

Half-Yearly Report

for the period ended

31 December 2003

TROY RESOURCES NL

ABN 33 006 243 750

Previous corresponding period

31 December 2002

For announcement to the market

Extracts from this report for announcement to the market (see note 1).

				\$A'000
Revenues from ordinary activities	up	168%	to	32,217
Profit from ordinary activities after tax attributable to members	up	289%	to	4,130
Profit (loss) from extraordinary items after tax attributable to members	up	289%		4,130
Net profit for the period attributable to members	up	289%	to	4,130
Interim Dividends		Amount per security		Franked amount per security
Ordinary Securities		Nil		Nil
Previous corresponding period		Nil		Nil
Record date for determining entitlements to the dividend	N/A			
<i>Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:</i>				
Nil				

This is a half-yearly report and is to be read in conjunction with the June 2003 Annual Report.



TROY RESOURCES NL

**HALF-YEAR CONSOLIDATED
FINANCIAL REPORT**

31 DECEMBER 2003



Consolidated Statement of Financial Performance for the Half-Year ended 31 December 2003

	Notes	Half Year Ended 31 Dec 2003 (\$'000)	Half Year Ended 31 Dec 2002 (\$'000)
Sales Revenue (gold sales)	2	32,217	12,015
Cost of Sales	3	20,523	6,496
Gross Profit		11,694	5,519
Other Revenue from ordinary Activities	2	1,007	328
Exploration Expenses		2,527	1,953
Administration Expenses		3,093	1,874
Corporate Activity Expenses		-	87
Other Expenses		344	-
Borrowing costs		194	42
Profit From Ordinary Activities Before Income Tax		6,543	1,891
Income tax expense relating to ordinary activities		51	912
Net Profit		6,492	979
Net (profit)/loss attributable to outside equity interests		(2,362)	84
Net Profit Attributable to Members of the Parent Entity		4,130	1,063
Increase/(decrease) in foreign currency translation reserve arising on translation of self-sustaining foreign operations		(763)	-
CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		3,367	1,063
Earnings Per Share			
Basic (cents per share)		6.1	2.0
Diluted (cents per share)		6.1	2.0

The Statement of Financial Performance is to be read in conjunction with the notes to the Half-Year Consolidated Financial Statements



Consolidated Statement of Financial Position for the Half-Year ended 31 December 2003

	31 Dec 2003 (\$'000)	30 June 2003 (\$'000)
CURRENT ASSETS		
Cash	4,963	8,355
Receivables	1,492	4,343
Other Financial Assets	1,620	2,851
Inventory	15,564	12,341
Current Tax Assets	470	818
Other	2	15
TOTAL CURRENT ASSETS	24,111	28,723
NON-CURRENT ASSETS		
Property, Plant and Equipment	7,760	9,672
Other	6,584	8,837
TOTAL NON-CURRENT ASSETS	14,344	18,509
TOTAL ASSETS	38,455	47,232
CURRENT LIABILITIES		
Payables	4,091	6,946
Current Tax Liabilities	389	-
Provisions	1,614	1,097
Interest Bearing Liabilities	-	7,230
TOTAL CURRENT LIABILITIES	6,094	15,273
NON-CURRENT LIABILITIES		
Deferred Tax Liabilities	1,714	3,948
Provisions	118	102
TOTAL NON-CURRENT LIABILITIES	1,832	4,050
TOTAL LIABILITIES	7,926	19,323
NET ASSETS	30,529	27,909
EQUITY		
Contributed Equity	21,787	21,567
Reserves	(638)	125
Accumulated Profit/(Losses)	5,959	4,832
Total parent entity interest in equity	27,108	26,524
Total outside equity interest	3,421	1,385
TOTAL EQUITY	30,529	27,909

The Statement of Financial Performance is to be read in conjunction with the notes to the Half-Year Consolidated Financial Statements



