



TROY RESOURCES LIMITED

ABN: 33 006 243 750

23 June 2022

LETTER TO SHAREHOLDERS REGARDING GENERAL MEETING OF SHAREHOLDERS

Dear Shareholder

Troy Resources Limited (the **Company**) will be holding a General Meeting of shareholders at 10.00am (WST) on Monday 25 July 2022 (**Meeting**) at its offices, Level 2, 5 Ord Street, West Perth WA 6005, immediately following its Annual General Meeting for the year ended 30 June 2021.

In accordance with the Corporations Amendments (Meetings and Documents) Act 2022, the Company will not be sending hard copies of the Notice of Meeting to shareholders who have not previously opted in to receiving electronic copies. Instead, the Notice of Meeting can be viewed and downloaded from the website link:

<http://www.troyres.com.au/investor-centre/announcements.html>

A copy of your personalised proxy form is enclosed for your convenience. Please complete and return the attached proxy form to the Company's share registry, Computershare Investor Services Pty Limited by post to:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne, VIC, 3001
Australia

Proxy votes may also be lodged online using the following link: www.investorvote.com.au

Your voting instructions must be received by 10.00am (WST) on 23 July 2022, being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

The Notice of Meeting is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional advisor. If you have any difficulties obtaining a copy of the Notice of Meeting please contact the Company's share registry Computershare Investor Services Pty Limited on 1300 850 505.

Authorised by the Board of Troy Resources Limited.

Richard Beazley – Interim Chief Executive Officer and Managing Director

T: +61 8 9481 1277

E: troy@troyres.com.au

Peter Stern - Non-Executive Chairman

T: +61 8 9481 1277

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Rebecca Broughton - CFO and Company Secretary

T: +61 8 9481 1277

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TROY RESOURCES LIMITED

ABN 33 006 243 750

NOTICE OF GENERAL MEETING

DATE OF MEETING

Monday, 25 July 2022

TIME OF MEETING

10:00am (AWST)

PLACE OF MEETING

Level 2, 5 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 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 GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Troy Resources Limited (ABN 33 006 243 750) (the Company) (Meeting) will be held at 10:00am (AWST) on Monday, 25 July 2022 at Level 2, 5 Ord Street, West Perth WA 6005, for the purpose of transacting the following business referred to in this Notice of General Meeting.

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form forms part of this Notice. We recommend Shareholders read the Explanatory Memorandum in relation to the proposed Resolutions.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Saturday, 23 July 2022 at 5:00pm (AWST).

The Company advises that a poll will be conducted for all Resolutions.

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) are defined in Schedule 1.

AGENDA

1 Resolution 1 – Approval of Tranche 2 Shares

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

"That, subject to each of the other Conditional Resolutions being passed or the interconditionality of the other Conditional Resolutions being waived by the Board, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 175,485,550 Shares pursuant to tranche two of the Placement on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of any investor that may participate in tranche two of the Placement and any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities) or an associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution that way; or
- (b) the Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2 Resolution 2 – Approval to issue Shares to AIMS

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

"That, subject to each of the other Conditional Resolutions being passed or the interconditionality of the other Conditional Resolutions being waived by the Board, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 312,790,000 Shares to AIMS (and/or its nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of AIMS (and/or its nominees) and any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities) or an associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution that way; or
- (b) the Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3 Resolution 3 – Approval to issue Shares to Exploservice

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

"That, subject to each of the other Conditional Resolutions being passed or the interconditionality of the other Conditional Resolutions being waived by the Board, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 333,902,799 Shares to Exploservice (and/or its nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Exploservice (and/or its nominees) and any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities) or an associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution that way; or
- (b) the Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4 Resolution 4 – Approval to issue Shares to CED Capital

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

"That, subject to each of the other Conditional Resolutions being passed or the interconditionality of the other Conditional Resolutions being waived by the Board, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 16,727,273 Shares to CED Capital (and/or its nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of CED Capital (and/or its nominees) and any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities) or an associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution that way; or
- (b) the Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5 Resolution 5 – Approval to issue Convertible Notes to RiverFort

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

"That, subject to each of the other Conditional Resolutions being passed or the interconditionality of the other Conditional Resolutions being waived by the Board, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 5,000,000 Convertible Notes and the issue of such number of Shares to RiverFort (and/or its nominees) on

conversion of the Convertible Notes calculated in accordance with the formula in the Explanatory Memorandum and otherwise on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of RiverFort (and/or their nominees) and any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities) or an associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution that way; or
- (b) the Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6 Resolution 6 – Approval to issue Options to RiverFort

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

That, subject to each of the other Conditional Resolutions being passed or the interconditionality of the other Conditional Resolutions being waived by the Board, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 113,636,363 Options to RiverFort (and/or its nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of RiverFort (and/or its nominees) and any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities) or an associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution that way; or
- (b) the Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting, on the Resolution; and

- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

7 Resolution 7 – Approval to issue Additional Placement Shares

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

"That pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 27,272,727 Shares pursuant to the Additional Placement, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of any investor that may participate in the Additional Placement and any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities) or an associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution that way; or
- (b) the Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Note: As at the date of this Notice, it is not known who may participate in the Additional Placement under Resolution 7 and the Company has not approached any Shareholder or identified a class of existing Shareholders to participate in any issue of Shares under the Additional Placement. Accordingly, no Shareholders are excluded from voting on Resolution 7.

8 Resolution 8 – Ratification of Tranche 1 Shares

To consider and, if thought fit, to pass with or without amendment, 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 42,096,486 Shares pursuant to tranche one of the Placement, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of any investor that participated in tranche one of the Placement or an associate of any investor that participated in tranche one of the Placement.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution that way; or

- (b) the Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

9 Resolution 9 – Ratification of prior issue of Shares to Exploservice

To consider and, if thought fit, to pass with or without amendment, 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 16,213,609 Shares to Exploservice, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Exploservice or an associate of Exploservice.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution that way; or
- (b) the Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairperson to vote on the resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

By order of the Board



Peter Stern
Chairman
Dated: 23 June 2022

ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read this Notice, including the Explanatory Memorandum, carefully before deciding how to vote on the Resolutions.

A Proxy Form is enclosed with this Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to vote at the Meeting either in person or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions on the Proxy Form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting either in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint up to two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 10:00am (AWST) on Saturday, 23 July 2022, being at least 48 hours before the Meeting.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

ATTENDANCE AT MEETING

Attendance at the Meeting

The Company advises Shareholders that the Meeting will be held in compliance with any government restriction on gatherings in Australia (and/or Western Australia). Due to the COVID-19 situation, the Company strongly encourages all Shareholders to vote by directed proxy rather than attend the meeting in person.

If it becomes necessary or appropriate to make alternative arrangements to those detailed in this Notice, Shareholders will be updated via the ASX announcements platform and on the Company's website at <http://www.troyres.com.au>.

The Directors strongly encourage all Shareholders to lodge proxy forms prior to the Meeting.

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 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 Schedule 1 to the Explanatory Memorandum.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 1	Inter-Conditional Resolutions
Section 2	Recapitalisation
Section 3	Resolution 1 – Approval of Tranche 2 Shares
Section 4	Resolution 2 – Approval to Issue Shares to AIMS
Section 5	Resolution 3 – Approval to Issue Shares to Exploservice
Section 6	Resolution 4 – Approval to Issue Shares to CED Capital
Section 7	Resolution 5 – Approval to Issue Convertible Notes to RiverFort
Section 8	Resolution 6 – Approval to Issue Options to RiverFort
Section 9	Resolution 7 – Approval to Issue Additional Placement Shares
Section 10	Resolution 8 – Ratification of Tranche 1 Shares
Section 11	Resolution 9 – Ratification of Prior Issue of Shares to Exploservice
Schedule 1	Definitions
Schedule 2	Risk Factors
Schedule 3	Balance Sheet Post Completion of the Recapitalisation
Schedule 4	Balance Sheet Post Completion of the Recapitalisation and Rights Issue Offer
Schedule 5	Summary of Agreements
Schedule 6	Terms and Conditions of RiverFort Options

A Proxy Form is enclosed with the Notice.

1 INTER-CONDITIONAL RESOLUTIONS

The Conditional Resolutions (Resolutions 1 to 6 (inclusive)) are inter-conditional, meaning that each of them will only take effect if they are all approved by the requisite majority of Shareholders' votes at the Meeting or the Board decides to waive the interconditionality of a Conditional Resolution. The Board may, at its absolute discretion and subject to the Listing Rules and Corporations Act, elect to waive a Conditional Resolution in the event a particular Conditional Resolution is not passed. However, any waiver of the interconditionality will require amendments to the Agreements as there are conditions in the Agreements which currently require all the transactions subject to the Conditional Resolutions to be approved.

If any of the Conditional Resolutions are not approved at the Meeting and/or the interconditionality is not waived by the Board, none of the Conditional Resolutions will take effect and the issue of securities and other matters contemplated by the Conditional Resolutions and Recapitalisation (described below) will not be completed.

2 RECAPITALISATION

2.1 Background to the Company

Since 2013, the Karouni project located in Guyana (**Karouni Project**) has been the Company's main operations. In November 2015, the Company had its first gold production, with the first full year of gold production occurring in the financial year ending 30 June 2017.

During the June 2021 quarter:

- (a) the Company's mining operations at the Karouni Project were negatively affected due to various operational issues;
- (b) the Company's ore stockpiles were exhausted by August 2021 at which point the Karouni processing facility moved to a care and maintenance program; and
- (c) the Company faced various costing and budgeting issues associated with its care and maintenance program for the Karouni processing facility which resulted in the Company requesting that its Shares be suspended from trading in August 2021 to enable the Company to develop a plan to improve its financial position.

On 16 May 2022, the Company announced the sale of Reinarda Mineração Ltda (**RML**) for gross proceeds of US\$3.5 million. RML is a non-core foreign subsidiary of the Company, which holds mineral rights. The mineral rights were acquired in 2006 through the acquisition of Agincourt Resources Limited, which held the Andorinhas Gold Project. Refer to ASX Announcement dated 16 May 2022 for further details.

The Company is also looking to recommence mining of the Karouni Project by developing the Smarts Underground deposit, located in Guyana adjacent to the Karouni mill (**Smarts Underground Deposit**). This development opportunity will contribute to the next phase of the Company's operations. Development of the Smarts Underground Deposit has a capital cost of approximately US\$7m.

The Ore Reserves and Mineral Resources Statement is included below.

Resource and Reserve Summary

Category	Tonnes	Grade (g/t)	Ounces
Gold Ore Resources			
Proved	-	-	-
Probable	1,082,000	2.6	89,400
Total Ore Reserves	1,082,000	2.6	89,400
Gold Mineral Resources			
Measured	-	-	-
Indicated	5,415,000	2.1	357,500
Inferred	7,716,000	2.0	485,300

Total Mineral Resources	13,131,000	2.0	842,800
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Ore Reserves

Country	Project	Deposit	Category	Tonnes	Grade	Ounces
Guyana	Karouni	Smarts				
		Development (Upper and Lower)	Probable	193,000	2.5	15,400
		Upper (Narrow) Stopes	Probable	160,000	3.9	19,900
		Lower (Bulk Stopes)	Probable	729,000	2.3	54,100
			Probable	1,082,000	2.6	89,400

Mineral Resources (Inclusive of Ore Reserves)

Country	Project	Deposit	Category	Tonnes	Grade	Ounces
Guyana	Karouni	Smarts	Indicated	-	-	-
			Inferred	3,081,000	1.8	181,900
		Hicks	Indicated	2,390,000	1.5	114,200
			Inferred	168,000	1.4	7,500
		Hicks Deep	Indicated	1,336,000	2.1	91,200
			Inferred	1,606,000	1.8	94,800
		Larken	Indicated	111,000	1.9	6,800
			Inferred	13,000	2.0	800
		Goldstar	Indicated	600,000	1.3	24,600
		Spearpoint	Indicated	518,000	1.3	21,200
			Inferred	308,000	1.2	12,200
		Smarts Deep	Indicated	1,060,000	3.6	124,100
			Inferred	1,940,000	2.6	163,500
			Indicated	5,415,000	2.1	357,500
			Inferred	7,716,000	2.0	485,300
			All Categories	13,131,000	2.0	842,800

As at 31 December 2021, the Company had total cash of \$0.7 million and the Group owed debts to various creditors totalling approximately \$43.0 million.

2.2 Future Strategy and Activities

On completion of the Recapitalisation (described below), the Company intends to undertake the following activities on its projects:

(a) Smarts Underground Deposit

Over the last 12 months the Company has conducted an extensive drilling program to ascertain the value of the Smarts Underground Deposit. The drilling program has indicated that there is significant value in the Smarts Underground Deposit, which the Company intends to realise.

On completion of the Recapitalisation, the Company intends to progress its plans for the development and announcement of a feasibility study for the Smarts Underground Deposit. 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).

Once the Company has completed the in-house work on the Smarts Underground Deposit, 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 Deposit of approximately US\$7 million.

