



**TROY RESOURCES LIMITED**

ABN 33 006 243 750

# **NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS**

**Date of Meeting**

Monday, 26 November 2018

**Time of Meeting**

1:00pm (Perth time)

**Place of Meeting**

The Celtic Club  
48 Ord Street  
West Perth WA 6005

**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) (the "Company") will be held at 1:00pm (Perth time) on Monday, 26 November 2018 at the Celtic Club, 48 Ord Street, West 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 2018, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

#### 1. Resolution 1 – Election of Mr Richard Beazley as a Director

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

*"That, Mr Richard Beazley, who was appointed to the Board since the last Annual General Meeting and who ceases to hold office in accordance with Listing Rule 14.4, clause 10.11 of the Constitution and for all other purposes, being eligible, be elected as a Director."*

#### 2. Resolution 2 – Re-election of Mr John Jones as a Director

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

*"That, Mr John Jones, 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 the issue of Investec Shares

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

*"That pursuant to and in accordance with Listing Rule 7.4, and for all other purposes, Shareholders ratify the issue of 1,883,239 Shares to Investec at a deemed issue price of \$0.1062 per Share on the terms and conditions set out in the Explanatory Memorandum."*

#### 4. Resolution 4 – Ratification of the issue of Investec Options

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

*"That pursuant to and in accordance with Listing Rule 7.4, and for all other purposes, Shareholders ratify the issue of*

*27,780,000 Options to Investec with an Exercise price of \$0.13 per Share and an Expiry Date of 30 September 2019 on the terms and conditions set out in the Explanatory Memorandum."*

#### 5. Resolution 5 – Approval of 10% Placement Facility

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."*

#### 6. Resolution 6 – Non Binding Resolution to adopt the Remuneration Report

To consider and, if thought fit, pass with or without amendment, the following as a **non-binding resolution**:

*"That the Remuneration Report as set out in the Annual Report for the year ended 30 June 2018 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.

#### 7. Resolution 7 – Conditional Spill Resolution

The following resolution is conditional on at least 25% of the votes cast on Resolution 6 being against the adoption of the Remuneration Report.

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

*"That, subject to and conditional on at least 25% of the votes cast on the resolution proposed in Resolution 6 (Remuneration Report) being cast against the adoption of the Remuneration Report:*

- (a) an extraordinary general meeting of the Company (Spill Meeting) be held within 90 days after the passing of this resolution;*
- (b) all of the Directors of the Company in office at the time when the Board resolution to make the Directors' Report for the financial year ended 30 June 2018 was passed (other than the Managing Director), and who remain Directors at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and*
- (c) resolutions to appoint persons to the offices that will be vacated immediately before the end of the Spill Meeting be put to the vote of shareholders at the Spill Meeting."*

## **Voting Exclusion Statements:**

### **Resolution 3 – Ratification of Issue of Investec Shares**

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of those persons who participated in the Investec Share Issue or any Associate of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **Resolution 4 – Approval of Issue of Investec Options**

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of those persons who participated in the Investec Option Issue or any Associate of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **Resolution 5 – Approval of 10% Placement Facility**

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of a person who may participate in the 10% Placement Facility or a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed, and any associates of such a person.

However, the Company will not disregard a vote if:

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

Important note: The proposed allottees of any Equity Securities under this 10% placement facility are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case for any Equity Securities issued under this 10% placement facility), Shareholders must consider the proposal on the basis they may or may not get a benefit and it is possible their holding will be diluted, and there is no reason to exclude their votes.

### **Resolutions 6 & 7 – Non Binding Resolution to Adopt the Remuneration Report and Spill Motion**

The Company will disregard any votes cast in favour of Resolutions 6 and 7 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 Resolutions 6 and 7 unless:

- (a) the appointment specifies the way the proxy is to vote on each of the Resolutions; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though Resolutions 6 and 7 are 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 Resolutions 6 and 7. Shareholders may also choose to direct the Chair to vote against Resolutions 6 and 7 or to abstain from voting.

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

**Gerard Kaczmarek**  
**Company Secretary**  
**Dated: 25 October 2018**

## 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 no later than 48 hours before the meeting.

### 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 6 & 7 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 1:00pm (Perth time) on Saturday, 24 November 2018. Proxies lodged after this time will be invalid.