Consolidated Statement of Cash Flows for the Half-Year ended 31 December 2003

	Half Year Ended 31 Dec 2003 (\$'000)	Half Year Ended 31 Dec 2002 (\$'000)
CASHFLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	33,933	13,067
Payments to Suppliers and Employees	(26,879)	(16,370)
Interest Received	192	40
Income Taxes Paid	(1,049)	(737)
Borrowing Costs	(194)	(42)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	6,003	(4,042)
CASHFLOWS FROM INVESTING ACTIVITIES		
Payments for Purchase of Tenements	(95)	-
Proceeds on Sale of Property, Plant and Equipment	-	2
Payments for Property, Plant and Equipment	(1,615)	(2,875)
Proceeds on Sale of Investment Securities	404	135
Payments for Mine Development	(480)	(1,839)
Payments for Purchase of Investment Securities	(714)	(102)
Proceeds from Other Financial Assets	4,005	5,000
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	1,505	321
CASHFLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issues of Shares	220	3,399
Dividends Paid	(2,753)	(2,257)
Proceeds from Borrowings	-	5,933
Repayment of Borrowings	(7,230)	-
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES	(9,763)	7,075
Net increase in cash held	(2,255)	3,354
Effects of exchange rate changes on the balance of cash held in foreign currencies	(1,137)	-
Add opening cash brought forward	8,355	1,497
Closing cash carried forward	4,963	4,851

The Statement of Financial Performance is to be read in conjunction with the notes to the Half-Year Consolidated Financial Statements.



TROY RESOURCES NL AND CONTROLLED ENTITIES

Notes to the Consolidated Financial Statements

for the Half-year ended 31 December 2003

1. Basis of Preparation

The Half-Year Consolidated Financial Report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 1029 "Interim Financial Reporting", the recognition and measurement requirements of applicable AASB standards, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Consensus Views.

The Half-Year Financial Report does not include all the notes of the type normally included in an annual financial report. Accordingly, this Half-Year Financial Report should be read in conjunction with the 30 June 2003 Annual Financial Report and any public announcements made by Troy Resources NL and its Controlled Entities during the half-year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the consolidated entity and are consistent with those applied in the 30 June 2003 Annual Report.

	Half Year Ended 31 Dec 2003 (\$'000)	Half Year Ended 31 Dec 2002 (\$'000)
2. Revenue		
Operating		
Gold Sales	32,217	12,015
Non-Operating		
Proceeds on Sale of Investments	104	48
Interest Revenue from : Non-Related Parties	192	40
Interest Revenue from : Related Parties	89	58
Write Up of Recoverable amount of Investments	396	151
Other	226	31
	33,224	12,343

3. Expenses

Depreciation of Plant, Equipment and Motor Vehicles	1,651	238
Exploration Expenditure	2,527	1,953
Borrowing Costs	194	42
Amortisation of Mining Properties	2,745	1,332
WA Government Royalties	310	250
Corporate Activity Expenses	-	87



TROY RESOURCES NL AND CONTROLLED ENTITIES
Notes to the Consolidated Financial Statements
for the Half-Year ended 31 December 2003

	Half Year Ended 31 Dec 2003 (\$'000)	Half Year Ended 31 Dec 2002 (\$'000)
4. Dividends		
Dividends provided for or paid		
Final Dividend of 5.5 cents per share fully franked paid on 24 November 2003	3,003	-
Final Dividend of 5 cents per share fully franked paid on 16 December 2002	-	2,609
	3,003	2,609



Note 5:
Segment reporting:

The consolidated entity is involved in only one industry, namely mining and exploration with activities in Australia, South America, Asia and Europe during the year.

SEGMENT INFORMATION: GEOGRAPHIC SEGMENT	Australia		Asia		South America		Europe		Elimination		Consolidated	
	Dec 2003 \$'000	Dec 2002 \$'000	Dec 2003 \$'000	Dec 2002 \$'000	Dec 2003 \$'000	Dec 2002 \$'000	Dec 2003 \$'000	Dec 2002 \$'000	Dec 2003 \$'000	Dec 2002 \$'000	Dec 2003 \$'000	Dec 2002 \$'000
REVENUE												
External sales	18,187	11,961	-	54	14,030	-	-	-	-	-	32,217	12,015
Other revenue												
Inter-segment sales												
Share of net profit of equity accounted investment											32,217	12,015
Total segment revenue	18,187	11,961	-	54	14,030	-	-	-	-	-	32,217	12,015
Unallocated revenue											1,007	328
Total consolidated revenue											33,224	12,343
RESULTS												
Segment results	845	3,888	(305)	(677)	7,664	(513)	(81)	292	(70)	-	8,053	2,990
Unallocated expenses											1,510	1,099
Consolidated entity profit before income tax											6,543	1,891
Income tax expense											51	912
Consolidated entity profit from ordinary activities											-	-
Extraordinary item											6,492	979
Net profit												



TROY RESOURCES NL AND CONTROLLED ENTITIES

Notes to the Consolidated Financial Statements

for the Half-Year Ended 31 December 2003

6. Acquisition / Disposal of Controlled Entities

The consolidated entity did not gain control of, or dispose of any controlled entity, during the half-year ended 31 December 2003.

