



TROY RESOURCES LIMITED

ASX ANNOUNCEMENT

17 October 2018

OPERATIONAL UPDATE

Troy Resources Limited (**ASX: TRY**) (**Troy** or the **Company**) advises that the Karouni operation in Guyana sustained a small geotechnical event which resulted in a small failure of the northern wall in Smarts 3 pit.

Following an examination of the failed structure, it was decided to suspend and defer mining in the pit pending a review from geotechnical consultants, which is expected to take place later this week. A small, previously unknown shear appears to have triggered the event.

No injuries were suffered or personnel endangered and no machinery was lost or damaged as a result of the incident.

The slip is on the opposite side of the access ramp meaning that the pit can still be accessed, but all work has been suspended in the pit until the geotechnical review is completed. The slip is considerably smaller than the one that occurred in December 2016.

The failed section is part of a planned pit cut back which was scheduled to commence in January 2019 upon completion of the current mining campaign in Smarts 3.

Therefore, the slip has no impact on ore Reserves in the pit, life of mine or costs, but will have an impact on the short and medium term mining schedule. Rescheduling of mining is now underway to, as much as possible, mitigate any short term ore production impact. The LOM plan will be updated over the next week or so.

Mining is still continuing without interruption from Hicks 1, Hicks 2 and Smarts 4 pits.

With ore stockpiles on the ROM currently exceeding 200,000 tonnes, combined with ongoing mining, the mill will continue to operate at full capacity for the remainder of the December 2018 quarter and the March 2019 quarter. However, Smarts 3 contributes slightly higher grade ore than other sources so the average grade to be processed will be slightly lower than was budgeted. Therefore, gold production in the December 2018 quarter will be slightly less than previously forecast.

Later quarters' gold production will be variously impacted but to what level has not been determined pending completion of the mine rescheduling work currently being undertaken. At



some stage, it is likely that gold production levels will exceed the current forecast once Smarts 3 ore becomes available.

An announcement which addresses the outcome of the review and provides revised production guidance will be made as soon as the information is available.

ENDS

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