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REPORT ON ACTIVITIES FOR THE QUARTER ENDED 31 MARCH 2005

HIGHLIGHTS

PRODUCTION

- **x** Sertão Project (Troy 70%) in Brazil performed well and treated 24,326 tonnes of ore at 19.58g/t Au to produce 14,290oz of gold at a cash cost of A$ 165 per ounce (US$ 103).
- x Sandstone Mill (Troy 100%) treated 141,606 tonnes of ore at 1.07g/t Au to produce 4,450oz of gold at a cash cost of A$ 518 per ounce while awaiting commencement of mining at the Lords Project.
- x Attributable gold production of 14,453 ounces for March quarter (57,094oz YTD).

DEVELOPMENT

- **x** Mining commenced at the Lords Project in April 2005, just 15 months after discovery.

EXPLORATION

- x At the Sertão Gold Mine an extension of the orebody immediately adjacent to the existing pit limits was discovered. The average of intersections in eleven diamond drill holes is 1.22m @ 159g/t gold (approximately 5 ounces). It is expected to produce in excess of 20,000 ounces from very high grade ore contributing significantly to the project's profitability.
- x Exploration and resource delineation-type drilling at the Xupe and Antena Sul deposits proved successful and the deposits are well advanced towards possible development.

CORPORATE

- **x** Group cash and equivalent liquid assets of A$ 33.4 million.

LORDS PROJECT

MINING COMMENCES AT LORDS PROJECT IN SANDSTONE

Mining commenced at the Lord Henry and Lord Nelson (collectively referred to as the "Lords") Project near Sandstone in Western Australia in late April following the receipt of all approvals and permits. The deposits were discovered by Troy's exploration team only 15 months ago, and the commencement of mining reflects the success of the fast track approach Troy has taken to their development.

The commencement of mining is another significant milestone in Troy's persistent and successful efforts in the Sandstone Greenstone Belt where the Company's earlier operation, the Bulchina Mine, contributed greatly to Troy's success as a miner. The discovery and rapid development of the Lords will ensure Troy continues profitable operations at Sandstone.

MILLING

The plant processed stockpiled ore with operational results again above budget in all areas and costs below budget. The metallurgical recovery, at 93.29%, is slightly lower than in previous quarters reflecting an increase in sulphides in the mill feed, but is in line with expectation.

SAFETY AND ENVIRONMENT

There were no Lost Time Injuries and no environmental accidents or incidents. The operation continues to maintain a strong occupational health and safety performance.

Rehabilitation of the waste dumps and mined out areas is progressing as planned, and to date in excess of 10,000 local trees grown from seed have been planted.

COMMUNITY AFFAIRS

Construction and equipping of a Microbiological Laboratory for the Maternity Ward of the Faina Regional Hospital was completed.

BULCHINA MINE
SANDSTONE
(Troy Group 100%)

GOLD PRODUCTION : BULCHINA

	March 2005 Quarter	9 Months to 31 March 2005
Tonnes Milled	**141,606**	**381,747**
Head Grade	**1.07 g/t**	**1.27 g/t**
Recovery	**91.35 %**	**93.76 %**
Gold Produced	**4,450 oz**	**14,561 oz**
Cash Cost per oz	**A$ 518**	**A$ 433**

"Cash Costs" are defined to include all expenditures directly incurred on mining and milling, plus overheads and outgoings net of movements in deferred mining costs and stockpiles, but exclude Government gold royalty payments.

MILLING

The Sandstone Mill continued to process low-grade ore from the Bulchina Mine pending commencement of mining at the Lords Project. Continuation of milling using the low-grade material provided the opportunity to upgrade the plant for treatment of the Lords ore. Following commencement of mining at the Lords in late April 2005 higher grade ore should be treated through the mill commencing in June. Production costs will consequently decrease significantly in ensuing quarters.

HEALTH, SAFETY AND ENVIRONMENT

There were no Lost Time Injuries and no environmental issues or incidents during the quarter.

EXPLORATION REPORT

GOIÁS VELHO PROJECT
BRAZIL
(Troy 70%)

Sertão Mineração Ltda (SML, Troy 70%) focused on evaluation of deposits in the **Antena Cluster** located approximately 22km from the Sertão Mill by diamond, RC and RAB drilling. Troy expects several deposits in the cluster of deposits so far discovered at the Antena Cluster to be mined as satellite operations to the Sertão Gold Mine.

A further 3,200m of drilling was completed principally at the Xupe and Antena Sul deposits. Concurrently, mine optimisation modelling, mine infrastructure planning and government permitting activities are being advanced in relation to these two deposits.

XUPE

The Xupe deposit is a structurally complex zone of mineralisation that has been so far traced over a length of 190m. Most of the mineralisation consists of oxide material within 35m of the surface. Resource delineation RC drilling on a 20x20m grid has been completed over the deposit as currently known. Diamond drilling for mine planning is progressing.