(b) **Exploration and Development**

On completion of the Recapitalisation, the Company also intends to continue its exploration programs (other than drilling) across the Karouni Project and the Company's other prospects. The initial program of work will be a desktop review of all the geological data in electronic and physical formats to critically assess the Company's exploration targets and their stage of maturity. Initial work programs will also cover field work including geochemical studies and structural mapping. This work will be followed up with a gap analysis and evaluation of specific programs of work.

The Company will also progress orebody modelling, planning and scheduling for a cutback of one of its open pits to assess the economic viability to cut back the hanging wall in order to extract ore to supplement the Smarts Underground Deposit (as a second feed source through the processing plant).

(c) **Barrack Gold Potaro-Kuribong JV**

As announced on 1 July 2021, the Company is also party to an earn-in agreement with Barrick Gold Corporation (**Barrick Gold**) (**Earn-In Agreement**) over a number of the Company's tenements pursuant to which Barrick Gold has a sole and exclusive right to earn a 51% undivided interest in the tenements, subject to Barrick Gold sole funding the agreed work and delivering to the Company a pre-feasibility study.

2.3 **Recapitalisation**

On 5 January 2022 and 1 February 2022, the Company announced a series of transactions aimed at recapitalising the Company (**Recapitalisation**) and facilitating the Company's Shares recommencing trading on ASX (**Reinstatement**). The Recapitalisation is part of an overall plan that the Company has pursued diligently since the Company requested the trading halt on 30 August 2021 and represents the best alternative for Shareholders after consideration of other alternative recapitalisation proposals. The Recapitalisation transactions are described below.

(a) **Placement**

The Company will conduct a two-tranche placement for the issue of 217,582,036 Shares to raise approximately \$4.8 million at an issue price of \$0.022 per Share (**Placement**), comprising:

- (i) Tranche 1: 42,096,486 Shares to raise approximately \$0.9 million using the Company's existing placement capacity (**Tranche 1 Shares**). The Tranche 1 Shares were issued on 10 January 2022; and
- (ii) Tranche 2: 175,485,550 Shares to raise approximately \$3.9 million, subject to Shareholder approval (**Tranche 2 Shares**).

The investors participating in the Placement comprise:

- (i) M&G plc (**M&G**), the Company's currently largest shareholder, which has subscribed for 14,900,577 Tranche 1 Shares and has agreed to subscribe for 107,226,912 Tranche 2 Shares, raising, in aggregate, approximately \$2.7 million.
- (ii) Ruffer LLP (**Ruffer**), the Company's current second largest shareholder, which has subscribed for 18,105,000 Tranche 1 Shares and has agreed to subscribe for 50,076,819 Tranche 2 Shares, raising, in aggregate, \$1.5 million.

- (iii) RiverFort Global Opportunities PCC Ltd (**RiverFort**), a London-headquartered investment services firm, which has subscribed for 9,090,909 Tranche 1 Shares and has agreed to subscribe for 13,636,364 Tranche 2 Shares, raising, in aggregate, \$0.5 million. Pursuant to a condition precedent in RiverFort's subscription agreement, the issue of the Tranche 2 Shares to RiverFort will occur separate to the issue of the other Tranche 2 Shares and is expected to occur once the Rights Issue Offer is complete (refer to the timetable in Section 2.9 and Item 2 of Schedule 5 for further details).
- (iv) Les Owen, a sophisticated investor, (or his nominee), who has agreed to subscribe for 4,545,455 Tranche 2 Shares, raising \$0.1 million.

Subject to market conditions, the Company is also considering conducting an additional placement to professional and sophisticated investors for the issue of up to 27,272,727 Shares (**Additional Placement Shares**) to raise up to an additional A\$600,000 (**Additional Placement**). The issue of the Additional Placement Shares is subject to Shareholder approval (refer to Resolution 7) and the funds raised may be used to satisfy the condition precedent in RiverFort's subscription agreement (refer to Item 2 of Schedule 5 for further details).

(b) **Debt to Equity Conversion**

Two of the Group's largest creditors have agreed to convert all or part of the debts owed to them by the Group into Shares as follows:

(i) Asian Investment Management Services Ltd

Asian Investment Management Services Ltd (**AIMS**), the Company's largest creditor, which has an outstanding gold loan owed by Troy in the amount of 5,200 ounces (**AIMS Loan**), has agreed, subject to Shareholder approval and the satisfaction of a number of conditions, to convert approximately 50% of the outstanding amount, representing an aggregate amount of approximately \$6.9 million, into 312,790,000 Shares by subscribing for Shares at an issue price of \$0.022 per Share (**AIMS Shares**), with the subscription being set off against the amount owed to AIMS under the AIMS Loan.

Additionally, AIMS has agreed, subject to the satisfaction of a number of conditions, to effectively convert the balance of the AIMS Loan of approximately \$6.9 million¹ into Shares by participating for its entitlement under the Rights Issue Offer (described below) with the subscription price for the Shares set off against the outstanding balance of the AIMS Loan into 313,853,443 Shares at an issue price of \$0.022 per Share.

AIMS has also agreed to a standstill arrangement with the Company to not demand repayment of any debt outstanding and not exercise any of its enforcement rights against the Company in respect of existing defaults under the AIMS Loan for the Forbearance Period.

(ii) Exploservice Guyana Inc

Exploservice Guyana Inc (**Exploservice**), the largest creditor of Troy Resources Guyana Inc (a Subsidiary of the Company) has agreed to convert approximately \$7.3 million, approximately 67% of the amount owed, into 333,902,799 Shares by subscribing for Shares at an issue price of \$0.022 per Share (**Exploservice Shares**), with the subscription amount set off against the amount owed to Exploservice.

In addition, Exploservice has agreed that repayment of the balance of the amount owed, approximately \$3.7 million, is deferred until 30 April 2023.

(iii) CED Capital Limited

CED Capital Limited (**CED Capital**), a corporate advisory firm who provided services to the Company in assisting with the Recapitalisation, has agreed that the fees owed

¹ Troy and AIMS have agreed to keep \$100 of the gold loan outstanding as a nominal amount so that, if required, the security for the gold loan could be transferred to any future financier(s) of Troy.

of \$360,000 may be satisfied through the issue of 16,727,273 Shares at an issue price of \$0.022 per Share (**CED Capital Shares**).

(c) **Convertible Note**

In addition to participating in the Placement, RiverFort has also agreed to provide funding to the Company through a convertible note facility of up to \$5 million, comprising of an initial funding of \$2 million by way of 2,000,000 convertible notes (**Initial Funding**) with the ability for the Company to drawdown an additional \$3 million of convertible notes (**Further Funding**) (together, the **RiverFort Convertible Notes**). The key terms of the RiverFort Convertible Notes are detailed in Item 5 of Schedule 5.

In connection with the issue of the RiverFort Convertible Notes, the Company has also agreed to issue options equal to 50% of the number of RiverFort Convertible Notes issued with each option having an exercise price equal to 130% of the Closing Price and expiring three years after the date of issue. (**RiverFort Options**). The Initial Funding will result in the issue of 45,454,545 options with an exercise price of \$0.0286 and an expiry date of three years from the date of issue and the Further Funding will result in the issue of 68,181,818 options with an exercise price equal to 130% of the Closing Price and expiring three years after the date of issue. The key terms of the RiverFort Options are detailed in Schedule 6.

To effect the above Recapitalisation transactions, the Company has entered into the following agreements:

- (a) subscription agreements with M&G, Ruffer, RiverFort and Les Owen in relation to the Placement (summarised in Items 1 and 2 of Schedule 5);
- (b) subscription agreements with AIMS, Exploservice and CED Capital in relation to the conversion of outstanding debts owed to them by the Group (summarised in Items 3 and 4 of Schedule 5); and
- (c) a funding agreement with RiverFort in relation to the RiverFort Convertible Notes and the RiverFort Options (summarised in Item 5 of Schedule 5).

(together, the **Agreements**). A summary of the key terms of the Agreements is detailed in Schedule 5.

In particular, pursuant to RiverFort's subscription agreement, a condition precedent to the issue of the Tranche 2 Shares to RiverFort is the Company raising gross proceeds of no less than A\$5,386,000 under the Placement (including the issue of the Tranche 2 Shares to RiverFort) and any other capital raising (such as the Rights Issue), event relating to the sale of non-material assets or any other event the parties agree to in writing (which includes funds raised pursuant to the Additional Placement).

The Company does not have sufficient placement capacity under ASX Listing Rule 7.1 to undertake each of the Recapitalisation transactions. Accordingly, the issue of the Tranche 2 Shares, AIMS Shares, Exploservice Shares, CED Capital Shares, RiverFort Convertible Notes and RiverFort Options are subject to Shareholder approval, which is being sought pursuant to Resolutions 1 to 6 (inclusive).

Following completion of the Recapitalisation transactions and the Rights Issue Offer, and subject to the satisfaction of the ASX's reinstatement conditions detailed in Section 2.10, the Company is expected to recommence trading of its Shares on or around Wednesday, 14 September 2022.

2.4 **Rights Issue**

On 5 January 2022, the Company announced that it will also undertake a non-underwritten, non-renounceable rights issue on the basis of one (1) new Share for every one (1) Share held to allow Shareholders to participate in a capital raising at the same issue price of \$0.022 per Share to raise a maximum of approximately \$37 million (**Rights Issue Offer**). The Rights Issue Offer will be conducted following completion of the issue of Tranche 2 Shares to M&G, Ruffer and AIMS through a prospectus issued to Shareholders. Accordingly, the investors who participated in the Placement and debt to equity conversions described above will be entitled to participate in the Rights Issue Offer.

Under the terms of the subscription agreement with AIMS, AIMS has agreed, subject to a number of conditions described in Item 3 of Schedule 5, to subscribe for approximately 313,853,443 Shares

under the Rights Issue Offer to effectively convert the balance of the AIMS Loan of approximately \$6.9 million into Shares (as described above).

Under the terms of its subscription agreement, M&G has agreed to subscribe for approximately 18,781,602 Shares under the Rights Issue Offer, raising approximately \$0.4 million.

2.5 Use of Funds

The indicative use of funds of the Company following the Recapitalisation and the Rights Issue Offer for the period from 1 June 2022 to 31 May 2023 is set out in the following table:

Use of funds	Recapitalisation		Recapitalisation and Rights Issue ¹	
	A\$ (million)	%	A\$ (million)	%
Karouni mill care and maintenance costs ²	1.0	11%	1.5	11%
Karouni exploration	0.6	7%	0.9	7%
Karouni mine site expenditure ³	1.6	19%	2.3	19%
Guyana corporate expenses ⁴	1.0	14%	1.7	14%
Perth corporate expenses	1.1	17%	1.8	16%
Smarts Underground development expenditure ⁵	0.7	7%	0.7	5%
Guyana and corporate insurances	0.4	11%	0.4	8%
Working capital	0.4	13%	0.5	19%
Total	6.8	100%	9.8	100%

Notes:

- For the purposes of this table, it is assumed that shareholders (other than AIMS) subscribe for their entitlements under the Rights Issue resulting in the Company receiving an additional A\$3 million. It may well be the case that more funds are received through the rights issue; however, it is considered prudent for present purposes to assume this lesser amount. In the event that less than A\$3 million is raised from the Rights Issue, the Company may pursue alternate sources of funding to progress and complete the first phase of the Smart's Underground development. The funding mechanism could take the form of a placement to institutional or strategic investors, or potentially the assumption of additional debt.
- Includes costs associated with continuing the Company's comprehensive care and maintenance program and its schedule of weekly and monthly checks on plant and mobile equipment to ensure the integrity and operability of the Company's physical assets.
- Includes providing support to Barrick Gold in terms of camp and office accommodations, light vehicle use and maintenance, medical and security (noting that these funds are reimbursed to the Company by Barrick Gold).
- Includes maintaining the Georgetown office to enable it to undertake government liaison activities, statutory requirements, tenement management and accounting and administration duties.
- Includes costs associated with the development of Smarts Underground including pursuing funding to develop the Smarts Underground and further technical work such as mine design and planning.

In the event that Shareholders take up additional shares in the Rights Issue and the Company raises more money than expected, the Company intends to undertake the following additional activities on its projects:

- undertake further exploration drilling at the Smarts Underground Deposit with the aim of mapping additional Ore Reserves; and

- (b) progress drilling programs at the Gem Creek, Kaburi Hills, Honey Camp West and Upper Itaki targets, with any open pit ore source supplementing the existing Smarts Underground Deposit.

2.6 Balance Sheet

The Company's pro forma balance sheet post-completion of the Recapitalisation is detailed in Schedule 3.

The Company's pro forma balance sheet post-completion of the Recapitalisation and Rights Issue Offer is detailed in Schedule 4.

2.7 Capital Structure

The indicative capital structure of the Company following the Recapitalisation and Rights Issue Offer is as follows:

	Shares	Options	Performance Rights	Convertible Notes
Number of securities on issue as at the date of this Notice	854,907,117	21,800,000	18,000,000	-
Tranche 2 Placement (excluding RiverFort)	161,849,186	-	-	-
Debt to equity conversions	663,420,072	-	-	-
Tranche 2 Placement (RiverFort)	13,636,364			
Convertible Note	-	45,454,545	-	2,000,000
Securities to be issued pursuant to Additional Placement	27,272,727			
Securities to be issued to Directors ¹	3,117,045	-	21,000,000	-
Subtotal	1,724,202,511	67,254,545	39,000,000	2,000,000
Securities to be issued following completion of the rights issue ²	332,635,045	-	-	-
Total	2,056,837,556	67,254,545	39,000,000	2,000,000

Notes:

1. The issue of these securities is subject to shareholder approval. Refer to Resolutions 4 to 7 (inclusive) of the Company's 2021 Notice of Annual General Meeting for further details.
2. Assuming only AIMS and M&G take up their entitlements and no shortfall shares are issued.

