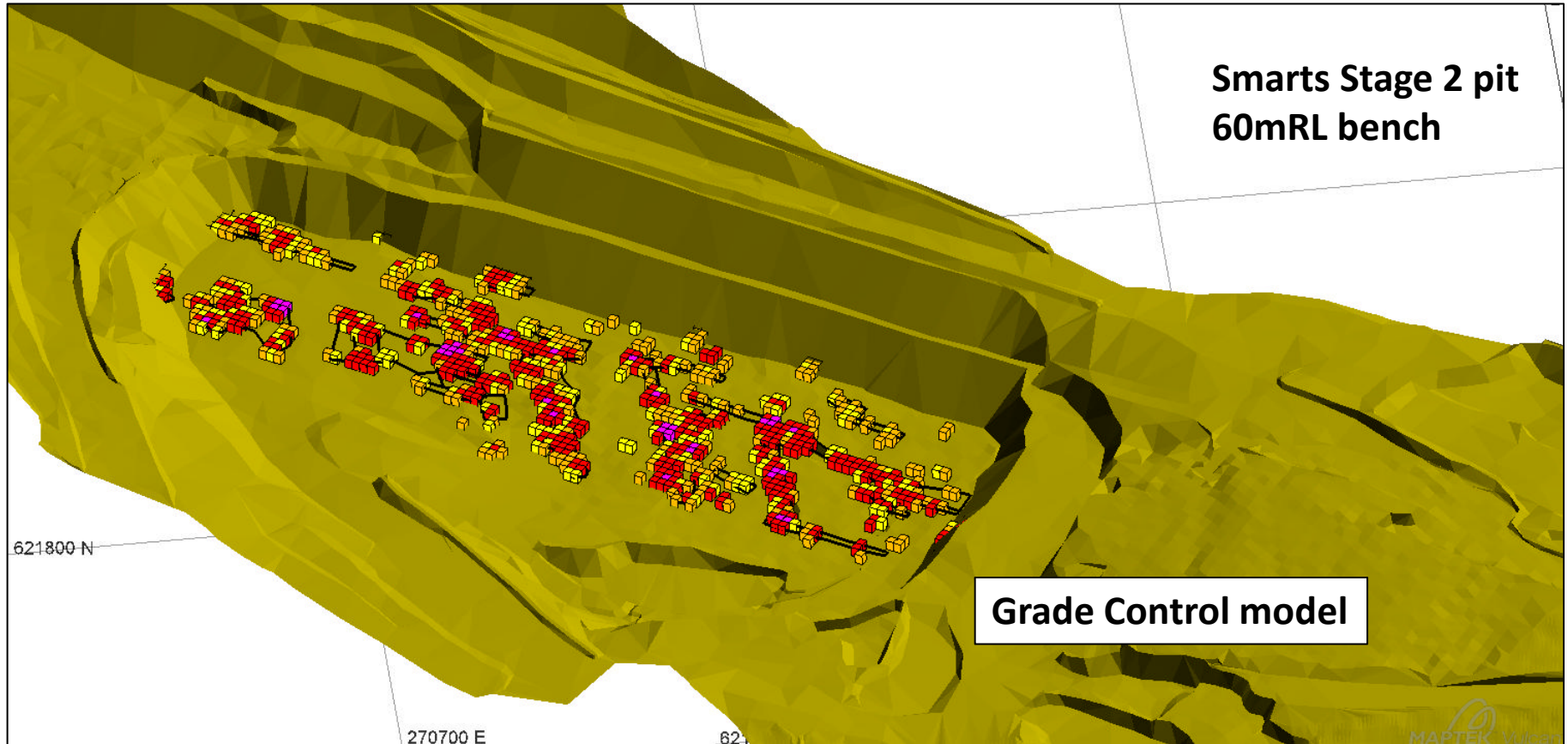


# Smarts – Initial Interpretation & Ore Blocks

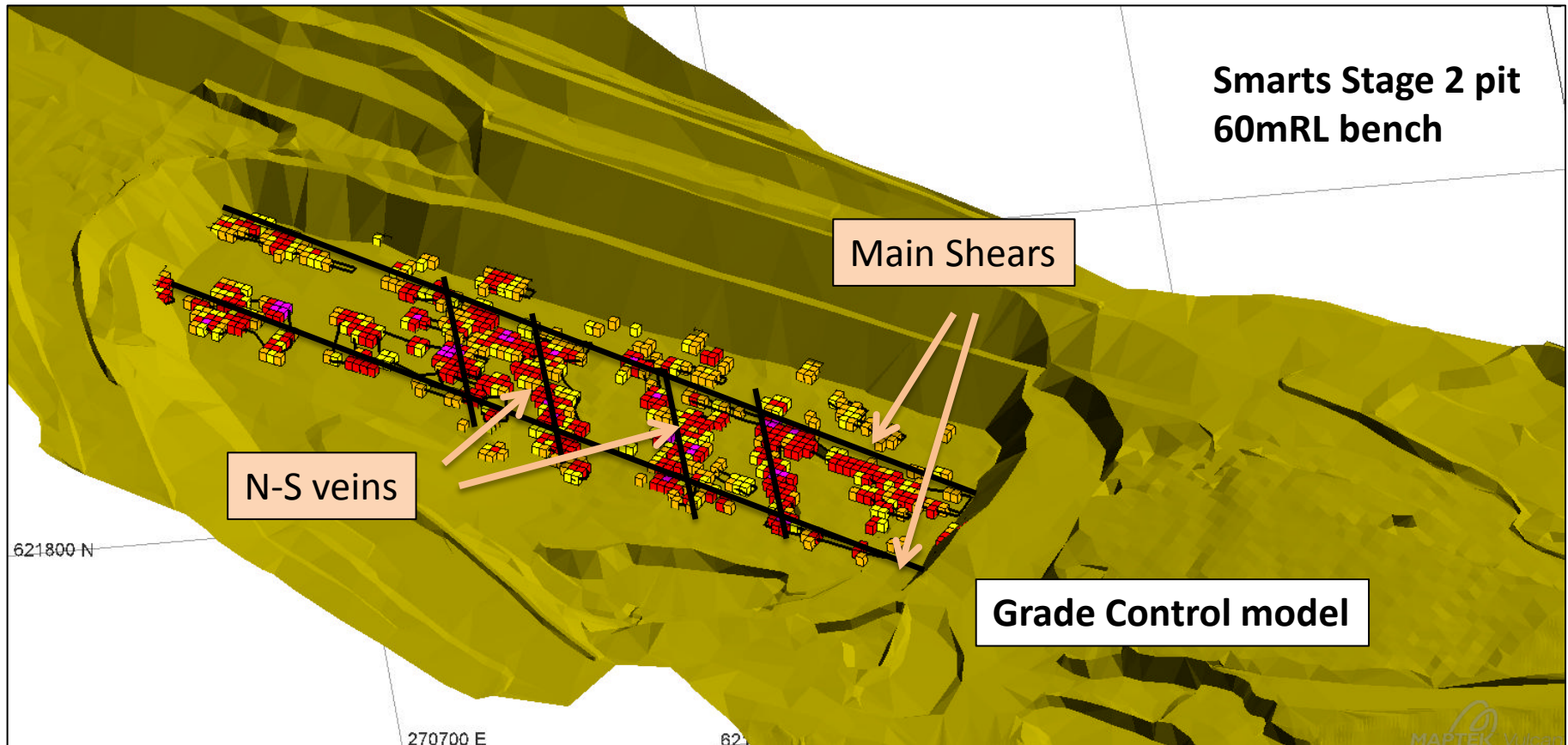




# Smarts – Grade Control Model & Ore Blocks

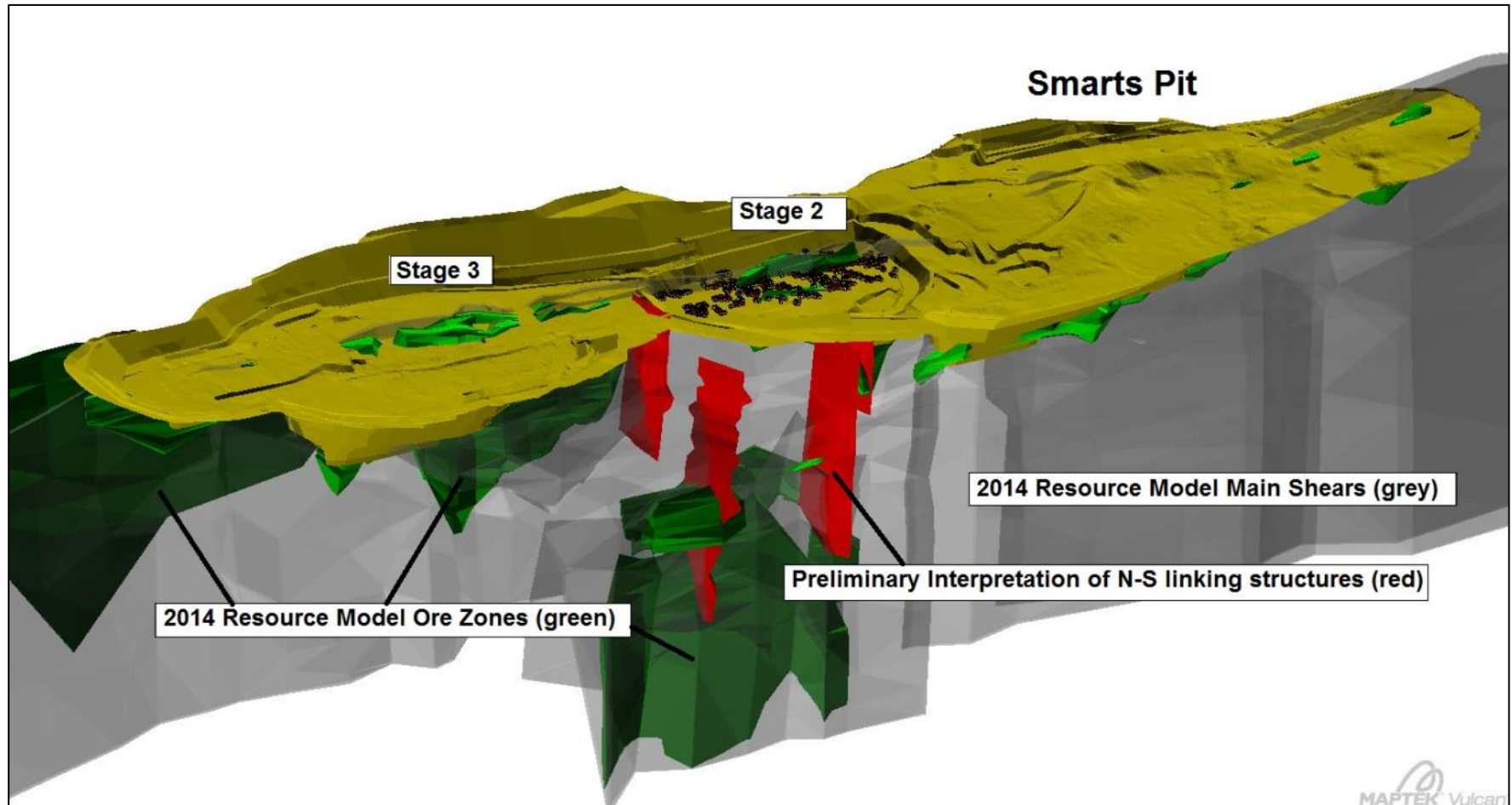


# Smarts Revised Model

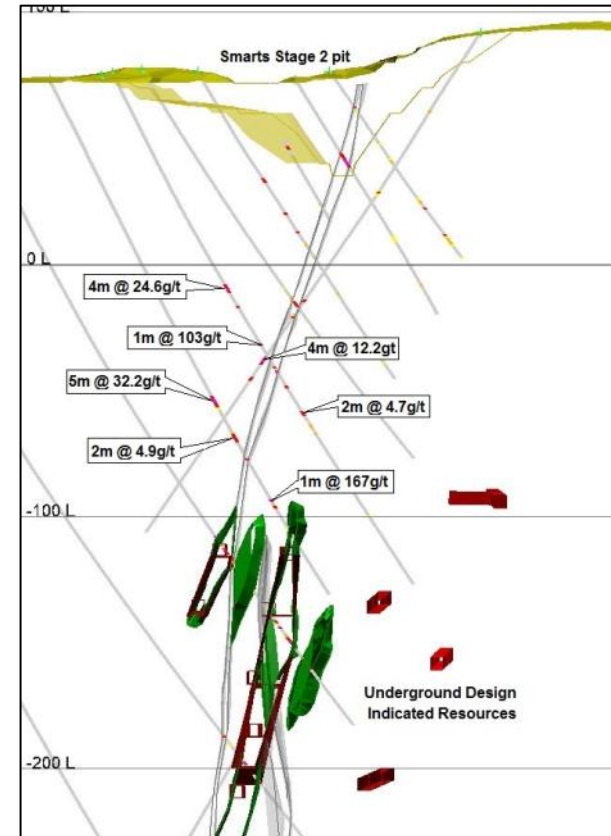
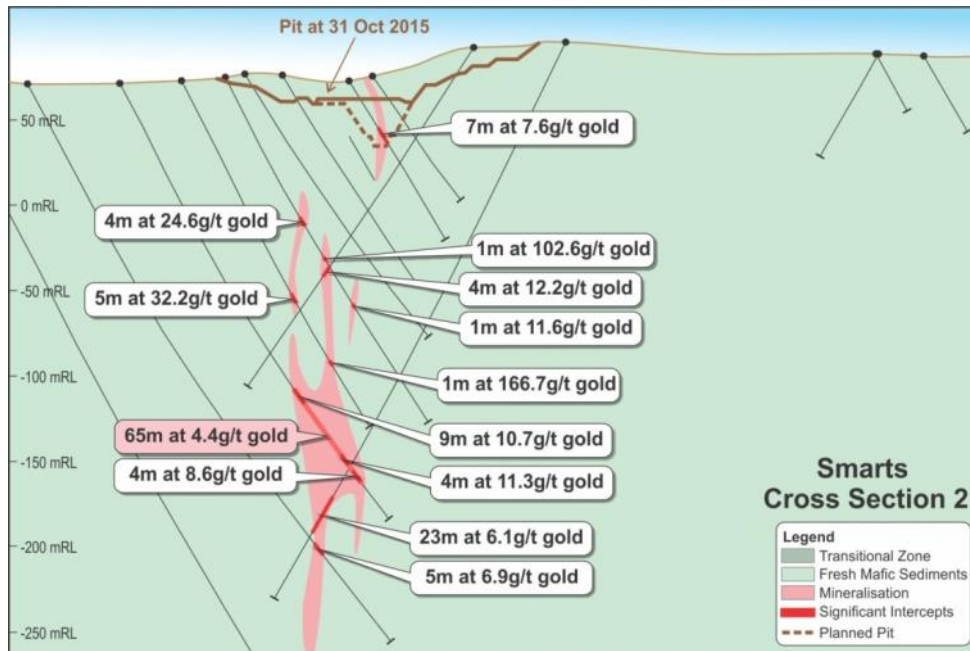




