TROY RESOURCES LIMITED

# QUARTERLY REPORT

For the three months ended
**31 March 2015**

## Highlights

- » Group gold production of 31,048 oz. Au_Eq.
- » Group C1 Cash Cost of US$685/oz Au_Eq (co-product basis).
- » Environmental Permit and Mining Licence Issued for Karouni.
- » Conditions to drawdown of Tranche B Facility of A$30 million with Investec satisfied.
- » Mining starts at Hicks Pit at Karouni.

## Summary


The first quarter of 2015 proved to be a very busy one for Troy with good progress made on a number of fronts.

Foremost on the list of achievements was receipt of the key Environmental Permit and Mining Licence for Karouni in Guyana. This in turn completed all the conditions set for draw-down of the A$30 million Tranche B facility from Investec. With these funds available, the project team were able to press ahead with the plant construction phase, as well as the preliminary mine development works at both the Hicks and Smarts Pits. Whilst working to a very compressed target schedule, the team at Karouni have done an excellent job of progressing the mine and plant development to meet a start-up date towards the end of Q2 CY15 and have also been successful in holding forecast project completion costs to the original budget for the plant and infrastructure of US$70 million.

The latest construction report highlights that virtually all the components required for the plant are now on site, with the only concern being some damage to the HV switch gear units which appears to have been caused during transportation. Various replacement and repair solutions to this issue are currently being evaluated and, subject to which option is adopted, the commissioning schedule for full plant operation could be delayed by one to two weeks.

The Exploration team at Karouni has also been busy working through an extensive ground magnetics programme over large tracts of the tenement holding and in this process have identified over thirty “signature targets” for future drilling activities. The list of targets is currently being prioritised in terms of prospectivity ahead of a major drilling campaign planned to take place in FY16.

At Casposo there has been a noticeable increase in mine production rates in conjunction with underground development opening up the lodes in INCA 2. Improved access has also allowed for further drilling work on the INCA 2 mineralisation which is currently being reviewed and integrated into a new mine plan for this section of the mine. Early indications are that INCA 2 is more complex in structure than INCA 1 and that the grade distribution for both gold and silver in INCA 2 is more variable than that encountered in INCA 1.

Notwithstanding inflationary cost pressures in Argentina and the increasing silver component of mineralisation at lower levels in the mine, the team in Argentina has been able to reduce C1 Cash Costs by approximately 16% during the March Quarter.

In Brazil, the underground mine at Andorinhas has now been shut down and successfully de-commissioned. This leaves the small Coruja Open Pit as the last source of feed to the mill. There were approximately 6,000 oz. of gold still remaining in the reserve model at the end of Q3 FY15 for this pit and the plan is to shut down the entire operation in July this year, although this target date is subject to ongoing operational economics.

Following the production difficulties at Casposo in December 2014, as well as delays in accessing the higher silver grade areas in the INCA 2 orebody, the full year guidance for Casposo is now 57koz of gold (previous guidance 60koz) and 3 million oz. of silver (previous 3.76 million oz.).

At a Corporate level, Investec recently completed a successful site visit to Karouni. With project construction entering its final phase, the Company is currently in discussion with Investec to align the repayment schedule of its facility with the cash flow projections covering the start-up and commissioning period of operations at Karouni. Troy expects that these discussions will be finalised shortly.


# Group Results

| | March 2015 Quarter | December 2014 Quarter | YTD FY 2015 |
|---|---|---|---|
| **Gold Produced (oz.)** | 20,631 | 23,640 | 64,895 |
| **Silver Produced (oz.)** | 760,659 | 694,754 | 2,190,307 |
| **Gold Equivalent Produced (oz.)** | 31,048 | 33,188 | 96,062 |
| **Co Product Costing [1] - Cash Cost (per oz.)** | US$685 | US$753 | US$698 |

*[1] Co-Product costing converts silver to an equivalent value of gold ounces. For actual production we use sales prices realised.*

# Operations

## *CASPOSO, ARGENTINA (Troy 100% through Troy Resources Argentina Ltd)*

| Production Summary | March 2015 Quarter | December 2014 Quarter | YTD FY 2015 |
|---|---|---|---|
| **Processed (t)** | 129,408 | 121,940 | 392,410 |
| **Head Grade Gold (g/t)** | 4.00 | 4.58 | 4.06 |
| **Head Grade Silver (g/t)** | 225.72 | 219.53 | 214.96 |
| **Recovery Gold (%)** | 90.76 | 91.72 | 91.34 |
| **Recovery Silver (%)** | 81.00 | 80.72 | 80.76 |
| **Gold Produced (oz.)** | 15,108 | 16,463 | 46,790 |
| **Silver Produced (oz.)** | 760,659 | 694,754 | 2,190,307 |
| **Gold Equivalent Produced [1] (oz.)** | 25,525 | 26,011 | 77,957 |
| **Gold Sold (oz.)** | 14,823 | 20,421 | 46,699 |
| **Silver Sold (oz.)** | 713,204 | 942,887 | 2,230,888 |
| **Gold Equivalent Sold (oz.)** | 24,602 | 33,392 | 78,317 |
| **Gold Price Realised (per oz.)** | US$1,205 | US$1,202 | US$1,220 |
| **Silver Price Realised (per oz.)** | US$16.55 | US$16.54 | US$17.37 |
| **Cost** | **US$/oz.** | **US$/oz.** | **US$/oz.** |
| **C1 Cash Cost (Co-Product basis) [2]** | **621** | **738** | **652** |
| Refining and transport costs | 34 | 40 | 36 |
| Reclamation and remediation - amortisation | 17 | 12 | 13 |
| Corporate general & administration costs | 41 | 39 | 46 |
| Royalties, export tax and local taxes | 115 | 136 | 127 |
| Insurance | 11 | 10 | 10 |
| Exploration | 8 | 13 | 11 |
| Mine development [3] | 210 | 198 | 187 |
| Capital equipment [3] | 2 | 9 | 8 |
| **All-In Sustaining Cost (AISC) (Co-Product basis) [2]** | **US$1,059** | **US$1,195** | **US$1,090** |

*[1] Based on the ratio of monthly sales prices realized for the quarter.*
*[2] Cash costs and All-In Sustaining Costs are calculated using Au_Eq ounces produced as the denominator.*
*[3] Previous quarters have been adjusted to exclude non-sustaining costs.*

## *Occupational Health, Safety and Environment*

| Safety Statistics | March Quarter |
|---|---|
| Man Hours | 334,674 |
| Minor Accidents | 0 |
| Accidents requiring medical assistance | 10 |
| Lost time injuries | 8 |
| Injury Frequency | 53.78 |
| Severity rate | 0.76 |

The accident rate at Casposo has increased in comparison to last quarter. In order to combat this trend, a vehicle driving training programme is being introduced and Company licences are being issued. Further training and safe operating procedures continue to be introduced in all areas of the operation.

No environmental incidents were recorded for the quarter.

## *Underground Mining and Development*

| | March 2015 Quarter | December 2014 Quarter | YTD FY 2015 |
|---|---|---|---|
| Total Ore Mined (t) | 46,609 | 29,285 | 126,534 |
| Gold Grade (g/t) | 8.02 | 10.42 | 7.21 |
| Silver Grade (g/t) | 586.20 | 701.65 | 544.78 |
| Development Meters | 1,065 | 1,104 | 3,544 |

Stope production was focused on Levels 8, 10 and 11 within the INCA 1 orebody. INCA 1 has now been fully developed with the completion of ore development down to Level 16. Operations will now focus on production stoping to maintain a consistent feed grade to the plant.

There has been a 56% increase in ore production compared with the previous quarter. With the ongoing reduction in the low grade open pit stockpile, mining rates have to increase in order to provide sufficient material for blending into the plant.

Mine development rates continue to be high with 1,065 metres recorded for the quarter. The INCA 2A ore body is currently being developed before moving into INCA 2B. The INCA 2 orebody is down plunge of INCA 1. It has been intersected and dislocated by late stage dykes and faults which have added to the geological complexity of this orebody.

