TROY RESOURCES LIMITED
ABN: 33 006 243 750

TROY RESOURCES LIMITED
RESULTS FOR ANNOUNCEMENT TO THE MARKET
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

Appendix 4D, previous corresponding period, half-year ended 31 December 2013.

Revenue and Net Profit		**Percentage Change**		**Amount $'000**
Revenue from ordinary activities	Up	22%	To	92,242
Impairment loss net of tax	Up	N/A	To	28,557
Underlying profit after tax and before impairment [(i)]	Up	N/A	To	1,860
Loss from ordinary activities after tax	Up	N/A	To	26,697
Net loss attributable to members	Up	N/A	To	27,010

Dividend Information	**Amount per security (cents)**	**Franked amount per security (cents)**	**Tax rate full franking credit**

No interim dividend for the financial year 2015 has been declared.

Net tangible assets per security	**Dec 2014 per share**	**Jun 2014 per share**
Net tangible assets per security	$1.04	$1.01
Common shares on issue at balance date	195,265,161	195,034,997

Additional Appendix 4D disclosure requirements can be found in the Directors' Report and the 31 December 2014 half-year financial statements.

This report is based on the condensed consolidated 2014 half-year financial statements which have been reviewed by Deloitte Touche Tohmatsu, and is not subject to dispute or qualification. The Independent Auditors' Review Report is included herein.

[(i)] Underlying profit after tax is 'profit after tax before non-cash impairment charges and related deferred income tax'. For further details refer to note 9.

This is a half-yearly report and is to be read in conjunction with the 30 June 2014 Annual Report.

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TROY RESOURCES LIMITED

ABN: 33 006 243 750

CONSOLIDATED FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2014

DIRECTORS' REPORT

The Directors of Troy Resources Limited submit herewith the financial report of Troy Resources Limited and its subsidiaries (the "Company" or "Troy" or "Group") for the half-year ended 31 December 2014 ("half-year"). In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

DIRECTORS

The names of the Directors of the Company during and since the end of the half-year are:

- Mr D R Dix, Non-Executive Chairman
- Mr M D Purvis, Chief Executive Officer and Managing Director (appointed 1 September 2014)
- Mr P Benson, Chief Executive Officer and Managing Director (resigned 31 July 2014)
- Mr K K Nilsson, Executive Director of Project Development
- Mr F S Grimwade, Non-Executive Director
- Mr T S Harvey, Non-Executive Director
- Mr J L C Jones, Non-Executive Director
- Mr R Monti, Non-Executive Director
- Mr C R W Parish, Non-Executive Director

REVIEW OF OPERATIONS

(a) Production and Sales

Troy's total production for the half-year was 44,264 ounces of gold and 1,429,647 ounces of silver or 65,014 gold equivalent ounces (2013: 45,157 gold ounces and 937,013 silver ounces or 60,334 gold equivalent ounces).

Troy's wholly owned Casposo operation in San Juan Province, Argentina produced 31,682 ounces of gold (2013: 29,590) and 1,429,647 ounces of silver (2013: 937,013) for the half-year from the processing of 263,002 tonnes (2013: 266,141) of ore at an average gold grade of 4.09g/t (2013: 3.79g/t) and silver grade of 209.68g/t (2013: 141.08g/t).

Casposo cash costs on a co-product basis were US$668 per gold equivalent ounce (2013: US$871). Total gold equivalent ounces produced at Casposo were 52,432 (2013: 44,767). All-in sustaining costs (AISC) were US$1,215 per gold equivalent ounce. This is the first half-year that Troy has reported AISC therefore comparatives for the 2013 half-year are not available.

Troy's wholly owned Andorinhas operation in Para State, Brazil produced 12,582 ounces of gold for the half-year (2013: 15,567 ounces) at an average cash cost of US$866 per ounce (2013: US$833). AISC were US$1,103 per gold ounce.

Group sales for the half-year totalled 43,875 ounces of gold and 1,517,684 ounces of silver or 65,713 gold equivalent ounces (2013: 41,001 ounces of gold and 812,108 ounces of silver or 54,150 gold equivalent ounces).

Casposo doré in transit and being processed at the Canadian refinery at 31 December 2014 totalled 8,518 (30 June 2014: 10,317) gold equivalent ounces of which 7,131 had been forward sold.

The Group's available cash at 31 December 2014 was $29.2 million (June 2014: $43.2 million). Of this, $9.3 million (US$7.6 million) cash was held in Canada from recent Argentine gold and silver sales. The funds from the Argentine sales are required to be transferred via Argentina before surpluses can be remitted to Australia.

