

ACTIVITIES REPORT - SEPTEMBER QUARTER 2010

Activity Summary

- During the quarter Truscott significantly advanced the status of the Westminster Gold Project in the Central Tennant Creek Mineral Field (Figure 1) by indentifying two high-grade gold shoots that appear to increase in extent and tenor with depth.
- The two shoots demonstrate significant gold mineralisation is constrained within a series of hydrothermal altered zones, with a massive chlorite magnetite zone intersected at depth.
- Intersections of zones of massive chlorite magnetite associated with high-grade gold mineralisation as predicted by structural models will focus the next round of drilling at potential major high-grade (+15g/t Au) gold accumulations at depth.
- Following the significant results received from drilling completed during the September quarter, actions were taken to support further drilling at Westminster for the next six months by initiating the raising of a further \$1.0 million of new equity.
- Truscott continues to progress research into the structural controls and the character of mineralisation within the central Tennant Creek high-grade gold field.
- The research modelling used to successfully identify the two high-grade gold zones indicates the strike length of the mineralised corridor at Westminster is in excess of 2.2km in length and has the potential to host at least ten similar sized mineralised zones.
- Eight of the additional potentially mineralised zones predicted by the modelling of the Westminster Deposit will also be tested in the next round of drilling.
- Drilling at Westminster is planned to commence in early November 2010 with progressive reporting of results over a three to six month period.
- An RC hole drilled at Lyall successfully intersected a predicted, but previously unknown massive magnetite/haematite ironstone at a depth of 250m.





Figure 1: Exploration Activity Centres - Tennant Creek NT

TENNANT CREEK GEOSYNCLINE – Lower Proterozoic

Poly-Metallic (Au, Ag, Bi, Mo, Co, Cu, Pb, Zn, U, Fe) Systems

Strategic Tenement Holdings

For logistical reasons the company is focusing its exploration effort in an area within a 25km radius of the Tennant Creek Township (Figure 2). Within this area, two underground operations, Peko and Juno stand out, with substantive past and present publicly reported inferred and indicated resource estimates for each deposit.

The company's structural modelling has identified primary targets exhibiting congruent structural settings to major deposits in the Tennant Creek Mineral Field. The targets are located at the intersections between the axis of major folds with prominent shear zones (Figure 2).

