TROY RESOURCES LIMITED

ASX Release

2 September 2016

MINERAL RESOURCES AND ORE RESERVE STATEMENT

Perth, Western Australia: Troy Resources Limited (ASX:TRY) has completed its annual Mineral Resource and Ore Reserve Statement as of 30 June 2016.

HIGHLIGHTS

- **Increase in Karouni Ore Reserves of 48,000oz. before accounting for mining depletion.**
- **Increase from north-south vein mineralisation adds 780,000 tonnes @ 3.3g/t containing 83,400oz. to the Inferred Resources.**
- **Karouni minelife extended to September 2020.**

Table 1: Karouni Ore Reserves

	Probable Reserves			Proven Reserves			Total		
	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces
Hicks	1,232,000	2.1	84,100	-	-	-	1,232,000	2.1	84,100
Smarts	36,000	3.5	4,000	1,607,000	4.6	237,100	1,643,000	4.6	241,100
Stocks	-	-	-	140,000	1.0	5,000	140,000	1.0	5,000
Total	**1,268,000**	**2.2**	**88,100**	**1,747,000**	**4.3**	**242,100**	**3,015,000**	**3.4**	**330,200**

Table 2: Karouni Mineral Resources (inclusive of Ore Reserves)

	Measured Resources			Indicated Resources			Inferred Resources			Total		
	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces
Hicks	-	-	-	2,970,000	2.0	191,400	3,293,000	1.9	199,700	6,263,000	1.9	391,100
Smarts	2,291,000	4.3	320,300	1,050,000	3.4	114,500	3,279,000	2.6	272,700	6,620,000	3.3	707,500
Larken	-	-	-	-	-	-	309,000	3.2	31,500	309,000	3.2	31,500
Total	**2,291,000**	**4.3**	**320,300**	**4,020,000**	**2.4**	**305,900**	**6,881,000**	**2.3**	**503,900**	**13,192,000**	**2.7**	**1,130,100**

SMARTS

Open pit mining commenced in April 2015 and ore processing commenced in November 2015. As mining progressed in the Smarts pit, it became apparent that there were mineralised quartz veins at an orientation not previously recognised. These veins, commonly referred to as north-south veins, had not been included in the Mineral Resource estimate released on 28 July 2014.

In parts of the Smarts pit mined during FY16, most notably Smarts Stage 2, these north-south veins contributed to a significant positive reconciliation. Consequently, drill intersections at depth beneath the Smarts pit, not previously included in the Mineral Resource estimate, were now able to be placed into a geological context with the knowledge gained from mining in the pits.

In addition, an RC drilling program, recently completed in Stages 2 and 4, has increased the knowledge of the distribution and extent of these veins which enabled them to be included in the Mineral Resource inventory as Inferred Resources. The variable nature of the veins higher in the deposit, within the planned open pit designs, determines that Inferred is the appropriate category. The veins here are narrow, of variable thickness, from a few centimeters to tens of centimeters, and of variable strike length.

Experience has shown that closer spaced grade control drilling is required to delineate mineable shapes around these veins. At depth, beneath the pits, drilling indicates that zones of north-south veins up to several meters in true width exist. There is sufficient drilling to estimate Inferred Resources on several of these vein sets and these too have been included in the Inferred category of the Mineral Resource Estimate.

Table 3 shows Mineral Resources within the designed Smarts pit at a cut-off grade of 0.5g/t. The grade of 0.5g/t represents the current marginal cut-off grade used to stockpile mineralised waste. The ore cut-off grade is 0.86g/t. Mineral Resources above the base of the pit are reported at a cut-off grade of 0.5g/t compared to 1g/t in previous years. Resources beneath the pit base are still reported at a 1.0g/t cut-off grade. The Inferred Resources within the pit are largely made up of north-south veins and are not included in Ore Reserves. There is a low level of confidence associated with inferred mineral resources and there is no certainty that further work will result in the determination of ore reserves from the inferred mineralisation contained within the pit.

The Smarts pit depth is largely driven by high grade zones at the base of Smarts Stages 3 and 4. An assessment of the pit using current costs and gold prices does not significantly change the current design and this remains unchanged.

Table 3: Resources within Smarts pit design, 0.5g/t cut-off

	Tonnes	Grade (g/t)	Ounces
Measured	1,636,000	4.8	251,700
Indicated	35,000	3.7	4,200
Inferred	332,000	1.6	17,000
Total	**2,003,000**	**4.2**	**272,900**

Table 4 shows Mineral Resources outside the Smarts pit, but above the base of the Smarts pit design. These are reported at a cut-off grade of 0.5g/t. These Mineral Resources represent potential open pit mineralisation along strike from the current design.

Table 4: Resources outside Smarts pit above base of pit, 0.5g/t cut-off

	Tonnes	Grade (g/t)	Ounces
Measured	564,000	2.8	51,000
Indicated	202,000	1.5	10,000
Inferred	1,149,000	2.7	101,000
Total	**1,915,000**	**2.6**	**162,000**

Table 5 shows Mineral Resources below the base of the Smarts pit reported at a cut-off grade of 1g/t. This represents the potential underground and will be the target of additional drilling and future project studies.

Table 5: Resources below base of Smarts pit, 1.0g/t cut-off			
	Tonnes	**Grade (g/t)**	**Ounces**
Measured	91,000	6.0	17,600
Indicated	813,000	3.8	100,300
Inferred	1,798,000	2.7	154,700
Total	**2,702,000**	**3.1**	**272,600**

Figure 1 shows the Smarts pit and the position of the newly interpreted north-south veins beneath the Smarts pit.

