

ACTIVITIES REPORT – DECEMBER QUARTER 2017

Summary

Truscott continued to focus its activities on developing a three dimensional model for the Westminster Gold Project, plus extending the reach of research and development work to support the application for additional exploration tenure.

A detailed model utilising structural constraints was developed during the quarter to assist shareholders to better visualise the nature of the gold mineralisation and to provide a clear basis for controlling future drilling programs and ore resource estimation.

Recent drilling has confirmed that the plunge of the ironstones hosting the ore body is in accordance with Truscott's structural model. This drilling, combined with local and regional scale research has provided the context for documenting that the Westminster Gold Project now has the potential to become a large company operation based on significant mineralisation.

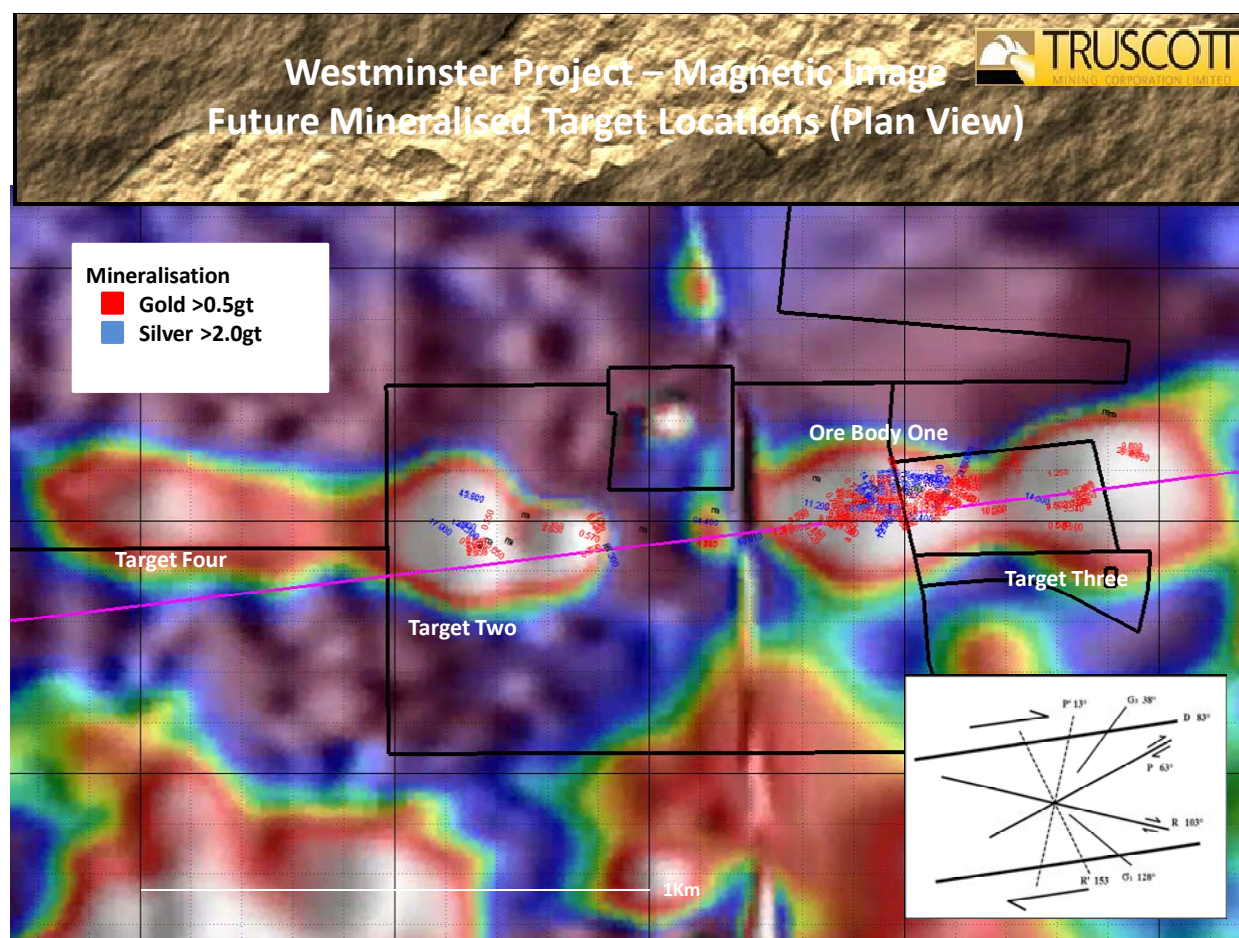
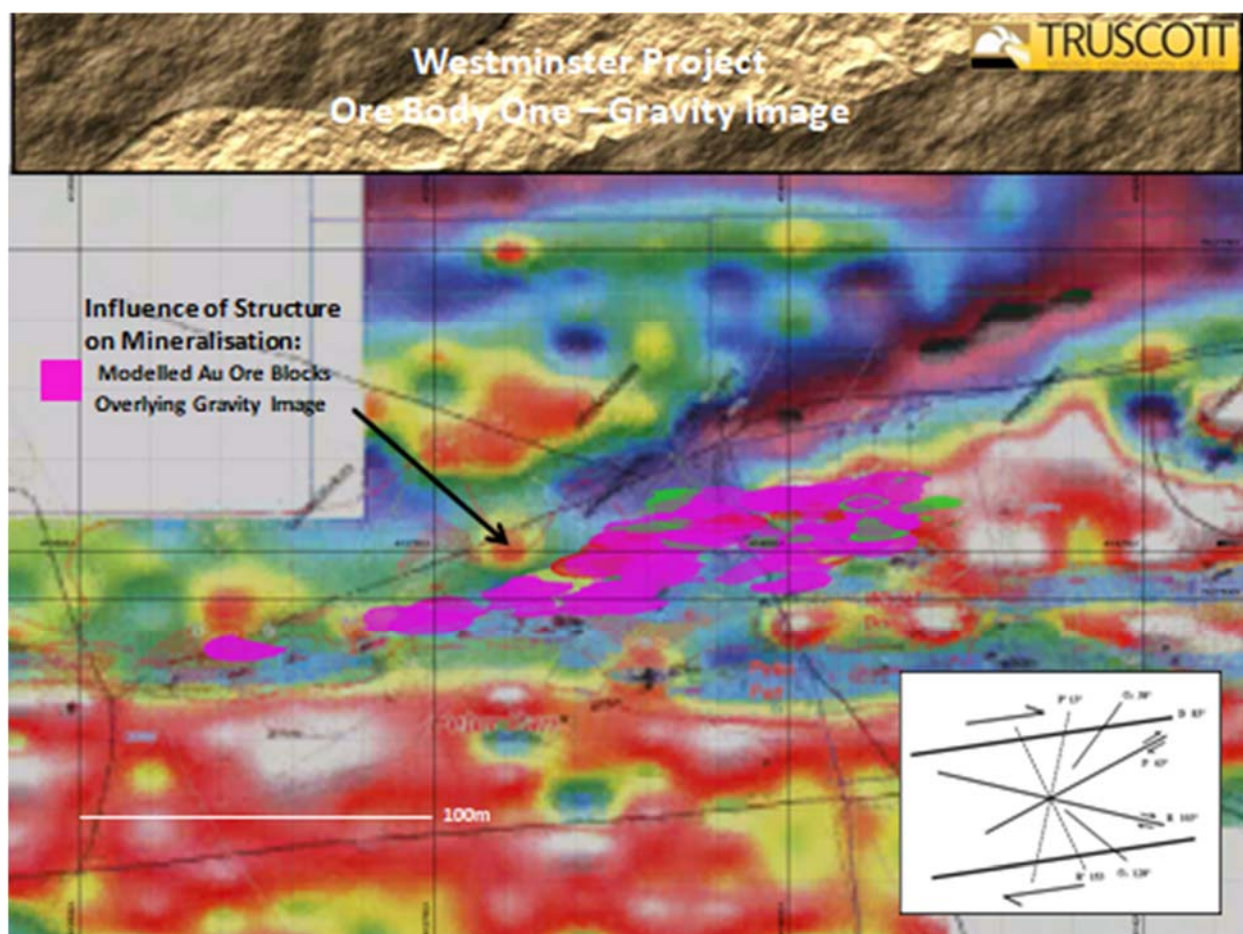