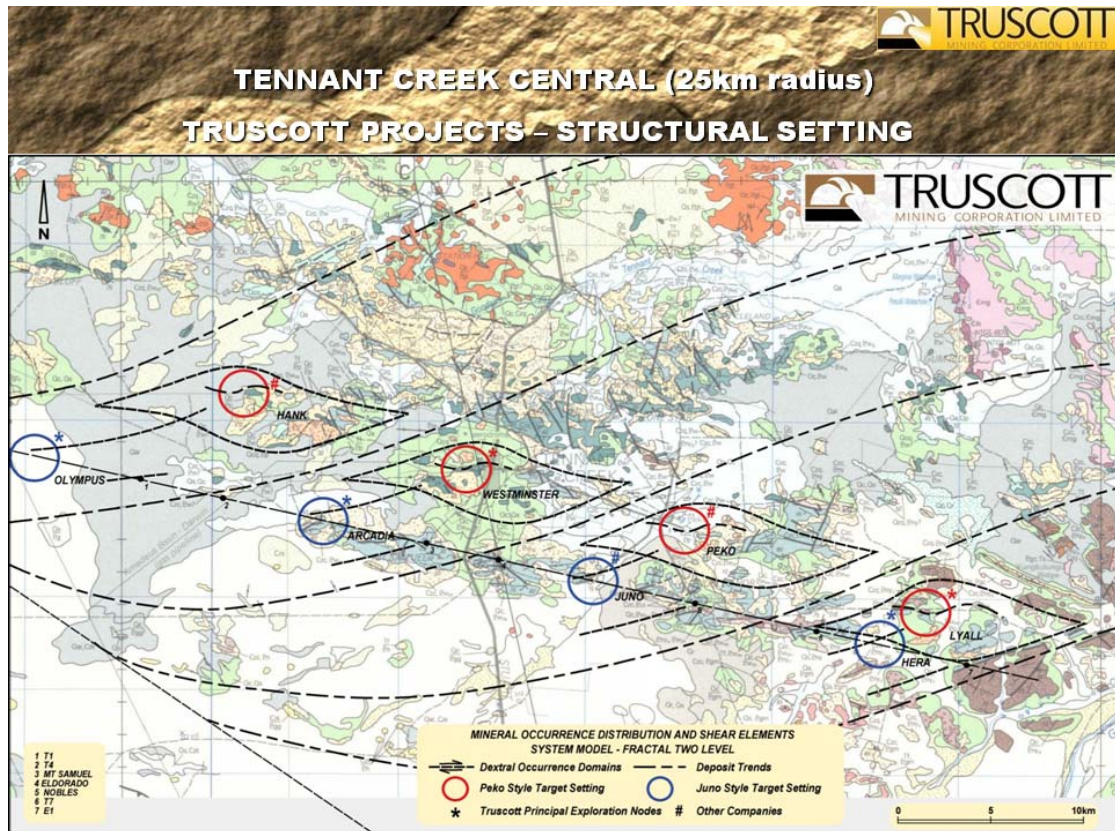


Figure 2: Tennant Creek Mineral Field – Structural Settings

Westminster Project

(Truscott: MLC511, A25952, A26500, A26588 all 100%)

Truscott’s Westminster Project is located just west of the Tennant Creek Township in the centre of the Tennant Creek Mineral Field. The project covers an area of 5.96 km² which includes some of the earliest workings and discoveries in the field that date from the mid 1930’s.

Truscott has been the first company to successfully consolidate a number of these historical mining leases along a line of strike. The project covers more than 2.2 km strike length of mineralised ironstone outcrop and sub-crop that host numerous historical shallow high grade gold workings. The project site is ideally located close to all major service connections and within 500m of the local airport.

Westminster Mineralised Lodes

Mapping, geophysical data and drilling data have all been used to describe and identify the trends and structures present at the Westminster Project.

Interpreted dextral dilation envelopes enclose an “offset” shear/alteration zone proximal to a principle fold axis, the fold axis has a trace approaching 068⁰ (Figure 3). The shear/alteration zone is characterised by chlorite/carbonate/iron alteration and cuts through a sequence of north dipping fine grained shale units.