- Proxies may be lodged using any of the following methods:

#### Online:

At [www.investorvote.com.au](http://www.investorvote.com.au)

#### By Mobile:

Scan the QR Code on your Proxy form and follow the prompts

#### By Mail to:

Computershare Investor Services Pty Ltd  
GPO Box 242  
Melbourne Victoria 3001 Australia

#### By Facsimile Transmission to:

1800 783 447 (within Australia) or  
+61 3 9473 2555 (outside Australia)

#### By Hand to:

Computershare Investor Services Pty Ltd  
Level 11  
172 St George's Terrace  
Perth Western Australia 6000

For Intermediary Online Subscribers only (custodians), please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.

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 1:00pm (Perth time) on Saturday, 24 November 2018. 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 5:00pm (Perth time) on Friday, 23 November 2018.

# 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 2018 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 or the Auditor's representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

### RESOLUTION 1 – ELECTION OF MR RICHARD BEAZLEY AS A DIRECTOR

Mr Richard Beazley was appointed to the Board on 3 October 2018. Pursuant to Listing Rule 14.4 and clauses 10.4(b) and 10.11 of the Company's Constitution, Mr Beazley, offers himself for election as a Director.

Mr Beazley's qualifications, are as follows:

B.Eng. (Mining), MBA, AusIMM, MAICD (age 54)

Mr Beazley is a mining engineer with 30 years of industry experience. He has a strong corporate, operational and technical background in the resources industry. Richard is currently the Interim Chief Operating Officer of Sandfire Resources NL and Director of Altair Mining Consultancy.

His former roles have included Managing Director of Peak Resources Limited, General Manager Operations at Consolidated Minerals and General Manager - Southern Cross Operations at St Barbara Limited.

He does not currently hold any other public company Directorships.

**The Board (with Mr Beazley abstaining) unanimously recommends Mr Beazley for election.**

### RESOLUTION 2 – RE-ELECTION OF MR JOHN JONES AS A DIRECTOR

Pursuant to clauses 10.3 and 10.4(c) of the Company's Constitution, Mr John Jones, 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 Jones's qualifications as set out in the Directors' Report of the Company's 2015 Annual Report are as follows:

Mr John L C Jones, Non-Executive Director, Acting Chairman of the Nomination and Remuneration Committee and Member of the Audit Committee, AusIMM, AICD (aged 71) - appointed 27 July 1988.

Mr Jones has over 40 years' experience as a director of public companies. Past roles include as founder and Chairman of Jones Mining Ltd and Chairman of North Kalgurli Mines NL. He is a director of private company Hampton Transport Services Pty Ltd, a service company to the mining industry in Australia.

Mr Jones is Non-Executive Chairman of Anglo Australian Resources NL, Tanga Resources Ltd, Altan Rio Minerals Ltd and Altan Nevada Minerals Ltd.

**The Board (with Mr Jones abstaining) unanimously recommends Mr Jones for re-election.**

### RESOLUTION 3 – RATIFICATION OF ISSUE OF INVESTEC SHARES

On 27 September 2018, the Company issued 1,883,239 Shares to Investec Bank plc (Investec) at a deemed issue price of \$0.1062 per Share. These Shares were issued as part of the consideration for the restructure of the debt facilities between the Company and Investec completed on 26 September 2018.

#### Listing Rule 7.4

As the Investec Shares 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 Investec 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:

- a) The number of Shares issued and allotted by the Company was 1,883,239.
- b) The deemed issue price of each Share was \$0.1062.
- c) The Shares issued are fully paid ordinary shares and rank equally in all respects with the Company's existing Shares.

- d) The Shares were issued to Investec Bank plc who is not a related party of the Company.
- e) No funds were raised from the issue of the Investec Shares as the issue was part consideration of a debt rescheduling.
- f) A voting exclusion statement in relation to this Resolution is included in the Notice.

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

#### **RESOLUTION 4 – RATIFICATION OF ISSUE OF INVESTEC OPTIONS**

On 27 September 2018, the Company issued 27,780,000 Options to Investec Bank plc (Investec) with an exercise price of \$0.13 per Share and an expiry date of 30 September 2019. The Company also cancelled 27,780,000 previously issued Options which had an exercise price of \$0.18 and an expiry date of 20 April 2019. These new Options were issued as part of the consideration for the restructure of the debt facilities between the Company and Investec completed on 26 September 2018.

