



TROY RESOURCES LIMITED

QUARTERLY REPORT

FOR THE THREE MONTHS ENDED 31 MARCH 2021

30 APRIL 2021

HIGHLIGHTS

- Gold production for the March quarter was 7,333 ounces with mining operations focused on the Hicks 4 Phase 1 & 2 and Spearpoint pits.
- No lost time injuries occurred during the quarter.
- The four remaining diamond holes drilled to delineate the maiden Smart Underground Ore Reserve have delivered multiple high-grade mineralised intersections across good widths, including:
 - **SDD204**
 - 3 m @ 17.35 g/t Au from 176 m
 - 5 m @ 14.14 g/t Au from 232 m
 - 3 m @ 9.92 g/t Au from 240 m
 - **SDD205**
 - 14 m @ 2.04 g/t Au from 53 m
 - 13 m @ 3.64 g/t Au from 177 m
 - 8 m @ 2.59 g/t Au from 239 m
 - **SDD206**
 - 5 m @ 12.60 g/t Au from 95 m
 - 7 m @ 6.44 g/t Au from 112 m
 - 20 m @ 3.68 g/t Au from 212 m
 - 4 m @ 9.9 g/t Au from 318.5 m
 - **SDD207**
 - 4 m @ 3.72 g/t au from 115 m
 - 3 m @ 6.27 g/t Au from 127 m
 - 3 m @ 4.95 g/t Au from 239 m
- RC campaign now completed at the at-surface Goldstar prospect with best new assay results including:
 - GRC274 – 9 m @ 1.17 g/t Au from 19m
 - GRC277 – 4 m @ 2.36 g/t Au from 7 m
 - GRC294 – 6 m @ 1.7 g/t Au from 5 m
 - GRC307 – 6 m @ 1.72 g/t Au from 16 m
- Gold sales revenue for the quarter was US\$14.8 million from the sale of 8,310 ounces.



- Construction of the Goldstar haul road was completed and trial mining at Goldstar commenced in March 2021.
- Work continued on the tailings storage facility dam lift 2A project which is close to completion, despite the heavy rainfall during the quarter which affected the progress of the project.
- At the end of the quarter, cash and equivalents (including gold inventories) totalled AUD\$9.3 million.

OPERATIONS

KAROUNI, GUYANA (Troy 100% through Troy Resources Guyana Inc.)

Results Summary

A summary of key operational parameters at Karouni for the March quarter is set out in Table 1.

Operations	September 2020 Quarter	December 2020 Quarter	March 2021 Quarter	9 Months to March 2021
Open Pit Mining				
Total Mined (t)	1,344,705	2,029,005	1,190,752	4,564,462
Ore Mined (t)	129,929	145,970	185,010	460,909
Mine Grade (g/t)	1.28	0.98	1.45	1.25
Mill Production				
Processed (t)	200,814	183,442	200,682	584,938
Head Grade Gold (g/t)	1.03	0.79	1.23	1.02
Recovery Gold (%)	95.4	90.0	92.4	93.2
Gold Produced (oz)	6,334	4,195	7,333	17,862
Gold Sold (oz)	5,995	4,373	8,310	18,678
Cash Cost (US\$/oz)	1,610	2,862	1,686	1,936
AISC (US\$/oz)	1,908	3,292	2,001	2,272
Gold Price Realised (US\$/oz)	1,902	1,873	1,785	1,843

Table 1 - Quarterly Production and Costs Summary

Mining

During the quarter, 1,190,752 tonnes of material were mined, sourced from the Hicks 4, Spearpoint and Goldstar pits. The total mined tonnage was 10% below forecast, primarily due to lower ore and waste mining in Hicks, partly offset by higher tonnes mined in Spearpoint. Average mining production was 13,231 tpd versus the forecast 14,770 tpd. Mined ore tonnes were 8% higher than the quarterly forecast.

With construction of the Goldstar haul road completed, test mining of the Goldstar deposit commenced in March and concluded in April, with the ore mined being stockpiled for separate processing through the mill in the June quarter so that results can be obtained and analysed before further mining takes place.



The mine-to-model reconciliation showed a variance of +7% on tonnes and -8% on grade against the resource model; effectively delivering 98% of the planned ounces. The mine-to-mill grade reconciliation showed -16% variance but was a significant improvement against the previous quarter's result (approximately -26% variance), reflecting the efforts to improve grade control practices, an increase in the available blasthole data and mining being focused within zones of the orebody of higher resource drilling density.

Mining operations during the quarter were negatively impacted by higher-than-average rainfall and mechanical availability for excavators and trucks. Travel restrictions continue to impact the availability of key expatriate staff as well as COVID-19 affecting availability of staff across the board. Vaccinations against COVID-19 have recently commenced in Guyana and may start to reduce the level of staff shortages going forward.

The tailings dam lift to the 82m RL is close to completion – the final completion of the spillway construction and the North access ramp were delayed due to heavy rainfall which impacted placement of Zone 1 material. At the current production rate, this lift should be sufficient to sustain mining operations at Karouni until the end of 2023. The final dam design allows for one further lift going forward (to the 89m RL).

Processing

Mill throughput for the quarter totalled 200,682 tonnes, which was 1,129 tonnes below forecast. Mill feed grade of 1.23 g/t Au was slightly better than expected (1.22 g/t) due to lower tonnage of mineralised waste averaging 0.46 g/t Au being fed to the mill.

Gold produced totalled 7,333 ounces, which was slightly above forecast (7,301 ounces) due to higher recovery and feed grade offsetting lower mill throughput. Gold recovery for the quarter was 92.4% which was just above forecast. As at 31 March 2021, stockpiles of crushed ore encompassed 6,863 tonnes at an average grade of 1.38 g/t Au for 305 ounces.

Efforts continued during the quarter to optimise mill operations and improve its overall performance. Again, COVID-19 continued to impact availability of key expatriate staff.



Costs

During the quarter, the Company's C1 operating costs were US\$1,686/oz and All-in-Sustaining-Costs were US\$2,001/oz. The decrease in costs came about due to increased gold production reflecting the increased tonnes mined and improved grade.

Gold sold for the quarter was 8,310 ounces for total sales revenue of US\$14.8 million. A more detailed breakdown of costs is set out in Table 2.

