TROY RESOURCES LIMITED

QUARTERLY REPORT

For the three months ended
30 September 2012

SEPTEMBER QUARTER HIGHLIGHTS

KEY POINTS

- Group quarterly gold production of 28,384 ounces ("oz") at a cash cost of US$549/oz net of silver credits.
- Group quarterly gold-equivalent (Au_Eq) production of 33,389oz, at a cash cost of US$726/oz Au_Eq.
- During the Quarter the Company made Principal repayments of A$10 million on its debt facility. As at 30 September the Group had net cash of A$47.9 million.
- On 10 October 2012 the remaining A$5 million of the debt facility was repaid, leaving $nil principal outstanding. The loan was repaid five months ahead of the facility schedule.
- The Company paid 10c per share fully franked cash dividend on 19 October with 26% of shareholders opting to reinvest in the Company via the Dividend Reinvestment Plan.
- The Company announced the sale of the Sandstone tenements, plant and infrastructure to Southern Cross Goldfields (SXG). Consideration for the sale includes A$5 million cash, a 2% NSR royalty on future production from the Sandstone leases and 43.7 million 5-year options over SXG share with an exercise price of 10 cents per share. The sale is expected to close in November 2012.

OPERATIONS

Argentina - Casposo

- Quarterly gold production of 18,409oz at a cash cost of US$499/oz net of 270,380oz of silver credits.
- Quarterly gold equivalent production of 23,414oz at a cash cost of US$763/oz Au_Eq.
- The enclosure covering the process thickeners and tailing filters and other modifications included in the "winterization process" were completed allowing the site to operate uninterrupted during the winter with 67% more ore processed than in the corresponding quarter last year.
- The arrival of the Contractor's hydraulic jumbo was delayed by three months. This will delay access to high grade underground ore.

Brazil - Andorinhas

- The operation has achieved 94 days without a lost time injury.
- Gold production for the September quarter was 9,975oz at a cash cost of US$641/oz.
- Plant and mine performance was impacted by an increasing number of power outages on the main grid.

EXPLORATION

Argentina - Casposo

- At Kamila Southeast, drilling on B Vein 2 hangingwall structure yielded encouraging results including; **1.65m at 17.68g/t Au_Eq; 0.7m at 56.96g/t Au_Eq; 0.5m at 55.58g/t Au_Eq** and **1.2m at 89.62g/t Au_Eq.** This zone remains open along strike and at depth and is currently not included in Reserves.
- The first two holes into the Kamila Mercado Gap Target yielded **1.2m at 19.64g/t Au_Eq** and **4.3m at 4.47g/t Au_Eq**. Drilling is ongoing.

Brazil - Andorinhas

- Encouraging high grade intercepts from recent underground drilling of the Melechete 870m and 850m levels include: **1.0m at 7.68g/t gold; 3m at 14.25g/t gold** and **2m at 15.81g/t.** This drilling is ongoing to outline mineralisation immediately below the Reserve that may warrant development.

COMMENTARY

Commenting on the results, Troy CEO Paul Benson said, "This was a solid quarter with gold production of 28,384oz at a cash cost of US$549/oz net of silver credits. I'm pleased to report we made it through the winter without any interruption to production and thus judged the site's winterization modifications a success processing 67% more ore than the same period last year.

"Our strong cash generation enabled us to repay our debt facility in early October, five months ahead of schedule and then we paid a 10 cent per share fully franked dividend to shareholders on 19 October, our 13th dividend in thirteen years.

"Increasingly complex import rules in Argentina led to a significant delay in the arrival of the mining contractor's development Jumbo drill to the Casposo site. The jumbo finally arrived on site in early October, more than three months behind the original schedule. The team on site has done a great job advancing the portal and decline more than 80m using hand held mining methods. Despite this, the access to high grade ore from underground will probably be two to three months behind the original schedule and will now probably enter the mill feed in the June quarter.

"In some parts of the open pit we have mined more ore at a lower grade than planned. This is predominantly due to increased dilution around the complex geometry where the different veins in the pit meet.

"Although too early in the financial year to determine, the delay in the access to the high grade underground ore and greater volumes of lower grade ore in the pit will put

SEPTEMBER QUARTER HIGHLIGHTS

pressure on us meeting FY2012 company production guidance of 150,000oz to 160,000oz gold equivalent. Obviously the teams at both sites will do everything in their power to achieve that target. We will have a clearer picture by early in the calendar year as to whether we will need to revise the guidance.

"The company approved a major modification to the Casposo processing plant with the addition of a ball mill in open circuit with the current SAG mill. We initially started consideration of this modification after early testwork indicated a finer grind had the potential to increase silver recoveries when treating the very high silver grades in the deeper Inca ore. Further analysis has indicated other significant improvements including: higher throughput rates thus higher production, lower unit costs and decreased load on the SAG mill and thus lower maintenance costs and longer periods between liner changes.

"Due to the large ore stockpile on site we believe we will be able to increase throughput by in excess of 15%. We have already acquired a suitable second hand ball mill which is currently being refurbished. We expect it to be operational in the June quarter 2013. The total capital budget for the project including acquisition and refurbishment of the mill and the requisite civil and mechanical modifications to the existing plant is A$3 million. With the modifications we believe we will exceed current guidance for Casposo production for FY2014 and FY 2015.

"Drilling at Casposo continues to identify and extend zones of ore grade mineralisation. The key area of focus for the quarter was B Vein 2 in the underground area with the best result being **1.2m at 89.6 g/t Au_Eq**. We were also able to put our first diamond drill hole into a target area called the Kamila-Mercado Gap. Earlier RC drilling had indicated ore grade mineralisation in the area but open cut mining activity precluded further drilling until late September. Our first diamond hole returned two intercepts of **4.3m at 4.47g/t Au_Eq including 1.05m at 6.17g/t Au_Eq** and **1.15m at 19.6g/t Au_Eq.** We will continue drilling these zones, which are not currently in Reserves, during the December quarter.

"We weren't as successful with our deep drilling at Andorinhas essentially closing off the program that was looking to extend the Melechete lode at depth without success. Sill development on the lowest levels of the Melechete ore body have shown the load is more variable (comprising up to three narrow quartz veins) and on average, lower grade than the ore reserve model predicted. We now see Andorinhas reaching the end of its life during FY2014. The exact timing will depend on permitting of the Coruja pit and the results of infill drilling to be completed in the December Quarter looking to convert Inferred Resources to Reserve to support small open pits around the surface expression of where the Melechete and M2 veins outcrop.

