



TROY RESOURCES LIMITED



Quarterly Report

For the three months ended 30 June 2015

HIGHLIGHTS

- » **Group gold production of 25,773oz. Au_Eq.**
- » **Record silver production of 920,875oz. ~ an increase of 21% compared with the March quarter.**
- » **Record underground ore production at Casposo of 60,794 tonnes.**
- » **Group C1 Cash Cost in the quarter of US\$825/oz. Au_Eq (co-product basis) and YTD of US\$726/oz.**
- » **Fast track construction of Karouni Plant nearing completion.**
- » **Operations established within the INCA 2 vein at Casposo.**
- » **Successful completion of a two stage Share Placement and Share Purchase Plan to raise \$35.5 million (after costs).**
- » **Repayment schedule agreed with Investec.**

SUMMARY

The April to June quarter turned out to be one of the most productive and challenging periods in Troy's extensive history.

From a standing start, with civil works commencing in February 2015, the Karouni team have essentially completed the build of a 1 million tonne per annum CIL plant in the middle of the jungle, in the peak rainfall season. With only minor works now required on the mill installation and thickener fabrication, Karouni is set to "start-up" by the middle of August. The cost of construction to 30 June 2015 was US\$69.5 million. Mining works are well advanced ensuring that sufficient ore sources will be available once wet commissioning begins in early September.

Further to the recent capital raising, an aggressive exploration drilling campaign will begin in September with the objective being to identify additional resource targets that will potentially keep the new mill turning for many years to come.

At Casposo, the team achieved substantial increases in ore tonnes mined and total metal ounces produced, but this was still insufficient to counter the depressed state of precious metals prices, particularly the punitive silver to gold ratio as the mine transitions deeper into a more silver rich environment.

As a result of this situation, the regional exploration and underground extension programmes at Casposo have been curtailed in favour of focusing all exploration funds within the Karouni tenements.

A detailed cost and operational review is currently underway at the mine in an effort to restore profitability in the face of tough economic conditions.

The Andorinhas operation is now in the process of closure with rehabilitation work and remnant stockpile treatment underway. All activities are expected to be finalised before the end of the September quarter.

Quarterly Report

For the three months ended 30 June 2015



GROUP RESULTS

	June 2015 Quarter	March 2015 Quarter	YTD FY 2015
Gold Produced (oz.)	13,106	20,631	78,001
Silver Produced (oz.)	920,875	760,659	3,111,182
Gold Equivalent Produced (oz.)	25,773	31,048	121,835
Co Product Costing ⁽¹⁾ - Cash Cost (per oz.)	US\$825	US\$685	US\$726

⁽¹⁾ Co-Product costing converts silver to an equivalent value of gold ounces. For actual production we use sales prices realised.

OPERATIONS

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

Production Summary	June 2015 Quarter	March 2015 Quarter	YTD FY 2015
Processed (t)	117,079	129,408	509,489
Head Grade Gold (g/t)	2.62	4.00	3.73
Head Grade Silver (g/t)	305.31	225.72	235.72
Recovery Gold (%)	91.82	90.76	91.42
Recovery Silver (%)	80.13	81.00	80.57
Gold Produced (oz.)	9,069	15,108	55,859
Silver Produced (oz.)	920,875	760,659	3,111,182
Gold Equivalent Produced ⁽¹⁾ (oz.)	21,736	25,525	99,693
Gold Sold (oz.)	10,158	14,823	56,857
Silver Sold (oz.)	822,239	713,204	3,053,127
Gold Equivalent Sold (oz.)	21,469	24,602	99,786
Gold Price Realised (per oz.)	US\$1,190	US\$1,205	US\$1,215
Silver Price Realised (per oz.)	US\$16.36	US\$16.55	US\$17.10
Cost	US\$/oz.	US\$/oz.	US\$/oz.
C1 Cash Cost (Co-Product basis) ⁽²⁾	820	621	688
Refining and transport costs	28	34	34
Reclamation and remediation - amortisation	19	17	14
Corporate general & administration costs	41	41	45
Royalties, export tax and local taxes	133	115	128
Insurance	13	11	11
Exploration	22	8	13
Mine development ⁽³⁾	278	210	207
Capital equipment ⁽³⁾	9	2	10
All-In Sustaining Cost (AISC) (Co-Product basis) ⁽²⁾	US\$1,363	US\$1,059	US\$1,150

⁽¹⁾ Based on the ratio of monthly 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⁾ Previous quarters have been adjusted to exclude non-sustaining cost

Quarterly Report

For the three months ended 30 June 2015



Occupational Health, Safety and Environment

Safety Statistics	June Quarter
Man Hours	352,443
Minor Accidents	0
Accidents requiring medical assistance	6
Lost time injuries	5
Injury Frequency	31.21
Severity rate	0.98

Pleasingly Casposo has seen the accident rate decrease by 40% and the lost time injury rate decrease by 37% in comparison with the previous quarter.

No environmental incidents were recorded for the quarter.