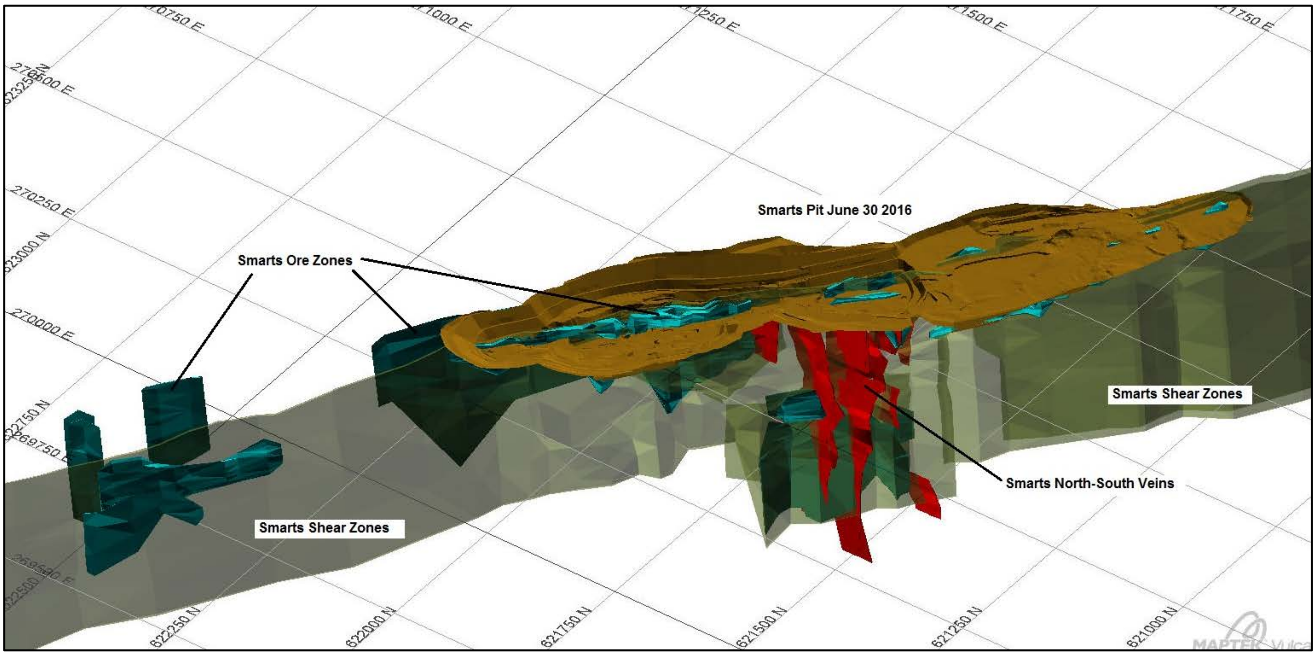

Figure 1: Smarts Pit and mineralised domains showing recently interpreted north-south veins beneath the pit

HICKS

The Mineral Resource estimate for Hicks remains unchanged from last year except for mining depletion. The Mineral Resources above the base of the deepest Hicks pit are now reported at a cut-off grade of 0.5g/t and below the base of the pit at a cut-off grade of 1.0g/t.

Reoptimisation and redesign using current mining and processing costs (see Table 6) and a gold price of US$1,300/oz. result in additions to the Hicks Ore Reserve. The Hicks Stage 1 and 3 pits are deepened and an additional pit, Hicks Stage 4, is located to the north-west of Stage 1 (see Figure 2).

Figure 3 illustrates the zone of mineralisation that extends over several kilomters of strike length along the main shear zone. The current pits are focussed on several small, intrusive mineralised porphyries that are distributed along the main shear. These porphries are open at depth and potentially along strike for several kiometers, possible masked by sand cover.

This re-assessment of the Hicks pit designs adds 658,000t @ 2.1g/t containing 45,000oz. to the Karouni Ore Reserve.

Table 6: Hicks Costs USD	
Mining	$3/t
Processing	$18/t
Admin	$9/t
Ore Dilution	10%
Ore loss	5%
Gold Price	$1,300/oz.
Royalty	10%