# Smarts



# Smarts Pit – Section 2



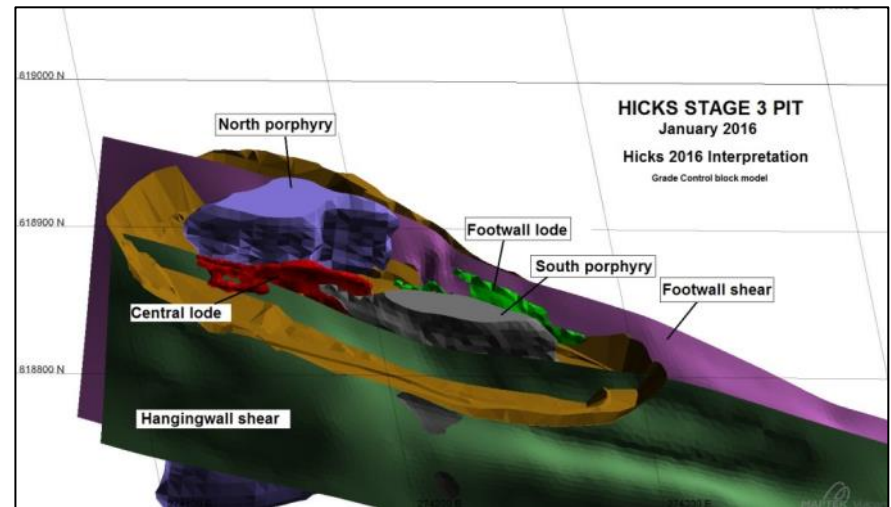
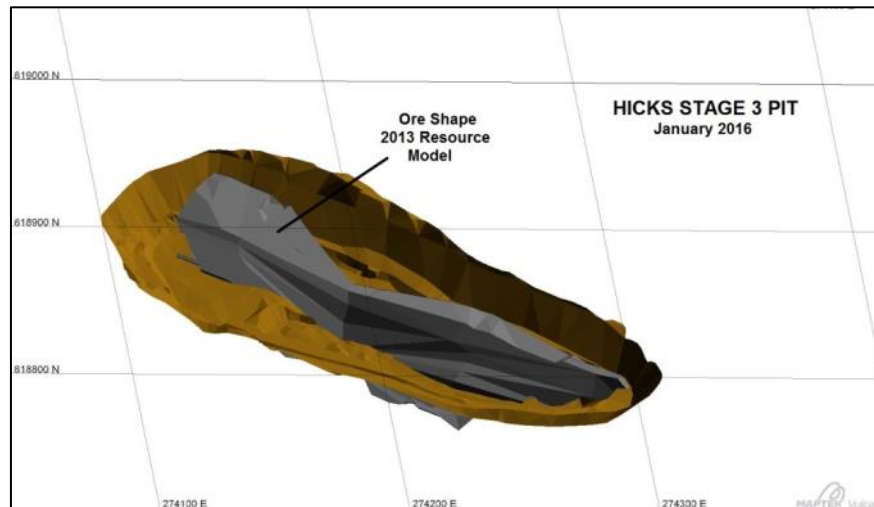
- High grade intersections were not incorporated into the Mineral Resource as their geological context could not be established.
- These intersections are now considered to be NS veins.



