



TROY RESOURCES LIMITED

2015

Annual
Report





TROY RESOURCES LIMITED

Corporate Profile

Troy (ASX: TRY) is a 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 Karouni 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 100,000 ounces. In July 2013 the Company acquired Azimuth Resources Limited which had discovered and delineated a highgrade gold Resource in Guyana. The Company is fast tracking development of Karouni and expects first production during Q4 CY2015.

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



Group Milestones FY2015

- Gold Equivalent production of 121,835 ounces including record silver production of 3.1 million ounces from Casposo.
- Record underground development metres achieved at Casposo as a precursor to opening up the Inca 2 Lode, being 13% higher than FY2014.
- Mining completed at Andorinhas at the end of FY2015. Operations now focused on processing remnant ore stockpiles and environmental rehabilitation.
- Minerals Agreement for Karouni signed with the Government of Guyana.
- All Karouni permitting and licensing completed during the year including:
 - Environmental and Mining Licenses;
 - Permits for Blasting, Fire, Fuel and Dangerous Goods; and
 - Water Licenses.
- Commenced site construction of the Karouni plant in Guyana during February 2015. Completed ~ 85% of all Civil, Mechanical and Electrical installations for the plant by year end.
- Completed pre-strip works and commenced mining operations at both the Smarts and Hicks Pits in May 2015.
- Established a regional support base at Karouni, for local Amerindian interests, in accordance with Troy's long-standing principle of making a positive and sustainable difference to our neighbouring Communities and Villages.
- Finalised an extensive Ground Magnetic and Multi-Element XRF programme, over ~30km of structural corridors within the Karouni tenements, to identify more than 30 prospective drill targets.

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Five Year Summary

		Year Ending 30 June				
OPERATIONS		2015	2014	2013	2012	2011
Gold Produced	(oz)	78,001	93,947	103,002	119,621	71,614
Silver Produced	(oz)	3,111,182	2,475,565	1,361,133	937,208	224,537
Gold Equivalent Produced	(oz)	121,835	132,939	127,060	137,457	76,983
		A\$867	A\$832	A\$797	A\$606	A\$624
Cash Costs per oz (Au_Eq)	(\$/oz)	US\$726	US\$764	US\$818	US\$654	US\$624
		A\$1,455	A\$1,404	A\$1,552	A\$1,624	A\$1,394
Gold Price Realised	(\$/oz)	US\$1,215	US\$1,293	US\$1,595	US\$1,672	US\$1,428
		A\$21	A\$22	A\$27	A\$31	A\$34
Silver Price Realised	(\$/oz)	US\$17	US\$20	US\$28	US\$32	US\$36
Sales Revenue	(\$ million)	181	178	203	209	102
Profit (loss) before tax	(\$ million)	(99)	(94)	32	55	17
Net Profit (loss) after tax (attributable) to members of the Company	(\$ million)	(100)	(59)	19	31	15
Dividends Paid	(cents/share)	-	-	-	10	6 & 4 ¹
Exploration Expenditure	(\$ million)	10	15	17	16	9
Capital Expenditure	(\$ million)	105	56	54	17	44
Cash and Bank Deposits	(\$ million)	61	43	26	59	28

¹ Interim dividend paid 29 June 2011

Chairman's Review

Dear Shareholders,

During 2015 Troy continued to transition its mining operations during a period of significant challenge in our markets.

Importantly, we substantially progressed the construction of our new Karouni mine in Guyana, raised capital through an offering to institutions and our shareholders, and took further action to address the disappointing performance of our underground mine at Casposo.

Troy recently confirmed its vision to become a profitable mid-tier gold producer through a well planned and executed asset growth strategy driven by a formal business development framework. Going forward Troy will seek to increase our reserve base, improve the stability and sustainability of our production profile and have an asset pipeline, including more than two operating mines in diversified jurisdictions which desirably may include Australia. While our immediate focus is to commission Karouni we continue to seek to identify our next mine development project.

The US\$ gold and silver prices continued to weaken during 2015 and our efforts to reduce costs at Casposo were thwarted by Argentina's high inflation and inflexible exchange rate together with difficult mining conditions. Our immediate focus at Casposo is to take further action to preserve the operation and optimise its cash position while continuing to review our options.

As anticipated, mining at Andorinhas ceased during 2015 and the plant will stop operation after the remaining ore is processed in the next month or so. Troy has agreed to sell the Andorinhas plant on favourable terms to Magellan Minerals Limited with settlement anticipated prior to year end.

Despite delays due to weather and difficulties in getting parts into Guyana, significant progress has been made in developing Karouni with commissioning works initiated at the end of September and the plant expected to commence production in coming weeks, ramping up soon thereafter. As with past Troy mine developments, we have selectively used some second hand equipment to minimise upfront capital requirements and allow for more rapid development. Our exploration team have already identified many attractive targets at Karouni which will soon be drilled.



Mine Construction February 2015 - Karouni, Guyana



Mine Near Completion September 2015 - Karouni, Guyana



With the commissioning of Karouni and commencement of an extensive and exciting exploration program Troy is well placed to create long-term value for shareholders and to direct our activities towards identifying our next mine development opportunity.

In 2015 Troy maintained its excellent safety record and continued to operate with a focus on our environmental responsibilities. Our support for local communities through using local employees and services, maintaining and upgrading of roads, provision of drinking water and power, and the building of facilities is well recognised and enhances our reputation in the countries where we operate.

Troy is fortunate to have a strong and dedicated management team which has performed well in often difficult and challenging conditions under the able leadership of our Chief Executive Officer Martin Purvis who has settled well into his new role. I would like to thank all of Troy's staff for their efforts and professionalism and am confident that we have a team capable of developing a strong and profitable company.

I would like to thank my fellow Board members for their dedication and support and in particular recognise the significant contribution made by Robin Parish and Sean Harvey who both retired during the year. In addition I wish our colleague David Dix a speedy recovery in order that he can resume his Board duties.

Despite the challenges in 2015 I am confident that your continued support will be well rewarded in time through sustainable and attractive returns.

Yours sincerely,

FRED S GRIMWADE
Acting Chairman

CEO's Report

Without doubt FY2015 was a very tough year for resource companies. It was particularly challenging for those companies operating offshore without the benefit of currency tailwinds generated by a surging US dollar. The past year also marked the second and possibly third year of a bear market trend for global commodities that has seen the price of gold decline by just over 40% and silver by nearly 70% in US dollar terms, since their recent peaks in 2011.

Within this context and just over two years ago, Troy set out its mid-range plans to: aggressively explore and develop the down plunge extensions of the Casposo ore-body in Argentina, where the high grade silver shoots of the Inca 2 load presented an attractive target; to fast track the feasibility study and construction programme of the Karouni mine in Guyana; and, to implement a comprehensive closure plan for the underground and surface workings at Andorinhas in Brazil. Whilst the overall plan has been followed very closely, the market conditions, as well as the external environment and factors in which the plan was conceived, have changed dramatically since that time and dictated some key variations at an operating and corporate level, in order to ensure that the long term goals for the organisation are achieved.

At Casposo, the mine has rapidly evolved from a shallow, gold rich orebody in Inca 1 (80:20) to a much deeper, silver rich orebody (35:65) in Inca 2. This transition has also coincided with both a real terms decrease in the headline gold price in US dollars as well as an even more significant increase in the silver to gold ratio on which the gold equivalent output of the mine is defined. Recently this ratio touched 80:1 in sharp contrast to a long run average closer to a mid-50's number. Inevitably, this situation has placed increasing pressure on the margins for the mine and given Casposo was forecast to generate robust cash-flow to support Group development within the mid-term plan; this has also served to shape a number of corporate actions over the past 12 months.

The initial funding model for Karouni was based on sufficient external debt to cover the construction and development of the CIL plant, preliminary exploration programmes – including completion of the pit wire frames – and all associated infrastructure necessary to build and operate the mine. The balance of funds, for the commissioning period through to positive cash flow, the activation of the regional exploration programme and also the pit start up works, were forecast to be generated primarily from cash-flow from Casposo. Given the market prices for silver and gold at the time the funding plan was arranged, of over \$22/oz. and \$1300/oz. respectively, the Karouni project was considered to be well funded.

In the early stages of 2015 the impact of the downturn in the gold and silver price was clearly evident and rather than relying on internal sources of cash flow generation, the decision was taken to raise additional funds to support the ongoing development of Karouni beyond the construction phase of the plant and infrastructure. This raising was initiated in April through a two stage placement followed by a Share Purchase Plan. The reason for this approach was to ensure virtually every one of Troy's more than 8,800 shareholders had the opportunity to participate in the process. Thanks to outstanding support from our new and existing shareholders, the Company raised a net amount of approximately \$36 million. It is perhaps a measure of the depth of understanding and backing from our shareholders that Troy was able to raise these funds in one of the most difficult capital markets experienced for many years. It goes without saying that Troy is deeply grateful for the support it received at this critical time.

As a result of the raising, Troy was able to progress rapidly from construction into commissioning at Karouni and also to start the preparation works for the first brownfields exploration conducted by Troy, since acquiring the project in July 2013. Up until September this year, virtually all the drilling metres performed on site had been focused on an intensive, infill drilling programme to define a robust mining reserve in the wire-frames of the Smarts and Hicks pits.



Site Overview - Karouni, Guyana



New Crushing Station - Karouni, Guyana



With construction activities on the plant winding down in August this year and heavy equipment and resources finally becoming available for the exploration team, the ground works for the new air-core and reverse-circulation drilling programmes were commenced. Over a period of almost 2 months numerous tracks and more than 100 drill pads were carefully pushed through the surrounding jungle to open up access to the first targets for the mobile rig. At the end of September the drill rig arrived on site and started work on what will be one of the most significant and extensive exploration campaigns ever carried out by Troy. With more than 30 initial targets located over 60km of structural corridor to explore and many of the targets being more than a kilometre long in terms of strike length, there will clearly be many years of highly prospective exploration work ahead for the Karouni team.

The key purpose of this effort will be to increase the resource base of the operation and extend the life of the mine, such that maximum value is achieved from the extensive infrastructure and processing facilities that have been created at the site. In terms of performance, the completion of this facility in such a remote location represents an outstanding achievement by the entire construction crew in Guyana. From a standing start in February this year, the site team managed to achieve mechanical completion of the 1Mtpa conventional CIL plant in September 2015, a period of less than 8 months and at a cost of approximately US\$74 million which was in line with the original budget. Performance testing and commissioning works were initiated at the end of September with the first feed of ore to the mill now planned to take place in October.

Outlook

It is widely recognised that one of the most daunting tasks for any mining company is the development of a new mining project in unfamiliar territory. For a small mining company, with a limited balance sheet facing recessionary market conditions, that prospect is even more challenging. The fact that Troy has managed to delineate and build a low-cost, high-margin, viable mining enterprise in a country that has only just started to harness its resource potential, within this economic malaise, is both a reminder of how resilient and dedicated the employees are in the company to achieve an outcome and also a portent of how much promise Troy holds for the future.

With a brand new flagship mine about to enter production and an expansive brownfields campaign underway, the successful closure of the Andorinhas mine in Brazil and the ongoing re-structuring of the operations at Casposo to better align the parameters of the Inca 2 lode with prevailing market conditions, Troy is building a platform that will underpin its long-term goal of becoming a unique, mid-tier gold producer willing to take an innovative approach to value creation for all stakeholders.

In closing I would like to extend my sincere thanks to every employee and contractor for their outstanding commitment and contribution over what has been a testing year. I would also like to thank my fellow Directors and all our shareholders for their valuable guidance and support.

A handwritten signature in black ink, reading "M. Purvis".

MARTIN PURVIS

CEO & Managing Director

Operations

ARGENTINA, CASPOSO

Troy 100% through Troy Resources Argentina Ltd

Occupational Health and Safety

There were a total of 29 lost time accidents for the year, up from 21 lost time accidents previously. The Company continues to be heavily focused on reinforcing safe operating procedures and training. Pleasingly, no environmental incidents were reported during the year.

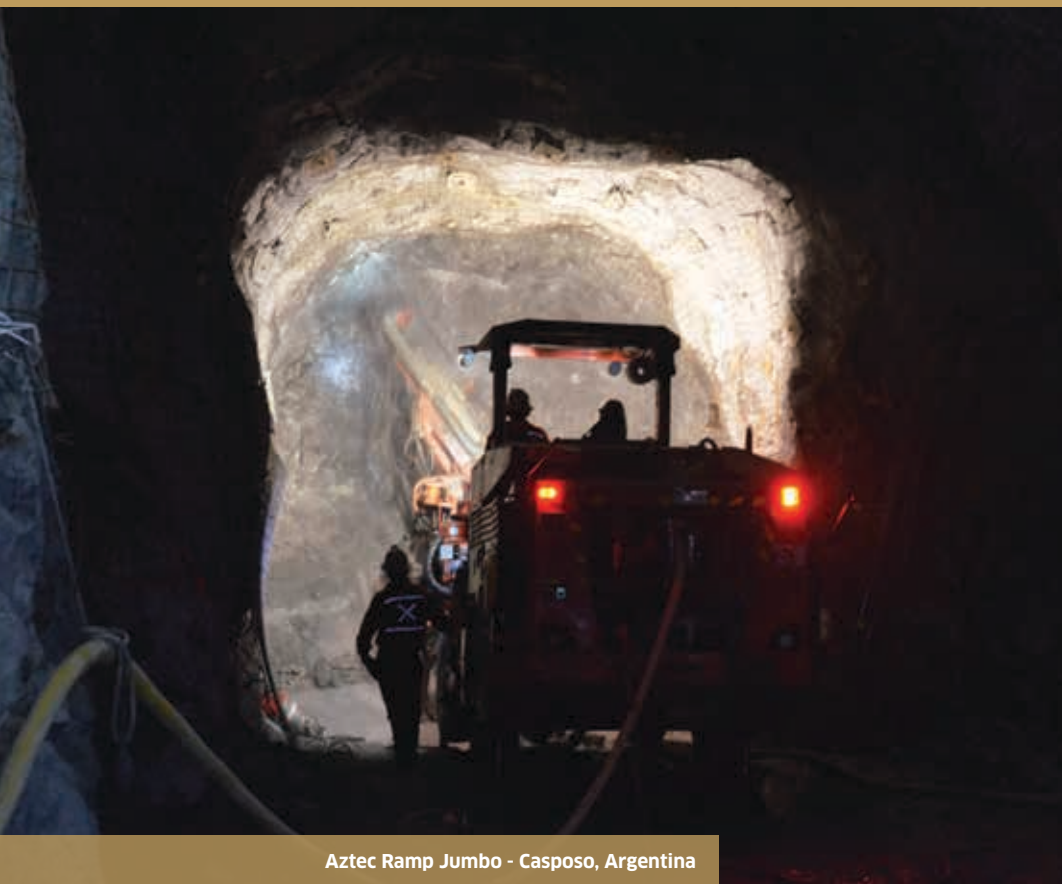
Production

The plant continued to perform well, processing 509,489 tonnes during FY2015, a similar throughput to FY2014. Gold head grade has decreased as the mine deepens with the average grade processed of 3.73g/t being 9.6% less than last year, whilst the grade of silver increased by 22.3% to 235.72g/t resulting in record silver production of 3.1 million ounces. Gold equivalent production was 99,693 ounces, in part reflecting a further 9.3% deterioration in the silver to gold ratio during the year.

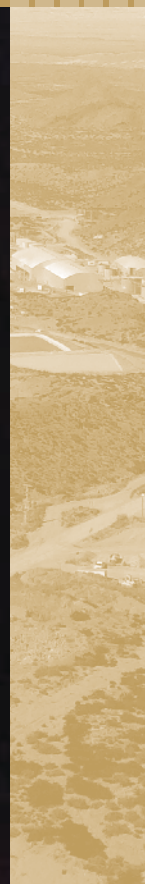
The underground has continued to make operational and technical improvements, standardising development and production blasting were possible, improving ground support, backfilling stopes and through better planning, scheduling and supervision of development headings and stopes. This has resulted in the mine producing 187,328 tonnes of ore at 5.72g/t gold and 524.02g/t silver. Additionally 4,635 metres of ore and waste development occurred.

Community and Sustainability

Troy continues to maintain its open door policy with the community, social groups, institutions and industry. On request, visits to the Casposo operation are conducted throughout the year to assist with public awareness of the mining industry. Additionally, the Company has supported local social and animal programmes to help improve everyday life in the villages close to the mine. Sport, in particular football, plays an important part of Argentine life and the Company has helped several junior and senior clubs in the community to compete locally and in San Juan. Troy also participates in local festivals and carnivals and works closely with and helps support the local schools and students.



Aztec Ramp Jumbo - Casposo, Argentina



Outlook

Notwithstanding improvements in operational efficiencies at Casposo, local costs in Argentina have been impacted by high inflation, with little relief from devaluation in the Argentine peso and the US dollar. These local cost pressures combined with declining metal prices and a deterioration in the silver to gold ratio, resulted in the Company undertaking an in depth review at Casposo.

As a result Troy's aim is to see if Casposo can be operated on a sustainable basis around a smaller scale, silver rich enterprise with a significantly restructured cost base. A plan of action is being introduced that will entail the suspension of all waste development and non-essential capital works, along with a substantial re-structuring of the workforce.

Underground mining of Inca 1 will be completed in the second quarter of FY16, after which time development and production will be focused primarily in Inca 2A and to a lesser extent Aztec and Inca O.

The plant feed rate is being reduced from 1,500 tonnes to 1,300 tonnes per day to provide efficiencies by allowing operation of the ball mill to cease which in turn reduces plant consumables by 20% and increases pulp residency time, thereby improving recovery.

BRAZIL, ANDORINHAS

Troy 100% Reinarda Mineração Ltda

Occupational Health and Safety

Sadly, a fatality occurred at the Coruja open pit when an employee of the mining contractor died from injuries received while operating an excavator. Andorinhas recorded nine minor lost time injuries, down from 14 lost time injuries the previous year. No environmental incidents occurred during the year.

Production

Mining from the underground was completed in January with 36,271 tonnes mined at 5.29g/t gold. All mine infrastructure was subsequently removed and the mine access was bricked off and the portal access filled with waste rock and topped with organic material.

Mining from the small Coruja satellite open pit was completed in June 2015. The mine produced 81,992 tonnes of ore at 4.63g/t gold. The operation was constantly hampered by heavy rainfall, which made mining the saprolite material difficult and resulted in many delays.

OPERATIONS



The mill treated ore from a number of sources including Mamão Underground, Coruja Open Pit and stockpiled low grade Lagoa Seca ore throughout the year. In total 199,751 tonnes were processed at 3.69g/t gold with a recovery of 93.34% and an all in sustaining cost of US\$1,137/oz.

Outlook

All operational activities are now focused on processing the remaining stockpiled low grade ore, mine clean up, mine closure and environmental rehabilitation of licensed areas. Processing of low grade ore is expected to conclude by the end of October.

Andorinhas is working with SEMA, the State Environmental Authority and the local community to ensure the land is re-forested or prepared for farming. Rehabilitation of Lagoa Seca, Coruja and Mamão is well underway with areas made safe, fenced off where necessary and organic material placed over sculptured waste rock, ready for planting with indigenous saplings from the Company's nursery or ready for planting as required by the local farmer. Planting should start towards the end of the year, when the rainy season starts.

The Company reached agreement with TSX-V listed Magellan Minerals Limited for the sale of the Andorinhas plant and all associated equipment and inventories for US\$4.5 million. Of the US\$4.5 million purchase consideration, Magellan has paid Troy a non-refundable deposit of US\$150,000 cash (Deposit). A further US\$3.35 million is to be paid by 15 December 2015 (Completion Payment) and may, at Magellan's election, comprise up to a maximum of 9.99% of Magellan's issued and outstanding share capital at that time. An additional US\$1 million will be paid to the Company following the production of 20,000oz of gold from Magellan's Coringa project in the Tapajos Province of northern Brazil, or after 18 months, whichever comes soonest. The Company has the right to terminate the agreement in the event that:

- a) Magellan fails to pay the Deposit;
- b) the Completion payment hasn't been made by 31 January 2016; and
- c) a warranty provided by Magellan is found to be incorrect or misleading.

Community

Brazil, Andorinhas



Argentina, Casposo



Project Development

GUYANA, KAROUNI

Troy 100% through Troy Resources Guyana Inc

The past financial year has seen a major investment in a new country with the start of the Karouni Project in Guyana. The challenges in moving into a new region, new culture and political/business environment is not always easy and Guyana has provided us with some additional challenges with a change in Government and consequent operating procedures.

In order to expedite activity, early temporary approvals were requested from the Government and through good co-operation with Government agencies we were able to commence activities related to infrastructure eg roads, camp establishment in a new area, and clearing of the mill and mine sites.

The procurement of equipment was well under way at the beginning of the year with some major parts already in country. Supply of equipment continued during the year with the main structural steel manufactured in Dominican Republic, leach and detox tanks in Trinidad, crushers from Europe, the gold recovery circuit in Mexico and specialist equipment from Australia and USA. An intensive leach reactor and 2 Knelson Concentrators were also installed.

Following grant of the Environmental and Mining permits in February this year, we were able to start construction of the processing plant, tailings facility and development of the mines. There were unfortunately some difficulties that the team had to address, including the mill installation in particular, as well as delays experienced in clearing good and containers held at the port and heavy seasonal rainfall.

During this period Troy totally upgraded the main road from Linden to Omai and also completed construction of a major access road linking the project with the Government road leading to Amaelia Falls. There were also numerous internal roads constructed to provide access to the mines and infrastructure.

As at the beginning of September the Project has entered the commissioning phase with a completed tailings dam, fully operating laboratory, major camp facility, all leach and tailings systems completed, crusher installation and conveyor systems completed, a 12MW power station commissioned with approximately 6km of overhead power lines in place, elution circuit completed and the grinding mill installed and being commissioned.



Power Station - Karouni, Guyana



Crushing Conveyor
- Karouni, Guyana

Specialist training has been provided by Troy in the transport, use and handling of Cyanide. This training was conducted for the benefit of transport companies, Government agencies and our own people. This training, particularly of the transport companies, enables the Company to become a subscriber to the International Cyanide Code. It will also assist the transport companies in becoming registered.

Mining has focused on development of the Smarts Pits and Hicks Stage 3 and at the end of August we had moved 1.96m BCM of material to provide 78,000t at 2.4g/t of ore to the ROM stockpile.

It is noteworthy that to date there have been no serious accidents or environmental issues at the project. The Company has a strong commitment to safety and the environment and is using a specialist safety team on site to make sure our systems are compliant with both Guyanese and Australian Standards.

At peak construction, 560 persons were resident on site, with approximately 95% of the workforce being locals from around Guyana and in line with the Company's commitment of ensuring maximum support for locals both staff and businesses. The Company is also continuing to work with the local Amerindian Community and providing training and support aimed at self-sufficiency.

