TROY RESOURCES LIMITED

QUARTERLY REPORT

FOR THE THREE MONTHS ENDED 31 MARCH 2018

HIGHLIGHTS

- **Record gold production** for the March 2018 quarter of **21,703 ounces**, 35% higher than the December 2017 quarter production of 16,109 ounces and 8% higher than the previous record quarterly production of 20,195 ounces established in the March quarter 2016
- Average head grade of ore treated for the quarter was 3.27 g/t Au with a gold recovery rate of 96.0%
- **AISC of US$720/oz** for the quarter, **a 29% decrease** from the previous quarter
- Ore stockpile in excess of 180,000 tonnes representing more than enough for two months processing
- Investec loan repayments made of **US$7 million** during the quarter (including the US$3 million paid on 3 January 2018)**,** reducing the loan balance to **US$16.2 million** at the end of the quarter
- Exploration Results from Spearpoint including:-
  - **7m @ 13.08g/t gold, including 2m @ 32.88g/t, from 41m (Hole SRC 827)**
  - **7m @ 7.55g/t from 54m (SRC 822)**
  - **9m @ 5.38g/t from 63m (SRC 823)**
  - **5m @ 5.32g/t from 82m (SRC 819)**
  - **4m @ 8.88g/t from 74m (SRC 830)**
  - **9m @ 4.34g/t from 27m (SRC 831)**
  - **6m @ 6.45g/t from 37m (SRC 834)**
- Exploration Results from trenching at the Larken Prospect including:-
  - **5m @ 4.36g/t from 9m (LTR013)**
  - **4m @ 8.06g/t from 16m (LTR014)**
  - **3m @ 8.33g/t from 17m (LTR016)**
- Cash & equivalents (gold inventories) totalled A$9.6 million at the end of the quarter
- Sales revenue for the quarter was US$30.6 million from the sale of 23,046 ozs of gold

Commenting on the results, Troy's Chief Executive Officer and Managing Director, Mr Ken Nilsson, stated:-

"The excellent operational performance for the March quarter is the result of ongoing improvements and stable mining and processing conditions which led to the production of ***a record 21,703 ounces*** *of gold. The results were in excess of budget which is based on a stable production rate at levels slightly lower than those produced in the March quarter. Partly due to the quarter's good performance,* ***gold production guidance for the 2017/18 year has been increased to a range of 65,000oz to 70,000oz*** *from the previous range of 60,000oz to 70,000oz.*

"It is particularly pleasing that the Company was able to ***repay US$7 million*** *to Investec during the quarter (including the US$3 million paid on 3 January 2018) plus settle forward contracts, interest and fees reducing the* ***outstanding bank debt to US$16.2 million****. The reduction of amounts outstanding to suppliers is also ongoing and progressing well.*

"The ***All-in-Sustaining-Cost (AISC) was reduced by 29% to US$720/oz*** *during the quarter reflecting both the benefits of the cost reduction campaign that has been ongoing for the past 6 months and the higher production level.*

"Leading in to the wet season, it is pleasing that we have established an ***ore stockpile in excess of 180,000 tonnes*** *representing more than enough for two months processing.*

"Exploration at the Spearpoint and Larken Prospects during the quarter has returned some excellent results. These results have indicated the need for additional drilling to upgrade the mineral classification and this will be undertaken during the June quarter. The review of Ore Reserves and Mineral Resources is ongoing with the immediate intention of upgrading the Larken resource and bringing Spearpoint into a JORC compliant resource category.

"Moving forward, plans are being prepared to re-establish exploration areas where there have previously been good mineral intercepts, particularly in the Goldstar area. In addition, Troy is looking at other opportunities in the Karouni area with known gold occurrences. The aim is to establish a strong and focussed programme to increase ore reserves."

OPERATIONS

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

Results Summary

A summary of key operational parameters at Karouni for the March quarter, the year-to-date and the two previous quarters, is set out in the following table:-

Table 1: Quarterly and YTD Production & Costs Summary

Operations	September 2017 Quarter	December 2017 Quarter	March 2018 Quarter	9 months to March 2018
Open Pit Mining				
Total mined (t)	1,988,435	1,519,308	**1,106,369**	**4,614,112**
Ore Mined (t)	276,915	277,177	**271,492**	**825,584**
Mine Grade (g/t)	1.72	2.74	**2.49**	**2.32**
Mill Production				
Processed (t)	238,646	222,785	**214,681**	**676,112**
Head Grade Gold (g/t)	1.84	2.42	**3.27**	**2.48**
Recovery Gold (%)	91.3	93.6	**96.0**	**94.1**
Gold Produced (oz.)	12,885	16,109	**21,703**	**50,697**
Gold Sold (oz.)	12,771	15,385	**23,046**	**51,202**
Cash Cost (US$/oz.)	1,005	832	**539**	**748**
AISC (US$/oz.)	1,240	1,017	**720**	**943**
Gold Price Realised (US$/oz.) [(1)]	1,274	1,276	**1,328**	**1,293**

(1) Before impact of hedging.

During the quarter, a total of 1,106,000 tonnes of material were mined, including 271,000 tonnes of ore at an average grade of 2.49 g/t. The decrease in total mined tonnes generally reflects the anticipated changes in mining according to the FY 2018 Budget. However, during February, production volumes were affected by low availability of mining equipment, mainly excavators.

Mining activities for the quarter focused on the high-grade areas of Smarts 3 and Smarts 4. There was minimal ore production (< 20,000 tonnes) from the Hicks pits, but stripping continued in these areas during the quarter (390,000 tonnes or approximately 35% of the total material mined). Mining of ore from Hicks is anticipated to increase in the next quarter.

As at 31 March 2018, stockpiles of ROM and crushed ore encompassed 180,884 tonnes at an average grade of 1.79 g/t for 10,406 ounces. This represents an increase of 65,000 tonnes or 56% over the previous quarter. The site has ample ROM material available for the upcoming rainy season in June and July.

During the quarter, 214,681 tonnes of ore were processed representing a 4% decrease from the previous quarter. Processing tonnes for both January and February were below budget due to unscheduled mill downtime in January and screening issues in February. March's production was back at budget levels at 81,896 tonnes. The plant and crushing circuit are currently operating at budgeted levels.

The reduction in tonnes milled was more than offset by a 35% increase in the grade milled of 3.27g/t.

Gold recovery for the quarter was 96.0% as compared to 93.6% for the previous quarter.

Gold production from Karouni for the quarter was **an all-time record for the project of 21,703 ounces** compared to 16,109 ounces in the previous quarter, with some 5,594 ounces or 35% increase over the December quarter.

During the quarter, the Company's C1 operating costs were US$539/oz, down 35% as compared to US$832/oz in the previous quarter.

All-in-Sustaining-Costs ("AISC**"**) for the March quarter **were US$720/oz, down 29%** as compared to US$1,017/oz in the previous quarter.

The decrease in unit operating costs is primarily due to the increased production for the quarter and the benefit of the cost reduction campaign undertaken over the last 6 months in respect of both operating and corporate costs.

