

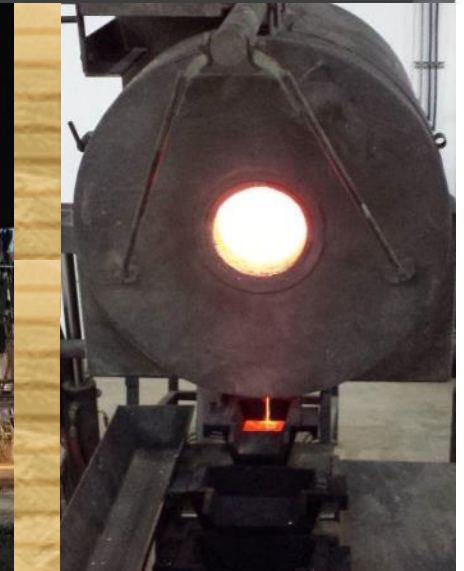


TROY RESOURCES LIMITED

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

# Euroz Securities' Conference

15 March 2016



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# Presentation



**Company Overview**

**Karouni Ramp Up & Reconciliation**

**LOM Extension Planning**

**Regional Exploration**

**Outlook**



# Company Overview

# Introduction



# Board of Directors



## ***Executive***

**Martin Purvis**  
(55, ~1 year on board)  
Chief Executive Officer &  
Managing Director



**Ken Nilsson**  
(75, ~18 years on board)  
Executive Director  
Project Development



***Board Composition & Skills Matrix  
currently under review.***

## ***Non-Executive***

**Fred Grimwade**  
(57, ~5 years on board)  
Chairman



**John Jones**  
(72, ~27 years on board)  
Non-Executive Director



**Richard Monti**  
(51, ~2 years on board)  
Non-Executive Director



# A Year of Transformation



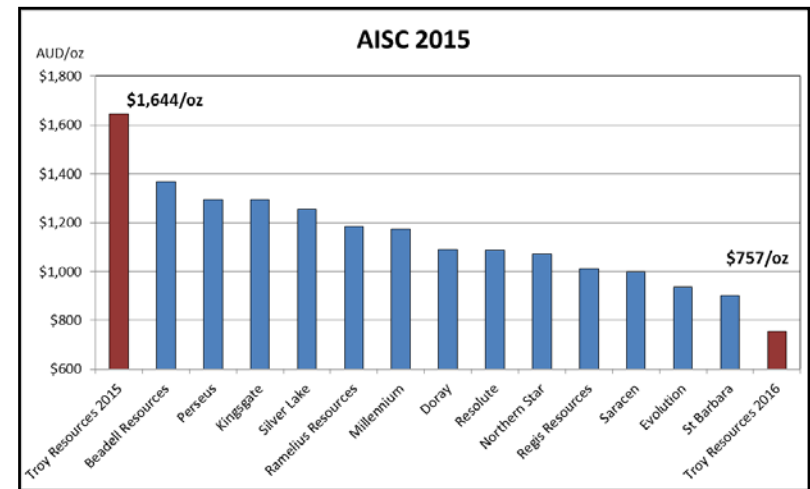
## Operations

- Progression from high risk / low margin asset base to low risk / high margin operations.
- Effective closure plan for Andorinhas.
- Casposo “exposure / liability” ring-fenced through local partnership deal –
  - Retained upside to silver price recovery and structural change to Argentina’s economy.
  - Reduced corporate resourcing and costs.
- Karouni Project completed ~A\$133m (US\$96m) – 9 months.

## Risk

- Back to basics – Back to Gold.
- Fiscal and Jurisdictional Portfolio Improvements.\*
- Karouni Cashflow Positive – January 2016.
- Nominal Production Design – March 2016.
- Debt Reduction Underway.

\* Total tax rate (% of commercial profile): Argentina 137.4%, Brazil 69.2%, Australia 47.6%, Guyana 32.3%. (Source: World Bank)



# Casposo



- Currently placed on care and maintenance following successful completion of a restructuring process that resulted in the workforce being reduced from ~700 people to a “core” operating team ~130 people without any lost time.

- Reached agreement with ASX listed Austral Gold Limited for the staged divestment of the Company’s interest in Casposo whereby:
  - Austral will acquire a 51% economic interest for US\$3 million over 12 months (US\$1 million upfront);
  - Austral entitled to acquire a further 19% economic interest by paying US\$1 million in 12 months;
  - Austral has the option to acquire the remaining 30% over 3yrs (from Dec 2018) for a total consideration of US\$7 million, however, should the silver price be in excess of US\$16/oz, the exercise price will increase;
  - Troy is free carried for an initial (up to) US\$10 million capital investment plan design to achieve profitable operations within 12 months. If funding required for any other purpose, Troy can elect to contribute or dilute.



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# Andorinhas



- Low grade stockpiled ore and Garimpeiro tailings until the end of April 2015.
- Closure liabilities at 30 June 2015 of ~A\$3 million have been funded through the generation of free cashflow arising from the continued treatment of ore and tailings.
- Anfield Nickel Corp. to acquire all the shares in Magellan Minerals by way of a court approved plan of arrangement, sale of plant deferred until mid May 2016.
- Troy to receive US\$855,000 by 15 March and the remaining US\$1,995,000 within 10 days of closing of proposed plan of arrangement (all payments now cash).
- A further US\$1,000,000 to be paid following production of 20,000oz of gold or 23 February 2017, whichever comes soonest.
- Final sign off by regulatory authorities expected second half of CY2016.

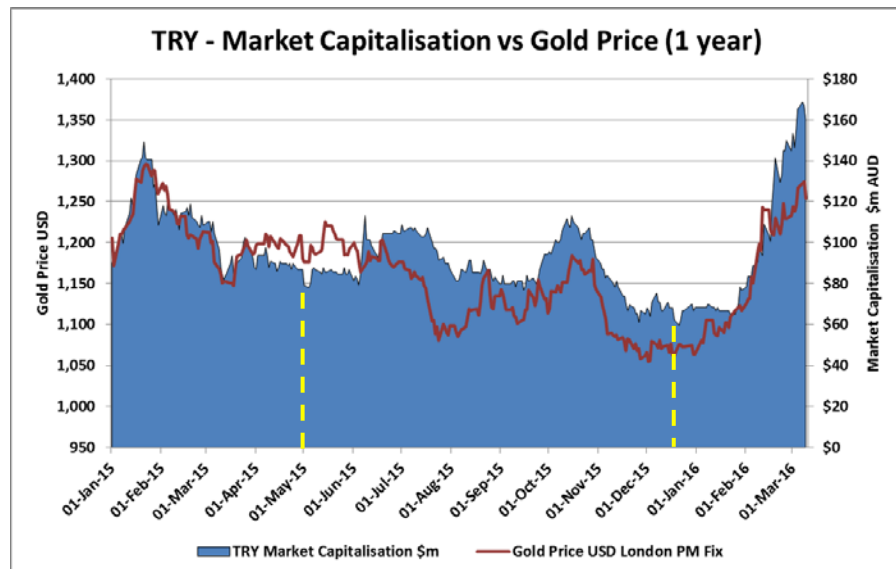


# A Time of Transition



Troy's high grade **Karouni** operation is ramping-up to full production and is forecast to generate an avg. A\$80m annual operating cashflow.

## Share Price Performance



Market capitalisation (close 11 March) A\$169m

Enterprise value A\$221m

## 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	100-120koz pa
CY16 Cash Costs (AISC) Guidance	US\$520 - 550/oz
Capital Spent	A\$133m
Shares on Issue	340.8m

# Debt & Equity Funding History

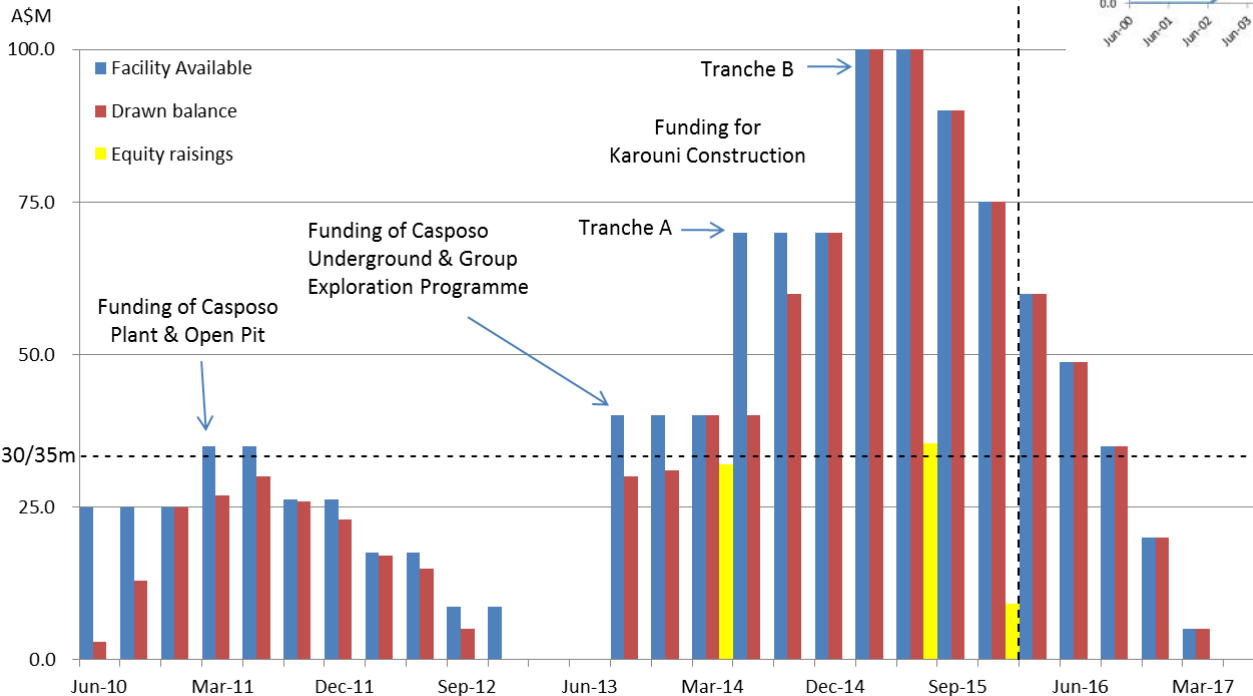
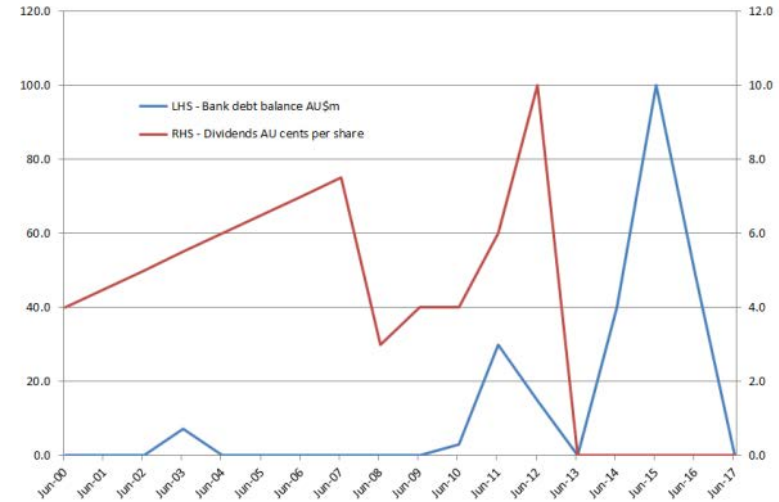


