TROY RESOURCES LIMITED

# QUARTERLY REPORT

For the three months ended

**30 September 2014**

## Highlights

- » Quarterly Group gold equivalent production of 31,962oz Au_Eq.
- » Positive trend in mill throughput at Casposo with 141,062 tonnes treated whilst maintaining high gold and silver recoveries.
- » Further improvement in underground mine productivity at Casposo.
- » Mining commenced at the Coruja open pit deposit in Brazil.
- » Full year guidance remains unchanged.
- » Minerals Agreement signed with the Government of Guyana for the Karouni project development.
- » Majority of equipment now ordered and on track to be in Guyana before the end of 2014.
- » Appointment of new Chief Executive Officer.

## Operations and Development

### *Argentina – Casposo*

- Quarterly gold production of 15,219oz and 734,893oz of silver.
- Gold equivalent production of 26,557oz at C1 Cash Costs of US$659/oz Au_Eq on a co-product basis.
- Mill throughput of 141,062 tonnes at 91.5% recovery for gold and 80.6% for silver.
- Improved underground productivity with development of 1,375 metres, an increase of 4.9% on the previous quarter.
- Doré on site and in transit at quarter end was 11,642oz Au_Eq.

### *Brazil – Andorinhas*

- Quarterly gold production of 5,405oz at a cash cost of US$932/oz.
- All underground mining now being done by Shrink Stoping in order to control dilution and improve ore extraction in lower levels of the mine.

### *Guyana – Karouni*

- Excellent savings in both money and time have been made by refurbishing second hand pumps, screens and gear boxes back to new condition.
- Workforce being established and trained in preparation for the commencement of construction.
- Pre-Feasibility Study on the Open Cut Project completed.
- The Project remains on track for first production in Q2 2015.

### *Commentary*

Commenting on the quarter CEO Martin Purvis said:

"The September quarter presented several significant challenges for Troy as Casposo transitioned to full underground production, Andorinhas commenced development of the new Coruja open pit and Karouni moved into top gear for the commencement of construction.

Against this background it is encouraging to note that the operating teams managed to keep performance on track and within guidance, with a positive month on month improvement over the quarter.

The next objective is to consolidate this trend with further productivity improvements driving lower cash costs in order to respond to current market levels for both gold and silver."

# Group Results

| | | September 2014 Quarter | June 2014 Quarter | September 2013 Quarter |
|---|---|---|---|---|
| | Gold Produced (oz) | 20,624 | 23,057 | 22,230 |
| | Silver Produced (oz) | 734,893 | 828,374 | 356,548 |
| | Gold Equivalent Produced (oz) | 31,962 | 35,706 | 27,924 |
| **Co Product Costing** [1] | Cash Cost (per oz) | A$762<br>US$705 | A$780<br>US$727 | A$941<br>US$862 |

[1] *Co-Product costing converts silver to an equivalent value of gold ounces. For actual production we use prices achieved.*

# Operations

## *CASPOSO, ARGENTINA (Troy 100% through Troy Resources Argentina Ltd) (TRAL)*

| Production Summary | September 2014 Quarter | June 2014 Quarter | September 2013 Quarter |
|---|---|---|---|
| **Processed (t)** | 141,062 | 129,746 | 131,266 |
| **Head Grade Gold (g/t)** | 3.67 | 4.08 | 3.70 |
| **Head Grade Silver (g/t)** | 201.14 | 247.76 | 104.50 |
| **Recovery Gold (%)** | 91.50 | 91.87 | 92.46 |
| **Recovery Silver (%)** | 80.56 | 80.15 | 80.84 |
| **Gold Produced (oz)** | 15,219 | 15,619 | 14,424 |
| **Silver Produced (oz)** | 734,893 | 828,374 | 356,548 |
| **Gold Equivalent Produced** [1] **(oz)** | 26,557 | 28,268 | 20,116 |
| **Gold Sold (oz)** | 11,455 | 17,179 | 10,916 |
| **Silver Sold (oz)** | 574,797 | 842,340 | 319,567 |
| **Gold Equivalent Sold (oz)** | 20,323 | 30,041 | 16,018 |
| **Gold Price Realised (per oz)** | US$1,271 | US$1,291 | US$1,325 |
| **Silver Price Realised (per oz)** | US$19.78 | US$19.70 | US$21.16 |
| **Cost** | **US$/oz** | **US$/oz** | **US$/oz** |
| **C1 Cash Cost (Co-Product basis)** [2] | **659** | **684** | **891** |
| Refining and transport costs | 33 | 38 | **N/A** |
| Reclamation and remediation - amortisation | 10 | 5 | **N/A** |
| Corporate general & administration costs | 57 | 48 | **N/A** |
| Royalties, export tax and local taxes | 129 | 125 | **N/A** |
| Insurance | 9 | 14 | **N/A** |
| Exploration | 9 | 14 | **N/A** |
| Mine development | 201 | 161 | **N/A** |
| Capital equipment | 53 | 46 | **N/A** |
| **All-In Sustaining Cost (AISC) (Co-Product basis)** [2][3] | **US$1,160** | **US$1,135** | **N/A** |

[1] *Based on the ratio of sales prices realized for the quarter.*

[2] *Cash costs and All-In Sustaining Costs are calculated using Au_Eq ounces produced as the denominator.*

[3] *This is the first September quarter that Troy has reported All-In Sustaining Costs. Therefore comparatives for the September 2013 quarter are not available.*

## *Occupational Health, Safety and Environment*

| Safety Statistics | September Quarter |
|---|---|
| Man Hours | 375,893 |
| Minor Accidents | 0 |
| Accidents requiring medical assistance | 12 |
| Lost time injuries | 7 |
| Injury Frequency | 50.55 |
| Severity rate | 0.94 |

Although there was no variance to the lost time injury statistics, accidents requiring medical assistance increased from 8 to 12 during the quarter. The matrix of overseas workers has been changed, with an experienced health and safety/mine trainer operative being employed to promote, train and assist with the continued improvement of safety systems.

No environmental incidents were recorded for the quarter.

## *Open Pit*

| | September 2014 Quarter | June 2014 Quarter | September 2013 Quarter |
|---|---|---|---|
| Total Ore Mined (t) | 29,969 | 68,393 | 89,059 |
| Gold Grade (g/t) | 2.69 | 3.19 | 3.67 |
| Silver Grade (g/t) | 142.92 | 165.65 | 96.30 |
| Waste Mined (BCM) | 8,599 | 145,085 | 328,529 |

Mining from both the Kamila open pit and smaller low grade Mercado open pit was completed during the quarter. All production now comes from Casposo's underground operations.

## *Underground Mining and Development*

| | September 2014 Quarter | June 2014 Quarter | September 2013 Quarter |
|---|---|---|---|
| Total Ore Mined (t) | 50,640 | 58,033 | 30,229 |
| Gold Grade (g/t) | 4.60 | 3.11 | 2.74 |
| Silver Grade (g/t) | 415.94 | 280.02 | 218.45 |
| Development Meters | 1,375 | 1,311 | 894 |

The introduction of Cemented Rock Fill to minimise the risk of hanging wall failure has been successful and will continue to be used as part of the mining sequence.

Gold and silver grades increased during the quarter by 47.9% and 48.5% respectively due to the operation starting to access high grade ore from INCA 1 level 9 South and improvements achieved in ground support and mine scheduling.

Underground mine development productivity increased again this quarter, with 1,375m recorded, an increase of 4.9% compared to the June quarter. The offshoot ramp to the high grade INCA 2 Deposit and the first vent raise have been completed.

The INCA 2 Ramp and the continuation of the INCA 1 Ramp to Levels 14 and 15 will be initiated during the December quarter.

## *Processing*

The plant processed 141,062 tonnes, 8.7% higher than the previous quarter, whilst maintaining high gold and silver recoveries.

As of September, all high grade ore is sourced from the underground mine. In September, a total of 22,400 tonnes at 4.79g/t gold and 534.40g/t silver, blended with stockpiled low grade ore enabled budget to be achieved for the month.

## Costs

The site produced 15,219oz gold or 26,557oz Au_Eq at a cash cost of US$659/oz on a co-product basis (where silver is converted to gold equivalent) and an AISC of US$1,160. Pleasingly, with the increased head grade of ore being treated through the plant during September and a focus on cost reduction, the AISC for September was US$961 compared with US$1,160 for the quarter.

