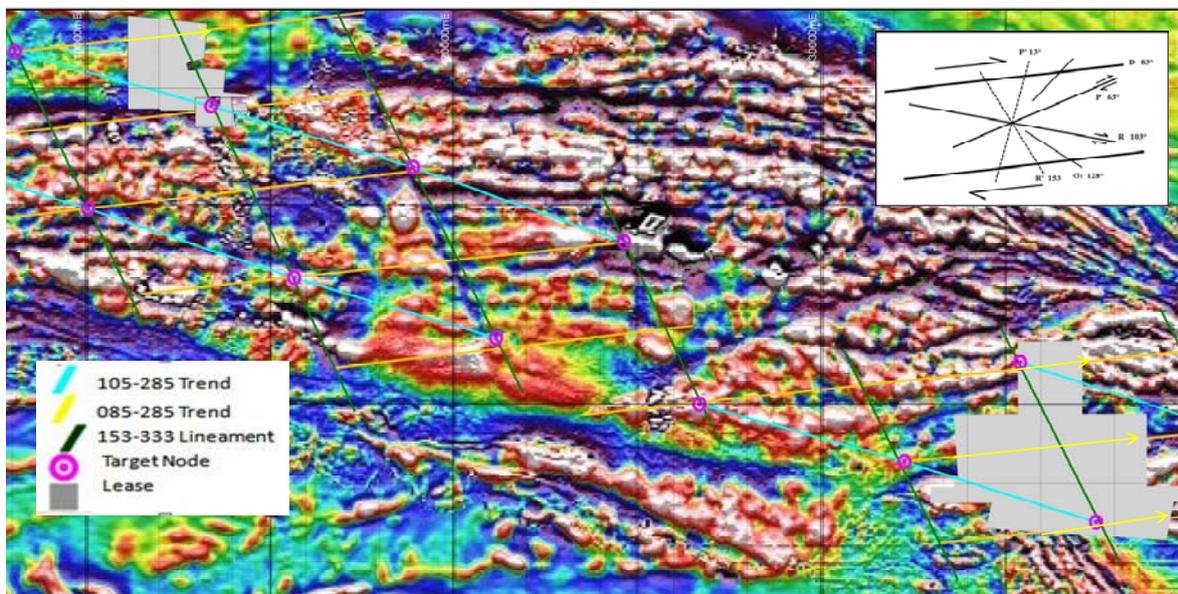


**ACTIVITIES REPORT – JUNE QUARTER 2016**

**Status**

Truscott continues to work on a number of potential joint venture initiatives with a view to progress the development of both the Westminster and Hera Gold Projects. Funding for the completion of the drill-out at each project and additional capital requirements for development, are under consideration. Market conditions continue to trend positively, and consequently, development risk is lower and potential outcomes for all parties are improving.

Regional field research work during the quarter again focused on advancing the understanding of the paragenesis for; the structural setting, the sedimentary sequence and the mineralisation, across the Central Tennant Creek Mineral Field. Observations made across the Mineral Field have further enabled more detailed interpretation and targeting within the Westminster and Hera Project areas.



**Figure One: Intersecting Structural Elements – Central Goldfield**

## Overview

In the Central Tennant Creek Mineral Field Truscott has described the setting for the economic mineralisation in terms of a structural framework.

All historical major mines (Plus 500,000 ounces Au) are located on large  $083^0$  (D) shear zones (red traces), with cross cutting  $153^0$  (R') structures (blue traces) helping to define deposit locations and targets.

The geophysical signature of trans-current shear on  $083^0$  (D) has been correlated with observations from hundreds of kilometres of traverses on foot (Figure 1), minor disruption and offset by late stage activity is evident.

It appears that historical mining operations proceeded with limited knowledge of structural controls and past and contemporary drilling of extensions to mineralised zones have not been undertaken with the benefit of a broader structural context.

The clearer  $153^0$  (R') lineament is considered to have been active late stage. In addition, locally observed resultant  $103^0$  (R) shear is offset or rotated when observed across the field to trend approximately  $106^0$ .

