

TROY RESOURCES LIMITED (COMPANY)

SECURITIES TRADING POLICY

1. Context and Purpose

The *Corporations Act (2001)* (Cth) and Canadian securities laws impose severe penalties (both criminal and civil) on persons who conduct insider trading activities. Perhaps more importantly, any perception of improper conduct by directors and employees of Troy has the potential to substantially damage Troy's reputation.

This policy is designed to ensure that Troy's directors, officers, employees and consultants are aware of, and comply with, with their legal obligations in respect of trading securities of Troy. Therefore, the purpose of this policy is to prevent the occurrence of insider trading in Troy's securities.

This policy provides a general summary of the law in Australia and Canada in relation to insider trading, and operates in addition to Australian and Canadian legal requirements.

As used in this policy, "Troy" or the "Company" means Troy Resources Limited and its subsidiaries.

This is an important document. If you do not understand any aspect of this policy, it is strongly recommended that you contact the Company Secretary.

2. Scope

Each director, officer, employee and consultant of Troy is personally responsible and accountable for complying with this policy and all legal obligations in respect of trading in securities of Troy and for ensuring that their associated parties (including family members, friends, family companies or trusts) also comply with this policy and such legal obligations.

3. Defined Terms

"Board" means the directors of Troy.

"dealing in securities" includes applying for, acquiring or disposing of, securities and extends to forward contracts, granting and exercising options and hedging securities, and acts directly or indirectly in furtherance of any such activity including entering into an agreement to do any of the foregoing.

"Discretionary Black-Out period" means any black-out period imposed by the Board pursuant to Section 9 hereof.

"Discretionary Restricted Person" means any person who receives notice that they have been designated a Discretionary Restricted Person for the purpose of a Discretionary Black-Out Period.

"generally available information" means information that has been disclosed by way of news release distributed through a widely circulated news or wire service or by way of a filing made with the ASX and Canadian securities regulatory authorities, which filing is, in either case, generally available to the public.

"insiders" means (a) directors and officers of Troy; (b) directors and officers of subsidiaries of Troy; (c) any person that holds more than 10% of Troy's outstanding ordinary shares; and (d) any director or officer of a person that is itself an insider of Troy.

“necessary course of business” means that which is required to further the business purposes of Troy with vendors, suppliers or strategic partners, employees, officers and board members; lenders, legal counsel and underwriters, auditors and financial and other professional advisors; parties to negotiations, credit rating agencies (provided the information is disclosed for the purpose of formulating a credit rating), labour unions and union associations and government agencies;

“Restricted Person” means (a) the Board; (b) employees of Troy who hold the position of General Manager, Vice President or position with a similar or greater authority level; (c) employees of Troy who receive a copy of Troy’s monthly management or exploration report; and (d) all other persons who receive notice from the Company Secretary that they have been designated a Restricted Person.

“securities” includes shares, options, warrants, derivatives and other financial instruments including financial instruments issued or created over Troy’s securities by third parties and products which operate to limit economic risk in securities holdings in Troy.

“special relationship” for the purpose of this Policy, a person is in a special relationship with Troy if the person (a) is an insider, affiliate or associate of Troy; (b) is a director, officer or employee of Troy or a director, officer or employee of the person described in item (c) below; (c) is engaging or is proposing to engage in any business or professional activity with or on behalf of Troy, and includes without limitation, a consultant; (d) has knowledge of inside information acquired while in a special relationship with Troy; (d) has knowledge of inside information acquired from another person at a time when that other person was in a special relationship with Troy and the recipient knew or reasonably ought to have known of the special relationship.

“Troy team member” means each person that is in a special relationship with Troy and includes a relative, including the spouse of such person or a relative of the person’s spouse if the relative shares the same home.

4. **Legal Background**

Securities legislation prohibits any person in a “special relationship” with Troy from dealing in Troy’s securities when in possession of “inside information”. This prohibited activity is commonly known as “insider trading”. Inside information is information that:

- (a) is not generally available to the public; and
- (b) is either a material fact or a material change in respect of Troy.

