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# TRADING F

## Dual-listed gold play looks to be heading higher

TECHNICAL ANALYSIS  
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WITH the gold price in the stratosphere as fear grips international financial markets, it may be an opportune moment for investors to look at the possibilities offered by gold stocks. This week Rob Shelley, director of Total Trading Concepts and a councillor with the Australian Technical Analysts Association, brings his analytic skills to bear on gold and silver miner Troy Resources.

Troy has two dedicated gold assets, the Sandstone project in Western Australia and the Andorinhas Project

in Brazil and a gold and silver project in Argentina known as Casposo. Sandstone is closed at the moment and may be sold, while the two South American projects are in production, with Casposo being in the ramp-up phase.

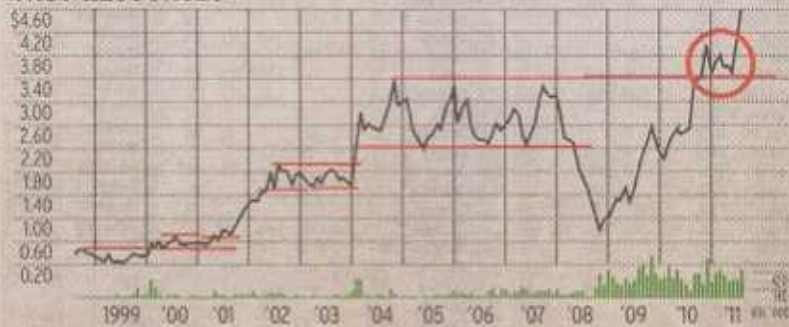
The company's aim is to become a significantly profitable mid-tier gold producer with a portfolio of quality long-life assets.

To that end, it has been spending big on exploration.

Its current market capitalisation is \$384 million and it is dual-listed on the Australian and Toronto exchanges.

In recent years, Troy has been making losses. But things turned positive in the December half and it is tipped to turn an expected negative 5.9¢ in earnings per share in 2010-11 into a

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positive 20.8¢ a share this financial year, followed by a positive 63.5¢ in 2013.

There has been plenty of action in Troy's share price over time. In 2001 and 2002 it made gains of 100 per cent while the broader market made lower lows. Then in 2002-03, Troy became range-bound between \$1.50 and

\$1.80 while the broader market again slipped, which suggested further strength for Troy.

That sign proved accurate and in 2004 Troy again made new highs, gaining 126 per cent to \$3.40. Then it met further resistance and traded in a band between \$3.40 and \$2.20 for the next four years.

When the global financial crisis hit in 2008 Troy was clobbered. It fell 75 per cent to a low of 80¢ in 2009. However, the market then saw quality in the small miner and things turned dramatically, delivering a whopping 400 per cent share price gain by late last year.

By the end of 2010, Troy had broken through its old resistance level of \$3.40. Shelley says the stock now appears to have made that old resistance level a support level, indicating the likelihood of further strength in the share price.

Over 10 years Troy has delivered share price growth of about 500 per cent.

This column is not investment advice and investors should seek professional counsel.  
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