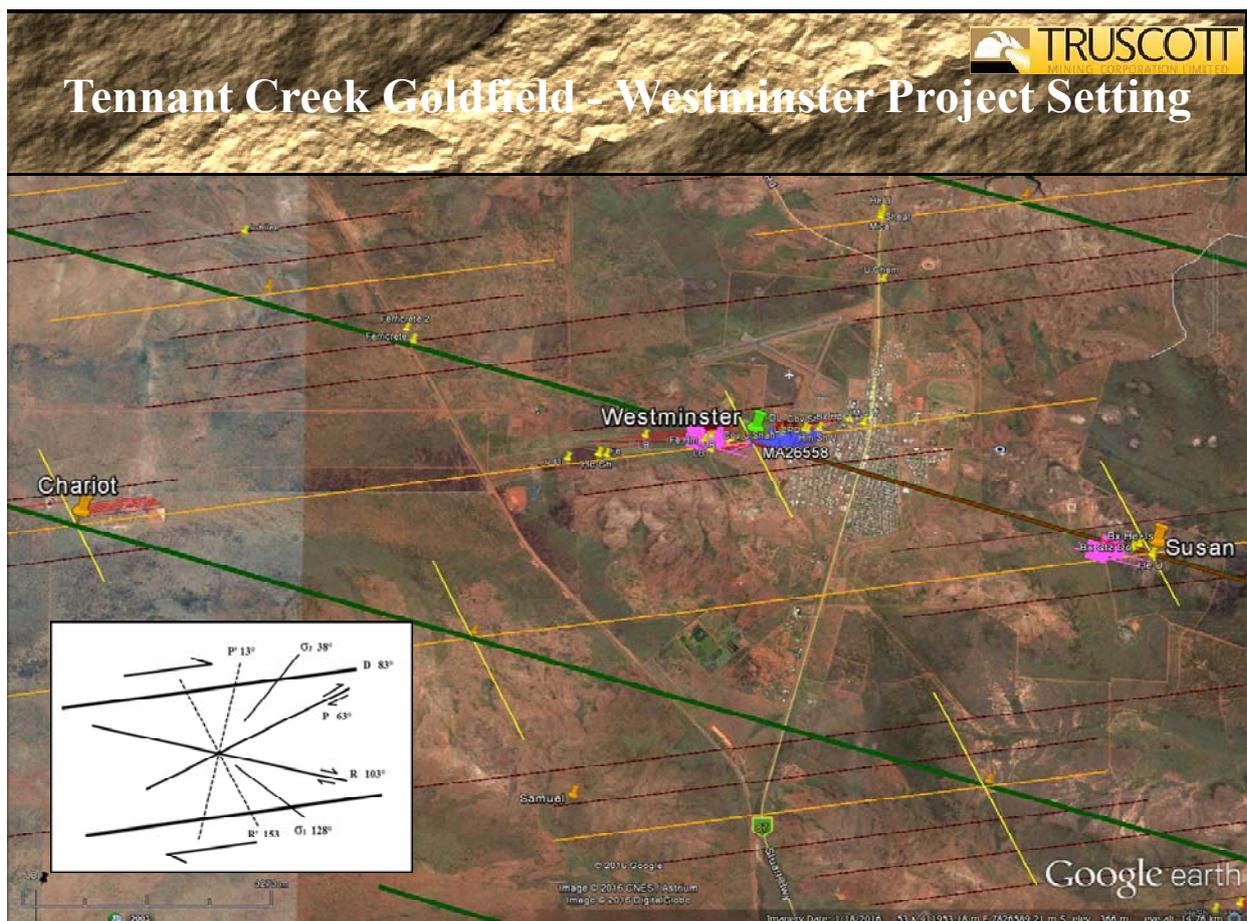


Figure Two: Westminister Project – Structural Setting

## Westminster Project – Structural Setting

The Westminster deposit (Figure 2) is positioned relative to a number of exploration sites and historical mines operated by other companies. The project is located along the 106° trend that incorporates the Susan and Peko Mines. In addition, the mineral deposit is also adjacent to the Chariot gold deposit along the 083° (D) shear zone corridor.