2.8 Effect of the Recapitalisation on Substantial Shareholders

Those Shareholders holding an interest in 5% or more of the Shares on issue as at the date of this Notice are as follows:

Name	Number of Shares	%
M&G	128,150,577	14.99%
Ruffer	85,482,163	9.99%

After the Recapitalisation, the following persons will have an interest in 5% or more of the Shares on issue:

Name	Number of Shares	%
Exploservice	333,902,799	19.37%
AIMS	313,853,443	18.20%
M&G	235,377,489	13.65%
Ruffer	135,558,982	7.86%

After the Recapitalisation and Rights Issue Offer (assuming only AIMS and M&G take up their entitlement in the Rights Issue Offer), the following persons will have an interest in 5% or more of the Shares on issue:

Name	Number of Shares	%
AIMS	627,706,886	30.52%
Exploservice	333,902,799	16.23%
M&G	254,159,091	12.36%
Ruffer	135,558,982	6.59%

2.9 Timetable

An indicative timetable for the Recapitalisation and Rights Issue Offer is detailed below:

EVENT	INDICATIVE DATE
General Meeting	Monday, 25 July 2022
Annual General Meeting	Monday, 25 July 2022
Issue Tranche 2 Shares (including debt conversion shares) to M&G, Ruffer, CED Capital and Les Owen	Thursday, 28 July 2022
Lodge Rights Issue Prospectus with ASX	Thursday, 28 July 2022
Record Date for Rights Issue	Tuesday, 2 August 2022
Dispatch Prospectus and Rights Issue Opens	Wednesday, 3 August 2022
Rights Issue Closes	Wednesday, 17 August 2022
Issue Rights Issue Shares (including the final portion of the AIMS debt conversion)	Friday, 19 August 2022
Issue Tranche 2 Shares to RiverFort	Monday, 22 August 2022
Issue RiverFort Convertible Notes	Monday, 12 September 2022
Shares Recommence Trading on ASX	Wednesday, 14 September 2022

Note: The above timetable is indicative only and remains subject to change at the Company's discretion and in consultation with ASX, subject to compliance with applicable laws and the ASX Listing Rules.

2.10 ASX Conditions to Reinstatement

The Company's Reinstatement is subject to a number of conditions imposed by ASX as detailed below:

- (a) the Company's shareholders approving all the Resolutions required to effect the Recapitalisation (to be considered at this Meeting);
- (b) the Company disclosing the proposed use of funds in conjunction with the Recapitalisation;
- (c) the Company confirming that, at the time of Reinstatement, it will be funded for at least 12 months;
- (d) the Company releasing a full form prospectus in order to permit secondary sales of the securities to be issued in conjunction with the Recapitalisation, and any prior issues of securities made during the period of the Company's suspension;
- (e) completion of the Recapitalisation, including closure of the prospectus and confirmation that the Company has reached the minimum subscription under the Rights Issue Offer;
- (f) confirmation in a form acceptable to ASX that the Company has received cleared funds for the complete amount of the issue price of every security issued pursuant to the Recapitalisation, including the Rights Issue Offer;
- (g) the Company demonstrating compliance with Listing Rule 12.1 to the satisfaction of ASX;
- (h) the Company demonstrating compliance with Listing Rule 12.2 to the satisfaction of ASX, including:
 - (i) providing a 'working capital statement' similar to that required by Listing Rule 1.3.3(b) to the effect that following completion of the Recapitalisation, the Company will have sufficient working capital at the time of its Reinstatement to carry out its objectives (being the objectives detailed in the proposed use of funds referred to in paragraph 2.10(b) above); and
 - (ii) satisfying the 'working capital test' of at least \$1.5 million, similar to that required by Listing Rule 1.3.3(c);
- (i) lodgement of all outstanding Appendices 2A and 3B with ASX for any new issues of securities;
- (j) payment of all ASX fees, including listing fees, applicable and outstanding (if any);
- (k) lodgement of any outstanding reports for the period since the Company's securities were suspended and any other outstanding documents required by Listing Rule 17.5;
- (l) lodgement of Director's Interest Notices, being either Appendix 3Xs, 3Ys or 3Zs (as required);
- (m) confirmation that there are no legal, regulatory or contractual impediments to the Company undertaking the activities the subject of its proposed use of funds;
- (n) confirmation that the securities to be issued following the Meeting, including the securities pursuant to the Rights Issue, have been issued, and despatch of each of the following has occurred:
 - (i) in relation to all holdings on the CHESS subregister, a notice from the Company under ASX Settlement Operating Rule 8.9.1;
 - (ii) in relation to all other holdings, issuer sponsored holding statements; and
 - (iii) any refund money; and
- (o) provision of the following documents, in a form suitable for release to the market:
 - (i) a statement setting out the names of the 20 largest holders of each class of securities to be quoted, including the number and percentage of each class of securities held by those holders;
 - (ii) a distribution schedule of the numbers of holders in each class of security to be quoted;
 - (iii) a statement confirming completion of the Recapitalisation, closure of the prospectus and that the Company has reached the minimum subscription under the Rights Issue;

- (iv) a statement outlining the Company's capital structure following the Meeting and Rights Issue on a post-issue basis;
- (v) a consolidated activities report setting out the proposed business strategy of the Company (including an update on the status of the Company's assets and the current activities with respect thereto);
- (vi) the Company's pro forma statement of financial position based on actual funds raised under the Recapitalisation (including the Rights Issue);
- (vii) the Company's proposed use of funds based on actual funds raised under the Recapitalisation (including the Rights Issue);
- (viii) a statement confirming that there are no legal, regulatory or contractual impediments to the Company undertaking the activities the subject of its proposed use of funds;
- (ix) any further documents and confirmations that ASX may determine are required to be released to the market as pre-quotation disclosure;
- (x) a statement confirming the Company's responsible person for the purposes of Listing Rule 1.1 condition 13; and
- (xi) a statement confirming the Company is in compliance with the Listing Rules, and in particular, Listing Rule 3.1.

ASX has reserved its right to amend or withdraw any of the reinstatement conditions or withdraw the reinstatement conditions letter in its entirety in its absolute discretion.

As at the date of this Notice, the Company confirms that:

- (a) in accordance with paragraph 2.10(c) above, at the time of Reinstatement it will be funded for at least 12 months; and
- (b) in accordance with paragraph 2.10(h) above, following completion of the Recapitalisation the Company will:
 - (i) have sufficient working capital at the time of its Reinstatement to carry out its objectives detailed in Section 2.2; and
 - (ii) satisfy the working capital test of having a reviewed pro forma statement of financial position of at least \$1.5 million.

The above conditions provided by ASX in its letter apply for three months until 11 August 2022 and is subject to any amendments to the Listing Rules or changes in the interpretation or administration of the Listing Rules and policies of ASX. As the letter will expire during the notice period for the Meeting, the Company has been in discussions with ASX and, to the best of the Company's knowledge, the Company has no reason to believe that ASX will not reinstate the Company's securities to trading on ASX, subject to the Company satisfying the above reinstatement conditions. The reinstatement conditions provided by ASX are subject to any other information or conditions required or imposed by ASX.

2.11 **Risks if Recapitalisation does not occur and risks generally**

At 31 December 2021, the Group owes a significant amount of debt to various creditors totalling approximately \$43.0 million (including the debts owed to AIMS, Exploservice and CED Capital detailed in Section 2.3(b)) and holds cash of \$0.7 million.

The Recapitalisation is part of an overall plan that the Company has pursued diligently over many months and represents the best outcome for Shareholders after consideration of alternative recapitalisation proposals. Upon completing the Recapitalisation, the Company will have cash at its disposal of approximately A\$6.8 million (excluding the Rights Issue) and its remaining current net Group debt will be approximately A\$16.1 million. Of this A\$16.1 million amount, a net amount of approximately A\$3.9 million is owing to the Guyanese Government, calculated as royalties owing of approximately A\$9.8 million offset by a Value Added Tax (VAT) receivable of approximately A\$6.0 million. The VAT receivable relates to value added tax incurred by the Company's Guyanese

subsidiary on the previous supply of goods and services which is now recoverable by the Company. The Company remains in constant communication with the Guyanese Government in relation to the receipt of the VAT receivable. The net amount of VAT recoverable from the relevant taxation authority is offset against the Group's debt position to arrive at the current net Group debt of A\$16.1 million.

The Board encourages all Shareholders to support the Recapitalisation and vote in favour of all Resolutions proposed at the Meeting, particularly the Conditional Resolutions (Resolutions 1 to 6) which are required to give effect to the Recapitalisation.

If the Recapitalisation does not occur and the Conditional Resolutions are not approved, Shareholders need to be aware that the Group will face significant financial challenges. The Board considers that it is highly likely that the Group (particularly its Subsidiaries in Guyana) may not be in a position to repay its debts as and when they become due and the Group may not continue as a going concern. If the Group becomes insolvent and is placed into administration, Shareholders would likely receive little, if any, proceeds for the Shares they hold.

The Directors consider that there is no feasible alternative to the Recapitalisation and that the Recapitalisation provides the Group with a solution to allow the Company to continue its activities and provide value to Shareholders.

Resolutions 1 to 6 (inclusive) are inter-conditional (refer to Section 1). If any of Resolutions 1 to 6 (inclusive) are not approved at the Meeting, the Recapitalisation will not occur. Accordingly, obtaining Shareholder approval is critical to the success of the Recapitalisation and, hence, to the ongoing future of the Group.

Shareholders should be aware that the Company and the Recapitalisation is subject to various risk factors (in addition to those that are presently applicable). Based on the information available, a non-exhaustive list of these risk factors is detailed in Schedule 2.

2.12 Competent Persons Sign Off – Ore Reserves

Information of a scientific or technical nature that relates to Exploration Results and Mineral Resources is based on, and fairly represents, information and supporting documentation prepared under the supervision of Mr Richard Maddocks. Mr Maddocks has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a "competent person" as defined under the Australian JORC Code as per the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Maddocks consents to the inclusion in the document of the information in the form and context in which it appears. Mr Maddocks:

- is a consultant to Troy Resources Limited,
- has as sufficient experience which is relevant to the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'; and
- is a Fellow of the Australasian Institute of Mining and Metallurgy.

The information relating to Mineral Resources for the Karouni Project is extracted from the ASX announcement titled 'Production Guidance, Resource Upgrade and Exploration Update' dated 21 September 2020.

The information relating to Ore Reserves for the Karouni Project is extracted from the ASX announcement titled 'Maiden Smarts Underground Ore Reserve' dated 26 July 2021. This is available to view on the Troy Resources website <http://www.troyres.com.au>. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement relating to Ore Reserve estimates for the Karouni Project and that all material assumptions and technical parameters underpinning the drill results and estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

3 RESOLUTION 1 – APPROVAL OF TRANCHE TWO SHARES

3.1 General

Resolution 1 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Tranche 2 Shares pursuant to the Placement to M&G, Ruffer, RiverFort and Les Owen as follows:

- (a) 107,226,912 Shares will be issued to M&G;
- (b) 50,076,819 Shares will be issued to Ruffer;
- (c) 13,636,364 Shares will be issued to RiverFort; and
- (d) 4,545,455 Shares will be issued to Les Owen.

Refer to Section 2.3(a) for further information on the Tranche 2 Shares and Placement.

M&G, Ruffer, RiverFort and Les Owen are not related parties or associates of a related party of the Company.

Resolution 1 is an ordinary resolution. Resolution 1 is subject to the approval of the other Conditional Resolutions.

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

3.2 Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Tranche 2 Shares does not fall within any of these exceptions and exceeds the balance of the Company's 15% placement capacity under Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

If Resolution 1 is passed, the Tranche 2 Shares will be issued M&G, Ruffer, RiverFort and Les Owen and the Company will raise approximately \$3.9 million.

If Resolution 1 is not passed, the Tranche 2 Shares will not be issued to M&G, Ruffer, RiverFort and Les Owen, the Company will not raise approximately \$3.9 million and the Recapitalisation will not proceed.

3.3 Information required by Listing Rule 7.3

In accordance with Listing Rule 7.3, the following information is provided in relation to the Tranche 2 Shares:

- (a) The Tranche 2 Shares will be issued to M&G, Ruffer, RiverFort and Les Owen.
- (b) 175,485,550 Shares will be issued under tranche two of the Placement as follows:
 - (i) 107,226,912 Shares will be issued to M&G;
 - (ii) 50,076,819 Shares will be issued to Ruffer;
 - (iii) 13,636,364 Shares will be issued to RiverFort; and
 - (iv) 4,545,455 Shares will be issued to Les Owen.
- (c) The Tranche 2 Shares will be fully paid ordinary shares and will rank equally with the Company's existing Shares on issue.
- (d) The Tranche 2 Shares will be issued no later than three months after the date of the Meeting.
- (e) The Tranche 2 Shares will be issued at a price of \$0.022 per Share to raise a total of \$3,860,682.08 (before costs).

