Troy Resources Limited: West Omai Preliminary Economic Assessment and Scoping Study

21.01.2014 | Marketwired

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PERTH, AUSTRALIA -- (Marketwired - Jan. 20, 2014) - Troy Resources Limited (Troy or Company) (ASX:TRY)(TSX:TRY) is pleased to report the results of its (NI43-101) Preliminary Economic Assessment (PEA) and (JORC) Scoping Study (collectively the Study) for the mining and treatment of the Smarts and Hicks deposits at its 100% owned West Omai gold project in Guyana (the Project). The Study was prepared by Troy personnel and qualified consultants.

HIGHLIGHTS

The Study considers a combination of two open cut and one underground mine feeding a conventional carbon-in-leach (CIL) gold plant with a nominal capacity of 750,000tpa. The Study assumes that a total of 5.2 million tonnes of material will be processed with an average grade of 4.13g/t with recovered gold production of 633,000 ounces over a 7 year mine life.

Troy's licences within a 30km radius of the proposed plant site are considered highly prospective with only limited exploration having been conducted to date. Regional exploration is expected to recommence in 2014 and the plant would be configured to enable easy staged expansion to an ultimate capacity of 1.5Mtpa should exploration identify sufficient mineralisation to justify such an expansion.

Highlights from the Study*, assuming a gold price for the base case of US$1250/oz, are as follows (all figures in US$ unless otherwise stated):

- Seven year mine life with annual average gold production of 90,000 ounces, with production in the first 12 months of 102,000 ounces gold.

- Conventional CIL plant augmented with gravity gold recovery treating a nominal 750,000tpa configured to allow easy low cost expansion at a later date.

- A Production Target of approximately 5.2 million tonnes of material to be processed with an average grade of 4.13g/t. The sources in terms of tonnes are: Smarts Open Cut (42%), Hicks Open Cut (25%) and Smarts Underground (33%).

- In terms of contained gold, the sources are: Smarts Open Cut (45%), Hicks Open Cut (15%) and Smarts Underground (40%).

- The Smarts pit would produce 2,175,000 tonnes of plant feed at 4.5g/t, have a mining strip ratio of 9.9:1 and be mined to a depth of 140m.

- The Hicks pit would produce 1,300,000 tonnes of plant feed at 2.4g/t, have a mining strip ratio of 5.5:1 and be mined to a maximum depth of 90m.

- The Smarts underground would produce 1,713,000 tonnes of plant feed at a grade of 5.0g/t and extend for a vertical depth of 400m below natural surface.

- Initial capital of $86.8 million (including pre-production mining costs of $9.3 million and contingency of $7.0 million) and sustaining capital over the life of mine of $8.6 million.

- Underground development costs of $21.6 million and underground mining fleet $10.3 million (including contingency).

- Assumed metallurgical recovery of 92%.

- LOM average C1 Cash Costs (excluding royalties) of $653/oz.

- LOM All in Cash Costs of $805/oz.

- After tax payback of 1.8 years.

- After tax NPV at 6% of $101.5 million.

- After tax IRR of 44.2%.

* The results of the Study, including the Production Targets reflected in this announcement are preliminary in nature and are based on Indicated Mineral Resources (being 45% of the Production Target) and Inferred Mineral Resources (being 55% of the Production Target). The Study is based on low-level technical and economic assessments, which are insufficient to: (i) support estimation of Mineral Reserves or to provide assurance of an economic development case at this stage, or (ii) provide certainty that the conclusions of the Study will be realised. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. In particular, Inferred Mineral Resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be classified as Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The Company has concluded that it has a reasonable basis for providing the forward looking statements included in this announcement. The detailed reasons for that conclusion are outlined throughout this announcement and in particular in the section headed "Forward Looking and Cautionary Statements."

Commenting on the Study, Troy CEO Paul Benson said: "We are very pleased with the results of this initial analysis of the Project. We believe that the assumptions with respect to capital are conservative and are confident we would be able to come in below this figure. Most importantly, this analysis only includes currently identified Resources. Our licences within trucking distance of the proposed plant site are very prospective, with over 30 additional exploration targets already identified, and we believe there is an excellent opportunity to continue the track record of adding ounces through drilling over time."

