

TROY RESOURCES LIMITED
ACN 006 243 750

THIRD SUPPLEMENTARY PROSPECTUS

1 Important Information

This is the third supplementary prospectus (**Third Supplementary Prospectus**) that supplements, and should be read together with, the prospectus dated 1 August 2022 (**Original Prospectus**), first supplementary prospectus dated 2 August 2022 (**First Supplementary Prospectus**) and second supplementary prospectus dated 15 August 2022 (**Second Supplementary Prospectus**) (together, the **Prospectus**) issued by Troy Resources Limited ACN 006 243 750.

This Third Supplementary Prospectus is dated 25 August 2022 and was lodged with ASIC on that date. Neither ASIC nor ASX take any responsibility as to the contents of this Third Supplementary Prospectus.

Other than the changes set out in this Third Supplementary Prospectus, all other details in relation to the Prospectus remain unchanged. To the extent of any inconsistency between this Third Supplementary Prospectus and the Prospectus, the provisions of this Third Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Prospectus have the same meaning in this Third Supplementary Prospectus.

This Third Supplementary Prospectus and the Prospectus may be accessed at <http://www.troyres.com.au>.

This Third Supplementary Prospectus and the Prospectus are important documents that should be read in their entirety. If you are in any doubt as to the contents of this Third Supplementary Prospectus or the Prospectus, you should consult your stockbroker, lawyer, accountant or other professional adviser without delay.

2 Supplementary Prospectus

2.1 Minimum Subscription Condition and ASX Quotation

The Original Prospectus discloses that the Rights Issue Offer is subject to a minimum subscription amount of \$7,317,971 in Section 3.14 of the Original Prospectus and that this minimum subscription amount is not sufficient for the Company to satisfy one of the conditions imposed by ASX for the Company's Shares to recommence trading, being the requirement for the Company to have sufficient funding for 12 months at the time of reinstatement to trading on ASX. The Company believes that a further \$2,000,000 is required to be raised by the Company, for a total amount of \$9,317,970, whether through the Rights Issue Offer, the Shortfall Offer, by placements to other investors, or otherwise, to satisfy this ASX reinstatement condition to enable the Company's Shares to recommence trading on ASX. The additional \$2,000,000 may also be raised from the sale of surplus, non-core equipment or tenements that would have no impact on the Company's future plans with the development of the Smarts Underground Project.

For the avoidance of doubt, if the minimum subscription amount of \$7,317,971 is satisfied but the Company has not raised \$9,317,970 by the end of the Rights Issue Offer Closing Date, the Company may proceed with issue New Shares under the Rights Issue Offer irrespective of whether the Company is able to satisfy the ASX conditions for the Company's Shares to recommence trading on ASX if the Company believes that it will be able to raise the additional \$2,000,000.

In addition to the minimum subscription condition, the issue of New Shares under the Rights Issue Offer is subject to ASX granting Official Quotation for the New Shares as described in Section 3.20 of the Original Prospectus. Eligible Shareholders should be aware that ASX may grant Official Quotation for the New Shares issued under the Rights Issue Offer prior to and without the Company having satisfied ASX's conditions for Reinstatement of the Company's Shares recommencing trading on ASX. If this occurs, then:

- (a) the New Shares will **not** be freely tradeable due to the Company's Shares being voluntarily suspended from trading on ASX;
- (b) recommencement of trading of the Company's Shares **will** be delayed until the Company is able to satisfy ASX's conditions for Reinstatement of the Company's Shares, including raising the additional \$2,000,000 referred to above. There is no guarantee that the Company will be able to satisfy ASX's conditions for Reinstatement of the Company's Shares; and
- (c) Eligible Shareholders will **not** be entitled to any refund for their New Shares issued under the Rights Issue Offer due to a failure to satisfy the ASX quotation condition described in Section 3.20 of the Original Prospectus.

In addition to the reasons detailed in Section 3.4 of the Original Prospectus, a purpose of the Prospectus is to ensure that the on-sale of New Shares issued pursuant to the Rights Issue Offer.