	September 2020 Quarter US\$/oz	December 2020 Quarter US\$/oz	March 2021 Quarter US\$/oz	9 Months to March 2021 Total US\$/oz
Mining	788	1,268	885	940
Processing	641	1,053	608	724
Mine & General Administration	253	409	204	270
Mineral Inventory Movements	(72)	132	(12)	1
C1 Cash Cost	1,610	2,862	1,686	1,936
Refining and Transport Costs	14	18	11	14
Royalties	172	191	194	186
Insurance	45	71	42	50
Corporate General and Administration Costs	53	106	42	61
Capital - Sustaining	14	44	25	26
All-In Sustaining Cost (AISC)	1,908	3,292	2,001	2,272

Table 2 - Quarterly Cash Costs

Health and Safety

The 12-month rolling Total Recordable Injury Frequency Rate (TRIFR) was 6.9. The 12-month rolling Lost Time Incident Frequency Rate (LTIFR) was 4.6.

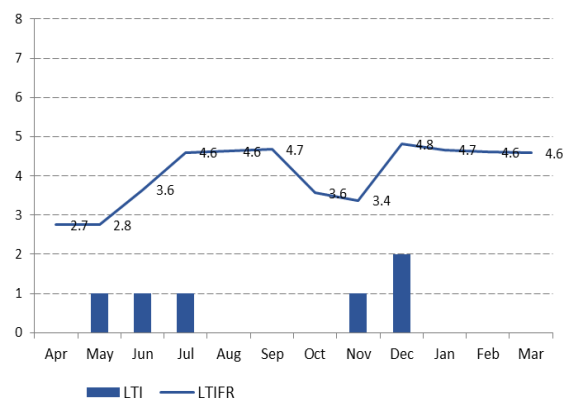
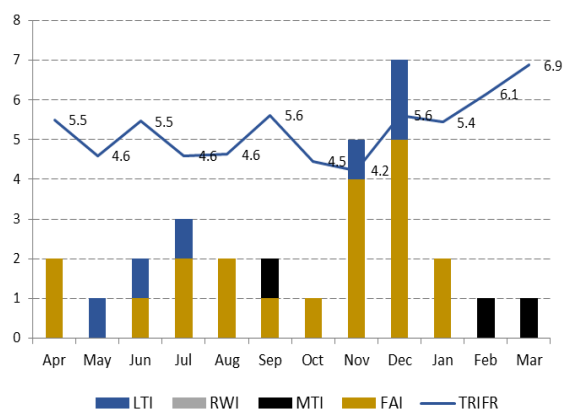


Table 3: TRIFR and LTIFR for 2021



During the quarter, all departments continued to work to achieve the zero-harm goal; however, there were a total of four first aid and medical treatment incidents along with several equipment damage incidents. These incidences were all investigated and the relevant L2BL's (Lessons To Be Learnt) were shared across the mine site.

As a result of the aforementioned, the 12-month rolling TRIFR increased from 5.6 at the end of December to 6.9 at the end of March, but the site achieved no lost time incidents during the quarter resulting in a slight decrease in the LTIFR.

During the quarter, there was significant focus placed on near-miss reporting, risk assessments and driving hazard awareness.

Environment

During the quarter, the biggest environmental issue was the weather with the rainfall for this period exceeding that of the same period last year by more than 250%.

This not only caused operational difficulties but involved related risks such as an increase in the snake population, as well as slippery, flooded and inrush workplaces and roads.

Community

The Company's relationship with the local communities remains very strong. As at the end of the quarter, the Company employed around 48 Amerindians on site, representing approximately 15.6% of the total work force.

The site medical centre attended to 60 off campers during the quarter. Seven of these were evacuated early by airplane as per medical evacuation protocol (MEDEVAC) according to on Site Doctor instructions. All affected individuals evacuated survived.

Coronavirus

During the quarter, there were no positive COVID-19 cases at the mine site. All preventative measures are re-enforced daily for compliance and protection of employees, contractors, and visitors.

COVID-19 safety measures include a semi-countrywide lockdown with only essential businesses and services allowed to operate on a 24-hour basis. A curfew from 10.30 pm to 4.00 am remains in place along with restrictions on public gathering for dining, recreation, and religious services.

Guyana has now recorded 12,448 cases of the virus and 277 deaths, as per the World Health Organisation situation report of 27 April 2021.

Country wide vaccinations began during the quarter targeting persons over 50 years of age and were later expanded to those over 40 and over 18.

Troy continues to take active steps to prevent COVID-19 cases from entering the Karouni mine site and continues to monitor the situation on a daily basis to ensure the safety and wellbeing of all employees, their families and other contacts.



EXPLORATION, KAROUNI, GUYANA (Troy 100% through Troy Resources Guyana Inc.)

Overview

During the past quarter, exploration work focused on infill reverse circulation ("RC") drilling at Goldstar, brownfields RC drilling at the prospective Gem Creek target, greenfields drilling at the Mirror Central target, as well as diamond drilling of Smarts UG infill holes, Hicks 1 deep extension and Gem Creek (inaugural diamond drilling in the case of the latter). Other important greenfields work was completed on the southern targets Potaro- Kuribrong and Mirror SE.

Goldstar infill RC drilling was completed in a close 15m by 10m spacing and confirmed the existence of a small resource with a broad zone of anomalous low grade gold occurrence. The low grade mineralised zones are consistent on a NW trend with higher grade narrow sections in more WNW orientation.

The second phase of brownfields RC drilling in Gem Creek was designed to test consistency of gold mineralisation in the wide spaced first greenfields campaign. First diamond drilling on the Gem Creek prospect was completed. The drilling confirmed the mineralisation and returned additional encouraging results. GCRC083 returned 11m at 1.90 g/t Au from 80m and 6m at 7.30 g/t Au from 102m. The gold is related to shear contact of younger sediment with MgO clastic volcanic and felsic intrusions with quartz veining and pyrite alteration.

Diamond drilling in Smarts Underground confirmed gold mineralisation in the link section between the Smarts 3 Pit and the Smarts Underground project.

Field mapping was carried out along the newly acquired tenements. The Mirror SE target was visited with the area mostly covered by sand. Some laterite fragments along the creeks indicate a close to bedrock source.

A mapping campaign between the Potaro and Kuribrong targets along the highly prospective Makaba-Kuribrong Shear Zone was commenced.