Figure One: Westminster Project – Field of View Two Kilometres

The Westminster Project area occupies over two kilometres of a broad strike slip shear zone striking 083° (D) with a true dip of $82 - 85^{\circ}$ to the North. Four discrete magnetic anomalies (Figure 1) provide a focus for targeting mineralisation, with the preferred location being the central zone associated with anomalies one (ore body one) and target two.

Ongoing Ore Resource Program –Research and Development Initiatives

The location of the detailed three dimensional model (Figure 2) describing ore-body one of the Westminster Project can be referenced relative to the structural elements demonstrated in the gravity image.



**Figure Two: Westminster Ore Body One – Block Model Location
Definition of Mineralisation Flow Channels**

The Westminster project appears to be located on the north side of a large anticline fold (D1) with an axis running 088° East-West, and cycle of approximately ten kilometres. The scale of secondary folding (D2) is such that the sediment bedding plains to the depths currently drilled are observed to be linear. The bedding plains are measured as dipping $65-70^{\circ}$ degrees to the North with a plunge of $12-15^{\circ}$ degrees to the West.

Preferred bedding provides the flow channels (Figure 3) for the movement of later stage mineralisation. Detailed logging of drill data indicates that the preferred mineral flow planes in the sediment profile are

associated with the shale units. Significant flow channels exhibit a vertical separation of 35 metres with true widths of up to seven metres. Pairs of flow channels also exhibit a larger vertical separation of 105 metres.

The parallel flow channels described above can be utilised as an outer or primary constraint set, in that all the targeted economic mineralisation is included within their parallel boundaries.

