TROY RESOURCES LIMITED

ASX Release

23 August 2016

TROY UPDATE

Troy Resources Limited (ASX: TRY) provides the following update on activities at its Karouni Gold Operation in Guyana and generally across the Company covering:

1. Karouni operational matters;
2. Exploration programme and results at Karouni;
3. Production and Unit Cost Guidance; and
4. Non-Cash write offs relating to foreign currency translation differences following sale of Casposo and closure of Andorinhas.

Karouni Operational Matters

The processing plant at Karouni is now running on a sustainable basis at close to design capacity of 114 dry tonnes per hour with further modifications being made to improve flow rates. The lubrication system in the mill has been fully restored following installation of the new main pump and associated equipment.

A more powerful conveyor drive has been installed to allow for higher crushing rates and once the mine transitions further into fresh rock, this will serve to improve the availability of the crushing circuit by reducing any downtime associated with blockages from wet transitional ore.

With the imminent completion of the wet season in Guyana, the Company anticipates improved performance from the enlarged mining fleet as well as optimisation of the mining process. The Company also expects to benefit from shorter haul distances, recently approved by local authorities, and the continued improvement in productivity from extensive training and development initiatives with the workforce on site.

Exploration

As the weather improves, the Company will also be looking to re-commence its Brownfields regional exploration activities. The Company has identified a number of prospective targets to be tested further including: Mirror, Singh Link, NW Block, Dominica Shear, Norby-Gibbs and Hicks SE. Access and drill pads have been established at Mirror Central and Singh Link with plans to establish access and drill sections for framework drilling at Hicks SE. We believe there remains significant untapped potential of our regional exploration tenure and this will logically be a key focus of the Company over the next 12 months.

Smarts Stage 2 Pit

All drilling results have now been received for the Smarts Stage 2 RC drilling program. This program has delineated north-south veins, revealing a series of narrow, very high grade veins. Geological interpretation and modelling of the mineralisation has commenced and this will assist in the planning of mining in the current Smarts Stage 2 Pit. As an extension of this programme, the plan is also to mobilise a diamond core rig to revisit the underground potential of Smarts as a follow-up to previous high grade intersections.

Significant intersections received from Stage 2 drilling include:

- **5m at 6.85g/t from 14m**
- **3m at 8.92g/t from 6m**
- **2m at 18.26g/t from 15m**
- **2m at 13.94g/t from 3m**
- **4m at 7.06g/t from 40m**

Smarts Stage 4 Pit

A program of RC infill drilling in the Smarts Stage 4 Pit has recently been completed with 54 holes totalling 2,721m being drilled. These holes were targeting mineralisation associated with north-south veins and the main structural, NW-SE shear zones.

The drilling successfully delineated mineralisation and also provided significant geological information to aid in the modelling of the distribution of north-south veins, better delineated the host lithologies in saprolite and the impact of different lithologies on gold mineralisation. Whilst the north-south veins in Stage 4 appear to be of a lower grade tenor than those drilled in Stage 2, most of the drilling has intersected mineralisation outside the current mine plan. This drilling program will enable more reliable short to medium term mine planning to be completed.

Significant intersections received from the Stage 4 drilling programme include:

- **7m at 4.77g/t from 21m**
- **4m at 4.29g/t from 35m**
- **9m at 2.72g/t from 3m**
- **10m at 2.49g/t from 28m**

Guidance

Given the operational challenges presented during the June quarter and the impact of regional conditions on the operation as a whole, the Company has been working through a revised mine scheduling process. Allowing for actual production and cost outcomes for the first half of CY2016, the production and cost guidance now forecast for Karouni for the next six months and for FY2017, is outlined below:

	6 months to 30 June 2016 (Actual)	6 months to 31 December 2016 (Forecast)	CY 2016 (Forecast)	FY 2017 (Forecast)
Gold production (oz)	34,740	35,000 - 45,000	70,000 - 80,000	85,000 - 95,000
C1 Cash Cost (US$/oz)	$515	$550 - 750	$550 - 650	$500 - 600
AISC (US$/oz)	$816	$800 - 1,000	$700 - 900	$750 - 850

The above represents a change from previous guidance provided for CY2016 as it incorporates the impact of the June quarter production and also the ongoing impact of difficulties in processing the Saprolitic clay material that have continued into the September quarter.