- (f) Funds raised from the issue of the Tranche 2 Shares will be used as described in Section 2.5.
- (g) The Tranche 2 Shares will be issued pursuant to subscription agreements between M&G, Ruffer, RiverFort and Les Owen as detailed in Section 2.3(a) and Items 1 and 2 of Schedule 5.
- (h) A voting exclusion statement is included in the Notice for Resolution 1.

3.4 **Director Recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 1.

4 RESOLUTION 2 – APPROVAL TO ISSUE SHARES TO AIMS

4.1 **General**

Resolution 2 seeks Shareholder approval for the issue of the AIMS Shares. The subscription price for the AIMS Shares will be set off against an existing loan with AIMS. Refer to Section 2.3(b) for further information on the AIMS Shares.

AIMS is not a related party or an associate of a related party of the Company.

Resolution 2 is an ordinary resolution. Resolution 2 is subject to the approval of the other Conditional Resolutions.

The Chairperson intends to exercise all available proxies in favour of Resolution 2.

4.2 **Listing Rule 7.1**

A summary of Listing Rule 7.1 is described in Section 3.2.

Resolution 2 Shareholder approval to issue to AIMS Shares under and for the purposes of Listing Rule 7.1.

If Resolution 2 is passed, the Company will be able to proceed with the issue of the AIMS Shares and will be able to set off approximately \$6.9 million of the AIMS Loan.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the AIMS Shares, the Company will not be able to set off the subscription price against the outstanding balance of the AIMS Loan and the Recapitalisation will not proceed. The Company will be required to repay the outstanding AIMS Loan of \$13,826,919.35 to AIMS upon demand after the end of the Forbearance Period, which includes if AIMS terminates the AIMS subscription agreement due to a failure to satisfy a condition precedent of that agreement by 31 July 2022.

4.3 **Information required by Listing Rule 7.3**

In accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the AIMS Shares:

- (a) The AIMS Shares will be issued to Asian Investment Management Services Ltd.
- (b) 312,790,000 Shares will be issued to AIMS.
- (c) The AIMS Shares will be fully paid ordinary shares and will rank equally with the Company's existing Shares on issue.
- (d) The AIMS Shares will be issued no later than three months after the date of the Meeting.
- (e) The AIMS Shares will be issued at a deemed issue price of \$0.022 per Share and \$6,881,380.00 will be set off against the outstanding value of the AIMS Loan to reduce the outstanding amount owed to \$6,945,539.35.
- (f) No funds will be raised from the issue of the AIMS Shares.
- (g) The AIMS Shares will be issued pursuant to a subscription agreement, the key terms of which are summarised in Item 3 of Schedule 5.

(h) A voting exclusion statement is included in the Notice for Resolution 2.

4.4 Director Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 2.

5 RESOLUTION 3 – APPROVAL TO ISSUE SHARES TO EXPLOSERVICE

5.1 General

Resolution 3 seeks Shareholder approval for the issue of the Exploservice Shares. The subscription price for the Exploservice Shares will be set off against an existing debt owed by the Group to Exploservice for the provision of explosives and blasting services. Refer to Section 2.3(b) for further information on the Exploservice Shares.

Exploservice is not a related party or an associate of a related party of the Company.

Resolution 3 is an ordinary resolution. Resolution 3 is subject to the approval of the other Conditional Resolutions.

The Chairperson intends to exercise all available proxies in favour of Resolution 3.

5.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is described in Section 3.2.

Resolution 3 seeks the required Shareholder approval to issue the Exploservice Shares under and for the purposes of Listing Rule 7.1.

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Exploservice Shares and will be able to set off approximately \$7.3 million of its existing debt owed to Exploservice.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Exploservice Shares, the Company will not be able to set off approximately \$7.3 million of its existing debt to Exploservice and the Recapitalisation will not proceed. The Company will be required to pay Exploservice \$10,853,888.51 by 30 April 2023, unless Exploservice terminates the subscription agreement due to a failure to satisfy a condition precedent of that agreement by 31 July 2022 in which case Exploservice may demand immediate repayment.

5.3 Information required by Listing Rule 7.3

In accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Exploservice Shares:

- (a) The Exploservice Shares will be issued to Exploservice Guyana Inc.
- (b) 333,902,799 Shares will be issued to Exploservice.
- (c) The Exploservice Shares will be fully paid ordinary shares and will rank equally with the Company's existing Shares on issue.
- (d) The Exploservice Shares will be issued no later than three months after the date of the Meeting.
- (e) The Exploservice Shares will be issued at a deemed issue price of \$0.022 per Share and \$7,345,861.58 will be set off against the outstanding value of the Group's existing debt with Exploservice to reduce the outstanding amount owed to \$3,508,026.93.
- (f) No funds will be raised from the issue of the Exploservice Shares.
- (g) The Exploservice Shares will be issued pursuant to a subscription agreement, the key terms of which are summarised in Item 4 of Schedule 5.
- (h) A voting exclusion statement is included in the Notice for Resolution 3.

5.4 **Director Recommendation**

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

6 **RESOLUTION 4 – APPROVAL TO ISSUE SHARES TO CED CAPITAL**

6.1 **General**

Resolution 4 seeks Shareholder approval for the issue of the CED Capital Shares. The subscription price for the CED Capital Shares will be set off against an existing debt owed by the Company to CED Capital for the provision of corporate advisory services. Refer to Section 2.3(b) for further information on the CED Capital Shares.

CED Capital is not a related party or an associate of a related party of the Company.

Resolution 4 is an ordinary resolution. Resolution 4 is subject to the approval of the other Conditional Resolutions.

The Chairperson intends to exercise all available proxies in favour of Resolution 4.

6.2 **Listing Rule 7.1**

A summary of Listing Rule 7.1 is described in Section 3.2.

Resolution 4 seeks the required Shareholder approval to issue the CED Capital Shares under and for the purposes of Listing Rule 7.1.

If Resolution 4 is passed, the Company will be able to proceed with the issue of the CED Capital Shares and will be able to set off \$368,000 of its debt owed to CED Capital.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the CED Capital Shares and the Recapitalisation will not proceed. The Company will be required to pay \$368,000 to CED Capital in or around December 2022.

6.3 **Information required by Listing Rule 7.3**

In accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the CED Capital Shares:

- (a) The CED Capital Shares will be issued to CED Capital.
- (b) 16,727,273 Shares will be issued to CED Capital to set off \$368,000 against the Company's existing debt with CED Capital.
- (c) The CED Capital Shares will be fully paid ordinary shares and will rank equally with the Company's existing Shares on issue.
- (d) The CED Capital Shares will be issued no later than three months after the date of the Meeting.
- (e) The CED Capital Shares will be issued at a deemed issue price of \$0.022 per Share and \$368,000 will be set off against the Company's existing debt with CED Capital.
- (f) No funds will be raised from the issue of the CED Capital Shares.
- (g) The CED Capital Shares will be issued pursuant to a subscription agreement, the key terms of which are summarised in Item 4 of Schedule 5.
- (h) A voting exclusion statement is included in the Notice for Resolution 4.

6.4 **Director Recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 4.

7 RESOLUTION 5 – APPROVAL TO ISSUE CONVERTIBLE NOTES TO RIVERFORT GLOBAL CAPITAL

7.1 General

Resolution 5 seeks Shareholder approval for the issue of the RiverFort Convertible Notes to raise up to approximately \$5 million. Refer to Section 2.3(c) for further details regarding the issue of the RiverFort Convertible Notes. The terms of the RiverFort Convertible Notes are detailed in Item 5 of Schedule 5.

RiverFort is not a related party or an associate of a related party of the Company.

Resolution 5 is an ordinary resolution. Resolution 5 is subject to the approval of the other Conditional Resolutions.

The Chairperson intends to exercise all available proxies in favour of Resolution 5.

7.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is described in Section 3.2.

Resolution 5 seeks Shareholder approval to issue to the RiverFort Convertible Notes for the purposes of Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to proceed with the issue of the RiverFort Convertible Notes and the Company will raise approximately \$2 million (with the ability to raise a further \$3 million).

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the RiverFort Convertible Notes, the Company will not raise approximately \$2 million (and will not have the ability to raise a further \$3 million) and the Recapitalisation will not proceed.

7.3 Information required by Listing Rule 7.3

In accordance with Listing Rule 7.3, the following information is provided in relation to the Convertible Notes:

- (a) 5,000,000 RiverFort Convertible Notes will be issued to RiverFort, with 2,000,000 being issued for the Initial Funding and 3,000,000 being issued for the Further Funding.
- (b) The number of Shares to be issued to RiverFort (and/or its nominees) upon conversion of the RiverFort Convertible Notes will be calculated in accordance with the following formula:

$$\text{Number of Shares} = \frac{\text{Conversion Amount}}{\text{Conversion Price}}$$

For the purposes of the formula:

Conversion Amount the aggregate Face Value of the RiverFort Convertible Notes to be converted.

Conversion Price is the lower of:

- (a) the Fixed Conversion Price; and
- (b) 93% of the average of any 2 daily VWAPs of the Shares as elected by RiverFort during the 15 trading days prior to the issue of a conversion notice,

but with the Conversion Price being no less than A\$0.007 per Share.

Face Value \$1.10 per RiverFort Convertible Note.

Fixed Conversion Price 130% of the Closing Price which must not be lower than A\$0.007 per Share.

Closing Price

Being, as applicable:

- (a) A\$0.022 per Share with respect to the Initial Funding; and
- (b) the Company's 20 day Average VWAP immediately preceding the Further Funding drawdown date with respect to the Further Funding.

The maximum number of Shares to be issued on conversion of the RiverFort Convertible Notes for:

- (i) the Initial Funding is 285,714,286 Shares; and
- (ii) the Further Funding is 428,571,429 Shares.

The following table details the number of Shares to be issued on conversion of the RiverFort Convertible Notes at three different Conversion Prices:

Conversion Price	Number of Shares (Initial Funding)	Number of Shares (Further Funding)
A\$0.0185	108,108,108	162,162,162
A\$0.037	54,054,054	81,081,081
A\$0.074	27,027,027	40,540,541

- (c) The terms and conditions of the RiverFort Convertible Notes are detailed in Item 5 of Schedule 5. Shares issued on conversion of the RiverFort Convertible Notes will be fully paid ordinary Shares in the capital of the Company on the terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.
- (d) The issue of the RiverFort Convertible Notes will occur no later than three months after the date of the Meeting.
- (e) Each RiverFort Convertible Note will have a face value of \$1.10. The issue of RiverFort Convertible Notes will raise Initial Funding of approximately \$2,000,000.00 (before costs) and Further Funding of approximately \$3,000,000.00 (before costs).
- (f) Funds raised from the issue of the RiverFort Convertible Notes will be used in accordance with Section 2.5.
- (g) The RiverFort Convertible Notes are being issued pursuant to the RiverFort Funding Agreement, the key terms of which are summarised in Item 5 of Schedule 5.
- (h) A voting exclusion statement is included in the Notice for Resolution 5.

7.4 Director Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 5.

8 RESOLUTION 6 – APPROVAL TO ISSUE OPTIONS TO RIVERFORT

8.1 General

Resolution 6 seeks Shareholder approval for the issue of the RiverFort Options. Refer to Section 2.3(c) for further information on the RiverFort Options.

The RiverFort Options will be granted to RiverFort (and/or its nominees) on the terms and conditions in Schedule 6.

RiverFort is not a related party or an associate of a related party of the Company.

Resolution 6 is an ordinary resolution. Resolution 6 is subject to the approval of the other Conditional Resolutions.

The Chairperson intends to exercise all available proxies in favour of Resolution 6.

8.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is described in Section 3.2.

Resolution 6 seeks the required Shareholder approval to issue the RiverFort Options under and for the purposes of Listing Rule 7.1.

If Resolution 6 is passed, the Company will be able to proceed with the issue of the RiverFort Options.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the RiverFort and the Recapitalisation will not proceed.

8.3 Information required by Listing Rule 7.3

In accordance with Listing Rule 7.3, information is provided in relation to the issue of the RiverFort Options as follows:

- (a) The RiverFort Options will be issued to RiverFort.
- (b) An aggregate of 113,636,363 Options will be issued to RiverFort, with 45,454,545 Options to be issued in connection with the Initial Funding and a further 68,181,818 Options to be issued in connection with the Further Funding.
- (c) The RiverFort Options will be granted to RiverFort on the terms and conditions in Schedule 6.
- (d) The RiverFort Options will be issued no later than three months after the date of the Meeting.
- (e) Each RiverFort Option will be granted for nil consideration and no funds are being raised from the issue.
- (f) The RiverFort Options will be issued pursuant to the RiverFort Funding Agreement, the key terms of which are summarised in Item 5 of Schedule 5.
- (g) For the avoidance of doubt, any obligation to pay the Exercise Price for Options may be set off against the amounts owed pursuant to the RiverFort Funding Agreement which will reduce the Conversion Amount (as defined in the RiverFort Funding Agreement) which can be converted into Shares.
- (h) A voting exclusion statement is included in the Notice for Resolution 6.

