



TROY RESOURCES LIMITED

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

# Gold Tour Presentation

Perth – May 2016

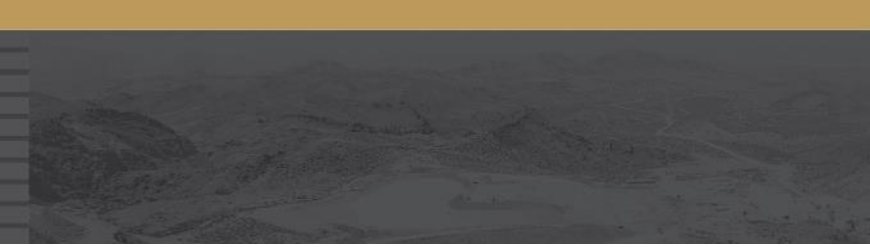


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# Company Overview



# Introduction



# A Remarkable Transformation



*A lot can be achieved in a couple of seasons...*

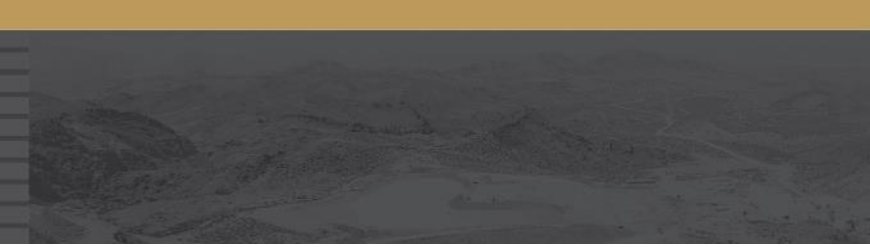


## 1/1/2015

Key Terms:

***“Team” + “Game Plan” + “Performance”***

		P	W	D	L	F	A	Pt
15	Hull City	20	4	7	9	20	26	19
16	Queens Park Rangers	20	5	4	11	22	35	19
17	West Bromwich Albion	20	4	6	10	19	29	18
18	Crystal Palace	20	3	8	9	20	30	17
19	Burnley	20	3	8	9	17	32	17
20	Leicester City	20	3	5	12	19	33	14



# The Team

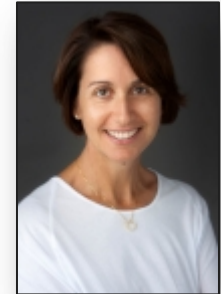


# The Team



**Martin Purvis**  
Chief Executive Officer &  
Managing Director

**Stacey Apostolou**  
Company Secretary



**Ken Nilsson**  
Executive Director  
Project Development

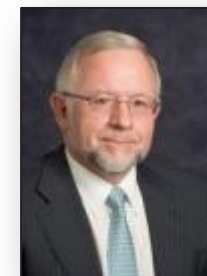


**Andrew Storrie**  
Chief Operations Officer

**David Sadgrove**  
Chief Financial Officer



**Fred Grimwade**  
Chairman



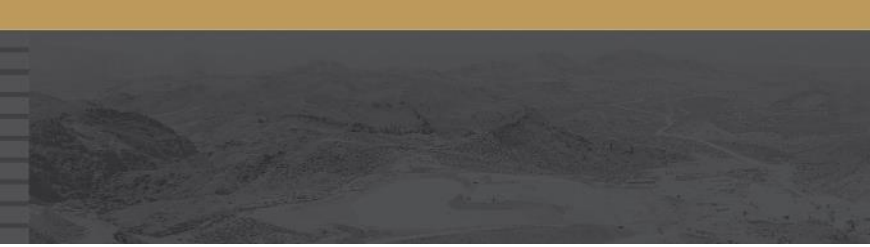
**John Jones**  
Non-Executive Director



**Peter Doyle**  
VP Exploration & Business  
Development

**Richard Monti**  
Non-Executive Director





# The Game Plan



# A New Formation



1. Grow the business by simplification and risk management strategies:

- Mine Closure
  - Asset Divestment
    - Project Construction
      - Debt Restructure

RISK  
REDUCTION

CORPORATE  
SIMPLIFICATION

***“True test of a team is how well it performs in adversity.”***

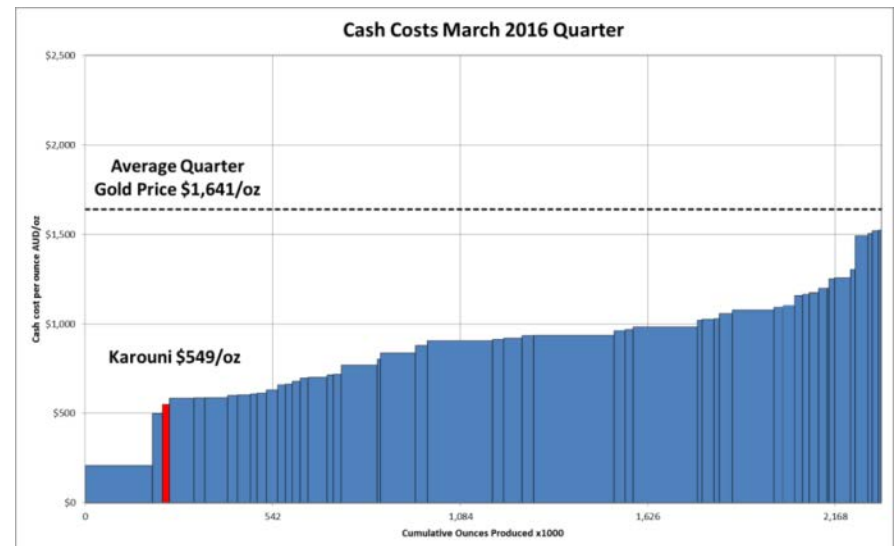
Strictly Boardroom, MiningNews.net

2. Demonstrate management’s capabilities:

- Project Development; Operational Performance
- Transaction Execution
- Fiscal Discipline – Corporate Overheads; Debt Reduction

3. A stronger balance sheet:

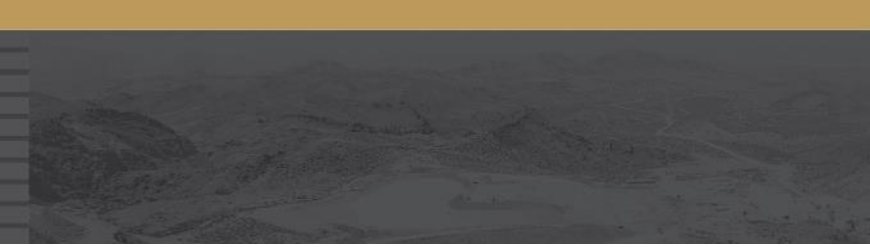
- Liabilities/Creditors
- Debt ~ Payback / Terms



Source: Company March 2016 Quarterly Report (0.75 exchange rate).



