

Half-Yearly Report

for the period ended 31 December 2008

TROY RESOURCES NL

ABN 33 006 243 750

Previous corresponding period

31 December 2007

For announcement to the market

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

				\$A'000
Revenues from ordinary activities	Up	59%	to	34,968
Profit from ordinary activities after tax attributable to members	Up	N/a.	to	13,501
Net profit for the period attributable to members	Up	N/a.	to	13,501
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>				

This is a half-yearly report and is to be read in conjunction with the 30 June 2008 Annual Report.



TROY RESOURCES NL

ABN 33 006 243 750

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PRESS RELEASE

23 February 2009

TROY REPORTS A PROFIT AFTER TAX OF A\$13.5 M FOR THE HALF YEAR ENDED DECEMBER 31, 2008

PERTH, Western Australia: Troy Resources NL (“Troy”) (TSX: TRY, ASX: TRY)

Highlights

- Troy announced a first half profit after tax of A\$13.5m, this compares with a net loss of A\$5.4m in the corresponding period last year.
- The result includes a non-cash impairment charge of A\$5.5m reflecting the significant fall in the market value of listed equity investments. Thus the profit after tax but before non-cash write-downs was A\$19m.
- Cash and bullion reserves at the end of December 2008 of A\$60 million which represents A\$0.80 per fully diluted Troy share or over 60% of Troy’s current market capitalisation.
- Half year gold production of 32,450oz up 66% on the corresponding half in the previous financial year.
- Commencement of ore production from the Mamão underground to replace production from the Lagoa Seca open cut at the Andorinhas mine in Brazil.
- In July Troy announced the sale of its stake in Comaplex Minerals Corp. for net proceeds of A\$48 million representing a gain of 77% on its initial investment of A\$27 million.
- Troy to extend the life of the Sandstone operation through calendar 2009.

Troy Resources NL (“Troy”) today announced a profit of A\$13.5m for the half year ended 31 December 2008. This result compares to a loss of A\$5.4m in the previous corresponding half year.

The profit for the half year came from gold production of 32,450 oz and gold sales revenue of A\$34.97m (H1 FY2008: 19,496 oz and A\$21.9m).

The result was achieved after allowing A\$3.9 million for exploration expenditure (H1FY2008: A\$3.3m) and A\$5.7 million for depreciation and amortisation (H1FY2008:

A\$2.4m). It is important to note that Troy has an aggressive exploration program aimed at increasing reserves and resources and nearly all of this expenditure is expensed.

In July Troy announced the sale of its investment in Comaplex Minerals Corp, a TSX listed explorer, to Agnico Eagle. On closing Troy received net proceeds of A\$48 million. This represented a gain of 77% on its initial investment of A\$27 million only 18 months earlier. Troy booked a pre-tax profit of A\$21 million in this result from this transaction. Troy also retains a "top up" exposure should Agnico Eagle increase its interest in Comaplex above 50% within 18 months of the deal being signed.

The profit of A\$13.5m was also after a non-cash impairment charge on the Company's holdings in various listed equity investments.

The Sandstone operation in Western Australia, which has been the backbone of the Company over the last 9 years, was due to close in February 2009. Due to higher gold prices the Company announced in January that it will recommence mining of the Lord Nelson pit which will extend the life of the mine at least through the end of calendar 2009.

At the end of December 2008, Troy had cash reserves and bullion of A\$60 million, with no debt and no forward sales in place. Troy is excellently placed to participate in and lead the eventual consolidation of the junior gold industry.

Commenting on the result, Troy CEO Paul Benson said; "This is a pleasing result with a profit after tax of A\$13.5m compared to a loss of A\$5.4m in the previous corresponding period. Gold production is up 66% and revenues from gold sales up 59%.

The profit includes a non-cash charge of A\$5.5m which represents the fall in value of listed equities thus the "cash profit" before these write-downs was A\$19m.

We are well positioned to benefit from the strong gold price with ongoing production from both Andorinhas and Sandstone and with A\$60m in cash and bullion we are well placed to capture value adding growth opportunities as they occur".