## Shares on Issue

Date	M
Mar-14	168.5
Mar-16	340.8

## Bank and Dividend History

Average 3% Dividend Return over 13 years (2000 – 2012)



## Equity Funding

Date	A\$m
Mar-14	32.1
Jun-15	35.4
Dec-15	9.2
<b>Total</b>	<b>76.7</b>

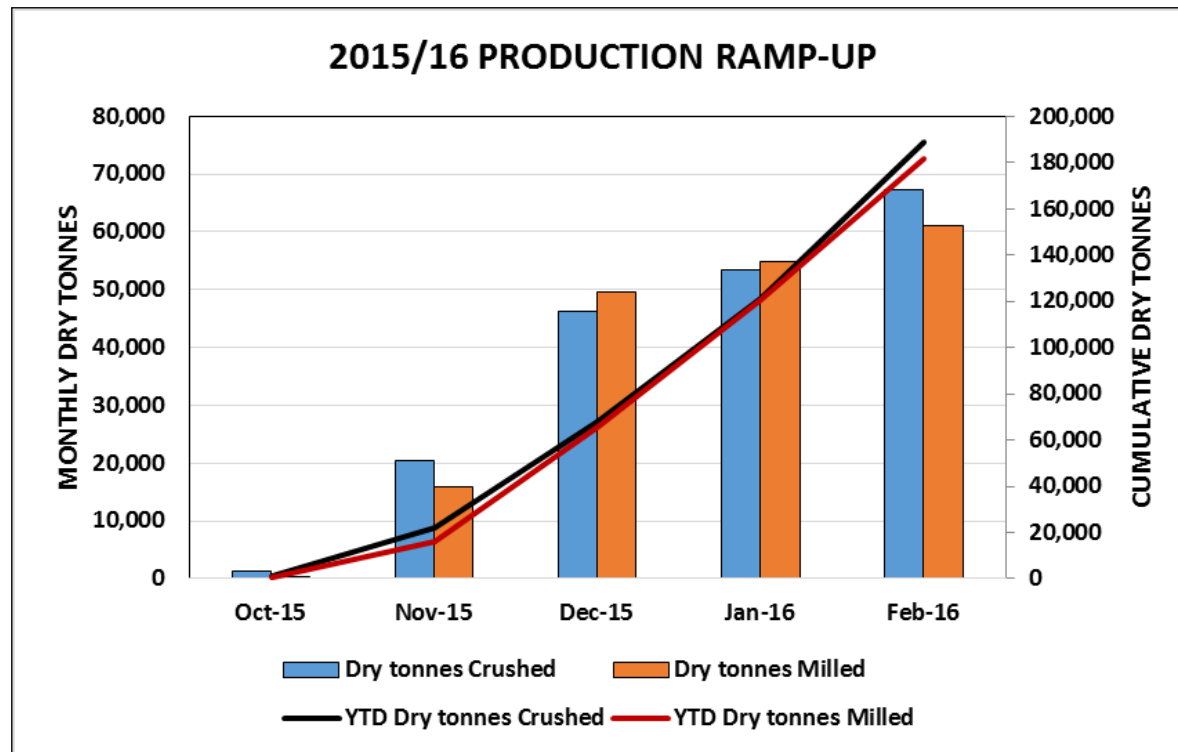


# Karouni Ramp Up & Reconciliation

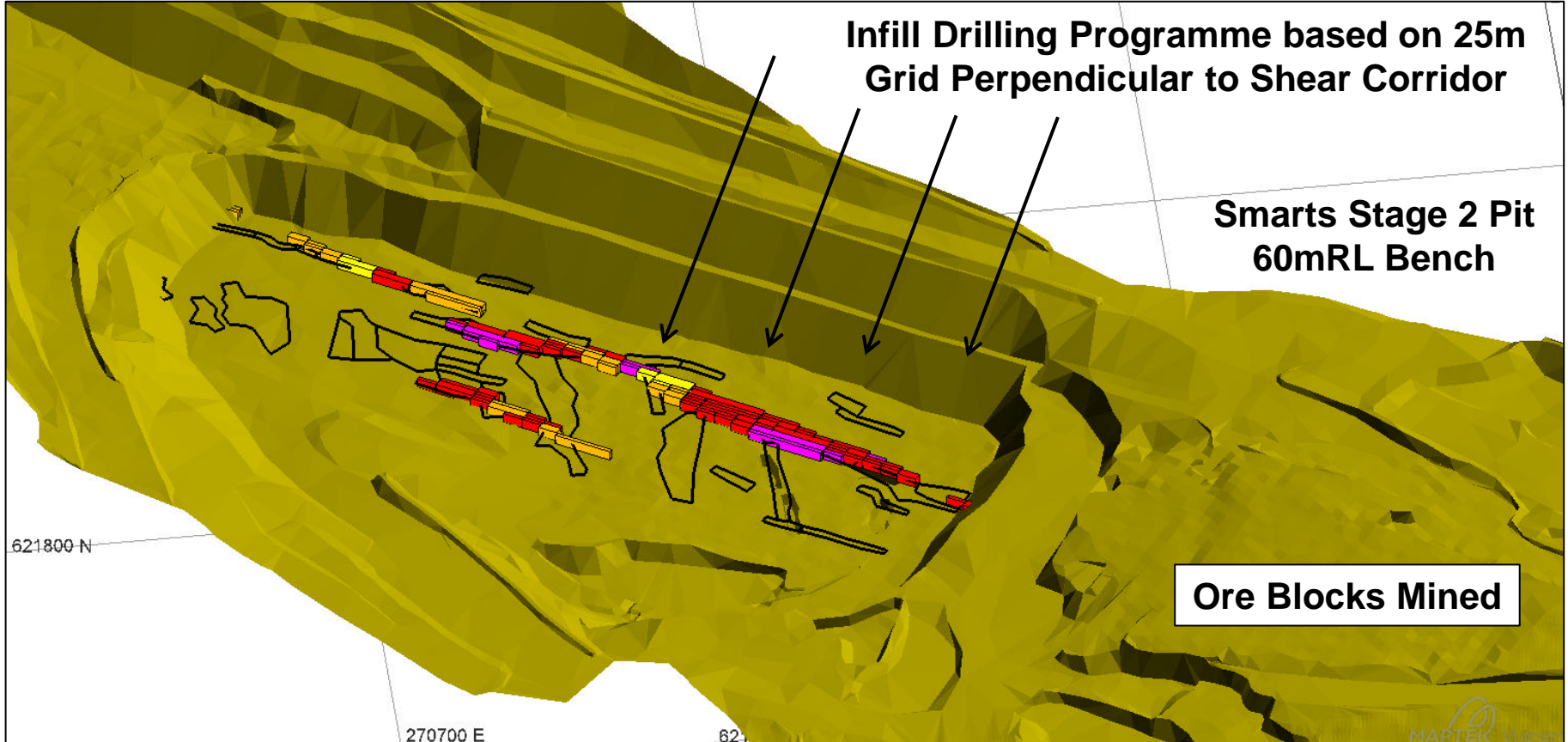
# Ramp Up Performance



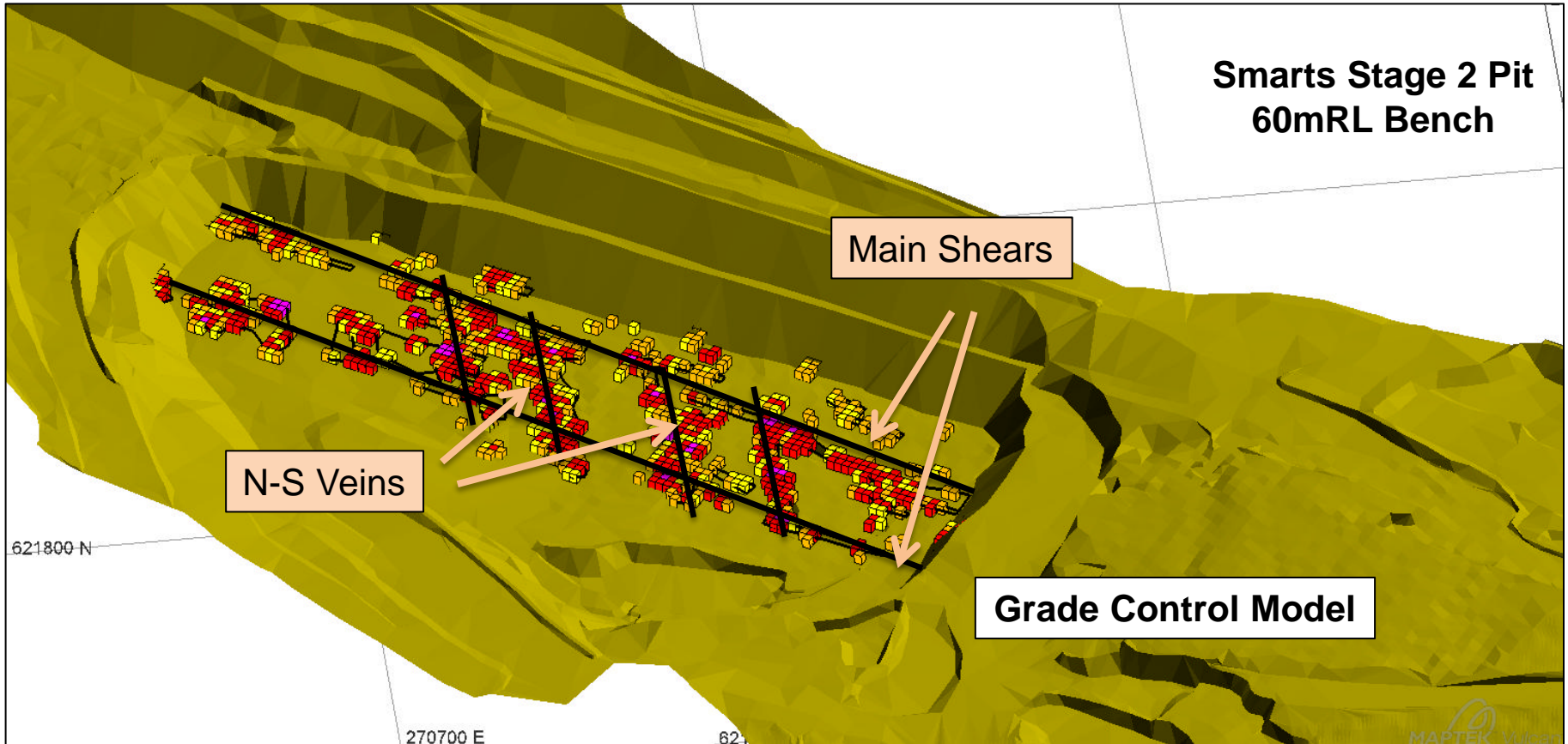