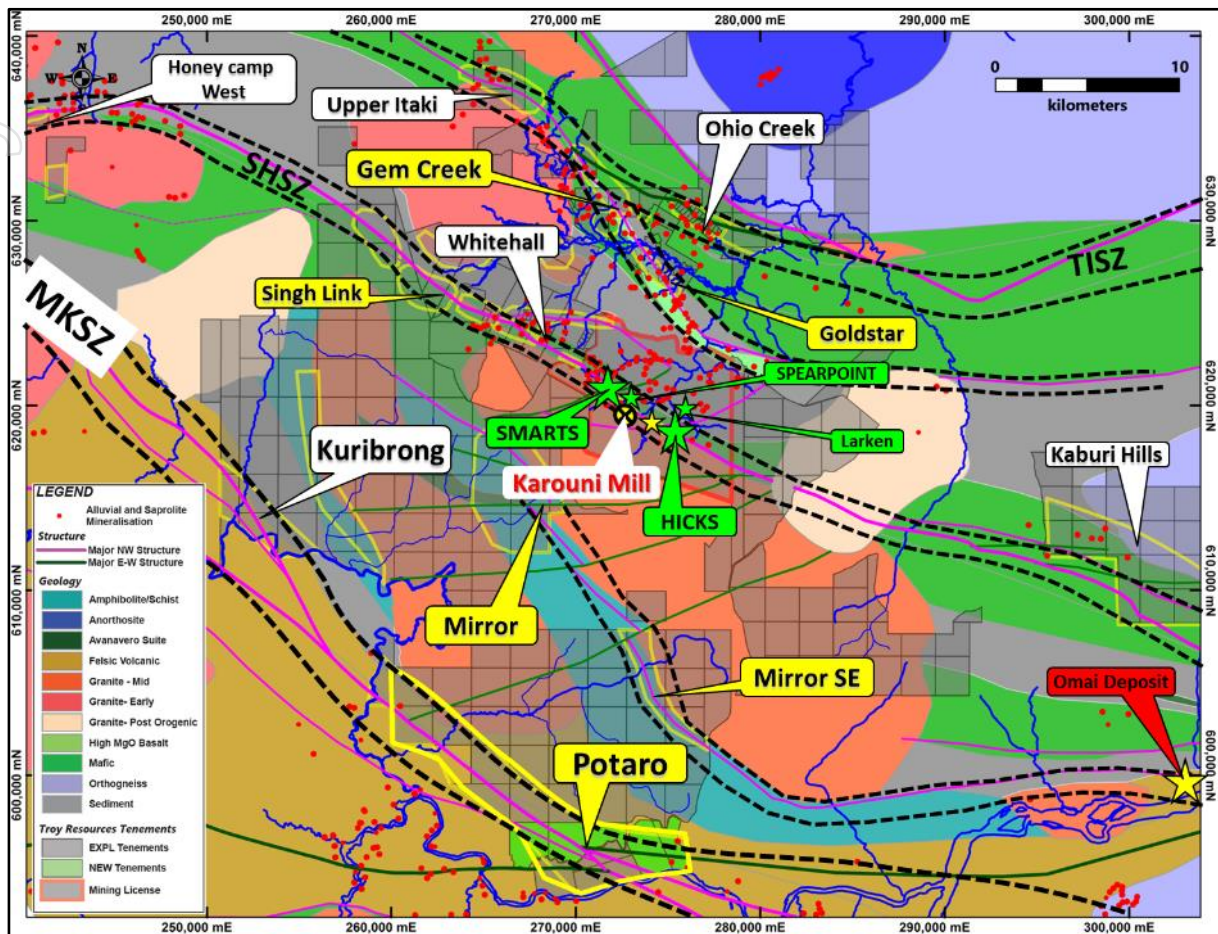


Figure 1 – Overview Karouni targets (activities during Q3 2020/21 yellow highlighted)

Smarts Underground (UG) Project Resource Definition Diamond Drilling

Resource definition drilling completed four additional diamond drill holes towards the NW. The target of the drilling was to test the link section between the Smarts 3 pit and the Smarts UG. A total of 1,069m have been completed. The drilling increases confidence for the resource and returned several high grade gold values.

The best intercepts of SDD204 are 3 m @ 17.35 g/t Au from 176 m, 5 m @ 14.14 g/t Au from 232 m and 3 m @ 9.92 g/t Au from 240 m.

The best intercepts of SDD205 are 14 m @ 2.04 g/t Au from 53 m, 13 m @ 3.64 g/t Au from 177 m and 8 m @ 2.59 g/t Au from 239 m.

The best intercepts of SDD206 are 5 m @ 12.60 g/t Au from 95 m, 7 m @ 6.44 g/t Au from 112 m, 20 m @ 3.68 g/t Au from 212 m and 4 m @ 9.9 g/t Au from 318 m.

The best intercepts of SDD207 are 4 m @ 3.72 g/t Au from 115 m, 3 m @ 6.27 g/t Au from 127 m and 3 m @ 4.95 g/t Au from 239 m.