2.2 RiverFort Agreements

Subscription Agreement

Shareholders should refer to Section 10.2(c) of the Original Prospectus for a summary of the RiverFort Subscription Agreement which provides that its subscription for \$300,000 pursuant to tranche two of the Placement is conditional on, amongst other matters, the Company confirming in writing that following RiverFort's subscription pursuant to tranche two of the Placement and receipt of funds for the Initial Funding, the Company believes it will satisfy the outstanding conditions imposed by ASX for the Reinstatement (refer to Section 2.5 of the Original Prospectus for further details).

Accordingly, RiverFort's subscription for tranche two of the Placement pursuant to the RiverFort Subscription Agreement is conditional on the Company believing that it can satisfy ASX's conditions for Reinstatement, including having raised \$9,317,970 to have sufficient funding 12 months at the time of reinstatement to trading on ASX.

Shareholders should also note that the Company and RiverFort, having regarding to the Indicative Timetable provided in the Second Supplementary Prospectus, have agreed to vary the RiverFort Subscription Agreement such that the conditions precedent to that agreement must be satisfied by 12 September 2022.

RiverFort Funding Agreement

Shareholders should refer to Section 10.2(a) of the Original Prospectus for a summary of the RiverFort Funding Agreement which provides that the First Drawdown of the RiverFort Convertible Notes only occurs 15 Business Days after the issue of the tranche two Placement shares to RiverFort pursuant to the RiverFort Subscription Agreement described in Section 10.2(c) of the Original Prospectus.

Accordingly, due to the First Drawdown of the RiverFort Convertible Notes only occurring after the completion of the issue of the tranche two Placement shares to RiverFort, the funding from RiverFort under both the RiverFort Subscription Agreement and the RiverFort Funding Agreement will only be available to the Company if believes it will satisfy the outstanding conditions imposed by ASX for the Reinstatement, including the ability to raise \$9,317,970 to have sufficient funding 12 months at the time of reinstatement to trading on ASX.

Shareholders should also note that the Event of Default described in Section 10.2(b)(xii)(G) of the Original Prospectus relating to the Company's shares being suspended for more than 20 consecutive trading days in any 12 months period applies to the period after drawdown of the RiverFort Convertible Notes and does not apply to the Company's current suspension.

2.3 Use of Funds

Barrick Gold Reimbursement

Shareholders should refer to Note 5 of Section 3.6(a) and Note 2 of Section 3.6(b) of the Original Prospectus and note that approximately 25% of the expenditure detailed in these notes is forecast to be reimbursed to the Company by Barrick Gold.

Smarts Underground Project

Shareholders should refer to Note 8 of Section 3.6(a) and Note 5 of Section 3.6(b) of the Original Prospectus and note that, in regards to the expenditure detailed in these notes, the Company intends to progress its plans for the development and announcement of a feasibility study for the Smarts Underground Project (refer to Section 2.6(a) of the Original Prospectus). The Company has completed its initial consultancy work and is undertaking further work in-house (which is expected to be completed within the next six months).

The Company's work program for the Smarts Underground Project feasibility study over the next six months is as follows:

- (a) review of costing to acquire market pricing from several underground mining contractors. The focus will be on contractors from South America and a review of appropriate North American competitors. This will also establish costs for capital items and consumables from first principals including shipping costs and timing requirements;
- (b) review the mining method and extraction sequence to optimise mining recovery and reduce operating and capital costs;
- (c) review the ventilation circuit to ensure the system is designed for appropriate levels of airflow equipment and manning loads;
- (d) review and analyse the hydrogeological aspects of the operation, including groundwater modelling, holding capacity at the base of the Smarts Underground pit and the pumping system capacity and backup systems;
- (e) review mining equipment selection to optimise development rates and stope extraction rates whilst minimising overall total costs per ounce produced; and
- (f) analyse and design future drilling programs for both the surface and underground to extend the mineral resource.

Once the Company has completed the above activities on the Smarts Underground Project, it anticipates, being able to finalise the other costs for the feasibility study in addition to the up-front capital expenditures to first ore for the Smarts Underground Project, expected to be approximately US\$7 million.

Moreover, the Company is progressing discussions, which commenced in September 2021, with potential debt financiers to further finance the Smarts Underground Project. The Company is aiming to have debt financing in place by Q2 FY23 to develop the underground project.

