



TROY RESOURCES NL

ABN 33 006 243 750

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**For Immediate Distribution
February 29, 2008**

TSX & ASX: TRY

SECOND QUARTER AND HALF YEAR RESULTS

February 29, 2008 - Perth, Western Australia: Troy Resources NL (“Troy” or the “Company”) (TSX & ASX: TRY). Troy announces a net loss after tax and minority interests of A\$5.4 million for the half year ended 31 December 2007.

The loss for the half year reflects a period of transition as the last gold was produced from the Sertão mine in Brazil in August 2007 while the positive impact of the Andorinhas mine (also in Brazil) is not expected to be realized until the March 2008 Quarter. During the half year ended December 31, 2007 costs associated with Troy’s future growth, including A\$3.3m on exploration, continued to be expensed.

Subsequent to the close of the period, Troy announced it had listed on the Toronto Stock Exchange (TSX) and successfully completed an IPO raising C\$22m (approximately A\$24.8m) from the issue of 8,462,000 shares at C\$2.60 per share (approximately A\$2.94 at the then existing exchange rates).

Revenue for the half year was A\$22.0 million (2006: A\$41.3 million) from the production of 19,496 ounces of gold (2006: 55,121 ounces). The loss for the period of A\$5.4m compares to the corresponding period in the previous year in which there was a profit of A\$7.3 million. Production from the Company’s Lord Nelson and Lord Henry mines at Sandstone in Western Australia was 18,051 ounces for the six months ended 31 December 2007, compared to 46,911 ounces for the six month period ended December 31, 2006.

Production from the Sertão project in Brazil was 1,445 ounces for the current half year (reflecting that production at Sertão ceased in August 2007 when the mine closed) as compared to 8,210 ounces for the six month period ended December 31, 2006.

At 31 December 2007, the value of Troy’s cash, investments and other liquid assets was approximately A\$70 million.

CEO Paul Benson said “This is a reasonable result considering the enormity of the change the company has gone through in the last six months. We treated the last ore at Sertão in August and then relocated the processing plant 1,100kms to the north to our new project at Andorinhas where commissioning commenced in December. During the six month period ended December 31, 2007 we also finished mining and demobilised the mining contractor at Sandstone and moved onto the processing of low grade stockpiles.”

“We did not, however, allow any of these the changes to distract us from growing the company. We continue to aggressively explore, spending some A\$3.3m during the half. At

Sandstone we are focused on discovering more ore to enable us to bring the mining fleet back to site and at Andorinhas we are just starting step-out exploration from the initial resource. During the six month period ended December 31, 2007 we entered into agreements granting us options to triple our land position, all within trucking distance of our Andorinhas plant. Our objective at Andorinhas over the next 12 months is to extend the mine life beyond the 5 years currently contemplated by the feasibility study. It is important to note we prudently expense our exploration costs as we incur them”.

“During the half year, we also completed the planning and preparatory work for a listing on the TSX and a share issue in that market. The hard work paid off and Troy closed the share offering on February 11, raising C\$22m (approximately A\$24.8m) from the issue of 8,462,000 shares at C\$2.60 per share (approximately A\$2.94 at the then existing exchange rates) in what was an extremely difficult and volatile equity market.”

“We now look to calendar 2008 as the start of the next chapter in Troy’s evolution. In the first half the second mill line will be brought on stream at Andorinhas bringing the plant to full capacity. We already have 6 months of ore stockpiled ahead of the plant ready for processing which will allow us to maintain production as we bring the high grade underground mine on stream. We will also complete a scoping study on commercialising the iron ore potential of the project area and, if the results of that study are positive, we would aim to commence production of iron ore by the end of calendar 2008.”

“We are also focused on finding a home for the gold processing plant we have in storage in Cobar NSW. We are seeking an opportunity to vend the plant in return for a direct equity stake in a new gold project.”

