



**TRUSCOTT**  
MINING CORPORATION LIMITED

**ABN: 31 116 420 378**

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**INTERIM FINANCIAL REPORT**

**FOR THE HALF-YEAR ENDED**

**31 DECEMBER 2011**

## **COMPANY DIRECTORY**

### **DIRECTORS**

P N Smith – Executive Chairman  
M J Povey – Executive Director  
R Moore – Non-Executive Director

### **COMPANY SECRETARY**

M J Povey B.Bus, CA, FTIA

### **REGISTERED OFFICE**

6/62 Ord Street  
West Perth WA 6005  
(PO Box 2805, West Perth WA 6872)

Telephone (08) 9327 7300

Facsimile (08) 9245 1088

Email: [admin@truscottmining.com.au](mailto:admin@truscottmining.com.au)

Website: [www.truscottmining.com.au](http://www.truscottmining.com.au)

### **AUDITORS**

Maxim Audit  
243 Hay Street  
Subiaco WA 6008

### **HOME EXCHANGE**

Australian Securities Exchange Ltd  
Exchange Plaza  
2 The Esplanade  
Perth WA 6000

ASX Code: TRM

### **SHARE REGISTRY**

Security Transfer Registrars  
770 Canning Highway  
Applecross WA 6053  
Telephone (08) 9315 2333  
Facsimile (08) 9315 2233

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# TRUSCOTT MINING CORPORATION LIMITED ABN 31 116 420 378

## Interim Financial Report

### Results for announcement to the market

|  | Change from previous December half-year |                           |
|--|---|---------------------------|
|  | \$                                      | %                         |
| Revenue from ordinary operations increased   | 22,830                                  | 11.4%                     |
| Profit (loss) from ordinary activities after tax attributable to members             | 46,453                                  | n/a –previous was a loss  |
| Net profit (loss) attributable to members  | 46,453                                  | n/a – previous was a loss |
| No dividends have been paid and none are proposed to be paid for the current period. |   |                           |
|  | 31.12.2011                              | 31.12.2010                |
| Net tangible assets per security   | 0.5 cents                               | 1.6 cents                 |

**Interim Financial Report**

**DIRECTORS' REPORT**

Your directors submit the financial report of the company for the half-year ended 31 December 2011.

**Directors**

The names of directors who held office during or since the end of the half-year:

Peter Neil Smith – executive chairman

Michael Jarvis Povey – executive director and company secretary

Derrick Sufredo – non-executive director retired 21 February 2012

Rebecca Moore – non-executive director appointed 21 February 2012

**Review of Operations**

*Significant Exploration & Development Activities*

- Resource definition drilling continues to confirm the potential of the Westminster Project to become a new operational centre for the Tennant Creek Goldfield.
- An extensive corridor containing complex poly-metallic mineralisation, including high grade gold, has been defined along the 2.2 kilometre strike length of the Westminster project area.
- Recent acquisition of a more complete structural geological map for the mineralised complex has provided a comprehensive picture of a series of mineralised arrays along the strike.
- Drilling on two of the zones within one of the mineralised arrays has allowed an initial inferred mineral resource of 111,300 tonnes @ 26.5 g/t Au to for 91,700 ounces to be declared.
- Further drilling has been directed to extending the initial resource within the first array by increasing the coverage within the first two zones and commencing work on a third zone.
- In addition, further drilling and modelling has allowed for the architecture of the next target array to be defined with a view to facilitating further systematic extension of the overall resource.
- Work has been initiated ordering and auditing the drill-hole data base to support the generation of an independent resource statement at the conclusion of the current drilling program.
- Geophysical modelling suggests, and drilling indicates, that significant accumulations of high grade gold mineralisation are occurring below a carbonate zone and around 200m below surface.
- Truscott's exploration strategy utilises structural analysis to target predicted ore shoots at depth and mineralised intersections drilled to date confirm the structural model and facilitate planning for future work.
- Ongoing research and development work continued with the evaluation of variations in rock type lithology to support Truscott's work on structural controls and the origin of mineralisation.
- The Westminster Project is now at a transition stage in its development. Continued systematic work and ongoing drilling programs are expected to continue to build the resource base.

