

Appendix 4B

Half Yearly Report

TROY RESOURCES NL

ABN or equivalent company reference	Half yearly (tick)	Preliminary final (tick)	Half year/financial year ended ('current period')
33 006 243 750	✓		31 December 2002

For announcement to the market

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

\$A'000

Revenues from ordinary activities (item 1.1)	down	21%	to	12,343
Profit from ordinary activities after tax attributable to members (item 1.22)	down	43%	to	1,063
Profit (loss) from extraordinary items after tax attributable to members (item 2.5(d))				Nil
Net profit for the period attributable to members (item 1.11)	down	43%	to	1,063
Dividends (distributions)		Amount per security		Franked amount per security
Final dividend (Preliminary final report only - item 15.4) Interim dividend (Half yearly report only - item 15.6)		Nil		Nil
Previous corresponding period (Preliminary final report - item 15.5; half yearly report - item 15.7)		Nil		Nil
+Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (see item 15.2)	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 most recent annual financial report.

Condensed consolidated statement of financial performance

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Revenues from ordinary activities (<i>see items 1.23 -1.25</i>)	12,343	15,636
1.2 Expenses from ordinary activities (<i>see items 1.26 & 1.27</i>)	(10,410)	(12,243)
1.3 Borrowing costs	(42)	(2)
1.4 Share of net profits (losses) of associates and joint venture entities (<i>see item 16.7</i>)	-	-
1.5 Profit (loss) from ordinary activities before tax	1,891	3,391
1.6 Income tax on ordinary activities (<i>see note 4</i>)	(912)	(1,553)
1.7 Profit (loss) from ordinary activities after tax	979	1,838
1.8 Profit (loss) from extraordinary items after tax (<i>see item 2.5</i>)	-	-
1.9 Net profit (loss)	979	1,838
1.10 Net profit (loss) attributable to outside ⁺ equity interests	(84)	(38)
1.11 Net profit (loss) for the period attributable to members	1,063	1,876
Non-owner transaction changes in equity		
1.12 Increase (decrease) in revaluation reserves	-	-
1.13 Net exchange differences recognised in equity	-	-
1.14 Other revenue, expense and initial adjustments recognised directly in equity (attach details)	-	-
1.15 Initial adjustments from UIG transitional provisions	-	-
1.16 Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)	-	-
1.17 Total changes in equity not resulting from transactions with owners as owners	1,063	1,876

Earnings per security (EPS)	Current period	Previous corresponding period
1.18 Basic EPS	2.0	3.7
1.19 Diluted EPS	2.0	3.7

Notes to the condensed consolidated statement of financial performance**Profit (loss) from ordinary activities attributable to members**

	Current period - \$A'000	Previous corresponding period - \$A'000
1.20 Profit (loss) from ordinary activities after tax (<i>item 1.7</i>)	979	1,838
1.21 Less (plus) outside ⁺ equity interests	(84)	(38)
1.22 Profit (loss) from ordinary activities after tax, attributable to members	1,063	1,876

Revenue and expenses from ordinary activities*(see note 15)*

	Current period - \$A'000	Previous corresponding period - \$A'000
1.23 Revenue from sales of goods	12,015	14,939
Cost of Sales	6,496	7,296
Gross Profit	5,519	7,643
1.24 Interest revenue	40	138
1.25 Other Revenue from Ordinary Activities	288	559
1.26 <i>Details of relevant expenses</i>		
Exploration Expenses	1,953	2,844
Administration Expenses	1,874	1,685
Corporate Activity	87	13
Other Expenses	0	405
Borrowing Costs	42	2
1.27 Depreciation and amortisation excluding amortisation of intangibles (<i>this amount is included within the expense lines above</i>)	784	1,166
Capitalised outlays		
1.28 Interest costs capitalised in asset values	-	-
1.29 Outlays capitalised in intangibles (unless arising from an ⁺ acquisition of a business)	-	-

