29 August 2016

PRELIMINARY FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Highlights

- **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[1] from Karouni in its first six months of operation.**
- **Gold equivalent production of 82,826oz. for the Group (2015: 121,835 oz.).**
- **Group Revenue of $145.4 million (2015: $180.8 million) and EBITDA[2] of $28.6 million (2015: $39.0 million).**
- **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 $45.0 million or 45% of the facility.**
- **Underlying operating loss after tax[3] of $6.3 million (2015: underlying loss after tax[3] of $8.4 million).**
- **Net loss after tax of $93.7 million (2015: Net loss $100.4 million) includes one-off, non-cash items of $87.4 million relating to cumulative foreign exchange translation differences on the Casposo and Andorinhas operations and depreciation and amortisation charges of $33.2 million.**

Commenting on the Financial Results, Managing Director and CEO Martin Purvis said:

"In many ways FY16 has been a transformational year for Troy. With all our key infrastructure and operating systems in place at Karouni, the Company is in an enviable position to unlock long-term value from the excitement surrounding gold exploration and the potential for further discoveries in Guyana.

Following the commencement of construction activities at Karouni in February 2015, the mine poured its first gold in November and quickly reached commercial production in early 2016. Notwithstanding some operational issues in the latter part of the financial year, Karouni still managed to generate a strong cash margin of $26 million during its first six months, which assisted with paying down $55 million in debt repayments and financing costs.

After 8 years, operations at Andorinhas in Brazil came to an end with the plant producing its final gold dore in May 2016. The plant has been sold to Anfield Gold for total consideration of US$4.5 million. Anfield have already taken possession of the plant and expect to complete its removal from site before December this year. Extensive work has already been carried out on the environmental rehabilitation program on site and this undertaking is currently due for completion in March 2017.

A successful restructuring program at Casposo enabled the project to be rescaled as a smaller mining operation with a reduced cost base. With this platform, and the improved operating conditions in Argentina, Troy partnered with Austral Gold for a staged divestment of our management interests in Argentina. Commensurate with this arrangement, Austral acquired an initial 51% economic interest in Casposo and is entitled to purchase a further 19% by March 2017. Troy's new partner also has an option to acquire the remaining 30% of the operation over a three year period commencing in December 2018. The Company is free carried in relation to the capital investment plan currently being implemented by Austral, which should see Casposo back in steady-state production before the end of the current calendar year.

With many of the major challenges of FY 16 resolved, the Company is now in a position to focus on progressing operational performance and exploration efforts at Karouni. In the relatively short time that Troy has been "on the ground" in Guyana, it has learned a number of invaluable lessons and we will be seeking to apply these experiences going forward in order to enhance our future results."

Troy recorded an underlying loss after tax[3] for the year of $6.3 million (2015: underlying loss after tax[3] of $8.4 million) and a statutory net loss after tax of $93.7 million (2015: loss of $100.4 million).

The statutory net loss after tax includes cumulative translation differences of $87.4 million relating to the sale of the Company's interest in Casposo and the closure and winding up of operations at Andorinhas that are one-off non-cash items required to be recycled from the foreign currency translation reserve to the Income Statement.

Total Group production for the year amounted to 82,826 oz. Au_Eq. This was 32% lower than 2015 as a result of the restructuring and divestment of operations at Casposo and the winding down of production at Andorinhas. As a consequence revenue was also lower in 2016.

During the first six months of operation, after achieving commercial production, Karouni processed 356,771 tonnes of ore at 3.37g/t to produce 34,740 oz. of gold at a cash cost of US$515/oz. and an AISC of US$816/oz.

At Casposo, prior to the operation being placed on care and maintenance, the mine produced 39,297 oz. Au_Eq from the processing of 271,977 tonnes of ore at an average grade of 2.16g/t Au and 230.23g/t Ag. Cash costs on a co-product basis were US$984/oz. Au_Eq.

In its final year of operation Andorinhas produced 8,789 oz. at an average cash cost of US$976/oz. and an AISC of US$1,110/oz.

This announcement is a summary of the unaudited FY16 financial results. Full details of the results are available in the Appendix 4E Preliminary Final Results for the year ended 30 June 2016 released today and available at the Company's website.

[1] Cash margin is before the application of any hedging gains or losses.
[2] EBITDA is 'Earnings before interest, income taxes, depreciation and amortisation and non-cash impairment charges and write-offs'.
[3] Underlying profit/loss after tax is 'profit/loss after tax before non-cash impairment charges and write-offs.'

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For further information please contact:

Martin Purvis
CEO
Troy Resources Limited
T: (61 8) 9481 1277
E: troy@troyres.com.au

Stacey Apostolou
Company Secretary
Troy Resources Limited
T: (61 8) 9481 1277
E: troy@troyres.com.au