

TROY RESOURCES LIMITED

ABN 33 006 243 750



TROY RESOURCES LIMITED

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

Thursday, 27 November 2014

Time of Meeting

9:30 am (Perth time)

Place of Meeting

Rydges Perth
Hay Street Room
815 Hay Street
Perth WA 6000

A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Annual General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

TROY RESOURCES LIMITED

ABN 33 006 243 750

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Troy Resources Limited ABN 33 006 243 750 (Company) will be held at 9:30 am (Perth time) on Thursday, 27 November 2014 at the Rydges Perth, Hay Street Room, 815 Hay Street, Perth Western Australia for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

AGENDA

ITEMS OF BUSINESS

Financial Reports

To receive and consider the financial statements of the Company for the year ended 30 June 2014, together with the Directors Report and the Auditor's Report as set out in the Annual Report.

1. Resolution 1 – Non Binding Resolution to adopt the Remuneration Report

To consider and, if thought fit, pass the following as a **non-binding resolution**:

"That the Remuneration Report as set out in the Annual Report for the year ended 30 June 2014 be adopted."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

2. Resolution 2 – Re-election of Mr Ken K Nilsson as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, Mr Ken Nilsson, who retires in accordance with clause 10.3 of the Constitution and, being eligible for re-election, be re-elected as a Director."

3. Resolution 3 – Ratification of Prior Issue of Shares

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 22,289,435 Shares on the terms and conditions set out in the Explanatory Memorandum."

4. Resolution 4 – Grant of 240,000 Share Appreciation Rights to Mr Martin Purvis, Managing Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That pursuant to Listing Rule 10.14 and for all other purposes, the Directors be and are hereby authorised to grant 240,000 Share Appreciation Rights to Mr Purvis and the issue of Shares in the Company (or equivalent cash payment in lieu), to Mr Purvis upon vesting and exercise of those Share Appreciation Rights, on the terms and conditions set out in the Explanatory Memorandum."

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

By order of the Board



Ms Stacey Apostolou
Company Secretary
Dated: 21 October 2014

Voting Exclusion Statements:

Resolution 1 – Non Binding Resolution to adopt the Remuneration Report

The Company will disregard any votes cast on Resolution 1 by or on behalf of a Restricted Voter. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; and
- (b) it is not cast on behalf of a Restricted Voter.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 1; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1. Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

Resolution 3 – Ratification of Prior Issue of Shares

The Company will disregard any votes cast on Resolution 3 by any person who participated in the issue the subject of Resolution 3 and any Associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

Resolution 4 – Grant of 240,000 Share Appreciation Rights to Mr Martin Purvis, Managing Director

The Company will disregard any votes cast on Resolution 4 by any Director (who is eligible to participate in the employee incentive scheme of the Company) and any of their Associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 4 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 4; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 4. Shareholders may also choose to direct the Chair to vote against Resolution 4 or to abstain from voting.

How to vote

Shareholders can vote by either:

- attending the meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice; or
- submitting their proxy appointment and voting instructions online at www.investorvote.com.au, by post using the pre-addressed envelope provided with this Notice, or by facsimile to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the meeting are asked to arrive at the venue 15 minutes prior to the time designated for the meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective, an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the Meeting must be received by the Company in the same manner, and by the same time, as outlined for proxy forms below.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may vote on Resolutions 1 and 4 if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
- Should any resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
- To be effective, proxies must be lodged by 9:30 am (Perth time) on Tuesday 25 November 2014. Proxies lodged after this time will be invalid.
- Proxies may be lodged using any of the following methods:
 - at Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001, Australia;
 - or
 - by faxing a completed proxy form to:
(within Australia) 1800 783 447.
(outside Australia) +61 3 9473 2555;
 - or
 - online through www.investorvote.com.au or scanning the QR Code on the front of your proxy form.

The proxy form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 9:30 am (Perth time) on Tuesday 25 November 2014. If facsimile transmission is used, the power of attorney must be certified.