## Outlook

With the successful implementation of cemented rock fill in the underground operation, the focus now moves to improving the scheduling and cycling of stopes. These improvements will provide enhanced flexibility to ensure that the orebody is mined more efficiently. With the INCA 2 Offshoot Ramp and programmed drilling below INCA 1 Level 13 having been completed, the focus for the coming quarter will be development of stopes in INCA 2 and INCA 1 Levels 14 and 15.

## *ANDORINHAS, BRAZIL (Troy 100% through Reinarda Mineração Ltda) (RML)*

| Production Summary | September 2014 Quarter | June 2014 Quarter | September 2013 Quarter |
|---|---|---|---|
| **Processed (t)** | 52,872 | 60,360 | 56,363 |
| **Head Grade Gold (g/t)** | 3.46 | 4.18 | 4.77 |
| **Recovery Gold (%)** | 92.00 | 91.62 | 90.41 |
| **Gold Produced (oz)** | 5,405 | 7,438 | 7,807 |
| **Gold Sold (oz)** | 4,400 | 7,599 | 7,999 |
| **Gold Price Realised (per oz)** | US$1,260 | US$1,290 | US$1,338 |
| **Cost** | **US$/oz** | **US$/oz** | **US$/oz** |
| **C1 Cash Cost (oz)** | **932** | **893** | **785** |
| Refining and transport costs | 35 | 44 | N/A |
| Corporate general & administration costs | 57 | 48 | |
| Royalties and local taxes | 10 | 13 | N/A |
| Insurance | 16 | 28 | N/A |
| Exploration | 1 | - | N/A |
| Mine development | 106 | 178 | N/A |
| Capital equipment | 4 | 9 | N/A |
| **AISC** [(1)] | **US$1,161** | **US$1,213** | **N/A** |

[(1)] *This is the first September quarter that Troy has reported All-In Sustaining Costs. Therefore comparatives for the September 2013 quarter are not available.*

## Occupational Health, Safety and Environment

Andorinhas recorded 3 LTI's and 5 first aid injuries. There were no environmental incidents in the quarter.

Throughout the Mine's life, the Company has focused on the rehabilitation of present day and historic mining workings. Therefore as the mine draws to an end, a lot less rehabilitation work will be required.

## Production Results and Summary

Following some delays in the permitting process, mining from the Coruja open pit deposit finally commenced in August. Consequently ore availability for the first two months of the quarter was below expectations with 10,309 tonnes at 3.47g/t gold being mined. Following the move to shrink stoping (due to increasing complexity in the lower levels of the orebody), the mine produced 16,202 tonnes at 5.53g/t.

Gold production for the quarter was 5,405oz at a cash cost of US$932/oz, a slight increase on last quarter due to lower gold production.

## Outlook

Mining from the Mamão underground operation is scheduled to finish in Q1 2015, with the Coruja open pit and the Andorinhas operation closing in middle of the year.

# Development

## *GUYANA, KAROUNI PROJECT (Troy 100%)*

Excellent progress continues to be made with development of the Karouni Project, including the signing of a Minerals Agreement with the Government of Guyana subsequent to quarter end.

The Minerals Agreement represents a significant step forward in the development of Karouni and details all fiscal, property, import-export procedures, taxation and other related conditions for its development and operation.

Other progress included:

- The Environmental Impact Statement passed the public comment period and is now being reviewed by the Government.
- All mill components arrived at the project site together with power station generators.
- Camp construction is approximately 70% complete.
- The Construction permit passed the public comment period without negative comment and the licence is expected to be issued during the December quarter.
- The tailings dam construction plan has been approved and is currently awaiting the relevant Minister's sign off.
- Upgrades to access roads have been completed.
- The majority of the mining fleet has been delivered to site, with the remaining equipment expected in country before December.
- Preparation of the Smarts Pit for mining is underway.
- All engineering staff are now in place for the commencement of construction.
- There are currently approximately 200 personnel employed on the Project, including the exploration team. This is expected to increase by a further 100 people over the next quarter as construction activities commence.

The Company released the results of the Pre-Feasibility Study (Study) for Karouni based on a combination of two open cut mines feeding a conventional Carbon-In-Leach gold plant with a nominal capacity of 1Mtpa. The Study assumes that a total of 2.61 million tonnes of material will be processed over a three year period with average annual production of 101,000oz. Metallurgical recovery is expected to be 94% and Life of Mine All-In Sustaining Cash Costs, US$602/oz. With a build cost of US$70 million and sustaining capital and spares of US$6.4 million over the life of mine, the after tax IRR is 50.2% with a payback 1.2 years.

**First Stage Plant Construction**

**New Mine Camp**

**Airstrip**

# Exploration

## *GUYANA, KAROUNI PROJECT (Troy 100%)*

During the quarter, brownfields drilling commenced within the Smarts - Hicks Structural Corridor while the Resource Infill Drilling continued to focus on the Smarts Target. A total of 16 Diamond Core (DC) holes (6533.7m) were completed. This included 6 DC holes for 1481m on Brownfields targets and 10 holes for 5052.3m on Resource Infill drilling.

Detailed ground Magnetics and Dipole – Dipole Induced Polarization surveys commenced over the Smarts and Hicks Deposits with plans to cover the majority of the Smarts – Hicks Corridor as part of this program.

### Smarts DC Infill Drilling

Ten DC holes were drilled targeting the Central Smarts Deposit at depth, which is currently classified as part of the Inferred Resource. This drilling is a continuation of the program reported in the June quarter and was planned to increase the drillhole density to better define continuity of the mineralisation within this interpreted shoot structure (see Figure 1 and Table 1 as well as Karouni Technical Description Sections 1 & 2).

From the additional drilling completed, it has become evident that the structural setting and controls on the gold mineralization are increasingly more complex at depth and will require additional work before the potential is sufficiently understood.

As a result, the Company has taken a step back from the work on the underground and decided to defer any further programs until more information is gathered from the ongoing development of the Open Pits. Furthermore, the key geological focus will now turn to the additional open pit targets along the extensive shear corridors on the property as it is believed that success from this program will provide for greater impetus to the project overall at this time and be achieved at a lower cost.

Therefore, the underground pre-feasibility study will not be finalized in the December quarter as previously contemplated and will be revisited at a later stage in the Project's overall development.

Detailed re-logging of selected drillcore sections through the Smarts and Hicks Deposits that was initiated during the quarter, has already highlighted a number of key factors that will be critical targeting tools for future brownfields exploration.

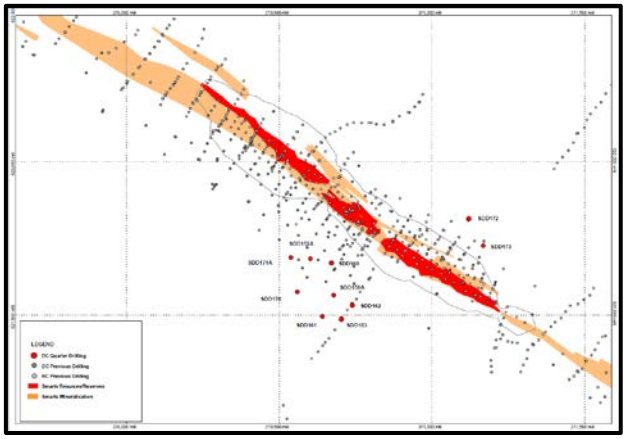

**Figure 1: Smarts Resource Infill Drilling Assay Results**

Gold mineralisation at the Smarts and Hicks Deposits is controlled by both structure and lithology. The gold is associated with a major regional shear structure and is found within the shear as well as in the hangingwall and footwall of the shear. The shear zones are magnetic and clearly visible as linear features on the airborne magnetics images. Both deposits occur within de-magnetized zones along these magnetic shear corridors. Gold is found in structurally thickened sections of the shear as well as dilational jogs on major reverse shears (see Figure 2 below). From the recent relogging it is clear that host rocks play a key role in controlling high grade gold mineralisation in that the best grades are always associated with Sandstone and Siltstone (brittle) host rocks in close proximity to the Shear. High grade gold mineralisation is associated with carbonate – pyrite alteration.