Definition of High Grade Ore Zones

The targeted ore zones that exist within the outer constraint set can be further delineated by introducing secondary and tertiary constraint sets that are a consequence of later stage dilation and shearing.

Describing the secondary constraint sets that act to delineate the high grade ore zones requires an understanding of both the elements of a series of shearing and dilation events and order in which they occurred, their paragenesis. Truscott has described the expected resultant shear and dilation elements that would be produced during the action of strike slip shear. The application of the theoretical model to actual findings has been confirmed by mapping the discrete resultant elements within the project area.

Later Stage Shearing and Mineralisation Events

It is evident that discordant to the 088° East –West striking sediment bedding plains, a large scale (Orogenic) dextral shear corridor has been active on 083 degrees (D) strike direction.

Theoretically the sequence of development for dilation elements under a dextral regime provide for the first action to be aligned with 103 degrees(R). With controlled models indicating that this action is generating the largest dilations which typically span a significant part of the width of the shear corridor.

Within the project area, iron rich fluids appear to have entered the 103 degree (R) dilated zones via the 088° East – West flow channels to precipitate ironstone pods. These 103 degree (R) dilated zones provide the secondary constraint sets that describe corridors that exist within the parallel flow channels.

The second stage of action associated with dextral regimes is for dilation elements to provide cross linkage between the 103 degree (R) dilated zones. These cross linking dilation elements have been mapped as occurring on the 063 degree (P) direction. As these releases are linking in character they typically occupy a more central zone of the shear corridor. This stage of activity appears to have sheared the earlier brittle ironstone masses and provided for host environment for the high grade ore zones.

Mineralisation is again considered to have migrated on the East West flow channels with accumulation of gold in the core of the iron stone pods. These 063 degree (P) dilated zones then provide the tertiary constraint sets, that in conjunction the secondary sets, bound the high grade ore zones that exist within the parallel flow channels.

Plunge of Individual leads of Gold Mineralisation

In a singularly constrained sense the true dip of the ore zones has been defined as being concordant with the bedding channels as 65-70 degrees to the North. Further constrained both within the host ironstone corridor and in the direction of 063 degree (P) the plunge of the latter stage mineralised gold leads in the cross linking dilation zone becomes 42-45 degrees. To clarify, the mineralised gold leads are not continuous in grade, but is made up of a series of high grade zones as it crosses each ironstone corridor.