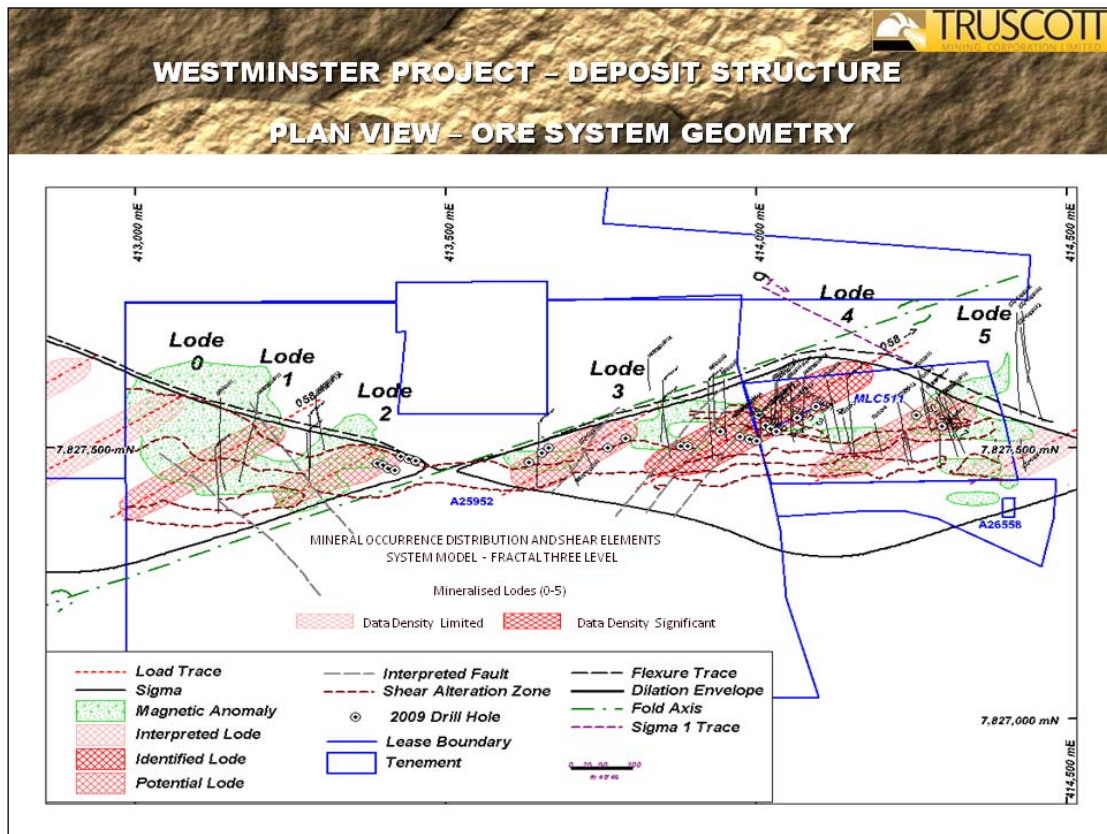


Figure 3: Plan View of Potential Mineralised Lodes at Westminster Project

The interpreted dilation envelopes are offset and are approximately 1km in length. Each envelope encloses at least three potential lode systems which are defined to constitute a potential ore body. Each potential lode system contains multiple potential ore shoots plunging towards 058°.

The drilling and data density at the eastern end of the project area around the potential Lode 4 is higher than that of the western end of the project. As a consequence the level of understanding and control over the placement of potential ore shoots is better defined in the immediate proximity of Lode 4. A more detailed plan is illustrated in Figure 4.

Westminster - Drill Program Targeting

Historical reports record the relationship between early stage ironstone bodies and later stage gold mineralisation. Work during the year supports the view that the gold and poly-metallic mineralisation at Tennant Creek was deposited during a structural event that post dates the development of the ironstone lenses.

The orientations associated with the discrete early and late stage events are illustrated in Figure 5. Separate traces are drawn for the early stage ironstone lenses and the later stage mineralisation trend. Drilling and mapping indicate that the intersections between the later mineralising systems with the earlier ironstone lenses are important targets for high grade mineralisation.

