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PRESS RELEASE

23 February 2012

TROY DOUBLES PRODUCTION & REVENUE AS LOW COST CASPOSO HITS ITS STRAPS

Perth, Western Australia: Troy Resources Limited ("Troy") (ASX, TSX: TRY)

HIGHLIGHTS

- Troy announced a 76% increase in profit to A$10.7 million for the first half of FY2012, this compares to a profit of A$6.05 million in the corresponding period last year. The profit for the corresponding period in 2010 was significantly supported by the profit on sale of an equity investment for A$4.2 million rather than from mining operations.
- Ounces produced for the half-year were significantly greater than those sold for the period by approximately 12,000 gold equivalent ounces. This equates to approximately A$5.5 million in further profits after tax to be recognised in later periods.
- Gold production of 57,327 ounces was up 102% compared to 28,316 ounces in the corresponding period last year, while silver production increased to 415,087 ounces from nil. *(gold and silver produced during commissioning at Casposo in the previous corresponding period was not reported as production).*
- Revenue is up 128% to A$88.4 million for the half-year and gross profit up 167% to A$26.4 million.
- Exploration expenditure is up 200% to A$7.5 million for the half-year, with A$4.2 million capitalised in relation to the Kamila south east discovery and A$3.3 million expensed in the period.
- Cash and cash equivalents totalled A$33.5 million at 31 December 2011 an increase of A$5.5 million since 30 June 2011, after A$6.0 million in loan principal repayments and interest during the period.

Troy today announced a profit of A$10.7m for the half year ended December 31, 2011. This result compares to a profit of A$6.05m in the previous corresponding period.

Gross profit increased by A$16.5m (167%) to A$26.4m due to production and sales from the two operations, Andorinhas in Brazil and Casposo in Argentina for the full half-year. Casposo ramped up towards capacity in the December 2011 quarter whereas production testing and final construction was still being completed in the corresponding December 2010 quarter.

The result was achieved after expensing A$3.3m (2010: A$2.5m) and capitalising A$4.2m (2010: A$nil) in exploration expenditure and expensing A$17.8m for amortisation and depreciation (2010: A$9.25m). The Company continues its aggressive exploration program with a total of $7.5m spent in the first half year and an annual budget of $15.0m, primarily for brownfields exploration at Casposo in Argentina.

Other income declined by A$5.0m as the corresponding half year result included A$4.2m profit on the sale of an equity investment.

Income taxes incurred in Argentina and Brazil increased to A$6.6m from A$0.4m primarily due to increased gross profits. Export tax at 5% of revenue for Argentina totalled A$2.7m compared to A$nil as there were no Argentine sales in the corresponding period.

Commenting on the results Troy CEO Paul Benson said: **"This is a pleasing result with a headline after tax profit of A$10.7m. Also due principally to the six week delay between Casposo production and sales, the declared profit excludes an approximate A$5.5m in additional after tax profit, on gold and silver bullion and doré held in inventories at cost, that will be recognised in following periods. This strong result reflects the ramp up in Casposo's performance in the December 2011 quarter and strong performance at Andorinhas for the full half year."**

ENDS

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ABOUT TROY RESOURCES

Troy Resources (TSX, ASX: TRY) is a dividend-paying junior gold producer, with a clear growth strategy. The Company has two producing gold operations; Andorinhas Mine in Para State, Brazil and the Casposo gold and silver mine, in San Juan Province, Argentina.

Troy has an experienced Board and management team with a track record of successful, fast-track mine development and low-cost operations.

Troy has an annual exploration budget in excess of $15 million and a proven track record in exploration discoveries and strategic acquisitions.

Following the development of the Casposo project in Argentina, Troy has entered a renewed growth phase which will again lift the Company's annual gold production above 100,000 ounces of gold per annum.

The Company is well positioned to continue its path of strong growth and profitable operations, and on track to achieve its vision of becoming a highly profitable mid-tier gold producer with a portfolio of quality long-life assets.

The Company maintains a robust balance sheet and forecasts continued strong cash flow from its current assets. Troy's gold production is unhedged; allowing its shareholders access to the full benefit of current and future gold price upside.

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

PROJECT LOCATIONS

Half-Yearly Report
For the period ended
31 December 2011

TROY RESOURCES LIMITED
(Formerly Troy Resources NL)

ABN 33 006 243 750

Previous corresponding period

31 December 2010

For announcement to the market
Extracts from this report for announcement to the market (see note 1).