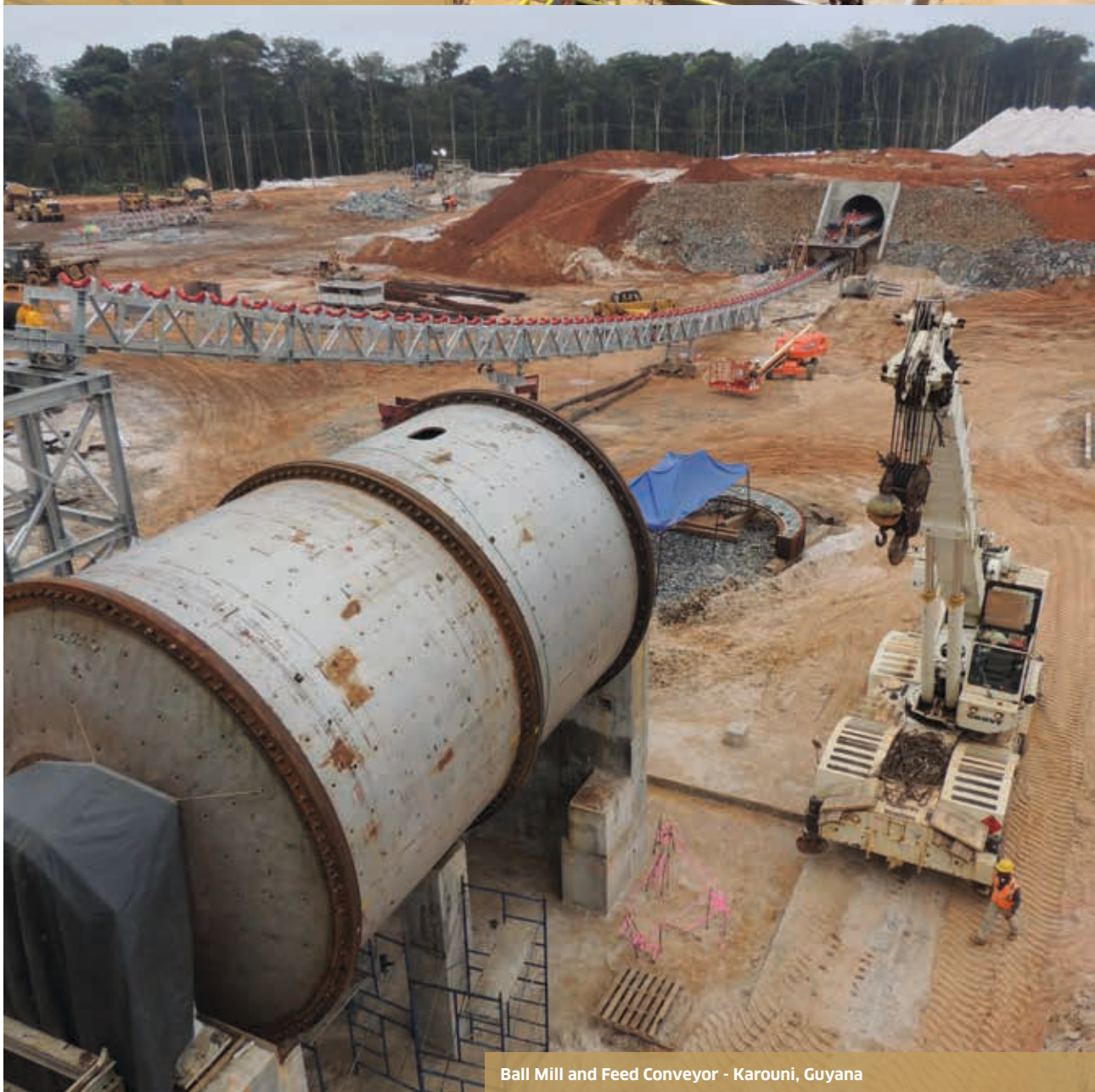
The Company's medical facility continues to provide assistance to local miners and others, including arrangements for Medivacs as required utilising the Company constructed airfield which is rated for night use.

THE COMPANY HAS A STRONG COMMITMENT TO SAFETY AND THE ENVIRONMENT

PROJECT
DEVELOPMENT



Thickener - Karouni, Guyana



Ball Mill and Feed Conveyor - Karouni, Guyana

Exploration



Geological Mapping Whitehall Target

GUYANA, KAROUNI

Troy 100% through Troy Resources Guyana Inc

Troy's acquisition of the Karouni Project was motivated by the immediate potential to develop a high grade open cut mine at Smarts and growth potential over the longer term through exploration of the brownfields potential of the tenement package. With the Karouni acquisition Troy has secured a "camp scale" brownfields exploration opportunity with over 30km of strike length of virtually unexplored ground along a major regional structure.

The Karouni Project hosts a multitude of brownfields targets. The drilling of these targets was deferred until FY2016 to allow the crews to focus on the Resource drilling. To date, 89% of the drilling (308 holes for 46,546m) was focused on Resource and Reserve definition drilling within the geological wireframes at the Smarts and Hicks Deposits at an estimated cost of about A\$14 million.

During FY2015 Company geologists, in parallel with infill drilling, have completed an extensive drillcore re-logging program of the Smarts and Hicks Deposits. This effort included the detailed re-examination of 157 holes/19,487m of drillcore coupled with geochemical and structural studies that resulted in a new understanding and geological/mineralisation model for the Smarts and Hicks Deposits.

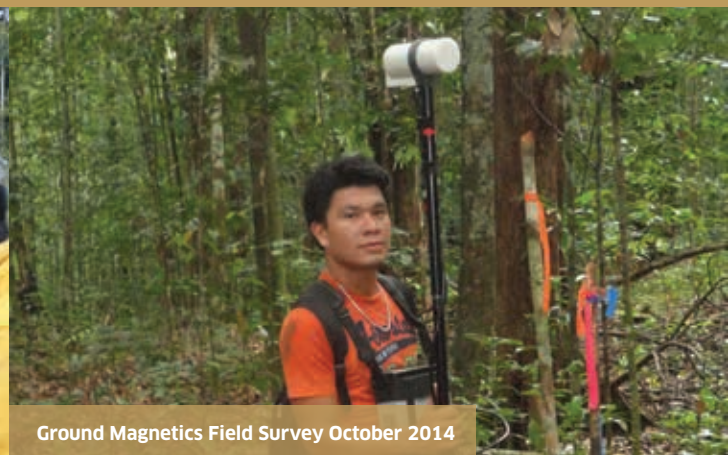
In preparation for the start of the brownfields exploration drilling, a series of structural, geological, geochemical and geophysical targeting criteria have been developed from our new understanding and modelling of the Smart and Hicks Deposits.

Most of the Karouni tenements are overlain by surficial cover consisting of windblown sand and clay with very limited bedrock exposures. In the past, separating the overlying transported clays from clays derived from weathering of bedrock has been problematic, but with the pXRF data we can now discriminate between in situ and transported clays which allows us to determine the effectiveness of all auger/drill sampling over a given target area. By separating this data we can clearly define anomalies which are more derived from in situ material and better plan follow-up drilling.

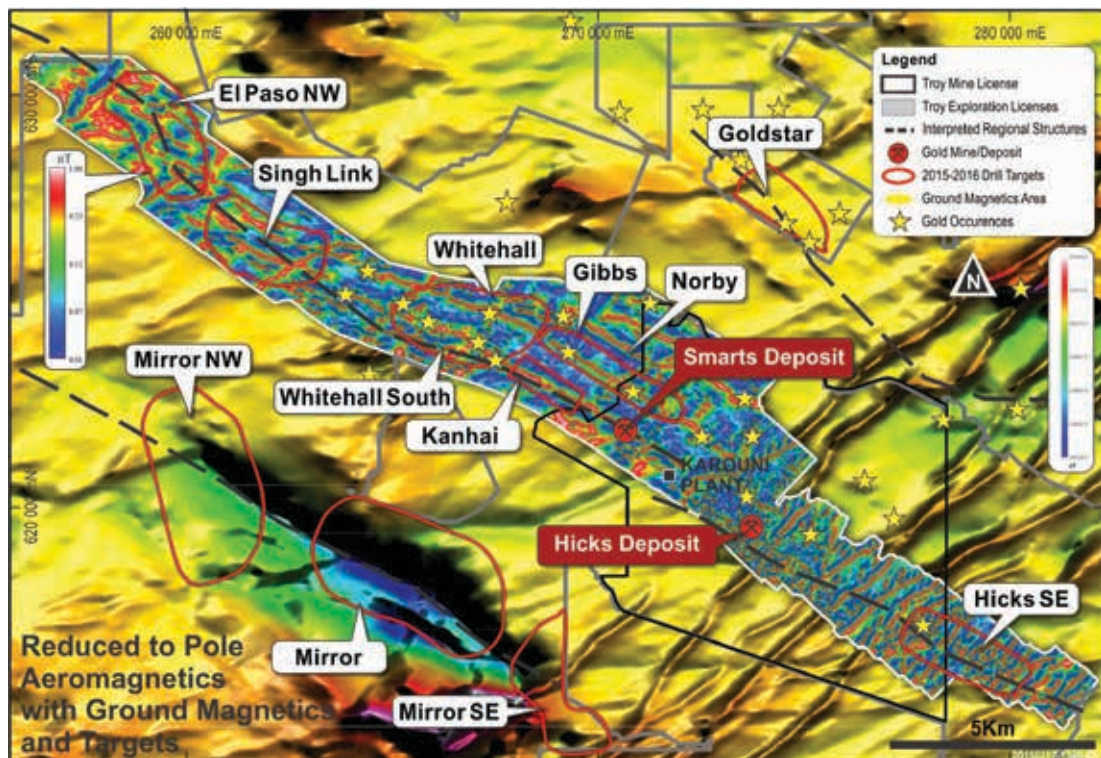
The budget for FY2016 for Karouni brownfields exploration is A\$12 million. This program is designed to maximize the use of cheaper AirCore drilling to complete "first pass" drilling over as many of our highest rank targets as possible along the highly prospective Smarts - Hicks Structural Corridor. This "first pass" program of wide-spaced reconnaissance AirCore drilling will target areas with strike lengths ranging from 2km - 4km, similar to most "first pass" exploration programs in covered area terrains in Western Australian. Gold target style and exploration methodology follow well established exploration protocols used in Australia and West Africa.



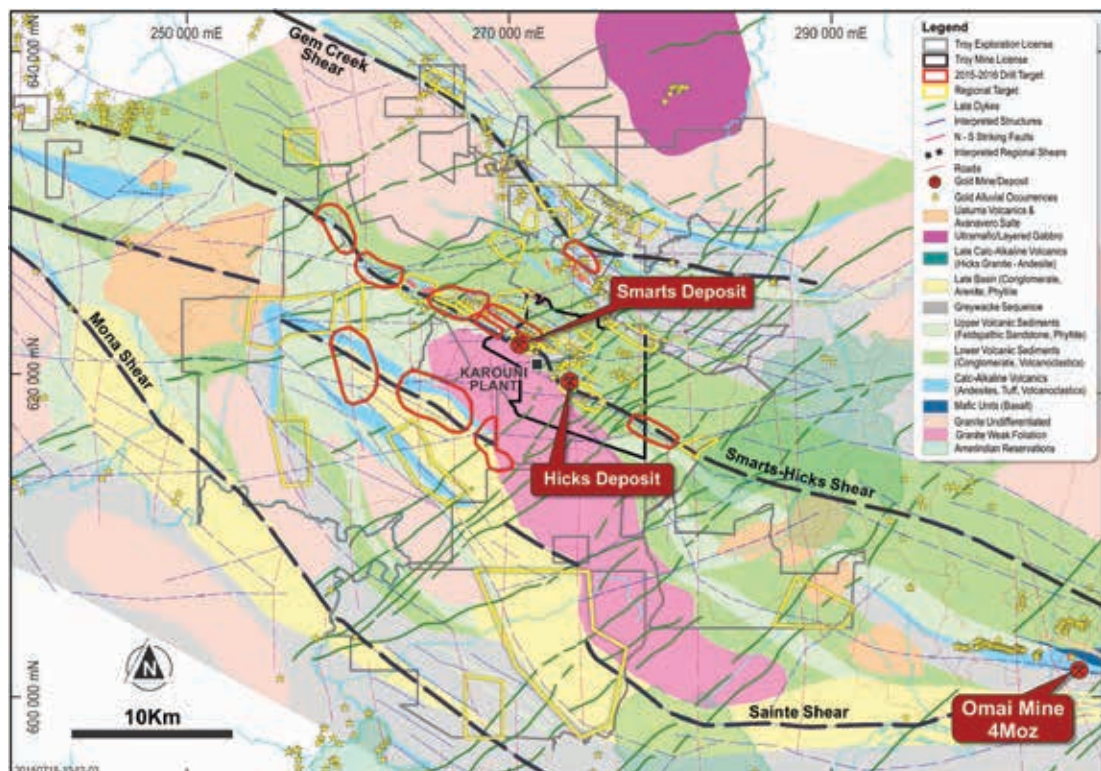
Linecutting Crew - Geophysical Survey Grid



Ground Magnetics Field Survey October 2014



Karouni Ground Magnetics Survey and Brownfields Targets on Airborne Magnetics



Karouni Geology, Key Structural Corridors, Gold Occurrences and Targets

Ground magnetic surveys have now been completed along 30km of the prospective Smart - Hicks Shear Corridor. The survey comprised of 645 line kilometres on 100m line spacing focussed along the strike of the main shear which hosts the Smarts and Hicks Deposits and secondary shear which hosts the Larken Resource.

This new detailed magnetic data has clearly defined the key structures under the sand cover. The FY2016 exploration program will also include expansion of the ground magnetics coverage over the Gem Creek Corridor to the northeast and the Mirror Target Corridor to the southwest

A total of 25,678 drill and auger samples have been analysed using Portable Multi-element pXRF to date to characterize the known mineralisation and identify similar patterns in the existing historical Brownfields data. Two pXRF machines are in operation on site with an additional 65,000 pulps prepared for analysis.

Detailed interpretation of the magnetics and geological field mapping combined with Multi-Element pXRF geochemistry data collected from earlier soil auger sampling and wide-spaced regional AirCore/Reverse Circulation drilling are the key elements in drill targeting. Auger sampling, validated by the pXRF, will target newly identified areas with the potential for shallow cover in parallel with the drilling program.

The AirCore reconnaissance drilling is planned to test the most prospective structural positions interpreted within the right host rocks with supporting Multi-Element geochemical signatures. Structural intersections of the NW striking shear zone with NS striking and EW striking structures have been identified as key components to the mineralisation at Smarts and Hicks and will be targeted in initial drilling.

To date, over 1,000 drillhole collars have been planned for the highest ranked target areas. Development of access tracks and drill pads is now underway. Major Drilling has been contracted for the first phase of the program that comprises of 20,000m of AirCore drilling. Rig mobilization and commencement of the AirCore drilling are scheduled for the September quarter.

A target ranking exercise was completed and the key initial drill target areas have been identified. Targets were generated on recent structural interpretations, Multi-element pXRF geochemistry and geological mapping.

Target development is ongoing and a series of target milestone criteria have been established to better assess and rank targets throughout the program.

ARGENTINA, CASPOSO

Troy 100% through Troy Resources Argentina Ltd

During the FY2015 exploration drilling was focussed on Resource extension within the underground mine utilising the Company's LM75 rig. This drilling was completed to assist with mine planning and scheduling with target priorities established by the Technical Services Group at the mine. All holes targeted the gaps and periphery of the Underground Reserve including Inca 1 Vein, Inca 2 Vein and Aztec Vein.

During the year, day to day supervision of the underground exploration drilling was transitioned to the Technical Services Group at the mine and in keeping with cost reduction initiatives, the Casposo exploration program was shut down and the staff was retrenched.

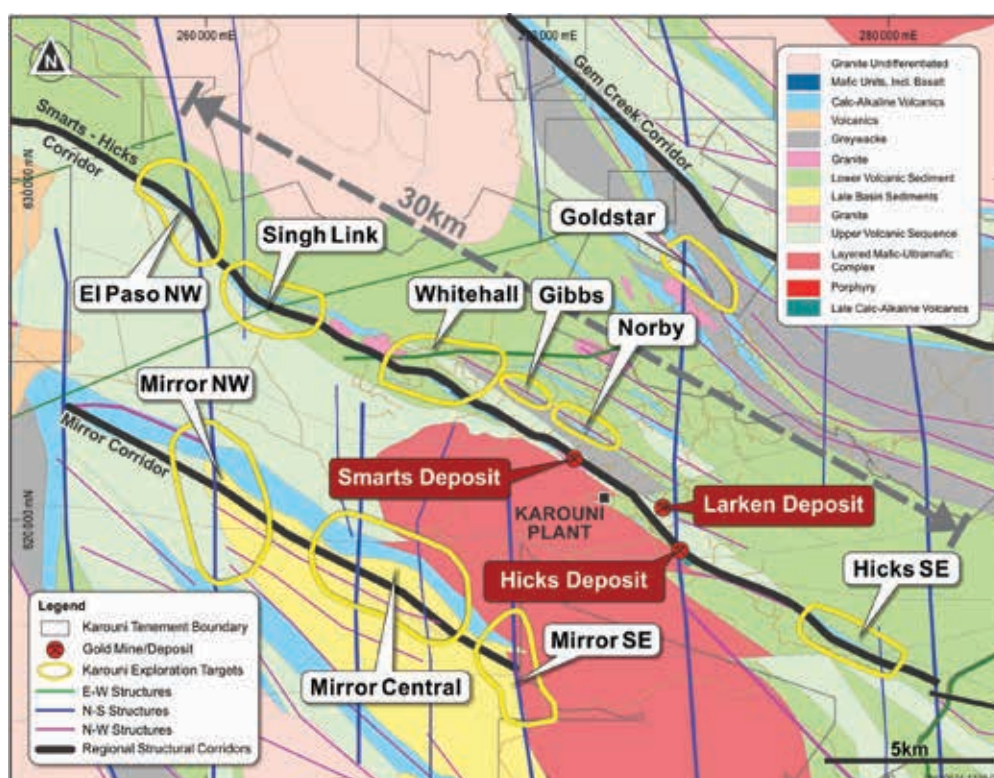
EXPLORATION



Underground Drilling Operations INCA 1 Zone - Casposo, Argentina

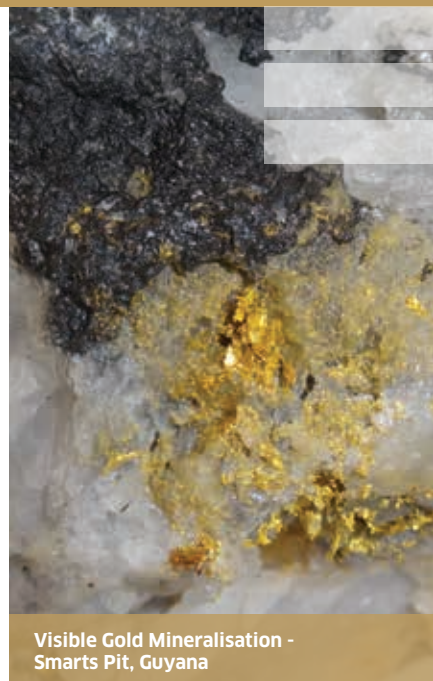


Rig Mobilisation - Karouni, Guyana



Karouni Geology and Brownfields Targets

Mineral Reserves & Resources



Visible Gold Mineralisation -
Smarts Pit, Guyana

GOLD & SILVER AS OF 30 JUNE 2015

TABLE 1: RESOURCE AND RESERVE SUMMARY

Category	Tonnes (t)	Grade (g/t)	Ounces (oz)
Gold Mineral Reserves			
Proved	1,946,000	4.4	275,100
Probable	1,348,000	2.8	110,900
TOTAL	3,294,000	3.7	386,000
Silver Mineral Reserves			
Proved	172,000	79.7	440,700
Probable	468,000	410.6	6,177,700
TOTAL	640,000	321.6	6,618,400
Gold Mineral Resources (Inclusive of Mineral Reserves)			
Measured	2,413,000	4.7	362,500
Indicated	5,557,000	2.6	459,800
Measured & Indicated	7,970,000	3.2	822,300
Inferred	6,929,000	2.5	552,000
Silver Mineral Resources (Inclusive of Mineral Reserves)			
Measured	172,000	79.7	440,700
Indicated	1,091,000	320.7	11,249,000
Measured & Indicated	1,263,000	287.9	11,689,700
Inferred	729,000	49.4	1,152,900
Gold Equivalent Mineral Reserves			
Proved	1,946,000	4.5	280,400
Probable	1,348,000	4.3	184,600
TOTAL	3,294,000	4.4	465,000
Gold Equivalent Mineral Resources (Inclusive of Mineral Reserves)			
Measured	2,413,000	7.7	367,800
Indicated	5,557,000	5.1	594,100
Measured & Indicated	7,970,000	5.9	961,900
Inferred	6,929,000	1.8	565,800



Initial Mining - Hicks Pit Stage 3, Guyana

TABLE 2: GOLD AND SILVER MINERAL RESERVES

Gold Mineral Reserves						
Country	Project	Deposit	Category	Tonnes (t)	Gold Grade (Au g/t)	Gold Ounces (Au oz)
Argentina	Casposo	Kamila underground	Probable	468,000	3.4	51,800
		Kamila stocks	Proven	172,000	1.7	9,200
Brazil	Andorinhas	Stockpiles	Proven	36,000	1.4	1,600
Guyana	Karouni	Smarts pit	Proven	1,738,000	4.7	264,300
		Smarts pit	Probable	40,000	3.4	4,400
		Hicks pit	Probable	840,000	2.0	54,700
			Total Proven	1,946,000	4.4	275,100
			Total Probable	1,348,000	2.8	110,900
Total Mineral Reserves Gold				3,294,000	3.7	386,000

Silver Mineral Reserves						
Country	Project	Deposit	Category	Tonnes (t)	Silver Grade (Ag g/t)	Silver Ounces (oz Ag)
Argentina	Casposo	Kamila underground	Probable	468,000	410.6	6,177,700
		Kamila stocks	Proven	172,000	79.7	440,700
		Total Proven		172,000	79.7	440,700
		Total Probable		468,000	410.6	6,177,700
		Total Mineral Reserves Silver		640,000	321.6	6,618,400

Casposo Gold Equivalent Mineral Reserves						
Country	Project	Deposit	Category	Tonnes (t)	Gold Equivalent Grade (Au_Eq g/t)	Gold Equivalent Ounces (Au_Eq oz)
Argentina	Casposo	Kamila underground	Probable	468,000	8.3	125,500
		Kamila stocks	Proven	172,000	2.6	14,500
		Total Proven		172,000	2.6	14,500
		Total Probable		468,000	8.3	125,500
		Casposo Mineral Reserves		640,000	6.8	140,000

Rounding errors may occur



Elution Circuit and Gold Room - Karouni, Guyana

MINERAL RESERVES & RESOURCES

TABLE 3: GOLD AND SILVER MINERAL RESOURCES (INCLUSIVE OF MINERAL RESERVES)

Gold Mineral Resources (Inclusive of Mineral Reserves)							
Country	Project	Deposit	Category	Tonnes (t)	Gold Grade (Au g/t)	Gold Ounces (Au oz)	
Argentina	Casposo	Kamila	Measured	172,000	1.7	9,200	
			Indicated	1,091,000	3.1	107,000	
		Julieta	Inferred	292,000	5.4	50,800	
			Inferred	437,000	4.0	56,200	
Brazil	Andorinhas	Lagoa Seca stockpiles	Measured	36,000	1.4	1,600	
		Lagoa Seca West	Indicated	577,000	2.2	40,400	
			Inferred	171,000	1.3	7,000	
		Marchino	Inferred	79,000	2.3	5,900	
		Luiza	Inferred	258,000	2.5	20,700	
Guyana	Karouni	Smarts	Measured	2,205,000	5.0	351,700	
			Indicated	971,000	3.6	113,700	
			Inferred	2,268,000	2.5	185,000	
		Hicks	Indicated	2,918,000	2.1	198,700	
			Inferred	3,172,000	1.9	196,400	
		Larken	Inferred	252,000	3.7	30,000	
Total Mineral Resources Gold			Measured	2,413,000	4.7	362,500	
			Indicated	5,557,000	2.6	459,800	
			Inferred	6,929,000	2.5	552,000	

Silver Mineral Resources (Inclusive of Mineral Reserves)						
Country	Project	Deposit	Category	Tonnes (t)	Silver Grade (Ag g/t)	Silver Ounces (Ag oz)
Argentina	Casposo	Kamila Underground	Measured	172,000	79.7	440,700
			Indicated	1,091,000	320.7	11,249,000
		Julieta	Inferred	292,000	89.0	835,300
			Inferred	437,000	23.0	317,600
Total Mineral Resources Silver			Measured	172,000	79.7	440,700
			Indicated	1,091,000	320.7	11,249,000
			Inferred	729,000	49.4	1,152,900

Casposo Gold Equivalent Mineral Resources						
Country	Project	Deposit	Category	Tonnes (t)	Gold Equivalent Grade (Au_Eq g/t)	Gold Equivalent Ounces (Au_Eq oz)
Argentina	Casposo	Kamila	Measured	172,000	2.6	14,500
			Indicated	1,091,000	6.9	241,300
			Inferred	292,000	6.5	60,800
		Julieta	Inferred	437,000	4.3	60,100
Casposo Gold Equivalent Mineral Resources			Measured	172,000	2.6	14,500
			Indicated	1,091,000	6.9	241,300
			Inferred	729,000	5.2	120,900

