Half-Yearly Report
for the period ended
31 December 2006

TROY RESOURCES NL

ABN 33 006 243 750

Previous corresponding period
31 December 2005

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

				$A'000
Revenues from ordinary activities	down	3%	to	41,306
Profit from ordinary activities after tax attributable to members	down	31%	to	7,288
Net profit for the period attributable to members	down	31%	to	7,288

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

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:

This is a half-yearly report and is to be read in conjunction with the June 2006 Annual Report.

TROY RESOURCES NL

ABN 33 006 243 750

HALF-YEAR CONSOLIDATED FINANCIAL REPORT

31 DECEMBER 2006

TROY RESOURCES NL
DIRECTORS' REPORT

The Directors of Troy Resources NL submit herewith the financial report for the half-year ended 31 December 2006. 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, Chairman
- Mr T D McKeith, Chief Executive Officer
- 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

REVIEW OF OPERATIONS

(a) Production and Sales

Group attributable gold production for the half-year was 55,121 ounces (2005: 71,186 ounces) of gold on an equity accounted basis. This production was made up of 46,911 ounces (2005: 41,231 ounces) from Sandstone, no production (2005: 877 ounces) from Cornishman and 8,210 ounces (29,078 ounces) from the Sertão operation in Brazil.

Production from Sertão will wind down by July 2007 and the processing plant and associated equipment will be relocated to the Andorinhas Project. (**Refer to section (e) – New Developments below).**

Gold sales for the period were 51,087 ounces (2005: 69,683 ounces) on a consolidated basis giving total revenue of $41,306,000 (2005: $42,733,000).

(b) Results

The consolidated profit from ordinary activities before tax and minority interests for the half-year was $11,583,000 (2005: $19,807,000). The net profit after tax and minority interests was $7,288,000 (2005: $10,510,000), down 31% from the previous corresponding half-year. The profit was achieved after allowance for exploration expenditure written off of $4,549,000 (2005: $3,720,000) and amortisation and depreciation charged of $3,106,000 (2005: $2,244,000).

Earnings per share on a fully diluted basis were 13.1 cents compared with 19.7 cents in 2005.

Total shareholders' equity increased to $65,233,000 from $61,043,000 at 30 June 2006.

(c) Dividends

No interim dividend has been declared, but during the half-year, the final dividend for the 2005/06 financial year was declared and paid. This dividend comprised 7.0 cents per share fully franked and totalled $3,913,000 in payments.

(d) Exploration and Capital

During the half-year, $4,549,000 (2005: $3,720,000) was spent on exploration, predominantly in the Sandstone region of Western Australia, Mongolia and Brazil. The major focus of exploration activity in the second half of the financial year will continue on these regions.

(e) New Developments

In November 2006, Troy acquired the **Andorinhas Gold Project** ("Andorinhas") in Brazil from Agincourt Resources Limited ("Agincourt"). Under the agreement Troy purchased all the shares in Agincourt Resources (Holdings) limited, which holds 100% of Agincourt Resources do Brasil Ltda which holds the mining leases of the Andorinhas Project. The purchase price was US$10.14 million cash of which US$9.14 million was paid on 30th November 2006 and the final US$1.0 million will be paid after completion of all transfers and approvals. The project has a JORC defined resource of 435,000 ounces.

Troy intends to fast track the project to development with production planned to commence early in the 2008 calendar year.

(f) Subsequent Events

For details of significant events subsequent to balance date please refer to **Note 8** on page 13 of this Half-Year Financial Report.

(g) 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 2006 periods, the 2006 Annual Report, Corporate Governance policies and other Company information and publications.

INDEPENDENCE DECLARATION BY AUDITOR

The auditor's independence declaration is included on page 3 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.

JLC Jones
Chairman
28 February 2007

Deloitte.