- Significant positive reconciliation between actual oz mined from the Karouni Pits and the Ore Reserve. Studies are progressing to further evaluate this.
- On target to reach nominal mill design capacity ~160mtph in March 2016.



# Smarts – Initial Interpretation & Ore Blocks

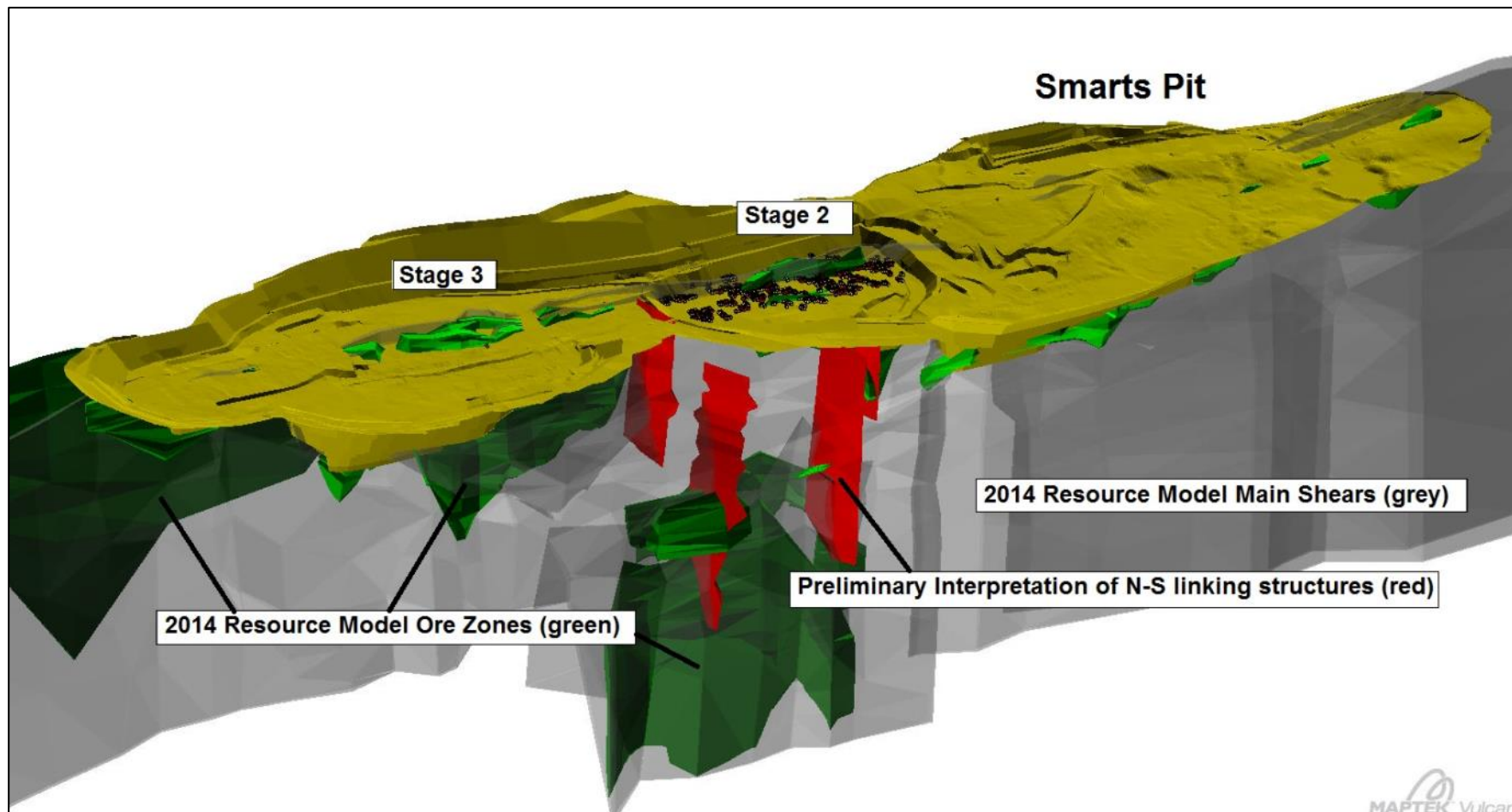


# Smarts Revised Model



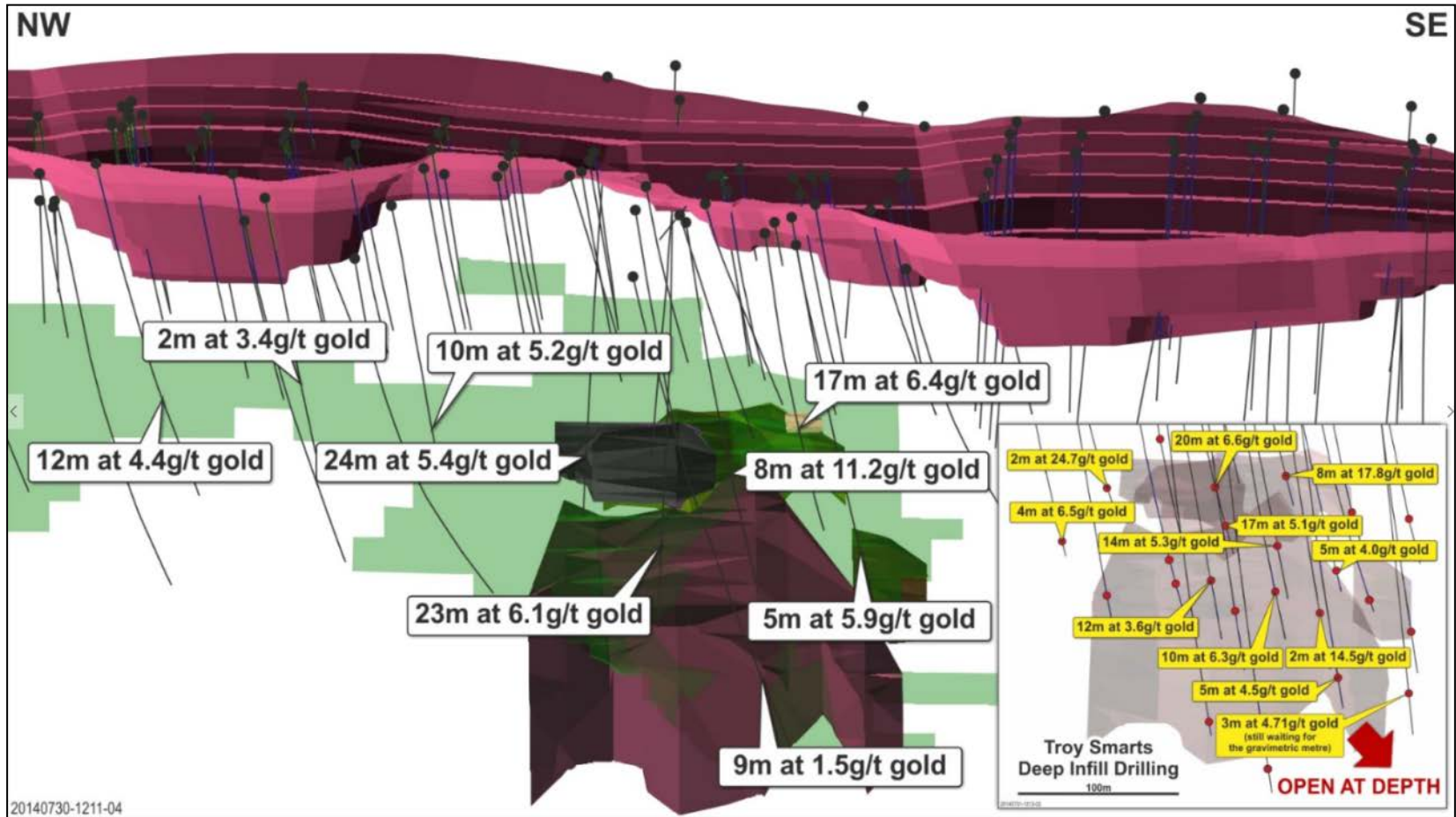
Mill Reconciliation: +95% tonnes & +57% ounces