# Hicks Geological Controls



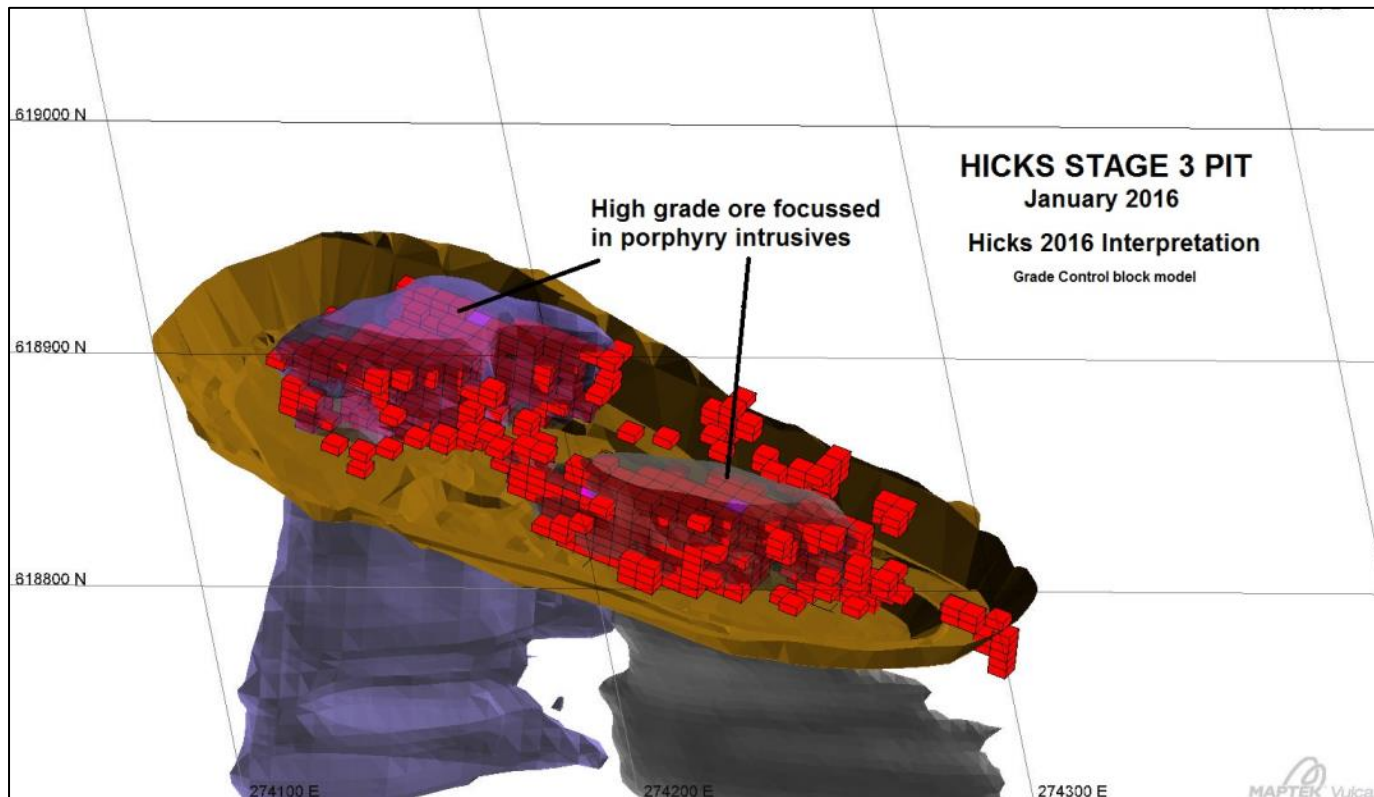
- Mining in Hicks 3 has resulted in a much better understanding of geological controls. Shearing and felsic intrusives have been mapped and this data will be used to construct an updated geological interpretation.



# Hicks



- The influence of the felsic intrusives on high grade mineralisation is illustrated in this diagram. The intrusives plunge steeply and are open at depth.





# 3. LOM Extension Planning

# Evolving LOM Plan

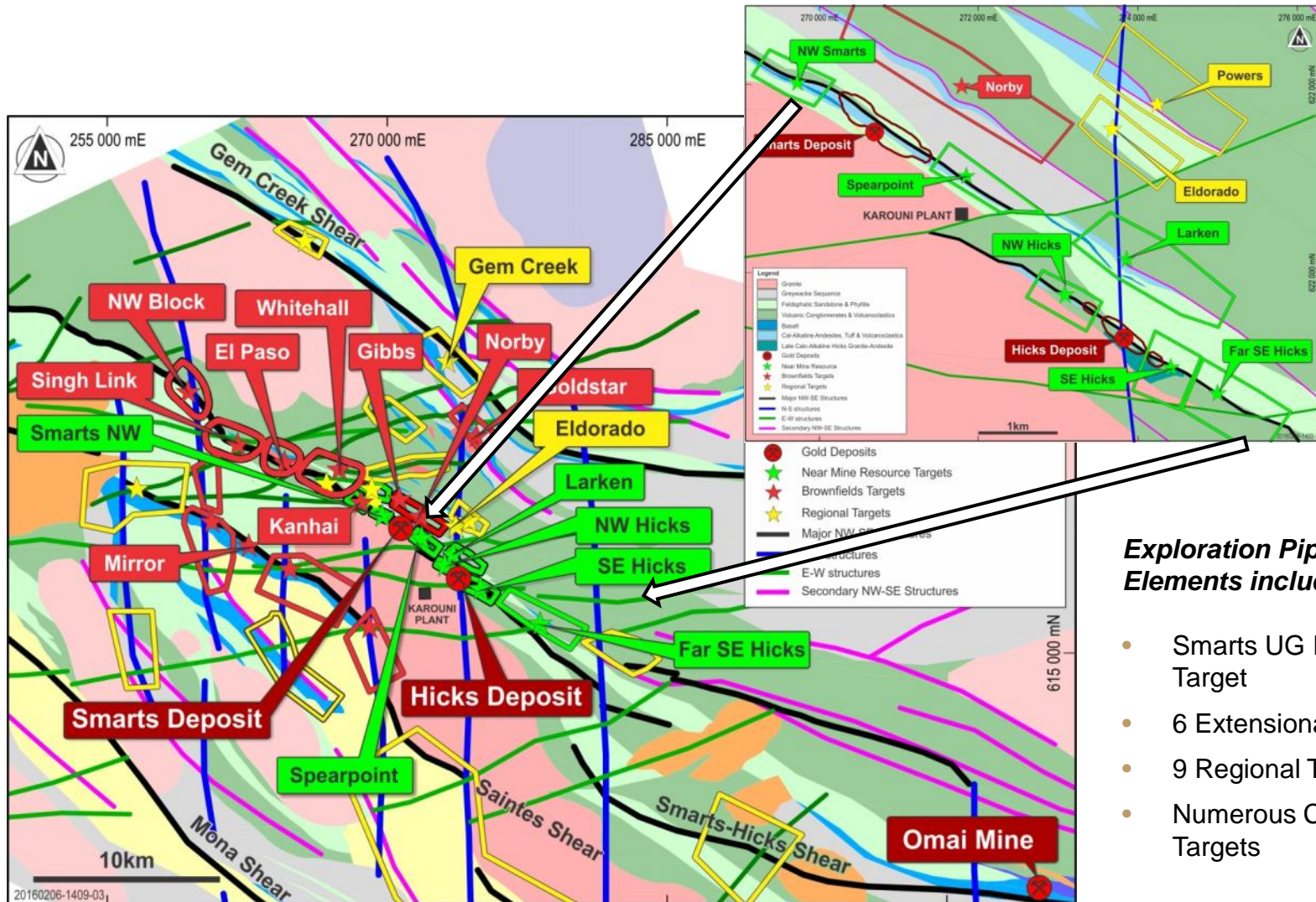


- Grade Control Programme (3m x 3m grid) significantly enhances understanding of mineralisation within the Smarts-Hicks shear.
- Additional data confirms conservative nature of initial Block Model and limitation of 2014 Infill / Conversion Programme.
- Development of new Base Case LOM Plan underway:
  - Hicks & Smarts Open Pits
  - Smarts Underground Project
  - Hicks Cutback & Pit Consolidation
  - Larken Infill Programme