For further information please contact:

**Mr Paul Benson
Chief Executive Officer
T: (618) 9481 1277
E: troy@troyres.com.au**

Information of a scientific or technical nature in this report was prepared under the supervision of Peter J. Doyle, Vice President Exploration and Business Development of Troy, a "qualified person" under National Instrument 43-101 – "Standards of Disclosure for Mineral Projects", a member of the Australasian Institute of Mining and Metallurgy. Mr. Doyle has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration, and to the activity he is undertaking, to qualify as a "competent person" as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Doyle has reviewed and approved the information contained in this report. For further information regarding the Sandstone project, including a description of Troy's quality assurance program, quality control measures, the geology, samples collected and testing procedures in respect of the Sandstone project please refer to the technical report entitled Troy Resources NL: Sandstone Gold project, Mid West Region Western Australia" dated June 2007, which is available under the Company's profile at www.sedar.com.

This report 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.

For purposes of Clause 3.4(e) in Canadian Instrument 43-101, the company warrants that Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.



TROY RESOURCES NL

ABN 33 006 243 750

CONSOLIDATED FINANCIAL REPORT

FOR THE HALF YEAR ENDED

31 DECEMBER 2008



TROY RESOURCES NL DIRECTORS' REPORT

The Directors of Troy Resources NL submit herewith the financial report for the half-year ended 31 December 2008. 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 A S Dow, Non-Executive Director & Chairman (effective from 3 October 2008)
- Mr J L C Jones, Non-Executive Director (former Chairman to 3 October 2008)
- Mr P Benson, Chief Executive Officer & Managing Director
- Mr K K Nilsson, Director Operations
- Mr P A K Naylor, Non-Executive Director
- Dr D E Clarke, Non-Executive Director
- Mr G R Chambers, Non-Executive Director
- Mr T D McKeith, Non-Executive Director (resigned 26 November 2008)

REVIEW OF OPERATIONS

(a) Production and Sales

Total gold production for the half-year was 32,450 ounces (2007: 19,496 ounces). This production was made up of 18,700 ounces (2007: 18,051 ounces) from Sandstone in Western Australia and 13,750 ounces from the company's new gold operation at Andorinhas in Brazil. The corresponding 2007 half year included 1,445 equity ounces from the previous Sertão gold operation in Brazil (Troy 70% equity) which finished production in August 2007.

Production from Sandstone was on par with the corresponding half year as the operation continued to process low grade stockpiles with grades diminishing over time but compensated for by the processing of additional tonnes due to an improvement to the crushing circuit. Mining at the Sandstone Lord Nelson and Lord Henry pits was completed during the 2007 half year, therefore there was no mining in the current half year.

The Andorinhas gold operation commenced production late in the 2008 financial year and has continued to mine and process ore from the Lagoa Seca open cut pit during this half year. Mining of the open pit ore from Lagoa Seca was completed towards the end of November 2008 and approximately 15 months of the open cut ore ready for processing was held in stockpiles at the end of the half year. Underground development and the mining of underground ore at the Mamao site is progressing well with the first processing of the underground ore commencing in February 2009.

Gold sales for the period were 32,233 ounces (2007: 24,888 ounces) on a consolidated basis giving total revenue of \$34,968,000 (2007: \$21,974,000).



(b) Results

The consolidated profit from ordinary activities before tax and minority interests for the December half-year was \$14,672,000 (2007: loss \$3,998,000). The net profit after tax and minority interests was \$13,501,000 (2007: loss \$5,416,000).

Gold sales totalled \$34,968,000 up 59% from \$21,974,000 reported in the previous corresponding half year.

The profit reported included:

- i. \$21,040,000 (pre-tax) profit from the sale of the company's equity stake in Comaplex Minerals Corp during July 2008;
- ii. \$5,549,000 in impairment write downs of listed investment securities, due to declines in market values resulting from the recent world financial crisis;
- iii. expensing exploration expenditure of \$3,903,000 (2007: \$3,260,000) and amortisation and depreciation charged of \$5,715,000 (2007: \$2,410,000); and
- iv. benefited from the majority of the profit on sale of Comaplex in point (i) above (approximately 85%) being exempt from income tax.