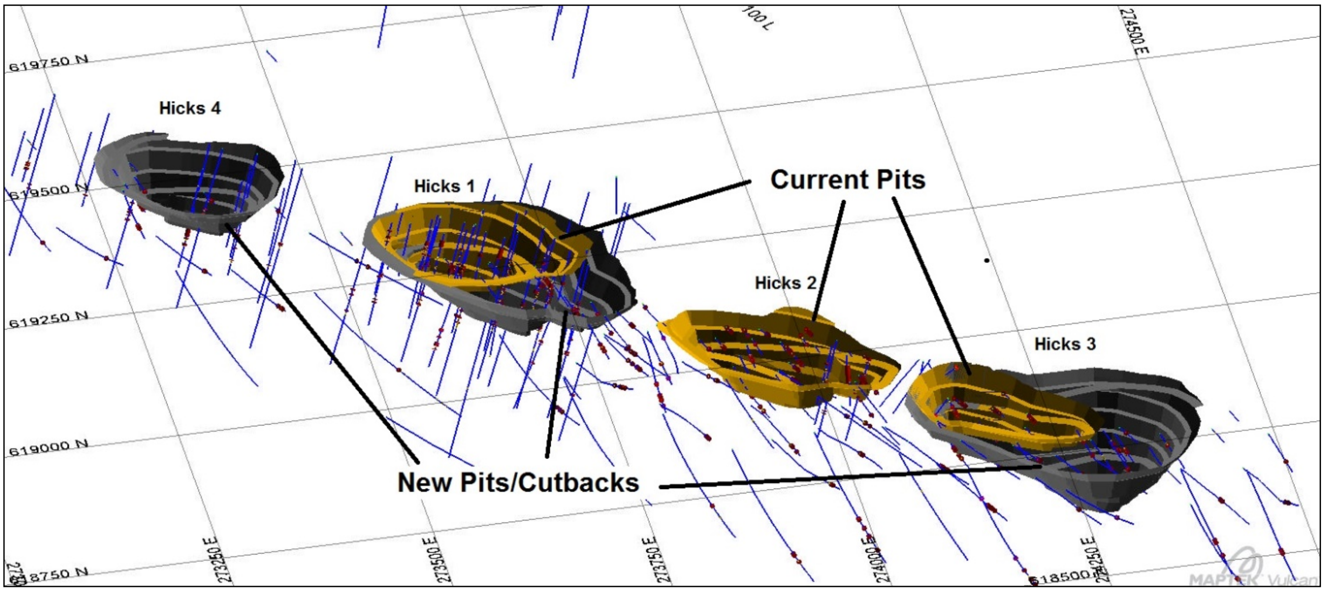

Figure 2: Hicks pits showing new cutbacks and current drilling

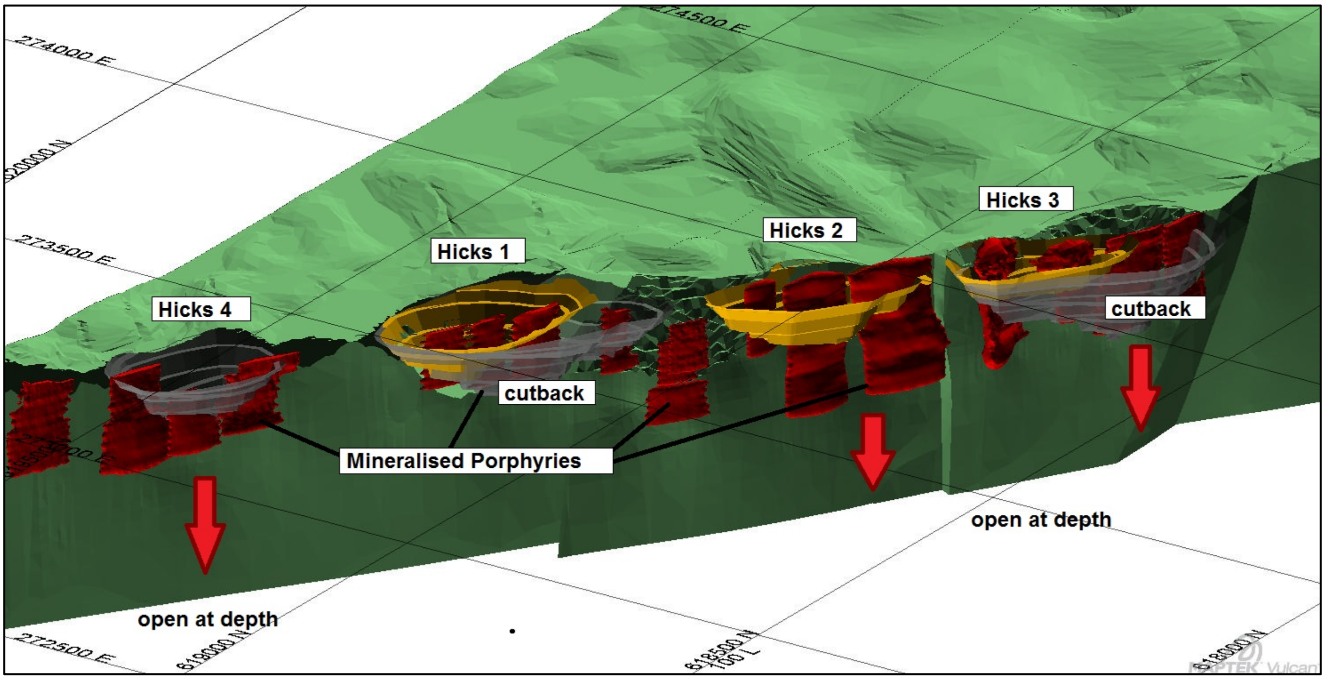

Figure 3: Hicks pits and modelled intrusive porphyries along the main Hicks Shear

ONGOING WORK PROGRAMS

Drilling is continuing at Hicks to increase knowledge of the distribution and extent of mineralisation. Currently targets are a combination of grade control and shallow reseource/reserve extension. Additional drilling is increasing geological knowledge of the position and geometry of mineralised porphyry intrusives which will drive future pit designs.

With the additional north-south veins into the Smarts Mineral Resource, a scoping study to verify the economic potential of an underground mine has commenced. A positive outcome to this will justify a deeper diamond drilling campaign to infill the current drilling and to upgrade resources to reserves. Previously reported high grade intersections at depth include:

- 23m at 6.14g/t from 302m (true width ~11m)
- 9m at 6.95g/t from 328m (true width ~4m)
- 8m at 11.24g/t from 235m (true width ~4m)
- 9m at11.34g/t from 195m (true width ~4m)
- 7m at 20.31g/t from 213m (true width ~3m)
- 26m at 5.61g/t from 207m (true width ~13m)
- 28m at 4.83g/t from 244m (true width ~14m)
- 5m at 32.17g/t from 141m (true width ~2m)
- 4m at 11.58g/t from 154m (true width ~2m)

Figure 4 shows the underground design from the scoping study. High grade drilling results are also shown. High grade drilling results are also shown. These drill hole intersections have been previously reported as part of the Karouni Resource estimate reported in ‘Karouni Open Cut Pre-feasibility Study’ released to the ASX on 28 July 2014.

