



TROY RESOURCES LIMITED

ANNUAL REPORT

2016



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CORPORATE PROFILE

Troy Resources Limited (ASX: TRY) is a successful gold producer with a unique track record of developing and operating low cost mines in Australia and South America.

Troy has been operating in South America since 2002. In July 2013 the Company acquired Azimuth Resources Limited which had discovered and

delineated the Karouni Project, a high-grade gold deposit in Guyana. The Company has fast tracked development of Karouni with first gold production occurring in November 2015.

Troy is committed to international best practice in health and safety, environmental stewardship and social responsibility.

WHAT WE ACHIEVED THIS YEAR

Karouni gold project in Guyana achieves commercial production in early 2016 and produces 34,740oz for the six months to 30 June 2016 at a cash cost of US\$515/oz.

Strong cash margin of \$26 million from Karouni in its first six months of operation.

Gold equivalent production of 82,826oz for the Group (2015: 121,835oz).

Andorinhas plant sold for US\$4.5 million of which US\$3.5 million has already been received. Remaining US\$1 million due in February 2017.

Successful restructuring of operations at Casposo in Argentina, leading to a Joint Venture partnership with experienced local operator, Austral Gold Limited.

Corporate Debt Facility with Investec Bank restructured on more favourable terms and the repayment schedule extended out to 30 June 2018. Debt paid down by a significant \$45 million or 45% of the facility.

FIVE YEAR SUMMARY

		Year Ending 30 June				
OPERATIONS		2016	2015	2014	2013	2012
Gold Produced	(oz)	60,743	78,001	93,947	103,002	119,621
Silver Produced	(oz)	1,668,604	3,111,182	2,475,565	1,361,133	937,208
Gold Equivalent Produced	(oz)	82,826	121,835	132,939	127,060	137,457
Cash Costs per oz (Au_Eq)	(\$/oz)	A\$1,084	A\$867	A\$832	A\$797	A\$606
		US\$786	US\$726	US\$764	US\$818	US\$654
Gold Price Realised (before impact of hedging)	(\$/oz)	A\$1,623	A\$1,455	A\$1,404	A\$1,552	A\$1,624
		US\$1,184	US\$1,215	US\$1,293	US\$1,595	US\$1,672
Silver Price Realised	(\$/oz)	A\$20	A\$21	A\$22	A\$27	A\$31
		US\$15	US\$17	US\$20	US\$28	US\$32
Sales Revenue	(\$ million)	145	181	178	203	209
Profit (loss) before tax	(\$ million)	(98)	(99)	(94)	32	55
Net Profit (loss) after tax attributable to members of the Company	(\$ million)	(94)	(100)	(59)	19	31
Dividends Paid	(cents/share)	-	-	-	-	10
Exploration Expenditure	(\$ million)	6	10	15	17	16
Capital Expenditure	(\$ million)	37	109	56	54	17
Cash and Bank Deposits	(\$ million)	3	61	43	26	59

"DURING 2016 TROY
COMPLETED A SIGNIFICANT
TRANSFORMATION OF ITS
GOLD MINING OPERATIONS
IN SOUTH AMERICA WHICH
POSITIONS IT WELL TO
BENEFIT FROM A WELCOME
IMPROVEMENT IN
THE GOLD MARKET."



CHAIRMAN'S REVIEW

Dear Shareholders,

During 2016 Troy completed a significant transformation of its gold mining operations in South America which positions it well to benefit from a welcome improvement in the gold market.

After substantial effort our Karouni gold project in Guyana achieved commercial production in January 2016 and despite some ongoing operational issues has generated good cashflow. Initial performance has been hampered by the wet season, difficult and varied mining conditions and plant availability. However with experience gained during the first six months of operation, including skills training, an increased mining fleet and plant upgrades, performance should improve. The focus at Karouni is to achieve more consistent performance from the operation and to increase our commitment to regional exploration where many attractive targets have been identified.

During the year the Casposo operation in Argentina was restructured, resulting in a substantial reduction in the workforce and the operation placed on care and maintenance. An initial 51% interest was sold to Austral Gold in March 2016. Austral will be entitled to a further 19% interest in March 2017 and they have an option over the remaining 30% over a three year period commencing December 2018. Austral have been appointed as manager of the operation and Troy is free carried for an initial up to US\$10 million capital investment plan. The value of our remaining 30% interest will continue to benefit from increases in the silver price above US\$16/oz.

Troy's Andorinhas gold operation in Brazil finally ceased production in May 2016 and the plant was sold to Anfield Gold Corp for a total of US\$4.5 million of which US\$3.5 million has been received.

In December 2015, Troy raised A\$10 million through a placement and by financial year end we had reduced our A\$100 million debt facility with Investec Bank Plc to US\$39.192 million (A\$54.8 million). Subsequent to year-end, Troy has successfully raised A\$27.9 million via a placement and institutional entitlement offer. A retail component of the entitlement offer raised approximately A\$12.8 million. This equity raising provides Troy with a solid financial platform for our next phase of growth.

After some difficult years the US\$ gold price has performed well in 2016 driven by historically low interest rates and continuing global uncertainty.

As debt has been paid down Troy has reduced the hedging required under its loan facility in order to increase its exposure to the gold price.

Troy is committed to being a profitable gold producer that creates long-term value for its shareholders. Over time we will look to increase our reserve base and improve the stability and sustainability of our production profile. Our immediate focus is to improve the performance of Karouni and to test the nearby exciting exploration potential. However we will seek to identify our next mine development project desirably in another jurisdiction which may include Australia.

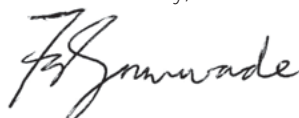
In 2016 Troy maintained its excellent safety record and operated with a focus on our environmental responsibilities. While we have ceased operating in Brazil and Argentina, we can be proud of our support for the communities through using local employees and services, maintaining and upgrading roads, provision of drinking water and power, and building of facilities. The same approach has been applied at Karouni and has already enhanced our reputation in Guyana.

Troy's strong and dedicated management team has performed well in often difficult and challenging conditions under the able leadership of our Chief Executive Officer Martin Purvis. With recent changes in the scope of our activities we have seen the departure of some long term employees including our former COO Andrew Storrie. I would like to thank all of Troy's staff for their efforts and professionalism during this period of ongoing change.

I would also thank my fellow Board members for their dedication and support. In particular I would like to recognise the significant contribution made by our former Chairman David Dix who unfortunately passed away in February 2016 after a lengthy illness. David was a talented professional and good friend who had fully intended to resume his Board duties. His wise counsel and good humour is greatly missed. I also thank Richard Monti who retired during the year for his contribution to Troy and welcome David Southam as a new independent director as we continue to refresh the Board.

While 2016 was another difficult and challenging year I remain confident that your continued support will be well rewarded in time through sustainable and attractive returns.

Yours sincerely,



FRED GRIMWADE
Non-Executive Chairman

CEO'S REPORT

By any measure FY 2016 was a considerable test of Troy's ability to deliver outcomes against a background of formidable challenge and transformation.

Like any great journey, there were many ups and downs along the way, but looking back it is evident that through the contribution made by all our stakeholders, we managed to achieve all we set out to do at the beginning of the year.

If there was an overriding goal in this process, it was to significantly diminish the risk level in the business activities and balance sheet of the Company. Comparing the outlook today with the position we faced 12 months ago, Troy has clearly achieved that aim.

In terms of key milestones, we successfully completed a Joint Venture Agreement in Argentina with ASX listed, Austral Gold Limited, a highly accomplished regional mining enterprise. Given the historic constraints imposed on mining companies in this jurisdiction, and the resources required to extract value from the underground development at Casposo, Troy was not in a position to generate shareholder value from this mine whilst also attempting to fast-track construction of a major new project in Guyana. As a result of the Joint Venture, Troy is now in a position to gain positive exposure to any ongoing recovery in the silver price, as well as from political reforms focused on rewarding renewed investment in the Argentinian mining industry.

Across the border in Brazil, Troy's local employees managed an almost textbook closure of the Andorinhas operation. Whilst the Underground and Open Pit sections were shut down in the first half of 2015, the management team orchestrated an innovative sourcing programme to blend and process old pit discards from historic workings in the region, with remnant stocks from the Andorinhas mine. This not only generated substantial cash-flow to off-set closure costs, it also delivered a tangible and beneficial impact on the environmental landscape around Andorinhas. Once this process was complete the plant was also successfully sold to a local project developer in order to further bolster the "coffers" for closure.

Whilst both these outcomes were notable in their own right, the pinnacle of achievement from an operating sense was the transformation of Karouni from an exploration camp at the start of calendar 2015, to a fully commissioned and operating mine in the space of

less than a year. To achieve this result in an established and familiar mining environment would be impressive, but to reach this goal in the harsh conditions of the Amazon Jungle, in one of the most remote locations for mining activities in South America, is remarkable.

Of course there is little room for complacency in the mining world and while the first commercial quarter of production from Karouni proved to be outstanding, the constraints on the Balance Sheet and the onset of torrential seasonal rainfall before the mining team could get through the Saprolitic clay in most of the pits, meant that the operation substantially lost momentum from late April and only staged a recovery from these factors as the weather started to dry up in September. This is not an experience we intend to repeat and the lessons have been well learnt. Operating under these conditions requires a robust working capital position as well as a "belt and braces" approach to mining and processing activities. Working in "monsoon" conditions in the Jungle will never be easy, but the fact that most of the Smarts and Hicks' pits will be in hard rock before the start of next year's wet season, gives a degree of optimism that the worst is now behind us from an operating perspective.

Looking at some of the substantial positives achieved over this same period, it is noteworthy that the Karouni management team has built an entirely new work force that currently comprises of approximately 95% local employees. The fact that there were only 11 lost time incidents over the year in what was essentially a full scale construction environment is a commendable achievement, as is the fact that despite all the demands of building a mine in such testing conditions, the management team was also able to build meaningful and constructive relationships with the local community and with the Guyanese authorities. This is an area where Troy will continue to build its programmes in future such that the Company creates the same kind of legacy and reputation that have been a benchmark of its activities over several decades. Training and development will also be a key feature at Karouni to ensure there is continuous improvement in the way we manage the mine and deliver sustainable performance from the operation.

As a result of the positive progress made within Troy's operating portfolio throughout the first half of the year, and the robust start to production at Karouni in the March Quarter, Troy was eventually placed in a

position to re-structure its Debt Facility with Investec Bank. The Company paid down 45% (A\$45 million) of its Debt Facility in the past 12 months, with the balance now scheduled to be repaid over the next two years. This change was clearly warranted and essential in order to re-balance the financial and operational metrics of the Company, after the unforeseen difficulties encountered over a number of years at Casposo.

With Karouni up and running and forecast production performance matched to a more appropriate project style Debt Facility, the focus within Troy is now firmly back on future growth and the exploration potential that attracted us to Karouni in the first place. Notwithstanding limited funding for regional exploration over the past year, the team on site has done an exceptional job of putting together the various pieces of the jigsaw that go to make up the sequences behind the mineralisation events at Karouni. In particular we now have a detailed picture of the structural and mineralisation controls at the project. The team has also unlocked key features and relevance of the stratigraphy and lithology in the region which will significantly help to pin-point the potential occurrence of gold bearing host rocks within the Shear Corridors. All we need to do now is drill and with the funds received from the recent Placement and Entitlement Offer we have the capability and resources to embark on what will be the most extensive exploration campaign ever undertaken by Troy.

All in all the past year has been a very busy and successful one for Troy despite all the challenges and teething problems that will always be part and parcel of modern day mining. Troy has been through a considerable transformation in order to move on from the past and focus on the future. That said, it is still a work in progress.

We have new goals, plans and ambitions for the current year and if we can maintain the level of effort and perseverance that has enabled Troy to navigate through the storms of the past year then I am satisfied that we have a lot to look forward to in the years ahead.

I'd also like to take this opportunity to thank my fellow Directors and every team member at Troy, as well as all the contractors on our operations, for their dedication, innovation and contribution over the past year.



MARTIN PURVIS
CEO & Managing Director



OPERATIONS GUYANA

KAROUNI (TROY 100% THROUGH TROY RESOURCES GUYANA INC)

Occupational Health and Safety

There were 11 lost time incidents for the year, six of which occurred during the construction and commissioning phase of the Project. The Company continues to be heavily focused on reinforcing safe operating procedures and training.

Environment and Permits

No reportable environmental incidents in accordance with the Guyanese Environmental Protection Authority guidelines were reported during the year.

All permits and licenses are up to date and the Company is in full compliance with its ongoing requirements.

Development and Operations

The 2016 financial year saw completion of the process plant and infrastructure construction with only minor upgrades and modifications left to do.

Key Operating Statistics – FY16

	Unit	Actual
Processing		
Dry Tonnes Milled	t	356,772
Grade Milled	g/t	3.4
Recovery	%	90
Recovered Ounces	oz	34,740
Mining		
Tonnes Ore	t	476,817
Average Grade	g/t	3.2
Tonnes Waste	t	5,189,000
Total Tonnes	t	5,734,000

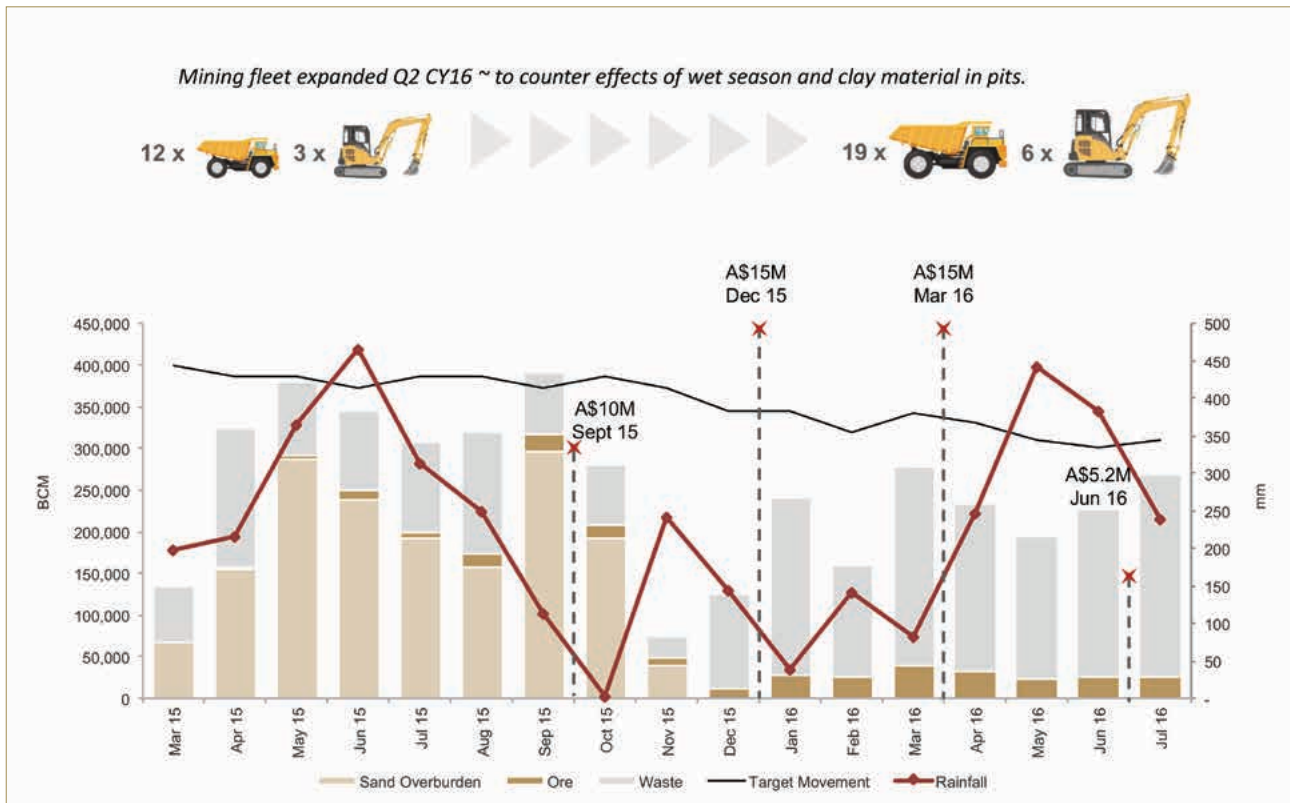
The year saw intense activity during the wet season in 2015 to complete construction of the plant, tailings dam, infrastructure and camp expansion culminating in wet commissioning of the plant in November with limited production in December. Ramp up of the processing plant started in January 2016 and progressed well with only minor adjustments required to reach design capacity.

Early issues with gold recovery were resolved and the plant is operating in line with expectations in terms of metallurgy. Changes were made from original design parameters to counter the issues in processing very wet clay material. With expected transition into harder rock occurring in the second quarter of FY2017, this is expected to improve plant availability and reduce downtime associated with blockages from wet transitional ore.

The mining rates fluctuated during the year due to weather conditions. The mining fleet was progressively expanded to meet the challenging conditions on site, with the addition of a further eight 40 tonne trucks, one D8 Dozer and two excavators being hired to lift production rates to counter wet and slippery conditions which have given rise to excessive rolling resistance and high wear rates on the Troy owned equipment.

> Visible gold - Smarts Zone





As mining has progressed a number of changes have been made to schedules and designs to reflect ongoing observations and results. Infill drilling commenced in June in Smarts Stage 2 to better understand the north-south vein and grade distribution.

A number of Australian processing personnel have been employed under contract to ensure that our training is at as high a standard as possible. Specialist courses have been run dealing with plant operating matters in terms of control systems, safe handling and use of chemicals, including cyanide, with training extended to include transport companies and Government. The Company became a signatory to the International Cyanide Code and continues to support local training initiatives.

The Company's medical facility has been set up to deal with the general public as well as the operation and its air field was upgraded for use at night.

The relationship with Government instrumentalities remains good and the Government is using the Troy operation as a training facility for some of the Mines Department personnel.

The support for the local Amerindian community continues with training and business activities. Troy employs 35 persons of Amerindian descent and 326 local Guyanese from the total workforce at financial year end of 392 Troy personnel, with the remainder comprising expatriates drawn from Australia, USA, Brazil and Argentina.

> Troy special event day for local Amerindian heritage month



OPERATIONS ARGENTINA

CASPOSO

(TROY 49% ECONOMIC INTEREST THROUGH
TROY ARGENTINA LIMITED)

Following a review undertaken at Casposo early in the financial year, the Company suspended all non-essential capital works and commenced a formalised labour restructuring program aimed at rescaling the operation with a reduced cost base. All mining activities ceasing in mid-February and the processing plant ceased operating shortly thereafter.

