

3 March 2014

Dear Troy Shareholder

## **Troy Resources Limited – Share Purchase Plan**



**TROY RESOURCES LIMITED**

ABN: 33 006 243 750

### **1. Introduction**

On behalf of the Directors of Troy Resources Limited (**Troy**), I am pleased to offer Eligible Shareholders (as defined in Section 3 of the enclosed Terms and Conditions) the opportunity to participate in the Troy Resources Limited Share Purchase Plan (**SPP**).

Pursuant to the SPP, Eligible Shareholders may purchase up to A\$15,000 worth of new fully paid ordinary shares in Troy (**New Shares**) (subject to any pro-rata scale back) without paying brokerage or other transaction costs. The SPP proceeds will be capped at A\$10 million (the Directors reserve the right to accept oversubscriptions). A brief snapshot of the SPP is set out below. Full details in relation to the SPP are set out in the enclosed Terms and Conditions and Application Form.

### **2. Purpose of SPP and Use of Funds**

Troy announced the SPP on 26 February 2014. Also on that date, Troy announced a share placement to institutional and sophisticated investors to raise approximately A\$28 million (**Placement**).

The funds from the Placement and SPP will be used to advance development of Troy's West Omai Project (**West Omai**) in Guyana including for:

- General earthworks at the West Omai site including roads, camp, site preparation for processing facilities, offices, tailings dam and other site infrastructure;
- Progressing project studies;
- Purchase of plant and equipment; and
- Resource infill and infrastructure sterilisation drilling.

The funds will also enable Troy to commence brownfields exploration at both the West Omai and Casposo projects and provide additional working capital to enhance financial flexibility in the current gold price environment.

### **3. Summary of Key Details**

Key details in relation to the SPP are summarised below:

**Offer to Eligible Shareholders only:** The offer under the SPP to subscribe for New Shares is only open to Eligible Shareholders (as defined in Section 3 of the enclosed Terms and Conditions):

- who were registered as holders of fully paid ordinary shares in Troy as at 7.00pm Sydney time on Tuesday, 25 February 2014; and
- whose registered address is in Australia, New Zealand, Guyana or the United Kingdom.

**Optional, but not transferable:** Participation in the SPP is optional, but the right of Eligible Shareholders to participate in the SPP is not transferable.

**Issue price:** Eligible Shareholders may subscribe for New Shares at an issue price of A\$1.25 per share, which is the same price that institutional and sophisticated investors subscribed for new shares under the Placement and represents a discount of:

- 5.66% to the closing price of A\$1.325 per Troy share on 25 February 2014 (being the last trading day prior to the announcement of the Placement and SPP); and

- 5.91% to the five day volume-weighted average price up to and including 25 February 2014 of \$1.329 per share.

**Maximum amount and increments:** If you are an Eligible Shareholder, you may apply to purchase a parcel of New Shares in A\$2,500 increments from a minimum of A\$2,500 up to a maximum of A\$15,000.

If you have two registered holdings of Troy shares, the total of all your applications must not exceed A\$15,000. Troy reserves the right to decline applications from multiple registered holdings if the total exceeds A\$15,000, including where those registered holdings are in similar, but not identical names, are held directly or indirectly, or are held alone or with others.

**Cap:** Troy intends to raise up to A\$10 million under the SPP. However, should total demand exceed this amount, the Directors reserve the right to accept over subscriptions or to scale back applications in their absolute discretion. In the event that Troy elects to scale back applications, this will be done on a pro-rata basis. Should this occur, you may be allocated New Shares to a value which is less than the parcel for which you applied, and the difference will be refunded to you without interest.

**Application procedure:** The SPP opens on Tuesday, 4 March 2014. To apply for New Shares under the SPP, Eligible Shareholders may either:

- Complete and return their enclosed Application Form in accordance with the details on the form, together with a cheque, bank draft or money order drawn on an Australian bank in Australian dollars; or
- Pay directly via BPAY® on the internet or by telephone (for shareholders with an eligible Australian bank account only).

Application Forms must be received by Troy's share registry, or a BPAY® payment must be received, by no later than 7.00pm Sydney time on Monday, 24 March 2014.

Full details of the SPP are set out in the enclosed Terms and Conditions and Application Form.