# Smarts





# Smarts Underground PEA Concept

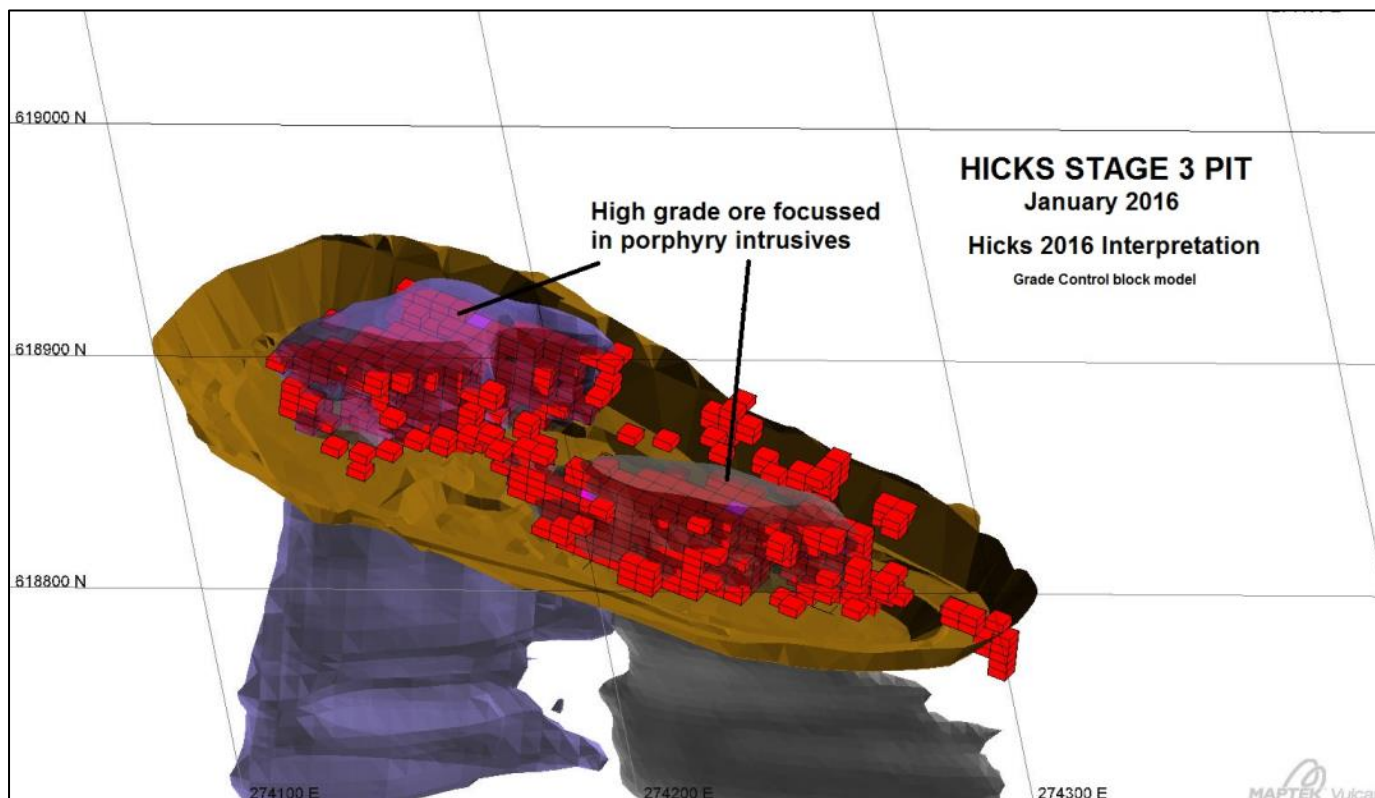


PEA Grid: Pit Shells 25m  
Underground 100m

# 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.



Block Model Grade: 1.7g/t  
Mill Reconciliation: 2.2g/t



# LOM Extension Planning

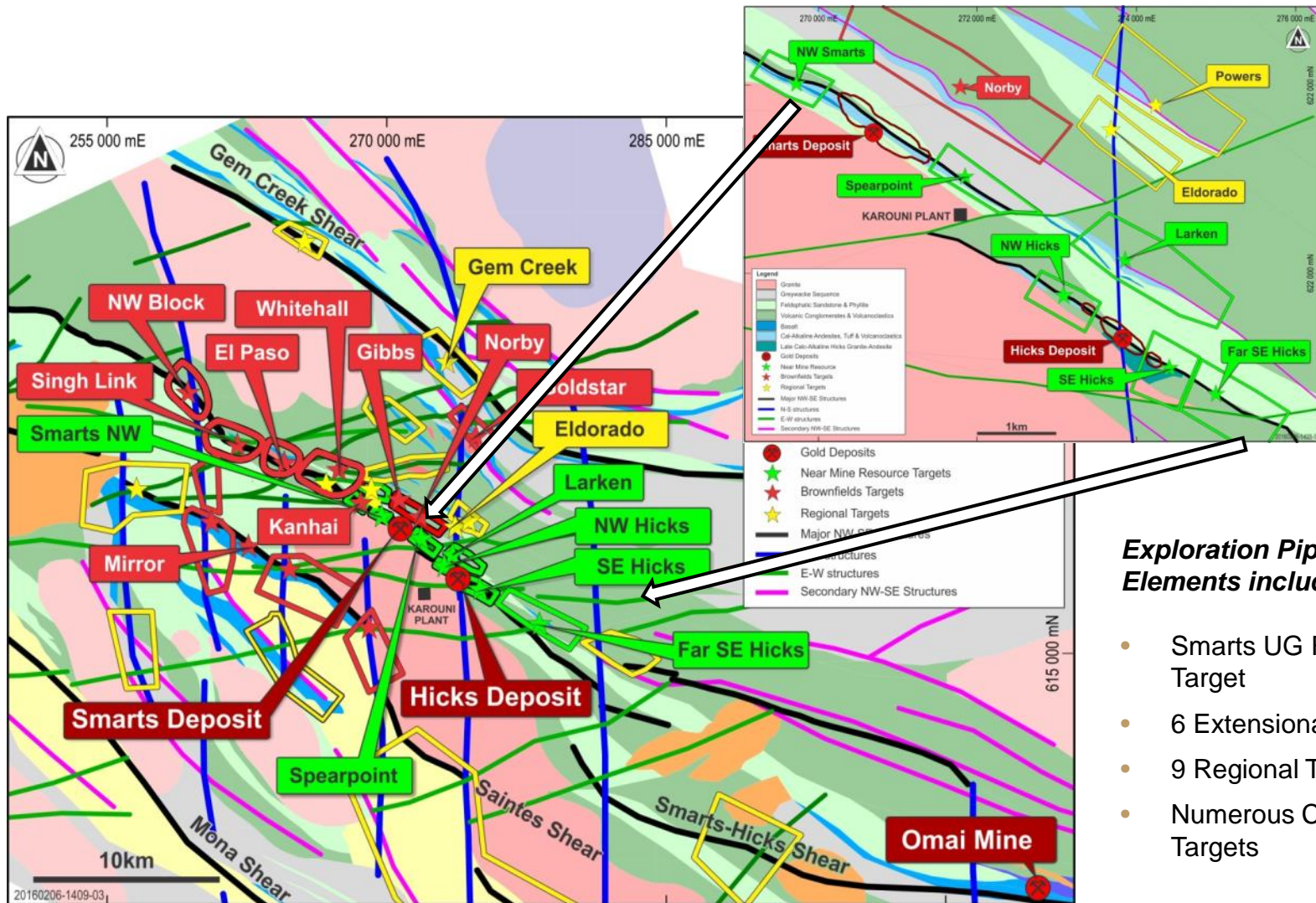
# Evolving LOM Plan



- 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;
  - Strike Extension Infill Programme (Larken, Spearpoint, 14 Mile, Hicks NW).