				A$'000
Revenues from ordinary activities	Up	128%	to	88,440
Profit from ordinary activities after tax attributable to members	Up	76%	to	10,658
Profit for the period attributable to members	Up	76%	to	10,658

Interim Dividends	Amount per security	Franked amount per security
Ordinary Securities	Nil	Nil
Previous corresponding period	Nil	Nil

Record date for determining entitlements to the dividend	N/A

Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

This is a half-yearly report and is to be read in conjunction with the 30 June 2011 Annual Report.

TROY RESOURCES LIMITED
(Formerly Troy Resources NL)

ABN: 33 006 243 750

CONSOLIDATED FINANCIAL REPORT

FOR THE HALF YEAR ENDED

31 DECEMBER 2011

DIRECTORS' REPORT

The Directors of Troy Resources Limited submit herewith the financial report for the half-year ended 31 December 2011. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The names of the Directors of the Company during and since the end of the half-year are:

- Mr D R Dix, Non-Executive Chairman
- Mr P Benson, Chief Executive Officer and Managing Director
- Mr K K Nilsson, Executive Director of Project Development
- Mr G R Chambers, Non-Executive Director
- Mr F S Grimwade, Non-Executive Director
- Mr J L C Jones, Non-Executive Director
- Mr C R W Parish, Non-Executive Director

REVIEW OF OPERATIONS

(a) Production and Sales

Troy's total production for the half-year was 57,327 ounces of gold and 415,087 ounces of silver or 65,363 gold equivalent(1) ounces (2010: 28,316 gold ounces).

Troy's wholly owned Andorinhas operation in Brazil produced 25,546 ounces of gold for the half-year (2010: 22,995 ounces) at an average cash cost of US$523 per ounce (2010: US$513). This increase in gold production was due to an increase in the mining and processing of underground ore during the half year, with a lesser portion of low grade stockpiles processed than in the corresponding period.

Troy's wholly owned Casposo operation in Argentina produced 31,781 ounces of gold and 415,087 ounces of silver or 39,813 gold equivalent ounces for the half-year (2010: nil). Casposo cash costs on a by-product basis were US$413 per gold ounce net of silver credits (2010: nil). Total co-product cash costs were US$671 per gold equivalent ounce (2010: nil).

Troy's wholly owned Sandstone operation sold 91 ounces of gold recovered from final site cleanup for the half-year (2010: 5,321 gold ounces produced). Sandstone ceased operational production in September 2010, since then the mine has been under care and maintenance.

Group sales for the half-year were 47,359 ounces of gold and 298,590 ounces of silver or 53,200 gold equivalent ounces on a consolidated basis.

The ramp up of production at the Casposo operation continued throughout the half-year to 31 December 2011 and was hindered by the extremely cold weather during the September 2011 quarter. During the corresponding 31 December 2010 half-year Casposo was still in the process of construction and testing of the plant with no commercial production or sales. The first trial pour of gold and silver doré occurred in November 2010 but commercial production did not commence until March 2011.

Due to the high silver content of the Casposo doré and the resulting time it takes for the external refinery to process it, combined with the logistics of transport to Canada and third party assays it can take approximately six weeks from when doré is produced on site until the bullion is ready for sale.

As at 31 December 2011 there was significant Casposo doré held on site and in process at the Canadian refinery (excluding doré forward sold) which is recorded at cost in inventories.

Casposo doré in process at the refinery in Canada forward sold at 31 December 2011 totalled 3,290 gold equivalent ounces which compares with 4,367 gold equivalent ounces at 30 June 2011 and nil at 31 December 2010.

(b) Results

The consolidated profit from ordinary activities before tax and minority interests for the December half-year was $17,264,000 (2010: $6,477,000). The net profit after tax was $10,654,000 (2010: $6,037,000).

Total revenue generated increased to $88,440,000 (2010: $38,776,000) an increase of 128% principally driven by additional production for the new Casposo operation in Argentina.

Resulting profit before tax of $17,264,000 increased 167% from $6,477,000 principally due to increased gross profit of $16,523,000 or 167%. The half-year profit included:

i) Other income of $533,000 (2010: $5,554,000). In 2010 other income included pre-tax profit on the sale of equity investments of $4,207,000.

ii) Expensing net exploration of $3,313,000 (2010: $2,512,000).

iii) Export tax incurred in Argentina of $2,735,000 (2010: nil).

iv) Amortisation and depreciation of $17,782,000 (2010: $9,249,000).