Gold sold for the quarter was 23,046 ounces for total sales revenue of US$30.6 million.

Net cash flow from operations was $14.2 million for the quarter.

A more detailed breakdown of costs is set out in the following table:-

Table 2: Quarterly and YTD Cash Costs

	September 2017 Quarter	December 2017 Quarter	March 2018 Quarter	9 Months to March 2018
	US$/oz.	US$/oz.	US$/oz.	US$/oz.
C1 Cash Cost	1,005	832	**539**	**748**
Refining and transport costs	5	4	**4**	**4**
Reclamation and remediation	7	6	**6**	**6**
Royalties	105	107	**122**	**113**
Insurance	21	16	**9**	**14**
Exploration - sustaining	18	7	**7**	**10**
Corporate general and administration costs	72	41	**21**	**40**
Capital equipment	7	4	**12**	**8**
All-In Sustaining Cost (AISC)	1,240	1,017	**720**	**943**

Health and Safety

As of 22 March, 220 days had passed without a lost time injury. Unfortunately, a LTI was recorded at Karouni on 23 March due to a finger injury.

Safety performance decreased during the quarter on the basis of the industry standard Total Recordable Injury Frequency Rate ("TRIFR"). TRIFR at the end of the quarter was 7.1, up from 6.2 for the previous quarter, though it remains well below previous levels.

The Company maintains its strong commitment to Health and Safety. The current focus is on field leadership and interaction between Managers/Supervisors and the workforce, with the introduction of the Field Leadership Program.

Environment

No reportable environmental incidents occurred during the quarter in accordance with the Guyanese Environmental Protection Authority guidelines. Routine water and noise sampling did not show any significant anomalies.

All permits and licenses are up to date and the Company is in full compliance with its ongoing requirements.

The Company continued its work on its reclamation efforts during the quarter whereby native plant specimens were collected with the help of workers from the local indigenous community and several test plots planted. During the quarter, several construction borrow pits were covered with growth medium and will be planted during the upcoming quarter.

Community

The Company continues to work closely with the local Amerindian community and participate in local heritage activities. In addition, members of the community are engaged in company activities on a semi regular basis providing additional labour as required and performing specific tasks. During the quarter, the Company remediated the main road leading into the Community.

CASPOSO, ARGENTINA (Troy 30% - Austral Gold Limited (ASX:AGD) (Manager) 70%)

Results Summary

Troy holds a 30% equity interest in the Casposo Gold Mine in Argentina which is managed by Austral Gold Ltd (“Austral Gold”).

Troy does not receive any direct share of production or contribute to costs during Austral Gold’s earn-in period.

As at the date of this release, the final operational statistics for Casposo for the March 2018 quarter have not been finalised by Austral Gold.

However, full results will be available in Austral Gold’s quarterly report due for release on 30 April 2018.

EXPLORATION

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

Overview

During the quarter, exploration focused on the near mine prospects Spearpoint and Larken (refer Figure 1). The aim is to bring both prospects to a JORC compliant indicated and measured resource category in preparation for mining.

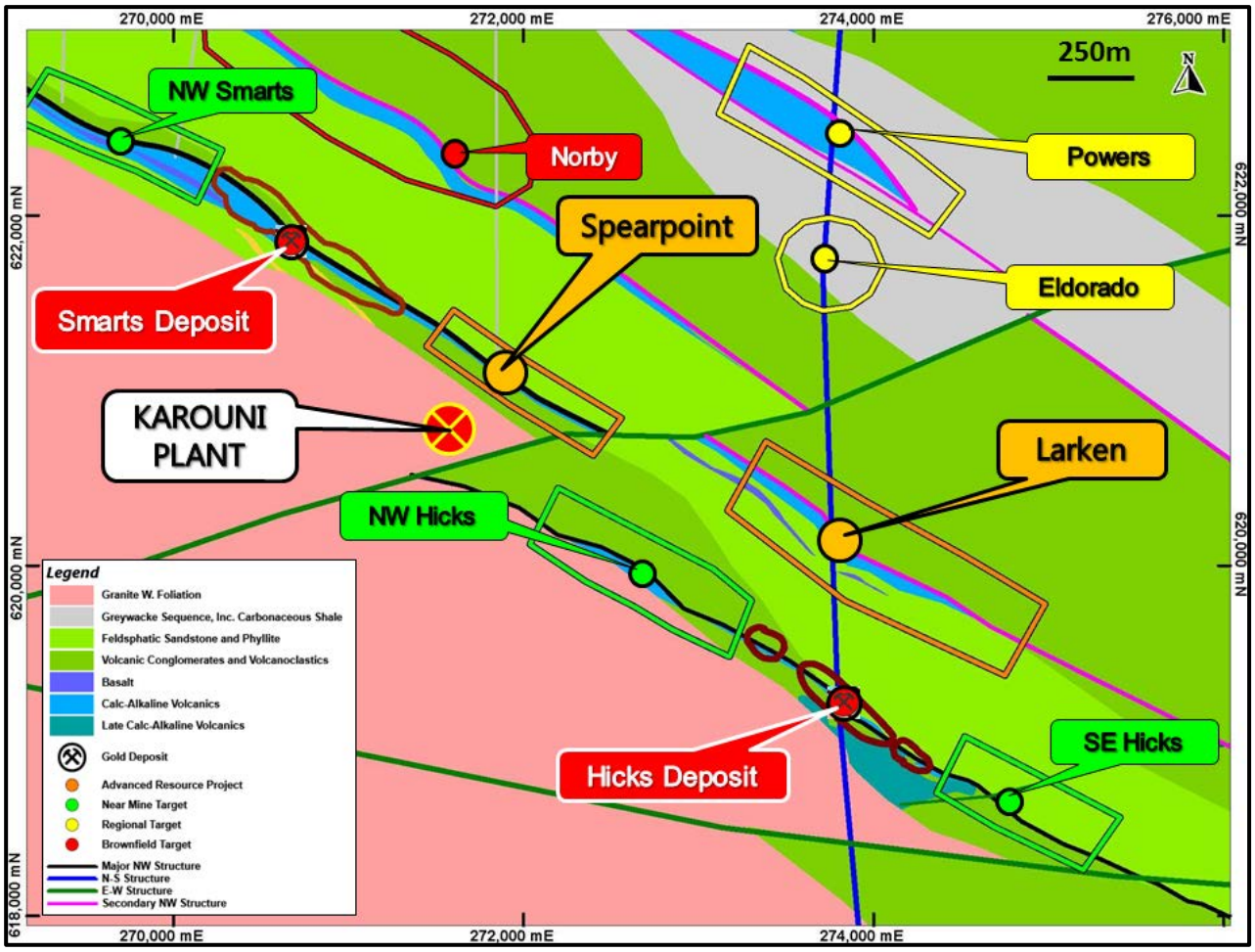

Figure 1: Prospect Locations relative to Karouni Plant

Spearpoint Prospect

During the quarter, near mine exploration drilling for the Spearpoint project was completed. The drill results were reported in the announcement titled *"Exploration Results – Spearpoint Prospect"* released to the ASX on 19 March 2018.