A “material fact” is any fact that significantly or materially affects, or could reasonably be expected to significantly or materially affect, the market price or value of Troy’s securities. A material change is any change in the business, operations or capital of Troy that would reasonably be expected to have a significant or material effect on the market price or value of a security of Troy and includes any decision to implement a material change made by (a) senior management of Troy who believe that confirmation of the decision by the Board of Troy is probable; or (b) the Board of Troy. Please refer to Schedule A for some examples of potential “inside information”. This list is provided as an example and is not exhaustive. It does not matter how the inside information is obtained and it need not have been obtained from or by Troy to constitute inside information.

This prohibition extends to advising, procuring or encouraging another person to deal in securities of Troy and extends to communicating the inside information (or causing the inside information to be communicated) to a third party, if the person knows, or ought reasonably to know, that the third party would, or would be likely to, deal in the securities in question or procure another person to do so.

In addition, Canadian securities laws prohibits persons in a “special relationship” with Troy from informing any other person, other than disclosure which is “necessary” in the “course of business” of Troy or of the person in the special relationship with Troy, of a material fact or material change with respect to Troy, before such information has been generally disclosed. This prohibition is commonly known as “tipping”.

Both the person who provides the information and the person who receives the information could be liable under Canadian securities laws if the person who receives the information trades in Troy’s securities.

5. **Obligations**

- (a) Troy team members cannot deal in securities of Troy while in possession of inside information with respect to Troy;
- (b) Troy team members cannot deal in securities of another public company while in possession of inside information regarding that public company which information was acquired by the Troy team member during the course of his or her work at Troy;
- (c) Troy team members cannot communicate inside information (or cause inside information to be communicated) to a third party or advise, procure or encourage another person (for example a family member, a friend, a family company or trust) to deal in securities of Troy, if the Troy team member knows, or ought reasonably to know, that the third party would, or would be likely to, deal in securities of Troy or procure another person to do so;
- (d) Troy team members cannot inform other people of inside information regarding Troy, unless such disclosure by the Troy team member is “necessary” in the “course of business” of Troy or the Troy team member; and
- (e) Troy team members cannot inform other people of inside information regarding a public company where the Troy team member has gained knowledge of the inside information regarding that public company in the course of their work at Troy, unless such disclosure by the Troy team member is “necessary” in the “course of business”.

Troy team members should not deal in any securities of Troy or another entity, as the case may be, as set out in paragraphs (a) to (e) above, until at least the second business day after the inside information becomes generally available information.

The restrictions described above as item (b) mean that if a Troy team member is aware of inside information of another listed company, you should not deal in the securities of the companies that it affects. A Troy team member may come into possession of inside information where they are directly involved in assessing new projects and development opportunities, negotiating contracts and joint venture or the design, construction and installation of new plant and equipment. For example, where the Troy team member is aware that Troy is to sign a major agreement with another company that is likely to have an effect on the share price of that company, they should not buy securities in the other company. In short, if the company the Troy team member is dealing with is publicly listed, they are not permitted to trade in their securities based on inside information.

6. Confidentiality and Inside Information

A person in possession of inside information about Troy has a duty to keep that information confidential and must not in any way disclose or communicate that information to any person outside the necessary course of business.

7. Dealing with Securities Analysts, Institutional Investors and Journalists

Troy team members may be exposed to persons outside Troy such as securities analysts, institutional investors and journalists. It is important that Troy team members be aware that selective disclosure of non-public information may result in a breach of insider trading rules. Thus, if a report containing inside information concerning Troy was communicated only to local or trade journals and if full public disclosure of the information was not made at the same time, it is possible that this may give rise to a breach of securities legislation.

It is important to stress that it is the mere fact of conveyance of the inside information that gives rise to liability, not the manner in which it is conveyed. For example, the confirmation of an analyst's educated guess about a situation not known to the general public may be just as much a violation as the direct conveyance of information to an analyst. This is the case even if the analyst's case is based upon his or her independent and creative analysis of publicly available information.

