TROY RESOURCES NL

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GOLD DISCOVERY AT SANDSTONE

Troy Resources NL ("Troy") is pleased to announce that it has made a gold discovery (the **Lord Henry Deposit**) approximately 30km south-east of its Bulchina Mine near Sandstone, Western Australia that has excellent potential for economic development.

The discovery resulted from reconnaissance RAB drilling by Troy of interpreted structural targets in an area completely covered by thin surficial sand. There are no surface manifestations of the mineralised zone. Initial RAB drilling partially outlined a broad zone of near-surface gold mineralisation that has been subsequently followed-up by RC drilling. A 24 hole RC drill programme has been completed however, the assay results for seven RC holes are pending. The full extent of the deposit is yet to be defined. The discovery occurs on a tenement which is wholly owned by Troy (*Figure 1*), but is subject to some royalty arrangements.

Better intersections include:

- 12m @ 8.7g/t from 2m
- 14m @ 8.5g/t from 2m
- 7m @ 10.2g/t from 29m
- 8m @ 8.1g/t from 1m
- 6m @ 7.4g/t from 8m
- 8m @ 7.4g/t from 36m

Table 1 (attached) lists all significant drill hole intersections obtained to date.

Mineralisation occurs as a series of stacked, gently north-dipping (20-30°) lodes that are associated with quartz-sericite-chlorite alteration within granodiorite. A cross-section of the deposit (*Figure 2*) illustrates the interpreted multiple lodes. The zone of mineralisation trends ENE over a strike length of 300m and has been intersected in the deepest hole to a vertical depth of 65m. Mineralisation extends almost to the surface and is masked by thin surficial cover. The zone remains open along strike and at depth. Mineralisation displays good continuity.

Mineralisation is mainly associated with sulphidic quartz veins and stringers. Sulphide-rich zones have returned very high-grade intersections including 1m @ 40.3g/t and 1m @ 34.5g/t. Preliminary metallurgical testing on the sulphide-rich zones indicates that the mineralisation is free-milling.

Interpretation of aeromagnetic data suggests that the mineralised zone parallels a regional scale east-west trending thrust fault and that mineralisation is developed at the intersection of the thrust fault with a north-south trending fault zone.

No resource estimate has been made, as insufficient drilling has been completed to fully delineate the deposit. However, it appears even at this early stage of delineation, that the Lord Henry Deposit, given the good grades and lack of any substantial overburden, has excellent potential for economic development. Development economics are enhanced by Troy owning the Bulchina Mill, approximately 30km distant.

In addition to ongoing RC delineation drilling of the mineralised zone, reconnaissance RAB drilling has also been undertaken to test the surrounding region for additional zones of gold mineralisation. Some early promising results have been obtained.

Troy's Executive Chairman, John Jones, comments "The discovery of the Lord Henry Deposit is a reward for persistence in exploration of the Sandstone Greenstone Belt surrounding our Bulchina operation. It is the best discovery we have made in the Belt since we developed the Bulchina Mine and it has the potential to add significantly to the life of our Sandstone area operations. Delineation of the Lord Henry Deposit is now of the highest priority."

G F Kaczmarek
Company Secretary

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ATTRIBUTION

Information in this report which relates to mineralisation is based on information compiled by Len Skotsch, a full time employee of Troy Resources NL who is a Member of the Australasian Institute of Mining and Metallurgy and has relevant experience as a Competent Person, as defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves, in relation to mineralisation being reported on.