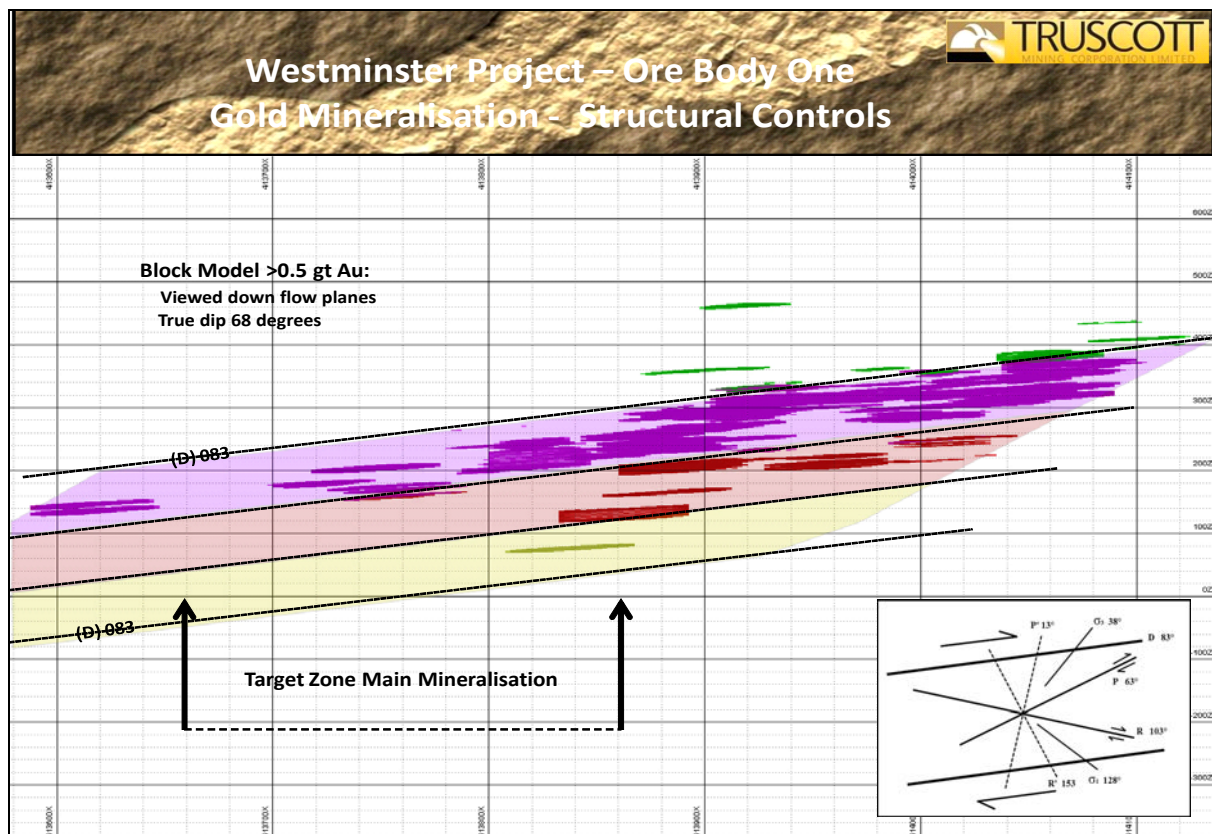


Figure Three: Westminster – Ore Body One – Gold Mineralisation

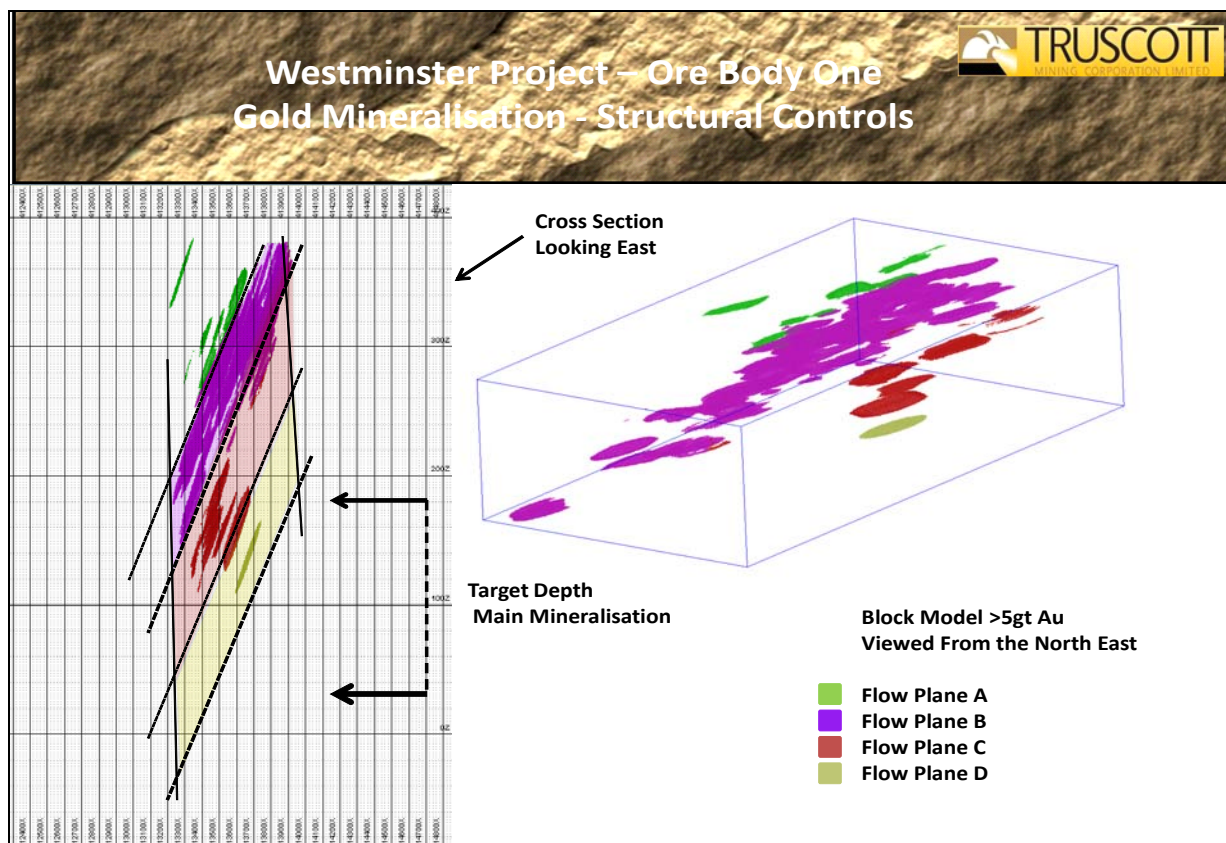


Figure Four: Westminster Ore Body One – Gold Mineralisation

Future Drilling Initiatives

Previously reported historical drilling results (Table 1) have indicated the high grade character of some of the mineralisation within the upper zone B (Figure 4). Based on mineralisation reported from historical mining operations along strike, the deeper levels of zones C and D are considered to have high potential to host even more significant zones of mineralisation.

