



19 March, 2015

ASX Market Announcements
ASX Ltd
Level 4
20 Bridge Street
SYDNEY NSW 2000

PROPOSED ISSUE OF A CLASS PERFORMANCE RIGHTS

Truscott Mining Corporation Limited (TRM or Company) advises that the Company will seek shareholder approval at the next General Meeting of members for the issue of 3,700,000 A Class Performance Rights (PR) to Messrs Peter Smith (1,500,000 PR), Michael Povey (1,100,000 PR) and Ms Rebecca Moore (1,100,000 PR), Directors of the Company. These PR will be in lieu of director's fees for the year ending 30 June 2015.

In previous years the Company has received shareholder approval to issue shares to the Directors in lieu of Director's fees. This measure, if approved by the shareholders, will more closely align the interests of the Directors with those of the shareholders in that they will only receive shares in the Company if the performance milestone is reached. If shareholder approval is not received the Director fees will remain payable in cash. The amounts payable would be: Peter Smith \$57,600, and for Michael Povey and Rebecca Moore, \$43,200 each. Please see Annexure A for full details of the PR.

In the 12 months prior to this announcement the Company's shares have traded in the range of 2.9 cents to 4.3 cents. The last trade of the Company's shares was for 4 cents on 20 February 2015. The average of the closing prices of the Company's shares over the last 20 days that they traded prior to this announcement was 3.3 cents.

For and on behalf of the Board

Michael J Povey
Company secretary



Annexure A – A Class Performance Rights

Conditions attaching to the Performance Rights

- (A) A Performance Right is **not** a share in the capital of Truscott Mining Corporation Limited ABN 31 116 420 378 (**the Company**). It is a right, subject to a Milestone being reached, to acquire 1 fully paid ordinary share for each right at no consideration to the holder of the right.
- (B) The Performance Rights shall **not** confer on the holder (**the Holder**) the right to receive notices of general meetings **nor** financial reports and accounts of the Company that are circulated to holders of fully paid ordinary shares in the capital of the Company (**the Shareholders**). Holders do not have the right to attend general meetings of Shareholders.
- (C) The Performance Rights **do not** entitle the Holder to vote on any resolutions proposed at a general meeting of Shareholders.
- (D) The Performance Rights **do not** entitle the Holder to any dividends.
- (E) The Performance Rights **do not** participate in the surplus or assets of the Company upon a winding up of the Company.
- (F) The Performance Rights are **not** transferable.
- (G) If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganization.
- (H) The Company shall allot and issue Shares immediately upon conversion of Performance Rights for no consideration and shall record the allotment and issue in the manner required by the Corporations Act.
- (I) The Performance Rights will not be quoted on ASX. However, upon conversion of the Performance Rights into fully paid ordinary shares (the Shares), the Shares will (as and from 5pm EST on the date of allotment) rank equally with and confer rights identical with all other Shares then on issue and the Company must within 2 Business Days after the conversion, apply for official quotation of the Shares arising from the conversion on ASX.
- (J) Shares issued on conversion of the Performance Rights must be free from all encumbrances, securities and third party interests. The Company must ensure that Shares issued on conversion of the Performance Rights are freely tradeable without being subject to on-sale restrictions under section 707 of the Corporations Act, on and from their date of issue.
- (K) Holders of Performance Rights will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus shares and entitlement issues.

- (L) If, prior to the Expiry Date, a Change in Control Event occurs then each Performance Right will be converted into one Share. The maximum number of Performance Rights that can be converted into Shares and issued under this clause (m) upon a Change in Control Event occurring must not exceed 10% of the issued share capital of the Company (as at the date of the Change in Control Event) . The Company shall ensure a pro-rata allocation of Shares issued under this clause (m) to all Performance Right holders.
- (M) The Performance Rights give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

Conversion of the Performance Rights

- (N) Each Class A Performance Right will automatically convert into one Share, as long as the Fully Paid Ordinary shares have a closing price on ASX of 8 cents on 20 consecutive days where the shares have traded (**Milestone**).
- (O) Regardless of meeting the Milestone, no right can convert before 1 July 2016.
- (P) If the Milestone has not been achieved by the Expiry Date, then the Performance Rights will automatically expire.
- (Q) For the purposes of these terms and conditions:
- a. "Change in Control Event" means:
- i. the occurrence of:
1. the offeror under a takeover offer in respect of Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and
 2. that takeover bid has become unconditional; or
- ii. the announcement by the Company that:
1. shareholders of the Company have at a Court-convened meeting of shareholders voted in favour, by the necessary majority of a proposed scheme of arrangement under which all Shares are to be either cancelled or transferred to a third party; and
 2. the Court, by order, approves the scheme of arrangement,
- but shall not include a scheme of arrangement for the purposes of a corporate restructure (including change of domicile, consolidation, subdivision, reduction or return) of the issued capital of the Company.
- c. "Expiry Date" means In relation to the Class A Performance Rights, 4 years from the date of issue.