TABLE 4: COMPARISON WITH 2015/2014 YEAR RESOURCE AND RESERVE SUMMARY

Category	30 June 2015			30 June 2014			Ounces Variation	Comments
	Tonnes (t)	Grade (g/t)	Ounces (oz)	Tonnes (t)	Grade (g/t)	Ounces (oz)		
Gold Mineral Reserves								
Argentina								
Proved	172,000	1.7	9,200	464,000	2.4	35,700	-26,500	Low grade stocks processed Re-estimation of resources and reserves and mining depletion
Probable	468,000	3.4	51,800	729,000	5.1	119,700	-67,900	
Brazil								
Proved	36,000	1.4	1,600	52,000	1.4	2,300	-700	Stock processed
Probable	0	0.0	0	156,000	5.4	27,300	-27,300	Mining completed
Guyana								
Proved	1,738,000	4.7	264,300	1,738,000	4.7	264,300	0	No change to resources or reserves
Probable	880,000	2.1	59,100	880,000	2.1	59,100	0	
Total Gold Reserves	3,294,000	3.6	386,000	4,019,000	3.9	508,400	-122,400	
Silver Mineral Reserves								
Argentina								
Proved	172,000	79.7	440,700	464,000	60.3	900,200	-459,500	Low grade stocks processed Re-estimation of resources and reserves and mining depletion
Probable	468,000	410.6	6,177,700	729,000	436.5	10,229,800	-4,052,100	
Total Silver Reserves	640,000	321.6	6,618,400	1,193,000	290.2	11,130,000	-4,511,600	
Gold Mineral Resources								
Argentina								
Measured	172,000	1.7	9,200	635,000	3.1	63,100	-53,900	Re-estimation of resources and reserves and mining depletion
Indicated	1,091,000	3.1	107,000	1,146,000	4.3	158,600	-51,600	Re-estimation of resources and reserves and mining depletion
Measured & Indicated	1,263,000	2.9	116,200	1,781,000	3.9	221,700	-105,500	Additional B and Inca Vein included
Inferred	729,000	4.6	107,000	677,000	3.6	77,700	29,300	
Brazil								
Measured	36,000	1.4	1,600	52,000	1.4	2,300	-700	Mining depletion
Indicated	577,000	2.2	40,400	906,000	3.7	108,100	-67,700	Mining depletion
Measured & Indicated	613,000	2.1	42,000	958,000	3.6	110,400	-68,400	Mining depletion
Inferred	508,000	2.1	33,600	596,000	2.5	48,200	-14,600	
Guyana								
Measured	2,205,000	5.0	351,700	2,205,000	5.0	351,700	0	No change to resources or reserves
Indicated	3,889,000	2.5	312,400	3,889,000	2.5	312,400	0	
Measured & Indicated	6,094,000	3.4	664,100	6,094,000	3.4	664,100	0	
Inferred	5,692,000	2.2	411,400	5,692,000	2.2	411,400	0	
Silver Mineral Resources								
Argentina								
Measured	172,000	79.7	440,700	635,000	239.0	4,880,400	-4,439,700	Low grade stocks processed
Indicated	1,091,000	320.7	11,249,000	1,146,000	247.0	9,099,200	2,149,800	Re-estimation of resources and reserves and mining depletion
Measured & Indicated	1,263,000	287.9	11,689,700	1,781,000	244.1	13,979,600	-2,289,900	Mining depletion
Inferred	729,000	49.4	1,152,900	677,000	120.3	2,613,100	-1,460,200	
Total Gold Equivalent Mineral Reserves								
Proved	1,946,000	1.4	280,400	2,254,000	1.4	314,600	-34,200	
Probable	1,348,000	4.3	184,600	1,765,000	6.1	346,000	-161,400	
Total	3,294,000	4.4	465,000	4,019,000	5.1	660,600	-195,600	
Total Gold Equivalent Mineral Resources								
Measured	2,413,000	4.7	367,800	2,892,000	5.2	483,800	-116,000	
Indicated	5,557,000	3.3	594,100	5,941,000	3.7	703,500	-109,400	
Measured & Indicated	7,970,000	3.8	961,900	8,833,000	4.2	1,187,000	-225,100	
Inferred	6,929,000	2.5	565,800	6,965,000	2.6	573,000	-7,200	

Mineral Reserves & Resources Iron Ore as of 30 June 2015

TABLE 5A: MINERAL RESERVES – IRON ORE

Deposit	Reporting Cut-Off (% Fe)	Tonnes	Fe %	Al ₂ O ₃ %	SiO ₂	P %	LOI
Brazil							
Andorinhas – Abacaxi							
Probable	No cut-off	2,118,000	63.1	4.7	2.7	0.048	1.4
Andorinhas – Estrela							
Probable	No cut-off	692,000	64.9	1.9	4.8	0.023	1.0
Total		2,810,000	63.6	3.9	3.2	0.042	1.3

MINERAL RESERVES
& RESOURCES

TABLE 5B: MINERAL RESOURCES – IRON ORE (INCLUSIVE OF MINERAL RESERVES)

Deposit	Reporting Cut-Off (% Fe)	Tonnes	Fe %	Al ₂ O ₃ %	SiO ₂	P %	LOI
Brazil							
Andorinhas – Abacaxi							
Indicated	No cut-off	4,898,200	50.7	8.5	7.7	0.065	4.1
Andorinhas – Estrela							
Indicated	No cut-off	1,593,900	51.2	6.0	8.1	0.04	2.8
Total		6,495,000	50.8	7.9	7.8	0.06	3.8

Notes to Tables 1, 2, 3, 4 & 5:

- Cut-off grades for reporting Mineral Resources are applied as follows:
 - Argentina: Casposo Underground – 2.0g/t Au_Eq
 - Brazil: Lagoa Seca West – 0.8g/t Au
 - Brazil: Luiza – 0.8g/t Au
 - Brazil: Marcinho – 0.8g/t Au
 - Guyana: Smarts, Hicks, Larken – 1.0g/t Au
- Cut-off grades for reporting Ore Reserves are applied as follows:
 - Argentina: Casposo Underground – 5.7g/t Au_Eq
 - Guyana: Smarts, Hicks pit – 1.4g/t
- Casposo Mineral Reserves have been estimated using a gold price of US\$1172/oz and silver price of US\$15.74/oz.
- Karouni Mineral Reserves have been estimated using a gold price of US\$1300/oz
- Gold equivalency at Casposo for Mineral Resources and Mineral Reserves has been calculated by the formula $Au_{Eq} = Au\ g/t + (Ag\ g/t \div 83.77)$. The silver: gold ratio of 83.77 has been determined using metal prices of US\$1,174/oz for gold and US\$15.74/oz for silver and processing recoveries of 90% for gold and 80% for silver.
- Mineral Resources are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
- Mineral Resources and Reserves for the Karouni Project and Casposo Mine are estimated in accordance with JORC (2012). The information is extracted from the announcement entitled 'Mineral Resources and Ore Reserves Update' released on 31 August 2015 and available to view on the Company's website. The Company is not aware of any new information or data that materially affects the information in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the 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 have not been materially modified from the original market announcement.
- The information that relates to Mineral Resources or Ore Reserves for the Andorinhas project was prepared and first disclosed under JORC 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.
- The Mineral Resources and Reserves for the Andorinhas Iron Ore Project are estimated in accordance with JORC (2004). The information is extracted from the announcement entitled 'Initial Mineral Resource and Reserve for the Andorinhas Iron Ore Project' released on 9 September 2008 and available to view on the Company's website. The Company is not aware of any new information or data that materially affects the information in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the 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 have not been materially modified from the original market announcement.

Governance and Internal Controls Statement

Troy maintains strong governance and internal controls in respect of its estimates of mineral resources and ore reserves and the estimation process. Site based and corporate personnel liaise to ensure data, estimation and mine design processes are to an adequate standard. Internal controls include peer review of geological interpretation and estimation processes to ensure they adequately represent the mineralisation.

Troy ensures that sampling techniques, data collection and collation is at industry standard levels. QA/QC controls are used routinely, including addition of standards, blanks and duplicates. Assaying is done at external, accredited laboratories in Argentina and Guyana. Estimation techniques are industry standard and reported under JORC 2012. Ore Reserve estimation is carried out by external consultants working with internal personnel. More detailed information regarding the exploration, sampling, mineral resource and ore reserve estimation process can be found in the ASX announcement titled 'Mineral Resources and Ore Reserves Update' dated 31 August 2015.

TROY RESOURCES LTD
ANNUAL REPORT 2015



Mine Site Overview September 2015 - Karouni, Guyana

Corporate Governance Statement

The Company's 2015 Corporate Governance Statement has been released as a separate document and is located in the Corporate Governance section on the Troy website (www.troyres.com.au).

Shareholder Statistics

AS AT 30 SEPTEMBER 2015

- 290,096,411 fully paid ordinary shares held by 8,600 shareholders.
- 470,000 employee options over ordinary shares held by 10 option holders.
- 12,000 performance shares held by three employees.
- 1,679,000 share appreciation rights held by 22 employees.
- 10,000,000 options held by Investec Bank PLC.

DISTRIBUTION OF SHAREHOLDERS

	Fully Paid Ordinary	Employee Options
1-1,000	2,389	-
1,001-5,000	2,855	-
5,001-10,000	1,174	-
10,001-100,000	1,921	9
100,001 and over	261	1
	8,600	10
Holding less than a marketable parcel	3,081	N/A

SUBSTANTIAL SHAREHOLDERS

Ordinary Shareholder	Number of Securities	Person's Votes	Voting Power %
Westoz Funds Management Pty Ltd	21,206,500	21,206,500	7.31%
Renaissance Smaller Companies Pty Ltd	18,321,549	18,321,549	6.32%

TWENTY LARGEST SHAREHOLDERS

Rank	Name	Units	% of Units
1.	HSBC Custody Nominees (Australia) Limited	32,467,521	11.19
2.	National Nominees Limited	30,773,228	10.61
3.	J P Morgan Nominees Australia Limited	26,208,545	9.03
4.	Zero Nominees Pty Ltd	20,702,738	7.14
5.	Citicorp Nominees Pty Limited	13,785,634	4.75
6.	Warrigal Pty Ltd	6,156,800	2.12
7.	RBC Investor Services Australia Nominees Pty Limited <PISELECT>	2,454,275	0.85
8.	Goornong Gees Mining Limited	2,173,598	0.75
9.	Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	2,151,132	0.74
10.	UOB Kay Hian (Hong Kong) Limited <Clients A/C>	1,864,000	0.64
11.	Bell Potter Nominees Ltd <BB Nominees A/C>	1,760,000	0.61
12.	Greatcity Corporation Pty Ltd <Richard Monti A/C>	1,712,326	0.59
13.	Buratu Pty Ltd <Connolly Super Fund A/C>	1,568,701	0.54
14.	UBS Wealth Management Australia Nominees Pty Ltd	1,461,521	0.50
15.	Chester Nominees WA Pty Ltd <M W Wilson Super Fund A/C>	1,337,500	0.46
16.	Yarraandoo Pty Ltd <Yarraandoo Super Fund A/C>	1,250,000	0.43
17.	Gecko Resources Pty Ltd	1,200,000	0.41
18.	Equity Trustees Limited <Lowell Resources Fund A/C>	1,171,785	0.40
19.	BNP Paribas Noms Pty Ltd <DRP>	1,150,314	0.40
20.	Mr Peter Macskasy Barnes <Barter Investment A/C>	1,080,000	0.37
Total: Top 20 holders of ordinary fully paid shares		152,429,618	52.54
Total: Remaining holders balance		137,666,793	47.46

SHAREHOLDER
STATISTICS



Mine Employees at Camp - Karouni, Guyana



Medical Centre and Site Administration at Mine Camp - Karouni, Guyana





ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2015

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Directors' Report

The Directors of Troy Resources Limited ("Company" or "Troy" or "Group") present their annual financial report for the financial year ended 30 June 2015. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

DIRECTORS

The names and particulars of the Directors of the Company in office during or since the end of the financial year are:

Mr Fred S Grimwade, Independent Non-Executive Director, Acting Chairman, Chairman of the Audit Committee and Member of the Nomination and Remuneration Committee B. Com, LLB (Hons), MBA (Columbia), FAICD, SF Fin, FCIS (aged 57) - appointed 25 November 2010, appointed Acting Chairman on 14 July 2015.

Mr Grimwade is a Principal and Executive Director of Fawkner Capital, a specialist corporate advisory and investment firm. He has been a Director of AWB Limited and has held general management positions at Colonial Agricultural Company, the Colonial Group, Western Mining Corporation and Goldman, Sachs & Co. He has a broad range of experience in strategic management, mining, finance, corporate governance and law.

Mr Grimwade's directorships of other listed companies held in the three years immediately before the end of the financial year are as follows:

Position	Company	Period of Directorship
Non-Executive Director	Select Harvests Limited	Since July 2010
Non-Executive Chairman	CPT Global Limited	Since October 2002
Non-Executive Director	XRF Scientific Limited	Since May 2012
Non-Executive Director	Australian United Investment Company Limited	Since March 2014
Non-Executive Director	Newsat Limited	Since August 2014

Mr David R Dix, Independent Non-Executive Director, Member of the Nomination and Remuneration Committee B.Ec, LLB, Grad Dip (Tax Law) (aged 61) - appointed 28 January 2010 and as Chairman on 25 November 2010.

Mr Dix's background is in economics, law and taxation and he is a Barrister and Solicitor in the High Court of Australia. He has held various positions with Shell Australia Limited and worked for 16 years in Corporate Advisory at both Macquarie Bank Limited and UBS AG specialising in the mining industry, including Head of Resources for Asia Pacific and in London as Head of Mining.

Mr Dix has been granted a leave of absence from his Board and Committee duties for medical reasons until the end of December 2015.

Mr Grimwade has assumed the role of Acting Chairman during Mr Dix's period of absence and Mr Jones has assumed the role of Acting Chairman of the Remuneration Committee.

Mr Dix is also a non-executive director of Aquarius Platinum Limited since March 2004.

Mr Martin D Purvis, Chief Executive Officer and Managing Director B.Eng in Mining, GAICD (aged 54) - appointed Chief Executive Officer and Managing Director on 1 September 2014.

Mr Purvis is a mining engineer with over 30 years' experience in the resource sector. His career started in the deep-level gold mines of South Africa and since that time he has worked in a wide range of corporate and operational roles at Executive and Board level. He has worked in a number of multi-national mining houses in a broad range of commodities and been the CEO of both listed and private companies in Australia and Singapore.

Mr Ken K Nilsson, Executive Director of Project Development - B.Eng, Cert of Eng (aged 75) - appointed 8 May 1998.

Mr Nilsson joined Troy in 1997 and is currently Executive Director of Project Development. Mr Nilsson is a mining engineer with over 35 years international mine construction and production experience covering gold, base metals and coal. He has been responsible for the development of Troy's Western Australian operations at Sandstone, construction of the Sertão Mine in Goiás state, Brazil, led the team responsible for relocating the Sertão plant and development of the Andorinhas Mine in Pará state, Brazil, managed the development and construction of Troy's Casposo operation in Argentina and most recently has been responsible for development of the Karouni project in Guyana.

DIRECTORS' REPORT

Mr John L C Jones, Non-Executive Director, Acting Chairman of the Nomination and Remuneration Committee and Member of the Audit Committee AusIMM, AICD (aged 71) - appointed 27 July 1988.

Mr Jones has over 40 years' experience as a director of public companies. Past roles include as founder and Chairman of Jones Mining Ltd and Chairman of North Kalgurli Mines NL. He is a director of private company Hampton Transport Services Pty Ltd, a service company to the mining industry in Australia.

Mr Jones' directorships of other listed companies held in the three years immediately before the end of the financial year are as follows:

Position	Company	Period of Directorship
Non-Executive Chairman	Anglo Australian Resources NL	Since February 1990
Founder and Chairman	Altan Rio Minerals Limited	Since November 2007
Founder and Chairman	Altan Nevada Minerals Limited	Since May 2010
Chairman	Argentina Mining Limited	Since June 2014
Non-Executive Chairman	Image Resources Limited	Since June 2014

Mr Richard Monti, Non-Executive Director, Member of the Nomination and Remuneration Committee and the Audit Committee B.Sc (Hons), Grad Dip Applied Finance and Investment, MAusIMM (aged 51) - appointed 29 August 2013.

Mr Monti has gained broad experience over a 26 year career working in the technical, commercial, marketing and financial fields of the international exploration and mining industry. In 2004 he founded Ventnor Capital Pty Ltd, a boutique consultancy firm which provides corporate advisory and investment banking services to junior and mid-cap listed resources companies. Mr Monti left Ventnor Capital in 2010 primarily to spend more time at Azimuth Resources Limited which was subsequently taken over by Troy.

Mr Monti's directorships of other listed companies held in the three years immediately before the end of the financial year are as follows:

Position	Company	Formerly	Period of Directorship
Non-Executive Director	Potash Minerals Limited	Transit Holdings Limited	Since December 2006
Non-Executive Chairman	Pacifico Minerals Limited	Jaguar Minerals Limited	Since October 2009
Non-Executive Director	Poseidon Nickel Limited	-	April 2007 to September 2013
Non-Executive Director	Azimuth Resources Limited	-	November 2008 to July 2013
Non-Executive Director	Triton Minerals Limited	Triton Gold Limited	August 2011 to September 2012

Mr Paul Benson, Chief Executive Officer and Managing Director B.Sc in Geology, B.Eng in Mining, M.Sc in Management (London Business School) (aged 52) – Chief Executive Officer since 3 October 2007 and reappointed Managing Director on 13 September 2010. Previously a Director between 3 October 2007 and 27 November 2009, resigned 31 July 2014.

Mr T Sean Harvey, Non-Executive Director, Member of the Audit Committee B.A (Hons), M.A, LLB, MBA (aged 56) – appointed 29 August 2013 and resigned 20 April 2015.

Mr C Robin W Parish, Non-Executive Director, Member of the Audit Committee BA Hons. and MA from Oxford University (aged 65) – appointed 27 November 2009 and resigned on 24 April 2015.

COMPANY SECRETARIES

Ms Stacey Apostolou, Company Secretary, B.Bus, CPA (aged 49).

Ms Apostolou was appointed as Company Secretary on 5 February 2013. Ms Apostolou is a finance executive with significant experience acting as Company Secretary and corporate Executive/Director for a number of ASX listed mining companies over the past 25 years. Ms Apostolou has been responsible for the corporate, treasury, finance, accounting and administration functions for these companies.

Mr David R Sadgrove, Chief Financial Officer, B.Com Acc. & Fin. (UWA), ACA (Aust.) (aged 47).

Mr Sadgrove was appointed Company Secretary on 1 October 2008 and Chief Financial Officer in November 2008. He gained his Chartered accountant qualifications whilst employed with Ernst & Young (Australia, audit division) and has over 20 years' experience in accounting and financial management of listed multinational corporations both within Australia and the United Kingdom.

DIRECTORS' SHAREHOLDINGS

The following table sets out each Director's relevant interest in shares and share appreciation rights in the Company as at the date of this report:

Directors	Troy Resources Limited	
	Fully paid shares Number	Share Appreciation Rights Number
Mr D Dix	1,114,013	-
Mr M Purvis	187,500	240,000
Mr F Grimwade	262,000	-
Mr J Jones	10,731,024	-
Mr R Monti	1,712,326	-
Mr K Nilsson	582,694	620,000

CORPORATE INFORMATION

Troy is a limited liability public company which was incorporated in Victoria in 1984 and is domiciled in Australia with its registered office in Perth, Western Australia. The Company listed on the Australian Securities Exchange in 1987 and its ordinary shares trade under the code "TRY".

Additional Company information can be found in Note 33 to the Financial Statements.

Information on Subsidiaries and Group structure can be found in Note 28 to the Financial Statements.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were gold and silver production through its operations at Andorinhas in Brazil and Casposo in Argentina. During the year, Troy continued to develop the Karouni gold project (Karouni) in Guyana. Exploration activities, principally for gold, continued during the year concentrating primarily at Karouni.

REVIEW OF OPERATIONS

Financial Results

The Group's revenue from ordinary activities for the 2015 financial year excluding hedge gains of \$2.6 million (2014: \$Nil) totalled \$178.2 million (2014: \$178.0 million).

The Casposo gold and silver operation revenue increased during 2015 by 9% to \$145.7 million (2014: \$133.7 million) principally due to the significant increase in silver ounces sold and a depreciation in the Australian dollar.

With the Andorinhas operation coming to a close, revenues fell by 27% to \$32.5 million (2014: \$44.3 million).

Contributions to gross profit for the year from each of the operations was: Casposo \$9.9 million (2014: \$13.7 million) and Andorinhas \$0.5 million (2014: \$4.3 million).

Exploration expenditure totalled \$10.3 million (2014: 14.7 million), of which \$3.2 million was capitalised in relation to Karouni (2014: \$11.9 million Casposo). Net exploration expenditure expensed to the profit and loss totalled \$7.2 million (2014: \$2.8 million).

The \$100.0 million debt facility with Investec Bank Plc (Investec Facility) was fully drawn at 30 June 2015. Finance costs totalled \$9.5 million (2014: \$4.9 million) of which \$6.8 million (2014: \$1.9 million) was capitalised in relation to Karouni. Net finance costs expensed to the profit and loss totalled \$4.4 million (2014: 3.5 million) including hedge costs of \$1.7 million (2014: \$0.5 million).

During the year the Group recognised an impairment charge of \$97.9 million (pre-tax) in relation to Casposo. For further information refer to Note 11.

The net loss after tax for the financial year after impairment charges was \$100.4 million.

Operating Review

Troy's total production for the year was 78,001 ounces of gold and 3,111,182 ounces of silver or 121,835 gold equivalent ounces (2014: 93,947 gold ounces and 2,475,565 silver ounces or 132,939 gold equivalent ounces).

Casposo produced 55,859 ounces of gold (2014: 62,742) and 3,111,182 ounces of silver (2014: 2,475,565) for the year from the processing of 509,489 tonnes (2014: 519,661) of ore at an average gold grade of 3.73g/t (2014: 4.12g/t) and silver grade of 235.72g/t (2014: 191.73g/t).

Casposo cash costs on a co-product basis were US\$668 per gold equivalent ounce (2014: US\$735). Total gold equivalent ounces produced at Casposo were 99,963 (2014: 101,734). All-in sustaining costs (AISC) were US\$1,150 per gold equivalent ounce. This is the first year that Troy has reported AISC therefore comparatives for the 2014 year are not available.

Andorinhas produced 22,142 ounces of gold for the year (2014: 31,205 ounces) at an average cash cost of US\$889 per ounce (2014: US\$856). AISC were US\$1,137 per gold ounce.

Group sales for the year totalled 79,255 ounces of gold and 3,053,127 ounces of silver or 122,184 gold equivalent ounces (2014: 90,625 ounces of gold and 2,299,195 ounces of silver or 126,774 gold equivalent ounces).

Casposo doré in transit and being processed at the Canadian refinery at 30 June 2015 totalled 8,084 (2014: 10,317) gold equivalent ounces of which 5,451 had been forward sold.

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.

Financial Review

At 30 June 2015, the Group held cash and cash equivalents of \$60.6 million, of which \$0.2 million is held as restricted cash deposits for bank guarantees and unrepresented dividend cheques. Pursuant to the Investec Facility, the Company is required to maintain minimum liquidity of \$15 million.

Troy also held gold and silver bullion and doré ready for sale with a market value of \$8.3 million.

Cash increased by \$16.6 million over the year.

Investing activities consumed \$112.2 million, of which \$73.6 million related to the purchase of property plant and equipment for the construction of Karouni, \$2.1 million for mine development at Karouni and \$3.1 million capitalised for Karouni exploration. Casposo consumed \$31.5 million in relation to underground development and capital equipment, along with the final power payment of \$0.9 million. Andorinhas invested \$2.2 million in mine development. Troy received \$0.6 million in bank interest and \$0.6 million in relation to property, plant and equipment sales.

Financing activities generated \$87.3 million, comprising \$51.9 million from the proceeds of debt funding (net of costs and repayments) and \$35.4 million from equity issues (net of share issue costs).

Operating activities generated cash flows of \$41.5 million.

The loss before income tax of \$99.3 million is inclusive of non-cash expenses totalling \$136.4 million (gross impairment charges of \$97.9 million, \$38.3 million in depreciation, amortisation and rehabilitation costs and \$0.2 million in share based payments expense).

At year end, the Company had in place foreign currency hedge contracts for a total of \$6.5 million at an average AUD/USD of 0.769 for delivery between August and September. Commodity hedge contracts for delivery over a 12 month period totalled 80,500 oz of gold at an average US\$1,199/oz and 1,373,000 oz of silver at an average of US\$17.68/oz.

DIVIDENDS

No dividend has been declared for the financial year ended 30 June 2015.

CHANGES IN STATE OF AFFAIRS

The increasing complexity of the structure at Casposo, as the mine has transitioned from Inca 1 to Inca 2, has resulted in the grade distribution for both gold and silver in Inca 2 being more variable than that encountered in Inca 1. This complexity, combined with the increasing silver component of mineralisation at lower levels of the mine, as well as inflationary pressures, the commodity price outlook and the deteriorating silver to gold ratio, dictated the realignment of Casposo's book value with prevailing market valuations and as a result the Group recognised an impairment charge. For further information refer Note 11.

There were no other significant changes in the state of affairs of the Group other than those referred to in the financial statements and notes thereto.

SUBSEQUENT EVENTS

There has not been any matter or circumstance, except for those matters referred to in Note 29 to the financial statements or noted above, that have arisen since the end of the financial year, that has significantly affected or may significantly affect, the operations of the Group, the results of the operations, or the state of the affairs of the Group in the future financial years.