DIRECTORS' REPORT

(b) Results

Total revenue for the half-year increased by 22% to $92,242,000 (2013: $75,666,000) principally from an increase of 21% in gold equivalent ounces sold. This was in the main due to the treatment of higher grade material at Casposo. The average gold prices realised during the half-year fell US$67 per ounce and the average silver price realised fell US$3 per ounce.

The consolidated loss from ordinary activities before tax and minority interests for the half-year was $28,109,000 (2013: loss $15,816,000). The net loss after tax was $26,697,000 (2013: loss $6,853,000).

The half-year loss is reflected after bringing to account the following items:

i) Expensing net exploration of $3,712,000 (2013: $1,392,000).

ii) Export tax incurred in Argentina of $4,188,000 (2013: $2,574,000).

iii) Amortisation and depreciation of $17,727,000 (2013: $16,987,000).

iv) Impairment loss (pre-tax) of $30,467,000 (2013: $Nil).

v) Income tax benefit of $1,412,000 (2013: benefit of $8,963,000).

The loss per share on a fully diluted basis is 13.8 cents, compared with loss of 4.2 cents in 2013.

Foreign exchange movements in Australian dollar terms of Troy's South American assets have positively impacted the total shareholders' equity during the half-year, with the Australian dollar weakening against the Argentinean Peso by 9% (2013: 15% stronger) and the Guyana Dollar by 10% (acquired in 2014), and strengthening against the Brazilian Real by 5% (2013: 2% weaker).

Net cash provided by operating activities totalled $12,936,000, representing a significant increase from the outflow of $11,737,000 in 2013 due principally to increases in gold and silver grade, lower operating costs and higher overall production.

(c) Debt Facilities

As at 30 June 2014, the Group had arranged a debt facility with Investec Bank Plc (Investec Plc Facility) of up to $100.0 million to replace the previous Investec Facility. The Investec Plc Facility comprises two tranches:

(a) Tranche A - limited to $70.0 million: fully drawn as at 31 December 2014.

(b) Tranche B - limited to $30.0 million: availability subject to a number of future conditions precedent. Tranche B will be available for Karouni development and general corporate working capital purposes.

The conditions precedent for Tranche B were satisfied subsequent to the half-year end, refer notes 10 and 12.

(d) Dividends

No dividend has been declared.

(e) Exploration

Total exploration expenditure for the half-year totalled $6,987,000 (2013: $8,941,000).

In the current period $3,275,000 (2013: $7,549,000) was capitalised in relation to infill drilling and related costs at the Karouni development project in Guyana.

Net exploration costs expensed directly to the profit and loss for the half-year totalled $3,712,000 (2013: $1,392,000).

(f) Subsequent Events

For details of significant events subsequent to balance date please refer to Note 12 on page 20 of this half-year financial report.

(g) Additional Information

Additional information on the Company's activities is available on its web site at www.troyres.com.au. Information available includes the detailed quarterly activities reports for the September and December 2014 periods, the 2014 Annual Report, Corporate Governance policies and other Company information and publications.

The auditor's independence declaration is included on page 4 of the half-year financial report.

GOLD EQUIVALENT OUNCES

Gold equivalent ounces produced are the result of converting silver ounces produced to an equivalent value of gold ounces using actual prices achieved and adding that to actual gold ounces produced.

ROUNDING OFF OF AMOUNTS

The Company is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' report, and the half-year financial report have been rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of Directors made pursuant to s.306(3) of the *Corporations Act 2001*.

David R Dix

Mr David R Dix
Chairman of Directors
27 February 2015

Deloitte Touche Tohmatsu
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The Board of Directors
Troy Resources Limited
Unit 12, First Floor
11 Ventnor Avenue
West Perth, WA 6005

27 February 2015

Dear Board Members

Auditor's Independence Declaration to Troy Resources Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Troy Resources Limited.

As lead audit partner for the review of the financial statements of Troy Resources Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

D Newman

David Newman
Partner
Chartered Accountants

Condensed consolidated statement of profit or loss for the half-year ended 31 December 2014

	Notes	Consolidated Half-year ended 31 Dec 2014 ($'000)	31 Dec 2013 ($'000)
Revenue	3	**92,242**	75,666
Cost of Sales		**(81,415)**	(79,926)
Gross Profit / (Loss)		**10,827**	(4,260)
Other income	3	**727**	204
Exploration expenses (net)	4	**(3,712)**	(1,392)
Administration expenses	4	**(3,557)**	(4,826)
Other expenses – Corporate	4	**(343)**	(942)
Finance costs	4	**(1,584)**	(1,927)
Acquisition costs	4	**-**	(2,673)
Impairment loss	4	**(30,467)**	-
Loss Before Income Tax Expense		**(28,109)**	(15,816)
Income tax benefit	5	**1,412**	8,963
Loss After Income Tax		**(26,697)**	(6,853)
Profit Attributable to:			
Owners of the Parent		**(27,010)**	(6,845)
Non-controlling interests		**313**	(8)
		(26,697)	(6,853)
Loss Per Share (EPS)			
Basic EPS (cents)		**(13.8)**	(4.2)
Diluted EPS (cents)		**(13.8)**	(4.2)

Notes to the condensed consolidated financial statements are included on pages 10 to 21.

Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2014

	Notes	**31 Dec 2014 ($'000)**	31 Dec 2013 ($'000)
Loss for the period		**(26,697)**	(6,853)
Other comprehensive income			
Items that may be reclassified to Profit or Loss			
Changes in value of available for sale assets		**-**	62
Changes in value of hedge cash flow reserve net of deferred tax		**9,515**	-
Exchange differences on translating foreign operations		**23,028**	(16,951)
Other comprehensive income		**32,543**	(16,889)
Total comprehensive income for the period		**5,846**	(23,742)
Total comprehensive income attributable to:			
Owners of the Parent		**5,533**	(23,734)
Non-controlling Interest		**313**	(8)
		5,846	(23,742)

Notes to the condensed consolidated financial statements are included on pages 10 to 21.

Condensed consolidated statement of financial position as at 31 December 2014

	Notes	Consolidated as at 31 Dec 2014 ($'000)	30 Jun 2014 ($'000)
CURRENT ASSETS			
Cash and cash equivalents		**29,436**	43,409
Trade and other receivables	6	**27,067**	16,933
Hedge Asset	7	**7,536**	-
Inventories		**28,987**	23,042
TOTAL CURRENT ASSETS		**93,026**	83,384
NON-CURRENT ASSETS			
Property, plant and equipment		**78,553**	53,446
Mining properties		**27,131**	48,370
Development property		**126,931**	104,444
Other receivables	6	**4,639**	5,136
TOTAL NON-CURRENT ASSETS		**237,254**	211,396
TOTAL ASSETS		**330,280**	294,780
CURRENT LIABILITIES			
Trade and other payables		**25,780**	23,332
Current tax payables		**2,748**	945
Provisions		**5,771**	4,828
Hedge Liability	7	**-**	4,244
Borrowings	10	**38,266**	30,695
TOTAL CURRENT LIABILITIES		**72,565**	64,044
NON-CURRENT LIABILITIES			
Other payables		**1,506**	3,909
Deferred tax liabilities		**15,801**	16,508
Provisions		**6,269**	3,881
Borrowings	10	**31,090**	10,123
TOTAL NON-CURRENT LIABILITIES		**54,666**	34,421
TOTAL LIABILITIES		**127,231**	98,465
NET ASSETS		**203,049**	196,315
EQUITY			
Issued capital	11	**269,859**	269,689
Reserves		**(58,502)**	(91,763)
Retained earnings		**(8,308)**	18,702
Parent interest		**203,049**	196,628
Non-controlling interests		**-**	(313)
TOTAL EQUITY		**203,049**	196,315

Notes to the condensed consolidated financial statements are included on pages 10 to 21.

Condensed consolidated statement of changes in equity for the half-year ended 31 December 2014

	Issued Capital ($,000)	Available for Sale Reserve ($,000)	Share Based Payment Reserve ($,000)	Hedging Cash Flow Reserve ($,000)	Foreign Currency Translation Reserve ($,000)	Retained Earnings ($,000)	Attributable to Equity Holder of Parent ($,000)	Non-controlling interest ($,000)	TOTAL EQUITY ($,000)
Balance at 1 July 2013	109,695	(62)	4,932	-	(46,219)	77,773	146,089	(259)	145,830
Loss for the period	-	-	-	-	-	(6,845)	(6,845)	(8)	(6,853)
Changes in fair value of available-for-sale assets, net of tax	-	62	-	-	-	-	62	-	62
Exchange rate differences on translation of foreign operations	-	-	-	-	(16,951)	-	(16,951)	-	(16,951)
Total comprehensive income for the half-year	-	62	-	-	(16,951)	(6,845)	(23,734)	(8)	(23,742)
Issue of fully paid shares under employee bonus plan	405	-	-	-	-	-	405	-	405
Issue of fully paid shares to landholders	559	-	-	-	-	-	559	-	559
Issue of fully paid shares on acquisition of Azimuth Resources	126,963	-	104	-	-	-	127,067	-	127,067
Share-based payments	-	-	144	-	-	-	144	-	144
Balance at 31 December 2013	237,622	-	5,180	-	(63,170)	70,897	250,529	(267)	250,262
Balance at 1 July 2014	**269,689**	**-**	**5,696**	**(3,735)**	**(93,725)**	**18,702**	**196,627**	**(313)**	**196,315**
Loss for the period	-	-	-	-	-	(27,010)	(27,010)	313	(26,697)
Changes in fair value of hedging instrument net of deferred tax	-	-	-	9,515	-	-	9,515	-	9,515
Exchange rate differences on translation of Foreign Operations	-	-	-	-	23,028	-	23,028	-	23,028
Total comprehensive income for the year	**-**	**-**	**-**	**9,515**	**23,028**	**(27,010)**	**5,533**	**313**	**5,846**
Issue of fully paid shares on conversion of options	35	-	-	-	-	-	35	-	35
Issue of fully paid shares under employee bonus plan	135	-	-	-	-	-	135	-	135
Share based borrowing costs	-	-	563	-	-	-	563	-	563
Share-based payments	-	-	156	-	-	-	156	-	156
Balance at 31 December 2014	**269,859**	**-**	**6,415**	**5,780**	**(70,697)**	**(8,308)**	**203,049**	**-**	**203,049**