Up until the time that processing ceased, Casposo produced 17,214oz of gold and 1,668,604oz of silver for 39,297oz Au_Eq. from the processing of 271,977 tonnes at an average grade of 2.16g/t Au and 230.23g/t Ag.

Following the successful restructuring undertaken at Casposo, the Company reached agreement with Austral Gold Limited for the sale of its interest.

The parties have agreed to a staged divestment whereby:

- > Austral has acquired a 51% economic interest and appointed Manager of Casposo;
- > Austral is entitled to a further 19% economic interest in Casposo by paying US\$1 million within 12 months;
- > Austral has an option to acquire the remaining 30% over a three year period commencing in December 2018 for a total consideration of US\$7 million. Should the silver price be in excess of US\$16/oz at the time each option is exercised, the exercise price will be increased depending upon the actual silver price at the time.

The Company's interest in relation to the initial US\$10 million capital investment plan is free carried.

Austral is in the process of preparing a new mine model in preparation for recommencement of operations.

OPERATIONS BRAZIL

ANDORINHAS

(TROY 100% THROUGH REINARDA MINERAÇÃO LTDA)

Andorinhas ceased operations in May 2016 and produced 8,789oz of gold for the year.

The Company reached agreement with Magellan Minerals Limited for the sale of all plant, associated equipment and inventories for US\$4.5 million. Of the US\$4.5 million, US\$3.5 million has been received and the remaining US\$1 million is due for payment in late February 2017. Following court approval, Anfield Gold acquired Magellan Minerals shares in May 2016.

The environmental rehabilitation program is ongoing, and the plant is expected to be removed from site by the end of the calendar year, after which time the plant footprint will also be rehabilitated.

> Ongoing rehabilitation at Andorinhas



"AFTER 15 YEARS IN
BRAZIL, TROY LEAVES
BEHIND A LEGACY THAT
REFLECTS ALL THE
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& OPPORTUNITIES
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COMMUNITIES."



EXPLORATION GUYANA

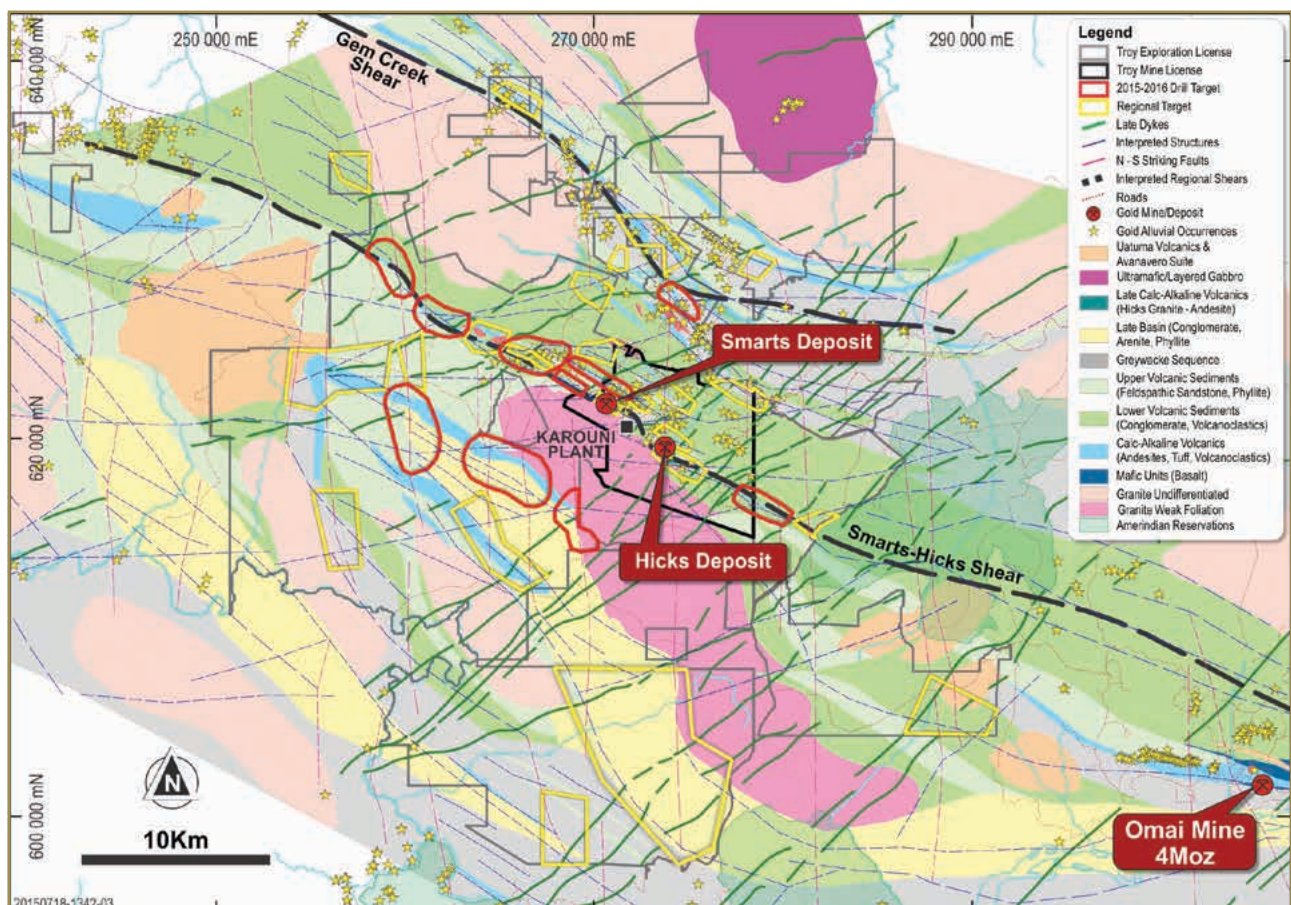
During the past year the exploration team has re-worked the regional geology, structural geology, deformation history and stratigraphy as part of the preparation for Brownfields drilling which commenced in late September 2015. Based on the new geological interpretation Troy was able to rationalise and reduce its landholding substantially from 8,786km² to 850.9km².

Regional structural interpretation based on magnetics has clearly defined a number of key NW-SE and E-W striking regional structural corridors that include; Gem Creek, Smarts-Hicks-Whitehall (which hosts the Smarts and Hicks Gold deposits), Saintes, Dominica and Mona Structural Trends within Troy's tenements.

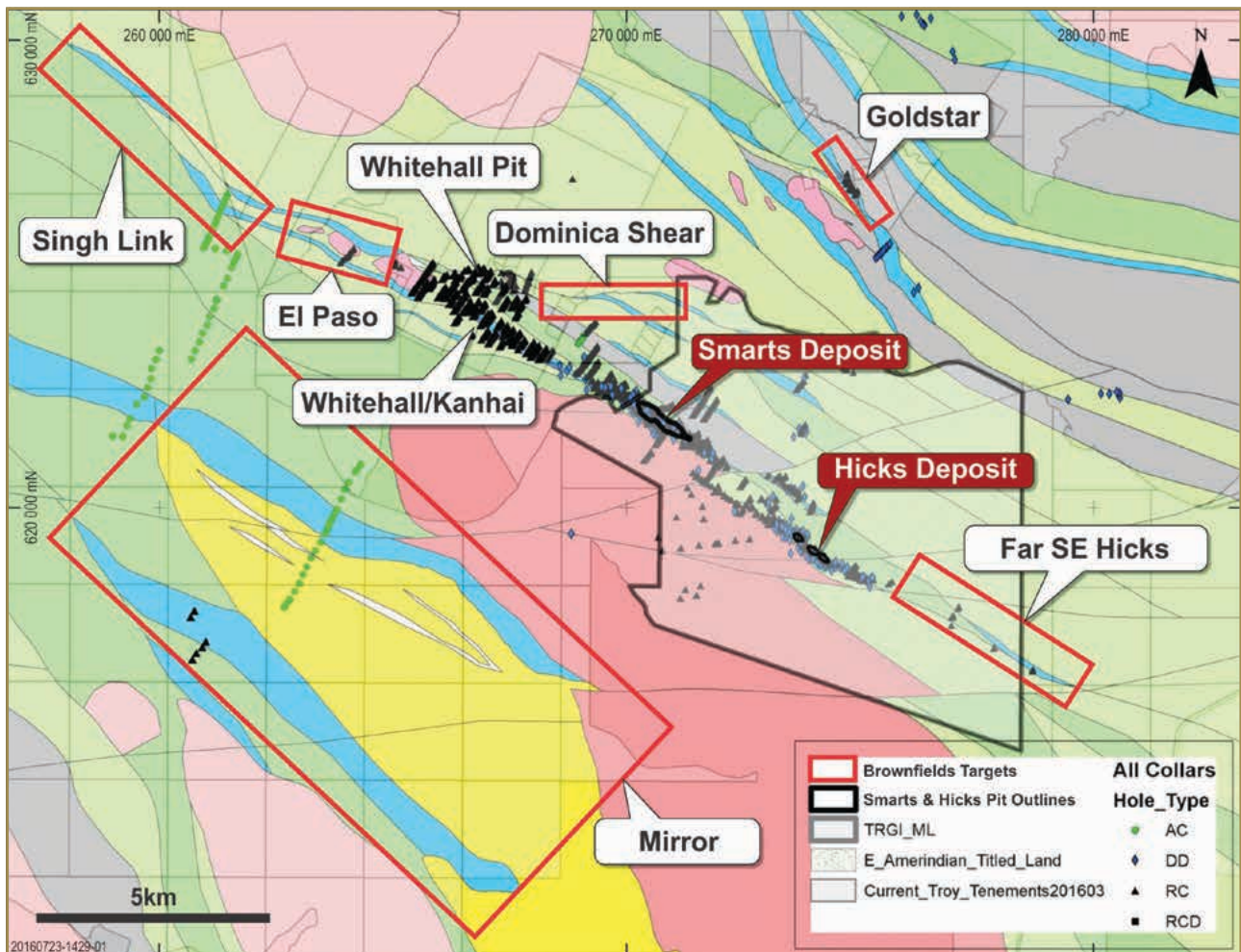
The Karouni holdings represent a "camp scale" Brownfields exploration opportunity hosting 100km of Regional Shear Corridor of which only 13km has been drill tested and about 87km of crustal structures remain to be drilled.

To date, about 75% of all drilling on the Karouni property, in excess of 220,000m, has been focussed on delineating the Smarts and Hicks deposits. Accordingly nine of the top ten brownfields targets remain to be drill tested.

> Karouni Geology, Key Structural Corridors, Gold Occurrences and Targets



> Smarts – Hicks Corridor Project to Date Drilling, Geology and Key Targets



Most of the Karouni tenements are overlain by surficial cover consisting of sand and clay with very limited bedrock exposures. Separating the overlying transported clays from clays derived from weathering of bedrock has been problematic, but with the Portable Multi-element pXRF data, we can discriminate between in-situ and transported clays allowing us to clearly define anomalies which are derived from bedrock and therefore to better plan drilling.

In addition to aiding in the identification of transported cover and bedrock in the saprolite, the geochemistry has helped unlock the geology by clearly defining host rock types in tropically weathered, hydrothermally altered and unaltered bedrock.

Using geochemistry to classify lithologies has provided the fundamental building blocks in the development of a stratigraphic succession. A total of 120,894 samples have been analysed to date to identify established geochemical signatures to determine the underlying rock types.

> Exploration camp at Hicks



Target ranking criteria were established and the initial drill target areas have been identified and ranked as the top ten targets including:

- > Greater Whitehall - El Paso Target
- > Hicks SE Target
- > Singh Link – NW Blocks Targets
- > Mirror Target
- > Dominica Shear Target
- > Norby – Gibbs
- > Goldstar – Gem Creek Targets

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



> RC/AC Drill Rig in operation at Whitehall

At Greater Whitehall (4km by 3km target area) the drilling tested six zones located along 8km of prospective structural lineaments and structural intersections with 240 holes (15,925m).

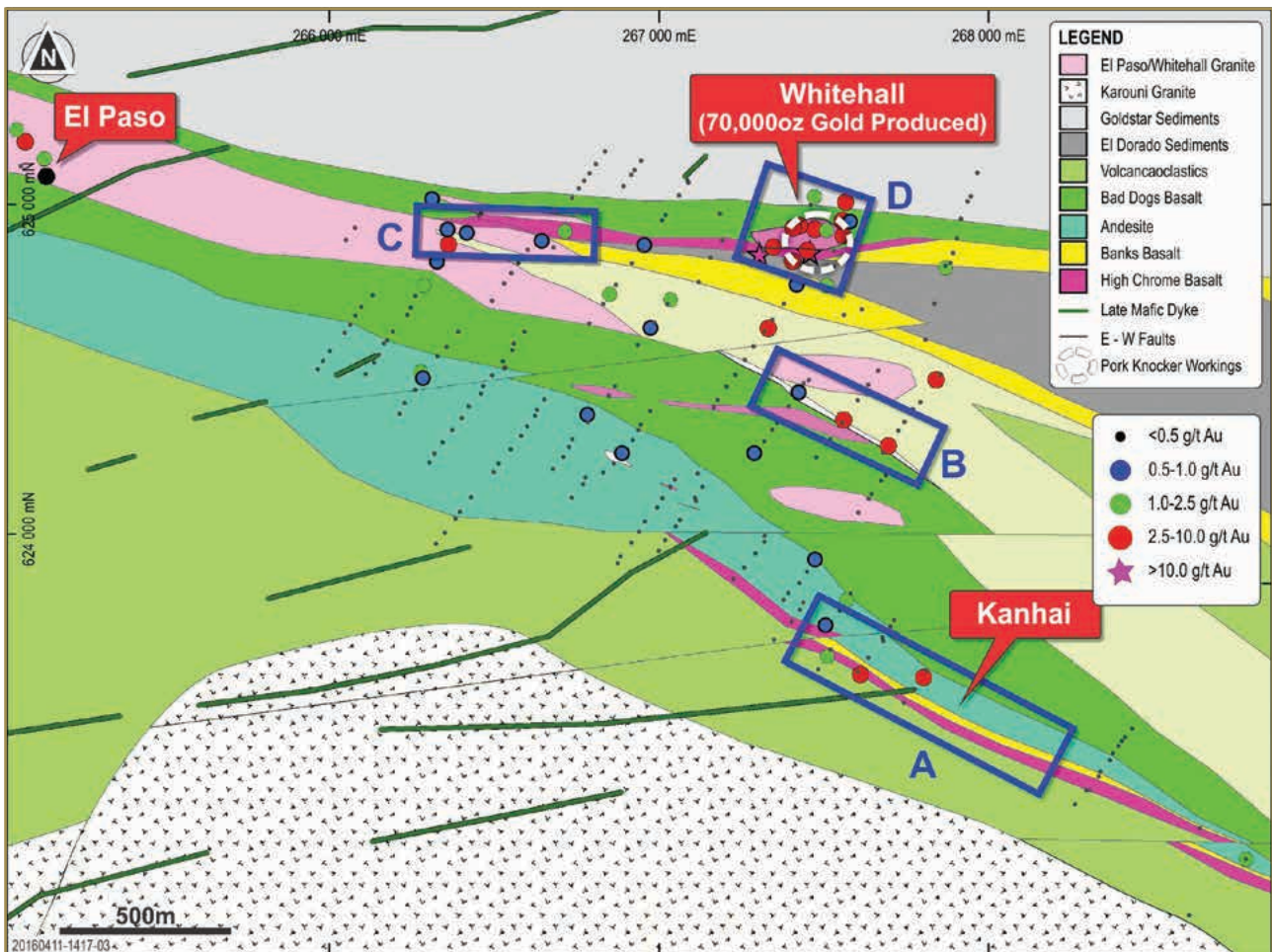
The Whitehall Pit previously worked by "Pork Knockers", sits on the intersection of the E-W striking Dominica Shear, a NW-SE striking structure and a N-S striking fault, along the Basalt-Sediment contact. Drilling identified four anomalous zones:

- > Whitehall South – 3m at 0.81g/t in silica altered porphyry; 9m at 0.96g/t within a High Chrome Corridor;

- > A 350m Basalt-Sediment contact with up to 1m at 2.5g/t;
- > Shear and porphyries on northern zone returning 4m at 1.15g/t;
- > The Whitehall "Pork Knocker" workings with reported historic production of over 70,000oz.

The Whitehall drilling has greatly enhanced our understanding of the host stratigraphy and structural controls related to gold mineralisation.