“Troy has the track record of quick, efficient and low cost project development and as excellent mine operators. We have a very strong balance sheet, a portfolio of growth options and a Board and Management team that are committed to creating value for shareholders through profitable growth.”

For further information please contact:

Mr Paul Benson
Chief Executive Officer
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Perth, Western Australia
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This news release contains forward-looking statements. These forward-looking statements reflect management’s current beliefs based on information currently available to management and are based on what management believes to be reasonable assumptions. A number of factors could cause actual results, performance, or achievements to differ materially from the results expressed or implied in the forward looking statements. Such factors include, among others, future prices of gold, the actual results of current production, development and/or exploration activities, changes in project parameters as plans continue to be refined, variations in ore grade or recovery rates, plant and/or equipment failure, delays in obtaining governmental approvals or in the commencement of operations.



TROY RESOURCES NL

ABN 33 006 243 750

CONSOLIDATED FINANCIAL REPORT

FOR THE HALF YEAR ENDED

31 DECEMBER 2007



TROY RESOURCES NL DIRECTORS' REPORT

The Directors of Troy Resources NL submit herewith the financial report for the half-year ended 31 December 2007. 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 and since the end of the half-year are:

- Mr J L C Jones, Non-Executive Chairman
- Mr P Benson, Chief Executive Officer (appointed 3 October 2007)
- Mr K K Nilsson, Director Operations
- Mr P A K Naylor, Non-Executive Director
- Dr D E Clarke, Non-Executive Director
- Mr J A S Dow, Non-Executive Director
- Mr T D McKeith, Non-Executive Director (formerly CEO and an Executive Director until 30 September 2007)

REVIEW OF OPERATIONS

(a) Production and Sales

Attributable group gold production for the half-year was 19,496 ounces (2006: 55,121 ounces) of gold on an equity basis. This production was made up of 18,051 ounces (2006: 46,911 ounces) from Sandstone and 1,445 ounces (2006: 8,210 ounces) from the Sertão operation in Brazil.

Production from Sertão (Troy 70%) was completed in August 2007 and the processing plant and associated equipment has been sold and relocated to Troy's 100% owned Andorinhas Project. (Refer to section (f) – Recent Developments below).

Production from Sandstone was significantly down due to poorer grades at the Lord Nelson and Lord Henry mines as they came to the end of their mine lives being August 2007 and December 2007 respectively, and lower throughput at the mill due to a significant increase in the extremely hard Lord Henry ore being processed. Stockpiled ore at Sandstone is expected to continue to be processed until at least December 2008.

Gold sales for the period were 24,888 ounces (2006: 51,087 ounces) on a consolidated basis giving total revenue of \$21,974,000 (2006: \$41,306,000).

(b) Results

The consolidated loss from ordinary activities before tax and minority interests for the December half-year was \$3,998,000 (2006: profit \$11,583,000). The net loss after tax and minority interests was \$5,416,000 (2006: profit \$7,288,000). Gold sales totalled \$21,974,000 down 47% from \$41,306,000 reported in the previous corresponding half year. The loss reported was after exploration expenditure expensed of \$3,260,000 (2006: \$4,549,000) and amortisation and depreciation charged of \$2,410,000 (2006: \$3,477,000).

Earnings per share on a fully diluted basis were (8.4) cents loss, compared with 12.6 cents profit in 2006 (restated for the bonus share issue in October 2007).

Total shareholders' equity increased to \$113,967,000 from \$110,443,000 as at 30 June 2007.



(c) Dividends & Bonus Issue

No interim dividend has been declared, but during the half-year, the final dividend for the 2006/07 financial year was declared and paid. This dividend comprised 7.5 cents per share fully franked and totalled \$4,738,000 in payments. A bonus share issue of 1 additional fully paid ordinary share for each 25 fully paid ordinary shares took effect on 8 October 2007. Partly paid shares participated in the bonus issue in proportion of their partly paid to fully paid amounts.

