



TROY RESOURCES LIMITED

# ASX ANNOUNCEMENT

7 November 2018

## OUTSTANDING FIRST-PASS ASSAY RESULTS AT OHIO CREEK

Troy Resources Limited (ASX: TRY) (Troy or the Company) is delighted to report outstanding assay results received to date from the Company's first RC drilling program at its recently acquired Ohio Creek Prospect, Karouni Project, Guyana.

### Highlights

- TRC001 – 16 m @ 10.07 g/t Au from 2 m including 1 m @ 93.78 g/t Au from 2 m
- TRC007 – multiple significant intersections including 1 m @ 23.34 g/t Au from 37 m
- TRC013 – 9 m @ 40.52 g/t Au from 89 m including 6 m @ 60.1 g/t Au from 89 m

The Ohio Creek Prospect is located on the highly prospective Tallman Shear Corridor approximately 10 kilometers north-north-east from Troy's operating Karouni Mill (refer Figure 1).

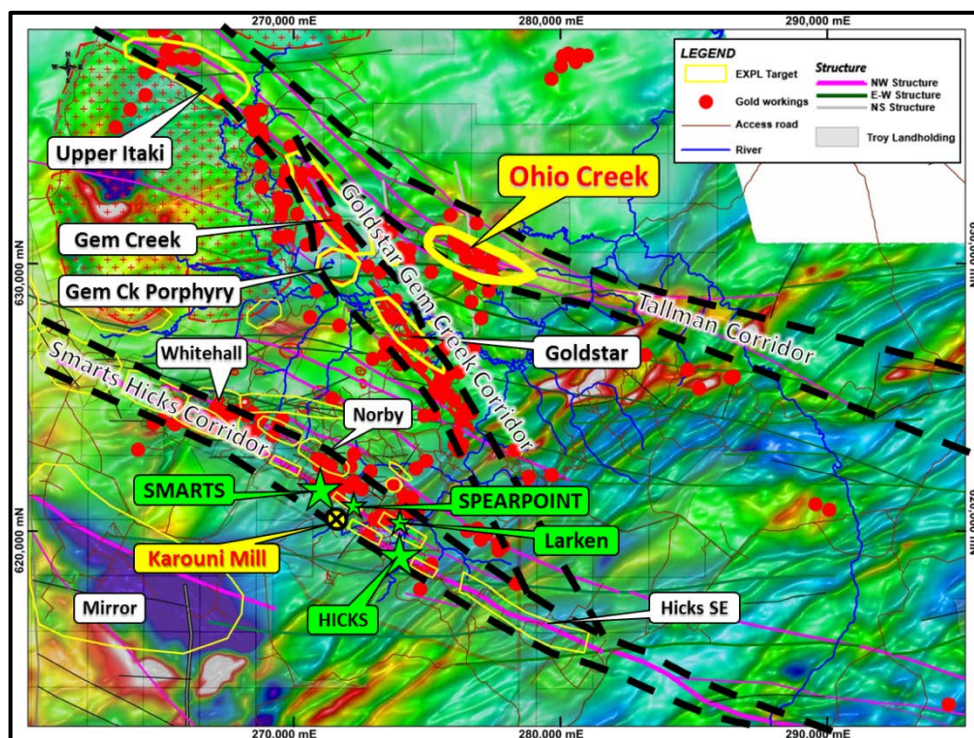


Figure 1 – Map illustrating location of Ohio Creek with respect to Karouni Mill and Shear corridors.



First identified as an attractive acquisition target in 2013, the Prospect became available for purchase only recently and was duly acquired by Troy in September 2018 (refer ASX announcement of 12 September 2018 entitled “*Acquisition of Ohio Creek Prospect - Guyana*”).

There were a number of reasons why the Ohio Creek Prospect was of significant interest to Troy:

- The owner, a group of Guyanese nationals, had gone to the effort of developing within the Prospect a substantial open saprolite pit – some 100 metres long and 25 metres deep – known as the Tallman Pit whereas essentially all of the prospecting in the Karouni area has involved working of the alluvial gravels in the streams and rivers.
- The Prospect is located in the area of significant gold workings (refer concentration of red dots in map above)
- From the only drilling campaign previously undertaken at the Prospect – a modest 1,364 metres of diamond drilling undertaken in 1995 – a best assay result of **1 metre @ 868.8 g/t Au from 61 metres** was recorded representing the highest gold grade in the region

Troy recently commenced its first reverse circulation (**RC**) drilling campaign for a planned 47 drill holes with proposed depths of between 70 and 140 metres. The drilling was planned to test the north west and south east extension of the mapped shear zone in the Tallman Pit as well as three step-out locations with anomalous historical gold intercepts.