##### **Listing Rule 7.4**

As the Options 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. Options are considered to be securities under the Listing Rules. The Company now seeks Shareholder approval to ratify the issue of the Investec Options. 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:

- a) The number of Options issued by the Company was 27,780,000 with an exercise price of \$0.13 per Share and an expiry date of 30 September 2019. The full terms and conditions of the Options are included in Annexure A to this Explanatory Memorandum.
- b) The deemed issue price, as calculated using a Black Scholes option pricing model, was 2.55 cents per Option.
- c) The Shares issued upon exercise of any of the Options will rank equally in all respects with the Company's existing Shares.
- d) The Options were issued to Investec Bank plc who is not a related party of the Company.
- e) No funds were raised from the issue of the Investec Shares as the issue was part consideration of a debt rescheduling. If the Options are exercised, the funds raised will be put towards the Company's working capital requirements.
- f) A voting exclusion statement in relation to this Resolution is included in the Notice.

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

#### **RESOLUTION 5 – APPROVAL OF 10% PLACEMENT FACILITY**

##### **General**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of their issued share capital through placements over a 12 month period after the annual general meeting at which shareholder approval is obtained for the purposes of that Listing Rule (10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company has not previously sought nor received Shareholder approval for the 10% Placement Facility at any previous annual general meeting.

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 8.2(c) below).

The Directors believe that Resolution 5 is in the best interests of the Company because of the flexibility it provides the Company to issue further securities representing up to an additional 10% of the Company's Share capital during the next 12 months.

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

**Shareholders should be aware that the Company currently has no plans to issue shares pursuant to the 10% placement facility.**

##### **Description of Listing Rule 7.1A**

###### **(a) Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

###### **(b) Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. The Company, as at the date of the Notice, has on issue two classes of Equity Securities, being Shares (ASX: TRY) and unlisted options.

###### **(c) Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where A is the number of fully paid shares on issue 12 months before the date of issue or agreement:

- (a) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;

(b) plus the number of partly paid shares that became fully paid in the 12 months;

(c) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;

(d) less the number of fully paid shares cancelled in the 12 months.

*Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

Where D is 10%

Where E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 459,543,474 Shares. If Resolutions 3, 4 & 5 are passed, the Company will be permitted to issue (as at the date of this Notice):

- |      |            |   |
|------|------------|---|
| (i)  | 68,931,521 | Equity Securities under Listing Rule 7.1; and |
| (ii) | 45,954,347 | Equity Securities under Listing Rule 7.1A.    |

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer above).

(e) Minimum Issue Price

The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (a) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (b) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) (10% Placement Period).

## Listing Rule 7.1A

The effect of Resolution 5 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

## Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

### (a) Minimum Issue Price

The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

### (b) Risk of economic and voting dilution

If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are exercised). There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice of Meeting.

The table also shows:

- (i) two examples, where variable "A" has increased by 50% and by 100%. Variable "A" is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples, where the issue price of Shares has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.05 50% decrease in Issue Price	\$0.10 Current Market/ Issue Price	\$0.15 50% increase in Issue Price
<b>Current Variable A</b> 459,543,474 Shares	<b>10% Voting Dilution Funds raised</b>	45,954,347 shares \$2,297,717	45,954,347 shares \$4,594,347	45,954,347 shares \$6,893,152
<b>50% increase in current Variable A</b> 689,315,211 Shares	<b>10% Voting Dilution Funds raised</b>	68,931,521 shares \$3,446,576	68,931,521 shares \$6,893,152	68,931,521 shares \$10,339,728
<b>100% increase in current Variable A</b> 919,086,948 Shares	<b>10% Voting Dilution Funds raised</b>	91,908,695 shares \$4,595,435	91,908,695 shares \$9,190,870	91,908,695 shares \$13,786,304

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
- (vii) The current market price is \$0.105, being the closing price of the Shares on ASX on 24 October 2018.

**(c) Period within which the 10% Placement Facility can be implemented**

The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 7 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

**(d) Purpose for which the 10% Placement Facility may be implemented**

The Company may seek to issue the Equity Securities for the following purposes:

- (i) non-cash consideration for the acquisition of new assets, (including the expenses associated with such acquisition), continued exploration, feasibility study and project development expenditure on the Company's current assets and/or for general working capital. In such

circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or

- (ii) cash consideration to raise funds for the acquisition of new assets, (including the expenses associated with such acquisition), continued exploration, feasibility study and project development expenditure on the Company's current assets and/or for general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

**(e) Allocation policy when the 10% Placement Facility may be implemented**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company. Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.