Mineralisation Intensity : Zone B											
9WMRC041:			413890E, 7827532N			10WMRC054:			413869E, 7827541N		
From (m)	Au (ppm)	Ag (ppm)	Fe %	Bi (ppm)		From (m)	Au (ppm)	Ag (ppm)	Fe %	Bi (ppm)	
79	1.34	1.2	13.35	63		203	2.36	2.4	15.30	739	
80	1.44	1.2	19.70	101		204	0.12	0.5	17.40	88	
81	1.20	0.9	11.00	168		205	0.13	<0.2	13.80	46	
82	1.05	1.1	15.40	243		206	1.44	0.2	9.14	20	
83	11.10	2.0	24.50	520		207	0.13	<0.2	13.80	12	
84	82.05	8.8	15.30	5200		208	0.20	<0.2	10.25	22	
85	6.91	2.3	31.80	1110		209	46.05	2.4	13.70	42	
86	4.97	1.2	28.90	881		210	26.55	3.1	9.77	72	
87	10.60	0.9	31.00	524		211	1.48	0.2	11.80	20	
88	0.67	0.3	32.00	37		212	1.96	0.7	11.15	126	
89	0.11	0.8	33.60	21		213	0.50	<0.2	7.39	14	
90	0.18	<0.2	29.80	110		214	1.75	0.3	10.40	58	
91	0.32	0.2	18.40	188		215	0.23	0.2	6.13	13	
92	0.21	1.0	26.50	385		216	0.08	0.2	5.00	13	
93	0.14	1.5	29.80	214		216	0.08	0.2	5.00	13	
Est. True Width, Target Zone ~ 5 METRES Full Intersection ~ 7 METRES						Est. True Width, Target Zone ~ 4.5 METRES Full Intersection ~ 6 METRES					

Table One: Westminster Ore Body One – Historical Drilling – Upper Zone Gold Mineralisation

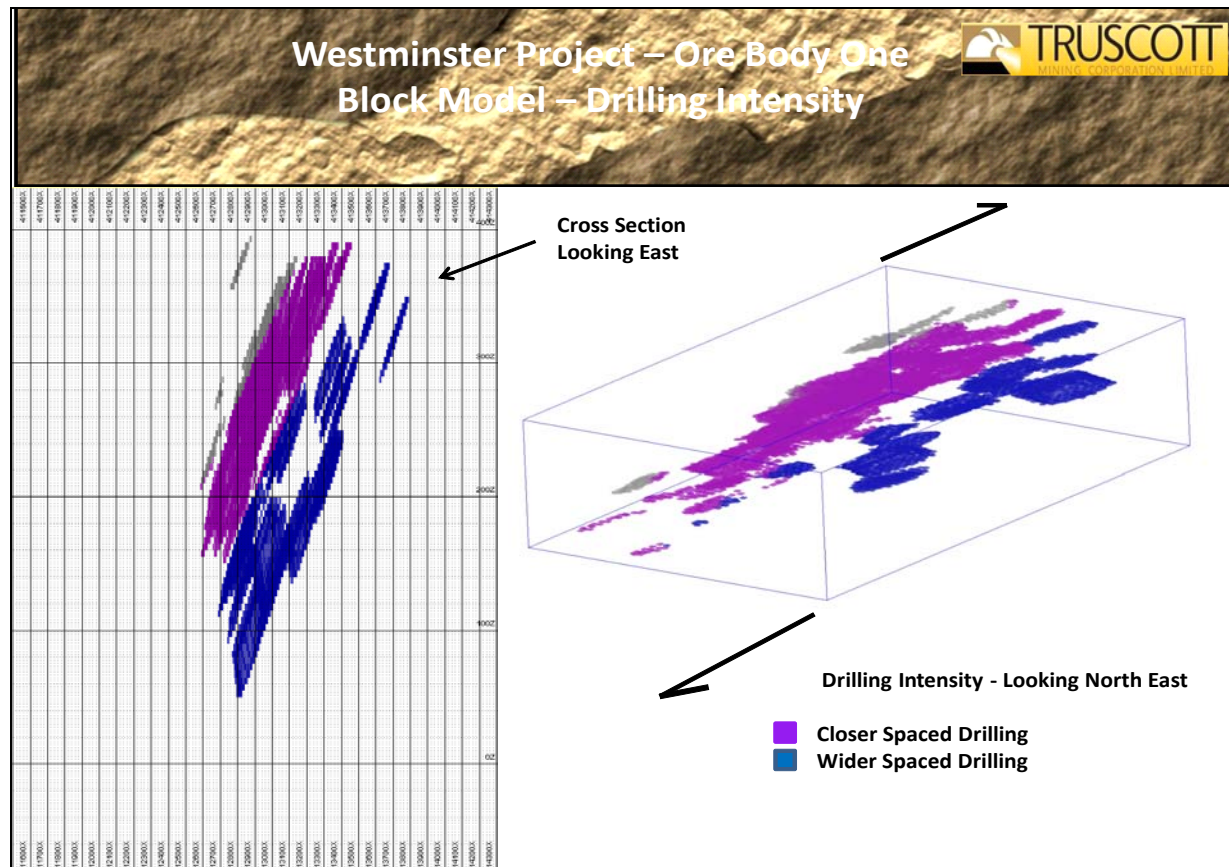


Figure Five: Westminster Ore Body One – Drilling Density

Truscott has already reported drilling wide zones of mineralisation within the top of Zone C, and targets potential high grade zones by planning for following up drilling to preferred depths between 200 and 300 metres below surface in the flow planes of zones C and D.