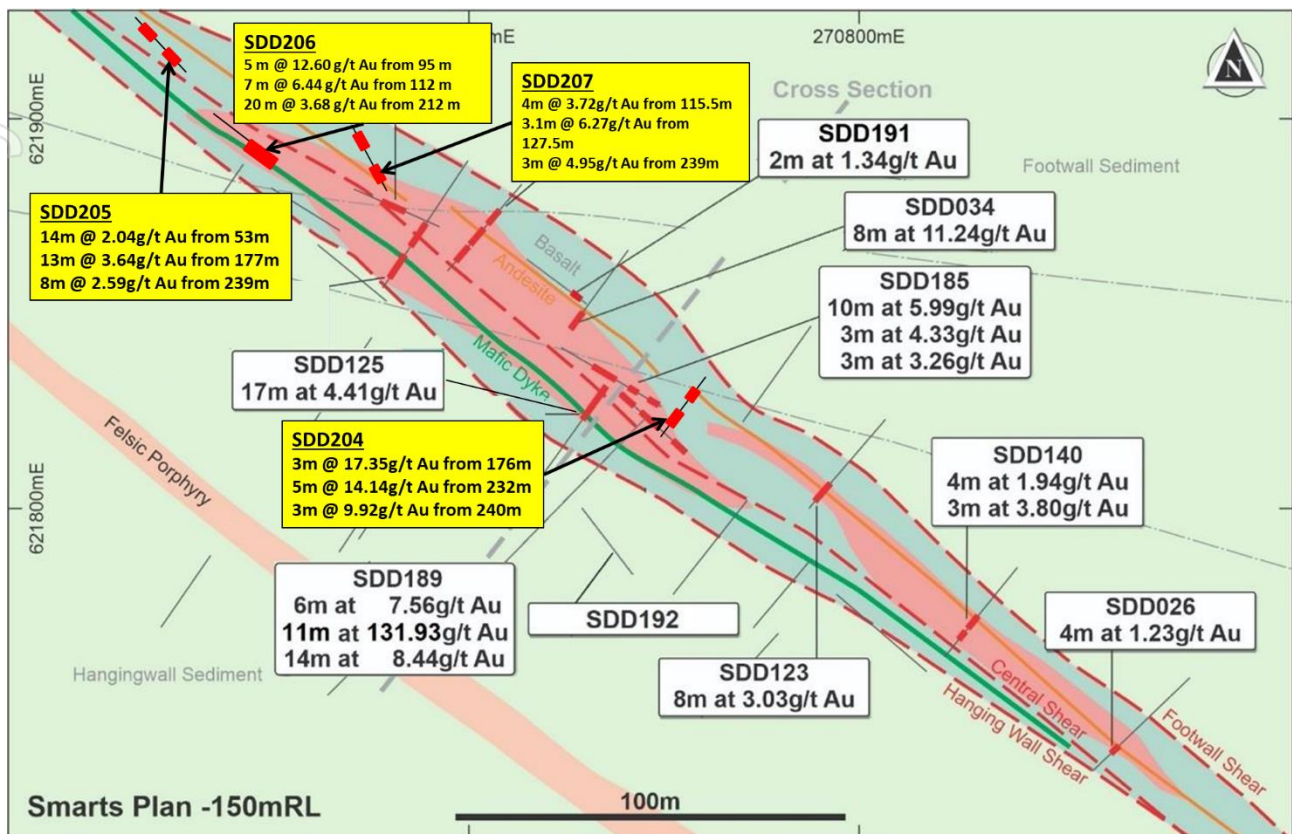


Figure 2: Map of Smarts Underground illustrating drill hole location and assay results

The drilling was designed to test the mineralised N-S oriented quartz veins between the Smarts Shear zones. The Geology at Smarts 3 strikes NW with Azimuth 305° and dips to SE sub-vertical. The drilling orientation was oblique to geology with the aim being to intersect NS veins perpendicular.

The drilling intersected fine grained basalt, coarser MgO basalt, andesite, dolerites and FW sediments. Several zones of white quartz veins with strong pyrite alteration mainly in dolerite was logged. From past geological interpretation and knowledge these strong altered zones with the NS quartz veins are mineralised. The drilling results of the three additional holes towards NW in the Smarts 3 to UG gap confirm the geological model.

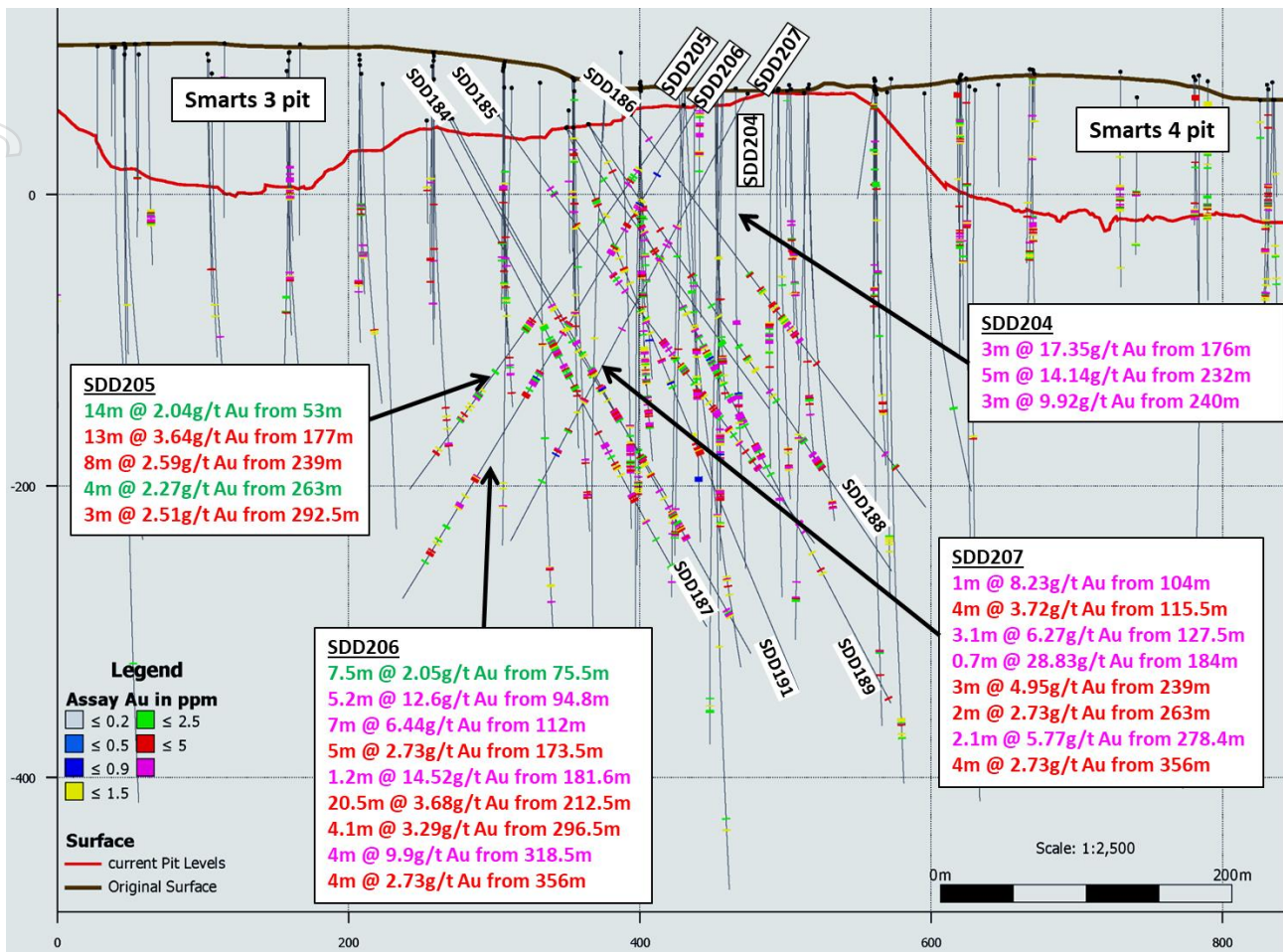


Figure 3: Long-section of Smarts Underground illustrating drill hole location and assay results



Goldstar Infill RC drilling

During the past quarter, 53 RC infill holes for an aggregate 3,087m were drilled at Goldstar, reducing line spacing to 15m.

The drilling continued to intercept expected geology with high MgO basalt in contact with basalt and dolerite dykes. As expected, almost all holes returned anomalous gold results, but overall with a lower grade. The gold dispersion is patchy and nugget like – some intercepts are wide but in the lower grade range. The better gold intercepts are related to WNW oriented quartz veins with strong coarse pyrite alteration halo. The best intercept, including up to 3m of internal waste, returned 15m at 1.3 g/t Au from 11m (GRC298).

A map of Goldstar illustrating drill collar location and first results from the latest RC program is set out in Figure 4.