(d) Exploration

During the half-year \$3,260,000 (2006: \$4,549,000) was spent on exploration, predominantly in the Sandstone region of Western Australia and the Andorinhas region in Brazil. The major focus of exploration activity in the second half of the financial year will continue in these regions along with Mongolia.

(e) Capital

On 30 January 2008, the company lodged a prospectus in Canada raising C\$22.0 million (A\$24.8m) from the issue of 8,462,000 ordinary shares at C\$2.60 per share. The cash funds were received net of the agent fees on 14 February 2008.

(f) Recent Developments

Commissioning of the Mill at the Andorinhas Gold Project commenced during December 2007. In December 2006, Troy acquired the Andorinhas Gold Project in Brazil. The Sertão project in Brazil treated its last ore in August 2007 and subsequently, the Mill and equipment were sold and transferred the 1,100 kilometers to the Andorinhas Gold project. The first gold from Andorinhas is expected to be sold in March 2008. Troy has entered into agreements **to potentially triple its land position at Andorinhas** with the intent of extending the mine life of the gold project beyond the current forecast of 5 years. Troy is also to complete a scoping study on commercialising the **iron ore potential of the Andorinhas project** and if the results of the study are positive would expect to commence production of iron ore by the end of calendar 2008.

(g) Subsequent Events

For details of significant events subsequent to balance date please refer to **Note 9** on page 14 of this Half-Year Financial Report.

(h) Additional Information

Additional information on the Company's activities during the half year is available on its web site at www.try.com.au. Information available includes the detailed quarterly activities report for the September and December 2007 periods, the 2007 Annual Report, Corporate Governance policies and other Company information and publications.



INDEPENDENCE DECLARATION BY AUDITOR

The auditor's independence declaration is included on page 5 of the Half-Year Financial Report.

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 Half Year Financial Report have been rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to s.306 (3) of the Corporations Act 2001.

Mr Paul Benson
Director and
Chief Executive Officer
28 February 2008

Deloitte.

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Troy Resources NL
The Board of Directors
Ground Floor
44 Ord Street
West Perth, WA 6005

28 February 2008

Dear Board Members

AUDITOR'S INDEPENDENCE DECLARATION TO TROY RESOURCES NL

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Troy Resources NL.

As lead audit partner for the review of the financial statements of Troy Resources NL for the half-year ended 31 December 2007, I declare that to the best of my knowledge and belief, the only contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Ross Jerrard
Partner
Chartered Accountant



**Condensed Consolidated Income Statement
for the Half Year ended 31 December 2007**

		Consolidated	
	Notes	Half Year Ended 31 Dec 2007 (\$'000)	Half Year Ended 31 Dec 2006 (\$'000)
Revenue (gold sales)	2	21,974	41,306
Cost of sales		(18,766)	(23,029)
Gross Profit		3,208	18,277
Other Income	2	1,157	1,812
Exploration expenses	3	(3,260)	(4,549)
Administration expenses		(4,722)	(3,785)
Corporate Expenses	3	(345)	(122)
Finance costs	3	(36)	(50)
(Loss) / Profit before tax		(3,998)	11,583
Income tax expense		(775)	(3,996)
(Loss) / Profit for the period		(4,773)	7,587
Profit attributable to minority interests		(643)	(299)
(Loss) / Profit Attributable to Members of the Parent Entity		(5,416)	7,288
(Loss) / Earnings Per Share			
Basic (cents per share)		(8.4)	12.6
Diluted (cents per share)		(8.4)	12.6

Notes to the condensed consolidated financial statements are included on pages 10 to 14.