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>

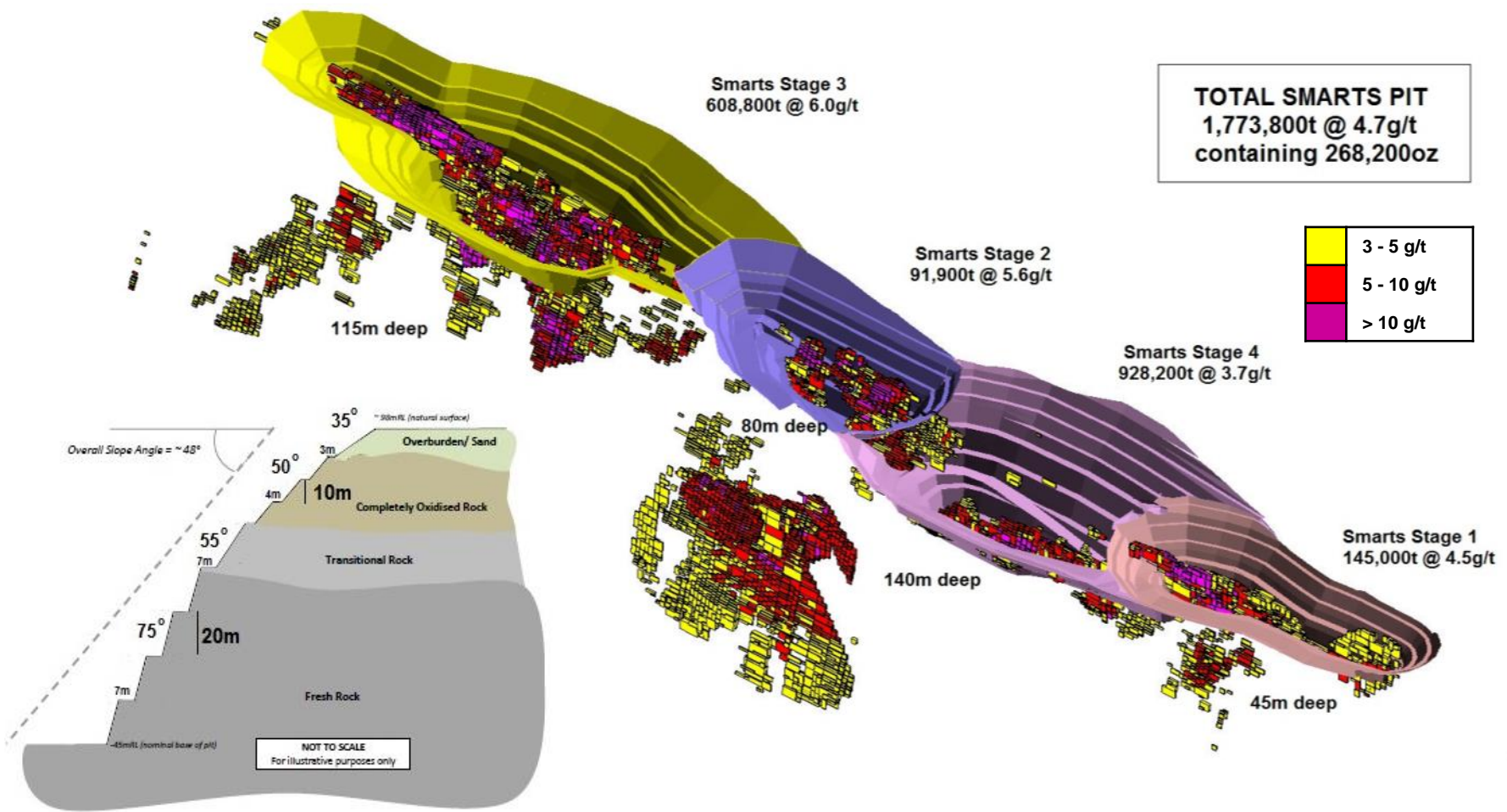
# Target Generation LOM Extension Project



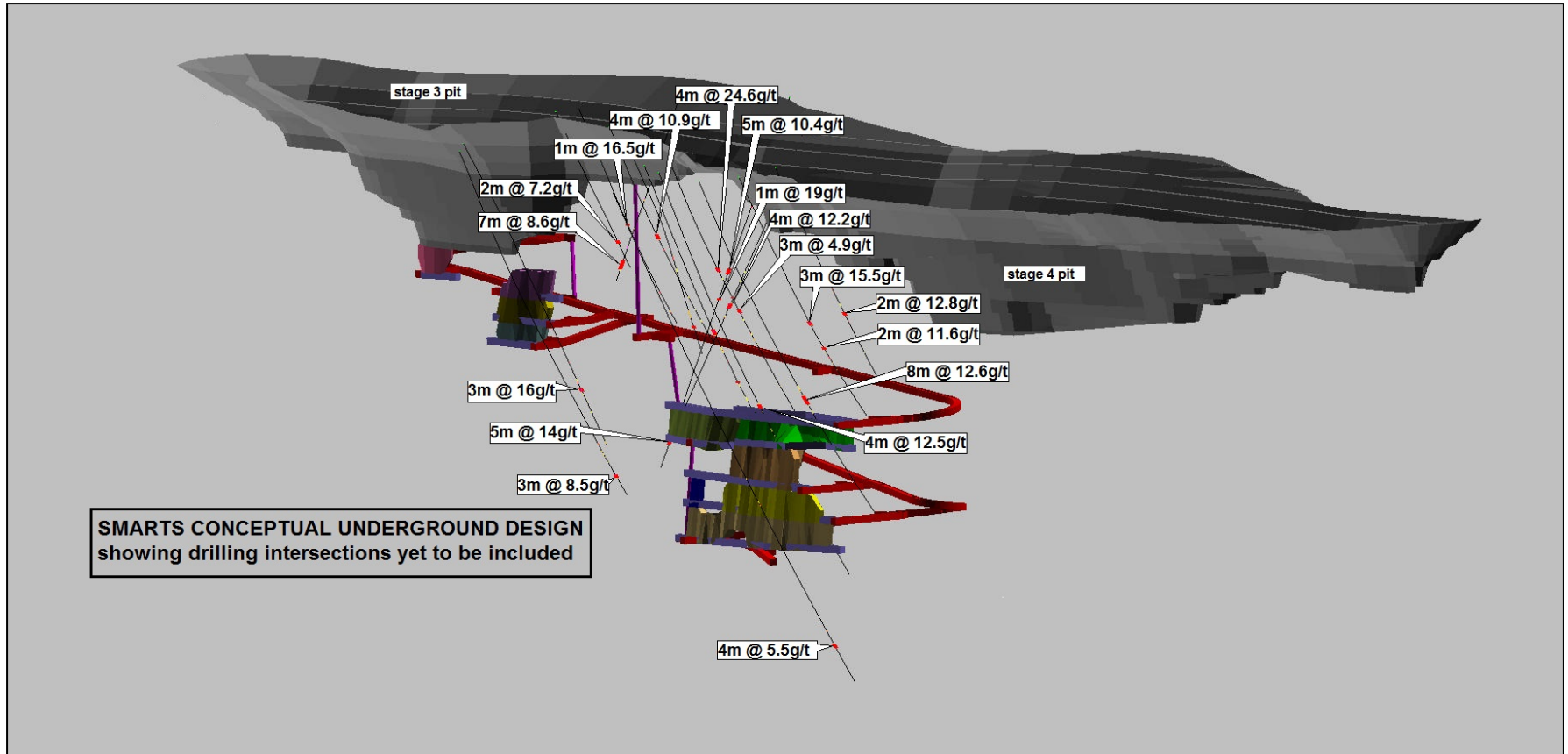
## Exploration Pipeline Key Elements include:

- Smarts UG Resource Target
- 6 Extensional Targets
- 9 Regional Targets
- Numerous Conceptual Targets