"Pleasingly we agreed the sale of the Sandstone tenements, plant and infrastructure to Southern Cross Goldfields during the quarter which we expect to close in November. In addition to the cash component and royalty on future production from the site, Troy shareholders will benefit from the exposure to Southern Cross Goldfields' growth strategy via the 43.7 million options over SXG stock".

OPERATIONS

Group Results

		September 2012 Quarter	September 2011 Quarter	June 2012 Quarter
By Product Costing [1]	**Gold Produced oz**	28,384	24,001	29,520
	Cash Cost per oz (Net of silver credits)	A$528 US$549	A$536 US$562	A$539 US$544
Co Product Costing [2]	**Gold Produced oz (Au_Eq)**	33,389	26,861	33,838
	Cash Cost per oz (Au_Eq)	A$699 US$726	A$653 US$684	A$665 US$671

(1) *By-Product costing treats silver as a revenue stream that is deducted from the cost base*

(2) *Co-product costing converts silver to an equivalent value of gold ounces. For actual production we use prices achieved. For exploration results a ratio of 60:1 is used to match the NI43-101 Reserve and Resource Report*

OPERATIONS

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

Production

	September 2012 Quarter	September 2011 Quarter	June 2012 Quarter
Processed (t)	95,313	57,163	87,502
Head Grade Gold (g/t)	7.00	7.40	7.57
Head Grade Silver (g/t)	115.10	103.46	107.58
Recovery Gold (%)	85.76	81.09	87.98
Recovery Silver (%)	76.66	73.36	79.51
Gold Produced (oz)	18,409	11,080	18,729
Silver Produced (oz)	270,380	140,427	240,629
Produced Gold Equivalent[(1)] (oz)	23,414	13,940	23,047
Cash Cost net of Silver Credits[(2)] (per oz of gold)	A$480 US$499	A$600 US$629	A$463 US$468
Cash Cost Co-Product[(3)] (per oz of gold equivalent)	A$734 US$763	A$812 US$851	A$662 US$669

(1) Based on the ratio of sales prices realized
(2) By-product costing
(3) Co-product costing

Mining

	September 2012 Quarter	September 2011 Quarter	June 2012 Quarter
Total Ore Mined (t)	112,031	81,555	152,609
Gold Grade (g/t)	6.17	6.67	6.55
Silver Grade (g/t)	73.38	96.87	79.89
Waste Mined (BCM)	410,377	245,497	434,864

OPERATIONS

Occupational Health and Safety

There were 9 lost time injuries recorded during the quarter.

Safety Statistics	September Quarter
Man Hours	335,744
Minor Accidents	2
Accidents Requiring Medical Assistance	8
Lost Time Injuries	9
Injury Frequency	56.59
Severity Rate	1,626.24

Environment

The Company had no environmental incidents or accidents recorded for the quarter. Phase 1, including the SGS audit, for the ISO 14001 environmental accreditation has been completed. The Company is working towards the Phase 2 of the ISO 14001 Accreditation process.

Open Pit Mining

Some 112,031 tonnes of ore and 410,377 BCMs of waste were mined during the quarter. This was down on the previous Quarter due to significantly longer haul distances for waste removed during the Phase 2 of the Kamila pit stripping. In some parts of the open pit more tonnes of ore were mined at a lower grade than planned. This is predominantly due to increased dilution around the complex geometry where the different veins in the pit meet. The ore stockpile at the end of the quarter stood at 336,000t @ 5.7g/t gold and 65.09g/t silver.

Underground

The underground mining contractor's hydraulic jumbo was held up due to the increasingly complex import regime in Argentina. The jumbo eventually arrived on site in early October, more than three months behind the original schedule. We have advanced the decline more than 80m using hand held mining techniques and have

OPERATIONS

picked up some of the time lost due to the late arrival of the jumbo. Unfortunately this delay will most probably push back the delivery of high grade underground ore to the mill until the June quarter of 2013.



Mining Contractor's Hydraulic Jumbo Commenced Working in the Decline in mid-October

Processing

A focus on continuous improvement resulted in 95,313 tonnes of ore processed, a 9% increase compared to the previous quarter. Importantly the "winterization" project was completed. This included the construction of structure over the belt filters and thickeners and the introduction of pipe insulation and submersion heaters. The success of the project is evidenced by the 67% increase in tonnes processed compare to the corresponding quarter last winter.

Mill feed head grade was 7.00g/t gold and 115.1g/t silver resulting in production of 18,409oz gold and 270,380oz silver, or 23,414oz Au_Eq.



Structure over Tailings Filters and Thickeners Minimized the Impact of Freezing Weather on the Operation

Costs

The site produced 18,409oz gold at a cash cost of US$499/oz net of silver credits. Silver production was 270,380oz. Using co-product costing, where silver is converted to gold equivalent, the site produced 23,414oz of gold equivalent at a unit cash cost of US$763/oz Au_Eq.

The high rate of inflation in Argentina is impacting site costs. Most commentators predict that the currency will devalue over the next 12 months which would have a positive impact on operating costs which are reported in US dollars per ounce.

Operational Improvement Program

As part of the continuous improvement program the site is in the process of installing two additional vacuum pumps in the tailings filtering area. These are expected to be brought on line in the December quarter and should both increase tailings capacity and improve precious metals recovery.

During the quarter the Company approved a major modification to the Casposo processing plant with the addition of a ball mill in open circuit with the current SAG mill. Initial consideration of the modification commenced after early testwork indicated a finer grind had the potential to increase silver recoveries when treating the very high silver grades in the deeper Inca ore. Further analysis has indicated other significant improvements including:

- Higher throughput rates thus higher production
- Lower unit costs
- Decreased load on the SAG mill and thus lower maintenance costs and longer periods between liner changes

Due to the large ore stockpile on site we believe we will be able to increase throughput by in excess of 15%. A second hand ball mill has already been purchased and is currently being refurbished. We expect it to be operational late in the June Quarter 2013 and total capital for the project including acquisition and refurbishment and requisite civil and mechanical modifications to the existing plant in the order of A$3 million. With the modifications we believe we will exceed current guidance for Casposo production for FY2014 and FY2015.