### *Processing*

The plant processed 129,408 tonnes for the quarter, being 6% higher than the previous quarter. Recoveries during the quarter remain consistent at 90.8% for gold and 81% for silver. The SAG mill and plant was stopped just prior to quarter end to complete a scheduled mill reline and plant maintenance programme. The mill was re-started in early April.

### *Costs*

Casposo produced 15,108oz gold and 760,659oz silver or 25,525oz Au_Eq at a cash cost of US$621/oz on a co-product basis (where silver is converted to gold equivalent) and an AISC of US$1,059/oz. The Company has been able to achieve operational improvements resulting in a 16% decrease in cash costs for the quarter in an environment of high inflation. With completion of INCA 1 development, the mine has reverted to using normal waste rock as fill support rather than the higher cost cemented rock fill.

### *Outlook*

Development is currently focused on the INCA 2 orebody. The top two levels have been accessed and development during the June quarter will allow decline access to the lower levels following completion of the 200 metre ventilation raise. With access to additional working faces in INCA 2 and other improvements in mining efficiencies, it is anticipated that ore tonnes mined will also increase.

## *ANDORINHAS, BRAZIL (Troy 100% through Reinarda Mineração Ltda)*

| Production Summary | March 2015 Quarter | December 2014 Quarter | YTD FY 2015 |
|---|---|---|---|
| **Processed (t)** | 48,822 | 47,253 | 148,947 |
| **Head Grade Gold (g/t)** | 3.76 | 4.98 | 4.04 |
| **Recovery Gold (%)** | 93.58 | 94.90 | 93.62 |
| **Gold Produced (oz.)** | 5,523 | 7,177 | 18,105 |
| **Gold Sold (oz.)** | 6,799 | 7,599 | 18,798 |
| **Gold Price Realised (per oz.)** | US$1,229 | US$1,199 | US$1,224 |
| **Cost** | **US$/oz.** | **US$/oz.** | **US$/oz.** |
| **C1 Cash Cost** | **981** | **809** | **898** |
| Refining and transport costs | 40 | 34 | 36 |
| Reclamation and remediation | 87 | 44 | 45 |
| Corporate general & administration costs | 42 | 39 | 45 |
| Royalties and local taxes | 15 | 13 | 13 |
| Insurance | 13 | 13 | 13 |
| Mine development | 68 | 103 | 93 |
| Capital equipment | - | 1 | 1 |
| **AISC** [(1)] | **US$1,246** | **US$1,056** | **US$1,144** |

### *Occupational Health, Safety and Environment*

As previously reported, a fatality occurred in the Coruja Open Pit in January. The Company continues to provide assistance for the contractor's family and support as necessary for staff. Monitoring systems in the Coruja Open Pit have been improved and pit designs have been changed to account for the high rainfall. There were no LTI's or first aid injuries recorded for the remainder of the quarter nor were there were any environmental incidents in the quarter.

### *Production Results and Summary*

Mining from the underground operations was completed in January, with all mine services stripped in February and the portal closed in line with the environmental requirements thereafter.

During the quarter, 4,526 tonnes at 4.55g/t gold was mined from the underground.

The Coruja Open Pit produced 13,241 tonnes of ore. Productivity from the open pit was impacted by a temporary suspension in operations following the fatality and by the heavy rainfall which has occurred in Para State. The weather in the fourth quarter should improve allowing mining production to increase.

Lower availability of underground and Coruja Open Pit ore meant that a higher proportion of the low grade Lagoa Seca stockpiled ore was processed. This resulted in a reduction of gold production for the quarter to 5,523oz. and this increased the C1 Cash Cost to US$981/oz.

### *Outlook*

Gold production is now totally reliant upon ore mined from the Coruja Open Pit and Lagoa Seca stockpiles. Heavy rains have been hindering safe mining operation and production. Should the poor weather conditions continue, the Company will need to re-evaluate the planned mine closure for Andorinhas. The operation is currently scheduled to close in the middle of the year.

# Development

## *GUYANA, KAROUNI PROJECT (Troy 100%)*

- Environmental Permit issued.
- Mining Licence received.
- Airstrip upgraded for night use.
- Mining activities have commenced.
- Main plant and tailings dam construction well advanced.
- Employment of senior project managers.
- New camp commissioned
- New Medical facility completed and manned 24/7

Two lost time injuries were recorded during the quarter. The medical center has become operational and staffed with a permanent Doctor and support staff. There were no environmental incidents in the quarter. The operation is working towards an ISO 14001E accreditation

Following receipt of the Environmental Permit and Mining License, construction and mining activities commenced in earnest, although some activities have been impacted by restrictions on goods being released.

All major components and equipment purchases were completed during the quarter. The site construction of the leach and detox tanks was completed by the manufacturer from Trinidad. The gold recovery system designed and built by Kappes was delivered to site with the mechanical installation, except for the refinery section, completed. The raw and process water dams were constructed to lining stage. Stage 1 of the tailings storage facility progressed well under the engineering guidance of Worley Parsons and is on track for completion as required. Ball mill pedestals were completed and are ready for mill installation. The fuel station was inspected and approved, including a fire department check. The 10 MW power station is now installed and wired up ready for commissioning. Camp power lines were installed and commissioned with both the main and trunk lines currently under construction to receive power from the power station.

Discussions are also progressing with a supplier of electric energy from a small hydro plant in the region.

Most plant and site buildings have now been completed except for fit out. The new camp is now fully occupied

The Hicks Mining area saw the clearing of the waste dump areas and start of Pit 3, with the first ore section being sampled and ready for mining of ore.

The Smarts mine area saw major earth works with the stripping of overburden for Stages 2, 3 and 4. Stage 2 is now subject to grade control drilling in preparation for ore mining.

Internal haul roads were completed during the quarter, together with ongoing road maintenance of public roads.

Work with the Amerindian community is ongoing and progress has been made in terms of assisting in setting up some commercial activities. Students from the Amerindian school visited site as part of a science project.

The Company continues to enjoy good relationships with the Guyanese Government and local business community.

# Exploration

## *GUYANA, KAROUNI PROJECT (Troy 100%)*

### Target Generation

With infill drilling into Smarts and Hicks being completed in the previous quarter, the focus has now changed to development of targets in the greenstone terrain. Over 90% of the drilling completed by Troy to date has been Resource infill to confirm the Mining Reserve. The total effort during this quarter has been focused on Brownfields Targeting in preparation for a start of exploration drilling in the new fiscal year.

In order to ensure we identify and rank the targets for drilling, we have embarked on a comprehensive targeting effort that includes compilation and re-assessment of existing geological, structural, geophysical and geochemical data. Recent work has focused on the completion of regional interpretation maps, structural models and stratigraphic columns.

The next phase will be to establish the critical processes and targeting elements related to the known gold mineralisation through identification of the common elements between known gold bearing systems, rather than the differences between them. This approach allows data poor targets (those outside of known prospects) to be ranked alongside data rich targets.

The third phase will involve combining the geological, geophysical, structural, geochemical and gold occurrences databases to generate a series of targets (see Figure 1).

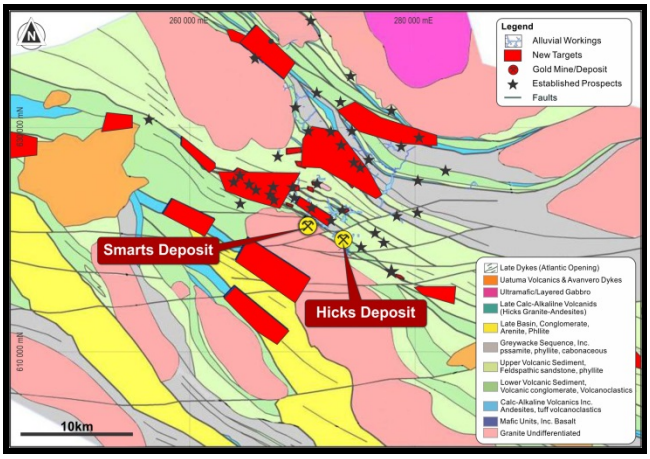


**Figure 1: New Geological Map with Brownfields Targets and Key Structures**

In order to framework the targeting effort, a regional geological interpretation was completed for the Barama-Mazaruni Belt within which the Karouni Project is situated. The interpretation is based on the regional 2012 magnetic dataset and the recently acquired (2014) ground magnetic survey. The interpretation also utilizes prospect scale maps and regional mapping data to confirm rock types. Significant differences over previous maps include reduced volume of granitic rocks, recognition of volcanic stratigraphy and the presence of potential late sedimentary basins (spatial equivalent of the Rosebel Formation, Suriname).