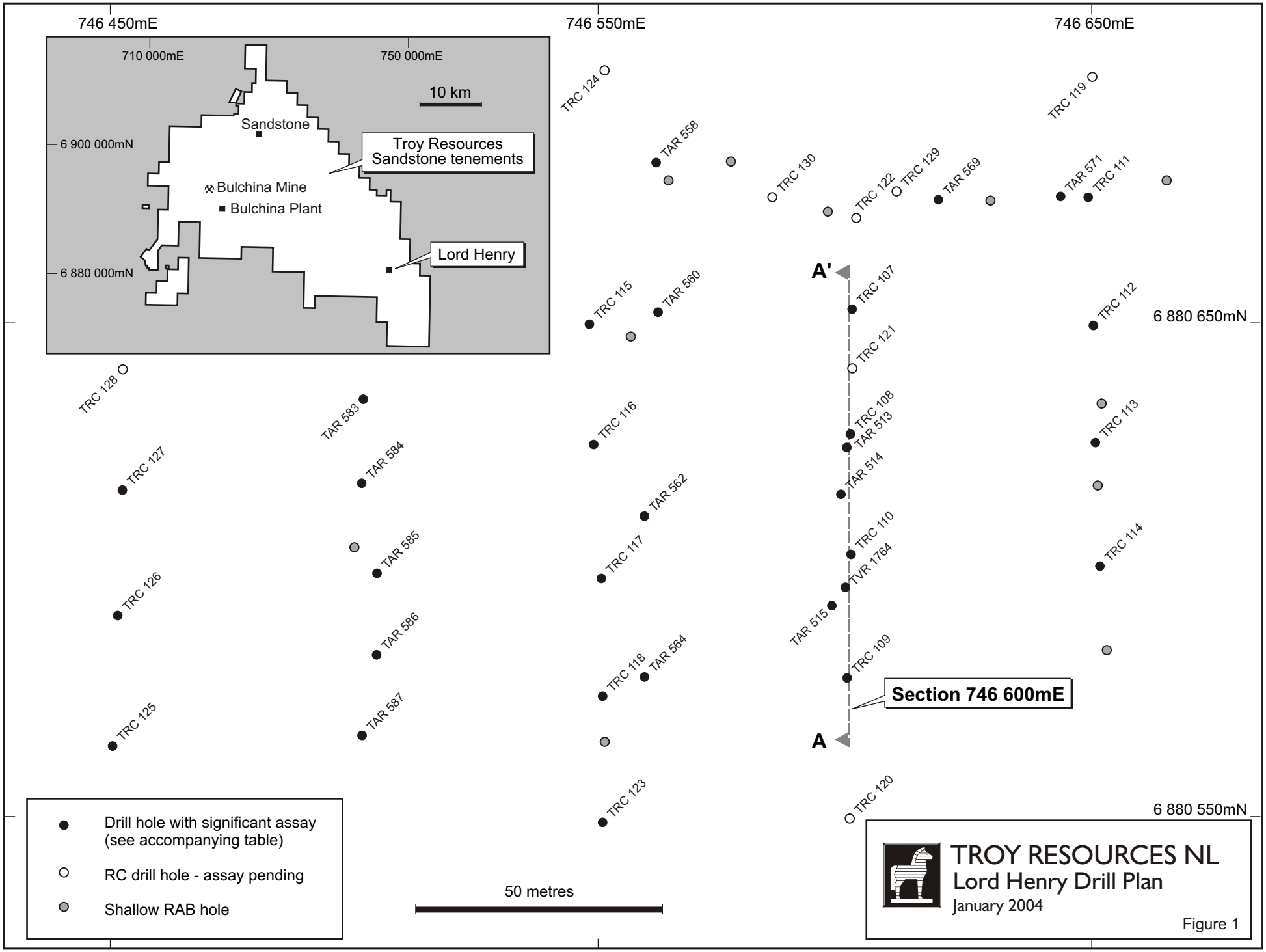
Table 1
Lord Henry Deposit
Significant RAB & RC Intersections

Hole ID	AMG East	AMG North	Dip/ Azimuth	Depth (m)	From (m)	To (m)	Length (m)	Grade g/t Au
TVR1764	746599	6880596	-90/000	14	2	14	12	**8.68**
				Inc	5	6	1	**70.80**
TAR512	746598	6880600	-60/180	16	2	16	14	**8.51**
				Inc	6	7	1	**60.50**
TAR513	746600	6880625	-60/180	16	10	11	1	**16.40**
					13	14	1	**1.26**
TAR514	746599	6880615	-60/180	25	11	17	6	**2.48**
					23	25	2	**14.80**
TAR515	746597	6880592	-60/180	16	2	10	8	**2.18**
					14	16	2	**1.15**
TAR558	746561	6880682	-60/180	44	15	18	3	**2.70**
					31	36	5	**3.68**
					39	41	2	**1.28**
TAR560	746561	6880651	-60/180	53	9	10	1	**1.36**
					14	15	1	**1.15**
					30	35	5	**2.44**
					44	46	2	**2.85**
TAR562	746559	6880611	-60/180	30	15	20	5*	**1.43**
					25	30	5*	**1.88**
TAR564	746575	6880579	-60/180	30	0	5	5*	**2.75**
					5	10	5*	**2.85**
TAR567	746576	6880682	-60/090	33	13	14	1	**3.45**
					23	27	4	**2.75**
					28	29	1	**1.65**
					32	33	1	**1.00**
TAR569	746618	6880681	-60/090	35	5	10	5*	**3.50**
					15	20	5*	**2.05**
					20	25	5*	**1.80**
					30	35	5*	**2.95**
TAR571	746643	6880675	-60/090	31	25	30	5*	**2.35**
TAR583	746501	6880634	-60/180	35	34	35	1	**3.65**
TAR584	746501	6880617	-60/180	37	26	29	3	**4.53**
					33	35	2	**2.97**
TAR585	746504	6880599	-60/180	35	20	22	2	**3.70**
					26	27	1	**1.01**
TAR586	746504	6880583	-60/180	35	11	13	2	**3.72**
					17	19	2	**1.05**
					22	23	1	**1.02**
TAR587	746501	6880566	-60/180	35	2	4	2	**1.83**
					31	33	2	**3.60**