Pit mapping identified foliated mafic sediment, a fine grained yellow white intrusive unit and interbedded carbonaceous shales. The whole sequence is folded and thrust on two sheared zones between the foliated sediments and the shales.

Mapping further identified at least three different quartz vein generations, from which one is in the folding/fold hinges and foliation, a second is in a parallel shear and the third flat is dipping to the north east. The latter ones extend along strike for approximately 10 to 15 metres.

Sampling returned significant assay results for the flat dipping veins and moderate results for the shear parallel veins. Quartz in the foliation and fold hinges appears not to be mineralised.

Prospect mapping did not encounter any cover sequence such as the White Sand formation or Berbice clays as is evidenced in other nearby areas. Instead, the northern parts of the Prospect are covered by a hard laterite cap.

To date, 23 holes have been drilled, with assay results for 21 drill holes received.

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A map illustrating drill hole locations and key assay results is set out in Figure 2.

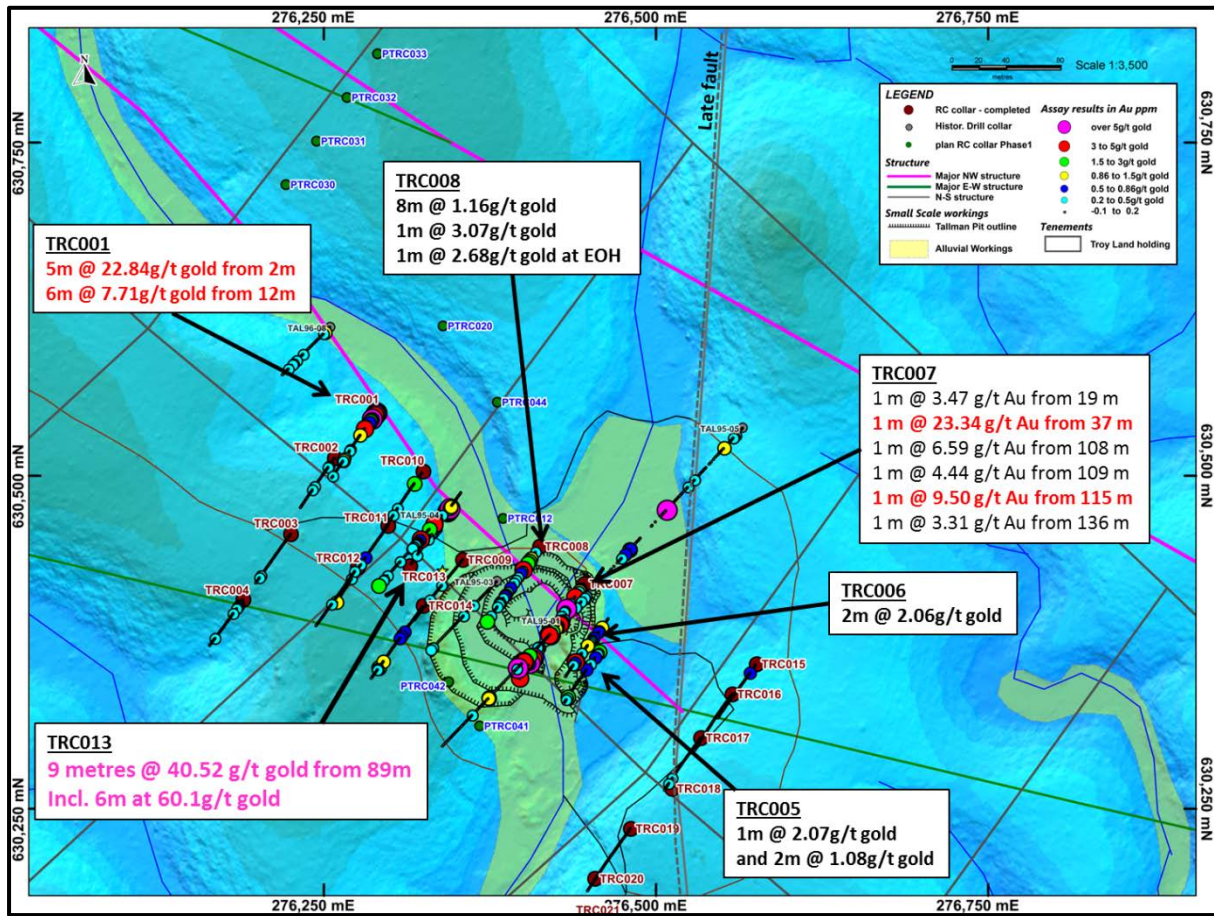


Figure 2 – Map illustrating drill hole locations and key assay results.