Income tax expense increased to A$6,610,000 for the half-year (2010: A$440,000).

Earnings per share on a fully diluted basis were 11.9 cents profit, compared with 6.9 cents profit in 2010.

As at 31 December 2011, total shareholders' equity was $111,125,000 representing an increase in comparison with $109,681,000 as at 30 June 2011. Increases in retained profits have been offset by foreign exchange devaluations in Australian dollar terms of Troy's South American assets.

During the half year to 31 December 2011 the Australian dollar strengthened against the Brazilian Real by 13% (2010: 10%) and the Argentinean Peso by 1% (2010: 20%).

(c) Investec Debt Facilities

Troy has a debt facility with Investec Bank (Australia) Limited ("Investec") which reduced from A$35.0 million to A$26.25 million on 30 September 2011. The facility has a three-year term to 31 March 2013. Troy continues to meet all the covenants in accordance with the facility.

As at 31 December 2011 Troy's drawn balance was A$26.0 million. A principal repayment of A$3.0 million was made in early January reducing Troy's drawn balance to A$23.0 million. Further principal repayments of A$5.5 million are due by 31 March 2012.

Cash and cash equivalents at 31 December 2011 totalled A$33,468,000 and excluding restricting cash of A$2,889,000 for environmental bonds, available cash totalled A$30,579,000.

(d) Dividends

A final dividend for financial year 2011 of 6 cents per share with a record date of 15 December 2011 was paid on 6 January 2012. The final disbursement included a combination of cash and elections to reinvest in shares totalling A$4.25 million in cash and 270,326 in shares issued at a discounted price of $4.0241 per share. No interim dividend for financial year 2012 has been declared.

(e) Exploration

Total exploration expenditure for the half-year totalled $7,532,000 (2010: $2,512,000), of which $4,219,000 was capitalised in relation to the Kamila South East extension at the Casposo project in Argentina, based on exploration results achieved to date indicating recoupment is reasonably assured. Therefore net exploration expensed directly to the profit and loss for the half-year totalled $3,313,000 (2010: $2,512,000).

(f) Subsequent Events

For details of significant events subsequent to balance date please refer to Note 11 on page 16 of this Half-Year Financial Report.

(g) Additional Information

Additional information on the Company's activities during the half year is available on its web site at www.troyres.com.au. Information available includes the detailed quarterly activities report for the September and December 2011 periods, the 2011 Annual Report, Corporate Governance policies and other Company information and publications.

The auditor's independence declaration is included on page 5 of the Half-Year Financial Report.

ROUNDING OFF OF AMOUNTS

The Entity is an entity 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 Half Year Financial Report have been rounded off to the nearest thousand dollars, unless otherwise indicated.

(1) Gold equivalent ounces produced converts silver ounces produced to an equivalent value of gold ounces using actual prices achieved and adds those equivalent ounces to the actual gold ounces produced.

Signed in accordance with a resolution of directors made pursuant to s.306 (3) of the Corporations Act 2001.

Mr David R Dix
Chairman of Directors
23 February 2012

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The Board of Directors
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23 February 2012

Dear Board Members

Auditor's Independence Declaration to 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 review of the financial statements of Troy Resources Limited for the half-year ended 31 December 2011, 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 review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ross Jerrard
Partner
Chartered Accountants

Condensed consolidated income statement for the half-year ended 31 December 2011

	Notes	Consolidated Half-year ended 31 Dec 2011 ($'000)	31 Dec 2010 ($'000)
Revenue	3	**88,440**	38,776
Export tax	5	**(2,735)**	-
Cost of Sales		**(59,273)**	(28,867)
Gross Profit		**26,432**	9,909
Other income	3	**533**	5,554
Exploration expenses (net)	4	**(3,313)**	(2,512)
Administration expenses	4	**(4,068)**	(4,442)
Other expenses – Corporate	4	**(293)**	(394)
Care and maintenance costs	4	**(186)**	(372)
Finance costs	4	**(1,841)**	(1,266)
Profit Before Income Tax Expense		**17,264**	6,477
Income tax (expense)	5	**(6,610)**	(440)
Profit After Income Tax Expense		**10,654**	6,037
Profit Attributable to:			
Owners of the Parent		**10,658**	6,045
Non-controlling interests		**(4)**	(8)
		10,654	6,037
Earnings Per Share (EPS)			
Basic EPS (cents)		**12.1**	6.9
Diluted EPS (cents)		**11.9**	6.9

Notes to the condensed consolidated financial statements are included on pages 11 to 16.