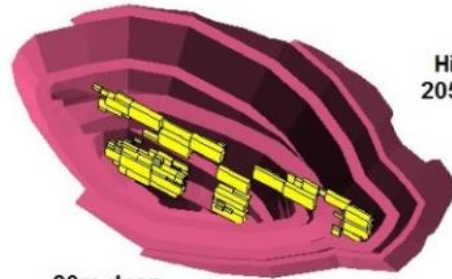
# Smarts Pit



# Smarts Underground

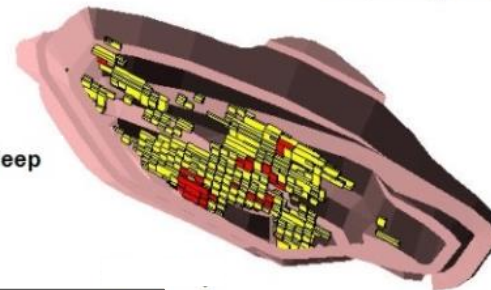


# Hicks Pit



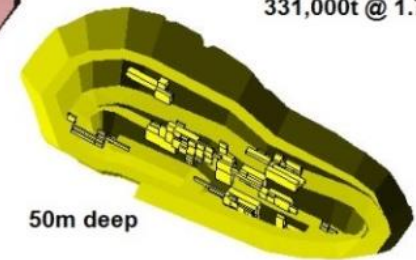
Hicks Stage 2  
205,000t @ 2.0g/t

80m deep



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

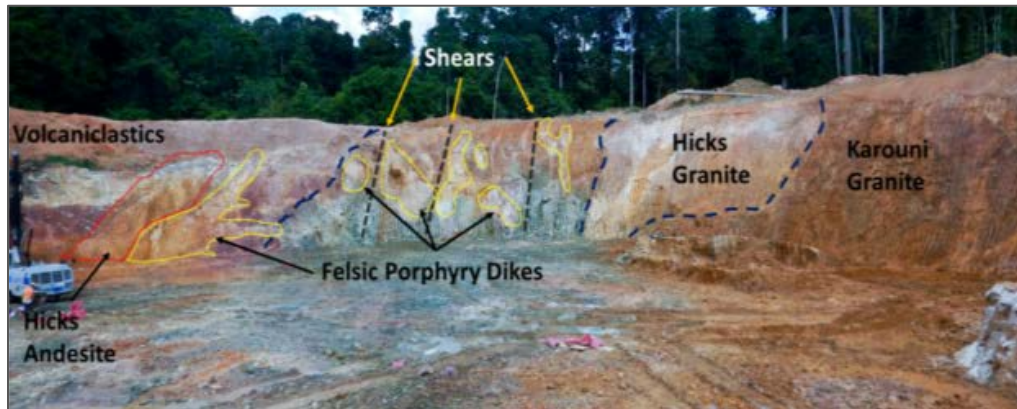
75m deep



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

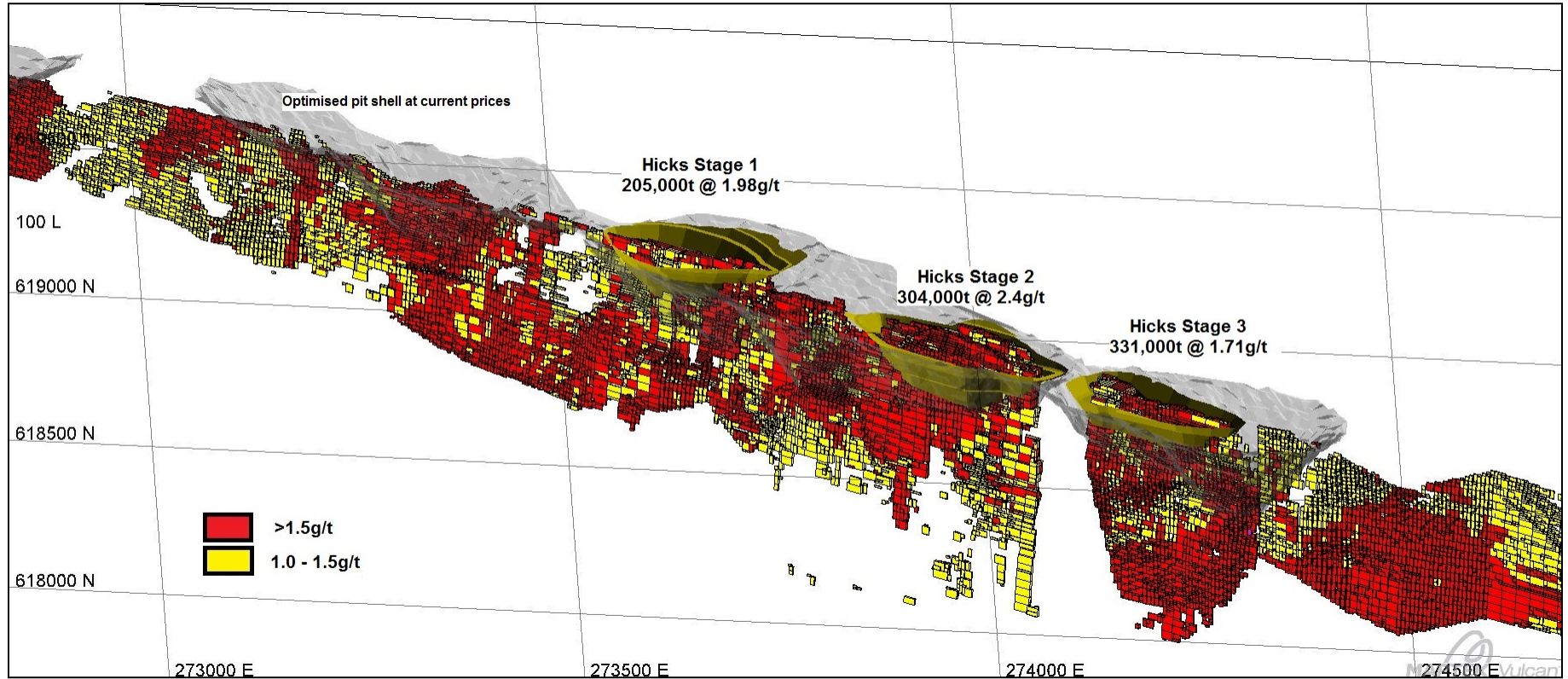
50m deep

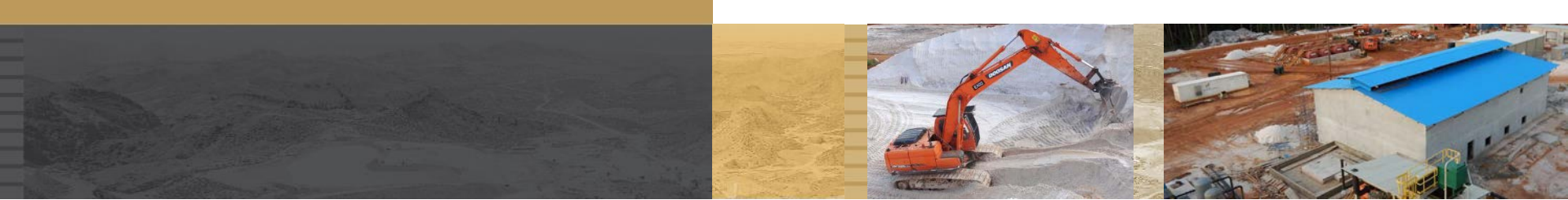
**TOTAL HICKS PITS**  
839,800t @ 2.0g/t  
containing 54,690oz





# Hicks Model

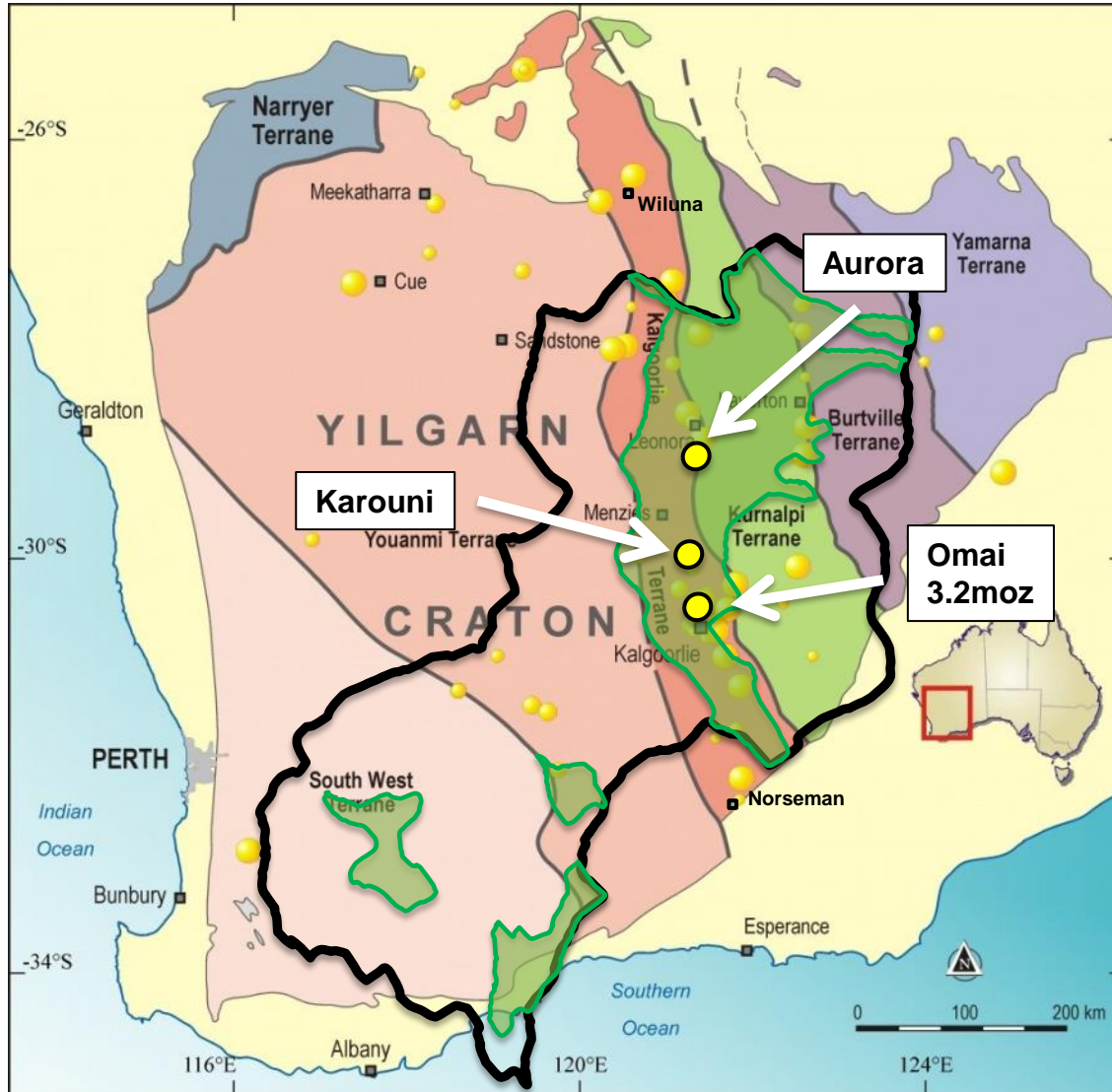




# Regional Exploration

# Guyana

## An Emerging Gold Producer

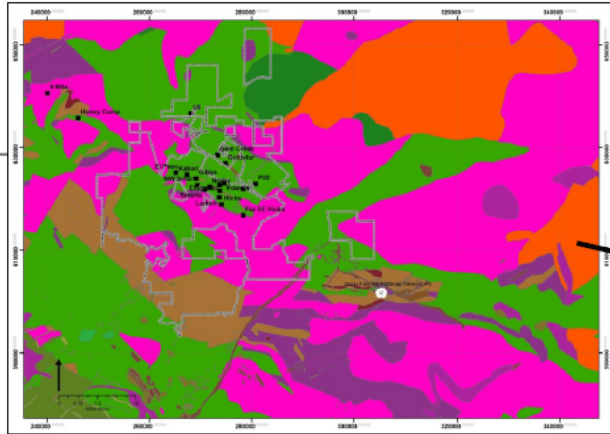


- Kalgoorlie/Kurnalpi Terrane has produced more than 100moz and is still producing more than 5moz pa from numerous gold mines.
- Guyana has produced only 3.4moz from one mine but also produces from 600,000 to 1.3moz pa from informal sources, mainly alluvial/artisanal.