Shareholders who are entitled to vote

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5.00 pm (Perth time) on Tuesday, 25 November 2014.

For Shareholders on the Canadian Register

The Company is a "designated foreign issuer" as defined in National Instrument 71-102 – *Continuous Disclosure and other Exemptions Relating to Foreign Issuers*.

It is subject to Australian disclosure requirements and satisfies its Canadian securities legislation requirements relating to continuous disclosure (including any requirements relating to information circulars and proxies) by complying with such Australian disclosure requirements.

On 15 July 2013, the Company requested an exemption from Sections 461.1 and 461.2 of the *TSX Company Manual (Manual)* requiring the annual election of all directors. By notice dated 17 July 2013, the Toronto Stock Exchange (**TSX**) granted the Company a waiver from the requirements of the Manual on the basis that:

- the Company's Shares are listed on ASX;
- the Company was incorporated under the Corporations Act;
- the Company has confirmed that at least 75% of the Company's trading value and volume over the preceding 6 months had occurred on the ASX; and
- the Company has confirmed that it is in compliance with director election standards and practices of Australia and ASX.

The Company is required to apply annually for the waiver in advance of sending out its Meeting materials. The Company confirms that it has applied for and received a waiver dated 20 August 2014 from TSX in relation to the current year.

TROY RESOURCES LIMITED

ABN 33 006 243 750

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of Troy Resources Limited (the **Company**).

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

FINANCIAL REPORTS

The first item of the Notice of Annual General Meeting (**AGM**) deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2014 together with the Directors' declaration and report in relation to that financial year and the auditor's report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the AGM to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide Shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the auditor in relation to the conduct of the audit.

The Chair will also allow a reasonable opportunity for the Auditor their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

In accordance with section 250R(2) of the Corporations Act, the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's 2014 Annual Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's 2014 Annual Report and is also available on the Company's website (www.troyres.com.au).

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second Annual General Meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second Annual General Meeting. All of the Directors who were in office when the applicable Directors' Report was approved, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The Remuneration Report for the financial year ended 30 June 2013 did not receive a vote of more than 25% against its adoption at the Company's last general meeting held on 28 November 2013. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors and other key management personnel, sets out remuneration details for each Director and other key management personnel and any service agreements and sets out the details of any equity based compensation.

The Chair will give shareholders a reasonable opportunity to ask questions about or make comments on the Remuneration Report.

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolution.

Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on this Resolution.

RESOLUTION 2 – RE-ELECTION OF MR KEN K NILSSON AS A DIRECTOR

Pursuant to clauses 10.3 and 10.4(c) of the Company's Constitution, Mr Ken K Nilsson, being a Director and who has been a Director for 3 years without re-election retires and, being eligible, offers himself for re-election as a Director.

Mr Nilsson's qualifications as set out in the Directors' Report of the Company's 2014 Annual Report are as follows:

Mr Ken K Nilsson, Executive Director of Project Development - B.Eng, Cert of Eng (aged 73) - appointed 8 May 1998.

Mr Nilsson joined Troy in 1997 and is currently Executive Director of Project Development. Mr Nilsson is a mining engineer with over 35 years international mine construction and production experience covering gold, base metals and coal. He was responsible for the development of Troy's Western Australian operations at Sandstone. He then relocated to Brazil in 2002 to oversee construction of the Sertão Mine in Goiás state. In 2007, Mr Nilsson led the

team responsible for relocating the Sertão plant and development of the Andorinhas Mine in Para state, Brazil. Since 2009 Mr Nilsson was based in San Juan, Argentina and managed the development and construction of Troy's Casposo operation. Mr Nilsson has now relocated and is responsible for development of the Company's Karouni project in Guyana.

The Directors (other than Mr Nilsson) do not have an interest in the outcome of Resolution 2. The Directors (other than Mr Nilsson) recommend that shareholders vote in favour of Resolution 2. Mr Nilsson declines to make a recommendation about Resolution 2 as he has a material personal interest in the outcome of that particular Resolution as it relates to his appointment to the Board.

RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES

As announced on 26 and 27 February 2014, the Company conducted a placement to sophisticated and professional investors (as defined in sections 708(8) and 708(11) of the Corporations Act respectively) (**Placement**) with Macquarie Capital (Australia) Limited acting as Global Coordinator and Joint Lead Manager to the Placement and Argonaut Securities Pty Limited acting as Joint Lead Manager.

The net proceeds from the Placement were used:

- to advance development of the Karouni project including for: general earthworks including roads, camp, site preparation for processing facilities, offices, tailings dam and other site infrastructure, progressing project studies, continued purchase of plant and equipment, resource infill and infrastructure sterilisation drilling;
- for brownfields exploration at both the Karouni and Casposo projects; and
- to provide Troy with additional working capital to enhance financial flexibility.

The Placement comprised the issue of 22,289,435 Shares (**Placement Shares**) at the issue price of \$1.25 per Share, raising approximately \$28 million (before costs).

Listing Rule 7.4

As Shares issued under the Placement were issued within the Company's placement capacity under Listing Rule 7.1, they were issued without the requirement for Shareholder approval.

Listing Rule 7.4 allows a company to seek the approval of its shareholders for an issue of securities after the issue has been made without approval under Listing Rule 7.1. The Company now seeks Shareholder approval to ratify the issue of the Placement Shares. Approval of this resolution will provide the Company with the flexibility to issue further securities as required.

The following information is required by Listing Rule 7.5 in relation to the issue of the Placement Shares:

- The number of Placement Shares issued by the Company was 22,289,435 Shares.
- The issue price for each of the Placement Shares was \$1.25 per Placement Share.
- The Placement Shares rank equally in all respects with the Company's existing Shares.
- The Placement Shares were issued and allotted to professional and sophisticated investors who were clients of Macquarie Capital (Australia) Limited and Argonaut Securities Pty Limited and who were not related parties of the Company.

e) The funds raised from the issue of the Placement Shares were used by the Company for the following purposes:

- Advancing development of the Karouni project including for: general earthworks including roads, camp, site preparation for processing facilities, offices, tailings dam and other site infrastructure, progressing project studies, continued purchase of plant and equipment, resource infill and infrastructure sterilisation drilling;
- Brownfields exploration at both the Karouni and Casposo projects; and
- Working capital.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

RESOLUTION 4 – GRANT OF 240,000 SHARE APPRECIATION RIGHTS TO MR MARTIN PURVIS, MANAGING DIRECTOR

The Company proposes to grant a total of 240,000 Share Appreciation Rights to Mr Martin Purvis an Executive Director as set out below.

The proposed grant of Share Appreciation Rights will be subject to the terms of the LTIP.

Overview of Grant of Share Appreciation Rights

The Board seeks Shareholder approval to grant Mr Purvis Share Appreciation Rights as follows:

Tranche	Number of Share Appreciation Rights	Grant Price	Vesting Condition	Expiry Date
1	80,000	\$0.88	1 September 2015	1 September 2018
2	80,000	\$0.96	1 September 2016	1 September 2018
3	80,000	\$1.04	1 September 2017	1 September 2018

Each Share Appreciation Right essentially entitles Mr Purvis to receive the value (upon vesting and being exercised) equal to the increase in value of a Share above the applicable Grant Price (set out in the above table). In the Board's sole and absolute discretion, this potential increase in value will be satisfied by the Company either issuing Shares to Mr Purvis or the payment of cash.

Example - Potential increase in value to be satisfied by the payment of cash (Cash Settled).

If vested and exercised Share Appreciation Rights were to be Cash Settled, then the cash payment to be made would be calculated as follows:

$$(SAREP - GP) \times N$$

Where:

SAREP = the Share Appreciation Right Exercise Price being the market value of a Share at the date of exercise of the Share Appreciation Right;

GP = the Grant Price; and

N = the total number of vested and exercised Share Appreciation Rights which the Board has determined will be Cash Settled.