> Greater Whitehall – El Paso Geology and Follow-up Targets



In February 2016, three highly qualified, independent third party consultants undertook a review of the geology, stratigraphy/lithology, structural architecture, structural controls, alteration, mineralisation, targeting criteria and protocols. Key outcomes included:

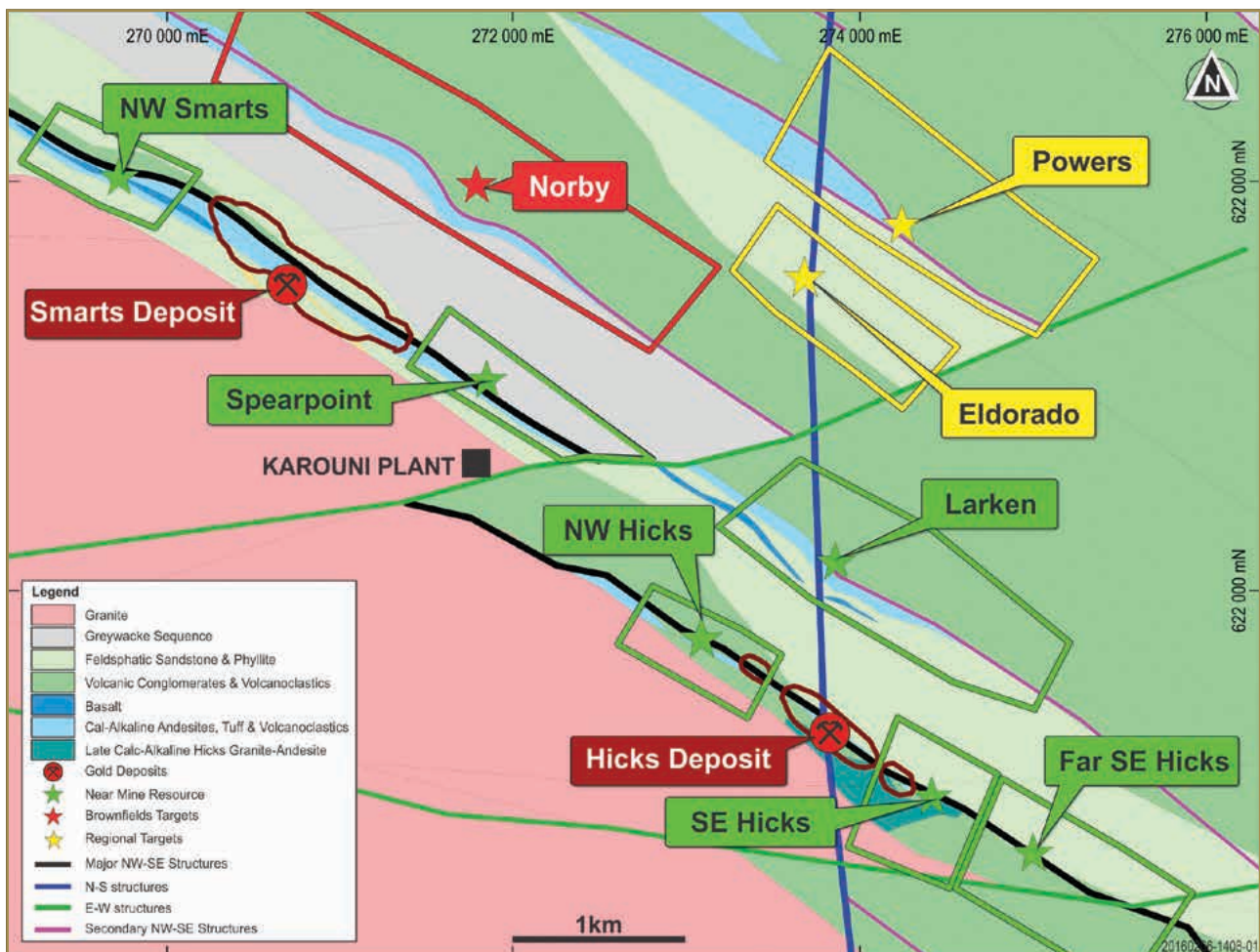
- Geological model for the belt is progressing well;
- Structure is key and structural understanding is at a high level;
- Targeting process strongly validated with Greater Whitehall universally identified as a key strategic target to test conceptual models;
- Top ten targets identified by the peer review matched with Troy's internal targeting.

Following completion of the Whitehall drilling, the drill program shifted from wide-spaced framework drilling of Brownfields targets to near mine Resource infill drilling. This program will improve geological understanding of the existing resources at Smarts Stage 2, Smarts Stage 4, Smarts NW, Spearpoint, Hicks SE and Larken targets (see figure to right).

➤ February 2016 Peer Review - Smarts Drillcore Review



> Near Mine Extension Target Location Plan



A limited Reverse Circulation Resource infill program consisting of 23 holes (2,081m) was completed on drill grid of about 30m x 10m spacing on the Smarts Stage 2 Pit floor. The drilling targeted the area between the Hangingwall and Footwall Shears, where the gold bearing veins are preferentially developed within the mafic units. This drilling has confirmed that N-S veins extend below the current pit design and although narrow, yield visible gold and high grades.

Current plans will see a restart of the Brownfields framework drilling when a drill becomes available later in the last quarter of 2016. The focus will be on Mirror, Singh Link, NW Block, Dominica Shear, Norby-Gibbs and Hicks Far SE Targets.

> Smarts Stage 2 Infill RC Drilling June 2016



MINERAL RESERVES & RESOURCES GOLD & SILVER AS OF 30 JUNE 2016

Table 1: Resource and Reserve Summary ⁽¹⁾

Category	Tonnes	Grade (g/t)	Ounces
Gold Mineral Reserves			
Proved	1,803,000	4.2	245,300
Probable	1,688,000	2.3	123,600
Total	3,491,000	3.3	368,900
Silver Mineral Reserves			
Proved	56,000	171	308,700
Probable	420,000	240	3,235,500
Total	476,000	232	3,544,200
Gold Mineral Resources (inclusive of Mineral Reserves)			
Measured	2,291,000	4.3	320,300
Indicated	4,016,755	2.4	305,900
Measured & Indicated	6,307,755	3.1	626,200
Inferred	6,880,539	2.3	503,900
Silver Mineral Resources (inclusive of Mineral Reserves)			
Measured	87,000	255	715,400
Indicated	606,000	235	4,582,500
Measured & Indicated	693,000	238	5,297,900
Inferred	531,000	145	2,468,600
Gold Equivalent Mineral Reserves			
Proved	1,803,000	4.2	244,100
Probable	1,688,000	3.0	163,500
Total	3,491,000	3.6	407,600
Gold Equivalent Mineral Resources (inclusive of Mineral Reserves)			
Measured	2,378,000	4.4	336,700
Indicated	4,623,000	2.8	421,800
Measured & Indicated	7,001,000	3.4	758,500
Inferred	7,412,000	2.6	620,600

⁽¹⁾ Includes the Karouni project (100%) and Casposo (49%)

Table 2: Gold & Silver Mineral Reserves ⁽¹⁾

Gold Mineral Resources						
Country	Project	Deposit	Category	Tonnes	Gold Grade (g/t)	Ounces
Argentina	Casposo	Stocks	Proven	43,000	1.7	2,400
		Kamila	Proven	13,000	2.0	800
		Kamila	Probable	346,000	2.3	25,100
		Julieta	Probable	74,000	4.4	10,400
Guyana	Karouni	Smarts pit	Proven	1,607,000	4.6	237,100
		Smarts pit	Probable	36,000	3.4	4,000
		Hicks pit	Probable	1,232,000	2.1	84,100
		Stocks	Proven	140,000	1.0	5,000
	Total Proven			1,803,000	4.2	245,300
	Total Probable			1,688,000	2.3	123,600
	Total Mineral Reserves Gold			3,491,000	3.3	368,900
	Silver Mineral Reserves					
Country	Project	Deposit	Category	Tonnes	Silver Grade (g/t)	Silver Ounces
Argentina	Casposo	Stocks	Proven	43,000	124	172,500
		Kamila	Proven	13,000	321	136,200
		Kamila	Probable	346,000	285	3,177,700
		Julieta	Probable	74,000	24	57,800
	Total Proven			56,000	171	308,700
	Total Probable			420,000	240	3,235,500
Total Mineral Reserves Silver			476,000	232	3,544,200	
Casposo Gold Equivalent Mineral Reserves						
Country	Project	Deposit	Category	Tonnes	Gold Equivalent Grade (g/t)	Gold Equivalent Ounces
Argentina	Casposo	Stocks	Proven	43,000	3.2	4,500
		Kamila	Proven	13,000	6.0	2,500
		Kamila	Probable	346,000	5.8	64,300
		Julieta	Probable	74,000	4.7	11,100
	Total Proven			56,000	3.9	7,000
	Total Probable			420,000	5.6	75,400
Casposo Mineral Reserves			476,000	5.4	82,400	

⁽¹⁾ Karouni project (100%) and Casposo (49%)

Table 3: Mineral Resources (inclusive of Mineral Reserves) ⁽¹⁾

Gold Mineral Resources (inclusive of Mineral Reserves)						
Country	Project	Deposit	Category	Tonnes	Gold Grade (g/t)	Gold Ounces
Argentina	Casposo	Kamila	Measured	87,000	2.7	7,500
			Indicated	475,000	2.6	40,100
			Inferred	382,000	5.6	68,600
	Casposo Norte	Julieta	Indicated	131,000	4.6	19,300
			Inferred	93,000	4.0	12,300
			Inferred	56,000	3.0	5,400
Guyana	Karouni	Smarts	Measured	2,291,000	4.3	320,300
			Indicated	1,050,000	3.4	114,500
			Inferred	3,279,000	2.6	272,700
	Larken	Hicks	Indicated	2,967,000	2.0	191,400
			Inferred	3,293,000	1.9	199,700
			Inferred	309,000	3.2	31,500
Total Mineral Resources Gold			Measured	2,378,000	4.3	327,800
			Indicated	4,623,000	2.5	365,300
			Inferred	7,412,000	2.5	590,200
Silver Mineral Resources (inclusive of Mineral Reserves)						
Country	Project	Deposit	Category	Tonnes	Silver Grade (g/t)	Silver Ounces
Argentina	Casposo	Kamila	Measured	87,000	255	715,400
			Indicated	475,000	293	4,474,200
			Inferred	382,000	190	2,352,000
	Casposo Norte	Julieta	Indicated	131,000	26	108,300
			Inferred	93,000	24	71,500
			Inferred	56,000	25	45,100
Total Mineral Resources Silver			Measured	87,000	256	715,400
			Indicated	606,000	235	4,582,500
			Inferred	531,000	145	2,468,600
Casposo Gold Equivalent Mineral Resources						
Country	Project	Deposit	Category	Tonnes	Gold Equivalent Grade (g/t)	Gold Equivalent Ounces
Argentina	Casposo	Kamila	Measured	87,000	5.8	16,400
			Indicated	475,000	6.3	95,300
			Inferred	382,000	8.0	97,700
	Casposo Norte	Julieta	Indicated	131,000	4.9	20,600
			Inferred	93,000	4.3	13,100
			Inferred	56,000	3.3	5,900
Casposo Gold Equivalent Mineral Resources			Measured	87,000	5.9	16,400
			Indicated	606,000	5.9	115,900
			Inferred	531,000	6.8	116,700

(1) Karouni project (100%) and Casposo (49%)

Table 4: Comparison with 30 June 2015 Resource and Reserve Summary

	30 June 2016			30 June 2015				
Category	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Ounces Variation	Comments
Gold Mineral Reserves								
Argentina (49%)				Argentina (100%)				
Proved	56,000	1.8	3,200	464,000	2.4	35,700	-32,500	Operation on care and maintenance, 51% divested to Austral Gold. Re-estimation of resources and reserves and mining depletion.
Probable	420,000	2.6	35,500	729,000	5.1	119,700	-84,200	
Brazil								
Proved	-	-	-	52,000	1.4	2,300	-2,300	Processing completed.
Probable	-	-	-	156,000	5.4	27,300	-27,300	Operations ceased.
Guyana								
Proved	1,747,000	4.6	242,100	1,738,000	4.7	264,300	-22,200	Mining depletion.
Probable	1,268,000	2.2	88,100	880,000	2.1	59,100	29,000	Mining depletion.
Total Gold Reserves	3,491,000	3.4	330,200	4,019,000	3.9	508,400	-139,500	
Silver Mineral Reserves								
Argentina (49%)				Argentina (100%)				
Proved	56,000	171.5	308,700	464,000	60.3	900,200	-591,500	Operation on care and maintenance, 51% divested to Austral Gold. Re-estimation of resources and reserves and mining depletion.
Probable	420,000	239.6	3,235,500	729,000	436.5	10,229,800	-6,994,300	
Total Silver Reserves	476,000	231.6	3,544,200	1,193,000	290.2	11,130,000	-7,585,800	
Gold Mineral Resources								
Argentina (49%)				Argentina (100%)				
Measured	87,000	2.7	7,500	635,000	3.1	63,100	-55,600	Operation on care and maintenance, 51% divested to Austral Gold. Re-estimation of resources and reserves and mining depletion.
Indicated	475,000	3.9	59,400	1,146,000	4.3	158,600	-99,200	
Measured & Indicated	606,000	3.4	66,900	1,781,000	3.9	221,700	-154,800	
Inferred	531,000	5.1	86,300	677,000	3.6	77,700	8,600	
Brazil								
Measured	-	-	-	52,000	1.4	2,300	-2,300	Mining depletion.
Indicated	-	-	-	906,000	3.7	108,100	-108,100	Mining depletion.
Measured & Indicated	-	-	-	958,000	3.6	110,400	-110,400	
Inferred	-	-	-	596,000	2.5	48,200	-48,200	Mining depletion.
Guyana								
Measured	2,291,000	4.3	320,300	2,205,000	5.0	351,700	-31,400	Mining depletion.
Indicated	4,017,000	2.4	305,900	3,889,000	2.5	312,400	-6,500	
Measured & Indicated	6,308,000	3.1	626,200	6,094,000	3.4	664,100	-37,900	
Inferred	6,881,000	2.3	503,900	5,692,000	2.2	411,400	92,500	Addition of north south vein mineralisation.
Silver Mineral Resources								
Argentina (49%)				Argentina (100%)				
Measured	87,000	255.8	715,400	635,000	239.0	4,880,400	-4,165,000	Operation on care and maintenance, 51% divested to Austral Gold.
Indicated	606,000	235.2	4,582,500	1,146,000	247.0	9,099,200	-4,516,700	
Measured & Indicated	693,000	237.8	5,297,900	1,781,000	244.1	13,979,600	-8,681,700	
Inferred	531,000	144.6	2,468,600	677,000	120.3	2,613,100	-144,500	
Total Gold Equivalent Mineral Reserves								
Proved	1,803,000	0.0	244,100	2,254,000	1.4	314,600	-70,500	
Probable	1,688,000	3.0	163,500	1,765,000	6.1	346,000	-182,500	
Total	3,491,000	3.6	407,600	4,019,000	5.1	660,600	-253,000	
Total Gold Equivalent Mineral Resources								
Measured	2,378,000	4.4	336,700	2,892,000	5.2	483,800	-147,100	
Indicated	4,492,000	2.9	421,800	5,941,000	3.7	703,500	-281,700	
Measured & Indicated	6,870,000	3.4	758,500	8,833,000	4.2	1,187,000	-428,500	
Inferred	7,412,000	2.6	620,600	6,965,000	2.6	573,000	47,600	

Competent Persons Statements

The information in this report that relates to Exploration Results 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 Exploration Results for the Karouni project is extracted from the announcement titled 'Quarterly Report for the 3 months ended 31 March 2016' released on 28 April 2016.

The information relating to Mineral Resources and Ore Reserves for the Karouni project is extracted from the ASX announcement entitled 'Mineral Resources and Ore Reserves' released on 2 September 2016 and available to view at 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 for the Karouni project and that all material assumptions and technical parameters underpinning the drill results and estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

The information relating to Mineral Resources and Ore Reserves for the Casposo project is extracted from the ASX announcement entitled 'Austral Gold announces restart of Casposo Gold-Silver Mine Operations following Release of an Updated Mineral Resources and Ore Reserve Estimate' released on 27 September 2016 and available to view on the Austral Gold website, www.australgold.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 announcement, and in the case of estimates of Mineral Resources and 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 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' dated 2 September 2016.

CORPORATE GOVERNANCE STATEMENT

Troy Resources Limited has reviewed its Corporate Governance practices against the Corporate Governance Principles and Recommendations, 3rd Edition (ASX Principles) published by the ASX Corporate Governance Council.

The 2016 Corporate Governance Statement has been released as a separate document and can be viewed in the Corporate Governance section on the Troy website (www.troyres.com.au).

SHAREHOLDER STATISTICS AS AT 30 SEPTEMBER 2016

NUMBER OF SHAREHOLDERS

Ordinary Share Capital

418,302,520 fully paid ordinary shares held by 8,347 shareholders.

963,000 share appreciation rights held by 15 employees.

10,000,000 options held by Investec Bank Plc.

Distribution of shareholders

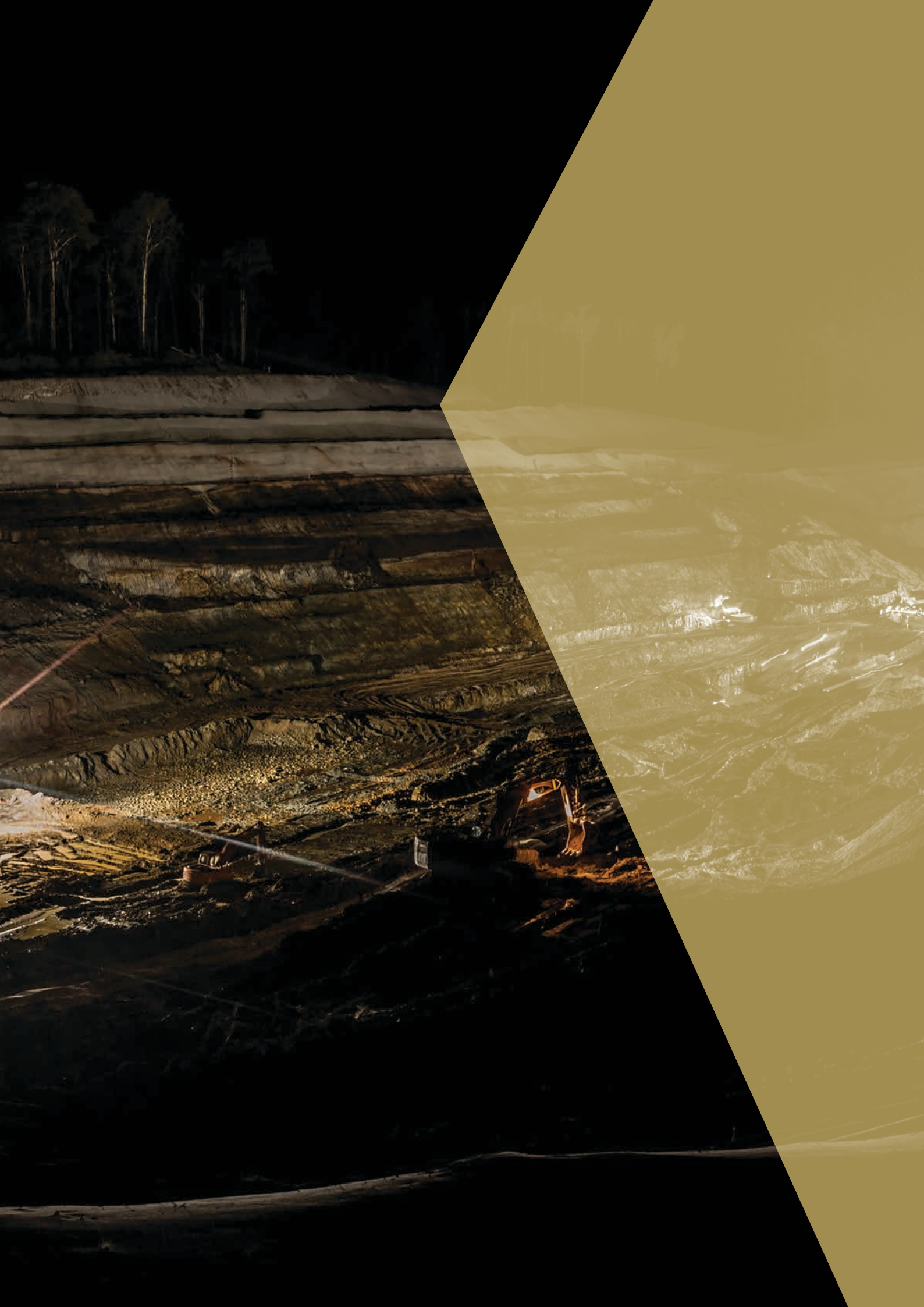
	Fully Paid Ordinary
1-1,000	2,231
1,001-5,000	2,700
5,001-10,000	1,144
10,001-100,000	1,994
100,001 and over	278
	8,347
Holding less than a marketable parcel	2,531