The first hole drilled (TRC001), located 200 metres to the north west of the Tallman Pit, has returned very encouraging results with a peak assay of **1 metre at 93.78 g/t Au from 2 metres** within a broader intersection of **16m @ 10.07g/t Au from 2 metres**.

TRC001 is approximately 200 metres along strike from the historic high grade intercept of 1 metre at 868.7 g/t (hole TAL95-01) referred to above.

Gold mineralisation is associated with an interpreted north west trending shear zone and strong quartz veining in the weathered saprolite profile. The outcropping saprolite on the prepared drill pad shows foliation which is probably derived from sediment. It also confirms the in-situ nature of the formation. The saprolite profile tested during the drilling is typically 50 to 60 metres deep.

Three further holes were drilled on the same section line (PTRC020), which will test the down dip extension of the mineralised zone in TRC001.

Minor quartz veining was intersected in TRC002 and TRC003, but only low gold values were returned.

A further hole is planned on the section line (PTRC020), which will test the down dip extension of the mineralised zone in TRC001. Mineralisation is anticipated at a depth of between 80 and 140 metres, meaning within in the fresh rock range.



A cross section of the drill line is illustrated in Figure 3.

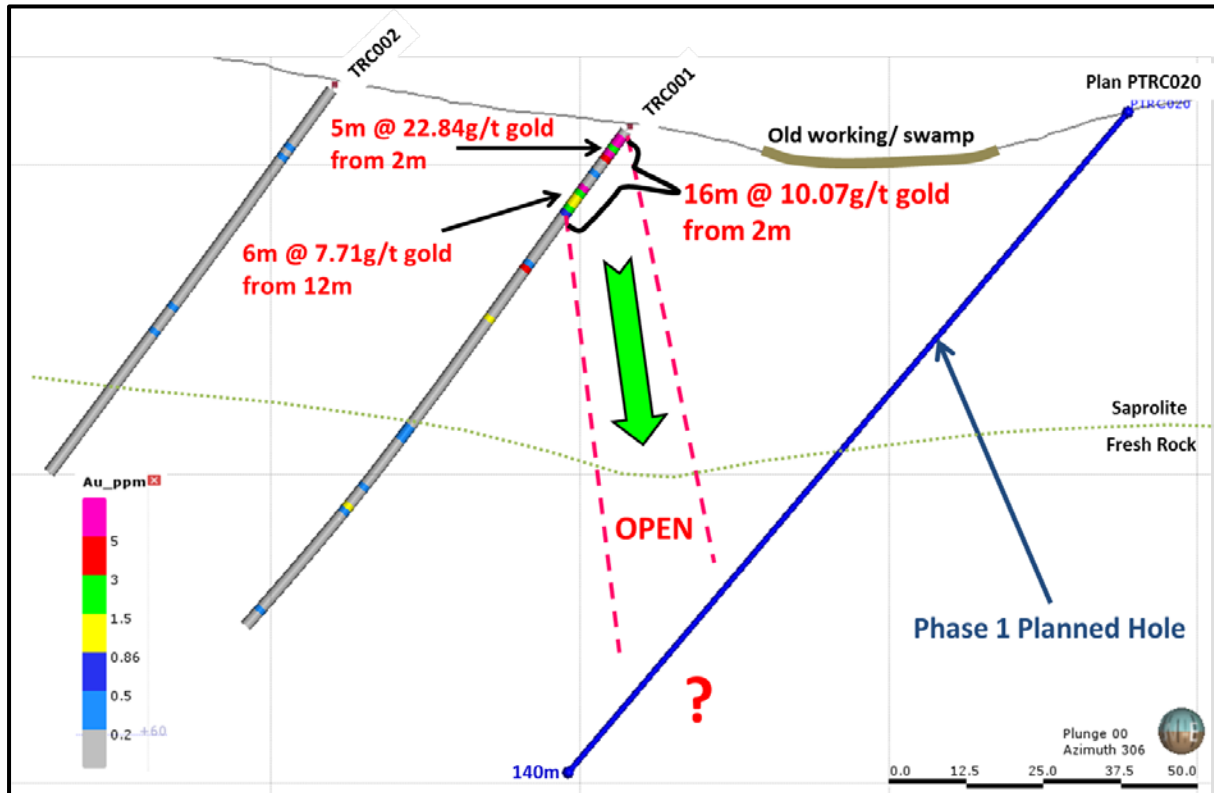


Figure 3 – Cross section illustrating key assay results from TRC001 and interpretation.