Assuming Resolution 4 is passed and the Share price at the date of exercise for Tranche 1 is \$1.50, then:

SAREP = \$1.50
GP = \$0.88
N = 80,000

$$(\$1.50 - \$0.88) \times 80,000 = \$49,600$$

Cash payment would be **\$49,600** (less any applicable tax, or superannuation required to be withheld to meet the minimum amount required to be contributed by any relevant laws to avoid the imposition of a superannuation guarantee charge).

Example - Potential increase in value to be satisfied by the issue of Shares (Equity Settled).

If vested and exercised Share Appreciation Rights were to be Equity Settled, then the number of Shares to be issued would be calculated as follows:

$$\frac{(SAREP - GP) \times N}{SAREP}$$

Where:

SAREP = the Share Appreciation Right Exercise Price being the market value of a Share at the date of exercise of the Share Appreciation Right;
GP = the Grant Price; and
N = the total number of vested and exercised Share Appreciation Rights which the Board has determined will be Cash Settled.

Assuming Resolution 4 is passed and the Share price at the date of exercise for Tranche 1 is \$1.50, then:

SAREP = \$1.50
GP = \$0.88
N = 80,000

$$\frac{(\$1.50 - \$0.88) \times 80,000}{\$1.50} = 33,066 \text{ Shares.}$$

ie **33,066 Shares** would be issued.

The Share Appreciation Rights will be granted to Mr Purvis for nil cash consideration and Mr Purvis will not be required to pay any consideration on the vesting or exercise of a Share Appreciation Right. Mr Purvis is responsible for any applicable taxes arising from the vesting and exercise of a Share Appreciation Right regardless of whether that value is satisfied by the issue of Shares or the payment of cash.

The Share Appreciation Rights are capable of being exercised by Mr Purvis only after the achievement of the applicable Vesting Condition.

The Share Appreciation Rights will lapse and be incapable of exercise if they have not vested or been exercised prior to the Expiry Date set out in the table, or if the Board determines in its sole and absolute discretion that any applicable Vesting Conditions and/or exercise conditions have not been met and cannot be met prior to the Expiry Date.

Unless the Board determines otherwise (in its absolute discretion and to the extent permitted by law), if Mr Purvis ceases to be employed by the Company (whether by death, permanent incapacity, redundancy, resignation or retirement), unvested Share Appreciation Rights which are not exercisable at the time Mr Purvis ceases employment, will lapse.

The Directors consider (in the absence of Mr Purvis) that the incentive intended for Mr Purvis, represented by the proposed grant of these Share Appreciation Rights, is a cost effective and flexible form of providing a reward and/or incentive for eligible employees.

INFORMATION REQUIREMENTS

Corporations Act considerations

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act. Section 211 of the Corporations Act states that Shareholder approval is not needed to give a financial benefit that is remuneration to be given to a related party of a public company and to give the remuneration would be reasonable given:

- the circumstances of the public company giving the remuneration; and
- the related party's circumstances (including the responsibilities involved in the office or employment).

It is the view of the Directors that the exception set out in section 211 of the Corporations Act applies in the current circumstances, as the Board (in the absence of Mr Purvis) has formed the view that the proposed issue of Share Appreciation Rights to Mr Purvis forms part of his reasonable remuneration. Accordingly, the Directors have determined not to seek Shareholder approval under section 208 of the Corporations Act for the issue of the Share Appreciation Rights to Mr Purvis.

Listing Rule 10.14

Listing Rule 10.14 requires Shareholder approval by ordinary resolution for any issue of securities by a listed company to a related party under an employee incentive scheme. Accordingly, Listing Rule 10.14 requires shareholders to approve the issue of Share Appreciation Rights under the LTIP to Mr Purvis.