Consolidated retained profits

	Current period - \$A'000	Previous corresponding period - \$A'000
1.30 Retained profits (accumulated losses) at the beginning of the financial period	1,836	(1,924)
1.31 Net profit (loss) attributable to members (<i>item 1.11</i>)	1,063	1,876
1.32 Net transfers from (to) reserves (<i>details if material</i>)	-	-
1.33 Net effect of changes in accounting policies	-	-
1.34 Dividends and other equity distributions paid or payable	(2,622)	-
1.35 Retained profits (accumulated losses) at end of financial period	277	(48)

Intangible and extraordinary items

		<i>Consolidated - current period</i>			
		Before tax \$A'000 (a)	Related tax \$A'000 (b)	Related outside + equity interests \$A'000 (c)	Amount (after tax) attributable to members \$A'000 (d)
2.1	Amortisation of goodwill	Nil	Nil	Nil	Nil
2.2	Amortisation of other intangibles	Nil	Nil	Nil	Nil
2.3	Total amortisation of intangibles	Nil	Nil	Nil	Nil
2.4	Extraordinary items (details)	Nil	Nil	Nil	Nil
2.5	Total extraordinary items	Nil	Nil	Nil	Nil

Comparison of half year profits*(Preliminary final report only)*

		Current year - \$A'000	Previous year - \$A'000
3.1	Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the <i>1st</i> half year (item 1.22 in the half yearly report)	NOT APPLICABLE	
3.2	Consolidated profit (loss) from ordinary activities after tax attributable to members for the <i>2nd</i> half year	N/A	N/A

Condensed consolidated statement of financial position		At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly report \$A'000
Current assets				
4.1	Cash	4,851	1,497	785
4.2	Receivables	1,332	833	757
4.3	Other Financial Assets	1,300	6,133	7,837
4.4	Inventories	9,037	2,709	3,076
4.5	Tax assets	-	384	418
4.6	Other (provide details if material)	15	15	15
4.7	Total current assets	16,535	11,571	12,888
Non-current assets				
4.8	Receivables	-	-	-
4.9	Investments (equity accounted)	-	-	-
4.10	Other investments	-	-	-
4.11	Inventories	-	-	-
4.12	Exploration and evaluation expenditure capitalised (<i>see para .71 of AASB 1022</i>)	774	584	301
4.13	Development properties (+mining entities)	11,713	10,729	7,369
4.14	Other property, plant and equipment (net)	6,921	4,333	3,109
4.15	Intangibles (net)	-	-	-
4.16	Tax assets	425	-	-
4.17	Other (provide details if material)	-	-	-
4.18	Total non-current assets	19,833	15,646	10,799
4.19	Total assets	36,368	27,217	23,667
Current liabilities				
4.20	Payables	4,353	3,692	1,720
4.21	Interest bearing liabilities	5,933	-	-
4.22	Tax liabilities	1,246	768	1330
4.23	Provisions exc. tax liabilities	1,319	930	716
4.24	Other (provide details if material)	-	-	-
4.25	Total current liabilities	12,851	5,390	3,766
Non-current liabilities				
4.26	Payables	-	-	-
4.27	Interest bearing liabilities	-	-	-
4.28	Tax liabilities	1,808	2,069	1,859
4.29	Provisions exc. tax liabilities	88	71	286
4.30	Other (provide details if material)	-	-	-
4.31	Total non-current liabilities	1,896	2,140	2,145
4.32	Total liabilities	14,747	7,530	5,911
4.33	Net assets	21,621	19,687	17,756

Condensed consolidated statement of financial position continued

	Equity			
4.34	Capital/contributed equity	21,467	17,899	17,631
4.35	Reserves	135	135	135
4.36	Retained profits (accumulated losses)	277	1,836	(48)
4.37	Equity attributable to members of the parent entity	21,879	19,870	17,718
4.38	Outside ⁺ equity interests in controlled entities	258	183	38
4.39	Total equity	21,621	19,687	17,756
4.40	Preference capital included as part of 4.37	Nil	Nil	Nil

Notes to the condensed consolidated statement of financial position**Exploration and evaluation expenditure capitalised**

	Current period \$A'000	Previous corresponding period - \$A'000	
5.1	Opening balance	584	350
5.2	Expenditure incurred during current period	1,953	2,843
5.3	Expenditure written off during current period	(1,953)	(2,843)
5.4	Acquisitions, disposals, revaluation increments, etc.	190	(49)
5.5	Expenditure transferred to Development Properties	-	-
5.6	Closing balance as shown in the consolidated balance sheet (item 4.12)	774	301