**Condensed Consolidated Balance Sheet
as at 31 December 2007**

	Consolidated	
	31 Dec 2007 (\$'000)	30 June 2007 (\$'000)
CURRENT ASSETS		
Cash and cash equivalents	12,404	47,303
Trade and other receivables	2,960	1,469
Other financial assets	3,841	6,637
Inventories	11,022	8,583
TOTAL CURRENT ASSETS	30,227	63,992
NON-CURRENT ASSETS		
Property, plant and equipment	45,973	32,237
Exploration and evaluation	478	477
Other financial assets	53,803	39,925
Deferred equity raising costs	979	-
Deferred tax assets	1,776	984
TOTAL NON-CURRENT ASSETS	103,009	73,623
TOTAL ASSETS	133,236	137,615
CURRENT LIABILITIES		
Trade and other payables	7,841	4,950
Current tax payables	305	8,983
Dividends payable	77	47
Provisions	2,592	3,031
Other financial liabilities	-	1,167
TOTAL CURRENT LIABILITIES	10,815	18,178
NON-CURRENT LIABILITIES		
Deferred tax liabilities	7,601	8,123
Provisions	853	871
TOTAL NON-CURRENT LIABILITIES	8,454	8,994
TOTAL LIABILITIES	19,269	27,172
NET ASSETS	113,967	110,443
EQUITY		
Issued capital	45,175	45,162
Reserves	29,182	15,327
Retained earnings	38,520	48,674
Parent interest	112,877	109,163
Minority interest	1,090	1,280
TOTAL EQUITY	113,967	110,443

Notes to the condensed consolidated financial statements are included on pages 10 to 14.



**Condensed Consolidated Statement of Changes in Equity for the
Half Year ended 31 December 2007**

	Share Capital	Investment Revaluation Reserve	Share Based Payment Reserve	Foreign Currency Translation Reserve	Retained Earnings	Attributable to Equity Holder of Parent	Minority Interest	TOTAL
	(\$,000)	(\$,000)	(\$,000)	(\$,000)	(\$,000)	(\$,000)	(\$,000)	(\$,000)
Balance at 1 July 2006	23,442	341	1,051	1,804	32,453	59,091	1,952	61,043
Changes in fair value of available-for-sale assets, net of tax	-	370	-	-	-	370	-	370
Exchange differences on translation of Foreign Operations	-	-	-	(194)	-	(194)	(105)	(299)
Profit for the period	-	-	-	-	7,288	7,288	299	7,587
Total recognised income and expense for the half year	-	370	-	(194)	7,288	7,464	194	7,658
Issue of fully paid shares on conversion of options	191	-	(93)	-	-	98	-	98
Partly paid shares converted to ordinary fully paid shares	5	-	-	-	-	5	-	5
Share-based payments	-	-	342	-	-	342	-	342
Dividends payable / paid	-	-	-	-	(3,913)	(3,913)	-	(3,913)
Balance at 31 December 2006	23,638	711	1,300	1,610	35,828	63,087	2,146	65,233
Balance at 1 July 2007	45,162	11,707	1,325	2,295	48,674	109,163	1,280	110,443
Changes in fair value of available-for-sale assets, net of tax	-	12,142	-	-	-	12,142	-	12,142
Exchange differences on translation of Foreign Operations	-	-	-	1,767	-	1,767	(186)	1,581
Profit / (Loss) for the period	-	-	-	-	(5,416)	(5,416)	643	(4,773)
Total recognised income and expense for the half year	-	12,142	-	1,767	(5,416)	8,493	457	8,950
Issue of fully paid shares on conversion of options	790	-	(250)	-	-	540	-	540
Partly paid shares converted to ordinary fully paid shares	190	-	-	-	-	190	-	190
Share Buy-back	(967)	-	-	-	-	(967)	-	(967)
Share-based payments	-	-	196	-	-	196	-	196
Dividends payable / paid	-	-	-	-	(4,738)	(4,738)	(647)	(5,385)
Balance at 31 December 2007	45,175	23,849	1,271	4,062	38,520	112,877	1,090	113,967

Notes to the condensed consolidated financial statements are included on pages 10 to 14.