"The site development would follow Troy's successful strategy of designing a plant with a base throughput suitable for the existing Resource, in this case 750,000tpa, but which can be expanded quickly and at a low incremental cost to increase throughput if additional Resources are discovered. As Troy has previously done at Sertão and Andorinhas in Brazil, and Casposo in Argentina, we will manage the project in-house and use second hand plant and equipment where it makes sense. This formula has allowed us to build plants quickly and at low capital cost in the past and we would expect the same results at West Omai."

"Even at US$1250/oz gold and just considering the current Resource, the modelling supports the project concept and the Company is working to finalise the pre-feasibility study in the June quarter. The Project is also leveraged to price with the NPV rising rapidly with an increase in the gold price. The mine plan only processes material containing 690,000 ounces of gold, which represents 42% of the Total Resource. In a higher gold price environment, we would expect that more of the Resource would be economic to process. The Study also assumes owner mining in both the open pit and underground. As part of the pre-feasibility study, we will look at the trade-off studies to consider the merits of contract mining."

MINERAL RESOURCES

The Study has been based on currently published Mineral Resources for the Project as shown in Table 1 (effective August 2013 for Smarts and January 2013 for Hicks).

For a description of the key assumptions, parameters and methods used to estimate the Mineral Resource at the Smarts deposit, please refer to the Company's news release lodged 29 August 2013 and re-issued 2 September 2013 titled "Smarts Deposit - Resource Update" and for a description of the key assumptions, parameters and methods used to estimate the Mineral Resource at the Hicks deposit, please refer to the technical report dated 18 March 2013 titled "Technical Report West Omai Gold Project, Guyana" prepared by RungePincockMinarco Limited for Azimuth Resources Limited (now a wholly-owned subsidiary of the Company). Both of these documents are on Troy's website www.troyres.com.au and under its profile at www.sedar.com.

Figure 1 shows the breakdown of the mining schedule with respect to Resource classification. Figure 2 shows the source on a recovered gold basis.

PROJECT PARAMETERS

The Base Case assumes owner mining of the gold bearing material feeding a conventional carbon-in-leach

(CIL) plant. Figure 3 shows the annualised gold production and mill feed grade and Figure 4 shows the source of gold in terms of the mining schedule. Mineralised material would be mined from the Smarts deposit initially by open cut. The five stages of development of the Smarts deposit and the ultimate pit are shown in Figure 5. The deepest part of the pit would be 140m below the surface.

The lower grade Hicks deposit will be mined via 4 small open pits as shown in Figure 6, the deepest of which would only extend 90m. Using a flexible mining fleet with a maximum of three excavators, mining will be scheduled between the Smarts and Hicks pits to optimise grade to the mill and earth moving requirements taking into account the various strip ratios.

A decline would be developed from the bottom of the Smarts Stage 4 pit to mine the deeper high grade zones of the Smarts Resource from underground as shown in Figure 7. The underground mining methods used will be a combination of mechanised cut and fill, up-hole benching and long-hole stoping, depending on the thickness, dip and continuity of mineralised blocks in each area.

The processing plant will be a conventional CIL. Mineralised material will be fed through a primary jaw crusher to a secondary cone crusher. Crushed material will be fed to a 3.2 MW ball mill for grinding with material passing through a gravity circuit to recover coarse gold before the addition of cyanide. Gold solution will be stripped using activated carbon and smelted to produce doré on site. The doré will be flown to the Guyana capital, Georgetown, for export to a refinery.

Waste tailings will be pumped to a tailing facility. Figure 8 shows the assumed site layout.

MINING

OPEN PIT

Mining will commence six months before the processing plant is scheduled to be commissioned. This will enable adequate high grade stocks to be accumulated prior to the commencement of processing.

An initial fleet comprising two excavators and up to 8 trucks will commence at Smarts and Hicks. There is overburden consisting of white sand up to 30m thick covering much of the northern part of Smarts whereas the Hicks deposit outcrops. Initial production will be predominantly sourced from Hicks while Smarts overburden is removed. Production will then focus on the higher grade Smarts deposit. An additional fleet will be mobilised after 9 months to provide further capacity for Smarts. Unless additional material is discovered, or an increase in the price of gold justifies a change to the mine plan, part of the mining fleet will then be demobilised in month 30 with a second fleet demobilised in month 42 and open pit mining concluded in month 63. It is intended to use the open pit trucking fleet to also serve as underground haulage equipment.