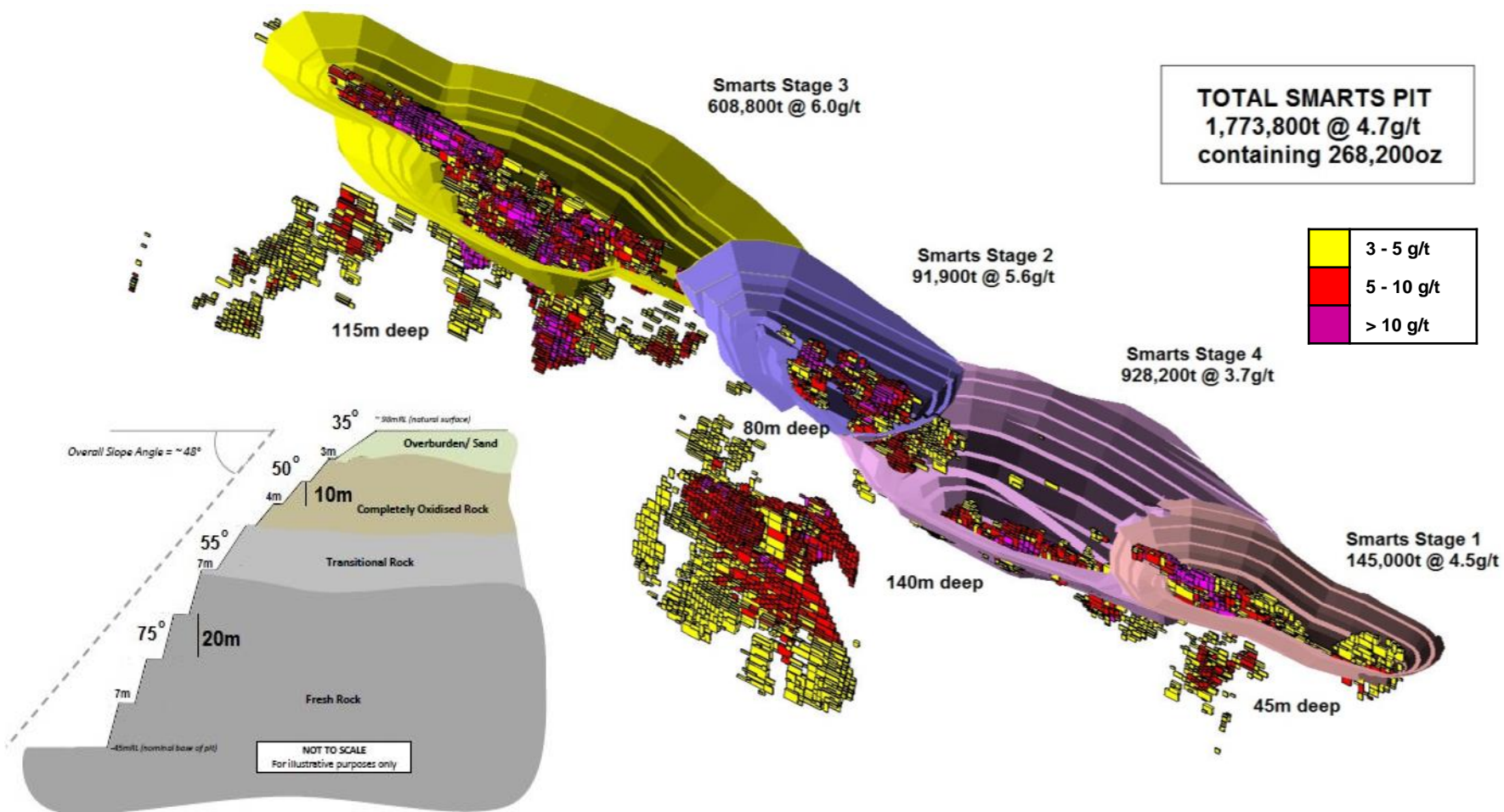
Karouni Project – Ore Reserves and Mineral Resources at 30 June 2015			
Ore Reserves	Ore (kt)	Grade (g/t)	Gold (koz)
Proven	1,738	4.7	264.3
Probable	880	2.1	59.1
<b>Total</b>	<b>2,618</b>	<b>3.8</b>	<b>323.4</b>
Mineral Resources	Ore (kt)	Grade (g/t)	Gold (koz)
Measured	2,205	5.0	351.7
Indicated	3,889	2.5	312.4
Inferred	5,692	2.2	411.4
<b>Total</b>	<b>11,786</b>	<b>2.8</b>	<b>1,075.5</b>