For the purposes of Listing Rule 10.15, the following information is provided to shareholders with respect to Resolution 4:

- the Share Appreciation Rights will be issued to Mr Purvis;
- the maximum number of Share Appreciation Rights that may be issued to Mr Purvis pursuant to this Resolution is 240,000;
- the Share Appreciation Rights will be issued for no consideration;
- no funds will be raised by the issue of the Share Appreciation Rights;
- no loans will be provided in relation to the issue of the Share Appreciation Rights;
- only Executive Directors are entitled to participate in the LTIP. Resolution 4 seeks approval to issue Share Appreciation Rights to Mr Purvis (Managing Director). The persons referred to in Listing Rule 10.14 who are entitled to participate in the LTIP are Mr Purvis and Mr Nilsson;

- (g) Mr Nilsson (current Executive Director) and Mr Paul Benson (previous Executive Director) have been issued Share Appreciation Rights for nil consideration under the LTIP since it was approved by Shareholders on 28 November 2013. Mr Nilsson was issued 620,000 Share Appreciation Rights and Mr Benson was issued 180,000 Share Appreciation Rights. Mr Benson's Share Appreciation Rights lapsed upon his resignation from the Company on 31 July 2014; and
- (h) the Share Appreciation Rights will be issued to Mr Purvis on a date, being no later than 12 months after the date Shareholder approval is obtained for Resolution 4.

If Shareholders approve the issue of the Share Appreciation Rights for the purposes of Listing Rule 10.14, approval is not required under Listing Rule 7.1.

Directors' recommendation

Messrs Dix, Grimwade, Harvey, Jones, Monti, Nilsson and Parish (who have no interest in the outcome of Resolution 4) recommend that Shareholders vote in favour of Resolution 4. Mr Purvis declines to make a recommendation about Resolution 4 as he has a personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Share Appreciation Rights to him.

Voting

Note that a voting exclusion applies to Resolution 4 in the terms set out in the Notice. In particular, Mr Purvis and other Restricted Voters (including the Directors) may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of Resolution 4.

Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on Resolution 4.

GLOSSARY

AGM means annual general meeting.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the Listing Rules and on the basis that the Company is the "designated body" for the purposes of that section. A related party of a director or officer of the Company or a Child Entity of the Company is taken to be an associate of the director or officer unless the contrary is established.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors of the Company.

Child Entity has the meaning given to that term in the Listing Rules.

Closely Related Party has the meaning given in the Corporations Act.

Company or Troy means Troy Resources Limited ABN 33 006 243 750.

Constitution means the constitution of the Company, as amended from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Explanatory Memorandum means the explanatory memorandum accompanying the Notice.

Grant Price means the value determined by the Board to be equal to the market value of a Share as at the grant date or such higher value determined by the Board in its sole and absolute discretion.

Key Management Personnel has the meaning given in the accounting standards.

Listing Rules means the Listing Rules of the ASX.

LTIP means the Troy Resources Limited Long Term Incentive Plan approved by Shareholders at the Annual General Meeting held on 28 November 2013.

Notice means the notice of annual general meeting which accompanies this Explanatory Memorandum.

Placement Shares has the meaning set out on page 6.

Restricted Voter means the Key Management Personnel and their Closely Related Parties.

Resolution means a resolution proposed pursuant to the Notice.

Share Appreciation Right means the right to receive a future payment equal to the positive difference between the Grant Price and the market value of a Share on the exercise date.

Shares means fully paid ordinary shares in the capital of the Company.

Shareholder means a holder of Shares.



TROY RESOURCES LIMITED
ABN 33 006 243 750

— 000001 000 TRY
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



For your vote to be effective it must be received by 9:30am (Perth time) Tuesday, 25 November 2014

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Troy Resources Limited hereby appoint

☐

the Chairman
of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Troy Resources Limited to be held at Rydges Perth, Hay Street Room, 815 Hay Street, Perth, Western Australia on Thursday, 27 November 2014 at 9:30am (Perth time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 4 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 4 by marking the appropriate box in step 2 below.

STEP 2

Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Non Binding Resolution to adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Ken K Nilsson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Grant of 240,000 Share Appreciation Rights to Mr Martin Purvis, Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

TRY

1 9 1 3 4 7 A

Computershare +