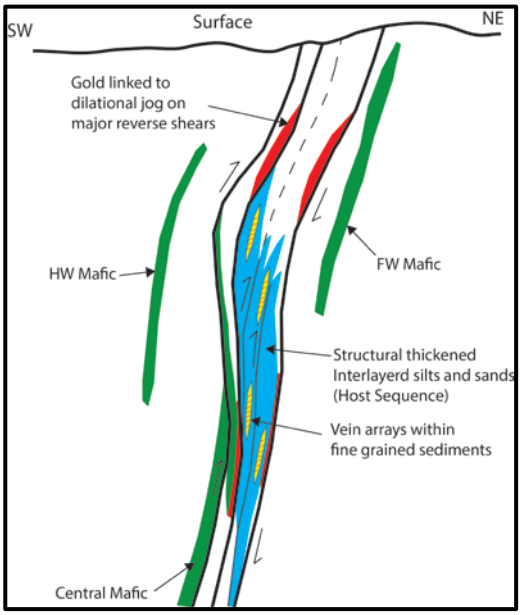


**Figure 2: Smarts New Geological Model Cross-Section**

## *Guyana Brownfields Exploration*

Current target assessments are focused within the Smarts – Hicks Corridor to the northwest of the Smarts Deposit in Kanhai - Gibbs - Whitehall Target areas (see Figure 3). This area is cut by the main Smarts – Hicks structure and is underlain with the same host rocks as the Smarts Deposit.

The limited brownfields drilling completed to date has been based on the new geological model which is proving to be reasonably robust. Along strike from the Smarts Deposit at Kanhai, we have been able to target the main shear and hit it at the expected depths. Most holes encountered narrow zones of the favorable Sandstone units with carbonate and pyrite alteration. Best intercepts reported to date include; **1m at 2.52g/t gold** from 68m, **1m at 2.36g/t gold** from 150m and **1m at 2.41g/t gold** from 259m.

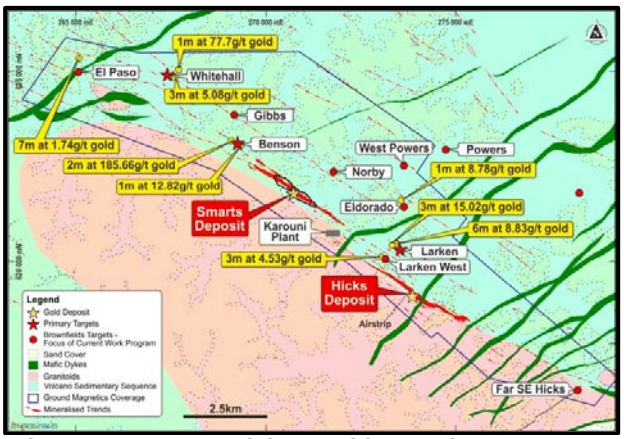


**Figure 3: Smarts – Hicks Corridor Geology, Structures & Targets with Selected Azimuth Drill Intercepts**

A Ground Magnetics survey began in mid-September focused along the Smarts-Hicks Trend. During the month; 118.6km of Ground Magnetics was completed (see Figure 3 above for survey area). Once processed this data set will become a fundamental targeting tool used to identify demagnetised zones along the magnetic shear structures which will be the focus of future brownfields drilling.

## *ARGENTINA, CASPOSO (Troy 100%)*

### Underground Exploration Drilling

During the quarter, a total of 29 underground holes for 3510.2m were drilled. All holes targeted the gaps and periphery of the Underground Reserve including INCA 1 Vein, INCA 2 Vein, Aztec Vein and B Vein. This drilling was completed to assist with mine planning and scheduling with target priorities established by the Mining Group (See Table 2 and Figure 4 as well as Casposo Technical Description Sections 1 & 2). Drilling is continuing with a series of holes also planned to test extensions of the northwest margin of the INCA 2 Reserve in the vicinity of Post-Mineral Dyke 2. Once the current phase of drilling is completed the results will be incorporated into the existing Resource model.

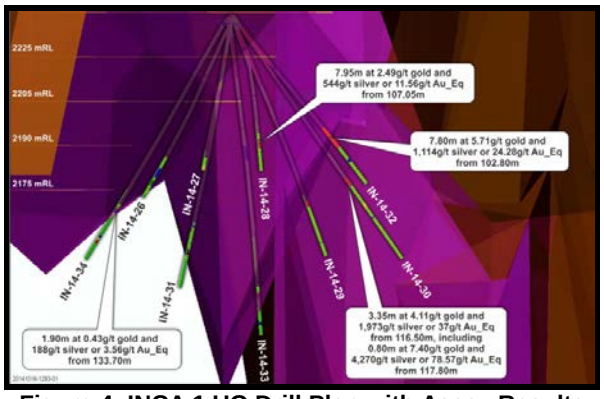


**Figure 4: INCA 1 UG Drill Plan with Assay Results**

### Target Generation

During the quarter, field work focused on the Met Station Target (see Figure 5). This area is underlain by Mine Series rhyolites cut by north-south striking mafic dykes. Detailed outcrop and structural mapping was completed. Geophysical (Magnetics & Induced Polarization) data coupled with results of multi-element geochemical sampling and alteration studies confirmed the coincidence of mapped and interpreted structures with high ammonium illite clay alteration which is a key targeting tool.

Ground follow-up targeting work is now focused on the Kamila Offset area east of the mine.

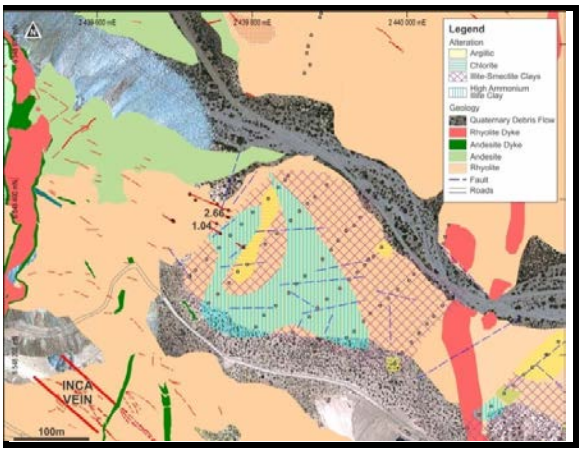


**Figure 5: Met Station Target Geology and Alteration Mapping**

# Finance

The Group's available cash as at 30 September 2014 was $22.8 million. The funds from all Argentine sales are required to be transferred from Canada via Argentina before remitting any surpluses to Australia.

Temporary logistics changes and consequent interruptions to shipment deliveries in September caused doré levels on site and in transit to rise to 11,642oz Au_Eq. Increased deliveries and sales will now be effected in October and November.

## *Banking Facility*

During the quarter, the Company drew down $60 million from Tranche A of the new Revolving Corporate Facility with Investec Bank Plc (Facility). Of this, $40 million was used to repay the amount outstanding under the previous facility with Investec Bank Australia and the remainder for equipment and plant purchases at Karouni. At quarter end, $10 million was remaining to be drawn under this Tranche of the Facility.

The Company is in the process of finalizing the remaining conditions precedent for draw down of the $30 million Tranche B Facility. As part of this process, Investec management will be visiting Guyana and Argentina during the quarter with a view to reporting on progress at each of the operations prior to seeking Credit Committee approval in mid-November. The Company expects to be in a position to draw on the Tranche B Facility later in the December quarter.

## *Net Cash / (Debt)*

The Group's net debt position at 30 September 2014 was $38.5 million, including $1.3 million due to ICBC in Argentina.

## *Hedging*

The following table outlines the Company's hedging positions in place at quarter end:

| For Delivery | Gold (oz) | Price (US$/oz) | Silver (oz) | Price (SUS$/oz) |
|---|---|---|---|---|
| 23 Oct 14 | 4,000 | $1,300.00 | 510,000 | $19.41 |
| 28 Nov 14 | 3,000 | $1,302.40 | - | - |
| 23 Dec 14 | 3,000 | $1,314.60 | - | - |
| 23 Jan 15 | 5,000 | $1,300.00 | 510,000 | $19.41 |
| 23 Apr 15 | 5,000 | $1,300.00 | 510,000 | $19.41 |
| **Total** | **20,000** | **$1,302.55** | **1,530,000** | **$19.41** |

The mark-to market valuation of these hedges at 30 September 2014, based on a spot gold price of US$1,212.74/oz, silver price of US$17.23/oz and the respective forward curves, totalled a hedge asset of $5.85 million.

## *Exploration Expenditure*

During the quarter, total exploration expenditure incurred was $1.6 million. Of this, $1.3 million related to Guyana and $0.3 million was spent in Argentina.