Hole ID	AMG East	AMG North	Dip/ Azimuth	Depth (m)	From (m)	To (m)	Length (m)	Grade g/t Au
TRC107	746601	6880652	-60/180	70	20	23	3	**7.52**
					32	33	1	**1.97**
					36	44	8	**7.42**
				Inc	38	39	1	**40.30**
					56	58	2	**2.19**
					68	69	1	**10.20**
TRC108	746600	6880627	-60/180	60	6	7	1	**1.02**
					12	13	1	**3.20**
					16	22	6	**6.39**
				Inc	19	20	1	**22.90**
					26	28	2	**1.49**
					33	38	5	**2.52**
					49	52	3	**10.07**
				Inc	50	51	1	**27.40**
					55	58	3	**1.87**
TRC109	746600	6880578	-60/180	60	5	7	2	**1.41**
					15	16	1	**2.80**
					33	34	1	**3.85**
					43	44	1	**3.70**
TRC110	746601	6880603	-60/180	60	6	9	3	**15.07**
				Inc	7	8	1	**38.30**
					13	15	2	**4.55**
					25	27	2	**2.06**
					46	47	1	**1.10**
TRC111	746649	6880675	-60/180	70	25	31	6	**1.20**
					33	35	2	**8.75**
					62	63	1	**1.56**
TRC112	746650	6880649	-60/180	60	14	19	5	**4.06**
					20	21	1	**1.60**
					23	29	6	**4.38**
					42	43	1	**1.30**
TRC113	746650	6880625	-60/180	60	8	14	6	**7.39**
				Inc	8	9	1	**29.00**
					17	19	2	**1.93**
					22	23	1	**1.92**
TRC114	746651	6880600	-60/180	60	7	8	1	**1.24**
					29	30	1	**4.60**
TRC115	746547	6880649	-60/180	77	30	32	2	**5.55**
					33	34	1	**1.51**
					35	36	1	**1.05**
					43	46	3	**2.22**
					60	61	1	**3.60**
					70	74	4	**2.51**
TRC116	746548	6880625	-60/180	62	7	8	1	**1.17**
					25	27	2	**3.60**

Hole ID	AMG East	AMG North	Dip/ Azimuth	Depth (m)	From (m)	To (m)	Length (m)	Grade g/t Au
					29	36	7	**10.20**
				Inc	30	31	1	**34.90**
					39	40	1	**1.47**
					58	59	1	**1.22**
TRC117	746550	6880598	-60/180	60	14	17	3	**1.92**
					21	22	1	**1.66**
					24	25	1	**2.80**
					38	39	1	**10.00**
TRC118	746550	6880574	-60/180	70	1	9	8	**8.07**
				Inc	5	6	1	**35.80**
					15	16	1	**4.80**
					31	32	1	**7.05**
					48	49	1	**10.50**
					50	51	1	**29.20**
					57	58	1	**1.09**
TRC123	746550	6880549	-60/180	70	4	5	1	**2.20**
					11	13	2	**2.58**
					26	28	2	**1.35**
					63	65	2	**3.10**
TRC125	746450	6880564	-60/180	70	16	17	1	**1.30**
					31	32	1	**1.29**
TRC126	746451	6880591	-60/180	78	9	10	1	**4.25**
					27	28	1	**2.30**
					33	34	1	**3.65**
					69	72	3	**3.80**
TRC127	746452	6880616	-60/180	70	30	32	2	**3.90**
					36	37	1	**2.55**

* composite samples
Assay method: 50g fire assay


746 450mE
746 550mE
746 650mE
710 000mE
750 000mE
10 km
Sandstone
6 900 000mN
6 880 000mN
Troy Resources
Sandstone tenements
Bulchina Mine
Bulchina Plant
Lord Henry
TRC 124
TRC 119
TAR 558
TRC 130
TRC 122
TRC 129
TAR 569
TAR 571
TRC 111
A'
TRC 107
TRC 112
6 880 650mN
TRC 115
TAR 560
TRC 121
TRC 128
TAR 583
TRC 116
TRC 108
TAR 513
TRC 113
TRC 127
TAR 584
TAR 514
TAR 562
TRC 110
TRC 117
TAR 585
TVR 1764
TRC 114
TRC 126
TAR 515
TAR 586
TRC 109
TRC 118
TAR 564
Section 746 600mE
TRC 125
TAR 587
A
TRC 123
TRC 120
6 880 550mN
Drill hole with significant assay
(see accompanying table)
RC drill hole - assay pending
Shallow RAB hole
50 metres
TROY RESOURCES NL
Lord Henry Drill Plan
January 2004
Figure 1