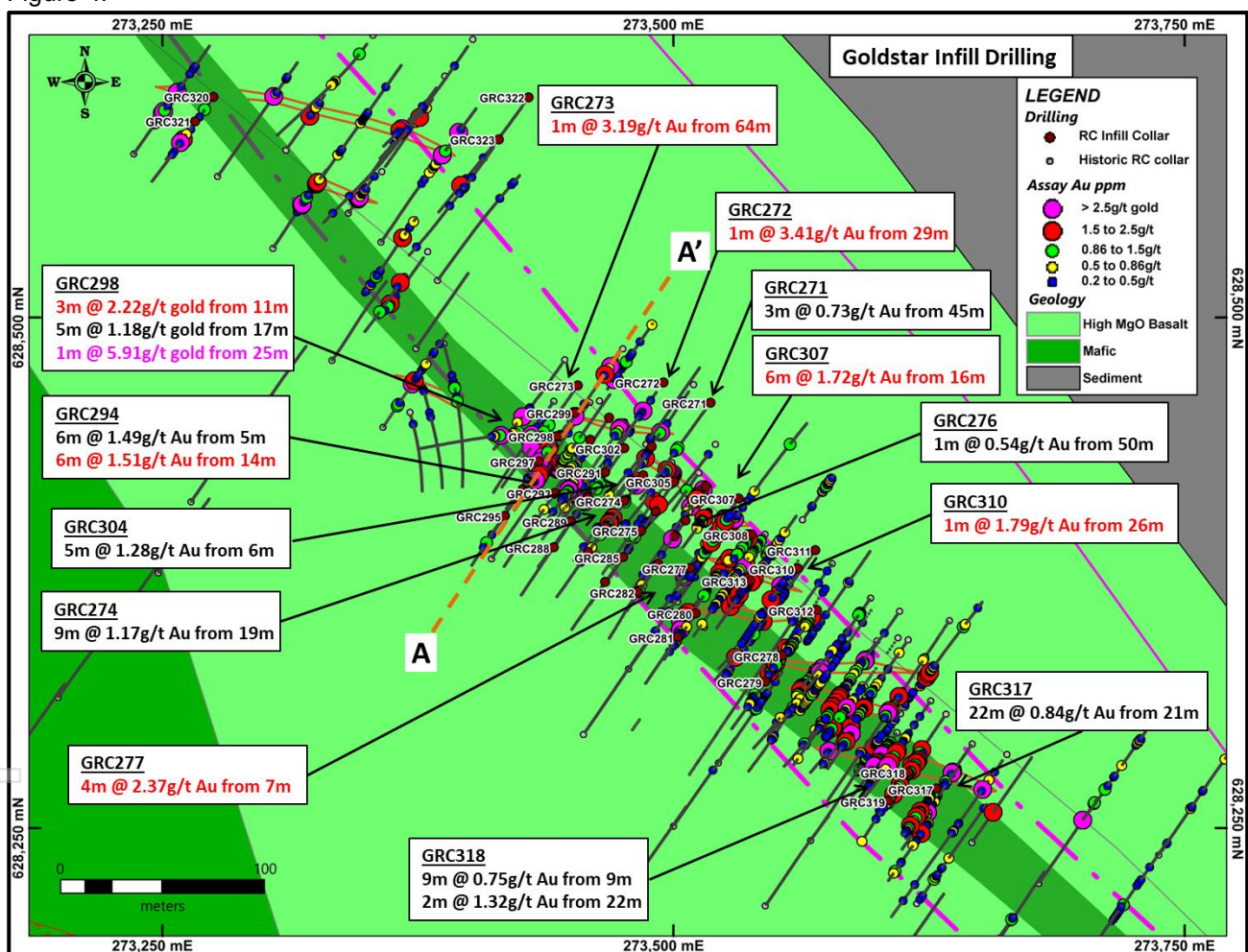


Figure 4: Map of Goldstar illustrating drill collar location and assay results from RC infill drilling

Mineralisation appears to be within a series of three discrete WNW (290°) striking zones which are related to the latest deformation within the overall NW striking shear structure.

Wide, low-grade intersections close to surface suggest that gold dispersion has taken place within the weathered zone. The widest and higher-grade intersections are found in the completely oxidised zone (refer to Figure 5).



A cross-section through Goldstar illustrating drill hole location, assay results and interpreted geology, is set out in Figure 5.

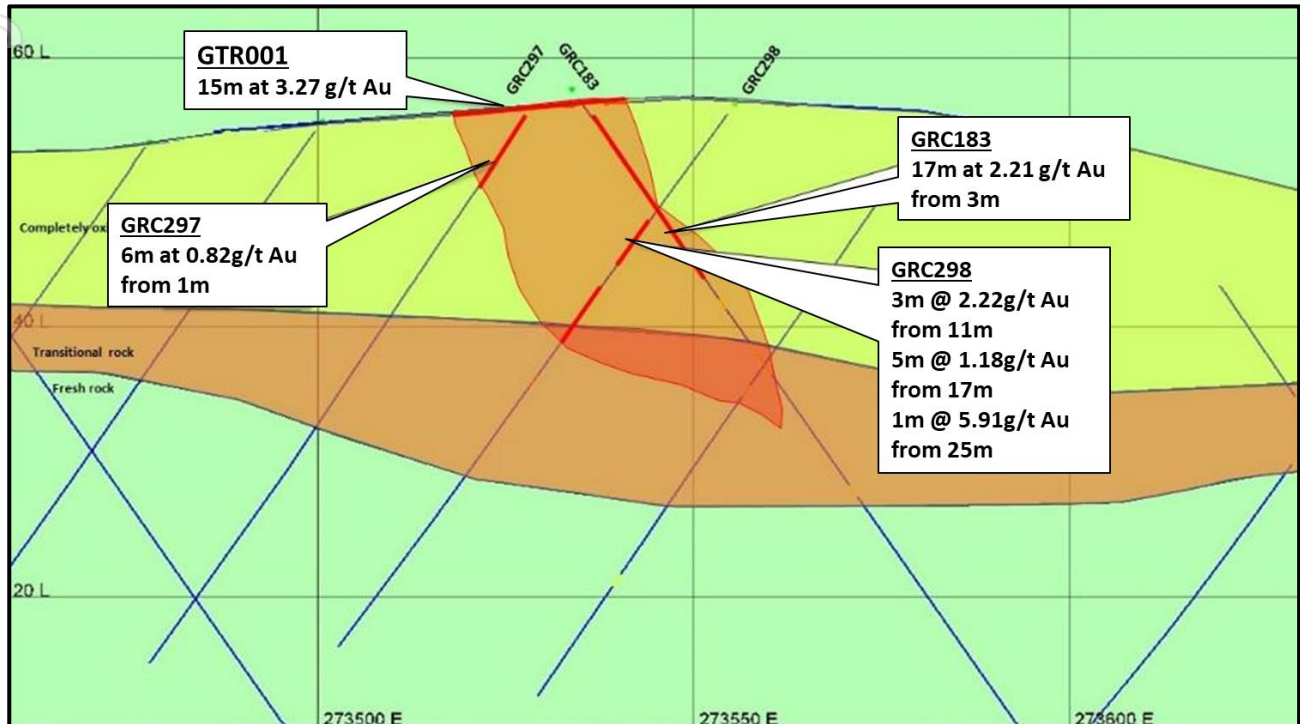


Figure 5: Cross-section through Goldstar (location A-A' shown in Figure 4) illustrating drill hole location, assay results