Additional drill pads have been prepared about 180 metres along strike to the north west. These holes (PTRC030 to 033) are part of the approved Phase 1 RC drill campaign and will be drilled as soon as possible to test for extensions to the high grade gold mineralization in TRC001.

At this point, mineralisation remains open towards the north west and at depth.

Hole TRC013 was drilled some 100 metres in strike extension to the south east of TRC001 and 110 metres to the north west of TAL95-01.

Again, significant mineralisation was encountered with an outstanding intersection of **9 metres @ 40.52 g/t Au from 89 metres, including 6 metres @ 60.1 g/t from 89 metres.**

Mineralisation is related to a strong silicified and sheared/gouge zone with quartz veining and pyrite alteration. The shear develops along the contact of foliated, phyletic sediment and intrusive. Visible gold was observed in milky white quartz fragments (refer Figure 4).



**Figure 4 – Rock chips of TRC013 – yellow mineralised zone in silica altered intrusive with visible gold in quartz.**

An additional RC hole is planned about 20 metres off the section line to the north (PTRC044) which will test the down dip extension of the mineralised zone in TRC013. Based on interpretation, mineralisation is expected to be intersected at a depth of between 100 and 140 metres. If the drilling and sample quality allows, the hole will be extended to ensure the potential mineralised zone is properly tested.

Additional holes will be planned to test the up-dip potential of the mineralised zone.

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A cross section of the drill line is illustrated in Figure 5.