Mining will be done on 2.5m flitches over a 5m high blast. Initial sand overburden removal will be free dig with no blasting required.

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Open Pit Design Parameters
Batter Angle        Overburden        45°
Oxide        45°
Transitional        55°
Fresh        70°
Batter height        20m vertical
Ramp width        12m
Berm width        5m
Ramp gradient        1 in 9
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Insitu Resources were factored to produce the mining schedule with dilution and tonnes recovered in the open cut assumed at 10% and 95% and in the underground 10% and 90% respectively.

UNDERGROUND

An underground mine will be developed beneath the Smarts pit. The underground development will begin at the completion of the Stage 4 Smarts pit.

Access will be via a 5.5m x 5.5m decline developed at a gradient of 1 in 7. Levels to access mineralisation will be developed at 20m vertical intervals. Development dimensions along mineralisation will be a nominal 4.5m x 4.5m.

Up-hole benching is proposed as the primary mining method with some areas using cut and fill and open stoping depending on ground conditions and stope dimensions. The mineralisation is sub-vertical with widths of between 3-10m and is amenable to this style of mining. Stopes will be backfilled with development waste and pillars left for support where required.

METALLURGICAL TESTWORK AND RECOVERY

An initial metallurgical program comprising eleven samples from the Hicks deposit was completed at ACME Metallurgical Laboratories in Vancouver, Canada in February 2012. The metallurgical program tested the amenability of gold-bearing material to both cyanide leach and gravity recovery methods. The composites were chosen to represent a range of grades from both oxidised and fresh material. In addition, one composite of fresh material representing a spread of grades from spatially diverse locations within the deposit was also tested.

The leach tests were conducted for 72 hours at a target grind size of P80 = 75 microns and at 40% solids pulp density with industry standard reagent addition rates maintained. For the leach program, the average recovery for the 11 composites was 93%. The high extraction rates (recoveries) achieved in both oxidised and fresh materials indicates that gold mineralisation at the Hicks deposit is not refractory and both oxide and fresh material will be amenable to treatment by conventional CIP or CIL. Test data is shown in Table 1 in the Appendix.

The Smarts deposit metallurgical test-work also comprised 11 composites and was tested at ACME Metallurgical Laboratories in Vancouver in October 2011. The metallurgical program targeted definition of Leaching and Gravity performance as separate processes. The composites were chosen to represent a range of grades from both oxidised and fresh material. In addition, two composites each of oxide and fresh material representing a spread of grades from spatially diverse locations within the deposit were also tested.

The leach tests were conducted for 72 hours at a target grind size of P80 = 75 microns and at 40% solids pulp density. For the leach program, the average recovery for the 11 composites was 93%. Not all samples displayed complete leaching at 72 hours, indicating the possible presence of free gold. This presents opportunities for further improvement of recoveries with the integration of gravity and leaching processes. Test data is shown in Table 2 in the Appendix.

Following a gap analysis, further metallurgical testing is under way to test the potential for increasing recovery and to aid in equipment sizing and operating parameters.

CAPITAL AND OPERATING COSTS

The estimated capital cost to construct and commission the Project and inclusive of the open pit mining fleet is US$77.5 million. This amount includes a contingency of US$7.0 million. A further US$9.3 million is required for pre-production mining, including waste pre-strip and building a high grade stockpile ahead of treatment through the processing plant. Sustaining capital over the life of mine is estimated at US$8.6 million, US$10.3 million (including contingency) is assumed for the underground mining fleet to be acquired in Year 3 of the mine life and a further US$21.6 million for underground development.

These costs include all procurement, delivery and construction direct and indirect costs. The estimates are based on the Study design and are considered to have an accuracy of +20 to -30%. Table 2 shows the capital cost summary.