*Capital raising*

- The company announced a Share Purchase Plan on 10 January 2012 and has raised \$381,000 from the issue of 3,320,270 fully paid ordinary shares at 11.475 cents.
- A private placement to sophisticated and/or professional investors has raised \$394,750 before costs from the issue of 3,440,090 fully paid ordinary shares at 11.475 cents.

**TRUSCOTT MINING CORPORATION LIMITED ABN 31 116 420 378**

**Interim Financial Report**

**DIRECTORS' REPORT**

***Auditor's Declaration***

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 4 for the half-year ended 31 December 2011.

This report is signed in accordance with a resolution of the Board of Directors.



Director .....

Michael J Povey

Dated this                    14<sup>th</sup>                    day of    March                    2012.

**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF TRUSCOTT MINING CORPORATION LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2011 there have been:

- a. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review;  
and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

*Maxim Audit*

Maxim Audit  
Chartered Accountants

*Mal Lester*

M A Lester  
Perth WA

Dated this 14th day of March 2012.

**TRUSCOTT MINING CORPORATION LIMITED ABN 31 116 420 378**

**Interim Financial Report**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

|   | Note | 31.12.2011 | 31.12.2010 |
|---|------|------------|------------|
|   |      | \$         | \$         |
| <b>Revenue</b>  | 2    | 222,859    | 200,029    |
| <b>Expenses</b>   |      |            |            |
| Consultants   |      | (29,685)   | (41,495)   |
| Directors' remuneration                                     |      | (66,055)   | (42,287)   |
| Depreciation  |      | (1,937)    | (3,114)    |
| Loss on disposal of assets                                  |      | (7,451)    | -          |
| Occupancy costs   |      | (24,159)   | (27,854)   |
| Exploration evaluation and development costs written-off    |      | -          | -          |
| Superannuation expenses                                     |      | (3,988)    | -          |
| Administration expenses                                     |      | (87,120)   | (129,268)  |
| Profit/(loss) before income tax                             |      | 2,464      | (43,989)   |
| Income tax expense  |      | -          | -          |
| Profit/(loss) for the period                                |      | 2,464      | (43,989)   |
| Other comprehensive income                                  |      |            |            |
| Other comprehensive income for the year, net of tax         |      | -          | -          |
| Total comprehensive profit (loss) for the period            |      | 2,464      | (43,989)   |
| Profit/(loss) attributable to:                              |      |            |            |
| Members of the company                                      |      | 2,464      | (43,989)   |
| Total comprehensive profit/(loss) attributable to:          |      |            |            |
| Members of the company                                      |      | 2,464      | (43,989)   |
| <b>Earnings per share</b>                                   |      |            |            |
| From continuing operations                                  |      |            |            |
| Basic and diluted profit/(loss) per share (cents per share) |      | 0.004      | (0.07)     |

The accompanying notes form part of this financial report.



**TRUSCOTT MINING CORPORATION LIMITED ABN 31 116 420 378****Interim Financial Report****STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011**

|  | Note | 31.12.2011       | 30.06.2011       |
|--|------|------------------|------------------|
|  |      | \$               | \$               |
| <b>ASSETS</b>  |      |                  |                  |
| <b>CURRENT ASSETS</b>  |      |                  |                  |
| Cash and cash equivalents                                    |      | 117,646          | 469,284          |
| Trade and other receivables                                  |      | 388,921          | 835,647          |
| Other current assets   |      | 10,292           | 6,836            |
| <b>TOTAL CURRENT ASSETS</b>                                  |      | <b>516,859</b>   | <b>1,311,767</b> |
| <b>NON-CURRENT ASSETS</b>                                    |      |                  |                  |
| Property, plant and equipment                                |      | 33,321           | 40,479           |
| Deferred exploration, evaluation and development expenditure | 3    | 6,034,858        | 5,299,673        |
| <b>TOTAL NON-CURRENT ASSETS</b>                              |      | <b>6,068,179</b> | <b>5,340,152</b> |
| <b>TOTAL ASSETS</b>  |      | <b>6,585,038</b> | <b>6,651,919</b> |
| <b>LIABILITIES</b>   |      |                  |                  |
| <b>CURRENT LIABILITIES</b>                                   |      |                  |                  |
| Trade and other payables                                     |      | 189,748          | 267,716          |
| <b>TOTAL CURRENT LIABILITIES</b>                             |      | <b>189,748</b>   | <b>267,716</b>   |
| <b>TOTAL LIABILITIES</b>                                     |      | <b>189,748</b>   | <b>267,716</b>   |
| <b>NET ASSETS</b>  |      | <b>6,395,290</b> | <b>6,384,203</b> |
| <b>EQUITY</b>  |      |                  |                  |
| Issued capital   | 4    | 6,546,479        | 6,546,479        |
| Reserves   |      | 614,264          | 605,641          |
| Accumulated losses   |      | (765,453)        | (767,917)        |
| <b>TOTAL EQUITY</b>  |      | <b>6,395,290</b> | <b>6,384,203</b> |