Substantial shareholders

Ordinary shareholder	Number of securities	Person's votes	Voting power %
Paradise Investment Management Pty Ltd	28,699,223	28,699,223	6.86%
Renaissance Smaller Companies Pty Ltd	24,533,592	24,533,592	5.87%
Commonwealth Bank of Australia	23,168,671	23,168,671	5.53%
Ruffer LLP	21,422,401	21,422,401	5.12%

TWENTY LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2016

Rank	Name	Units	% Of Units
1	HSBC Custody Nominees (Australia) Limited	68,485,769	16.37
2	Citicorp Nominees Pty Limited	51,605,395	12.34
3	National Nominees Limited	42,783,187	10.23
4	J P Morgan Nominees Australia Limited	38,577,889	9.22
5	HSBC Custody Nominees (Australia) Limited - A/C 3	8,955,587	2.14
6	Zero Nominees Pty Ltd	7,063,637	1.69
7	BNP Paribas Noms Pty Ltd <DRP>	6,821,343	1.63
8	BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	6,595,412	1.58
9	Warrigal Pty Ltd	6,156,800	1.47
10	HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	5,816,697	1.39
11	UBS Nominees Pty Ltd	3,633,874	0.87
12	RBC Investor Services Australia Nominees Pty Limited <PISELECT>	2,837,527	0.68
13	Gwynvill Trading Pty Ltd	2,182,743	0.52
14	Goornong Gees Mining Limited	2,173,598	0.52
15	Equity Trustees Limited <Lowell Resources Fund A/C>	2,034,837	0.49
16	Chester Nominees WA Pty Ltd <M W Wilson Super Fund A/C>	1,887,500	0.45
17	Greatcity Corporation Pty Ltd <Richard Monti A/C>	1,712,326	0.41
18	Hawkestone Resources Pty Ltd	1,600,000	0.38
19	Bell Potter Nominees Ltd <BB Nominees A/C>	1,570,000	0.38
20	Seneschal (WA) Pty Ltd <Winston Scotney Fam S/F A/C>	1,500,000	0.36
Top 20 holders of Ordinary Fully Paid Shares:		263,994,121	63.11
Remaining Holders Balance:		154,308,399	36.89



DIRECTORS' REPORT

The Directors of Troy Resources Limited ("Company", "Troy" or "Group") present their annual financial report for the financial year ended 30 June 2016. 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 Chairman, Chairman of the Audit Committee and Member of the Nomination and Remuneration Committee B. Com, LLB (Hons), MBA (Columbia), FAICD, SF Fin, FCIS (age 58) - appointed 25 November 2010, appointed Acting Chairman on 14 July 2015 and confirmed as Chairman 1 March 2016.

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 Martin D Purvis, Chief Executive Officer and Managing Director B.Eng in Mining, GAICD (aged 55) – 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 B.Eng, Cert of Eng (aged 75) - appointed 8 May 1998.

Mr Nilsson joined Troy in 1997 and is currently an Executive Director. 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 gold project in Guyana.

Mr John L C Jones, Non-Executive Director, Chairman of the Nomination and Remuneration Committee and Member of the Audit Committee AusIMM, AICD (aged 72) - 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	Tanga Resources Limited (formerly Argentina Mining Limited)	Since June 2014
Non-Executive Chairman	Image Resources Limited	June 2014 to May 2016

Mr David Southam, Non-Executive Director, Member of the Audit Committee and Nomination and Remuneration Committee B.Com CPA (aged 44) – appointed 29 July 2016.

Mr Southam is a Certified Practising Accountant with over 20 years' experience primarily in the resources sector across accounting, banking and finance. He is currently an Executive Director of ASX listed Western Areas Limited where his role encompasses financial and capital management, corporate development and operational activities.

Mr Southam has previously acted as a Non-Executive Director of Sundance Resources Limited and prior to his appointment with Western Areas in 2010, held Chief Financial Officer and executive management roles in both mining and industrial companies including Gindalbie Metals Limited, Brambles Industries Limited, Australian Railroad Group, ANZ Investment Bank and WMC Resources Limited.

Position	Company	Period of Directorship
Executive Director	Western Areas Limited	Since November 2010
Non-Executive Director	Sundance Resources Limited	September 2013 to January 2016

Mr David R Dix, Independent Non-Executive Director B.Ec, LLB, Grad Dip (Tax Law) (aged 62) – appointed 28 January 2010 and was Non-Executive Chairman until taking a medical leave of absence in July 2015 and passed away 1 February 2016.

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 52) – appointed 29 August 2013 and resigned 27 June 2016.

COMPANY SECRETARY

Ms Stacey Apostolou, Company Secretary, B.Bus, CPA (aged 50).

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 30 years. Ms Apostolou has been responsible for the corporate, treasury, finance, accounting and administration functions for these companies.

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 F S Grimwade	1,262,000	-
Mr M D Purvis	437,500	240,000
Mr J L C Jones	10,581,024	-
Mr K K Nilsson	832,694	120,000
Mr D Southam	-	-

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 35 to the Financial Statements.

Information on subsidiaries and Group structure can be found in Note 30 to the Financial Statements.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the first half of the year were gold and silver production through its operations at Andorinhas in Brazil and Casposo in Argentina. During the year, Troy completed development of the Karouni gold project (Karouni) in Guyana and commenced commercial production from 1 January 2016. In the second half of the year, Casposo was moved to care and maintenance before a majority stake was sold in March 2016 and operations at Andorinhas ceased in May 2016. Exploration activities, principally for gold, continued during the year at Karouni.

REVIEW OF OPERATIONS

Financial Results

Total revenue for the year from continuing and discontinued operations decreased by 19% to \$145,377,000 (2015: \$180,789,000) (refer Note 7 to the financial statements).

The consolidated loss from continuing operations after tax for the year was \$13,428,000 (2015: loss \$8,674,000).

The net loss after tax including discontinued operations was \$93,660,000 (2015: loss \$100,353,000).

The annual loss is reflected after bringing to account the following items:

	Continuing Operations (\$'000)	Discontinued Operations (\$'000)	FY16 (\$'000)	FY15 (\$'000)
(Loss) after tax	(13,428)	(80,232)	(93,660)	(100,353) ⁽³⁾
Exploration expenditure gross	6,079	10	6,089	10,309 ⁽³⁾
Exploration (capitalised)	-	-	-	(3,154) ⁽¹⁾
Government royalty expenses	5,039	3,579	8,618	8,077 ⁽²⁾
Export tax expense	-	3,167	3,167	8,183 ⁽²⁾
Depreciation and amortisation	29,749	3,483	33,232	37,700 ⁽²⁾
Profit on sale of Andorinhas plant	-	6,027	6,027	-
FCTR losses recycled to P&L	-	87,373	87,373	-
Impairment loss Casposo	-	-	-	97,319 ⁽²⁾

(1) Continuing operations.

(2) Discontinued operations.

(3) Both continuing and discontinued operations.

The loss per share on a fully diluted basis from continuing and discontinued operations is 29.6 cents, compared with loss of 49.4 cents in 2015.

Operating Review

The Group's total production for the year was 82,826 gold equivalent ounces (2015: 121,835 gold equivalent ounces) or 60,743 ounces of gold and 1,668,604 ounces of silver (2015: 78,001 ounces of gold and 3,111,182 ounces of silver).

Group sales for the year totalled 87,153 gold equivalent ounces (2015: 122,184 gold equivalent ounces).

Karouni achieved commercial production in January 2016 and produced 34,740 ounces of gold for the six months to 30 June 2016 from processing 356,772 tonnes of ore at an average gold grade of 3.37 grams per tonne (g/t). Sales for Karouni totalled 32,732 ounces.

Karouni cash costs were US\$515 per ounce produced and All-in Sustaining costs (AISC) were US\$816 per ounce produced. The proceeds received from the sale of 4,984 ounces produced prior to commercial production were credited against the project's capitalised mine development costs.

Casposo underwent a labour restructuring programme before the mine was placed on care and maintenance in late January. Processing activities continued until February when the plant was also placed on care and maintenance. The Company reached agreement with Austral Gold Limited on 4 March to divest a 51% controlling interest in Casposo. Consequently, Casposo is reported as a discontinued operation during the period to 4 March 2016, with Troy's 49% minority interest after that time being equity accounted.

During the period to 4 March 2016 Casposo produced 17,214 ounces of gold (2015: 55,859) and 1,668,604 ounces of silver (2015: 3,111,182) from the processing of 271,977 tonnes (2015: 509,489) of ore at an average gold grade of 2.16g/t (2015: 3.73g/t) and silver grade of 230.23g/t (2015: 235.72g/t).

Casposo cash costs on a co-product basis were US\$984 per gold equivalent ounce (2015: US\$668). Total gold equivalent ounces produced at Casposo were 39,297 (2015: 99,963).

Andorinhas ceased operations in May 2016. The plant was sold to Anfield Gold Corp. with handover occurring during June 2016. Andorinhas is also reported as a discontinued operation in the current year.

Andorinhas produced 8,789 ounces of gold for the year (2015: 22,142 ounces) at an average cash cost of US\$976 per ounce (2015: US\$889). AISC were US\$1,110 per gold ounce (2015: US\$1,137).

The Group's available cash at 30 June 2016 was \$3.1 million (2015: \$59.8 million) which, together with Karouni gold inventories at market value, resulted in liquid assets of \$12.5 million.

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 2016, the Group held cash and cash equivalents of \$3.4 million, of which \$0.3 million is held as restricted cash deposits for bank guarantees and unpresented dividend cheques. Pursuant to the Investec Debt Facility, the Company is required to maintain minimum liquidity of \$10 million inclusive of gold inventories at market value.

Troy held gold inventories at a market value of \$9.4 million, therefore providing total liquidity in accordance with the debt facility of \$12.5 million.

Cash decreased by \$57.5 million over the year with investing activities utilising \$39.9 million, of which \$29.1 million related to the purchase of property plant and equipment for the construction of Karouni and \$7.7 million for Karouni mine development.

Troy's disposal of Casposo consumed \$8.2 million while the sale of the Andorinhas' plant and inventories realised \$4.8m in cash receipts. Troy received \$0.3 million from bank interest.

Financing activities consumed \$45.9 million, comprising \$55.2 million in debt repayments (including principal, interest and fees) less \$9.3 million raised from equity issues (net of share issue costs).

Operating activities generated net cash inflows of \$28.3 million with commercial production at Karouni commencing 1 January 2016.

The consolidated loss from continuing operations after tax for the year was \$13.4 million (2015: loss \$8.7 million). The net loss after tax including discontinued operations was \$93.7 million (2015: loss \$100.4 million), inclusive of non-cash expenses totalling \$120.8 million (including \$87.4m in foreign currency translation reserve losses recycled to the profit & loss statement and \$33.2 in depreciation and amortisation).

At year end, the Company had in place commodity hedge contracts for delivery over a 16 month period for 66,000 ounces of gold at an average US\$1,103.50/ounce.

DIVIDENDS

No dividend has been declared for the financial year ended 30 June 2016.

CHANGES IN STATE OF AFFAIRS

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 34 (including the equity raising announced on 6 September 2016) 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.

SHARE ISSUES

During the year:

- > 50,000,000 fully paid ordinary shares were issued pursuant to a share placement; and
- > 702,371 fully paid ordinary shares were issued pursuant to the terms of a landowner agreement at Karouni.

OTHER EQUITY INSTRUMENTS

During the financial year:

- > 590,000 options lapsed in accordance with their terms;
- > 12,000 performance rights lapsed in accordance with their terms; and
- > 797,000 share appreciation rights lapsed or expired in accordance with their terms.

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 10,000,000 unlisted options on issue to Investec Bank Plc. with an exercise price of \$0.80 and expiry of 15 January 2018, and 963,000 employee 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 27.

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.

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 2016, 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 F S Grimwade	18	18	4	4	2	2
Mr M D Purvis	18	18	-	-	-	-
Mr K K Nilsson	18	16	-	-	-	-
Mr J L C Jones	18	18	4	4	2	2
Mr D R Dix ⁽¹⁾	12	-	-	-	-	-
Mr R Monti ⁽²⁾	17	17	4	4	2	2

⁽¹⁾ Passed away 1 February 2016, after a medical leave of absence from 14 July 2015.

⁽²⁾ Resigned 27 June 2016.

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.

The Board is cognisant of the response from shareholders to the Company's 2015 Remuneration Report which resulted in a vote of greater than 25% against Resolution 1 (Approval of the Remuneration Report). A similar vote against the Approval of the 2016 Remuneration Report will result in a second strike against the Company.

After the 2015 Annual General Meeting, the Board initiated a number of discussions and meetings with key shareholders in the Company as well as the main proxy advisors that cover Troy. A number of concerns were raised and noted during these meetings most of which related to the composition and transformation of the Board rather than towards the underlying remuneration policies of the Company. A number of changes have already taken place to remedy these concerns and further changes to complete the process are already in the pipeline and have been announced to the market. To this end the Board is conscious of making progressive improvements in a timely fashion that will not disrupt the efficient functioning of the Board.

The 2016 financial year has been one of significant transition for Troy and the Board took the decision that it would not be prudent or appropriate to operate a short term incentive plan within the Company. This position will also be extended for the 2017 Financial Year. During 2017 the Board will re-evaluate the proposed remuneration framework of the Company, including latest trends in incentive scheme structures, to ensure that the Company's remuneration policies and practices are fair, competitive and responsible and that we communicate these remuneration arrangements to our shareholders with full transparency and clarity.

Supported by the Remuneration Committee, the objective of the Board is to ensure that the practices and processes are sound and appropriate for the Company's particular operating circumstances and driven by our guiding principle to deliver value for the benefit of all our stakeholders.

Key Management Personnel during or since the end of the year included:

Non-Executive Directors

F S Grimwade	Non-Executive Chairman
J L C Jones	Non-Executive Director
D Southam	Non-Executive Director (appointed 29 July 2016)
D R Dix	Non-Executive Director (passed away 1 February 2016 after a medical leave of absence)
R Monti	Non-Executive Director (resigned 27 June 2016)

Executives

M Purvis	Managing Director and CEO
K Nilsson	Executive Director
S Apostolou	Company Secretary
P Doyle	Vice President Exploration and Business Development
D Sadgrove	Chief Financial Officer
A Storrie	Chief Operating Officer (resigned 30 June 2016)

Subsequent to year end, the Company announced the appointment of Mr David Southam as an Independent Non-Executive Director. Mr Southam will become Chair of the Audit Committee after the 2016 Annual Financial Report is approved by the Board. Mr Grimwade (current Chair of the Audit Committee) will then become Chair of the Remuneration Committee. As part of the Board renewal process, the Company has also confirmed that Mr Nilsson will not be seeking to stand for re-election as a Director at the 2017 Annual General Meeting when he is next required to retire by rotation. The Company is currently conducting a search for a further independent non-executive director, concentrating on an experienced geological skillset.

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.

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

- > 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
- > Appropriate 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.

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

Summary of Approach to Remuneration

As indicated in Section A, the Remuneration Committee undertook a review of the Company's remuneration framework during the year and elected that no short term or long term incentive structure would apply or be made available to employees.

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.

With the significant changes made to the Board composition over the past two years, Non-Executive Director Fees in 2016 have reduced by ~38% from \$618,825 to \$380,937.

Executive Director and Senior Executive Remuneration

Executive Directors and Senior Executives are not currently entitled to any performance based pay.

In relation to the financial year ended 30 June 2016, the Remuneration Committee and Board resolved that it would not be appropriate for a variable component to be considered and that Executives would be entitled to their fixed remuneration only.

With Karouni now at steady state operation, the Remuneration Committee will revisit the structure of Executive Remuneration and more specifically the composition of any future variable component. However, there will be no variable component payable in relation to Executive remuneration during the 2017 financial year.

D. Company Performance

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

	Financial Years Ended 30 June				
	2016	2015	2014	2013	2012
Basic Earnings/(Loss) per Share (cents)	(29.6)	(49.4)	(34.0)	20.5	35.5
Diluted Earnings/(Loss) per Share (cents)	(29.6)	(49.4)	(34.0)	20.4	35.0
Shareholders' Funds (\$m)	153.8	172.3	196.3	145.9	132.3
Dividends per Share (cents)	-	-	-	-	10.0
Net Profit/(Loss) Before Tax (\$m)					
– Continuing operations	(15.7)	(99.3)	(94.0)	31.6	55.5
– Discontinued operations	(82.6)	-	-	-	-
Net Profit/(Loss) After Tax & Non-Controlling Interests (\$m)	(93.7)	(100.4)	(59.1)	18.6	31.4
Operating Revenue (\$m)	145.4	180.8	178.0	202.7	208.6
Gold Equivalent Production (ozs)	82,826	121,835	132,939	127,060	137,457
Share Price at beginning of the year (\$/share)	\$0.37	\$1.07	\$1.53	\$3.90	\$3.48
Share Price at end of the year (\$/share)	\$0.54	\$0.37	\$1.07	\$1.53	\$3.90
Market Capitalisation (\$m)	184	107	208	140	349

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 2016 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 2016 financial year was:

Name	Year	Base Fee \$	Audit Committee \$	Remuneration Committee \$	Super-annuation \$	Total \$
F Grimwade	2016	130,192	7,200	4,500	12,368	154,260
	2015	72,000	7,200	-	6,840	86,040
D R Dix ⁽¹⁾	2016	44,107	-	-	4,190	48,297
	2015	132,300	-	7,200	12,569	152,069
J L C Jones	2016	72,000	4,500	7,200	6,840	90,540
	2015	72,000	-	4,500	6,840	83,340
R Monti ⁽²⁾	2016	72,000	4,500	4,500	6,840	87,840
	2015	72,000	-	4,500	6,840	83,340
S Harvey ⁽³⁾	2016	-	-	-	-	-
	2015	103,180	3,375	-	-	106,555
R Parish ⁽⁴⁾	2016	-	-	-	-	-
	2015	104,106	3,375	-	-	107,481
Total	2016	318,299	16,200	16,200	30,238	380,937
	2015	555,586	13,950	16,200	33,089	618,825

(1) Passed away 1 February 2016 after a medical leave of absence.

