



TROY RESOURCES NL

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PRESS RELEASE

10 February 2010

TROY FINANCING UPDATE

HIGHLIGHTS

- Following a competitive process, Troy Resources NL has signed a mandate with Investec Bank (Australia) Limited to provide a A\$25m Revolving Corporate Debt Facility.
- With existing cash reserves, including the recent equity raising, the Casposo gold and silver project in Argentina is now fully funded to first production in the September quarter 2010.
- The Facility has two Tranches. Tranche A of A\$15m will fund construction of Casposo. Tranche B of A\$10m is available for a combination of Casposo development and for general corporate purposes. The intention is that these funds will primarily be used for an accelerated exploration program of the Casposo and Castaño Nuevo leases to build the Company's gold and silver Reserves and Resources.
- The facility requires no gold or silver price hedging leaving Troy shareholders fully exposed to the underlying commodity prices.
- The facility includes the issuance of options to Investec with an exercise price at a 30% premium to the Troy share price.
- Loan Maturity is 3 years.

Perth, Western Australia: Growing junior gold producer, Troy Resources NL (TSX, ASX: TRY) today reported it has signed a mandate with Investec Bank (Australia) Limited (Investec) to provide an A\$25m Revolving Corporate Debt Facility. The Facility is provided in two tranches. Tranche A for the amount of A\$15m has already received Investec Credit Approval and will be available for drawing when the loan documentation is finalised, currently expected in March 2010. Tranche A is intended to provide the balance of funding to finalise construction of the Casposo gold and silver mine in Argentina.

Tranche B for the amount of A\$10m is subject to Investec's due diligence review and final credit approval which is expected in May 2010. For clarity, the availability of Tranche A is not impacted by the availability of Tranche B. Although the funding from Tranche B is intended for general corporate purposes it is expected that it will primarily be directed to funding an accelerated exploration program of the Casposo and Castaño Nuevo leases to build the Company's gold and silver Reserves and Resources, with a view to extending the Casposo mine life.

Part of the cost of the loan facility includes the granting of call options over Troy ordinary shares to Investec (subject to the standard approval of the Toronto Stock Exchange). The volume of the shares will be equivalent to A\$3m for Tranche A and A\$2m for Tranche B. The exercise price for these options will be a 30% premium over the relevant 90 day VWAP (volume weighted average share price):

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- Tranche A exercise price - \$3.15/share
- Tranche B exercise price - to be calculated on the date Investec advises Troy that Tranche B is credit approved

The term of the loan is 3 years and no mandatory gold or silver price hedging is involved. Finalisation of the loan is subject to standard conditions precedent and completion of documentation.

The acceptance of Investec's offer followed a rigorous and competitive selection process undertaken with the assistance of Optimum Capital.

Commenting on today's announcement, Troy's CEO Paul Benson said: "Casposo plays a significant role in Troy's strategy to become a profitable mid-tier gold company. In this context, securing the debt facility to finalise construction funding is a very important company milestone. With full funding in place, Ken Nilsson, Troy's Executive Director Operations, can focus on bringing Casposo into production. We remain on track to pour first gold in the September quarter of 2010.

"Importantly the facility includes a second Tranche of A\$10m (Tranche B) that puts Troy in the position to continue to look at and evaluate new gold projects. With the additional funding in place, acquisitions are very much on the agenda along with accelerated exploration programmes testing the potential of the Casposo leases and the nearby Castaño Nuevo Joint Venture. We are very excited by the geological prospectivity of the leases and are confident that we will be able to add significantly to the existing gold and silver Reserves and Resources over the coming twenty four months, with a view to extending the Casposo mine life.

"Based on the significant free cashflow forecast from Casposo, our expectation is that any debt drawn-down will be repaid expeditiously. Any repayments ahead of schedule can be redrawn for corporate acquisitions or project developments.

"We reached agreement with Investec following an exhaustive and rigorous competitive process. Of importance for Troy shareholders, the facility does not require mandatory gold or silver price hedging. Also, part of the fees payable is in the form of call options over Troy stock. The exercise price of these options is at a 30% premium to the relevant Troy share price; and a significant appreciation in the Troy share price would presumably be necessary before these options are exercised."

This report contains forward-looking statements. These forward-looking statements reflect management's current beliefs based on information currently available to management and are based on what management believes to be reasonable assumptions. Such statements include that the construction costs of the Casposo Project are now fully funded and statements regarding the availability and expected use of the loan facility. A number of factors could cause actual results, performance, or achievements to differ materially from the results expressed or implied in the forward looking statements. Such factors include, among others, future prices of gold, the actual results of current production, development and/or exploration activities, changes in project parameters and construction costs as plans continue to be refined, variations in ore grade or recovery rates, plant and/or equipment failure, delays in obtaining governmental approvals, in the commencement of operations and in the completion of loan documentation.

ENDS

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ABOUT TROY RESOURCES

Troy Resources (TSX, ASX: TRY) is a dividend-paying junior gold producer, with a clear growth strategy. The Company has two producing gold operations; at Sandstone in Western Australia and the Andorinhas Mine in Para State, Brazil and a gold-silver development project, Casposo, in San Juan province, Argentina.

Troy has an experienced Board and management team with a portfolio of successful, fast-track mine development and low-cost operations.

Troy has an annual exploration budget of \$5 million and a proven track record in exploration discoveries and strategic acquisitions.

Troy is currently focused on developing its Casposo Project, which it acquired in May 2009. With the acquisition and development of Casposo, Troy is entering a renewed growth phase which will again lift the Company's annual gold production above 100,000 ounces of gold per annum.

The Company maintains a robust balance sheet and forecasts continued strong cash flow from its current assets. Troy's gold production is unhedged; allowing its shareholders access to the full benefit of current and future gold price upside.

With development of the Casposo project in Argentina well underway, Troy is positioned to continue its path of strong growth and profitable operations. The Company is on track to achieve its vision of becoming a highly profitable mid-tier gold producer with a portfolio of quality long-life assets.

Troy is a responsible corporate citizen, committed to the best practice of health and safety, environmental stewardship and social responsibility.

PROJECT LOCATIONS