Given the lower production guidance scheduled from this revised forecast, there will be a consequent increase in the forecast unit cost per ounce. With the transition in the mining sequence assisting with more steady state milling operations, the Company has identified a number of areas of opportunity for reducing these costs in the future including: optimisation of the processing circuit through the automation of chemical addition, completion and improvements in training, shortening of haul distances to create a short haul dump covering old artisanal workings, better fleet management through additional communication and monitoring systems and review of service contracts.

One-off Non-cash Items Impacting the 30 June 2016 Financial Year Result

Following the recent sale of Troy's Casposo project in Argentina, the Company is required to write off $71 million in cumulative translation differences from the foreign currency translation reserve. These cumulative differences are non-cash and are only reclassified to the Income Statement when the disposal process has been completed. A further $16 million adjustment relating to the closure and winding up of operations at Andorinhas in Brazil, has also been reclassified to the Income Statement relating to cumulative translation differences that have occurred over time for that project.

The impact of these one-off non-cash items results in approximately $87 million being written off for the financial year ended 30 June 2016.

ENDS

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Competent Person's Statement

The information in this release that relates to Exploration Results, Mineral Resources or Ore Reserves 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.

TABLE 1: Smarts Stage #2 Pit Reverse Circulation (RC) Drilling Summary of Results										
Hole	**Easting (m)**	**Northing (m)**	**Elevation (m)**	**Depth (m)**	**Azimuth**	**Dip**	**From m**	**To (m)**	**Downhole Width (m)**	**Grade (g/t)**
SRC776	270,724	621,871	57	100	270	-60	69	70	2	**6.54**
SRC776							83	88	5	**4.71**
SRC792	270,783	621,826	55	118	270	-60	6	9	3	**8.92**
SRC792							35	37	2	**9.33**
SRC792							75	76	1	**13.84**
SRC793	270,781	621,816	56	115	270	-60	30	32	2	**7.19**
SRC793							69	70	1	**8.65**
SRC794	270,816	621,803	55	115	271	-60	14	19	5	**6.85**
SRC794							51	52	1	**25.23**
SRC794							79	80	1	**33.99**
SRC794							107	110	3	**7.70**
SRC795	270,813	621,797	56	118	270	-60	18	19	1	**21.68**
SRC795							37	41	4	**3.99**
SRC795							74	79	5	**4.03**
SRC796	270,814	621,786	56	82	270	-60	9	10	1	**5.71**
SRC796							29	30	1	**37.00**
SRC796							42	43	1	**5.08**
SRC797	270,814	621,803	55	118	273	-45	15	17	2	**18.26**
SRC797							31	34	3	**9.21**
SRC798	270,813	621,797	56	118	270	-45	13	15	2	**5.28**
SRC798							28	34	6	**2.42**
SRC798							59	60	1	**5.75**
SRC798							106	108	2	**4.86**
SRC799	270,812	621,786	56	94	270	-45	5	10	5	**3.23**
SRC802	270,702	621,861	58	70	270	-45	6	9	3	**3.76**
SRC803	270,782	621,822	57	82	285	-45	3	5	2	**13.94**
SRC803							32	33	1	**6.45**
SRC804	270,783	621,822	56	124	288	-60	6	8	2	**3.05**
SRC804							35	37	2	**11.35**
SRC804							40	44	4	**7.06**
SRC804							73	74	1	**15.16**