Further planned drilling at Westminster follows:

- Identification of the location of the 083° (D) shear zone to constrain the ore system;

- Determination of whether drilling is to be conducted in a compression or extension zone;

- Targeting higher grade metamorphic zones associated with multi-directional resultant shearing; \*

\*Host ironstones trending and sheared on the 063° (P) direction within compression settings appear to exhibit higher levels of mineralisation when also sheared in the 103° (R) direction.

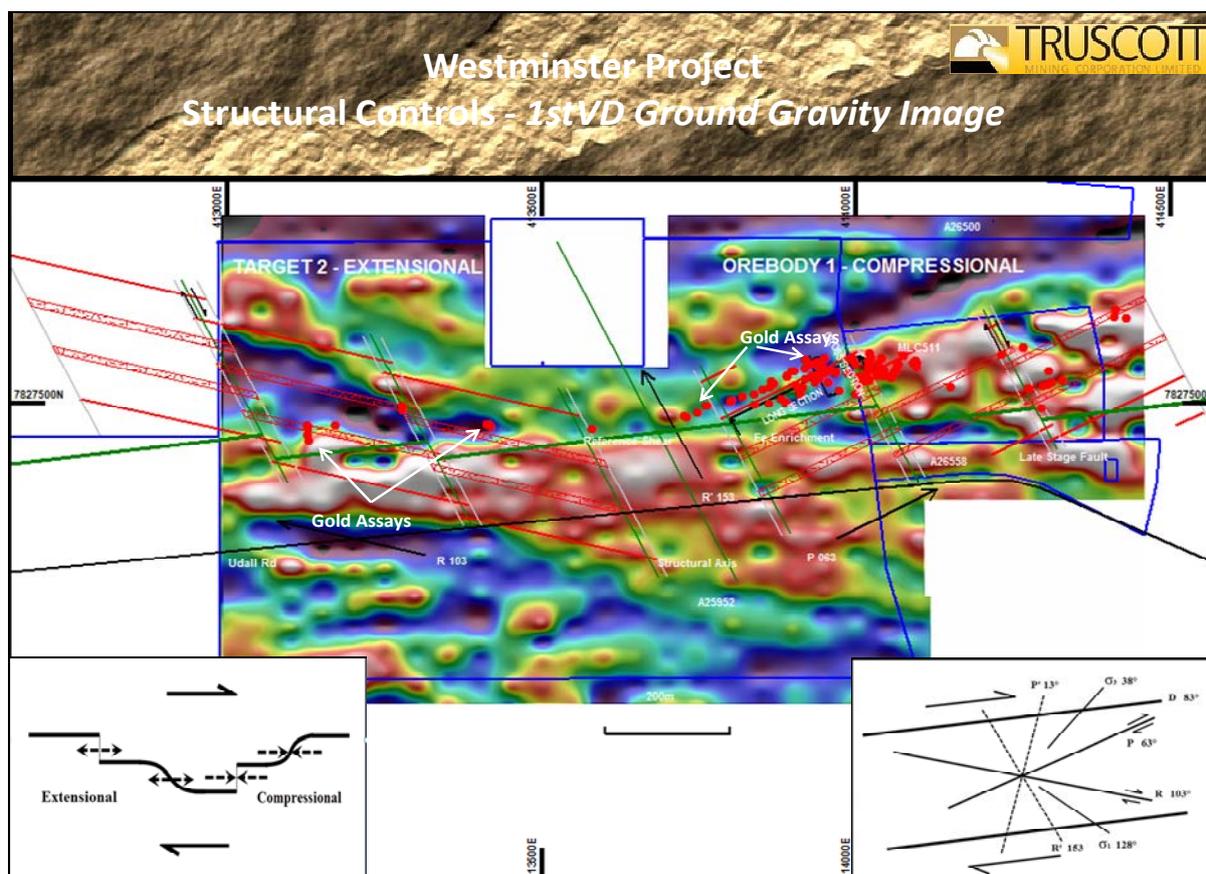


Figure Three: Westminster Project – Structurally Controlled Ore Zones

## Westminster Project – Structural Controls

The layout of Westminster (Figure 3) has been established from drilling and surface mapping with ore resource drilling initially focused on the eastern end of Westminster.