To further enhance our understanding of the geological setting and lithological and stratigraphic controls on gold mineralization, a preliminary regional stratigraphic column has been compiled from detailed prospect mapping and drill core. By establishing the stratigraphic context in which gold is found at Karouni we can now target stratigraphic packages comprised of favorable host rocks for gold mineralisation.

This work has already yielded results, with several new areas outside the Smarts – Hicks – Omai Corridor being identified that are considered prospective (see Figure 2).

We are currently developing an integrated structural model for the belt to assist with the identification of key structures with higher potential for gold mineralisation.

Despite the fact that much of the Karouni area is overlain by “transported” sand cover, there is a role for multi-element geochemistry. In 2014, soil auger orientation sampling was completed over the exposed saprolite at the Smarts and Hicks Deposits to identify multi-element, geochemical signature/pathfinder elements, for the known mineralisation.

Azimuth had completed a significant amount of regional Aircore (AC), Reverse Circulation (RC) and Diamond Core (DC) drilling as well as soil auger sampling. In order to better understand the geochemical responses of the known targets, a multi-element sampling programme utilizing a hand-held XRF unit commenced in February.

This programme is an efficient and reasonably inexpensive method to further extract new information from the historic Azimuth data. The samples will be scanned to collect a suite of geochemical analysis that can be used to firstly discriminate between in-situ saprolite units and overlying transported Berbice clay and sands as well as the identification of key pathfinder elements for gold.

The top priority of the XRF programme is scanning of historic pulps and chip samples from the Azimuth regional AC/RC/DC drill lines outside of the Hicks and Smarts Deposits (387 holes including 1,000 AC, 16,300 RC and 5,100 DC pulp samples).

This geochemical data will also be used to validate the new regolith map as well as update the regional geology map. For this quarter, a total of 4,304 samples were sampled from 76 regional AC/RC drill holes. Initial results from XRF confirm that in-situ saprolite can be distinguished from transported cover such as Berbice clay and sands.

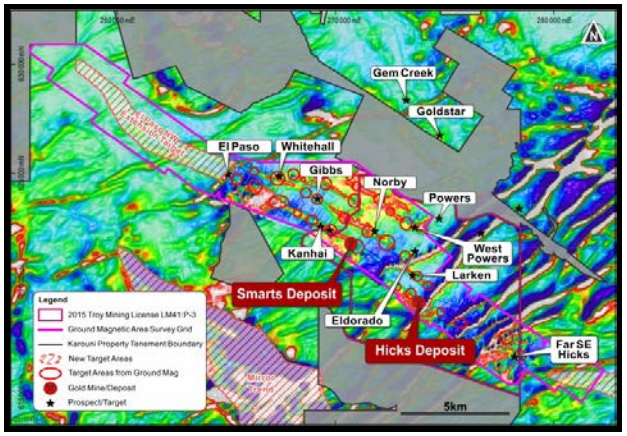


**Figure 2: Brownfields Target Summary on Magnetics**

The magnetics data has proved very effective in delineating structures and will be a fundamental targeting tool used to identify demagnetised zones along the magnetic shear structures to aid in targeting future brownfields drilling (see Figure 3).

During the past 3 months 165km of new ground magnetic survey lines were established. In mid-April a ground magnetics survey of the new grid extensions will commence and is expected to be completed by in about 20 days.

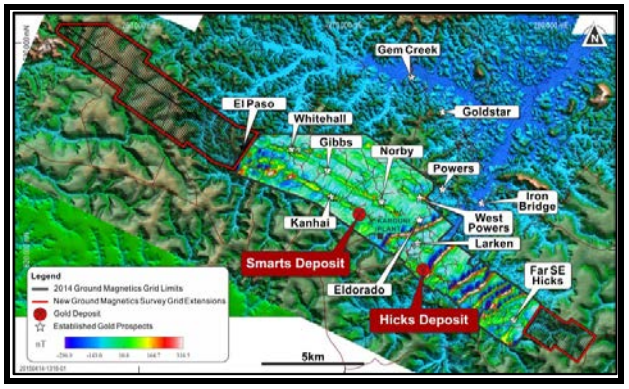


**Figure 3: New Detailed Ground Magnetics Plot on Aeromagnetics with Targets**

Although the targeting work and related mapping, sampling and geophysical work is part of an ongoing and ever evolving process, the immediate goal is to re-assess and rank the established Brownfields prospects along with all of the new conceptual/empirical targets for drilling.

**Targeting Process**

As part of the targeting process, a detailed review of all land holdings in Guyana has been completed. The area along the northwest – southeast trending Smarts – Hicks - Omai Structural Corridor west of Essequibo River has been established as the top priority for Brownfields exploration for open pit resources that are easily trucked as satellite ore to the Karouni Plant.

In addition, the north-north-east trending Gem Creek Corridor located to the north of the Smarts – Hicks Trend has been identified as the next highest priority for exploration.

As a result of this review, the Company will focus its efforts within these highest priority target areas.

## *ARGENTINA - CASPOSO PROJECT*

**Underground Extensional and Infill Resource Drilling**

During the quarter, a total of 18 holes for 3,029.8m were drilled into gaps and the periphery of the Underground Reserve targeting the B-Vein, INCA 2a Vein and INCA 2b Vein. This drilling was completed to assist with mine planning and scheduling. It has confirmed the high grade nature of the mineralisation (see Table 1, Figure 4 and Figure 5 as well as Casposo Technical Description Sections 1 & 2).

Significant Infill Intercepts included:

- **2.45m at 12.65g/t gold and 1,497g/t silver or 33.12g/t Au_Eq**;
- **3.85m at 10.20g/t gold and 806g/t silver or 21.22g/t Au_Eq**;
- **2.35m at 14.21g/t gold and 2,078g/t silver or 42.63g/t Au_Eq; and**
- **4.20m at 5.66g/t gold and 860g/t silver or 17.42g/t Au_Eq**.

This drilling, combined with underground development, has also resulted in a much better interpretation of the interaction between mineralized structures, faults and post-mineralisation dykes. Preliminary modelling has resulted in more constrained zones of high grade mineralization compared to previous interpretations. Recent underground drilling (holes IN-15-63, 67, 68) has intersected faulted contacts with post mineralization dykes rather than previously interpreted mineralized veins. INCA 2 is a down plunge extension of INCA 1

however it has been intersected and dislocated by late stage dykes and faults adding to the geological complexity. An updated resource model is being compiled incorporating this new data and knowledge.

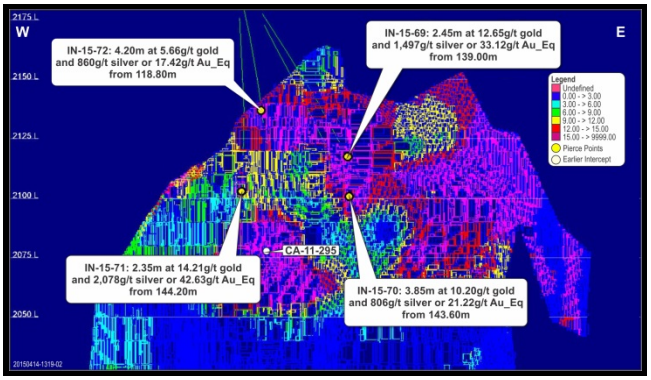


**Figure 4: INCA 2B Sectional View with Drill Intercepts**

Drilling is continuing with the next series of holes planned to further test extensions of the INCA 2 Reserve and B-Vein.

