



TROY RESOURCES LIMITED

ASX ANNOUNCEMENT

23 November 2016

CHAIRMAN'S ADDRESS TO AGM

Perth, WA (ASX: TRY): As highlighted in my Chairman's Review, Troy has completed a significant transformation of its gold mining operations in South America during 2016.

We restructured the Casposo operation in Argentina which enabled us to sell an initial 51% interest to Austral Gold in March 2016. Austral will be entitled to a further 19% interest in March 2017 and they have an option to acquire the remaining 30% over a three year period commencing December 2018. Austral have been appointed as manager of the operation and Troy is free carried for an initial up to US\$10 million capital investment plan. The value of our remaining 30% interest will continue to benefit from increases in the silver price above US\$16/oz. Pleasingly, Austral recently announced the recommencement of operations at Casposo, which are expected to continue for the next four years, based on current Ore Reserves.

Troy's Andorinhas gold operation in Brazil finally ceased production in May 2016 and the plant was sold to Anfield Gold Corp for a total of US\$4.5 million of which US\$3.5 million has been received.

Our Karouni gold project in Guyana achieved commercial production in January 2016 and despite some ongoing operational issues has generated a positive operating margin. Following a strong start to operations, performance was subsequently hampered by the wet season, difficult and varied mining conditions and plant availability. However with the experience now gained, including skills training, an increased mining fleet and plant upgrades, performance is improving. The focus at Karouni is to achieve more consistent performance from the operation, reduce costs and to increase our commitment to regional exploration where many attractive targets have been identified.

In December 2015, Troy raised A\$10 million through a placement and by financial year end we had reduced our A\$100 million debt facility with Investec Bank Plc to US\$39.192 million (A\$54.8 million) (after conversion). Subsequent to year-end, Troy has successfully raised A\$40.7 million via an institutional placement and pro-rata accelerated non-renounceable entitlement offer. This equity raising provides Troy with a solid financial platform for our next phase of growth.



After some difficult years the US\$ gold price has performed somewhat better in 2016 driven by historically low interest rates and continuing global uncertainty. As debt has been paid down Troy has reduced the hedging required under its loan facility in order to increase its exposure to the gold price.

Troy is committed to being a profitable gold producer that creates long-term value for its shareholders. Over time we will seek to increase our reserve base and improve the stability and sustainability of our production profile. Our immediate focus is to improve the performance of Karouni and to test the nearby exciting exploration potential. However we will seek to identify our next mine development project desirably in another jurisdiction which may include Australia.

In 2016 Troy maintained its good safety record and operated with a focus on our environmental responsibilities. While we have ceased operating in Brazil and Argentina, we can be proud of our support for these communities through using local employees and services, maintaining and upgrading roads, provision of drinking water and power, and building of facilities. The same approach has been applied at Karouni and has already enhanced our reputation in Guyana.

I would like to thank all Troy's employees for their significant effort over the past year and my fellow Board members for their dedication and support. In particular I would like to recognise the significant contribution made by our former Chairman David Dix who unfortunately passed away in February 2016 after a lengthy illness. David was a talented professional and good friend who had fully intended to resume his Board duties. His wise counsel and good humour is greatly missed. I also thank Richard Monti who retired during the year and welcome David Southam as a new independent director as we continue to refresh Troy's Board. With recent changes in the scope of our activities we have seen the departure of some long term employees including our COO Andrew Storrie and CFO David Sadgrove whom I would also like to thank for their contribution to Troy over the years.

While 2016 was another difficult and challenging year I remain confident that your continued support will be well rewarded in time through sustainable returns.

ENDS

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