Underground Mining and Development

	June 2015 Quarter	March 2015 Quarter	YTD FY 2015
Total Ore Mined (t)	60,794	46,609	187,328
Gold Grade (g/t)	2.64	8.02	5.72
Silver Grade (g/t)	480.81	586.20	524.02
Total Development (m)	1,091	1,065	4,635

During the quarter, ore production was focused in the INCA 1 orebody. The higher grade zones of INCA 1 have now largely been mined out and the majority of ore has come from the lower levels of the ore body. As mining progresses at depth in INCA 1, the gold grade decreases, but the silver grade increases. Mining productivity has increased with 30% more ore mined than the previous quarter and this has resulted in record silver production for the June quarter of 920,875oz., however quarterly gold production has decreased to only 9,069oz.

Mine development rates continue to be high with 1,091m completed during the quarter. The INCA 2A decline ramp and sill drives were the priority headings during the quarter with three levels now largely completed. Stopping in INCA 2A is planned to commence during the September quarter albeit with the same higher silver grades and lower gold grades as anticipated by the ore grade model.

Processing

The plant processed 117,079 tonnes for the quarter, with throughput impacted by a scheduled two day mill shutdown. Recovery levels remain high, even with the considerable silver production of 920,875oz., a 21% increase on the previous quarter.

Costs

Casposo produced 9,069oz. gold and 920,875oz. silver or 21,736oz. Au_Eq at a Cash Cost of US\$820/oz. (on a co-product basis) and an AISC of US\$1,363/oz.

Notwithstanding improvements in operational efficiencies, local costs in Argentina continue to be impacted by high inflation, without much currency relief between the Peso and the US Dollar over the same timeframe. In addition, during the quarter, the Company has accrued for an increase in salaries that are expected to be awarded once negotiations with the Unions are finalised. One off inventory adjustments have also been brought to account in June. These adjustments have resulted in an increase of US\$31/oz. to Cash Costs and US\$19/oz. in Mine Development.

With the increasing silver component of mineralisation at lower levels of the mine and deterioration in the silver to gold ratio, the Company is effectively producing less gold equivalent ounces for each tonne of ore mined and each tonne of ore processed. Hence, despite the 30% increase in ore mined for the quarter, with the mine transitioning to being silver rich, the operation produced less gold equivalent ounces than it would have done (all other things being equal) in the previous quarter. This has also impacted upon all unit costs for the quarter.

Outlook

With the recent falls in gold and silver prices, the Company has commenced a comprehensive review at Casposo to target reductions in capital spending and operating costs. The review is likely to incorporate adjustments to mine plans and future metal production schedules in order to reduce costs and optimise the value of in-ground resources.

In line with declining metal prices, local cost pressures and the operational review, the Company will be assessing the carrying value of Casposo as part of its year end audit process. Further details will be announced in due course when the assessment is complete.

Quarterly Report

For the three months ended 30 June 2015



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

Production Summary	June 2015 Quarter	March 2015 Quarter	YTD FY 2015
Processed (t)	50,804	48,822	199,751
Head Grade Gold (g/t)	2.68	3.76	3.69
Recovery Gold (%)	92.14	93.58	93.34
Gold Produced (oz.)	4,037	5,523	22,142
Gold Sold (oz.)	3,600	6,799	22,398
Gold Price Realised (per oz.)	US\$1,179	US\$1,229	US\$1,217
Cost	US\$/oz.	US\$/oz.	US\$/oz.
C1 Cash Cost	849	981	889
Refining and transport costs	36	40	36
Reclamation and remediation - amortisation	119	87	60
Corporate general & administration costs	39	42	44
Royalties, export tax and local taxes	10	15	12
Insurance	16	13	14
Mine Development	53	68	81
Capital Equipment	-	-	1
Total AISC	US\$1,122	US\$1,246	US\$1,137

Occupational Health, Safety and Environment

Mining of the Coruja pit was completed on 17 June. The pit is currently being fenced and rehabilitation activities are underway on all operational areas.

No LTI's were recorded during the quarter.

Production Results and Summary

With the completion of all mining activities at Andorinhas, the focus is on mine clean-up and processing of the remaining low grade stockpiles.

Gold production was 4,037oz. at a cash cost of US\$849/oz.

Outlook

Processing of the stockpiles will continue until September when the plant will be stopped.

The Company is now focused on rehabilitating the mine and complying with its Environmental License. Seeding and planting of indigenous saplings will commence with the wet season at the end of the Q2 FY2016.

The Board is currently evaluating a number of commercial options with regard to the plant and mining equipment still on site at Andorinhas.

Quarterly Report

For the three months ended 30 June 2015



DEVELOPMENT

GUYANA, KAROUNI PROJECT (Troy 100%)

The Company continues to make prolific progress with construction and development activities at Karouni. The only major items still under construction at quarter end were the Mill and Thickener, with all other major components and facilities complete and awaiting power for commissioning.

Dry commissioning of the key components of the plant, is expected to commence in the second half of August, followed by wet commissioning in early September. The first gold pour is expected to occur approximately 3-4 weeks after wet commissioning commences.