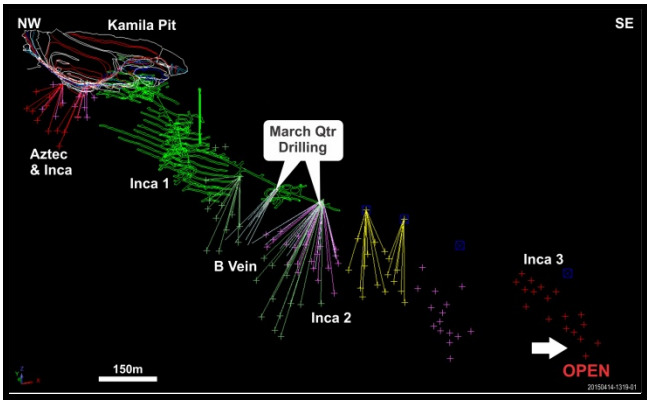


**Figure 5: 3D Sectional View of Kamila SE Mine Corridor with March Quarter Drilling and Planned Future Holes**

# Finance

The Group's cash at 31 March 2015 was $46.9 million. Pursuant to the Investec Facility, the Company is required to maintain a minimum liquidity position of $10 million at all times. The funds from all Argentine sales are required to be transferred from Canada via Argentina before remitting any surpluses to Australia.

Dore at site and in transit at quarter end totaled 5,704 oz. Au_Eq.

## *Banking Facility*

The $30 million Tranche B Facility from Investec became available during the quarter, bringing the total debt facility with Investec to $100 million. At quarter end, the Investec Facility had been fully drawn.

Investec recently completed a successful site visit to Karouni. With project construction entering its final phase, the Company is currently in discussion with Investec to align the repayment schedule of its Facility with the cash-flow projections covering the start-up and commissioning period of operations at Karouni. Troy expects that these discussions will be finalised shortly.

## *Net Debt*

The Group's net debt position at 31 March 2015 was $54.1 million, including $1.0 million due to ICBC in Argentina.

## *Hedging*

The following table outlines the Company's hedging positions in place at 31 March 2015:

| Settlement Period | Gold (oz.) | Price (US$/oz.) | Silver (oz.) | Price (US$/oz.) |
|---|---|---|---|---|
| June Qtr. 15 | 18,000 | $1,232.77 | 760,000 | $17.78 |
| Sept Qtr. 15 | 15,000 | $1,187.96 | 613,000 | $17.73 |
| Dec Qtr. 15 | 21,000 | $1,183.95 | - | - |
| Mar Qtr. 16 | 26,500 | $1,207.46 | - | - |

The mark-to market valuation of the gold and silver hedges in place at 31 March 2015, based on a spot gold price of US$1,184.68/oz., silver price of US$16.61/oz. and the respective forward curves, totalled a hedge asset of $3.3 million. The Company also has in place an A$3.0 million currency swap to US$ maturing 28 April 2015 at 0.8119.

## *Exploration Expenditure*

During the quarter, total exploration expenditure incurred was $1.5 million. Of this, $0.8 million related to Guyana and $0.7 million was spent in Argentina.

## *Capital Expenditure*

Capital and development expenditure during the quarter was $19.5 million. Of this:

- $7.3 million was incurred at Casposo, $6.4 million for underground development and $0.9 million for capital works;
- $11.7 million was spent on Karouni, primarily for plant components and construction, tailings dam and site works; and
- $0.5 million was incurred at Andorinhas finalizing the stripping of the Coruja open pit.

*The cost information and expenditure detail provided within this report are based on unaudited numbers.*

*All references to $ are Australian dollars unless otherwise stated.*

# Corporate

## *Directors*

**David Dix**, Non-Executive Chairman

**Martin Purvis**, CEO

**Ken Nilsson**, Executive Director

**Fred Grimwade**, Non-Executive Director

**John Jones**, Non-Executive Director

**Richard Monti**, Non-Executive Director

| Issued Capital (as at 23 April 2015) | |
|---|---|
| Ordinary Shares | 195,265,161 |
| Unlisted Employee Options | 590,000 |
| Employee Performance Rights | 12,000 |
| Employee Share Appreciation Rights | 1,760,000 |
| Investec Bank Plc Options | 10,000,000 |

For further information please contact:

**Stacey Apostolou**, Company Secretary Troy Resources Limited
T: +61 8 9481 1277 |E: troy@troyres.com.au

**Martin Purvis**, CEO Troy Resources Limited
T: +61 8 9481 1277 |E: troy@troyres.com.au

# The "Troy" Story

Troy (ASX, TSX: TRY) is a successful gold and silver producer with a track record of low cost mine development and production. The Company is unique amongst its peers having paid 13 fully franked cash dividends over the 13 years to 2012. The Company expects to recommence paying dividends once the Karouni Project is in production.

Troy has been operating in South America since 2002 and, following the development of the Casposo project in Argentina, has entered a renewed growth phase which has lifted the Company's annual gold production above 100,000oz of gold per annum. In July 2013 the Company acquired Azimuth Resources Limited which had discovered and delineated the Karouni Project, a high-grade gold Deposit in Guyana. The Company is fast tracking development of Karouni and expects first production before the end of FY2015.

Troy is a responsible corporate citizen, committed to the best practice of health and safety, environmental stewardship and social responsibility.


**Competent Person's Statement**

**Karouni**

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves for the Karouni project is based on, and fairly represents, information and supporting documentation prepared by Mr Peter J Doyle, Vice President Exploration and Business Development of Troy, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy and a "qualified person" under National Instrument 43 101 – "Standards of Disclosure for Mineral Projects". Mr Doyle 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 Doyle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Mr Doyle is a full time employee of Troy.

The information relating to the Karouni Mineral Resource Estimate is extracted from the report entitled 'Smarts Deposit – Resource Update' created on 29 August 2013 (relodged 2 September 2013) and is available to view on www.troyres.com.au.

The information relating to the results of the Karouni Preliminary Economic Assessment/Scoping Study is extracted from the report entitled 'West Omai Preliminary Economic Assessment and Scoping Study' created on 21 January 2014 and is available to view on www.troyres.com.au.

The information relating to the results of the Karouni Pre-Feasibility Study is extracted from the report entitled Karouni Open-Cut Pre-Feasibility Study created on 28 July 2014 and is available to view on www.troyres.com.au.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements relating to drill results, mineral resource estimates or studies and that all material assumptions and technical parameters underpinning the drill results and estimates in the relevant market announcements 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 here have not been materially modified from the original market announcements.

**Casposo**

The information in this report that relates to Exploration Results at Casposo is based on, and fairly represents, information and supporting documentation prepared by Mr Peter J Doyle, Vice President Exploration and Business Development of Troy, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Doyle 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 Doyle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Mr Doyle is a full time employee of Troy.