Troy team members can be in breach of this policy and securities legislation by expressing subjective comments about Troy's performance or by calling attention to disparate bits of information not available as an aggregate to the general public. It is essential to avoid the indirect conveyance of inside information by any means whatsoever.

If during the course of a discussion with an analyst, journalist or other outsider, inside information concerning Troy is disclosed, inadvertently or otherwise, the recipient of the information should be informed of its non-public nature and cautioned against its use unless and until Troy has made full public disclosure of that information.

Troy's Company Secretary should be notified of the situation immediately so that a decision can be made regarding disclosure of the information. In view of the pitfalls inherent in responding to analyst's projections and questions regarding previously undisclosed operating results or other developments, no comment at all should be made on these matters except to correct serious factual errors in situations in which the facts are in the public domain.

8. Regularly Scheduled Black-Out Periods

In addition to the general prohibitions set out in Section 5 of this Policy, a Restricted Person cannot deal in Troy's securities during a Regularly Scheduled Blackout Period except in special circumstances (refer to Section 12 below).

A Regularly Scheduled Blackout Period begins on the first day immediately following each quarter end, and (i) in the case of quarters ending other than on the last day of the Company's financial year or half year end, terminates on the close of business on the second business day after the day on which Troy's quarterly financial results become generally available information; and (ii) in the case of the quarter ending on the last day of the Company's financial year or half year end, terminates on the close of business on the second business day after the day on which Troy's preliminary year-end financial results or half year financial results become generally available information.

Additionally, Restricted Persons must not deal in Troy's securities during the 14 day prior to the day of the annual general meeting when it is customary for the Chairman to provide further information about Troy's current performance.

9. Discretionary Black-Out Periods

The Board has the authority to impose additional black-out periods from time to time on Troy team members or any group thereof (the "Discretionary Restricted Persons"), during which such persons will be prohibited from dealing in Troy's securities. Any such restriction is in addition to the prohibitions set out in Section 5 of this Policy. No Troy team member may disclose to any third party that a Discretionary Black-Out Period is in effect.

10. Option Exercises During Regularly Scheduled and Discretionary Black-Out Periods

For the purposes of Sections 8 and 9 hereof, "dealing in securities" will not include the exercise of stock options to acquire fully paid shares by a Restricted Person or Designated Restricted Person, other than a director or senior officer of Troy, provided he or she is not then in possession of inside information. However, "dealing in securities", in such context, does include any dealing in the underlying or resulting fully paid shares.

11. Prohibition on Short-Sales and Sales of "Call" and "Put" Options

In addition to the obligations and restrictions set out elsewhere herein, all Troy team members are prohibited from (a) selling Troy securities in a short-sale transaction (i.e. selling shares not owned by the Troy team member); and (b) selling "call" options or purchasing "put" options.

12. Exemption for Short-Term Trading and Trading during Blackout Period

Only in exceptional circumstances, and only with the written approval of the Chairman which is to be given in the Chairman's absolute discretion, will any Restricted Person or Discretionary Restricted Person or their associated parties be allowed to engage in conduct which would constitute trading in Troy's securities during a Regularly Scheduled Blackout Period or a Discretionary Blackout Period (for example where the Restricted Person or Discretionary Restricted Person is required to sell securities due to economic hardship). The Chairman may consider any factors or circumstances which he consider relevant to his decision, but is not required to provide any reasons for their decision.

An exemption will not be granted by the Chairman if he determines there is inside information in existence, whether or not the inside information is known by the Restricted Person or Discretionary Restricted Person.

In the absence of the Chairman, the Chairman of the Audit Committee, or in both their absences, another Director of Troy, selected by resolution of the Board will be the decision making person. If the Restricted Person is the Chairman, he must seek approval from the Chairman of the Audit Committee or, in their absence, another Director of Troy, selected by resolution of the Board for that purpose.

13. Prohibition on Hedging

Participants in the Troy Employee Share Option Plan are prohibited from dealing in derivatives, hedging or similar arrangements in relation to long term incentive opportunities that either have not yet vested or have vested but are subject to trading restrictions under the terms of the Troy Employee Share Option Plan.