Table 2 - Capital Cost Summary

US$M
Drilling & Metallurgical Testwork 0.72
Design & Engineering 0.67
Concrete and road construction 3.44
Power plant 7.51
Plant & site infrastructure 22.13
Mining equipment - opencut 8.70
Dams & water 2.35
Salaries, oncosts & overheads 10.48
Unallocated sundry costs 12.95
Startup consumables 1.50
70.45
Contingency 7.05

Total Cost to Construct & Commission US$77.50M

Operating costs have been developed from first principles following a review of local market conditions and are shown in Table 3 below. A summary of the total expenditure on a per annum basis, including capital and operating costs, is shown at Figure 9.

Table 3 - Operating Cost Summary

Life of Mine
(US$/oz)
Mining (ore and waste) 355
Processing 239
Administration 45
Refining 14
C1 Cash Costs 653
Royalties 104
Sustaining capital 14
Underground development 34
All in Sustaining Cash Costs US$805/oz

Table 4 - Operating Cost Inputs

Mining - opencut US$3.40/tonne mined
Mining - underground US$60.00/tonne mined
Mining - underground development US$5,500/metre advanced
Processing US$29.17/tonne processed
Administration US$5.52/tonne processed
Refining US$1.76/tonne processed

ROYALTIES AND TAXES

The payment of gross production royalties are provided for by the Guyana Mining Act and the amount of royalty to be paid is prescribed by the Minister. As such royalties may be varied from time to time. Based on currently prescribed royalties and recent mineral agreements, royalties on gold production have been assumed as follows:

- 8% if the gold price is above US$1,000 per ounce; and

- 5% at a gold price of US$1,000 and less.

The corporate tax rate in Guyana for gold companies is 30%.

ECONOMIC ANALYSIS

Table 5 below shows the Pre and Post Tax NPV for the Project for various gold prices.

Gold Price (US$/oz) $800 $1,000 $1,200 $1,250 $1,400 $1,600
Pre-tax NPV at 6% (US$) -$61,184,647 $ 32,924,933 $ 109,049,982 $ 131,828,021 $ 200,162,140 $ 291,274,297
IRR N/A 18.56 % 43.67 % 50.71 % 71.31 % 98.37 %
Gold Price (US$/oz) $ 800 $ 1,000 $ 1,200 $ 1,250 $ 1,400 $ 1,600
Post-tax NPV at 6% (US$) -$61,184,647 $ 30,791,754 $ 85,461,400 $ 101,537,554 $ 149,640,230 $ 213,543,302
IRR N/A 17.97 % 38.48 % 44.20 % 60.93 % 82.21 %

SENSITIVITY ANALYSIS

Table 6, summarises the Project's sensitivity to head grade, recovery, operating cost, capital cost and gold price.

Post-tax NPV (US$M) -20% -10% Base +10% +20%
Head Grade 18.36 61.45 101.54 141.49 181.31

Recovery (1) N/A 88.48 101.54 114.58 N/A
Operating Costs 147.45 124.52 101.54 78.51 55.40
Capital Costs 112.96 107.25 101.54 95.82 90.11
Gold Price 30.79 61.30 101.54 141.64 181.61

(1) Sensitivity Analysis for Recovery is calculated at 89% for the downside and 95% for upside.

PROJECT OPPORTUNITIES

The Study assumes metallurgical recovery of 92% gold. Test work to date has shown recoveries of up to 96% with an average of 93%. Additional test work is currently being undertaken to optimise the flowsheet and metallurgical recoveries.

The Study only includes Mineral Resources already drilled in the Smarts and Hicks deposits to date and the current mine plan only processes material containing 690,000 ounces of gold, representing 42% of the Total Resource. In a higher gold price environment we would expect that more of the Resource would be economic to process. Both of these deposits are open at depth and along strike. The remaining Troy licences are also considered very prospective with numerous targets already identified within a 30km radius (Figure 10) of the proposed plant site. The Company intends to recommence brownfields exploration later in calendar 2014 and believes there is good potential to identify additional resources.

The Study assumes owner mining in both the open pit and underground. As part of the pre-feasibility study we will look at trade-off studies to consider the merits of contract mining.

A technical report prepared in accordance with National Instrument 43 101 - "Standards of Disclosure for Mineral Projects" summarising the results of the Study will be filed under the Company's profile at www.sedar.com and on the Company's website within 45 days of this announcement.