Brownfields Exploration

Gem Creek Diamond and RC drilling

Exploration completed 50 RC drill holes for a total of 4,467m in Gem Creek. An additional four diamond drill holes were completed for a total of 904m.

Interpretation of the geology and structural setting in GCDD001 indicated steeper NNW/NNE strike orientation with dip to the east of S0/S1 foliation and contacts. The drill hole intersected a 75m wide felsic intrusive with several strong silica altered andesitic dykes. Quartz veining and contacts of the felsic intrusion showed an E-W to WNW strike orientation with vertical to sub-vertical dip to the North. As such, the drilling orientation of the diamond hole was perpendicular to the S1 lithology, but oblique to the mineralised intrusive.

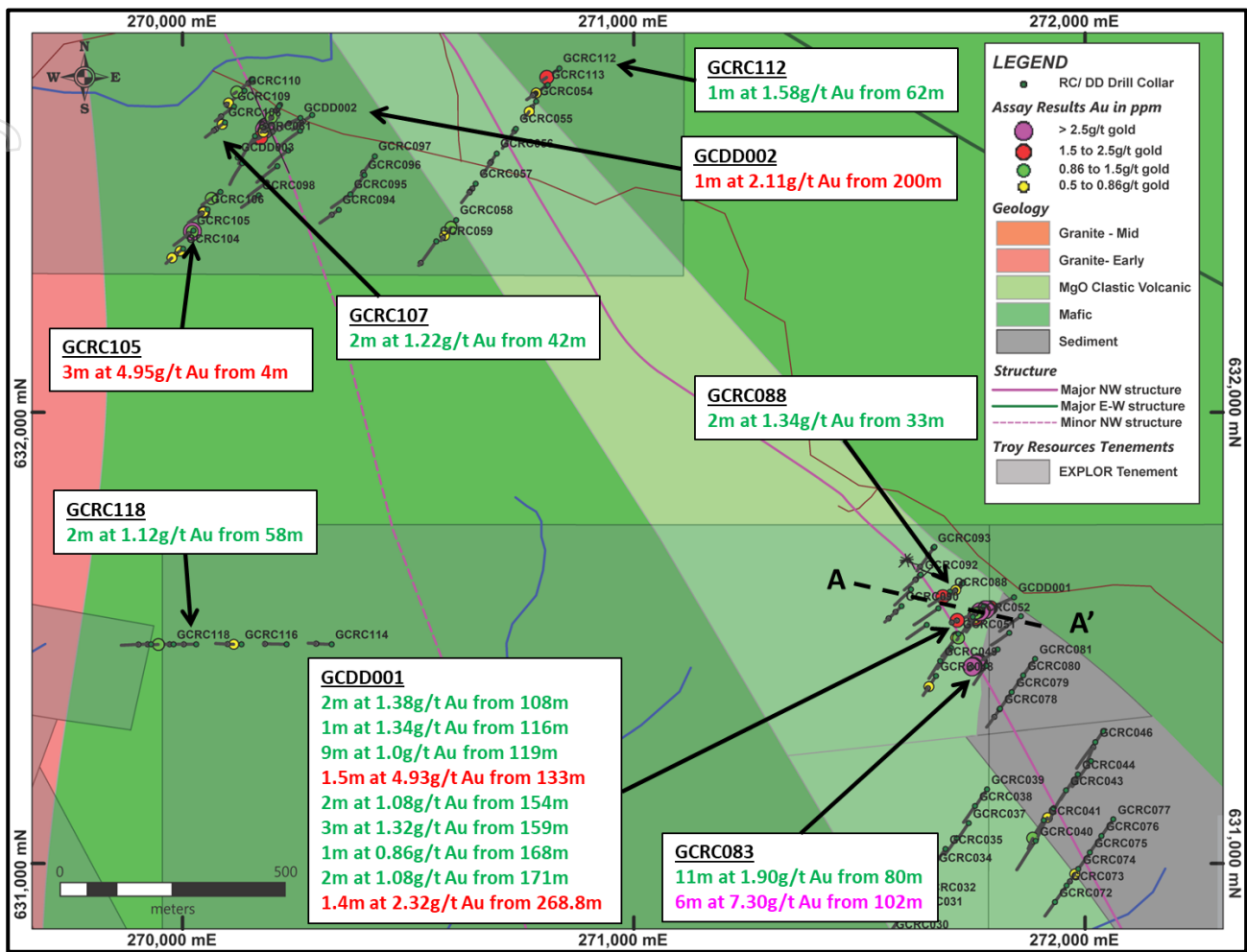


Figure 6 – Gem Creek Results with Interpretation and section line

Within the porphyry in GCDD001 assay results returned between 0.2 g/t to 4.9 g/t Au in a 75m interval. For this interval with allowed internal dilution the porphyry returned in total 75m at 0.62 g/t Au from 105m. The best intercept returned 1.5m at 4.93 g/t gold from 133m (refer Figure 7).

The diamond results are in N-S strike direction of GCRC083 which returned 11m at 1.90 g/t Au from 80m and 6m at 7.30 g/t Au from 102m. Gold mineralisation seems to be concentrated on the sheared contact of the younger sediment (shales and sandstones) to MgO clastic volcanic (pyroclastic breccia) unit. Mineralisation is related to felsic intrusive and quartz veining with strong pyrite occurrence (refer Figure 8).



The high grade Au intercept in GCD001 (1.5m at 4.93 g/t Au from 133m) related to steeply towards south dipping (~86°) quartz veins with visible gold. The vein is about 1cm in thickness. The host rock is likely TiO dolerite within the 75m of felsic intrusive (refer Figure 8).