8.4 Director Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 6.

9 RESOLUTION 7 – APPROVAL TO ISSUE ADDITIONAL PLACEMENT SHARES

9.1 General

Resolution 7 seeks Shareholder approval for the issue of up to 27,272,727 Additional Placement Shares pursuant to the Additional Placement. Refer to Section 2.3(a) for further information on the Additional Placement.

Resolution 7 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 7.

9.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is described in Section 3.2.

Resolution 7 seeks the required Shareholder approval to issue the Additional Placement Shares under and for the purposes of Listing Rule 7.1.

If Resolution 7 is passed, the Company will be able to proceed with the issue of the Additional Placement Shares and the Company will be able to raise up to an additional A\$600,000.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the Additional Placement Shares and will not be able to raise up to an additional A\$600,000.

9.3 Information required by Listing Rule 7.3

In accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Additional Placement Shares:

- (a) The Additional Placement Shares will be issued to sophisticated and professional investors who have been identified by the Company. None of the sophisticated and professional investors will be related parties, key management personnel, substantial shareholders or advisors of the Company or any associates of those persons;
- (b) Up to 27,272,727 Shares will be issued to professional and sophisticated investors to raise up to A\$600,000.
- (c) The Additional Placement Shares will be fully paid ordinary shares and will rank equally with the Company's existing Shares on issue.
- (d) The Additional Placement Shares will be issued no later than three months after the date of the Meeting.
- (e) The Additional Placement Shares will be issued at a minimum issue price of \$0.022 per Share.
- (f) Funds raised from the issue of the Additional Placement Shares will be used in accordance with Section 2.5 and may be used to satisfy the condition precedent in RiverFort's subscription agreement (refer to Item 2 of Schedule 5 for further details).
- (g) The Additional Placement Shares will be issued pursuant to subscription letters under which the professional and sophisticated investors will be issued Shares at a minimum issue price of A\$0.022 per Share. Under the subscription letters, the professional and sophisticated investors will agree to subscribe for Shares at a minimum issue price of A\$0.022 and will be subject to standard representations and warranties customary for an agreement of this nature.
- (h) A voting exclusion statement is included in the Notice for Resolution 7.

9.4 Director Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 7.

10 RESOLUTION 8 – RATIFICATION OF TRANCHE ONE PLACEMENT SHARES

10.1 General

The Tranche 1 Shares were issued on 10 January 2022 to M&G, Ruffer and RiverFort. Refer to Section 2.3(a) for further information on the Tranche 1 Shares. The Tranche 1 Shares were issued without Shareholder approval under Listing Rule 7.1.

Resolution 8 seeks ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Shares.

Resolution 8 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 8.

10.2 Listing Rule 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Tranche 1 Shares does not fit within any of these exceptions, and, as it has not yet been approved by Shareholders, it effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's 15% placement capacity to issue further Equity Securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Resolution 8 seeks Shareholder approval for the Tranche 1 Shares under and for the purposes of Listing Rule 7.4.

If Resolution 8 is passed, the Tranche 1 Shares will be excluded in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 8 is not passed, Tranche 1 Shares will be included in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

10.3 Information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, the following information is provided in relation to the Tranche 1 Shares:

- (a) 14,900,577 Shares were issued to M&G, 18,105,000 Shares were issued to Ruffer and 9,090,909 Shares were issued to RiverFort.
- (b) A total of 42,096,485 Shares were issued in connection with Tranche 1 of the Placement.
- (c) The Tranche 1 Shares are fully paid ordinary shares and rank equally with the Company's existing Shares on issue.
- (d) The Tranche 1 Shares were issued on 10 January 2022.
- (e) The Tranche 1 Shares were issued at a price of \$0.022 per Share, raising a total of \$926,122.68
- (f) Funds raised from the issue of the Tranche 1 Shares will be used in accordance with Section 2.5.
- (g) The Tranche 1 Shares were issued pursuant to subscription agreements, as described in Section 2.3(a) and summarised in Items 1 and 2 of Schedule 5.
- (h) A voting exclusion statement is included in the Notice for Resolution 8.

10.4 Director Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 8.

11 RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF SHARES TO EXPLOSERVICE

11.1 General

On 18 August 2021, the Company announced that it was proposing to issue 16,213,609 Shares to a creditor, being Exploservice, (**Creditor Shares**) at a deemed issue price of \$0.042 per Share for a total of \$680,971.58 The Creditor Shares were issued on 23 August 2021 to Exploservice. The Creditor Shares were issued without Shareholder approval under Listing Rule 7.1.

The subscription price for the Creditor Shares was set off against an existing debt owed to Exploservice for explosive and blasting services.

Resolution 9 seeks ratification pursuant to Listing Rule 7.4 for the issue of the Creditor Shares.

Resolution 9 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 9.

11.2 Listing Rule 7.4

A summary of Listing Rule 7.1 and Listing Rule 7.4 is described in Section 10.2.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Resolution 9 seeks Shareholder approval for the Creditor Shares under and for the purposes of Listing Rule 7.4.

If Resolution 9 is passed, the Creditor Shares will be excluded in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 9 is not passed, the Creditor Shares will be included in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

11.3 Information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, the following information is provided in relation to the issue of the Creditor Shares:

- (a) The Creditor Shares were issued to Exploservice.
- (b) 16,213,609 Shares were issued to Exploservice.
- (c) The Creditor Shares are fully paid ordinary shares and rank equally with the Company's existing Shares on issue.
- (d) The Creditor Shares were issued on 23 August 2021.
- (e) The Creditor Shares were issued at a deemed issue price of \$0.042 per Share and set off against an existing debt owed to Exploservice.
- (f) No funds were raised from the issue of the Creditor Shares.
- (g) A voting exclusion statement is included in the Notice for Resolution 9.

11.4 Director Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 9.

Schedule 1

Definitions

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

\$ means Australian Dollars.

Additional Placement has the meaning given to that term in Section 2.3(a).

Additional Placement Shares has the meaning given to that term in Section 2.3(a).

Agreements has the meaning given to that term in Section 2.3.

AIMS means Asian Investment Management Services Ltd.

AIMS Shares has the meaning given to that term in Section 2.3(b)(i).

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

AWST means Australian Western Standard Time.

Barrick Gold means Barrick Gold Corporation.

Board means the board of Directors of the Company.

CED Capital means CED Capital Limited (UK Company No 07752658).

CED Capital Shares has the meaning given to that term in Section 2.3(b)(iii).

Chairperson means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.

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

Conditional Resolutions means Resolutions 1 to 6 (inclusive).

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

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

Creditor Shares has the meaning given to that term in Section 11.1.

Director means a director of the Company.

Earn-In Agreement has the meaning given to that term in Section 2.2(c).

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

Explanatory Memorandum means the explanatory memorandum accompanying the Notice.

Exploservice means Exploservice Guyana Inc.

Exploservice Shares has the meaning given to that term in Section 2.3(b)(ii).

Forbearance Period means the period commencing on 4 December 2021 and ending on the Forbearance Period End Time.

Forbearance Period End Time means the first to occur of:

- (a) the date that is three months after completion of the AIMS Shares;
- (b) the date the AIMS agreement is terminated; and
- (c) a Trigger Event (as defined in Item 3 of Schedule 5).

Further Funding has the meaning given to that term in Section 2.3(c).

Group means the Company and its Subsidiaries.

Initial Funding has the meaning given to that term in Section 2.3(c).

Karouni Project has the meaning given to that term in Section 2.1.

Listing Rules means the Listing Rules of the ASX.

M&G means M&G plc.

Meeting has the meaning given to that term in the introductory paragraph of the Notice.

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

Placement has the meaning given to that term in Section 2.3(a).

Proxy Form means the proxy form enclosed with the Notice.

Recapitalisation has the meaning given to that term in Section 2.3.

Reinstatement has the meaning given to that term in Section 2.3.

Resolution means a resolution proposed pursuant to the Notice.

Rights Issue Offer has the meaning given to that term in Section 2.4.

RiverFort means RiverFort Global Opportunities PCC Ltd.

RiverFort Convertible Notes has the meaning given to that term in Section 2.3(c).

RiverFort Options has the meaning given to that term in Section 2.3(c).

RML has the meaning given to that term in Section 2.1.

Ruffer means Ruffer LLP.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Smarts Underground Deposit has the meaning given to that term in Section 2.1..

Subsidiary has the meaning given to that term in section 9 of the Corporations Act.

Tranche 1 Shares has the meaning given to that term in Section 2.3(a)(i).

Tranche 2 Shares has the meaning given to that term in Section 2.3(a)(ii).

VWAP means volume weighted average price.

Schedule 2

Risk Factors

Based on the information available, a non-exhaustive list of risk factors are as follows:

Company Specific Risks

(a) **Reinstatement to trading**

The Company has been suspended since 30 August 2021 and will not be reinstated until the Company complied with the conditions imposed by ASX. ASX provided the Company with a conditional reinstatement letter (refer to Section 2.10 for further details) advising that there were a number of conditions that needed to be satisfied before ASX would reinstate the Company's Shares to trading on ASX. The advice provided by ASX in its letter applies until 11 August 2022 and is subject to any amendments to the Listing Rules or changes in the interpretation or administration of the Listing Rules and policies of ASX. As the letter will expire during the notice period for the Meeting, the Company has been in discussions with ASX and, to the best of the Company's knowledge, the Company has no reason to believe that ASX will not reinstate the Company's securities to trading on ASX, subject to the Company satisfying the reinstatement conditions provided by ASX. ASX has reserved its right to amend or withdraw any of the reinstatement conditions or withdraw the reinstatement conditions letter in its entirety in its absolute discretion. There is a risk that the Company will not be able to satisfy one or more of those requirements and that the Shares will consequently remain suspended from quotation.

(b) **Completion risk**

The Recapitalisation and completion under the Agreements are subject to certain conditions precedent being satisfied or waived as described in Schedule 5. This includes the Company obtaining the Shareholder approval pursuant to the Conditional Resolutions and raising additional aggregate proceeds of A\$600,000. There can be no assurance that this Shareholder approval will be obtained or that the additional funds will be raised, in which case the Recapitalisation would not proceed, the Company may be removed from the official list of the ASX and the Company will likely be put into liquidation.

(c) **Financial Uncertainty**

As at 31 December 2021, the Group owes a significant amount of debt to various creditors totalling approximately \$43.0 million (including the debts owed to AIMS and Exploservice detailed in Section 2.3(b)) and holds cash of \$0.7 million.

If the Recapitalisation does not occur and the Conditional Resolutions are not approved, Shareholders need to be aware that the Group will face significant financial challenges. There is a real risk that the Group (particularly its Subsidiaries in Guyana) may not be in a position to repay their debts as and when they become due and the Group may not continue operations as a going concern. If the Group becomes insolvent and is placed into administration, Shareholders would likely receive little, if any, proceeds for the Shares they hold.

The Directors consider that there are no feasible alternatives to the Recapitalisation and that the Recapitalisation provides the Group with a solution to allow the Company to continue its exploration activities and provide value to Shareholders.

(d) **Going Concern**

The Company's December 2021 Half Year Accounts were prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and discharge of liabilities in the normal course of business.

The continuing viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due are dependent upon a number of factors, including:

- Shareholders approving, at this Meeting, the following elements of the Recapitalisation plan:

- the issue of 175,485,550 Tranche 2 Shares to participating investors at an issue price of \$0.022 to raise \$3,861,000 before costs;
- the conversion of approximately 50% of the outstanding AIMS gold loan facility debt (representing an aggregate amount of approximately \$6.9 million) into approximately 313 million ordinary shares in the capital of the Company at an issue price of \$0.022 per share;
- the conversion of approximately \$7.1 million of amounts owed to creditors of the Group into approximately 323 million ordinary shares in the capital of the Company at an issue price of \$0.022 per share;
- the issue of 16,727,273 ordinary shares to an adviser to the Company for fees in relation to services provided over the recapitalisation;
- the issue of a Convertible Note to RiverFort to raise A\$2,000,000 before costs, with a further A\$3,000,000 available; and
- the issue of 45,454,545 options to RiverFort Global Capital at an exercise price of A\$0.0286 and expiring three years from the date of issue;
- meeting the conditions placed on the Company by the ASX for recommencement of trading in securities of the Company;
- the Company successfully undertaking a rights issue on the basis of one new share for every one share held to allow shareholders to participate in the capital raising at the same issue price as the recapitalisation transactions of \$0.022 per share;
- satisfaction of conditions precedent in the agreement with RiverFort allowing the Company to drawdown on the convertible note facility of up to \$5.0 million;
- satisfaction of conditions precedent in the agreement with AIMS allowing the Company to convert the balance of the gold loan facility (other than \$100 which will remain as debt), approximately \$6.9 million, into equity by participating for its entitlement under the rights issue with the subscription price for the shares set off against the outstanding balance of the gold loan (approximately \$6.9 million) into approximately 313 million shares at an issue price of \$0.022 per share;
- continuing support of the Group's creditors, specifically related to the Karouni project. Trade and other payables have increased over the period from 30 June to 31 December 2021 by 7.2% from \$27.1 million to \$29.1 million with a significant amount exceeding normal commercial terms. The Company has already negotiated with the Group's largest creditor to convert \$7.1 million of its total trade payable debt of \$10.9 million to equity. This transaction is subject to shareholder approval noted above. The Company is continuing its discussions with its outstanding creditor base and has been considering all options, such as asset swaps and other cash saving initiatives, to settle these debts;
- continuing concurrence of the Group's ex-employees who are owed US\$0.7 million severance entitlements as a result of the reduction in operations at the Group's Karouni project. These employees have been made redundant by the Group over the period September 2021 to January 2022, with severance entitlements due approximately six weeks after the lay-off date. It is anticipated that these severance payments will be paid from Tranche 2 of the recapitalisation plan;
- completion of a feasibility study on the Smarts Underground project. Currently all work has been completed to pre-feasibility level; however, for the Company to make its decision to proceed (excluding financing discussed below), the current work needs to be elevated to feasibility study level. It is anticipated that these works will be completed within the next six to nine months from the date of this Notice;

- following the completion of a feasibility study, the Company entering into a financing facility to fund the development of the Smarts Underground;
- the Company achieving a reduction in care and maintenance expenditure at its Karouni processing facility; and
- the successful completion of the sale of RML for gross proceeds of US\$3.5 million as announced on 16 May 2022. RML is a non-core foreign subsidiary of the Company, which holds mineral rights. The mineral rights were acquired in 2006 through the acquisition of Agincourt Resources Limited, which held the Andorinhas Gold Project. As at the date of this Notice, the Company has received the first instalment of the total purchase price (US\$200,000) and, subject to the satisfaction of certain conditions, expects to receive the next two instalments (an aggregate of US\$800,000) on or around 15 August 2022. Refer to ASX Announcement dated 16 May 2022 for further details.