Mining and Development properties

	Current period \$A'000	Previous corresponding period - \$A'000	
6.1	Opening balance	10,729	2,273
6.2	Expenditure incurred during current period	1,509	5,764
6.3	Expenditure transferred from exploration and evaluation	-	-
6.4	Expenditure written off and amortisation during current period	(525)	(668)
6.5	Acquisitions, disposals, revaluation increments, etc.	-	-
6.6	Expenditure transferred to mine properties	-	-
6.7	Closing balance as shown in the consolidated balance sheet (item 4.13)	11,713	7,369

Condensed consolidated statement of cash flows

	Current period \$A'000	Previous corresponding period - \$A'000	
Cash flows related to operating activities			
7.1	Receipts from customers	13,067	14,940
7.2	Payments to suppliers and employees	(16,370)	(10,640)
7.3	Dividends received from associates	-	-
7.4	Other dividends received	-	-
7.5	Interest and other items of similar nature received	40	138
7.6	Interest and other costs of finance paid	-	(2)
7.7	Income taxes paid	(737)	(3,138)
7.8	Borrowing Costs	(42)	-
7.9	Net operating cash flows	(4,042)	1,298
Cash flows related to investing activities			
7.10	Payment for purchases of property, plant and equipment	(2,875)	(449)
7.11	Proceeds from sale of property, plant and equipment	2	5
7.12	Payment for purchases of equity investments	(102)	(137)
7.13	Proceeds from sale of equity investments	135	559
7.14	Loans to other entities	-	-
7.15	Loans repaid by other entities	-	-
7.16	Payments for Mine Development	(1,839)	-
	Proceeds from Other Financial Assets	5,000	1,400
	Payment for the Purchase of Tenements	-	(5,764)
7.17	Net investing cash flows	321	(4,386)
Cash flows related to financing activities			
7.18	Proceeds from issues of ⁺ securities (shares, options, etc.)	3,399	100
7.19	Proceeds from borrowings	5,933	-
7.20	Repayment of borrowings	-	-
7.21	Dividends paid	(2,257)	(2,247)
7.22	Loans to Controlled Entities	-	(2,346)
7.23	Net financing cash flows	7,075	(4,493)
7.24	Net increase (decrease) in cash held	3,354	(7,581)
7.25	Cash at beginning of period (see Reconciliation of cash)	1,497	8,366
7.26	Exchange rate adjustments to item 7.25.	-	-
7.27	Cash at end of period (see Reconciliation of cash)	4,851	785

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. (*If an amount is quantified, show comparative amount.*)

Nil

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period \$A'000	Previous corresponding period - \$A'000
8.1 Cash on hand and at bank	4,015	(93)
8.2 Deposits at call	836	446
8.3 Bank overdraft	-	-
8.4 Other (provide details)	-	432
8.5 Total cash at end of period (item 7.27)	4,851	785

Other notes to the condensed financial statements

Ratios	Current period	Previous corresponding period
9.1 Profit before tax / revenue Consolidated profit (loss) from ordinary activities before tax (<i>item 1.5</i>) as a percentage of revenue (<i>item 1.1</i>)	15.3%	21.4%
9.2 Profit after tax / ⁺equity interests Consolidated net profit (loss) from ordinary activities after tax attributable to members (<i>item 1.11</i>) as a percentage of equity (similarly attributable) at the end of the period (<i>item 4.37</i>)	4.6%	10.6%

Earnings per security (EPS)

10. Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of *AASB 1027: Earnings Per Share* are as follows.