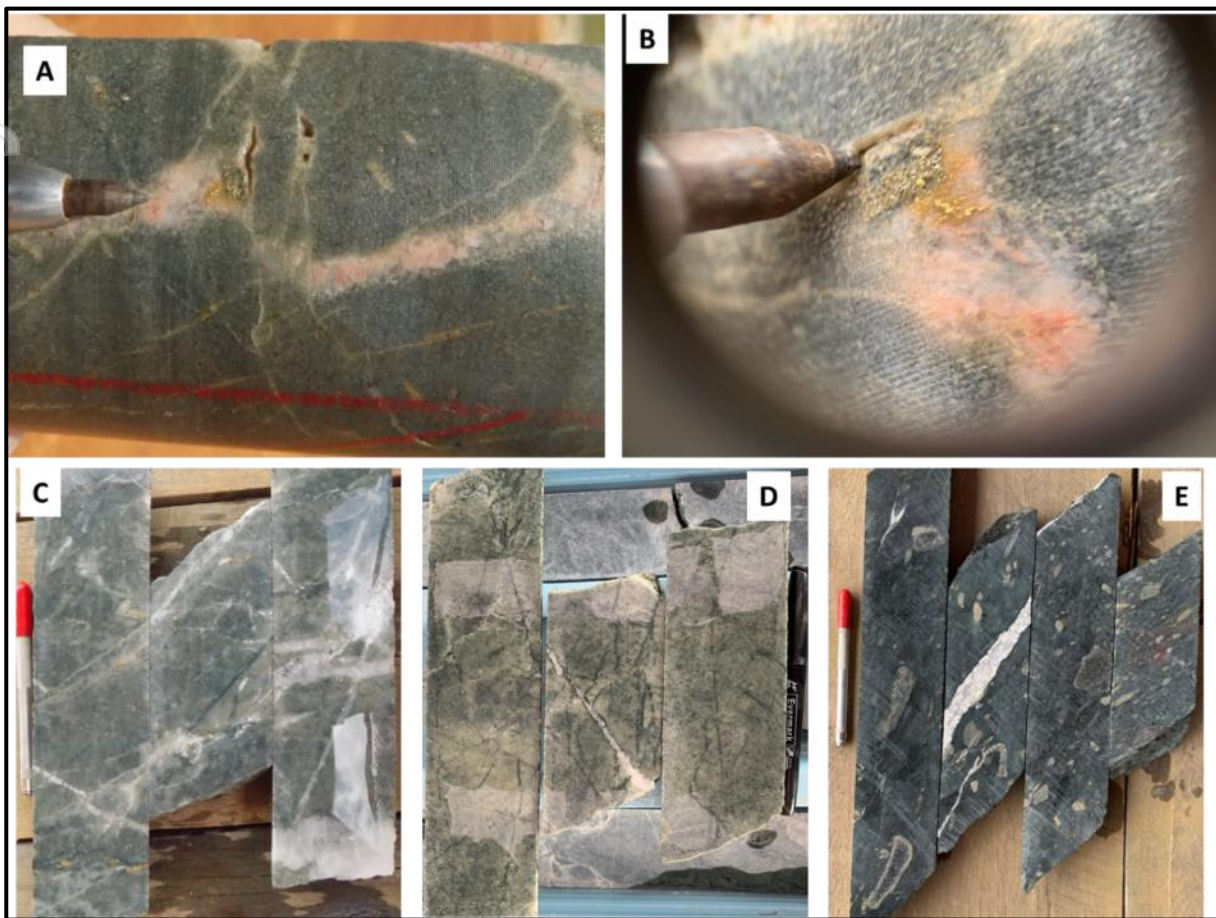


Figure 8 – selected core photos from GCDD001

- A) 1cm quartz-fsp-pyrite-Au veinlet in TiO dolerite – at 133.25m,
B) visible gold at 133.25m
C) silica altered felsic intrusive with pyrite and quartz veining at 109m – 110m
D) altered felsic intrusive with fine disseminated pyrite at 120m – 121m
E) clastic volcanic/ pyroclastic breccia? Derived from MgO protolith, fine disseminated pyrite 267m – 268.5m



New Tenement Acquisitions

Three successful deals with local Guyanese vendors have added highly prospective ground to the Troy Resources tenement portfolio.

The tenements cover approximately 10.0km of strike over the projected Makaba-Kuribrong Shear zone (MKSZ) – the major shear zone in the Guiana Shield. The presence of the shear zone was confirmed during mapping and field sampling work in 2019 and 2020. Rock samples taken in 2019 returned up to 2.87 g/t Au (refer December 2019 Quarterly Report).

It is noted that all world class orogenic gold deposits are located along major shear zones such as Boulder Le Froy in Western Australia or Cadillac in Canada.