In addition to the above, the longer term viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due are dependent upon the Group:

- successfully developing and operating the Smarts Underground mine to fund future operations;
- being able to extend the current projected three-year mine life of the Smarts Underground;
- being able to successfully convert further mineral resources into ore reserves at the Group's Karouni project. The Group currently has ore reserves and mineral resources as detailed in Section 2.1 ; and
- continuing brownfields and greenfields exploration activities at the Group's tenure in Guyana to find additional ore sources.

The Directors consider that the Group will likely be able to achieve the above items and, where required, secure additional funding, due to its demonstrated track record of successfully raising equity.

As a result of these matters, there is a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

(e) Development of Projects

The Company's ability to successfully develop and commercialise its projects, including the Smarts Underground Deposit may be affected by factors including project delays and additional costs overruns. If the Company experiences further project delays or additional cost overruns this could result in the Company not realising its operational or development plans or result in such plans costing more than expected or taking longer to realise than expected.

The Company has endeavoured to take appropriate action to mitigate the risks of further project delays and additional cost overruns but the occurrence of an event that results in project delays and/or additional cost overruns may have a material adverse effect on the Company's performance and the value of its assets.

In addition, although the various components of the production plant and associated infrastructure for the Company's projects, including the Smarts Underground Deposit, will be designed and constructed by a number of separate contractors, these components being designed and constructed by the separate contractors must technically interface together in order for its projects to be completed and for production to commence. The Company retains the legal and technical risk in those various components technically interfacing and must manage this risk throughout the design and construction of its projects. Failure to achieve this may result in delays in the construction and development of the Company's projects, which

may adversely impact on the Company's future cash flows, profitability, results of operations and financial condition.

(f) Future operations of the Company's projects

The Company has prepared operating cash costs, future production targets and revenue profiles for its future operations at its projects, including the Smarts Underground Deposit. However, production targets and operating costs may be adversely affected by a variety of factors, including the delineation of economically recoverable mineralisation, unfavourable geological conditions, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, further cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. In addition, there may be other risks that can impact production and operating cost estimates, including increases in labour costs, general inflationary pressures, currency exchange rates and other unforeseen circumstances such as health and safety concerns.

Any unforeseen increases in capital or operating costs of the Company's projects could have an adverse impact on the Company's future cash flows, profitability, results of operations and financial condition. No assurance can be given that the Company's estimates will be achieved or that the Company will have access to sufficient capital to develop its projects, including the Smarts Underground Deposit, due to an increase in capital and operating costs estimates.

(g) Future Capital Requirements

The Company's continued development of the Smarts Underground Deposit 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.

(h) Gold Price Volatility

As a gold producer and exploration company, the Company's ability to raise capital may be significantly affected by changes in the market price of gold. The Company's possible future revenues may be derived primarily from mining and processing commodities. Consequently, the Company's potential future earnings could be closely related to the price of gold it commercially exploits. Gold prices fluctuate on a daily basis and are affected by numerous factors beyond the control of the Company including demand, forward selling by producers, production cost levels in major producing regions and macroeconomic factors (e.g., inflation, interest rates, currency exchange rates) and global and regional demand for, and supply of, the relevant commodity.

If the market price of any commodity sold by the Company were to fall below the costs of production and remain at such a level for any sustained period, the Company would experience losses and could have to curtail or suspend some or all of its proposed mining activities. In such circumstances, the Company would also have to assess the economic impact of any sustained lower gold prices on recoverability.

(i) Shortages and Price Volatility

The Company is dependent on various input commodities (such as diesel fuel, electricity, mill consumables) and equipment (including parts) to conduct its activities. A shortage of such input commodities or equipment or a significant increase in their cost could have a material adverse effect on the Company's ability to carry out its activities and therefore limit, or increase the cost of, operations and exploration. Market prices of input commodities can be subject to

volatile price movements, which can be material, occur over short periods of time and are affected by factors that are beyond the Company's control. An increase in the cost, or decrease in the availability, of input commodities or equipment may affect the timely conduct and cost of the Company's activities. If the costs of certain input commodities consumed or otherwise used in connection with the Company's activities were to increase significantly, and remain at such levels for a substantial period, the Company may determine that it is not economically feasible to continue activities on some or all of its current projects, which could have an adverse impact on the Company's financial performance and share price.

(j) **Sovereign Risk**

The Company's projects are in Guyana which is a less developed country than Australia and has associated political, economic, legal and social risks. There can be no assurance that the system of government and the political system in Guyana will remain stable. Further, there can be no assurance that government regulations relating to foreign investment, repatriation of foreign currency, taxation and the mining industry in Guyana will not be amended or replaced in the future to the detriment of the Company's business and/or projects. The Directors are unaware of any such proposals as at the date of this Notice.

(k) **Government Policies**

Any material adverse changes in government policies, legislation or shifts in political attitude in Australia, Guyana or any other jurisdiction in which the Company operates, that affect mineral mining and exploration activities, tax laws, royalty regulations, government subsidies and environmental issues, may affect the viability of a project or the Company.

No assurance can be given that amendments to current laws and regulations or new rules and regulations will not be enacted, or that existing rules and regulations will not be applied in a manner which could substantially limit or affect the viability of a project or the Company.

(l) **Contract Risks**

The Company may enter into agreements and undertakings with third parties from time to time. If the Company is unable to satisfy the conditions of these agreements and undertakings, or if it defaults on its obligations under these agreements and undertakings, the Company's interest in their subject matter may be jeopardised. Further, if the third parties default on their obligations under the agreements and undertakings, the Company may be adversely affected.

(m) **Dependence on Key Personnel**

The success of the Company will to an extent depend on the directors' and key management personnel's ability to successfully manage the Company's performance and exploit new opportunities. The loss of service of these personnel could have an adverse effect on the proposed operations of the Company.

(n) **Insurance**

Insurance against all risks associated with gold exploration and production is not always available or affordable. The Company will maintain insurance where it is considered appropriate for its needs. However, insurance coverage against all risks may not be undertaken because either such cover is not available or because the Directors consider that the associated premiums are excessive having regard to the benefits from the cover.

The occurrence of an event that is not covered or is only partially covered by insurance could have a material adverse effect on the business, financial condition and results of the operations of the Company. There is no assurance that the Company will be able to maintain adequate insurances in the future.

(o) **Acquisitions**

The Company may also review and consider other business opportunities. Consequently, this strategy may result in the Company making acquisitions of, or significant investments in, complementary or alternative companies or assets. Any such transactions would be accompanied by the risks inherent in making acquisitions of companies and assets. For example, there may be liabilities in connection with such acquisitions which are not identified

in the Company's due diligence or the acquisitions may not prove to be successful. Further, risks associated with such acquisitions will also arise from the Company's ability to execute the acquisition and then to correctly manage the business operations and growth strategies moving forward.

(p) **Competition**

The Company competes with other companies, including major mining companies in Australia and internationally. Some of these companies have greater financial and other resources than the Company has and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

Industry Specific Risks

(a) **Exploration Risks**

The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining concessions and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Exploration on the Company's existing exploration and mining concessions may be unsuccessful, resulting in a reduction of the value of those concessions, diminution in the cash reserves of the Company and possible relinquishment of the exploration and mining concessions.

(b) **Operational Risk**

Drilling, mining and processing activities carry risk and as such, activities may be curtailed, delayed or cancelled as a result of a number of factors outside the Company's control. These include geological conditions, technical difficulties, securing and maintaining tenements, weather and operation of efficient processing facilities. The operation may be affected by force majeure, changes in geology, fires, labour disruptions, pit wall stability, landslides, the inability to obtain adequate machinery, engineering difficulties and other unforeseen events.

As with most mines, reserves, resources and stockpiles are based on estimates of grade, volume and tonnage. The accuracy and precision of these estimates will depend upon drill spacing and other information such as continuity, geology, rock density, metallurgical characteristics, mining dilution, costs, etc. which evolve as the mine moves through different parts of the ore body.

The Company will endeavour to take appropriate action to mitigate these operational risks (including by properly documenting arrangements with counterparties, and adopting industry best practice policies and procedures) or to insure against them, but the occurrence of any one or a combination of these events may have a material adverse effect on the Company's performance and the value of its assets.

(c) **Resource Estimates**

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. These estimates were appropriate when made, but may change significantly when new information becomes available.

There are risks associated with such estimates. Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resource estimates could affect the Company's future plans and ultimately its financial performance and value.

(d) **Ability to Exploit Successful Discoveries**

It may not always be possible for the Company to exploit successful discoveries which may be made in areas in which the Company has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may

not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as the Company's.

(e) Mining and Development Risks

Profitability depends on successful exploration and/or acquisition of resources / reserves, design and construction of efficient processing facilities, competent operation and management and proficient financial management.

Mining and development operations can be hampered by force majeure circumstances, environmental considerations and cost overruns or unforeseen events.

(f) Title Risks

The Company's mining and exploration activities are dependent upon the maintenance (including renewal) of the mineral concessions in which the Company has or acquires an interest. Maintenance of the Company's concessions is dependent on, among other things, the Company's ability to meet the licence conditions imposed by the relevant authorities including compliance with the Company's work program requirements which, in turn, is dependent on the Company being sufficiently funded to meet those expenditure requirements. Although the Company has no reason to think that the concessions in which it currently has an interest will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority.

Interests in mineral concessions in Guyana are governed by legislation in their respective jurisdictions and are evidenced by the granting of mining concessions. Consequently, the Company could lose title to or its interest in concessions if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

(g) Environmental and Climate Change Risks

The Company's operations and activities are subject to certain regulations regarding environmental matters. The governments and other authorities that administer and enforce environmental laws determine these requirements. As with most exploration projects, mining and processing operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Further, the Company may require additional approvals from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company and its operations are also exposed to changing climate and the potential risks involved in the areas becoming hotter, drier, colder or wetter depending on the area of interest.

(h) Occupational Health and Safety Risk

The Company is committed to providing a healthy and safe environment for its personnel, contractors and visitors. However, mining activities have inherent risks and hazards. While the Company provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety

management systems, health and safety incidents may nevertheless occur. Any illness, personal injury, death or damage to property resulting from the Company's activities may lead to a claim against the Company.

(i) **COVID-19**

The global economic outlook is facing uncertainty due to the current COVID-19 pandemic which is impacting global capital markets and companies' abilities to conduct business operations. The Company will seek to monitor and assess its ability to conduct operations in light of the COVID-19 pandemic. However, as the situation with respect to COVID-19 continues to develop (and various government restrictions may be implemented), there can be no assurance that the Company will be able to continue to mitigate any adverse effects of COVID-19 on its operations and planned business activities.

Further, the Company is ultimately exposed to the general economic conditions globally which could have an adverse effect on the operating and financial performance of the Company. A prolonged economic contraction as a result of COVID-19 and/or other factors could impact on the Company's ability to conduct its operations.

(j) **Other**

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Company.

General Risks

(a) **Stock Market Conditions**

As with all stock market investments, there are risks associated with an investment in the Company. Share prices may rise or fall and the price of Shares might trade below the price paid for those Shares.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally, investor sentiment and local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(b) **Dilution Risk**

In certain circumstances, the Directors may issue equity securities without any vote or action by Shareholders. If the Company were to issue any equity securities (including the equity securities as part of the Recapitalisation) the percentage ownership of Shareholders may be reduced and diluted.