# Performance



***“Superhuman effort isn’t worth a damn unless it actually achieves results.”***

Sir Ernst Shackleton

30 August 1916





# Andorinhas



- Treatment of low grade stockpiled ore expected to cease shortly to enable clean-up of plant prior to handover to Anfield/Magellan.
- Anfield Nickel Corp. to acquire all the shares in Magellan Minerals by way of a court approved plan of arrangement. Sale of plant to close in mid-May 2016.
- Troy to receive US\$1,995,000 in cash at the time of closing.
- A further US\$1,000,000 to be paid following production of 20,000oz of gold or 23 February 2017, whichever comes soonest.

***“After 15 years in Brazil, Troy leaves behind a legacy that reflects all the positive elements and opportunities that mining can deliver to local communities.”***



# Casposo



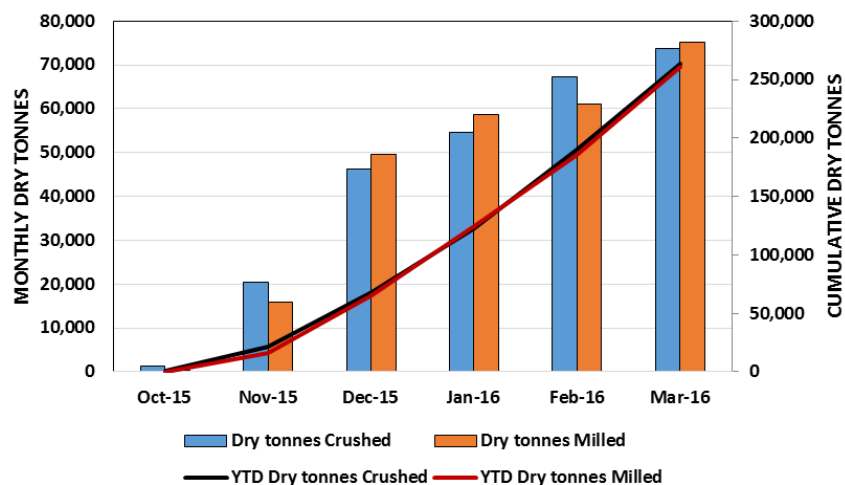
- Agreement with ASX listed Austral Gold Limited for the staged divestment of the Company's interest in Casposo.
  - Austral securing equipment and preparing to restart low scale/limited operations. Target to reach full-scale production within 12 months.
- Austral will acquire a 51% economic interest 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.



# Karouni



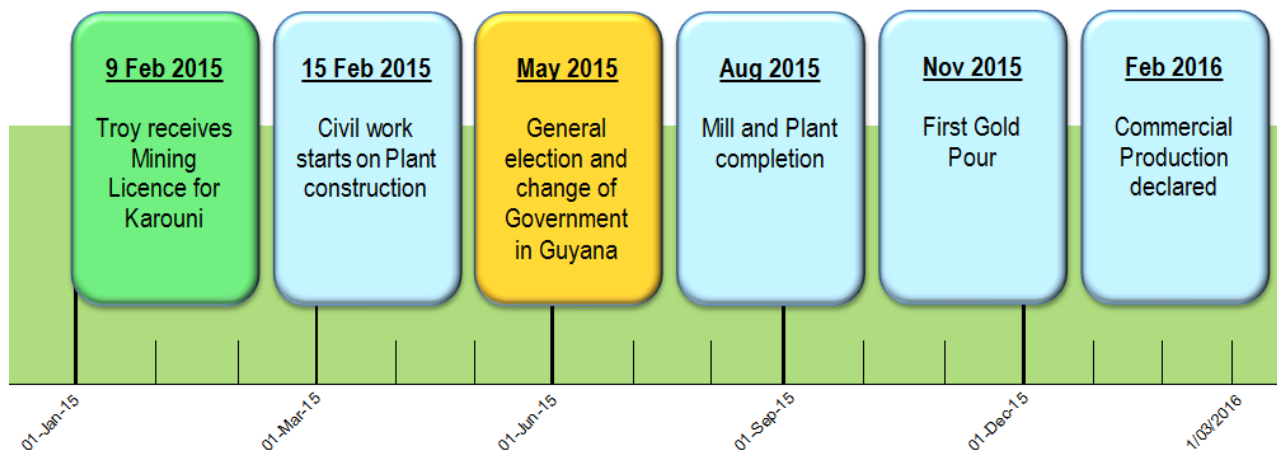
## PRODUCTION RAMP-UP



## CY16 Guidance

CY16 Gold Production Guidance 100-120koz

CY16 Cash Costs (AISC) Guidance US\$520 - 550/oz





# Investec Restructure



## ***Key Outcomes:***

- Loan term extended by 12 months
- Quarterly repayments reduced
- Significant reduction in interest margin
- Reduction in mandatory hedge requirements
- Existing hedge book to be smoothed out over 18 months
- Reduction in minimum liquidity requirement to A\$10 million
- No Debt Service Reserve Account
- Conversion to US\$ at a rate around 6 year lows in A\$/US\$