Xupe is expected to be the first deposit developed at the Antena Cluster. A mine design and plan is being completed. Infrastructure development planning is currently under way in anticipation of commencement of mining at Xupe in mid-to late 2005.

ANTENA SUL

Resource delineation drilling has also been completed at the Antena Sul deposit on 20x20m spacing and geotechnical studies have commenced for mine planning purposes. The Antena Sul deposit is defined over a 200m strike length and additional RAB and diamond drilling has commenced at the northern end of the deposit to test for possible extensions. Significant drill intersections from Xupe and Antena Sul drilling are detailed in *Table 2*.

Modelling of the Xupe and Antena Sul deposits is expected to be completed by the end of April and optimisations of other deposits in the Antena Cluster, namely the Antena, Antena South and Antena West, are expected to be completed by the end of May.

Approval to mine at the Antena Cluster is in place for most deposits and agreements have been reached with local landowners in terms of road access and development. Similarly local government agreements are in place to upgrade and extend the haulage road to the Sertão processing plant.

OTHER REGIONAL

Geological mapping over soil and rock chip anomalies at the Antena Cluster, Cachoeira, Macua, Mato Grande, Watershed 1 (East), Santa Rita, Capoerinha West, Bananal and Jardim was completed. RAB/Aircore drilling will shortly commence accessing these targets.

SANDSTONE PROJECT
(Troy 100%)

SANDSTONE (Troy Group 100%)

At Sandstone, exploration activities were concentrated along the under explored SE and SW margins of the Sandstone Greenstone Belt where two aeromagnetic surveys totalling some 900 line-kilometres were completed. The surveys in particular provide detailed magnetic data over the Lord Henry and Lord Nelson gold deposits. The survey data is yet to be fully processed and interpreted.

Although processing and final interpretation of the magnetic data is still in progress, a 21 hole reconnaissance RAB programme was started to test the **Coomb Bore Prospect**, a regional structural target located about 3km east of the Trafalgar Shear (host to the Lords gold deposits). Drilling intersected encouraging low-grade gold anomalism within sheared mafic, ultramafic rocks and granitic rocks. RAB drilling along the SW and SE portions of the Sandstone Greenstone Belt will be escalated once the new aeromagnetic data is fully interpreted and conceptual targets developed.

Near the Lord Nelson and Lord Henry deposits, a drill programme that commenced in the December 2004 quarter to test all the proposed mine infrastructure sites was completed. RC drilling tested significant RAB anomalism and followed-up a previously reported intersection of 15m @ 2.5g/t at the **Hamilton North Prospect** that lies along the Trafalgar Shear Zone some 750m SSE of Lord Nelson. The drilling at Hamilton North returned the best intersection of 1m @ 4.80g/t Au from 46m. Although deeper RC drill holes are planned to

complete testing the down-dip and strike continuity of the mineralisation, the latest results have down-graded the prospectivity of this area for shallow deposits.

At the **Horatia Prospect**, located 600m west of the Lord Henry gold deposit, further RAB and RC drilling and trenching was carried out to resolve the nature of the previously reported high-grade mineralisation. Although the RC drilling returned another high-grade intersection of **5m @ 43.60g/t** Au beneath a weak RAB anomaly, overall both drilling and trenching are currently interpreted as indicating that the Horatia mineralisation is associated with a series of narrow and discontinuous high-grade (supergene enriched) shoots. The gold mineralisation is hosted in quartz veins that have both limited strike and depth extent. Further drilling is planned in the area surrounding Horatia to test alternative structural orientations observed from the trenching.

A small RC drill programme at the **Musketeer South Prospect**, located approximately 11.5km east of Troy's Sandstone Mill extended the strike length of the mineralised zone to 80m. Better drill intersections included 7m @ 3.30g/t and 4m @ 4.66g/t gold from 40 and 56m respectively. The mineralised zone lies beneath 7-10m of transported sediments and is hosted in BIF and quartz stringers within an oxidised mafic rock. A drill programme to define the strike and down-dip extent of the Musketeer South mineralisation is planned.

All significant Sandstone drill intersections pertaining to the March quarter are summarised in *Table 3*.

GLENGARRY-PEAK HILL PROJECT

THREE RIVERS JV (Barrick Gold Corporation earning 60%)

Barrick Gold Corporation drilled two diamond core holes (331.3m) to twin previous Troy RC holes at the Trapper and Hawkeye gold deposits. The holes form part of the due diligence being carried on the more sensitive parts of the open pit optimisation models. To date, only assay results from hole TDD01 drilled in the Trapper deposit are available.

The better intersections in this hole include:

4.20m	@	17.65g/t	Au from	36.80m,
10.60m	@	4.05g/t	Au from	73.4m,
8.40m	@	1.12g/t	Au from	103m, and
2.90m	@	5.67g/t	Au from	114m.