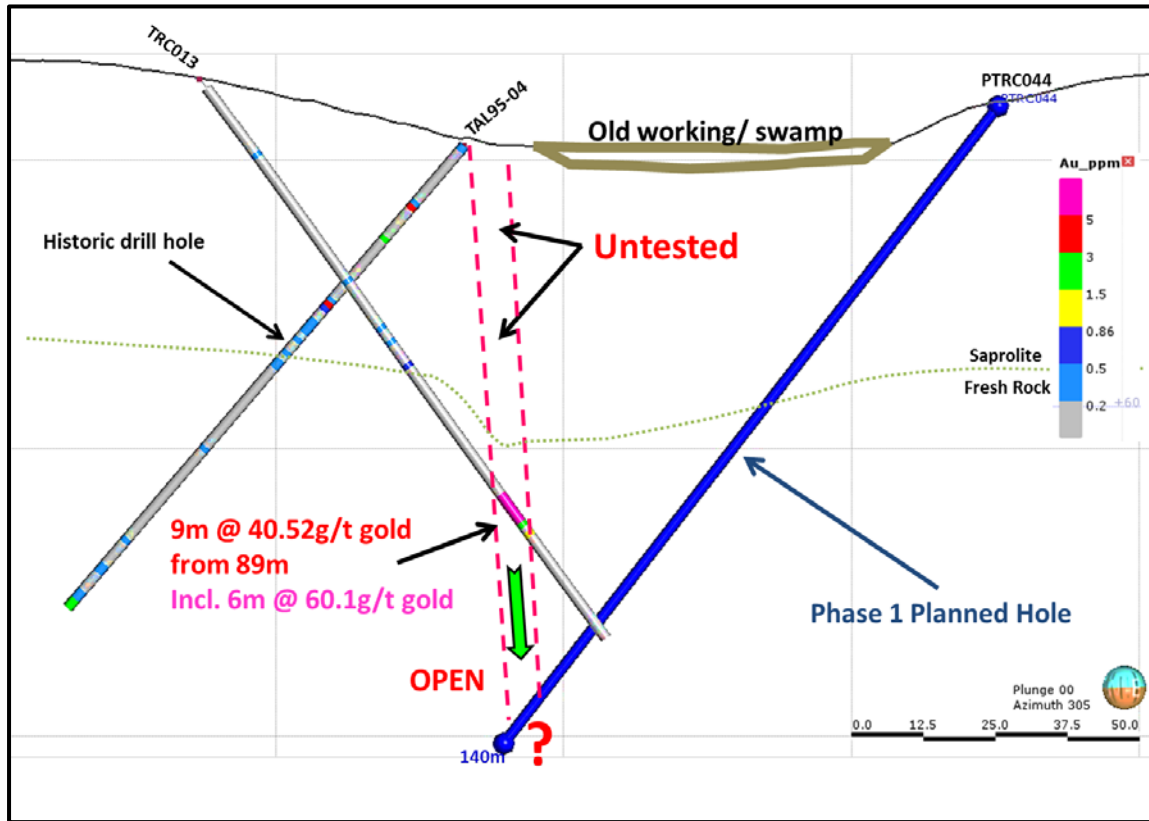


Figure 5 – Cross section illustrating key assay results from TRC013 and interpretation.

Drilling in and around the Tallman Pit has also returned good results.

TRC007 intersected multiple mineralised intervals including:-

- 1 m @ 3.47 g/t Au from 19 m
- **1 m @ 23.34 g/t Au from 37 m**
- 1 m @ 6.59 g/t Au from 108 m
- 1 m @ 4.44 g/t Au from 109 m
- **1 m @ 9.50 g/t Au from 115 m**
- 1 m @ 3.31 g/t Au from 136 m

The mineralisation is related to the partly sheared contact of carbonaceous shales and foliated mafic sediments. Minor felsic intrusive – strong silica alteration has been noticed. Strong quartz veining and pyrite alteration is common.

TRC008, on the northern edge of the Tallman Pit, also intersected several mineralised intervals including:

- 1 m @ 1.36 g/t Au from 17 m
- 4 m @ 1.76 g/t Au from 21 m
- 1 m @ 3.06 g/t Au from 33 m

The hole was abandoned in mineralisation at a depth of 108 metres due to drilling difficulties.



A cross section at TRC008 is illustrated in Figure 6.

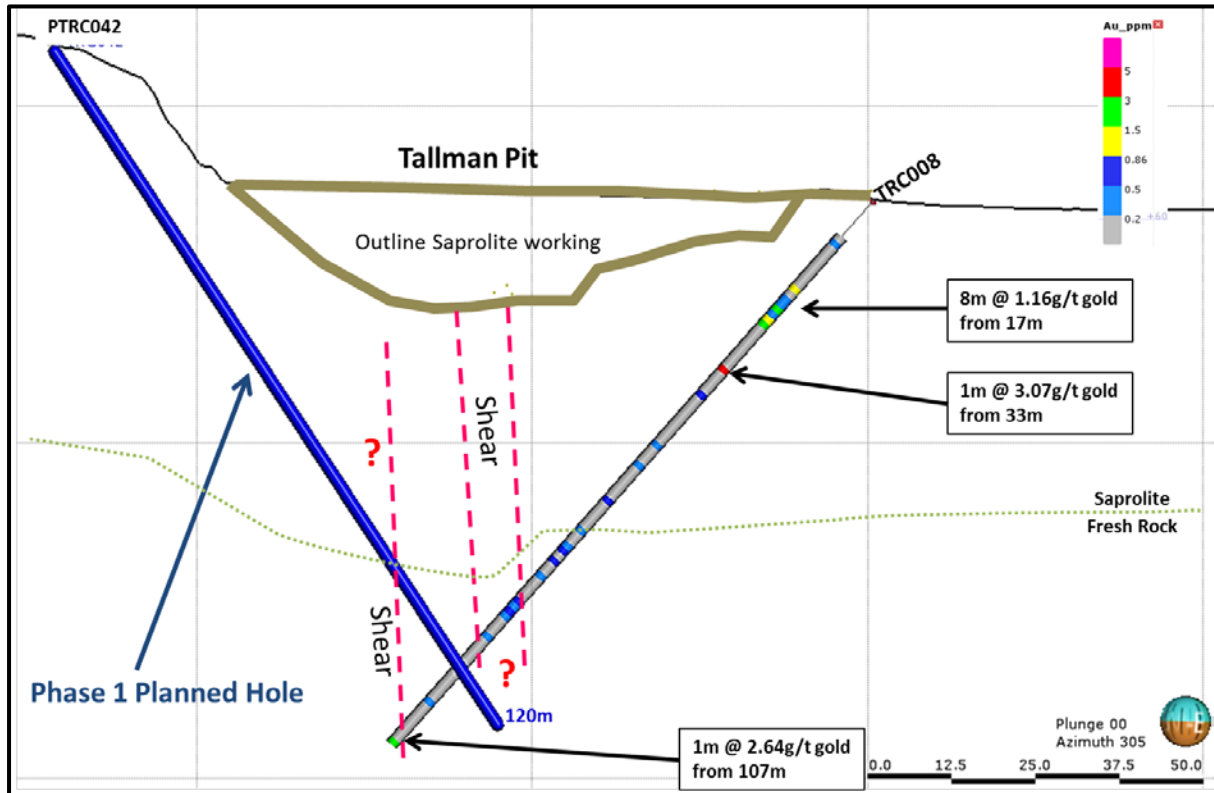


Figure 6 – Cross section at TRC008 on the northern edge of the Tallman Pit illustrating key assay results.