# Target Generation LOM Extension Project

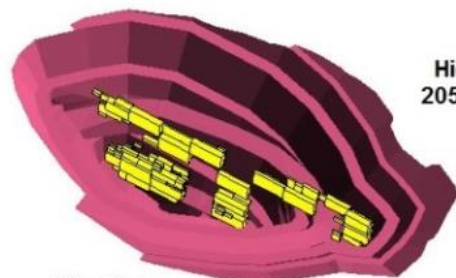


# Smarts Pit



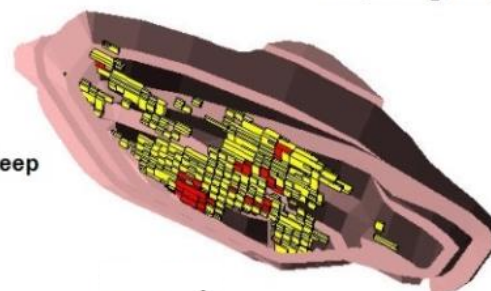


# Hicks Pit



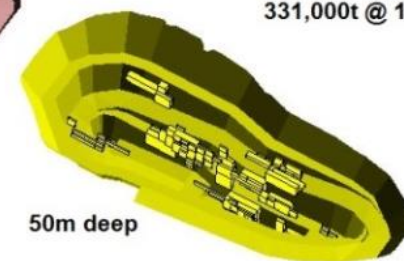
Hicks Stage 2  
205,000t @ 2.0g/t

80m deep



Hicks Stage 1  
304,000t @ 2.4g/t

75m deep

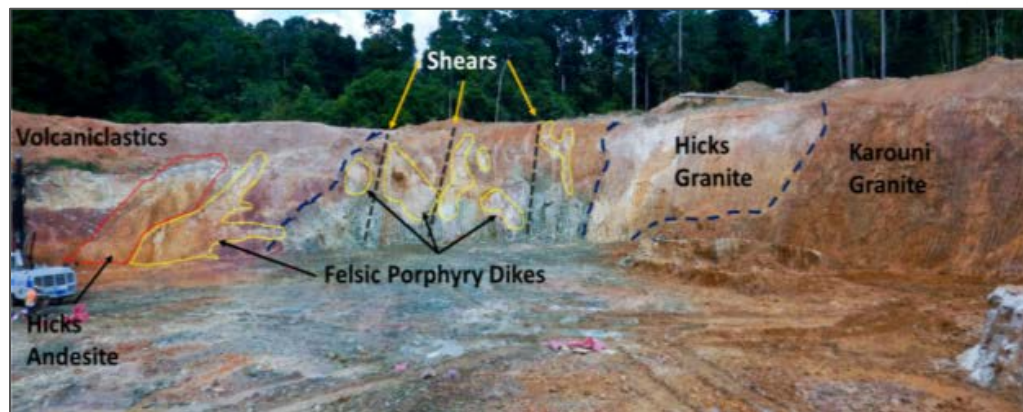


Hicks Stage 3  
331,000t @ 1.7g/t

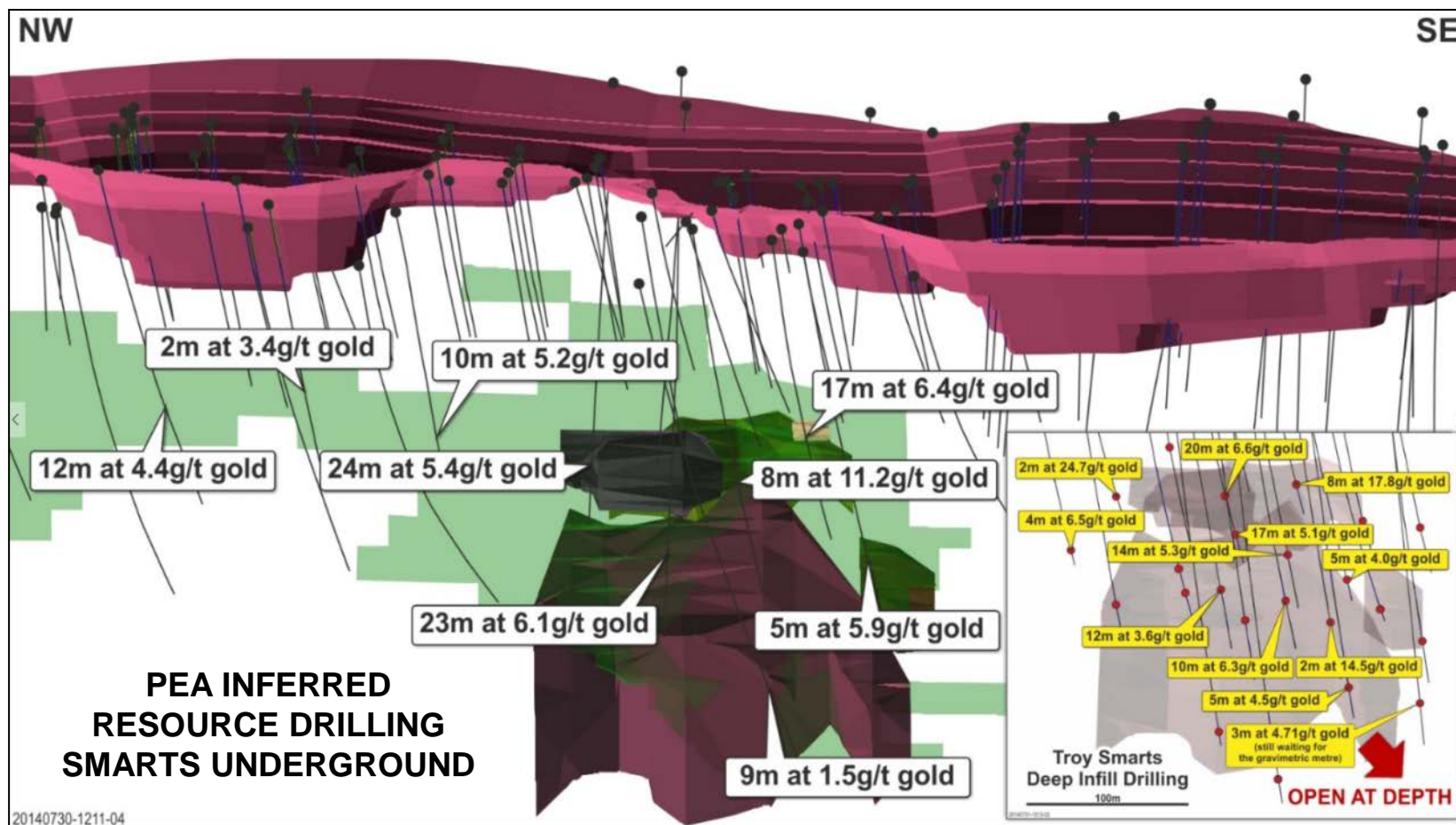
50m deep

**TOTAL HICKS PITS**  
839,800t @ 2.0g/t  
containing 54,690oz

	3 - 5 g/t
	5 - 10 g/t
	> 10 g/t

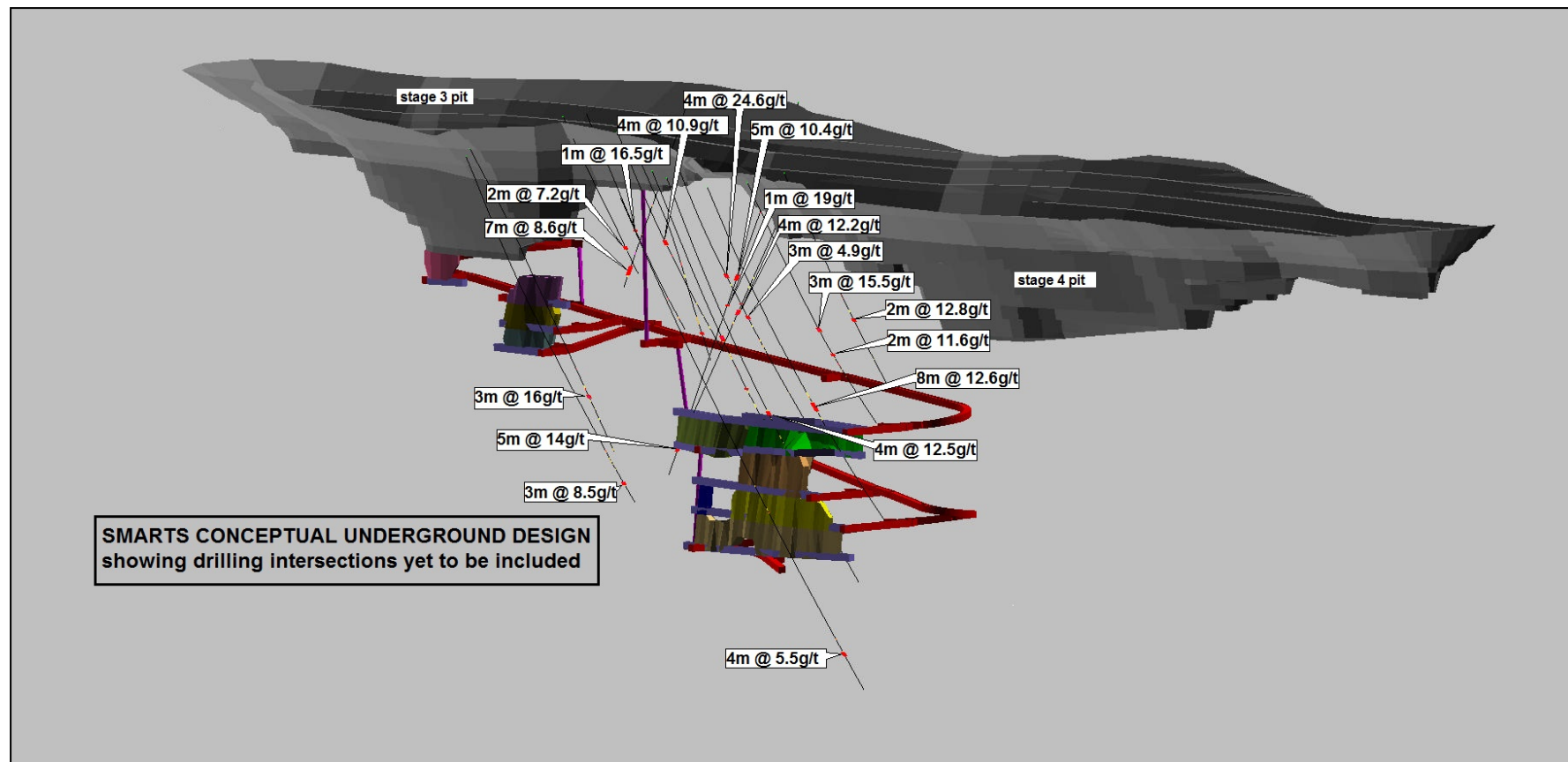


# Smarts Underground PEA Concept

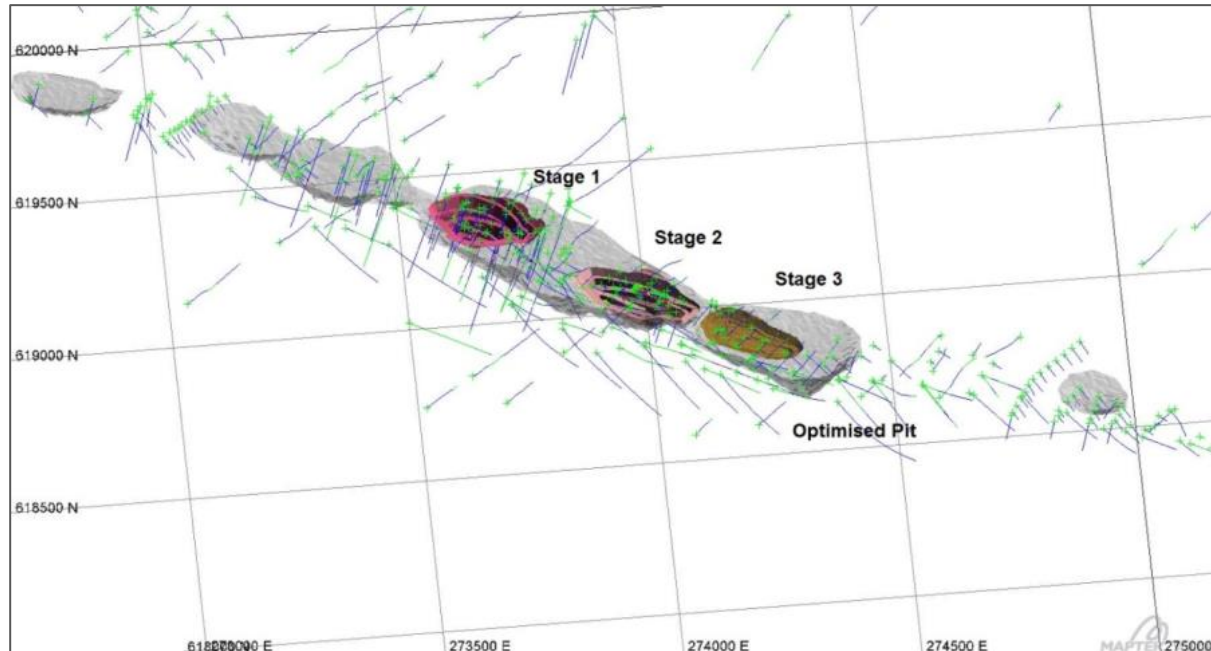




# Smarts Underground



# Hicks Optimisation Cut Back & Consolidation



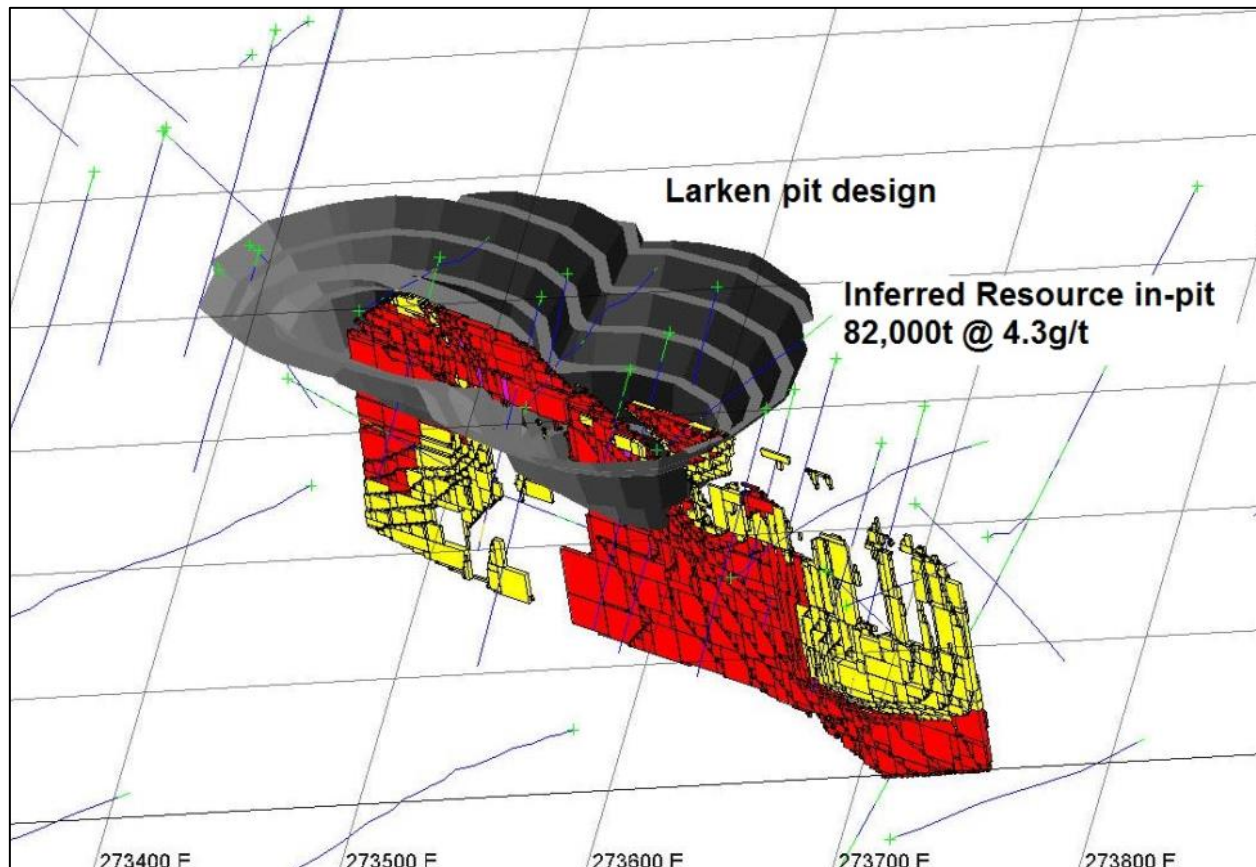
Hicks has good potential for extensions to the current reserve.

- Drilling beneath and along strike from current pits requires in-fill drilling to upgrade resource category.
- Mining costs utilising appropriately sized equipment need to be confirmed.