TABLE 2: Smarts Stage #4 Pit Reverse Circulation (RC) Drilling Summary of Results										
Hole	**Easting (m)**	**Northing (m)**	**Elevation (m)**	**Depth (m)**	**Dip**	**Azimuth**	**From (m)**	**To (m)**	**Downhole Width (m)**	**Grade (g/t)**
SGC001	270,876	621,782	70	52	-50	270	Assays Pending			
SGC003	270,889	621,771	70	52	-48	270	Assays Pending			
SGC004	270,904	621,772	70	52	-49	270	Assays Pending			
SGC005	270,904	621,762	70	52	-50	270	38	43	5	1.13
SGC006	270,920	621,763	70	52	-49	270	35	39	4	**4.29**
SGC007	270,873	621,751	70	52	-48	270	Assays Pending			
SGC008	270,902	621,752	70	52	-49	270	5	6	1	2.28
SGC009	270,918	621,752	70	52	-49	270	Assays Pending			
SGC010	270,932	621,752	70	52	-50	270	5	7	2	1.40
SGC011	270,872	621,741	70	40	-49	270	15	18	3	**5.52**
SGC011							21	28	7	**4.77**
SGC012	270,885	621,741	70	52	-50	270	15	19	4	**3.96**
SGC013	270,902	621,741	70	52	-49	270	46	48	2	**4.08**
SGC014	270,932	621,740	70	52	-50	270	34	35	1	1.92
SGC015	270,947	621,740	70	52	-50	270	5	11	6	0.96
SGC016	270,887	621,730	67	43	-48	269	Assays Pending			
SGC017	270,902	621,730	67	52	-50	270	Assays Pending			
SGC018	270,963	621,730	70	52	-50	270	16	17	1	**8.73**
SGC018							42	43	1	**4.07**
SGC019	270,903	621,721	67	40	-48	270	Assays Pending			
SGC020	270,917	621,720	67	52	-48	270	Assays Pending			
SGC021	270,936	621,721	70	52	-50	270	NSI			
SGC022	270,962	621,719	70	52	-49	270	1	4	3	**4.43**
SGC022							32	34	2	**4.83**
SGC023	270,978	621,720	70	55	-49	270	23	30	7	1.97
SGC024	270,916	621,711	67	31	-45	270	4	10	6	**2.12**
SGC025	270,950	621,710	70	52	-50	270	5	6	1	0.67
SGC026	270,963	621,710	70	52	-49	270	3	6	3	1.89
SGC026							10	13	3	**4.15**
SGC027	270,992	621,710	70	52	-50	270	28	38	10	**2.49**
SGC030	270,963	621,700	70	52	-50	270	3	4	1	1.66
SGC031	270,978	621,700	70	52	-50	270	26	32	6	1.24
SGC032	270,992	621,701	70	52	-51	270	15	19	4	1.04
SGC033	271,005	621,700	70	52	-50	270	3	12	9	**2.72**
SGC034	270,947	621,690	67	52	-50	270	Assays Pending			
SGC035	270,977	621,691	70	52	-49	270	20	21	1	**3.63**
SGC036	270,992	621,690	70	52	-49	270	10	13	3	2.35
SGC037	271,022	621,691	70	52	-49	270	NSI			
SGC038	270,945	621,678	67	40	-50	270	Assays Pending			
SGC039	270,961	621,680	67	52	-48	270	Assays Pending			

SGC040	270,984	621,681	70	52	-50	270	40	41	1	0.55
SGC041	271,008	621,679	70	52	-50	270	5	6	1	0.89
SGC042	271,022	621,681	70	52	-51	270	32	34	2	1.71
SGC043	271,041	621,680	70	52	-50	270	49	50	1	0.83
SGC045	270,962	621,669	67	52	-50	270	Assays Pending			
SGC046	270,977	621,670	68	52	-50	270	Assays Pending			
SGC047	270,995	621,670	70	52	-49	270	42	43	1	0.64
SGC048	271,007	621,671	70	52	-49	270	NSI			
SGC049	271,023	621,672	70	52	-50	270	15	16	1	1.00
SGC050	271,053	621,671	70	52	-50	270	8	10	2	**3.17**
SGC050							27	29	2	1.30
SGC051	270,977	621,661	68	52	-50	270	Assays Pending			
SGC052	270,990	621,661	68	52	-50	269.7	Assays Pending			
SGC053	271,023	621,661	70	52	-50	270	31	32	1	1.06
SGC054	270,977	621,651	68	40	-51	270	Assays Pending			
SGC055	270,991	621,651	68	52	-50	270	Assays Pending			
SGC056	271,011	621,654	70	52	-49	270	35	42	7	0.60
SGC057	270,992	621,641	68	40	-50	270	11	14	3	1.46
SGC058	271,006	621,639	68	52	-49	270	Assays Pending			