Resource Definition Drilling

The drilling completed to date in the upper reaches of zone C is sufficient to include the mineralisation in the company's mineral inventory. Further drilling, increasing the drilling intensity, is expected to raise the level of confidence sufficiently to allow conversion of part of this mineral inventory to resource status. The potential to add further resources with deeper drilling is also evident from the illustrations showing the upper part of the mineralised zones (Figure 5) and indicating the limits of drilling within the ore system to date.

Collective Westminster - Ore Bodies

Four significant target zones exist along two kilometres of strike as previously illustrated in figure one. Concentration of drilling at Ore Body One is a consequence of follow up drilling near historical artisan workings, with along strike systems considered to be at least as prospective. An initial structurally constrained model, based on widely spaced drilling was developed to describe the potential host environments that contain more than 10% Fe as a further indicator of the along strike potential. A part of that model (Figure 6) covering the length of strike associated with ore body one is depicted below.

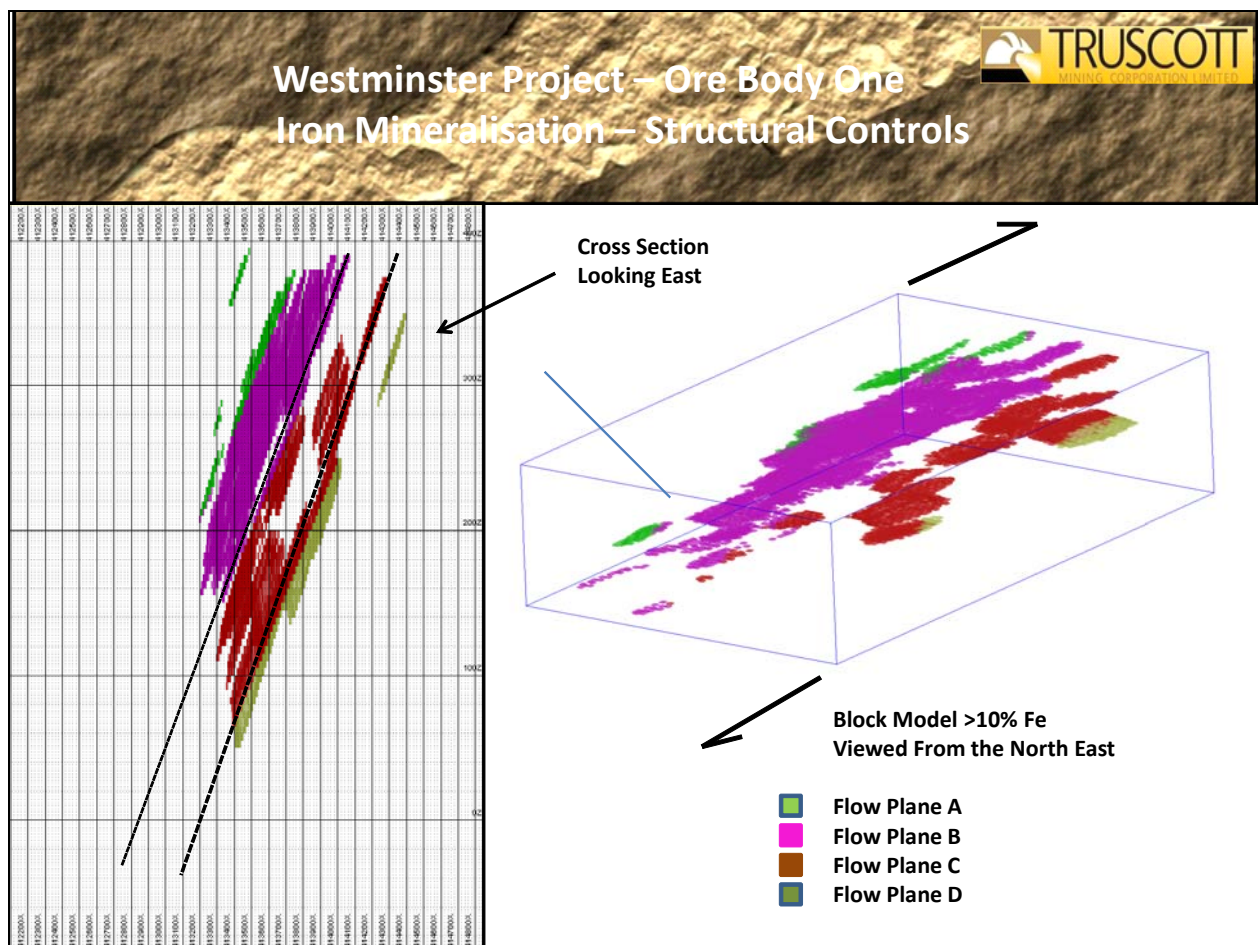


Figure Six: Westminster Project – Host Iron Mineralisation Zones