## *Capital Expenditure*

Capital and development expenditure during the quarter was $28.5 million. Of this:

- $0.7 million was incurred at Andorinhas for the Coruja open pit development and sustaining capex;
- $9.3 million was incurred at Casposo for underground development and capital purchases; and
- $18.5 million was spent on Karouni primarily for equipment and plant components.

*The cost information and expenditure detail provided within this report are based on unaudited numbers.*

*All references to $ are Australian dollars unless otherwise stated.*

# Corporate

## *Directors*

**David Dix**, Non-Executive Chairman

**Martin Purvis**, CEO

**Ken Nilsson**, Executive Director

**Fred Grimwade**, Non-Executive Director

**Sean Harvey**, Non-Executive Director

**John Jones**, Non-Executive Director

**Richard Monti**, Non-Executive Director

**Robin Parish**, Non-Executive Director

| Issued Capital (as at 30 October 2014) | |
|---|---|
| Ordinary Shares | 195,265,161 |
| Unlisted Employee & Other Options | 590,000 |
| Employee Performance Rights | 12,000 |
| Employee Share Appreciation Rights | 1,520,000 |
| Investec Bank Plc Options | 3,892,398 |

For further information please contact:

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# The "Troy" Story

Troy (ASX, TSX: TRY) is a successful gold and silver producer with a track record of low cost mine development and production. The Company is unique amongst its peers having paid 13 fully franked cash dividends over the 13 years to 2012. The Company expects to recommence paying dividends once the Karouni Project is in production.

Troy has been operating in South America since 2002 and, following the development of the Casposo project in Argentina, has entered a renewed growth phase which has lifted the Company's annual gold production above 100,000oz of gold per annum. 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 is fast tracking development of Karouni and expects first production before the end of FY2015.

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


**Competent Person's Statement**

**Karouni**

The information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves for the Karouni project is based on, and fairly represents, information and supporting documentation prepared by Mr Peter J Doyle, Vice President Exploration and Business Development of Troy, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy and a "qualified person" under National Instrument 43 101 – "Standards of Disclosure for Mineral Projects". Mr Doyle has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Doyle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Mr Doyle is a full time employee of Troy.

The information relating to the Karouni Mineral Resource Estimate is extracted from the report entitled 'Smarts Deposit – Resource Update' created on 29 August 2013 (relodged 2 September 2013) and is available to view on www.troyres.com.au.

The information relating to the results of the Karouni Preliminary Economic Assessment/Scoping Study is extracted from the report entitled 'West Omai Preliminary Economic Assessment and Scoping Study' created on 21 January 2014 and is available to view on www.troyres.com.au.

The information relating to the results of the Karouni Pre-Feasibility Study is extracted from the report entitled Karouni Open-Cut Pre-Feasibility Study created on 28 July 2014 and is available to view on www.troyres.com.au and on SEDAR at sedar.com.

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, mineral resource estimates or studies 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 here have not been materially modified from the original market announcements.

**Casposo**

The information in this report that relates to Exploration Results at Casposo 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 and a "qualified person" under National Instrument 43 101 – "Standards of Disclosure for Mineral Projects". 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.

For further information regarding the Company's projects in Argentina, Brazil and Guyana including a description of Troy's quality assurance program, quality control measures, the geology, sample collection and testing procedures in respect of the Company's projects please refer to the technical reports filed which are available under the Company's profile at www.sedar.com or on the Company's website. Additional information regarding the Karouni Project can be found under Azimuth's profile at www.sedar.com.

**Table 1: Smarts Resource Infill Diamond Core (DC) Drilling Assay Results Summary**

| Hole ID | Easting (m) | Northing (m) | Elevation (m) | Depth (m) | Azimuth | Dip | Interval (m at g/t gold) |
|---|---|---|---|---|---|---|---|
| **SDD138*** | 270682.86 | 621650.96 | 72.61 | 353.5 | 35 | -63.09 | **7m at 2.95g/t gold from 336m** |
| **SDD152A** | 270602 | 621684 | 75 | 380 | 33 | -62.64 | **1m at 4.45g/t gold from 210m** |
| | | | | | | | **1m at 7.16g/t gold from 341m** |
| | | | | | | | **2m at 7.62g/t gold from 352m** |
| | | | | | | | **4m at 4.85g/t gold from 360m including 1m at 11.58g/t gold from 363m** |
| **SDD155** | 270564 | 621681 | 74 | 493 | 32 | -65 | **1m at 14.96g/t gold from 448m** |
| **SDD156** | 270235 | 622009 | 103 | 320 | 32 | -62 | **1m at 4.73g/t gold from 284m** |
| | | | | | | | **3m at 2.11g/t gold from 293m** |
| | | | | | | | **1m at 2.71g/t gold from 299m** |
| **SDD159A*** | 270679 | 621565 | 78 | 512 | 34 | -63 | **1m at 16.15g/t gold from 451m** |
| | | | | | | | **1m at 3.51g/t gold from 470m** |
| **SDD160** | 270671 | 621671 | 73 | 401 | 34 | -65 | **2m at 14.51g/t gold from 321m** |
| **SDD161** | 270642 | 621495 | 80 | 584 | 33 | -60 | **0.85m at 14.40g/t gold from 531.9m** |
| **SDD170** | 270559 | 621576 | 87 | 638 | 32 | -66 | **2m at 3.55g/t gold from 342m** |
| **KDD001*** | 267524.90 | 624928.16 | 67.82 | 294.88 | 274.84 | -57.29 | **1m at 2.52g/t gold from 68m** |
| | | | | | | | **1m at 2.36g/t gold from 150m** |
| | | | | | | | **1m at 2.41g/t gold from 259m** |

Notes to Tables 1:
All holes are either Reverse Circulation (RC) or Diamond Core Drill Holes.

- All reported intersections assayed at 1m intervals.
- Mineralised intervals reported as weighted averages simply width multiplied by grade.
- Sample preparation and Fire Assay conducted by ActLabs Guyana Inc. Assayed by 30 gram (Historically) or 50g (Currently) fire assay with gravimetric finish.
- QA/QC protocol: For diamond core one blank and one standard inserted for every 18 core samples (2 QA/QC samples within every 20 samples dispatched or 1 QA/QC sample per 10 samples dispatched) and no duplicates.
- QA/QC protocol: For RC samples we insert one blank, one standard and one duplicate for every 17 samples (3 QA/QC within every 20 samples or 1 every 8.5 samples).

NSR: No Significant Assay Results

**Guyana Karouni Section 1: Sampling Techniques and Data**

| Criteria | JORC Code Explanation | Commentary |
|---|---|---|
| Sampling Technique | Nature and quality of sampling (cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.<br><br>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report.<br><br>In cases where 'industry standard' work has been | The Smarts & Hicks Resource is being infill drilled using Reverse Circulation (RC) drilling. The drill spacing is being infilled to nominal 25m x 25m grid spacing. During the quarter drilling with a Reverse Circulation (RC) rig and 2 Diamond Core (DC) rigs focused on the 1.7km section of the Smarts Deposit that hosts the Indicated Resource.<br>New drilling Total drilling completed during the June quarter was 12 DC holes for 6068m.<br>A sample interval of 1m has been selected for the RC and Diamond Core drilling with proximity to gold mineralisation (buffer zone). This sample spacing ensures a representative sample weight is collected at a scale sufficient to define geological and mineralisation boundaries. The 1m samples are assayed at 1m intervals in visibly conspicuous mineralisation or otherwise composited to 3m intervals before assay. Any low grade internal zones are also assayed at 1m intervals and a sample buffer is placed before and after the |