FUTURE DEVELOPMENTS

Troy is committed to pursuing growth through exploration, acquisition of new projects and/or corporate merger activity. Karouni is expected to commence first production in the December quarter of calendar year 2015, while Andorinhas is in the process of closure with rehabilitation work and remnant stockpile treatment underway. The overall aim is to see if Casposo can be operated on a sustainable basis around a smaller scale, silver rich enterprise with a significantly restructured cost base. The management at Casposo is currently engaged with the key stakeholders within this process in an effort to achieve the best possible outcome for all stakeholders.

SHARE ISSUES

During the year:

- 87,500,000 fully paid ordinary shares were issued pursuant to a share placement;
- 7,331,250 fully paid ordinary shares were issued pursuant to a share purchase plan;
- 168,704 fully paid ordinary shares were issued as a short term incentive in lieu of cash bonus to senior management; and
- 61,460 ordinary shares were issued on the conversion of unlisted options.

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OTHER EQUITY INSTRUMENTS

During the financial year:

- 61,460 unlisted options were exercised at a price of \$0.57;
- 110,000 options lapsed in accordance with their terms;
- 6,000 performance rights lapsed in accordance with their terms;
- 201,000 share appreciation rights lapsed or expired in accordance with their terms;
- 360,000 share appreciation rights were granted pursuant to the Troy Resources Limited Long Term Incentive Plan (LTIP); and
- 10,000,000 unlisted options with an exercise price of \$0.80 and expiry of 15 January 2018 were issued to Investec Bank Plc. as part consideration for the provision of their loan facilities. These options replaced 3,892,398 unlisted options that had been previously issued to Investec and were cancelled.

Details of share options, performance rights and share appreciation rights granted to Directors and Senior Management are included within the Remuneration Report.

There have been no grants of equity instruments under the LTIP since the end of the financial year.

At the date of this report, there are a total of 470,000 unissued shares in Troy under option to employees at issue prices ranging from \$4.17 to \$4.37, 12,000 performance rights over fully paid ordinary shares which remain subject to a hurdle price of \$5.50, and 1,679,000 share appreciation rights at issue prices of between \$0.88 and \$1.63 and subject to vesting hurdles.

No person or entity entitled to exercise any of these share options, performance rights and share appreciation rights had or have any rights by virtue of the options or rights to participate in any share issue of any related corporation. For further information refer to Note 24.

INDEMNIFICATION AND INSURANCE OF OFFICERS

During the financial year, the Company paid premiums in respect of insurance policies covering the Directors and Officers of the Company and its controlled entities. Details of the premium are subject to a confidentiality clause under the contract of insurance. The liabilities insured are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity as Officers of entities in the Group.

ENVIRONMENTAL REGULATIONS

The Group is committed to a high standard of environmental performance and during the year has not received any fines or prosecutions under any environmental laws or regulations. The Group did not incur any reportable environmental incidents during the year.

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MEETINGS OF DIRECTORS

The numbers of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2015, and the numbers of meetings attended by each Director were:

Director	Board Meetings		Audit Committee Meetings		Nomination & Remuneration Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended
Mr D Dix	18	15	-	-	5	4
Mr M Purvis ¹	14	14	-	-	-	-
Mr P Benson ²	1	1	-	-	-	-
Mr F Grimwade	18	18	4	4	-	-
Mr T Harvey ³	16	16	4	4	-	-
Mr J Jones	18	18	-	-	5	5
Mr R Monti	18	18	-	-	5	5
Mr K Nilsson	18	18	-	-	-	-
Mr C Parish ⁴	16	16	4	4	-	-

¹ Appointed 1 September 2014

² Resigned 31 July 2014

³ Resigned 20 April 2015

⁴ Resigned 24 April 2015

REMUNERATION REPORT (AUDITED)

A. Introduction

This report outlines the remuneration structure which is in place for Executive Directors, Non-Executive Directors and other Key Management Personnel of the Company.

For the purpose of this report, the term Executive includes the Managing Director, Executive Director - Project Development, Company Secretary, Vice President Exploration and Business Development, Chief Financial Officer and Chief Operating Officer.

Key Management Personnel during the year included:

NON-EXECUTIVE DIRECTORS

D Dix	Non-Executive Chairman (Mr Dix also performed the role of interim CEO following Mr Benson's resignation on 31 July 2014 until Mr Purvis's appointment on 1 September 2014)
F Grimwade	Non-Executive Director
J Jones	Non-Executive Director
R Monti	Non-Executive Director
T Harvey	Non-Executive Director (resigned 20 April 2015)
C Parish	Non-Executive Director (resigned 24 April 2015)

EXECUTIVES

M Purvis	Managing Director and CEO (appointed 1 September 2014)
K Nilsson	Executive Director - Project Development
P Benson	Managing Director and CEO (resigned 31 July 2014)
S Apostolou	Company Secretary
P Doyle	Vice President Exploration and Business Development
D Sadgrove	Chief Financial Officer
A Storrie	Chief Operating Officer

B. Remuneration Governance

The Board is responsible for ensuring that the Company's remuneration structures are aligned with the long term interests of the Company and its shareholders. Accordingly the Board has established a Nomination and Remuneration Committee (Remuneration Committee) which is responsible for determining and reviewing remuneration for Key Management Personnel.

Nomination and Remuneration Committee

The Remuneration Committee currently comprises Mr J Jones (Acting Committee Chairman), Mr F Grimwade and Mr R Monti, all of whom are Non-Executive Directors of the Company. Mr Jones was appointed Acting Committee Chairman on 25 June 2015 and Mr Grimwade was appointed as a committee member. With effect from 14 July 2015, Mr Dix has been granted medical leave of absence from his Board and Committee duties.

The responsibilities and functions of the Remuneration Committee include reviewing and recommending to the Board:

- on the Company's remuneration policy and structure, including determining short term incentives, key performance indicators and long term incentive performance hurdles;
- the level of remuneration and incentives for Executives; and
- in relation to Non-Executive Director remuneration and the aggregate pool for approval by shareholders (as necessary).

Executive remuneration is reviewed annually having regard to individual and business performance, relevant comparative information and internal and independent external information.

Remuneration Consultants

The Remuneration Committee consulted with external sources during the year to obtain information in relation to its review of the Company's existing remuneration framework.

During the year ended 30 June 2015, no remuneration recommendations, as defined by the Corporations Act, were provided by remuneration consultants.

C. Principles Used to Determine the Nature and Amount of Remuneration

Summary of Approach to Remuneration

The Remuneration Committee undertook a review of the Company's remuneration framework during the year.

The key outcomes of the review were:

- developing an overarching remuneration framework to formalise reward structures and to establish a framework to guide remuneration practices going forward;
- design of a new short-term incentive structure to drive the collective efforts of the workforce in realising the short-term business strategy of the Company; and
- design of a new long-term incentive plan to align Executive rewards with shareholder value creation and retention of Executives.

Non-Executive Director Remuneration

Fees and payments to Non-Executive Directors' reflect the responsibilities and demands made on them. They are set at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Non-Executive Directors' fees are paid within an aggregate limit (currently \$800,000 per annum approved at the 2011 Annual General Meeting) approved from time to time by the Company's shareholders. Retirement payments, if any, are determined in accordance with the rules set out in the Corporations Act as at the time of the Director's retirement or termination. Non-Executive Directors do not receive performance based pay.

Executive Director and Senior Executive Remuneration

The objective of the Company's Executive reward structure is to ensure reward for performance is competitive and appropriate for the results delivered. The structure seeks to align Executive reward with the achievement of strategic objectives and creation of shareholder value. It aims to ensure that Executive remuneration is:

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- competitive and reasonable, enabling the Company to attract and retain key talent;
- aligns the incentives of Executives with the long-term interests of shareholders by linking rewards to the creation of shareholder value;
- transparent; and
- establishes appropriate key performance indicators and hurdles in relation to variable Executive remuneration.

In reviewing the level and make-up of an Executive's remuneration package, the Remuneration Committee ensures remuneration reflects the market salary for a position and individual of comparable responsibility and experience. Remuneration is compared with the external market by reviewing industry salary reviews. The Remuneration Committee's policy is to target total remuneration between the 50th and 75th percentile, against market, to ensure a competitive offering.

The remuneration structure to be adopted for the 2016 financial year is as follows:

Component	Design	Purpose	Performance Measure FY2016
Fixed Remuneration (TFR)	<ul style="list-style-type: none"> Base salary, superannuation contributions and the value of any fringe benefits provided. 	<ul style="list-style-type: none"> To provide a base level of remuneration which is both appropriate for the position and competitive in the market. 	Annual performance of Company and individual.
Short-term incentive (STI)	<ul style="list-style-type: none"> Cash payments targeted as a percentage of TFR. 	<ul style="list-style-type: none"> Award for achieving performance measures. To motivate Executives to achieve both Company and individual performance targets. Encourages collaboration across the Executive team, while also providing rewards for the achievement of measures within the Executive's control. 	<p>Key performance measures are currently being established to take into account the commissioning and startup of Karouni and the restructure at Casposo.</p> <p>Once these measures have been established, it is expected that the overall STI will comprise 70 -80% of Company key performance measures and 20 – 30% of personal performance measures.</p> <p>The Board will ultimately have discretion over whether an STI will be paid after taking into consideration the Company's overall performance given external economic factors and market conditions.</p>
Long-term incentive (LTI)	<ul style="list-style-type: none"> Performance Rights, Share Appreciation Rights, Share Options or Loan Funded Shares based on a percentage of TFR. 	<ul style="list-style-type: none"> To reward the achievement of long term sustainable business outcomes and value creation for shareholders. Retain Executives. 	<p>Vesting at the end of year 3 based on the specific performance hurdle being achieved during the vesting period. The specific performance hurdle being:</p> <p>The total shareholder return based on the VWAP for Troy shares during the relevant period measured from 1 July in the year when the grant occurs, achieving as follows:</p> <p>a) TSR growth below the 50th percentile - 0% vests;</p> <p>b) TSR growth at or above the 50th percentile to 75th percentile - pro-rata between 50% and 75%; and</p> <p>c) TSR growth above the 75th percentile - 100% vests.</p>

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D. Company Performance

The following table shows the performance of the Group over the past five years based on several key indicators:

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	Financial Years Ended 30 June				
	2015	2014	2013	2012	2011
Basic Earnings/(Loss) per Share (cents)	(49.4)	(34.0)	20.5	35.5	16.7
Diluted Earnings/(Loss) per Share (cents)	(49.4)	(34.0)	20.4	35.0	16.5
Shareholders' Funds (\$m)	172.3	196.3	145.9	132.3	109.7
Dividends per Share (cents)	-	-	-	10.0	6.0 & 4.0 ⁽¹⁾
Net Profit/(Loss) Before Tax (\$m)	(99.3)	(94.0)	31.6	55.5	15.1
Net Profit/(Loss) After Tax & Non-Controlling Interests (\$m)	(100.4)	(59.1)	18.6	31.4	14.6
Operating Revenue (\$m)	180.8	178.0	202.7	208.6	102.5
Gold Equivalent Production (ozs)	121,835	132,939	127,060	137,457	76,983
Share Price at beginning of the year (\$/share)	\$1.07	\$1.53	\$3.90	\$3.48	\$2.45
Share Price at end of the year (\$/share)	\$0.37	\$1.07	\$1.53	\$3.90	\$3.48
Market Capitalisation (\$m)	107	208	140	349	306

⁽¹⁾ Interim dividend for FY 2011 paid 29 June 2011.

E. Non-Executive Director Remuneration

In 2013, the Board elected to take a 10% reduction in the Director and Committee fees that were payable at that time and fees have continued at this reduced level. The following annual fees applied during the 2015 financial year:

Chairman:	\$132,300 (plus superannuation contributions)
Non-Executive Directors:	\$72,000 (plus superannuation contributions or in lieu of)
Committee chairman:	\$7,200 (no superannuation contributions)
Committee member:	\$4,500 (no superannuation contributions)

Total remuneration paid or payable to Non-Executive Directors for the 2015 financial year was:

2015 Name	Short-term Employee Benefits			Super- annuation	Post-Employment Benefits		Total
	Cash Salary & Fees	Cash Bonus	Non-Monetary Benefits		Retirement Benefits	Equity Share Based Payment	
	\$	\$	\$	\$	\$	\$	\$
D Dix	139,500	-	-	12,569	-	-	152,069
F Grimwade	79,200	-	-	6,840	-	-	86,040
J Jones	76,500	-	-	6,840	-	-	83,340
S Harvey ⁽¹⁾	106,555	-	-	-	-	-	106,555
R Monti	76,500	-	-	6,840	-	-	83,340
C Parish ⁽²⁾	107,481	-	-	-	-	-	107,481
Sub Total	\$585,736	-	-	\$33,089	-	-	\$618,825

⁽¹⁾ Resigned 20 April 2015 - Cash Salary & Fees includes an amount of \$39,420 paid at the time of resignation.

⁽²⁾ Resigned 24 April 2015 - Cash Salary & Fees includes an amount of \$39,420 paid at the time of resignation.

2014 Name	Short-term Employee Benefits				Post-Employment Benefits		Total
	Cash Salary & Fees	Cash Bonus	Non-Monetary Benefits	Super-annuation	Retirement Benefits	Equity Share Based Payment	
	\$	\$	\$	\$	\$	\$	\$
D Dix	139,500	-	-	12,238	-	-	151,738
G Chambers ⁽¹⁾	22,086	-	-	-	-	-	22,086
F Grimwade	79,200	-	-	6,660	-	-	85,860
J Jones	76,500	-	-	6,660	-	-	83,160
T Harvey ⁽²⁾	69,300	-	-	-	-	-	69,300
R Monti ⁽²⁾	63,750	-	-	5,550	-	-	69,300
C Parish	83,160	-	-	-	-	-	83,160
Sub Total	\$533,496	-	-	\$31,108	-	-	\$564,604

⁽¹⁾ Resigned 29 August 2013.

⁽²⁾ Appointed 29 August 2013.

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F. Remuneration of Directors and Senior Management

Remuneration paid during the 2015 financial year consisted primarily of fixed remuneration only.

A cash bonus was paid to Mr Benson (July 2014) and Mr Nilsson (September 2014) in relation to their performance during the 2014 financial year in successfully acquiring Azimuth Resources Limited and progress made in the development of Karouni.

A number of shares were issued in September 2014 to Mr Doyle, Mr Storrie and Ms Apostolou in lieu of a cash bonus based on them achieving certain performance criteria as established with the Chief Executive Officer in relation to their performance during the 2014 financial year.

Equity share based payment allocations, other than as noted below, relate to previous LTI allocations.

There have been no bonuses awarded or payable in relation to performance during the 2015 financial year.

Mr Purvis was granted share appreciation rights upon his appointment as Managing Director and Chief Executive Officer on 1 September 2014.

SAR's are issued pursuant to the Company's LTIP and granted to the holder at no cost. No consideration is payable on the vesting or exercise of a SAR. The SAR's are capable of being exercised only after the achievement of the Vesting Conditions. Each SAR will entitle the employee to receive the value (upon vesting and being exercised) equal to the increase in value of an ordinary share in the Company above the applicable Grant Price. The potential increase in value will be satisfied by the Company, in the Board's sole and absolute discretion, by either issuing or transferring ordinary shares to the employee or the payment of cash.

Terms and conditions of share-based payment arrangements affecting remuneration of key management personnel in the current financial year or future financial years are as follows:

Grant Date	Number of Share Appreciation Rights	Grant Price	Vesting Condition	Expiry Date
27 November 2014	80,000	\$0.88	1 September 2015	1 September 2018
27 November 2014	80,000	\$0.96	1 September 2016	1 September 2018
27 November 2014	80,000	\$1.04	1 September 2017	1 September 2018

There has been no alteration in the terms and conditions of the above share-based payment arrangements since the grant date.

Details of share-based payments granted as compensation to key management personnel during the current financial year:

Name	Share-Based Payment	During the Financial Year			
		No. Granted	No. Vested	% of Grant Vested	% of Grant Forfeited
Mr M Purvis	SAR's	240,000	nil	nil	nil

Following Mr Benson's resignation on 31 July 2014, 180,000 SAR's previously granted as part of his remuneration lapsed.

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Fixed Remuneration

Individual Executives' base salaries for the 2015 financial year were:

Name	Position	Base Salary
Martin Purvis	Managing Director and CEO	\$570,000
Ken Nilsson	Executive Director - Project Development	\$440,000
Stacey Apostolou	Company Secretary (moved to full time from 1 January 2015)	\$275,000
Peter Doyle	Vice President - Exploration and Business Development	C\$353,500
David Sadgrove	Chief Financial Officer	\$310,000
Andrew Storrie	Chief Operating Officer	US\$300,000 ⁽¹⁾

⁽¹⁾ This was converted from A\$330,000 to US\$300,000 with effect from 1 April 2015.

Taking into account the proposed remuneration framework going forward, the following table reflects remuneration components available to Executives effective 1 July 2015:

Name	Base Salary	Super-annuation	Other	Total Fixed Remuneration	Potential STI %	Potential LTI%	Insurance
Martin Purvis	\$570,000	\$54,150	-	\$624,150	30	50	Salary continuance and medical
Ken Nilsson	\$481,800	n/a	\$64,647	\$546,447	20	30	Salary continuance and medical
Stacey Apostolou	\$275,000	\$26,125	-	\$301,125	20	30	Salary continuance
Peter Doyle	C\$353,500	n/a	C\$4,945	C\$358,445	20	30	Salary continuance and medical
David Sadgrove	\$310,000	\$29,450	\$11,293	\$350,743	20	30	Salary continuance
Andrew Storrie	US\$300,000	n/a	US\$15,692	US\$315,692	20	30	Salary continuance and medical

Total Remuneration - FY2015

Total remuneration paid or payable to Executives for the 2015 financial year was:

2015	Short-term Employee Benefits			Long Service Leave	Post-Employment Benefits		Equity Share Based Payment	Total
Name	Cash Salary & Fees	Cash Bonus	Other Benefits ⁽¹⁾		Super-annuation	Retirement Benefits		
	\$	\$	\$	\$	\$	\$	\$	\$
Executive Directors								
M Purvis ⁽²⁾	475,000	-	-	4,559	45,125	-	17,461	542,145
P Benson ⁽³⁾	181,524	120,000	10,798	-	4,285	-	-	316,607
K Nilsson	479,125	100,000	67,931	8,417	-	-	95,368	750,841
Sub Total	\$1,135,649	\$220,000	\$78,729	\$12,976	\$49,410	-	\$112,829	\$1,609,593
Senior Management								
A Storrie	330,000	-	20,494	204	-	-	104,520	455,218
P Doyle	361,821	-	6,017	7,922	2,544	-	55,475	433,779
D Sadgrove	301,767	-	11,293	10,108	29,450	-	6,840	359,458
S Apostolou	249,220	-	-	4,289	23,676	-	25,472	302,657
Sub Total	\$1,242,808	-	\$37,804	\$22,523	\$55,670	-	\$192,307	\$1,551,112
TOTAL	\$2,378,457	\$220,000	\$116,533	\$35,499	\$105,080	-	\$305,136	\$3,160,705

⁽¹⁾ Other Benefits include - the provision of motor vehicle, travel, accommodation and insurance.

⁽²⁾ Mr Purvis was appointed Chief Executive Officer and Managing Director on 1 September 2014.

⁽³⁾ Mr Benson resigned as Chief Executive Officer and Managing Director on 31 July 2014. Mr Benson received a cash bonus of \$120,000 prior to his resignation which related to his performance for the 2014 financial year. Included in Cash salary & Fees is an amount of \$136,417 that represents Mr Benson's accrued annual leave entitlement at the date of his resignation. Mr Benson also received an amount of \$92,357 in accrued Long Service Leave. This payment has not been reflected in Mr Benson's remuneration for FY2015 as Long Service Leave is accrued and reflected in the Remuneration tables on an annual basis.

2014	Short-term Employee Benefits			Long Service Leave	Post-Employment Benefits		Equity Share Based Payment	Total
Name	Cash Salary & Fees	Cash Bonus	Other Benefits ⁽¹⁾		Super-annuation	Retirement Benefits		
	\$	\$	\$	\$	\$	\$	\$	\$
Executive Directors								
P Benson	405,963	-	30,306	12,650	37,552	-	165,000	651,471
K Nilsson ⁽²⁾	396,000	100,000	-	13,433	24,984	-	109,060	643,477
Sub Total	\$801,963	\$100,000	\$30,306	\$25,997	\$62,536	-	\$274,060	\$1,294,948
Other Senior Management								
P Doyle	324,079	-	5,015	4,050	2,483	-	126,933	462,560
A Storrie	297,000	-	4,300	23,109	-	-	112,347	436,756
D Sadgrove	279,000	-	16,783	4,028	25,807	-	35,074	360,692
S Apostolou	187,501	-	-	1,482	17,344	-	24,059	230,386
Sub Total	\$1,027,580	-	\$26,098	\$32,699	\$45,634	-	\$298,413	\$1,490,394
TOTAL	\$1,889,543	\$100,000	\$56,404	\$58,696	\$108,170	-	\$572,473	\$2,785,342

⁽¹⁾ Other Benefits include - the provision of motor vehicle, travel, accommodation and insurance.

⁽²⁾ Mr Nilsson was granted a cash bonus, reported and paid in FY2014, in recognition of his successful implementation of the second ball mill at Casposo during FY2013.

G. EMPLOYMENT CONTRACTS

Executive	Term of Agreement	Termination Notice	Termination Benefit
Executive Directors			
M Purvis	Commencing 1 September 2014	The Company may terminate Mr Purvis's employment by providing three month's notice within twelve months of his commencement date and six month's notice thereafter. Mr Purvis may terminate by providing the Company three month's notice or such other period agreed.	None
K Nilsson	Commencing April 1997	Three month's notice	None
Other Executives			
P Doyle	Commencing 15 January 2012	One month's notice	A lump sum payment equivalent to the greater of: (a) an amount equivalent to two weeks' pay for each year of service to a maximum of 20 weeks; or (b) the amount as required by the provincial employment standards legislation in force in Ontario at the time of termination.
A Storrie	Commencing 17 August 2009	Three month's notice	None
D Sadgrove	Commencing 17 November 2008	One month's notice	None
S Apostolou	Commencing 5 February 2013	One month's notice	None

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H. EQUITY HOLDINGS

Fully Paid Ordinary Shares issued by Troy Resources Limited

2015	Balance at 1.7.14	Granted as Remuneration	Received on Exercise of Options	Net Other Change	Balance at 30.6.15	Balance Held Nominally
Directors						
D Dix	289,013	-	-	825,000	1,114,013	1,114,013
M Purvis ⁽¹⁾	-	-	-	187,500	187,500	-
P Benson ⁽²⁾	532,871	-	-	(532,871)	-	-
K Nilsson	432,694	-	-	150,000	582,694	-
F Grimwade	162,000	-	-	100,000	262,000	-
J Jones	10,445,024	-	-	286,000	10,731,024	9,459,963
C Parish ⁽³⁾	4,677,258	-	-	(4,677,258)	-	-
T Harvey ⁽⁴⁾	203,507	-	-	(203,507)	-	-
R Monti	1,674,826	-	-	37,500	1,712,326	1,712,326
Other Key Management Personnel						
P Doyle	63,955	30,824	-	-	94,779	3,500
A Storrie	81,819	112,811	-	-	194,630	-
D Sadgrove	10,000	-	-	-	10,000	-
S Apostolou	18,182	25,069	-	-	43,251	-
TOTAL	18,591,149	168,704	-	(3,827,636)	14,932,217	12,289,802

⁽¹⁾ Appointed 1 September 2014

⁽²⁾ Resigned 31 July 2014

⁽³⁾ Resigned 24 April 2015

⁽⁴⁾ Resigned 20 April 2015

Share Appreciation Rights issued by Troy Resources Limited

2015	Balance at 1.7.14	Granted as Remuneration	Exercised	Grant Price	Lapsed	Balance at 30.6.15	Balance Vested at 30.6.15	Vested but not Exercisable	Vested and Exercisable	Vested during Year
Directors										
M Purvis	-	240,000	-	\$0.88 - \$1.04	-	240,000	-	-	-	-
P Benson	180,000	-	-	\$1.21 - \$1.43	(180,000) ⁽¹⁾	-	-	-	-	-
K Nilsson	620,000	-	-	\$1.10 - \$1.43	-	620,000	40,000	40,000	-	40,000
Other Key Management Personnel										
P Doyle	90,000	-	-	\$1.21 - \$1.43	-	90,000	30,000	30,000	-	30,000
D Sadgrove	75,000	-	-	\$1.21 - \$1.43	-	75,000	25,000	25,000	-	25,000
A Storrie	120,000	-	-	\$1.21 - \$1.43	-	120,000	40,000	40,000	-	40,000
S Apostolou	60,000	-	-	\$1.21 - \$1.43	-	60,000	20,000	20,000	-	20,000
TOTAL	1,145,000	240,000	-	\$1.10 - \$1.43	(180,000)	1,205,000	155,000	155,000	-	155,000

⁽¹⁾ Lapsed upon Mr Benson's resignation.