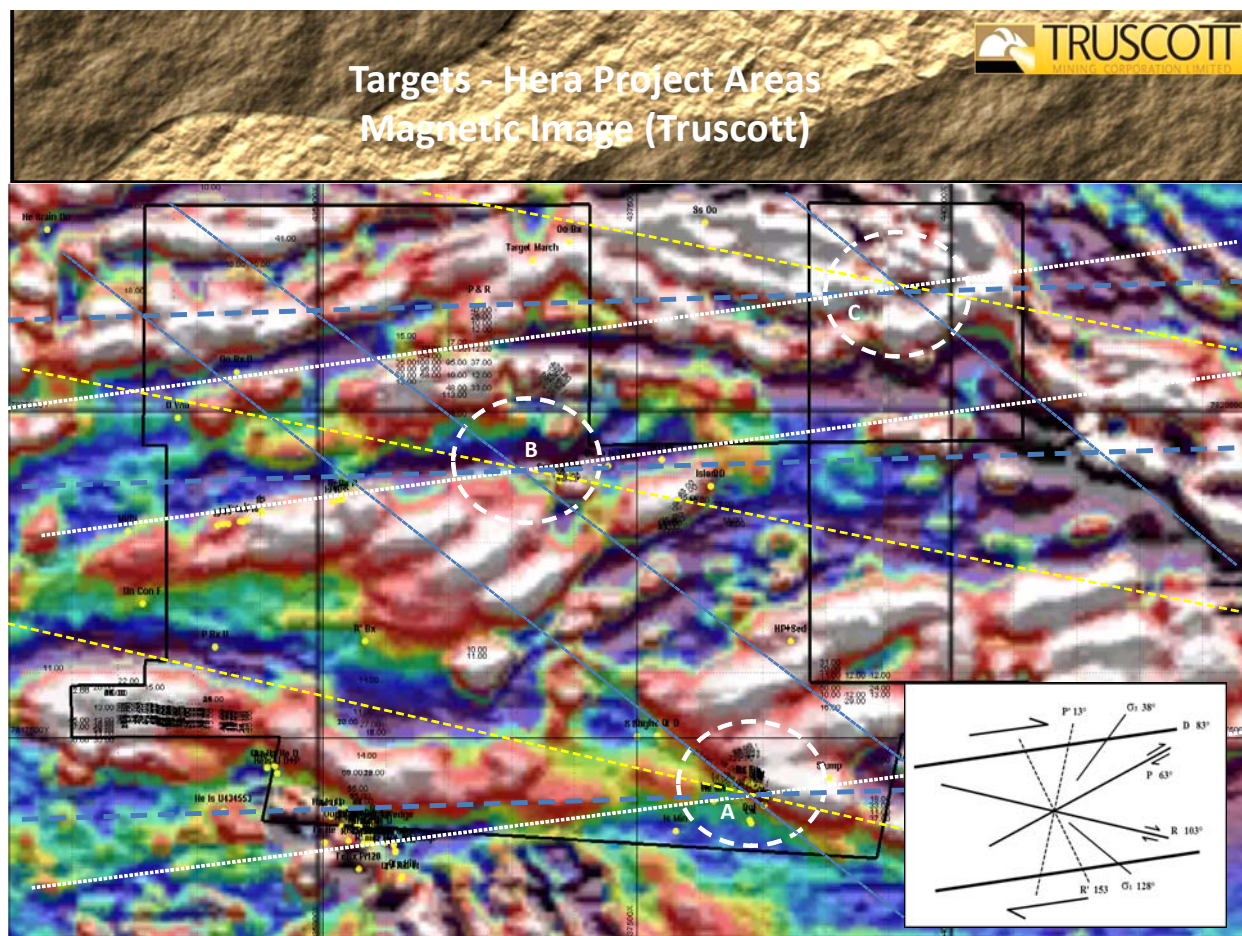


Figure Seven: Hera Project –Structural Target Zones

Work continued refining structural targets for the Hera Project (figure 7). With key intersections between the metasediment structures and the late stage discordant dextral shearing receiving attention.

Project Scheduling

Westminster Project Area (Truscott: MLC511, MA25952, MA26500, MA26588 all 100%)

Project Status: *Planning for a further drilling program in first quarter 2018.*

Proposed expenditure and earn-in schedule for the drill out and bankable feasibility study work set out.

Discussions with interested parties, on the commercial requirements to support project development, ongoing.

Detailed work for development of three dimensional modelling ongoing.

Further drilling of the potential ore bodies within the larger Westminster extension/compression system scheduled to follow the finalisation of a commercial agreement.

Hera Project Area (Truscott: EL 31352 100%)

Project Status: *Clearance Certificates issued by AAPA for exploration and mining activities.*

Acquisition of geophysical information over the northern part of the project area planned.

Extensive field work program to support completion of the description for structural controls is ongoing.

Targeted scout drill planned and MMP submitted.