Notes to the condensed consolidated financial statements are included on pages 10 to 21.

Condensed consolidated statement of cash flows for the half-year ended 31 December 2014

	Notes	Consolidated Half-year ended 31 Dec 2014 ($'000)	31 Dec 2013 ($'000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**92,880**	72,369
Payments to suppliers and employees		**(73,635)**	(77,791)
Proceeds from sundry income		**22**	68
Export tax and government royalties paid		**(6,090)**	(5,034)
Income taxes paid		**(241)**	(1,349)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES		**12,936**	(11,737)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		**(25,012)**	(5,247)
Payments for mine and development properties		**(25,701)**	(15,331)
Payments for exploration properties capitalised		**(3,275)**	(7,549)
Payments for power line commitments		**(866)**	(874)
Cash acquired on acquisition of Azimuth group		**-**	7,465
Payments for Azimuth acquisition		**-**	(4,193)
Cash disposed on sale of Sertao Mineração Ltda		**(12)**	-
Proceeds on sale of property, plant and equipment		**104**	565
Interest received		**214**	127
NET CASH USED IN INVESTING ACTIVITIES		**(54,548)**	(25,019)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	10	**30,000**	31,000
Repayments – Industrial and Commercial Bank of China		**(353)**	-
Payments of financing costs		**(2,968)**	(1,473)
Proceeds from issues of equity securities		**35**	-
Dividends paid - members of parent entity		**-**	(4)
NET CASH PROVIDED BY FINANCING ACTIVITIES		**26,714**	29,524
Net decrease in cash and cash equivalents		**(14,898)**	(7,232)
Cash and cash equivalents at the beginning of the period		**43,409**	26,086
Effects of exchange rate changes on the balance of cash held in foreign currencies		**925**	(150)
Cash and cash equivalents at end of the period		**29,436**	18,704

Notes to the condensed consolidated financial statements are included on pages 10 to 21.

Notes to the condensed consolidated financial statements for the half-year ended 31 December 2014

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2014 annual financial report for the financial year ended 30 June 2014, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Comparative financial information

The following comparative financial information has been reclassified to aid comparability with the current half year, and more appropriately reflect the nature of the items concerned. None of the adjustments affect profit before or after tax or net assets.

Expatriate salaries and bonuses of $315,000 have been reclassified from administration expenses to cost of sales for the half year end 31 December 2013.

Amendments to AASBs and new Interpretations that are mandatorily effective for the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 1031 'Materiality' (2013)
- AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'
- AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'
- AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting '
- AASB 2013-9 'Amendments to Australian Accounting Standards' – Part B: 'Materiality'
- AASB 2014-1 'Amendments to Australian Accounting Standards'
    - Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycles'
    - Part B: 'Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)'
    - Part C: 'Materiality'
- Interpretation 21 'Levies'

Amendments to AASBs and the new Interpretation that are mandatorily effective for the current reporting period

The adoption of the new and revised Standards and Interpretation, other than for those discussed below, have not resulted in any changes to the Group's accounting policies and have no effect on the amounts reported, or disclosures made, for the current, or prior half-years.

Notes to the condensed consolidated financial statements for the half-year ended 31 December 2014

1. Significant accounting policies (continued)

Impact of the application of AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'

The Group has applied the amendments to AASB 136 for the first time in the current half-year. The amendments to AASB 136 remove the requirement to disclose the recoverable amount of a cash generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by AASB 13 'Fair Value Measurements'. Refer to note 9 and note 13.