The company has also commissioned the University of San Juan to commence test work to understand the potential to heap leach the mineralized waste mined in the open cut. The mineralized waste runs at about 0.6g/t Au. As the processing facilities are already in place all that would be required would be to construct the lined leach dump facilities. It is expected that a decision on the viability of the project would be made in calendar 2014 at the earliest.

Community and Government Relations

The Company continues to be heavily involved with the community, providing health services and social awareness training for the families of the Calingasta Village.

OPERATIONS



Students from General Manuel Savio School visiting Casposo

The Company encourages schools, universities, government bodies and social groups to visit the mine to get a better appreciation and understanding of the mining industry.

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

Production

	September 2012 Quarter	September 2011 Quarter	June 2012 Quarter
Processed (t)	64,438	63,297	67,111
Head Grade Gold (g/t)	5.13	6.73	5.30
Recovery Gold (%)	93.77	94.20	94.40
Gold Produced (oz)	9,975	12,921	10,791
Cash Cost (per oz)	A$617 US$641	A$481 US$504	A$670 US$677

Occupational Health and Safety

Reinarda has achieved 94 days without a lost time injury. For the quarter, a total of 234,608 personnel hours were worked with no lost time injury.

Environment

There were no environmental incidents during the quarter.

The reforestation team's focus has been on the restocking of the site nursery. Planting of hardwood saplings on the Company's 20 acre rehabilitation project will continue once the rainy season starts.

Production Results and Summary

Underground mining for the quarter was 50,474 tonnes of ore at an average grade of 5.58g/t gold.

Sill development on the lowest levels of the Melechete ore body have shown the lode is narrower, more variable and on average, lower grade than the ore Reserve model predicted. With the reduction in tonnes we now expect Andorinhas to reach the end of its life during FY2014. The exact timing will depend on permitting of the Coruja Pit and the results of infill drilling to be completed in the December Quarter looking to convert Resources to Reserve to support small open pits around the surface expression of where the Melechete and M2 Lodes outcrop.

During the quarter, 64,438 tonnes of ore was processed with an average head grade of 5.13g/t gold. Average gold recovery was 93.77% for the Quarter. Gold production was impacted by frequent power outages and poor quality supply from the state power supplier, CELPA which causes the processing facility to stop and restricts access to high grade underground stopes.

Gold production for the quarter was 9,975oz at a cash cost of US$641/oz.

Outlook

Permitting of new mine development remains uncertain in Brazil with a moratorium on new approvals while the Federal government reviews the relevant legislation. This is holding up development of the mining of the iron ore on the Company's leases by a local Brazilian company and production from the small Coruja open cut. Coruja is a small tonnage but attractive grade for an open cut at 5g/t gold that had been scheduled to enter the Andorinhas mill blend during calendar 2012. At this stage progress on permitting is unclear.

EXPLORATION

ARGENTINA, CASPOSO
(Troy 100% through Troy Argentina Ltd)

Drilling continued at Casposo throughout the quarter, with two rigs focused on the Kamila – Mercado Corridor including a number of infill and step-out holes that targeted the B Vein – SEXT – B Vein 2 Targets in the hangingwall of the INCA Vein.

A seven hole metallurgical drill program was completed that included three additional holes into the INCA 1 Underground Reserve and the four holes into the INCA 2 Underground Reserve (see Figure 1).

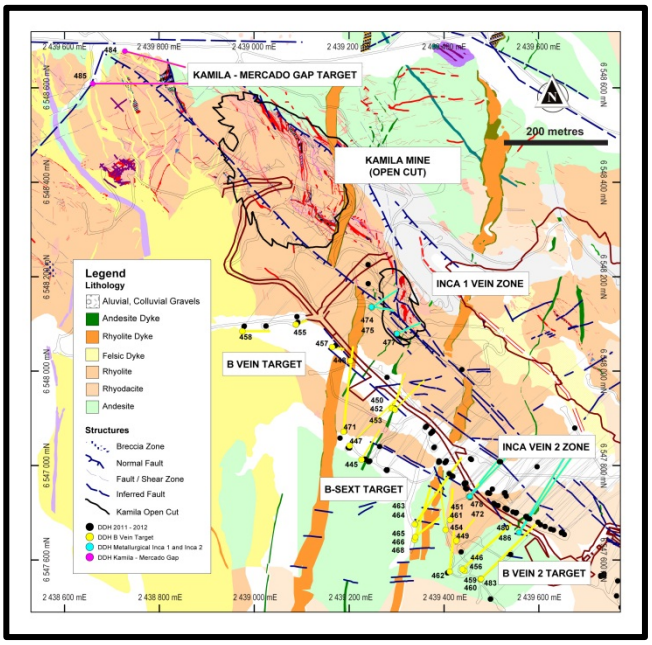

Figure 1: Kamila Southeast Trend Geology & Recent Drilling

The third rig, a smaller man-portable drill, completed first pass Diamond Core drilling at Oveja Negra and Aurora Vein Targets located 3km – 4km north of the mill. A limited number of follow-up holes were drilled on the Lucia Vein that did not yield any significant values.

Kamila – Mercado Trend – B Vein-SEXT-B Vein 2 Target

During the Quarter drilling continued on the northwest to southeast striking B Vein – SEXT Vein – B Vein 2 target located in the hangingwall of the INCA Vein. This drilling infilled the known Inferred Resource and tested the structure along strike. A number of narrow ore grade intercepts were reported. The most significant being holes CA-12-466 and 468, the two deepest holes drilled into the B Vein 2 Target. Both holes produced high grade intersections. These results open up the B Vein 2 structure at depth and along strike to the northwest and southeast. Drilling is continuing. Significant recent intercepts (see Table 1 and Figure 2) include:

- CA-12-451: **1.65m at 3.45g/t gold and 854g/t silver or 17.68g/t Au_Eq** from 262.55m;
- CA-12-454: **0.70m at 21.04g/t gold and 2155g/t silver or 56.96g/t Au_Eq** from 286.70m;
- CA-12-456: **0.8m at 1.47g/t gold and 280g/t silver or 6.14g/t Au_Eq** from 289.05m;
- CA-12-466: **1.0m at 2.92g/t gold and 664g/t silver or 13.99g/t Au_Eq** from 357.40m;
- CA-12-468: **0.50m at 13.02g/t gold and 2554g/t silver or 55.58g/t Au_Eq** from 309.60m as well as **1.20m at 24.57g/t gold and 3903g/t silver or 89.62g/t Au_Eq** from 372.80m;
- CA-12-483: **1.75m at 0.83g/t gold and 496g/t silver or 9.10g/t Au_Eq** from 331.05m.