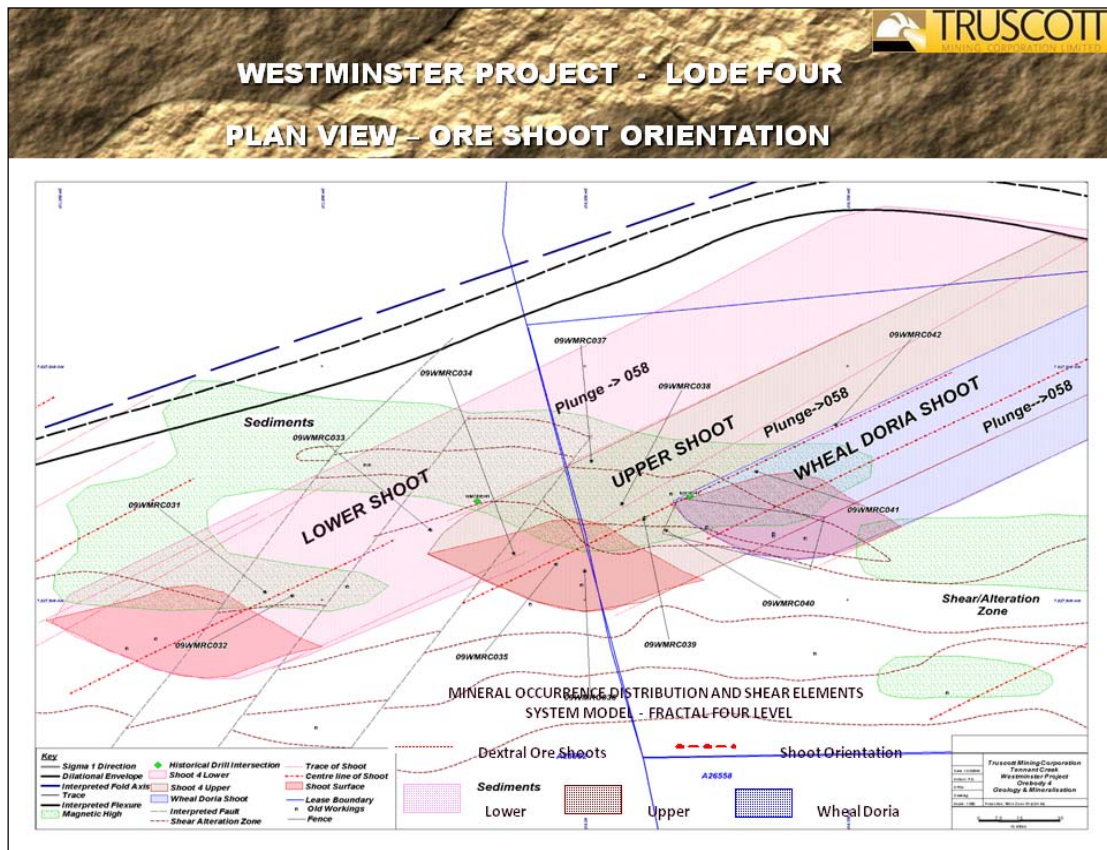


Figure 4: Plan View of Lode 4 – Shoot Orientations, Westminster Project

Westminster – Drill Program Results

Drilling during the September quarter at the Westminster Project has identified high grade gold leads contained within the potential mineralised shoots. The drilling intersected a series of alteration zones and tracked the potential lode systems for vertical depths of up to 200m below surface.

Gold mineralisation within Shoot F has now been identified 250m down the length of the shoot. The mineralisation appears to be increasing in size and intensity with depth and hosted within a massive magnetite chlorite zone. Anomalous gold values (>0.01g/t Au) in Shoot F are almost continuous along a down hole length of 80m. A core mineable width of **4m @ 19g/t Au** has been identified with a peak assay value of **46g/t Au**.

Shoot G is located adjacent and to the east of Shoot F. It was identified as reported in January 2010. Gold mineralisation within Shoot G has been identified 120m down the length of the shoot. Anomalous gold values (>0.01g/t Au) in Shoot G are continuous along a down hole length of 60m. A core mineable width of **5m @ 24g/t Au** has been identified with a peak assay value of **80g/t Au**.