	Consolidated	
	2002 Cents Per Share	2001 Cents Per Share
Basic earnings per share	2.0	3.7
Diluted earnings per share	2.0	3.7
(a) Basic Earnings Per Share		
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:		
	2002 (\$'000)	2001 (\$'000)
Earnings	1,063	1,876
	2002 No. ('000)	2001 No. ('000)
Weighted average number of ordinary shares	52,654	50,962
Options are considered to be potential ordinary shares and are therefore excluded from the weighted average number of ordinary shares used in the calculation of basic earnings per share. Where dilutive, potential ordinary shares are included in the calculation of diluted earnings per share (refer below).		
(b) Diluted Earnings Per Share		
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:		
	2002 (\$'000)	2001 (\$'000)
Earnings	1,063	1,876
	2002 No. ('000)	2001 No. ('000)
Weighted average number of ordinary shares and potential ordinary shares (a)	52,711	51,280
(a) Weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basis earnings per share as follows:		
	2002 No. ('000)	2001 No. ('000)
Weighted average number of ordinary shares used in the calculation of basic EPS	52,654	50,962
Employee Options	57	318
Weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted EPS	52,711	51,280

NTA backing*(see note 7)*11.1 Net tangible asset backing per ⁺ordinary security

Current period	Previous corresponding period
Not Required	Not Required

Discontinuing Operations

Not applicable.

Control gained over entities having material effect

There has been no control gained over entities which have had a material result on group profit or loss in the current period.

Loss of control of entities having material effect

There has been no loss of control of entities during the reporting period.

Dividends (in the case of a trust, distributions)

15.1 Date the dividend (distribution) is payable

NOT APPLICABLE

15.2 ⁺Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if ⁺securities are not ⁺CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if ⁺securities are ⁺CHES approved)

NOT APPLICABLE

15.3 If it is a final dividend, has it been declared?
(Preliminary final report only)

NOT APPLICABLE

Amount per security

		Amount per security	Franked amount per security at % tax (see note 4)	Amount per security of foreign source dividend
15.6	<i>(Half yearly and preliminary final reports)</i> Interim dividend: Current year	Nil	Nil	Nil
15.7	Previous year	Nil	Nil	Nil

Total dividend (distribution) per security (interim plus final)*(Preliminary final report only)*15.8 ⁺Ordinary securities15.9 Preference ⁺securities

Current year	Previous year
N/A	N/A
N/A	N/A

**Half yearly report - interim dividend (distribution) on all securities *or*
Preliminary final report - final dividend (distribution) on all securities**

	Current period \$A'000	Previous corresponding period - \$A'000
15.10 ⁺ Ordinary securities (<i>each class separately</i>)	Nil	Nil
15.11 Preference ⁺ securities (<i>each class separately</i>)	Nil	Nil
15.12 Other equity instruments (<i>each class separately</i>)	Nil	Nil
15.13 Total	Nil	Nil

The ⁺dividend or distribution plans shown below are in operation.

Nil

The last date(s) for receipt of election notices for the ⁺dividend or distribution plans

NOT APPLICABLE

Any other disclosures in relation to dividends (distributions). (*For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting*)

A final dividend for the 2001/02 financial year of 5 cents per share fully franked was declared during the half year. The record date was 14 November 2002 and the payment date was 16 December 2002. The total distribution under the dividend was \$2,609,000.

Details of aggregate share of profits (losses) of associates and joint venture entities

16.1 Not Applicable

Material interests in entities which are not controlled entities

The economic entity has no material interest in entities which are not controlled.

Issued and quoted securities at end of current period*(Description must include rate of interest and any redemption or conversion rights together with prices and dates)*

Category of ⁺ securities	Total number	Number quoted	Issue price per security (see note 14) (cents)	Amount paid up per security (see note 14) (cents)
18.1 Preference ⁺securities <i>(description)</i>	Nil			
18.2 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions	Nil			
18.3 ⁺Ordinary securities Fully Paid Partly Paid	47,747,787 6,519,452	47,747,787 6,519,452	- 100	- 60
18.4 Changes during current period (a) Increases through issues	5,000 60,500 100,000 200,000 174,000 2,000,000	5,000 60,500 100,000 200,000 174,000 2,000,000	0.82 0.52 0.41 0.30 0.22 1.68	0.82 0.52 0.41 0.30 0.22 1.68
(b) Decreases through returns of capital, buybacks	Nil			
18.5 ⁺Convertible debt securities <i>(description and conversion factor)</i>	Nil			
18.6 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted	Nil			
18.7 Options <i>(description and conversion factor)</i> On Issue	70,000 100,000 202,500 120,000 330,000		<i>Exercise Price</i> 0.82 0.52 0.52 0.41 1.45	<i>Expiry Date (if any)</i> 21 Nov 2005 20 Jun 2005 17 Aug 2004 31 May 2003 10 Aug 2006
18.8 Issued during current period	330,000		1.45	10 Aug 2006
18.9 Exercised during current period	5,000 60,500 100,000 200,000 174,000		0.82 0.52 0.41 0.30 0.22	21 Nov 2005 17 Aug 2004 31 May 2004 29 Oct 2003 22 Mar 2003
18.10 Expired during current period	300,000		1.12	24 May 2006
18.11 Debentures <i>(description)</i>				
18.12 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted	Nil			
18.13 Unsecured notes <i>(description)</i>				
18.14 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted	Nil			