#### **4. Additional Information**

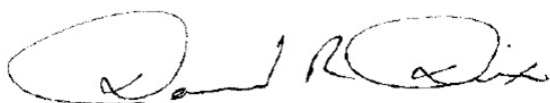
You should be aware that the market price of Troy shares on ASX may rise and fall between the date of the SPP offer and the date that the New Shares are issued under the SPP. As a result, the number of New Shares that you receive may be more or less than the number that you might calculate using the market price of Troy shares on the date the New Shares are allotted.

The SPP does not take into account the individual investment objectives, financial situation, tax position or particular needs of each Eligible Shareholder. You should consider seeking independent financial and taxation advice before making a decision as to whether or not to accept the offer.

I encourage you to read and consider the enclosed Terms and Conditions.

If you have any queries, please contact our office, on +618 9481 1277.

Yours sincerely



**David Dix**  
**Non-Executive Chairman**

**This document may not be released or distributed in the United States**

**TROY RESOURCES LIMITED**  
**SHARE PURCHASE PLAN TERMS AND CONDITIONS**

Troy Resources Limited (**Troy or the Company**) would like to offer Eligible Shareholders (as defined in Section 3 below) (**Offer**) the opportunity to participate in the Troy Resources Share Purchase Plan (**SPP**) and subscribe for new fully paid ordinary shares in Troy (**New Shares**) on the terms and conditions set out below (**Terms and Conditions**).

**1. Class order 09/425 issued by the Australian Securities and Investments Commission**

The offer of New Shares under the SPP has been structured to comply with the Australian Securities and Investments Commission Class Order 09/425 (as may be amended from time to time) (**ASIC Class Order 09/425**) to enable the Company to issue fully paid ordinary shares (**Shares**) without a prospectus.

**2. Key Dates of the SPP**

Event	Date
Record date for determining entitlement	7.00pm Sydney time on Tuesday, 25 February 2014 ( <b>Record Date</b> )
SPP opens	Tuesday, 4 March 2014
SPP closes	7.00pm Sydney time on Monday, 24 March 2014
Issue of New Shares	Tuesday, 1 April 2014
New Shares issued under the SPP expected to commence trading	Wednesday, 2 April 2014
Dispatch of holding statements	Thursday, 3 April 2014
Refund advice (if applicable)	To follow as soon as practical

No late applications will be accepted, however Troy reserves the right to vary these dates.

**3. Who is eligible to participate in the offer?**

You are eligible to apply for Shares in the SPP if:

- your registered address, as recorded in the Company's register of members, is in Australia, New Zealand, Guyana or the United Kingdom (**Eligible Shareholder**); and
- you were registered as a holder of Shares as at the Record Date.

The Offer to each Eligible Shareholder is made on the same terms and conditions.

The Offer is non-renounceable ie you may not transfer your right to subscribe for New Shares under the Offer to anyone else.

**4. Foreign offer restrictions**

This document may not be released or distributed outside Australia and New Zealand except to shareholders with registered addresses in Guyana or the United Kingdom.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country. In particular, any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

## **Guyana**

This document may only be distributed in Guyana to existing shareholders of the Company.

## **New Zealand**

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand and to whom the Offer is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

## **United Kingdom**

Neither the information in this document nor any other document relating to the Offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, or (ii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

### **5. Is the Offer voluntary?**

The Offer is entirely voluntary and is subject to these Terms and Conditions. You do not have to participate if you don't want to.

### **6. How was the issue price determined?**

The issue price for each New Share under the Offer is A\$1.25. This price is a 5.91% discount to the volume weighted average market price of Shares in the Company sold on the ASX during the previous five trading days ending on the Record Date.

**7. Important Information on price risk to consider**

Before deciding whether to accept the Offer, you should refer to the current Share price, which can be obtained from the financial pages of your daily newspaper, your stockbroker, your financial adviser, or the ASX. Please note that the Share price may rise or fall between the date of this Offer and the date when the New Shares are issued to you under the SPP. This means that the price you pay per New Share under this Offer may be greater than or less than the Share price at the time the New Shares are issued to you pursuant to this Offer. ***In determining whether you wish to participate in this Offer and the extent to which you participate, you should seek your own personal financial and/or taxation advice referable to your own circumstances.***

**8. How much can you invest in the Offer?**

Troy intends to raise up to A\$10 million under the SPP. However, should total demand exceed this amount, the Directors reserve the right to accept over subscriptions or to scale back applications in their absolute discretion. In the event that Troy elects to scale back applications, this will be done on a pro-rata basis. Should this occur, you may be allocated New Shares to a value which is less than the parcel for which you applied, and the difference will be refunded to you without interest.