For the quarter, a total of 23 reverse circulation ("RC") drill holes were completed for a total of 1,930 meters. Two drill holes (SRC820, SRC820A) where abandoned and re-drilled and one hole was abandoned before it reached its targeted depth (SRC840).

The full Spearpoint RC drilling programme encompassed 34 drill holes for a total of 2,657 meters.

The drilling confirmed the continuation of the Smarts – Hicks shear and intersected several high grade gold zones. The geology is similar to the Smarts deposit with a coarse mafic, doleritic unit within the hanging wall and footwall shear zone. The high grade zones are related to strong silicified zones with coarse pyrite alteration and N-S vein arrays within coarser mafic units. Along the north-west striking shear zones, lower grade gold intercepts were identified.

The results confirm a very robust mineralised zone with mineable widths of high grade gold over approximately 400 metres of strike length.

Results for the full programme are detailed in Table 7 at the end of this report; however, significant intercepts from the programme include:-

- **7m @ 13.08g/t gold, including 2m @ 32.88g/t, from 41m (Hole SRC 827)**
- **7m @ 7.55g/t from 54m (SRC 822)**
- **9m @ 5.38g/t from 63m (SRC 823)**
- **5m @ 5.32g/t from 82m (SRC 819)**
- **4m @ 8.88g/t from 74m (SRC 830)**
- **9m @ 4.34g/t from 27m (SRC 831)**
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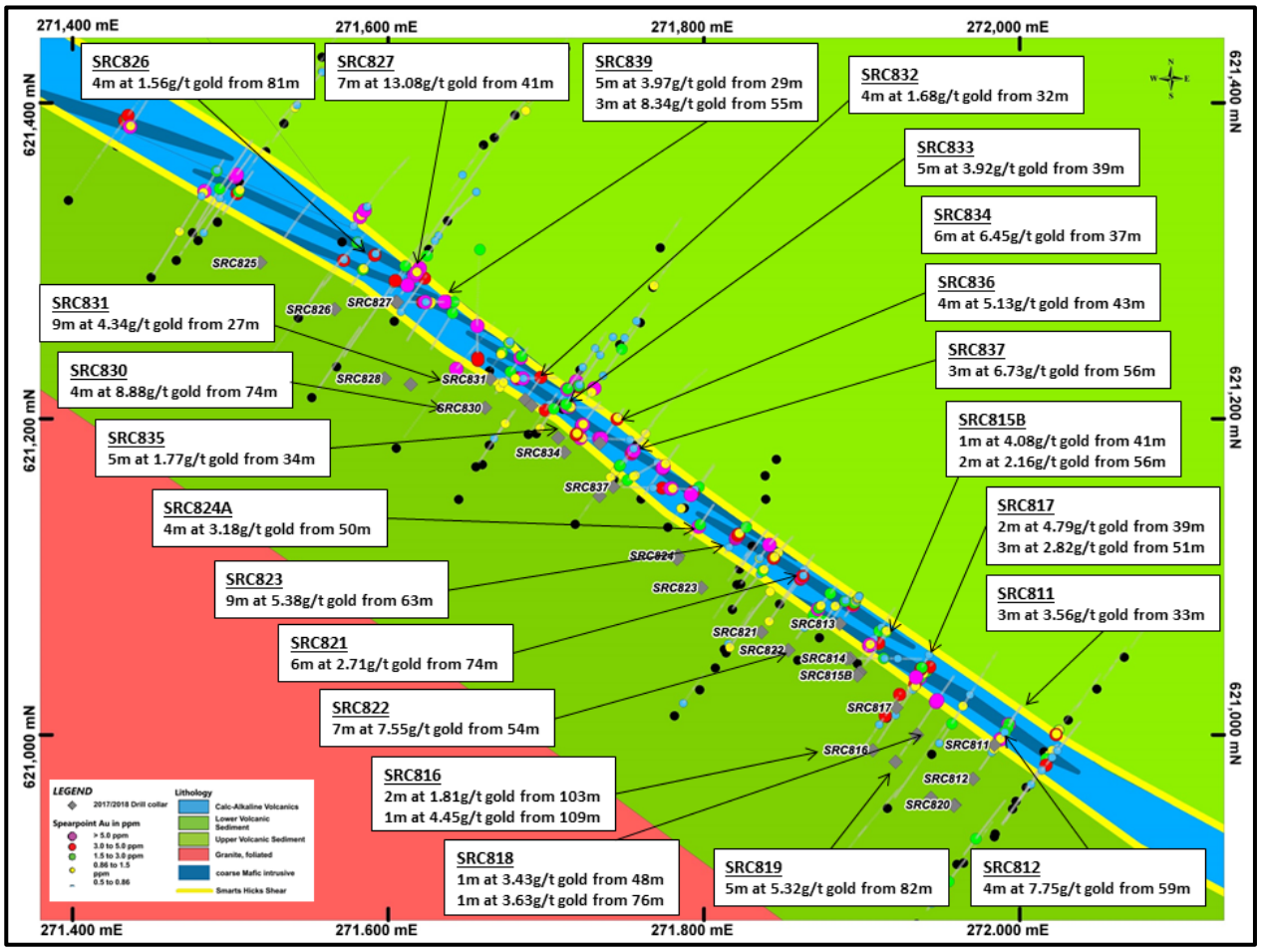

Figure 2: Spearpoint Drill collar location 2017/18 with best assay results in Au g/t