- Resource model and geological interpretation needs updating using knowledge gained from open pit mining.
- Drilling tentatively planned to commence mid-2016 with new Resource completed by year end. New pit design and Ore Reserve complete by March quarter 2017.

# Larken Project



- Larken is located 700m from Hicks
- Inferred Resource requires infill and extensional drilling



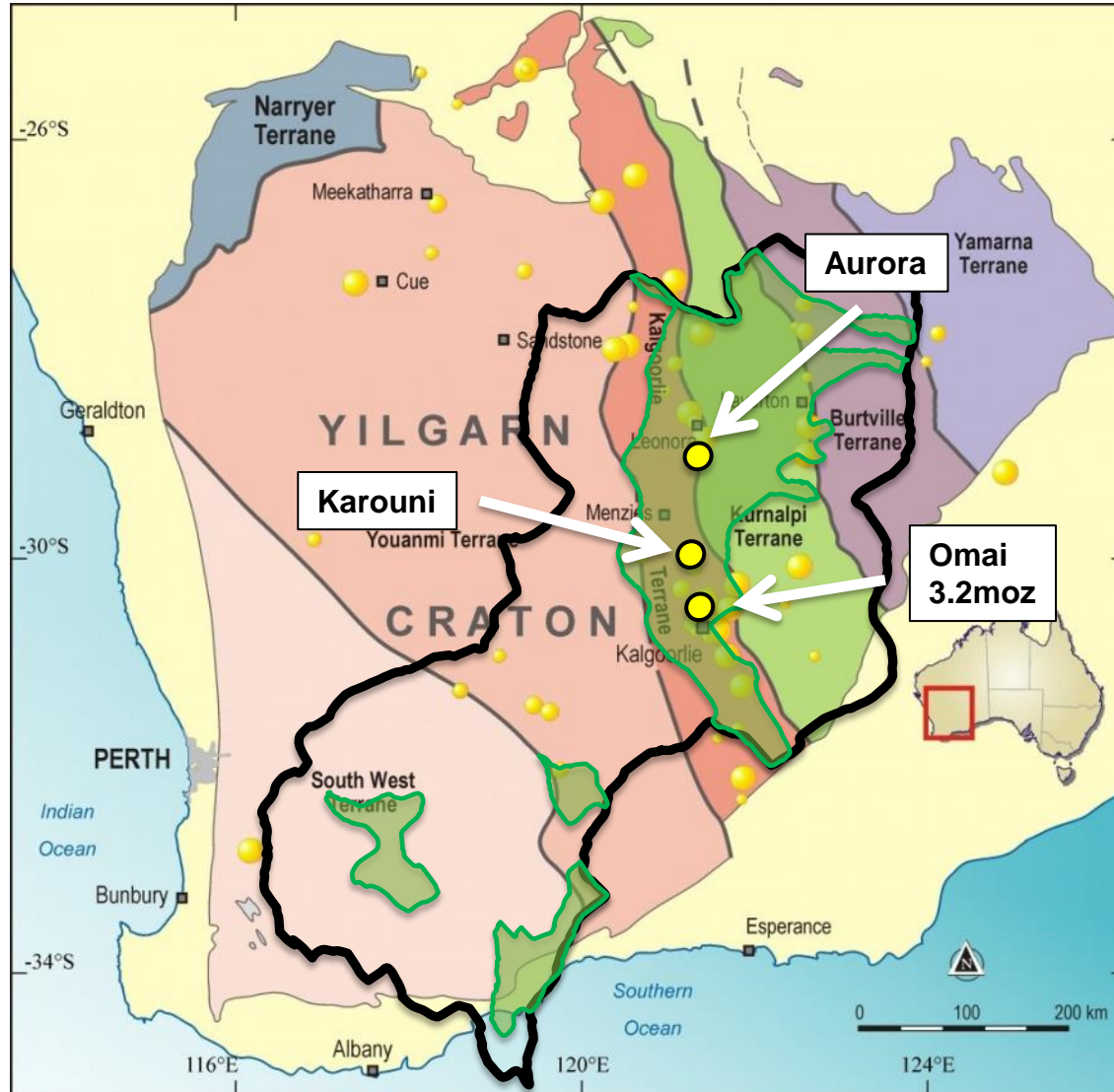


## 4. Regional Exploration



# Guyana

## An Emerging Gold Producer

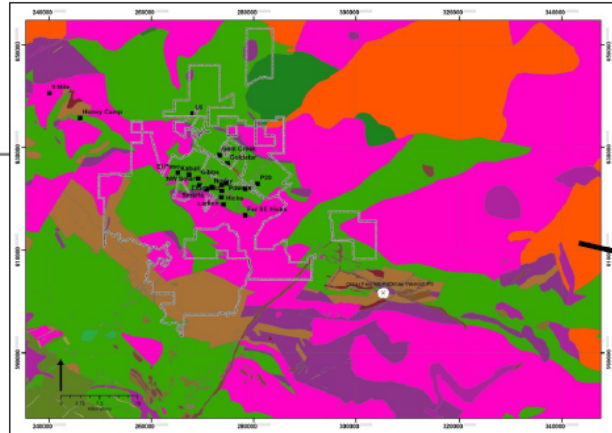


- Kalgoorlie/Kurnalpi Terrane has produced more than 100moz and is still producing more than 5moz pa from numerous gold mines.
- Guyana has produced only 3.4moz from one mine but also produces from 600,000 to 1.3moz pa from informal sources, mainly alluvial/artisanal.

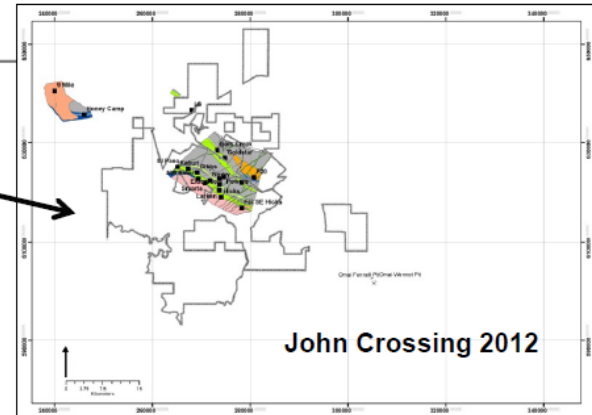
 Guyana border  
 Greenstone belts

(Guyana outline rotated to correspond to Yilgarn greenstone belts)