Subject to paragraph 9, if you are an Eligible Shareholder, you can subscribe for New Shares under the SPP in A\$2,500 increments from a minimum of A\$2,500 to a maximum of A\$15,000. The A\$15,000 limit applies irrespective of the number of Troy Shares you hold on the Record Date.

Please note that the maximum of A\$15,000 applies to you even if you receive more than one Offer from the Company. For example, if you are both a sole and a joint shareholder of the Company as at the Record Date, you can only apply for New Shares under the Offer once, either in your capacity as sole shareholder or joint shareholder, not both.

No fractions of Shares will be issued. The number of New Shares to be issued to you will be calculated by dividing the aggregate application money that you pay in applying for New Shares by the issue price of A\$1.25, then rounding up to the nearest whole number.

**9. Custodian Certification**

If on the Record Date you are a custodian within the definition of "custodian" in ASIC Class Order 09/425 (**Custodian**) and hold Shares on behalf of one or more persons resident in Australia or New Zealand (each a **Participating Beneficiary**), you may apply for up to a maximum of A\$15,000 worth of New Shares for each Participating Beneficiary, subject to providing a notice in writing to the Company on application for New Shares pursuant to the Offer certifying the following:

- (a) either or both of the following:
  - (i) that the Custodian holds Shares on behalf of Participating Beneficiaries that are not Custodians; and
  - (ii) that another Custodian (**Downstream Custodian**) holds beneficial interests in Shares on behalf of one or more other persons (each a Participating Beneficiary), and the Custodian holds the Shares to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian,

on the Record Date and that each Participating Beneficiary has subsequently instructed the following persons:

- (iii) where paragraph 9(a)(i) applies - the Custodian; and

- (iv) where paragraph 9(a)(ii) applies - the Downstream Custodian, to apply for New Shares on their behalf under the SPP;
- (b) the number of Participating Beneficiaries;
- (c) the name and address of each Participating Beneficiary;
- (d) in respect of each Participating Beneficiary:
  - (i) where paragraph 9(a)(i) applies - the number of Shares that the Custodian holds on their behalf; and
  - (ii) where paragraph 9(a)(ii) applies - the number of Shares to which the beneficial interests relate;
- (e) in respect of each Participating Beneficiary:
  - (i) where paragraph 9(a)(i) applies - the number or the dollar amount of New Shares they instructed the Custodian to apply for on their behalf; and
  - (ii) where paragraph 9(a)(ii) applies - the number or the dollar amount of New Shares they instructed the Downstream Custodian to apply for on their behalf;
- (f) that there are no Participating Beneficiaries in respect of which the total of the application price for the following exceeds A\$15,000:
  - (i) the New Shares applied for by the Custodian on their behalf under the SPP with the instructions referred to in paragraph 9(e); and
  - (ii) any other Shares issued to the Custodian in the 12 months before the application as a result of an instruction given by them to the Custodian or the Downstream Custodian to apply for Shares on their behalf under an arrangement similar to the SPP;
- (g) that a copy of this Offer document was given to each Participating Beneficiary; and
- (h) where clause paragraph 9(a)(ii) applies – the name and address of each Custodian who holds beneficial interests in the Shares held by the Custodian in relation to each Participating Beneficiary.

In providing a certificate under this paragraph 9, the Custodian may rely on information provided to it by the Participating Beneficiary and any Custodian who holds beneficial interests in the Shares held by the Custodian.

For the purpose of ASIC Class Order 09/425, you are a Custodian if you are a registered holder of Shares:

- (a) that holds an Australian financial services licence that:
  - (i) covers the provision of a custodial or depositary service; or
  - (ii) covers the operation of an IDPS (as defined in ASIC Class Order [CO 13/763]); or
- (b) that is exempt from the requirement to hold an Australian financial services licence for the provision of a custodial or depositary service under:
  - (i) paragraph 7.6.01(1)(k) of the Corporations Regulations 2001 (Cth) (**Regulations**); or