Segment reporting

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

SEGMENT INFORMATION: GEOGRAPHIC SEGMENT	Australia		Asia		South America		Europe		Elimination		Consolidated	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
REVENUE												
External sales	11,961	15,636	54	-	-	-	-	-	-	-	12,015	14,939
Other revenue												
Inter-segment sales												
Share of net profit of equity accounted investment												
Total segment revenue	11,961	15,636	54	-	-	-	-	-	-	-	12,015	14,939
Unallocated revenue											328	697
Total consolidated revenue											12,343	15,636
RESULTS												
Segment results	3,888	5,590	(677)	(109)	(513)	-	292	-	-	-	2,990	5,481
Unallocated expenses											1,099	2,090
Consolidated entity profit before income tax											1,891	3,391
Income tax expense											912	1,553
Consolidated entity profit from ordinary activities											979	1,838
Extraordinary item											-	-
Net profit											979	1,838

Comments by directors

Basis of financial report preparation

19.1 *If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period. The financial statements in this report are "condensed financial statements" as defined in AASB 1029: Interim Financial Reporting. This report does not include all the notes of the type normally included in an annual financial report.*

19.2 Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

The entity's revenue and net profit declined during the period due to an expected decrease in head grades from the Bulchina mine and slightly increased operating cost.

The high tax rate, as compared to the nominal tax rate, reflects the non-deductibility of overseas exploration and administration for Australian tax purposes (\$806,000 gross expenditure).

19.3 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

Since 31 December 2002, a decision has been taken to develop Stage 4 of the Cornishman project, near Southern Cross, WA. This will extend production from Cornishman out to May 2004.

During March 2003, the mill at the 70% owned high-grade gold project in Brazil began commissioning. Production from Brazil will add significantly to Troy's production profile.

19.4 Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

The economic entity is a tax paying entity. As at the reporting date the entity had \$6,643,000 net franking credits available to frank future dividends.

19.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes and differences in the half yearly report in accordance with AASB 1029: Interim Financial Reporting. Disclose changes in accounting policies in the preliminary final report in accordance with AASB 1001: Accounting Policies-Disclosure).

Nil.

- 19.6 Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous +annual reports if those revisions have a material effect in this half year.

Nil

- 19.7 Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last + annual report.

Nil

Additional disclosure for trusts

Not Applicable

Compliance statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX (see note 12).

Identify other standards used

Nil

- 2 This report, and the +accounts upon which the report is based (if separate), use the same accounting policies.

- 3 This report does give a true and fair view of the matters disclosed (see note 2).

- 4 This report is based on +accounts to which one of the following applies.

(Tick one)

The +accounts have been audited.

The +accounts have been subject to review.

The +accounts are in the process of being audited or subject to review.

The +accounts have *not* yet been audited or reviewed.

- 5 The review report by the auditor is attached.

- 6 The entity has a formally constituted audit committee.