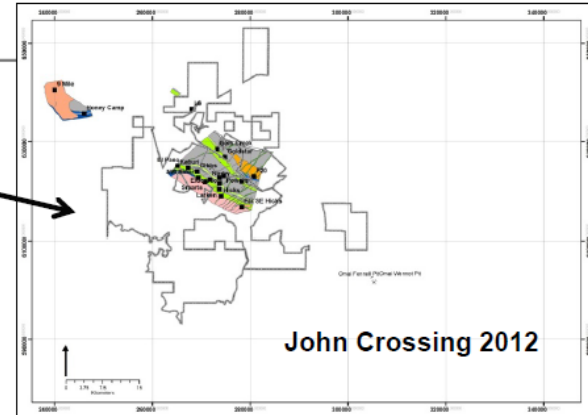
 Guyana border  
 Greenstone belts

*(Guyana outline rotated to correspond to Yilgarn greenstone belts)*

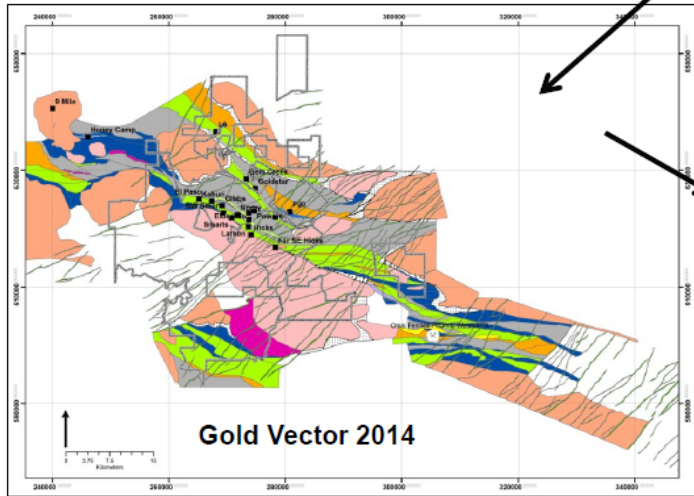
# Evolution of the Karouni Geological Map



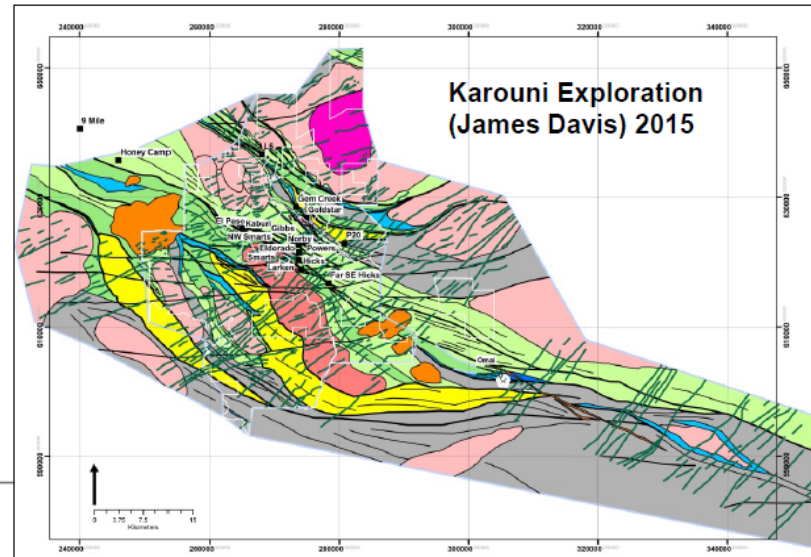
**Guyana Geological Survey**



**John Crossing 2012**



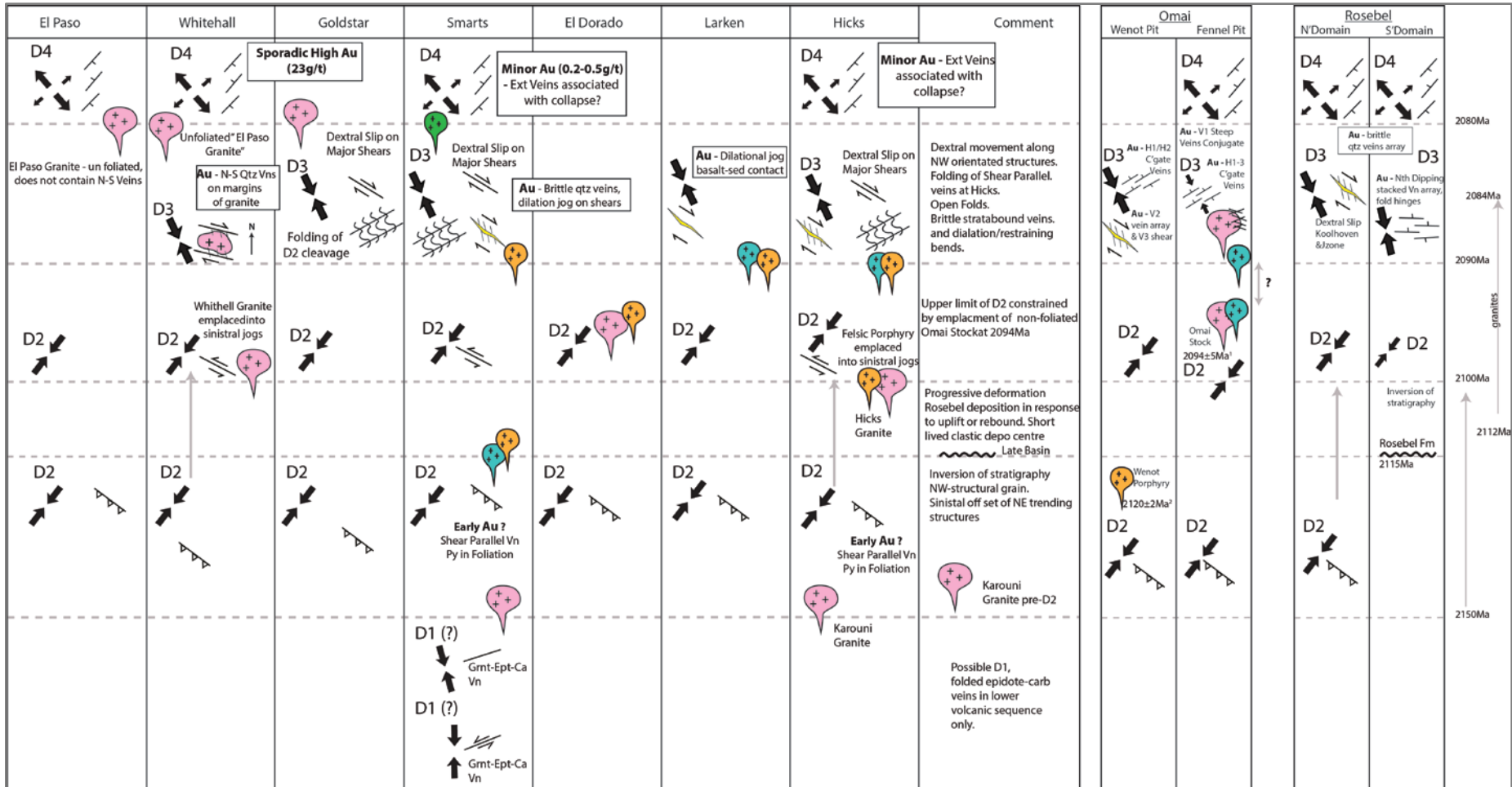
**Gold Vector 2014**



**Karouni Exploration  
(James Davis) 2015**

# Karouni Deformation History

## A Work in Progress



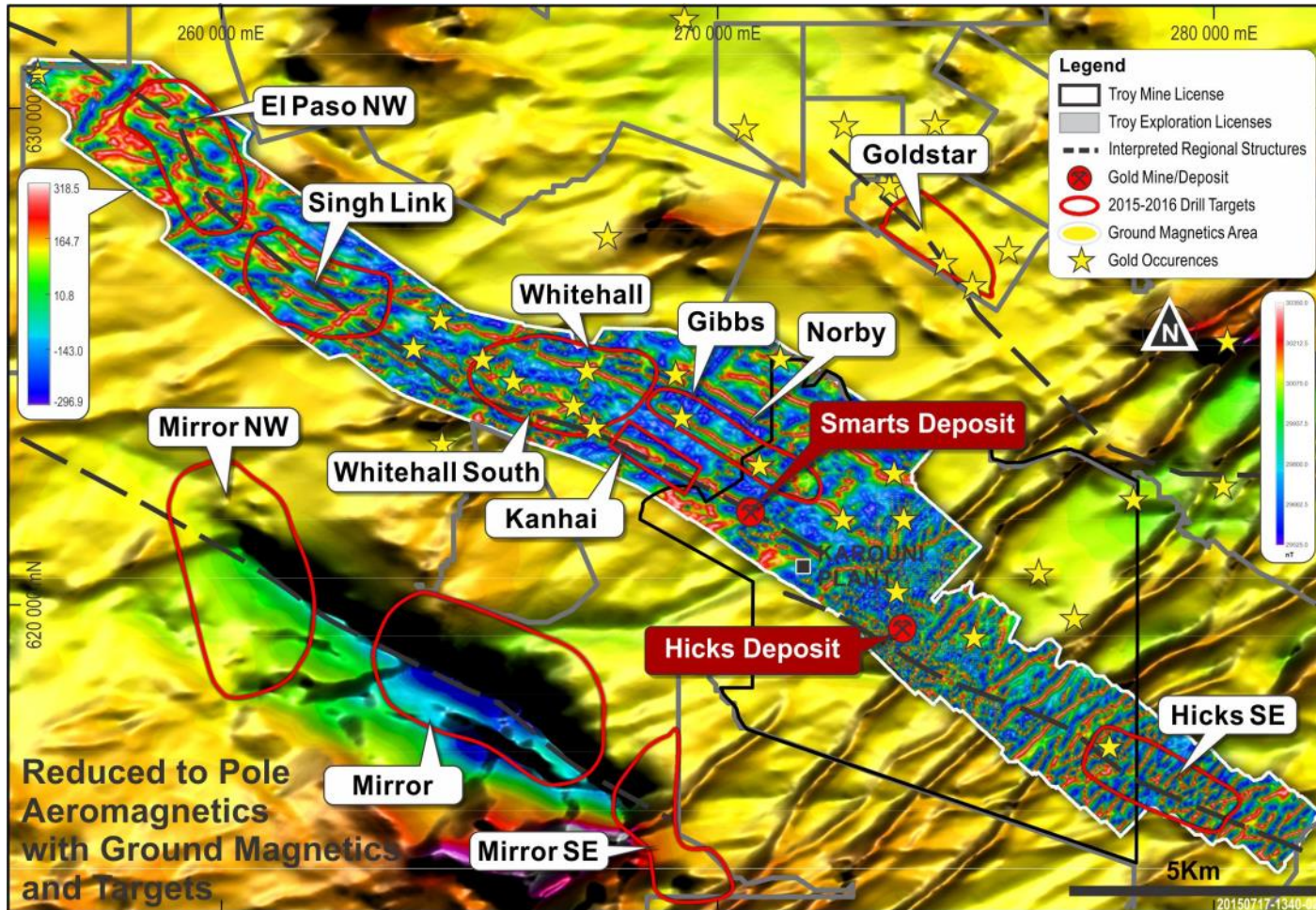
# Smarts Stage 3 Pit 70mRL bench looking North February 2016