No environmental incidents were recorded during the quarter and despite the intensive nature of construction activity at Karouni, no Medivac incidents have occurred for the construction crews, which is a noteworthy achievement.

Mining

Mining activities are progressing well with approximately 45,000 tonnes of ore at an estimated grade of 2.5g/t currently on the ROM pad; the majority being sourced from Hicks Stage 3 pit. Grade control drilling is confirming the ore grade model with some new ore zones delineated outside the current resource. As we move through the oxide zone, ground conditions in each of the pits is improving. As at 30 June, approximately 1,300,000 BCM of material has been mined, mostly overburden from the Smarts deposit, which has been beneficially placed in the Tailings Dam construction. During June, ore mining rates reached the proposed mill capacity, meaning that sufficient ore stockpiles will be in place when the plant is commissioned and in full production.

Power

All overhead power lines and step down transformers are in place and ready to be connected. The power station has been run as individual generators, but without load. All high voltage cabling (HV) has been run and is being connected and joined by a specialist team from the Dominican Republic. Once this has been completed, the power system will commence being commissioned. We anticipate one generator being online shortly to supply power to the mill so we can run the lube system and also start the dry commissioning of selected parts of the plant.

Conveyors

All conveyor systems are in place.

Primary and Secondary Crusher

The primary crusher is installed awaiting commissioning of the power. The secondary crusher is installed and pending delivery of the drive pulley and matching drive belts.

CIL Tanks

All complete. Aeration nozzles and cables are currently being installed.

Grinding Mill

The mill is currently in the last stage of assembly and alignment. The mill bearings are now ready to be grouted, as well as the pinion, gear box and mill motor. Final alignment will take place once power is connected to turn the mill. Mill assembly is being undertaken on a 24 hour basis.

Thickener

Construction is progressing well. Detailed welding work is now in progress ahead of the arrival of the last parts of the thickener from customs. The bridge has been assembled and will be lifted in place once the shell plates are fully welded. The leach feed pumps are ready to be installed once the thickener shell is completed.

All construction and fabrication is now scheduled for completion by mid- August.



EXPLORATION

GUYANA, KAROUNI PROJECT (Troy 100%)

The key driver in Troy's acquisition of Azimuth Resources Limited was the near term development potential of the high grade open pit resource at the Karouni Project's, Smarts deposit, and the exploration potential over a 30km strike length of virtually unexplored ground along a major regional structure.

Since acquiring Karouni the main focus of the Company's exploration activity has been on infill drilling the wide-spaced Inferred Resources at Smarts and Hicks to define a Mining Reserve. Whilst activities have been focused on the fast track development of Karouni, exploration has been limited to Brownfields Targeting.

Company geologists have completed an extensive drillcore re-logging programme of the Smarts and Hicks Deposits which involved the detailed re-examination of drill core coupled with geochemical and structural studies.

Ground magnetic surveys have now been completed along 30km of the prospective Smarts - Hicks Shear Corridor. This new detailed magnetic data has proved very effective in clearly defining the key structures under the sand cover and identifying structural intersections as well as demagnetised zones along the magnetic shear structures to aid in targeting future drilling (see Figure 1).

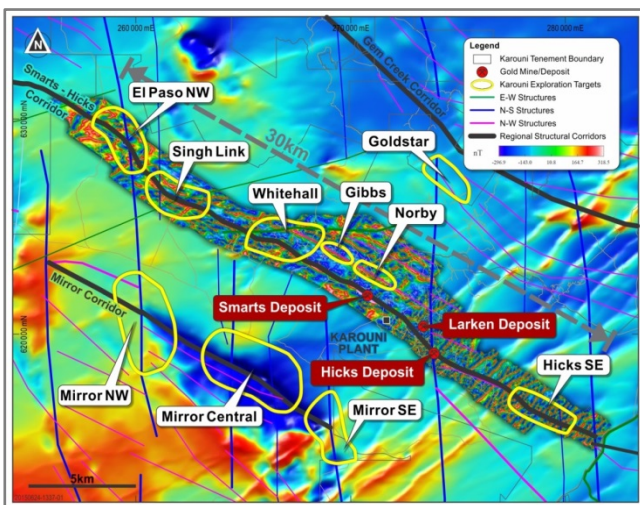


Figure 1 - Karouni Ground Magnetics Survey and Brownfields Targets on Airborne Magnetics

In preparation for commencement of a Brownfields exploration programme, a series of structural, geological, geochemical and geophysical targeting criteria have been developed from our understanding and modelling of the Smart and Hicks Deposits. This has resulted in a programme being designed to

maximize the use of Aircore drilling to complete first pass drilling over as many of our highest rank targets as possible along the highly prospective Smarts – Hicks Structural Corridor. This programme of wide-spaced reconnaissance drilling will target areas with strike lengths ranging from 2km - 4km. It is planned to test the most prospective structural positions interpreted within the right host rocks with supporting Multi-Element geochemical signatures. Structural intersections of the NW striking shear zone with N-S striking and E-W striking structures have been identified as key components to the mineralisation at Smarts and Hicks and will be targeted in initial drilling.