Sign here: Date: 14 March 2002
(Company Secretary)

Print name: **G F Kaczmarek**

Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section. Entities are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.
2. **True and fair view** If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.
3. **Condensed consolidated statement of financial performance**
 - Item 1.1 The definition of "revenue" and an explanation of "ordinary activities" are set out in *AASB 1004: Revenue*, and *AASB 1018: Statement of Financial Performance*.
 - Item 1.6 This item refers to the total tax attributable to the amount shown in item 1.5. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg, fringe benefits tax).
4. **Income tax** If the amount provided for income tax in this report differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column "Franked amount per security at % tax" for items 15.4 to 15.7.
5. **Condensed consolidated statement of financial position**

Format The format of the consolidated statement of financial position should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 1029: Interim Financial Reporting*, and *AASB 1040: Statement of Financial Position*. Also, banking institutions, trusts and financial institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

Basis of revaluation If there has been a material revaluation of non-current assets (including investments) since the last ⁺annual report, the entity must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 1010: Accounting for the Revaluation of Non-Current Assets*. If the entity has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.
6. **Condensed consolidated statement of cash flows** For definitions of "cash" and other terms used in this report see *AASB 1026: Statement of Cash Flows*. Entities should follow the form as closely as possible, but variations are permitted if the directors (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 1026*. ⁺Mining exploration entities may use the form of cash flow statement in Appendix 5B.

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7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ⁺ordinary securities (ie, all liabilities, preference shares, outside ⁺equity interests etc). ⁺Mining entities are *not* required to state a net tangible asset backing per ⁺ordinary security.
 8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the ⁺accounts. Details must include the contribution for each gain or loss that increased or decreased the entity's consolidated profit (loss) from ordinary activities and extraordinary items after tax by more than 5% compared to the previous corresponding period.
 9. **Rounding of figures** This report anticipates that the information required is given to the nearest \$1,000. If an entity reports exact figures, the \$A'000 headings must be amended. If an entity qualifies under ASIC Class Order 98/0100 dated 10 July 1998, it may report to the nearest million dollars, or to the nearest \$100,000, and the \$A'000 headings must be amended.
 10. **Comparative figures** Comparative figures are to be presented in accordance with *AASB 1018* or *AASB 1029 Interim Financial Reporting* as appropriate and are the unadjusted figures from the latest annual or half year report as appropriate. However, if an adjustment has been made in accordance with an accounting standard or other reason or if there is a lack of comparability, a note explaining the position should be attached. For the statement of financial performance, *AASB 1029 Interim Financial Reporting* requires information on a year to date basis in addition to the current interim period. Normally an Appendix 4B to which *AASB 1029 Interim Financial Reporting* applies would be for the half year and consequently the information in the current period is also the year to date. If an Appendix 4B Half yearly version is produced for an additional interim period (eg because of a change of reporting period), the entity must provide the year to date information and comparatives required by *AASB 1029 Interim Financial Reporting*. This should be in the form of a multi-column version of the consolidated statement of financial performance as an attachment to the additional Appendix 4B.
 11. **Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the reports. The information may be an expansion of the material contained in this report, or contained in a note attached to the report. The requirement under the listing rules for an entity to complete this report does not prevent the entity issuing reports more frequently. Additional material lodged with the ⁺ASIC under the Corporations Act must also be given to ASX. For example, a director's report and declaration, if lodged with the ⁺ASIC, must be given to ASX.
 12. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if one exists) must be complied with.
 13. **Corporations Act financial statements** This report may be able to be used by an entity required to comply with the Corporations Act as part of its half-year financial statements if prepared in accordance with Australian Accounting Standards.
 14. **Issued and quoted securities** The issue price and amount paid up is not required in items 18.1 and 18.3 for fully paid securities.
 15. **Details of expenses** *AASB 1018* requires disclosure of expenses from ordinary activities according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by ASX. *AASB ED 105* clarifies that the disclosures

required by *AASB 1018* must be either *all* according to nature or *all* according to function. Entities must disclose details of expenses using the layout (by nature or function) employed in their ⁺accounts.

The information in lines 1.23 to 1.27 may be provided in an attachment to Appendix 4B.

Relevant Items *AASB 1018* requires the separate disclosure of specific revenues and expenses which are not extraordinary but which are of a size, nature or incidence that disclosure is *relevant* in explaining the financial performance of the reporting entity. The term “relevance” is defined in *AASB 1018*. There is an equivalent requirement in *AASB 1029: Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by ASX.

16 Dollars If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to “000” must be changed to the reporting value.

17. Discontinuing operations

Half yearly report

All entities must provide the information required in paragraph 12 for half years beginning on or after 1 July 2001.