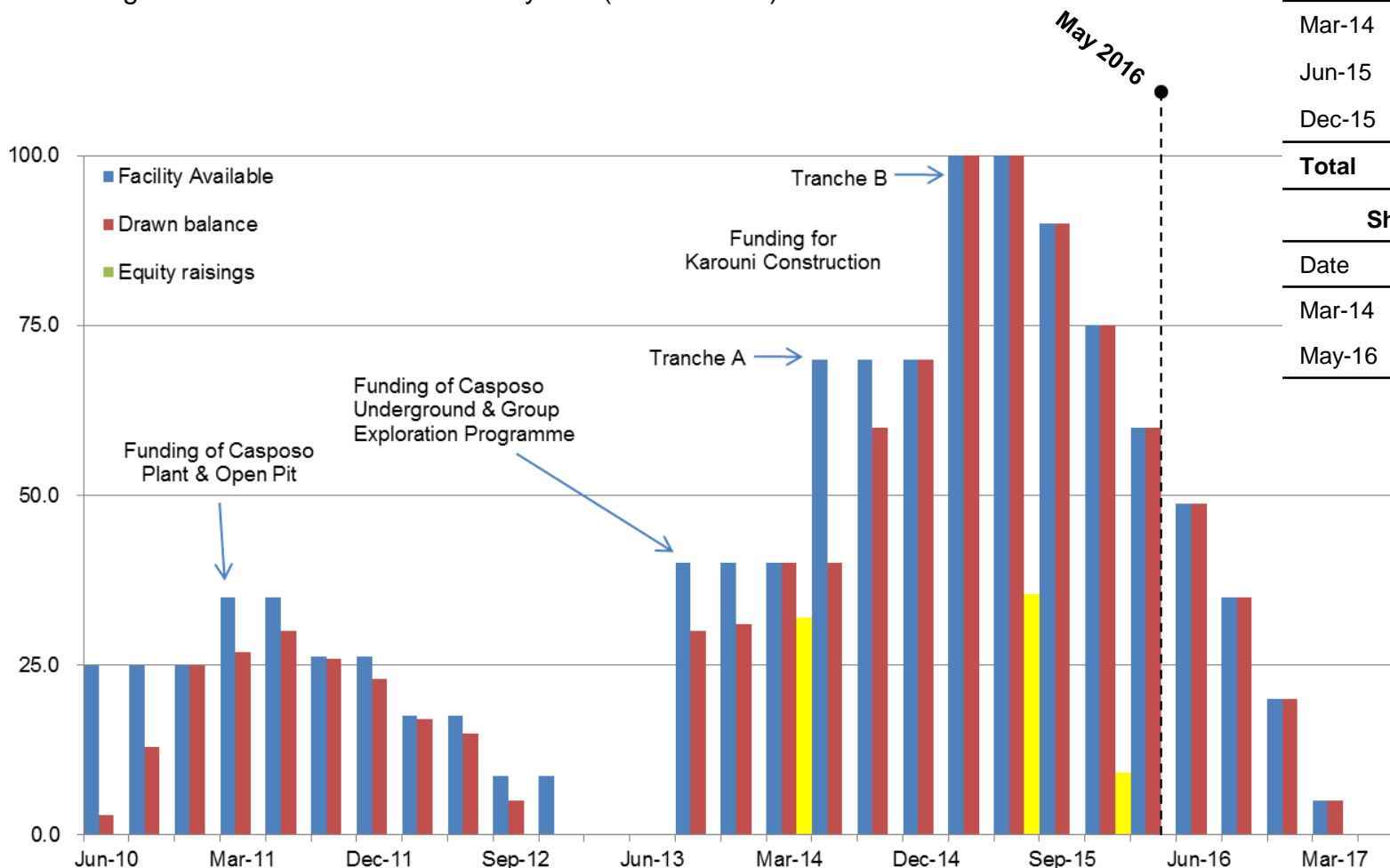


# Debt & Equity Funding History



## Dividend History

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



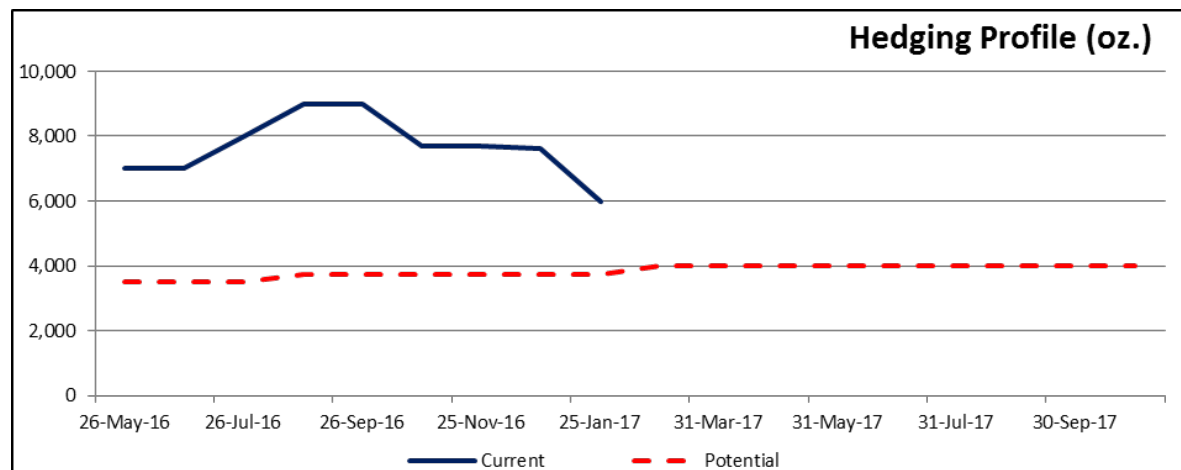
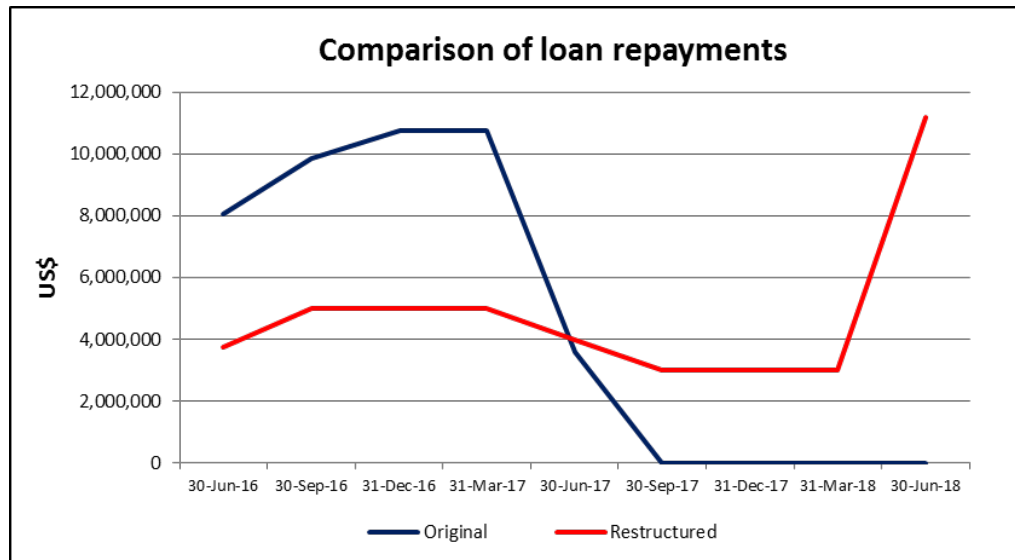
## Equity Funding

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

## Shares on Issue

Date	M
Mar-14	168.5
May-16	340.8

# Foundation for Sustainable Growth



*Note: The potential hedging profile set out above is an indication of the profile the Company is looking to achieve through a restructuring of its hedge book with Investec and smoothing it out over 18 months.*





# Results

# Key Company Data



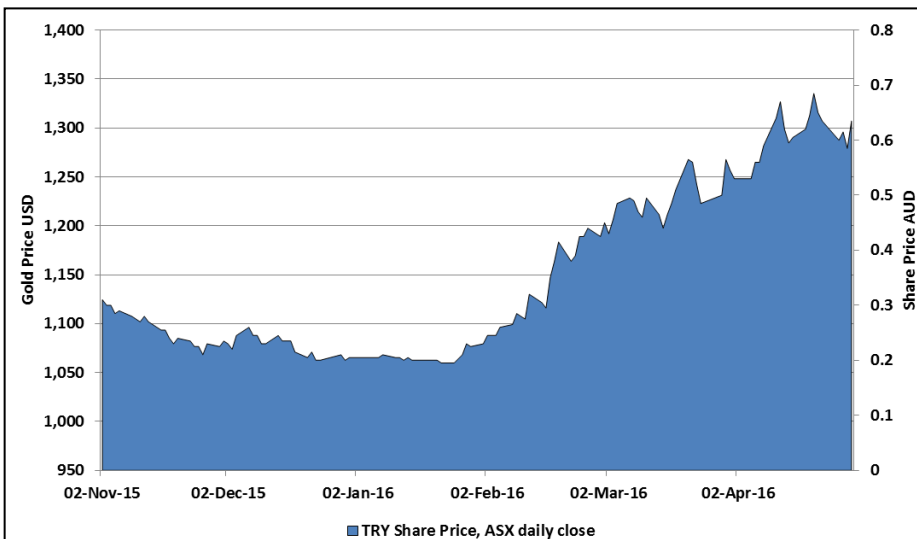
## Summary (A\$)