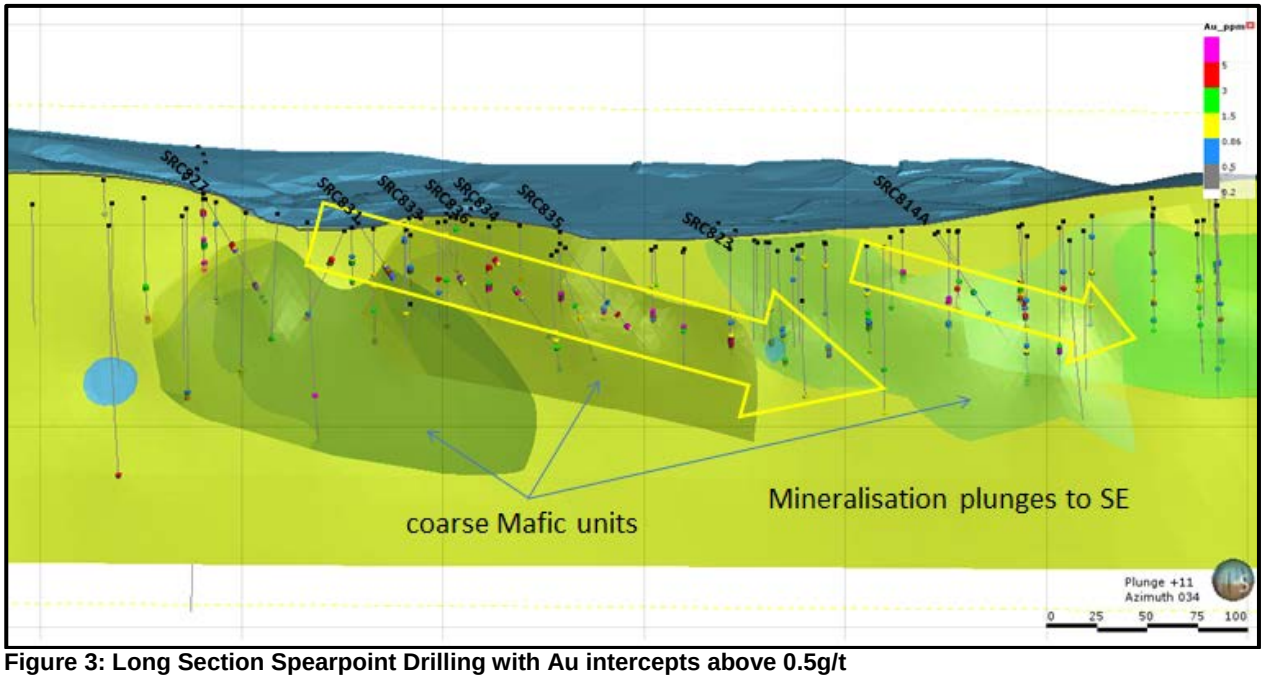

Figure 3: Long Section Spearpoint Drilling with Au intercepts above 0.5g/t

The gold mineralisation is related to NS veining within the coarser mafic unit which displays coarse pyrite and silica alteration. The shear zone has minor mineralisation which is probably related to the development of NS veins within the sheared unit. The high-grade gold mineralisation plunges to the SE.

During the quarter, a geological model and a first draft block model were completed. As a result of the modelling, additional infill drilling holes are planned to increase the confidence of the resource model. This infill drilling is mainly designed to confirm the density and continuation of the NS high grade mineralisation.

This drilling will commence in late April/early May.

Larken Prospect

The Larken prospect is located approximately 2 kilometres to east of the Karouni plant site (refer Figure 1 above).

Larken is a shear hosted deposit that runs parallel to the Smarts and Hicks shears. The mineralisation is related to the contact of sheared high MgO basalt and a Fe-rich mafic unit which is similar to the Smarts deposit.

The Larken Prospect has previously been mapped as an Inferred Resource of 309,000 tonnes at 3.2g/t for 31,800 ounces of gold. (*Refer to the ASX Announcement of 24 October 2017 titled "Mineral Resources and Ore Reserve Statement*).

During the quarter, drill pads were cleared in preparation for the drilling during the June quarter of 33 holes for a total of approximately 1,750 meters.

Additionally, six short (20 to 25 metres) trenches were excavated, sampled and logged. The trenches intersected the Larken Shear zone with sheared quartz veining in MgO unit and altered saprolite of weathered mafic unit.

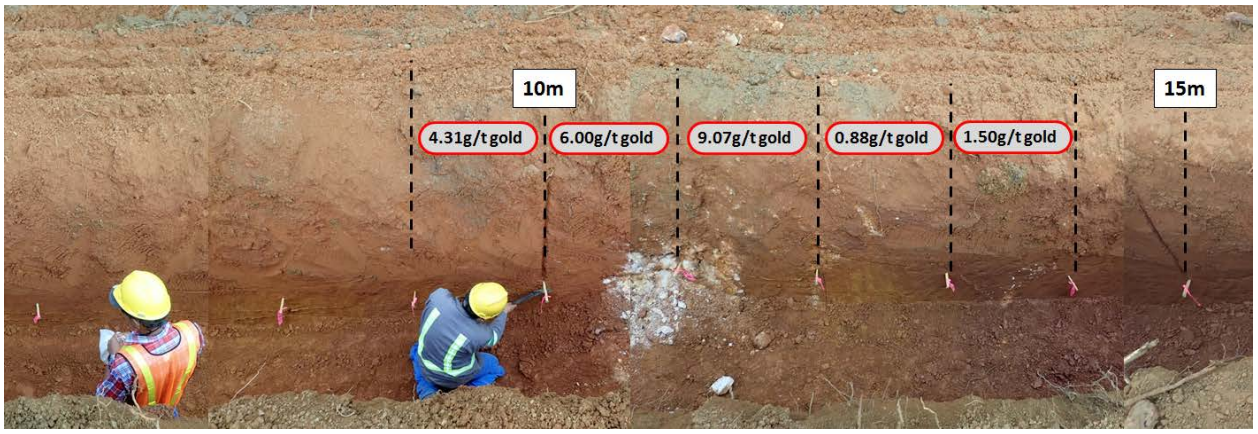

Figure 4: Larken Trench – LTR013 - 1m sampling intervals with results along channel about 2m below surface

The Larken area has no sand cover with the orebody outcropping at surface.

Sampling results, as outlined in Table 4, demonstrate that the orebody is also of relatively high gold grade at shallow levels.

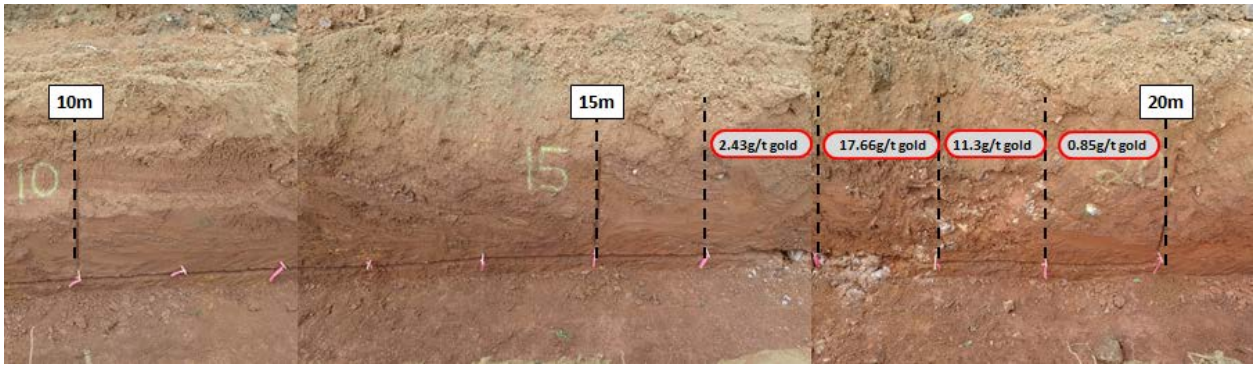

Figure 5: Larken Trench – LTR014 - 1m sampling intervals with results along channel about 2m below surface

Table 4: Larken Sampling Summary of Quarterly Trenching Results

Trench	Easting	Northing	Elevation (m)	Length (m)	Azimuth	Dip	Peak Gold Assay Intervals
LTR013	273467.58	620433.49	63.683	20	215	-2	**5m at 4.36g/t gold from 9m**
LTR014	273482.79	620421.33	65.918	20	214	-2	**4m at 8.06g/t gold from 16m**
LTR016	273504.12	620400.49	67.342	20	213	-5	**3m at 8.33g/t gold from 17m**
LTR017	273573.04	620340.5	60.265	20	216	0	NSR
LTR018	273606.16	620318.26	62.487	20	216	-5	2m at 2.88g/t gold from 12m 1m at 1.39g/t gold from 18m
LTR019	273623.01	620314.01	61.823	25	215	-4	1m at 2.63g/t gold from 21m