(2) Resigned 27 June 2016.

(3) Resigned 20 April 2015 - Base Fee includes an amount of \$39,420 paid at the time of resignation.

(4) Resigned 24 April 2015 - Base Fee includes an amount of \$39,420 paid at the time of resignation.

F. Elements of Remuneration of Executives

As no incentive scheme was in place during the year, remuneration paid consisted primarily of fixed remuneration only as:

- Any equity share based payment allocations, relate to previous year allocations;
- No bonuses have been awarded or are payable in relation to performance; and
- There were no grants of share-based payment arrangements affecting remuneration of key management personnel in the current financial year or future financial years.

Fixed Remuneration

Individual Executives' base salaries for the 2016 financial year were:

Name	Position	Base Salary \$
Martin Purvis	Managing Director and CEO	\$570,000
Ken Nilsson	Executive Director	\$481,480
Stacey Apostolou	Company Secretary (full time equivalent)	\$275,000
Peter Doyle	Vice President - Exploration and Business Development	C\$353,500
David Sadgrove	Chief Financial Officer	\$310,000
Andrew Storrie ⁽¹⁾	Chief Operating Officer	US\$300,000

(1) Resigned 30 June 2016.

Following a review by the Remuneration Committee subsequent to the end of the 2016 financial year, the Board determined to maintain base salary levels for Executives in line with FY2016 taking into consideration general market conditions at that time.

There has been no general increase in the base salary levels for Executives since FY2013.

Remuneration components available to Executives at 1 July 2016 are as follows:

Name	Base Salary	Superannuation	Other	Total Fixed Remuneration	Insurance
Martin Purvis	\$570,000	\$54,150	-	\$624,150	Salary continuance and medical
Ken Nilsson	\$481,800	n/a	\$95,391	\$577,191	Salary continuance and medical
Stacey Apostolou (based on 80% of full time equivalent)	\$220,000	\$20,900	-	\$240,900	Salary continuance
Peter Doyle	C\$353,500	n/a	C\$6,912	C\$358,526	Salary continuance and medical
David Sadgrove	\$310,000	\$29,450	\$11,737	\$351,187	Salary continuance

Following completion of the construction and commissioning of Karouni and the downscaling of activities in Brazil and Argentina, the Company is currently in the process of re-structuring the Operations team and skills base of the Group.

Total Remuneration - Executives

The following table details the remuneration expense recognised for the Group's Executives for the current and previous financial year measured in accordance with the requirements of the accounting standards.

		Fixed Remuneration				Variable Remuneration			
		Cash Salary & Fees \$	Other Benefits ⁽¹⁾ \$	Post-Employment Benefits \$	Long Service Leave \$	Termination Benefits \$	Cash Bonus \$	Equity Share Based Payments \$	Total \$
Name	Year								
Executive Directors									
M D Purvis ⁽²⁾	2016	570,000	-	54,150	6,521	-	-	16,424	647,095
	2015	475,000	-	45,125	4,559	-	-	17,461	542,145
K K Nilsson	2016	492,121	95,391	-	13,445	-	-	39,747	640,704
	2015	479,125	67,931	-	8,417	-	100,000	95,368	750,841
P Benson ⁽³⁾	2016	-	-	-	-	-	-	-	-
	2015	181,524	10,798	4,285	-	-	120,000	-	316,607
Senior Management									
A D B Storrie ⁽⁴⁾	2016	415,720	68,560	-	-	353,574	-	(2,164)	835,690
	2015	330,000	46,008	-	204	-	-	104,520	480,732
P J Doyle	2016	366,286	7,133	5,135	8,191	-	-	3,529	390,274
	2015	361,821	6,017	2,544	7,922	-	-	55,475	433,779
D R Sadgrove	2016	310,000	11,737	29,450	11,330	-	-	2,941	365,458
	2015	310,000	3,060	29,450	10,108	-	-	6,840	359,458
S Apostolou	2016	243,899	-	23,170	6,623	-	-	2,353	276,045
	2015	249,220	-	23,676	4,289	-	-	25,472	302,657
Total Exec Directors & Senior Mgmt	2016	2,398,026	182,821	111,905	46,110	353,574	-	62,830	3,155,266
	2015	2,386,690	133,814	105,080	35,499	-	220,000	305,136	3,186,219
Total NED Remuneration	2016	350,699	-	30,238	-	-	-	-	380,937
	2015	585,736	-	33,089	-	-	-	-	618,825
Total KMP	2016	2,748,725	182,821	142,143	46,110	353,574	-	62,830	3,536,203
	2015	2,972,426	133,814	138,169	35,499	-	220,000	305,136	3,805,044

(1) Other Benefits include - the provision of motor vehicle, airfares, housing 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 reflected in the remuneration tables on an annual basis.

(4) Mr Storrie resigned as Chief Operating Officer on 30 June 2016. In full and final satisfaction of amounts due to Mr Storrie pursuant to his contract, the Company agreed to pay US\$300,000 (A\$403,134) which included US\$75,000 of accrued leave entitlements (A\$100,784 ~ of which A\$49,560 represents accrued Long Service Leave that has previously been brought to account). This amount is being paid to Mr Storrie in twelve equal monthly instalments of US\$25,000. Subsequent to year end, the Company has paid \$17,936 to relocate Mr Storrie and his family which is not included in the remuneration amounts disclosed above. Mr Storrie's other benefits for housing in 2015 have been restated to aid in comparison.

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 six months' notice. Mr Purvis may terminate by providing the Company three months' notice or such other period agreed.	None
K Nilsson	Commencing April 1997	Three months' notice	None
Senior Management			
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 Resigned with effect from 30 June 2016	Three months' notice	Three months' salary plus one month's salary for each completed year of service
D Sadgrove	Commencing 17 November 2008	One month's notice	None
S Apostolou	Commencing 5 February 2013	One month's notice	None

H. Equity Holdings

Ordinary Shareholdings

2016	Balance at 1.7.15	Granted as Remuneration	Received on Exercise of Options	Net Other Change	Balance at 30.6.16	Balance Held Nominally
Directors						
F S Grimwade	262,000	-	-	1,000,000	1,262,000	-
M D Purvis	187,500	-	-	250,000	437,500	-
K K Nilsson	582,694	-	-	250,000	832,694	-
J L C Jones	10,531,024	-	-	50,000	10,581,024	9,059,963
D R Dix ⁽¹⁾	1,114,013	-	-	(1,114,013)	-	-
R Monti ⁽²⁾	1,712,326	-	-	(1,712,326)	-	-
Other Key Management Personnel						
P J Doyle	94,779	-	-	-	94,779	3,500
D R Sadgrove	10,000	-	-	-	10,000	-
S Apostolou	43,251	-	-	-	43,251	-
A D B Storrie ⁽³⁾	194,630	-	-	(194,630)	-	-
TOTAL	14,732,217	-	-	(1,470,969)	13,261,248	9,063,463

(1) Passed away 1 February 2016 after a medical leave of absence.

(2) Resigned 27 June 2016.

(3) Resigned 30 June 2016.

Share Appreciation Rights

There were no share appreciation rights granted as equity compensation benefits to KMP during the year ended 30 June 2016.

2016	Balance at 1.7.15	Granted as Remuneration	Exercised	Grant Price	Lapsed	Balance at 30.6.16	Balance Vested at 30.6.16	Vested but not Exercisable	Vested and Exercisable	Vested during Year
Directors										
M D Purvis	240,000	-	-	\$0.88 -\$1.04	-	240,000	80,000	80,000	-	80,000
K K Nilsson	620,000	-	-	\$1.10 -\$1.43	(500,000)	120,000	80,000	80,000	-	40,000
Other Key Management Personnel										
P J Doyle	90,000	-	-	\$1.21 -\$1.43	-	90,000	60,000	60,000	-	30,000
D R Sadgrove	75,000	-	-	\$1.21 -\$1.43	-	75,000	50,000	50,000	-	25,000
S Apostolou	60,000	-	-	\$1.21 -\$1.43	-	60,000	40,000	40,000	-	20,000
A D B Storrie ⁽¹⁾	120,000	-	-	\$1.21 -\$1.43	(120,000)	-	-	-	-	-
TOTAL	1,205,000	-	-	\$1.10 -\$1.43	(620,000)	585,000	310,000	310,000	-	195,000

(1) Resigned 30 June 2016.

Option Holdings

There were no options granted as equity compensation benefits to KMP during the year ended 30 June 2016.

2016	Balance at 1.7.15	Granted as Remuneration	Exercised	Grant Price	Lapsed	Balance at 30.6.16
Other Key Management Personnel						
P J Doyle	250,000	-	-	-	(250,000)	-
A D B Storrie ⁽¹⁾	50,000	-	-	-	(50,000)	-
TOTAL	300,000	-	-	-	(300,000)	-

(1) Resigned 30 June 2016.

Performance Rights

There were no performance rights granted as equity compensation benefits to KMP during the year ended 30 June 2016.

2016	Balance at 1.7.15	Granted as Remuneration	Converted to shares	Hurdle Price Range	Lapsed	Balance at 30.6.16
Other Key Management Personnel						
D R Sadgrove	5,000	-	-	\$5.50	(5,000)	-

End of audited Remuneration Report.

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 39.

Details of amounts paid or payable to the auditor for audit and non-audit services provided during the financial year are outlined in Note 25 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 29th day of September 2016 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
Non-Executive Chairman



Deloitte Touche Tohmatsu
ABN 74 490 121 060

Brookfield Place, Tower 2
123 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

Tel: +61 8 9365 7000
Fax: +61 8 9365 7001
www.deloitte.com.au

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

29 September 2016

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 2016, 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

	Notes	2016 (\$'000)	2015 (\$'000)
Continuing Operations			
Revenue	3	60,360	-
Cost of sales	4	(57,301)	-
Gross Profit		3,059	-
Other income	3	344	688
Net foreign exchange gains		132	3,624
Share of (losses) from associate	4	(2,950)	-
Exploration expenses (net)	4	(6,079)	(3,850)
Administration expenses	4	(6,354)	(6,689)
Other expenses	4	(755)	(279)
Finance costs	4	(3,131)	(4,424)
Impairment loss		-	(547)
Loss before income tax		(15,734)	(11,477)
Income tax benefit	6	2,306	2,803
Loss for the Year – Continuing Operation		(13,428)	(8,674)
Loss for the Year – Discontinued Operations	5	(80,232)	(91,679)
LOSS FOR THE YEAR		(93,660)	(100,353)
Loss attributable to:			
Owners of the parent		(93,660)	(100,666)
Non-controlling interests		-	313
		(93,660)	(100,353)
Loss per share (EPS)			
From continuing and discontinued operations			
Basic EPS (cents)	22	(29.6)	(49.4)
Diluted EPS (cents)	22	(29.6)	(49.4)
From continuing operations			
Basic EPS (cents)	22	(4.2)	(49.4)
Diluted EPS (cents)	22	(4.2)	(49.4)

Notes to the consolidated financial statements are included on pages 45 to 86.

	Notes	2016 (\$'000)	2015 (\$'000)
Loss for the year		(93,660)	(100,353)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Changes in value of cash flow hedge reserve net of deferred tax	20	(20,304)	9,051
Exchange differences on translation of foreign operations - continuing	20	(1,180)	28,515
- reclassified to profit and loss on disposal/closure	5	87,373	-
Other comprehensive income		65,889	37,566
Total comprehensive income for the year		(27,771)	(62,787)
Total comprehensive income attributable to:			
Owners of the parent		(27,771)	(63,100)
Non-controlling Interests		-	313
		(27,771)	(62,787)

Notes to the consolidated financial statements are included on pages 45 to 86.

	Notes	2016 (\$'000)	2015 (\$'000)
CURRENT ASSETS			
Cash and cash equivalents	8	3,436	60,556
Trade and other receivables	9	12,915	12,669
Inventories	10	8,403	16,615
Current tax assets	6	-	398
Hedge asset	11	-	5,938
TOTAL CURRENT ASSETS		24,754	96,176
NON-CURRENT ASSETS			
Property, plant and equipment	12	87,288	131,418
Mining properties	13	148,721	-
Development property	14	-	95,756
Investments in associate	15	1,074	-
Deferred tax assets	6	1,775	-
TOTAL NON-CURRENT ASSETS		238,858	227,174
TOTAL ASSETS		263,612	323,350
CURRENT LIABILITIES			
Trade and other payables	16	21,395	21,514
Provisions	17	4,095	8,247
Hedge liability	11	14,351	-
Borrowings	18	23,817	40,700
TOTAL CURRENT LIABILITIES		63,658	70,461
NON-CURRENT LIABILITIES			
Other payables	16	-	1,494
Deferred tax liabilities	6	12,006	13,656
Provisions	17	3,177	7,643
Hedge Liability	11	5,527	-
Borrowings	18	25,418	57,841
TOTAL NON-CURRENT LIABILITIES		46,128	80,634
TOTAL LIABILITIES		109,786	151,095
NET ASSETS		153,826	172,255
EQUITY			
Issued capital	19	314,576	305,311
Reserves	20	14,874	(51,092)
Retained earnings	21	(175,624)	(81,964)
TOTAL EQUITY		153,826	172,255

Notes to the consolidated financial statements are included on pages 45 to 86.

	Issued Capital (\$'000)	Available for Sale Reserve (\$'000)	Share Based Payments Reserve (\$'000)	Cash Flow Hedge Reserve (\$'000)	Foreign Currency Translation Reserve (\$'000)	Retained Earnings (\$'000)	Attributable to Equity Holder of Parent (\$'000)	Non- controlling interest (\$'000)	Total Equity (\$'000)
Balance at 1 July 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)	(81,963)	172,255	-	172,255
Balance at 1 July 2015	305,311	-	8,801	5,316	(65,209)	(81,964)	172,255	-	172,255
Loss for the year	-	-	-	-	-	(93,660)	(93,660)	-	(93,660)
Changes in fair value of hedging instrument net of deferred tax	-	-	-	(20,304)	-	-	(20,304)	-	(20,304)
Exchange rate differences on translation of foreign operations	-	-	-	-	86,193	-	86,193	-	86,193
Total comprehensive income for the year	-	-	-	(20,304)	86,193	(93,660)	(27,771)	-	(27,771)
Issue of fully paid shares - capital raising	10,000	-	-	-	-	-	10,000	-	10,000
Share issue costs	(735)	-	-	-	-	-	(735)	-	(735)
Share-based payments	-	-	77	-	-	-	77	-	77
Balance at 30 June 2016	314,576	-	8,878	(14,988)	20,984	(175,624)	153,826	-	153,826

Notes to the consolidated financial statements are included on pages 45 to 86.

	Notes	2016 (\$'000)	2015 (\$'000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		138,374	180,164
Payments to suppliers and employees		(111,896)	(120,814)
Export tax and government royalties paid		(8,768)	(15,406)
Net proceeds from commodity hedging		11,893	-
Proceeds from sundry income		97	68
Income taxes paid		(1,359)	(2,558)
NET CASH PROVIDED BY OPERATING ACTIVITIES	32	28,341	41,454
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(29,132)	(73,562)
Payments for mine and development properties		(7,735)	(4,294)
Payments for underground development and capital equipment at Casposo		-	(31,513)
Payments for exploration properties capitalised		-	(3,154)
Payments for power line commitments		-	(862)
Proceeds on sale of property, plant and equipment		4,756	599
Net cash disposed on sale of Troy Resources Argentina Ltd.	5	(8,148)	-
Net cash disposed on sale of Sertao Mineração Ltda		-	(12)
Interest received		334	607
NET CASH USED IN INVESTING ACTIVITIES		(39,925)	(112,191)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	18	-	60,000
Repayments of borrowings	18	(45,006)	(739)
Payment of financing costs		(10,197)	(7,301)
Net proceeds from the issue of equity securities		9,265	35,384
NET CASH (USED) / PROVIDED BY FINANCING ACTIVITIES		(45,938)	87,344
Net (decrease) / increase in cash and cash equivalents		(57,522)	16,607
Cash and cash equivalents at the beginning of the financial year		60,556	43,409
Effects of exchange rate changes on balances held in foreign currencies		402	540
Cash and cash equivalents at end of the financial year	8	3,436	60,556

Notes to the consolidated financial statements are included on pages 45 to 86.

Refer to Note 5 for information relating to cash flows associated with discontinued operations.

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 29th September 2016.

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.

Going Concern Assumption

The consolidated financial statements have been prepared on a going concern basis. The financial statements reflect a deficiency of current assets over current liabilities at 30 June 2016 of \$38,904,000 and a loss from continuing operations after tax for 2016 of \$13,428,000. Based on forecast positive operating cash flows, net of sustaining capital expenditure, and the equity raising announced on 6 September 2016, to raise in the order of \$39,000,000 net of costs, the Directors are satisfied the going concern assumption is appropriate. Proceeds of \$26,600,000 after costs were received on 19 September 2016 from the first part of the equity raising which included the institutional placement and accelerated portion of the non-renounceable entitlement offer.

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.

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.

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 Group 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.

Commercial production achieved at Karouni

Based on the Karouni mill achieving in excess of 75% of nameplate capacity averaged over the full month with production resulting in positive operating cash flows and forecast to continue, the Company assessed the project as achieving commercial production as from 1 January 2016. This was a judgemental assessment with the potential to significantly impact on the level of gross margin for the financial year and, the balance of pre-production capitalised costs to be amortised in future years.

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 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 31.

Impairment of Property, Plant and Equipment and 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.

No impairment loss was recognised in the current year and an impairment loss of \$97.3 million before income tax was recognised in the prior year. Details of the impairment testing and loss calculation are set out in Note 13.

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	3-5 years
> Motor Vehicle	3-5 years
> Buildings	5-7 years

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

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 is generally calculated on an 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.

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.

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 31.

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)

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 31. 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.

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.

(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.

(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.

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).

(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.

(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 27.

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.

(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 31.

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) 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.

(q) 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.

(r) 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 31.

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 31 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.

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

Amendment to AASBs and the new Interpretation that are mandatorily effective for the current year

In the current year, the Group has applied the below amendments to AASBs and any 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 2015, and therefore relevant for the current year end.