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| | done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverized to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. | mineralisation boundary to ensure the assays do not begin or end within high-grade mineralisation. The original 1m samples are sent for assay where any significant gold assay grades are recorded for the 3m composite samples.<br>The use of a 1m sample interval was selected after consideration of the following:<br>• Consideration of previous sampling methodology.<br>• The RC drilling method and sample collection process for current drill campaigns.<br>• A representative sample weight suitable for transport, laboratory preparation and analysis.<br>• The lithological thickness of the White Sands Formation and underlying basement lithology.<br>• A mineralisation zone thickness ranging from several metres to tens of metres.<br>• Suitability for statistical analysis. A standard sample length ensures all assay results are treated on equal support when reviewing assay statistics (before sample compositing for geostatistical analysis and resource estimation).<br>• The Diamond Core and RC drilling method will in general provide superior sample collection compared to open-hole drill methods (e.g. auger or RAB) and reduce the possibility of down-hole grade smearing or contamination.<br>All RC samples were weighed to determine recoveries. All potentially mineralised zones were then split and sampled at 1m intervals using three-tier riffle splitters. Zones that appeared visually non-mineralised were sampled as 3m composites. QA/QC procedures were completed as per industry best practice standards (certified blanks and standards and duplicate sampling).<br>Samples were dispatched to Actlabs in Georgetown, Guyana for sample preparation, where they were crushed, dried and pulverized to produce a sub sample for analysis. Actlabs has a fire assay facility in Georgetown where 30g fire assays, gravimetric finishes and screen fire assays have been conducted. |
| Drilling | Drill type (eg core, reverse circulation, open- hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). | Reverse Circulation "RC" drilling within the Resource area comprises 5.5 inch diameter face sampling hammer drilling and hole depths range from 49m to 133m.<br>Diamond Core drilling is conducted using contract drill rigs supplied by Versa Drilling. Majority of the holes are drilled as HQ Size core.<br>During the quarter 16 Diamond Core holes were drilled for 6533.7m. |
| Drill Sample Recovery | Method of recording and assessing core and chip sample recoveries and results assessed.<br><br>Measures taken to maximize sample recovery and ensure representative nature of the samples.<br><br>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. | RC recoveries are logged and recorded in the database. Overall recoveries are >75% for the RC; there are no significant sample recovery problems. A technician is always present at the rig to monitor and record recovery.<br>RC samples were visually checked for recovery, moisture and contamination. The Bulk of the Resource is defined by DC and RC drilling, which have high sample recoveries. The style of mineralisation, with frequent high-grades and visible gold, require large diameter core and good recoveries to evaluate the deposit adequately. The consistency of the mineralised intervals is considered to preclude any issue of sample bias due to material loss or gain.<br>Core recovery is a quantifiable measurement defined as the total linear amount of physical core sample extracted over the total linear advance in a hole, expressed as a percentage. Recovery is often measured against a section of advance, typically in the target zone and/or for the entire hole.<br>CR (%) = Length of core X 100<br>Length of advance The core being created is encapsulated within, and subsequently extracted by, a retrievable sampling device called a core barrel. The core barrel is a mechanically designed device consisting of many interconnected engineered components. It is connected to a consumable core drilling bit, typically made with synthetic diamonds, which is the core cutting tool. As the drill bit penetrates through the material, Geologists and Company Technicians regularly collect core recovery data for each and every hole drilled. This data is entered into the drilling database with percentage recovery recorded for each interval drilled. |
| Logging | Whether core and chip samples have been geologically and geotechnical logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.<br>Whether logging is qualitative or quantitative in nature. Core (or costean/Trench, channel, etc) photography.<br>The total length and percentage of the relevant | Geotechnical logging was carried out on all diamond drill holes for recovery, RQD and number of defects (per interval). Information on structure type, dip, dip direction, alpha angle, beta angle, texture, shape, roughness and fill material is stored in the structure/Geotech table of the database.<br><br>Logging of diamond core and RC samples recorded lithology, mineralogy, mineralisation, structural (DDH only), weathering, alteration, colour and other features of the samples. Core was |

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| | intersections logged. | photographed in both dry and wet form.<br><br>All drilling has been logged to standard that is appropriate for the category of Resource which is being reported. |
| Sub-Sampling Technique and Sample Preparation | If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.<br><br>For all sample types, the nature, quality and appropriateness of the sample preparation technique.<br><br>Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.<br><br>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. | RC samples were collected on the rig using a three tier riffle splitter. All samples were dry.<br><br>The sample preparation for all samples follows industry best practice. Actlabs in Georgetown, Guyana for sample preparation, where they were crushed, dried and pulverized to produce a sub sample for analysis. Sample preparation involving oven drying, coarse crushing, followed by total pulverization LM2 grinding mills to a grind size of 85% passing 75 microns.<br><br>Field QC procedures involve the use of certified reference material as assay standards, blanks, and duplicates for the RC samples only. The insertion rate of these averaged 2:20 for core and 3:20 for RC.<br><br>Field duplicates were taken on for both 1m RC splits and 3m composites for RC, using a riffle splitter. |
| Quality of Assay Data and Laboratory Tests | The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.<br>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.<br><br>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. | The laboratory used an aqua regia digest followed by fire assay for with an AAS finish for gold analysis.<br><br>No geophysical tools were used to determine any element concentrations used in this Resource Estimate.<br><br>Sample preparation checks for fineness were carried out by the laboratory as part of their internal procedures to ensure the grind size of 85% passing 75 micron was being attained.<br><br>Laboratory QA/QC involves the use of internal lab standards using certified reference material, blanks, splits and duplicates as part of the in house procedures.<br><br>Certified reference materials, having a good range of values, were inserted blindly and randomly. Results highlight that sample assay values are accurate and that contamination has been contained.<br><br>Repeat or duplicate analysis for samples shows that the precision of samples is within acceptable limits.<br><br>Sample preparation conducted by ActLabs Guyana Inc. and fire assay performed by ActLabs Chile -Assayed by 30g fire assay with gravimetric finish.<br><br>QA/QC protocol: For diamond core one blank and one standard inserted for every 18 core samples (2 QA/QC samples within every 20 samples dispatched, or 1 QA/QC sample per 10 samples dispatched) and no duplicates. |
| Verification of Sampling and Assaying | The verification of significant intersections by either independent or alternative company personnel.<br><br>The use of twinned holes The verification of significant intersections by either independent or alternative company personnel. Discuss any adjustment to assay data. | Troy's QP P. Doyle has visually verified significant intersections in diamond core and RC drilling.<br><br>Primary data was collected using a set of company standard ExcelTM templates on Toughbook laptop computer using lookup codes. The information was validated on-site by the Company's database technicians and then merged and validated into a final database. |
| **Location of Data points** | Accuracy and quality of surveys used to locate drill holes (collar and down- hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used Quality and adequacy of topographic control. | All drillholes have been located by DGPS in UTM grid PSAD56 Zone 21 North.<br>Downhole surveys were completed at the end of every hole where possible using a Reflex Gyro downhole survey tool, taking measurements every 5m. |
| Data Spacing and Distribution | Data spacing for reporting of Exploration Results.<br><br>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.<br><br>Whether sample compositing has been applied. | The nominal drillhole spacing is 50m by 50m and in places 25m (northwest) by 25m (northeast).<br><br>The mineralised domains have demonstrated sufficient continuity in both geological and grade to support the definition of Mineral Resource and Reserves, and the classifications applied under the 2012 JORC Code.<br><br>Samples have been composited to one metre lengths, and adjusted where necessary to ensure that no residual sample lengths have been excluded (best fit). |

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| **Orientation of Data in Relation to Geological Structure** | **Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.**<br><br>**If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.** | **The majority of the data is drilled to either magnetic 050° or 230° orientations, which is orthogonal / perpendicular to the orientation of the mineralised trend. The bulk of the drilling is almost perpendicular to the mineralised domains. Structural logging based on oriented core indicates that the main mineralisation controls are largely perpendicular to drill direction.**<br><br>**No orientation based sampling bias has been identified in the data at this point.** |
| **Sample Security** | **The measures taken to ensure sample security** | **Chain of custody is managed by Troy.**<br><br>**Samples are stored on site and delivered by Troy personnel to Actlabs, Georgetown, for sample preparation.**<br><br>**When applicable the sample pulps for assay are then delivered to DHL and freighted to Actlabs, Santiago assay laboratory.** |
| | **JORC Code Explanation** | **Whilst in storage, they are kept under guard in a locked yard. Tracking sheets are used track the progress of batches of samples** |