The node which centres the Westminster Project has been located in figures one and two. The compression zone (ore body one) to the east of the centre is considered to be what is characterised in structural texts as a positive flower structure. The extension zone (target 2) is considered to be what is commonly characterised as a negative flower structure.

Technical literature describes the negative flower structures associated with the  $103^{\circ}$  (R) resultant direction as typically being initial onset and the dominant dilation. The theory is supported by field observations with those parts of the large ore systems at the Warrego and Nobles Nob mines, exploited to date, exhibiting this character.

With the drilling at Westminster concentrating on the positive flower structure aligned with the  $063^{\circ}$  (P) resultant shear, the major part of the target zone awaits further drilling. At the Chariot deposit, located adjacent to Westminster on the  $083^{\circ}$  (D) shear to the West, the character of the main mineralisation footprint defined to date, also appears to be compression.

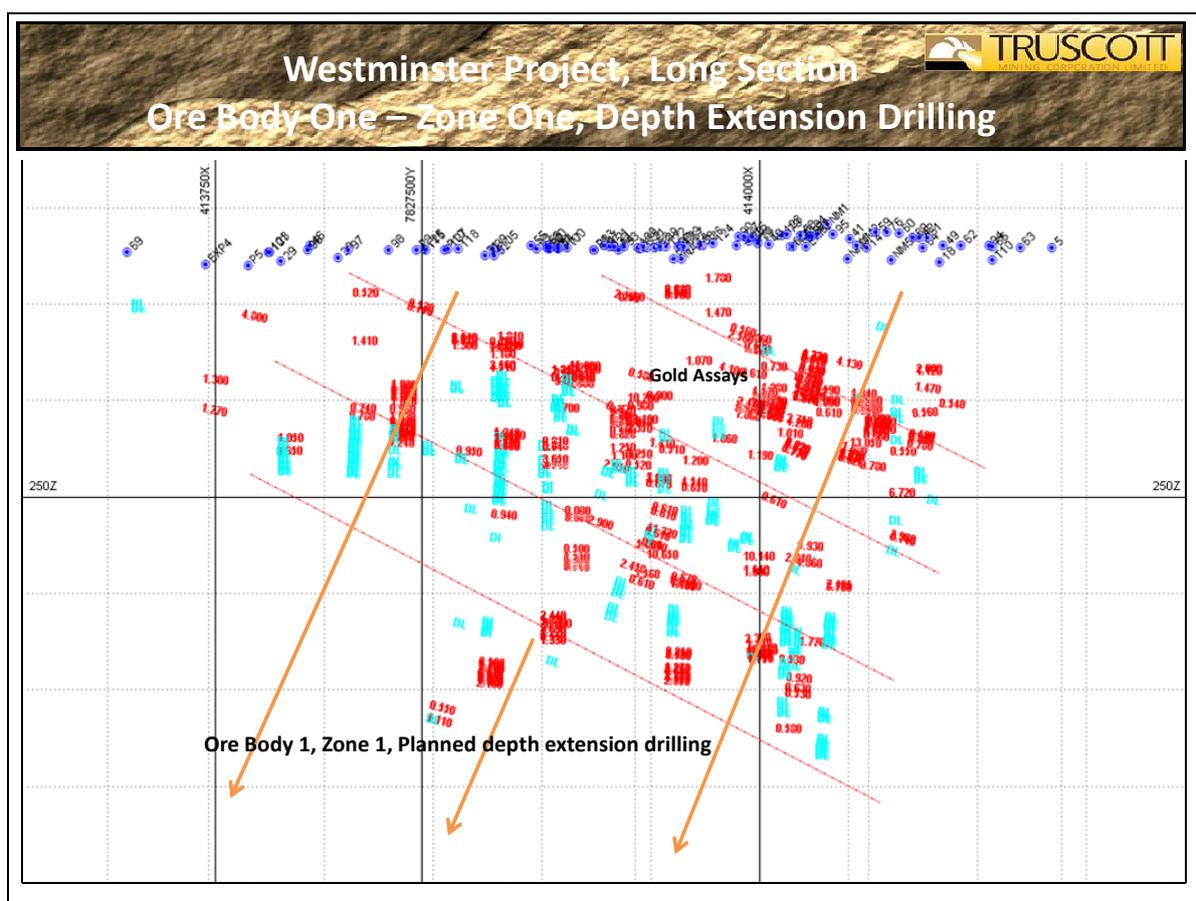


Figure Four: Westminster Project – Ore Body No 1 – West

## Westminster Project – Drilling Extent Target Two

It is evident from the plan view of Westminster (Figure 3) that less than ten percent of the immediate target area has been effectively drilled to date.

Drilling within the target zone (Figure 4) has substantively been limited to approximately 200 metres below surface at which mineable grade gold intersections continue to be recorded.

The majority of the drilling has been conducted utilising vertical drill holes and a significant number of holes now require extension into projected mineralisation at depth.