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

28 February 2007

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 2006, I declare that to the best of my knowledge and belief, there have been no 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
DELOITTE TOUCHE TOHMATSU

Leanne Karamfiles
Partner
Chartered Accountant

Member of
Deloitte Touche Tohmatsu

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Condensed Consolidated Income Statement for the Half-Year ended 31 December 2006

	Notes	Consolidated **Half Year Ended 31 Dec 2006 ($'000)**	 Half Year Ended 31 Dec 2005 ($'000)
Sales revenue (gold sales)	2	**41,306**	42,733
Cost of sales		**(23,029)**	(16,293)
Gross profit		**18,277**	26,440
Other Revenue	2	**1,744**	2,177
Exploration expenses	3	**(4,549)**	(3,720)
Administration expenses		**(3,785)**	(3,861)
Corporate Expenses		**(54)**	(1,026)
Other expenses		**-**	(168)
Finance costs		**(50)**	(35)
Profit Before Income Tax Expense		**11,583**	19,807
Income tax expense		**(3,996)**	(6,919)
Profit for the period		**7,587**	12,888
Net profit/(loss) attributable to minority interests		**(299)**	(2,378)
Net Profit Attributable to Members of the Parent Entity		**7,288**	10,510
Earnings Per Share			
Basic (cents per share)		13.1	19.8
Diluted (cents per share)		13.1	19.7

Notes to the financial statements are included on pages 8 to 14.

Condensed Consolidated Balance Sheet
as at 31 December 2006

	Consolidated	
	31 Dec 2006 ($'000)	30 June 2006 ($'000)
CURRENT ASSETS		
Cash and cash equivalents	**31,162**	33,397
Trade and other receivables	**2,111**	3,447
Other financial assets	**10,355**	1,438
Inventories	**10,044**	10,355
TOTAL CURRENT ASSETS	**53,672**	48,637
NON-CURRENT ASSETS		
Property, plant and equipment	**33,181**	16,878
Deferred tax assets	**994**	1,786
Other financial assets	**2,700**	10,816
TOTAL NON-CURRENT ASSETS	**36,875**	29,480
TOTAL ASSETS	**90,547**	78,117
CURRENT LIABILITIES		
Trade and other payables	**5,081**	3,984
Current tax payables	**3,481**	4,914
Provisions	**6,676**	3,268
Other financial liabilities	**1,267**	1,284
TOTAL CURRENT LIABILITIES	**16,505**	13,450
NON-CURRENT LIABILITIES		
Deferred tax liabilities	**8,516**	3,294
Provisions	**293**	330
TOTAL NON-CURRENT LIABILITIES	**8,809**	3,624
TOTAL LIABILITIES	**25,314**	17,074
NET ASSETS	**65,233**	61,043
EQUITY		
Issued capital	**23,638**	23,442
Reserves	**3,621**	3,196
Retained earnings	**35,828**	32,453
Parent interest	**63,087**	59,091
Minority interest	**2,146**	1,952
TOTAL EQUITY	**65,233**	61,043

Notes to the financial statements are included on pages 8 to 14.

Condensed consolidated statement of changes in equity for the Half-year ended 31 December 2006

	Share Capital ($,000)	Investment Revaluation Reserve ($,000)	Share Based Payment Reserve ($,000)	Foreign Currency Translation ($,000)	Retained Earnings ($,000)	Attributable to Equity Holder of Parent ($,000)	Minority Interest ($,000)	Total ($,000)
Balance at 1 July 2005	22,917	-	228	1,016	20,095	44,256	1,206	45,462
Exchange differences on translation of Foreign Operations				459		459	(2,495)	(2,036)
Net income recognised directly in equity	**-**	**-**	**-**	**459**	-	**459**	**(2,495)**	**(2,036)**
Profit for the year					10,510	10,510	2,378	12,888
Total recognised income and expense for the half-year				**459**	**10,510**	**10,969**	**(117)**	**10,852**
Issue of shares on conversion of options	207					207		207
Issue of Partly Paid shares	8					8		8
Dividends paid					(3,598)	(3,598)		(3,598)
Transfer from equity settled employee benefits reserve			167			167		167
	215		167		(3,598)	(3,216)		(3,216)
Balance at 31 December 2005	**23,132**	**-**	**395**	**1,475**	**27,007**	**52,009**	**1,089**	**53,098**
Balance at 1 July 2006	23,442	341	1,051	1,804	32,453	59,091	1,952	61,043
Changes in the fair value of available-for-sale assets, net of tax		370				370		370
Exchange differences on translation of Foreign Operations				(194)		(194)	(105)	(299)
Net income recognised directly in equity	**-**	**370**	**-**	**(194)**	**-**	**176**	**(105)**	**71**
Profit for the year					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 shares on conversion of options	98					98		98
Issue of Partly Paid shares	5					5		5
Share based payment						-		-
Dividends paid					(3,913)	(3,913)		(3,913)
Recognition of share based payments			342			342		342
Transfer from equity settled employee benefits reserve	93		(93)					
	196		249		(3,913)	(3,468)		(3,468)
Balance at 31 December 2006	**23,638**	**711**	**1,300**	**1,610**	**35,828**	**63,087**	**2,146**	**65,233**