Guyana Karouni Section 1: Sampling Techniques and Data		
Criteria	**JORC Code Explanation**	**Commentary**
Sampling Technique	Nature and quality of sampling (cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverized to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (submarine nodules) may warrant disclosure of detailed information.	The Smarts & Hicks Resource is being infill drilled using Reverse Circulation (RC) drilling. A sample interval of 1m has been selected for the RC and Diamond Core drilling with proximity to gold mineralisation (buffer zone). This sample spacing ensures a representative sample weight is collected at a scale sufficient to define geological and mineralisation boundaries. The 1m samples are assayed at 1m intervals in visibly conspicuous mineralisation or otherwise composited to 3m intervals before assay. Any low grade internal zones are also assayed at 1m intervals and a sample buffer is placed before and after the mineralisation boundary to ensure the assays do not begin or end within high-grade mineralisation. The original 1m samples are sent for assay where any significant gold assay grades are recorded for the 3m composite samples. The use of a 1m sample interval was selected after consideration of the following: • Consideration of previous sampling methodology. • The RC drilling method and sample collection process for current drill campaigns. • A representative sample weight suitable for transport, laboratory preparation and analysis. • The lithological thickness of the White Sands Formation and underlying basement lithology. • A mineralisation zone thickness ranging from several metres to tens of metres. • Suitability for statistical analysis. A standard sample length ensures all assay results are treated on equal support when reviewing assay statistics (before sample compositing for geostatistical analysis and resource estimation). • The Diamond Core and RC drilling method will in general provide superior sample collection compared to open-hole drill methods (e.g. auger or RAB) and reduce the possibility of down-hole grade smearing or contamination. All RC samples were weighed to determine recoveries. All potentially mineralised zones were then split and sampled at 1m intervals using three-tier riffle splitters. Zones that appeared visually non-mineralised were sampled as 3m composites. QA/QC procedures were completed as per industry best practice standards (certified blanks and standards and duplicate sampling).

		Samples were dispatched to Actlabs in Georgetown, Guyana for sample preparation, where they were crushed, dried and pulverized to produce a sub sample for analysis. Actlabs has a fire assay facility in Georgetown where 30g fire assays, gravimetric finishes and screen fire assays have been conducted.
Drilling	Drill type (core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (core diameter, triple or standard tube, depth of diamond tails, face- sampling bit or other type, whether core is oriented and if so, by what method, etc).	Reverse Circulation (RC) drilling comprises 5.5 inch diameter face sampling hammer drilling and drillhole depths range from 40m to 76m. Aircore/Reverse Circulation Rig supplied and operated by Major Drilling of Suriname.
Drill Sample Recovery	Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximize sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	RC recoveries are logged and recorded in the database. Overall recoveries are >75% for the RC; there are no significant sample recovery problems. A technician is always present at the rig to monitor and record recovery. RC samples were visually checked for recovery, moisture and contamination. The Bulk of the Resource is defined by DC and RC drilling, which have high sample recoveries. The style of mineralisation, with frequent high-grades and visible gold, require large diameter core and good recoveries to evaluate the deposit adequately. The consistency of the mineralised intervals is considered to preclude any issue of sample bias due to material loss or gain.
Logging	Whether core and chip samples have been geologically and geotechnical logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean/Trench, channel, etc) photography. The total length and percentage of the relevant intersections logged.	Logging of diamond core and RC samples recorded lithology, mineralogy, mineralisation, structural (DDH only), weathering, alteration, colour and other features of the samples. Core was photographed in both dry and wet form. All drilling has been logged to standard that is appropriate for the category of Resource which is being reported.
Sub-Sampling Technique and Sample Preparation	If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled.	RC samples were collected on the rig using a three tier riffle splitter. All samples were dry. The sample preparation for all samples follows industry best practice. Actlabs in Georgetown, Guyana for sample preparation, where they were crushed, dried and pulverized to produce a sub sample for analysis. Sample preparation involving oven drying, coarse crushing, followed by total pulverization LM2 grinding mills to a grind size of 85% passing 75 microns. Field QC procedures involve the use of certified reference material as assay standards, blanks, and duplicates for the RC samples only. The insertion rate of these averaged 2:20 for core and 3:20 for RC. Field duplicates were taken on for both 1m RC splits and 3m composites for RC, using a riffle splitter.
Quality of Assay Data and Laboratory Tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (lack of bias) and precision have been established.	The laboratory used an aqua regia digest followed by fire assay with an AAS finish for gold analysis. No geophysical tools were used to determine any element concentrations used in this Resource Estimate. Sample preparation checks for fineness were carried out by the laboratory as part of their internal procedures to ensure the grind size of 85% passing 75 micron was being attained. Laboratory QA/QC involves the use of internal lab standards using certified reference material, blanks, splits and duplicates as part of the in house procedures. Certified reference materials, having a good range of values, were inserted blindly and randomly. Results highlight that sample assay values are accurate and that contamination has been contained. Repeat or duplicate analysis for samples shows that the precision of samples is within acceptable limits. Sample preparation conducted by ActLabs Guyana Inc. and fire assay performed by ActLabs Chile -Assayed by 30g fire assay with gravimetric finish.