Executive Share Options issued by Troy Resources Limited

2015	Balance at 1.7.14	Granted as Remuneration	Exercised	Exercise Price	Lapsed	Balance at 30.6.15	Balance Vested at 30.6.15	Vested but not Exercisable	Vested and Exercisable	Vested during Year
Other Key Management Personnel										
P Doyle	250,000	-	-	-	-	250,000	250,000	-	250,000	83,000
A Storrie	80,000	-	-	-	(30,000) ⁽¹⁾	50,000	50,000	-	50,000	16,500
TOTAL	330,000	-	-	-	(30,000)	300,000	300,000	-	300,000	99,500

⁽¹⁾ Granted August 2010

Performance Rights issued by Troy Resources Limited

2015	Balance at 1.7.14	Granted as Remuneration	Converted to shares	Hurdle Price Range	Lapsed	Balance at 30.6.15	Balance Vested at 30.6.15	Vested but not Issued	Vested during Year
Other Key Management Personnel									
P Doyle	3,000	-	-	\$5.00	(3,000) ⁽¹⁾	-	-	-	-
D Sadgrove	8,000	-	-	\$5.00 - \$5.50	(3,000) ⁽¹⁾	5,000	-	-	-
TOTAL	11,000	-	-	\$5.00 - \$6.13	(6,000)	5,000	-	-	-

⁽¹⁾ Granted September 2010

NON-AUDIT SERVICES

The auditor of the Company and its subsidiaries is Deloitte Touche Tohmatsu. The Company has a policy in accordance with Corporate Governance best practice that the tax services and other general accounting advice and services, should not be performed by the Company's auditor. However, the Company may employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Consolidated Entity are important and closely related to their work as auditor of the Company.

The Audit Committee and the Board of Directors of the Company are satisfied that the provision of non-audit services by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of non-audit services provided do not compromise the independence of the auditor.

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 42.

Details of amounts paid or payable to the auditor for audit and non-audit services provided during the financial year are outlined in Note 22 to the Financial Statements.

Rounding of Amounts

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' Report and the Financial Report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed at West Perth, Western Australia, this 25th day of September 2015 in accordance with a resolution of Directors made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the Directors of Troy Resources Limited



F S Grimwade
Acting Non-Executive Chairman

Auditor's Independence Declaration

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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The Board of Directors
Troy Resources Limited
Suite 2, Level 1
254 Rokeby Road
Subiaco WA 6008

25 September 2015

Dear Board Members

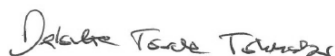
Troy Resources Limited

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 audit of the financial statements of Troy Resources Limited for the financial year ended 30 June 2015, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



David Newman
Partner
Chartered Accountant

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

Consolidated Statement of Profit or Loss

	Notes	2015 (\$'000)	2014 (\$'000)
Continued Operations			
Revenue	3	180,789	178,036
Cost of sales		(167,754)	(160,109)
Gross Profit		13,035	17,927
Other income	3	924	661
Net foreign exchange gains / (losses)		3,002	(5,492)
Exploration expenses (net)	4	(7,155)	(2,794)
Administration expenses	4	(6,689)	(9,220)
Other expenses – Corporate	4	(155)	(1,338)
Finance costs	4	(4,424)	(3,469)
Acquisition costs	4	-	(2,673)
Impairment losses	4	(97,866)	(87,593)
Loss before Income Tax		(99,328)	(93,991)
Income tax (expense) / benefit	5	(1,025)	34,866
LOSS FOR THE YEAR		(100,353)	(59,125)
Loss attributable to:			
Owners of the parent		(100,666)	(59,071)
Non-controlling interests		313	(54)
		(100,353)	(59,125)
Loss Per Share (EPS)			
Basic EPS (cents)	19	(49.4)	(34.0)
Diluted EPS (cents)	19	(49.4)	(34.0)

Notes to the consolidated financial statements are included on pages 48 to 104.

Consolidated Statement of Profit or Loss and other Comprehensive Income

	Notes	2015 (\$'000)	2014 (\$'000)
Loss for the year		(100,353)	(59,125)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Changes in value of available for sale assets	17	-	62
Changes in value of cash flow hedge reserve net of deferred tax	17	9,051	(3,735)
Exchange differences on translating foreign operations	17	28,515	(47,505)
Other comprehensive income		37,566	(51,178)
Total comprehensive income for the year		(62,787)	(110,303)
Total comprehensive income attributable to:			
Owners of the Parent		(63,100)	(110,249)
Non-controlling Interests		313	(54)
		(62,787)	(110,303)

Notes to the consolidated financial statements are included on pages 48 to 104.

Consolidated Statement of Financial Position

	Notes	2015 (\$'000)	2014 (\$'000)
Current Assets			
Cash and cash equivalents	6	60,556	43,409
Trade and other receivables	7	12,669	16,933
Inventories	8	16,615	23,042
Hedge asset	9	5,938	-
Current tax assets	5	398	-
Total Current Assets		96,176	83,384
Non-current Assets			
Property, plant and equipment	10	131,418	53,446
Mining properties	11	-	48,370
Development property	12	95,756	104,444
Other receivables	7	-	5,136
Total Non-Current Assets		227,174	211,396
Total Assets		323,350	294,780
Current Liabilities			
Trade and other payables	13	21,514	23,332
Current tax payables	5	-	945
Provisions	14	8,247	4,828
Hedge liability	9	-	4,244
Borrowings	15	40,700	30,695
Total Current Liabilities		70,461	64,044
Non-Current Liabilities			
Other payables	13	1,494	3,909
Deferred tax liabilities	5	13,656	16,508
Provisions	14	7,643	3,881
Borrowings	15	57,841	10,123
Total Non-Current Liabilities		80,634	34,421
Total Liabilities		151,095	98,465
Net Assets		172,255	196,315
Equity			
Issued capital	16	305,311	269,689
Reserves	17	(51,092)	(91,763)
Retained earnings	18	(81,964)	18,702
Parent interest		172,255	196,628
Non-controlling interests		-	(313)
Total Equity		172,255	196,315

Notes to the consolidated financial statements are included on pages 48 to 104.

Consolidated Statement of Changes in Equity

	Issued Capital	Available for Sale Reserve	Share Based Payment Reserve	Hedge Cash Flow Reserve	Foreign Currency Translation Reserve	Retained Earnings	Attributable to Equity Holder of Parent	Non-controlling Interest	TOTAL EQUITY
	(\$,000)	(\$,000)	(\$,000)	(\$,000)	(\$,000)	(\$,000)	(\$,000)	(\$,000)	(\$,000)
Balance at 1 July 2013	109,695	(62)	4,932	-	(46,219)	77,773	146,119	(259)	145,860
Loss for the year	-	-	-	-	-	(59,071)	(59,071)	(54)	(59,125)
Changes in fair value of available-for-sale assets, net of tax	-	62	-	-	-	-	62	-	62
Changes in fair value of hedging instrument	-	-	-	(3,735)	-	-	(3,735)	-	(3,735)
Exchange differences on translation of foreign operations	-	-	-	-	(47,505)	-	(47,505)	-	(47,505)
Total comprehensive income for the year	-	62	-	(3,735)	(47,505)	(59,071)	(110,249)	(54)	(110,303)
Issue of fully paid shares – capital raising	33,186	-	-	-	-	-	33,186	-	33,186
Share issue costs	(1,120)	-	-	-	-	-	(1,120)	-	(1,120)
Issue of fully paid shares in lieu of cash bonus	405	-	-	-	-	-	405	-	405
Issue of fully paid shares to landholders	559	-	-	-	-	-	559	-	559
Issue of fully paid shares on acquisition of Azimuth	126,964	-	103	-	-	-	127,067	-	127,067
Share-based borrowing costs	-	-	369	-	-	-	369	-	369
Share-based payments	-	-	292	-	-	-	292	-	292
Balance at 30 June 2014	269,689	-	5,696	(3,735)	(93,724)	18,702	196,628	(313)	196,315
Balance at 1 July 2014	269,689	-	5,696	(3,735)	(93,724)	18,702	196,628	(313)	196,315
Loss for the year	-	-	-	-	-	(100,666)	(100,666)	313	(100,353)
Changes in fair value of hedging instrument net of deferred tax	-	-	-	9,051	-	-	9,051	-	9,051
Exchange rate differences on translation of Foreign Operations	-	-	-	-	28,515	-	28,515	-	28,515
Total comprehensive income for the year	-	-	-	9,051	28,515	(100,666)	(63,100)	313	(62,787)
Issue of fully paid shares - capital raising	37,933	-	-	-	-	-	37,933	-	37,933
Share issue costs	(2,584)	-	-	-	-	-	(2,584)	-	(2,584)
Issue of fully paid shares on exercise of options	138	-	(103)	-	-	-	35	-	35
Issue of fully paid shares under employee bonus plan	135	-	-	-	-	-	135	-	135
Share-based borrowing costs	-	-	3,053	-	-	-	3,053	-	3,053
Share-based payments	-	-	155	-	-	-	155	-	155
Balance at 30 June 2015	305,311	-	8,801	5,316	(65,209)	(81,964)	172,255	-	172,255

Notes to the consolidated financial statements are included on pages 48 to 104.

Consolidated Statement of Cash Flows

Consolidated statement of cash flows	Notes	2015 (\$'000)	2014 (\$'000)
Cash Flows From Operating Activities			
Receipts from customers		180,164	178,735
Payments to suppliers and employees		(120,814)	(151,279)
Proceeds from sundry income		68	92
Export tax and government royalties paid		(15,406)	(13,914)
Income taxes paid		(2,558)	(1,206)
Net Cash Provided by Operating Activities	31	41,454	12,428
Cash Flows From Investing Activities			
Payments for property, plant and equipment		(73,562)	(25,477)
Payments for mine and development properties		(4,294)	(8,722)
Payments for underground development and capital equipment at Casposo		(31,513)	(21,364)
Payments for exploration properties capitalised		(3,154)	(11,915)
Payments for power line commitments		(862)	(1,769)
Cash acquired on acquisition of Azimuth		-	7,465
Payments for Azimuth acquisition		-	(2,751)
Proceeds on sale of property, plant and equipment		599	721
Cash disposed on sale of Sertao Mineração Ltda		(12)	-
Interest received		607	432
Net Cash Used in Investing Activities		(112,191)	(63,380)
Cash Flows From Financing Activities			
Proceeds from borrowings	15	60,000	40,000
Repayments - ICBC borrowings	15	(739)	(178)
Payment of financing costs		(7,301)	(3,086)
Net proceeds from the issue of equity securities		35,384	32,066
Dividends paid - members of the parent entity		-	(45)
Net Cash Provided by Financing Activities		87,344	68,757
Net Increase in Cash and Cash Equivalents		16,607	17,805
Cash and cash equivalents at the beginning of the financial year		43,409	26,086
Effects of exchange rate changes on balances held in foreign currencies		540	(482)
Cash and Cash Equivalents at the Beginning of the Financial Year	6	60,556	43,409

Notes to the consolidated financial statements are included on pages 48 to 104.

Notes to the Consolidated Financial Statements

1. SUMMARY OF ACCOUNTING POLICIES

Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of Troy Resources Limited ("Company" or "Group"). For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. Accounting Standards include Australian Accounting Standards (AASB). Compliance with Australian Accounting Standards ensures that the financial statements and notes of the company and the Group comply with International Financial Reporting Standards (IFRS).

The financial statements were authorised for issue by the Directors at a meeting held on 25 September 2015.

Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2 or value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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 financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

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1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key accounting judgements and assumptions, and other key sources of estimation uncertainty at the end of the reporting period, that have the most significant effect on the amounts recognised in the financial statements and/or have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Ore Reserve Estimates

Estimates of recoverable quantities of ore reserves include assumptions regarding commodity prices, exchange rates, discount rates, and production costs for future cash flows. It also requires interpretation of complex and difficult geological models in order to make an assessment of the size, shape, depth and quality of resources and their anticipated recoveries. The economic, geological and technical factors used to estimate ore reserves may change from period to period. Changes in reported ore reserves can impact mining properties carrying values, property, plant and equipment carrying values, the provision for restoration and the recognition of deferred tax assets, due to changes in expected future cash flows. Ore reserves are integral to the amount of depreciation, depletion and amortisation charged to the income statement and the calculation of inventory.

Rehabilitation Obligations

The Consolidated Entity estimates the future removal costs of mine operations disturbances at the time of installation of the assets and commencement of operations. In most instances, removal of assets occurs many years into the future. This requires judgemental assumptions regarding removal date, the extent of reclamation activities required, the engineering methodology for estimating cost, future removal technologies in determining the removal cost, and asset specific discount rates to determine the present value of these cash flows.

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. Valuations are performed by the Chief Financial Officer of the Company and reported to the Board for review and approval.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Group engages the assistance of third parties to establish the appropriate valuation techniques and inputs to the valuation model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Notes 11 and 30.

Impairment of Property, Plant and Equipment, Mine Properties and Development Properties

Determining whether mine properties and development properties are impaired requires a fair value estimation under AASB 136. AASB 136 allows the recoverable amount of an asset or cash generating unit to be the higher of its value in use or fair value less cost to sell. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Fair value less costs to sell requires the directors to calculate the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Where the recoverable amount is less than the carrying value, an impairment loss is recognised.

An impairment loss of \$97.9 million was recognised during 2015 (2014: \$87.6 million). Details of the impairment loss calculation are set out in Note 11.

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Commissioning of Karouni Gold Project

The timing of successful commissioning and consequent commencement of commercial gold production at Karouni is a key judgement applied in relation to forecast cash flows underpinning both the impairment assessment completed in relation to the project (refer Note 11) and also the Group's forecast cash flows supporting the appropriateness of the going concern assumption.

The Directors are satisfied that at the date of signing the financial statements there are reasonable grounds to believe that the commissioning of Karouni, and subsequent commercial gold production, will arise as planned, therefore supporting the judgements made as part of the impairment and going concern assessments.

Revenue Recognition

SALE OF GOODS

Revenue from the sale of mineral production is recognised when all the following conditions are satisfied:

- (i) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (ii) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (iii) the amount of revenue can be measured reliably;
- (iv) it is probable that the economic benefits associated with the transaction will flow to the Group; and
- (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Significant Accounting Policies

The following significant policies have been adopted in the preparation of the Financial Report:

(a) Cash and Cash Equivalents

Cash includes cash on hand and in banks, and money market investments readily convertible to cash, net of outstanding bank overdrafts. Bank overdrafts are carried at the principal amount. Interest is recognised as income or expense as it accrues.

(b) Inventories

Inventories are stated at the lower of cost and net realisable value. Ore stockpiles, gold in circuit, dore and bullion are valued applying absorption costing. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(c) Property, Plant and Equipment

PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are recorded at cost, less accumulated depreciation and impairment.

Items of property, plant and equipment, including buildings and leasehold property are depreciated/amortised using the straight-line or reducing balance method over their estimated useful lives. Assets are depreciated or amortised from the date of acquisition or from the time an asset is completed and held ready for use.

The depreciation and amortisation rates used for each class of asset are based on the following assessment of useful lives:

- Plant and equipment 3-7 years
- Motor Vehicle 2-5 years
- Buildings 5-7 years

Depreciation is not charged on land. Buildings are recorded at amortised cost.

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

MINING ASSETS

Mining Assets represent the accumulation of all exploration, evaluation and development expenditure incurred by or on behalf of the Group and mining properties in relation to areas of interest.

MINING EXPLORATION

Refer to 1(e) below. If it is established that a project has reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, exploration and evaluation costs ceases and the accumulated expenditures are transferred to mining development properties.

MINING PROPERTIES AND DEVELOPMENT PROPERTIES

Refer to 1(d) below. Development costs related to an area of interest where right of tenure is current, are carried forward to the extent that they are expected to be recouped through sale or successful exploitation of the area of interest. If an area is subsequently abandoned or the Directors believe that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made.

(d) Mining Properties and Development Properties

Where mining of a mineral resource has commenced, the accumulated costs are transferred to mine properties from development properties. Amortisation is first charged on new mining ventures from the date of first commercial production.

Amortisation of mine property costs is provided on the unit of production basis. The unit of production basis results in an amortisation charge proportional to the depletion of the estimated economically recoverable ore reserves. The unit of production basis can be on a tonnes or ounce depleted basis.

(e) Mining Exploration Properties

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each prospect area. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific nexus with a particular prospect area. Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration and evaluation expenditure for each prospect area is fully written off in the financial year in which it is incurred, unless its recoupment out of revenue is to be derived from the successful development of the prospect, or from sale of that prospect, is reasonably assured.

The recoverable amount of each prospect area is assessed annually by the Directors. Where the carrying value of a prospect is in excess of its estimated recoverable amount, the carrying value is written down to its recoverable amount.

When a prospect area is abandoned, any expenditure carried forward in respect of that area is written off to profit or loss. Expenditure is not carried forward in respect of any prospect area unless the economic entity's rights of tenure to that area are current.

Once a development decision has been taken, all exploration and evaluation expenditure in respect of the prospect area is transferred to "Development Properties".

(f) Financial Assets

Financial assets are recognised when a Group entity becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial Assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 30.

Held-to-maturity investments

Bills of exchange and debentures with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Available-for-sale financial assets (AFS)

Certain shares held by the Group that are traded in an active market are classified as AFS and are stated at fair value. Fair value is determined in the manner described in Note 30. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the available for sale revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

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1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(g) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous Contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the date of acquisition. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with AASB 137 'Provisions, Contingent Liabilities and Contingent Assets' and the amount initially recognised less cumulative amortisation recognised in accordance with AASB 118 'Revenue'.

(h) Employee Benefits

Short-term and Long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Retirement benefits costs

Payments to defined contribution superannuation plans are recognised as an expense when incurred.

Termination benefit

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

(i) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Company and its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. Troy Resources Limited is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within the group' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the company (as head entity in the tax-consolidated group).

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(j) *Foreign Currencies*

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group entity are expressed in Australian dollars ('\$'), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Australian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income and accumulated in equity.

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(k) Dividend and Interest Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(l) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) or value added tax (VAT), except:

- (i) where the amount of GST/VAT incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) for receivables and payables which are recognised inclusive of GST/VAT.

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST/VAT component of the cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation office is classified as operating cash flows.

(m) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(n) Share-based Payments

Equity-settled share-based payments to employees and others providing similar services, including share based borrowing costs are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 24.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(o) *Financial Liabilities and Equity Instruments Issued by the Group*

Financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the issue of financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

Financial liabilities are classified as either financial liabilities at 'fair value through profit or loss' (FVTPL) or 'other financial liabilities'.

FINANCIAL LIABILITIES AT FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability. Fair value is determined in the manner described in Note 30.

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

OTHER FINANCIAL LIABILITIES

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(p) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 112 'Income Taxes' and AASB 119 'Employee Benefits' respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2 'Share-based Payment' at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations' are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction by transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Standard.

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 139 'Financial Instruments: Recognition and Measurement; or AASB 137 'Provisions, Contingent Liabilities and Contingent Assets', as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

(q) Non-Current Assets Held for Sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with AASB 139 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(r) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit (CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

(s) Earnings Per Share

Basic Earnings per Share

Basic earnings per share (EPS) is calculated by dividing the net profit attributable to ordinary equity holders of the parent entity for the reporting period, after excluding any costs of servicing equity (other than ordinary shares and converting preference shares treated as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted Earnings per Share

Diluted EPS is calculated by dividing the basic earnings, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential shares, by the weighted average number of ordinary shares and dilutive potential ordinary shares adjusted for any bonus issue.

(t) Derivative Financial Instruments

The Group is exposed to changes in interest rates, foreign exchange rates and commodity prices from its activities. The Group may use forward foreign exchange contracts, forward commodity exchange contracts and put and call options to hedge its foreign exchange rate and commodity risk. Derivative financial instruments are not held for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. For further detail refer to Note 30.

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Embedded Derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss.

Hedge Accounting

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments and hedges of commodity risk on gold and silver sales are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note 30 disclose details of the fair values of the derivative instruments used for hedging purposes.

Fair Value Hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

New and Revised AASBs Affecting Amounts Reported and/or Disclosures in the Financial Statements

In the current year, the Group has applied a number of amendments to AASBs and a new Interpretation issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2014, and therefore relevant for the current year end.

AASB 2012-3 'Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities'

The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments have been applied retrospectively. The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments does not have any material impact on the amounts recognised in the Group's consolidated financial statements.

AASB 2013-3 'Amendments to AASB136 - Recoverable Amount Disclosures for Non-Financial Assets'

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'.

The application of these amendments does not have any material impact on the disclosures in the Group's consolidated financial statements. Refer to Note 11 for more detailed application of these amendments.

AASB 2013-4 'Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting'

The amendments to AASB 139 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

As the Group does not have any derivatives that are subject to novation, the application of these amendments does not have any material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (CONTINUED)

AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'

The amendments to AASB 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to AASB 12 and AASB 127 to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity (assessed based on the criteria set out in AASB 10 as at 1 July 2014), the application of the amendments does not have any material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

AASB 2014-1 'Amendments to Australian Accounting Standards' (Part A: Annual Improvements 2010–2012 and 2011–2013 Cycles)

The Annual Improvements 2010-2012 has made a number of amendments to various AASBs, which are summarised below.

- The amendments to AASB 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to AASB 2 are effective for share- based payment transactions for which the grant date is on or after 1 July 2014.
- The amendments to AASB 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of AASB 9 or AASB 139 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to AASB 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.
- The amendments to AASB 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.
- The amendments to the basis for conclusions of AASB 13 clarify that the issue of AASB 13 and consequential amendments to AASB 139 and AASB 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.
- The amendments to AASB 116 and AASB 138 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

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2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (CONTINUED)

- The amendments to AASB 124 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The Annual Improvements 2011-2013 has made number of amendments to various AASBs, which are summarised below.

- The amendments to AASB 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements in the financial statements of the joint arrangement itself.
- The amendments to AASB 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, AASB 139 or AASB 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within AASB 132.
- The amendments to AASB 140 clarify that AASB 140 and AASB 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:
 - the property meets the definition of investment property in terms of AASB 140; and
 - the transaction meets the definition of a business combination under AASB 3.

The application of these amendments does not have any material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

AASB 2014-1 'Amendments to Australian Accounting Standards' (Part B: Defined Benefit Plans: Employee Contributions Amendments to AASB 119)

The amendments to AASB 119 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The application of these amendments to AASB 119 does not have any material impact on the disclosures or on the amount recognised in the Group's consolidated financial statements.

Interpretation 21 'Levies'

Interpretation 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

Interpretation 21 has been applied retrospectively. The application of this Interpretation does not have any material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (CONTINUED)

AASB 1031 'Materiality', AASB 2013-9 'Amendments to Australian Accounting Standards' – Conceptual Framework, Materiality and Financial Instruments' (Part B: Materiality), AASB 2014-1 'Amendments to Australian Accounting Standards' (Part C: Materiality)

The revised AASB 1031 is an interim standard that cross-references to other Standards and the 'Framework for the Preparation and Presentation of Financial Statements' (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations. Once all of these references have been removed, AASB 1031 will be withdrawn.

The adoption of AASB 1031, AASB 2013-9 (Part B) and AASB 2014-1 (Part C) does not have any material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

STANDARDS AND INTERPRETATIONS ISSUED NOT YET EFFECTIVE

At the date of this financial report, a number of Standards and Interpretations were on issue, but not yet effective.

STANDARD/INTERPRETATIONS	EFFECTIVE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER	EXPECTED TO BE INITIALLY APPLIED IN THE FINANCIAL YEAR ENDING
AASB 9 'Financial Instruments', and the relevant amending standards ¹	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions Of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	30 June 2017
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016
AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception'	1 January 2016	30 June 2017

At the date of this financial report, there have been no IASB Standards or IFRIC Interpretations that are issued, but not yet effective.

Management is currently evaluating the impact that the initial application of these Standards and Interpretations will have on the financial report of the Group.

¹The AASB has issued the following versions of AASB 9:

- AASB 9 'Financial Instruments' (December 2009) and the relevant amending standard;
- AASB 9 'Financial Instruments' (December 2010) and the relevant amending standards;
- AASB 2013-9 'Amendment to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments', Part C – Financial Instruments;
- AASB 9 'Financial Instruments' (December 2014) and the relevant amending standards
- AASB 2014-1 'Amendments to Australian Accounting Standards – Financial Instruments'; and
- AASB 2014-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)'

All the standards have an effective date of annual reporting periods beginning on or after 1 January 2018. Either AASB 9 (December 2009) or AASB 9 (December 2010) can be early adopted if the initial application date is before 1 February 2015. After this date only AASB 9 (December 2014) can be early adopted.