Condensed Consolidated Statement of Cash Flows for the Half-Year ended 31 December 2006

	Consolidated	
	Half Year Ended 31 Dec 2006 ($'000)	Half Year Ended 31 Dec 2005 ($'000)
CASHFLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	**41,339**	43,616
Payments to suppliers and employees	**(27,531)**	(25,494)
Interest received	**1,049**	793
Income taxes (paid)	**(1,400)**	(4,500)
Interest paid	**(50)**	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	**13,407**	14,415
CASHFLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of tenements	-	(24)
Payments for purchase of subsidiary	**(11,587)**	-
Payments for property, plant and equipment	-	(3,902)
Proceeds on sale of investment securities	**123**	111
Payments for purchase of investment securities	**(76)**	-
Proceeds from sale of property, plant and equipment	-	52
NET CASH (USED IN) INVESTING ACTIVITIES	**(11,540)**	(3,763)
CASHFLOWS FROM FINANCING ACTIVITIES		
Proceeds from issues of shares	**104**	215
Dividends paid:		
-members of the parent entity	**(3,865)**	(3,582)
-minority interests	**-**	(2,495)
NET CASH USED IN FINANCING ACTIVITIES	**(3,761)**	(5,862)
Cash and cash equivalents at the beginning of the period	**33,397**	27,821
Net increase/(decrease) in cash and cash equivalents	**(1,894)**	4,790
Effects of exchange rate changes on the balance of cash held in foreign currencies	**(341)**	339
Cash and cash equivalents at the end of the period	**31,162**	32,950

Notes to the financial statements are included on pages 8 to 14.

TROY RESOURCES NL AND CONTROLLED ENTITIES
Notes to the Condensed Consolidated Financial Statements
for the Half-year ended 31 December 2006

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and 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 shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed 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 company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with the Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2006 annual financial report for the financial year ended 30 June 2006, other than as detailed below.

In the current year, the Group had adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2006. The adoption of these new and revised Standards and Interpretations has resulted in changes to the Group's accounting policies in the following areas:

- Investments as at fair value through profit or loss (AASB 2005-04 'Amendments to Australian Accounting Standards').
- Financial guarantee contracts (AASB 2005-09 'Amendments to Australian Accounting Standards').

The adoption of these new and revised Standards and Interpretations has also resulted in a change to the Group's accounting policies in relation to business combinations involving entities under common control.

These changes in accounting policies (as discussed below) had no financial impact on the Group's Financial Statements.

Limitation of ability to designate financial assets and financial liabilities through profit or loss

The Australian Accounting Standards Board (AASB) released AASB 2005-4 Amendments to Australian Accounting Standards, in June 2005. AASB 2005-04 amends AASB 139

TROY RESOURCES NL AND CONTROLLED ENTITIES
Notes to the Condensed Consolidated Financial Statements
for the Half-year ended 31 December 2006

'Financial Instruments: Recognition and Measurement' by limiting the ability of entities to designate any financial asset or financial liability as 'at fair value through profit or loss'.

Financial assets that can no longer be designated as 'at fair value through profit or loss' shall be classified into either loans and receivables, held-to-maturity investments or available-for-sale investments, as appropriate, and measured at amortised cost or at fair value with changes in fair value recognised in equity, depending on classification. Financial liabilities that can no longer be designated as 'at fair value through profit or loss' shall be classified as 'other' financial liabilities and measured at amortised cost. Although ordinarily the designation of a financial asset as available-for-sale is made on initial recognition, the transitional provisions of the Standard allow such designation to be made on the date of de-designation (1 July 2005).