Notes to above table:

1. *Intervals calculate at a cut-off grade 0.5g/t gold with a maximum of 2m internal dilution*
2. *Intercepts are not true widths.*
3. *All samples are trench/ channel samples (sampling channel 0.5m above trench floor, 10cmx20cmx1m channel)*
4. *All reported intersections assayed at 1m sampling length.*
5. *Mineralised intervals reported as weighted averages.*

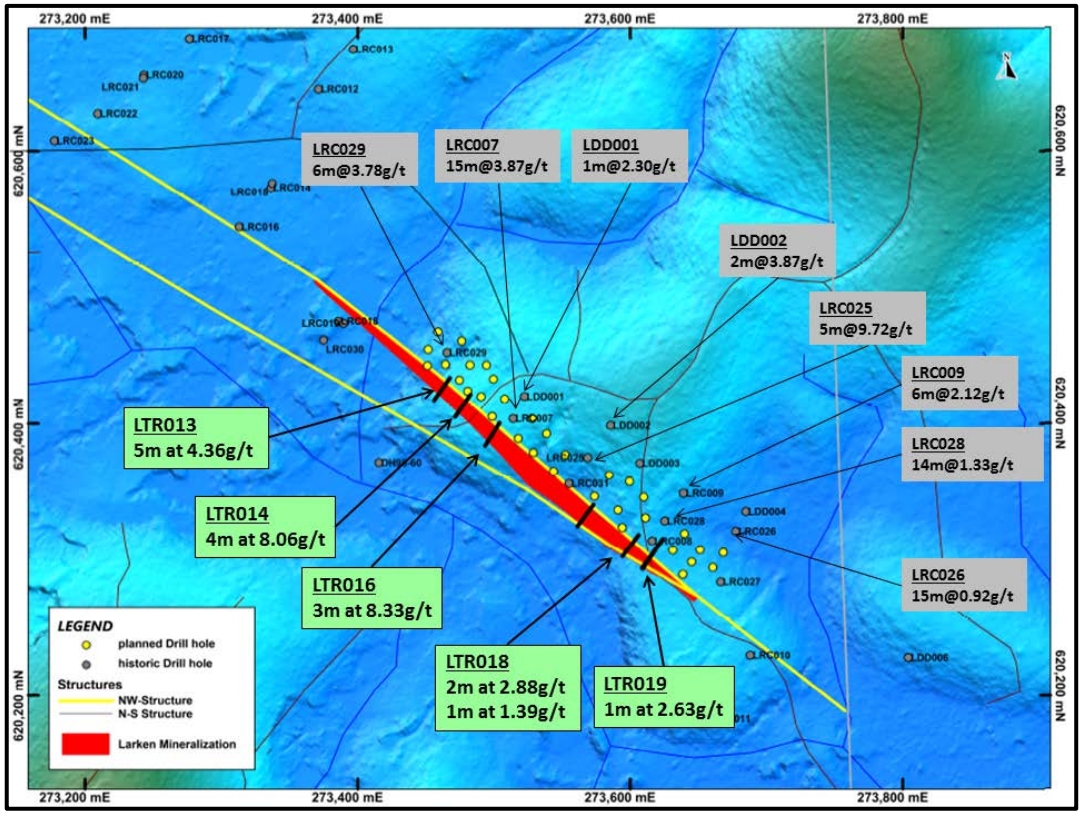

Figure 6: Larken Trench results (green) with historic DD and RC drilling results (grey)

FINANCIAL INFORMATION

At the end of the quarter, the Company had total liquidity of $9.6 million, including available cash of $3.8 million and gold inventories at market value of $5.8 million.

Key movements in cash flow are illustrated in Figure 7 below:-

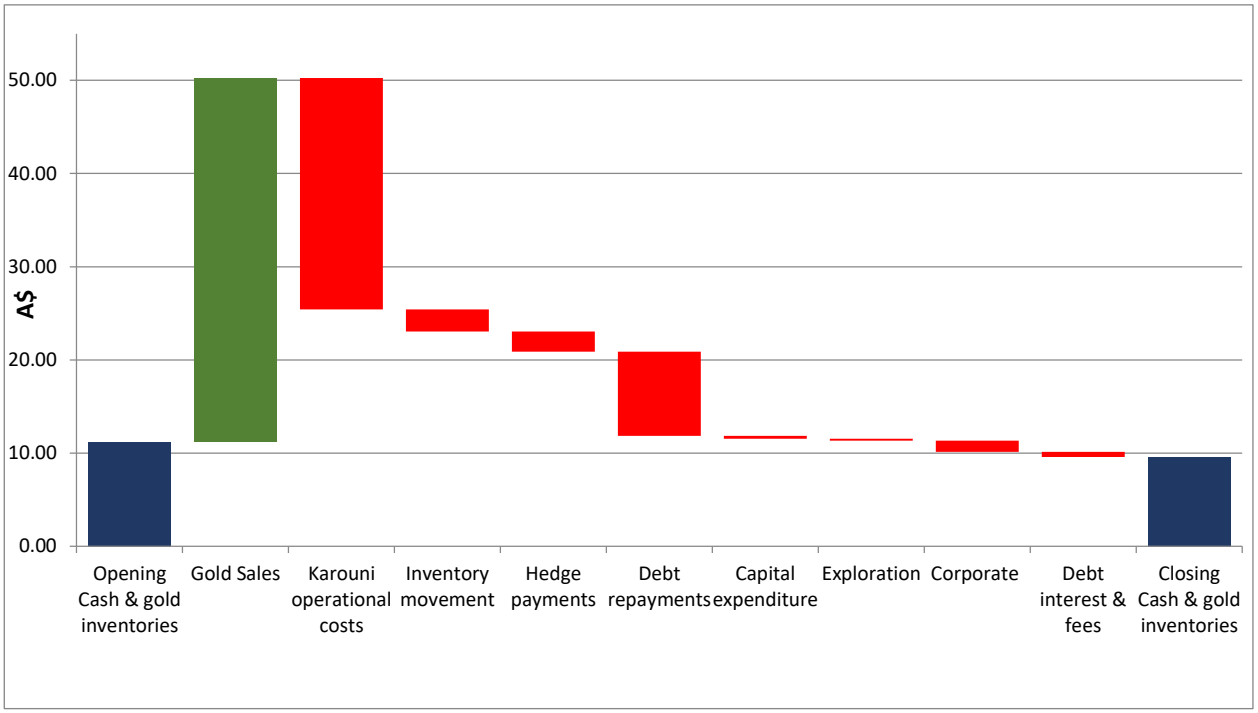

Figure 7: March Quarter Cash Movements

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

Debt Facility

The Company **repaid US$7 million** of its Debt Facility with Investec during the quarter including the US$3 million paid on 3 January 2018 as noted in the December 2017 quarterly report. The loan balance as at 31 March 2018 was **US$16.192 million**.