Peter N Smith
Executive Chairman

Competent Person's Statement: *The contents of this report, that relate to geology and exploration results, are based on information reviewed by Dr Judith Hanson, who is a consultant engaged by Truscott Mining Corporation Limited and a Member of the Australasian Institute of Mining & Metallurgy. She 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 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Hanson consents to the inclusion in this presentation of the matters compiled by therein in the form and context in which they appear.*

Regulatory Information: *The Company does not suggest that economic mineralisation is contained in the untested areas, the information relating to historical drilling records have been compiled, reviewed and verified as best as the company was able. The company is planning further exploration drilling programs to confirm the geology, structure and potential of untested areas within the Westminster Project area. The company cautions investors against using this announcement solely as a basis for investment decisions without regard to this disclaimer*

Appendix 1

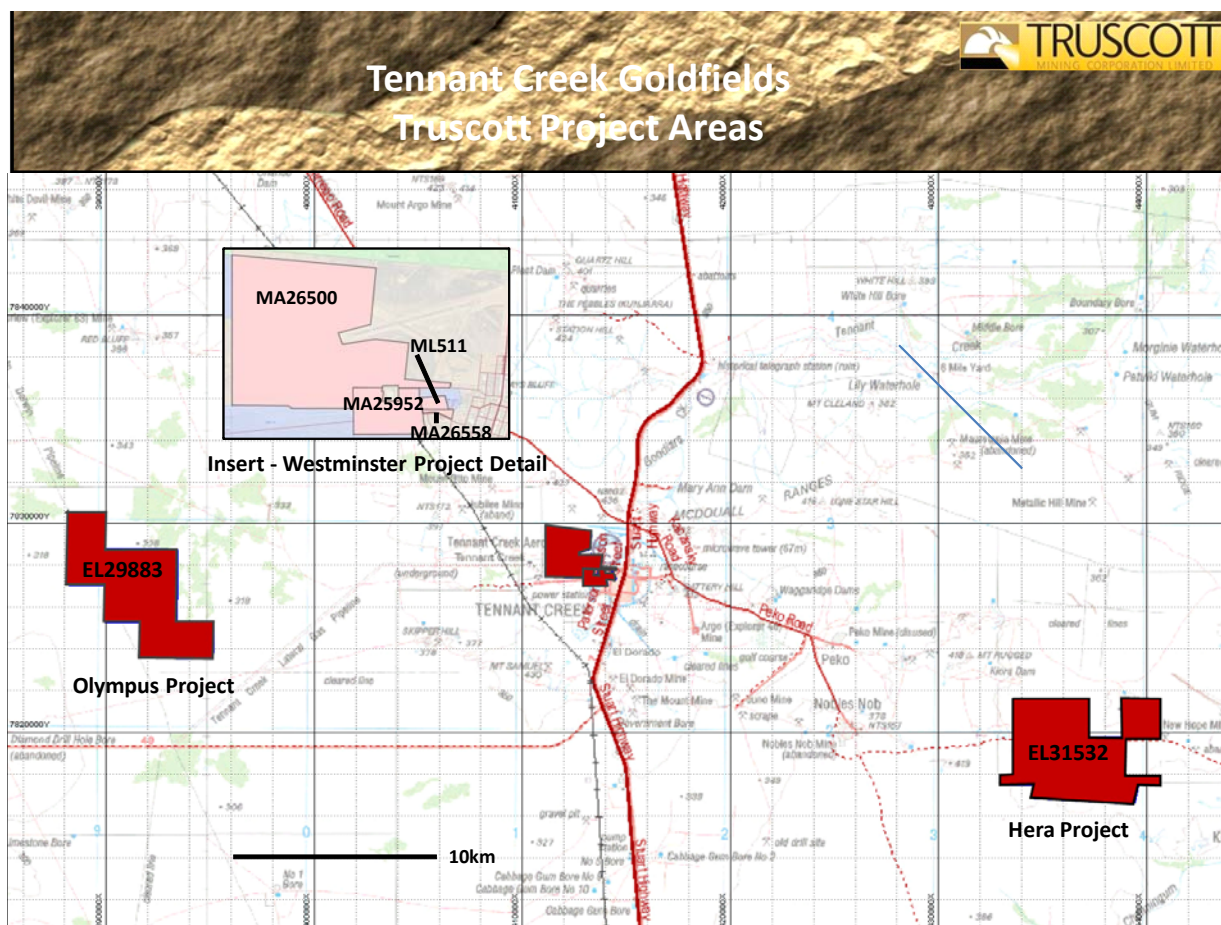


Figure Eight: Truscott Exploration Tenure

Project		Interest at Beginning	Interest at End	Acquired	Disposed
Tenement					
Westminster	Northern Territory				
MLC 511		100%	100%		
MA25952		100%	100%		
MA26500		100%	100%		
MA26558		100%	100%		
Hera	Northern Territory				
EL 31352		100%	100%		
Olympus	Northern Territory				
EL29883		100%	100%		

Mining Tenements Held at 31 December 2017 (Table 2)