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3. REVENUE

	2015 (\$'000)	2014 (\$'000)
Profit From Continuing Operations		
Revenue		
Gold sales	115,323	127,280
Silver sales	62,854	50,756
Hedge gains realised	2,612	-
	180,789	178,036
Other income		
Interest received - bank	620	483
Gain on sale of equipment	236	86
Other	68	92
	924	661

4. LOSS FOR THE YEAR BEFORE INCOME TAX INCLUDES THE FOLLOWING LOSSES AND EXPENSES

	Note	2015 (\$'000)	2014 (\$'000)
(i) Cost of sales			
Depreciation of property, plant & equipment			
- Cost of sales		9,796	12,264
- Administration expenses		149	227
	10	9,945	12,491
Amortisation of mining properties		27,755	20,604
Export tax and other taxes (Argentina)		8,183	7,575
Government royalties		8,077	7,659
Rehabilitation provisions unwinding of discount		597	349
(ii) Exploration expenditure			
Exploration expenditure		10,309	14,709
Exploration capitalised	12	(3,154)	(11,915)
Exploration expensed (net)		7,155	2,794
(iii) Administration expenses			
Head office salaries, bonuses and on-costs		2,307	2,513
Previous Managing Director entitlements and bonus		349	-
Expatriate salaries and bonuses		-	579
Guyana expatriate salaries		-	225
Directors fees and on-costs		639	580
Other Brazil administration		129	313
Depreciation - furniture and equipment		149	227
Other Guyana office administration		24	499
Canadian office and administration		656	609
Other Head office administration ⁽ⁱ⁾		2,436	3,675
		6,689	9,220
⁽ⁱ⁾ Includes listing fees, shareholder costs, audit fees, taxation consultants, office rents, insurance, travel, conferences and other head office administration expenditure.			
(iv) Other Expenses			
Non-current receivables discount		-	1,046
Share based payments		155	292
		155	1,338
(v) Finance Costs			
Borrowing costs		2,719	2,960
Hedging finance costs		1,705	509
		4,424	3,469

4. LOSS BEFORE INCOME TAX INCLUDES THE FOLLOWING LOSSES AND EXPENSES (CONTINUED)

	Note	2015 (\$'000)	2014 (\$'000)
(vi) Acquisition costs ⁽ⁱⁱ⁾			
Acquisition success fee		-	1,623
Legal fees		-	63
Redundancy payouts		-	602
Listing fees ASX/TSX		-	301
Share registry and other		-	84
		-	2,673
<i>⁽ⁱⁱ⁾ Relates to the acquisition of Azimuth.</i>			
(vii) Impairment losses			
Casposo CGU, Argentina	11	97,319	-
Karouni CGU, Guyana	11	-	87,459
Corporate – assets	11	547	134
Impairment loss before income tax		97,866	87,593
Deferred income tax benefit	11	(5,885)	(26,238)
Impairment loss net of income tax		91,981	61,355

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5. INCOME TAX

a) *Income Tax recognised in profit or loss*

	Note	2015 (\$'000)	2014 (\$'000)
Current tax expense / (benefit)			
Current year - income tax charge / (income)		6,281	(584)
Adjustment - current income tax of previous years		63	(6,240)
		6,344	(6,824)
Deferred income tax			
Origination and reversal of temporary differences		566	(1,398)
Temporary difference arising from impairment loss	11	(5,885)	(26,238)
Adjustment - deferred income tax of previous years		-	(406)
		(5,319)	(28,042)
Total Income tax expense / (benefit) in the income statement		1,025	(34,866)
Numerical Reconciliation of tax expenses to prima facie tax payable			
Loss before tax - continuing operations		(99,328)	(93,991)
Total loss before tax		(99,328)	(93,991)
Income tax expense at the Group's statutory tax rates of Australia: 30%, Guyana 30%, Brazil: 34% and Argentina 35%		(34,436)	(28,034)
<i>Difference in income tax expense due to:</i>			
Share based payments		47	88
Non-deductible foreign salaries & exploration		43	141
Non-deductible expenses / (benefit)		4,669	(1,952)
Impairment losses - potential future benefit not recognised as an asset		20,091	-
Non-deductible impairment losses		8,273	-
Under / (over) provision for income tax of previous year		265	(6,646)
Over provision calendar year		2,255	-
Other temporary differences not recognised		(309)	5
Australian tax losses recognised		(6,548)	(273)
Foreign tax losses not recognised		6,675	1,806
Income tax expense / (benefit) on pre-tax net profit		1,025	(34,866)
Numerical Reconciliation of tax expenses to prima facie tax payable			
Deferred income tax related to items charged or credited directly to equity			
Foreign currency translation reserve - Current tax		(146)	(1,007)
Foreign currency translation reserve and hedging - Deferred tax		2,467	(1,473)
Income tax expense reported in equity		2,321	(2,480)

5. INCOME TAX (CONTINUED)

b) *Deferred tax assets / (liabilities) arise from the following:*

	Opening Balance	Acquired	Charged to Income	Charged to Equity	Closing Balance
2015					
Capitalised mining costs – Brazil	(69)	-	43	5	(21)
Capitalised mining costs – Argentina	(2,028)	-	2,222	(194)	-
Capitalised mining costs – Guyana	(8,097)	-	-	-	(8,097)
Temporary differences – Guyana	(5,538)	-	-	-	(5,538)
Plant and equipment	25	-	(1,817)	-	(1,792)
Provisions for employee entitlements and rehabilitation	191	-	(7)	-	184
Intercompany loan – Guyana	(3,613)	-	(2,747)	-	(6,360)
Australia Tax Losses	10,124	109	(625)	-	9,608
Hedge Asset / Sundry Australia	311	-	925	(1,503)	(267)
Other (net) – Brazil	(777)	-	777	-	-
Tax losses not recognised	(7,037)	(109)	6,548	(775)	(1,373)
	(16,508)	-	5,319	(2,467)	(13,656)
Deferred tax assets					-
Deferred tax liabilities					(13,656)
					(13,656)
2014					
Capitalised mining costs – Brazil	(178)	-	105	4	(69)
Capitalised mining costs – Argentina	(5,196)	-	1,699	1,469	(2,028)
Capitalised mining costs – Guyana	-	(34,335)	26,238	-	(8,097)
Temporary differences – Guyana	-	(5,538)	-	-	(5,538)
Plant and equipment	25	-	-	-	25
Provisions for employee entitlements and rehabilitation	226	-	(35)	-	191
Intercompany loan – Guyana	-	(1,584)	(2,029)	-	(3,613)
Australia Tax Losses	5,086	3,809	1,229	-	10,124
Sundry Australia	(256)	-	567	-	311
Other (net) – Brazil	(777)	-	-	-	(777)
Temporary differences not recognised	5	-	(5)	-	-
Tax losses not recognised	(5,086)	(2,224)	273	-	(7,037)
	(6,151)	(39,872)	28,042	1,473	(16,508)
Deferred tax assets					-
Deferred tax liabilities					(16,508)
					(16,508)

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5. INCOME TAX (CONTINUED)

c. Tax balances

	2015 (\$'000)	2014 (\$'000)
Current tax asset / (payable)	398	(945)
Deferred tax liabilities	(13,656)	(16,508)

d. Unrecognised deferred tax assets

The following deferred tax assets have not been brought to account as assets:

Tax losses – Australia	1,373	7,037
Timing differences – Argentina	20,091	-
	21,464	7,037

Tax Consolidation

Relevance of Tax Consolidation to the Group

Troy and its wholly-owned Australian resident subsidiaries have formed a tax-consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax consolidated group is Troy. Members of the group have not entered into a tax sharing arrangement in order to allocate income tax expense to the wholly owned subsidiaries on a pro-rata basis. In the absence of such an agreement, the subsidiaries are jointly and severally liable for the income tax liabilities of the head entity should the head entity default on its payment obligations. At balance date the likelihood of default is remote.

Nature of Tax Funding Arrangements and Tax Sharing Agreements

Entities within the tax consolidated group have not entered into a tax funding arrangement.

6. CASH AND CASH EQUIVALENTS

	2015 (\$'000)	2014 (\$'000)
Cash at bank	13,516	3,865
Cash at bank – Overseas	16,346	23,210
Short term interest bearing deposits – Australia	30,694	16,334
	60,556	43,409

Investments in short term money market instruments are bearing interest at rates of 2.00% to 2.97%p.a. (2014: 3.15% to 3.78%p.a.). For information on restricted cash refer to Note 31(b).

7. OTHER RECEIVABLES AND PREPAYMENTS

	2015 (\$'000)	2014 (\$'000)
CURRENT		
Other debtors and prepayments ^{(a)(b)}	5,740	6,880
Value added tax recoverable ^(c)	6,929	10,053
	12,669	16,933
NON CURRENT		
Value added tax recoverable ^(c)	-	5,136

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- (a) 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 30 June 2015 (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.
- (b) As at 30 June 2015 (2014: nil) no receivables are past due, or impaired.
- (c) Within Argentina, the Group has incurred value added tax (VAT) as part of its purchases which are recoverable over time in proportion to the level of future export sales. During the year ended 30 June 2015, \$18,563,000 of VAT receivable was recovered (2014: \$10,253,000) and \$6,085,000 was considered non recoverable and impaired as part of the Group's impairment loss (2014: nil). Refer to Note 11 for further information.

8. INVENTORIES

	2015 (\$'000)	2014 (\$'000)
At Cost:		
Bullion on hand	60	291
Doré on hand	2,100	3,854
Ore stockpiles and work in progress	8,355	6,560
Stores and raw materials	6,100	12,337
	16,615	23,042

Refer Note 11 for further information on inventory impairment.

9. HEDGE ASSETS & LIABILITIES

	2015 (\$'000)	2014 (\$'000)
Derivatives that are designated as hedging instruments carried at fair value		
Hedge Assets		
Gold and silver forward contracts – Effective	5,938	-
Gold and silver forward contracts – Ineffective	-	-
	5,938	-
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 hedge finance costs	1,705	509

For a description of the type of hedge, the financial instruments designated as hedging instruments and the nature of the risk being hedge (refer to Note 30).

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10. PROPERTY, PLANT & EQUIPMENT

	Note	Land & Buildings at cost (\$'000)	Plant & Equipment at cost (\$'000)	Motor Vehicles at cost (\$'000)	Total (\$'000)
Gross carrying amount:					
Balance at 30 June 2013		8,186	84,346	3,723	96,255
Additions		226	24,976	274	25,476
Disposals		(479)	(284)	(407)	(1,170)
Devaluation through profit and loss		(670)	-	-	(670)
Acquisitions through business combinations		673	1,550	421	2,644
Net foreign currency exchange differences		(2,470)	(22,738)	(682)	(25,890)
Balance at 30 June 2014		5,466	87,850	3,329	96,645
Additions		-	78,883	-	78,883
Transfer from Development Properties		-	28,901	-	28,901
Disposals		-	(777)	(410)	(1,186)
Impairment	11	-	(1,233)	-	(1,233)
Net foreign currency exchange differences	17(d)	549	2,255	(8)	2,794
Balance at 30 June 2015		6,015	195,879	2,911	204,804
Accumulated depreciation and impairment:					
Balance at 30 June 2013		(2,264)	(34,896)	(1,936)	(39,096)
Depreciation expense		(863)	(10,297)	(660)	(11,820)
Disposals		-	221	313	534
Net foreign currency exchange differences		963	6,040	179	7,182
Balance at 30 June 2014		(2,164)	(38,932)	(2,104)	(43,200)
Depreciation expense		(824)	(8,886)	(235)	(9,945)
Disposals		-	715	338	1,053
Impairment	11	-	(23,801)	-	(23,801)
Net foreign currency exchange differences	17(d)	(234)	2,750	(10)	2,506
Balance at 30 June 2015		(3,222)	(68,154)	(2,011)	(73,387)
Net book value:					
As at 30 June 2014		3,301	48,919	1,226	53,446
As at 30 June 2015		2,793	127,725	900	131,418

	2015 (\$'000)	2014 (\$'000)
Aggregate depreciation and asset write downs allocated, whether recognised as an expense or capitalised as part of the carrying amount of other assets during the year		
Land and buildings	824	1,534
Plant and equipment	8,886	10,297
Motor vehicles	235	660
Balance	9,945	12,491

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11. MINE PROPERTIES

	Note	2015 (\$'000)	2014 (\$'000)
Mine properties			
Balance at start of financial year		48,370	66,143
Expenditure incurred during the year		28,389	28,479
Provision for rehabilitation		775	100
Amortisation expensed during year		(27,755)	(20,604)
Net foreign currency exchange differences	17(d)	6,773	(25,748)
Impairment write-downs		(56,552)	-
Balance at 30 June 2015		-	48,370

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Impairment of Mine and Development Properties		2015 \$'000	2014 \$'000
Casposo CGU, Argentina			
Mining properties			
- half year to 31 December 2014		29,921	-
- half year to 30 June 2015		26,631	-
		56,552	-
Property, plant & equipment		24,488	-
Inventories - spares and consumables		10,195	-
Receivables - Value added tax recoverable		6,085	-
Karouni CGU, Guyana			
Development properties		-	87,459
Corporate			
Other financial assets		-	134
Property, plant and equipment		546	-
Impairment loss before income tax		97,866	87,593
Deferred income tax benefit			
- half year to 31 December 2014		(1,910)	-
- half year to 30 June 2015 (2014)		(3,975)	(26,238)
Impairment loss net of income tax		91,981	61,355

Results of impairment Testing

Mine and Development Properties

Management of the Group has identified two cash generating units (CGU's) being: the Casposo Gold Silver Operation in Argentina, and the Karouni Gold Development Project in Guyana.

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.

Impairment assessments were conducted at balance date considering continued depressed gold and silver prices, current market and sales conditions for gold development projects and given that the market capitalisation of Troy at that time was as an indicator of impairment.

The impairment testing completed has resulted in impairment charges for the Casposo gold and silver operation being recognised during the current year. No impairment charge arose for the other CGU's, including Karouni.

11. MINE PROPERTIES (CONTINUED)

Methodology

The future recoverability of capitalised mining properties, development 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 utilise 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.

The increasing complexity of the structure at Casposo, as the mine has transitioned from Inca 1 to Inca 2, has resulted in the grade distribution for both gold and silver in Inca 2 being more variable than that encountered in Inca 1. This complexity, combined with the increasing silver component of mineralisation at lower levels of the mine, as well as inflationary pressures, the commodity price outlook and the deteriorating silver to gold ratio, have negatively impacted Casposo's carrying value. Due to recent revisions to the mine plans at the Casposo CGU, impairment charges to reflect forecast net realisable values of mine properties, spares and consumables inventories and VAT receivables have been recognised.

11. MINE PROPERTIES (CONTINUED)

Key Assumptions

The table below summarises the key assumptions used in the 2015 year end carrying value assessments:

	July 15	July 16	30 June 15 July 17	July 18	July 19
Gold price (US\$ per ounce)	1,185	1,250	1,225	1,275	1,200
Silver price (US\$ per ounce)	17.00	18.00	18.46	20.00	19.73
Discount rate per annum (post-tax, real)	9.3%	9.3%	9.3%	9.3%	9.3%
Foreign exchange rate (A\$/US\$)	0.75	0.75	0.75	0.80	0.78

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Commodity prices and exchange rates

These are estimated with reference to external market forecasts prevalent at year end (Bloomberg median consensus bank forecasts). 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. Any future cost improvements achieved in a future period would therefore impact the future recoverable value.

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.

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

Sensitivity Analysis

After recognising the asset impairment and write down for Casposo and using the assumptions and methodology above for Karouni, the recoverable value of Casposo and Karouni have been assessed as being equal to their carrying amount as at 30 June 2015.

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.

It is estimated that a 4% increase / decrease in the forecast gold price realised per ounce and a correlating increase / decrease in the forecast silver price per ounce would have a positive / negative impact on the carrying value of Casposo by \$2.1 million and Karouni by \$16.4 million. Similarly a 4% decrease / increase in the foreign exchange rate would have a positive / negative impact on the carrying value of Casposo by \$0.3 million and Karouni by \$8.8 million. It must be noted that each of these sensitivities assumes that the specific assumption moves in isolation, while all other assumptions are held constant. In reality, a change in one of the sensitivities is usually accompanied with a change in another assumption, which may have an offsetting impact. Action is also usually taken to respond to adverse changes in economic assumptions that may mitigate the impact of any such change.

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12. DEVELOPMENT PROPERTIES

Development properties	Note	2015 (\$'000)	2014 (\$'000)
Balance at start of financial year		104,444	-
Transfers in from exploration		-	188,407
Expenditure incurred during the year		-	2,701
Capitalised exploration expenditure	4(ii)	3,154	-
Capitalised borrowing costs		6,808	1,906
Other write-down		(953)	-
Reversal of acquisition provisions		(3,874)	-
Transfer to Property, Plant & Equipment		(28,901)	-
Provision for rehabilitation		2,206	-
Net foreign currency exchange differences		12,892	(1,111)
Impairment write-down	11	-	(87,459)
Balance at 30 June 2015		95,756	104,444

Exploration properties	Note	2015 (\$'000)	2014 (\$'000)
Balance at start of financial year		-	-
Acquisitions through business combinations		-	176,492
Capitalised expenditure incurred during the year	4(ii)	-	11,915
Transfers to development properties		-	(188,407)
Balance at 30 June 2015		-	-

Impairment Testing

An impairment assessment was completed in relation to the Group's Development Properties (Karouni Project) as at the balance date. The trigger events resulting in this testing are as disclosed in Note 11. The impairment testing was completed using the same methodology and assumptions as disclosed in Note 11, and resulted in no impairment charge arising.

13. TRADE AND OTHER PAYABLES

	2015 (\$'000)	2014 (\$'000)
CURRENT		
Trade payables ^(a)	10,384	15,570
Accrued expenses	10,582	5,361
Power line payable ^(b)	-	862
Deferred consideration on acquisition ^(c)	261	212
Dividends ^(d)	27	27
Acquisition payable ^(e)	260	1,300
	21,514	23,332
NON CURRENT		
Withholding tax payable ^(f)	1,494	1,202
Acquisition payables ^(e)	-	2,707
	1,494	3,909

^(a) The standard credit period on purchases is 30 days from statement with longer terms typical in Argentina. No interest is usually chargeable on the trade payables for the first 45 to 60 days from the date of invoice. Thereafter, interest is typically charged on the outstanding balance. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

^(b) The Group had a contractual obligation to contribute to the upgrade and construction of power lines in the San Juan province of Argentina which was satisfied in full during the 2015 financial year. This obligation was assumed as part of the purchase of Casposo.

^(c) As part of the agreement relating to the acquisition of Troy Resources Argentina Ltd and Casposo, US\$0.2 million has been retained until satisfactory completion of outstanding items from the purchase agreement.

^(d) The payable for dividends represents the aggregate amount of dividends declared, determined or publicly recommended on or before the reporting date, which remain undistributed as at reporting date, regardless of the extent to which they are expected to be paid in cash (also refer to Note 20).

^(e) The acquisition payables represent the cost payable to land owners, exploration vendors and for relinquished tenement costs associated with the acquisition of Azimuth Resources Limited.

^(f) The withholding tax payable represents withholding tax due on intercompany interest charges payable to the Guyanese tax authorities, once interest repayments commence.

14. PROVISIONS

	2015 (\$'000)	2014 (\$'000)
CURRENT		
Rehabilitation (a)	858	689
Employee benefits (b)	6,397	3,992
Other Provisions	992	147
	8,247	4,828
NON CURRENT		
Rehabilitation (a)	7,540	3,804
Employee benefits (b)	103	77
	7,643	3,881

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(a) Provision for rehabilitation

A provision for rehabilitation is recognised in relation to the mining activities for costs such as reclamation, waste site closure, plant closure and other costs associated with the rehabilitation of a mining site. Estimates of the rehabilitation obligations are based on anticipated technology and legal requirements and future costs, which have been discounted to their present value. In determining the rehabilitation provision, the Group has assumed no significant changes will occur in the relevant legislation in relation to rehabilitation of such mines in the future.

Rehabilitation Provisions	Current Rehabilitation Provision (\$'000)	Non-current Rehabilitation Provision (\$'000)
Balance at 1 July 2013	92	4,910
Additional provisions recognised	-	100
Unwinding of discount	-	349
Net foreign currency exchange differences	(2)	(956)
Transfer from / (to) Non-current	599	(599)
Balance at 30 June 2014	689	3,804
Additional provisions recognised	737	2,244
Unwinding of discount	34	563
Reduction arising from payments	(418)	-
Reduction arising from disposal of subsidiary	(87)	-
Net foreign currency exchange differences	(97)	929
Balance at 30 June 2015	858	7,540

(b) Employee Provisions

	2015 (\$'000)	2014 (\$'000)
The aggregate employee entitlement liability recognised and included in the financial statements is as follows:		
Current	6,397	3,992
Non-current	103	77
	6,500	4,069
	No.	No.
Employees at the end of the financial year	869	743

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15. BORROWINGS

Debt facility: Secured – at amortised cost	2015 (\$'000)	2014 (\$'000)
Industrial and Commercial Bank of China (Argentina) S.A. – debt facility	762	1,391
Investec Bank (Australia) Limited	-	40,000
Investec Bank Plc – Syndicated debt facility ^{(i) (ii)}	100,000	-
Capitalised borrowing costs	(2,221)	(573)
	98,541	40,818
CURRENT	40,700	30,695
NON-CURRENT	57,841	10,123
	98,541	40,818

Summary of Borrowing Arrangements

⁽ⁱ⁾ During the current financial year the Group drew in full on the \$100 million Investec Facility. This was used in part to repay the \$40 million that was outstanding under the previous Investec Bank (Australia) Limited facility on 7 July 2014.

⁽ⁱⁱ⁾ The Investec Bank Plc facility matures on 30 June 2017.

16. ISSUED CAPITAL

	2015 No. ('000)	2014 No. ('000)
Issued Capital		
290,096,411 (2014: 195,034,997) ordinary shares fully paid	290,096	195,035
	290,096	195,035

	2015		2014	
	No. ('000)	(\$'000)	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	138	-	-
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 – capital raising	94,831	35,349	26,548	32,066
	290,096	305,311	195,035	269,689

Changes to the then Corporation's Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares and issued shares do not have a par value.

Fully paid ordinary shares carry one vote per share and carry the entitlement to dividends.

⁽ⁱ⁾ Issued pursuant to the terms of various agreements between Azimuth and landowners in Guyana.

17. RESERVES

	2015 (\$'000)	2014 (\$'000)
(a) Available for Sale Reserve:		
Balance at beginning of financial year	-	(62)
Loss reclassified to profit or loss on impairment of available for sale asset	-	62
Balance at the end of the financial year	-	-

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The Available for Sale Reserve arises on the revaluation of available for sale financial assets. When a revalued financial asset is sold, the portion of the reserve which relates to the financial asset is recognised in profit or loss. Where a revalued financial asset is impaired, that portion of the reserve which relates to that financial asset is recognised in the profit and loss. Valuation gains / (losses) are net of applicable income taxes.

	2015 (\$'000)	2014 (\$'000)
(b) Share Based Payment Reserve:		
Balance at beginning of financial year	5,696	4,932
Share based payments ⁽ⁱ⁾	155	292
Transfer to issued capital on conversion of options	(103)	-
Issue of options for the acquisition of Azimuth	-	103
Share based borrowing costs - Investec options ⁽ⁱⁱ⁾	3,053	369
Balance at the end of the financial year	8,801	5,696

(i) The Share based payments arise due to the grant of share options, performance rights and share appreciation rights under the LTIP and the issue of securities by the Company. Amounts are transferred out of the reserve and into issued capital when the underlying securities are issued, exercised, vested or fully paid up.

(ii) As part consideration for the provision of Investec's loan facilities, Troy issued 10,000,000 (2014: 500,000) unlisted call options over Troy ordinary shares.

	2015 (\$'000)	2014 (\$'000)
(c) Hedging Cash Flow Reserve:		
Balance at beginning of financial year	(3,735)	-
Gains / (Losses) arising on changes in fair value of hedging instruments entered into for cash flow hedges	9,051	(3,735)
Balance at the end of the financial year	5,316	(3,735)

The cash flow hedging reserve represents the cumulative effective portion of gains / (losses) arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gains or losses arising on changes in fair value of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or is included as a basis adjustment to the non-financial hedged item, consistent with the relevant accounting policy.

	2015 (\$'000)	2014 (\$'000)
(d) Foreign Currency Translation Reserve:		
Balance at beginning of financial year	(93,724)	(46,219)
Translation of foreign operations	28,515	(47,505)
Balance at the end of the financial year	(65,209)	(93,724)
TOTAL RESERVES	(51,092)	(91,763)

The movement in the foreign currency translation reserve of \$28.5 million is due in the main to non cash exchange differences relating to the translation of Troy's foreign controlled entities from their functional currencies of Argentine pesos, Brazilian reals and Guyanese dollars into Australian dollars.