## Westminster Project – Target Two - Modelling

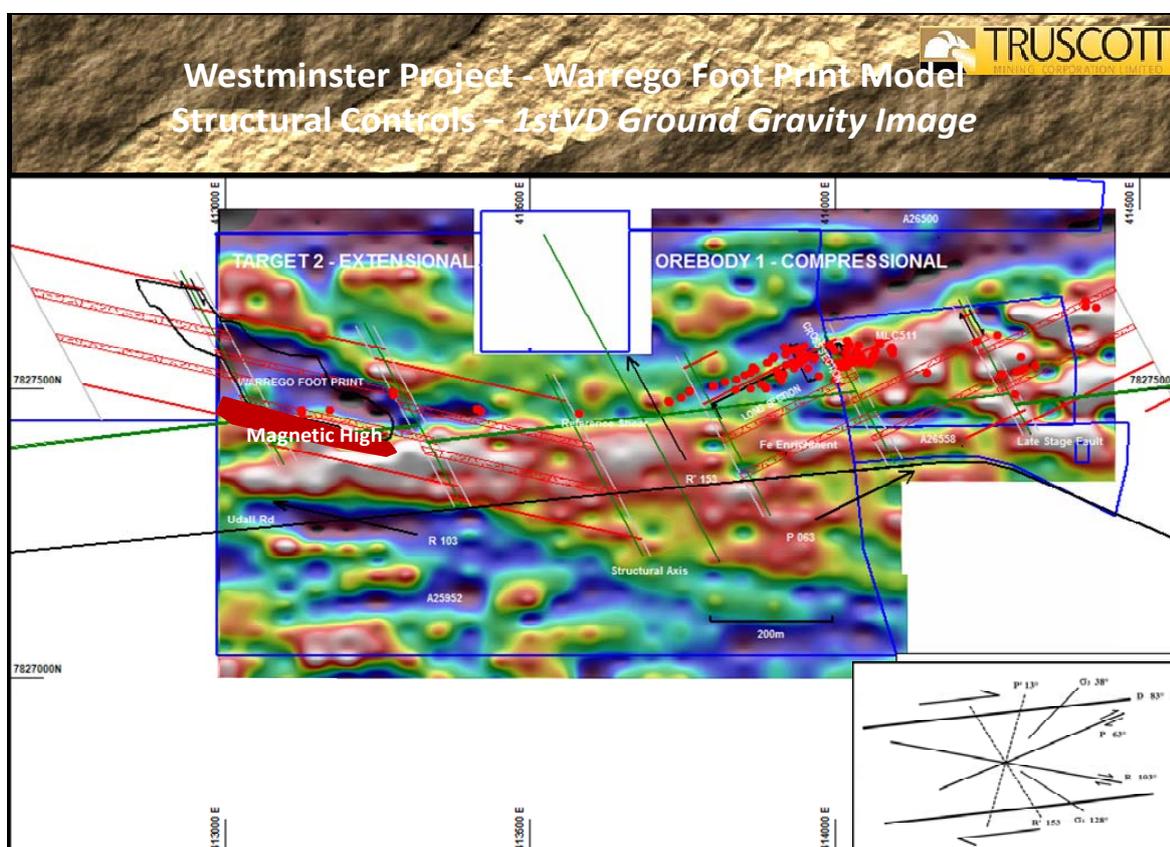


Figure Five: Westminster Project – Target 2 – Comparative Image

Early shallow drilling has intersected substantial intervals of low grade gold mineralisation at the extensional end of the Westminster Project area (Figure five).

The size of the potential target area, at the extension zone of Westminster, can be demonstrated by placing the footprint of the historical Warrego workings (6,750,000 tonnes mined) within the zone.

The footprint (Warrego) which is to actual orientation and size is set over a gravity low with a magnetic high along the south western flank.

## Hera Project – Structural Setting

The Hera Project Area (Figure 6) contains two significant targets, located at intersections of structural elements, which are designated as Hera One and Hera Two.

Hera One is positioned along the 106° trend that incorporates the historical Juno and Nobles Nob Mines. The target is also within a new substantial 083° (D) shear zone corridor defined by surface mapping and geophysics.

Hera Two is positioned along the 106° trend that incorporates the Westminster Deposit and the Peko Mine. The target is also adjacent to the historical Nobles Nob Mine along the 083° (D) shear zone corridor.

