



TROY RESOURCES LIMITED



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18 December 2015

## TROY ANNOUNCES COMPLETION OF \$10 MILLION PLACEMENT

**Perth, Western Australia:** Troy Resources Limited (ASX: TRY, **Troy** or the **Company**) wishes to announce the placement of 50 million new ordinary shares at an issue price of \$0.20 per share to qualified institutional and sophisticated investors to raise \$10 million (before issue costs) (**Placement**).

The Placement shares will be issued via two tranches:

- Tranche 1 – unconditional placement of 42.8 million shares issued under the Company's existing placement capacity pursuant to ASX Listing Rule 7.1 (to raise approximately \$8.6 million); and
- Tranche 2 – conditional placement of 7.2 million shares (to raise approximately \$1.4 million), which includes participation by Directors of the Company, subject to shareholder approval at a General Meeting of the Company's shareholders, expected to be held on Thursday, 28 January 2016. A Notice of Meeting will be dispatched to all shareholders shortly.

The funds raised via the Placement will be applied to supplement working capital requirements while the Company is ramping up production to a steady state at its Karouni project in Guyana.

Details of the Placement are set out in an Investor Presentation which Troy has lodged with the ASX today. The Investor Presentation contains important information, including risk factors and foreign selling restrictions with respect to the Placement. New shares issued under the Placement will rank equally with the Company's existing ordinary shares on issue.

Euroz Securities Limited and Petra Capital Limited acted as Joint Lead Managers and Joint Bookrunners to the Placement.

Commenting on the Placement, Troy CEO Martin Purvis said:

"The past 6 months have presented some significant challenges for Troy and within this environment we have struggled to meet some of the key targets we set ourselves at the beginning of the year. Commensurate with this situation, we are conscious of the fact that we have had to turn to our shareholders, in difficult markets, in order to help us overcome these obstacles and their impact on our balance sheet.

Successful completion of this Placement has set the platform for the ramp up of operations at Karouni and the introduction of a robust revenue stream into the Company early in 2016.

Looking ahead there are some exciting catalysts that have the potential to underpin further value creation in the Group, including the remodelling of the Karouni life of mine plan to take into account the positive grade control numbers being recorded in both the Hicks and Smarts Pits.

Troy sincerely appreciates the support from existing and new shareholders within the Placement, in spite of a volatile resource market.”

## **Company Update**

Since the first gold pour at Karouni in late November, the focus has been on optimising the process parameters and increasing processing rates within the plant. As of 14 December, the mill has been operating at a steady throughput rate of approximately 100 dry tonnes/hour which is well above the ramp-up budget for December and close to the nominal design rate of 125 dry tonnes/hour. As a result, the plant is now well on track to exceed the internal target for the month of ~50% of nominal capacity. Availability is high at 96% with utilisation at 98%. Recoveries are already up around 92% which is promising at this early stage in operations. Average head grade up until 12 December has been 2.87g/t and, with the recent addition of Smarts ore into the mill feed, this should increase to just over 3.0g/t in December. Initial grades received through sampling crushed ore streams, as well as solid and solution assays, indicate that grade control grades are being replicated in the plant.

At Casposo in Argentina, the Company is making good progress with its labour restructuring programme which will result in a rescale in the size of the operation going forward. The Company is also well advanced with its broader strategic review of its activities in Argentina in light of market conditions and the economic climate. In a positive move, the new Government has already announced its intention to lift currency controls which is expected to result in a reasonable devaluation in the peso and provide a beneficial impact on operating costs in that country.

The Company has granted TSX-V Listed Magellan Minerals Limited an extension to its agreement dated 26 August 2015 for the acquisition of the Andorinhas plant and all associated equipment and inventories. Pursuant to the terms of the amendment, Magellan will make an initial payment of US\$500,000 to the Company on or before 31 December, 2015 and the balance of the consideration (US\$2.85 million) on or before 29 February, 2016. The latter payment can comprise, at Magellan's election, up to a maximum of 9.99% of Magellan's issued and outstanding share capital at that time.

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## IMPORTANT NOTICE

*Nothing in this release constitutes an offer of securities for sale or an offer to purchase any securities, or an invitation to any person to make such an offer in any jurisdiction.*

*This news release may not be released in the United States and does not constitute an offer for securities in the United States. The securities referred to herein have not been, and will not be, registered under the US Securities Act of 1933 as amended ("the Securities Act") or the securities laws of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, directly or indirectly, in the United States except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and applicable US state securities laws.*

*This announcement contains "forward-looking statements" and "forward-looking information", including statements and forecasts which include without limitation, expectations regarding future performance, costs, production levels or rates, mineral reserves and resources, the financial position of Troy, industry growth and other trend projections. Such "forward looking statements" and "forward-looking information" includes statements regarding the proposed Placement, including the amount to be raised and timing and the use of the funds raised and the performance of the Karouni Project, often but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "is expecting", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Such information is based on assumptions and judgements of management regarding future events and results. The purpose of forward-looking information is to provide the audience with information about management's expectations and plans. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Troy and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, changes in market conditions, future prices of gold and silver, the actual results of current production, development and/or exploration activities, changes in project parameters as plans continue to be refined, variations in grade or recovery rates, plant and/or equipment failure and the possibility of cost overruns.*

*Forward-looking information and statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. Troy believes that the assumptions and expectations reflected in such forward-looking statements and information are reasonable. Assumptions have been made about, among other things: that applicable approvals for the Placement will be received and all other conditions to completion of the Placement will be satisfied. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used.*

*Troy does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws.*

## Competent Persons Statement

*The information in this release that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves for the Karouni project is based on, and fairly represents, information and supporting documentation prepared by Mr Peter J Doyle, Vice President Exploration and Business Development of Troy, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Doyle has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Doyle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Mr Doyle is a full time employee of Troy.*

*The information relating to the Karouni Mineral Resources and Ore Reserves is extracted from the announcement entitled 'Mineral Resources and Ore Reserves Update' created on 31 August 2015 and is available to view on [www.troyres.com.au](http://www.troyres.com.au).*

*The information relating to mining reconciliation from the Karouni Deposit is extracted from the announcement entitled 'Positive Mining Reconciliation in Smarts and Hicks' created on 18 December 2015 and is available to view on [www.troyres.com.au](http://www.troyres.com.au).*

*The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements relating to drill results or mineral resource estimates and that all material assumptions and technical parameters underpinning the drill results and estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented here have not been materially modified from the original market announcement.*