2. Segment Information

The following is an analysis of the Group's revenue and results by reportable operating segment for the half-year under review:

	Segment Revenue Half-year ended		**Segment Profit/(Loss) Half-year ended**	
	31 Dec 2014 ($'000)	31 Dec 2013 ($'000)	**31 Dec 2014 ($'000)**	31 Dec 2013 ($'000)
Producing Operations:				
Argentina	**74,894**	54,862	**8,376**	(3,419)
Brazil	**16,634**	20,804	**1,737**	(841)
Hedge gains	**714**	-	**714**	-
Total Operations	**92,242**	75,666	**10,827**	(4,260)
Exploration:				
Argentina			**(1,434)**	(1,148)
Guyana			**(5,553)**	(7,793)
Capitalised Guyana			**3,275**	7,549
Total Exploration			**(3,712)**	(1,392)
Impairment:				
Mining Properties - Argentina			**(29,921)**	-
Corporate			**(546)**	-
Total Impairment loss before income tax			**(30,467)**	-
Total Segments	**92,242**	75,666	**(23,352)**	(5,652)
Other income			**727**	204
Corporate administration			**(3,557)**	(4,826)
Corporate – other expenses			**(343)**	(942)
Finance costs			**(1,584)**	(1,927)
Acquisition costs			**-**	(2,673)
(Loss) Before Tax			**(28,109)**	(15,816)
Income tax benefit			**1,412**	8,963
Consolidated segment revenue and (loss) for the half-year	**92,242**	75,666	**(26,697)**	(6,853)

The revenue reported above represents revenue generated from external customers. There were no intersegment sales during the half-year.

Segment profit represents the profit earned by each segment without the allocation of corporate administration costs including Directors' salaries, other income, corporate finance costs, and tax expense. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

2. Segment Information (continued)

The following is an analysis of the consolidated entity's assets by reportable segment:

Total Assets	Consolidated as at 31 Dec 2014 ($'000)	30 Jun 2014 ($'000)
Continuing operations:		
Argentina	**107,058**	113,408
Brazil	**8,347**	8,765
Australia	**1,391**	-
Guyana	**174,530**	126,603
Total Segment Assets:	**291,326**	248,776
Cash and cash equivalents(i)	**29,436**	43,409
Hedge asset	**1,982**	-
Other assets(i)	**7,536**	2,595
Total Assets	**330,280**	294,780

(ii) Unallocated assets include various assets including cash held at a corporate level that have not been allocated to the underlying segments

The following is an analysis of the consolidated entity's liabilities by reportable segment:

Total Liabilities	Consolidated as at 31 Dec 2014 ($'000)	30 Jun 2014 ($'000)
Continuing operations:		
Argentina	**25,333**	19,665
Brazil	**4,161**	4,669
Guyana	**7,293**	9,848
Total Segment Liabilities:	**36,787**	34,182
Income tax liabilities(ii)	**18,549**	17,453
Borrowings(ii)	**69,355**	40,818
Hedge liability	**-**	4,244
Other liabilities(ii)	**2,540**	1,768
Total Liabilities	**127,231**	98,465

(iii) Unallocated liabilities include tax liabilities, deferred consideration, corporate leave entitlements and consolidated entity borrowings not specifically allocated to any one underlying segment.

3. Revenue

	Consolidated Half-year ended 31 Dec 2014 ($'000)	31 Dec 2013 ($'000)
Operating Revenue		
Gold sales	**61,091**	57,345
Silver sales	**30,437**	18,321
Hedging realised	**714**	-
	92,242	75,666
Other Income		
Interest received	**244**	127
Net foreign exchange gains	**461**	-
Other	**22**	77
	727	204

4. Expenses

	Consolidated Half-year ended 31 Dec 2014 ($'000)	31 Dec 2013 ($'000)
(i) Cost of sales		
Depreciation of property, plant & equipment		
- Cost of sales	**5,331**	6,779
- Administration expenses	**80**	80
Amortisation of mining properties	**12,316**	10,128
Export tax and other taxes (Argentina)	**4,188**	3,104
Government royalties	**4,204**	2,494
(ii) Exploration Expenditure		
Exploration expenditure incurred	**6,987**	8,941
Exploration capitalised (net of write-offs)	**(3,275)**	(7,549)
Exploration expensed (net)	**3,712**	1,392
(iii) Administration Expenses		
Head office salaries, bonuses and on-costs	**1,304**	1,241
Guyana expatriate salaries	**-**	218
Directors fees and on-costs	**296**	268
Other Brazil administration	**85**	99
Depreciation – furniture and equipment	**80**	80
Other Guyana office administration	**-**	484
Canadian office and administration	**415**	576
Other Head office administration [(i)]	**1,377**	1,860
Total	**3,557**	4,826

[(i)] Includes listing fees, shareholder costs, audit fees, taxation consultants, office rents, insurance, travel, conferences and other head office administration expenditure.