For further information regarding the Company's projects in Argentina, Brazil and Guyana including a description of Troy's quality assurance programme, quality control measures, the geology, sample collection and testing procedures in respect of the Company's projects please refer to the technical reports filed which are available on the Company's website. Additional information regarding the Karouni Project can be found under Azimuth's profile at www.sedar.com.

| Guyana Karouni Section 1: Sampling Techniques and Data | | |
|---|---|---|
| **Criteria** | **JORC Code Explanation** | **Commentary** |
| **Sampling Technique** | **Nature and quality of sampling (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.**<br><br>**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.**<br><br>**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 30g 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.** | **The Smarts & Hicks Resource is being infill drilled using Reverse Circulation (RC) drilling. The drill spacing is being infilled to nominal 25m x 25m grid spacing. During the quarter drilling with a Reverse Circulation (RC) rig and 2 Diamond Core (DC) rigs focused on the 1.7km section of the Smarts Deposit that hosts the Indicated Resource.**<br>**Total drilling completed during the December quarter was 12 DC holes for 3243m.**<br>**A sample interval of 1m has been selected for the RC and Diamond Core drilling with proximity to gold mineralisation (buffer zone). This sample spacing ensures a representative sample weight is collected at a scale sufficient to define geological and mineralisation boundaries. The 1m samples are assayed at 1m intervals in visibly conspicuous mineralisation or otherwise composited to 3m intervals before assay. Any low grade internal zones are also assayed at 1m intervals and a sample buffer is placed before and after the mineralisation boundary to ensure the assays do not begin or end within high-grade mineralisation. The original 1m samples are sent for assay where any significant gold assay grades are recorded for the 3m composite samples.**<br>**The use of a 1m sample interval was selected after consideration of the following:**<br>• **Consideration of previous sampling methodology.**<br>• **The RC drilling method and sample collection process for current drill campaigns.**<br>• **A representative sample weight suitable for transport, laboratory preparation and analysis.**<br>• **The lithological thickness of the White Sands Formation and underlying basement lithology.**<br>• **A mineralisation zone thickness ranging from several metres to tens of metres.**<br>• **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).**<br>• **The Diamond Core and 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.**<br>**All RC samples were weighed to determine recoveries. All potentially mineralised zones were then split and sampled at 1m intervals using three-tier riffle splitters. Zones that appeared visually non-mineralised were sampled as 3m composites.**<br>**QA/QC procedures were completed as per industry best practice standards (certified blanks and standards and duplicate sampling).**<br>**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 30g fire assays, gravimetric finishes and screen fire assays have been conducted.** |
| **Drilling** | **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).** | **Reverse Circulation "RC" drilling within the Resource area comprises 5.5 inch diameter face sampling hammer drilling and hole depths range from 49m to 133m.**<br>**Diamond Core drilling is conducted using contract drill rigs supplied by Versa Drilling. Majority of the holes are drilled as HQ Size core.**<br>**During the quarter 16 Diamond Core holes were drilled for 6533.7m.** |
| **Drill Sample Recovery** | **Method of recording and assessing core and chip sample recoveries and results assessed.**<br><br>**Measures taken to maximize sample recovery and ensure representative nature of the samples.**<br><br>**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.** | **RC recoveries are logged and recorded in the database. Overall recoveries are >75% for the RC; there are no significant sample recovery problems. A technician is always present at the rig to monitor and record recovery.**<br>**RC samples were visually checked for recovery, moisture and contamination. The Bulk of the Resource is defined by DC and RC drilling, which have high sample recoveries. The style of mineralisation, with frequent high-grades and visible gold, require large diameter core and good recoveries to evaluate the deposit adequately. The consistency of the mineralised intervals is considered to preclude any issue of sample bias due to material loss or gain.** |

| | | |
|---|---|---|
| | | **Core recovery is a quantifiable measurement defined as the total linear amount of physical core sample extracted over the total linear advance in a hole, expressed as a percentage. Recovery is often measured against a section of advance, typically in the target zone and/or for the entire hole.**<br>**CR (%) = Length of core X 100**<br>**Length of advance The core being created is encapsulated within, and subsequently extracted by, a retrievable sampling device called a core barrel. The core barrel is a mechanically designed device consisting of many interconnected engineered components. It is connected to a consumable core drilling bit, typically made with synthetic diamonds, which is the core cutting tool. As the drill bit penetrates through the material, Geologists and Company Technicians regularly collect core recovery data for each and every hole drilled. This data is entered into the drilling database with percentage recovery recorded for each interval drilled.** |
| **Logging** | **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.**<br>**Whether logging is qualitative or quantitative in nature. Core (or costean/Trench, channel, etc) photography.**<br>**The total length and percentage of the relevant intersections logged.** | **Geotechnical logging was carried out on all diamond drill holes for recovery, RQD and number of defects (per interval). Information on structure type, dip, dip direction, alpha angle, beta angle, texture, shape, roughness and fill material is stored in the structure/Geotech table of the database.**<br><br>**Logging of diamond core and RC samples recorded lithology, mineralogy, mineralisation, structural (DDH only), weathering, alteration, colour and other features of the samples. Core was photographed in both dry and wet form.**<br><br>**All drilling has been logged to standard that is appropriate for the category of Resource which is being reported.** |
| **Sub-Sampling Technique and Sample Preparation** | **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.**<br><br>**For all sample types, the nature, quality and appropriateness of the sample preparation technique.**<br><br>**Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.**<br><br>**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.** | **RC samples were collected on the rig using a three tier riffle splitter. All samples were dry.**<br><br>**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.**<br><br>**Field QC procedures involve the use of certified reference material as assay standards, blanks, and duplicates for the RC samples only. The insertion rate of these averaged 2:20 for core and 3:20 for RC.**<br><br>**Field duplicates were taken on for both 1m RC splits and 3m composites for RC, using a riffle splitter.** |
| **Quality of Assay Data and Laboratory Tests** | **The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.**<br>**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.**<br><br>**Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.** | **The laboratory used an aqua regia digest followed by fire assay for with an AAS finish for gold analysis.**<br><br>**No geophysical tools were used to determine any element concentrations used in this Resource Estimate.**<br><br>**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 micron was being attained.**<br><br>**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.**<br><br>**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.**<br><br>**Repeat or duplicate analysis for samples shows that the precision of samples is within acceptable limits.**<br><br>**Sample preparation conducted by ActLabs Guyana Inc. and fire assay performed by ActLabs Chile -Assayed by 30g fire assay with gravimetric finish.**<br><br>**QA/QC protocol: For diamond core one blank and one standard** |

| | | |
|---|---|---|
| | | **inserted for every 18 core samples (2 QA/QC samples within every 20 samples dispatched, or 1 QA/QC sample per 10 samples dispatched) and no duplicates.** |
| **Verification of Sampling and Assaying** | **The verification of significant intersections by either independent or alternative company personnel.**<br><br>**The use of twinned holes The verification of significant intersections by either independent or alternative company personnel. Discuss any adjustment to assay data.** | **Troy's QP P. Doyle has visually verified significant intersections in diamond core and RC drilling.**<br><br>**Primary data was collected using a set of company standard ExcelTM templates on Toughbook laptop computer using lookup codes. The information was validated on-site by the Company's database technicians and then merged and validated into a final database.** |
| **Location of Data points** | **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. Specification of the grid system used Quality and adequacy of topographic control.** | **All drillholes have been located by DGPS in UTM grid PSAD56 Zone 21 North.**<br>**Downhole surveys were completed at the end of every hole where possible using a Reflex Gyro downhole survey tool, taking measurements every 5m.** |
| **Data Spacing and Distribution** | **Data spacing for reporting of Exploration Results.**<br><br>**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.**<br><br>**Whether sample compositing has been applied.** | **The nominal drillhole spacing is 50m by 50m and in places 25m (northwest) by 25m (northeast).**<br><br>**The mineralised domains have demonstrated sufficient continuity in both geological and grade to support the definition of Mineral Resource and Reserves, and the classifications applied under the 2012 JORC Code.**<br><br>**Samples have been composited to one metre lengths, and adjusted where necessary to ensure that no residual sample lengths have been excluded (best fit).** |
| **Orientation of Data in Relation to Geological Structure** | **Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.**<br><br>**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.** | **The majority of the data is drilled to either magnetic 050° or 230° orientations, which is orthogonal / perpendicular to the orientation of the mineralised trend. The bulk of the drilling is almost perpendicular to the mineralised domains. Structural logging based on oriented core indicates that the main mineralisation controls are largely perpendicular to drill direction.**<br><br>**No orientation based sampling bias has been identified in the data at this point.** |
| **Sample Security** | **The measures taken to ensure sample security** | **Chain of custody is managed by Troy.**<br><br>**Samples are stored on site and delivered by Troy personnel to Actlabs, Georgetown, for sample preparation.**<br><br>**When applicable the sample pulps for assay are then delivered to DHL and freighted to Actlabs, Santiago assay laboratory.** |
| | **JORC Code Explanation** | **Whilst in storage, they are kept under guard in a locked yard. Tracking sheets are used to track the progress of batches of samples** |