Shares on issue	340.8m
Options and other unlisted securities	11.2m
Share price (close 6 May 2016)	\$0.635
Market Capitalisation (6 May 2016)	\$216m
Cash (31 March 2016)	\$10m
Debt (31 March 2016)	\$60m
Net Debt (31 March 2016)	\$50m
Enterprise value (6 May 2016)	\$266m
Top 20 holders	61%
Gold production (annual, average)	100,000oz
Gold hedging (US\$1,113, average)	75,000oz
Group Trade Payables & Accruals	\$12m
Aged Payables	< 60 days

## Major Shareholders

Renaissance Smaller Companies	7.2%
Board and Management	4.4%

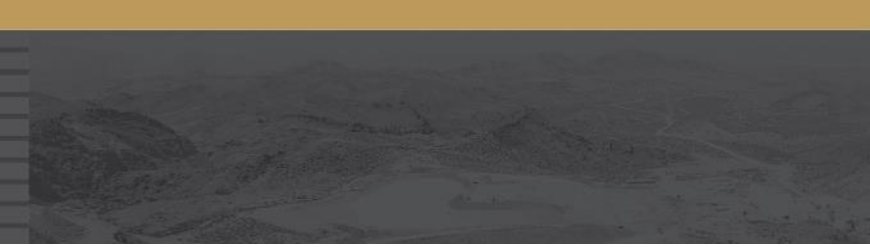
\* Figures are unaudited



## Summary History (A\$)

## Pre-Transformation – Nov 2015

Shares on issue	290.1m
Share price	\$0.21
Gold Price	US\$1,067.75
Market Capitalisation	\$65m
Debt	\$91m
Enterprise value	\$120m
Group Trade Payables & Accruals	\$28m
Aged Payables	~ 90 days



# “Kick Off” at Karouni

# First Quarter



Production Summary	March 2016 Quarter
Processed (t)	195,008
Head Grade Gold (g/t)	3.64
Recovery Gold (%)	88.5
Gold Produced (oz.)	20,195
Gold Sold (oz.)	20,029
Gold Price Realised (per oz.)	US\$1,199
Cost	US\$/oz.
C1 Cash Cost	412
Refining and transport costs	5
Reclamation and remediation – amortisation	7
Royalties	115
Insurance	3
Exploration	50
Corporate general and administration costs	46
Capital equipment	-
All-In Sustaining Cost (AISC)	US\$638

Table 1 - Ore Mined for Karouni Project to 31 March 2016

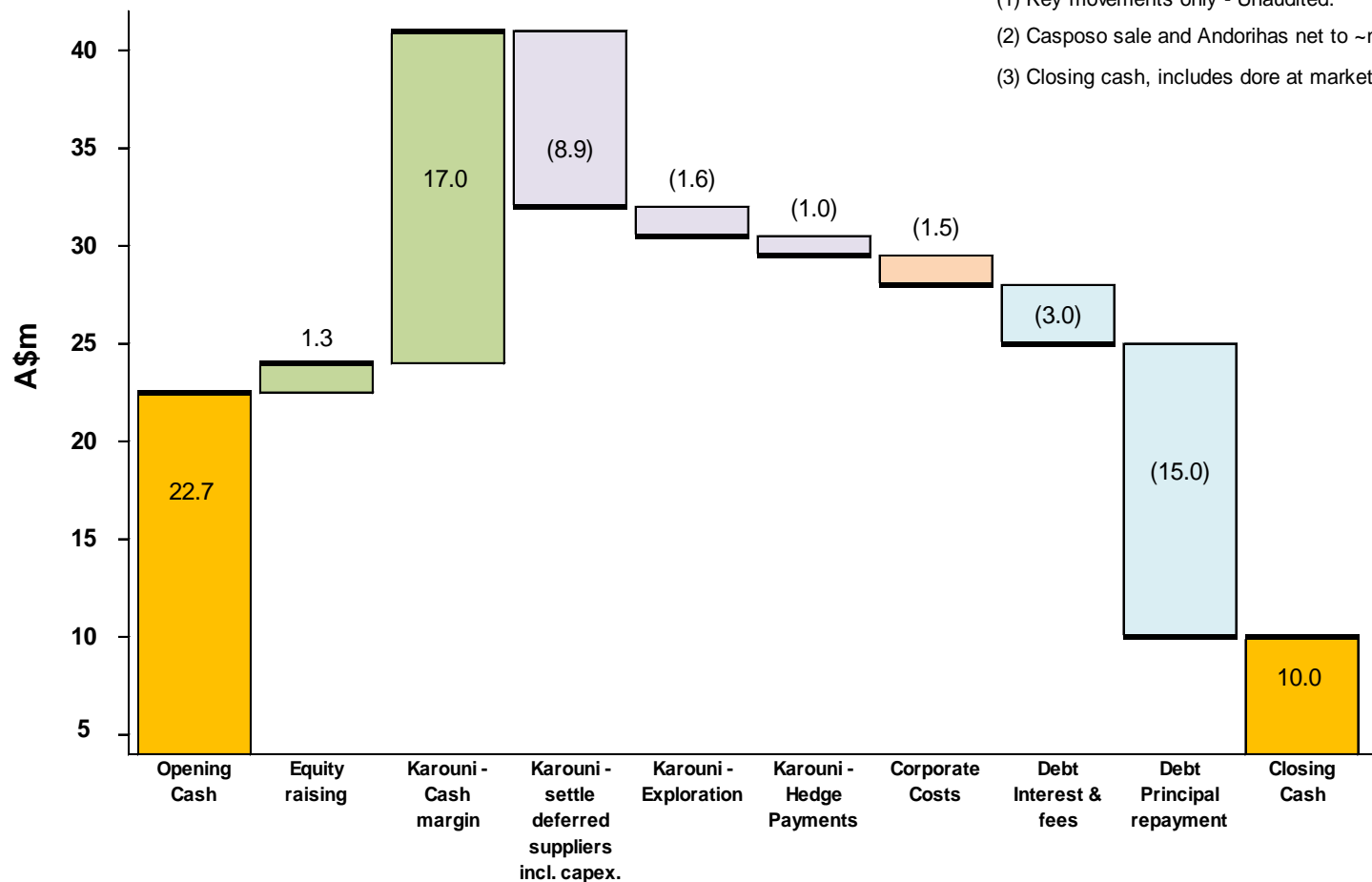
	Ore Reserve Model			Mined			Reconciliation		
	Tonnes	Grade	Oz	Tonnes	Grade	Oz	Tonnes	Grade	Oz
Hicks Stage 3	186,552	1.72	10,333	160,415	2.33	12,013	86%	135%	116%
Smarts	109,603	5.03	17,725	211,120	3.81	25,885	193%	76%	146%
Total	296,155	2.95	28,057	371,535	3.17	37,898	125%	108%	135%



# Cash Management



**FY16 Q3 Cash Waterfall**



- (1) Key movements only - Unaudited.
- (2) Casposo sale and Andorihos net to ~nil change.
- (3) Closing cash, includes dore at market value.