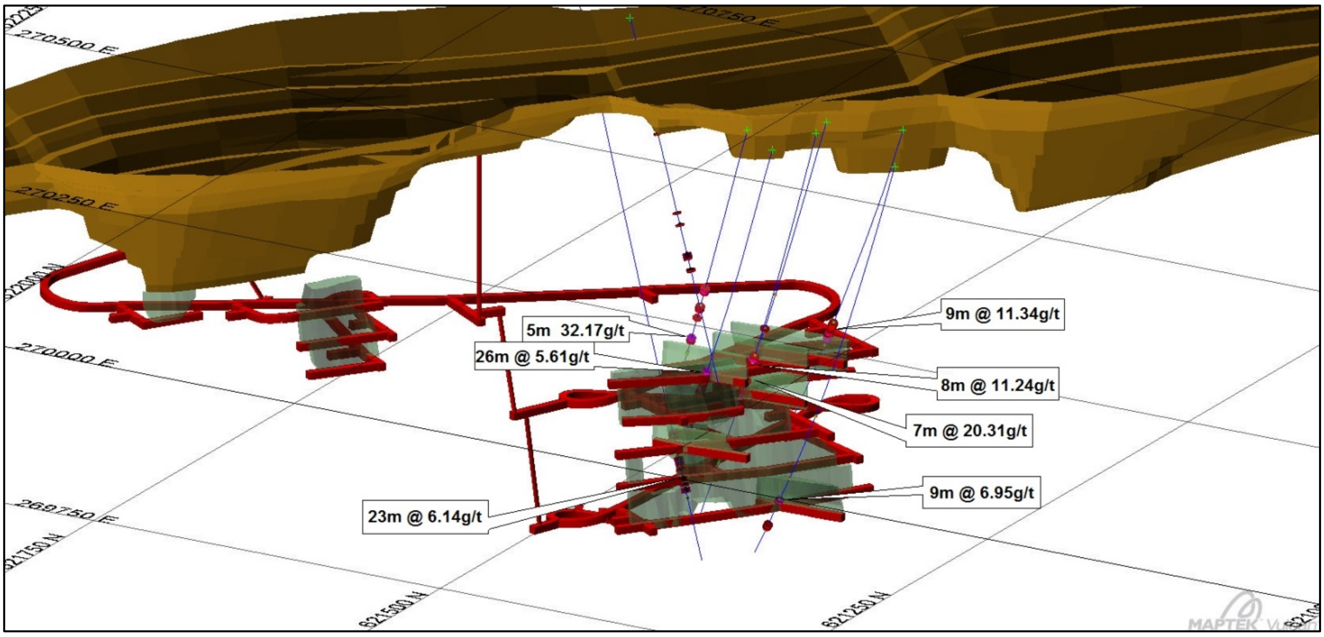

Figure 4: Smarts pit with Underground scoping study design

Additional notes to Resource and Reserve Estimates

Knowledge gained from mining and exposing geology in the pit has enabled vein sets to be interpreted that were previously excluded from the model. RC drilling has also been used to increase geological confidence in the veins. A more detailed description is contained in Appendix 1.

During the initial drilling and geological interpretation process conducted by Troy at Smarts in 2013 and 2014, it was noticed that there were many drill intersections, generally narrow, that did not fit into the accepted geological interpretation. These veins were excluded from the Mineral Resource estimate. They were generally located within and below what are now the Smarts Stage 2 and 4 pits. Subsequent mining in these pits has enabled the drill intersections to be interpreted into their correct geological context.

Most of the shallow drill intersections were RC so it was not possible to obtain any structural information regards dip and strike. Similarly many of the deeper diamond core intersections did not have orientations due to the NW-SE Smarts shear zones. Diamond drill core was cut in half on site using a core cutter. Sample lengths are generally one meter. RC samples are taken on 1m intervals from which an approximate 3kg sub-sample was taken.

Classification is based on confidence of the geological interpretation. The variable nature of the north-south veins determines that Inferred is the appropriate category. The veins are generally narrow, of variable thickness from a few centimeters to tens of centimeters and also of variable strike length.

The Inferred north-south veins were modelled unconstrained using inverse distance squared estimation methodology. Appropriate top cuts were applied to high grade outliers. North-south veins beneath the Smarts pit were constrained to a series of solid shapes with search dimensions and directions oriented along mineralised trends.

Table 7 summarises the reserve to mining reconciliation. The positive reconciliation includes additional tonnes and ounces mined as a result of the north-south veins in Smarts, changes to weathering boundaries in Smarts and fewer tonnes at higher grade mined in Hicks Stage 3.

Table 7: Karouni Project-Reconciliation

	Tonnes	Grade (g/t)	Ounces
Reserve 30 June 2015 *Ore Reserve reported last year*	2,618,000	3.84	323,400
Mined 2015-16 *Mine production reconciled to mill production*	476,817	3.20	48,999
Processed 2015-16	422,600	3.37	45,788
Stocks 30 June 2016 *Surveyed ore stockpiles on ROM pad*	54,217	1.84	3,211
Additions to Hicks Reserve	657,830	2.12	44,921
Positive Reconciliation	75,607	2.42	5,890
In situ Reserve 30 June 2016	**2,874,620**	**3.52**	**325,207**

CASPOSO

Underground mining and processing ceased in February 2016 and the project was placed on care and maintenance. Troy produced a total of 293,000oz. of gold and 9.78moz. of silver from 2.1mt of ore since production began in December 2010.

On 7 March 2016 Troy announced the sale of a 51% share in the Casposo project to ASX listed company Austral Gold Pty Ltd (ASX:AGD). Austral intends to recommence operations at Casposo and is in the process of having the Mineral Resources and Ore Reserves re-estimated by an independent consultant.

ANDORINHAS

Underground mining at Andorinhas came to an end in January 2015 and open pit mining was completed in June 2015. Processing of available stockpiles continued until May 2016 when the plant was shut down and placed on care and maintenance. Since Troy commenced gold production at Andorinhas in March 2008 a total of 1.8mt @ 4.8g/t was processed for total gold production of 258,000oz.

There are no reportable Ore Reserves or Mineral Resources for Andorinhas as of 30 June 2016.

ENDS

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Information of a scientific or technical nature that relates to exploration results, Mineral Resources or Ore Reserves is based on, and fairly represents, information and supporting documentation prepared under the supervision of Richard Maddocks. Mr. Maddocks has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a "competent person" as defined under the Australian JORC Code as per the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Maddocks has reviewed and approved the information contained in this announcement. Mr. Maddocks is:

- *A full time employee of Troy Resources Limited*
- *Has sufficient experience which is relevant to the type of deposit under consideration and to the activity which he is undertaking 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'*
- *A Fellow of the Australasian Institute of Mining and Metallurgy*
- *Has consented in writing to the inclusion of this data*

The information relating to Smarts exploration results is extracted from the following Troy ASX announcements: March 2014 Quarterly Report released 28 April 2014, December 2013 Quarterly Report released 31 January 2014, and from the following Azimuth Resources Limited (AZH) ASX announcements: September 2012 Quarterly Report released 30 October 2012, Exploration Update released 11 December 2012.

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.