		QA/QC protocol: For diamond core one blank and one standard inserted for every 18 core samples (2 QA/QC samples within every 20 samples dispatched or 1 QA/QC sample per 10 samples dispatched) and no duplicates.
Verification of Sampling and Assaying	The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes The verification of significant intersections by either independent or alternative company personnel. Discuss any adjustment to assay data.	Troy's QP P. Doyle has visually verified significant intersections in RC drill chips.. Primary data was collected using a set of company standard ExcelTM templates on Toughbook laptop computer using lookup codes. The information was validated on-site by the Company's database technicians and then merged and validated into a final database.
Location of Data points	Accuracy and quality of surveys used to locate drill holes (collar and down- hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used Quality and adequacy of topographic control.	All drillholes have been located by DGPS in UTM grid PSAD56 Zone 21 North. Downhole surveys were completed at the end of every hole where possible using a Reflex Gyro downhole survey tool, taking measurements every 5m.
Data Spacing and Distribution	Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied.	The nominal RC/DC drillhole spacing within the Resource areas is 50m by 50m and in places 25m (northwest) by 25m (northeast). This infill program was drilled at 20m by 10m spacings The mineralised domains have demonstrated sufficient continuity in both geological and grade to support the definition of Mineral Resource and Reserves, and the classifications applied under the 2012 JORC Code. Samples have been composited to one metre lengths, and adjusted where necessary to ensure that no residual sample lengths have been excluded (best fit).
Orientation of Data in Relation to Geological Structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	The majority of the data is drilled to either magnetic 090° or 270° orientations, which is orthogonal / perpendicular to the orientation of the N-S Vein orientations. The bulk of the drilling is almost perpendicular to the mineralised domains. No orientation based sampling bias has been identified in the data at this point.
Sample Security	The measures taken to ensure sample security	Chain of custody is managed by Troy. Samples are stored on site and delivered by Troy personnel to Actlabs, Georgetown, for sample preparation. When applicable the sample pulps for assay are then delivered to DHL and freighted to Actlabs, Santiago assay laboratory.
	JORC Code Explanation	Whilst in storage, they are kept under guard in a locked yard. Tracking sheets are used to track the progress of batches of samples