**(f) Details of Equity Securities Issued During Past 12 Months**

During the past 12 months prior to the date of the Annual General Meeting, and assuming no further issue of securities between the date of this Notice of Meeting and the date of the Annual General Meeting, the Company issued 29,663,239 Equity Securities representing 6.45% of the total number of Equity Securities on issue 12 months ago, being 28 November 2017. These Equity Securities, being 1,883,239 ordinary Shares and 27,780,000 Options, were issued to Investec Bank Plc on 27 September 2018 and are the subject of the ratification under Resolutions 3 and 4 above.

**(g) Voting Exclusions**

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities utilising this 10% Placement Facility following the 2018 Annual General Meeting. No existing Shareholder's votes will therefore be excluded under the voting.

**The Board unanimously recommends that Shareholders vote in favour of Resolution 5.**

## RESOLUTION 6 – 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 set out in the Company's 2018 Annual Report which is also available on the Company's website ([www.troyres.com.au](http://www.troyres.com.au)).

This vote is advisory only and does not bind the Directors or the Company. Nevertheless, the discussion on this resolution and the outcome of the vote will be taken into consideration by the Board and the Nomination and Remuneration Committee when considering the future remuneration arrangements for the Company.

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.

At last year's Annual General Meeting, 54% of the votes cast on the resolution to adopt the 2017 Remuneration Report were against the resolution. Accordingly, the Company received a 'first strike'. The main proxy advisors did not recommend a "No" vote. The Board has had discussions with key shareholders in the Company. A number of concerns were raised and noted during these meetings, one of which concerned the remuneration policies of the Company. The Board has appointed an additional Non-Executive Director in Richard Beazley who was the skills required to assist in the Board decision making process. Further changes to the Board composition may be considered. The Board is also conscious of making any changes in a fashion that will not disrupt the efficient functioning of the Board.

If the votes cast against this year's resolution to adopt the 2018 Remuneration Report are again at least 25% of the total votes cast, the Company will receive a 'second strike'. If a company receives two strikes, it is required to put a resolution to the meeting to determine whether the Company's Directors (who were in office at the time the 2018 Directors' Report was approved) will need to stand for re-election at a special meeting.

As a result, this Notice includes a "conditional" resolution - Resolution 7. This resolution will only be put to the AGM if the Company has received a 'second strike'. Further detail is included in the Explanatory Notes for Resolution 7.

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

**The Board unanimously recommends that Shareholders vote in favour of Resolution 6.**

## RESOLUTION 7 – CONDITIONAL SPILL RESOLUTION

**This resolution is a "conditional" resolution. It will only be put to the AGM if 25% or more of the votes cast on Resolution 6 are cast against the adoption of the 2018 Remuneration Report.**

This Resolution will be considered as an ordinary resolution, which means that, to be passed, the resolution requires the approval of a simple majority of the votes cast by or on behalf of the Shareholders entitled to vote on the matter.

If this Resolution is passed then the Company must hold a Spill Meeting within 90 days after the AGM to consider the composition of the Board. If a Spill Meeting is required, the date of the meeting will be notified to Shareholders in due course.

If a Spill Meeting is held, the following Directors (the **Relevant Directors**) will automatically cease to hold office as Directors of the Company at the conclusion of the Spill Meeting, unless they are willing to stand for re-election and are re-elected at that meeting:

- Mr Peter Stern
- Mr John Jones

Mr Beazley would not be considered a Relevant Director as he was not a Director at the time the Board approved the 2018 Remuneration Report.

Even if Shareholders vote in favour of the re-election of Mr Jones pursuant to Resolutions 2, he will still need to be re-elected at the Spill Meeting to remain in office after the Spill Meeting.

Each of the Relevant Directors would be eligible to seek re-election at the Spill Meeting however there is no assurance that any of them would seek to do so.

**The Directors unanimously recommend that Shareholders vote against Resolution 7, if it is put to the Meeting.**

Noting that each Relevant Director would have a personal interest in any such resolution, and that each of them (and their closely related parties) would be excluded from voting on the Resolution, **the Board considers that a Spill Meeting would be extremely disruptive to the Company and that it would be inappropriate to remove all of the Relevant Directors in the circumstances.** The Board also notes that Shareholders can remove a Director by a majority Shareholder vote at any general meeting and for any reason.