Condensed consolidated statement of comprehensive income for the half-year ended 31 December 2011

	Notes	Consolidated Half-year ended 31 Dec 2011 ($'000)	31 Dec 2010 ($'000)
Profit for the period		**10,654**	6,037
Other comprehensive income			
Changes in value of available for sale assets, net of income tax		**(205)**	(2,428)
Exchange differences on translation of Foreign operations		**(4,986)**	(25,008)
Other comprehensive income for the period (net of income tax)		**(5,191)**	(27,436)
Total comprehensive income for the period		**5,463**	(21,399)
Total comprehensive income attributable to:			
Owners of the Parent		**5,469**	(21,387)
Non-controlling Interest		**(6)**	(12)
		5,463	(21,399)

Notes to the condensed consolidated financial statements are included on pages 11 to 16.

Condensed consolidated statement of financial position for the half-year ended 31 December 2011

	Notes	Consolidated Half-year ended 31 Dec 2011 ($'000)	30 Jun 2011 ($'000)
CURRENT ASSETS			
Cash and cash equivalents		**33,468**	27,941
Trade and other receivables	6	**18,800**	7,324
Inventories		**18,520**	14,029
TOTAL CURRENT ASSETS		**70,788**	49,294
NON-CURRENT ASSETS			
Property, plant and equipment		**51,060**	53,070
Mine and development properties		**35,457**	44,131
Exploration properties		**6,829**	2,884
Receivables	6	**3,404**	6,461
Other financial assets		**201**	406
Deferred tax assets		**2,256**	4,468
TOTAL NON-CURRENT ASSETS		**99,207**	111,420
TOTAL ASSETS		**169,995**	160,714
CURRENT LIABILITIES			
Trade and other payables		**13,746**	8,997
Current tax payables		**1,451**	2,317
Deferred consideration on acquisition		**195**	189
Provisions	7	**10,001**	3,938
Borrowings		**17,250**	12,500
TOTAL CURRENT LIABILITIES		**42,643**	27,941
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**2,826**	4,071
Provisions	7	**5,745**	2,432
Borrowings		**7,656**	16,589
TOTAL NON-CURRENT LIABILITIES		**16,227**	23,092
TOTAL LIABILITIES		**58,870**	51,033
NET ASSETS		**111,125**	109,681
EQUITY			
Issued Capital	9	**98,954**	97,596
Reserves		**(35,031)**	(29,782)
Retained earnings		**47,444**	42,103
Parent interest		**111,367**	109,917
Non-controlling interests		**(242)**	(236)
TOTAL EQUITY		**111,125**	109,681

Notes to the condensed consolidated financial statements are included on pages 11 to 16.

Condensed consolidated statement of changes in equity for the half-year ended 31 December 2011

	Issued Capital	Available for Sale Reserve	Option Premium Reserve	Foreign Currency Translation Reserve	Retained Earnings	Attributable to Equity Holder of Parent	Non-controlling interest	TOTAL EQUITY
	($,000)	($,000)	($,000)	($,000)	($,000)	($,000)	($,000)	($,000)
Balance at 1 July 2011	**97,596**	**(666)**	**4,146**	**(33,262)**	**42,103**	**109,917**	**(236)**	**109,681**
Profit for the period	-	-	-	-	10,658	10,658	(4)	10,654
Changes in fair value of available-for-sale assets, net of tax	-	(205)	-	-	-	(205)	-	(205)
Exchange rate differences on translation of foreign operations	-	-	-	(4,984)	-	(4,984)	(2)	(4,986)
Total comprehensive income for the half year	**-**	**(205)**	**-**	**(4,984)**	**10,658**	**5,469**	**(6)**	**5,463**
Issue of fully paid shares on conversion of options	1,284	-	(252)	-	-	1,032	-	1,032
Issue of fully paid shares – employee performance rights	74	-	(74)	-	-	-	-	-
Share-based payments	-	-	266	-	-	266	-	266
Dividends payable/paid	-	-	-	-	(5,317)	(5,317)	-	(5,317)
Balance at 31 December 2011	**98,954**	**(871)**	**4,086**	**(38,246)**	**47,444**	**111,367**	**(242)**	**111,125**
Balance at 1 July 2010	96,022	2,428	3,718	(3,739)	30,975	129,404	(218)	129,186
Profit for the period	-	-	-	-	6,045	6,045	(8)	6,037
Changes in fair value of available-for-sale assets, net of tax	-	(2,428)	-	-	-	(2,428)	-	(2,428)
Exchange differences on translation of foreign operations	-	-	-	(25,004)	-	(25,004)	(4)	(25,008)
Total comprehensive income for the half year	-	(2,428)	-	(25,004)	6,045	(21,387)	(12)	(21,399)
Issue of fully paid shares on conversion of options	11	-	(2)	-	-	9	-	9
Share-based payments	-	-	218	-	-	218	-	218
Dividends payable/paid	-	-	-	-	-	-	-	-
Balance at 31 December 2010	**96,033**	**-**	**3,934**	**(28,743)**	**37,020**	**108,244**	**(230)**	**108,014**