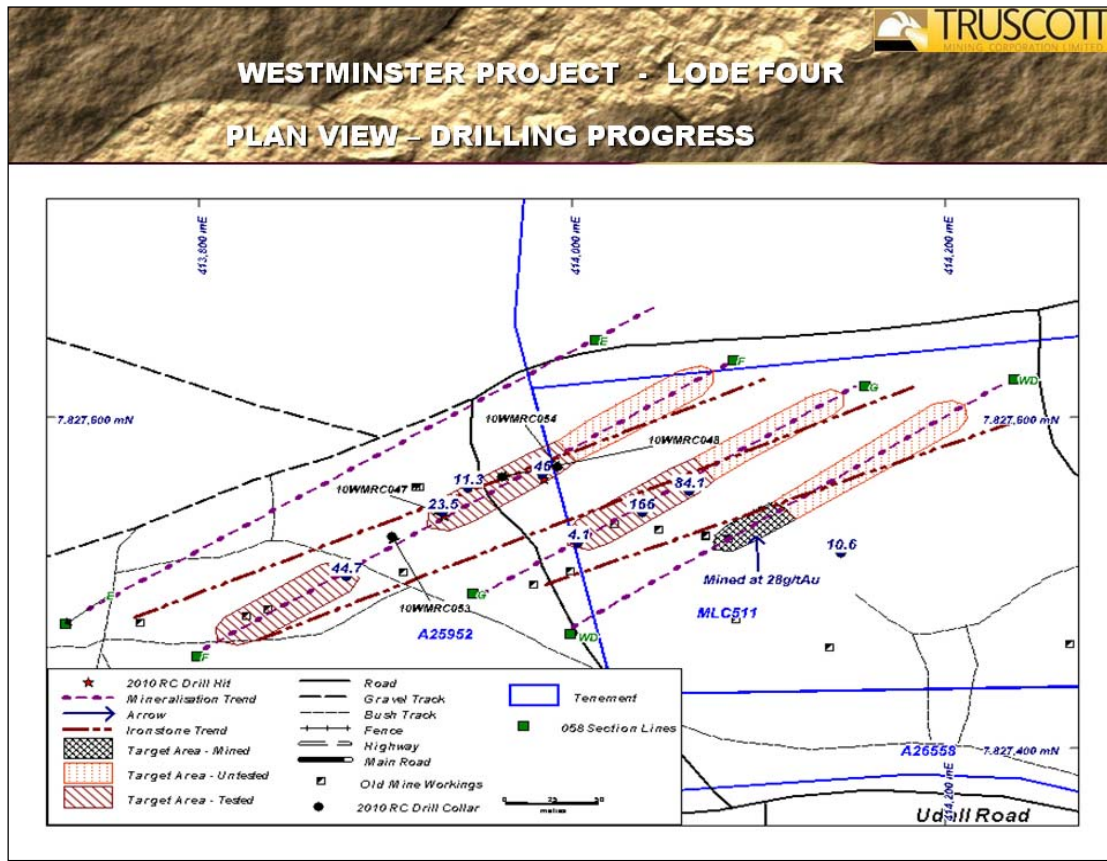


Figure 5: Plan View of Lode 4 – Drilling on Mineralised shoots F, G, and WD

The character of the vertical zoning and the alteration envelopes associated with Tennant Creek high grade gold systems is well documented. A review of this work provides a basis for following the gold leads to depth. The peak grades from intersections drilled down the trace of mineralised shoot F are shown in Figure 5. The deepest hole (10WMRC054) drilled in Shoot F confirms the development of higher gold tenor at depth and indicates the potential for continuity down the trace of the shoot.

The mineral zones evident at Westminster (Figure 6) demonstrate a transition from talc-chlorite-magnetite to massive magnetite chlorite. The latter zone is often associated with high gold grades and is located approximately 200m below surface. Descriptions of drill chips from Shoot F indicate the character of the alteration and mineral zones is similar to that documented for the high grade Juno deposit (452,000 tonnes @ 56.1g/t Au).

The comparative illustration of the Juno deposit (after Large 1975) is included in Figure 7. The core of the Juno deposit is set at actual depth and is in accordance with the actual depths indicated for shoot F at Westminster. Both the North-South Juno Section and the Shoot F Section, orientated at 058⁰, are drawn to the same scale. Similarities are clearly evident in the alteration and mineral zoning developed around

both the Juno deposit and Shoot F. The diagram clearly illustrates the potential size of Shoot F.