## Building Depth on the Bench

# Target Generation LOM Extension Project

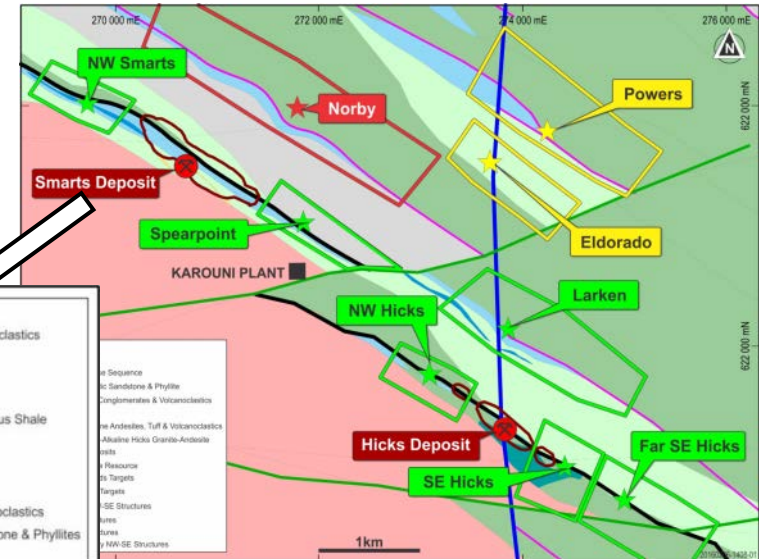
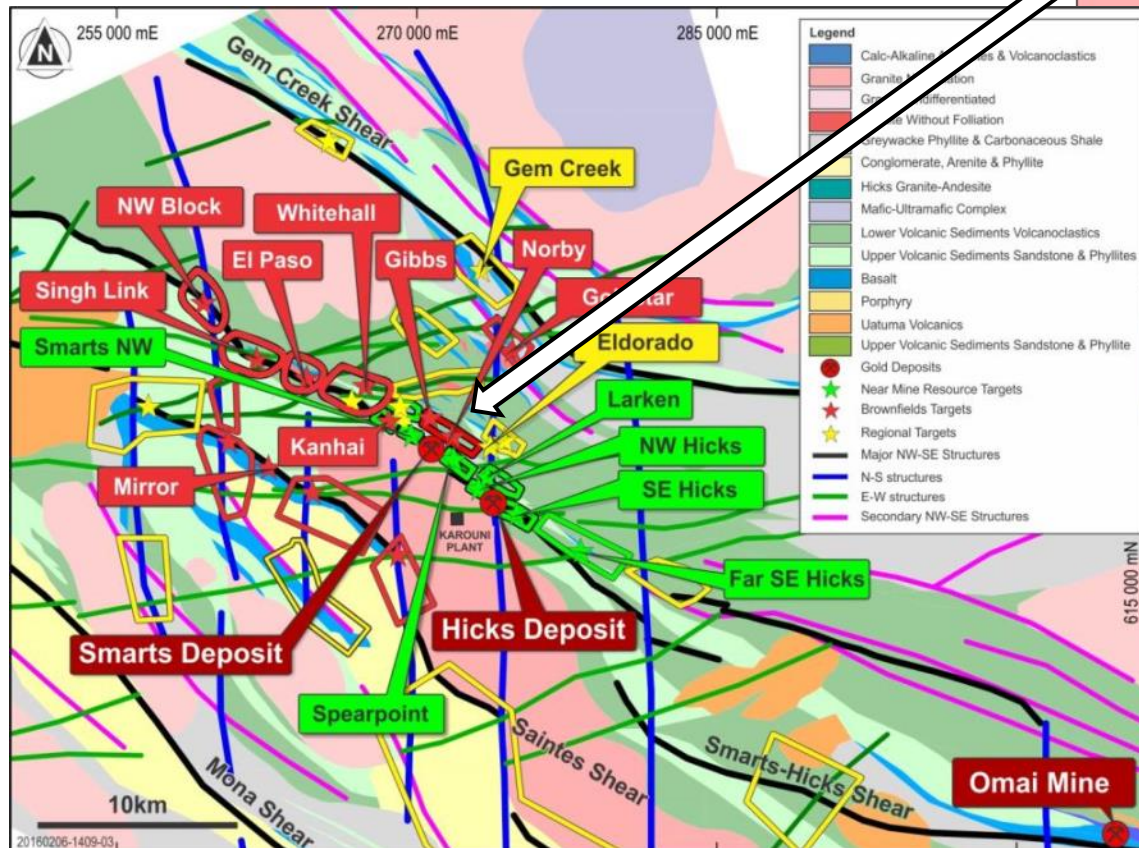


Ore Reserves (30 June 2015)

323.4 koz

Mineral Resources (30 June 2015)

1,075.5 koz

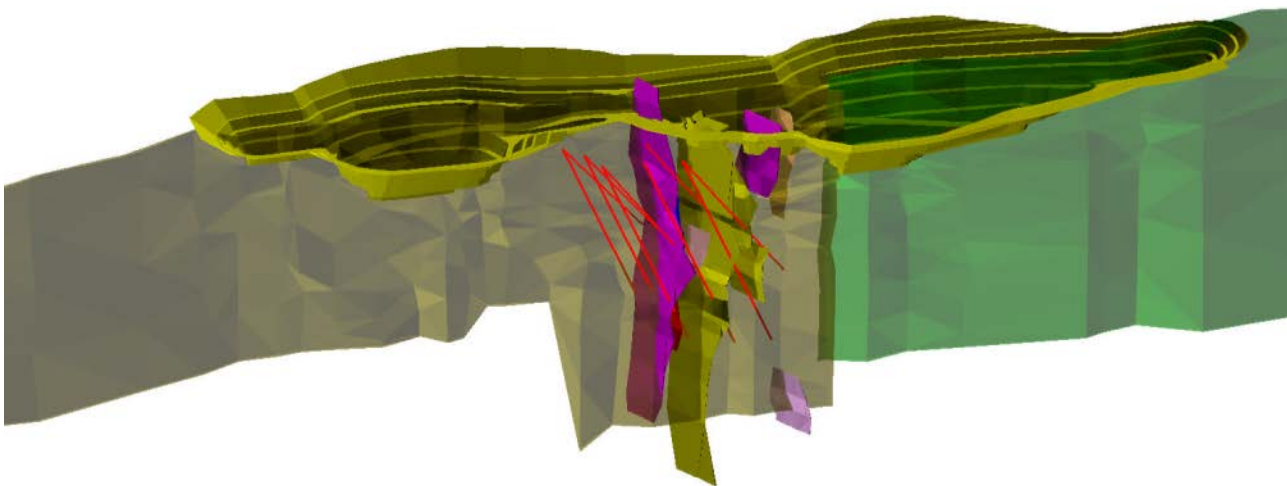


## ***Exploration Pipeline Key Elements include:***

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



# Remobilising the Drill Rigs



- Geological model being updated to include North-South ladder veins.
- Additional drilling planned to progress underground Resource and potential Reserve.
- Hicks drilling programme to define mineralised porphyries along shear zone (50m spacing ~ < 25m).
- Interim mid-year Resource update.
- Full update from new drilling programme in CY 2016.