14. Reporting Obligations of Directors and Other Insiders

Directors should note that the Corporations Act obliges a Director to notify the ASX within 14 days after any dealing in Troy's securities (either personally or through a related party) which results in a change in the relevant interests of the director in Troy's securities.

In addition, under the ASX Listing Rules, Troy is required to notify the ASX of such dealings within 5 business days of such dealings taking place. Directors are obliged to provide notice of such dealings to Troy as soon as possible after such dealing to enable Troy to comply with its obligations under the Listing Rules. A notice given by Troy to the ASX under the ASX Listing Rules satisfies the director's obligation to notify the ASX under the Corporations Act.

Under Canadian securities laws, "insiders" of Troy are required to file an insider report with the Canadian securities regulators each time they trade in securities of Troy (including the grant and exercise of options). Insider reports must be filed electronically through the "System for Electronic Disclosure by Insiders" (SEDI) within 10 days after each trade. These provisions do not apply in the event that Troy qualifies as a designated foreign issuer under Canadian securities laws.

Any person requiring assistance in this regard should contact the Company Secretary.

15. Penalties

The consequences of prohibited insider trading, tipping or a failure to file an insider report where required on a timely basis can be severe and may include dismissal, fines and criminal sanction.

16. Acknowledgement

Each Troy team member will be provided with a copy of this policy and must, within 10 days of receiving this policy, return to the Company Secretary a copy of the policy with the attached Acknowledgement completed.

Approved on 29 April 2008.

Revised on 7 March 2010.

Revised on 10 August 2013.

TROY RESOURCES LIMITED

SECURITIES TRADING POLICY - SCHEDULE A

The following are examples of inside information which, if it has not already been disclosed to the market and if it were disclosed to the market, would result in or would reasonably be expected to result in, a significant and material change in the market price or value of Troy's securities:

- (a) the likely discovery of a major ore body;
- (b) a major acquisition or disposition of assets, property or joint venture interests;
- (c) significant change in capital investment plans or corporate objectives;
- (d) changes in share ownership that may affect control of Troy;
- (e) public or private sale of a significant quantity of additional securities;
- (f) takeover bids, issuer bids or insider bids;
- (g) planned repurchases or redemption of securities;
- (h) planned share splits, bonus issues or rights issues or offerings of warrants;
- (i) share consolidation or share exchanges;
- (j) major reorganizations, amalgamations or mergers;
- (k) major labour disputes or disputes with major contractors or suppliers
- (l) the borrowing or lending of a significant amount of money;
- (m) any mortgaging or encumbering of Troy's assets;
- (n) significant new credit arrangements;
- (o) defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or other creditors;
- (p) changes in rating agency decisions;
- (q) changes in the value or composition in Troy's assets;
- (r) any material change in Troy's accounting policy;
- (s) the commencement or threat of, or developments in, material legal proceedings or regulatory matters;
- (t) Troy's financial results materially exceeding (or falling short of) market expectations;
- (u) shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs;
- (v) a significant new development proposal;
- (w) the likely granting (or loss) of a major contract or government approval;

- (x) a proposed dividend or change in dividend policy;
- (y) a proposed new share issue;
- (z) a significant change to the board of directors or senior management (including the departure of Troy's CEO, CFO, COO or president);
- (aa) possible initiation of a proxy fight; or
- (bb) material modifications to rights of security holder.

ACKNOWLEDGEMENT

To: Troy Resources Limited (ACN 006 243 750)

Attention: Company Secretary

I, _____, hereby acknowledge that I have been supplied with a copy of the Securities Trading Policy (the "**Policy**") for Troy Resources Limited (the "**Company**"). I certify that I have read and understand the rules of the Policy and agree to adhere strictly to them. I further certify that I understand that the failure to adhere to the rules of the Policy will result in serious consequences and may result in termination of my employment with the Company or its subsidiaries.

Dated this ____ day of _____, 20____.

Signature