Competent Person's Statement

The information in this release that relates to Exploration Targets, Production Targets, Exploration Results, Mineral Resources or Ore Reserves for the West Omai project is based on, and fairly represents, information and supporting documentation prepared by Mr Peter J Doyle, Vice President Exploration and Business Development of Troy, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy and a "qualified person" under National Instrument 43 101 - "Standards of Disclosure for Mineral Projects". Mr Doyle 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 Doyle has approved this announcement and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Mr Doyle is a full time employee of Troy.

The information relating to the West Omai Mineral Resource Estimate is extracted from the news release entitled 'Smarts Deposit - Resource Update' dated 29 August 2013 (relodged 2 September 2013) and is available to view on www.troyres.com.au and under the Company's profile at www.sedar.com.

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 or mineral resource estimates and that all material assumptions and technical parameters underpinning the drill results and estimates 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 are presented here have not been materially modified from the original market announcement.

Forward Looking and Cautionary Statements

Forward Looking Statements

Statements regarding plans with respect to the Company's mineral properties may contain forward looking statements in relation to future matters that can only be made where the Company has a reasonable basis for making those statements.

This announcement has been prepared in compliance with the JORC Code 2012 Edition, the ASX Listing Rules and NI43-101.

The Company believes that it has a reasonable basis for making the forward looking statements in this announcement, including with respect to any production targets, based on the information contained in this announcement and in particular:

- The Company has a successful track record of building mines quickly and at low capital cost in South America; Sertão (2002), Andorinhas (2008) and Casposo (2010). The same Project Director who designed and built those mines is responsible for the West Omai project.

- The Company has already acquired a suitable ball mill and motor. The mill and motor, the largest and most expensive piece of plant in the proposed flow sheet, is unused and in "as new" condition and comes with relevant spare parts and structural steel.

- When the Company acquired the West Omai Project through its takeover of Azimuth Resources Limited in mid-2013, all of the Mineral Resource was in the Inferred category. In March 2013, Azimuth commenced the Stage 1 infill program which continued following the takeover by Troy. This program was focused on the high grade core of the Smarts deposit and led to the upgrading of 44% of the ounces contained in the Inferred Mineral Resource category to the Indicated Mineral Resource category.

Troy has continued with Stage 2 and Stage 3 infill drilling which is expected to be completed by the end of February. This program will be used to convert more of the material currently included in Inferred Mineral Resources into the Indicated Mineral Resource category. The program also includes infill drilling of a portion of the high grade core of the Smarts Indicated Mineral Resource to increase drill density and confidence to enable it to be classified as a Measured Mineral Resource in time for the Pre-Feasibility Study. Results contained in the 28 November 2013 announcement 'Smarts Resource Infill Drilling Continues to Deliver High Grade Results' indicate that there is continuity of high grades and reasonable grounds to expect that there will be an upgrade of the Inferred Resources to Indicated and enable Mineral Reserves to be estimated.

- Metallurgical testwork forming the basis for estimates of metallurgical recoveries was completed by independent consultants, ACME Metallurgical Laboratories in Vancouver, Canada. The testwork resulted in recoveries above the level of 92% used in the analysis for this Study.

- The mine planning and scheduling was undertaken by Mr Anthony Keers of Auralia Mining Consulting of Perth, Western Australia.

- The Mineral Resource Estimate for the Hicks deposit was estimated by RungePincockMinarco of Perth, Western Australia in March 2013.

- The Mineral Resource Estimate for the Smarts deposit was estimated by RungePincockMinarco of Perth, Western Australia in August 2013.

- The Company is not reliant on project finance to fund the Project development. Troy has existing operating mines and used a corporate debt facility supplied by Investec Bank (Australia) Limited to build the Casposo mine in Argentina. The Company repaid that facility in 2012, 6 months ahead of schedule. Troy established a new facility with Investec when it announced the takeover of Azimuth to help fund the infill drill campaign and the Study. The Company is currently in discussions with Investec Bank regarding a new facility to help finance construction of the Project, should the Company decide to move it into production. In addition, the Company has received numerous unsolicited offers of finance and, if for any reason a facility could not be established with Investec, the Directors are confident they would still be able to finance the Project.