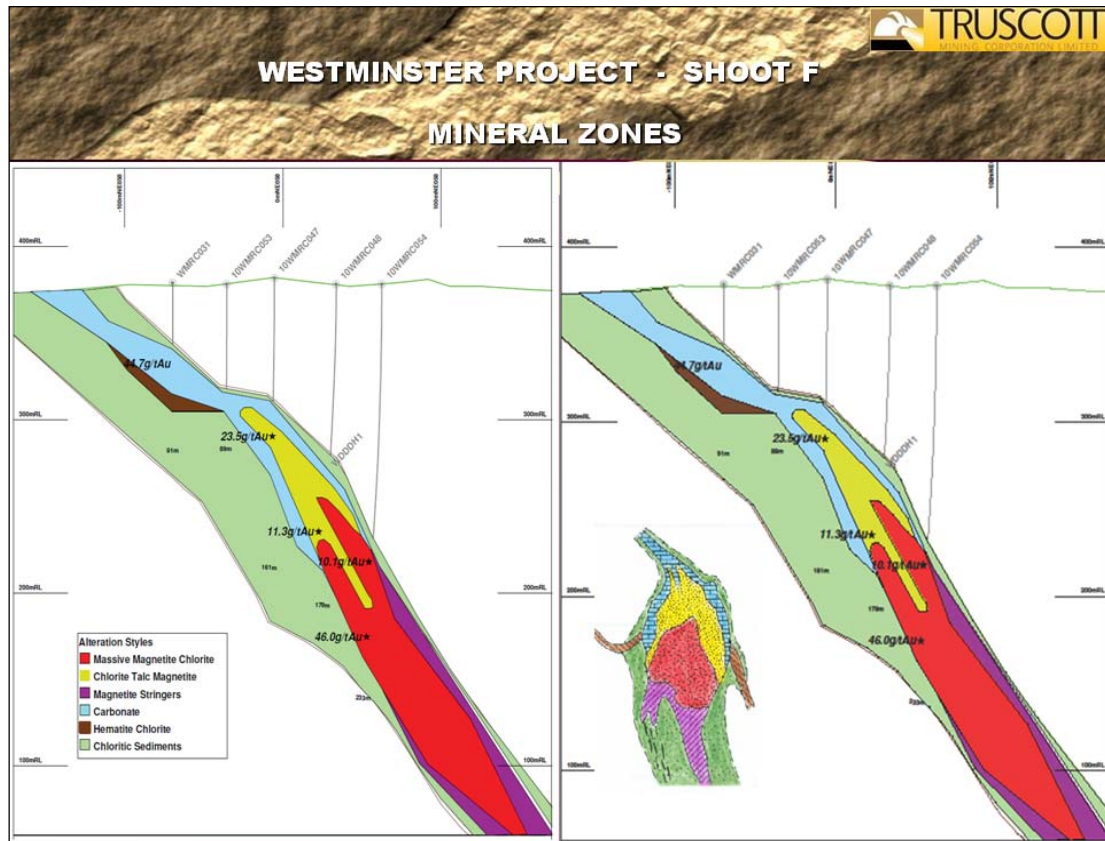


Figure 6: Hydrothermal Mineral Zones & Size of Shoot F Compared with the Juno Deposit

Two rounds of reverse circulation drilling have now been completed at the Westminister Project. The drilling successfully:

- Identified down plunge mineralisation within Shoots F and G.
- Defined the location of plunge axis of other potential mineralised shoots.

High grade gold drill intercepts returned from Shoot F and G have identified continuity in the high grade gold mineralisation down plunge. The results confirm the understanding of the Westminister mineralisation and its relationship to the structural model developed for the wider Tennant Creek Mineral Field.