Notes to the condensed consolidated financial statements are included on pages 11 to 16.

Condensed consolidated statement of cash flows for the half-year ended 31 December 2011

	Consolidated Half-year ended 31 Dec 2011 ($'000)	31 Dec 2010 ($'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	**87,384**	40,527
Payments to suppliers and employees	**(53,580)**	(35,063)
Proceeds from sundry income	**36**	1,065
Export tax and government royalties paid	**(5,707)**	(737)
Income taxes paid	**(5,952)**	(315)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	**22,181**	5,477
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	**(2,784)**	(18,084)
Payments for power line commitments	**(754)**	(5,129)
Payments for mine & development properties	**(3,613)**	(8,533)
Payments for exploration properties capitalised	**(4,219)**	-
Proceeds on sale of property, plant and equipment	**22**	390
Proceeds on sale of investment securities	**-**	4,503
Interest received	**232**	282
NET CASH (USED IN) INVESTING ACTIVITIES	**(11,116)**	(26,571)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings – Investec Bank (Australia) Limited	**-**	22,000
Repayments – Investec Bank (Australia) Limited	**(4,000)**	-
Payments of debt raising and interest costs	**(2,025)**	(880)
Proceeds from issues of equity securities	**1,032**	9
Dividends paid - members of parent entity	**(525)**	(1)
NET CASH PROVIDED BY FINANCING ACTIVITIES	**(5,518)**	21,128
Net increase / (decrease) in cash and cash equivalents	**5,547**	34
Cash and cash equivalents at the beginning of the period	**27,941**	16,432
Effects of exchange rate changes on the balance of cash held in foreign currencies	**(20)**	(451)
Cash and cash equivalents at end of the period	**33,468**	16,015

Notes to the condensed consolidated financial statements are included on pages 11 to 16.

Notes to the condensed consolidated financial statements for the half-year ended 31 December 2011

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2011 annual financial report for the financial year ended 30 June 2011, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and have no affect on the amounts reported for the current or prior periods. The new and revised Standards and Interpretations has not had a material impact and not resulted in changes to the Groups presentation of, or disclosure in its half-year financial statements.

Notes to the condensed consolidated financial statements for the half-year ended 31 December 2011

2. Segment Information

The following is an analysis of the consolidated entity's revenue and results by reportable operating segment for the periods under review:

	Segment Revenue Half-year ended		Segment Profit Half-year ended	
	31 Dec 2011 $'000	31 Dec 2010 $'000	**31 Dec 2011 $'000**	31 Dec 2010 $'000
Producing Operations:				
Australia	**157**	8,622	**6**	2,898
Brazil	**38,204**	30,154	**11,222**	7,011
Argentina	**50,079**	-	**15,204**	(938)
Total Operations	**88,440**	38,776	**26,432**	8,971
Exploration:				
Australia and other			**(420)**	(250)
Brazil			**(557)**	(562)
Argentina			**(6,555)**	(1,700)
Capitalised Argentina			**4,219**	-
Total Exploration			**(3,313)**	(2,512)
Total Segments			**23,119**	6,459
Other income			**533**	5,554
Administration			**(4,068)**	(3,504)
Corporate – other expenses			**(293)**	(394)
Care & maintenance costs			**(186)**	(372)
Finance costs			**(1,841)**	(1,266)
Profit Before Tax			**17,264**	6,477

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

Segment profit represents the profit earned by each segment without the allocation of central administration costs and directors' salaries, interest income, profit on the sale of shares, care and maintenance costs, 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.