- The Company has had a very successful track record of adding ounces through brownfields exploration at each of its operations (Sandstone in Australia, Sertão and Andorinhas in Brazil and Casposo in Argentina). The Company is confident there is a high probability that it will continue to add ounces at the West Omai Project through exploration to extend the mine life past what is currently assumed in the Study. The Smarts and Hicks deposits are located in the Guiana Greenstone Belt which is highly prospective. More than 100 million ounces of gold have already been delineated in the belt that extends from Venezuela in the west through Guyana, Suriname and into French Guyana in the east. To date, 30 exploration targets have been identified on the Company's licences within trucking distance of the proposed plant site.

All material assumptions on which the forecast financial information is based have been included in the announcement.

Cautionary Statements

Certain information (other than statements of historical fact) set forth in this press release contains "forward-looking statements", and "forward- looking information under applicable securities laws. The results

of the Study represent forward-looking information, including in particular statements regarding projected production, capital and operating costs, metal recoveries, mine life and production rates. Some of the forward- looking statements may be identified by words such as "expects" "anticipates", "believes", "projects", "plans", and similar expressions. In making the forward looking statements in this news release, the Company has applied several material assumptions, including but not limited to the price of gold. These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause Troy's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: liabilities inherent in mine development and production; geological, mining and processing technical problems; Troy's inability to obtain required mine licenses, mine permits and regulatory approvals required in connection with mining and mineral processing operations; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions; changes in commodity prices and exchange rates; currency and interest rate fluctuations; various events which could disrupt operations and/or the transportation of mineral products, including labour stoppages and severe weather conditions; the demand for and availability of transportation services; the ability to secure adequate financing and management's ability to anticipate and manage the foregoing factors and risks. There can be no assurance that forward-looking statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Troy undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

ABOUT TROY RESOURCES

Troy (ASX:TRY)(TSX:TRY) is a successful gold and silver producer with a track record of low cost mine development and production. The Company is unique amongst its peers having paid 13 fully franked cash dividends over the last 13 years.

Troy has been operating in South America since 2002 and, following development of the Casposo project in Argentina, the Company's annual gold production is now above 100,000oz of gold per annum.

In July 2013 the Company acquired Azimuth Resources Limited which had discovered and delineated a high-grade gold Resource in Guyana. Troy is continuing with infill drilling of the Resource and is targeting the release of a Pre-Feasibility Study in the first half of calendar 2014 and if positive, would look to move quickly to project construction.

Troy's gold and silver production is unhedged; allowing its shareholders access to the full benefit of current and future gold price upside.

Troy is a responsible corporate citizen, committed to the best practice of health and safety, environmental stewardship and social responsibility.

Appendix

Table 1 - Hicks Deposit - Test Data

Test Type and Location of Material Head Grade (g/t Au) Au Recovery (72 hours) NaCN Consumption (kg/t)
C1 Oxide ‐ HRC007 (32 ‐33m) 0.79 91.4 1.4
C2 Oxide ‐ HRC007 (27 ‐31m) 2.44 89.8 1.6
C3 Oxide ‐ HRC001 (6 ‐9m) 0.10 94.0 1.0
C4 Oxide ‐ HRC007 (17 ‐ 22m) 2.23 96.0 1.0
C5 Oxide ‐ HRC101 (9 ‐15m) 1.29 95.5 0.9
C6 Fresh ‐ HRC079 (61 ‐62m) 0.57 93.0 1.0
C7 Fresh ‐ HRC018 113 ‐ 114m 1.84 96.5 0.6
C8 Fresh ‐ HRC004 (72 ‐75m) 4.90 89.4 0.3
C9 Fresh ‐ HRC004 (69 ‐ 70m) 4.01 88.0 0.7
C10 Fresh ‐ HRC079 (60 ‐ 61m) 0.66 94.3 0.5
C11 Fresh ‐ Bulk Rejects
Compilation 0.63 95.8 0.4
Average: All Samples 1.77 93.1 0.9
Average: Oxide Samples 1.37 93.3 1.2
Average: Fresh Samples 2.10 92.8 0.6