A contract for a 20,000m drilling programme has been awarded and it is envisaged that drilling will commence in September. Development of access tracks and drill pads is now underway.

An initial target ranking exercise has been undertaken and the key initial drill target areas have been identified (see Figure 2). Targets were generated based on recent structural interpretations, Multi-element pXRF geochemistry and geological mapping. Ten new targets have been identified through this exercise and the drill programme is designed to test these key targets.

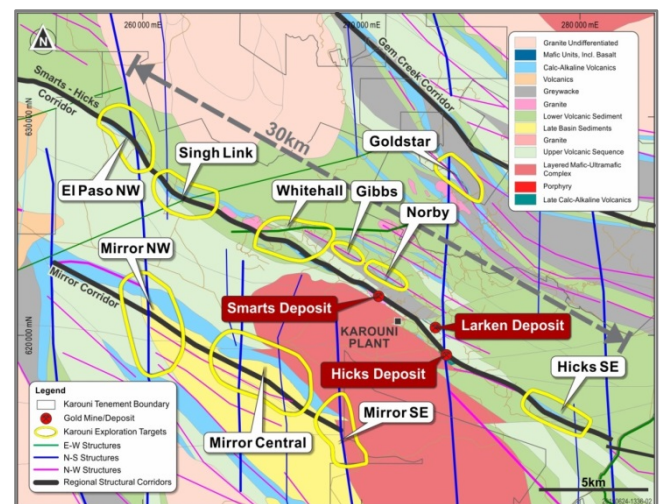


Figure 2 - Karouni Geology and Brownfields Targets

At Whitehall South, drilling will test the main Smarts - Hicks Shear Corridor over a 3km strike length. This zone hosts a 1.6km long tungsten anomaly within chrome enriched sediment which was identified in recent pXRF analysis of the auger samples. The anomalous geochemical signature, coupled with the presence of an intersecting E-W trending structure, as well as an interpreted flexure of the Smarts Shear

Quarterly Report

For the three months ended 30 June 2015

adjacent to a granite body, are all key targeting elements similar to the Smarts Deposit. There are significant alluvial workings present within the Whitehall South target, where it is estimated that in excess of 70,000oz of gold has been produced from artisanal workings. This area has never been explored with the use of modern exploration techniques.

Mirror is a conceptual target located on the southern margin of the Karouni Granite and could potentially be a "mirror reflection" of the Smarts and Hicks Deposits structural position. The target area is located along an interpreted continuation of the NW trending regional structure that hosts the Omai Deposit. The only historic exploration undertaken was single wide spaced vertical Aircore drilling through the sand cover completed in May 2012. Two Aircore drillholes returned peak intercepts of 0.14g/t gold and 0.20 g/t gold. Recent pXRF multi-element of the earlier Aircore holes identified Tungsten, Molybdenum and Arsenic anomalism. A reconnaissance Aircore program is planned and will target the intersection of the NW-SE and N-S structures in the first phase.

ARGENTINA - CASPOSO PROJECT **Underground Exploration Drilling**

During the quarter a total of 24 holes for 3,328.4m were drilled into gaps and the periphery of the Underground Reserve targeting the Aztec Vein and INCA Vein systems. This drilling was completed to assist with mine planning and scheduling with targets and priorities established by the Mining Group (See Table 1A, Table 1B and Figure 3 as well as Casposo Technical Description Sections 1 & 2).

The infill drilling of the INCA 2B Vein comprising of holes IN-15-73 – IN-15-78 tested modelled gaps in the INCA 2B Resource as defined by an earlier surface drilling grid. The drilling has confirmed the high grade nature of the mineralisation. Significant Infill Intercepts include:

- **3.00m at 12.46 g/t gold and 2,698 g/t silver;**
- **1.75m at 16.44 g/t gold and 23,268 g/t silver;**
- **2.10m at 1.57 g/t gold and 806 g/t silver.**

The rig was repositioned up the decline to the Aztec Zone where a series of infill holes, as well as a number of holes targeting the periphery of the Aztec Resource for possible extensional zones, were drilled. Significant intercepts of the Aztec Vein include:

- **6.57m at 1.39 g/t gold and 508 g/t silver;**
- **5.60m at 1.86 g/t gold and 463 g/t silver;**
- **3.40m at 1.13 g/t gold and 584 g/t silver;**
- **2.00m at 0.96 g/t gold and 243 g/t silver.**