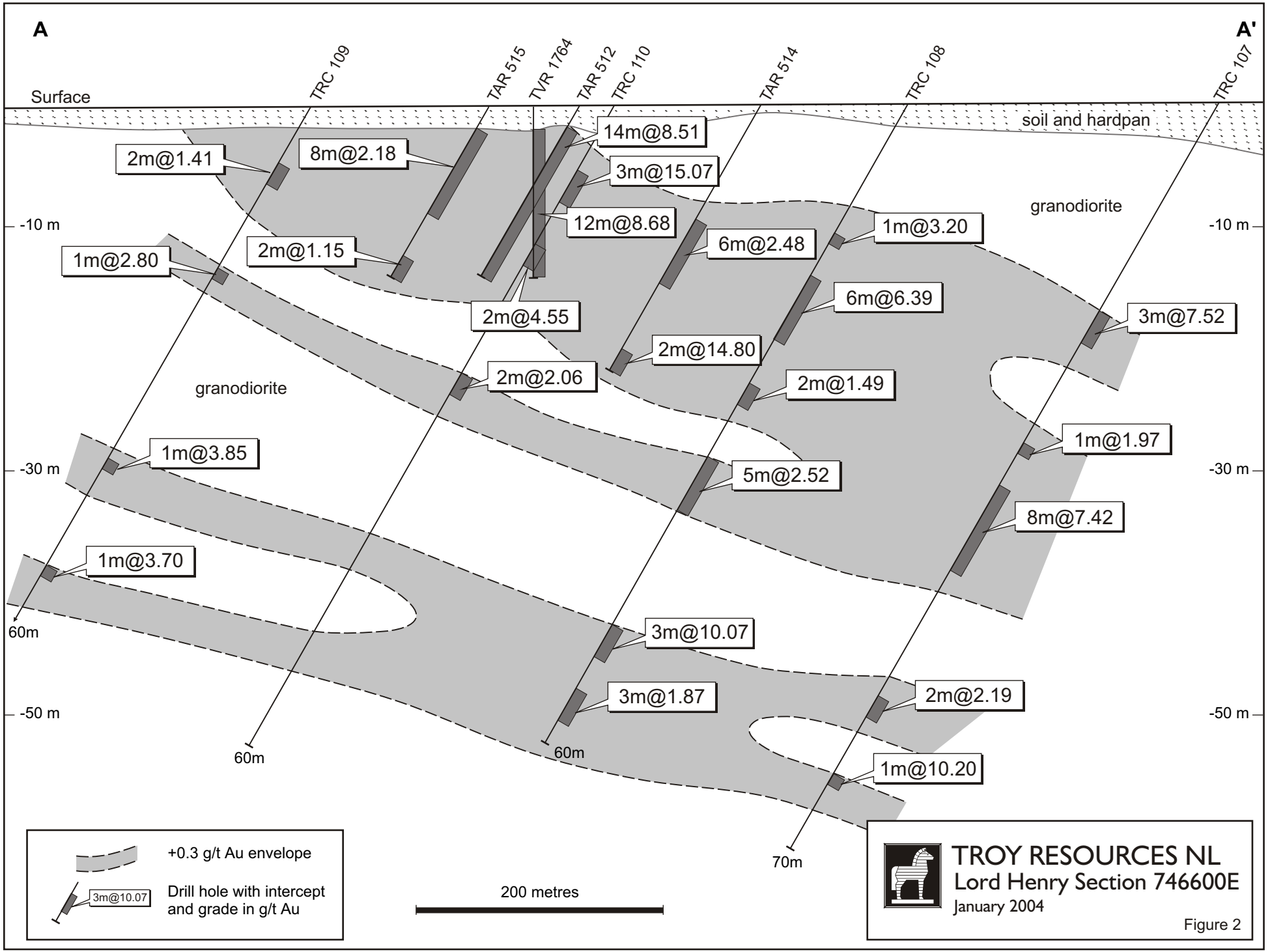

A
A'
Surface
TRC 109
TAR 515
TVR 1764
TAR 512
TRC 110
TAR 514
TRC 108
TRC 107
soil and hardpan
granodiorite
granodiorite
-10 m
-30 m
-50 m
-10 m
-30 m
-50 m
2m@1.41
8m@2.18
14m@8.51
3m@15.07
12m@8.68
1m@3.20
6m@2.48
2m@1.15
1m@2.80
6m@6.39
3m@7.52
2m@4.55
2m@14.80
2m@2.06
2m@1.49
1m@1.97
1m@3.85
5m@2.52
8m@7.42
1m@3.70
3m@10.07
3m@1.87
2m@2.19
1m@10.20
60m
60m
60m
70m
+0.3 g/t Au envelope
3m@10.07
Drill hole with intercept and grade in g/t Au
200 metres
TROY RESOURCES NL
Lord Henry Section 746600E
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Figure 2