Preliminary final report

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by paragraph 7.5 (g) of *AASB 1029: Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their ⁺accounts in accordance with *AASB 1042 Discontinuing Operations*.

In any case the information may be provided as an attachment to this Appendix 4B.

18. Format

This form is a Word document but an entity can re-format the document into Excel or similar applications for submission to the Companies Announcements Office in ASX.

**TROY RESOURCES NL
DIRECTORS' REPORT**

The Directors of Troy Resources NL submit herewith the Half-Year Report for the half-year ended 31 December 2002. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

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

Mr J L C Jones, Executive Chairman. A Director since July 1988 and Chairman of the Company since November 1988. He is a Kalgoorlie pastoralist and businessman formerly associated with North Kalgurli Mines and was a founding director of Jones Mining Limited. Mr Jones is also Chairman of Anglo Australian Resources NL.

Mr K K Nilsson, Managing Director. Appointed Managing Director in May 1998 and was the Company's Chief Executive Officer since April 1997. He is a mining engineer with more than 30 years experience in the mining industry, covering gold, base metals and coal.

Mr P A K Naylor, Non-Executive Director. A Director of the Company since April 1984, a stockbroker and financial adviser with over 30 years experience. He is also a director of New Privateer Holdings Limited.

Dr D E Clarke, Non-Executive Director. Appointed 23 March 1999, Dr Clarke has a PhD in geology from Stanford University (California) and has more than 30 years experience in exploration and mining, principally in Australia and North America, including 15 years with Plutonic Resources Limited. At various times, he managed the exploration, finance, administration and corporate divisions of Plutonic, most recently being General Manager - Corporate until Plutonic was taken over by Homestake Mining Company in 1998. He is currently Chairman of Cullen Resources NL, and a Non-Executive Director of Anglo Australian Resources NL and BeMaX Resources NL.

REVIEW OF OPERATIONS

The 2002/2003 half-year saw Troy turn into a dual mine operation. The Entity's operation during the half-year revolved around the wholly owned Bulchina mine and treatment facilities located near Sandstone, in Western Australia. During the half-year, the operation produced 21,341 ounces of gold at an average cash cost of A\$244 per ounce.

July 2002 saw the commencement of the Stage 3 of the Cornishman Mine, a Joint Venture between Sons of Gwalia (51% and Manager) and Troy (49%) located near Southern Cross, in Western Australia. Troy's share of mill production for the quarter was 31,098 tonnes at 2.76 g/t for 2,503 recovered ounces. In December 2002, approval was given for the development of an extension to the previously mined Stage 2.

During the period work progressed on the Sertao Gold Mine in Brazil of which Troy owns 70%. The fully refurbished TC8 mill was shipped and arrived from Australia in Brazil in August. Reassembly and on-site construction continued through the period.

The Entity is also engaged in gold and base metal exploration, primarily in Western Australia and the Northern Territory; and overseas in Mongolia, Brazil, Finland and Austria.

The consolidated operating profit after tax for the half-year was \$1,063,000. The previous corresponding half-year to 31 December 2001 was an after tax profit of \$1,876,000. An instalment

amount of \$230,645 of income tax was paid during the half year. The current half-year includes a provision for income tax of \$1,427,076 (previous half-year \$1,758,000). The high tax rate, as compared to the nominal tax rate, reflects the non-deductibility of overseas exploration and administration for Australian tax purposes.

SUBSEQUENT EVENTS

On 28 February 2003, approval was given to develop Stage 4 of Cornishman. The total Reserve of the approved Stages 2,3 &4 is approximately 1,135,000 tonnes at 3.95g/t for 133,000 recovered ounces of which Troy's share is 49%. Production at Cornishman will continue until May 2004.

The Sertao mill construction was essentially completed in early March 2003 and plant commissioning is underway. Mill throughput should gradually ramp-up during March. The commencement of production from Sertao will add significantly to Troy's production profile.

ROUNDING OFF OF AMOUNTS

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

Signed at Perth, Western Australia, this 14th day of March 2003 in accordance with a resolution of Directors.

J L C JONES
Director

DIRECTORS' DECLARATION

The Directors declare that:

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

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

On behalf of the Directors

J L C JONES
Director

Perth, Western Australia

Date: 14th March 2003