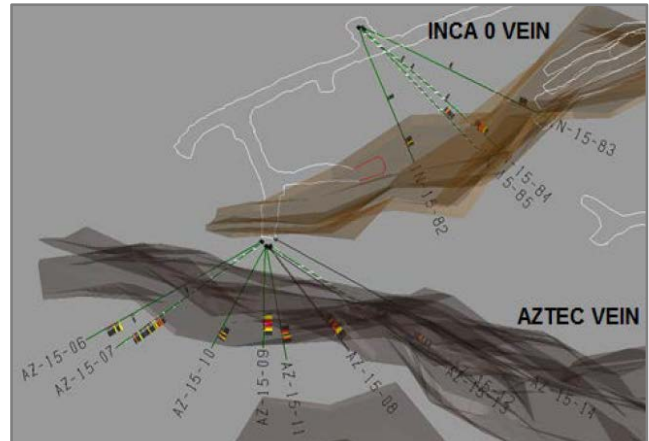
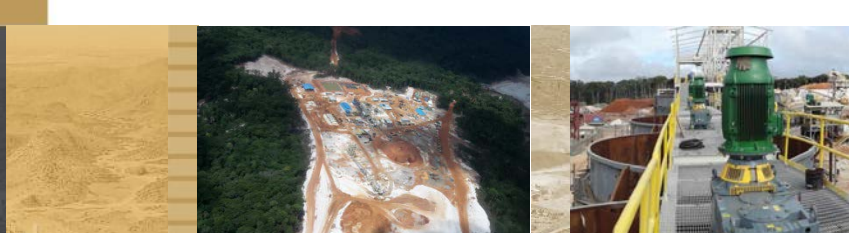


Figure 3: INCA O Vein & AZTEC Vein Infill Drill Plan

Quarterly Report

For the three months ended 30 June 2015



FINANCE

The Group's cash balance at 30 June 2015 was \$59.8 million.

Pursuant to the Investec Facility, the Company is now required to maintain a minimum liquidity position of \$15 million at all times. The funds from all Argentine sales are required to be transferred from Canada via Argentina before remitting any surpluses to Australia.

Dore at site and in transit at quarter end totaled 5,323oz. Au_Eq.

The Company completed a two stage Share Placement and Share Purchase Plan to raise \$35.5 million (net of costs) during the quarter. Funds raised are being applied towards:

- A significant, brownfields exploration campaign at Karouni;
- Working capital for the build-up of full scale mining operations and commissioning of the processing plant at Karouni; and
- Strengthening the balance sheet to provide financial flexibility and for ongoing business development opportunities.

Banking Facility

The \$100 million debt facility with Investec is fully drawn. During the quarter, the Company finalised arrangements with Investec to align the repayment schedule of its Revolving Corporate Loan Facility, with the start-up and commissioning period of operations at Karouni. The first repayment under the Facility is \$10 million on 30 September 2015 with the balance being amortised in quarterly instalments through to 30 June 2017.

Net Debt

The Group's net debt position at 30 June 2015 was \$40.9 million, including \$0.8 million due to ICBC in Argentina.

Hedging

The following table outlines the Company's hedging positions in place at 30 June 2015:

Maturity	Gold (oz.)	Price (US\$/oz.)	Silver (oz.)	Price (US\$/oz.)
Q1 FY16	15,000	\$1,187.96	668,000	\$17.64
Q2 FY16	21,000	\$1,183.95	630,000	\$17.86
Q3 FY16	26,500	\$1,207.46	75,000	\$16.55
Q4 FY16	18,000	\$1,212.95		
Total	80,500	US\$1,198.92	1,373,000	US\$17.68

Metal contracts that matured during the quarter were rolled and added to the back-end of the existing hedge programme. This has enabled the Company to maintain an average gold equivalent hedge price, of US\$1,219.72/oz.

The mark-to market valuation of the gold and silver hedges in place at 30 June 2015, based on a spot gold price of US\$1,172/oz., silver price of US\$15.74/oz. and the respective forward curves, totalled a hedge asset of \$5.9 million. The Company also has in place currency hedging for a total of \$6.5 million at an average AUD/USD of 0.769 for delivery between August and September 2015.

Exploration Expenditure

During the quarter, total exploration expenditure incurred was \$2.0 million. Of this, \$0.9 million related to Guyana and \$1.1 million was spent in Argentina on underground drilling and closure of the regional exploration offices.

Capital Expenditure

Capital and development expenditure during the quarter was \$29.8 million. Of this:

- \$8.4 million was incurred at Casposo, \$7.3 million for underground development and \$1.1 million for capital works including \$0.8 million on completion of the tailings dam extension;
- \$21.2 million was spent on Karouni, primarily for plant components and construction, tailings dam and site works; and
- \$0.2 million was incurred at Andorinhas finalizing the stripping of the Coruja open pit.

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

Fred Grimwade, Acting Non-Executive Chairman

Martin Purvis, CEO

Ken Nilsson, Executive Director

David Dix, Non-Executive Director

John Jones, Non-Executive Director

Richard Monti, Non-Executive Director

Issued Capital (as at 31 July 2015)

Ordinary Shares	290,096,411
Unlisted Employee Options	590,000
Employee Performance Rights	12,000
Employee Share Appreciation Rights	1,760,000
Investec Bank Plc Options	10,000,000

Quarterly Report

For the three months ended 30 June 2015



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 to around 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 in Q4 CY2015.