Key intersections (>4g/t) returned for Shoot F include:

09WMRC031*	2m @ 26.3g/t Au from 46m 2m @ 4.04g/t Au from 56m
10WMRC047	6m @ 5.45g/t Au from 86m 1m @ 6.6g/t Au from 97m

WMDDH1** (database) 1.83m @ 11.32g/t Au from 136m

10WMRC054 1m @ 10.1g/t Au from 160m
6m @ 12.3g/t Au from 209m

These intercepts confirm the modelled shoot plunge axis and indicate continuity of **high grade gold mineralisation in Shoot F for a vertical distance of at least 200m below surface (down plunge length of 250m)**

Key intersections (>4g/t Au) in shoot G include;

09WMRC036* 1m @ 4.1g/t Au from 33 metres depth

NMDDH1** (database) 7m @ 40.4g/t Au from 71 metres depth

09WMRC041* 5m @ 23.53g/t Au from 83 metres depth
1m @ 13.05g/t Au from 105 metres depth

These intercepts confirm the modelled shoot plunge axis and indicate continuity of **high grade gold mineralisation in Shoot G for a vertical distance of at least 90m below surface (down plunge length of 120m)**

*{Notes - 1g/t Au Cut off max 1m internal waste; *Drilled 2009; **Historical}*

Further drilling at Westminster is planned to:

- Confirm the down plunge continuity of Shoot F and G at depth (>250m).
- Identify other mineralised shoots along the full strike length of Westminster.

Westminster – System Potential

Analysis into the nature of the interaction between the earlier stage ironstone bodies and the later stage gold mineralization has provided a target framework for drill program planning. Complexity of the interactions of the two discrete events has provided a barrier to past explorers and thus provided any opportunity for discovery based on systematic analysis.

Drilling to date has demonstrated that the most highly mineralized sections of the ore shoots occur where the ore shoots transgress the ironstones. A matrix of the intersections points of early stage ironstones and later stage gold mineralisation defines targets for high grade ore.

Historical mining within the Westminster project area appears to have been limited to a series of shallow workings. Drilling has demonstrated that mineralization is hosted in metasediments which either outcrop or are near surface. The workings are not expected to materially reduce the resource potential for the project.

The Westminster system appears to consist of a number of mineralised shoots over an estimated strike length of 2.2 km. The overall potential size of the deposit at Westminster is considered to be of the same order of magnitude as the largest historical mines for the field.

Lyall and Hera Projects

(Truscott: SEL27731, EL25577, EL26221 (all 100%))

The Lyall and Hera Projects are located 20 km east of the Tennant Creek Township.

Prior to initiating significant deep drilling at either the Lyall or the Hera Projects a research initiative has been instigated to study whether the primary target zones within projects exhibit similar characteristics and if target definition methodology can be effectively transported between projects.

Early findings overlain for comparison on the geophysical images for the Westminster Project Area (Figure 7a) and the Lyall Project Area (Figure 7b) demonstrate that a number of congruent features are evident in both areas. The overall higher magnetic intensity at Lyall is attributed to higher amounts of magnetite within the sediments.

A single deep RC reconnaissance hole was drilled at Lyall during the September quarter. The collar of the hole was placed at a position interpreted to be structurally equivalent to where the TC8 mine is located east of Westminster. The hole successfully intersected a predicted, but previously unknown massive magnetite/haematite ironstone at a depth of 250m. The hole confirms the magnetic anomalism to be associated with a blind ironstone body as predicted by the structural model. Further work is required where potential high grade gold mineralisation is located in the ironstone body.