## DEFINITIONS

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

**\$** means Australian Dollars.

**AGM** means annual general meeting.

**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.

**Equity Securities** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum accompanying the Notice.

**Investec** means Investec Bank plc, a bank incorporated in the United Kingdom.

**Investec Shares** has the meaning given in Resolution 3.

**Investec Options** has the meaning given in Resolution 4.

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

**Listing Rules** means the Listing Rules of the ASX.

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

**Options** means an option over fully paid ordinary shares in the capital of the Company.

**Relevant Directors** has the meaning given in Resolution 7.

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

**Resolution** means a resolution proposed pursuant to the Notice.

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

**Shareholder** means a holder of Shares.

**Spill Meeting** and **Spill Resolution** have the meaning given in Resolution 7.

## ANNEXURE A

### OPTION CONDITIONS

Each unlisted call option (**Option**) entitles Investec Bank Plc (**Grantee**) to subscribe for one ordinary fully paid share (**Share**) in Troy Resources Limited (**Company**) on the following terms and conditions.

1. The Options will be exercisable at any time during the period beginning from the date of issue and expiring at 5.00pm (WDT) on 30 September 2019 (**Expiry Date**).
2. When exercising an Option, the Grantee must provide the Company with 3 Business Days written notice of its intention to exercise by completing the Option Exercise Notice and providing this to the Company together with payment for the number of Shares in respect of which the Options are being exercised.
3. The Exercise Price for each Option is A\$0.13.
4. The Grantee may exercise a portion of the Options subject to any partial exercise being effected in integral multiples of A\$100,000, and such exercise does not affect the Grantee's right to exercise other Options at any later time up to the Expiry Date.
5. The Options are not transferable, other than with the consent of the Company.
6. All Shares issued on exercise of the Options will, from the date they are issued, rank pari passu in all respects with the Company's then issued ordinary fully paid shares. The Company will apply for quotation by the Australian Securities Exchange (**ASX**) of all Shares issued upon exercise of the Options as soon as practicable, and in any event within 2 Business Days of the Shares having been allotted and the Company will issue to the Grantee, at the election of the Grantee, a CHESS holding statement or issuer-sponsored holding statement in respect of those Shares.
7. There are no participating rights or entitlements inherent in the Options and the Grantee will not be entitled to participate in new issues of capital offered to shareholders of the Company (**Shareholders**) during the currency of the Options. However, the Company will ensure that for the purpose of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced in order to give the Grantee the opportunity to exercise its Options prior to the date for determining entitlements to participate in any such issue.
8. If there is a bonus issue to the holder of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Grantee would have received if the Option had been exercised before the record date for the bonus issue. No change will be made to the Exercise Price.
9. In the event of any reorganisation (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of the Grantee, including the number of Options or the Option exercise price or both, will be changed to the extent necessary to comply with the Listing Rules of ASX applying to a reorganisation of capital at the time of the reorganisation.
10. The Grantee will be sent all communications sent to Shareholders, but Options do not confer any right to attend or vote at meetings of Shareholders.
11. Notices may be given by the Company to the Grantee in the manner provided by the Company's Constitution for the giving of notices to Shareholders, and the relevant provisions of the Company's Constitution apply with all the necessary modification to notices to the Grantee.





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

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](http://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](http://www.intermediaryonline.com)

## For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form

XX



### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://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: I999999999**

**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  
1:00pm (Perth time) Saturday, 24 November 2018**

### 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](http://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

IND

# 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 The Celtic Club, 48 Ord Street, West Perth, Western Australia on Monday, 26 November 2018 at 1:00pm (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 6 and 7 (except where I/we have indicated a different voting intention below) even though Resolutions 6 and 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

The Chairman of the Meeting intends to vote undirected proxies in favour of each Item of business with the exception of Resolution 7 where the Chairman of the Meeting intends to vote against.

**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 6 and 7 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.

The Troy Board unanimously recommends that you vote **FOR** Resolutions 1 to 6

	For	Against	Abstain
Resolution 1 Election of Mr Richard Beazley as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr John Jones as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Ratification of the issue of Investec Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Ratification of the issue of Investec Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Non Binding Resolution to adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Troy Board unanimously recommends that you vote **AGAINST** Resolution 7

Resolution 7 Conditional Spill Resolution	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
---	--------------------------	-------------------------------------	--------------------------

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business with the exception of Resolution 7 where the Chairman of the Meeting intends to vote against. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

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 / /