AASB 2015-3 'Amendments to Australian Accounting Standards – Arising from the withdrawal of AASB 1031 Materiality'

This amendment completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. The application of this amendment 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 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers', AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15', AASB 2015-8 'Amendments Australian Accounting Standards - Effective date of AASB 15'	1 January 2018	30 June 2019
AASB 16 'Leases'	1 January 2019	1 January 2020
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', AASB 2015-10 'Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128'	1 January 2018	30 June 2019
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 2015-5 'Amendments to Australian Accounting Standards - Investment Entities: Applying the Consolidation Exception'	1 January 2016	30 June 2017
AASB 2016-1 'Amendments to Australian Accounting Standards - Recognition of Deferred Tax Assets for Unrealised Losses'	1 January 2017	30 June 2018
AASB 2016-2 'Amendments to Australian Accounting Standards - Disclosure Initiative Amendments to AASB 107'	1 January 2017	30 June 2018

At the date of this financial report, the following IASB Standards or IFRIC Interpretations (for which Australian equivalent Standards and Interpretations have not yet been issued) were in issue, but not yet effective – Nil.

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

3. REVENUE

	Note	2016 (\$'000)	2015 (\$'000)
(i) Operating revenue - continuing operations			
Gold sales		53,327	-
Silver sales		30	-
Hedge gains (net)		7,003	-
		<u>60,360</u>	<u>-</u>
(ii) Other income			
Interest received - bank		297	620
Other		47	68
		<u>344</u>	<u>688</u>

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

(i) Key Operating Expenses			
Depreciation of property, plant & equipment			
- Cost of sales – continuing operations		8,904	-
- Cost of sales – discontinued operations		3,483	9,796
- Administration expenses		121	149
		<u>12,508</u>	<u>9,945</u>
Amortisation of mining properties			
- Cost of sales – continuing operations		20,724	-
- Cost of sales – discontinued operations		-	27,755
		<u>20,724</u>	<u>27,755</u>
Total Depreciation and Amortisation		<u>33,232</u>	<u>37,700</u>
Government royalties			
- Cost of sales – continuing operations		5,039	-
- Cost of sales – discontinued operations		3,579	8,077
		<u>8,618</u>	<u>8,077</u>
Export tax and other taxes - discontinued operations		<u>3,167</u>	<u>8,183</u>
(ii) Share of losses from Associate			
Minority interest share of losses of Casposo	15	<u>2,950</u>	<u>-</u>
(iii) Exploration expenditure			
Exploration expenditure incurred		6,079	7,004
Exploration capitalised (net of write-offs)		-	(3,154)
Exploration expenditure incurred – discontinued operations		10	3,305
Exploration expenses (net)		<u>6,089</u>	<u>7,155</u>

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

	2016 (\$'000)	2015 (\$'000)
(iv) Administration expenses		
Head office salaries and on-costs	2,484	2,307
Previous Managing Director entitlements	-	349
Expatriate salary and termination entitlements	201	-
Directors fees and on-costs	397	639
Other Brazil administration	95	129
Depreciation – furniture and equipment	121	149
Canadian office and administration	511	680
Other Head office administration ⁽¹⁾	2,545	2,436
	6,354	6,689
(1) Includes listing fees, shareholder costs, audit fees, taxation consultants, office rent, insurance, travel and other head office administration expenditure.		
(v) Other expenses		
Share based payments	77	155
Doubtful VAT receivable	583	-
Loss on sale of assets	95	124
	755	279
(vi) Finance costs		
Borrowing costs	4,627	2,719
Rehabilitation provisions unwinding of discount	283	-
Hedge finance costs	(1,779)	1,705
	3,131	4,424

5. DISCONTINUED OPERATIONS

	2016 (\$'000)	2015 (\$'000)
Loss for the year from discontinued operations		
Casposo Gold Silver Project - Argentina	(74,929)	(93,802)
Andorinhas Gold Project - Brazil	(5,303)	2,123
	<u>(80,232)</u>	<u>(91,679)</u>

A 51% controlling stake in Casposo held via Troy Resources Argentina Ltd was sold on the 4 March 2016. As a result of the disposal, Casposo is reported as a discontinuing operation. The project was deconsolidated from the Group on that date. Troy's 49% interest is equity accounted as an associate (refer Note 15).

Casposo

Gold sales	30,243	82,872
Silver sales	39,828	62,854
Hedge gains (net)	-	2,612
Total Revenue	70,071	148,338
Cost of Sales	(67,849)	(135,842)
Gross Profit	2,222	12,496
Exploration expenses (net)	(10)	(3,305)
Net foreign exchange (loss)	(756)	(1,247)
Restructuring costs	(5,546)	-
Borrowing costs	(192)	-
Impairment loss – non-cash charge	-	(97,319)
Loss before income tax	(4,282)	(89,375)
Attributable income tax credit (expense) ⁽¹⁾	2,364	(4,427)
Loss after income tax, before sale	(1,918)	(93,802)
Proceeds from sale of Casposo (51%)	4,064	-
Book value of project sold	(5,742)	-
Foreign currency translation reserve loss, recycled to the profit and loss statement on disposal	(71,333)	-
Attributable income tax expense on sale	-	-
Loss for the year from discontinued operation	(74,929)	(93,802)

(1) The income tax credit in 2016 relates primarily to the reversal of an over estimate in the prior year.

Cash flows from discontinued operation:

Net cash inflows / (outflows) from operating activities	(1,542)
Net cash inflows / (outflows) from investing activities	(150)
Net cash inflows / (outflows) from financing activities	1,636
Net cash outflows	<u>(56)</u>

Loss on disposal of subsidiary – Troy Resources Argentina Ltd

Cash proceeds on disposal of subsidiary	1,355
Deferred sale proceeds on disposal of subsidiary (refer Note 9)	2,709
(Less) Net assets disposed of	(5,742)
	<u>(1,678)</u>

5. DISCONTINUED OPERATIONS (CONTINUED)

	2016 (\$'000)
Cash and cash equivalents – disposal of subsidiary	
Consideration received in cash and cash equivalents	1,355
(Less) cash and cash equivalent balances disposed of	(9,503)
	<u>(8,148)</u>

Andorinhas was closed during May 2016 with the plant and remaining inventories being sold and handed over to a third party. As a result, the project has been reported as a discontinued operation.

	2016 (\$'000)	2015 (\$'000)
Andorinhas		
Gold sales	14,946	32,451
Cost of Sales	(11,702)	(31,912)
Gross Profit	<u>3,244</u>	<u>539</u>
Profit on sale of plant and inventories at closure	6,027	-
Net foreign exchange gains	2,401	625
Closure costs	(995)	-
Other income / (expenses)	50	360
Profit before income tax	<u>10,727</u>	<u>1,524</u>
Attributable income tax credit	10	599
Profit after income tax at closure of gold operations	<u>10,737</u>	<u>2,123</u>
Foreign currency translation reserve loss, recycled to the profit & loss statement	(16,040)	-
(Loss) / profit for the year from discontinued operation	<u>(5,303)</u>	<u>2,123</u>
Cash flows from discontinued operation:		
Net cash inflows / (outflows) from operating activities	162	
Net cash inflows / (outflows) from investing activities	4,756	
Net cash inflows / (outflows) from financing activities	(2,283)	
Net cash flows	<u>2,635</u>	

6. INCOME TAX

	Note	2016 (\$'000)	2015 (\$'000)
a) Income Tax recognised in profit or loss			
Current tax expense / (benefit)			
Current year – income tax charge / (income)		(209)	6,281
Adjustment - current income tax of previous years		(1,912)	63
Adjustment – withholding tax		(1,412)	-
		(3,533)	6,344
Deferred income tax			
Origination and reversal of temporary differences		(1,147)	566
Temporary difference arising from impairment loss	14	-	(5,885)
		(1,147)	(5,319)
Total Income tax expense / (benefit) in the income statement		(4,680)	1,025
Continuing operations		(2,306)	(2,803)
Discontinued operations		(2,374)	3,828
		(4,680)	1,025
Numerical Reconciliation of tax expense / (benefit) to prima facie tax payable			
Loss before tax – continuing operations		(15,734)	(99,328)
– discontinued operations		(82,606)	-
Total loss before tax		(98,340)	(99,328)
Income tax expense at the Group's statutory tax rates of Australia: 30%, Guyana 30%, Brazil: 34% and Argentina 35%		(26,716)	(34,436)
<u>Difference in income tax expense due to:</u>			
Share based payments		23	47
Non-deductible foreign salaries & exploration		60	43
Non-deductible expenses		3,958	4,669
Non-deductible net disposal of subsidiary		5,771	-
Group loans and foreign currency restructuring		6,853	-
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
Over provision calendar year		-	2,255
Other temporary differences not recognised		(414)	(309)
Australian tax losses recognised / not brought to account		5,785	(6,548)
Foreign tax losses not recognised		-	6,675
Income tax expense / (benefit) on pre-tax net profit		(4,680)	1,025
Deferred income tax related to items charged or credited directly to equity			
Foreign currency translation reserve - Current Tax		-	(146)
Foreign currency reserve and hedging - Deferred Tax		(2,278)	2,467
Income tax expense reported in equity		(2,278)	2,321

6. INCOME TAX (CONTINUED)

	Opening Balance (\$'000)	Acquired (\$'000)	Charged to Income (\$'000)	Charged to Equity (\$'000)	Closing Balance (\$'000)
b) Deferred tax assets / (liabilities) arise from the following:					
2016					
Capitalised mining costs – Brazil	(21)	-	21	-	-
Capitalised mining costs – Guyana ⁽¹⁾	(13,635)	-	1,629	-	(12,006)
Plant and equipment – capitalised interest	(1,792)	-	(830)	-	(2,622)
Plant and equipment - Guyana	-	-	572	-	572
Provisions for employee entitlements and rehabilitation	184	-	123	-	307
Intercompany loan – Guyana	(6,360)	-	6,360	-	-
Guyana tax losses	-	-	1,203	-	1,203
Australia tax losses	9,608	-	(2,450)	-	7,158
Other Australia	(267)	-	(111)	7,712	7,334
Temporary differences not brought to account	-	-	415	(5,434)	(5,019)
Tax losses not brought to account as an asset	(1,373)	-	(5,785)	-	(7,158)
	(13,656)	-	1,147	2,278	(10,231)
(1) Re fair value cost base on acquisition.					
Deferred tax assets					1,775
Deferred tax liabilities					(12,006)
					(10,231)
2015					
Capitalised mining costs – Brazil	(69)	-	43	5	(21)
Capitalised mining costs – Argentina	(2,028)	-	2,222	(194)	-
Capitalised mining costs – Guyana	(13,635)	-	-	-	(13,635)
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
Other Australia	311	-	925	(1,503)	(267)
Other (net) – Brazil	(777)	-	777	-	-
Tax losses not brought to account as an asset	(7,037)	(109)	6,548	(775)	(1,373)
Tax losses not brought to account as an asset	(16,508)	-	5,319	(2,467)	(13,656)
Deferred tax assets					-
Deferred tax liabilities					(13,656)
					(13,656)

6. INCOME TAX (CONTINUED)

	2016 (\$'000)	2015 (\$'000)
c) Tax balances		
Current tax asset / (payable)	-	398
Deferred tax assets	1,775	-
Deferred tax liabilities	(12,006)	(13,656)
	(3,533)	6,344

Deferred tax assets relate to timing differences and tax losses in Guyana with regards to Karouni and their utilisation is dependent on the generation of future taxable profits to realise as future income tax benefits.

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

d) Unrecognised deferred tax assets		
Tax losses – Australia	7,158	1,373
Timing differences – Australia (principally hedge liabilities)	5,019	-
Timing differences – Argentina	-	20,091
	12,177	21,464

Tax consolidation

Relevance of tax consolidation to the Group

Troy Resources Limited (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.

7. SEGMENT REPORTING

Reportable segments are determined based on the information reported to the Chief Executive Officer and Managing Director for the purposes of resource allocation and are based on geographical countries and split between operations and exploration activities.

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

	Note	Segment revenue year ended		Segment loss year ended	
		2016 (\$'000)	2015 (\$'000)	2016 (\$'000)	2015 (\$'000)
Continuing Operations:					
Guyana		53,357	-	(3,944)	-
Hedge gains (net)		7,003	-	7,003	-
		60,360	-	3,059	-
Discontinued Operations:					
Argentina		70,071	145,726	2,222	9,884
Brazil		14,946	32,451	3,244	539
Hedge gains (net)		-	2,612	-	2,612
		85,017	180,789	5,466	13,035
Total Operations		145,377	180,789	8,525	13,035
Exploration:					
Guyana				(6,079)	(7,004)
Capitalised Guyana				-	3,154
Argentina – discontinued				(10)	(3,305)
Total Exploration				(6,089)	(7,155)
Total Segments (before impairment loss)		145,377	180,789	2,436	5,880
Other gains (losses) - discontinued operations	5			(88,062)	(97,581)
Income tax benefit / (expense) – discontinued operations	5			2,374	(3,828)
Other income				344	688
Share of (losses) from associates				(2,950)	-
Net foreign exchange gains				132	3,624
Corporate administration				(6,354)	(6,689)
Other expenses				(755)	(279)
Finance costs				(3,131)	(4,424)
Impairment loss				-	(547)
Income tax benefit				2,306	2,803
Loss for the year				(93,660)	(100,353)

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, 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.

7. SEGMENT REPORTING (CONTINUED)

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

	2016 (\$'000)	2015 (\$'000)
Total assets		
Operations:		
Guyana – continuing operation	251,294	225,327
Argentina – discontinued operation	-	27,995
Brazil – discontinued operation	-	2,425
Total segment assets:	251,294	255,747
Cash and cash equivalents ⁽¹⁾	3,436	60,556
Tax assets ⁽¹⁾	1,775	398
Receivables and other assets ⁽¹⁾	7,107	711
Hedge asset ⁽¹⁾	-	5,938
Total assets	263,612	323,350

⁽¹⁾ Unallocated assets include various assets including cash held at a corporate level that have not been allocated to the underlying segments. The current year includes receivables due on the sales of discontinued operations.

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

	2016 (\$'000)	2015 (\$'000)
Total liabilities		
Operations:		
Guyana – continuing operation	22,989	7,497
Argentina – discontinued operation	-	25,229
Brazil – discontinued operation - closure liabilities	2,846	4,755
Total segment liabilities:	25,835	37,481
Income tax liabilities ⁽²⁾	12,006	13,656
Borrowings ⁽²⁾	49,235	98,541
Hedge liability ⁽²⁾	19,878	-
Other liabilities ⁽²⁾	2,832	1,417
Total liabilities	109,786	151,095

⁽²⁾ Unallocated liabilities include tax liabilities, deferred consideration, corporate level entitlements and consolidated entity borrowings not specifically allocated to any one underlying segment.

	2016 (\$'000)	2015 (\$'000)
Other Segment Information		
Continuing and discontinued operations:		
Depreciation & Amortisation		
Argentina	3,483	32,489
Brazil	-	4,543
Guyana	29,628	518
Total Segment	33,111	37,551
Corporate	121	149
Total Depreciation & Amortisation	33,232	37,700
Additions to non-current assets		
Argentina	150	31,513
Brazil	-	3,002
Guyana	28,951	82,399
Development Properties \ Exploration	-	3,154
Total Segment	29,101	120,068
Corporate	31	147
Total additions	29,132	120,215

8. CASH AND CASH EQUIVALENTS

	2016 (\$'000)	2015 (\$'000)
Cash at bank	995	13,516
Cash at bank – Overseas	2,331	16,346
Short term interest bearing deposits – Australia	110	30,694
	3,436	60,556

Investments in short term money market instruments are bearing interest at rates of 1.70% to 1.90%p.a. (2015: 2.00% to 2.97%p.a.). For information on restricted cash refer to Note 32(b).

9. TRADE AND OTHER RECEIVABLES

Current

Other debtors and prepayments ⁽¹⁾⁽²⁾	12,915	5,740
Value added tax recoverable ⁽³⁾	-	6,929
	12,915	12,669

(1) Trade debtors include accounts receivable in relation to bullion and doré sales. Other debtors and prepayments primarily include advance payments to contractors and insurers and recovery of fuel and accommodation expenses incurred on behalf of contractors. At 30 June 2016 other debtors include amounts due on the sale of disposed operations, due no later than 4 March 2017. Where the collection of receivables is doubtful an allowance for doubtful debts is recognised. No allowance has been recognised at 30 June 2016 (2015: 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.

(2) As at 30 June 2016 (2015: Nil) no receivables are past due, or impaired.

(3) As at the 30 June 2016 VAT receivables in relation to Guyana of \$583,000 have been provided for as doubtful (2015: Nil).

10. INVENTORIES

At Cost:

Bullion on hand	-	60
Doré on hand	2,016	2,100
Ore stockpiles and work in progress	4,191	8,355
Stores and raw materials	2,196	6,100
	8,403	16,615

11. HEDGE ASSETS & LIABILITIES

Derivatives that are designated as hedging instruments carried at fair value

Hedge Assets – current

Gold and silver forward contracts – Effective	-	5,938
Gold and silver forward contracts – Ineffective	-	-
	-	5,938

Hedge Liabilities – current

Gold forward contracts – Effective	14,351	-
Gold forward contracts – Ineffective	-	-
	14,351	-

Hedge Liabilities – non-current

Gold forward contracts – Effective	5,527	-
Gold forward contracts – Ineffective	-	-
	5,527	-

Hedge finance costs

Hedge finance costs	(1,779)	1,705
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For a description of the type of hedge, the financial instruments designated as hedging instruments and the nature of the risk being hedged (refer to Note 31).