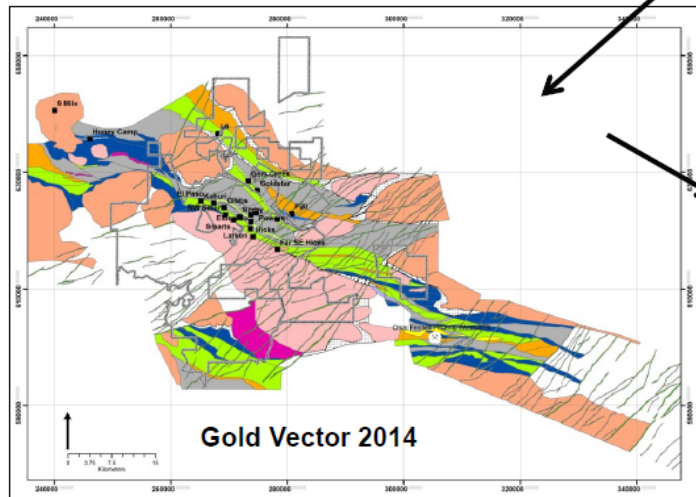
# Evolution of the Karouni Geological Map



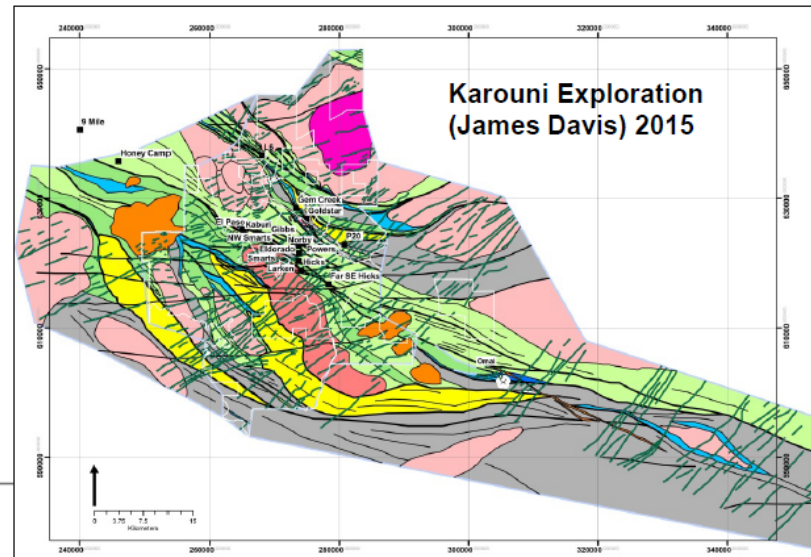
**Guyana Geological Survey**



**John Crossing 2012**



**Gold Vector 2014**



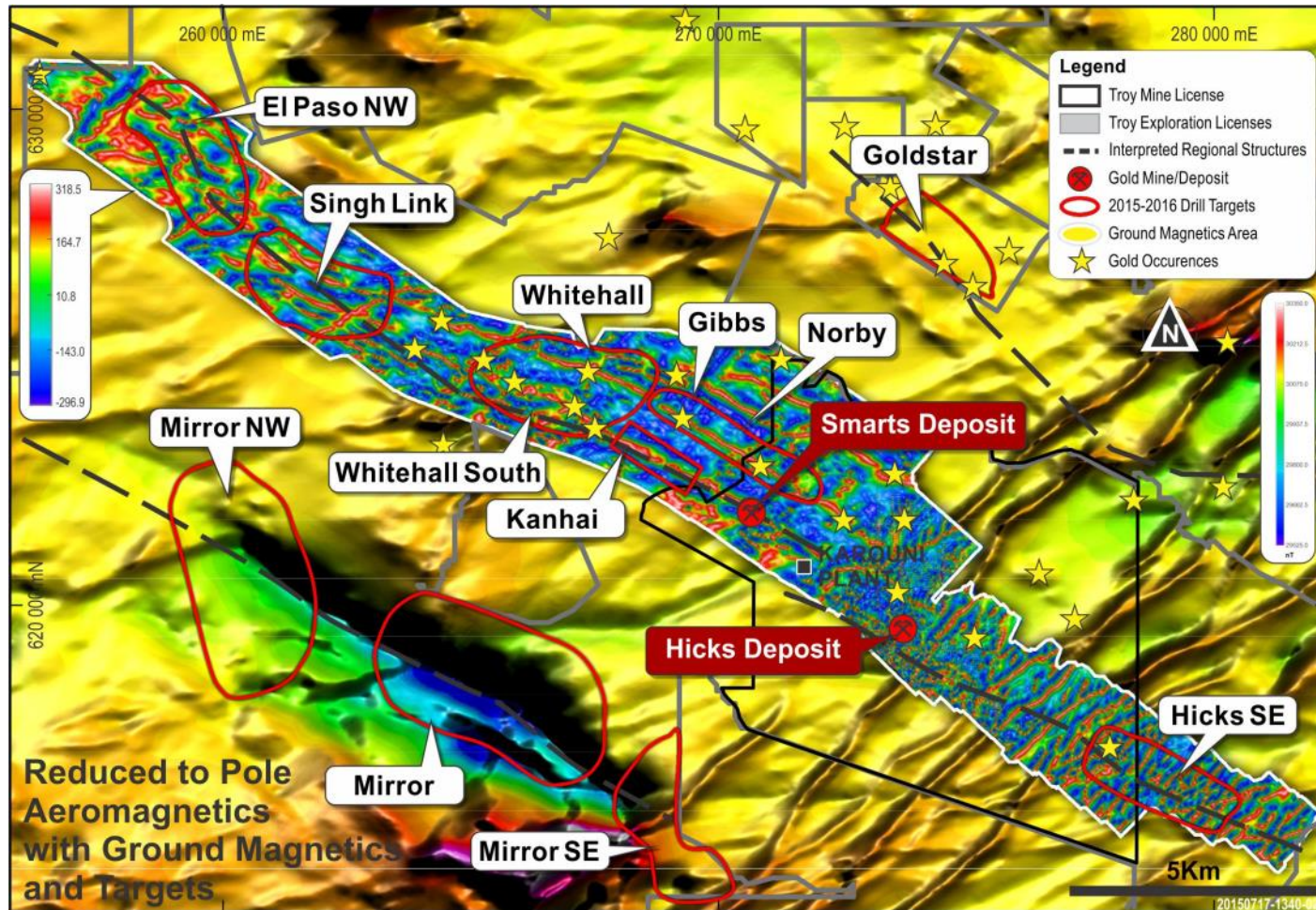
**Karouni Exploration  
(James Davis) 2015**



# Karouni Magnetics



- Magnetism drive the Exploration effort

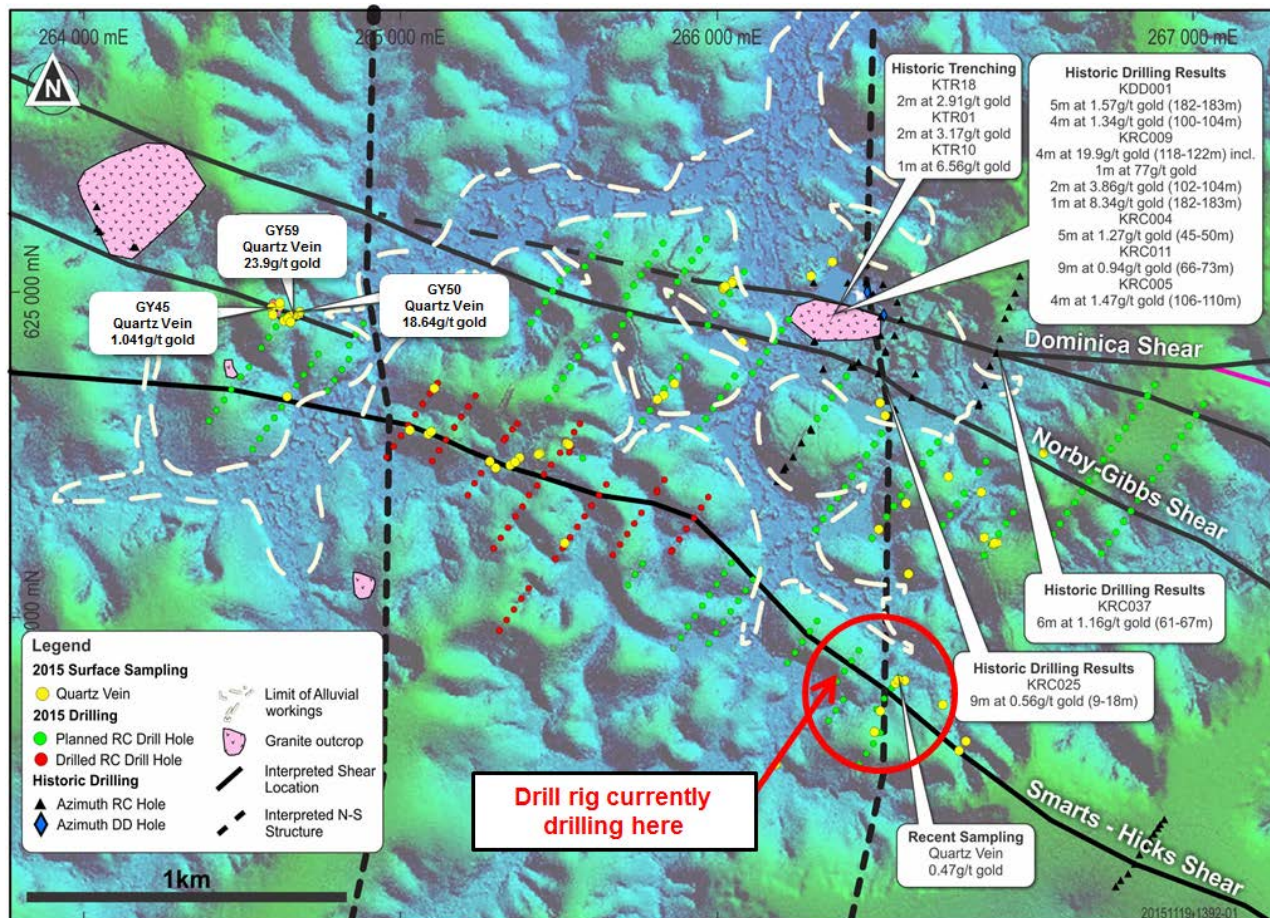




# Whitehall South – Exploration



- Geochemistry – Multi-element targets defined (gold, silver, arsenic and tungsten)
- Structure – Interpreted flexure in the Smarts-Hicks shear (EW trending)
- Host rock – Sedimentary (although shear spatially associated with a granite body)