(c) **Litigation Risks**

Legal proceedings may be brought against the Company, for example, litigation based on its business activities, environmental laws, tax matters, volatility in its stock price or failure to comply with its disclosure obligations, which could have a material adverse effect on the Company's financial condition or prospects. Regulatory and government agencies may bring legal proceedings in connection with the enforcement of applicable laws and regulations, and as a result the Company may be subject to expenses of investigations and defence, and fines or penalties for violations if proven, the Company may potentially incur cost and expense to

remediate, increased operating costs or changes to operations, and cessation of operations if ordered to do so or required in order to resolve such proceedings.

(d) **Liquidity Risk**

There cannot be any guarantee that there will continue to be an active market for Shares or that the price of Shares will increase. There may be relatively few buyers or sellers of shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell Shares held by them. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid for the Shares.

(e) **Securities Risk**

Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the securities regardless of the Company's performance.

(f) **Changes in Legislation and Government Regulation**

Government legislation in Guyana or any other relevant jurisdiction in which the Company may operate in the future, such as changes to the taxation system, foreign investment regulations and the mining regulatory system, may affect future earnings and relative attractiveness of investing in the Company. Changes in government policy or statutory changes may affect the Company and the attractiveness of an investment in it.

Amendments to current laws, policies, regulations and permits governing operations and activities of mining companies in the countries in which the Company operates, or a more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in the cost of production, capital expenditure or exploration costs and reduction in levels of production at producing properties.

(g) **Economic Factors**

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices and stock market processes. The Company's future possible revenues and Share price can be affected by these factors, which are beyond the control of the Company and its Directors.

Schedule 3

Balance Sheet Post Completion of the Recapitalisation

TROY RESOURCES LIMITED

BALANCE SHEET

As at 31 December 2021

	December 2021 (\$'000)	Adjustments (\$'000)	Proforma BS (\$'000)
CURRENT ASSETS			
Cash and cash equivalents	672	6,787	7,459
Trade and other receivables	5,903	2,658	8,561
Assets held for sale	84		84
Inventories	3,197		3,197
TOTAL CURRENT ASSETS	9,856	9,445	19,301
NON-CURRENT ASSETS			
Property, plant and equipment	4,417		4,417
Exploration and evaluation assets	268		268
Mining properties	6,606		6,606
Other receivables	277	401	678
TOTAL NON-CURRENT ASSETS	11,568	401	11,969
TOTAL ASSETS	21,424	9,847	31,271
CURRENT LIABILITIES			
Trade and other payables	29,069	(12,152)	16,917
Provisions	503		503
Lease Liability	307		307
Borrowings AIMS	13,978	(13,978)	-
TOTAL CURRENT LIABILITIES	43,857	(26,130)	17,727
NON-CURRENT LIABILITIES			
Trade and other payables	-	5,039	5,039
Provisions	6,497		6,497
Lease Liability	30		30
Borrowings Con Note		2,000	2,000
TOTAL NON-CURRENT LIABILITIES	6,527	7,039	13,566
TOTAL LIABILITIES	50,384	(19,092)	31,292
NET ASSETS	(28,960)	28,938	(22)
EQUITY			
Issued capital	384,985	26,579	411,564
Reserves	43,114		43,114
Retained earnings	(457,059)	2,359	(454,700)
TOTAL EQUITY	(28,960)	28,938	(22)
Net working Capital:	(34,001)	35,575	1,574

Note: this pro forma assumes that the Tranche 2 Shares have not been issued to RiverFort.

Schedule 4

Balance Sheet Post Completion of the Recapitalisation and Rights Issue Offer

TROY RESOURCES LIMITED
BALANCE SHEET
As at 31 December 2021

	December 2021 (\$'000)	Adjustments (\$'000)	Proforma BS (\$'000)
CURRENT ASSETS			
Cash and cash equivalents	672	9,687	10,359
Trade and other receivables	5,903	2,658	8,561
Assets held for sale	84		84
Inventories	3,197		3,197
TOTAL CURRENT ASSETS	9,856	12,345	22,201
NON-CURRENT ASSETS			
Property, plant and equipment	4,417		4,417
Exploration and evaluation assets	268		268
Mining properties	6,606		6,606
Other receivables	277	401	678
TOTAL NON-CURRENT ASSETS	11,568	401	11,969
TOTAL ASSETS	21,424	12,747	34,171
CURRENT LIABILITIES			
Trade and other payables	29,069	(12,152)	16,917
Provisions	503		503
Lease Liability	307		307
Borrowings AIMS	13,978	(13,978)	-
TOTAL CURRENT LIABILITIES	43,857	(26,130)	17,727
NON-CURRENT LIABILITIES			
Trade and other payables	-	5,039	5,039
Provisions	6,497		6,497
Lease Liability	30		30
Borrowings Con Note		2,000	2,000
TOTAL NON-CURRENT LIABILITIES	6,527	7,039	13,566
TOTAL LIABILITIES	50,384	(19,092)	31,292
NET ASSETS	(28,960)	31,838	2,878
EQUITY			
Issued capital	384,985	29,479	414,464
Reserves	43,114		43,114
Retained earnings	(457,059)	2,359	(454,700)
TOTAL EQUITY	(28,960)	31,838	2,878
Net working Capital:	(34,001)	38,475	4,474

Note: this pro forma assumes that the Rights Issue raises A\$3,000,000 and the Tranche 2 Shares have been issued to RiverFort.

Schedule 5

Summary of Agreements

The below information summarises the key terms of the Agreements. The Agreements contain other terms and conditions considered standard for an agreement of its nature.

1 Subscription Agreements for Placement – M&G, Ruffer & Les Owen

The below table summarises the key terms of the subscription agreements with M&G, Ruffer and a sophisticated investor for their participation in the Placement.

Tranche 1 Placement	
Investor Amount and	M&G: 14,900,577 Shares at an issue price of \$0.022 per Share to raise \$327,812.69 Ruffer: 18,105,000 Shares at an issue price of \$0.022 per Share to raise \$398,309.99
Tranche 2 Placement	
Investor Amount and	M&G: 107,226,912 Shares at an issue price of \$0.022 per Share to raise \$2,358,992.07 Ruffer: 50,076,819 Shares at an issue price of \$0.022 per Share to raise \$1,101,690.01 Les Owen: 4,545,455 Shares at an issue price of \$0.022 per Share to raise \$100,000.00
Conditions Precedent	Issue of the tranche two Placement Shares is subject to: <ul style="list-style-type: none"> Shareholder approval of the tranche two Placement Shares; and lodgement of the Company's 2021 Annual Report with ASX.
End Date	The conditions precedent for M&G, Ruffer and Les Owen must be satisfied by 31 July 2022, otherwise either party may terminate the agreement.
Completion	5 business days after satisfaction of the conditions precedent.
M&G participation in rights issue	M&G undertakes to participate in the Rights Issue Offer and apply for a minimum of 18,781,602 Shares to raise \$413,195.24

2 Subscription Agreement for Placement – RiverFort

The below table summarises the key terms of the subscription agreement with RiverFort for its participation in the Placement.

Tranche 1 Placement	
Amount	9,090,909 Shares at an issue price of \$0.022 per Share to raise \$200,000.00
Conditions Precedent	Issue of the tranche one Placement Shares is subject to: <ul style="list-style-type: none"> evidence of the agreements entered into with M&G, Ruffer, CED Capital and Exploservice with respect to the Recapitalisation; receipt of a term sheet which summarises the terms of the AIMS debt to equity conversion agreement; the execution of the Funding Agreement (summarised below) and the transactions contemplated by the Funding Agreement being valid and binding on the Company; and

	<ul style="list-style-type: none"> the transactions contemplated by the option deed relating to the issue of the options to RiverFort in connection with the issue of the RiverFort Convertible Notes being valid and binding on the Company.
Completion	5 business days after satisfaction of the tranche one conditions precedent.
Tranche 2 Placement	
Amount	13,636,364 Shares at an issue price of \$0.022 per Share to raise \$300,000.00
Conditions Precedent	<p>Issue of the tranche two Placement Shares is subject to:</p> <ul style="list-style-type: none"> completion of tranche one of the Placement; Shareholder approval of the tranche two Placement Shares; lodgement of the Company's 2021 Annual Report with ASX; closing of the Recapitalisation; completion of the Placement and any capital raising, event relating to the sale of non-material assets or any other event the parties agree in writing raising an aggregate gross proceeds of no less than A\$5,386,000 or an amount that is less than A\$5,386,000 and RiverFort accepts it as satisfactory; the Company confirming in writing that following tranche two of the Placement and receipt of funds for the convertible notes, the Company believes it will satisfy the outstanding conditions imposed by ASX for the Reinstatement; evidence of the AIMS security document being varied to reduce the secured debt to \$100; and the date of 7 June 2022 has passed.
Completion	5 business days after satisfaction of the tranche two conditions precedent.
End Date	The conditions precedent must be satisfied by 22 August 2022, otherwise either party may terminate the agreement.

3 Debt to Equity Conversion – AIMS

The below table summarises the key terms of the agreements with AIMS for the issue of Shares as part of the debt to equity conversation arrangements.

Debt to Equity Conversion	
Debt to equity conversion	Issue of 312,790,000 Shares at a deemed issue price of \$0.022 per Share set off against \$6,881,380.00 owed under the AIMS gold loan
Definitions	<p>External Administrator means an administrator, controller or managing controller (each as defined in the Corporations Act), trustee, provisional liquidator, liquidator or any other person (however described) holding or appointed to an analogous office or acting or purporting to act in an analogous capacity.</p> <p>Gold Loan Agreement means the Gold Loan Agreement dated 13 January 2020 between the Company and AIMS, as amended by the amendment agreement undated and the further amendment agreement dated 17 May 2021.</p> <p>Insolvency Event in respect of the Company, means any of the following:</p> <ul style="list-style-type: none"> it becomes insolvent within the meaning of section 95A, or is taken to have failed to comply with a statutory demand under section 459F(1), or must be presumed by a court to be insolvent under section 459C(2), or is the subject of a circumstance specified in section 461 (whether or not an application to

	<p>court has been made under that section) or, if the Company is a Part 5.7 body, is taken to be unable to pay its debts under section 585, of the Corporations Act;</p> <ul style="list-style-type: none"> except with the Subscriber's prior written consent: <ul style="list-style-type: none"> it is the subject of a Liquidation, or an order or an application is made for its Liquidation; an effective resolution is passed or meeting summoned or convened to consider a resolution for its Liquidation; an External Administrator is appointed to it or any of its assets or a step is taken to do so; if a registered corporation under the Corporations Act, a step is taken under section 601AA, 601AB or 601AC of the Corporations Act to cancel its registration; an analogous or equivalent event to any listed above occurs in any applicable jurisdiction; or it stops or suspends payment to all or a class of creditors generally. <p>Liquidation means:</p> <ul style="list-style-type: none"> a winding up, dissolution, liquidation, provisional liquidation, administration, bankruptcy or other proceeding for which an External Administrator is appointed, or an analogous or equivalent event or proceeding in any jurisdiction; or an arrangement, moratorium, assignment or composition with or for the benefit of creditors or any class or group of them. <p>Prescribed Event means any of the following:</p> <ul style="list-style-type: none"> any representation, warranty or statement made by or on behalf of the Company at any time in connection with the transactions contemplated by this agreement is untrue, incorrect or misleading; the Company is in material breach of the agreement and (if capable of remedy) the Company fails to rectify that breach within 2 business days of being notified of that breach by AIMS; or a provision of this agreement is or becomes or is claimed by the Company to be wholly or partly invalid, void, voidable or unenforceable.
Conditions Precedent to Debt to Equity Conversion	<p>Issue of the Shares is subject to:</p> <ul style="list-style-type: none"> completion of the tranche one Placement Shares; Shareholder approval of the tranche two Placement Shares and the Shares to be issued to AIMS; completion of the tranche two Placement Shares (excluding RiverFort's) occurring immediately prior to completion of AIMS subscription; the issue of the Shares to AIMS not being unlawful or contrary to any law or the requirements of any government agency; no Prescribed Event occurring prior to Completion; and lodgement of the Company's 2021 Annual Report with ASX.
End Date	The conditions precedent must be satisfied by 31 July 2022, otherwise either party may terminate the agreement.
Completion	<p>5 business days after satisfaction of the conditions precedent.</p> <p>With effect from completion occurring, the security associated with the AIMS gold loan is released other than in respect of \$100.</p>

<p>AIMS participation in Rights Issue Offer</p>	<p>AIMS undertakes to participate in the Rights Issue Offer and apply for a minimum of 313,853,443 Shares with the subscription amount being set off against \$6,904,775.75 owed under the Gold Loan Agreement, with only \$100 outstanding under the Gold Loan Agreement following the issue of these Shares.</p> <p>AIMS's participation in the rights issue is subject to:</p> <ul style="list-style-type: none"> • completion of the AIMS debt to equity conversion (described above) occurring; • no Prescribed Event has occurred prior to subscription under the rights issue; • the participation in the Rights Issue Offer is not unlawful or contrary to any law or the requirements of any government agency; • the Company has issued and lodged a prospectus for the Rights Issue Offer; • any necessary Shareholder or other approvals have been obtained in relation to the Rights Issue Offer; and • the Company obtaining ASIC approval for the appointment of a nominee for the purposes of section 615 of the Corporations Act in relation to the Rights Issue Offer.
<p>Trigger Event</p>	<p>A Trigger Event will occur if:</p> <ul style="list-style-type: none"> • the Company fails to comply with any of its obligations under this agreement; • an Insolvency Event occurs; • the Company fails to pay any money or amounts that the Company is or may become liable at any time (presently, prospectively or contingently, whether alone or not and in any capacity) to pay to or for the account of RiverFort (whether alone or not and in any capacity) under or in connection with any RiverFort transaction documents and RiverFort demands payment of that money or amount from the Company; or • RiverFort exercises any RiverFort's rights, powers, discretions and remedies under any of the RiverFort transaction or applicable law arising on the occurrence of a default.
<p>Standstill arrangements</p>	<p>AIMS has agreed to a standstill arrangement with the Company to not demand repayment of any debt outstanding and not exercise any of its enforcement rights in respect of existing defaults under the Gold Loan Agreement. The standstill period extends to the earlier of:</p> <ul style="list-style-type: none"> • 3 months after completion of the issue of the AIMS Shares; • termination of the agreement; or • if a Trigger Event occurs. <p>A Trigger Event entitles AIMS to demand immediate repayment of the gold loan and exercise its enforcement rights.</p>

4 Debt to Equity Conversion – Exploservice and CED Capital

The below table summarises the key terms of the agreements with Exploservice and CED Capital for the issue of Shares as part of the debt to equity conversion arrangements.