- (ii) paragraph 7.6.01(1)(na) of the Regulations; or
- (iii) ASIC Class Order [CO 05/1270] to the extent that it relates to ASIC Class Order [CO 03/184]; or
- (iv) ASIC Class Orders [CO 03/1099], [CO 03/1100], [CO 03/1101], [CO 03/1102], [CO 04/829] or [CO 04/1313]; or
- (v) an individual instrument of relief granted by ASIC to a person in terms similar to one of the class orders referred to in subparagraph (iv); or
- (vi) paragraph 911A(2)(h) of the Corporations Act 2001 (Cth); or
- (c) that is a trustee of a:
  - (i) self-managed superannuation fund; or
  - (ii) superannuation master trust;
- (d) that is the responsible entity of an IDPS-like scheme; or
- (e) that is the registered holder of Shares and is noted on the register of members of the body or scheme (as the case may be) as holding the shares or interests on account of another person.

If you hold Shares as a trustee or nominee for another person, but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings set out in paragraph 8 apply.

#### **10. Shareholder Certification**

Subject to paragraph 9, an Eligible Shareholder must, on application for New Shares pursuant to the Offer, certify to the Company that the total of the application price for the following does not exceed A\$15,000:

- (a) the New Shares the subject of the application under the SPP;
- (b) any other Shares issued to the Eligible Shareholder under the SPP or any similar arrangement in the 12 months before the application under the SPP; and
- (c) any other Shares which the Eligible Shareholder has instructed a Custodian to acquire on their behalf under the SPP; and
- (d) any other Shares issued to a Custodian in the 12 months before the application under the SPP as a result of an instruction given by the Eligible Shareholder to the Custodian to apply for Shares on their behalf under an arrangement similar to the SPP.

#### **11. Costs of Participation**

The only cost to you associated with the Offer is the issue price of the number of New Shares you wish to subscribe for. Under the Offer you do not have to pay for brokerage, commission or other transaction costs which would normally apply when you acquire Shares on market.

**12. Allotment of Shares and Variation on Number of Shares Issued**

The Shares will be allotted within 10 Business Days after the closing date.

The Company's share registry, Computershare Investor Services Pty Ltd, will send to you a holding statement in due course.

Without limiting the above, the Company reserves the right to allot fewer New Shares than an Eligible Shareholder applies for under the Offer or no New Shares, in the Company's discretion or if the Company believes the allotment of those New Shares would contravene any law or the ASX Listing Rules. No interest will be paid on any money returned.

In the event the Company wishes to allot fewer New Shares than an Eligible Shareholder applies for or is not permitted to issue all the New Shares offered as a result of any law or ASX Listing Rule, the Company will use its best endeavours to allocate New Shares to those Eligible Shareholders on a pro-rata basis.

**13. What Rights Will the New Shares Carry?**

Once the New Shares are issued, they will rank equally with existing Shares in the Company and will carry the same voting rights, dividend rights, and entitlements to dividends, rights and bonus issues.

**14. Can the Company Change the SPP?**

The SPP may be changed, suspended or terminated by the Company at any time. If the Company changes, suspends or terminates the SPP it will advise ASX. The accidental omission to give notice of changes to or suspension or termination of the SPP or the non-receipt of any such notice will not invalidate the change, suspension or termination.

**15. Directors' Participation**

The Directors of the Company, as Eligible Shareholders, may participate in the Offer (without having to obtain shareholder approval), on the same terms as all other shareholders in the Company. The Directors have confirmed their intention to apply for the full amount available to them as shareholders under the SPP.

**16. How Do You Pay for the Shares?**

All amounts in this Offer are expressed in Australian dollars.

- (a) You must pay for the New Shares by cheque, bank draft or money order in Australian dollars. Please make your cheque, bank draft or money order payable to "**Troy Resources Limited**" and cheques are crossed "**Not Negotiable**". Applicants must not forward cash. Receipts for Application Payments will not be issued.

Please post to:

Computershare Investor Services Pty Ltd  
GPO Box 505  
Melbourne Victoria 3001  
Australia

**OR**

- (b) Make a payment using BPAY® in accordance with the instructions on the Application Form. If paying via BPAY®, Eligible Shareholder should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Eligible Shareholder to ensure that funds are submitted through BPAY® by the date and time mentioned above. If you elect to pay via BPAY®, you must follow the instructions for BPAY® set out in

the Application Form (which includes the Biller Code and your unique Customer Reference Number) and you will not need to return the Application Form.