2. Segment Information (continued)

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

Total Assets	Consolidated Half-year ended 31 Dec 2011 $'000	30 June 2011 $'000
Continuing operations:		
Australia	**562**	632
Brazil	**21,965**	35,924
Argentina	**103,350**	87,412
Exploration	**6,829**	2,884
Total Segment Assets:	**132,706**	126,852
Cash and cash equivalents(i)	**33,468**	27,951
Income tax assets(i)	**2,256**	4,468
Investments in listed entities(i)	**201**	406
Other assets(i)	**1,364**	1,047
Total Assets	**169,995**	160,714

(i) Unallocated assets include various assets including cash held at a corporate level that have not been allocated to the underlying segments.

Total Liabilities	Consolidated Half-year ended 31 Dec 2011 $'000	30 June 2011 $'000
Continuing operations:		
Australia	**1,030**	1,077
Brazil	**4,035**	3,402
Argentina	**18,406**	7,636
Exploration	**-**	-
Total Segment Liabilities:	**23,471**	12,115
Income tax liabilities(ii)	**2,827**	6,388
Deferred consideration on acquisition(ii)	**195**	189
Borrowings(ii)	**24,906**	29,089
Dividends payable(ii)	**5,340**	549
Other liabilities(ii)	**2,131**	2,703
Total Liabilities	**58,870**	51,033

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

Notes to the condensed consolidated financial statements for the half-year ended 31 December 2011

3. Revenue

Revenue	Consolidated Half-year ended 31 Dec 2011 $'000	31 Dec 2010 $'000
Operating Revenue		
Gold sales	**78,635**	38,776
Silver sales	**9,805**	-
	88,440	38,776
Other Income		
Interest Received	**232**	282
Profit on sale of shares (refer note (a))	**-**	4,207
Iron ore licence fee	**-**	1,018
Net foreign exchange gains	**265**	-
Other	**36**	47
	533	5,554

Note (a): During the period ended 31 December 2010, the Company sold a total of 1,923,076 Volta Resources Inc. (TSX: VTR) Shares. Proceeds received for the shares totalled $4,503,000 generating an accounting profit for the half year of $4,207,000, before income tax.

4. Expenses

	Consolidated Half-year ended 31 Dec 2011 $'000	31 Dec 2010 $'000
Exploration expenditure (gross)	**7,532**	2,512
(Capitalised to exploration properties)	**(4,219)**	-
Exploration expenses (net)	**3,313**	2,512
Finance costs	**1,841**	1,266
Depreciation of property, plant & equipment		
- Cost of sales	**7,154**	4,586
- Administration expenses	**139**	125
	7,293	4,711
Amortisation of mining properties	**10,489**	4,538
Government royalties	**2,972**	737
Care and maintenance - Sandstone	**186**	372
Administration Expenses		
Head office salaries and bonuses	**1,236**	1,114
Expatriate salaries and bonuses	**653**	571
Directors fees	**250**	236
Regional administration Argentina – Development phase	**-**	938
Other Brazil administration	**65**	157
Depreciation – furniture and equipment	**139**	125
Other head office administration (i)	**1,725**	1,301
	4,068	4,442
Other Expenses - Corporate		
Share based payments	**266**	230
Loss on sale of plant and equipment	**27**	31
Net foreign currency exchange loss	**-**	133
	293	394

(i) Includes listing fees, shareholder costs, audit fees, taxation consultants, office rents, insurance, travel, conferences and other head office administration expenditure.

Notes to the condensed consolidated financial statements for the half-year ended 31 December 2011

5. Taxation

Export Tax / Government Royalties

Export tax is incurred on the gross revenue of all gold and silver shipped out of Argentina at a rate of 5%. The current period expense includes minor adjustments for forward sales and the prior year. Government royalties are separate and levied on production and infrastructure spending these are reported as part of costs of sales and disclosed in Note 4.

Income Tax

Income tax rates applicable for Corporations operating in Brazil, Argentina and Australia are 35%, 35% and 30% respectively. Argentine export tax is deductible for income tax purposes.

The Troy group income tax expense for the half-year to 31 December 2011 across the three jurisdictions is as follows:

	Consolidated Half-year ended 31 Dec 2011	
	$'000	**%**
Brazil	**3,888**	**35**
Argentina [(a)]	**2,722**	**21**
Australia [(b)]	**-**	**n/a**
	6,610	**38**

[(a)] Argentina benefited from some additional deductions and carried forward losses from prior years.