Earnings per share on a fully diluted basis were 18.0 cents profit, compared with (8.1) cents loss in 2007 (restated for the bonus share issue in October 2007).

As at 31 December 2008, total shareholders' equity was \$108,896,000 representing a decrease in comparison with \$116,768,000 as at 30 June 2008.

(c) Dividends

No interim dividend has been declared, however during the half-year, the final dividend for the 2007/08 financial year was declared and paid. This dividend comprised 3.0 cents per share fully franked and totalled \$2,252,000.

(d) Exploration

During the half-year \$3,903,000 (2007: \$3,260,000) was spent on exploration, predominantly in the Andorinhas region in Brazil, a significant portion on the tenements covered under the earn-in JV agreement with Horizonte Minerals plc.

(e) Subsequent Events

For details of significant events subsequent to balance date please refer to Note 8 on page 14 of this Half-Year Financial Report.

(f) 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 2008 periods, the 2008 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
Managing Director &
Chief Executive Officer
20 February 2009

Troy Resources NL
The Board of Directors
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20 February 2009

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 2008, 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 2008**

		Consolidated	
	Notes	Half Year Ended 31 Dec 2008 (\$'000)	Half Year Ended 31 Dec 2007 (\$'000)
Revenue (gold sales)	2	34,968	21,974
Cost of sales		(29,906)	(18,766)
Gross Profit		5,062	3,208
Other Income	2	25,329	1,157
Exploration expenses	3	(3,903)	(3,260)
Administration expenses	3	(5,960)	(4,722)
Impairment of assets	3	(5,562)	-
Corporate expenses	3	(282)	(345)
Finance costs	3	(12)	(36)
Profit / (Loss) before tax		14,672	(3,998)
Income tax expense		(1,261)	(775)
Profit / (Loss) for the period		13,411	(4,773)
(Profit) / Loss attributable to minority interests		90	(643)
Profit / (Loss) Attributable to Members of the Parent Entity		13,501	(5,416)
Earnings / (Loss) Per Share			
Basic (cents per share)		18.0	(8.1)*
Diluted (cents per share)		18.0	(8.1)*

* includes adjustment for the 1 for 25 bonus issue on 8 October 2007.

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



**Condensed Consolidated Balance Sheet
as at 31 December 2008**

	Consolidated	
	31 Dec 2008 (\$'000)	30 June 2008 (\$'000)
CURRENT ASSETS		
Cash and cash equivalents	57,140	15,751
Trade and other receivables	4,928	3,212
Deferred hedging costs	1,154	-
Other financial assets	1,206	46,326
Inventories	10,462	13,529
Current tax receivable	1,812	1,812
TOTAL CURRENT ASSETS	76,702	80,630
NON-CURRENT ASSETS		
Property, plant and equipment	46,014	49,921
Exploration and evaluation	-	307
Other financial assets	296	1,286
Deferred tax assets	1,324	1,439
TOTAL NON-CURRENT ASSETS	47,634	52,953
TOTAL ASSETS	124,366	133,583
CURRENT LIABILITIES		
Trade and other payables	3,581	5,506
Current tax payables	2,953	864
Dividends payable	66	50
Provisions	2,816	3,079
TOTAL CURRENT LIABILITIES	9,416	9,499
NON-CURRENT LIABILITIES		
Deferred tax liabilities	5,443	6,726
Provisions	581	590
TOTAL NON-CURRENT LIABILITIES	6,024	7,316
TOTAL LIABILITIES	15,440	16,815
NET ASSETS	108,896	116,768
EQUITY		
Issued capital	70,001	69,997
Reserves	1,442	20,470
Retained earnings	37,539	26,290
Parent interest	108,982	116,757
Minority interest	(86)	11
TOTAL EQUITY	108,896	116,768