TABLE 8: Smarts Drilling Details (previously released)

Hole	Easting (m)	Northing (m)	Elevation (m)	Depth (m)	Azimuth	Dip	From m	To m	Downhole Width m	Grade g/t
SDD009	270,698	621,715	71	311.5	-61.3	32.9	195	204	9	**11.34**
SDD025	270,761	621,988	97	369	-66.21	215	302	325	23	**6.14**
SDD034	270,661	621,756	73	360	-64.16	35	235	243	8	**11.24**
SDD055	270,643	621,796	73	232.6	-64.21	35	141	146	5	**32.17**
SDD118	270,683	621,761	72	250	-61.36	35	213	220	7	**20.31**
SDD128	270,622	621,765	72	300	-60.93	35	207	233	26	**5.61**
							244	272	28	**4.83**
SDD134	270,627	621,680	75	389.5	-62.67	35	328	337	9	**6.95**

Appendix 1 – Assessment and Reporting Criteria - Smarts

Section 1 Sampling Techniques and Data		
Criteria	**JORC Code Explanation**	**Commentary**
Sampling Technique	Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole 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 pulverised to produce a 30 g 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 (eg submarine nodules) may warrant disclosure of detailed information.	The area of the Smarts Resource was sampled using Reverse Circulation (RC) and Diamond Core drill holes (DC) on nominal 100m x 50m, 50m x 25m and 25m x 25m grid spacing. A total of 594 RC holes (46,954m) and 234 DC holes (45,661m) were drilled. Holes were angled towards 050° or 230° magnetic at declinations of between -050 and -60°, to optimally intersect mineralised zones. 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. Diamond core is a combination of PQ and HQ sizes and all Diamond Core was logged for lithological, structural, geotechnical, specific gravity and other attributes. Half-core sampling was completed at a maximum of 1m intervals in the mineralised zones, and 4m quarter-core composites in visually non-mineralised zones. QA/QC procedures were completed as per industry best practice standards (certified blanks and standards and duplicate sampling). Samples were despatched to Actlabs in Georgetown, Guyana for sample preparation, where they were crushed, dried and pulverised to produce a sub sample for analysis. Prior to January 2012 this sub-sample was despatch to Aclabs in Santiago, Chile, where they were analysed for gold by 30g fire assay method with a gravimetric finish. Actlabs installed a fire assay facility in Georgetown in January 2012 where 30g fire assays, gravimetric finishes and screen fire assays have been conducted since
Drilling Techniques	Drill type (eg core, reverse circulation, open- hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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).	Diamond Core drilling in the Smarts Resource area comprises PQ and HQ sized core. Reverse Circulation "RC" Pre-collar depths range from 0m to 151m and Diamond Core "DC" holes are a combination of diamond tails (extensions of RC precollars) and diamond from surface with EOH depths ranging from 79m to 480m. The core was oriented using either an orientation spear, the EasymarkTM system for the pre-2013 drilling. All the diamond drilling completed in 2013 utilized the ACTTM core orientation system. Reverse Circulation "RC" drilling within the resource area comprises 5.5 inch diameter face sampling hammer drilling and hole depths range from 36m to 199m.
Drill Sample Recovery	Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise 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.	Diamond Core and RC recoveries are logged and recorded in the database. Overall recoveries are >95% for the DC and >75% for the RC; there are no core loss issues or significant sample recovery problems. A technician is always present at the core-rig to monitor and record recovery and RQD data. DC is reconstructed into continuous runs on an angle- iron ledge at the core-yard for orientation marking. Depths are checked against the depth given on the core blocks and rod counts are routinely carried out by the drillers and the Company's geologists and technicians. RC samples were visually checked for recovery, moisture and contamination. The Smarts 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 geotechnically 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, channel, etc) photography. The total length and percentage of the relevant intersections logged.	Geotechnical logging was carried out on all diamond drill holes for recovery, RQD and number of defects (per interval). Information on structure type, dip, dip direction, alpha angle, beta angle, texture, shape, roughness and fill material is stored in the structure/Geotech table of the database. 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 techniques 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 maximise 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.	Core was cut in half on site using a CM core cutter. All samples were collected from the same side of the core 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 pulverised to produce a sub sample for analysis. Sample preparation involving oven drying, coarse crushing, followed by total pulverisation 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. No field duplicates were collected from diamond core. Six pairs of twinned diamond and RC holes were drilled. These holes supported the location of the geological intervals intersected The sample sizes are considered to be appropriate to correctly represent the style of mineralisation, the thickness and consistency of the intersections
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 (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established	The laboratory used an aqua regia digest followed by fire assay for 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 and assaying conducted by ActLabs Guyana Inc. -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 despatched) and no duplicates. QA/QC protocol: For RC samples we insert one blank, one standard and one duplicate for every 17 samples (3 QA/QC within every 20 samples or 1 every 8.5 samples).
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes Discuss any adjustment to assay data	Troy's QP's P. Doyle and R. Maddocks have visually verified significant intersections in diamond core as part of the Resource Estimation process Six sets of twin diamond and RC drill holes have been drilled within 5m of each other. The consistency of the results are acceptable for this type of deposit containing abundant coarse gold. No adjustments or calibrations were made to any assay data used in this estimate. Two holes contained intersections at the end of hole that were excluded due to likelihood of downhole contamination, SRC319 and SRC660. Primary data was collected using a set of company standard ExcelTM templates on ToughbookTM laptop computers using lookup codes. The information was validated on-site by the Company's database technicians and then merged and validated into a final AcQuireTM database by the company's database manager based in Georgetown, Guyana.
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. Lidar data was used for topographic control.
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 drillhole spacing is 100m,50m or 25m (northwest) by 50m or 25m (northeast). 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 generally been taken on one metre intervals, some areas logged as waste have had four or three meter composite samples taken.
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 050° or 230° orientations, which is orthogonal/perpendicular to the orientation of the mineralised trend. The bulk of the drilling is almost perpendicular to the mineralised domains. Structural logging based on oriented core indicates that the main mineralisation controls are largely perpendicular to drill direction. 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.

