



TROY RESOURCES LIMITED

TAILINGS DAM DISCLOSURE STATEMENT

June 2019

KAROUNI GOLD PROJECT TAILINGS STORAGE FACILITY DISCLOSURE

Background

Troy Resources Limited (**ASX: TRY**) (**Troy** or the **Company**) notes the recent initiative from the Church of England Pensions Board and the Swedish Council on Ethics and for the AP Funds on behalf of many large UK and European institutional investors in the mining industry under the Principles for Responsible Investment following the recent tailings dam disasters in South America.

This initiative takes the form of a questionnaire addressed to mining companies, including Troy, for specific disclosure with regards to the Tailings Storage Facilities (**TSF**) operated by the Company. Information on the initiative and the participating investing groups can be found at <https://www.churchofengland.org/investor-mining-tailings-safety-initiative> .

Troy applauds the initiative, is fully supportive of it and provides the following information as requested under the disclosure questionnaire.

Overview

Troy currently operates and manages only one mining operation being the Karouni Gold Mining operation in Guyana, South America ("Karouni").

Karouni has one TSF and the following information relates to that facility.

General Questions

Q. Provide an overview of your tailings management system, and how you manage risk

Troy actively manages its TSF and conducts regular inspections through the use of both internal staff and specialist external consultants. For additional information, please refer to the response for Question 20 below.

Q. Confirm whether your approach to tailings management has changed or will change in light of the recent tailings disasters at Brumadinho, Mariana, Mt Polley and others. Have you, for



example, reviewed all tailings storage facilities with upstream dam construction, and taken steps necessary to protect local communities and the environment e.g. buttressing, evacuation?

Troy has always taken the stability and structural integrity of its TSF as ones of its highest priorities and the facility is on the list of critical items in terms of risk management. The recent tragedies have confirmed the importance of continuing vigilance and inspection and maintaining the highest standards of construction and review.

Specific Questions

1. "Tailings Facility" Name/Identifier

Karouni Gold Project TSF in Guyana, South America

2. Location

Longitude: 59.06, Latitude: 5.6

3. Ownership

Owned and operated by Troy Resources Guyana Inc, a 100% owned entity of the ultimate holding company, Troy Resources Limited.

4. Status

Active TSF

5. Date of initial operation

August 2015

6. Is the Dam currently operated or closed as per currently approved design?

The TSF is in use and being operated within design parameters.

7. Raising method

Downstream valley filled structure

8. Current Maximum Height

16.9 metres at maximum height from valley floor to highest part of facility wall

9. Current Tailings Storage Impoundment Volume

1.6 million cubic metres

10. Planned Tailings Storage Impoundment Volume in 5 years' time



5.2 million cubic metres

11. Most recent Independent Expert Review

May 2018

12. Do you have full and complete relevant engineering records including design, construction, operation, maintenance, and/or closure?

Yes

13. What is your hazard categorisation of this facility, based on the consequence of failure?

Major

14. What guideline do you follow for the classification system?

ANCOLD (2012a, b) (Australian National Committee On Large Dams)

15. Has this facility, at any point in its history, failed to be confirmed or certified as stable, or experienced notable stability concerns, as identified by an independent engineer (even if later certified as stable by the same or a different firm).

No

16. Do you have internal in house engineering specialist oversight of this facility? Or do you have external engineering support for this purpose?

Both

17. Has a formal analysis of the downstream impact on communities, ecosystems and critical infrastructure in the event of catastrophic failure been undertaken and to reflect final conditions? If so, when did this assessment take place?

Yes, 2014 before dam approval and construction

18. Is there a) a closure plan in place for this dam, and b) does it include long term monitoring?

Yes and Yes

19. Have you, or do you plan to assess your tailings facilities against the impact of more regular extreme weather events as a result of climate change, e.g. over the next two years?

No and not at this time.

20. Any other relevant information and supporting documentation.

Please state if you have omitted any other exposure to tailings facilities through any joint ventures you may have.



This is a 3 stage TSF design and has operated for 3.5 years with the first lift planned for the latter part of 2019.

Tailings Storage Facility Hazard Rating

Based on the ANCOLD (2012 a,b) guidelines (Australian National Committee On Large Dams), the TSF has been assessed as being classified as Major in terms of level of severity of impact assessment of a failure with a consequence category of Significant. This assessment is based on the following considerations:

- Population at risk of <1 and therefore no or minimal risk to human life or community services;
- Contamination of water supplies for human or stock consumption is not expected;
- Potential for environmental damage is restricted to the downstream valley where the TSF is located;
- Significant economic loss as a result of disruption of the operations which could be severe to crippling to the Company;
- Significant impact on the business credibility; and
- Repairs to the TSF embankment would be costly but practicable.

ANCOLD guidelines recommend using a design flood of either the 1:1,000 AEP flood with a wave freeboard allowance of 1:10 AEP wind for a consequence failure of Significant.

For the next highest category ANCOLD guidelines recommend using a design flood of either the 1:100,000 AEP flood with a wave freeboard allowance of 1:10AEP wind or the PMF without a wave-freeboard allowance.

The PMF category was adopted as the flood impact for the design of this TSF.

Approved by

Ken Nilsson

CEO and Managing Director
Troy Resources Limited
June 2019