	31 Dec 2014 ($'000)	31 Dec 2013 ($'000)
(iv) Other Expenses - Corporate		
Share based payments	**156**	144
Net foreign exchange losses	**-**	790
Loss on sale of equipment	**187**	8
	343	942

Notes to the condensed consolidated financial statements for the half-year ended 31 December 2014

4. Expenses (continued)

	Consolidated Half-year ended 31 Dec 2014 ($'000)	Consolidated Half-year ended 31 Dec 2013 ($'000)
(v) Finance costs		
Borrowing costs	**1,183**	1,927
Hedging [i]	**401**	-
	1,584	1,927

(i) Represents the amortised finance costs of the gold and silver hedges.

	31 Dec 2014 ($'000)	31 Dec 2013 ($'000)
(vi) Acquisition Costs		
Acquisition success fee	**-**	1,623
Legal fees	**-**	63
Salary and redundancy payouts	**-**	602
Listing fees ASX/TSX	**-**	301
Share registry and other	**-**	84
	-	2,673

	31 Dec 2014 ($'000)	31 Dec 2013 ($'000)
(vii) Impairment Loss		
Mining properties [i]	**29,921**	-
Corporate – property, plant and equipment	**546**	-
Impairment loss before income tax	**30,467**	-
Deferred income tax benefit	**(1,910)**	-
Impairment loss net of income tax	**28,557**	-

(i) Refer to Note 9 for further information on the impairment loss relating to Mining properties.

5. Taxation

Export Tax / Government Royalties

Export tax is incurred on the gross revenue of all gold and silver shipped out of Argentina at a rate of 5%. Government royalties are separate and are levied on production and infrastructure spending. Both of these costs are reported as part of costs of sales and disclosed in Note 4.

Income Tax

Income tax rates applicable for Corporations operating in Argentina, Brazil, Guyana and Australia are 35%, 34%, 30% and 30% respectively. Argentine export tax is deductible for Argentine income tax purposes. The difference between actual tax expense or benefit and prior year tax estimates for Brazil and Argentina arise because the tax year in these jurisdictions follow a calendar year.

	Consolidated Half-year ended 31 Dec 2014	
	Tax expense / (benefit) ($'000)	**Effective Tax Rate %**
Argentina	**2,194**	**9.5**(i)
Brazil	**(1,129)**	N/A(ii)
Guyana	**-**	Nil
Australia	**(2,477)**	N/A(iii)
	(1,412)	-

(i) The actual rate of tax differs from the nominal rate noted above due to impairment charges during the financial year and additional taxation deductions reversing estimated current and deferred tax provided in the prior year. No deferred tax assets are available to offset deferred tax liabilities in Argentina with historical losses fully utilised.

(ii) The effective income tax rate for the Troy group in the current year is impacted by IFRS adjustments for Brazil that have been charged/credited to the profit and loss account which are non-deductible/assessable for taxation purposes.

(iii) The tax benefit in Australia relates to previously unrecognised accumulated tax losses recognised to offset deferred tax liabilities on hedge assets.

6. Trade and Other Receivables

	Consolidated as at	
	31 Dec 2014 ($'000)	30 Jun 2014 ($'000)
Current		
Debtors and prepayments (i)(ii)	**12,097**	6,880
Value added tax recoverable (iii)	**14,970**	10,053
	27,067	16,933
Non-Current		
Value added tax recoverable (iii)	**4,639**	5,136

(i) Trade debtors include accounts receivable in relation to bullion and doré sales. Other receivables and prepayments primarily include advance payments to contractors and insurers and recovery of fuel and accommodation expenses incurred on behalf of contractors. Where the collection of receivables is doubtful an allowance for doubtful debts is recognised. No allowance has been recognised at 31 December 2014 (30 June 2014: Nil). Trade receivables operate on standard 30 to 45 day terms. No interest is charged for the first 45 days from the date of the invoice.

(ii) As at 31 December 2014 (30 June 2014: Nil) no receivables are past due, or impaired.

(iii) Within Argentina, the Group has incurred value added tax (VAT) as part of its purchases which is recoverable over time in proportion to the level of future export sales. During the half-year $7,159,374 of VAT receivable was recovered (31 December 2013: $3,950,000).

7. Hedge Instruments

	Consolidated as at	
Derivatives that are designated as hedging instruments carried at fair value	**31 Dec 2014 ($'000)**	30 Jun 2014 ($'000)
Hedge Assets		
Gold and silver forward contracts – Effective	**7,536**	-
Gold and silver forward contracts – Ineffective	**-**	-
	7,536	-
Derivatives that are designated as hedging instruments carried at fair value		
Hedge Liabilities		
Gold and silver forward contracts – Effective	**-**	4,244
Gold and silver forward contracts – Ineffective	**-**	-
	-	4,244
Amortised finance cost of the gold and silver hedges		
Gold and silver forward contracts	**401**	509

8. Commitments and Contingent Liabilities

Capital expenditure commitments for the construction of Karouni at 31 December 2014 totalled $9,325,000 (30 June 2014: $10,756,000).