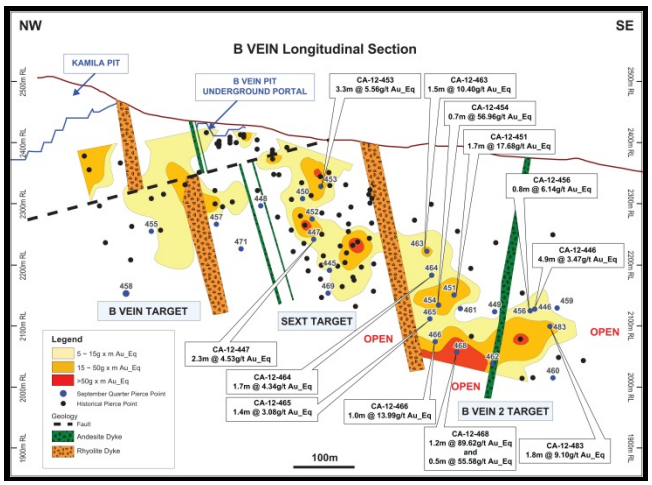

Figure 2: Generalized Longitudinal Section of Kamila Southeast Trend and Recent Drilling

Kamila – Mercado Gap Trend

Late in the quarter a rig was set-up west of the Kamila – Mercado Gap to follow-up a series of anomalous 2010 Reverse Circulation drill results intersected in 2010. The RC drilling in 2010 identified two mineralised vein orientations that included: north-south striking veins similar to the Aztec Vein in the Kamila Pit and northwest-southeast striking veins similar to the INCA Vein/B Veins at the Kamila Deposit. The earlier RC drilling results included **4m at 6.88g/t Au_Eq** from 138m and **2m at 5.51g/t Au_Eq** from 186m and were interpreted to be related to northwest-southeast striking veins while **1m at 6.59g/t Au_Eq** from 237m and **1m at 3.81g/t Au_Eq** from 252m are associated with north – south striking veins.

Drilling in this area is difficult due to the rugged topography and the targets close proximity to the open pit mine operations.

Two new Diamond Core holes drilled during the quarter targeted the northwest-southeast striking "INCA Vein type" structures. Both holes hit mineralised quartz veins. Drilling is continuing. Significant recent intercepts (see Table 2 and Figure below) include:

EXPLORATION

- CA-12-484: **1.2m at 1.84g/t gold and 1,068g/t silver or 19.64g/t Au_Eq** from 173.1m;
- CA-12-485: **4.3m at 0.35g/t gold and 247g/t silver or 4.47g/t Au_Eq** from 218m.

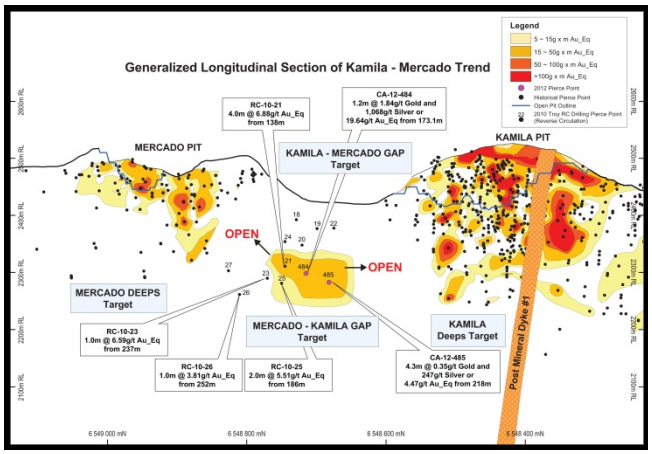

Figure 3: Kamila – Mercado Gap Longitudinal Section

Aurora- Oveja Negra Target

A "first pass" drill test of the Aurora Vein and a limited drilling program targeting the Oveja Negra Veins, as follow-up to three historical holes was completed. All of the holes hit the vein and host structures as expected but assays results for gold were erratic and silver values were disappointing. Most of the anomalous intercepts were narrow, tectonized zones consisting of brecciated veins. Drilling in the outcropping vein target area north of the mine is ongoing with a follow-up hole under hole AU-12-07 underway. Recent intercepts (see Table 3) include:

- AU-12-05: **0.65m at 3.46g/t gold and 5g/t silver or 3.54g/t Au_Eq** from 48.95m;
- AU-12-06**: 0.70m at 4.17g/t gold and 8g/t silver or 4.31g/t Au_Eq** from 49.25m as well as **0.75m at 6.35g/t gold and 9g/t silver or 6.51g/t Au_Eq** from 86.25m;
- AU-12-07: **0.50m at 17.56g/t gold and 23g/t silver or 17.94g/t Au_Eq** from 86.65m;
- AU-12-08: **0.60m at 5.25g/t gold and 5g/t silver or 5.34g/t Au_Eq** from 87.10m.

Target Generation and Evaluation Program

Current plans include completion of a follow-up drill test of selected veins at Aurora followed by "first pass" drilling of the Sonia and Kamila Offset Targets using the man-portable rig. This rig will then be moved to the Castaño JV areas and subsequent to that drilling will then be relocated to the Julieta Target where follow-up drilling is planned on the South Vein Zone.

Detailed mapping and channel sampling is underway in the Panzón-Daniela Zone northwest of the Mercado Deposit. This work will be followed by drilling.

Recent targeting efforts have focused on structural interpretation of geophysical data and multi-element geochemical "finger printing" of the outcropping veins. In addition, a spectral analysis and characterization of alteration associated with all of the outcropping veins will commence shortly. All of these new data sets as well as data from the planned ground geophysical program scheduled for the western "covered area" of the Casposo Project will be employed to identify targets between Mercado and Julieta.