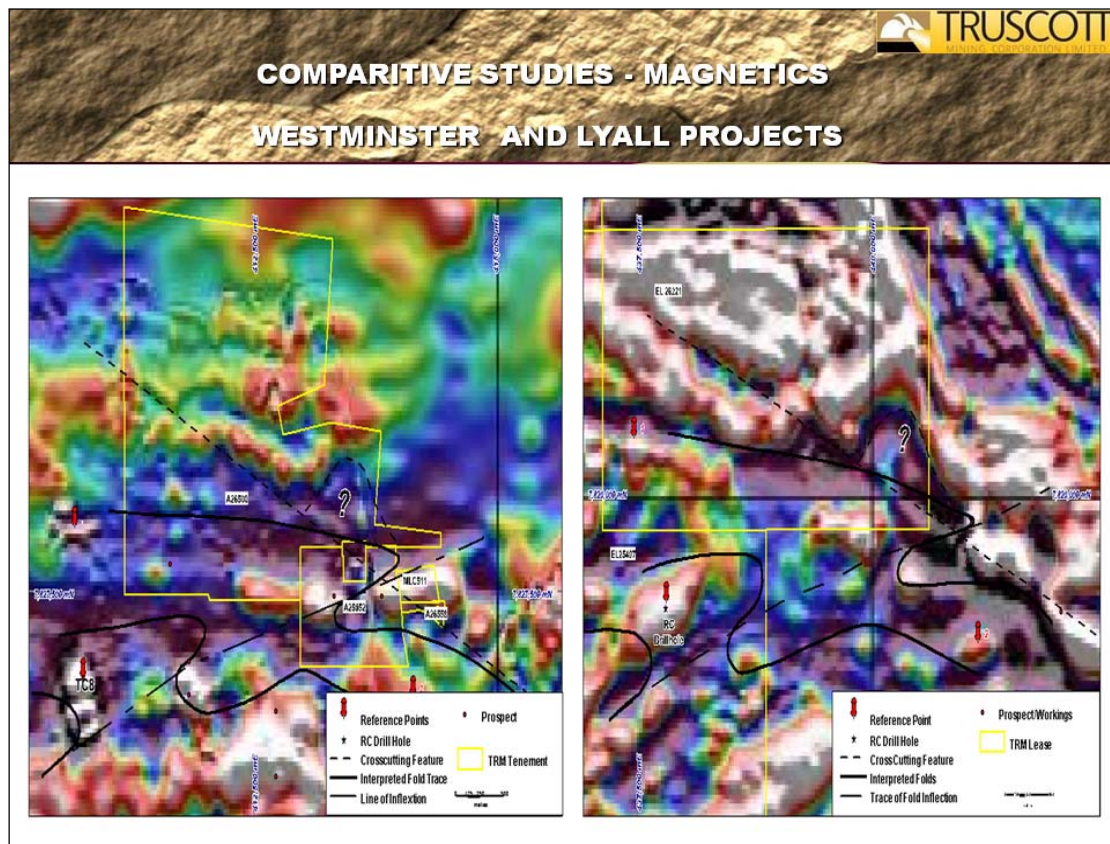


Figure 7a: TMI Image Westminster Project Area. Figure 7b: TMI Image Lyall Project Area.

Olympus

(Truscott: EL 27145 100%)

The Olympus Project is located 25km to the west of the Tennant Creek Township within tenement EL 27145. The target zone is interpreted as an intersection between a fold axis and the southern shear zone. Regional airborne magnetic data and radiometric data clearly identify the target zone.

A detailed ground gravity survey is planned to identify structural targets along the Southern Shear at Olympus. The specifications of the survey are undergoing a final review as part of the comparative study of the company's exploration projects along the Southern Shear.

Arcadia

(Truscott: MLC621, MLC622 all 100%)

Shallow historical gold workings associated with ironstones are located within granted mineral leases MLC621 and MLC622. These mining leases are considered to be as prospective as the other major projects, however Arcadia's ranking as a major exploration project is reduced due to access considerations.

Historical data and geological plans from these leases are now being incorporated in the wider comparative study of prospect settings for Truscott's Hera, Acadia and Olympus Projects located along the southern shear zone.

Peter N Smith Executive Chairman

***Competent Person:** The contents of this report, that relate to geology and exploration results, are based on information reviewed by Ivan Henderson MSc. BSc(Hons), who is a full time employee of Truscott Mining Corporation Limited and a Member of the Australian Institute of Geoscientists. He has sufficient experience relevant to the style of mineralisation and types of deposit under consideration and to the activity being undertaken 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. Ivan Henderson consents to the inclusion in this report of the matters compiled by them in the form and context in which they appear.*