The accompanying notes form part of this financial report.

**TRUSCOTT MINING CORPORATION LIMITED ABN 31 116 420 378**

**Interim Financial Report**

**STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

|                                    |      | \$                         | \$                            | \$                     | \$                      |
|------------------------------------|------|----------------------------|-------------------------------|------------------------|-------------------------|
|                                    | Note | <b>Ordinary<br/>Shares</b> | <b>Accumulated<br/>losses</b> | <b>Options Reserve</b> | <b>Total</b>            |
| <b>Balance at 1.7.2010</b>         |      | 4,603,448                  | (1,040,870)                   | 427,033                | 3,989,611               |
| Shares issued during the period    |      | 1,000,000                  | -                             | -                      | 1,000,000               |
| Transaction costs                  |      | (25,000)                   | -                             | -                      | (25,000)                |
| Options reserve                    |      | -                          | -                             | 161,622                | 161,622                 |
| Loss attributable to the members   |      | -                          | (43,989)                      | -                      | (43,989)                |
| <b>Balance at 31.12.2010</b>       |      | <u>5,578,448</u>           | <u>(1,084,859)</u>            | <u>588,655</u>         | <u>5,082,244</u>        |
| <b>Balance at 1.7.2011</b>         |      | 6,546,479                  | (767,917)                     | 605,641                | 6,384,203               |
| Shares issued during the period    |      | -                          | -                             | -                      | -                       |
| Transaction costs                  |      | -                          | -                             | -                      | -                       |
| Options reserve                    |      | -                          | -                             | 8,623                  | 8,623                   |
| Profit attributable to the members |      | -                          | 2,464                         | -                      | 2,464                   |
| <b>Balance at 31.12.2011</b>       | 4    | <u><u>6,546,479</u></u>    | <u><u>(765,453)</u></u>       | <u><u>614,264</u></u>  | <u><u>6,395,290</u></u> |

The accompanying notes form part of this financial report.

**TRUSCOTT MINING CORPORATION LIMITED ABN 31 116 420 378****Interim Financial Report****STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

|  | <b>31.12.2011</b> | <b>31.12.2010</b> |
|--|-------------------|-------------------|
|  | <b>\$</b>         | <b>\$</b>         |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                      |                   |                   |
| Payments to suppliers and employees                              | (312,145)         | (224,311)         |
| Research & development tax concession                            | 665,731           | 634,750           |
| Interest received  | 6,655             | 20,455            |
| Payments for exploration, evaluation and development expenditure | -                 | -                 |
| Net cash used in operating activities                            | <u>360,241</u>    | <u>430,894</u>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                      |                   |                   |
| Purchase of plant and equipment                                  | (5,417)           | (2,990)           |
| Payments for exploration, evaluation and development expenditure | (706,462)         | (616,818)         |
| Payments for security bond                                       | -                 | (13,081)          |
| Net cash used in investing activities                            | <u>(711,879)</u>  | <u>(632,889)</u>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                      |                   |                   |
| Proceeds from issue of shares                                    | -                 | 1,000,000         |
| Net cash provided by financing activities                        | <u>-</u>          | <u>1,000,000</u>  |
| Net increase/(decrease) in cash held                             | (351,638)         | 798,005           |
| Cash and cash equivalents at beginning of period                 | 469,284           | 64,564            |
| Cash and cash equivalents at end of period                       | <u>117,646</u>    | <u>862,569</u>    |

The accompanying notes form part of this financial report.