***Budget CY 2016 ~ A\$1million***

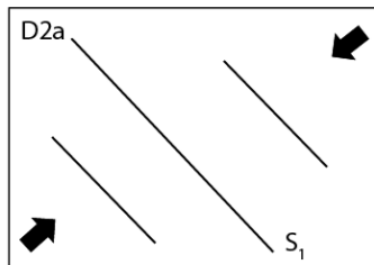
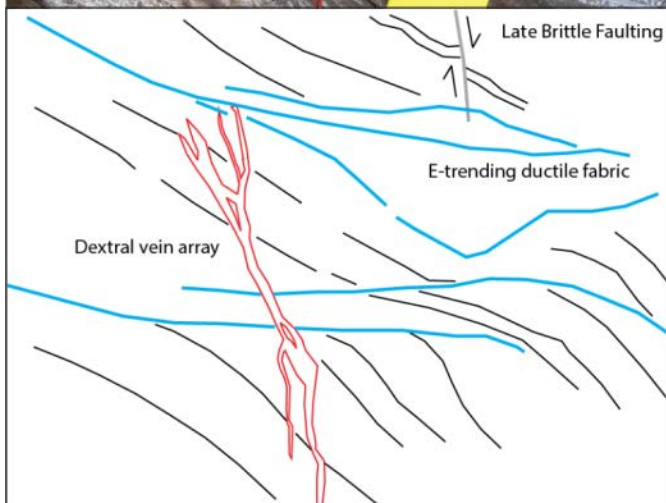




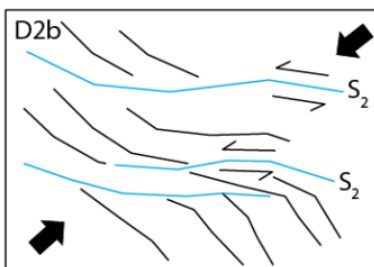
# “Scouting” for Future Stars

# Karouni Deformation History

## A Work in Progress

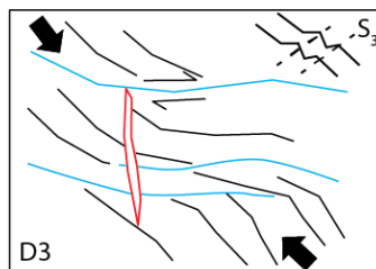


Early D2a - Inversion of stratigraphy. Generation of regional NW-trending foliation development ( $S_1$ ).



Early D2b - Transition to sinistral strike slip to accommodate further shortening. Generation of discrete E-W-trending foliation development ( $S_2$ ). Ductile shearing.

$S_1$  fabric dragged into  $S_2$  fabric



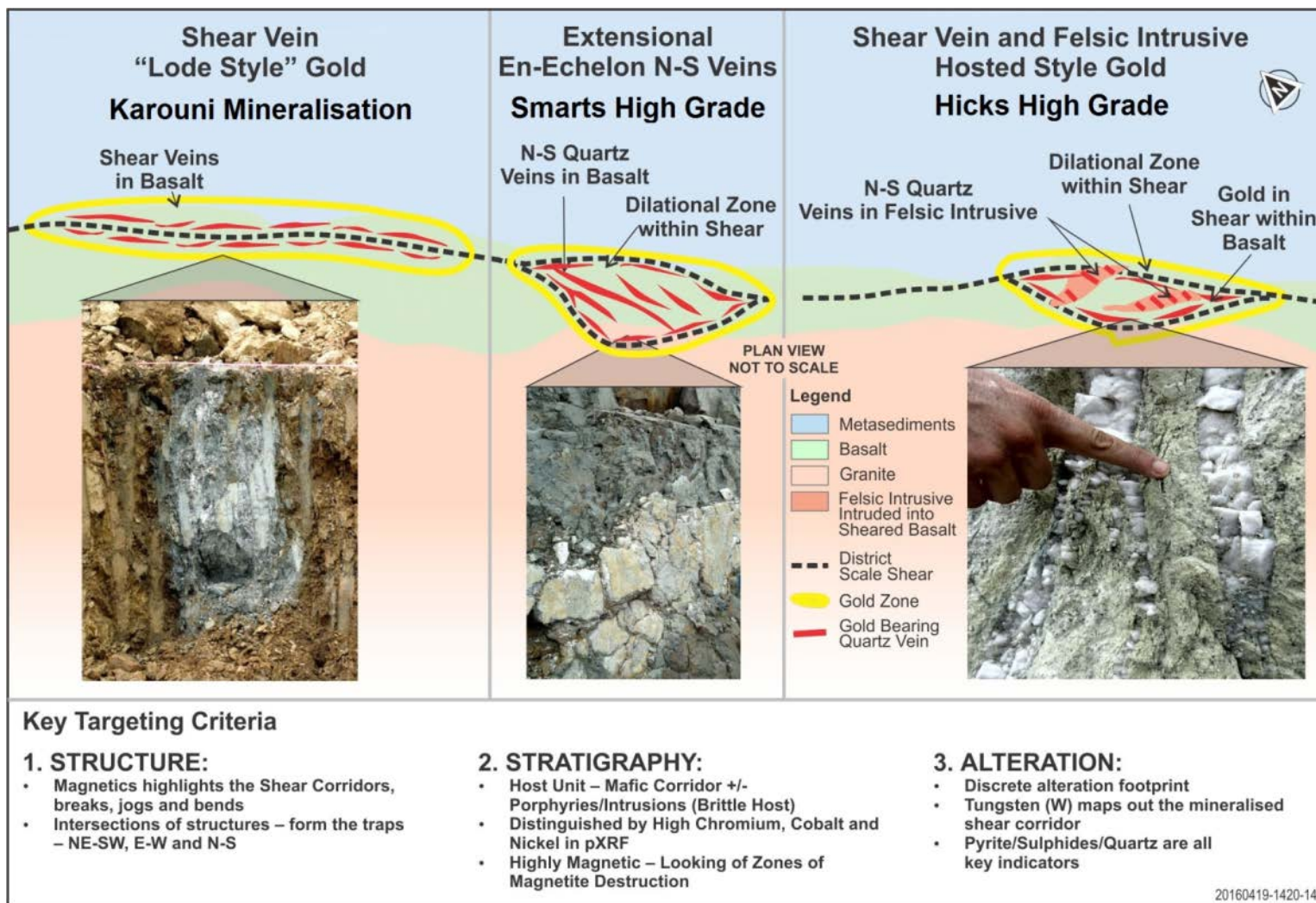
D3 - Brittle dextral event. Generates brittle N-trending quartz veins. Cuts all previous fabric. Weak  $S_3$  foliation refolds  $S_1$  fabric.