Between the Tallman Pit and the south eastern drill fence (TRC15 to TRC21), a late structure was intersected which off-sets the shear zone and mineralisation. Whilst interpretation is ongoing it is believed that the shear zone continues further to the south.

The Company intends to shortly drill two holes angled from the south west end of the pit as scissor holes to test the extent of mineralisation beneath the saprolite workings.

The Phase 1 drilling campaign at Ohio Creek is continuing and the interpretation of lithology, structures and mineralisation is ongoing.

Plans are currently being drawn for a Phase 2 drilling campaign. Given the success to date, it is likely that this will commence immediately upon conclusion of the Phase 1 campaign.

Future drilling will target the mineralised trend with the aim of extending it along strike and at depth, as well as infilling current drill lines.

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Troy Managing Director, Mr Ken Nilsson, said today:

*"I could not have envisaged a more promising start to our evaluation of Ohio Creek.*

*"To have identified so early in the campaign so much mineralisation augurs well for our future endeavours at this location.*

*"Moreover, these results open up many kilometres of highly prospective untested strike in this general area.*

*"I very much look forward to reporting further assay results as they are received.*

*"In Ohio Creek, as well as our other highly ranked exploration targets such as Gem Creek, Goldstar, Upper Itaki and Kaburi Hills, I believe Troy shareholders have much to be excited about."*

**ENDS**

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Table 1 – Ohio Creek Drilling Results

Ohio Creek Drilling results							
Hole	Easting	Northing	Elevation (m)	Depth (m)	Azimuth	Dip	Peak Gold Assay Intervals
TRC001	276291	630549	71	102	215	-55	16m at 10.07g/t gold from 2m incl. 5m at 22.84g/t gold from 2m incl. 6m at 7.71g/t gold from 12m 1m at 4.61g/t gold from 28m
TRC002	276258	630514	72	78	215	-55	NSR
TRC003	276225	630457	80	78	215	-55	NSR
TRC004	276189	630408	77	78	215	-55	NSR
TRC005	276459	630371	66	90	215	-55	1m at 2.1g/t gold from 5m 2m at 1.08g/t gold from 77m 1m at 1.07g/t gold from 15m
TRC006	276468	630395	62	102	215	-55	1m at 1.19g/t gold from 48m 2m at 2.06g/t gold from 77m 1 m @ 3.47 g/t Au from 19 m 1 m @ 23.34 g/t Au from 37 m 1 m @ 6.59 g/t Au from 108 m 1 m @ 4.44 g/t Au from 109 m 1 m @ 9.50 g/t Au from 115 m 1 m @ 3.31 g/t Au from 136 m
TRC008	276417	630446	60	108	215	-50	8m at 1.16g/t gold from 17m 1m at 3.07g/t gold from 33m 1m at 2.68g/t gold from 107m (EOH)
TRC009	276355	630438	61	102	217	-55	NSR
TRC010	276325	630504	65	90	215	-55	1m at 1.83g/t gold from 19m
TRC011	276298	630463	74	120	215	-55	1m at 0.89g/t gold from 115m
TRC012	276276	630432	80	96	215	-55	NSR
TRC013	276315	630433	76	120	35	-55	9m at 40.52g/t gold from 89m incl. 6m at 60.1g/t gold from 89m
TRC014	276325	630403	79	120	215	-55	1m at 0.97g/t gold from 92m 3m at 0.76g/t gold from 102m
TRC015	276576	630359	66	90	215	-55	NSR
TRC016	276558	630337	68	96	215	-55	NSR
TRC017	276534	630304	69	96	215	-55	NSR
TRC018	276512	630266	73	102	215	-55	NSR
TRC019	276481	630236	74	105	215	-55	NSR
TRC020	276454	630198	71	102	215	-55	Assay results pending

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<b>TRC021</b>	276436	630175	70	90	215	-55	NSR
<b>TRC022</b>	276963	629936	62	84	180	-55	Assay results pending

\* Notes to table above:

1. Intercepts are not true widths.
2. All holes are Reverse Circulation (RC) Drill Holes.
3. All reported intersections assayed at 1m sampled downhole intervals
4. NSR – No Significant Result

### **Competent Person's Statements**

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.

