

12 July 2019

PROPOSED RESOLUTION TO REDUCE DIRECTORS' FEES

Troy Resources Limited (**ASX: TRY**) (**Troy** or the **Company**) refers to the Company's announcement of 10 July 2019 concerning the requirement to convene a meeting of shareholders to consider a resolution as a result of receipt of a meeting request from small shareholder, RAMcap Limited (**RAMcap**).

The resolution received from RAMcap is:

"That, commencing from 1 July 2019 the maximum aggregate Directors' fees payable to non executive directors including the chairman of directors be reduced from \$800,000 to \$200,000 per annum."

Reading this, a shareholder could potentially be misled into believing that the aggregate amount paid to the Company's Non-Executive Directors is at or approaching the stated \$800,000 per annum amount.

Nothing could be further from the truth.

The maximum aggregate Directors' fees payable to Troy's Non-Executive Directors of \$800,000 per annum was approved by shareholders at the 2011 Annual General Meeting.

The aggregate fees **actually paid** to Non-Executive Directors over the last three financial years, including all fees payable in respect of participation on various Board committees as well as superannuation, is set out as follows:

YE 30 June	2016	2017	2018
Aggregate Non-Executive Director fees	\$380,937	\$283,930	\$306,559

In respect of financial year ended 30 June 2018 – the year most recently reported – of the total Non-Executive Directors remuneration paid, an amount of \$227,719 was paid to Chairman, Mr Peter Stern.

The notes to the accounts state:

"During the year Mr Stern's remuneration was increased due to extra workload assumed during the Investec bank renegotiations and the S.249D General Meeting called in October 2017. His remuneration will revert to the 2017 level for the 2018/19 year."



It is noted that, during year ended 30 June 2018, 15 Board Meetings, three Audit Committee Meeting and two Nomination & Remuneration Committee Meetings were held, the large number of meetings reflecting the perilous financial and operational circumstances of the Company confronting the Board at that time.

These perilous financial and operational circumstances were arguably the catalyst for the immediate prior resignation of each of the Chairman, Managing Director, a Non-Executive Director, two Chief Financial Officers and the Company Secretary in quick succession.

In respect of year ended 30 June 2019, Mr Stern's actual remuneration (which will be set out in the 2019 Annual Report) is \$150,334.

Together with fees paid to the other Non-Executive Directors, Mr John Jones and Mr Richard Beazley, aggregate Non-Executive Directors fees paid in respect of Year Ended 30 June 2019 was \$288,314.

Once again, this amount is substantially less than the \$800,000 amount that RAMcap would seemingly have shareholders believe is actually being paid.

It is noted that reports by independent proxy advisory firms ISS Corporate Governance and CGI Glass Lewis in respect of the approval of the Company's Remuneration Report at the 2018 Annual General Meeting were silent as to the quantum of Non-Executive Directors' fees payable, suggesting they were not a point of concern.

Commons sense would suggest if Troy (or any other company for that matter) does not pay fees commensurate with the requirements of the task, then attracting and retaining personnel with the requisite skills and experience will be problematic.

Your Directors hereby call on RAMcap to withdraw its request for this frivolous meeting of shareholders.

Failure to do so will see the Company spend scarce shareholders' funds on an administrative matter of no consequence.

Your Directors consider said funds would be better spent on exploration activities as the Company seeks to convert the highly prospective Ohio Creek prospect near the Karouni Mill in Guyana from a target into a resource, not to mention on other exciting exploration endeavours.

ENDS

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