[(b)] Net costs incurred within Australia do not have offsetting taxable income streams and therefore an income tax credit has not been recognised.

6. Trade and Other Receivables

	Consolidated Half-year ended	
	31 Dec 2011 $'000	30 June 2011 $'000
Current		
Debtors and prepayments	**3,211**	1,505
Value added tax recoverable [(a)]	**15,589**	5,819
	18,800	7,324
Non-Current		
Value added tax recoverable [(a)]	**3,404**	6,461

[(a)] Within Argentina, the group has incurred value added tax as part of its purchases which are recoverable over time in proportion to the level of future export sales.

7. Provisions

	Notes	Consolidated Half-year ended	
		31 Dec 2011 $'000	30 June 2011 $'000
Current			
Employee benefits		**1,930**	2,220
Dividends	**8**	**5,340**	549
Power lines (Argentina) [(a)]		**1,609**	-
Rehabilitation		**1,122**	1,169
		10,001	3,938
Non-Current			
Employee benefits		**131**	186
Power lines (Argentina) [(a)]		**3,289**	-
Rehabilitation		**2,325**	2,246
		5,745	2,432

Notes to the condensed consolidated financial statements for the half-year ended 31 December 2011

(a) Power Lines

The Group acquired as part of the Casposo Gold Silver development project contractual commitments to contribute US$14.5 million less US$0.7 million paid previously by Intrepid Mines for the upgrade of and construction of new power lines in San Juan province Argentina. Troy has paid US$8.1 million in prior periods and US$0.8 million (A$0.8 million) in this current half year with the remaining US$4.9 million due to be paid during the next 3 years. During December the new power lines were connected to site for use, as a result Troy has recognised the remaining commitments as an asset and liability in the statement of financial position.

8. Dividends

	Consolidated Half-year ended			
	31 Dec 2011		31 Dec 2010	
Dividends	**Cents per Share**	**Total $'000**	**Cents per share**	**Total $'000**
Dividends provided for:				
Final dividend of 6.0 cents per share fully franked paid on 6 January 2012	6.0	5,317	-	-
	6.0	**5,317**	-	-

Unpresented cheques for previous dividends total $23,000 bringing the full provision for dividends to $5,340,000.

9. Equity Securities Issued

	Consolidated Half-year ended			
	31 Dec 2011		31 Dec 2010	
	No. '000	$'000	No. '000	$'000
Exercise of options	588	1,284	4	11
Performance rights shares issued	36	74	-	-
	624	**1,358**	4	11

10. Contingent Liabilities

(a) Bank Guarantees (Company cash backed) provided by financial institutions given to various State Departments of Mines and Energy total $2,729,125 (June 2011: $2,663,125). These are security amounts against breach of environmental conditions and are not expected to be exercised in the normal course of business. General bank guarantees to financial institutions total $88,500 (June 2011: $83,000).

(b) General sureties given to various State Departments of Mines and Energy total $175,000 (June 2011: $175,000). These are security amounts against breach of environmental conditions and are not expected to be exercised in the normal course of business.

11. Subsequent Events

On 6 January 2012, the Company issued 270,326 fully paid ordinary shares under the Troy Dividend Reinvestment Plan in relation to the 2011 financial year final dividend announced on 24 November 2011.

On 9 January 2012 the Company issued 250,000 unlisted options under the Troy Employee Share Option plan at an exercise price of $4.37. The options vest in three annual tranches and all expire on 9 January 2016.

Directors' declaration

The Directors declare that:

(a) the attached financial statements and notes thereto comply with accounting standards;

(b) the attached financial statements and notes thereto give a true and fair view of the financial position and performance of the Consolidated Entity;

(c) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001; and

(d) 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.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors

Mr David R Dix
Chairman of Directors

Perth, Western Australia
Date: 23 February 2012

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Independent Auditor's Review Report to the members of Troy Resources Limited (formerly Troy Resources NL)

We have reviewed the accompanying half-year financial report of Troy Resources Limited, which comprises the condensed statement of financial position as at 31 December 2011, and the condensed income statement, the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 6 to 17.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Troy Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, 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 review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Troy Resources Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ross Jerrard

Partner

Chartered Accountants

Perth, 23 February 2012