The information contained in this report referring to Exploration Results is extracted from the report entitled 'Acquisition of Ohio Creek Prospect in Guyana' created on September 12 2018 and available to view on [www.troyres.com.au](http://www.troyres.com.au) or the ASX website under the TRY ticker symbol. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the 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 have not been materially modified from the original market announcement.

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Appendix 1: JORC Table

Guyana Karouni Section 1: Sampling Techniques and Data		
Criteria	JORC Code Explanation	Commentary
<b>Sampling Technique</b>	<p>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</p> <p>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.</p> <p>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.</p>	<p>The Drilling program at the Ohio Prospect was commenced in September 2018.</p> <p>A sample interval of 1m has been selected for the RC and Diamond Core drilling. This sample spacing ensures a representative sample weight is collected at a scale sufficient to define geological and mineralisation boundaries.</p> <p>The use of a 1m sample interval was selected after consideration of the following:</p> <ul style="list-style-type: none"> <li>• Consideration of previous sampling methodology.</li> <li>• The AC/ RC drilling method and sample collection process for current drill campaigns.</li> <li>• A representative sample weight suitable for transport, laboratory preparation and analysis.</li> <li>• The lithological thickness of the White Sands Formation and underlying basement lithology.</li> <li>• A mineralisation zone thickness ranging from several metres to tens of metres.</li> <li>• 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).</li> <li>• The Diamond Core and AC/ 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.</li> </ul> <p>All AC/ 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.</p>
<b>Drilling</b>	<p>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).</p>	<p>Reverse Circulation "RC" drilling within the prospect area comprises 5.0-inch diameter face sampling hammer drilling and hole depths range from 36m to 120m.</p> <p>Reverse Circulation Rig supplied and operated by Orbit Garant Drilling of Canada.</p>
<b>Drill sample recovery</b>	<p>Method of recording and assessing core and chip sample recoveries and results assessed.</p> <p>Measures taken to maximize sample recovery and ensure representative nature of the samples.</p> <p>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.</p>	<p>RC recoveries are logged and recorded in the database. Overall recoveries are &gt;75% for the AC/ RC; there are no significant sample recovery problems. A technician is always present at the rig to monitor and record recovery.</p> <p>RC samples were visually checked for recovery, moisture and contamination. The consistency of the mineralised intervals is considered to preclude any issue of sample bias due to material loss or gain.</p>

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<p><b>Logging</b></p>	<p>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.</p>	<p>Logging of diamond core and RC samples recorded regolith, lithology, mineralogy, mineralisation, structural (DDH only), weathering, alteration, colour and other features of the samples. AC/ RC samples were photographed in wet form.</p>
<p><b>Sub-sampling technique and sample preparation</b></p>	<p>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.</p>	<p>AC/ 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.</p> <p>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.</p> <p>Field QC procedures involve the use of certified reference material as assay standards, blanks, and duplicates for the AC/ RC samples only. The insertion rate of these averaged 2:20 for core and 3:20 for RC.</p> <p>Field duplicates were taken for 1m AC/ RC splits using a riffle splitter.</p> <p>The sample sizes are appropriate to correctly represent the style of mineralisation, the thickness and consistency of the intersections.</p>
<p><b>Quality of Assay data and Laboratory tests</b></p>	<p>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</p> <p>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.</p> <p>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.</p>	<p>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 report. 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.</p> <p>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.</p> <p>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.</p> <p>Repeat or duplicate analysis for samples shows that the precision of samples is within acceptable limits.</p> <p>Sample preparation conducted by Actlabs Guyana Inc. and fire assay performed by Actlabs Guyana by 50g fire assay with gravimetric finish for samples greater than 10g/t.</p> <p>QA/QC protocol: For AC/ RC 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).</p>
<p><b>Verification of Sampling and Assaying</b></p>	<p>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.</p>	<p>The Company's exploration manager has verified significant intersections and the competent person visited the site during August 2018. Primary data was collected using a set of company standard Excel™ 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 data shed 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.</p>