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17. RESERVES (CONTINUED)

In the 2015 financial year:

- (a) the Argentine peso appreciated against the Australian dollar by 8.7% from 1:7.67 to 1:7.00;
- (b) the Guyanese dollar appreciated against the Australian dollar by 15.37% from 1:188.58 to 1:159.59; and
- (c) the Brazilian real has devalued against the Australian dollar by 16.02% during the year from 1:2.08 to 1:2.41.

18. RETAINED EARNINGS

	2015 (\$'000)	2014 (\$'000)
Retained Profits		
Balance at beginning of financial year	18,702	77,773
Net loss	(100,666)	(59,071)
Dividend paid/payable	-	-
Balance at end of financial year	(81,964)	18,702

19. LOSS PER SHARE

	2015 Cents Per Share	2014 Cents Per Share
Basic loss per share		
From continuing operations	49.4	34.0
Total basic loss per share	49.4	34.0
Diluted loss earnings per share		
From continuing operations	49.4	34.0
Total diluted loss per share	49.4	34.0

(a) Basic Loss Per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2015 (\$'000)	2014 (\$'000)
Loss used in the calculation of basic earnings per share from continuing operations	100,353	59,071

	2015 No. ('000)	2014 No. ('000)
Weighted average number of ordinary shares for the purposes of basic earnings per share.	203,268	174,035

(b) Diluted Loss Per Share

The (loss) / earnings used in the calculation of diluted earnings per share are as follows:

	2015 (\$'000)	2014 (\$'000)
Loss used in the calculation of diluted earnings per share from continuing operations	100,353	59,071

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows.

19. LOSS PER SHARE (CONTINUED)

	2015 No. ('000)	2014 No. ('000)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	203,268	174,035
There were no shares deemed to be issued for no consideration		
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	203,268	174,035

The following potential ordinary shares are non-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted earnings per share:

	2015 No. ('000)	2014 No. ('000)
Employee options	590	761
Performance rights	12	18
Share appreciation rights	1,760	1,601
Investec options	10,000	1,862
	12,362	4,242

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20. DIVIDENDS AND FRANKING CREDITS

	2015		2014	
	Cents per Share	Total (\$'000)	Cents per Share	Total (\$'000)
No dividends were declared or paid in 2015 (2014: \$nil)	-	-	-	-
	2015 (\$'000)		2014 (\$'000)	
Adjusted franking account balance at 30% tax rate	1,604		1,604	

21. DIRECTOR AND OTHER KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Key Management Personnel Compensation

The aggregate compensation of Directors and Other Senior Managers in the Group and the Company is set out below:

	2015 (\$)	2014 (\$)
Short-term employee benefits	3,300,726	2,579,443
Long service leave	35,499	58,752
Post-employment benefits	138,169	139,278
Share-based payments	305,136	572,473
	3,779,530	3,349,946

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22. AUDITOR'S REMUNERATION

	2015 (\$)	2014 (\$)
(a) Paid or Payable to Deloitte Touche Tohmatsu in Australia:		
Audit of the financial reports	144,719	186,554
Tax Services	40,526	57,819
	185,245	244,373
(b) Paid or Payable to overseas associates of Deloitte Touche Tohmatsu:		
Audit of the financial reports	134,398	168,571
	134,398	168,571
	319,643	412,944

No other benefits were received by the Auditor.

23. RELATED PARTY TRANSACTIONS

(a) Subsidiaries

The ultimate parent entity of the group is Troy Resources Limited.

Details of the ownership of ordinary shares held in subsidiaries are disclosed in Note 28 to the Financial Statements.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in the Notes. Details of transactions between the Group and other related parties, if any, are disclosed below.

(b) Key Management Personnel

As required by the Corporations Act 2001, the Company has disclosed information about the compensation of Directors, Executives and Other Key Management Personnel ("Compensation Disclosures") under the heading "Remuneration Report" on page 32 to 41 of the Directors' Report.

Share options have been valued using a Binomial Valuation Model. Performance rights have been valued using a Monte-Carlo valuation model. Share Appreciation Rights have been valued using a Trinomial valuation model according to AASB 2: Share Based Payment.

(c) Other Related Party Transactions:

Cassels Brock & Blackwell LLP ⁽ⁱ⁾

Mr G R Chambers is a partner at Cassels Brock & Blackwell LLP a limited liability partnership under Canadian law. This firm provides corporate legal services to local and international clients. All legal services provided to the Company are at normal commercial rates for the amounts as follows:

	2015 \$	2014 \$
Legal services	-	21,982
Azimuth takeover	-	20,439
Due diligence	-	-
Non-executive director remuneration	-	22,086
Expense reimbursements ⁽ⁱⁱ⁾	-	11,007
	-	75,514

(i) Mr G R Chambers resigned as a non-executive director of Troy on 29 August 2013 and ceased to be a related party from that date onwards. All related party transactions incurred up to the date of resignation are disclosed above.

(ii) Reimbursement of expenses relates to Mr Chambers travel to Australia, Argentina and Brazil, in his capacity as a non-executive director, and for document lodgement with regulatory authorities in Canada.

24. EMPLOYEE SHARE EQUITY PLANS

Long term incentive plan

A new long term incentive plan, the Troy Resources Limited Long Term Incentive Plan (LTIP), was adopted by the Board on 11 October 2013. The LTIP encompasses the ability to issue options, performance rights and share appreciation rights and was approved at the 2013 Annual General Meeting.

Share Appreciation Rights

SAR's can be issued under the LTIP pursuant to the following common terms and conditions:

- (a) ability to issue to employees or Executive Directors of the Company or any Associated Body Corporate. Non-Executive Directors of the Company are not eligible to participate in the LTIP;
- (b) a maximum of 7.5% of total issued Shares are available for issue upon the exercise of Awards under the LTIP;
- (c) the number of shares issued under the LTIP in the last five years cannot exceed 5% of issued shares;
- (d) issue cost is nil;
- (e) SAR's granted under the LTIP may not have a term exceeding five years from the date on which the Award is granted;
- (f) upon vesting, SAR's must be exercised by the Participant within the relevant exercise period by delivery of notice in accordance with the LTIP. Upon exercise of the SAR, and in accordance with the LTIP, the Board will determine whether to:
 - (i) make a cash payment, of all or part of the Shares which the Participant is entitled to receive, on exercise equal to the market value of such Shares (being the VWAP of the Shares on the ASX for the five trading days immediately preceding the exercise date) (**Cash Settled**). The cash payment made to a Participant will be equal to the aggregate market value of the Shares as at the date of exercise of the SAR's which would otherwise have been allotted and issued or transferred to the Participant on the exercise of the SAR's had such rights been Equity Settled;
 - or
 - (ii) Issue or transfer Shares to a Participant on the exercise of the Share Appreciation Rights (**Equity Settled**). The number of Shares delivered to Participants upon exercise of Share Appreciation Rights will depend on the amount by which the market value of the Shares has increased in value over the Grant Price. All Shares issued or transferred to a Participant under the LTIP will, from the date of issue or transfer, rank equally with all other issued Shares.
- (g) unvested SAR's will lapse when the holder ceases to be employed by the Company unless the Directors determine otherwise; and vested but unexercised share appreciation rights will continue in force and remain exercisable, subject to the satisfaction of any applicable exercise conditions, until the expiry of the SAR.
- (h) during the year ended 30 June 2015, 360,000 SAR's were issued (2014: 1,643,000), 340,000 vested (2014: nil) and 201,000 lapsed (2014: 420,000).

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24. EMPLOYEE SHARE EQUITY PLANS (CONTINUED)

SHARE APPRECIATION RIGHTS 2015

Month of issue	Balance at 1.7.14	No. rights issued	Grant Price	No. of rights vested during the year	Vesting Date	Number Lapsed / Cancelled during the year	Balance at 30.6.15	Vested at 30.6.15	Vesting Period	Expiry Date
Nov-13	250,000	-	\$1.10	-	-	-	250,000	-	Dec-13 - Mar-16	31-Mar-16
Nov-13	250,000	-	\$1.10	-	-	-	250,000	-	Dec-13 - Mar-16	31-Mar-16
Nov-13	300,000	-	\$1.21 - \$1.43	40,000	-	(180,000)	120,000	40,000	Dec-14 - Dec-16	20-Dec-17
Dec-13	801,000	-	\$1.21 - \$1.43	260,000	Dec-14	(21,000)	780,000	260,000	Dec-14 - Dec-16	20-Dec-17
Jul-14	-	30,000	\$1.38 - \$1.63	10,000	Mar-15	-	30,000	10,000	Mar-15 - Mar-17	26-Mar-18
Jul-14	-	60,000	\$1.38 - \$1.63	20,000	April 15	-	60,000	20,000	Apr-15 - Apr-17	27-Apr-18
Jul-14	-	30,000	\$1.38 - \$1.63	10,000	May-15	-	30,000	10,000	May-15 - May-17	31-May-18
Nov-14	-	240,000	\$0.88 - \$1.04	-	-	-	240,000	-	Sep-15 - Sep-18	1-Sep-18
	1,601,000	360,000	\$0.88 - \$1.63	340,000	-	(201,000)	1,760,000	340,000		

SHARE APPRECIATION RIGHTS 2014

Month of issue	Balance at 1.7.13	No. rights issued	Grant Price	No. of rights vested during the year	Vesting Date	Number Lapsed / Cancelled during the year	Balance at 30.6.14	Vested at 30.6.14	Vesting Period	Expiry Date
Nov-13	-	250,000	\$1.10	-	-	-	250,000	-	Dec-13 - Mar-16	31-Mar-16
Nov-13	-	250,000	\$1.10	-	-	-	250,000	-	Dec-13 - Mar-16	31-Mar-16
Nov-13	-	300,000	\$1.21 - \$1.43	-	-	-	300,000	-	Dec-14 - Dec-16	20-Dec-17
Dec-13	-	843,000	\$1.21 - \$1.43	-	-	(42,000)	801,000	-	Dec-14 - Dec-16	20-Dec-17
	-	1,643,000	\$1.10 - \$1.43	-	-	(42,000)	1,601,000	-		

Employee Share Option Plan

Options have previously been issued pursuant to the November 2007 Employee Share Option Plan (Plan) approved at the 2010 Annual General Meeting and in accordance with the following terms and conditions:

- to employees or Directors of the Company or any Associated Body Corporate;
- the number of options outstanding and shares issued under the Plan in the last five years cannot exceed 7% of issued shares;
- issue cost is nil;
- each grant of options is split into three approximately equal portions. The first third vest on the first anniversary of the grant date, the second third on the second anniversary of the grant date and the final third on the third anniversary of the grant date. All options expire on the fourth anniversary of the grant date;
- options carry no voting rights, and no rights to dividends;
- options may be exercised at any time from the date on which they vest up until the expiry date; and
- options expire when the option holder ceases to be employed by the Company unless the Directors, in their sole discretion due to extenuating circumstances, determine otherwise; and options are issued at the discretion of the Directors who take into account the length of service of the recipient.

Under the Plan, the exercise price of an Option is based on the Volume Weighted Average Price of the shares as traded on the stock exchange where the majority of the Company's shares are traded over the five trading days prior to the date of grant of the Options.

Consideration received on the exercise of the employee options is recognised in contributed equity. 61,460 options were exercised during the year ended 30 June 2015 (2014: nil) and as a result \$34,971 (2014: nil) was recognised in contributed equity arising from the exercise of employee options.

24. EMPLOYEE SHARE EQUITY PLANS (CONTINUED)

EMPLOYEE OPTIONS 2015

Month of issue	Balance at 1.7.14	No. options issued	No. of options exercised	Exercise Date	Ex. Price	Proceeds Received (\$)	Fair Value on date of exercise (\$)	Number Lapsed / Cancelled during the year	Balance at 30.6.15	Vested at 30.6.15	Vesting Period	Expiry Date
Jul-13	26,340	-	(26,340)	28-Jul-14	\$0.57	14,987	16,357	-	-	-	Jul-13	13-Aug-14
Jul-13	35,120	-	(35,120)	13-Aug-14	\$0.57	19,983	9,518	-	-	-	Jul-13	13-Aug-14
Jan-12	250,000	-	-	-	\$4.37	-	-	-	250,000	250,000	Jan 13 - Jan 15	9-Jan-16
Nov-11	240,000	-	-	-	\$4.17	-	-	-	240,000	240,000	Nov 12 - Nov 14	28-Nov-15
Aug-11	100,000	-	-	-	\$4.16	-	-	-	100,000	100,000	Aug 12 - Aug 14	12-Aug-15
Oct-10	30,000	-	-	-	\$3.36	-	-	(30,000)	-	-	Oct 11 - Oct 13	28-Oct-14
Aug-10	80,000	-	-	-	\$2.60	-	-	(80,000)	-	-	Aug 11 - Aug 13	5-Aug-14
	761,460	-	(61,460)			34,971	25,875	(110,000)	590,000	590,000		

The weighted average exercise price during the period was \$0.57

EMPLOYEE OPTIONS 2014

Month of issue	Balance at 1.7.13	No. options issued	No. of options exercised	Exercise Date	Ex. Price	Proceeds Received (\$)	Fair Value on date of exercise (\$)	Number Lapsed / Cancelled during the year	Balance at 30.6.14	Vested at 30.6.14	Vesting Period	Expiry Date
Jul-13		26,340	-	-	\$0.57	-	-	-	26,340	26,340	Jul-13	13-Aug-14
Jul-13		35,120	-	-	\$0.57	-	-	-	35,120	35,120	Jul-13	13-Aug-14
Jan-12	250,000	-	-	-	\$4.37	-	-	-	250,000	167,000	Jan 13 - Jan 15	9-Jan-16
Nov-11	260,000	-	-	-	\$4.17	-	-	(20,000)	240,000	168,500	Nov 12 - Nov 14	28-Nov-15
Sep-11	150,000	-	-	-	\$4.68	-	-	(150,000)	-	-	Sep 12 - Sep 14	9-Sep-15
Aug-11	100,000	-	-	-	\$4.16	-	-	-	100,000	67,000	Aug 12 - Aug 14	12-Aug-15
Oct-10	50,000	-	-	-	\$3.36	-	-	(20,000)	30,000	30,000	Oct 11 - Oct 13	28-Oct-14
Aug-10	80,000	-	-	-	\$2.60	-	-	-	80,000	80,000	Aug 11 - Aug 13	5-Aug-14
Mar-10	293,000	-	-	-	\$2.14	-	-	(293,000)	-	-	Mar 11 - Mar 13	19-Mar-14
Aug-09	150,000	-	-	-	\$1.79	-	-	(150,000)	-	-	Aug 10 - Aug 12	17-Aug-13
	1,333,000	61,460	-			-	-	(633,000)	761,460	573,960		

The weighted average exercise price during the period was nil

24. EMPLOYEE SHARE EQUITY PLANS (CONTINUED)

Employee Performance Rights Plan

Performance rights have previously been issued pursuant to the Employee Performance Rights Plan (Rights Plan), which was approved at the 2010 Annual General Meeting and in accordance with the following terms and conditions:

- to employees or Directors of the Company or any Associated Body Corporate;
- the number of shares issued under the Rights Plan in the last five years cannot exceed 5% of issued shares;
- issue cost is nil;
- performance rights may only be exercised by the participant at the times, to the extent and in the manner set out in the offer pertaining to those performance rights;
- each grant of performance rights is split into portions with allocated hurdle criteria. All performance rights expire on the fourth anniversary of the grant date; and
- performance rights will expire when the holder ceases to be employed by the Company unless the Directors, in their sole discretion due to extenuating circumstances, determine otherwise; and performance rights are issued at the discretion of the Directors who take into account the length of service of the recipient.

During the year ended 30 June 2015, nil performance rights were issued (2014: nil), nil performance rights vested (2014: nil) and 6,000 performance rights lapsed and were cancelled during the year (2014: 302,000).

EMPLOYEE PERFORMANCE RIGHTS 2015

Month of issue	Balance at 1.7.14	No. rights issued	Hurdle price range	No. of rights vested	Vesting Date	Number Lapsed / Cancelled during the year	Balance at 30.6.15	Vested at 30.6.15	Vestment Period	Expiry Date
Nov-11	12,000	-	\$5.50	-	-	-	12,000	-	Nov 12 - Nov 15	28-Nov-15
Sep-10	6,000	-	\$5.00	-	-	(6,000)	-	-	Sept 11 - Sept 14	9-Sep-14
	18,000	-	\$5.00 - \$6.13	-	-	(6,000)	12,000	-		

EMPLOYEE PERFORMANCE RIGHTS 2014

Month of issue	Balance at 1.7.13	No. rights issued	Hurdle price range	No. of rights vested	Vesting Date	Number Lapsed / Cancelled during the year	Balance at 30.6.14	Vested at 30.6.14	Vestment Period	Expiry Date
Nov-12	300,000	-	\$5.15 - \$6.13	-	-	(300,000)	-	-	Oct 13 - Oct 16	12-Oct-16
Nov-11	12,000	-	\$5.50	-	-	-	12,000	-	Nov 12 - Nov 15	28-Nov-15
Sep-10	8,000	-	\$5.00	-	-	(2,000)	6,000	-	Sept 11 - Sept 14	9-Sep-14
	320,000	-	\$5.00 - \$6.13	-	-	(302,000)	18,000	-		

24. EMPLOYEE SHARE EQUITY PLANS (CONTINUED)

Inputs used in the valuation model for share based payment arrangements which were entered into during the year.

Share options have been valued using a Binomial Valuation Model. Performance rights have been valued using a Monte-Carlo valuation model. Share Appreciation Rights have been valued using a Trinomial valuation model. The following input parameters have been used in determining the value of share-based payments:

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SHARE APPRECIATION RIGHTS

Grant Date	Expiry Date	Number of Securities	Vesting Date	Expected Exercise Date ⁽¹⁾	Current Share Price ⁽²⁾ (\$)	Grant Price (\$)	Dividend Yield ⁽³⁾	Risk Free Rate ⁽⁴⁾	Volatility ⁽⁵⁾	"Fair Value"
27- Nov-14	1-Sep-18	80,000	1-Sep-15	1-Sep-18	0.52	0.88	0.00%	2.48%	81%	0.15
		80,000	1-Sep-16	1-Sep-18	0.52	0.96	1.21%	2.40%	81%	0.18
		80,000	1-Sep-17	1-Sep-18	0.52	1.04	2.41%	2.42%	81%	0.19
17- Jul-14	31- May-18	10,000	31- May-15	31- May-18	1.22	1.38	0.00%	2.42%	53%	0.32
		10,000	31- May-16	31- May-18	1.22	1.50	1.21%	2.42%	53%	0.34
		10,000	31- May-17	31- May-18	1.22	1.63	2.41%	2.54%	53%	0.35
17- Jul-14	27- Apr-18	20,000	27- Apr-15	27- Apr-18	1.22	1.38	0.00%	2.42%	53%	0.32
		20,000	27- Apr-16	27- Apr-18	1.22	1.50	1.21%	2.42%	53%	0.34
		20,000	27- Apr-17	27- Apr-18	1.22	1.63	2.41%	2.54%	53%	0.35
17- Jul-14	26- Mar-18	10,000	26- Mar-15	26- Mar-18	1.22	1.38	0.00%	2.42%	53%	0.32
		10,000	26- Mar-16	26- Mar-18	1.22	1.50	1.21%	2.42%	53%	0.34
		10,000	26- Mar-17	26- Mar-18	1.22	1.63	2.41%	2.54%	53%	0.35

Notes:

⁽¹⁾ The expected exercise date is the most likely date the company expects these option or rights to be exercised.

⁽²⁾ The current share price is the closing market price on the ASX as of the issue date of the options, and the closing market price as of the issue date for the Implied Options.

⁽³⁾ The dividend yield is the annualised gross percentage yield continuously compounded and sourced from Bloomberg.

⁽⁴⁾ The risk free rate is the implied yield on zero-coupon Australian government bonds, at the issue date, continuously compounded, corresponding to the expected life of the options and the Implied Options.

⁽⁵⁾ The Volatility factor is based on the historical volatility observed for Troy, as per Bloomberg, corresponding to the expected life for the options and the Implied Options.

24. EMPLOYEE SHARE EQUITY PLANS (CONTINUED)

The following tables reconcile the SAR's, employee share options and performance rights outstanding at the beginning and end of the year.

Share Appreciation Rights	2015		2014	
	No.	Weighted Average Grant Price \$	No.	Weighted Average Grant Price \$
Balance at beginning of year	1,601,000	-	-	-
Granted during the year	360,000	1.14	1,643,000	1.25
Exercised during the year	-	-	-	-
Lapsed during the year	(201,000)	1.32	(42,000)	1.32
Balance at end of year	1,760,000	1.22	1,601,000	1.25
Exercisable at end of year	340,000	1.23	-	-

During the financial year: 360,000 SAR's (2014: 1,643,000) were granted, 340,000 SAR's vested (2014: nil); and 201,000 SAR's lapsed (2014: 42,000).

Employee Share Options	2015		2014	
	No.	Weighted Average Exercise Price \$	No.	Weighted Average Exercise Price \$
Balance at beginning of year	761,460	3.75	1,333,000	3.43
Granted during the year	-	-	61,460	0.57
Exercised during the year	(61,460)	0.57	-	-
Lapsed during the year	(110,000)	2.81	(633,000)	2.76
Balance at end of year	590,000	4.25	761,460	3.75
Exercisable at end of year	590,000	4.25	573,960	3.58

During the financial year: nil employee options were issued (2014: 61,460); and 110,000 options lapsed (2014: 633,000).

Performance Rights	2015		2014	
	No.	Weighted Average Hurdle Price \$	No.	Weighted Average Hurdle Price \$
Balance at beginning of year	18,000	5.33	320,000	5.62
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	(6,000)	5.00	(302,000)	5.64
Balance at end of year	12,000	5.50	18,000	5.33
Exercisable at end of year	-	-	-	-

During the financial year: nil (2014: nil) performance rights were granted; nil performance rights vested during the year (2014: nil); and 6,000 performance rights lapsed (2014: 302,000).

25. SEGMENT REPORTING

The following is an analysis of the Group's revenue and results by reportable operating segment:

	Note	Segment revenue Year ended		Segment loss Year ended	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Producing Operations:					
Argentina		145,726	133,715	9,884	13,650
Brazil		32,451	44,321	539	4,277
Hedge realised		2,612	-	2,612	-
Total Operations		180,789	178,036	13,035	17,927
Exploration:					
Argentina				(3,305)	(1,957)
Guyana				(7,004)	(12,752)
Capitalised Guyana				3,154	11,915
Total Exploration				(7,155)	(2,794)
Impairment:					
Australia	11			(546)	(134)
Argentina	11			(97,320)	-
Guyana	11			-	(87,459)
Total Impairment loss before income tax				(97,866)	(87,593)
Total Segments		180,789	178,036	(91,986)	(72,460)
Other income	3			924	661
Net foreign exchange gains / (losses)				3,002	(5,492)
Corporate administration	4			(6,689)	(9,220)
Other expenses	4			(155)	(1,338)
Finance costs	4			(4,424)	(3,469)
Acquisition costs	4			-	(2,673)
Loss before tax				(99,328)	(93,991)
Income tax (expense) / benefit	5			(1,025)	34,866
Loss for the year				(100,353)	(59,125)

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

Segment profit represents the profit earned by each segment without the allocation of central administration costs and directors' salaries, interest income, expenses in relation to corporate facilities, 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.