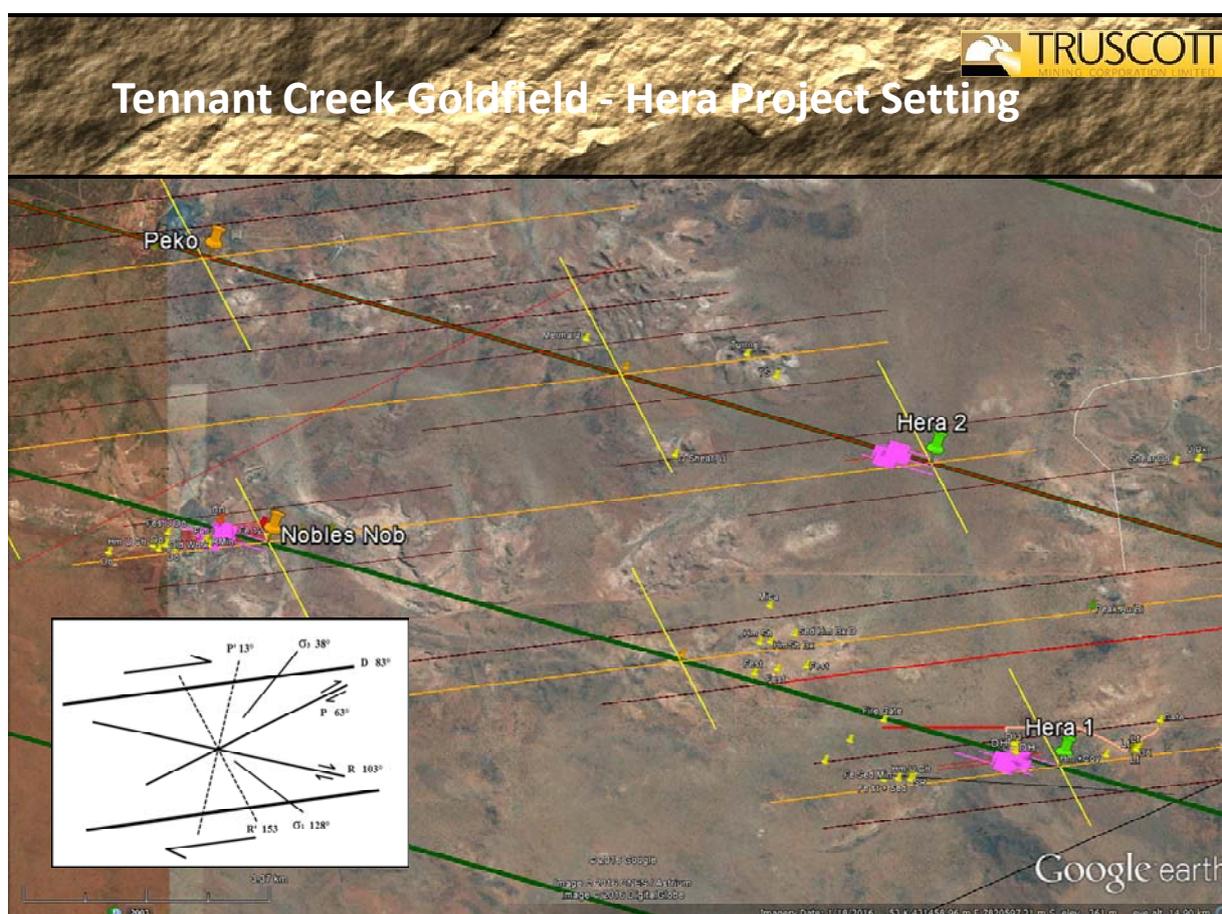


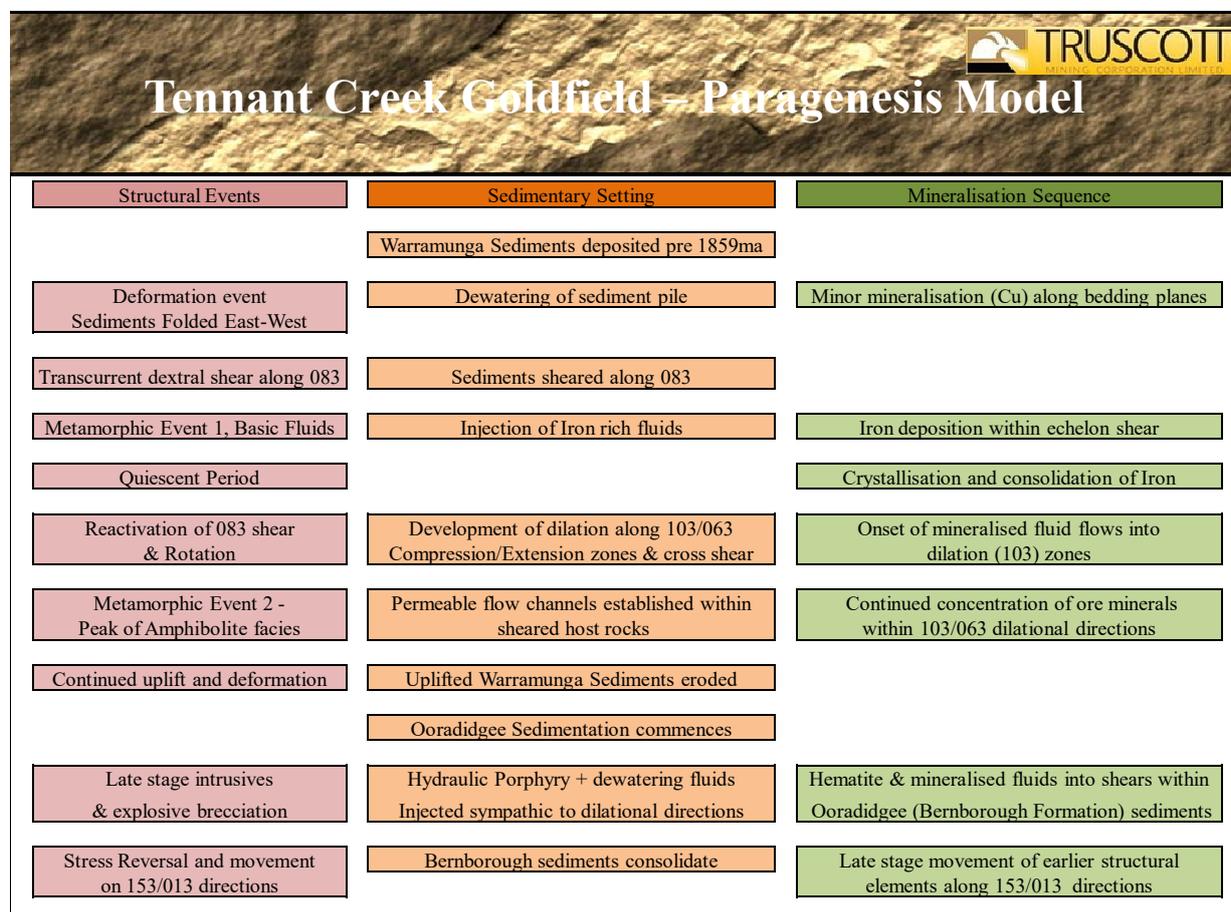
Figure Six: Hera Project – Structural Setting

