

ASX ANNOUNCEMENT

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15 March 2021

OPERATIONS AND PRODUCTION CONTINUE TO IMPROVE AT KAROUNI

Key Highlights

- Gold production is continuing to improve at the Karouni Project with 2,653 ounces produced in February, up from 2,113 Oz in January
- A total of 4,776 ounces have been produced for the first two months of 2021 in comparison to 4,195 ounces produced for the whole of the December Quarter 2020
- Forecast monthly production is expected to exceed 2,200 ounces per month until at least the end of June 2021, which is the effective break-even for the operation
- Maiden Smarts Underground Ore Reserve and upgraded Mineral Reserve to be announced shortly with resources and geotechnical drilling completed and final design work currently being undertaken
- At Goldstar, in-fill drilling campaign completed, orebody modelling, optimisation/ design work to be completed shortly

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Troy Resources Limited (**ASX: TRY**)(**Troy** or the **Company**) is pleased to provide an operations update for the Karouni Gold Project, Guyana.

Production

As per previous market announcements, following some issues which arose in the December 2020 Quarter, Troy announced on 28 January 2021 that production seemed to be returning to normal levels. More specifically, gold production at that time was averaging approximately 70 ounces per day and gradually increasing.

Troy is now pleased to advise that production has continued to increase and is now reconciling well on an ongoing basis, indicating all issues have been resolved.

The Company achieved gold production of 2,113 ounces in January (approximately 70 ounces per day) and 2,653 ounces (approximately 95 ounces per day) in February for a total of 4,776 ounces in the first two months of calendar year (compared to 4,195 ounces produced for the entire December 2021 Quarter).

This resulted from the processing of 138,026 tonnes at an average head-grade of 1.16 g/t Au and an average recovery of 92.1%.

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Ore is currently being derived from two key sources – Hicks 4 Phases 1 & 2 and Spearpoint. Stockpiled low-grade material is also being utilised to make up the feed on occasions, for instance, when maintenance work is taking place on the crushing circuit.

In terms of mining activities, mine performance has improved through the use of contractor equipment to meet targets as well as changes to blast patterns and other parameters.

In terms of processing, following detailed work in a number of areas, the plant is consistently performing at normal levels. However, achieving design throughput levels is somewhat difficult at the present time due to the current mix of ore, with the large clay content frequently causing blockages in the plant.

The Company is looking at changing screening in the plant as a way to keep the throughput rate at design levels.

In consideration of all factors, Troy considers that it is reasonable to expect minimum production from now until the end of June 2021 of not less than 2,200 ounces per month, which is the effective operational breakeven of the Project.

Elsewhere, the tailings dam lift is now close to completion. At the current production rate, this should be sufficient to sustain mining operations at Karouni until the end of 2023. The dam design allows for one further lift going forward.

Smarts Underground

Resource and geotechnical diamond drilling at Smarts Underground have now been completed, as has design and geotechnical work on the underground development.

Pleasingly, the geotechnical work has demonstrated the rock characteristic to be designated good to very good, and entirely suitable for underground mining.

Final assays have just now been received, with many encouraging mineralised intersections encountered, which will be the subject of an exploration announcement within the next week or so once the data is reviewed and interpreted.

These assay results are currently being incorporated into the resource model.

Work over the next several weeks will include a review of the design and scheduling parameters, in particular, focusing on underground stope design parameters and any ground support systems required.

Once completed, this will enable Troy to upgrade Mineral Resources in terms of size and confidence levels and announce a maiden Ore Reserve at Smarts Underground, which is likely to materially extend the mine life of the project.

Goldstar

At Goldstar, the Company has been undertaking an in-fill reverse circulation drilling campaign which has now been completed.

Assay results will be set out in the separate announcement referred to above.

These assay results are currently being incorporated into the resource model.

Orebody modelling and optimization work will be completed shortly.

The project is currently in a design phase for mining which should be completed shortly for incorporation into the Life of Mine Plan.

The haul road connecting Goldstar to the Karouni mill is now 95% completed.

This announcement has been authorised for release by the Board of Directors.

ENDS

For further information please contact:

Ken Nilsson - CEO and Managing Director
T: +61 8 9481 1277
E: troy@troyres.com.au

Peter Stern - Non-Executive Chairman
T: +61 8 9481 1277
E: troy@troyres.com.au

Rebecca Broughton - CFO and Company Secretary
T: +61 8 9481 1277
E: troy@troyres.com.au

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