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 2008**

	Share Capital	Available for Sale Reserve	Option Premium 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 2008	69,997	14,623	1,754	4,093	26,290	116,757	11	116,768
Changes in fair value of available-for-sale assets, net of tax	-	(14,623)	-	-	-	(14,623)	-	(14,623)
Exchange differences on translation of Foreign Operations	-	-	-	(4,666)	-	(4,666)	(7)	(4,673)
Net income (loss) recognised directly in equity	-	(14,623)	-	(4,666)	-	(19,289)	(7)	(19,296)
Profit for the period	-	-	-	-	13,501	13,501	(90)	13,411
Total recognised income and expense for the half year	-	(14,623)	-	(4,666)	13,501	(5,788)	(86)	(5,885)
Partly paid shares converted to ordinary fully paid shares	4	-	-	-	-	4	-	4
Share-based payments	-	-	261	-	-	261	-	261
Dividends payable / paid	-	-	-	-	(2,252)	(2,252)	-	(2,252)
Balance at 31 December 2008	70,001	-	2,015	(573)	37,539	108,982	(86)	108,896
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
Net income recognised directly in equity	-	12,142	-	1,767	-	13,909	(186)	13,723
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 2008**

	Consolidated	
	Half Year Ended 31 Dec 2008 (\$'000)	Half Year Ended 31 Dec 2007 (\$'000)
CASHFLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	36,015	23,735
Payments to suppliers and employees	(35,783)	(29,489)
Income taxes paid	-	(10,360)
Interest paid	(3)	(8)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	229	(16,122)
CASHFLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(6,285)	(14,858)
Proceeds from sale of property, plant and equipment	67	476
Proceeds from sale of exploration tenements	654	-
Proceeds from sale of investment securities	47,978	313
Interest received	1,787	973
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES	44,201	(13,096)
CASHFLOWS FROM FINANCING ACTIVITIES		
Proceeds from issues of shares	4	730
Payments for share buy-backs	-	(967)
Dividends paid: - parent shareholders	(2,236)	(4,708)
- minority interests	-	(647)
Payments for hedging put options	(1,154)	-
Deferred Equity raising costs	-	(257)
NET CASH USED IN FINANCING ACTIVITIES	(3,386)	(5,849)
Net increase (decrease) in cash and cash equivalents	41,044	(35,067)
Cash and cash equivalents at the beginning of the period	15,751	47,303
Effects of exchange rate changes on the balance of cash held in foreign currencies	345	168
Cash and cash equivalents at the end of the period	57,140	12,404

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 2008

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 2008 annual financial report for the financial year ended 30 June 2008.



TROY RESOURCES NL AND CONTROLLED ENTITIES
Notes to the Condensed Consolidated Financial Statements
for the Half Year ended 31 December 2008

	Consolidated Half Year ended	
	31 Dec 2008 (\$'000)	31 Dec 2007 (\$'000)
2. Revenue		
Gold sales	34,968	21,974
	34,968	21,974
<u>Other Income</u>		
Interest revenue from:		
Non-Related Parties	1,787	990
Profit on sale of shares (refer note (a))	21,040	-
Gain on sale of plant & equipment	-	40
Gain on sale of exploration tenements	1,347	-
Change in fair value of financial assets through profit & loss	-	(54)
Net Foreign exchange gains	1,114	11
Other	41	170
	25,329	1,157
Note (a) – On 18 July 2008 the company sold its 14.5% equity stake in Comaplex Minerals Corp a Canadian listed minerals and oil exploration company for the Australian dollar equivalent of \$47,978,000 resulting in a profit on sale before income tax of \$21,040,000.		
3. Expenses		
Exploration expenses	3,903	3,260
Borrowing Costs	12	36
Depreciation of plant and equipment		
- Cost of sales	2,601	1,333
- Administration expenses	286	301
	2,887	1,634
Amortisation of mining properties	2,828	776
Government royalties	550	446
Impairment of listed investment securities	5,549	-
Impairment of exploration tenements	13	-
<u>Corporate Expenses</u>		
Share based payments	261	196
Loss on sale of plant & equipment	21	-
Loss on sale of investment securities	-	3
TSX Listing costs	-	146