# TRUSCOTT MINING CORPORATION LIMITED ABN 31 116 420 378

## Interim Financial Report

### NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

#### NOTE 1: BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2011 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Truscott Mining Corporation Ltd. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2011, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

#### *Going concern*

The Company's ability to fund exploration commitments and for use as working capital is dependent upon raising additional capital (now and in future years) or deriving revenue from existing operations. The company currently has on issue a number of unlisted options that will be expiring in the next 12 months and they may be exercised if the market price of the shares exceeds the exercise price in the period leading up to their expiry.

Since balance date the company has raised \$381,000 from a Share Purchase Plan as well as \$394,750 from issuing shares to sophisticated and professional investors at 11.475 cents a share.

The Directors of the company advise that it currently has sufficient cash reserves to fund more than 12 months of basic operations and exploration from balance date. The directors will continue to negotiate additional funding at price levels that are consistent with the company's then current share price. The directors are in negotiations regarding or are considering the following for the next 12 months:

1. Private placements to sophisticated and/or professional investors to raise up to \$2,000,000; and/or
2. A rights issue to raise up to \$1,000,000.

Accordingly, the Directors have prepared the financial statements on a going concern basis. As such, the financial statements do not include any adjustments as to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

#### *New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period*

For the half-year reporting period to 31 December 2011, a number of new and revised Accounting Standard requirements became mandatory for the first time, some of which are relevant to the Company. A discussion of these new and revised requirements that are relevant to the Company is provided below:

#### AASB 124: Related Party Disclosures (December 2009)

AASB 124 (December 2009) introduces a number of changes to the accounting treatment of related parties compared to AASB 124 (December 2005, as amended), including the following:

The definition of a "related party" is simplified, clarifying its intended meaning and eliminating inconsistencies from the definition, including:

- the definition now identifies a subsidiary and an associate with the same investor as related parties of each other;
- entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other;
- the definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other; and
- the definition now clarifies that a post-employment benefit plan and an employer sponsor of such a plan are related parties of each other.

A partial exemption is provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.

# TRUSCOTT MINING CORPORATION LIMITED ABN 31 116 420 378

## Interim Financial Report

### NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

#### NOTE 1: BASIS OF PREPARATION

Application of AASB 124 (December 2009) did not have a significant impact on the financial statements of the Company.

AASB 2010–4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13]

This Standard details numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. Key changes include:

- clarifying the application of AASB 108 prior to an entity's first Australian-Accounting-Standards financial statements;
- adding an explicit statement to AASB 7 that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
- amending AASB 101 to clarify that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
- adding a number of examples to the list of events and transactions that require disclosure under AASB 134; and
- making sundry editorial amendments to various Standards and Interpretations.

Application of the amendments in AASB 2010–4 did not have a significant impact on the financial statements of the Company.

AASB 1054: Australian Additional Disclosures and AASB 2011–1: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113]

AASB 1054 sets out the Australian-specific disclosures that are additional to IFRS disclosure requirements. The disclosure requirements in AASB 1054 were previously located in other Australian Accounting Standards.

Application of AASB 1054 did not have a significant impact on the financial statements of the Company.

#### NOTE 2: PROFIT (LOSS) FOR THE PERIOD

|  | 31.12.2011     | 31.12.2010     |
|--|----------------|----------------|
| The following revenue items are relevant in explaining the financial performance for the interim period: | \$             | \$             |
| Interest received from other persons   | 6,022          | 12,529         |
| Fuel tax credit  | 9,109          | -              |
| Research & development tax concession  | 207,728        | 187,500        |
|  | <u>222,859</u> | <u>200,029</u> |

**TRUSCOTT MINING CORPORATION LIMITED ABN 31 116 420 378**

**Interim Financial Report**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

| NOTE 3: DEFERRED EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE           | \$               |
|--|------------------|
| Carrying amount at 1 July 2010 – at cost                                       | 3,443,006        |
| Deferred exploration, evaluation and development expenditure during the period | 1,839,112        |
| Expenditure associated with acquisitions                                       | 17,555           |
| Disposal of interest in mining tenements                                       | -                |
| Amounts written off during the period  | -                |
| Impairment adjustment  | -                |
| Carrying amount at 30 June 2011 – at cost                                      | <u>5,299,673</u> |
| <br>   |                  |
| Carrying amount at 1 July 2011 – at cost                                       | 5,299,673        |
| Deferred exploration, evaluation and development expenditure during the period | 735,185          |
| Expenditure associated with acquisitions                                       | -                |
| Disposal of interest in mining tenements                                       | -                |
| Amounts written off during the period  | -                |
| Impairment adjustment  | -                |
| Carrying amount at 31 December 2011 – at cost                                  | <u>6,034,858</u> |

The ultimate recoupment of the above deferred exploration expenditure is dependent upon the successful development and commercial exploitation or, alternatively, sale of the respective areas of interest. All of the above expenditure relates to exploration phase.