Hedging

A summary of the Company's gold hedging positions at 31 March 2018 is set out in the table below.

Table 5: Gold Hedging Position as at 31 March 2018

Settlement Period	Gold oz.	US$/oz.
June Qtr. 18	9,000	$1,183.65
Sept Qtr. 18	9,000	$1,183,65
Dec Qtr. 18	13,000	$1,233.34
March Qtr. 19	3,000	$1,344.80
TOTAL	**34,000**	**$1,216.87**

Exploration Expenditure

Exploration expenditure incurred during the quarter was A$0.2 million.

Capital Expenditure

Expenditure incurred in relation to the plant and equipment and sustaining capital at Karouni during the quarter was A$0.3 million.

CORPORATE

Capital Structure

Table 6: Equity Structure as at 31 March 2018

Issued Capital (as at 31 March)	
Ordinary Shares	459,543,474
Options ($0.18 exercise price; final expiry 20 April 2019)	27,780,000

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Directors

Peter Stern, Non-Executive Chairman
Ken Nilsson, CEO and Managing Director
John Jones AM, Non-Executive Director

Competent Person's Statements

The scientific and technical content of this release that relates to Exploration Results for the Karouni project has been prepared by, or under the supervision of A.E. Olson, FAusIMM and Carolina Milla, P. Eng., and has been reviewed and approved by Mr. Olson and Ms. Milla. Ms. Milla is a Geologist and Member of APEGA, the Association of Professional Engineers and Geoscientists of Alberta, and a Professional Engineer in Alberta - Canada. Mr. Olson is a mining engineer and a Fellow of the Australian Institute of Mining and Metallurgy. Mr. Olson is a consultant to the Company and Ms. Milla is an employee of the Company. Both Mr. Olson and Ms. Milla are a "competent person" for the purposes JORC Code and of National Instrument 43-101, Standards of Disclosure for Mineral Projects. Both Mr. Olson and Ms. Milla have sufficient experience in deposits of this nature.

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 announcement.

QA/QC

As part of the Company's Quality Assurance and Quality Control procedures (QA/QC) the Company reviews results from Certified Standard Reference materials (CRSM or Standards), which are inserted at a rate of 5 per 100 samples. Within the results disclosed herein there were no samples with results outside of the recommended tolerances for the standards. In Troy's drill programs, the RC sample is collected at the rig using a three-tier riffle splitter. One sample every meter is sent to Actlabs in Georgetown for sample preparation and assaying.

Assays within intervals below the 0.005 g/t detection limit for Au were given a zero value. All drill samples were prepared, screened, and assayed by Actlabs in Georgetown using standard fire assay AAS finish. Gold assays over 10.0 g/t Au, were re-assayed and completed with a gravimetric finish.

QA/QC included the insertion and continual monitoring of numerous standards, blanks and duplicates into the sample stream, at random intervals within each batch. In total the QA/QC samples comprise 15% of the total samples analyses.

The complete results of the 34-hole Spearpoint drilling program is tabled below:-

Table 7: Complete Spearpoint Drilling Summary of Results

Hole	Easting	Northing	Elevation (m)	Depth (m)	Azimuth	Dip	Peak Gold Assay Intervals
SRC811	271984	620993.6	96.02	66	35	-60	3m at 3.56g/t gold from 33m
SRC812	271970.5	620972.1	95.5	94	35	-60	1m at 1.09g/t gold from 46m and
							4m at 7.75g/t gold from 59m and
							2m at 1.38g/t gold from 72m and
							1m at 1.73g/t gold from 79m
SRC813	271886	621070.3	77.7	43	35	-60	NSR
SRC814	271892.7	621048.4	79.8	25	90	-55	abandoned, NSR
SRC814A	271890.56	621048.24	79.23	79	89	-55	2m at 1.3g/t gold from 39m
SRC815	271899.01	621039.63	81.3	49	35	-55	1m at 1.8g/t gold from 36m
SRC815A	271898.03	621039	81.04	41	35	-55	abandoned, NS
SRC815B	271897.16	621037.57	81.19	67	35	-55	1m at 4.08g/t gold from 41m and
							2m at 2.16g/t gold from 56m
SRC816	271906.93	620990.28	86.07	115	33	-55	2m at 0.89g/t gold from 83m and
							2m at 1.81g/t gold from 103m and
							1m at 4.45g/t gold from 109m
SRC817	271921.94	621017.17	85.53	73	35	-55	2m at 4.79g/t gold from 39m and
							3m at 1.63g/t gold from 45m and
							3m at 2.82g/t gold from 51m
SRC818	271899.03	620989.05	85.2	79	35	-55	1m at 3.43g/t gold from 48m and
							1m at 3.63g/t gold from 76m
SRC819	271921.45	620982.88	89.52	120	35	-55	**5m at 5.32g/t gold from 82m**
SRC820	271958.89	620955.64	96.36	69	35	-55	abandoned, NS
SRC820A	271958.39	620955.14	95.86	86	35	-55	abandoned, NS
SRC821	271836.54	621064.98	77.6	91	35	-55	1m at 0.87g/t gold from 15m and
							6m at 2.71g/t gold from 74m
SRC822	271853.47	621053.63	76.23	88	35	-55	1m at 2.09g/t gold from 47m and
							1m at 2.65g/t gold from 51m and
							7m at 7.55g/t gold from 54m and
							2m at 1.86g/t gold from 75m
SRC823	271798.46	621093.09	74.57	85	35	-55	**9m at 5.38g/t gold from 63m**
SRC824A	271783	621111.43	73.04	86	35	-60	4m at 3.18g/t gold from 50m
SRC825	271518.95	621299.03	94.27	97	35	-55	NSR
SRC826	271565.98	621269.55	96.89	91	36	-55	3m at 1.75g/t gold from 59m and
							4m at 1.56g/t gold from 81m
SRC827	271604.62	621274.13	91.33	55	35	-60	6m at 2.6g/t gold from 26m and

							7m at 13.08g/t gold from 41m and
							1m at 6.82g/t gold from 53m
SRC828	271597.75	621225.68	92.85	115	30	-60	4m at 1.12g/t gold from 105m
SRC829	271614.24	621221.9	91.53	103	30	-55	1m at 1.88g/t gold from 90m
SRC830	271661.4	621207.06	81.27	91	35	-60	1m at 1.36g/t gold from 30m and
							1m at 1.46g/t gold from 38m and
							1m at 2.32g/t gold from 54m and
							4m at 8.88g/t gold from 74m
SRC831	271664.61	621225.31	80.06	77	90	-55	**9m at 4.34g/t gold from 27m**
SRC832	271686.69	621212.16	82.76	55	35	-60	4m at 1.68g/t gold from 32m
SRC833	271690.84	621208.42	82.95	79	90	-55	**5m at 3.92g/t gold from 39m**
SRC834	271711.54	621178.76	81.1	76	35	-60	4m at 2.56g/t gold from 26m and
							6m at 6.45g/t gold from 37m
SRC835	271733.96	621184.5	78.27	52	35	-60	5m at 1.77g/t gold from 34m
SRC836	271707.59	621188.01	81.17	91	90	-55	**4m at 3.18g/t gold from 23m** and
							4m at 5.13g/t gold from 43m and
							2m at 0.9g/t gold from 49m and
							1m at 0.7g/t gold from 76m
SRC837	271742.51	621157.05	70.63	79	90	-55	1m at 0.51g/t gold from 39m and
							1m at 3.31g/t gold from 48m and
							3m at 6.73g/t gold from 56m
SRC838	271733.87	621151.27	71.12	79	60	-60	1m at 2.49g/t gold from 37m and
							3m at 0.94g/t gold from 45m and
							1m at 0.72g/t gold from 75m
SRC839	271605.6	621273.91	91.23	73	90	-55	**5m at 3.97g/t gold from 29m** and
							3m at 8.34g/t gold from 55m and
							1m at 0.61g/t gold from 63m and
							1m at 1.52g/t gold from 66m
SRC840	271943.9	620960.14	95.43	88	50	-55	abandoned, NS