Section 2 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 licence to operate in the area.	The Karouni Project tenements cover an aggregate area of 253,538 acres (102,605ha), granting the holders the right to explore for gold or gold and diamonds. The tenements have been acquired by either direct grant to Pharsalus Gold (25,990 acres /10,518ha) or by contractual agreements with tenement holders (227,548 acres 92,087ha). Apart from the Kaburi Agreement (29,143 acres 11,794ha), which provides for Pharsalus Gold to earn a 90% interest, all other vendor agreements provide Pharsalus Gold with the right to obtain an ultimate interest of 100%. The Karouni Project comprises a single (large scale) mining license, 94 (small scale) claim licences, 217 (medium scale) prospecting and mining permits, and 6 (large scale) Prospecting Licences. All licences, permits and claims are granted for either gold or gold and diamonds. The (large scale) prospecting licences include three licences won by Pharsalus Gold at open auction on 22 November 2007 (GS14: P-18, P-19 and P-20) which are owned 100% by Pharsalus Gold. 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 Troy 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 Karouini 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. In 2002, Cathedral Gold became a service company to the oil and gas sector and spun its gold and base metals assets into a new company called Imperial Metals Inc. Imperial Metals has maintained an interest in the Hicks Project to the present day and, under its agreement with Pharsalus, still retain a 1% net smelter return (NSR) royalty in the project, applicable after the initial 200,000oz of gold production. Available historic records and data were reviewed by both Troy during Due Diligence prior to the takeover and as part of the Resource modelling 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 Palaeoproterozoic 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 and Hicks Zones is associated with a shear zone that transects a sequence of mafic to intermediate volcanic, volcaniclastic 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. 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 magnesian 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.	Significant intercepts that form the basis of this Resource estimate have been released to the ASX in previous announcements by Azimuth Resources and Troy Resources, with appropriate tables incorporating Hole ID, Easting, Northing, Dip, Azimuth, Depth and Assay data for mineralised intervals. Appropriate maps and plans also accompany all previous exploration announcements. Complete detailed data on all drilling is included in the NI-43101 Tech Reports available on the Company's website with the current report dated February 28, 2014. An updated report will be lodged within 45 days of the release of this announcement.
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 drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole 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.
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 this document.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practical, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	The appropriate plans and sections have been included in the text of this document.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; 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.	Preliminary metallurgical test work has been completed, with excellent results. Gold recoveries of 95% from CIL tests, and a significant proportion of the gold is recoverable by gravity concentration.

Further work	The nature and scale of planned further work (eg 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 infill drilling is planned, aimed at increasing the amount of resource categorized as Indicated. Drilling aimed at increasing the Resource below the current depth extent is also planned. A ground magnetic survey over Smarts will also be completed.

Section 3 Estimation and Reporting of Mineral Resources		
Criteria	**JORC Code Explanation**	**Commentary**
Database integrity	Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used.	Field checks of drill hole collar position were conducted. Spot checks of database entries against original files were also conducted. An electronic database storage facility with restricted write access is used to store all drilling data.
Site visits	Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case.	P. Doyle and R. Maddocks have visited the site on numerous occasions since 2012.
Geological interpretation	Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. Nature of the data used and of any assumptions made. The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation. The factors affecting continuity both of grade and geology.	The mineralised shear zone containing the Smarts and Hicks Deposits is a continuous zone that is traceable over many drill sections for several kilometres. Mineralised shapes are interpreted based on geology and are constrained to geological contacts. The distribution of some higher grade zones is controlled by the geometry of the main shear zone and subsidiary shears. Where this relationship is well understood resources have been categorised as Measured, where it is less understood or there is lower drill density resources have been categorised as Indicated, areas that are poorly understood have been classified accordingly as Inferred. A fault zone is interpreted to have caused a displacement between Hicks and Smarts Deposits. Subsequent to mining commencing the presence of an additional, previously unknown vein orientation was discovered. These veins are generally of a north-south strike with surface drilling at an oblique angle. These veins are constrained within bounding shears which represent the hanging and footwall of the majority of the Smarts mineralisation.
Dimensions	The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	The Smarts Mineral Resource estimate block model has the following extents: Along strike 3,300m, across strike 740m and a vertical extent of 550m extending to a depth of about 450m below surface.
Estimation and modelling techniques	he nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. The assumptions made regarding recovery of by-products. Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. Any assumptions behind modelling of selective mining units. Any assumptions about correlation between variables. Description of how the geological interpretation was used to control the resource estimates. Discussion of basis for using or not using grade cutting or capping The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	Ordinary kriging was used for estimation of Smarts and Hicks Mineral Resources. The deposits were domained based on geological continuity of mineralised structures. Top cuts were applied based on statistical analysis of data within each domain. A top cut of between 10g/t and 80g/t was applied to each domain. Variography was used to determine search directions and extents. Some domains contained insufficient data to enable meaningful variograms, in such cases the smaller domains were assumed to have the same geostatistical parameters are the larger domain. The maximum search distance was 200m along strike however most mineralised domains do not have a strike length of this extent. For Measured and Indicated resources the maximum along strike search distance is 50m. The north-south veins within the Smarts pit design were unconstrained with search directions and dimensions oriented with respect to a narrow, north-south, vertically dipping vein system. North-south veins beneath the Smarts pit have been modelled as a solid shape and estimation has been restricted to these shapes on an inverse distance squared interpolation. Previous, historical Resource estimates were estimated. There has been no recorded mining production at Smarts. There has been small scale artisanal mining but no production records exist. No assumptions have been made regarding by-products. There are no material by-products assumed to be produced. There has been no sampling of deleterious elements. Geological logging of RC chips and diamond drill core has indicated no such elements exist. Pyrite is the dominant sulphide in the mineralised zone and this will be processed and tails stored in a secure tailings facility. The block size has been selected based on an approximate half drill spacing along strike with other dimensions selected to achieve adequate resolution of the geological interpretation. Nominal drill spacing is 100m X 50m, 50m x 25m or 25m x 25m. The block size within the pit was a maximum of 2m x 1m x 2m to better represent the narrow nature of north-south veins. Estimation was conducted on a parent block size of 5m x 5m x 5m. No assumptions have been made regarding SMU's. No assumptions have been made about correlation between variables. The only variable modelled was gold. The gold grades are constrained by geological shear