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

For further information please contact:

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Competent Person's Statement

Karouni

The information in this report 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.

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. 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 programme, 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 on the Company's website.

Quarterly Report

For the three months ended 30 June 2015



Guyana Karouni Section 1: Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling Technique	<p>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.</p> <p>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.</p> <p>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 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.</p>	<p>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.</p> <p>Total drilling completed during the December quarter was 12 DC holes for 3243m.</p> <p>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 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.</p> <p>The use of a 1m sample interval was selected after consideration of the following:</p> <ul style="list-style-type: none"> • Consideration of previous sampling methodology. • The RC drilling method and sample collection process for current drill campaigns. • A representative sample weight suitable for transport, laboratory preparation and analysis. • The lithological thickness of the White Sands Formation and underlying basement lithology. • A mineralisation zone thickness ranging from several metres to tens of metres. • 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). • 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. <p>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).</p> <p>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.</p>
Drilling	<p>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).</p>	<p>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.</p> <p>Diamond Core drilling is conducted using contract drill rigs supplied by Versa Drilling. Majority of the holes are drilled as HQ Size core.</p> <p>During the quarter 16 Diamond Core holes were drilled for 6533.7m.</p>
Drill Sample Recovery	<p>Method of recording and assessing core and chip sample recoveries and results assessed.</p> <p>Measures taken to maximize sample recovery and ensure representative nature of the samples.</p> <p>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.</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>$CR (\%) = \text{Length of core} \times 100$</p> <p>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</p>

Quarterly Report

For the three months ended 30 June 2015



		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	<p>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. Whether logging is qualitative or quantitative in nature. Core (or costean/Trench, channel, etc) photography. The total length and percentage of the relevant intersections logged.</p>	<p>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.</p> <p>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.</p> <p>All drilling has been logged to standard that is appropriate for the category of Resource which is being reported.</p>
Sub-Sampling Technique and Sample Preparation	<p>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.</p> <p>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</p> <p>Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.</p> <p>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.</p>	<p>RC samples were collected on the rig using a three tier riffle splitter. All samples were dry.</p> <p>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.</p> <p>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.</p> <p>Field duplicates were taken on for both 1m RC splits and 3m composites for RC, using a riffle splitter.</p>
Quality of Assay Data and Laboratory Tests	<p>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. 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.</p> <p>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.</p>	<p>The laboratory used an aqua regia digest followed by fire assay for with an AAS finish for gold analysis.</p> <p>No geophysical tools were used to determine any element concentrations used in this Resource Estimate.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Repeat or duplicate analysis for samples shows that the precision of samples is within acceptable limits.</p> <p>Sample preparation conducted by ActLabs Guyana Inc. and fire assay performed by ActLabs Chile -Assayed by 30g fire assay with gravimetric finish.</p> <p>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.</p>
Verification of Sampling and Assaying	<p>The verification of significant intersections by either independent or alternative company personnel.</p> <p>The use of twinned holes The verification of significant intersections by either independent or alternative company personnel. Discuss any adjustment to assay data.</p>	<p>Troy's QP P. Doyle has visually verified significant intersections in diamond core and RC drilling.</p> <p>Primary data was collected using a set of company standard Excel™ 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.</p>

Quarterly Report

For the three months ended 30 June 2015



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. 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. 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. Whether sample compositing has been applied.	The nominal drillhole spacing is 50m by 50m and in places 25m (northwest) by 25m (northeast). 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. Samples have been composited to one metre lengths, and adjusted where necessary to ensure that no residual sample lengths have been excluded (best fit).
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. 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. 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. Samples are stored on site and delivered by Troy personnel to Actlabs, Georgetown, for sample preparation. 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 to 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. 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. 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%. 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. 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. The various mining permits that cover the Smarts Deposit were originally owned by L. Smarts and George Hicks Mining. The permits were purchased by Pharsalus Gold (a wholly owned subsidiary of Azimuth Resources) in 2011. 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. Portions of the Karouni Project have been held more or less continuously

Quarterly Report

For the three months ended 30 June 2015



		<p>by small family gold mining syndicates (locally termed 'Pork Knockers') since the 1960's. This situation persists to the present day.</p> <p>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).</p> <p>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, 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.</p> <p>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.</p>
<p>Geology</p>	<p>Deposit type, geological setting and style of mineralisation.</p>	<p>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 Palaeoproterozoic Greenstone successions of the Trans- Amazonian Barama-Mazaruni Group..</p> <p>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.</p> <p>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.</p> <p>The mineralisation at the Smarts, Hicks and Larken 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.</p> <p>The high grade gold mineralisation is usually associated with zones of dilational and stockworks quartz veining within and adjacent to the shear zone.</p> <p>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.</p> <p>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, sericitisation 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.</p> <p>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.</p> <p>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.</p>