| Section 2 Karouni Reporting of Exploration Results | | |
|---|---|---|
| **Criteria** | **JORC Code Explanation** | **Commentary** |
| Mineral Tenement and Land Tenure Status | Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.<br><br>The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area. | The Karouni Project tenements cover an aggregate area of 253,538 acres (102,605ha), granting the holders the right to explore for gold or gold and diamonds.<br><br>The tenements have been acquired by either direct grant to Pharsalus Gold (25,990 acres /10,518ha) or by contractual agreements with tenement holders (227,548 acres 92,087ha). Apart from the Kaburi Agreement (29,143 acres 11,794ha), which provides for Pharsalus Gold to earn a 90% interest, all other vendor agreements provide Pharsalus Gold with the right to obtain an ultimate interest of 100%.<br><br>The Karouni Project comprises a single (large scale) mining license, 94 (small scale) claim licences, 217 (medium scale) prospecting and mining permits, and 6 (large scale) Prospecting Licences.<br><br>All licences, permits and claims are granted for either gold or gold and diamonds. The (large scale) prospecting licences include three licences won by Pharsalus Gold at open auction on 22 November 2007 (GS14: P-18, P-19 and P-20) which are owned 100% by Pharsalus Gold.<br><br>The various mining permits that cover the Smarts deposit were originally owned by L. Smarts and George Hicks Mining.<br><br>The permits were purchased by Pharsalus Gold (a wholly owned subsidiary of Azimuth Resources) in 2011.<br><br>Troy Resources acquired the permits with the acquisition of Azimuth Resources in August 2013. All transfer fees have been paid, and the permits are valid and up to date with the Guyanese authorities. The payment of gross production royalties are provided for by the Act and the amount of royalty to be paid for mining licences 5%, however recent mineral agreements entered into stipulate a royalty of 8% if the gold price is above US$1,000 per ounce. |
| Exploration Done by Other Parties | Acknowledgment and appraisal of exploration by other parties. | Very little exploration has been carried out over the tenement prior to Azimuth's involvement which commenced in 2011.<br><br>Portions of the Karouni Project have been held more or less continuously by small family gold mining syndicates (locally termed 'Pork Knockers') since the 1960's. This situation persists to the present day.<br><br>Portions of the current project area were variously held under option to purchase agreements by Cominco (1974-75), Overseas Platinum Corporation (1988) and Cathedral Gold Corporation (1993-2002).<br><br>In 1999, Cathedral Gold joint ventured the property to Cambior, then owner and operator of the Omai Gold Mine located 40km to the east, with a view to processing the Hicks mineralisation through the Omai processing facility. Cambior intended to use its existing mining fleet, |

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| | | rather than road trains, to haul mill feed from the Hicks deposit. Execution of this approach proved uneconomic and disruptive to the mining schedule at Omai itself. No further work was undertaken and the joint venture was terminated in 2000.<br><br>Available historic records and data were reviewed by both Troy during Due Diligence prior to the takeover and by Runge as part of the Resource modeling and estimation work. |
| Geology | Deposit type, geological setting and style of mineralisation. | Primary gold mineralisation is exposed at several localities within the Karouni Project, the most notable being the Hicks, Smarts and Larken Prospects along the northern extremity of the Project. Here the White Sand Formation cover has been removed by erosion to expose the underlying mineralised Paleoproterozoic Greenstone successions of the Trans- Amazonian Barama- Mazaruni Group.<br><br>Extensive superficial cover of White Sand Formation within the central and southern portions of the Project tenements masks the basement lithology and conceals any gold mineralisation.<br><br>The evaluation of airborne geophysical data has however indicated that the Barama-Mazaruni Greenstone Belts and associated syntectonic intrusives persist at shallow depth beneath this cover.<br><br>The mineralisation at the Smarts and Hicks Zones is associated with a shear zone that transects a sequence of mafic to intermediate volcanic, volcanoclastics and pyroclastic rocks. The shear zone dips steeply towards the southwest, strikes northwest to southeast, and is characterized by intense brittle-ductile deformation and carbonate alteration plus quartz veining and abundant pyrite.<br><br>The high grade gold mineralisation is usually associated with zones of dilational and stockworks quartz veining within and adjacent to the shear zone.<br><br>At the Smarts Deposit gold is hosted by a northwest trending, sub-vertical to steeply southwest dipping shear zone 2,800m in strike length and up to 60m wide. The shear zone has developed within basalts and andesites comprising the footwall greenstone succession along the north-eastern limb of a shallowly northwest plunging anticline. Auriferous mineralisation is also noted at the contacts of porphyry-granite intrusives. The shear zone is comprised of semi-continuous zones of quartz lenses and quartz-carbonate veining or brecciation.<br><br>Numerous, moderately well-defined gold-rich lenses, up to 15m wide, occur within the shear zone and are characterized by anomalous quartz veining, quartz flooding, shearing, chloritization, seritisation and pyritisation . Visible gold and the majority of gold values typically occur within and along margins of quartz veins, in silicified granitic dykes, and in adjacent, pyritic, often sheared meta-andesite. Pyrite is common at up to 3% by volume associated with auriferous quartz veins. Mineralisation is variously accompanied by silica- sericite-chlorite-carbonate- pyrite-tourmaline alteration.<br><br>Gold mineralisation at the Smarts /Hicks Deposits are hosted by a northwest trending, sub-vertical to steeply southwest dipping shear zone some 2,500m in strike length and up to 60m wide in places. The shear zone has developed within basalts and andesites comprising the footwall greenstone succession along the north-eastern limb of a shallowly northwest plunging anticline. Auriferous mineralisation is also noted at the contacts of porphyry-granite intrusives. The shear zone is comprised of semi-continuous zones of quartz lenses and quartz-carbonate veining or brecciating.<br><br>Visible gold and the majority of gold values typically occur within and along margins of quartz veins, in silicified granitic dykes, and in adjacent, pyritic, often sheared meta-andesite. Pyrite is common at up to 3% by volume, with local, trace amounts of Molybdenite, galena and sphalerite, associated with auriferous quartz veins. Mineralisation is variously accompanied by silica- sericite-chlorite-carbonate-pyrite-tourmaline alteration, while fuchsite is developed within porphyry intrusives in contact with high magnesium basalts and along shear zones. |

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| Drill Hole Information | A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:<br><br>• easting and northing of the drill hole collar<br>• elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar<br>• dip and azimuth of the hole<br>• down hole length and interception depth<br>• hole length<br>• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. | Intercepts that form the basis of this announcement are tabulated in Table 1 kin the body of the announcement and incorporate Hole ID, Easting, Northing, Dip, Azimuth, Depth and Assay data for mineralised intervals. Appropriate maps and plans also accompany this announcement. Complete detailed data on the project is included in the NI-43101 Tech Reports available on the Company's website with the current report dated September 8, 2014. |
| Data Aggregation Methods | In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. | All intersections are assayed on one meter intervals<br>No top cuts have been applied to exploration results<br>Mineralised intervals are reported with a maximum of 2m of internal dilution of less than 0.5g/t<br>Mineralised intervals are reported on a weighted average basis |
| Relationship Between Mineralisation Widths and Intercept Lengths | These relationships are particularly important in the reporting of Exploration Results.<br>If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported. If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (downhole length, true width not known'). | The orientation of the mineralised zone has been established and the majority of the drilling was planned in such a way as to intersect mineralisation in a perpendicular manner. However, due to topographic limitations some holes were drilled from less than ideal orientations. |
| Diagrams | Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. | The appropriate plans and sections have been included in the text of this document. |
| Balanced Reporting | Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. | All grades, high and low, are reported accurately with "from" and "to" depths and "hole identification" shown. |
| Other Substantive Exploration Data | Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. | Metallurgical testwork has been completed, with excellent results. Gold recoveries exceed 95% from CIL tests, and a significant proportion of the gold is recoverable by gravity concentration. |
| Further Work | The nature and scale of planned further work (eg tests for lateral extensions or large scale step out drilling.<br><br>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. | Further infill drilling is ongoing, aimed at increasing the amount of resource categorized as Indicated, as well as upgrading some of the Indicated Resource to Measured status. Drilling aimed at increasing the Resource below the current depth extent is also planned. |