Au-mineralising event where reactive host rocks crossed.

**Field Mapping – small scale structures record regional events**

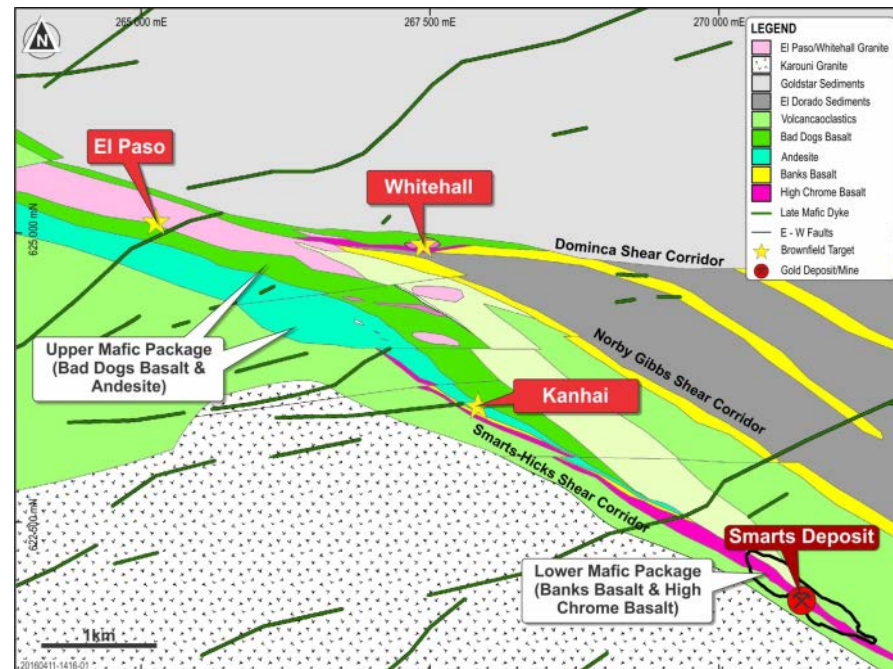
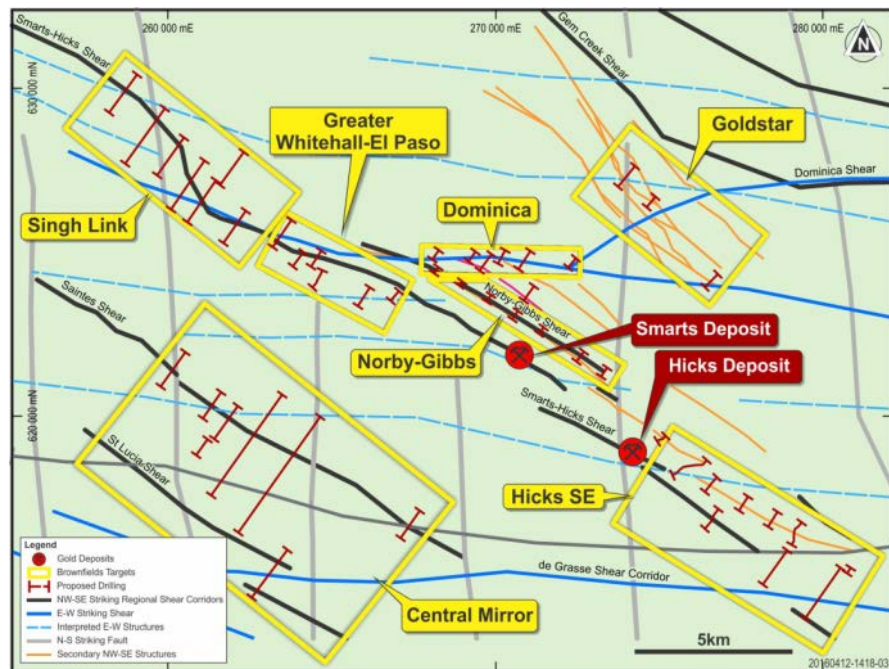


# Styles of Mineralisation



20160419-1420-14

# Move to Framework Drilling



**Budget CY 2016 ~ A\$4.5 million**

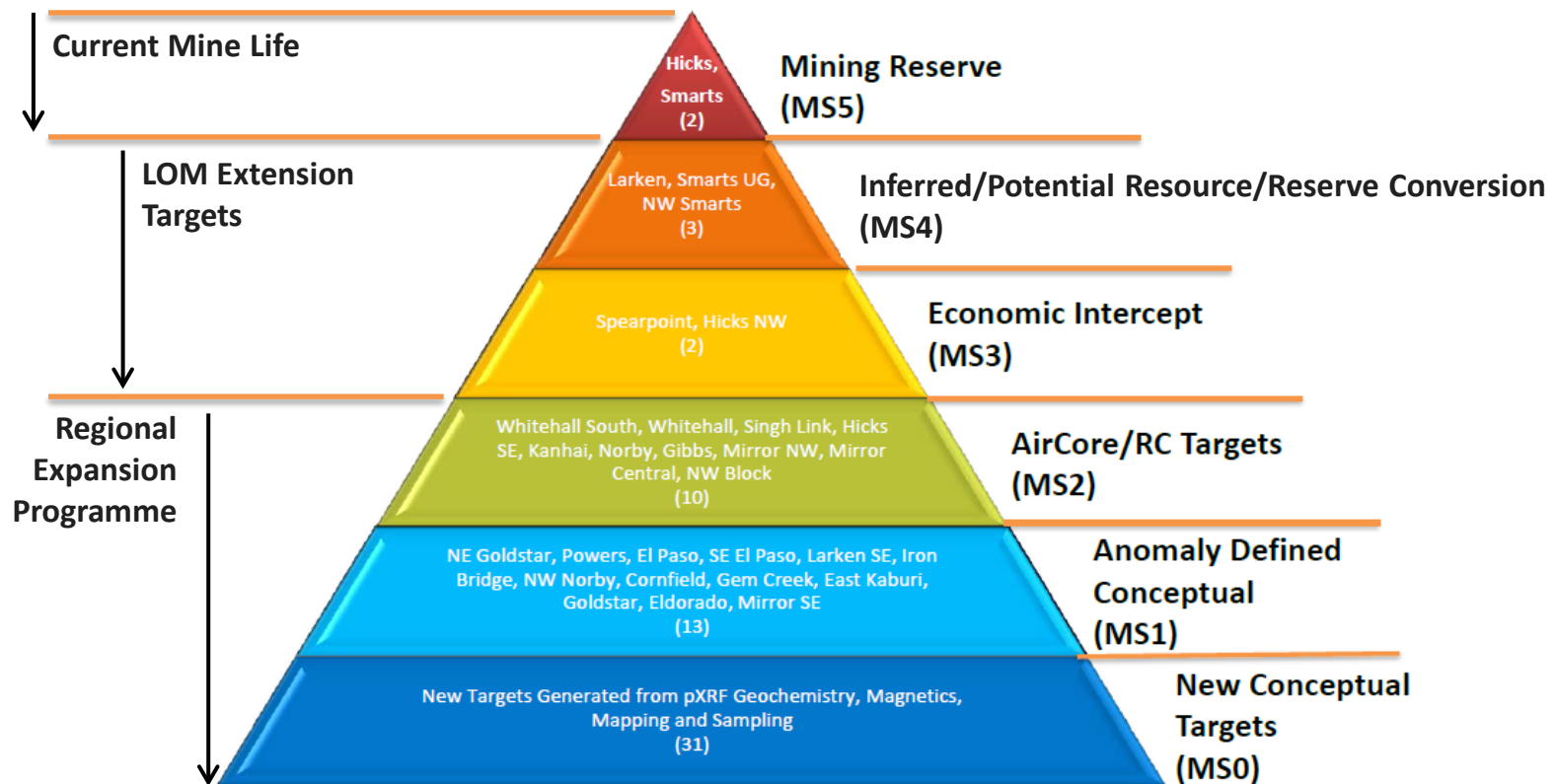
- Field Crew: 33 + 5 Expts
- 45,000 metres
- Approx. 30 holes / km
- Regional Service Hub established