**Condensed Consolidated Statement of Cash Flows
for the Half Year ended 31 December 2007**

	Consolidated	
	Half Year Ended 31 Dec 2007 (\$'000)	Half Year Ended 31 Dec 2006 (\$'000)
CASHFLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	23,735	41,339
Payments to suppliers and employees	(29,489)	(25,924)
Income taxes paid	(10,360)	(1,400)
Interest paid	(8)	(50)
NET CASH (USED IN) / PROVIDED BY OPERATING ACTIVITIES	(16,122)	13,965
CASHFLOWS FROM INVESTING ACTIVITIES		
Payments for purchase of tenements	-	(89)
Payments for property, plant and equipment	(14,858)	(1,518)
Payments for purchase of investment securities	-	(76)
Payments for purchase of subsidiary (net of cash acquired) 8	-	(11,587)
Proceeds from sale of property, plant and equipment	476	-
Proceeds from sale of investment securities	313	123
Interest received	973	1,049
NET CASH USED IN INVESTING ACTIVITIES	(13,096)	(12,098)
CASHFLOWS FROM FINANCING ACTIVITIES		
Proceeds from issues of shares	730	103
Payments for share buy-backs	(967)	-
Dividends paid: - parent shareholders	(4,708)	(3,864)
- minority interests	(647)	-
Deferred Equity raising costs	(257)	-
NET CASH USED IN FINANCING ACTIVITIES	(5,849)	(3,761)
Net decrease in cash and cash equivalents	(35,067)	(1,894)
Cash and cash equivalents at the beginning of the period	47,303	33,397
Effects of exchange rate changes on the balance of cash held in foreign currencies	168	(341)
Cash and cash equivalents at the end of the period	12,404	31,162

Notes to the condensed consolidated financial statements are included on pages 10 to 14.



TROY RESOURCES NL AND CONTROLLED ENTITIES
Notes to the Condensed Consolidated Financial Statements
for the Half Year ended 31 December 2007

1. Significant accounting policies

Statement of compliance

The Half Year report is a general purpose financial report prepared in accordance with the AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The Half Year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of this half year financial report are consistent with those adopted and disclosed in the company's 2007 annual financial report for the financial year ended 30 June 2007.



TROY RESOURCES NL AND CONTROLLED ENTITIES
Notes to the Condensed Consolidated Financial Statements
for the Half Year ended 31 December 2007

	Consolidated Half Year ended	
	31 Dec 2007 (\$'000)	31 Dec 2006 (\$'000)
2. Revenue		
Gold sales	21,974	41,306
	21,974	41,306
<u>Other Income</u>		
Interest revenue from:		
Non-Related Parties	990	1,049
Gain on sale of plant & equipment	40	-
Change in fair value of financial assets through profit & loss	(54)	318
Net Foreign exchange gains	11	50
Other	170	395
	1,157	1,812
3. Expenses		
Exploration expenses	3,260	4,549
Borrowing Costs	36	50
Depreciation of plant and equipment		
- Cost of sales	1,333	1,073
- Administration expenses	301	151
	1,634	1,224
Amortisation of mining properties	776	2,253
Government royalties	446	956
<u>Corporate Expenses</u>		
Share based payments	196	342
TSX Listing costs	146	-
Loss on sale of investment securities	3	-



TROY RESOURCES NL AND CONTROLLED ENTITIES
Notes to the Condensed Consolidated Financial Statements
for the Half Year ended 31 December 2007

	Consolidated	
	Half Year ended	
	31 Dec	31 Dec
	2007	2006
	(\$'000)	(\$'000)
4. Dividends		
Dividends provided for :		
Final Dividend of 7.5 cents per share fully franked paid on 8 October 2007	4,738	-
Final Dividend of 7.0 cents per share fully franked paid on 16 October 2006	-	3,913
	4,738	3,913

5. Equity Securities Issued

	Half Year ended		Half Year ended	
	31 Dec	31 Dec	31 Dec	31 Dec
	2007	2006	2007	2006
	Shares	Shares	(\$'000)	(\$'000)
	('000)	('000)	(\$'000)	(\$'000)
Issues of ordinary shares during the period:				
Exercise of options	242	76	790	191
Conversion of partly paid shares	476[#]	13 [#]	190	5
Share buy-back	(348)	-	(967)	-
Bonus share issue (1 for 25)	2,436	-	-	-
	2,806	89	13	196

[#] Reduction in equivalent number of partly paid shares.