The changes introduced by AASB 2005-4 are applied by the Group with effect from the beginning of the comparative reporting period presented in this financial report (i.e. with effect from 1 July 2005). The amendments are made in accordance with the transitional provisions of AASB 2005-4. Fair value movements post 1 July 2005 are recognised directly in the investments revaluation reserve.

Accounting for financial guarantee contracts

The AASB released AASB 2005-9 'Amendments to Australian Accounting Standards' in September 2005. AASB 2005-9 amends AASB 139 'Financial Instruments: Recognition and Measurement' to require certain financial guarantee contracts to be recognised in accordance with AASB 139 and measured initially at their fair values, and subsequently measured at the higher of the amount recognised as a provision and the amount initially recognised less cumulative amortisation in accordance with the Group's revenue recognition policies.

Accounting for business combinations involving entities or businesses under common control

The AASB released AASB 2005-6 'Amendments to Australian Accounting Standards' in June 2006. AASB 2005-6 amends AASB 3 'Business Combinations' by removing business combinations involving entities or business under common control from its scope. The effect of the scope amendment is that there is no longer any explicit guidance under Accounting Standards as to how to account for these types of business combinations.

Due to the requirements of AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' permitting the non-restatement of pre-transition business combinations, the amendment has no effect on the financial statements of the Company or Group for the current or prior reporting periods.

TROY RESOURCES NL AND CONTROLLED ENTITIES
Notes to the Condensed Consolidated Financial Statements
for the Half-year ended 31 December 2006

		Consolidated	
		Half Year Ended 31 Dec 2006 ($'000)	Half Year Ended 31 Dec 2005 ($'000)
2.	**Revenue**		
	Operating		
	Gold sales	**41,306**	42,733
		41,306	42,733
	Non-Operating		
	Interest revenue from: Non-Related Parties	**1,049**	793
	Movement in fair value of investments	**318**	686
	Other	**377**	698
		1,744	2,177
		43,050	44,910
3.	**Expenses**		
	Amortisation, depreciation of plant, equipment and motor vehicles	**3,106**	2,244
	Exploration expenditure	**4,549**	3,720
	WA government royalties	**865**	571

TROY RESOURCES NL AND CONTROLLED ENTITIES
Notes to the Condensed Consolidated Financial Statements
for the Half-year ended 31 December 2006

	Consolidated	
	Half Year Ended 31 Dec 2006 ($'000)	Half Year Ended 31 Dec 2005 ($'000)

4. Dividends

Dividends provided for or paid

Final Dividend of 7.0 cents per share fully franked paid on 16 October 2006	**3,913**	-
Final Dividend of 6.5 cents per share fully franked paid on 14 October 2005	**-**	3,598
	3,913	3,598

5. Equity Securities Issued

	Half-year		Half-year	
	2006 Shares (‘000)	2005 Shares (‘000)	**2006 ($’000)**	2005 ($’000)
Issues of ordinary shares during the half-year:				
Exercise of options issued under the Troy Resources NL Employee Share Option Scheme	**76**	139	**98**	207
Conversion of partly paid shares	**13**	20	**5**	8
Share based payments	**-**	-	**93**	-
	89	159	**196**	215

TROY RESOURCES NL AND CONTROLLED ENTITIES Notes to the Condensed Consolidated Financial Statements for the Half-year ended 31 December 2006