		structures. This structure provided a hard boundary which was used to constrain the estimation of grades. There are several mineralised shear structures but there is one dominant one at Smarts. Geostatistical analysis indicated that Smarts required top cutting of outlying assay results. Visible gold is seen in drill core and it is common for orebodies such as these to cut high grade assays in order to reduce their impact and influence on the grade estimation procedure. Log probability plots and coefficient of variation analysis was used to determine top cuts. Swath plots on both a RL and easting basis were plotted to compare the block model grades to the raw composite grades.
Moisture	Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	Tonnages are determined on a dry basis.
Cut-off parameters	The basis of the adopted cut-off grade(s) or quality parameters applied.	Cut off grades are quoted at 0.5g/t for open pit resources above the base of the pit and 1g/t for resources below the base of the pit. These grades have been adopted based on open pit mining scenario at potential different mining and processing rates. A larger, bulk mining scenario will have a lower cut-off applied than a smaller, more selective mining approach.
Mining factors or assumptions	Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	Initial studies indicate that the significant proportion of the Smarts Deposit may be amenable to open pit mining, if economic. However, the early stage of development of the Smarts Resource precludes any assumptions being made at this stage regards other mining factors
Metallurgical factors or assumptions	The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	Initial metallurgical test-work has been carried out on Hicks and Smarts. In both cases metallurgical characteristics are amenable to conventional crushing, grinding and cyanide leaching. To date no refractory mineralisation has been encountered in test-work completed.
Environmental factors or assumptions	Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	No assumptions have been made at this stage.
Bulk density	Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	Bulk densities were based on measurements taken from diamond drill core. Measurement was by the water immersion and displacement method. Several thousand measurements have been taken (4,366 in Smarts). Densities were assigned to weathering domains, Overburden (1.82t/m3), Oxidised (Mineralised 1.82t/m3, Waste 1.71t/m3) Transitional (Mineralised 2.29t/m3, Waste 2.43t/m3) and Fresh (Mineralised 2.76t/m3, Waste 2.86t/m3).
Classification	The basis for the classification of the Mineral Resources into varying confidence categories. Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data. Whether the result appropriately reflects the Competent Person's view of the deposit.	The mineralised shear zone containing the Smarts Deposit is a continuous zone that is traceable over many drill sections for several kilometres. Mineralised shapes are interpreted based on geology and are constrained to geological contacts. The distribution of some higher grade zones is controlled by the geometry of the main shear zone and subsidiary shears. Where this relationship is well understood resources have been categorised as Measured, where it is less understood or there is lower drill density resources have been categorised as Indicated, areas that are poorly understood have been classified accordingly as Inferred. The areas of Smarts drilled to 25m spacing have been categorised as Measured, 50m spacing as Indicated and 100m spacing Inferred. All north-south veins are categorised as Inferred. The areas classified as Indicated in Smarts have drilling density such that geological interpretation of mineralisation can be conducted with a degree of confidence appropriate

		for Indicated Resources. The areas classified as Measured in Smarts have drilling density such that geological interpretation of mineralisation can be conducted with confidence appropriate for Measured Resources. The result appropriately reflects the Competent Persons view of the deposit.
Audits or reviews	The results of any audits or reviews of Mineral Resource estimates	The Resource Estimate was carried out and verified by Troy personnel.
Discussion of relative accuracy/ confidence	Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	The accuracy and confidence level of this Mineral Resource estimate for Smarts is evident in the classification and reporting as per the 2012 JORC Code and is deemed appropriate by the Competent Person. At this stage the estimate is considered a global estimate, except for the portion of Smarts that has been classified as Measured. The Measured Resource for Smarts has closer spaced drilling enabling a more accurate representation of grade distribution and tenor. There is no production data to compare to the resource estimate.

Section 4 Estimation and Reporting of Ore Reserves

Criteria	JORC Code Explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.	The Mineral Reserve estimate is based on the Mineral Resource estimate completed by Troy Resources, the details of which have been released with this announcement Mineral Resources are inclusive of Ore Reserves
Site visits	Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case.	The competent person/s have visited the site numerous times and inspected the proposed mine site area.
Study status	The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves. The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.	The Mineral Reserves have been based on the results of a Pre-Feasibility Study (PFS) has been undertaken for Karouni. This follows on from the Preliminary Economic Assessment or Scoping Study completed and released on January 21st 2014. The Pre-Feasibility Study (PFS) has determined that an economically viable mine plan is achievable
Cut-off parameters	The basis of the cut-off grade(s) or quality parameters applied.	Cut off grades for mining were determined from operating costs as detailed in the announcement. These were based on operating experience and information from external consultants. Ore is above 0.86g/t and mineralised waste is above 0.5g/t.
Mining factors or assumptions	The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design). The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre- strip, access, etc. The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre- production drilling. The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate). The mining dilution factors used. The mining recovery factors used. Any minimum mining widths used. The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion. The infrastructure requirements of the selected mining methods.	The PFS has determined that, initially, open pit mining will provide the best economic outcome. The Mineral Resource was optimised using proprietary software, Whittle™. The optimisation provided an optimal pit shell that provides the best economic outcome for the input parameters. The final pit design incorporating ramps and berms was based on the optimal pit shell. The northern part of the Smarts pit is overlain by up to 30m of unconsolidated sand. This sand will be removed and where possible used in site construction works otherwise it will be deposited on the waste dumps located adjacent to the pit. The Smarts pit will be mined via four stages in order to optimise waste and ore excavation and to provide a steady stream of ore to the processing plant. A drainage channel to the south of Smarts pit will be excavated in order to facilitate the flow of water from natural drainage around and away from the main excavation. This drainage channel has been designed by external consultants. A program of geotechnical diamond drill holes were drilled at points around the proposed pit. An external consultant logged these holes for geotechnical parameters and has advised as to recommended pit wall angles and berm widths. These recommendations have been incorporated into the final pit design. Grade control will be done primarily by sampling of blast holes within the pit during the drill and blast cycle. Due to the staging of the Smarts Pit it will not be practical to have a dedicated RC grade control in the pit due to area of pit floor constraints. Much of the mineralisation is contained in low angle quartz vein arrays which will be amenable to vertical drilling angles from blast hole samples. It is envisaged that