**TRUSCOTT MINING CORPORATION LIMITED ABN 31 116 420 378**

**Interim Financial Report**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

| NOTE 4: ISSUED CAPITAL   | <b>31.12.2011</b>              |           | <b>30.6.2011</b>            |           |
|--|--------------------------------|-----------|-----------------------------|-----------|
| (i) Issued and paid up capital:                                  | \$                             |           | \$                          |           |
| 66,979,854 (30 June 2011: 66,979,854) fully paid ordinary shares | 6,546,479                      |           | 6,546,479                   |           |
|  | <b>Half-year to 31.12.2011</b> |           | <b>Year ended 30.6.2011</b> |           |
| (ii) Movements in shares on issue                                | <b>No. of shares</b>           | <b>\$</b> | <b>No. of shares</b>        | <b>\$</b> |
| Opening balance  | 66,979,854                     | 6,546,479 | 57,564,502                  | 4,603,448 |
| Placement on 6/10/10 at 20 cents                                 | -                              | -         | 2,500,000                   | 500,000   |
| Placement on 15/10/10 at 20 cents                                | -                              | -         | 2,500,000                   | 500,000   |
| Options exercised 24/1/11 at 20 cents                            | -                              | -         | 500,000                     | 100,000   |
| Placement 27/1/11 at 25 cents                                    | -                              | -         | 300,000                     | 75,000    |
| Options exercised 17/3/11 at 20 cents                            | -                              | -         | 250,000                     | 50,000    |
| Options exercised 31/3/11 at 20 cents                            | -                              | -         | 1,100,000                   | 220,000   |
| Placement 21/6/11 at 23 cents                                    | -                              | -         | 2,265,352                   | 521,031   |
|  | 66,979,854                     | 6,546,479 | 66,979,854                  | 6,569,479 |
| Less costs of issues   | -                              | -         | -                           | 23,000    |
| Closing balance  | 66,979,854                     | 6,546,479 | 66,979,854                  | 6,546,479 |

(iii) Holders of ordinary shares have the right to receive dividends as declared and in the event of winding up of the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held and the amount paid up. Shareholders are entitled to one vote per share held either in person or by proxy at a meeting of the company when a poll is called, otherwise each shareholder has one vote on a show of hands.

|  | <b>Half-year to 31.12.2011</b> |  | <b>Year ended 30.6.2011</b> |  |
|--|--------------------------------|--|-----------------------------|--|
| (iv) Movements in options on issue                                 | <b>No. of options</b>          |  | <b>No. of options</b>       |  |
| Opening balance  | 15,200,000                     |  | 14,700,000                  |  |
| Issue on 06/10/10 exercisable at 45 cents and expiring on 06/10/14 | -                              |  | 500,000                     |  |
| Issue on 15/10/10 exercisable at 45 cents and expiring on 15/10/14 | -                              |  | 500,000                     |  |
| Issue on 01/11/10 exercisable at 45 cents and expiring on 20/08/15 | -                              |  | 300,000                     |  |
| Issue on 01/11/10 exercisable at 45 cents and expiring on 01/11/14 | -                              |  | 1,700,000                   |  |
| Options exercised at 20 cents on 24/01/11                          | -                              |  | (500,000)                   |  |
| Options exercised at 20 cents on 17/03/11                          | -                              |  | (250,000)                   |  |
| Options exercised at 20 cents on 31/03/11                          | -                              |  | (1,100,000)                 |  |
| Options expired 31/03/11   | -                              |  | (1,150,000)                 |  |
| Issue on 21/06/11 exercisable at 45 cents and expiring on 21/06/15 | -                              |  | 500,000                     |  |
| Options expired 20/08/11   | (300,000)                      |  | -                           |  |
| Options forfeited  | (300,000)                      |  | -                           |  |
| Closing balance  | 14,600,000                     |  | 15,200,000                  |  |

(v) Holders of the options have the right to exercise them by paying the exercise price and acquiring one fully paid ordinary share for each option. Option holders do not have the right to receive dividends and are not entitled to vote at any meeting of members.