Appendix 1: JORC Table

Guyana Karouni 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 specialized industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverized to produce a 50 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 Spearpoint target is being in-fill drilled and drill tested for continuation along strike using Reverse Circulation (RC) drilling. The existing drill spacing (50mx50m) is being in-filled to nominal 25m x 25m grid spacing. The drilling (11 holes for 731m), consisting of 11 RC holes, was completed to improve the drill hole density from the current 50m by 50m grid to 25m by 25m. The Holes were angled towards Azimuth 050° or 015° magnetic at declinations of between -55° and -60°, to optimally intersect mineralised zones. The current Phase 1 Infill Drilling program at Spearpoint target is to be completed in early February 2018. A sample interval of 1m has been selected for the RC and Diamond Core drilling with proximity to gold mineralisation (buffer zone). This sample spacing ensures a representative sample weight is collected at a scale sufficient to define geological and mineralisation boundaries. The use of a 1m sample interval was selected after consideration of the following:- • Consideration of previous sampling methodology. • The RC drilling method and sample collection process for current drill campaigns. • A representative sample weight suitable for transport, laboratory preparation and analysis. • The lithological thickness of the White Sands Formation and underlying basement lithology. • A mineralisation zone thickness ranging from several metres to tens of metres. • Suitability for statistical analysis. A standard sample length ensures all assay results are treated on equal support when reviewing assay statistics (before sample compositing for geostatistical analysis and resource estimation). • The Diamond Core and RC drilling method will in general provide superior sample collection compared to open-hole drill methods (e.g. auger or RAB) and reduce the possibility of down-hole grade smearing or contamination. All RC samples were weighed to determine recoveries. All potentially mineralised zones were then split and sampled at 1m intervals using three-tier riffle splitters. QA/QC procedures were completed as per industry best practice standards (certified blanks and standards and duplicate sampling). Samples were dispatched to Actlabs in Georgetown, Guyana for sample preparation, where they were crushed, dried and pulverized to produce a sub sample for analysis. Actlabs has a fire assay facility in Georgetown where 50g fire assays, gravimetric finishes and screen fire assays have been conducted. The Larken trench samples were collected by representative trench sampling method. The trench was excavated approx. 2.5m deep and 1m wide. The sampling wall was cleaned with a shovel. The trench sample was taken along the SE wall approx. 50cm above the bottom of trench from a channel 20cm x 10cm x 1m with hammer and chisel. A sample every metre of 2kg to 3kg where taken and shipped to Actlabs in Georgetown and handled by same way as the drill samples.
Drilling	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).	Reverse Circulation "RC" drilling within the resource area comprises 5.5-inch diameter face sampling hammer drilling and hole depths range from 43m to 115m. Reverse Circulation Rig supplied and operated by Orbit Garant Drilling of Canada. The trenches at Larken where excavated by a Doosan 300 excavator with a 1 metre wide bucket. The average depth is about 2.0 – 2.5 metres.

Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximize sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	RC recoveries are logged and recorded in the database. Overall recoveries are >75% for the RC; there are no significant sample recovery problems. A technician is always present at the rig to monitor and record recovery. RC samples were visually checked for recovery, moisture and contamination. The bulk of the Resource is defined by DC and RC drilling, which have high sample recoveries. The style of mineralisation, with frequent high-grades and visible gold, require large diameter core and good recoveries to evaluate the deposit adequately. The consistency of the mineralised intervals is considered to preclude any issue of sample bias due to material loss or gain.
Logging	Whether core and chip samples have been geologically and geotechnical logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean/Trench, channel, etc) photography. The total length and percentage of the relevant intersections logged.	Logging of diamond core and RC samples recorded regolith, lithology, mineralogy, mineralisation, structural (DDH only), weathering, alteration, colour and other features of the samples. RC samples were photographed in wet form. All drilling has been logged to standard that is appropriate for the category of Resource which is being reported. 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 are stored in the structure/Geotech table of the database. The Larken trenches have been geological logged and photo documented. Structural measurements, where possible have been taken. A sketch drawing along the trench has been completed.
Sub-sampling technique and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub- sampling stages to maximize representability of samples. Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled.	RC samples were collected on the rig using a three-tier riffle splitter. Wet samples were initially speared to produce a preliminary sample. The remainder of the wet sample is to be dried and then put through a three-tier splitter for a final sample. The sample preparation for all samples follows industry best practice. Actlabs in Georgetown, Guyana for sample preparation, where they were crushed, dried and pulverized to produce a sub sample for analysis. Sample preparation involving oven drying, coarse crushing, followed by total pulverization LM2 grinding mills to a grind size of 85% passing 75 microns. Field QC procedures involve the use of certified reference material as assay standards, blanks, and duplicates for the RC samples only. The insertion rate of these averaged 2:20 for core and 3:20 for RC. Field duplicates were taken for 1m RC splits using a riffle splitter. The sample sizes are appropriate to correctly represent the style of mineralisation, the thickness and consistency of the intersections. At Larken, the trench sampling face was cleaned with a shovel. The trench sample was collected approx. 50cm above the bottom of trench from a channel 20cm x 10cm x 1m with hammer and chisel. A sample every metre of 2kg to 3kg was taken.

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 (i.e. lack of bias) and precision have been established.	The laboratory used a fire assay analytical method for detection of 5 – 10,000ppb gold with an AAS finish samples exceeding 10,000ppb. 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 microns was being attained. Laboratory QA/QC involves the use of internal lab standards using certified reference material, blanks, splits and duplicates as part of the in-house procedures. Certified reference materials, having a good range of values, were inserted blindly and randomly. Results highlight that sample assay values are accurate, and that contamination has been contained. Repeat or duplicate analysis for samples shows that the precision of samples is within acceptable limits. Sample preparation conducted by ActLabs Guyana Inc. and fire assay performed by ActLabs Guyana by 50g fire assay with gravimetric finish. QA/QC protocol: For diamond core one blank and one standard inserted for every 18 core samples (2 QA/QC samples within every 20 samples dispatched, or 1 QA/QC sample per 10 samples dispatched) and no duplicates. QA/QC protocol: For RC and Trench 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. The verification of significant intersections by either independent or alternative company personnel. Discuss any adjustment to assay data.	The verification of significant intersections has not been verified by independent personnel. The Company's exploration manager has verified significant intersections. Primary data was collected using a set of company standard ExcelTM templates and Logchief on Toughbook laptop computer using lookup codes. The information was validated on-site by the Company's database officers and then merged and validated into a final datashed database. Review of raw assay data indicated that some missing intervals resulted from low to no recovery it is not necessarily an indication of grade not been present.
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 drill holes 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. The Larken trenches have been surveyed with DGPS every 5m along the sampling channel. The sample length was measured with tape measure. A compass was used to record trench azimuth and inclination of trench.