During the later stages of the feasibility study, it is anticipated that some initial site works will commence to compress timelines post the decision to mine. This will include the dewatering of the Smarts pits to ensure earthworks can commence in a timely manner for the establishment of the portal area and the installation of infrastructure to support the underground project.

Future capital requirements

Shareholders should refer to Section 9(c) of the Original Prospectus to consider the risks associated with the Company's future capital requirements.

The Company's continued development of the Smarts Underground Project requires approximately US\$7 million to fund development. In addition to this, the Company's ongoing activities may require further financing in the future for its business activities. Any additional equity financing may be dilutive to the Company's Shareholders, may be undertaken at lower prices than the current market price or may involve restrictive covenants which limit the Company's operations and business strategy. Although the directors believe that additional capital may be able to be obtained, no assurances can

be made that appropriate capital or funding, if and when needed, either via way of equity or debt, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern or remain solvent.

2.4 Independent Geologist's Report

The Company notes that:

- (a) the Mineral Resource (as that term is defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**)) estimates for the Karouni Project were released to ASX on 11 April 2022; and
- (b) the Ore Reserve (as that term is defined in the JORC Code) estimates for the Smarts Deposit were released to ASX on 26 July 2021. The Mineral Resources and Ore Reserve estimates were included in the Independent Geologist's Report contained in Section 7 of the Original Prospectus.

Mr Richard Maddocks, being a Competent Person (as that term is defined in the JORC Code) in respect of the Mineral Resource estimates, has reviewed the Mineral Resource estimates that are provided in the Independent Geologist's Report (and the ASX announcement dated 11 April 2022), and believes the Mineral Resource estimates have been reported in accordance with the Listing Rules and the JORC Code.

Mr Anthony Keers:

- (a) being a Competent Person in respect of the Ore Reserve estimates; and
- (b) having sufficient experience relevant to the Technical Assessment (as that term is defined in the 2015 edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Minerals Assets (**VALMIN Code**)) of the Mineral Assets (as that term is defined in the VALMIN Code) under consideration, the style of mineralisation and types of deposit described in the Prospectus (including, without limitation, in the Independent Geologist's Report included in the Prospectus by the Independent Geologist regarding a report on the Company's mineral assets), and to the activity being undertaken to qualify as a Practitioner as defined in the VALMIN Code, in accordance with VALMIN clause 2.2,

has reviewed the Ore Reserve estimates that are provided in the Independent Geologist's Report (and the ASX announcement dated 26 July 2021), and believes the Ore Reserve estimates have been reported in accordance with the Listing Rules, the JORC Code and the VALMIN Code.

The Independent Geologist has also reviewed the inputs, assumptions, methodologies and modifying factors used in the Technical Assessment of the Mineral Assets and believe that these meet the Reasonable Grounds Requirement (as that term is defined in the VALMIN Code). Accordingly the Mineral Assets have passed the Reasonableness Test (as that term is defined in the VALMIN Code) and are of sufficient quality to be included in the Prospectus.

2.5 Consents

The Company confirms that as at the date of this Third Supplementary Prospectus, each of the parties that have been named as having consented to being named in the Prospectus have not withdrawn that consent.

The Independent Geologist:

- (a) has given its consent to being named as the independent geologist in this Third Supplementary Prospectus in the form and context in which it is named and the inclusion in this Third Supplementary Prospectus of all information and statements relating to, made by, or said to be based on statements by, the Independent Geologist, in each case in the form and context as they appear in this Third Supplementary Prospectus, and has not withdrawn such consent prior to the issue of this Third Supplementary Prospectus;

- (b) has given its consent in accordance with the Corporations Act which has not been withdrawn as at the date of lodgement of this Third Supplementary Prospectus with ASIC; and
- (c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Third Supplementary Prospectus other than a reference to its statement in this Third Supplementary Prospectus with its consent.

3 Directors' authorisation

This Third Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Third Supplementary Prospectus with ASIC and has not withdrawn that consent.

This Third Supplementary Prospectus is signed for and on behalf of the Company by:



Peter Stern
Chairman

Dated: 25 August 2022