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 2006 $'000	Dec 2005 $'000	**Dec 2006 $'000**	Dec 2005 $'000	**Dec 2006 $'000**	Dec 2005 $'000	**Dec 2006 $'000**	Dec 2005 $'000	**Dec 2006 $'000**	Dec 2005 $'000	**Dec 2006 $'000**	Dec 2005 $'000
REVENUE												
External sales	**32,174**	**20,583**	**-**	**-**	**9,132**	**22,150**	**-**	**-**	-	-	**41,306**	**42,733**
Other revenue	**6**	**6,421**	**-**	**-**	**374**	**-**	**1**	**-**	**-**	**(6,421)**	**381**	**-**
Total segment revenue	**32,180**	**27,004**	-	-	**9,506**	**22,150**	**1**	-	**-**	**(6,421)**	**41,687**	**42,733**
Unallocated revenue											**1,363**	**2,177**
Total consolidated revenue											**43,050**	**44,910**
RESULTS												
Segment results	**14,540**	**15,643**	**(794)**	**(341)**	**1,683**	**15,464**	**1**	**(2)**	**43**	**(5,624)**	**15,473**	**25,140**
Unallocated expenses											**(3,890)**	**(5,333)**
Consolidated Entity profit before income tax											**11,583**	**19,807**
Income tax expense											**(3,996)**	**(6,919)**
Consolidated Entity profit from ordinary activities											**7,587**	**12,888**
Net profit											**7,587**	**12,888**

TROY RESOURCES NL AND CONTROLLED ENTITIES
Notes to the Condensed Consolidated Financial Statements
for the Half-year ended 31 December 2006

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 $2,004,065 (December 2005: $2,004,065). These are security amounts against breach of environmental conditions and are not expected to be exercised in the normal course of business;

(b) General sureties given to various State Departments of Mines and Energy to a total value of $133,000 (December 2005: $133,000). 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 10 January 2007, Troy Resources NL purchased 7,628,571 shares in Comaplex Minerals Corp (a Canadian listed company) which is equivalent to a 19.4% interest for the payment of C$16,274,285 (A$17,815,309) and the issue of 3,250,000 fully paid Troy shares. The effect of this transaction has not been included in these financial statements.

9. Acquisition of Subsidiary

In November 2006, the Group purchased 100% of the share capital of Agincourt Resources (Holdings) Limited (“ARH”), a company incorporated in the British Virgin Islands, for cash consideration of US$10.14 million of which US$1.0 million has been deferred until the completion of all transfers and approvals. ARH’s only asset is all the shares in Agincourt Resources do Brasil Ltda (“ARB”), a company incorporated in Brazil, which owns the mineral leases that comprise the Andorinhas Gold Project in Para state in Brazil. This transaction has been accounted for using the acquisition method of accounting.

The net assets acquired in the business combination are as follows:

	Carrying Amount before business combination $’000	Fair Value Adjustments $’000	Fair Value $’000
Net Assets acquired			
Cash and cash equivalents	57	-	57
Property, plant & equipment	4,564	13,822	18,386
Trade & other payables	(59)	-	(59)
Deferred tax liabilities	-	(5,510)	(5,510)
Total Fair Value			12,874
Satisfied by:-			
- Cash			11,587
- Deferred Settlement			1,267
- Cost of Acquisition			20
Total Consideration			12,874

The initial accounting for the acquisition of ARH has only been provisionally determined at reporting date.

ARH and ARB became wholly owned on acquisition. For tax purposes, the tax values ARH’s assets are required to be reset based on market values and other factors. At the date of finalisation of this report, the necessary market valuations noted above have only been provisionally determined based on the Directors’ best estimates.

TROY RESOURCES NL AND CONTROLLED ENTITIES
Notes to the Condensed Consolidated Financial Statements
for the Half-year ended 31 December 2006

No goodwill arose in the business combination because the cost of the combination included the fair value of the undeveloped assets within ARH. The consideration paid for the combination effectively included amounts in relation to the benefits of expected production and revenue growth from, as yet, undeveloped resources. These benefits are recognised separately from goodwill as future economic benefits arising from them can be estimated.

As the companies have not been in production, there is no effect on net profits for the period attributable to the additional business generated by ARH. In determining the 'pro-forma' revenue and profit of the Group had ARB been acquired at the beginning of the current reporting period, the directors have determined that the only items relate to foreign exchange movement on asset values.

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
Chairman

Perth, Western Australia

Date: 28 February 2007

Deloitte.

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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 2006, 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 4 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.

Member of
Deloitte Touche Tohmatsu

Liability limited by a scheme approved under Professional Standards Legislation.

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 2006 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*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Leanne Karamfiles
Partner
Chartered Accountants
Perth, 28 February 2007