There are no contingent liabilities other than:

(i) General bank guarantees to financial institutions totalling $159,944 (30 June 2014: $222,616), of which $152,944 (30 June 2014: $147,520) is cash backed.

9. Impairment testing for non-current assets

Results of impairment testing

	Consolidated as at	
	31 Dec 2014 ($'000)	30 Jun 2014 ($'000)
Casposo CGU, Argentina	**29,921**	-
Corporate – property, plant and equipment	**546**	-
Andorinhas CGU, Brazil	**-**	-
Karouni CGU, Guyana	**-**	87,459
Total impairment	**30,467**	87,459

Development and Mine Assets

Non-financial assets are reviewed at each reporting period to determine whether there is an indication of impairment. Where an indicator of impairment exists, a formal estimate of recoverable amount is made.

The Group carried out recoverable amount assessments for all of its cash generating units (CGU's) and this has resulted in an impairment charge for the Casposo gold and silver operation.

Methodology

The future recoverability of capitalised Mining properties and property, plant and equipment is dependent on a number of key factors including: gold and silver price, foreign exchange rates, discount rates used in determining the estimated discounted cashflow of CGU's and the level of reserves and resources. The costs to dispose have been estimated by management based on prevailing market conditions. Impairment is recognised when the carrying amount of the CGU exceeds its recoverable amount.

The Group has adopted fair value less cost to sell which is greater than the value in use and hence used this as the recoverable amount for impairment testing purposes. Fair value is estimated based on discounted cashflows using market based commodity price and exchange assumptions, estimated quantities of recoverable minerals, production levels, operating costs and future capital expenditure. When life-of-mine plans do not fully utitlise the existing resource for a CGU, and options exist for the future extraction and processing of all or part of those resources, an estimate of the value of unmined resources is included in the determination of fair value. The Group considers this valuation approach to be consistent with the approach taken by other market participants.

Present values are determined using a risk adjusted discount rate appropriate to the risks inherent in the assets.

Estimates of quantities of recoverable minerals, production levels, operating costs and capital requirements are sourced from the Group's planning process documents, including life-of-mine plans and operational budgets.

Significant judgements and assumptions are required in making estimates of fair value. CGU valuations are subject to variability in key assumptions including, but not limited to, long term gold and silver prices, currency exchange rates, discount rates, production assumptions and operating costs. A change in one or more of the assumptions used to estimate fair value could reduce or increase a CGU's fair value.

9. Impairment testing for non-current assets (Continued)

Key assumptions

The table below summarises the key assumptions used in the 2014 half-year end carrying value assessments:

	31 Dec 2014		
	CY15	CY16	CY17
Gold price (US$ per ounce)	1,200	1,244	1,225
Silver price (US$ per ounce)	17.50	19.00	18.00
Discount rate per annum (post-tax)	9.3%	9.3%	9.3%
Foreign exchange rate (A$/US$)	0.816	0.813	0.800

Commodity prices and exchange rates

These are estimated with reference to external market forecasts prevalent at the half-year end. They are updated at least twice annually.

Discount rate

In determining the fair value of CGU's, the future cashflows are discounted using rates based on the Group's estimated after tax weighted average cost of capital, with an additional premium applied having regard to the geographic location of the CGU.

Operating and capital costs

Life-of-mine operating and capital cost assumptions are based on the Group's latest budget and life-of-mine plans. The projections do not include any provision for cost improvements reflecting the Group's objectives to maximise free cashflow, optimise and reduce activity, improve capital and labour productivity.

Unmined resources

Unmined resources may not be included in a CGU's particular life-of-mine plan for a number of reasons, including the need to constantly re-assess the economic returns on and timing of specific production options in the current economic environment.

Impacts

After reflecting the write-down of Casposo, the Group has conducted carrying value analysis and non-current asset impairments of $28,011 after tax, as summarised in the table below:

CGU	Profit and Loss $'000
Casposo	29,921
Total CGU impairment	29,921
Tax	(1,910)
Total CGU impairment (after tax)	28,011

The impairment charges were applied to the balance sheet in the following manner:

	$'000
Mining properties	29,921

The fair values of the Group's other CGU's were assessed by the Group and they exceeded their carrying values.

9. Impairment testing for non-current assets (Continued)

Sensitivity Analysis

After recognising the asset impairment and write down for Casposo, the recoverable value is assessed as being equal to its carrying value at 31 December 2014. Additionally using the assumptions and methodology above the recoverable value of the Karouni CGU has minimal head room compared to its carrying value at 31 December 2014.