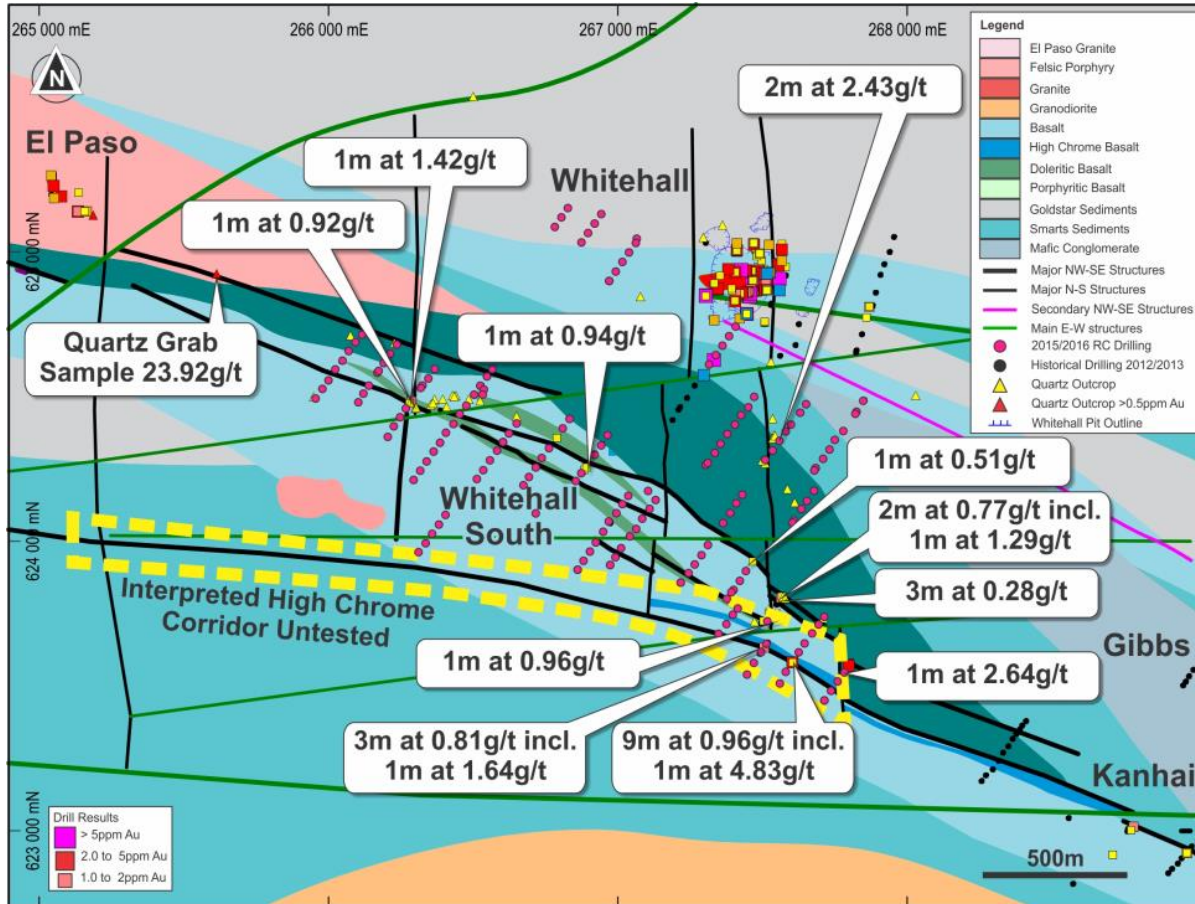
# Karouni Magnetics



- Magnetics drive the Exploration effort



# Brownfields Whitehall Target Update



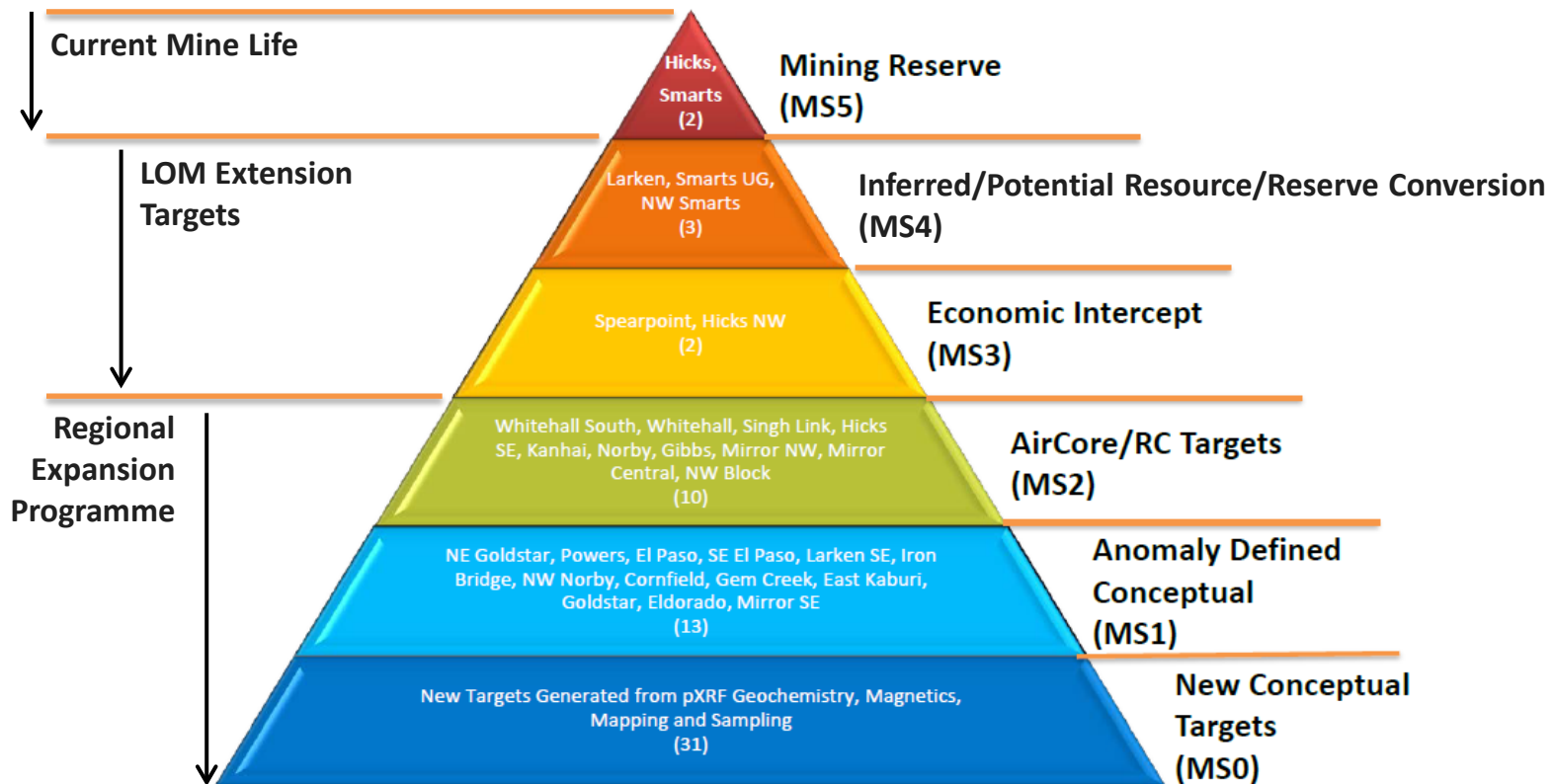
- Greater Whitehall Target comprises of several parallel EW regional shears with intersecting NS and EW structures.
- Target encompasses over 12km of strike potential.
- Early stage wide spaced drilling is generating positive results with multiple gold hits associated with High Chrome Corridor and Porphyries – Best anomalous intercept; **9m at 0.96g/t gold including 1m at 4.83g/t gold.**

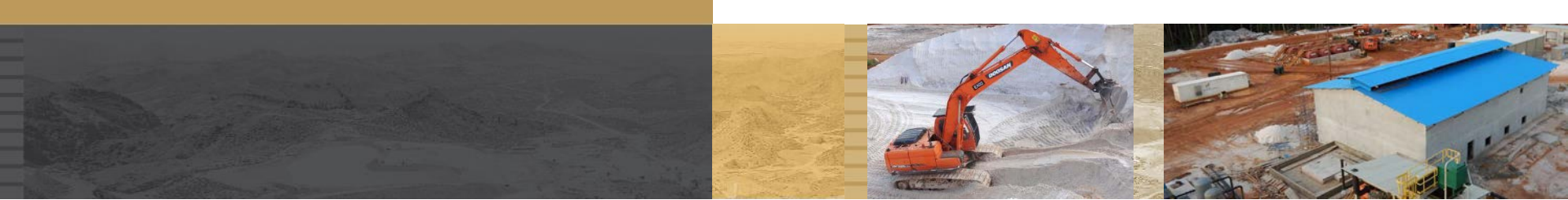


# Karouni Project Pipeline



- **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





# 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.



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# 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