Debt to Equity Conversion	
Debt holder and Amount	<p>Exploservice: Issue of 333,902,799 Shares at a deemed issue price of \$0.022 per Share set off against \$7,345,861.58 owed to Exploservice for the provision of drilling and blasting services in Guyana.</p> <p>CED Capital: 16,727,273 Shares at a deemed issue price of \$0.022 per Share as a fee for services.</p>
Conditions Precedent	<p>Issue of the Shares is subject to:</p> <ul style="list-style-type: none"> • Shareholder approval of the tranche two Placement Shares; and • lodgement of the Company's 2021 Annual Report with ASX.
End Date	The conditions precedent must be satisfied by 31 July 2022 otherwise either party may terminate the agreement.
Completion	5 business days after satisfaction of the conditions precedent.

5 Funding Agreement – RiverFort

The following table is a summary of the key terms of the funding agreement and the convertible notes issued to RiverFort.

Funding Agreement	
Investor and Amount	RiverFort: Subscription for up to 5,000,000 convertible notes with a face value of \$1.10 per convertible note.
Drawdowns	<p>First Drawdown: \$2,000,000 for the issue of 2,000,000 convertible notes.</p> <p>Further Drawdown: Up to \$3,000,000 for the issue of 3,000,000 convertible notes.</p>
Definitions	<p>Contemplated Transaction means the transaction contemplated in the funding agreement, including each Drawdown, each election to convert one or more Securities and each issuance of Securities.</p> <p>Material Adverse Effect means a thing occurrence or event (but not a thing occurrence or event forming part of the Recapitalisation) that has or is reasonably likely to have, a material adverse effect on:</p> <ul style="list-style-type: none"> • the assets, liabilities, results of operations, condition (financial or otherwise), business, or prospects of the Group; • the ability of the Company to perform its obligations under the funding agreement; • the validity or enforceability against the Company of any material provision of any transaction document; • the prospects of the securities of the Company; or • the likely price or value of any RiverFort Shares, <p>as determined by RiverFort.</p>
Conditions Precedent	<p>RiverFort's obligations to subscribe for the convertible notes is conditional a number of conditions precedent, including:</p> <ul style="list-style-type: none"> • the Company delivering certain resolutions and certificates to RiverFort;

	<ul style="list-style-type: none"> the conditions precedent to RiverFort 's subscription for tranche two Placement shares being satisfied; the Company complying with its obligations and representations and warranties under the funding agreement; no Event of Default or potential Event of Default occurring as a consequence of the Contemplated Transaction; and at the issue of the convertible notes subject to the First Drawdown, no Material Adverse Effect has occurred. <p>The Company obligations in relation to the issue of the convertible notes is conditional a number of conditions precedent, including:</p> <ul style="list-style-type: none"> the Company obtaining shareholder approval for the issue of the RiverFort Convertible Notes and RiverFort Options; and RiverFort complying with its obligations and representations and warranties under the funding agreement. <p>If the Company does not satisfy the conditions before 16 September 2022, RiverFort may terminate the funding agreement effective immediately.</p>
Completion	<p>First Drawdown: 15 business days after completion of the tranche two Placement.</p> <p>Further Drawdown: Any further drawdowns of the convertible note facility occur at a date that is mutually agreed by the parties.</p> <p>On the relevant drawdown date, RiverFort will charge an Implementation Fee to the Company which may be satisfied at RiverFort's election by a deduction from each drawdown. The Implementation Fee will be 3.50% of the gross principal to be advanced to the Company with respect to the relevant draw down.</p>
Termination	<p>Either party may terminate the funding agreement if:</p> <ul style="list-style-type: none"> the drawdown has not occurred within three business days of the drawdown date; or if the first drawdown date is a date that is to be after 16 September 2022.
Convertible Note Key Terms and Conditions	
Number	Initially 2,000,000 and subsequently up to 5,000,000 convertible notes
Face value	\$1.10 per convertible note
Maturity Date	Each drawdown matures on the date that is 18 months from the date of issue
Interest	Nil
Security	Nil
Conversion right	<p>Each convertible note is convertible into one Share.</p> <p>Convertible notes are convertible at the election of RiverFort at any time prior to the Maturity Date of the convertible notes.</p>
Floor Price	A\$0.007 per Share.
Closing Price	<p>Closing Price means:</p> <ul style="list-style-type: none"> \$0.022 per Share with respect to the first drawdown; and

	<ul style="list-style-type: none"> the Company's 20 day Average VWAP² immediately preceding the further drawdown date with respect to a further drawdown.
Fixed Conversion Price	130% of the Closing Price, subject to adjustments made in accordance with the funding agreement. However, the Fixed Conversion Price will not be lower than the Floor Price.
Conversion Price	<p>The Conversion Price for each convertible note is the lower of:</p> <ul style="list-style-type: none"> the Fixed Conversion Price; and 93% of the average of any 2 daily VWAPs of the Company's Shares as elected by RiverFort during the 15 trading days prior to the issue of the conversion notice, <p>but with the Conversion Price being no less than the Floor Price.</p>
Early redemption	At any time prior to the Maturity Date whilst the Company's Shares are trading below the Fixed Conversion Price for five consecutive trading days, the Company may elect to redeem all or part of the outstanding amount of the convertible notes.
Events of default	<p>An Event of Default includes, but is not limited to:</p> <ul style="list-style-type: none"> the Company failing to repay the outstanding convertible notes on the relevant Maturity Date; the Company breaching or failing to comply in full with any of its material obligations under any funding agreement which is not remedied within 10 business days; an insolvency event occurs in relation to the Company; a material adverse effect occurs in relation to the Company; the Company failing to comply with the Listing Rules; the Company requests suspension of trading, cessation of quotation or removal of the Company from the ASX Official List, except for a suspension required by the Company to manage its continuous disclosure obligations; and the Company's shares are suspended for more than 20 consecutive trading days in any 12 month period. <p>Upon an Event of Default occurs RiverFort has a range of remedies including declaring all outstanding amounts immediately due and payable.</p>
Options	<p>The Company will issue to RiverFort such number of options equal to 50% of the relevant drawdown divided by the Closing Price, with each option having an exercise price equal to 130% of the Closing Price and expiring three years after the date of issue.</p> <p>The first drawdown of \$2 million will result in the issue of 45,454,545 options to RiverFort with an exercise price of \$0.0286 and expiring three years from the date of issue.</p>
Use of Funds	<p>Pursuant to the subscription agreement with RiverFort, the Company agrees that any funds made to the Company pursuant to the funding agreement will:</p> <ul style="list-style-type: none"> be placed into a newly opened and separate bank account of the Company; and will not be used by the Company until the first full day of trading post the Company's re-admission to ASX.

² Average VWAP means, in relation to a specified period of trading days, the non-weighted simple average of each of the daily VWAPs for the specified period.

Schedule 6

Terms and Conditions of RiverFort Options

The RiverFort Options will be issued on the following terms:

- (a) **Entitlement:** Each Option entitles the holder (**Option Holder**) to subscribe for one fully-paid ordinary Share in the Company upon payment of the Exercise Price for each Option.
- (b) **No payment on grant:** The Option Holder is not required to pay any amount on the grant of an Option.
- (c) **Exercise price:**
 - (i) The exercise price of each Option for the Initial Funding is \$0.0286; and
 - (ii) The exercise price of each Option for the Further Funding is 130% of the relevant Closing Price (as defined in the Funding Agreement),(each the **Exercise Price**).
- (d) **Expiry date:** Each Option may be exercised at any time before 5:00pm (AWST) on the date that is 3 years after their grant (**Expiry Date**). Any Option not exercised by the Expiry Date will automatically expire.
- (e) **Certificate or Holding Statement:** The Company must give the Option Holder a certificate or holding statement stating:
 - (i) the number of Options issued to the Option Holder;
 - (ii) the Exercise Price of the Options; and
 - (iii) the date of issue of the Options.
- (f) **Transfer:** The Options are non-transferable.
- (g) **Quotation of Options:** The Company will not apply to ASX for quotation of the Options.
- (h) **Quotation of Shares:** The Company will apply to ASX for quotation of the Shares issued on exercise of the Options.
- (i) **New issues:** The Option Holder is not entitled to participate in any new issue to Shareholders of Securities in the Company unless it has exercised its Options before the record date for determining entitlements to the new issue of Securities and participate as a result of holding Shares.
- (j) **Bonus issues:** If the Company makes a bonus issue of Shares or other Securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Option before the record date for determining entitlements to the issue.
- (k) **Reorganisation:** If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option Holder (including the number of Options to which the Option Holder is entitled to and the Exercise Price) will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

Any calculations or adjustments which are required to be made will be made by the Company's Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option Holder.

The Company must, within a reasonable period, give to the Option Holder notice of any change to the Exercise Price of any Options held by the Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on exercise of an Option.

- (l) **Notices:** The provisions of the Constitution regarding notices to be given to holders of Shares shall apply *mutatis mutandis* to notices to be given to Option Holders.
- (m) **Exercise Price Set Off / Cashless Exercise:** Subject to these terms, an Option Holder may satisfy its obligation to pay the Exercise Price in respect of an Option by providing the Company with a notice of offset of monetary indebtedness owed by the Company to the Option Holder (being amounts owed pursuant to the RiverFort Funding Agreement or any other subsequent agreements entered into between the Company and the Option Holder) to the extent of the Exercise Price.

For the avoidance of doubt, any obligation to pay the Exercise Price for Options may be set off against the amounts owed pursuant to the RiverFort Funding Agreement which will reduce the Conversion Amount (as defined in the RiverFort Funding Agreement) which can be converted into Shares.

(n) **Exercise of Options:**

- (i) To exercise Options, the Option Holder must give the Company or its Share Registry, at the same time:
 - (A) a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of Options being exercised and Shares to be issued;
 - (B) payment of the Exercise Price for the Options the subject of the exercise notice, by way of bank cheque or by other means of payment approved by the Company (including by way of a notice of cashless exercise as mentioned in paragraph (m)); and
 - (C) any certificate for the Options.
- (ii) The Option Holder may only exercise Options in multiples of 10,000 Options unless the Option Holder exercises all Options held by the Option Holder.
- (iii) Options will be deemed to have been exercised on the date the exercise notice and Exercise Price are received by the Company.
- (iv) If the Option Holder exercises less than the total number of Options registered in the Option Holder's name:
 - (A) the Option Holder must surrender their Option certificate (if any); and
 - (B) the Company must cancel the Option certificate (if any) and issue the Option Holder a new Option certificate or holding statement stating the remaining number of Options held by the Option Holder.

(o) **Issue of Shares on exercise of Options:**

- (i) Within five Business Days after receiving an application for exercise of Options and payment by the Option Holder of the Exercise Price, the Company must issue the Option Holder the number of Shares specified in the application.
- (ii) Subject to the Constitution, all Shares issued on the exercise of Options will rank in all respects (including rights relating to dividends) equally with the existing Shares of the Company at the date of issue.

- (p) **Governing law:** These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.



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

Need assistance?



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



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AWST) on Saturday, 23 July 2022.**

Proxy Form

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.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

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



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

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

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 General Meeting of Troy Resources Limited to be held at Level 2, 5 Ord Street, West Perth WA 6005 on Monday, 25 July 2022 at 10:00am (AWST) and at any adjournment or postponement of that meeting.

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 Approval of Tranche 2 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Approval to issue Shares to AIMS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval to issue Shares to Exploservice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval to issue Shares to CED Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval to issue Convertible Notes to RiverFort	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Approval to issue Options to RiverFort	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Approval to issue Additional Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 Ratification of Tranche 1 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 Ratification of prior issue of Shares to Exploservice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. 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.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

TRY

999999A



Computershare