Hicks Cyanide Leach Program Results

Test Composite Au Grade (g/t) Au Recovery (%) Mass Pull (%)
Head Grade Gravity
Con Pan
Con Gravity
Con Pan
Con Gravity
Con Pan
Con
G1 Oxide ‐ HRC007
(32 ‐ 33m) 0.41 2.4 8.8 21.2 3.3 3.6 0.2
G2 Oxide ‐ HRC007
(27 ‐ 31m) 2.97 13.9 83.0 24.6 3.2 5.1 0.1
G3 Oxide ‐ HRC001
(6 ‐ 9m) 0.05 0.8 3.6 51.3 17.5 3.7 0.3
G4 Oxide ‐ HRC007
(17 ‐ 22m) 2.31 9.0 141.8 23.5 6.5 6.1 0.1
G5 Oxide ‐ HRC101
(9 ‐ 15m) 1.42 3.7 67.3 24.1 4.5 7.4 0.1
G6 Fresh ‐ HRC079
(61 ‐ 62m) 0.35 3.8 48.5 55.0 14.9 3.8 0.1
G7 Fresh ‐ HRC018
(113 ‐ 114m) 1.56 8.5 237.8 28.3 9.6 5.9 0.1
G8 Fresh ‐ HRC004
(72 ‐75m) 5.32 43.4 230.6 54.1 21.0 6.1 0.4
G9 Fresh ‐ HRC004
(69 ‐ 70m) 3.91 37.7 284.6 45.7 6.7 4.7 0.1
G10 Fresh ‐ HRC079
(60 ‐ 61m) 0.53 5.4 185.0 55.0 19.6 6.4 0.1
G11 Fresh ‐ Bulk Rejects
Compilation 0.61 5.6 144.2 62.5 26.7 5.6 0.1
Average: Oxide Samples 40.5 12.1 5.3 0.2
Average: Fresh Samples 28.9 7.0 5.2 0.2
Average: All Samples 50.1 16.4 5.4 0.2

Hicks Gravity Amenability Program Results

Test Type of Material Head Grade (g/t Au) Au Recovery (72 hours) NaCN Consumption (kg/t)
C1 High Grade Oxide 14.98 92.7 1.37
C2 High Grade Fresh 6.59 92.7 1.32
C3 Medium Grade Oxide (no quartz veining) 2.01 87.4 1.25
C4 Low Grade Oxide (no quartz veining) 0.86 95.9 1.05
C5 Medium Grade Fresh 3.61 90.1 1.05
C6 Medium Grade Fresh 2.54 92 1.28
C7 Low Grade Oxide (with Quartz veining) 0.63 95.7 0.62
C8 Higher Grade Fresh 4.05 94.8 1.13
C9 Low Grade Fresh (with Quartz veining) 0.87 88.8 1.35
C10 Oxide Composite of Low, medium and High Grades 9.75 96.9 1.19
C11 Fresh composite of Low Medium and High Grades 4.34 96.4 0.96
Average: All Samples 4.57 93.04 % 1.14
Average: Oxide Samples 5.64 93.72 1.1
Average: Fresh Samples 3.67 92.47 1.18

Table 2 - Smarts Deposit - Test Data

Smarts Cyanide Leach Program Results
Test Type of Material Head Grade (g/t Au) Pan Concentrate Mass (%) Au Recovery (%)
(to concentrate)
G1 High Grade Oxide 13 0.1 11.6
G2 High Grade Fresh 8.3 0.2 49.8
G3 Low Grade Oxide (no quartz veining) 1.3 0.2 46
G4 Low Grade Oxide (no quartz veining) 0.7 0.1 33.5
G5 Medium Grade Fresh 2.1 0.2 24.3

G6 Medium Grade Fresh 2 0.3 21.2
G7 Low Grade Oxide (with Quartz veining) 0.6 0.2 55.8
G8 Higher Grade Fresh 3.4 0.1 25.2
G9 Low Grade Fresh (with Quartz veining) 0.6 0.2 20.8
G10 Oxide Composite 7.8 0.1 44.8
G11 Fresh composite 3.6 0.1 57.5
Average: Oxide Samples 4.68 0.14 % 38.30 %
Average: Fresh Samples 3.33 0.18 % 33.10 %
Average: All Samples 3.94 0.16 % 35.50 %

Figures and tables are available at the following address:
http://media3.marketwire.com/docs/TRYtabs.pdf.

ABN: 33 006 243 750

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