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<b>Location of Data Points</b>	<p>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.</p> <p>Specification of the grid system used</p> <p>Quality and adequacy of topographic control.</p>	<p>All drill holes have been located by DGPS in UTM grid PSAD56 Zone 21 North.</p> <p>Downhole surveys were completed at the end of every hole where possible using a Reflex Gyro downhole survey tool, taking measurements every 5m.</p> <p>Lidar data was used for topographic control.</p>
<b>Data Spacing and Distribution</b>	<p>Data spacing for reporting of Exploration Results</p> <p>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.</p>	<p>The nominal drill hole spacing 50m to 100m.</p> <p>Samples have been composited to one-meter lengths and adjusted where necessary to ensure that no residual sample lengths have been excluded (best fit).</p>
<b>Orientation of Data in Relation to Geological Structure</b>	<p>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</p> <p>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.</p>	<p>Most of the data in is drilled to either magnetic 215° orientations, which is orthogonal/ perpendicular to the orientation of the mineralised trend. The bulk of the drilling is almost perpendicular to the mineralised domains.</p> <p>No orientation-based sampling bias has been identified in the data at this point.</p>
<b>Sample Security</b>	<p>The measures taken to ensure sample security</p>	<p>Chain of custody is managed by Troy.</p> <p>Samples are stored on site and delivered by Troy personnel to Actlabs, Georgetown, for sample preparation.</p> <p>Whilst in storage, they are kept under guard in a locked yard. Tracking sheets are used track the progress of batches of samples.</p>

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**Section 2 Karouni Reporting of Exploration Results**

Criteria	JORC Code Explanation	Commentary
<p><b>Mineral Tenement and Land Status</b></p>	<p>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.</p>	<p>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.</p>
<p><b>Exploration done by other parties</b></p>	<p>Acknowledgment and appraisal of exploration by other parties.</p>	<p>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.  In 1995, on the Ohio Creek prospect, Cathedral Gold, the Canadian listed company that first drilled out and then delineated a mineral resource at the (now) Troy-owned Hicks deposit, undertook a 200 metre x 40 metre auger drilling program.  Achieving encouraging results, this program was immediately followed up by Cathedral Gold with a diamond drilling program encompassing 11 diamond holes for an aggregate 1,364 metres drilled (for an average of approximately 124 metres per hole)</p>

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<p><b>Geology</b></p>	<p>Deposit type, geological setting and style of mineralisation.</p>	<p>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.</p> <p>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.</p> <p>The evaluation of airborne geophysical data has however indicated that the Barama-Mazaruni Greenstone Belts and associated syntectonic intrusives persist at shallow depth beneath this cover.</p> <p>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.</p> <p>The high-grade gold mineralisation is usually associated with zones of dilational and stockworks quartz veining within and adjacent to the shear zone.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Gold mineralisation at Ohio Creek is associated with an interpreted north west trending shear zone and strong quartz veining in the weathered saprolite profile. The outcropping saprolite on the prepared drill pad shows foliation which is probably derived from sediment. It also confirms the in-situ nature of the formation. The saprolite profile tested during the drilling is typically 50 to 60 metres deep</p>
<p><b>Drill hole Information</b></p>	<p>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:</p> <ul style="list-style-type: none"> <li>• easting and northing of the drill hole collar</li> <li>• elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>• dip and azimuth of the hole</li> <li>• down hole length and interception depth</li> <li>• hole length</li> <li>• 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.</li> </ul>	<p>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.</p>



<p><b>Data Aggregation Methods</b></p>	<p>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.</p>	<p>All intersections are assayed on one-meter intervals. No top cuts have been applied to exploration results. Mineralised intervals are reported on a weighted average basis. The cut-off grade for mineralization is 0.5g/t gold.</p>
<p><b>Relationship between Mineralisation widths and intercept lengths</b></p>	<p>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 'down hole length, true width not known').</p>	<p>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.</p>
<p><b>Diagrams</b></p>	<p>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.</p>	<p>The appropriate plans, sections and 3D views have been included in the text of this document as Figures 1 to Figure 4.</p>
<p><b>Balanced Reporting</b></p>	<p>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.</p>	<p>All grades, high and low, are reported accurately with "from" and "to" depths and "drill hole identification" shown.</p>
<p><b>Other Substantive Exploration Data</b></p>	<p>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.</p>	<p>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.</p>
<p><b>Further Work</b></p>	<p>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.</p>	<p>Further work program includes additional drilling, geological modelling, block modelling and ultimately resource estimation depending on the results received.</p>

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