| TABLE 2a: INCA 1 VEIN Underground Drilling Summary of Results | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Hole ID** | **Easting (m)** | **Northing (m)** | **Elevation (m)** | **Depth (m)** | **Az** | **Dip** | **Interval (m at g/t Au_Eq) - Vein** |
| IN-14-16 | 2439168 | 6548300 | 2373 | 155.5 | 310 | -61 | 1.00m at 0.14g/t gold and 107g/t silver or 1.93g/t Au_Eq from 134.00m |
| IN-14-17 | 2439168 | 6548300 | 2373 | 160.0 | 312 | -64 | 4.85m at 0.37g/t gold and 124g/t silver or 2.43g/t Au_Eq from 131.00m |
| IN-14-19 | 2439213 | 6548173 | 2227 | 137.5 | 344 | -6 | 1.00m at 0.25g/t gold and 81g/t silver or 1.60g/t Au_Eq from 80.25m |
| IN-14-21 | 2439219 | 6548168 | 2226 | 80.5 | 91 | -9 | 2.55m at 0.78g/t gold and 96g/t silver or 2.38g/t Au_Eq from 45.15m |
| IN_14-22 | 2439218 | 6548166 | 2226 | 78.0 | 116 | -35 | 1.50m at 0.19g/t gold and 114g/t silver or 2.08g/t Au_Eq from 61.50m |
| IN-14-26 | 2439384 | 6548166 | 2237 | 157 | 236 | -23 | 1.00m at 0.30g/t gold and 89g/t silver or 1.78g/t Au_Eq from 117.00m |
| IN-14-27 | 2439385 | 6548166 | 2237 | 134 | 230 | -23 | 0.85m at 0.58g/t gold and 138g/t silver or 2.38g/t Au_Eq from 112.90m |
| IN-14-28 | 2439386 | 6548166 | 2238 | 136.1 | 220 | -23 | 7.95m at 2.49g/t gold and 544g/t silver or 11.56g/t Au_Eq from 107.05m |
| IN-14-29 | 2439386 | 6548166 | 2237 | 163 | 210 | -29 | 3.05m at 1.16g/t gold and 256g/t silver or 5.43g/t Au_Eq from 112.85m<br>3.45m at 0.34g/t gold and 91g/t silver or 1.85g/t Au_Eq from 124.95m |
| IN-14-30 | 2439387 | 6548167 | 2238 | 173.5 | 202 | -28 | 3.35m at 4.11g/t gold and 1973g/t silver or 37g/t Au_Eq from 116.50m, incl. 0.80m at 7.4g/t gold and 4270g/t silver or 78.57g/t Au_Eq from 117.80m |
| IN-14-31 | 2439385 | 6548167 | 2238 | 175.5 | 230 | -30 | 2.45m at 0.24g/t gold and 155g/t silver or 2.82g/t Au_Eq from 130.75m |
| IN-14-32 | 2439387 | 6548167 | 2238 | 172.5 | 205 | -22 | 7.80m at 5.71g/t gold and 1,114g/t silver or 24.28g/t Au_Eq from 102.80m |
| IN-14-33 | 2439384 | 6548166 | 2237 | 173.2 | 219 | -37 | 2.35m at 0.42g/t gold and 152g/t silver or 2.95g/t Au_Eq from 150.75m |
| IN-14-34 | 2439382 | 6548167 | 2237 | 169.6 | 242 | -27 | 0.70m at 0.35g/t gold and 133g/t silver or 2.60g/t Au_Eq from 132.10m<br>1.90m at 0.43g/t gold and 188g/t silver or 3.56g/t Au_Eq from 133.70m |

| Table 2: INCA 2 VEIN Underground Drilling Summary of Results | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Hole ID** | **Easting (m)** | **Northing (m)** | **Elevation (m)** | **Depth (m)** | **Az** | **Dip** | **Interval (m at g/t Au_Eq) - Vein** |
| **IN-14-35** | 2439468 | 6548068 | 2218 | 135 | 205 | -28 | **4.00m at 3.00g/t gold and 599g/t silver or 12.98g/t Au_Eq from 89.45m**<br>**4.75m at 8.46g/t gold and 827g/t silver or 22.24g/t Au_Eq from 97.55m** |

**TABLE 2c: AZTEC VEIN Underground Drilling Summary of Results**

| Hole ID | Easting (m) | Northing (m) | Elevation (m) | Depth (m) | Az | Dip | Interval (m at g/t Au_Eq) - Vein |
|---|---|---|---|---|---|---|---|
| **AZ-14-01** | 2439167 | 6548298 | 2374 | 149.5 | 258 | -12 | **5.50m at 2.20g/t gold and 237g/t silver or 6.16g/t Au_Eq from 114.00m** |
| **AZ-14-02** | 2439167 | 6548298 | 2374 | 176.5 | 258 | -22 | **0.65m at 0.34g/t gold and 184g/t silver or 3.40g/t Au_Eq from 134.00m** |
| **AZ-14-03** | 2439167 | 6548298 | 2374 | 149.8 | 242 | -19 | **3.00m at 0.17g/t gold and 32g/t silver or 0.69g/t Au_Eq from 111.00m** |
| **AZ-14-04** | 2439167 | 6548298 | 2374 | 180 | 252 | -28 | **3.00m at 0.75g/t gold and 17g/t silver or 1.03g/t Au_Eq from 56.50m** |
| **AZ-14-03B** | 2439166 | 6548296 | 2374 | 132.1 | 242 | -18 | **1.50m at 0.21g/t gold and 63g/t silver or 1.26g/t Au_Eq from 109.00m** |
| **AZ-14-05** | 2439166 | 6548297 | 2374 | 183 | 265 | -18 | **3.25m at 0.48g/t gold and 138g/t silver or 2.79g/t Au_Eq from 143.35m** |
| | | | | | | | **2.00m at 1.52g/t gold and 57g/t silver or 2.47g/t Au_Eq from 154.00m** |

**Note: For Table 2a, Table 2b and Table 2c:**
**Sample preparation 30g pulps, Fire Assay for gold with gravimetric finish for silver analysis atomic absorption readings conducted by Troy Resources Argentina Laboratory.**
**Check and QA/QC samples assayed at Alex Stewart Laboratory in Mendoza Argentina.**

**(*) The column "Length" represents downhole widths**
**NSR – No Significant Results**
**Au_Eq grade calculated using gold to silver ratio of 1:60. The gold: silver ratio is determined using metal price and recovery factors and determined according to the parameters below:**

- **Au Price US$1500/oz**
- **Ag Price US$28/oz**
- **Au processing Metallurgical recovery 90%**
- **Ag processing Metallurgical recovery 80%**

**Metal prices approximate 3 year averages for each of gold and silver.**
**Processing recoveries were determined from updated metallurgical testwork carried out by independent consultants on diamond drill core from Casposo.**
**The equivalency factor is calculated by the formula:**
**Gold to Silver ratio = (gold price ÷ silver price) x (gold recovery ÷ silver recovery)**
**= (1500 ÷ 28) x (.90 ÷ .80)**
**= 60**
**Gold equivalency (Au_Eq) is calculated by the formula: Au_Eq g/t = Au g/t + (Ag g/t ÷ 60.00**)
Note: (*) The column length represents downhole widths

| Section 1 Argentina Casposo Sampling Techniques and Data | | |
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| **Criteria** | **JORC Code Explanation** | **Commentary** |
| **Sampling techniques** | Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.<br><br>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.<br><br>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. | The quantity and quality of the lithological, geotechnical, collar and downhole survey data collected in the exploration programs by BMG, Intrepid and Troy are sufficient to support Mineral Resource and Mineral Reserve Estimation, such that:<br>• Core logging meets industry standards for gold exploration<br>• Geotechnical logging meets industry standards for open pit operations<br>• Collar surveys have been performed using industry-standard instrumentation<br>• Downhole surveys accurately represent the trajectories of the holes.<br>• Drill intersections, due to the orientation of the drill holes, are typically greater than the true width of the mineralisation.<br><br>A sample interval of 1m has been selected for the RC and Diamond Core drilling with proximity to mineralisation (buffer zone). This sample spacing ensures a representative sample weight is collected at a scale sufficient to define geological and mineralisation boundaries. The 1m samples are assayed at 1m intervals in visibly conspicuous mineralisation or otherwise composited to 3m intervals before assay. Any low grade internal zones are also assayed at 1m intervals and a sample buffer is placed before and after the mineralisation boundary to ensure the assays do not begin or end within high-grade mineralisation. The original 1m samples are sent for assay where any significant gold assay grades are recorded for the 3m composite samples.<br>The use of a 1m sample interval was selected after consideration of the following:<br>• Consideration of previous sampling methodology.<br>• The RC drilling method and sample collection process for current drill campaigns.<br>• A representative sample weight suitable for transport, laboratory preparation and analysis.<br>• The lithological thickness of the White Sands Formation and underlying basement lithology.<br>• A mineralisation zone thickness ranging from several metres to tens of metres.<br>• Suitability for statistical analysis. A standard sample length ensures all assay results are treated on equal support when reviewing assay statistics (before sample compositing for geostatistical analysis and resource estimation).<br>• The Diamond Core and RC drilling method will in general provide superior sample collection compared to open-hole drill methods (e.g. auger or RAB) and reduce the possibility of down-hole grade smearing or contamination.<br><br>Samples are channel samples. They are collected by samplers using hammers, chisels and calico bags.<br>Samples are taken across the interval with as representative a sample taken as practically possible<br><br>Casposo is a low sulphidation gold/silver deposit. Visible coarse gold is rare. |
| Drilling Techniques | Drill type (eg core, reverse circulation, open- hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). | Underground Drilling was undertaken using the Company owned Longyear LM 75 Drill rig with Crews supplied by a local drilling contractor – Energold.<br>During the quarter 29 holes were drilled for 3510.2m. |
| Drill Sample Recovery | Method of recording and assessing core and chip sample recoveries and results assessed.<br><br>Measures taken to maximise sample recovery and ensure representative nature of the samples.<br><br>Whether a relationship exists between sample recovery and grade and | Core recovery is a quantifiable measurement defined as the total linear amount of physical core sample extracted over the total linear advance in a hole, expressed as a percentage. Recovery is often measured against a section of advance, typically in the target zone and/or for the entire hole.<br>CR (%) = Length of core X 100 |