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25. SEGMENT REPORTING (CONTINUED)

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

Total assets	2015 \$'000	2014 \$'000
Operations:		
Argentina	27,995	108,807
Brazil	2,425	8,765
Guyana	225,327	126,603
Total segment assets:	255,747	244,175
Cash and cash equivalents ⁽ⁱ⁾	60,556	43,409
Tax assets ⁽ⁱ⁾	398	4,601
Other assets ⁽ⁱ⁾	711	2,595
Hedge asset ⁽ⁱ⁾	5,938	-
Total assets	323,350	294,780

⁽ⁱ⁾ 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	2015 \$'000	2014 \$'000
Operations:		
Argentina	25,229	19,665
Brazil	4,755	4,669
Guyana	7,497	9,848
Total segment liabilities:	37,481	34,182
Income tax liabilities ⁽ⁱⁱ⁾	13,656	17,453
Borrowings ⁽ⁱⁱ⁾	98,541	40,818
Hedge liability ⁽ⁱⁱ⁾	-	4,244
Other liabilities ⁽ⁱⁱ⁾	1,417	1,768
Total liabilities	151,095	98,465

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

Other Segment Information	2015 (\$'000)	2014 (\$'000)
Continuing Operations:		
Depreciation & Amortisation		
Argentina	32,489	25,072
Brazil	4,543	7,216
Guyana	518	621
Total Segment	37,551	32,909
Corporate	149	186
Total Depreciation & Amortisation	37,700	33,095
Additions to non-current assets		
Argentina	31,513	26,791
Brazil	3,002	6,597
Guyana	82,399	25,079
Development Properties / Exploration	3,154	11,915
Total Segment	120,068	70,382
Corporate	147	196
Total additions	120,215	70,578

26. COMMITMENTS FOR EXPENDITURE

(a) Exploration Commitments

The Group has minimum statutory commitments as conditions of tenure for certain mining tenements. Whilst these obligations may vary, the following is considered to be a reasonable estimate of the minimum projected payments required at 30 June 2015 if the Group is to retain all of its present interests in mining and exploration properties:

	2015 (\$'000)	2014 (\$'000)
Not longer than 1 year	944	2,808
Longer than 1 year and not longer than 5 years	1,905	435
Longer than 5 years	-	-

(b) Capital Commitments

Capital expenditure commitments contracted for as at the reporting date:

	2015 (\$'000)	2014 (\$'000)
Not longer than 1 year	3,806	10,756
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-

(c) Operating Leases

Operating lease arrangements as at the reporting date:

	2015 (\$'000)	2014 (\$'000)
Not longer than 1 year	3,199	5,753
Longer than 1 year and not longer than 5 years	566	5,302
Longer than 5 years	-	-

The majority of the lease commitments in 2014 were made up of minimum rental payments on trucks and excavators at the Casposo mine site, in Argentina. As a result of the decrease in mining activities at Casposo these commitments were reduced.

The Group has given securities in the form of general bank guarantees to financial institutions (Refer Note 27).

27. CONTINGENT LIABILITIES

The Group has the following contingent liabilities:

- (a) bank guarantees to financial institutions total \$210,835 (2014: \$222,616), of which \$157,359 (2014: \$147,520) are cash backed; and
- (b) potential legal claims submitted by previous employees at the Company's Sertão and Andorinhas operations in Brazil of \$2,503,055. Based on past settlement of claims, the current expectation is that only a portion of this may become payable and therefore \$992,000 has been included in Other Provisions at Note 14.

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28. SUBSIDIARIES

The consolidated financial statements include the following subsidiaries:

	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST	
		2015 %	2014 %
Parent Entity: Troy Resources Limited	Australia		
Subsidiaries:			
Wirraminna Gold Pty Ltd	Australia	100	100
Troy Resources Argentina Ltd	Canada	100	100
Troy Resources Brasil Participações Ltda	Brazil	100	100
• Sertão Mineração Ltda	Brazil	-	70
Troy Brasil Exploração Mineral Ltda	Brazil	100	100
Troy Resources Holdings BVI	British Virgin Islands	100	100
• Reinarda Mineração Ltda	Brazil	100	100
Azimuth Resources Limited	Australia	100	100
• Takatu Minerals Limited	Canada	100	100
• Pharsalus Gold (BVI) Inc	British Virgin Islands	100	100
• Pharsalus (BVI) Inc	British Virgin Islands	100	100
• Pharsalus Gold Inc	Guyana	100	100
• Pharsalus Inc	Guyana	100	100
Troy Resources Guyana Inc	Guyana	100	-

29. EVENTS OCCURRING AFTER BALANCE DATE

On 26 August 2015, the Company entered into an agreement with TSX-V listed Magellan Minerals Limited for the sale of its Andorinhas plant and all associated equipment and inventories for US\$4.5 million.

On 31 August 2015, the Company advised that following completion of an in-depth review of operational performance at Casposo, it reached the conclusion that Casposo is no longer sustainable in its current form within current market conditions. As a result, a plan of action is being introduced that will entail the suspension of all waste development and non-essential capital works, along with a re-structuring of the workforce. The overall aim being to see if Casposo can be operated on a sustainable basis around a smaller scale, silver rich enterprise with a significantly restructured cost base.

On 14 September 2015, Troy announced that the Company has initiated the process of converting its A\$100 million loan facility with Investec into a US\$ denominated arrangement and negotiated a reduction in the mandatory hedging requirement from 100,000oz to 75,000oz of gold, realising a gain of approximately US\$10 million (before tax).

Other than the above, there are no other matters or circumstances that have arisen since 30 June 2015 that have significantly affected or may significantly affect:

- (i) the consolidated entity's operations in future financial years; or
- (ii) the results of those operations in future financial years; or
- (iii) the consolidated entity's state of affairs in future financial years.

30. FINANCIAL INSTRUMENTS

(a) Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to continue as a going concern whilst maximising the return to stakeholders through optimisation of the debt and equity balance. The Group's overall strategy remains unchanged in 2015.

The capital structure of the Group consists of debt (borrowings as detailed in Note 15) offset by cash balances and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests as detailed in Notes 16, 17, 18).

30. FINANCIAL INSTRUMENTS (CONTINUED)

The Board reviews the capital structure of the Group for any new acquisition or significant project. As part of the review, the Board considers the cost of capital and the risks associated with each class of capital. The Group's aim is to minimise the use of debt by utilising it in very specific purposes, such as capital development projects which are supported by strong analysis. The Group would normally target less than 50% debt on any one project, but may choose to spread that risk across all projects of the Group through the use of a corporate facility. The gearing ratio at 30 June 2015 was 22% (2014: nil) (refer below).

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i. Gearing Ratio

The gearing ratio at end of the reporting period was as follows:

	2015 (A\$'000)	2014 (A\$'000)
Debt ⁽ⁱ⁾	98,541	40,818
Cash and bank balances (excluding restricted cash)	(60,345)	(43,212)
Net Debt/(Cash)	37,985	(2,394)
Equity ⁽ⁱⁱ⁾	172,255	196,315
Debt to equity ratio	22%	0%

⁽ⁱ⁾ Debt is defined as long- and short-term borrowings (excluding derivatives and financial guarantee contracts).

⁽ⁱⁱ⁾ Equity includes all issued capital, reserves, retained earnings and non-controlling interests as detailed in Notes 16, 17, 18.

Externally imposed capital requirements

The Investec Facility requires the Group to maintain minimum liquidity of \$15,000,000. Management monitors its cash and liquid assets balances to ensure compliance with these obligations. The Group was in compliance with the requirement as at reporting date (refer Note 15).

b) Categories of Financial Instruments

	2015 (A\$'000)	2014 (A\$'000)
Financial assets		
Cash and cash equivalents	60,556	43,409
Other receivables and prepayments	12,669	22,069
Hedge asset	5,938	-
Financial liabilities		
Trade and other payables	(23,008)	(26,379)
Power line payable	-	(862)
Hedge liability	-	(4,244)
Borrowings – amortised cost	(98,541)	(40,818)

c) Financial Risk Management Objective

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group may seek to minimise the effects of these risks by using derivative financial instruments to hedge commodity and foreign currency risk exposures.

The use of financial derivatives is governed by the Group's policies approved by the Board, which provide written principals on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

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30. FINANCIAL INSTRUMENTS (CONTINUED)

The Corporate Treasury function engages on a regular basis with a Treasury Committee that has been established by the Board and reports monthly to the Board on risks and policies implemented to mitigate risk exposures.

d) Objectives of Derivative Financial Instruments

The Group enters into derivative financial instruments from time to time in the normal course of business in order to hedge its exposure to fluctuations in the Australian dollar/United States dollar (USD) exchange rate and gold and silver price. The Group does not enter into or trade derivative financial instruments for speculative purposes.

e) Commodity (Gold and Silver) and Foreign Currency Contracts

The Group has a commodity hedging program for gold and silver in place, along with foreign currency contracts (refer Note 30(k)).

f) Market Risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (refer Note 30 (g)), interest rates (refer to Note 30(h)) and commodity risk - gold and silver prices (refer to Note 30(k)). During 2014 the Group entered in to both gold and silver forward sale contracts in order to manage exposure to commodity risks (refer Note 30(k)).

g) Foreign Currency Risk Management

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The Group will hedge significant foreign currency transactions where considered necessary to mitigate a portion of the risk. The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

	Assets		Liabilities	
	2015 (A\$'000)	2014 (A\$'000)	2015 (A\$'000)	2014 (A\$'000)
USD	19,292	14,625	261	2,818

The Company and its subsidiaries primarily trade in their functional currencies. The balances above exclude amounts denominated in the functional currency of each of the companies within the Group. Certain inter-company loans between entities are denominated in USD and loans outside the Group are denominated in the functional currency of the parent entity. The Group is mainly exposed to the Argentinean Peso, Brazilian real and Guyanese dollar through its combined mining and development operations in Argentina, Brazil and Guyana, and the USD through USD denominated purchases of equipment along with sales of gold and silver.

Sensitivity analysis - exchange rates

The following table details the Group's sensitivity to a 5% increase and decrease in the Australian dollar against the relevant foreign currencies. The sensitivity rate of 5% has been used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number below indicates an increase in profit and other equity where the Australian dollar strengthens 5% against the relevant currency. For a 5% weakening of the Australian dollar against the relevant currency, there would be a comparable impact on the profit and other equity and the balances below would be negative.

30. FINANCIAL INSTRUMENTS (CONTINUED)

Judgements of reasonably possible movements

	2015 (A\$'000)	2014 (A\$'000)
AUD/USD +/- 5%		
- Post tax profit - higher/(lower)	8,909	8,902
- Total equity - higher/(lower)	14,282	11,373
AUD/BRL +/- 5%		
- Post tax profit - higher/(lower)	23	141
- Total equity - higher/(lower)	(315)	(55)
AUD/PESO +/- 5%		
-Post tax profit - higher/(lower)	(4,941)	411
-Total equity - higher/(lower)	(12,207)	(1,684)
AUD/GYD +/- 5%		
-Post tax profit - higher/(lower)	-	-
-Total equity - higher/(lower)	3,975	3,261

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h) Interest Rate Risk Management

The Group is exposed to interest rate risk as entities in the Group place funds on deposit at variable rates. The Group's exposure to interest rates on financial assets and financial liabilities are detailed in the relevant notes.

Sensitivity analysis - interest rates

The sensitivity analysis below has been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

A 100 basis point increase or decrease is used because this represents management's assessment of the possible change in interest rates.

At reporting date, if interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's:

- net profit would increase by \$333,000 (2014: \$287,000). This is mainly attributable to higher cash deposit balances held in 2015 as compared to 2014.

The Group's sensitivity to interest rates has increased during the current year mainly due to increased average cash deposits over the year.

i) Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Group measures credit risk on a fair value basis.

The credit risk on financial assets of the Group which have been recognised on the Statement of Financial Position, other than investments in shares, is generally the carrying amount, net of any allowances for doubtful debts. Equity investments which are traded on organised stock markets will vary with market movements.

The Group has an exposure to gain or loss in the event counterparties fail to settle a derivative contract with the Group. At 30 June 2015, the Group had exposure and commitments to both gold and silver forward contracts, with a hedge asset of \$5,938,000 (2014: \$4,244,000 liability) (refer Note 30 (k)).

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

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30. FINANCIAL INSTRUMENTS (CONTINUED)

j) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board, who have built an appropriate liquidity risk management framework for management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities. Note 15 sets out details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

Liquidity and Interest Risk Tables

The following table details the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

2015 LIABILITIES	1 year or less (A\$'000)	1 to 5 years (A\$'000)	More than 5 years (A\$'000)	Total (A\$'000)
Non-interest bearing	21,514	1,494	-	23,008
Variable interest rate instruments	40,700	57,841	-	98,541
Financial guarantee contracts	157	-	-	157
	62,371	59,335	-	121,706

2014 LIABILITIES	1 year or less (A\$'000)	1 to 5 years (A\$'000)	More than 5 years (A\$'000)	Total (A\$'000)
Non-interest bearing	23,332	3,909	-	27,241
Variable interest rate instruments	30,695	10,123	-	40,818
Financial guarantee contracts	148	-	-	148
	54,175	14,032	-	68,207

The weighted average rate (including line fees) on variable interest rate instruments was 9.43% for the year ended 30 June 2015 (2014: 8.71%).

The amounts included above for the financial guarantee contracts are the maximum amounts the Group could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is unlikely that such an amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

30. FINANCIAL INSTRUMENTS (CONTINUED)

The following table details the Group's expected maturity for its financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period.

2015 ASSETS	Weighted average effective interest rate %	1 year or less (A\$'000)	1 to 5 years (A\$'000)	More than 5 years (A\$'000)	Total (A\$'000)
Non-interest bearing		18,607	-	-	18,607
Variable interest rate instruments	0.7%	10,570	-	-	10,570
USD variable deposit	0.1%	19,292	-	-	19,292
Short term deposits	2.7%	30,694	-	-	30,694
		79,163	-	-	79,163

2014 ASSETS	Weighted average effective interest rate %	1 year or less (A\$'000)	1 to 5 years (A\$'000)	More than 5 years (A\$'000)	Total (A\$'000)
Non-interest bearing		16,933	5,136	-	22,069
Variable interest rate instruments	0.5%	14,263	-	-	14,263
USD variable deposit	0.0%	12,990	-	-	12,990
Short term deposits	3.5%	16,156	-	-	16,156
		60,342	5,136	-	65,478

The Group's loans to its Argentinian subsidiary at 30 June 2015 and 2014 are at commercial interest rates. In addition the Group's loans to its Guyanese subsidiaries at 30 June 2015 are at commercial rates.

k) Commodity Risk Management

As a precious metals producer the Group's revenue is exposed to both gold and silver commodity price fluctuations. The Group has entered into both gold and silver forward sale contracts to manage its exposure to movements in commodity prices. The Group's derivative financial instruments at reporting date are disclosed in the table below.

Gold and Silver Forward Contracts

The Group has entered into both gold and silver forward sale contracts to effectively fix the US dollar cash flows receivable on short term production. These gold and silver forward sale contracts are designated as cash flow hedges. Hedge accounting for cashflow designated hedges allows the gains and losses on the derivative to be recognised in a Hedging Cash Flow Reserve in equity and reclassified to the profit and loss statement when the underlying production is realised, consistent with the Group's overriding risk management strategy and requirements under the Investec Facility.

The following table details the Group's gold and silver forward contracts outstanding at reporting date:

	2015 Ounces (Oz)	2014 Ounces (Oz)	2015 Weighted Average Price US\$/Oz	2014 Weighted Average Price US\$/Oz
Forward Sales Contracts				
Gold				
Maturing: within 12 months	80,500	14,000	1,198.92	1,300.00
Silver				
Maturing: within 12 months	1,373,000	2,040,000	17.68	19.41

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30. FINANCIAL INSTRUMENTS (CONTINUED)

At 30 June 2015, the aggregate amount of gains under the gold and silver forward commodity contracts recognised in other comprehensive income as part of the Hedging Cash Flow Reserve is \$5,316,000 (2014: \$3,735,000 loss). Sales in relation to these contracts will occur during the financial year ended 30 June 2016, at which time the amount deferred in equity will be reclassified to profit or loss (refer Note 17).

At 30 June 2015, the unhedged portion of these forward contracts has been recognised as part of finance costs being a loss of \$1,705,000 (2014: \$509,000) (refer Note 4).

Sensitivity Analysis - Gold and Silver Price

The sensitivity analysis below is based on the actual quantities of gold and silver ounces sold during the year and the stipulated price change.

	2015 (A\$'000)	2014 (A\$'000)
Judgements of reasonably possible movements		
Gold Price +/- 50.00 AUD per ounce		
- Post tax profit - higher/(lower)	2,587	2,961
- Total equity - higher/(lower)	2,587	2,961
Silver Price +/- 0.80 AUD per ounce		
- Post tax profit - higher/(lower)	1,588	1,196
- Total equity - higher/(lower)	1,588	1,196
Total AUD		
- Post tax profit - higher/(lower)	4,175	4,157
- Total equity - higher/(lower)	4,175	4,157

The movements in profit and equity in 2015 is consistent with 2014, due to comparable sales levels, whereby the decrease in gold sales was offset by an increase in silver sales.

l) Fair Value of Financial Assets and Liabilities

The carrying amount of financial assets and financial liabilities recorded in the Financial Statements represents their respective fair values, determined in accordance with the accounting policies disclosed in Note 1.

The fair value of cash and cash equivalents and interest and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value, with exception of the total debt facilities which had a carrying amount of \$98,541,000 (2014: \$40,818,000) compared to a face value of \$100,762,000 (2014: \$41,391,000). The face value of the debt equates to its fair value because it has a variable interest rate. Hedge assets and liabilities have been disclosed as per Note 30 (k).

At 30 June 2015, inventories include 71oz (2014: 340oz) of refined gold bullion. This bullion is valued in the Financial Statements at cost of \$60,000 (2014: \$291,000) (refer Note 8). This inventory would have had a market value of \$109,000 (2014: \$474,000) based on a gold spot price of A\$1,529 per ounce (2014: A\$1,395/oz).

m) Fair Value Measurements Recognised in the Consolidated Statement of Financial Position

Where the Group holds certain shares in listed entities these shares are measured at fair value subsequent to initial recognition based on the closing quoted price of shares. All such investments are classified as available for sale (AFS). At 30 June 2015 the Group AFS investment was carried at value of nil (2014: impaired to nil).

The AFS investments are classified as level 1 within the fair value hierarchy as per AASB 7 'Financial Instruments: Disclosures', and the Commodity forward sale contracts accounted for as cash flow hedges included in Note 30(k) are classified as level 2. There were no financial assets or liabilities categorised as level 3 held during the previous year.

30. FINANCIAL INSTRUMENTS (CONTINUED)

Financial Assets/financial liabilities	Gold and Silver Forward contracts (refer to Note 30 (k))
Fair value as at 30.6.15	\$5,938,000 (Asset)
Fair value as at 30.6.14	\$4,241,000 (Liability)
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 (gold and silver), base currency discount rate (USD) and spot exchange rate (USD/AUD).
Significant unobservable input(s)	N/A
Relationship of unobservable inputs to	N/A

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31. NOTES TO THE CASHFLOW STATEMENT

a) *Reconciliation of Cash*

For the purposes of the Cash Flow Statement, cash and cash equivalents includes cash on hand and in banks and investments in interest bearing deposits. Cash and cash equivalents at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:

	2015 (\$'000)	2014 (\$'000)
Cash at bank	13,516	3,864
Cash at bank – overseas	16,346	23,210
Short term Interest bearing deposits – Australia	30,694	16,334
	60,556	43,409

b) *Cash Not Available For Use*

At balance date, \$157,359 was held for bank guarantees and credit card facilities. Troy also holds \$43,399 cash in Australian and United Kingdom bank accounts to cover unpresented dividend cheques and \$9,978 in rental guarantees. Under the Investec Facility, the Group is required to maintain minimum liquidity of \$15,000,000 and 100,000oz of gold equivalent hedging.

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31. NOTES TO THE CASHFLOW STATEMENT (CONTINUED)

c) *Reconciliation of Net Cash Provided by Operating Activities to Net (Loss) / Profit After Income Tax*

	2015 (\$'000)	2014 (\$'000)
Operating loss after income tax	(100,353)	(59,125)
Depreciation of non-current assets	9,945	12,491
Amortisation of non-current assets	27,755	20,604
Rehabilitation provisions unwinding of discount	597	349
Gain on sale of plant & equipment	(236)	(86)
Gain on disposal of subsidiary	(143)	-
Acquisition costs	-	2,673
(Gain) / Loss Foreign exchange unrealised	(1,328)	2,175
Equity settled share-based payments	290	697
Interest income received and receivable	(607)	(483)
Hedge expense on cash flow hedges	1,705	509
Finance costs	2,719	2,960
Exploration written-off	953	-
Impairment loss (before tax)	97,866	87,594
Decrease in income tax payable	(1,531)	(36,073)
Changes in operating assets and liabilities:		
Decrease / (increase) in current receivables	1,540	(4,320)
Increase in inventories, net of impairment charges	(1,595)	(12,048)
Increase in provisions	2,714	1,919
Increase / (decrease) in payables	1,162	(7,408)
Net Cash provided by operating activities	41,454	12,428

d) *Non-Cash Financing and Investing Activities*

During the year, the Group entered into the following non-cash investing and financing activities which are not reflected in the consolidated statement of cash flows:

As part consideration for the provision of the Investec Plc Facility, Troy issued 10,000,000 Unlisted Options over ordinary shares with an aggregate fair value of \$3,750,000 (refer Note 15).

Troy issued 168,704 ordinary shares with a fair value of \$135,000 in lieu of cash bonuses to Senior Management (refer Note 16 and the Remuneration Report on page 40).

32. PARENT ENTITY DISCLOSURES

Accounting policies of the parent are consistent with that of the consolidated group.

i. Financial Position

	2015 (\$'000)	2014 (\$'000)
Assets		
Current assets	51,044	24,809
Non-current assets	214,503	224,265
Total assets	265,547	249,074
Liabilities		
Current liabilities	1,465	8,148
Non-current liabilities	100,112	39,463
Total liabilities	101,577	47,611
Net Assets	163,970	201,464
Equity		
Issued capital	305,208	269,689
Retained earnings – opening	(60,475)	34,225
Current year (loss) / profit	(90,170)	(94,700)
Reserves		
Option premium	8,904	5,697
Hedging cash flow	5,316	(3,735)
Foreign exchange translation	(4,813)	(9,712)
Total Equity	163,970	201,464
Financial Performance		
Dividends received from subsidiaries	4,447	4,836
Interest and management fees charged to subsidiaries	5,149	5,772
Other Income	1	6
Administration, corporate, financing and other expenses	(3,449)	(13,629)
Impairment of subsidiary and intercompany loans	(96,318)	(91,685)
(Loss) / Profit for the year after tax	(90,170)	(94,700)
Other comprehensive income	17,157	(3,551)
Total comprehensive income	(73,013)	(98,251)

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ii. Guarantees Entered Into by the Parent Entity in Relation to Debts of Its Subsidiaries

	2015 (\$'000)	2014 (\$'000)
Guarantee provided under the deed of cross guarantee	-	-

iii. Contingent Liabilities of the Parent Entity

	2015 (\$'000)	2014 (\$'000)
Bank guarantees - General	150	145
	150	145

There are no contingent liabilities other than:

- General bank guarantees to financial institutions total \$149,594 (2014: \$138,103), of these \$70,000 (2014: \$70,000) are cash backed.

iv. Commitments for the Acquisition of Property, Plant and Equipment, by The Parent Entity

As at 30 June 2015, the parent entity held no commitments for the acquisition of property, plant and equipment.

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33. ADDITIONAL COMPANY INFORMATION

Troy Resources Limited is a listed public company, incorporated and operating in Australia with subsidiary companies operating in South America.

Registered Office

Suite 2, Level 1
254 Rokeby Road
Subiaco
Western Australia 6008

Tel: (61 8) 9481 1277

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Directors' Declaration

In the Directors' option:

- a. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- b. the financial statements are in compliance with International Financial Reporting Standards, as stated in Note 1 to the financial statements;
- c. the 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.

The Directors have been given the declarations required by s.295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the Directors of Troy Resources Limited



F S Grimwade
Acting Chairman



M D Purvis
CEO & Managing Director

Perth, Western Australia
25 September 2015

Independent Auditor's Report



Deloitte Touche Tohmatsu
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Independent Auditor's Report to the members of Troy Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Troy Resources Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 43 to 105.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the company's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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Member of Deloitte Touche Tohmatsu Limited



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, 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 report.

Opinion

In our opinion:

- (a) the financial report of Troy Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 32 to 41 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Troy Resources Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

DELOITTE TOUCHE TOHMATSU

David Newman

Partner

Chartered Accountants

Perth, 25 September 2015



Notes

TROY RESOURCES LTD
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Corporate Directory

DIRECTORS

Frederick S Grimwade (Acting Chairman)
Martin D Purvis (CEO and Managing Director)
Ken K Nilsson (Executive Director)
David R Dix
John L C Jones
Richard Monti

COMPANY SECRETARY

Stacey Apostolou

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EXECUTIVE COMMITTEE

Martin D Purvis
Ken K Nilsson
Stacey Apostolou
Peter J Doyle
David R Sadgrove
Andrew D B Storrie

STOCK EXCHANGES FOR QUOTED SECURITIES

Australian Stock Exchange

Fully Paid: TRY

Frankfurt Stock Exchange, Germany

Fully Paid: TRW

SHARE REGISTRY

Computershare Investor Services
Pty Limited
Level 11
172 St Georges Terrace
Perth WA 6000
GPO Box D182
Perth WA 6000

Tel: (61 8) 9323 2000
Fax: (61 8) 9323 2033

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1300 850 505

Investor inquiries outside Australia:
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Website: www.investorcentre.com/contact

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National Australia Bank Limited

Investec Bank Plc

AUDITOR

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DLA Piper
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