Quarterly Report

For the three months ended 30 June 2015



<p>Drill Hole Information</p>	<p>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:</p> <ul style="list-style-type: none"> • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length • 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. 	<p>Intercepts that form the basis of this announcement are tabulated in Table 1 in 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.</p>
<p>Data Aggregation Methods</p>	<p>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.</p>	<p>All intersections are assayed on one meter intervals No top cuts have been applied to exploration results Mineralised intervals are reported with a maximum of 2m of internal dilution of less than 0.5g/t Mineralised intervals are reported on a weighted average basis</p>
<p>Relationship Between Mineralisation Widths and Intercept Lengths</p>	<p>These relationships are particularly important in the reporting of Exploration Results. 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').</p>	<p>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.</p>
<p>Diagrams</p>	<p>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.</p>	<p>The appropriate plans and sections have been included in the text of this document as Figure 1 and Figure 2</p>
<p>Balanced Reporting</p>	<p>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.</p>	<p>All grades, high and low, are reported accurately with "from" and "to" depths and "hole identification" shown.</p>
<p>Other Substantive Exploration Data</p>	<p>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.</p> <p>The Ground Magnetics survey work was performed on a grid cut at 100m line separation with 10m station intervals. Sufficient repeat readings and tie lines will be surveyed to level the magnetic data with historic ground magnetic data. Survey crews and equipment supplied by Quantec International Geophysical Contractors. A total of four GEM GSM-19 Overhauser Magnetometers (1 base station unit, 2 rover units) will be used to complete the survey.</p>	<p>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.</p> <p>Magnetics is a geophysical survey technique that exploits the considerable differences in the magnetic properties of minerals with the ultimate objective of characterizing the Earth's sub-surface. The technique requires the acquisition of measurements of the amplitude of the magnetic field at discrete points along survey lines distributed regularly throughout the area of interest.</p> <p>It is the induced and remnant fields that are of particular interest to the geoscientist because the magnitudes of these fields are directly related to the magnetic susceptibility, spatial distribution and concentration of the local crustal materials. Fortunately only a few minerals occur abundantly enough in nature to make a significant contribution to the induced and remnant fields.</p> <p>Once the main field and the minor source effects are removed from the observed magnetic field data via various data reduction and processing methods, the processed data serve as an indicator of the spatial distribution and concentration of the magnetically significant minerals. The ground magnetic data will be incorporated and levelled with the existing geophysical data from past surveys. Final data will be presented in digital format, including colour ground magnetic plan maps.</p>

Quarterly Report

For the three months ended 30 June 2015



Further Work	<p>The nature and scale of planned further work (eg tests for lateral extensions or large scale step out drilling).</p> <p>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</p>	<p>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.</p>
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TABLE 1A: INCA 0 & INCA 2b VEINS Underground Drilling Summary Of Results

Hole	Easting (m)	Northing (m)	Elevation (m)	Depth (m)	Azimuth	Dip	Assay Intervals (m at g/t gold and g/t silver) Gold Equivalent
							Assay Intervals (m at g/t Au_Eq)
IN-15-73	2439601.1	6547948.6	2191.81	203	236	-39	(INCA 2b Vein): 1.50m at 0.41g/t gold and 217g/t silver or 3.38g/t Au_Eq from 178.85m
IN-15-74	2439601.5	6547948.0	2191.68	236	225	-46	(INCA 2b Vein): 4.95m at 0.16g/t gold and 93g/t silver or 1.43g/t Au_Eq from 198.65m including 1.75m at 0.31g/t gold and 159g/t silver or 2.49g/t Au_Eq from 201.85m
IN-14-75	2439602.4	6547947.5	2191.69	201	207	-47	(INCA 2b Vein): 3.00m at 12.46g/t gold and 2,698g/t silver or 49.34g/t Au_Eq from 171.50m. Including 1.20m at 30.80g/t gold and 6,564g/t silver or 120.55g/t Au_Eq from 172.60m
IN-14-76	2439604.0	6547945.0	2191.69	192	177	-45	(INCA 2b Vein): 1.75m at 16.44g/t gold and 23,268g/t silver or 334.62g/t Au_Eq from 174.05m. Including 1.15m at 24.20g/t gold and 34,360g/t silver or 494.05g/t Au_Eq from 174.05m
IN-14-77	2439603.3	6547947.6	2191.70	207.5	189	-49	(INCA 2b Vein): 3.80m at 0.74g/t gold and 72g/t silver or 1.72g/t Au_Eq from 188.90m
IN-14-78	2439603.1	6547948.3	2191.7	233.7	202	-54	(INCA 2b Vein): 2.10m at 1.57g/t gold and 806g/t silver or 12.59g/t Au_Eq from 198.00m. Incl.: 1.00m at 2.83g/t gold and 1,560g/t silver or 24.16g/t Au_Eq from 198.00m
IN-14-79	2439431.6	6548126.1	2229.7	112	188	-17	(INCA 2a Vein): 3.85m at 0.15g/t gold and 50g/t silver or 0.84g/t Au_Eq from 96.85m, including 1.55m at 0.18g/t gold and 81g/t silver or 1.29g/t Au_Eq from 96.85m
IN-15-80	2439399.3	6548052.4	2204.4	106.3	202	-23	(INCA 2a Vein): 5.65m at 1.17g/t gold and 251g/t silver or 4.60g/t Au_Eq from 80.45m. Including 2.10m at 2.94g/t gold and 624g/t silver or 11.47g/t Au_Eq from 83.00m
IN-15-81	2439430.5	6548126	2228.6	108.5	205	-29	(INCA 2a Vein): No Significant Results
IN-15-82	2439099.4	6548483.1	2326.54	118.5	225	-28	(INCA 0 Vein): No Significant Results
IN-15-83	2439099.8	6548482.0	2326.42	129	195	-29	(INCA 0 Vein): No Significant Results
IN-15-84	2439098.9	6548483.2	2326.48	174	215	-35	(INCA 0 Vein): 7.10m at 0.36g/t gold and 185g/t silver or 2.89g/t Au_Eq from 148.20m. Including: 4.10m at 0.48g/t gold and 261g/t silver or 4.04g/t Au_Eq from 148.20m
IN-15-85	2439098.4	6548482.2	2326.5	113	210	-25	(INCA 0 Vein): 2.10m at 0.24g/t gold and 67g/t silver or 1.16g/t Au_Eq from 78.75m