In other parts of the Three Rivers Project, a review of the regolith, geological mapping, geophysics and geochemistry was undertaken and as a result, additional soil surveys are planned.

OTHER PROJECTS

TROJAN JV (Troy earning 60%)

Follow-up sampling of the RAB drilling completed at the Woongaring project during the December 2004 quarter has confirmed elevated nickel and copper values (peak value 1m at 1.05% Ni and 190ppm Cu from 10m in hole WGRB-01) in two areas approximately 5km apart. Fifty eight line-kilometres of infill ground magnetics support the interpretation that the two anomalous zones occur close to ultramafic contracts. The elevated copper values associated with granodioritic rocks in the area remain enigmatic. Fixed loop ground EM surveys are planned to test for conductive nickel sulphides over a strike length of approximately 1km at each of the two anomalous contact zones. Geochemical soil sampling over other interpreted ultramafic rocks has identified two further areas of coincident nickel and copper anomalism approximately 5km and 18km south of the existing anomalies. The EM surveys at this project, situated 140km northwest of Southern Cross in Western Australia, are scheduled to commence in mid-May.

BLACKMAN JV (Mt Magnet Gold 75%, Troy Syndicate 25%)

An aircore drill programme comprising 58 holes (2,609m) was completed at the Blackman Project, located approximately 10km north of the Hill 50 Gold Mine in the Mt Magnet Greenstone Belt. Drilling focused on six structural targets where favourable host lithologies for gold mineralisation were intersected. The assay results pertaining to this programme are pending.

YULE RIVER JV (Troy earning 70%)

The Yule River gold project overlies the northern portion of the Archaean Mallina Basin approximately 40km SW of Port Hedland in Western Australia.

During the quarter, a 49 drill hole (2,296m) air-core drill programme broadly tested six aeromagnetic targets along a 15km section of the north trending Yule River Shear. This shear is interpreted to be a splay from the Mallina Shear Zone which hosts the 0.5 million ounce Indee gold project 30km to the south.

Six, 2-4.5km spaced drill traverses defined a 9km long by 400-500m wide zone of weak gold, copper, arsenic and lead anomalism. The anomalous zone is open along strike and coincides with a major NNW flexure within the Yule River Shear where the best gold intersection of 5m @ 0.24g/t Au occurred in an iron spotted, carbonated quartz-sericite schist. The results from this initial work are encouraging and closer spaced drilling will now test for zones of high-grade gold mineralisation within the broad geochemical corridor.

MONGOLIA (Troy 100%)

A 17 hole, 2,156m RC drill programme was completed at the Tsagaan Chuluut gold project located 650km NE from Ulaanbaatar in northeastern Mongolia. Drilling tested geochemical and geophysical targets at the TC1, Altanchuluut and Zesiin prospects for gold mineralisation in zones of intense quartz veining hosted within altered pyritic diorite and granitic rocks. All drill results from this programme are expected early in May.

FINANCE REPORT

As at 31 March 2005, Troy **within Australia** held $ 21.46 million in cash, plus equity investments with a market value of $ 3.52 million and 656 ounces of gold awaiting sale. This equates to approximately $ 25.34 million of liquid assets. Troy's wholly owned Brazilian subsidiaries held cash deposits of A$ 2.11 million.

At quarter end, Sertão Mineração Ltda ("SML") (Troy's 70% Brazilian subsidiary) had the equivalent of A$ 7.10 million in cash. In addition, SML held 2,466 ounces of gold inventory, which approximates to A$ 1.36 million of revenue based on a gold price of A$ 553.00 per ounce.

Therefore, the Troy group equity share of cash and liquid assets is approximately A$ 33.37 million as at 31 March 2005.

Gold sales from the Sandstone operation for the quarter were 4,591 ounces at an average price of A$ 588 per ounce. The average Cash Cost was A$ 518 per ounce, which gives a Cash Margin of A$ 70 per ounce.

During the quarter, SML sold 13,599 ounces of gold at an average price of US$ 432.63 per ounce. The average Cash Cost was US$ 103 per ounce, which gives a Cash Margin of US$ 330 per ounce.

At the end of the quarter, Troy had a total of 2,037 ounces of gold hedged, made up of 787 ounces on a Spot Deferred basis at a price of A$ 590.60 per ounce and 1,250 ounces at A$590.60 for delivery on 29 April 2005. This hedging was undertaken for the protection of Sandstone production while low-grade material was being treated prior to the development of the Lord Henry and Lord Nelson deposits. **All hedging will be delivered into during the June quarter leaving the company unhedged.**

Exploration and development expenditure during the quarter was A$ 1,868,000 plus A$ 620,000 of exploration undertaken by SML in Brazil. Capital expenditure in Australia during the quarter was $800,000.