# TRUSCOTT MINING CORPORATION LIMITED ABN 31 116 420 378

## Interim Financial Report

### NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

#### NOTE 5: SEGMENT INFORMATION

The company operated solely in Australia in mineral exploration for the whole of the period.

#### NOTE 6: CONTINGENT LIABILITIES

The Directors are not aware of any contingent liabilities as at the date of this report.

#### NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

The company announced a Share Purchase Plan on 10 January and has raised \$381,000 from the issue of 3,320,270 fully paid ordinary shares at 11.475 cents. The company has also raised a further \$394,750 from the issue of 3,440,090 fully paid ordinary shares at 11.475 cents to sophisticated and professional investors.

#### NOTE 8: COMMITMENTS

|  | 31.12.2011 | 30.6.2011     |
|--|------------|---------------|
|  | \$         | \$            |
| <b>a. Operating lease commitments</b>  |            |               |
| Non-cancellable operating leases contracted for, but not capitalised in the financial statements |            |               |
| Payable – minimum lease payments   |            |               |
| – not later than 12 months   | 0          | 33,450        |
| – between 12 months and 5 years  | 0          | 0             |
| – greater than 5 years   | <u>0</u>   | <u>0</u>      |
|  | <u>0</u>   | <u>33,450</u> |

The company's property lease expired in May 2010 and it has been renewed on a rolling 3 month term. The lease was terminated by the company on 30 September 2011.

#### b. Capital expenditure commitments

Estimated commitments for which no provisions were included in the financial statements are as follows:

##### Exploration Expenditure Commitments

The company has certain obligations to perform minimum annual exploration work totalling \$175,000 on its properties.

#### NOTE 9: RELATED PARTY DISCLOSURES

Transactions with related parties:

Peter N Smith is a director of Resource Investments & Consulting Pty Ltd which provided mining engineering and field technician services totalling \$134,295 during the 6 months ended 31.12.2011 (6 months ended 31.12.2010 \$98,000).

Michael J Povey is the principal of a Chartered Accounting practice which provided accounting and company secretarial services totalling \$27,390 during the 6 months ended 31.12.2011 (6 months ended 31.12.2010 \$22,300). Mr Povey reimbursed the company \$3,345 for the use of company office space during the 3 months up to the termination of the company's office lease.



**TRUSCOTT MINING CORPORATION LIMITED ABN 31 116 420 378**

**Interim Financial Report**

**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 13 are in accordance with the *Corporations Act 2001*, including:
  - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
  - b. giving a true and fair view of the company's financial position as at 31 December 2011 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director



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Michael J Povey

Dated this 14th day of March 2012

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF TRUSCOTT MINING CORPORATION LIMITED

### Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Truscott Mining Corporation Limited, which comprises the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

### *Directors' Responsibility for the Half-year Financial Report*

The directors of Truscott Mining Corporation Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of Interim and Other Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Truscott Mining Corporation Limited's financial position as at 31 December 2011 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of Truscott Mining Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Truscott Mining Corporation Limited, would be in the same terms if provided to the directors as at the time of this auditor's review report.

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*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Truscott Mining Corporation Limited is not in accordance with the *Corporations Act 2001* including:

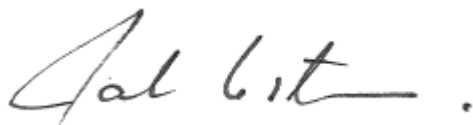
- (i) giving a true and fair view of Truscott Mining Corporation Limited's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and *Corporations Regulations 2001*.

*Inherent Uncertainty*

Without qualification to the opinion expressed above, attention is drawn to the following matter. As a result of the matters described in Note 1, there is a significant uncertainty whether the company will be able to continue as a going concern and therefore whether it will realise its assets and liabilities in the normal course of business and at the amounts stated in the financial statements.



Maxim Audit  
Chartered Accountants



M A Lester  
Perth WA

Dated this 14th day of March 2012.