TABLE 1B: AZTEC VEIN Underground Drilling Summary of Results

Hole	Easting (m)	Northing (m)	Elevation (m)	Depth (m)	Azimuth	Dip	Interval (m at g/t gold and g/t silver)
							Interval (m at g/t Au_Eq)
AZ-15-06	2439003.25	6548462.69	2332.12	86.5	288	-8	(AZTEC Vein): No Significant Results
AZ-15-07	2439003.25	6548462.69	2332.12	122.1	268	-28	(AZTEC Vein): 5.30m at 0.29g/t gold and 107g/t silver or 1.75g/t Au_Eq from 85.30m; Including: 1.50m at 0.59g/t gold and 179g/t silver or 3.04g/t Au_Eq from 88.50m and 0.60m at 0.46g/t gold and 173g/t silver or 2.83g/t Au_Eq from 105.95m
Az-15-08	2439004.37	6548460.93	2332.04	64.0	207.5	-10	(AZTEC Vein): 6.57m at 1.39g/t gold and 508g/t silver or 8.34g/t Au_Eq from 46.38m; Including: 1.30m at 3.47g/t gold and 2,100g/t silver or 32.19g/t Au_Eq from 47.75m
Az-15-09	2439004.37	6548460.93	2332.04	58.9	238.5	-14	(AZTEC Vein): 5.60m at 1.86g/t gold and 463g/t silver or 8.19g/t Au_Eq from 42.00m. Including: 1.50m at 4.53g/t gold and 1,352g/t silver or 23.02g/t Au_Eq from 42.00m
Az-15-10	2439004.37	6548460.93	2332.04	95.5	251	-28	(AZTEC Vein): 1.25m at 0.26g/t gold and 71g/t silver or 1.23g/t Au_Eq from 81.3m

Quarterly Report

For the three months ended 30 June 2015



Az-15-11	2439004.37	6548460.93	2332.04	115.7	230	-31	(AZTEC Vein): 3.40m at 1.13g/t gold and 584g/t silver or 9.12g/t Au_Eq from 84.80m and 4.50m at 0.37g/t gold and 121g/t silver or 2.02g/t Au_Eq from 91.50m. Including: 2.10m at 0.73g/t gold and 237g/t silver or 3.97g/t Au_Eq from 92.10m
AZ-15-12	2439005.9	6548458.66	2332.15	153.2	206	-30	(AZTEC Vein): 2.00m at 0.96g/t gold and 243g/t silver or 4.28g/t Au_Eq from 124.30m

Notes for Table 1a and Table 1b:

Sample preparation 30g pulps, Fire Assay for gold with gravimetric finish for silver analysis atomic absorption readings conducted by Troy Resources Argentina Laboratory with 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 1:73.13. The gold: silver ratio is determined using metal price and recovery factors and determined according to the parameters below:

- Gold Price of US\$1300/oz & silver Price of US\$20/oz;
- Gold processing Metallurgical recovery of 90% and silver processing Metallurgical recovery of 80%;

Processing recoveries were determined from updated metallurgical testwork carried out by independent consultants on diamond drill core from Casposo. Metal prices approximate 3 year averages for each of gold and silver (as per 2013 -2014 Resource and Reserve Statement).

The equivalency factor is calculated by the formula:

$$\begin{aligned} \text{Gold to Silver ratio} &= (\text{gold price} \div \text{silver price}) \times (\text{gold recovery} \div \text{silver recovery}) \\ &= (1300 \div 20) \times (.90 \div .80) \\ &= 73.13 \end{aligned}$$

Gold equivalency (Au_Eq) is calculated by the formula: $\text{Au_Eq g/t} = \text{Au g/t} + (\text{Ag g/t} \div 73.13)$