12. 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 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)	(1,187)
Impairment	13	-	(1,233)	-	(1,233)
Net foreign currency exchange differences	20(d)	549	2,255	(8)	2,796
Balance at 30 June 2015		6,015	195,879	2,911	204,805
Additions		4,342	24,591	199	29,132
Work-in-progress transferred to Development properties		-	(66,240)	-	(66,240)
Disposals		(12)	(19,950)	(1,015)	(20,977)
Assets derecognised on disposal of subsidiary		(2,994)	(36,809)	(784)	(40,587)
Transfers		-	(16)	16	-
Net foreign currency exchange differences		(1,809)	(10,032)	(560)	(12,401)
Balance at 30 June 2016		5,542	87,423	767	93,732
Accumulated depreciation and Impairment:					
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	13	-	(23,801)	-	(23,801)
Net foreign currency exchange differences	20(d)	(234)	2,750	(10)	2,506
Balance at 30 June 2015		(3,222)	(68,154)	(2,011)	(73,387)
Depreciation expense		(1,210)	(10,953)	(345)	(12,508)
Disposals		12	19,949	1,015	20,976
Assets derecognised on disposal of subsidiary		2,994	36,025	784	39,803
Transfers		-	(363)	363	-
Net foreign currency exchange differences		768	17,853	51	18,672
Balance at 30 June 2016		(658)	(5,643)	(143)	(6,444)
Net book value:					
As at 30 June 2015		2,793	127,725	900	131,418
As at 30 June 2016		4,884	81,780	624	87,288

13. MINE PROPERTIES

	Note	2016 (\$'000)	2015 (\$'000)
Mine properties			
Balance at start of financial year		-	48,370
Expenditure incurred during the year		880	28,389
Provision for rehabilitation		(85)	775
Assets write down		(94)	-
Transfers in from development properties	14	173,467	-
Amortisation expensed during year		(20,724)	(27,755)
Net foreign currency exchange differences	20(d)	(4,723)	6,773
Impairment write-downs		-	(56,552)
Balance at 30 June 2016		148,721	-
Impairment of Mine and Development Properties			
Casposo CGU, Argentina			
Mining properties		-	56,552
Property, plant & equipment		-	24,488
Inventories – spares and consumables		-	10,194
Receivables – value added tax recoverable		-	6,085
Impairment loss before income tax	5	-	97,319
Deferred income tax benefit		-	(5,885)
Impairment loss net of income tax		-	91,434

Results of impairment testing

Property, Plant & Equipment and Mine and Development Properties

Management of the Group identified one cash generating unit (CGU) being: the Karouni Gold 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.

An impairment assessment was conducted at balance date following the reduction in forecast gold production at Karouni in the coming financial year which acted as an indicator of potential impairment.

The impairment testing conducted resulted in no impairment charge being recognised for Karouni.

Methodology

The future recoverability of capitalised mining properties, development properties and property, plant and equipment is dependent on a number of key factors, which include: gold 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 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 Mineral Resources are identified as being reasonably likely to convert to Mineral Reserves, they are included in life-of-mine plans. These Resources, less forecast costs of conversion, are 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 prices, currency exchange rates, discount rates, resource conversion, 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.

Key assumptions

The table below summarises the key assumptions used in the 2016 year end carrying value assessments:

	July 16	July 17	July 18	July 19	July 20
Gold price (US\$ per ounce)	1,235	1,246	1,200	1,213	1,202
Discount rate per annum (USD, post-tax, Real)	7.5%	7.5%	7.5%	7.5%	7.5%
Foreign exchange rate (A\$/US\$)	0.72	0.73	0.74	0.75	0.81

Recovered gold ounces are estimated at 450,000 ounces for the remaining life-of-mine.

13. MINE PROPERTIES (CONTINUED)

Commodity prices and exchange rates

These are estimated with reference to external market forecasts prevailing at year end (Bloomberg median consensus bank forecasts).

Discount rate

In determining the fair value of the CGU, 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.

Mineral Resources

Mineral Resources are only included in a CGU's particular life-of-mine plan when there is a reasonable expectation that they will convert to Mineral Reserves. Mineral 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.

Sensitivity analysis

By applying the assumptions and methodology set out above for Karouni, the recoverable value was assessed as marginally exceeding the carrying amount as at 30 June 2016.

Any variation in the key assumptions going forward may impact the recoverable value of Karouni. If the variation in an assumption has a negative impact on recoverable value, it could indicate a requirement for an impairment of non-current assets for Karouni.

It is estimated that a 4% (~US\$50 per ounce) increase / decrease in the forecast gold price realised would have a positive / negative impact on the carrying value of Karouni by \$16.6 million. Similarly a 4% decrease / increase in the foreign exchange rate would have a positive / negative impact on the carrying value of Karouni by \$6.7 million. A decrease / increase in the risk adjusted discount rate by 1.5% per annum would have a positive / negative impact on the carrying value of \$7.7 million. A 10,000 ounce increase / decrease (2.22%) in recovered gold ounces, over a total of 450,000 recovered ounces averaged over a four year period would have a positive / negative impact on the carrying value of \$5.1 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.

14. DEVELOPMENT PROPERTIES

	Note	2016 (\$'000)	2015 (\$'000)
Balance at start of financial year		95,755	104,444
Expenditure incurred during the year		6,855	-
Capitalised exploration expenditure	4(iii)	-	3,154
Capitalised borrowing costs		4,617	6,808
Other write-down		-	(953)
Reversal of acquisition provisions		-	(3,874)
Transfer to mine properties		(173,467)	-
Transfer from property, plant & equipment		66,240	(28,901)
Provision for rehabilitation		-	2,206
Net foreign currency exchange differences	20(d)	-	12,892
Balance at end of the financial year		-	95,756

Karouni transitioned from a development project to an operating mine during the year with commercial production achieved from 1 January 2016, accordingly all development property costs have been transferred to either mine properties or property, plant and equipment.

15. INVESTMENT IN ASSOCIATE

On 4 March 2016 Troy sold a 51% controlling stake in Casposo, thereby deconsolidating its previously held 100% investment and taking up an equity accounted investment for its 49% retained interest. Troy's equity accounted investment in Casposo since 4 March 2016 is detailed below:

	Note	2016 (\$'000)	2015 (\$'000)
Balance at start of financial year		-	-
Initial equity accounted investment – 49% of Casposo (at fair value)		3,904	-
Share of losses in Casposo	4(ii)	(2,950)	-
Foreign currency translation reserve		120	-
		<u>1,074</u>	-
			-
Details of Assets and Liabilities of associate:		100%	
Total Assets ⁽¹⁾		74,011	
Total Liabilities		(70,702)	
Net Assets		<u>3,309</u>	
Goodwill (discount) on acquisition⁽²⁾		<u>(1,118)</u>	
		<u>2,191</u>	
Troy equity 49%		<u>1,074</u>	

(1) Net of provisions for doubtful debts and inventory obsolescence.

(2) Includes elimination of inter-company transactions.

16. TRADE AND OTHER PAYABLES

CURRENT

Trade payables ⁽¹⁾	12,671	10,384
Accrued expenses	8,428	10,582
Deferred consideration ⁽²⁾	269	261
Dividends ⁽³⁾	27	27
Acquisition payable	-	260
	<u>21,395</u>	<u>21,514</u>

NON CURRENT

Withholding tax payable	-	1,494
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(1) The standard credit period on purchases is 30 days from statement with longer terms typical in Argentina and Guyana. No interest is usually charged on 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 or based on arrangements agreed with the specific suppliers.

(2) As part of the agreement relating to the initial acquisition by Troy of Troy Resources Argentina Ltd in 2009, US\$0.2 million has been retained until satisfactory completion of outstanding items from the purchase agreement.

(3) 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 21).

17. PROVISIONS

CURRENT

Rehabilitation ^(a)	399	858
Employee benefits ^(b)	2,296	6,397
Other Provisions (refer Note 29)	1,400	992
	<u>4,095</u>	<u>8,247</u>

NON CURRENT

Rehabilitation ^(a)	3,131	7,540
Employee benefits ^(b)	46	103
	<u>3,177</u>	<u>7,643</u>

17. PROVISIONS (CONTINUED)

(a) Provision for rehabilitation

A provision for rehabilitation is recognised in relation to the mining activities for costs such as reclamation, waste removal, site closure, plant closure and other costs associated with the rehabilitation of a mining site. Estimates of the Group's rehabilitation obligations are based on 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 which underlies the rehabilitation of such mines in the future.

	Current Rehabilitation Provision (\$'000)	Non-current Rehabilitation Provision (\$'000)
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
Additional provisions recognised	329	581
Unwinding of discount	-	283
Reduction arising from payments	(115)	-
Reduction arising from disposal of subsidiary	(666)	(5,115)
Net foreign currency exchange differences	(7)	(158)
Balance at 30 June 2016	399	3,131

(b) Employee Provisions

	2016 (\$'000)	2015 (\$'000)
The aggregate employee entitlement liability recognised and included in the financial statements is as follows:		
CURRENT	2,296	6,397
NON-CURRENT	46	103
	2,342	6,500

	No.	No.
Employees at the end of the financial year	408	869

18. BORROWINGS

	2016 (\$'000)	2015 (\$'000)
Debt facility: Secured – at amortised cost		
Investec Bank Plc – Syndicated debt facility ^{(1) (2)}	52,665	100,000
Capitalised borrowing costs	(3,430)	(2,221)
Industrial and Commercial Bank of China (Argentina) S.A. – debt facility	-	762
	49,235	98,541
CURRENT	23,817	40,700
NON-CURRENT	25,418	57,841
	49,235	98,541

Summary of Borrowing Arrangements

- (1) During the financial year the Group repaid \$40 million plus US\$3.75 million on 30 June 2016, of the \$100 million Investec Facility outstanding at the beginning of the financial year.
- (2) The Investec Bank Plc facility was restructured during the year with the maturity extended to 30 June 2018 and the facility converted to US\$42.94 million at 20 May 2016, with US\$39.2 million outstanding as at 30 June 2016.

19. ISSUED CAPITAL

	2016 No. ('000)	2015 No. ('000)
340,798,782 (2015: 290,096,411) ordinary shares fully paid	340,799	290,096

	2016 No. ('000)	2016 (\$'000)	2015 No. ('000)	2015 (\$'000)
Balance at the beginning of the financial year	290,096	305,311	195,035	269,689
Issue of fully paid shares on exercise of options	-	-	61	138
Issue of fully paid shares in lieu of cash bonus	-	-	169	135
Issue of fully paid shares to landowners in Guyana ⁽¹⁾	703	-	-	-
Issue of fully paid shares – capital raising	50,000	9,265	94,831	35,349
	340,799	314,576	290,096	305,311

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

⁽¹⁾ Issued pursuant to the terms of a landowner agreement for Karouni in Guyana.

20. RESERVES

	2016 (\$'000)	2015 (\$'000)
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(a) Available for Sale Reserve:

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.

(b) Share Based Payment Reserve:

Balance at beginning of financial year	8,801	5,696
Share based payments ⁽¹⁾	77	155
Transfer to issued capital on conversion of options	-	(103)
Share based borrowing costs - Investec options	-	3,053
Balance at the end of the financial year	8,878	8,801

⁽¹⁾ 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. The amount in the current year relates to awards in prior years as there were no awards in the current year.

(c) Hedging Cash Flow Reserve:

Balance at beginning of financial year	5,316	(3,735)
Gains / (Losses) arising on changes in fair value of hedging instruments entered into for cash flow hedges (net of income tax)	(20,304)	9,051
Balance at the end of the financial year	(14,988)	5,316

The hedging cash flow 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.

(d) Foreign Currency Translation Reserve:

Balance at beginning of financial year	(65,209)	(93,724)
Translation of foreign operations	(1,180)	28,515
Recycled to profit and loss on disposal	87,373	-
Balance at the end of the financial year	20,984	(65,209)

TOTAL RESERVES

	14,874	(51,092)
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21. RETAINED EARNINGS

Retained Profits

Balance at beginning of financial year	(81,964)	18,702
Net loss	(93,660)	(100,666)
Dividend paid/payable	-	-
Balance at end of financial year	(175,624)	(81,964)

22. LOSS PER SHARE

	2016 Cents Per Share	2015 Cents Per Share
Basic loss per share		
From continuing operations	4.2	49.4
From discontinued operations	25.4	N/A
Total basic loss per share	29.6	49.4
Diluted loss earnings per share		
From continuing operations	4.2	49.4
From discontinued operations	25.4	N/A
Total diluted loss per share	29.6	49.4

(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:

	2016 (\$'000)	2015 (\$'000)
Loss used in the calculation of basic earnings per share from continuing operations	13,428	100,353
Loss used in the calculation of basic earnings per share from discontinued operations	80,232	-
Loss for the year attributable to owners of the Parent	93,660	100,353

	2016 No. ('000)	2015 No. ('000)
Weighted average number of ordinary shares for the purposes of basic earnings per share	316,505	203,268

(b) Diluted loss per share

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

	2016 (\$'000)	2015 (\$'000)
Loss used in the calculation of diluted earnings per share from continuing operations	13,428	100,353
Loss used in the calculation of diluted earnings per share from discontinued operations	80,232	-
Loss for the year attributable to owners of the Parent	93,660	100,353

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:

	2016 No. ('000)	2015 No. ('000)
Weighted average number of ordinary shares for the purposes of basic earnings per share.	316,505	203,268
Weighted average number of ordinary shares for the purposes of diluted earnings per share.	316,505	203,268

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:

	2016 No. ('000)	2015 No. ('000)
Employee options	-	590
Performance rights	-	12
Share appreciation rights	963	1,760
Investec options	10,000	10,000
	10,963	12,362

23. DIVIDENDS AND FRANKING CREDITS

	2016		2015	
	Cents per Share	Total (\$'000)	Cents per Share	Total (\$'000)
No dividends were declared or paid in 2016 (2015: \$Nil)	-	-	-	-
		2016 (\$'000)		2015 (\$'000)
Adjusted franking account balance at 30% tax rate		1,604		1,604

24. DIRECTOR AND OTHER KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Key Management Personnel Compensation

The aggregate compensation of Directors and Senior Management in the Group is set out below:

	2016 (\$'000)	2015 (\$'000)
Short-term employee benefits ⁽¹⁾	2,931,546	3,326,240
Long service leave	46,110	35,499
Post-employment benefits	495,717	138,169
Share-based payments	62,830	305,136
	3,536,203	3,805,044

(1) Other short-term benefits in 2015 have been restated by \$25,514 to aid in comparisons.

25. AUDITOR'S REMUNERATION

(a) Paid or Payable to Deloitte Touche Tohmatsu in Australia:

Audit of the financial reports	149,680	144,719
Tax Services	7,875	40,526
	157,555	185,245

(b) Paid or Payable to overseas associates of Deloitte Touche Tohmatsu:

Audit of the financial reports	158,526	134,398
	316,081	319,643

No other benefits were received by the Auditor.

26. 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 30 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 pages 32 to 37 of the Directors' Report.

27. EMPLOYEE SHARE EQUITY PLANS

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)

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 Share Appreciation Rights which would otherwise have been allotted and issued or transferred to the Participant on the exercise of the Share Appreciation Rights 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 Share Appreciation Right.
- (h) during the year ended 30 June 2016, Nil SAR's were issued (2015: 360,000), 321,000 vested (2015: 340,000) and 797,000 lapsed (2015: 201,000).

27. EMPLOYEE SHARE EQUITY PLANS (CONTINUED)

2016

Month of issue	Balance at 1.7.15	No. rights issued	Grant Price	No. of rights vested during the year	Vesting Date	Number Lapsed / Cancelled during the year	Balance at 30.6.16	Vested at 30.6.16	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	120,000	-	\$1.21 - \$1.43	40,000	Dec-15	-	120,000	80,000	Dec-14 - Dec-16	20-Dec-17
Dec-13	780,000	-	\$1.21 - \$1.43	181,000	Dec-15	(237,000)	543,000	362,000	Dec-14 - Dec-16	20-Dec-17
Jul-14	30,000	-	\$1.38 - \$1.63	-	-	(30,000)	-	-	Mar-15 - Mar-17	26-Mar-18
Jul-14	60,000	-	\$1.38 - \$1.63	20,000	-	-	60,000	40,000	Apr-15 - Apr-17	27-Apr-18
Jul-14	30,000	-	\$1.38 - \$1.63	-	-	(30,000)	-	-	May-15 - May-17	31-May-18
Nov-14	240,000	-	\$0.88 - \$1.04	80,000	-	-	240,000	80,000	Sep-15 - Sep-18	1-Sep-18
	1,760,000	-	\$0.88 - \$1.63	321,000	-	(797,000)	963,000	562,000		

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		

27. EMPLOYEE SHARE EQUITY PLANS (CONTINUED)

Employee Share Option Plan

There has been no grant of options during the year.

Nil options were exercised during the year ended 30 June 2016 (2015: 61,460) and as a result Nil (2015: \$34,971) was recognised in contributed equity arising from the exercise of employee options. All 590,000 options lapsed during the year (2015: 110,000).

2016

Month of issue	Balance at 1.7.15	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 30.6.16	Vested at 30.6.16	Vesting Period	Expiry Date
Jan-12	250,000	-	-	-	\$4.37	-	-	(250,000)	-	-	Jan 13 - Jan 15	9-Jan-16
Nov-11	240,000	-	-	-	\$4.17	-	-	(240,000)	-	-	Nov 12 - Nov 14	28-Nov-15
Aug-11	100,000	-	-	-	\$4.16	-	-	(100,000)	-	-	Aug 12 - Aug 14	12-Aug-15
	590,000	-	-			-	-	(590,000)	-	-		

The weighted average exercise price during the period was Nil.

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

27. EMPLOYEE SHARE EQUITY PLANS (CONTINUED)

Employee Performance Rights Plan

There has been no grant of performance rights during the year (2015: Nil). Nil performance rights vested (2015: Nil) and 12,000 performance rights lapsed in accordance with their terms (2015: 6,000).

2016

Month of issue	Balance at 1.7.15	No. rights issued	Hurdle price range	No. of rights vested	Vesting Date	Number Lapsed / Cancelled during the year	Balance at 30.6.16	Vested at 30.6.16	Vestment Period	Expiry Date
Nov-11	12,000	-	\$5.50	-	-	(12,000)	-	-	Nov 12 – Nov 15	28-Nov-15

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 – \$5.50	-	-	(6,000)	12,000	-		

The following tables reconcile the Share Appreciation Rights, Employee Share Options and Performance Rights outstanding at the beginning and end of the year.

	2016		2015	
	No.	Weighted Average Grant Price \$	No.	Weighted Average Grant Price \$
Share Appreciation Rights:				
Balance at beginning of year	1,760,000	1.22	1,601,000	-
Granted during the year	-	-	360,000	1.14
Exercised during the year	-	-	-	-
Lapsed during the year	(797,000)	1.20	(201,000)	1.32
Balance at end of year	963,000	1.24	1,760,000	1.22
Exercisable at end of year	562,000	1.22	340,000	1.23
Employee Share Options:				
Balance at beginning of year	590,000	4.25	761,460	3.75
Granted during the year	-	-	-	-
Exercised during the year	-	-	(61,460)	0.57
Lapsed during the year	(590,000)	4.25	(110,000)	2.81
Balance at end of year	-	-	590,000	4.25
Exercisable at end of year	-	-	590,000	4.25
Performance Rights:				
Balance at beginning of year	12,000	5.50	18,000	5.33
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	(12,000)	5.50	(6,000)	5.00
Balance at end of year	-	-	12,000	5.50
Exercisable at end of year	-	-	-	-

28. 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 2016 if the Group is to retain all of its present interests in mining and exploration properties:

	2016 (\$'000)	2015 (\$'000)
Not longer than 1 year	72	944
Longer than 1 year and not longer than 5 years	108	1,905
Longer than 5 years	-	-

(b) Capital Commitments

Capital expenditure commitments contracted for as at the reporting date:

Not longer than 1 year	214	3,806
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:

Not longer than 1 year	500	3,199
Longer than 1 year and not longer than 5 years	285	566
Longer than 5 years	-	-

The majority of lease commitments in 2015 were made up of minimum rental payments on trucks and excavators at the Casposo mine site, in Argentina. As a result of the cessation of mining activities at Casposo these commitments no longer remain.

