



**Troy Resources NL**  
**Casposo Gold Project Economic Evaluation**  
**Casposo - Open Cut Then Underground Scenario**

Integrity

This Case	All Cases
Ok	Ok
Ok	Ok

Signals

Life of Mine	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
	30-Jun-10	30-Jun-11	30-Jun-12	30-Jun-13	30-Jun-14	30-Jun-15	30-Jun-16	30-Jun-17

**Mining Physicals****Open Pit**

Ore Mined	t	1,423,110	12,747	380,792	390,769	354,305	284,498	-	-	-
Waste Tonnes Mined	t	13,955,542	321,836	3,634,208	5,396,976	3,657,666	944,855	-	-	-
Strip Ratio	Ratio	9.81	25.25	9.54	13.81	10.32	3.32	-	-	-
Gold Grade	Grams / t	5.61	9.59	8.68	6.25	3.74	2.77	-	-	-
Silver Grade	Grams / t	122.06	72.97	118.19	106.88	110.23	165.05	-	-	-
Ag: Gold Equivalent Grade	Grams / t	1.92	1.19	1.83	1.71	1.74	2.61	-	-	-
Gold Equivalent Grade	Grams / t	7.53	10.78	10.50	7.96	5.48	5.38	-	-	-

**Underground**

Ore Mined	t	695,575	-	-	-	212,800	403,521	79,254	-
Gold Grade	Grams / t	3.91	-	-	-	2.45	4.66	4.02	-
Silver Grade	Grams / t	254.10	-	-	-	161.70	282.15	359.36	-
Ag: Gold Equivalent Grade	Grams / t	4.01	-	-	-	2.55	4.45	5.67	-
Gold Equivalent Grade	Grams / t	7.92	-	-	-	5.00	9.12	9.69	-

**Milling Physicals**

Tonnes Processed	t	2,033,333	-	300,000	400,000	400,000	400,000	400,000	133,333	-
Gold Grade	Grams / t	5.24	-	9.06	7.50	3.63	2.91	4.14	4.97	-
Silver Grade	Grams / t	171.51	-	118.27	122.47	103.50	180.64	260.40	348.45	-
Ag: Gold Equivalent Grade	Grams / t	2.71	-	1.83	1.96	1.63	2.85	4.11	5.50	-
Gold Equivalent Grade	Grams / t	7.95	-	10.88	9.46	5.26	5.76	8.25	10.47	-

<b>Ounces Gold Mined</b>	Oz.	342,413	-	87,349	96,472	46,682	37,366	53,256	21,287	-
% Au Recovery	%	-	-	93.70%	93.70%	93.70%	93.70%	93.70%	93.70%	-
Ounces Gold Produced	Oz.	320,841	-	81,846	90,394	43,741	35,012	49,901	19,946	-

<b>Ounces Silver Mined</b>	Oz.	11,212,480	-	1,140,757	1,574,954	1,331,054	2,323,101	3,348,876	1,493,737	-
% Ag Recovery	%	-	-	80.60%	80.60%	80.60%	80.60%	80.60%	80.60%	-
Ounces Silver Produced	Oz.	9,037,259	-	919,450	1,269,413	1,072,830	1,872,419	2,699,194	1,203,952	-
Ounces Gold Equivalent Produced	Oz.	142,653	-	14,210	20,311	16,939	29,565	42,619	19,010	-

<b>Total Gold Equiv Oz Produced</b>	oz	463,494	-	96,056	110,705	60,681	64,576	92,520	38,956	-
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**Income Statement & Cashflow Calculation (USD M)****Effective Prices**

Gold Prices	USD / Oz.	1000.00	1,100	1,100	1,000	950	950	950	950	-
Silver Prices	USD / Oz.	15.86	18.00	17.00	16.00	15.00	15.00	15.00	15.00	-

**Revenue**

Gold Sales	USD M	321.60	-	90.03	90.39	41.55	33.26	47.41	18.95	-
Silver Sales	USD M	138.67	-	15.63	20.31	16.09	28.09	40.49	18.06	-
Off site Refining	USD M	(6.81)	-	(1.63)	(1.82)	(0.92)	(0.81)	(1.16)	(0.47)	-
Net Revenue	USD M	453.45	-	104.04	108.89	56.73	60.53	86.73	36.53	-

**Operating Expenses**

Mining										
Open Pit	USD M	(59.99)	-	(13.78)	(18.37)	(15.68)	(12.16)	-	-	-
Underground	USD M	(37.37)	-	-	-	(0.07)	(13.88)	(20.46)	(2.97)	-
Milling	USD M	(58.51)	-	(8.79)	(11.47)	(11.47)	(11.47)	(3.82)	(3.82)	-
General Administration	USD M	(21.45)	-	(3.46)	(4.15)	(4.15)	(4.15)	(4.15)	(1.38)	-
Total	USD M	(177.33)	-	(26.03)	(34.00)	(31.37)	(41.66)	(36.09)	(8.18)	-



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**Unit Opex Costs (USD)**

Open Pit (Ore)	per tonne mined	42.15	-	36.18	47.01	44.26	42.75	-	-	-
Underground (Ore)	per tonne mined	53.73	-	-	-	-	65.21	50.71	37.48	-
Milling	per tonne milled	28.78	-	29.30	28.69	28.69	28.69	28.69	28.69	-
General Administration	per tonne milled	10.55	-	11.53	10.38	10.38	10.38	10.38	10.38	-

