



**TROY RESOURCES LIMITED**  
ABN: 33 006 243 750

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## PRESS RELEASE

28 August 2014

### RESULTS FOR THE YEAR ENDED 30 JUNE 2014

- **Record gold equivalent production of 132,939 ounces (2013: 127,060 ounces)**
- **Revenue \$178.0 million impacted by lower metal prices (2013: \$202.7 million)**
- **EBITDA<sup>1</sup> of \$29.7 million (2013: \$64.0 million)**
- **Underlying profit after tax<sup>2</sup> of \$2.2 million and net loss after tax of \$59.1 million (2013: Profit \$18.6 million) due primarily to a non-cash asset impairment of the Karouni gold project in Guyana of \$61.2 million**
- **Underlying profit after tax in the second half of the year of \$9.0 million compared with a loss of \$6.8 million in the first half**
- **Completed the largest Resource drill-out in the Company's history resulting in an 89% conversion of Resources to Reserves for the Karouni Open Cut Project**
- **Commenced construction at Karouni following completion of the off-market takeover of Azimuth Resources Limited**

**Perth, Western Australia:** Troy Resources Limited (ASX, TSX: TRY) today announced an underlying profit after tax of \$2.2 million for the financial year ended 30 June 2014 achieved on a 4.6% increase in annual gold equivalent production of 132,939 ounces. After a \$61.2 million non-cash asset impairment charge for Karouni, Troy recorded a net loss after tax of \$59.1 million for the year.

The underlying profit of \$2.2 million for the financial year represents a profit for the six months to 30 June 2014 of \$9.0 million as against a loss for the half-year to 31 December 2013 of \$6.8 million. The stronger production and sales volumes for the second half together with lower costs resulted in an improvement in Gross Profit of \$21.9 million. The result, however, was adversely impacted by lower gold and silver prices and foreign exchange losses resulting from the devaluation of the Argentine peso against the Australian and US currencies.

Karouni was acquired through a non-cash, scrip for scrip takeover offer for Azimuth Resources Limited which was completed in August 2013. Troy has completed the first part of the Karouni Pre-Feasibility Study focussed on the open pit only which has shown it to be an economically robust project with a payback period of just over a year and an after tax IRR in excess of 50%. First production from Karouni remains on track for before the end of FY2015.

Drilling is continuing on the Smarts underground target which is the focus of the second stage of the Karouni Pre-Feasibility Study. During FY2014, the focus has been on Resource infill drilling within the Resource Model. In August, Brownfields drilling commenced, focussed on testing targets along strike of the Smarts and Hicks deposits. More than 30 targets have been identified within 20km of the new plant site which will be prioritised and progressively drill tested in the coming years. The Board is confident that further Resource ounces will continue to be added at Karouni.

At the time Azimuth was acquired, the Karouni Project was accounted for as an exploration asset and its carrying value assessed under AASB 6 Exploration for and Evaluation of Mineral Resources. However, with development of Karouni having progressed and the open cut phase of the Pre-Feasibility Study released, the Company is now required to account for it in accordance with AASB136 Impairment of Assets. AASB 136 does not permit the attribution of any value for potential near mine exploration success until evidenced by successful drilling and resources being identified. As a result, the Company has been required to write down the carrying value of Karouni. This accounts for the majority of the non-cash impairment loss. The impairment loss has no impact on Troy's debt facilities or its operations.

Commenting on the results, Troy Chairman, David Dix said: **“Troy has delivered higher gold equivalent production and has established a strong foundation from which to continue to grow our production in the coming years. The Company has a target rich, highly prospective, Brownfields exploration portfolio in Guyana, which we have just begun to explore, and the Board is confident that Resource ounces will continue to be added to the Karouni Project over time.”**

**“Whilst our current funding requirement for development of Karouni precludes payment of a dividend, shareholders should be aware that the Board is very conscious of the Company's extensive record of dividend payments and will look to resume payments as soon as prudently possible.”**

A copy of the ASX Appendix 4E Preliminary Final Results for the year ended 30 June 2014 can be accessed via the Troy website under “Latest News”. The report can also be found under the Company's profile on the SEDAR website.

<sup>1</sup> EBITDA is 'Earnings before interest, income taxes, depreciation and amortisation and non-cash impairment charges'.

<sup>2</sup> Underlying profit after tax is 'profit after tax before non-cash impairment charges.'

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## **ABOUT TROY RESOURCES**

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 Resource 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.

## PROJECT LOCATIONS



## IMPORTANT NOTICES

*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 may include, but are not limited to statements as to the realization of mineral reserve and resource estimates, exploration potential and the development of a mine at the Karouni project. 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, 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 in accordance with applicable securities laws.*