



TROY RESOURCES LIMITED



25 November 2015

CHAIRMAN'S ADDRESS TO AGM

Melbourne, VIC (ASX: TRY): As highlighted in my Chairman's Statement in the Annual Report, in 2015 Troy continued to transition its gold mining operations during a period of significant challenge in our markets. Despite great efforts by our management team, the Company's share price has been buffeted by the weaker US\$ gold and silver prices and ongoing challenges at our mining operations. However, we are about to realise the benefit of growing gold production from our new Karouni mine in Guyana where the plant has been commissioned and operations are now ramping up.

The development and commissioning of the new plant at Karouni has been delayed due to weather, difficulties in getting parts into Guyana and some frustrating technical challenges and disruptions. However the mill is now operating well and we have produced our first gold bar from the gravity circuit. Gold production is expected to ramp up over the coming weeks. Our exploration team have commenced drilling some of the many attractive targets at Karouni and are already learning more about the local geology which will help to refine their targeting techniques.

At Casposo our performance has been thwarted by Argentina's high inflation, an inflexible exchange rate, difficult mining conditions and the weakening US\$ price for gold and silver. We have taken action to preserve the operation and recently entered into a formalised labour restructuring program for the purpose of reaching an agreement to implement the necessary measures to rescale the operation with a reduced cost base.

Mining at Andorinhas in Brazil has now ceased and the plant will soon stop operation after the remaining ore has been processed. Troy agreed to sell the Andorinhas plant on favourable terms to Magellan Minerals Ltd. Settlement of this transaction is expected on 15 December. Pursuant to the Agreement, Magellan will pay the Company US\$3.35 million. This may, at Magellan's election, comprise up to a maximum of 9.99% of Magellan's issued and outstanding share capital at the time.

During 2015 Troy maintained its excellent safety record and continues 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. In particular, following a recent visit to Karouni, the Guyana Geology and Mines Commission has praised Troy for doing "an exceptional job" in ensuring that the tenets of our 2014 Mining Agreement were being upheld.

While the focus in the past year has very much been on our operations, the Board did confirm Troy's 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 we will seek to increase our reserve base, improve the stability and sustainability of our production profile, and have an asset pipeline in diversified jurisdictions, which desirably may include Australia. As production ramps up at Karouni, we will seek to identify our next opportunity.

I would like to thank all of our employees for their significant efforts over the past year and my fellow Board members for their dedication and support. In particular I would like to recognise the significant contribution made by Robin Parish and Sean Harvey who both retired as Directors during the year. In addition I am delighted that our colleague David Dix has joined us today and would wish him a continuing recovery in order that he can resume his Board duties.

Despite all of our challenges in 2015, with the recent commissioning of the Karouni plant and its imminent ramp up in gold production, I expect that our shareholders continued support will be rewarded.

ENDS

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