**Cash Cost: By-Product Silver credits:**

Gold Produced	oz	320,841		81,846	90,394	43,741	35,012	49,901	19,946	-
Unit Cash Cost net of Silver	USD / Oz. (Au) (net Ag credits)	120.49	-	127.00	151.39	349.36	387.83	(88.18)	(495.32)	-
Total unit Cost net of silver (inc deprn & amort)	USD/oz	448.85	-	455.38	505.01	779.50	681.63	157.85	(238.07)	-

**Cash Cost: Co Products, Gold & Silver:**

Equivalent Gold Produced	oz	463,494	-	96,056	110,705	60,681	64,576	92,520	38,956	-
Equivalent Gold unit cash cost	USD / Oz. (Au + AuAg)	382.05	-	270.94	307.08	517.03	645.20	390.05	209.97	-
Total Equivalent Gold unit total cost (deprn & amort)	USD/oz	609.03	-	550.74	595.83	827.10	804.49	522.75	341.68	-

**Other Costs**

Royalties (production & provincial)	USD M	(12.81)	-	(3.16)	(3.25)	(1.45)	(1.52)	(2.38)	(1.04)	-
Depreciation + Amortisation	USD M	(92.54)	-	(23.71)	(28.72)	(17.36)	(8.76)	(9.89)	(4.09)	-
Total	USD M	(105.35)	-	(26.88)	(31.97)	(18.81)	(10.29)	(12.28)	(5.13)	-

Pre-Tax Profit (EBIT) USD M

170.78	-	51.13	42.93	6.54	8.58	38.37	23.22	-
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**Taxes**

Corporate Income Tax	USD M	(59.13)	-	(13.04)	(18.03)	(4.23)	(2.62)	(10.51)	(10.70)	-
Provincial Turnover Tax	USD M	(5.74)	-	(1.04)	(1.09)	(0.85)	(0.91)	(1.30)	(0.55)	-
Export Tax	USD M	(16.36)	-	(4.17)	(4.61)	(2.23)	(1.79)	(2.54)	(1.02)	-
Debit and Credits Tax	USD M	(1.90)	-	(0.30)	(0.43)	(0.34)	(0.36)	(0.38)	(0.07)	-
Total	USD M	(83.13)	-	(18.55)	(24.16)	(7.66)	(5.68)	(14.74)	(12.34)	-

Interest Income USD M

17.22	-	0.95	3.91	5.36	3.61	2.49	0.90	-
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Net Operating Profit After Taxes USD M

104.87	-	33.53	22.68	4.25	6.51	26.12	11.79	-
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Working Capital Adjustment USD M

(0.63)	0.78	(1.33)	1.61	0.40	0.44	(2.60)	0.08	-
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Operating Cash Surplus / (Deficit) USD M

196.78	0.78	55.91	53.00	22.01	15.71	33.42	15.95	-
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**Construction Capital**

Plant & Equipment	USD M	(26.72)	(26.72)	-	-	-	-	-	-	-
Project Management & Site Infrastructure	USD M	(14.78)	(14.78)	-	-	-	-	-	-	-
Subtotal		(41.50)	(41.50)	-	-	-	-	-	-	-
Prestrip / Preproduction Mining	USD M	(2.90)	(2.28)	(0.62)	-	-	-	-	-	-
Construction Capex	USD M	(44.40)	(43.78)	(0.62)	-	-	-	-	-	-

Power Line Payments USD M

(13.78)	(7.28)	(0.81)	(1.63)	(1.63)	(1.63)	(0.81)	-	-
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IVA Tax (Incl Refund) USD M

-	(4.54)	1.51	1.51	1.51	-	-	-	-
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Development Costs - Underground USD M

(29.63)	-	-	-	(0.72)	(21.37)	(7.54)	-	-
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Sustaining Costs - UP &amp; UG USD M

(5.29)	-	(0.85)	(1.02)	(1.02)	(1.02)	(1.02)	(0.34)	-
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Total Construction Capital USD M

(93.10)	(55.59)	(0.77)	(1.14)	(1.86)	(24.02)	(9.37)	(0.34)	-
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Rehabilitation &amp; Closure USD M

1.87	-	(0.67)	(1.16)	(0.80)	(0.25)	-	4.75	-
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Project Cash Surplus After Capital USD M

105.56	(54.81)	54.46	50.71	19.35	(8.56)	24.05	20.36	-
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Cum Project Cash After Capital USD M

	(54.81)	(0.35)	50.36	69.71	61.15	85.20	105.56	105.56
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## Key Outputs (USD)

## Valuation Scenarios Table

Case	Avg. Gold (USD / Oz.)	Avg. Silver (USD / Oz.)	NPV @ 8% (USD M)	Net Cashflows (USD M)
Base Case	984	15.52	76.39	105.56
Gold Price @ USD1150 & Silver USD18	1,150	18	116	155.65
Gold Price @ USD1300 & Silver USD20	1,300	20	151	199.37
Prices Down 10%	885	13.96	52.52	75.41
Recovery Down 5%	984	15.52	64.08	89.95
Capex Up 10%	984	15.52	73.48	102.85
Opex Up 10%	984	15.52	67.20	93.96
Downside Case	885	13.96	35.92	54.78

## Project Returns

NPV (USD M)	IRR
76.39	74.76%

Hurdle Rate