| **Section 2 Karouni Reporting of Exploration Results** | | |
|---|---|---|
| **Criteria** | **JORC Code Explanation** | **Commentary** |
| **Mineral Tenement and Land Tenure Status** | **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.**<br><br>**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.** | **The Karouni Project tenements cover an aggregate area of 253,538 acres (102,605ha), granting the holders the right to explore for gold or gold and diamonds.**<br><br>**The tenements have been acquired by either direct grant to Pharsalus Gold (25,990 acres /10,518ha) or by contractual agreements with tenement holders (227,548 acres 92,087ha). Apart from the Kaburi Agreement (29,143 acres 11,794ha), which provides for Pharsalus Gold to earn a 90% interest, all other vendor agreements provide Pharsalus Gold with the right to obtain an ultimate interest of 100%.**<br><br>**The Karouni Project comprises a single (large scale) mining license, 94 (small scale) claim licences, 217 (medium scale) prospecting and mining permits, and 6 (large scale) Prospecting Licences.**<br><br>**All licences, permits and claims are granted for either gold or gold and diamonds. The (large scale) prospecting licences include three licences won by Pharsalus Gold at open auction on 22 November 2007** |

| | | |
|---|---|---|
| | | **(GS14: P-18, P-19 and P-20) which are owned 100% by Pharsalus Gold.**<br><br>**The various mining permits that cover the Smarts Deposit were originally owned by L. Smarts and George Hicks Mining.**<br><br>**The permits were purchased by Pharsalus Gold (a wholly owned subsidiary of Azimuth Resources) in 2011.**<br><br>**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 are provided for by the Act and the amount of royalty to be paid for mining licences 5%, however recent mineral agreements entered into stipulate a royalty of 8% if the gold price is above US$1,000 per ounce.** |
| **Exploration Done by Other Parties** | **Acknowledgment and appraisal of exploration by other parties.** | **Very little exploration has been carried out over the tenement prior to Azimuth's involvement which commenced in 2011.**<br><br>**Portions of the Karouni Project have been held more or less continuously by small family gold mining syndicates (locally termed 'Pork Knockers') since the 1960's. This situation persists to the present day.**<br><br>**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).**<br><br>**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.**<br><br>**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 modeling and estimation work.** |
| **Geology** | **Deposit type, geological setting and style of mineralisation.** | **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. Here the White Sand Formation cover has been removed by erosion to expose the underlying mineralised Palaeoproterozoic Greenstone successions of the Trans- Amazonian Barama-Mazaruni Group..**<br><br>**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.**<br><br>**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.**<br><br>**The mineralisation at the Smarts, Hicks and Larken Zones is associated with a shear zone that transects a sequence of mafic to intermediate volcanic, volcanoclastics and pyroclastic rocks. 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.**<br><br>**The high grade gold mineralisation is usually associated with zones of dilational and stockworks quartz veining within and adjacent to the shear zone.**<br><br>**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.**<br><br>**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 silicified granitic dykes, and in adjacent, pyritic, often sheared meta-andesite. Pyrite is common at up to 3% by volume associated with auriferous quartz veins. Mineralisation is variously accompanied by silica- sericite-chlorite-carbonate- pyrite-tourmaline alteration.**<br><br>**Gold mineralisation at the Smarts /Hicks Deposits are hosted by a northwest trending, sub-vertical to steeply southwest dipping shear zone some 2,500m in strike length and up to 60m wide in places. 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 brecciating.**<br><br>**Visible gold and the majority of gold values typically occur within and along margins of quartz veins, in silicified granitic dykes, and in adjacent, pyritic, often sheared meta-andesite. Pyrite is common at up to 3% by volume, with local, trace amounts of Molybdenite, galena and sphalerite, associated with auriferous quartz veins. Mineralisation is variously accompanied by silica- sericite-chlorite-carbonate-pyrite-tourmaline alteration, while fuchsite is developed within porphyry intrusives in contact with high magnesium basalts and along shear zones.** |
| **Drill Hole Information** | **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:**<br><br>**• easting and northing of the drill hole collar**<br>**• elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar**<br>**• dip and azimuth of the hole**<br>**• down hole length and interception depth**<br>**• hole length**<br>**• 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.** | **Intercepts that form the basis of this announcement are tabulated in Table 1 kin 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. Complete detailed data on the project is included in the NI-43101 Tech Reports available on the Company's website with the current report dated September 8, 2014.** |
| **Data Aggregation Methods** | **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.** | **All intersections are assayed on one meter intervals**<br>**No top cuts have been applied to exploration results**<br>**Mineralised intervals are reported with a maximum of 2m of internal dilution of less than 0.5g/t**<br>**Mineralised intervals are reported on a weighted average basis** |
| **Relationship Between Mineralisation Widths and Intercept Lengths** | **These relationships are particularly important in the reporting of Exploration Results.**<br>**If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported. If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (downhole length, true width not known').** | **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.** |
| **Diagrams** | **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.** | **The appropriate plans and sections have been included in the text of this document as Figure 1, Figure 2 and Figure 3..** |

| | | |
|---|---|---|
| **Balanced Reporting** | **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.** | **All grades, high and low, are reported accurately with "from" and "to" depths and "hole identification" shown.** |
| **Other Substantive Exploration Data** | **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.**<br><br>**The Ground Magnetics survey work was performed on a grid cut at 100m line separation with 10m station intervals. Sufficient repeat readings and tie lines will be surveyed to level the magnetic data with historic ground magnetic data. 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) will be used to complete the survey.** | **Metallurgical testwork has been completed, with excellent results. Gold recoveries exceed 95% from CIL tests, and a significant proportion of the gold is recoverable by gravity concentration.**<br><br>**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.**<br><br>**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.**<br><br>**Once the main field and the minor source effects are removed from the observed magnetic field data via various data reduction and processing methods, the processed data serve as an indicator of the spatial distribution and concentration of the magnetically significant minerals. The ground magnetic data will be incorporated and levelled with the existing geophysical data from past surveys. Final data will be presented in digital format, including colour ground magnetic plan maps.** |
| **Further Work** | **The nature and scale of planned further work (eg tests for lateral extensions or large scale step out drilling.**<br><br>**Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.** | **Further infill drilling is ongoing, aimed at increasing the amount of resource categorized as Indicated, as well as upgrading some of the Indicated Resource to Measured status. Drilling aimed at increasing the Resource below the current depth extent is also planned.** |