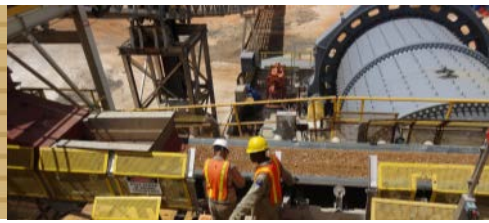
# Karouni Project Pipeline



- **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

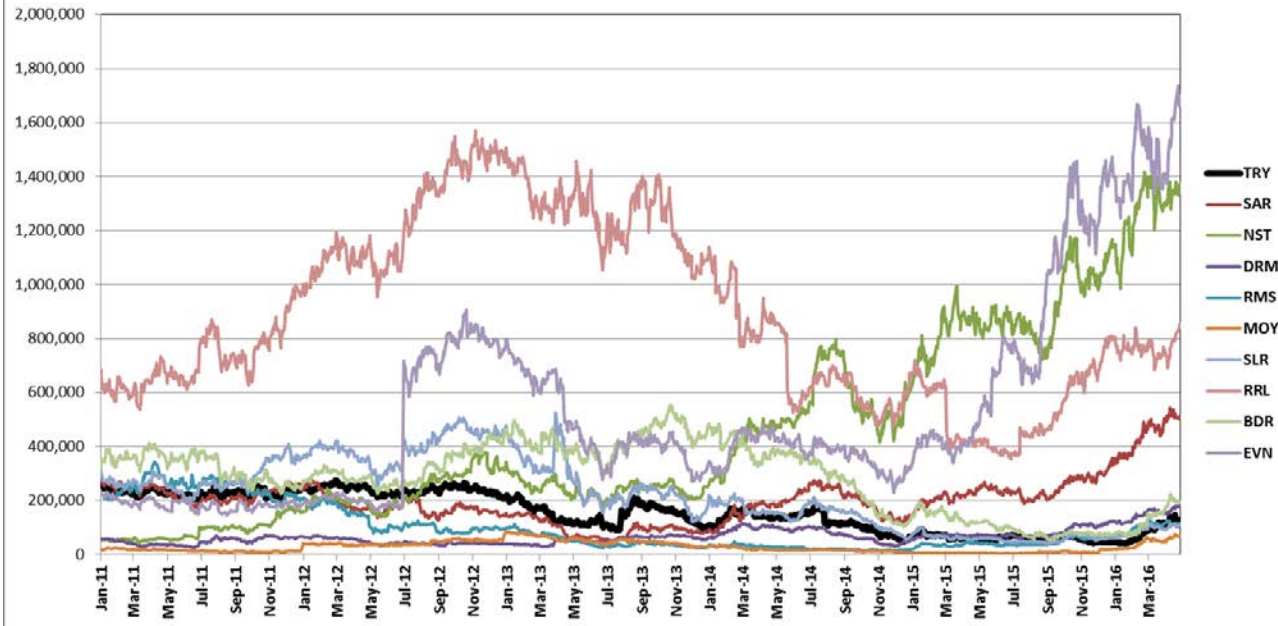


## Next Season

# Match Stats



**Market Capitalisation: Gold Price**



## **AISC Margin**

### **TRY vs Peer Group Avg.**

A\$900/oz (~ 55% Margin)

A\$450/oz (~27% Margin)

\* Au: A\$1,650/oz

TRY	SAR	NST	DRM	RMS	MOY	SLR	RRL	BDR	EVN	
323,400	1,484,000	1,500,000	575,000	424,000	159,000	376,400	2,000,000	1,476,000	5,853,000	<b>RESERVES</b>
0.4	0.3	0.9	0.3	0.3	0.4	0.3	0.4	0.1	0.3	<b>MC in ounces divided by reserves</b>

Source: SNL Metals & Mining

# Tactics

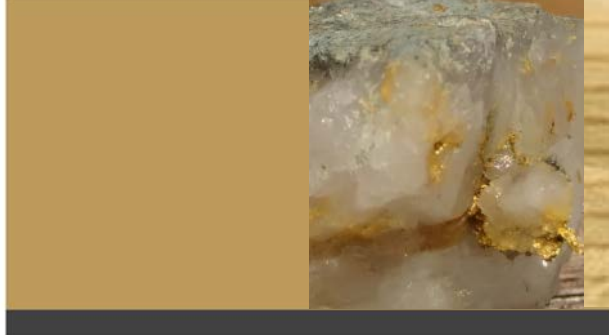


- Continue to optimise Karouni Performance.
- Run rate to improve in CY 2016 due to:
  - Increased fresh rock blend;
  - Increased mining fleet and expanded pit room;
  - Increased grade profile;
  - Technical upgrades and productivity improvements.
- Mobilise RC and diamond rigs to increase LOM from Extension Programme.
- Mid year Reserve and Resource Update.
- Switch to Framework Programme in order to expedite Regional Exploration Targeting.
- “*Periscope up*” for growth opportunities.

***“Keep Kicking Goals”***

Claudio Ranieri, Leicester City Manager





Thank you





**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 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.