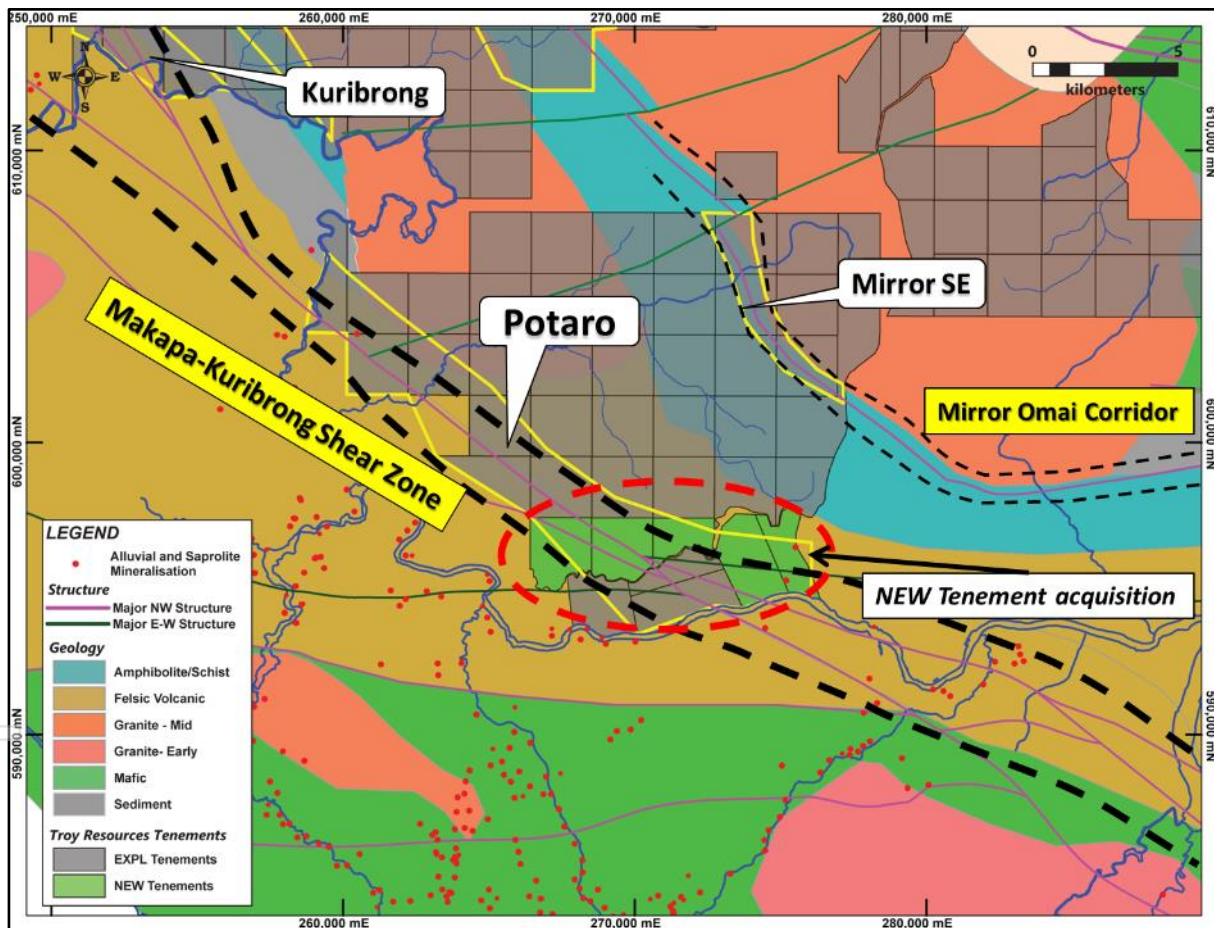


Figure 9: Exploration Tenement Acquisitions

FINANCIAL INFORMATION

At the end of the Quarter, the Company had total liquidity of \$9.3 million, including available cash of \$6.2 million and gold inventories at market value of \$3.1 million. Key movements in cash flow are illustrated in Figure 10.

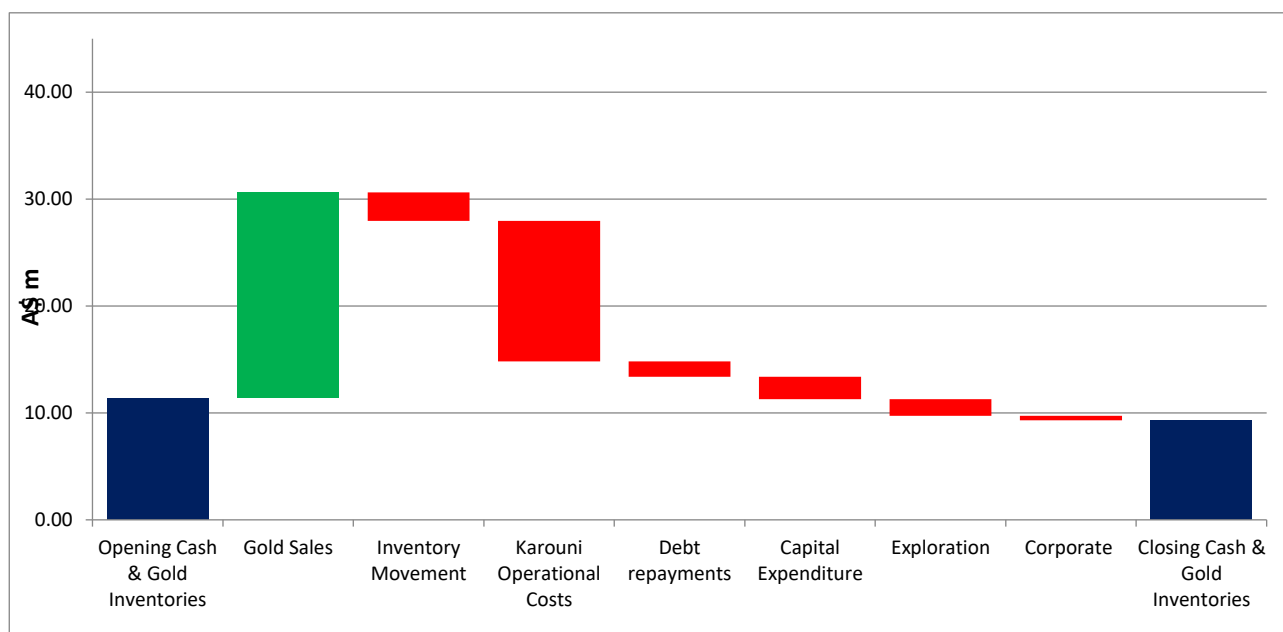


Figure 10 – March 2021 Quarter Cash Movements

Notes:

1. Key movements - unaudited
2. Liquid assets include cash, gold doré & GIC at market value.

Exploration Expenditure

Exploration expenditure incurred during the quarter was \$1.56 million.

Capital Expenditure

Expenditure incurred in relation to plant and equipment and sustaining capital at Karouni during the quarter was \$0.25 million.

CORPORATE

Capital Structure

The Company's capital structure as at 31 March 2021 was as follows:

Issued Capital and Equity Structure as at 31 March 2021	
Ordinary Shares	757,563,768
Options (\$0.10 exercise price expiring 16 January 2022)	6,000,000
Options (\$0.10 exercise price expiring 16 January 2023)	6,000,000
Options (\$0.15 exercise price expiring 10 December 2023)	12,000,000
Performance Rights expiring 10 December 2024	2,600,000
Performance Rights expiring 10 December 2025	2,600,000
Performance Rights expiring 10 December 2026	1,400,000

This announcement has been authorised for release by the Managing Director.

ENDS



Directors

Peter Stern, Non-Executive Chairman
Ken Nilsson, CEO and Managing Director
Richard Beazley, Non-Executive Director
Andrew Barclay, Non-Executive Director

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Competent Person Statement

The information contained in this report referring to Exploration Results at Smarts and Goldstar is extracted from the announcements entitled "Exploration Update, Karouni Project" released on 7 August 2020 and Bonanza Drill Intersections at Smarts Underground' released on 13 October 2020, "More High-Grade Gold Results at the Karouni Project" released on 13 November 2020, 'Exploration update, Karouni Project' released on 4 January 2021, "Further High-Grade Drilling Results at Karouni Gold Project" released on 18 March 2021 which are available to view on www.troyres.com.au or the ASX website under the company code TRY.

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 the drill results or geophysical review and that all material assumptions and technical parameters underpinning the drill results and geophysical review in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings as presented here have not been materially modified from the original market announcements.

The information in this report that relates to Exploration Results is based on information compiled by Richard Maddocks, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Maddocks is employed as an independent consultant to the Company. Mr Maddocks has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Maddocks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.