The Group has given securities in the form of general bank guarantees to financial institutions (refer Note 30).

29. CONTINGENT LIABILITIES

The Group has the following contingent liabilities:

- Bank guarantees to financial institutions total \$396,530 (2015: \$210,835), of which \$343,050 (2015: \$157,359) are cash backed.
- Potential legal claims submitted by previous employees at the Company's Sertão and Andorinhas operations in Brazil of \$5,931,000. Based on past settlement of claims, the current expectation is that only a portion of this may become payable and therefore \$1,400,000 has been included in Other Provisions as at 30 June 2016 (2015: \$992,000) (refer Note 17).

30. SUBSIDIARIES

The consolidated financial statements include the following subsidiaries:

	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST	
		2016 %	2015 %
Parent Entity: Troy Resources Limited	Australia		
Subsidiaries:			
Wirammina Gold Pty Ltd	Australia	100	100
Troy Resources Argentina Ltd	Canada	49 ⁽¹⁾	100
Troy Resources Brasil Participações Ltda	Brazil	100	100
Troy Brasil Exploração Mineral Ltda	Brazil	100 ⁽²⁾	100
Troy Resources Holdings BVI	British Virgin Islands	100	100
• Reinarda Minerao 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	100

⁽¹⁾ 100% prior to 4 March 2016.

⁽²⁾ 100%: Merged with Troy Resources Brasil Participações Ltda effective 30 June 2016.

31. FINANCIAL INSTRUMENTS

a) Capital risk management

The Group manages its capital to ensure that each of the 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 2016.

The capital structure of the Group consists of debt (borrowings as detailed in Note 18) offset by cash balances and equity of the Group (comprising issued capital, reserves, and retained earnings as detailed in Notes 19, 20, 21).

The Board reviews the capital structure of the Group for any new acquisition or significant projects. 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 cashflows. 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 2016 was 30% (2015: 22%) (refer below).

i. Gearing Ratio

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

	2016 (\$'000)	2015 (\$'000)
Debt ⁽ⁱ⁾	49,235	98,541
Cash and bank balances (excluding restricted cash)	(3,053)	(60,345)
Net Debt/(Cash)	46,182	37,985
Equity ⁽ⁱⁱ⁾	153,826	172,255
Debt to equity ratio	30%	22%

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

⁽ⁱⁱ⁾ Equity includes all issued capital, reserves, and retained earnings as detailed in Notes 19, 20, 21.

Externally imposed capital requirements

The Investec Facility requires the Group to maintain minimum liquidity of \$10,000,000, which includes gold inventories at market value. 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 18).

31. FINANCIAL INSTRUMENTS (CONTINUED)

	2016 (\$'000)	2015 (\$'000)
b) Categories of financial instruments		
Financial assets		
Cash and cash equivalents	3,436	60,556
Other receivables and prepayments	12,915	12,669
Hedge asset	-	5,938
Financial liabilities		
Trade and other payables	(21,395)	(23,008)
Hedge liability	(19,878)	-
Borrowings – amortised cost	(49,235)	(98,541)

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 and 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 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.

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 the gold price. The Group does not enter into or trade derivative financial instruments for speculative purposes.

e) Commodity (Gold) and Foreign Currency Contracts

The Group has a commodity hedging program for gold in place. Foreign currency contracts are entered into when appropriate to mitigate risks of foreign currency fluctuations on specific receivables and payables, no contracts were outstanding at year end (refer Note 31(k)).

f) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (refer Note 31 (g)), interest rates (refer to Note 31(h)) and commodity risk (refer to Note 31(k)). During 2016 the Group entered in to both gold and silver forward sale contracts in order to manage exposure to commodity risks (refer Note 31(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	
	2016 (\$'000)	2015 (\$'000)	2016 (\$'000)	2015 (\$'000)
USD	1,865	19,292	49,504	261

The Group primarily trade in their functional currencies. The balances above exclude amounts denominated in the functional currency of each of the entities within the Group. Certain inter-company loans between entities are denominated in functional currency of the parent entity and loans outside the Group are denominated in USD. The Group is mainly exposed to the Guyanese dollar through its mining operations in Guyana, and the USD through USD denominated debt, purchases of equipment and sales of gold. The Guyanese dollar trades in a reasonably tight range against the USD.

31. FINANCIAL INSTRUMENTS (CONTINUED)*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 weakens 5% against the relevant currency. For a 5% strengthening 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.

Judgements of reasonably possible movements

	2016 (\$'000)	2015 (\$'000)
AUD/USD		
- Profit/(loss) after tax	6,919	8,909
- Equity	4,537	14,282
AUD/GYD		
- Profit/(loss) after tax	600	-
- Equity	1,334	3,975

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 / decrease by \$216,000 (2015: \$333,000) in relation to assets. This is attributable to the lower cash balances held in 2016 as compared to 2015.
- > net profit would decrease / increase by \$790,000 (2015: 738,000) in relation to liabilities. This is attributable to the Group's exposure to interest rates on its variable rate borrowings.

The Group's sensitivity to interest rates on assets has decreased during the current year primarily due to the decrease in cash deposits held over the year while on liabilities, borrowings have averaged similar levels across the two years increasing from \$40 million to \$100 million in FY2015 and then decreasing to \$52.7 million in FY2016.

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 2016, the Group had exposure and commitments to gold forward contracts, with a hedge liability of \$19,878,000 (2015: \$5,938,000 asset including silver forward contracts) (refer Note 31 (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.

31. 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.

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.

2016 LIABILITIES	1 year or less (\$'000)	1 to 5 years (\$'000)	More than 5 years (\$'000)	Total (\$'000)
Non-interest bearing	21,395	-	-	21,395
Variable interest rate - principal	23,817	25,418	-	49,235
Variable interest rate - interest and fees	5,895	3,397	-	9,292
Gold commodity hedge liabilities	14,351	5,527	-	19,878
Financial guarantee contracts	343	-	-	343
	65,801	34,342	-	100,143

2015 LIABILITIES	1 year or less (\$'000)	1 to 5 years (\$'000)	More than 5 years (\$'000)	Total (\$'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

The weighted average rate (including line fees) on variable interest rate instruments was 9.16% for the year ended 30 June 2016 (2015: 9.43%).

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.

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.

2016 ASSETS	Weighted average effective interest rate %	1 year or less (\$'000)	1 to 5 years (\$'000)	More than 5 years (\$'000)	Total (\$'000)
Non-interest bearing		12,915	-	-	12,915
Variable interest rate instruments	0.1%	2,408	-	-	2,408
USD variable deposit	0.0%	865	-	-	865
Short term deposits	1.4%	163	-	-	163
		16,351	-	-	16,351

2015 ASSETS	Weighted average effective interest rate %	1 year or less (\$'000)	1 to 5 years (\$'000)	More than 5 years (\$'000)	Total (\$'000)
Non-interest bearing		12,669	-	-	12,669
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
Gold/silver commodity hedges		5,938	-	-	5,938
		79,163	-	-	79,163

The Group's loans to its Guyanese subsidiary at 30 June 2016 and 2015 are at commercial interest rates.

31. FINANCIAL INSTRUMENTS (CONTINUED)**k) Commodity risk management**

As a precious metals producer the Group's revenue is exposed to gold price fluctuations. The Group has entered into gold 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 Forward Contracts

The Group has entered into gold forward sale contracts to effectively fix the US dollar cash flows receivable on its production. These gold 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 forward contracts outstanding at reporting date:

	2016 Ounces	2015 Ounces	2016 Weighted Average Price US\$/oz	2015 Weighted Average Price US\$/oz
Forward Sales Contracts				
Gold Maturing: within 12 months	48,000	80,500	1,103.50	1,198.92
Gold Maturing: greater than 12 months	18,000	-	1,103.50	-
Total Gold Forward Contracts	66,000	80,500	1,103.50	1,198.92
Silver Maturing: within 12 months ⁽¹⁾	-	1,373,000	-	17.68

(1) All silver forward sale contracts were closed out during September 2015.

At 30 June 2016, the aggregate loss under the gold commodity contracts recognised in other comprehensive income as part of the Hedging Cash Flow Reserve before income tax is \$19,878,000 (2015: \$7,595,000 gain). Sales in relation to these contracts will occur during the financial year ended 30 June 2017 and 30 June 2018, at which time the amount deferred in equity will be reclassified to profit or loss (refer Note 20).

At 30 June 2016, finance and exchange gains relating to these forward contracts have been recognised as part of Finance costs, being a gain of \$1,779,000 (2015: \$1,705,000 loss) (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.

	2016 (\$'000)	2015 (\$'000)
Judgements of reasonably possible movements		
Gold Price +/- A\$50.00/oz		
- Post tax profit - higher/(lower)	2,083	2,587
- Total equity - higher/(lower)	2,083	2,587
Silver Price +/- A\$0.80/oz (discontinued operations)		
- Post tax profit - higher/(lower)	1,016	1,588
- Total equity - higher/(lower)	1,016	1,588
Total A\$		
- Post tax profit - higher/(lower)	3,099	4,175
- Total equity - higher/(lower)	3,099	4,175

During 2016, Group sensitivity to gold and silver prices decreased due to lower realised sales when compared to 2015.

31. FINANCIAL INSTRUMENTS (CONTINUED)

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 \$49,235,000 (2015: \$98,541,000) compared to a face value of \$52,665,000 (2015: \$100,762,000). The face value of debt equates to its fair value because it has a variable interest rate. Hedge assets and liabilities have been disclosed as per Note 31(k).

At 30 June 2016, inventories include Nil ounces (2015: 71 ounces) of refined gold bullion. This bullion is valued in the Financial Statements at cost of \$Nil (2015: \$60,000) (refer Note 10). This inventory would have had a market value of \$Nil (2015: \$109,000). Dore on hand is held at cost (refer Note 10).

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 2016 the Group AFS investment was carried at value of Nil (2015: 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 31(k) are classified as level 2. There were no financial assets or liabilities categorised as level 3 held during the current or previous year.

Financial Assets/ financial liabilities	Gold Forward contracts (refer to Note 31(k))
Fair value as at 30.6.16	\$19,878,000 (Liability)
Fair value as at 30.6.15	\$5,938,000 (Asset)
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 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), remaining contract term, contango of underlying metal (gold), base currency discount rate (USD) and spot exchange rate (USD/AUD).
Significant unobservable input(s)	N/A
Relationship of unobservable inputs	N/A

32. 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:

	2016 (\$'000)	2015 (\$'000)
Cash at bank	995	13,516
Cash at bank – overseas	2,331	16,346
Short term Interest bearing deposits – Australia	110	30,694
	3,436	60,556

b) Cash not available for use

At balance date, \$343,054 was held in support of bank guarantees and credit card facilities. Troy also holds \$40,607 cash in Australian and United Kingdom bank accounts to cover unrepresented dividend cheques and \$5,492 in rental guarantees.

c) Reconciliation of Net Cash provided by Operating Activities to Net (Loss) / Profit after Income Tax

Operating loss after income tax	(93,660)	(100,353)
Depreciation of non-current assets	12,508	9,945
Amortisation of non-current assets	20,724	27,755
Rehabilitation provisions unwinding of discount	283	597
Gain on sale of plant & equipment	(5,932)	(236)
Loss on disposal of subsidiary	1,678	(143)
FCTR recycle to P&L - Argentina	71,333	-
FCTR recycle to P&L - Brazil	16,040	-
(Gain) / Loss Foreign exchange unrealised	(423)	(1,328)
Equity settled share-based payments	77	290
Interest income received and receivable	(334)	(607)
Hedge finance costs	(1,779)	1,705
Hedge restructure amortisation	1,764	-
Finance costs	4,819	2,719
Share of profit on associate	2,950	-
Exploration written-off	-	953
Impairment loss (before tax)	-	97,866
Decrease in income tax payable	(6,025)	(1,531)
Changes in operating assets and liabilities ⁽¹⁾		
Decrease / (increase) in current receivables	(1,369)	1,540
Increase in inventories	2,850	(1,595)
Increase / (decrease) in provisions	(984)	2,714
Increase / (decrease) in payables	3,821	1,162
Net Cash provided by operating activities	28,341	41,454

(1) excludes net (decrease) on disposal of subsidiary.

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:

- > Troy issued 702,371 ordinary shares pursuant to a landowner agreement at Karouni.

33. PARENT ENTITY DISCLOSURES

	2016 (\$'000)	2015 (\$'000)
Financial Position		
Assets		
Current assets	4,011	51,044
Non-current assets	226,085	214,503
Total assets	230,096	265,547
Liabilities		
Current liabilities	26,721	42,712
Non-current liabilities	49,549	58,862
Total liabilities	76,270	101,577
Net Assets	153,826	163,970
Equity		
Issued capital	314,576	305,208
Accumulated losses – opening	(150,645)	(60,475)
Current year (loss)	(4,114)	(90,170)
Reserves		
Option premium	8,878	8,904
Hedge cash flow	(14,988)	5,316
Foreign exchange translation	119	(4,813)
Total Equity	153,826	163,970
Financial Performance		
Dividends received from subsidiaries	2,283	4,447
Interest and management fees charged to subsidiaries	7,150	5,149
Other Income	306	1
Share of losses of associate	(2,950)	-
Hedging and foreign exchange gains	5,350	-
Borrowing costs	(4,766)	-
Administration, corporate and other expenses	(5,318)	(3,449)
(Impairment)/(loss on sale) of subsidiary	(3,649)	(96,318)
Income tax expense	(2,520)	-
(Loss) for the year after tax	(4,114)	(90,170)
Other comprehensive income	(15,398)	17,157
Total comprehensive income	(19,512)	(73,013)

i. Guarantees entered into by the parent entity in relation to debts of its subsidiaries

Guarantee provided under the deed of cross guarantee	-	-
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ii. Contingent liabilities of the parent entity

Bank guarantees - general	123	150
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There are no contingent liabilities other than:

- General bank guarantees to financial institutions of \$123,476 (2015: \$149,594), of which \$70,000 (2015: \$70,000) is cash backed.

iii. Commitments for the acquisition of property, plant and equipment, by the parent entity

As at 30 June 2016, the parent entity held no commitments for the acquisition of property, plant and equipment.

34. EVENTS OCCURRING AFTER BALANCE DATE

On 23 August 2016 the Company provided guidance on its forecast production for the FY2017 year of between 85,000 and 95,000 ounces of gold, at C1 cash costs of US\$500 to US\$600 per ounce and All-in sustaining costs of US\$750 to US\$850 per ounce.

On 6 September 2016, the Company announced the launch of an equity raising to raise up to approximately \$40.7 million via an institutional placement and pro rata 1 for 5.5 accelerated non-renounceable entitlement offer. On 9 September it announced successful completion of the institutional component of its equity raising, which included the placement and institutional entitlement offer, and raised approximately \$27.9 million by way of a fixed price bookbuild at an offer price of \$0.36 per new share. The retail component of the entitlement offer which is seeking to raise approximately \$12.9 million opened on 13 September 2016 and will close at 5.00pm (Sydney time) on Tuesday, 4 October 2016.

Other than the above, there are no other matters or circumstances that have arisen since 30 June 2016 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.

35. ADDITIONAL COMPANY INFORMATION

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

Registered Office

Suite 2, Level 1
254 Rokeby Road
Subiaco
Western Australia 6008
Tel: (61 8) 9481 1277

The directors declare that:

- a. In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- b. In the Directors' opinion the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 1 to the financial statements;
- c. In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and
- d. 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
Chairman



M D Purvis
CEO & Managing Director

Perth, Western Australia
29 September 2016



Deloitte Touche Tohmatsu
ABN 74 490 121 060

Brookfield Place, Tower 2
123 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

Tel: +61 8 9365 7000
Fax: +61 8 9365 7001
www.deloitte.com.au

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 2016, 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 40 to 87.

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.

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 2016 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 37 of the directors' report for the year ended 30 June 2016. 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 2016, complies with section 300A of the *Corporations Act 2001*.



DELOITTE TOUCHE TOHMATSU



David Newman

Partner

Chartered Accountants

Perth, 29 September 2016

CORPORATE DIRECTORY

Directors

Frederick S Grimwade (Independent Non-Executive Chairman)

Martin D Purvis (CEO and Managing Director)

Ken K Nilsson (Executive Director)

John L C Jones (Non-Executive Director)

David Southam (Independent Non-Executive Director)

Company Secretary

Stacey Apostolou

Executive Committee

Martin D Purvis

Ken K Nilsson

Stacey Apostolou

Peter J Doyle

David R Sadgrove

Registered Office

Troy Resources Limited

Suite 2, Level 1
254 Rokeby Road
Subiaco WA 6008

Telephone: (61 8) 9481 1277

Facsimile: (61 8) 9388 3560

Email: troy@troyres.com.au

Website: www.troyres.com.au

Guyana Office

Troy Guyana Resources Inc

82 Premniranjan Place
Prashad Nagar
Georgetown
Guyana

Telephone: (592) 231 0798

Facsimile: (592) 219 4761

Toronto Office

214 King Street West
Suite 610
Toronto, Ontario M5H 3S6
Canada

Telephone: (1 416) 477 5632

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 6840

Telephone: (61 8) 9323 2000

Facsimile: (61 8) 9323 2033

Investor inquiries within Australia: 1300 850 505

Investor inquiries outside Australia (61 3) 9415 5000

Bankers

National Australia Bank Limited
Investec Bank Plc

Auditor

Deloitte Touche Tohmatsu
Woodside Plaza, Level 14
240 St Georges Terrace
Perth WA 6000
Australia

Legal Representative

DLA Piper
Central Park, Level 31
152-158 St Georges Terrace
Perth WA 6000
Australia



TROY RESOURCES LIMITED

Troy Resources Limited

Suite 2, Level 1
254 Rokeby Road
Subiaco WA 6008

Telephone: (61 8) 9481 1277
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Website: www.troyres.com.au