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

Underground Exploration-Melechete Extension Drilling (870m – 850m Level)

Underground drilling was focused on the area immediately below the Reserve targeting the 870m and 850m levels of the Melechete Lode. This drilling has confirmed that the Melechete Lode dips steeply to the northeast and rather than one broad quartz lode, it now has split into several narrower quartz veins each hosted within biotite-pyrite altered shear zones. The current drilling is focused on the eastern portion of Melechete Lode below the 890m level which has yielded encouraging gold values. The western portion of the lode below the Reserve has produced only narrow slightly anomalous or low grade values. This drilling is ongoing with the hope of outlining limited zones of mineralisation that warrant development below the Reserve to a limited extent on the 870m east and possibly 850m level. Significant recent intercepts (see Figure 4 and Table 4) include:

- MUD236: **1.0m at 7.68g/t gold** from 62.8m;
- MUD237: **1.0m at 4.65g/t gold** from 68.9m;
- MUD239: **3.0m at 14.25g/t gold** from 77.7m;
- MUD244: **2.0m at 15.81g/t gold** from 89.0m;
- MUD246: **3.9m at 4.00g/t gold** from 125.0m.

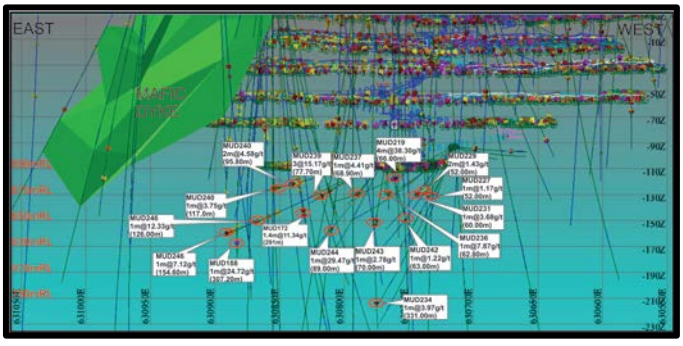

Figure 4 Melechete Extension Drilling Longitudinal Section 920mRL – 850mRL Levels

EXPLORATION

Underground Exploration-Melechete Lode Deeps Drilling

Deeper underground drilling to test Melechete Lode extensions below the Reserve has been completed. This drilling targeted the east and west flanks of the Reserve at depth as well as beyond the felsic and mafic post mineral dykes. No significant values were reported (See Figure 5 below and Table 5). No further deep drilling is planned.

Future Drilling - Andorinhas

Exploration drilling will now focus on infill drilling of surface targets including several small pits currently classified as Inferred Resources with the hopes to convert these to potential ore sources. Underground a limited infill drilling program on the Arame Inferred Resource below the 980m level.

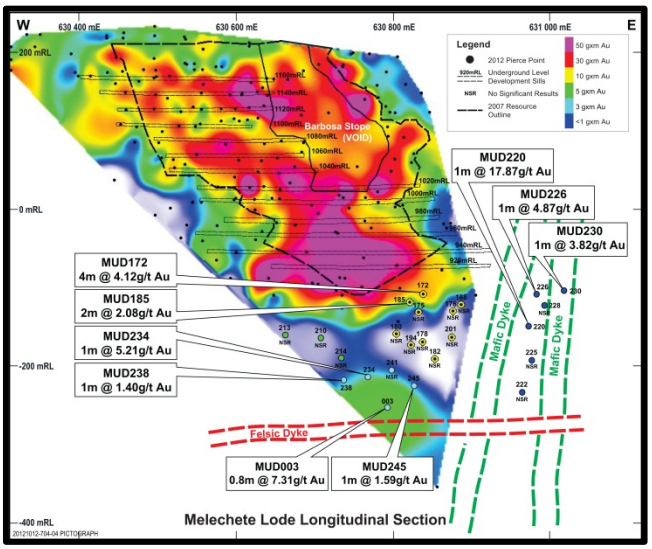

Figure 5: Melechete Extension Program Drill Hole Pierce Points

FINANCE REPORT

Cash Position

As at 30 September 2012, Troy within Australia held A$26.7 million in available cash with major Australian banks and A$17.8 million (US$18.5 million) cash in Canada from recent Argentine gold and silver sales. The funds from the Argentine sales are required to be transferred via Argentina before remitting any surpluses to Australia. Troy also holds a further A$2.8 million in restricted cash deposits as security for various environmental bonds within Australia.

Troy's wholly owned Brazilian subsidiaries held available cash of A$0.8 million (equivalent) and the Argentine branch of its Canadian subsidiary held available cash of A$7.5 million (equivalent).

The Troy group's available cash as at 30 September 2012 was A$52.9 million.

Debt Facility

Troy's debt facility with Investec Bank (Australia) Limited ("Investec") has a three-year term from 31 March 2010 and was initially A$35.0 million. The facility reduced as per the amortization schedule to A$8.75 million on 30 September 2012. The facility further reduces to $nil on 31 March 2013.

As at 30 September 2012 the remaining principal balance outstanding to Investec under the facility was A$5.0million. Principal repayments made during the quarter totaled A$10.0 million and a further A$5.0 million was repaid ahead of schedule on 10 October 2012, leaving $nil principal outstanding.

Net Cash

Troy's available cash net of total debt at 30 September 2012 was A$47.9 million. This compares with A$40.9 million as at 30 June 2012 an increase of A$7.0 million for the quarter.

Bullion & Doré Available for Sale

At quarter end, Reinarda Mineração Ltda ("RML") in Brazil held 1,461oz of gold awaiting sale (A$2.5 million at $1,711/oz). Troy Resources Argentina Ltd ("TRAL") had forward sold all gold equivalent ounces in process or in transit to the Canadian refinery.

The Troy Group's bullion and doré available for sale totaled A$2.5 million as at 30 September 2012.

Doré at Site

At quarter end TRAL held approx. 8,091oz Au_Eq as doré on site at Casposo in Argentina (A$13.8 million at $1,711/oz) awaiting third party assays prior to being available for export and sale.

Argentine Income Tax Payable

Troy was not required to pay income tax in Argentina for the calendar year to 31 December 2011 due to sufficient prior year carry forward income tax losses. Income tax for the calendar year to 31 December 2012 is not due for payment until May 2013.

FINANCE REPORT

Gold & Silver Sales

Gold sales from RML in Brazil during the quarter totaled 9,999oz at an average price of US$1,648/oz. The average cash cost was US$641/oz, which gives a cash margin before government taxes and royalties of US$1,007/oz for the quarter. Underground development capital expenditures at RML were approximately US$167/oz produced for the quarter.

During the quarter, Troy Argentina physically out-turned and sold 12,086oz gold at an average price of US$1,650/oz. The average cash cost was US$538/oz net of silver credits at US$30/oz (162,399oz silver) which gives a cash margin before government taxes and royalties of US$1,112/oz of gold. Also note forward sales below.