		grade control block models will be constructed utilising all data available and can include surface drill holes if applicable Ore zones will have good visual control due to presence of quartz veining and strong alteration haloes. Dedicated ore spotters will be used during ore mining and ore mining will be restricted to daytime only where practical. The mine design incorporating geotechnical parameters, optimisation results and cost data was applied to the Smarts Mineral Resource model. This model is presented in more detail in this announcement. Mining dilution is 10% Mining recovery is 95% The minimum mining width considered was 2m Inferred Mineral Resources have not been considered in this PFS. They were not included in the optimisation and have not been included in the Mineral Reserves. The open pit mine will require haul roads, maintenance facilities, a diesel fuel farm, water dam and site offices. These have all been considered as part of this PFS and have been included in the capital costs analysis.
Metallurgical factors or assumptions	The metallurgical process proposed and the appropriateness of that process to the style of mineralisation. Whether the metallurgical process is well-tested technology or novel in nature. The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied. Any assumptions or allowances made for deleterious elements. The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole. For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?	The processing plant will be a conventional CIL plant with an incorporated gravity circuit The proposed processing facility is standard for many gold operations around the world and is a well tried and tested method for recovering gold. Testwork has been conducted in several phases over several years. Test samples have been derived from diamond drill core. Troy drilled several dedicated metallurgical diamond drill holes. These provided samples for testwork conducted and/or supervised by Mineral Engineering Technical Services (METS) of Perth, Australia. Testwork was domained into oxide, transitional and primary (fresh) rock types. Testwork also included communition characteristics. Gravity recoverable gold varies from 30% for oxide to 60% for primary ore. Total recoveries (gravity plus leach) of up to 98.2% for oxide and 95% for primary were achieved. For the PFS a recovery for all ore types of 94% was applied. Optimal grind size is P80 of 63 micron. No deleterious elements have been defined. No bulk sample or pilot scale work has been carried out. There are no minerals defined by a specification that are considered in the PFS
Environmental	The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.	Waste dump designs have been designed to be integrated into current landforms as much as possible. Dumps will be designed to have minimal impact on existing natural drainage. The tails storage facility is designed to be located in a natural low point with appropriate bunding to prevent escape of stored water. Water from the tails dam will be recycled into the processing plant. All waste dumps and tails storage facilities have been designed taking the high levels of rainfall into account.
nfrastructure	The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.	Troy is well advanced in the design, construction and/or procurement of the necessary infrastructure to facilitate the mining and processing of ore. There is road access into site which in in the process of being upgraded. The sites for the processing plant, tails storage dam, offices and accommodation village have all be identified and surveyed with clearing to commence once the appropriate statutory approvals have been granted. The main ball mill has been purchased and is in storage at Linden in Guyana awaiting truck transport to site. Contracts for the provision of bulk items are in the process of being negotiated.
Costs	The derivation of, or assumptions made, regarding projected capital costs in the study. The methodology used to estimate operating costs. Allowances made for the content of deleterious elements. The source of exchange rates used in the study. Derivation of transportation charges. The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc. The allowances made for royalties payable, both Government and private.	Large capital items have been costed by either independent consultants or by tender. These include fixed plant in the processing facility and mobile plant for earth moving in the open pit mine. Operating costs have been derived and developed from previous operating experience in South America (Brazil and Argentina) in similar operating environments and include labour costs, fuel costs, transportation costs and costs of consumable items (lime, cyanide, etc) There are no deleterious elements to allow for All costs are in US dollars Transport is via roads from Georgetown. Troy (and its predecessors) have been transporting equipment and material along these roads for some years. Processing costs are derived from previous operating experience in South America and from consultants utilised in the plant design. An 8% NSR royalty is payable to the Government of Guyana. In addition some parts of the leases also have a 2% NSR royalty payable to other parties.

Revenue factors	The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc. The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co- products.	A fixed gold price of USD$1,250 per ounce has been assumed for the PFS. Refining costs and transport costs for bullion are also accounted for.
Market assessment	The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. A customer and competitor analysis along with the identification of likely market windows for the product. Price and volume forecasts and the basis for these forecasts. For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.	The PFS considers the production of gold dore only. There is a ready, transparent market for such product.
Economic	The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. NPV ranges and sensitivity to variations in the significant assumptions and inputs.	The PFS NPV is based on a discount rate of 6%. This is considered appropriate for this project. Inflation has not been considered. The most significant driver to NPV is the gold price. A 5% change in gold price results in a 16% change in NPV
Social	The status of agreements with key stakeholders and matters leading to social licence to operate.	There are no local residents directly affected by the open pit or processing activities. There are however people living in the region that are liaising with relevant government departments regards issues such as road access and land ownership.
Other	To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves: Any identified material naturally occurring risks. The status of material legal agreements and marketing arrangements. The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.	The project is located in a tropical location with occasional very high rainfall. It is possible that heavy rain events could result in disruptions to mining outside of normally scheduled disruptions. It has been planned to maintain ore stockpiles at levels to minimise disruptions to processing should this occur. Necessary government approvals are in the process of being finalised. Discussions are well advanced. All required documentation have been submitted to the Government and are following the Government internal process. The Minerals agreement which is the definitive agreement allowing for project exploitation, tax and royalty issues, importation allowances, physical and economic parameters for the extraction and sale of minerals is in the final stage and now need to be signed off by the Cabinet of the Guyana Government. It is expected that all approvals be in hand in as expected to allow mine and processing construction to continue uninterrupted.
Classification	The basis for the classification of the Ore Reserves into varying confidence categories. Whether the result appropriately reflects the Competent Person's view of the deposit. The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).	The Measured Mineral Resource estimate within the Open Pit has been converted to Proven Ore Reserves with the application of appropriate modifying factors. The Indicated Mineral Resources within the Open Pit have been converted to Probable Ore Reserves with the application of appropriate modifying factors. Inferred Mineral Resources have not been considered. Ore stockpiles and mineralised waste stockpiles have been included as Proven Ore Reserves
Audits or reviews	The results of any audits or reviews of Ore Reserve estimates	Internal and external reviews have been carried out and agree with the result.
Discussion of relative accuracy/ confidence	Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage. It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	The Smarts Mineral Resource in the Open Pit been drilled to 25m drill spacings. This has resulted in a high degree of confidence that the Ore Reserve estimates will be realised. There was very little change to the Mineral Resource estimate in the Open Pit between drilling campaigns that resulted in the Mineral Resource estimates of August 2013 and June 2014. Accordingly much of the estimate within the Open Pit has been upgraded from Indicated to Measured since the August 2013 estimate. The accuracy of the estimates is indicated by the Ore Reserve classification. Troy has drilled a significant number of diamond and RC drillholes into the Open Pit area and has defined high grade mineralisation for which there is a very good understanding of geological controls and grade distribution. High grade mineralisation had a high degree of predictability during the most recent drilling campaign. Several hundred measurements have been taken of bulk density of mineralisation of varying grades and waste rock of all types. The widths of the orezones (generally >5m) and the dip (generally >60°) are such that dilution levels of 10% and ore mining loss of 5% are appropriate levels to apply. There is no previous production from Smarts so no comparison between model and production is possible