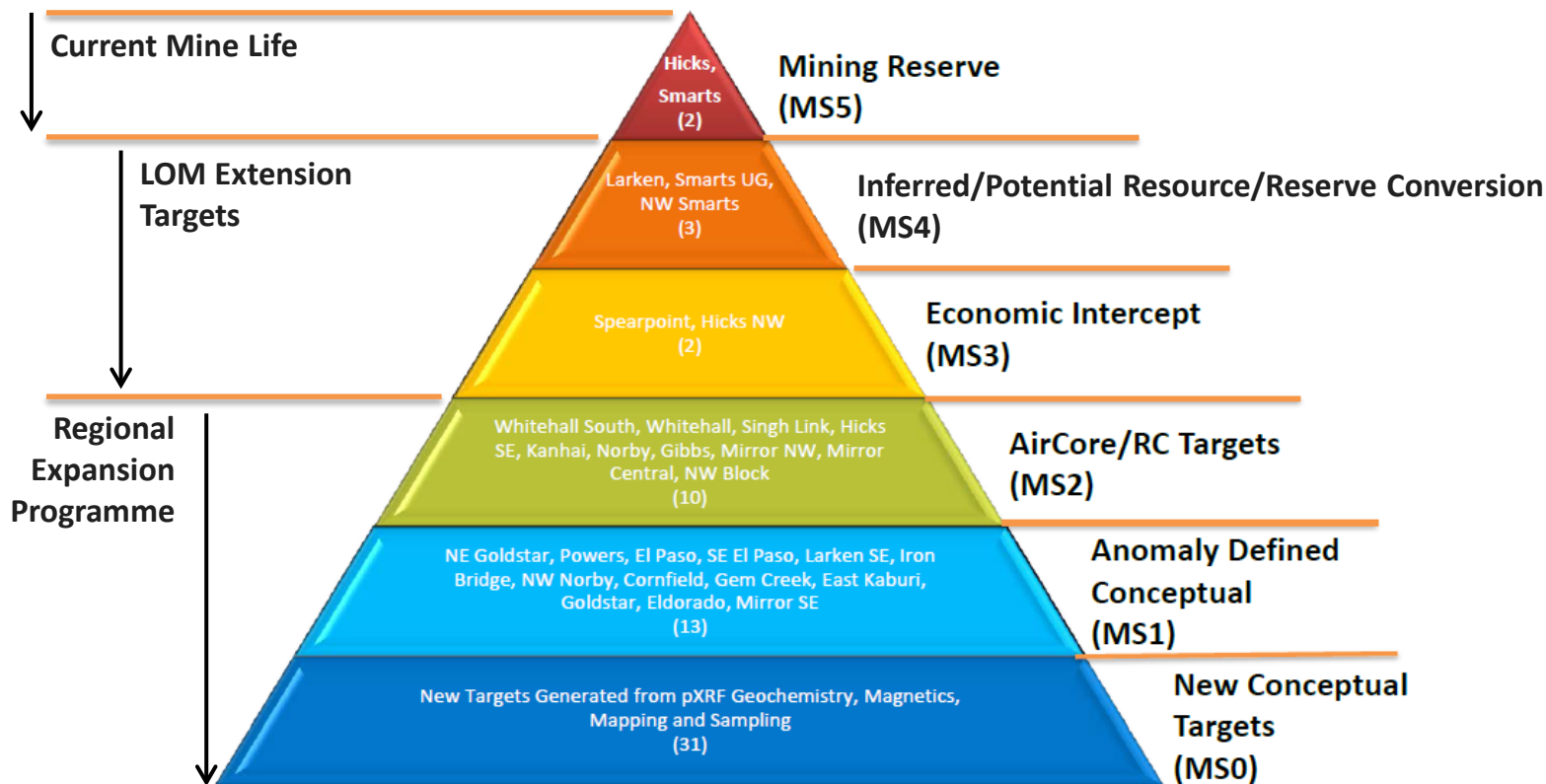


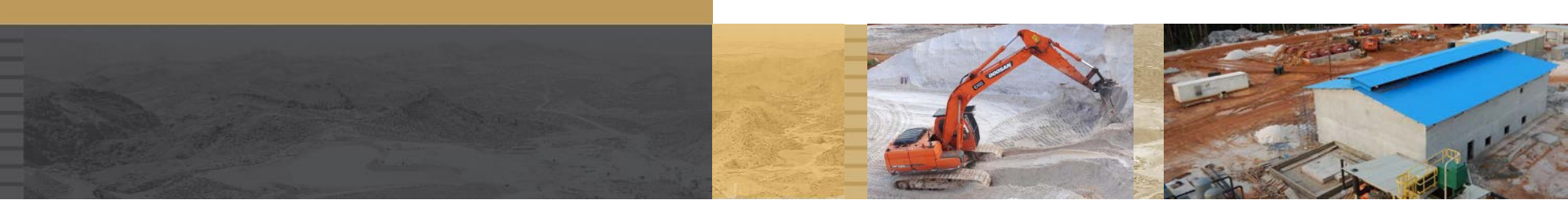


# Karouni Project Pipeline



- **Smarts UG:** Under review
- **Larken, Hicks NW, NW Smarts and Spearpoint:** Require Infill drilling
- **Whitehall and Whitehall South:** “Drilling Underway” at MS2
- **All Other Targets at MS1:** Still defining the anomaly
- **Conceptual Targets MS0:** Very early stage



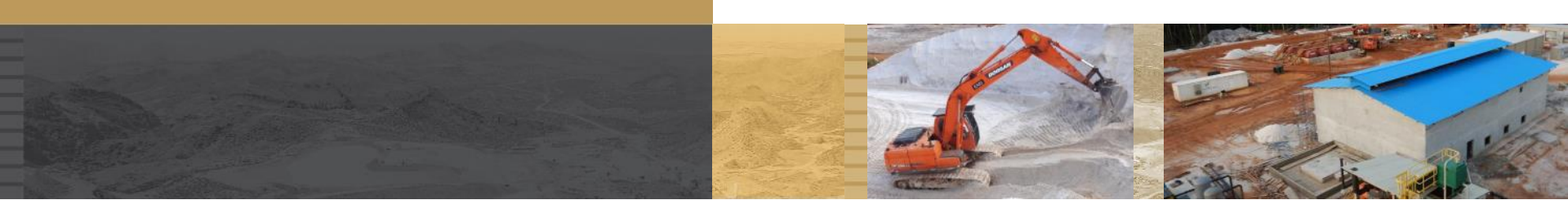


## 5. Outlook

# Outlook



- Karouni ramp up on track to reach mill throughput design capacity in March 2016.
- Positive Reconciliation achieved in both Smarts and Hicks mining operations.
- Geological update driving enhanced resource development programme and potential extension of LOM Plan.
- Strong cost guidance for CY2016 to position Troy in a competitive position on the ASX.
- Robust cash flow generation to strengthen Balance Sheet and unlock a new period of growth for Troy.



**TROY RESOURCES LIMITED**



# Qualifying Statements



## Competent Person's Statement

### Karouni

The information in this presentation that relates to Exploration Results for the Karouni project is based on, and fairly represents, information and supporting documentation prepared by Mr Peter J Doyle, Vice President Exploration and Business Development of Troy, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Doyle 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 Doyle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Mr Doyle is a full time employee of Troy.

The information in this presentation that relates to Mineral Resources and/or Ore Reserves for the Karouni project is based on, and fairly represents, information and supporting documentation prepared by Mr Richard Maddocks, Manager – Mineral Resources of Troy, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. 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. Mr Maddocks is a full time employee of Troy.

The information relating to the results of the Karouni Preliminary Economic Assessment/Scoping Study is extracted from the report entitled 'West Omai Preliminary Economic Assessment and Scoping Study' created on 21 January 2014 and is available to view on [www.troyres.com.au](http://www.troyres.com.au).

The information relating to the results of the Karouni Pre-Feasibility Study is extracted from the report entitled Karouni Open-Cut Pre-Feasibility Study created on 28 July 2014 and is available to view on [www.troyres.com.au](http://www.troyres.com.au).

The information relating to the Karouni Mineral Resource Estimate is extracted from the announcement titled 'Mineral Resources and Ore Reserves Update' released on 31 August 2015 and available to view on [www.troyres.com.au](http://www.troyres.com.au).

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.



Thank you