TROY RESOURCES NL AND CONTROLLED ENTITIES
Notes to the Condensed Consolidated Financial Statements
for the Half Year ended 31 December 2008

	Consolidated	
	Half Year ended	
	31 Dec	31 Dec
	2008	2007
	(\$'000)	(\$'000)
4. Dividends		
Dividends provided for :		
Final Dividend of 3.0 cents per share fully franked paid on 10 October 2008	2,252	-
Final Dividend of 7.5 cents per share fully franked paid on 8 October 2007	-	4,738
	2,252	4,738

5. Equity Securities Issued

	Half Year ended		Half Year ended	
	31 Dec	31 Dec	31 Dec	31 Dec
	2008	2007	2008	2007
	Shares	Shares	(\$'000)	(\$'000)
	('000)	('000)		
Issues of ordinary shares during the period:				
Exercise of options	-	242	-	790
Conversion of partly paid shares	8[#]	476[#]	4	190
Share buy-back	-	(348)	-	(967)
Bonus share issue (1 for 25)	-	2,436	-	-
	8	2,806	4	13

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 2008

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 2008 \$'000	Dec 2007 \$'000										
REVENUE												
External sales	19,503	17,921	-	-	15,465	4,053	-	-	-	-	34,968	21,974
Other revenue	-	2,156	-	-	-	-	-	-	-	(2,156)	-	-
Total segment revenue	19,503	20,077	-	-	15,465	4,053	-	-	-	(2,156)	34,968	21,974
Unallocated revenue											25,329	1,157
Total consolidated revenue											60,297	23,131
RESULTS												
Segment results (Operations)	1,557	(3,468)	(487)	(665)	(5,871)	(601)	-	(40)	-	-	(4,801)	(4,774)
Unallocated (expenses) / net of other income											21,040	-
Profit on sale of shares – Corporate Australia											(5,549)	-
Asset Impairments – Corporate Australia											3,982	776
Other												
Consolidated Entity profit before income tax											14,672	(3,998)
Income tax expense											(1,261)	(775)
(Loss) / Profit before Minority interest											13,411	(4,773)



TROY RESOURCES NL AND CONTROLLED ENTITIES
Notes to the Condensed Consolidated Financial Statements
for the Half Year ended 31 December 2008

7. Contingent Liabilities

- (a) Bank Guarantees provided by financial institutions given to various State Departments of Mines and Energy and joint venture partners total \$2,146,815 (June 2008: \$2,146,815). 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 total \$215,000 (June 2008: \$215,000). These are security amounts against breach of environmental conditions and are not expected to be exercised in the normal course of business.

8. Subsequent Events

- On 20 January 2009 the Company announced, due to the improved economics from the current Australian dollar gold price, a decision had been made to extend the mine life of the Sandstone operation by resuming mining ore from a cut-back to the Lord Nelson pit, subject to Department of Mines regulatory approval. This plan is expected to provide sufficient ore to maintain operations at Sandstone through to the end of calendar 2009. The company has purchased Australian dollar put options totalling 29,200 ounces with maturity dates between April and December 2009 and a strike (floor) price of A\$900.00 per ounce. The purchase of these put options acts to minimise the downside risk while maintaining full exposure to any increase in the Australian dollar gold price.

The above event has not had a financial impact on the half year ended 31 December 2008 apart from assisting to support the carrying value of the Sandstone Milling Plant and the payment for the Australian dollar gold put options on 29 December 2008 and has not otherwise 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
Managing Director &
Chief Executive Officer

Perth, Western Australia
Date: 20 February 2009

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 2008, 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 designing, implementing 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 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 2008 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*.

The logo for Deloitte Touche Tohmatsu, featuring the company name in a cursive script.

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to read 'Ross Jerrard'.

Ross Jerrard
Partner
Chartered Accountants
Perth, 20 February 2009