**TABLE 1a: INCA 2a Vein & B- Vein Underground Drilling Summary of Results**

| Hole ID | Easting (m) | Northing (m) | Elevation (m) | Depth (m) | Azh | Dip | Assay Intervals (m at g/t gold and g/t silver) Gold Equivalent Assay Intervals (m at g/t Au_Eq) |
|---|---|---|---|---|---|---|---|
| IN-15-57 | 2439487.90 | 6548011.60 | 2211.30 | 111.00 | 257 | -40 | 9.60m at 2.06g/t gold and 473g/t silver or 8.53g/t Au_Eq from 89.00m |
| IN-15-58 | 2439487.90 | 6548011.60 | 2211.30 | 122.80 | 252 | -46 | 3.55m at 2.15g/t gold and 484g/t silver or 8.76g/t Au_Eq from 103.60m |
| IN-15-59 | 2439487.90 | 6548011.60 | 2211.30 | 159.70 | 248 | -52 | 18.10m at 2.91g/t gold and 978g/t silver or 16.28g/t Au_Eq from 109.60m, incl. 12.70m at 4.06g/t gold and 1,351g/t silver or 22.54g/t Au_Eq from 115.00m |
| IN-15-60 | 2439488.08 | 6548011.48 | 2210.40 | 197.10 | 267 | -43 | 10.60m at 1.68g/t gold and 552g/t silver or 9.23g/t Au_Eq from 138.50m, incl. 2.45m at 3.09g/t gold and 1,001g/t silver or 16.77g/t Au_Eq from 141.30m & 5.55m at 0.37g/t gold and 124g/t silver or 2.07g/t Au_Eq from 165.00m, including 2.05m at 0.85g/t gold and 243g/t silver or 4.17g/t Au_Eq from 168.5m |
| IN-15-61 | 2439488.25 | 6548011.04 | 2210.33 | 181.40 | 258 | -48 | 8.55m at 0.78g/t gold 227g/t silver or 3.88g/t Au_Eq from 121.70m, including: 3.15m at 1.80g/t gold and 528g/t silver or 9.02g/t Au_Eq from 127.10m & 2.35m at 0.33g/t gold and 94g/t silver or 1.61g/t Au_Eq from 165.50m. |
| IN-15-62 | 2439489.83 | 6548011.93 | 2210.32 | 171 | 247 | -57 | No significant intersection |
| IN-15-63 | 2439597.30 | 6547949.11 | 2192.50 | 215.7 | 267 | -26 | No significant intersection |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| IN-15-64 | 2439597.36 | 6547949.28 | 2192.50 | 190.00 | 260 | -27 | 2.75m at 19.88g/t gold and 2,710g/t silver or 56.95g/t Au_Eq from 136.65m, incl.: 2.15m at 25.33g/t gold and 3 442g/t silver or 72.40g/t Au_Eq from 136.65m |
| IN-15-65 | 2439596.94 | 6547948.47 | 2191.75 | 170.10 | 245 | -33 | 3.35m at 4.00g/t gold and 2000g/t Silver or 31.36g/t Au_Eq from 133.15m |
| IN-15-66 | 2439600.35 | 6547948.04 | 2191.60 | 170.1 | 233 | -27 | No significant intersection |
| IN-15-67 | 2439601.87 | 6547948.47 | 2191.48 | 180.5 | 230 | -33 | No significant intersection |
| IN-15-68 | 2439601.73 | 6547948.80 | 2191.60 | 145.6 | 218 | -26 | No significant intersection |
| BV-15-03 | 2439591.28 | 6547935.15 | 2193.30 | 182.50 | 225 | -10 | 3.40m at 1.05g/t gold and 196g/t silver or 3.73g/t Au_Eq from 50.80m |
| BV-15-04 | 2439592.65 | 6547933.38 | 2193.04 | 168.00 | 216 | -12 | 4.15m at 1.85g/t gold and 213g/t silver or 4.76g/t Au_Eq from 51.35m, incl. 7.70m at 3.42g/t gold and 364g/t silver or 8.40g/t Au_Eq from 51.35m and 0.60m at 1.78g/t gold and 296.03g/t silver or 5.83g/t Au_Eq from 54.90m & 0.65m at 2.36g/t gold and 337g/t silver or 6.96g/t Au_Eq from 57.20m |

**TABLE 1b: INCA 2b Underground Drilling Summary of Results**

| Hole ID | Easting (m) | Northing (m) | Elevation (m) | Depth (m) | Azh | Dip | Interval (m at g/t gold and g/t silver) Interval (m at g/t Au_Eq) |
|---|---|---|---|---|---|---|---|
| IN-15-69 | 2439603.70 | 6547945.74 | 2191.81 | 170.00 | 180 | -32 | 2.45m at 12.65g/t gold and 1,497g/t silver or 33.12g/t Au_Eq from 139.00m |
| IN-15-70 | 2439604.00 | 6547946.09 | 2191.51 | 161.00 | 180 | -36 | 3.85m at 10.20g/t gold and 806g/t silver or 21.22g/t Au_Eq from 143.60m |
| IN-15-71 | 2439602.53 | 6547946.34 | 2191.62 | 191.00 | 203 | -26 | 2.35m at 14.21g/t gold and 2,078g/t silver or 42.63g/t Au_Eq from 144.20m |
| IN-15-72 | 2439602.45 | 6547945.82 | 2191.61 | 153 | 199 | -28 | 4.20m at 5.66g/t gold and 860g/t silver or 17.42g/t Au_Eq from 118.80m incl. 2.10m at 10.90g/t gold and 1,648g/t silver or 33.42g/t Au_Eq from 120.90m |

**Notes for Table 1a and Table 1b:**
**Sample preparation 30g pulps, Fire Assay for gold with gravimetric finish for silver analysis atomic absorption readings conducted by Troy Resources Argentina Laboratory with Check and QA/QC samples assayed at Alex Stewart Laboratory in Mendoza Argentina.**
**(*) The column "Length" represents downhole widths**
**NSR – No Significant Results**
**Au_Eq grade calculated using gold to silver ratio of 1:73.13. The gold: silver ratio is determined using metal price and recovery factors and determined according to the parameters below:**

- **Gold Price of US$1300/oz & silver Price of US$20/oz;**
- **Gold processing Metallurgical recovery of 90% and silver processing Metallurgical recovery of 80%;**

**Processing recoveries were determined from updated metallurgical testwork carried out by independent consultants on diamond drill core from Casposo. Metal prices approximate 3 year averages for each of gold and silver (as per 2013 -2014 Resource and Reserve Statement).**
**The equivalency factor is calculated by the formula:**
**Gold to Silver ratio = (gold price ÷ silver price) x (gold recovery ÷ silver recovery)**
**= (1300 ÷ 20) x (.90 ÷ .80)**
**= 73.13**
**Gold equivalency (Au_Eq) is calculated by the formula: Au_Eq g/t = Au g/t + (Ag g/t ÷ 73.13)**

**Section 1 Argentina Casposo Sampling Techniques and Data**

| Criteria | JORC Code Explanation | Commentary |
|---|---|---|
| Sampling techniques | Nature and quality of sampling (cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.<br><br>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.<br><br>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work | The quantity and quality of the lithological, geotechnical, collar and downhole survey data collected in the exploration programmes by BMG, Intrepid and Troy are sufficient to support Mineral Resource and Mineral Reserve Estimation, such that:<br>• Core logging meets industry standards for gold exploration;<br>• Geotechnical logging meets industry standards for open pit operations;<br>• Collar surveys have been performed using industry-standard instrumentation;<br>• Downhole surveys accurately represent the trajectories of the holes; |

| | | |
|---|---|---|
| | has been done this would be relatively simple ('reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 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 (submarine nodules) may warrant disclosure of detailed information. | • Drill intersections, due to the orientation of the drill holes, are typically greater than the true width of the mineralisation.<br>A sample interval of 1m has been selected for the RC and Diamond Core drilling with proximity to mineralisation (buffer zone). This sample spacing ensures a representative sample weight is collected at a scale sufficient to define geological and mineralisation boundaries. The 1m samples are assayed at 1m intervals in visibly conspicuous mineralisation or otherwise composited to 3m intervals before assay. Any low grade internal zones are also assayed at 1m intervals and a sample buffer is placed before and after the mineralisation boundary to ensure the assays do not begin or end within high-grade mineralisation. The original 1m samples are sent for assay where any significant gold assay grades are recorded for the 3m composite samples.<br>The use of a 1m sample interval was selected after consideration of the following:<br>• Consideration of previous sampling methodology;<br>• The RC drilling method and sample collection process for current drill campaigns;<br>• A representative sample weight suitable for transport, laboratory preparation and analysis;<br>• The lithological thickness of the White Sands Formation and underlying basement lithology;<br>• A mineralisation zone thickness ranging from several metres to tens of metres;<br>• 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);<br>• The Diamond Core and 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.<br>Samples are channel samples. They are collected by samplers using hammers, chisels and calico bags. Samples are taken across the interval with as representative a sample taken as practically possible<br><br>Casposo is a low sulphidation gold/silver deposit. Visible coarse gold is rare. |
| **Drilling Techniques** | Drill type (core, reverse circulation, open- hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (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). | Underground Drilling was undertaken using the Company owned Longyear LM 75 Drill rig with Crews supplied by a local drilling contractor – Energold. During the quarter 18 holes were drilled for 3,029.8m. |
| **Drill Sample Recovery** | Method of recording and assessing core and chip sample recoveries and results assessed.<br><br>Measures taken to maximise sample recovery and ensure representative nature of the samples.<br><br>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. | Core recovery is a quantifiable measurement defined as the total linear amount of physical core sample extracted over the total linear advance in a hole, expressed as a percentage. Recovery is often measured against a section of advance, typically in the target zone and/or for the entire hole.<br>CR (%) = Length of core X 100<br>Length of advance - The core being created is encapsulated within, and subsequently extracted by, a retrievable sampling device called a core barrel. The core barrel is a mechanically designed device consisting of many interconnected engineered components. It is connected to a consumable core drilling bit, typically made with synthetic diamonds, which is the core cutting tool. As the drill bit penetrates through the material, Geologists and Company Technicians regularly collect core recovery data for each and every hole drilled. This data is entered into the drilling database with percentage recovery recorded for each interval drilled. |
| **Logging** | Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.<br><br>Whether logging is qualitative or quantitative in nature. Core | Geotechnical logging was carried out on all diamond drill holes for recovery, RQD and number of defects (per interval). Information on structure type, dip, dip direction, alpha angle, beta angle, texture, shape, roughness and fill material is stored in the structure/Geotech table of the database. |