TROY RESOURCES NL AND CONTROLLED ENTITIES Notes to the Condensed Consolidated Financial Statements for the Half Year ended 31 December 2007

Note 6: Segment Information:

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 2007 \$'000	Dec 2006 \$'000	Dec 2007 \$'000	Dec 2006 \$'000	Dec 2007 \$'000	Dec 2006 \$'000	Dec 2007 \$'000	Dec 2006 \$'000	Dec 2007 \$'000	Dec 2006 \$'000	Dec 2007 \$'000	Dec 2006 \$'000
REVENUE												
External sales	17,921	32,174	-	-	4,053	9,132	-	-	-	-	21,974	41,306
Other revenue	2,156	-	-	-	-	-	-	-	(2,156)	-	-	-
Total segment revenue	20,077	32,174	-	-	4,053	9,132	-	-	(2,156)	-	21,974	41,306
Unallocated revenue											1,157	1,744
Total consolidated revenue											23,131	43,050
RESULTS												
Segment results	(3,468)	11,515	(665)	(1,158)	(601)	(169)	(40)	(7)	-	-	(4,774)	10,181
Unallocated expenses/revenue											776	1,420
Consolidated Entity profit before income tax											(3,998)	11,583
Income tax expense											(775)	(3,996)
(Loss) / Profit before Minority interest											(4,773)	7,587



TROY RESOURCES NL AND CONTROLLED ENTITIES
Notes to the Condensed Consolidated Financial Statements
for the Half Year ended 31 December 2007

7. Contingent Liabilities

- (a) Bank Guarantees provided by financial institutions given to various State Departments of Mines and Energy and joint venture partners to a total value of \$2,136,815 (June 2007: \$2,048,815). These are security amounts against breach of environmental conditions and are not expected to be exercised in the normal course of business; and
- (b) General sureties given to various State Departments of Mines and Energy to a total value of \$266,500 (June 2007: \$266,500). These are security amounts against breach of environmental conditions and are not expected to be exercised in the normal course of business.

8. Acquisition of Subsidiary

On 1 December 2006 the Group purchased 100% of Reinarda Mineraco Ltda and its holding company which own the Andorinhas Gold Project in Para State in Brazil for US\$10.14 million. The purchase included a deferred settlement portion of US\$1.0m which was completed on 31 July 2007. Refer Note 28 to the 30 June 2007 Annual financial statements for further details.

9. Subsequent Events

- On the 31 January 2008 the Company sold its Finland subsidiary incorporating its 50% share in the Oijärvi Joint venture based in Finland to the local Joint venture partner for Euro 0.5 million.
- On 25 January 2008, the Company's ordinary shares were officially listed on the Toronto Stock Exchange ("TSX").
- On 30 January 2008, the Company lodged a prospectus in all the provinces of Canada for the issue of 8,462,000 ordinary shares at an issue price of C\$2.60 for gross proceeds of C\$22,001,200. The prospectus closed on 11 February 2008 and the funds have been received for the above amounts.

None of these events have had a financial impact on the half year ended 31 December 2007 and have not been included in the financial report.



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

Mr Paul Benson
Director and
Chief Executive Officer

Perth, Western Australia
Date: 28 February 2008

Independent Auditor's Review Report to the members of Troy Resources NL

We have reviewed the accompanying half-year financial report of Troy Resources NL, which comprises the balance sheet as at 31 December 2007, and the income statement, cash flow statement, statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 6 to 15.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Troy Resources NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

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 the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Ross Jerrard
Partner
Chartered Accountants
Perth, 28 February 2008