**If paying by BPAY®, please make sure to use the specific Biller Code and unique Customer Reference Number on your Application Form. If you receive more than one personalised Application Form, you will need to complete individual BPAY® transactions using the Customer Reference Number specific to each individual personalised Application Form that you receive.** The maximum investment any shareholder may apply for will remain A\$15,000 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account).

**17. Please provide a cheque, bank draft or money order or make the BPAY payment for the exact amount.**

If you do not provide the exact amount, the Company reserves the right to return your BPAY payment or your Application Form and cheque, bank draft or money order. If the Company returns your BPAY payment or Application Form and cheque, bank draft or money order, no New Shares will be allotted to you.

You have a choice of 6 tranches of amounts of New Shares of which you may subscribe for one.

These are detailed below:

	<b>Subscription Amount (\$A)</b>	<b>New Shares to be allotted calculated at the Issue Price</b>
Tranche A	\$2,500 (minimum)	2,000
Tranche B	\$5,000	4,000
Tranche C	\$7,500	6,000
Tranche D	\$10,000	8,000
Tranche E	\$12,500	10,000
Tranche F	\$15,000 (maximum)	12,000

**18. Will the Shares be quoted on the ASX?**

The Company will apply for the New Shares allotted to you to be quoted on ASX, within the relevant period specified in the ASX Listing Rules.

**19. How is a Dispute Resolved?**

The Company may settle any dispute in connection with the SPP in any manner it thinks fit, whether generally or in relation to any participant, application or New Share. The Company's decision shall be final and binding.

The Company reserves the right to waive strict compliance with any provision of these Terms and Conditions.

**HOW DO YOU APPLY FOR SHARES UNDER THE OFFER**

**20. If you want to participate in this Offer please carefully read the Terms and Conditions relating to the Offer.**

**21. Complete all the required details in the enclosed Application Form, noting that all amounts are expressed in Australian dollars:**

- (i) Enter the exact number of New Shares you want to subscribe for noting that the minimum number of New Shares is 2,000 and the maximum number of New Shares is 12,000.

- (ii) To work out the exact amount payable, multiply the number of New Shares subscribed for by the price per Share of A\$1.25 and insert the total amount payable (in Australian dollars).
- (iii) Complete the cheque details section and ensure that the "Amount" section corresponds to the exact amount payable for the New Shares you wish to subscribe for. Remember, **the minimum is A\$2,500 worth of New Shares and the maximum is A\$15,000 worth of New Shares.**
- (iv) Insert your telephone contact numbers so that we may contact you if necessary.
- (v) You do not need to sign the Application Form.

If you are making a BPAY payment, you do not need to return the Application Form. Please ensure that the amount paid by BPAY is the exact amount payable for the New Shares you wish to apply for.

**If your payment is to be by cheque, bank draft or money order**

- 22. Ensure your cheque, bank draft or money order is made out for the exact amount of the New Shares you want to apply for, payable to **"Troy Resources Limited"** and cheques crossed **"Not Negotiable"**.

Return the completed Application Form, together with the cheque, bank draft or money order to Computershare Investor Services Pty Limited in the enclosed reply paid envelope or to:

Computershare Investor Services Pty Limited  
GPO Box 505  
Melbourne Victoria 3001  
Australia

**If your payment is to be made using BPAY®**

- 23. Make a payment using BPAY® in accordance with the instructions on the Application Form. If paying via BPAY®, Eligible Shareholders should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the eligible shareholder to ensure that funds are submitted through BPAY® by the date and time mentioned above. If you elect to pay via BPAY®, you must follow the instructions for BPAY® set out in the Application Form (which includes the Biller Code and your unique Customer Reference Number) and you will not need to return the Application Form.

**If paying by BPAY®, please make sure to use the specific Biller Code and unique Customer Reference Number on your Application Form. If you receive more than one personalised Application Form, you will need to complete individual BPAY® transactions using the Customer Reference Number specific to each individual personalised Application Form that you receive.** The maximum investment any shareholder may apply for will remain A\$15,000 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account).

- 24. Ensure that your completed Application Form and payment reach Computershare Investor Services Pty Ltd by the closing date of the Offer being no later than **7.00pm Sydney time on Monday, 24 March 2014. No late applications will be accepted, although the Directors reserve the right to extend the closing date.**

In determining whether you wish to participate in this Offer you should seek personal financial and/or taxation advice referable to your own circumstances.

**By accepting this Offer you agree to be bound by the Terms and Conditions of the Offer and the Constitution of the Company.**