Section 2: Karouni Reporting of Exploration Results		
Criteria	**JORC Code Explanation**	**Commentary**
Mineral Tenement and Land Tenure Status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	The Karouni Project tenements cover an aggregate area of 238,281 acres (96,429ha), granting the holders the right to explore for gold or gold, diamonds or precious stones. The tenements have been acquired by either direct grant to Troy Resources Guyana Inc. (15,160 acres/6,135ha) or by contractual agreements with Guyanese tenement holders (223,121 acres/90,294ha). Apart from the Kaburi Agreement (28,089 acres/11,367ha) which provides for the Company to earn a 90% interest, all other vendor agreements provide the Company with the right to obtain an ultimate interest of 100%. The Karouni Project comprises a single (large scale) mining Licence, 40 (small scale) claim licences, 200 (medium scale)

		prospecting permits and 37 (medium scale) mining. All licences, permits and claims are granted for either gold or gold, diamonds or precious stones. The various mining permits that cover the Smarts Deposit were originally owned by L. Smarts and George Hicks Mining. The permits were purchased by Pharsalus Gold (a wholly owned subsidiary of Azimuth Resources) in 2011. Troy Resources acquired the permits with the acquisition of Azimuth Resources in August 2013. All transfer fees have been paid, and the permits are valid and up to date with the Guyanese authorities. The payment of gross production royalties are provided for by the Act and the amount of royalty to be paid for mining licences 5%, however recent mineral agreements entered into stipulate a royalty of 8% if the gold price is above US$1,000 per ounce.
Exploration Done by Other Parties	Acknowledgment and appraisal of exploration by other parties.	Very little exploration has been carried out over the tenement prior to Azimuth's involvement which commenced in 2011. Portions of the Karouni Project have been held more or less continuously by small family gold mining syndicates (locally termed 'Pork Knockers') since the 1960's. This situation persists to the present day. Portions of the current project area were variously held under option to purchase agreements by Cominco (1974-75), Overseas Platinum Corporation (1988) and Cathedral Gold Corporation (1993-2002). In 1999, Cathedral Gold joint ventured the property to Cambior, then owner and operator of the Omai Gold Mine located 40km to the east, with a view to processing the Hicks mineralisation through the Omai processing facility. Cambior intended to use its existing mining fleet, rather than road trains, to haul mill feed from the Hicks Deposit. Execution of this approach proved uneconomic and disruptive to the mining schedule at Omai itself. No further work was undertaken and the joint venture was terminated in 2000. Available historic records and data were reviewed by both Troy during Due Diligence prior to the takeover and by Runge as part of the Resource modeling and estimation work.
Geology	Deposit type, geological setting and style of mineralisation.	Primary gold mineralisation is exposed at several localities within the Karouni Project, the most notable being the Hicks, Smarts and Larken Prospects along the northern extremity of the Project. Here the White Sand Formation cover has been removed by erosion to expose the underlying mineralised Paleoproterozoic Greenstone successions of the Trans- Amazonian Barama-Mazaruni Group.. Extensive superficial cover of White Sand Formation within the central and southern portions of the Project tenements masks the basement lithology and conceals any gold mineralisation. The evaluation of airborne geophysical data has however indicated that the Barama-Mazaruni Greenstone Belts and associated syntectonic intrusives persist at shallow depth beneath this cover. The mineralisation at the Smarts, Hicks and Larken Zones is associated with a shear zone that transects a sequence of mafic to intermediate volcanic, volcanoclastics and pyroclastic rocks. The shear zone dips steeply towards the southwest, strikes northwest to southeast, and is characterized by intense brittle-ductile deformation and carbonate alteration plus quartz veining and abundant pyrite. The high grade gold mineralisation is usually associated with zones of dilational and stockworks quartz veining within and adjacent to the shear zone. At the Smarts Deposit gold is hosted by a northwest trending, sub-vertical to steeply southwest dipping shear zone 2,800m in strike length and up to 60m wide. The shear zone has developed within basalts and andesites comprising the footwall greenstone succession along the north-eastern limb of a shallowly northwest plunging anticline. Auriferous mineralisation is also noted at the contacts of porphyry-granite intrusives. The shear zone is comprised of semi- continuous zones of quartz lenses and quartz-carbonate veining or brecciation. Numerous, moderately well-defined gold-rich lenses, up to 15m wide, occur within the shear zone and are characterized by anomalous quartz veining, quartz flooding, shearing, chloritization,