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 drill hole spacing is 25m by 25m and in places 30m (northwest) by 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 been composited to one-meter lengths and adjusted where necessary to ensure that no residual sample lengths have been excluded (best fit).

Orientation of Data in Relation to Geological Structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	Most of the data is drilled to either magnetic 050° or 015° 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. When applicable the sample pulps for assay are then delivered to DHL and freighted to Actlabs, Santiago assay laboratory. Whilst in storage, they are kept under guard in a locked yard. Tracking sheets are used track the progress of batches of samples

Section 2 Karouni Reporting of Exploration Results		
Criteria	**JORC Code Explanation**	**Commentary**
Mineral Tenement and Land Status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title Interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known Impediments to obtaining a license to operate in the area.	The Karouni Project tenements cover an aggregate area of 211,013 acres (85,394ha), granting the holders the right to explore for gold or gold, diamonds or precious stones. The tenements have been acquired by either direct grant to Troy Resources Guyana Inc. (15,160 acres/6,135ha) or by contractual agreements with Guyanese tenement holders (195,853acres/79,259ha). Apart from the Kaburi Agreement (28,089 acres/11,367ha) which provides for the Company to earn a 90% interest, all other vendor agreements provide the Company with the right to obtain an ultimate interest of 100%. The Karouni Project comprises a single (large scale) mining Licence, 40 (small scale) claim licences, 164 (medium scale) prospecting permits and 44 (medium scale) mining permits. All licences, permits and claims are granted for either gold or gold, diamonds or precious stones. The various mining permits that cover the Smarts Deposit were originally owned by L. Smarts and George Hicks Mining. The permits were purchased by Pharsalus Gold (a wholly owned subsidiary of Azimuth Resources) in 2011. Troy Resources acquired the permits with the acquisition of Azimuth Resources in August 2013. All transfer fees have been paid, and the permits are valid and up to date with the Guyanese authorities. The payment of gross production royalties is provided for by the Act and the amount of royalty to be paid for mining licences 5%, however recent mineral agreements entered 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.	Little modern exploration has been carried out over the tenement prior to Azimuth's involvement which commenced in 2011. Portions of the Karouni Project have been held continuously by small family gold mining syndicates (locally termed 'Pork Knockers') since the 1960's. This situation persists to the present day. Portions of the current project area were variously held under option to purchase agreements by Cominco (1974-75), Overseas Platinum Corporation (1988) and Cathedral Gold Corporation (1993-2002). In 1999, Cathedral Gold joint ventured the property to Cambior, then owner and operator of the Omai Gold Mine located 40km to the east, with a view to processing the Hicks mineralisation through the Omai processing facility. Cambior intended to use its existing mining fleet, rather than road trains, to haul mill feed from the Hicks Deposit. Execution of this approach proved uneconomic and disruptive to the mining schedule at Omai itself. No further work was undertaken, and the joint venture was terminated in 2000. Available historic records and data were reviewed by both Troy during Due Diligence prior to the takeover and by Runge as part of the Resource 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, where the White Sand Formation cover has been removed by erosion to expose the underlying mineralised Paleoproterozoic Greenstone successions of the Trans- Amazonian Barama-Mazaruni Group. Extensive superficial cover of White Sand Formation within the central and southern portions of the Project tenements masks the basement lithology and conceals any gold mineralisation. The evaluation of airborne geophysical data has however indicated that the Barama-Mazaruni Greenstone Belts and associated syn-tectonic intrusives persist at shallow depth beneath this cover. The mineralisation at the Smarts, Hicks and Larken Zones is associated with a shear zone that transects a sequence of mafic to intermediate volcanic and sedimentary volcanoclastics. 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 either silicified granitic porphyries, and in adjacent, carbonate altered and pyritic sheared basalt or in coarser mafic dyke lenses with intensive pyrite alteration. Pyrite is common at up to 5% by volume associated with auriferous quartz veins. Mineralisation is variously accompanied by silica-albite- sericite-chlorite-carbonate-pyrite-tourmaline alteration, while fuchsite is developed within porphyry intrusives in contact with high magnesium basalts and along shear zones.
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Intercepts that form the basis of this announcement are tabulated in Table 1 in the body of the announcement and incorporate Hole ID, Easting, Northing, Dip, Azimuth, Depth and Assay data for mineralised intervals. Appropriate maps and plans also accompany this announcement. Complete detailed data on the project is included in the NI-43101 Tech Reports available on the Company's website with the current report dated September 8, 2014.

Data Aggregation Methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.	All intersections are assayed on one-meter intervals. No top cuts have been applied to exploration results. Mineralised intervals are reported with a maximum of 2m of internal dilution of less than 0.5g/t. Mineralised intervals are reported on a weighted average basis. The cut-off grade for mineralization is 0.5g/t gold.
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	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, sections and 3D views have been included in the text of this document as Figures 1 to Figure 3.
Balanced Reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All grades, high and low, are reported accurately with “from” and “to” depths and “drill hole identification” shown.
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.	Metallurgical test work has been completed, with excellent results. Gold recoveries exceed 95% from CIL tests, and a significant proportion of the gold is recoverable by gravity concentration. Magnetics is a geophysical survey technique that exploits the considerable differences in the magnetic properties of minerals with the ultimate objective of characterizing the Earth’s sub-surface. The technique requires the acquisition of measurements of the amplitude of the magnetic field at discrete points along survey lines distributed regularly throughout the area of interest. It is the induced and remnant fields that are of particular interest to the geoscientist because the magnitudes of these fields are directly related to the magnetic susceptibility, spatial distribution and concentration of the local crustal materials. Fortunately, only a few minerals occur abundantly enough in nature to make a significant contribution to the induced and remnant fields. The Ground Magnetics survey work was performed on a grid cut at 100m line separation with 10m station intervals. Survey crews and equipment supplied by Quantec International Geophysical Contractors. A total of four GEM GSM-19 Overhauser Magnetometers (1 base station unit, 2 rover units) was used to complete the survey. The ground magnetic data was incorporated and levelled with the existing geophysical data from past surveys.
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 and is ongoing, aimed at increasing the amount of resource categorized as Indicated, as well as upgrading some of the Indicated Resource to Measured status. Drilling aimed at increasing the Resource below the current depth extent is also planned. A program of dedicated metallurgical and geotechnical drill holes is planned.