Forward Sales

Due to the high silver content of the Casposo doré and resulting time for the refinery to process plus the Argentine export requirements, sales can be six weeks in arrears of actual production.

During September, all doré exported to the Canadian refinery was forward sold based on acceptance by the refinery and the refinery's pledge to the precious metals purchaser. Troy forward sold two Argentine shipments totaling 5,992oz gold at US$1,758/oz. The average cash cost was US$480/oz net of silver credits at US$34/oz (78,759oz silver) which gives a cash margin before government taxes and royalties of US$1,278/oz.

Hedging

The Troy Group's future production is totally unhedged.

Sale of the Sandstone Site

The Company announced the sale of the Sandstone tenements, plant and infrastructure to Southern Cross Goldfields (SXG) on 14 August 2012. Consideration for the sale includes A$5 million cash, a 2% NSR royalty on future production from the Sandstone leases and 43.7 million 5-year options over SXG share with an exercise price of 10 cents per share. The sale is expected to close in November 2012.

Exploration Expenditure

During the quarter, total exploration expenditure incurred was A$4.8 million. Of this, A$4.3 million related to Argentina, and A$0.5 million to Brazil.

Capital Expenditure

Capital and development expenditure during the quarter was A$9.3 million. Of which, A$2.4 million was incurred at the Andorinhas project in Brazil for ongoing underground development and capital purchases. A$6.9 million was incurred at the Casposo Project in Argentina from the winterization project and the commencement of underground development including related capital equipment.

CORPORATE INFORMATION

Directors

David Dix, Non-Executive Chairman
Paul Benson, CEO, Managing Director
Ken Nilsson, Executive Director
Gordon Chambers, Non-Executive Director
Fred Grimwade, Non-Executive Director
John Jones, Non-Executive Director
Robin Parish, Non-Executive Director

Stock Exchange Listings

Australian Stock Exchange, ASX code: TRY
Toronto Stock Exchange, TSX code: TRY

Issued Capital (as at 8 October 2012)

Ordinary Shares	90,789,649
Unlisted Employee Options	1,483,000
Employee Performance Rights	20,000
Investec (Australia) Bank Options	1,585,293

For further information please contact:

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ABOUT TROY RESOURCES LIMITED

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.

ABOUT TROY RESOURCES LIMITED

Following the development of the Casposo project in Argentina, Troy has entered a renewed growth phase which has lifted 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.



DRILLING RESULTS

Competent Person's Statement

Geological information in this Report has been compiled by Troy's Vice President Exploration & Business Development, Peter Doyle, who:

- Is a full time employee of Troy Resources Limited
- Has sufficient experience which is relevant to the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'
- Is a Fellow of the Australasian Institute of Mining and Metallurgy
- Has consented in writing to the inclusion of this data

Information of a scientific or technical nature in this report was prepared under the supervision of Peter J. Doyle, Vice President Exploration and Business Development of Troy, a "qualified person" under National Instrument 43-101 – "Standards of Disclosure for Mineral Projects", a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Doyle has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a "qualified person" as defined in "National Instrument 43-101 – Standards of Disclosure for Mineral Projects". Mr Doyle has reviewed and approved the scientific and technical information contained in this report. For further information regarding the Company's projects in Brazil, Australia and Argentina, including a description of Troy's quality assurance program, quality control measures, the geology, samples collection and testing procedures 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.

Table 1 - Kamila Southeast – B Vein, SEXT Vein and B Vein 2 Vein Targets – Infill & Step-out Drilling
Summary of Significant Assay Results – September Quarter 2012

Hole ID	Easting (m)	Northing (m)	Elevation (m)	Depth (m)	Azimuth	Dip	From (m)	To (m)	Downhole Length * (m)	Gold Grade (g/t)	Silver Grade (g/t)	Grade (g/t) (Au_Eq)	Downhole Interval (m grading g/t gold and g/t silver or g/t Au_Eq)
CA-12-446	2439442	6547578	2388	381	045	-72	285.70	286.30	0.60	2.06	594	11.95	4.90m at 0.73g/t gold and 164g/t silver or 3.47g/t Au_Eq from 286.30m. (B Vein 2)
							286.30	286.90	0.60	0.61	105	2.36	
							286.90	288.40	1.50	0.27	74	1.51	
							288.40	289.75	1.35	0.19	28	0.66	
							289.75	290.60	0.85	1.54	278	6.17	
CA-12-447	2439201	6547837	2414	260	045	-57	212.60	213.00	0.40	3.91	64	4.98	0.40m at 3.91g/t gold and 64g/t silver or 4.98g/t Au_Eq from 212.60m. (B SEXT Vein)
							217.50	218.00	0.50	4.45	312	9.65	
							218.00	219.00	1.00	2.12	146	4.56	
							219.00	219.80	0.80	0.66	39	1.31	2.30m at 2.12g/t gold and 145g/t silver or 4.53g/t Au_Eq from 217.50m. (B SEXT Vein)
CA-12-449	2439427	6547651	2386	377.5	040	-85	281.00	281.60	0.60	0.66	282	5.36	1.30m at 0.41g/t gold and 179g/t silver or 3.39g/t Au_Eq from 281.00m including: 0.60m at 0.66g/t gold and 282g/t silver or 5.36g/t Au_Eq from 281.00m. (B Vein 2)
							281.60	282.30	0.70	0.20	90	1.70	