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| | whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. | Length of advance The core being created is encapsulated within, and subsequently extracted by, a retrievable sampling device called a core barrel. The core barrel is a mechanically designed device consisting of many interconnected engineered components. It is connected to a consumable core drilling bit, typically made with synthetic diamonds, which is the core cutting tool. As the drill bit penetrates through the material, Geologists and Company Technicians regularly collect core recovery data for each and every hole drilled. This data is entered into the drilling database with percentage recovery recorded for each interval drilled. |
| **Logging** | Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.<br><br>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.<br><br>The total length and percentage of the relevant intersections logged. | Geotechnical logging was carried out on all diamond drill holes for recovery, RQD and number of defects (per interval). Information on structure type, dip, dip direction, alpha angle, beta angle, texture, shape, roughness and fill material is stored in the structure/Geotech table of the database.<br><br>Logging of diamond core and RC samples recorded lithology, mineralogy, mineralisation, structural (DDH only), weathering, alteration, colour and other features of the samples. Core was photographed in both dry and wet form.<br><br>All drilling has been logged to standard that is appropriate for the category of Resource which is being reported. |
| **Sub-sampling techniques and sample preparation** | If core, whether cut or sawn and whether quarter, half or all core taken.<br><br>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.<br><br>For all sample types, the nature, quality and appropriateness of the sample preparation technique.<br>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.<br><br>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.<br>Whether sample sizes are appropriate to the grain size of the material being sampled. | Core is split with diamond saw (Intrepid & Troy). One half of the core was sent for analysis and the remaining half returned to the core box in its original orientation as a permanent record. Normally, the entire hole was sampled. The sample interval was usually 1m to 2m for BMG, and 0.5m to 2m for Intrepid and Troy (maximum 1.5m in mineralised zones). Highly-fragmented core was bound with adhesive tape before splitting. Sampling mineralised zones was generally on 1 meter intervals however mineralised contacts were also considered.<br>Drill spacing within the mineral resource area is on a nominal 20m and 40m spacing along strike, however topography does impact on the drill spacing.<br>The current procedure is to have all drill core taped prior to splitting, even when the core is intact. Core recovery was generally very good and would not impact sample integrity. Samples collected are considered representative of the mineralisation. Drilling was targeted at quartz vein and quartz stockworks/breccia mineralisation. Sample lengths were generally on 1m or 2m intervals except where mineralisation boundaries were encountered. Higher grade quartz hosted mineralisation was sampled separately from lower grade material. Mineralisation is generally contained within steeply dipping vein systems. Drilling intersected these veins at an angle that results in drill widths being generally wider than true widths. Geological modelling of the drill intersections enabled true widths to be modelled. |
| **Quality of assay data and laboratory tests** | The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.<br><br>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.<br><br>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. | Samples are assayed by the Company's on-site lab and checked using an external lab, Alex Stewart of Mendoza, Argentina. Gold is assayed by standard fire assay methods and silver with aqua regia digestion followed by inductively coupled plasma with optical emission spectroscopy (ICP-OES).<br><br>Hand held XRF & ASD Spectral Analysis units were used to aid in logging and identification of alteration mineral assemblages. Magnetic susceptivity measurements are routinely collected on all drill holes at regular intervals top to bottom of each hole.<br><br>Standards and blanks are inserted into selected assay batches. |

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| **Verification of sampling and assaying** | The verification of significant intersections by either independent or alternative company personnel.<br><br>The use of twinned holes.<br><br>The verification of significant intersections by either independent or alternative company personnel.<br><br>Discuss any adjustment to assay data. | Significant intersections are verified by more than one alternative company person.<br><br>No adjustments were made to assay data. |
| **Location of data points** | Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.<br>Specification of the grid system used.<br>Quality and adequacy of topographic control. | All drillholes have been located by DGPS in UTM grid.<br><br>Downhole surveys were completed at the end of every hole where possible using a Reflex Gyro downhole survey tool, taking measurements every 5m. |
| **Data spacing and distribution** | Data spacing for reporting of Exploration Results.<br><br>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.<br><br>Whether sample compositing has been applied. | The nominal drillhole spacing is 25m by 25m.for Reserves and Resource.<br><br>The mineralised domains have demonstrated sufficient continuity in both geological and grade to support the definition of Mineral Resource and Reserves, and the classifications applied under the 2012 JORC Code. |
| **Orientation of data in relation to geological structure** | Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.<br><br>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. | The majority of the data is drilled at orientations, which are orthogonal/perpendicular to the orientation of the mineralised trend. The bulk of the drilling is almost perpendicular to the mineralised domains. Structural logging based on oriented core indicates that the main mineralisation controls are largely perpendicular to drill direction.<br><br>No orientation based sampling bias has been identified in the data at this point. |
| **Sample security** | The measures taken to ensure sample security | Chain of custody is managed by Troy.<br>Samples are crushed and ground on site with pulps sent to Mendoza for assay. Troy personnel manage the sample dispatch. |

| **Section 2 Argentina – Casposo Reporting of Exploration Results** | | |
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| **Criteria** | **JORC Code Explanation** | **Commentary** |
| **Mineral tenement and land tenure status** | Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. | The Casposo deposit is in San Juan province, Argentina. Troy is the 100% owner of the project through local subsidiary Troy Resources Argentina Ltd. |
| | The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. | Troy has been mining and processing at Casposo since 2009. |
| **Exploration done by other parties** | Acknowledgment and appraisal of exploration by other parties. | Previous to Troy surface exploration had been conducted by Intrepid and Battle Mountain. Troy has since conducted extensive drilling programs. |
| **Geology** | Deposit type, geological setting and style of mineralisation. | Casposo is a low sulphidation gold/silver deposit. |
| **Drill hole information** | A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:<br>easting and northing of the drill hole collar<br>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar<br>dip and azimuth of the hole<br>down hole length and interception depth<br>hole length.<br>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. | This information is tabulated in Table 2. |
| **Data aggregation methods** | In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. | Results reported are weighted on sample interval length. No top cuts have been applied. |
| | Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for | |

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| | such aggregation should be stated and some typical examples of such aggregations should be shown in detail. | |
| | The assumptions used for any reporting of metal equivalent values should be clearly stated. | |
| **Relationship between mineralisation widths and intercept lengths** | These relationships are particularly important in the reporting of Exploration Results | |
| | If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. | |
| | If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). | |
| **Diagrams** | Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. | Included AS Figure 4. |
| **Balanced reporting** | Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. | Drilling results for the July – September 2014 period targeting INCA 1 & INCA 2 UG deposits are documented in this release. |
| **Other substantive exploration data** | Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. | There is no other material substantive exploration data to report. The UG drilling is part of normal mine operations with drilling planned to aid mine planning scheduling and define the limits of mineralised zones. Channel samples are grade control data. |
| **Further work** | The nature and scale of planned further work (eg tests for lateral extensions or large scale step out drilling.<br>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. | Underground Diamond Core Drilling and Channel sampling will continue as part of the exploration and normal grade control process underground at Casposo. And Underground drilling will continue targeting extensions zones peripheral to known mineralisation. |