		seritisation and pyritisation . Visible gold and the majority of gold values typically occur within and along margins of quartz veins, in silicified granitic dykes, and in adjacent, pyritic, often sheared meta-andesite. Pyrite is common at up to 3% by volume associated with auriferous quartz veins. Mineralisation is variously accompanied by silica- sericite-chlorite-carbonate- pyrite-tourmaline alteration. Gold mineralisation at the Smarts /Hicks Deposits are hosted by a northwest trending, sub-vertical to steeply southwest dipping shear zone some 2,500m in strike length and up to 60m wide in places. The shear zone has developed within basalts and andesites comprising the footwall greenstone succession along the north-eastern limb of a shallowly northwest plunging anticline. Auriferous mineralisation is also noted at the contacts of porphyry-granite intrusives. The shear zone is comprised of semi-continuous zones of quartz lenses and quartz-carbonate veining or brecciating. Visible gold and the majority of gold values typically occur within and along margins of quartz veins, in silicified granitic dykes, and in adjacent, pyritic, often sheared meta-andesite. Pyrite is common at up to 3% by volume, with local, trace amounts of Molybdenite, galena and sphalerite, associated with auriferous quartz veins. Mineralisation is variously accompanied by silica- sericite-chlorite-carbonate-pyrite-tourmaline alteration, while fuchsite is developed within porphyry intrusives in contact with high magnesium basalts and along shear zones.
Drill Hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Intercepts that form the basis of this announcement are tabulated in the body of this announcement and incorporate Hole ID, Easting, Northing, Dip, Azimuth, Depth and Assay data for mineralised intervals. Complete detailed data on the project is included in the NI-43101 Tech Reports available on the Company's website with the current report dated September 8, 2014.
Data Aggregation Methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.	All intersections are assayed on one meter intervals. No top cuts have been applied to exploration results. Mineralised intervals are reported with a maximum of 2m of internal dilution of less than 0.5g/t. Mineralised intervals are reported on a weighted average basis.
Relationship Between Mineralisation Widths and Intercept Lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported. If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (downhole length, true width not known').	The orientation of the mineralised zone has been established and the majority of the drilling was planned in such a way as to intersect mineralisation in a perpendicular manner. However, due to topographic limitations some holes were drilled from less than ideal orientations. Drill intersections are reported as down-hole widths. True widths are estimated to be between 50% to 60% of reported down-hole widths.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	The appropriate plans and sections have been included in the text of the document "Troy Operational Update" released to the ASX on 13 July 2016.
Balanced Reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All grades, high and low, are reported accurately with "from" and "to" depths and "hole identification" shown.
Other Substantive Exploration Data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations;	Metallurgical testwork has been completed, with excellent results. Gold recoveries exceed 95% from CIL tests, and a significant proportion of the gold is recoverable by gravity concentration.

	geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. The Ground Magnetics survey work was performed on a grid cut at 100m line separation with 10m station intervals. Sufficient repeat readings and tie lines will be surveyed to level the magnetic data with historic ground magnetic data. Survey crews and equipment supplied by Quantec International Geophysical Contractors. A total of four GEM GSM-19 Overhauser Magnetometers (1 base station unit, 2 rover units) will be used to complete the survey.	Magnetics is a geophysical survey technique that exploits the considerable differences in the magnetic properties of minerals with the ultimate objective of characterizing the Earth's sub-surface. The technique requires the acquisition of measurements of the amplitude of the magnetic field at discrete points along survey lines distributed regularly throughout the area of interest. It is the induced and remnant fields that are of particular interest to the geoscientist because the magnitudes of these fields are directly related to the magnetic susceptibility, spatial distribution and concentration of the local crustal materials. Fortunately only a few minerals occur abundantly enough in nature to make a significant contribution to the induced and remnant fields. Once the main field and the minor source effects are removed from the observed magnetic field data via various data reduction and processing methods, the processed data serve as an indicator of the spatial distribution and concentration of the magnetically significant minerals. The ground magnetic data will be incorporated and levelled with the existing geophysical data from past surveys. Final data will be presented in digital format, including colour ground magnetic plan maps.
Further Work	The nature and scale of planned further work (tests for lateral extensions or large scale step out drilling. Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Further exploration "First pass" recon drilling is ongoing, aimed at identifying new potential open cut Resources.