| | | |
|---|---|---|
| | **(or costean, channel, etc) photography.**<br><br>**The total length and percentage of the relevant intersections logged.** | **Logging of diamond core and RC samples recorded lithology, mineralogy, mineralisation, structural (DDH only), weathering, alteration, colour and other features of the samples. Core was photographed in both dry and wet form.**<br><br>**All drilling has been logged to standard that is appropriate for the category of Resource which is being reported.** |
| **Sub-sampling techniques and sample preparation** | **If core, whether cut or sawn and whether quarter, half or all core taken.**<br><br>**If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.**<br><br>**For all sample types, the nature, quality and appropriateness of the sample preparation technique.**<br>**Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.**<br><br>**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.**<br>**Whether sample sizes are appropriate to the grain size of the material being sampled.** | **Core is split with diamond saw (Intrepid & Troy). One half of the core was sent for analysis and the remaining half returned to the core box in its original orientation as a permanent record. Normally, the entire hole was sampled. The sample interval was usually 1m to 2m for BMG, and 0.5m to 2m for Intrepid and Troy (maximum 1.5m in mineralised zones). Highly-fragmented core was bound with adhesive tape before splitting.**<br>**Sampling mineralised zones was generally on 1 meter intervals however mineralised contacts were also considered.**<br>**Drill spacing within the mineral resource area is on a nominal 20m and 40m spacing along strike, however topography does impact on the drill spacing.**<br>**The current procedure is to have all drill core taped prior to splitting, even when the core is intact. Core recovery was generally very good and would not impact sample integrity.**<br>**Samples collected are considered representative of the mineralisation. Drilling was targeted at quartz vein and quartz stockworks/breccia mineralisation. Sample lengths were generally on 1m or 2m intervals except where mineralisation boundaries were encountered. Higher grade quartz hosted mineralisation was sampled separately from lower grade material. Mineralisation is generally contained within steeply dipping vein systems. Drilling intersected these veins at an angle that results in drill widths being generally wider than true widths. Geological modelling of the drill intersections enabled true widths to be modelled.** |
| **Quality of assay data and laboratory tests** | **The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.**<br><br>**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.**<br><br>**Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.** | **Samples are assayed by the Company's on-site lab and checked using an external lab, Alex Stewart of Mendoza, Argentina. Gold is assayed by standard fire assay methods and silver with aqua regia digestion followed by inductively coupled plasma with optical emission spectroscopy (ICP-OES).**<br><br>**Hand held XRF & ASD Spectral Analysis units were used to aid in logging and identification of alteration mineral assemblages. Magnetic susceptivity measurements are routinely collected on all drill holes at regular intervals top to bottom of each hole.**<br><br>**Standards and blanks are inserted into selected assay batches.** |
| **Verification of sampling and assaying** | **The verification of significant intersections by either independent or alternative company personnel.**<br><br>**The use of twinned holes.**<br><br>**The verification of significant intersections by either independent or alternative company personnel.**<br><br>**Discuss any adjustment to assay data.** | **Significant intersections are verified by more than one alternative company person.**<br><br>**No adjustments were made to assay data.** |
| **Location of data points** | **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.**<br>**Specification of the grid system used.**<br>**Quality and adequacy of topographic control.** | **All drillholes have been located by DGPS in UTM grid.**<br><br>**Downhole surveys were completed at the end of every hole where possible using a Reflex Gyro downhole survey tool, taking measurements every 5m.** |
| **Data spacing and distribution** | **Data spacing for reporting of Exploration Results.**<br><br>**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.** | **The nominal drillhole spacing is 25m by 25m.for Reserves and Resource.**<br><br>**The mineralised domains have demonstrated sufficient continuity in both geological and grade to support the definition of Mineral** |

| | | |
|---|---|---|
| | Whether sample compositing has been applied. | Resource and Reserves, and the classifications applied under the 2012 JORC Code. |
| Orientation of data in relation to geological structure | Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.<br><br>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. | The majority of the data is drilled at orientations, which are orthogonal/perpendicular to the orientation of the mineralised trend. The bulk of the drilling is almost perpendicular to the mineralised domains. Structural logging based on oriented core indicates that the main mineralisation controls are largely perpendicular to drill direction.<br><br>No orientation based sampling bias has been identified in the data at this point. |
| Sample security | The measures taken to ensure sample security | Chain of custody is managed by Troy.<br>Samples are crushed and ground on site with pulps sent to Mendoza for assay. Troy personnel manage the sample dispatch. |

| Section 2 Argentina Casposo Reporting of Exploration Results | | |
|---|---|---|
| **Criteria** | **JORC Code Explanation** | **Commentary** |
| Mineral tenement and land tenure status | 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.<br>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. | The Casposo deposit is in San Juan province, Argentina. Troy is the 100% owner of the project through local subsidiary Troy Resources Argentina Ltd.<br><br>Troy has been mining and processing at Casposo since 2009. |
| Exploration done by other parties | Acknowledgment and appraisal of exploration by other parties. | Previous to Troy surface exploration had been conducted by Intrepid and Battle Mountain. Troy has since conducted extensive drilling programmes. |
| Geology | Deposit type, geological setting and style of mineralisation. | Casposo is a low sulphidation gold/silver deposit. |
| Drill hole information | 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:<br>easting and northing of the drill hole collar<br>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar<br>dip and azimuth of the hole<br>down hole length and interception depth<br>hole length.<br>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. | This information is tabulated in Table 2. |
| Data aggregation methods | 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.<br>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.<br>The assumptions used for any reporting of metal equivalent values should be clearly stated. | Results reported are weighted on sample interval length. No top cuts have been applied. |
| Relationship between mineralisation widths and intercept lengths | These relationships are particularly important in the reporting of Exploration Results<br>If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.<br>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect ('down hole length, true width not known'). | Drilling is planned to intersect mineralisation as perpendicular as possible however the angle of intersection can vary significantly thus all holes are reported as downhole intercepts. |
| Diagrams | 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. | Included as Figure 5 and Figure 6. |
| Balanced reporting | 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. | Drilling results for this Quarter targeting INCA 1 & INCA 2 UG deposits are documented in this release. |

| | | |
|---|---|---|
| **Other substantive exploration data** | **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.** | **There is no other material substantive exploration data to report. The UG drilling is part of normal mine operations with drilling planned to aid mine planning scheduling and define the limits of mineralised zones. Channel samples are grade control data.** |
| **Further work** | **The nature and scale of planned further work (tests for lateral extensions or large scale step out drilling.<br>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.** | **Underground Diamond Core Drilling and Channel sampling will continue as part of the exploration and normal grade control process underground at Casposo. And Underground drilling will continue targeting extensions zones peripheral to known mineralisation.** |