Any variation in the key assumptions going forward will impact the recoverable value of the CGU's. If the variation in an assumption has a negative impact on recoverable value, it could indicate a requirement for additional impairment of non-current assets for either or both Casposo and Karouni.

10. Borrowings

	Consolidated as at	
	31 Dec 2014 ($'000)	30 Jun 2014 ($'000)
Debt facility		
Industrial and Commercial Bank of China (Argentina) S.A. – debt facility	**1,148**	1,391
Investec Bank (Australia) Limited – Revolving Corporate Loan Facility (RCF)	**-**	20,000
Revolving Acquisition Loan Facility (ALF)	**-**	20,000
Investec Bank PLC – Syndicated Debt Facility	**70,000**	-
Capitalised borrowing costs	**(1,793)**	(573)
	69,355	40,818
Current	**38,265**	30,695
Non-current	**31,090**	10,123
	69,355	40,818

11. Issued Capital

Fully paid ordinary share capital	**Consolidated Half-year ended 31 Dec 2014 No. ('000)**	**($'000)**	**Consolidated Full-year ended 30 Jun 2013** No. ('000)	($'000)
Balance at the beginning of the financial year	**195,035**	**269,689**	91,469	109,695
Issue of fully paid shares on exercise of options	**61**	**35**	-	-
Issue of fully paid shares in lieu of cash bonus	**169**	**135**	368	405
Issue of fully paid shares to landowners in Guyana [(i)]	**-**	**-**	476	559
Issue of fully paid shares for the acquisition of Azimuth	**-**	**-**	76,174	126,964
Issue of fully paid shares pursuant to share placement net of share issue costs	**-**	**-**	22,289	26,922
Issue of fully paid shares pursuant to share purchase plan net of share issue costs	**-**	**-**	4,259	5,144
	195,265	**269,859**	195,035	269,689

(i) Issued pursuant to the terms of agreement between Azimuth Resources Limited ("Azimuth") and landholders in Guyana.

Notes to the condensed consolidated financial statements for the half-year ended 31 December 2014

12. Subsequent Events

On 15 January 2015, 10,000,000 unlisted call options (non-cash) over ordinary shares with an exercise price of $0.80 and expiring 15 January 2018 were issued to Investec Bank Plc as part consideration for facility being provided by Investec Bank Plc. The issue of these options resulted in the cancellation of 3,892,398 unlisted options that had been previously issued to Investec Bank Plc.

On 9 February 2015 Troy announced that all conditions precedent for drawdown of the $30 million Tranche B Facility with Investec Bank Plc had been satisfied.

13. Financial Instruments

The fair value of the Group's financial assets and liabilities are determined on the following basis.

13.1 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Subsequent to initial recognition at fair value, financial instruments are grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Levels are defined as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets of liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 31 December 2014 the only financial assets and liabilities that are measured at fair value at the end of each reporting period relates to the Group's gold and silver forward contracts. The following table gives information about how the fair values of these forward contracts are determined (in particular, the valuation technique and inputs used).

Financial Assets/(Liabilities)	Gold and Silver Forward contracts
Fair value as at 31.12.14	$7,536,000
Fair value as at 30.6.14	($4,244,000)
Fair value hierarchy	Level 2
Valuation technique(s) and key input(s)	Mark to Market. Forward price fair value of this cash flow hedge was estimated using observable spot gold and silver price inputs in combination with spot price parameters and mark to market valuations as provided by counter parties as at the reporting date.
	Key inputs used include commodity spot rates (gold and silver), remaining contract term, contango of underlying metal, base currency discount rate (USD) and spot exchange rate (USD/AUD).

Notes to the condensed consolidated financial statements for the half-year ended 31 December 2014

13. Financial Instruments (Continued)

13.1 Financial Assets and Financial Liabilities that are not measured at fair value on a recurring basis (but where fair value disclosures are required)

At 31 December 2014 and 30 June 2014, the carrying amount of financial assets and financial liabilities for the Group is considered to approximate their fair values.

13.2 Reconciliation of Level 3 fair value measurements

There were no financial assets or liabilities categorised as level 3 at 31 December 2014 or 30 June 2014.

Directors' declaration

The Directors declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001; including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors

Mr David R Dix
Chairman of Directors

Perth, Western Australia
Date: 27 February 2015

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Independent Auditor's Review Report to the Members of Troy Resources Limited

We have reviewed the accompanying half-year financial report of Troy Resources Limited, which comprises the condensed statement of financial position as at 31 December 2014, and the condensed statement of profit and loss, the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 5 to 22.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Troy Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Troy Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Troy Resources Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

D Newman.

David Newman
Partner
Chartered Accountants
Perth, 27 February 2015