DRILLING RESULTS

CA-12-451	2439414	6547685	2394	324	009	-78	**262.55**	**263.55**	**1.00**	**5.13**	**1228**	**25.59**	**1.65m at 3.45g/t gold and 854g/t silver or 17.68g/t Au_Eq from 262.55m. (B Vein 2)**
							263.55	**264.20**	**0.65**	**0.86**	**279**	**3.58**	
CA-12-453	2439296	6547922	2417	161	043	-57	**118.50**	**119.30**	**0.80**	**2.10**	**153**	**4.66**	**3.30m at 2.63g/t gold and 176g/t silver or 5.56g/t Au_Eq from 118.50m.(B SEXT Vein)**
							119.30	**120.10**	**0.80**	**2.41**	**112**	**4.27**	
							120.10	**120.90**	**0.80**	**0.70**	**65**	**1.78**	
							120.90	**121.80**	**0.90**	**5.03**	**350**	**10.87**	
CA-12-454	2439406	6547649	2394	315	355	-73	**286.70**	**287.40**	**0.70**	**21.04**	**2155**	**56.96**	**0.70m at 21.04g/t gold and 2155g/t silver or 56.96g/t Au_Eq from 286.70m (B Vein 2)**
CA-12-456	2439435	6547583	2388	450	45	-72	**289.05**	**289.85**	**0.80**	**1.47**	**280**	**6.14**	**0.80m at 1.47g/t gold and 280g/t silver or 6.14g/t Au_Eq from 289.05m (B Vein 2)**
CA-12-463	2439331	6547678	2405	290	35	-54	**240.00**	**240.65**	**0.65**	**5.66**	**929**	**21.14**	**1.45m at 2.80g/t gold and 456g/t silver or 10.40g/t Au_Eq from 240.00m (B Vein 2)**
							240.65	**241.45**	**0.80**	**0.48**	**72**	**1.68**	
CA-12-464	2439331	6547678	2405	303	35	-64	**262.70**	**263.30**	**0.60**	**1.09**	**233**	**4.96**	**1.70m at 0.39g/t gold and 237g/t silver or 4.34g/t Au_Eq from 262.70m (B Vein 2)**
							263.30	**264.40**	**1.10**	**-0.01**	**239**	**3.97**	
CA-12-465	2439329	6547646	2408	390	17	-73	**327.45**	**328.25**	**0.80**	**1.14**	**125**	**3.23**	**1.35m at 0.93g/t gold and 129g/t silver or 3.08g/t Au_Eq from 327.45m (b Vein 2)**
							328.25	**328.80**	**0.55**	**0.62**	**135**	**2.87**	
CA-12-466	2439338	6547643	2408	420	17	-78	**357.40**	**358.40**	**1.00**	**2.92**	**664**	**13.99**	**1.00m at 2.92g/t gold and 664g/t silver or 13.99g/t Au_Eq from 357.40m (B Vein 2)**
CA-12-468	2439338	6547643	2408	440	48	-80	**309.60**	**310.10**	**0.50**	**13.02**	**2254**	**55.58**	**0.50m at 13.02g/t gold and 2554g/t silver or 55.58g/t Au_Eq from 309.60m (B Vein 2)**
							372.80	**373.40**	**0.60**	**17.92**	**2583**	**60.98**	**1.20m at 24.57g/t gold and 3903g/t silver or 89.62g/t Au_Eq from 372.80m (B Vein 2)**
							373.40	**374.00**	**0.60**	**31.21**	**5223**	**118.30**	
CA-12-483	2439478	6547560	2390	381.5	45	-74	**331.05**	**332.80**	**1.75**	**0.83**	**496**	**9.10**	**1.75m at 0.83g/t gold and 496g/t silver or 9.10g/t Au_Eq from 331.05m(B Vein 2)**

DRILLING RESULTS

Note: For Table 1, Table 2 and Table 3:
(*) 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)

Table 2: Kamila – Mercado Gap Target Diamond Core "DC" Drilling
Significant Assay Results –September Quarter 2012

Hole ID	Easting (m)	Northing (m)	Elevation (m)	Depth (m)	Azimuth	Dip	From (m)	To (m)	Length* (m)	Gold Grade (g/t)	Silver Grade (g/t)	Grade (g/t) (Au_Eq)	Downhole Interval (m at g/t gold - g/t silver and g/t Au_Eq)
CA-12-484	2438727	6548678	2437	263.40	105	-60	**327.45**	**328.25**	**0.80**	**1.14**	**125**	**3.23**	**1.05m at 0.60g/t gold and 134g/t silver or 6.17g/t Au_Eq from 152.70m**
							173.10	**174.25**	**1.15**	**1.84**	**1068**	**19.64**	**1.15m at 1.84g/t gold and 1068g/t silver or 19.64g/t Au_Eq from 173.10m**
CA-12-485	2438659	6548609	2447	383.70	090	-45	**218.00**	**222.25**	**4.25**	**0.35**	**247**	**4.46**	**4.25m at 0.35g/t gold and 247g/t silver or 4.46g/t Au_Eq from 218.00m**

Note: Refer to Table 1 for Complete Footnotes

DRILLING RESULTS

Table 3: Aurora Vein and Oveja Negra Targets Diamond Core "DC" Drilling Significant Assay Results –September Quarter 2012

Hole ID	Easting (m)	Northing (m)	Elevation (m)	Depth (m)	Azimuth	Dip	From (m)	To (m)	Length* (m)	Gold Grade (g/t)	Silver Grade (g/t)	Grade (g/t) (Au_Eq)	Downhole Interval (m at g/t gold - g/t silver and g/t Au_Eq)
AU-12-03	2439117	6550876	2635	130.2	60	-60	**37.00**	**37.55**	**0.55**	**2.05**	**3**	**2.09**	**0.55m at 2.05g/t gold and 3g/t silver or 2.09g/t Au_Eq from 37.00m**
AU-12-05	2439117	6550877	2635	133.0	50	-85	**48.95**	**49.60**	**0.65**	**3.46**	**5**	**3.54**	**0.65m at 3.46g/t gold and 5g/t silver or 3.54g/t Au_Eq from 48.95m**
							72.80	**73.20**	**0.40**	**2.15**	**9**	**2.30**	**0.40m at 2.15g/t gold and 9g/t silver or 2.30g/t Au_Eq from 72.80m**
AU-12-06	2439116	6550877	2635	129.0	60	-85	**49.25**	**49.95**	**0.70**	**4.17**	**8**	**4.31**	**0.70m at 4.17g/t gold and 8g/t silver or 4.31g/t Au_Eq from 49.25m**
							86.25	**87.00**	**0.75**	**6.35**	**9**	**6.51**	**0.75m at 6.35g/t gold and 9g/t silver or 6.51g/t Au_Eq from 86.25m**
AU-12-07	2439116	6550876	2635	120.5	75	-85	**86.65**	**87.15**	**0.50**	**17.56**	**23**	**17.94**	**0.50m at 17.56g/t gold and 23g/t silver or 17.94g/t Au_Eq from 86.65m**
AU-12-08	2439117	6550876	2635	101.0	100	-85	**49.05**	**50.05**	**1.00**	**3.93**	**5**	**4.01**	**1.00m at 3.93g/t gold and 5g/t silver or 4.01g/t Au_Eq from 49.05m**
							87.10	**87.70**	**0.60**	**5.25**	**5**	**5.34**	**0.60m at 5.25g/t gold and 5g/t silver or 5.34g/t Au_Eq from 87.10m**
ON-12-03	2438842	6550532	2610	149.4	140	-65	**66.00**	**67.15**	**1.15**	**2.43**	**4**	**2.49**	**1.15m at 2.43g/t gold and 4g/t silver or 2.49g/t Au_Eq from 66.00m**
ON-12-08	2438931	6550635	2598	238.4	150	-60	**67.00**	**67.85**	**0.85**	**2.78**	**11**	**2.97**	**0.85m at 2.78g/t gold and 11g/t silver or 2.97g/t Au_Eq from 67.00m**