7. Contingent Liabilities

Disclosure in June 2003 Annual Report

There are no contingent liabilities, other than Bank Guarantees provided by financial institutions and general sureties given to various State Departments of Mines and Energy and joint venture partners to a total value of \$1,057,000. These are security amounts against breach of environmental conditions and are not expected to be exercised in the normal course of business. Of these amounts \$558,000 relate to Joint Venture activities.

December 2003 Half-Yearly Report

There has been no material change to the aggregate of contingent liabilities since the last annual reporting date.



DIRECTORS' DECLARATION

The Directors declare that:

- (a) the attached financial statements and notes thereto comply with accounting standards;
- (b) the attached financial statements and notes thereto give a true and fair view of the financial position and performance of the consolidated entity;
- (c) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001; and
- (d) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors

J L C JONES
Director

Perth, Western Australia

Date: 25 February 2004



TROY RESOURCES NL DIRECTORS' REPORT

The Directors of Troy Resources NL submit herewith the Half-Year Report for the half-year ended 31 December 2003. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The names of the Directors of the Company during or since the end of the half-year are:

- Mr J L C Jones, Executive Chairman.
- Mr K K Nilsson, Managing Director.
- Mr P A K Naylor, Non-Executive Director.
- Dr D E Clarke, Non-Executive Director.

REVIEW OF OPERATIONS

(a) Production and Sales

Gold production for the half-year was a record 66,461 ounces of gold on an equity accounted basis. This production was made up of 19,627 ounces from Sandstone, 15,121 ounces from Cornishman and 31,713 ounces from the Sertão Mine in Brazil.

Gold sales for the period were 51,478 ounces. At 31 December 2003, Troy's 70% owned Brazilian subsidiary, Sertão Mineração Ltda (SML), had an inventory of 30,640 ounces of gold (Troy share 21,448 ounces) available for sale. Gold sales by SML totalled 24,797 ounces in January 2004 as most of the inventories were sold. These January sales were not recognised in the current half-year results and fall into the second half of the financial year.

(b) Results

The consolidated profit from ordinary activities before tax and minority interests for the half-year was \$6,543,000 (2002: \$1,891,000). The net profit after tax and minority interests was \$3,367,000 (2002: \$1,063,000). The profit was achieved after allowance for exploration expenditure written off of \$2,527,000 (2002: \$1,953,000).

Earnings per share were 6.1 cents compared with 2.0 cents in 2002.

Total shareholders' equity increased to \$30,529,000 from \$27,909,000 at 30 June 2003.

No interim dividend has been declared, but during the half-year, the final dividend for the 2003 financial year was paid. This dividend comprised 5.5 cents per share fully franked and totalled \$3,034,000 in payments.

(c) Exploration

During the half-year, \$2,527,000 was spent on exploration, predominantly in the Sandstone region of Western Australia. During the period, Troy announced the discovery of the Lord Henry gold deposit near Sandstone, approximately 30km south-east of the existing Sandstone mill. While no resource estimates have been released, and the full extent of the deposit is yet to be defined, there is excellent potential for economic development of this deposit.

The major focus of exploration activity in the second half of the financial year will be on the Sandstone region and in Brazil.



SUBSEQUENT EVENTS

On 25 February 2004, Troy announced the discovery of the Lord Nelson Deposit near Sandstone. No resource estimates have yet been calculated but the discovery has high potential to be developed as an open cut mine. Follow-up drilling will continue over the next few months. Details of Troy's announcements on the Lord Henry and Lord Nelson discoveries are available on the Company's web site at www.try.com.au.

ROUNDING OFF OF AMOUNTS

The Entity is an entity of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' Report, and the Financial Reports have been rounded off to the nearest thousand dollars.

Signed at Perth, Western Australia, this 25th day of February 2004 in accordance with a resolution of Directors.

J L C Jones
Director

INDEPENDENT REVIEW REPORT TO THE MEMBERS
OF TROY RESOURCES NL

Scope

We have reviewed the financial report of Troy Resources NL for the half-year ended 31 December 2003 as set out on pages 1 to 8. The financial report includes the consolidated financial statements of the consolidated entity comprising the disclosing entity and the entities it controlled at the end of the half-year or from time to time during the half-year. The disclosing entity's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Troy Resources NL is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2003 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

**DELOITTE TOUCHE TOHMATSU****KEITH F JONES**

Partner

Chartered Accountants

Perth, WA, 25 February 2004