J L C Jones
Executive Chairman
29 April 2005

Geological information in this Report has been compiled by Troy's Regional Manager, Exploration for Western Australia, Len Skotsch, who:

- Is a full-time employee of Troy Resources NL;
- Has sufficient experience which is relevant to the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the '*Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves*';
- Is a Member of The Australasian Institute of Mining and Metallurgy;
- Has consented in writing to the inclusion of this data.

This Quarterly Report is available on Troy's Web site: www.try.com.au

Table 1
Sertão Project
RAB & Diamond Intersections

Hole ID	Easting	Northing	Dip/Azimuth	Depth (m)	From (m)	To (m)	Length (m)	Grade g/t Au
RAB Drill holes								
SRB65	576634	8271259	-90°/00°	40	7	9	2	**6.13**
SRB66	576636	8271264	-90°/00°	40	10	11	1	**46.33**
SRB67	576525	8271276	-90°/00°	40	24	25	1	**111.65**
SRB70	576525	8271265	-90°/00°	40	25	27	2	**157.14**
				incl	26	27	1	**247.30**
Diamond Drill holes								
SRD16	576638	8271275	-90°/00°	22.05	14.74	16.19	1.45	**115.88**
SRD17	576636	8271274	-75°/180°	20.75	15.14	16.14	1.00	**67.99**
SRD18	576635	8271273	-60°/180°	24.97	14.92	16.10	1.18	**78.65**
SRD19	576634	8271274	-75°/360°	22.38	18.00	20.00	2.00	**57.51**
SRD20	576575	8271260	-90°/00°	26.34	15.43	16.46	1.03	**62.66**
SRD21	576576	8271260	-75°/360°	26.82	20.10	21.10	1.00	**512.66**
SRD24	576549	8271277	-90°/00°	22.81	17.58	19.34	1.76	**179.64**
SRD25	576550	8271261	-90°/00°	24.56	15.12	16.12	1.00	**455.99**
SRD27	576600	8271260	-90°/00°	18.20	12.57	13.58	1.01	**84.33**
SRD29	576465	8271268	-90°/00°	50.60	31.64	32.65	1.01	**101.33**
SRD33	576380	8271260	-90°/00°	73.50	67.53	68.50	0.97	**155.65**

Assay Method: Calcination + DIBK Aqua Regia Digest and AAS finish
Assays uncut

Table 2
Goiás Velho Project
Selected RC Intersections

Hole ID	UTM East	UTM North	Dip/ Azimuth	Total Depth (m)	From (m)	To (m)	Length (m)	Grade g/t Au
Antena Sul								
GVC269	562520	8283936	-90°/00°	54	19	30	11	**3.65**
GVC273	562561	8283954	-90°/00°	80	43	54	11	**2.84**
GVC324	562560	8283916	-60°/360°	65	38	41	3	**4.07**
					63	65	2	**3.04**
GVC326	562521	8283947	-60°/360°	50	12	20	8	**4.88**
GVC327	562520	8283927	-60°/360°	50	24	33	9	**3.38**
Xupe								
GVC285	562134	8283665	-90°/00°	41	1	13	12	**8.98**
				incl	2	6	4	**18.32**
					19	32	13	**3.04**
GVC306	562076	8283746	-90°/00°	45	3	22	19	**3.71**
GVC310	562094	8283646	-90°/00°	36	12	17	5	**6.67**
GVC314	562057	8283766	-90°/00°	40	1	6	5	**4.77**
GVC317	562017	8283788	-90°/00°	40	22	28	6	**29.30**
				incl	24	25	1	**164.33**

Intersections based on 1.0g/t Au cut-off and maximum 1m internal waste
Assay Method: Calcination + DIBK Aqua Regia Digest and AAS finish

Table 3
Sandstone
Significant RC Intersections >1.0g/t Au

Hole ID	UTM East	UTM North	Dip/ Azimuth	Depth (m)	From (m)	To (m)	Length (m)	Grade g/t Au
Hamilton North								
TRC529	746285	6882784	-60°/090°	84	44	45	1	**3.04**
TRC531	746261	6882749	-60°/090°	71	46	47	1	**4.80**
Horatia								
TAR1174*	745802	6880423	-60°/180°	41	10	15	5	**43.60**
TRC539	745757	6880447	-60°/090°	73	29	31	2	**2.25**
					47	48	1	**4.56**
TRC540	745801	6880383	-60°/090°	55	1	2	1	**3.05**
					7	9	2	**1.30**
Musketeer South								
TRC534	732072	6890287	-60°/090°	70	40	47	7	**3.30**
TRC536	732056	6890327	-60°/090°	103	50	53	3	**2.59**
					56	60	4	**4.66**

* RAB drill hole
Assay Method: 50g Aqua Regia
Assays uncut