Note: **Refer to Table 1 for Complete Footnotes**

DRILLING RESULTS

Table 4: Andorinhas Significant Drill Assay Results
Melechete Lode Extensional Target - 870mRL to 850mRL
September Quarter 2012

Hole	Easting (m)	Northing (m)	Elevation (m)	Depth (m)	Azimuth	Dip	From (m)	To (m)	Downhole *Length (m)	RML Assay (g/t Gold)	SGS Assay (g/t Gold)
MUD231	630716.8	9175398.9	-93.50	110.7	37°	-39°	**60.0**	**61.0**	**1.0**	**3.68**	**3.94**
MUD236	630767.2	9175382.9	-100.30	92.9	0°	-30°	**62.8**	**64.8**	**2.0**	**5.37**	**5.13**
				including			**62.8**	**63.8**	**1.0**	**7.87**	**7.68**
MUD237	630768.0	9175382.9	-100.40	92.5	-21°	-21°	**67.9**	**69.9**	**2.0**	**3.02**	**3.08**
				including			**68.9**	**69.9**	**1.0**	**4.41**	**4.65**
MUD239	630768.6	9175382.9	-100.40	104.7	36°	-21°	**77.7**	**80.7**	**3.0**	**15.17**	**14.25**
							77.7	**78.7**	**1.0**	**31.01**	**28.04**
							88.4	**88.4**	**1.0**	**5.57**	**4.80**
							90.7	**92.7**	**2.0**	**3.55**	**3.14**
				including			**90.7**	**91.7**	**1.0**	**4.47**	**3.64**
MUD244	630768.6	9175383.0	-100.31	113.4	36°	-41°	**89.0**	**91.0**	**2.0**	**17.43**	**15.81**
				including			**89.0**	**90.0**	**1.0**	**32.48**	**29.47**
MUD246	630769.5	9175382.7	-100.20	158.6	55°	27°	**105.3**	**109.3**	**4.0**	**1.71**	**1.73**
							115.0	**117.0**	**2.0**	**2.12**	**1.63**
							125.0	**128.9**	**3.9**	**4.75**	**4.00**
				including			**126.0**	**126.9**	**0.9**	**12.33**	**9.12**
							147.6	**155.6**	**8.0**	**2.84**	**2.46**
				including			**154.6**	**155.6**	**1.0**	**7.12**	**6.68**

Note: (*) The column length represents downhole widths
NSR – No Significant Results
(**) All samples were prepared and assayed by the RML Mine site laboratory with selected check sampling by SGS Mineral Services Laboratory using Method FA50 being Fire Assay on a 50 gram charge with an AAS finish.

DRILLING RESULTS

Table 5: Andorinhas Significant Drill Assay Results
Melechete Lode Deeps Target
September Quarter 2012

Hole	Easting (m)	Northing (m)	Elevation (m)	Depth (m)	Azimuth	Dip	From (m)	To (m)	Downhole *Length (m)	RML Assay (g/t Gold)	SGS Assay (g/t Gold)
MUD220	630946.4	9175646	72.82	327.7	166°	-62°	**288.5**	**289.5**	**1.0**	**17.87**	**15.40**
MUD226	630946.5	9175646	72.95	319.5	163°	-53°	**232.1**	**233.1**	**1.0**	**4.59**	**4.30**
							269.1	**272.1**	**3.0**	**2.90**	**2.79**
				Including			**270.1**	**271.1**	**1.0**	**4.87**	**5.36**
MUD228	630947.0	9175646	72.76	322.8	134°	-64°	**79.0**	**80.0**	**1.0**	**2.24**	**1.42**
MUD230	630947.4	9175646	72.91	325.6	141°	-49°	**195.0**	**196.0**	**1.0**	**3.82**	**1.73**
MUD234	630763.5	9175574	102.95	353.5	98°	-82°	**331.0**	**332.0**	**1.0**	**5.21**	**3.97**

Note: (*) The column length represents downhole widths
NSR – No Significant Results
(**) All samples were prepared and assayed by the RML Mine site laboratory with selected check sampling by SGS Mineral Services Laboratory using Method FA50 being Fire Assay on a 50 gram charge with an AAS finish

- ***This announcement contains "forward-looking statements" and "forward-looking information", based on assumptions and judgements of management regarding future events and results. Such "forward-looking statements" and "forward-looking information" which may include, but are not limited to statements as to forecasted production, operating costs, capital costs, cash balances, profitability, the realization of mineral reserve and resource estimates, the discovery of additional mineral resources and reserves including those at Andorinhas, the pursuit of new growth opportunities, the completion of the sale of the Sandstone operation, the costs and timing of the development of the underground mine at Casposo, the expected life of the Andorinhas mine. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "is expecting", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. The purpose of forward-looking information is to provide the audience with information about management's expectations and plans. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Troy and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, future prices of gold and silver, the actual results of current production, development and/or exploration activities, changes in project parameters as plans continue to be refined, variations in grade or recovery rates, plant and/or equipment failure, the possibility of cost overruns ,the timing and availability of necessary permits, as well as those factors disclosed in the Company's filed documents. There can be no assurance that the Company's plans will proceed as planned or that they will be successfully completed within expected time limits and budgets or that, when completed, expected production levels will be achieved.***
- ***Forward-looking information and statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. The Company believes that the assumptions and expectations reflected in such forward-looking statements and information are reasonable. Assumptions have been made about, among other things: the accuracy of the capital and operating costs estimates, the price of gold and silver and the accuracy of mineral resource and reserve estimates. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used.***
- ***Troy does not undertake to update any forward-looking information or statements, except as required by applicable securities laws.***