## Tennant Creek Gold field – Current Paragenesis Model

Having an understanding of the driving structural processes and the order in which events have occurred within the goldfield is important when developing an exploration strategy.

Earlier, and some contemporary explorers have primarily focused on local geological folding and other features within the sedimentary sequence when considering potential sites of mineralisation deposition.

Truscott considers the events which significantly influenced mineralisation, were largely discordant with earlier smaller scale geological features. That is, subsequent large scale trans-current faulting driving both shearing and dilation have been the important influences controlling sites for mineralisation.



**Figure Seven: Tennant Creek Goldfield – Paragenesis Model**

Each of the key field observations supporting the updated paragenesis model (Figure 7) has been recorded with an example of these observations provided as figure eight.

The unconformity interface (Figure 8), observed between rock units can be understood as an irregular erosion surface between the under lying Warramunga Formation rocks and the latter deposited overlying Ooradidgee group rocks.

Typically the Ooradidgee rocks are observed being blocky and exhibiting lighter colouring, with less variation, than the finer grained Warramunga sediments.

Collective observations on the relative department of rock types and associated sequence of events is the variation with other explorers and contributors that has given Truscott a unique approach to exploration strategy.



**Figure Eight: Paragenesis Observation Set - Ooradidgee - Warramunga Unconformity**

## Project Scheduling

### Core Business

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

**Project Status:** *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, are in progress.*

*Work on metamorphic grades and identification of zones of multiple resultant-shearing to target peak mineralisation undertaken.*

*Planning completed to target the high grade gold zones within ore-body one, with new drilling, and by extending existing drill holes.*

*Planning completed for further drilling of the gold mineralisation at target two with the objective of defining sufficient high grade gold to achieve ore body status.*

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

*Administrative procedures to increase the size of mining lease initiated.*

## **Other Business**

**Hera Project Area** (Truscott: EL27731, EL 30883) all 100%)

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

*Acquisition of geophysical information over the Hera 2 target is planned.*

*Comparative analysis of the structural setting for the Hera 2 target and field mapping is ongoing.*

*Centre of the Hera 1 target defined to establish a reference for the location of the extension and compression zones.*

*Targeted scout drill planning for Hera 1 finalised, MMP submitted.*

*Discussions with a new party, interested in forming an earn-in and Joint Venture agreement, initiated and confidentiality agreements exchanged.*

*Consolidation of separate exploration area EL 30883 progressing.*

**Olympus Project Area** (Truscott: EL29883, EL 30728 all 100%)

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

*Trace of the 083° (D) trans-current shear projected across tenure.*

*Field recognisance and logistic assessments are in progress.*

*Application of regional structural observations is ongoing.*

*Acquisition of ground based gravity data planned.*

**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.*

Appendix

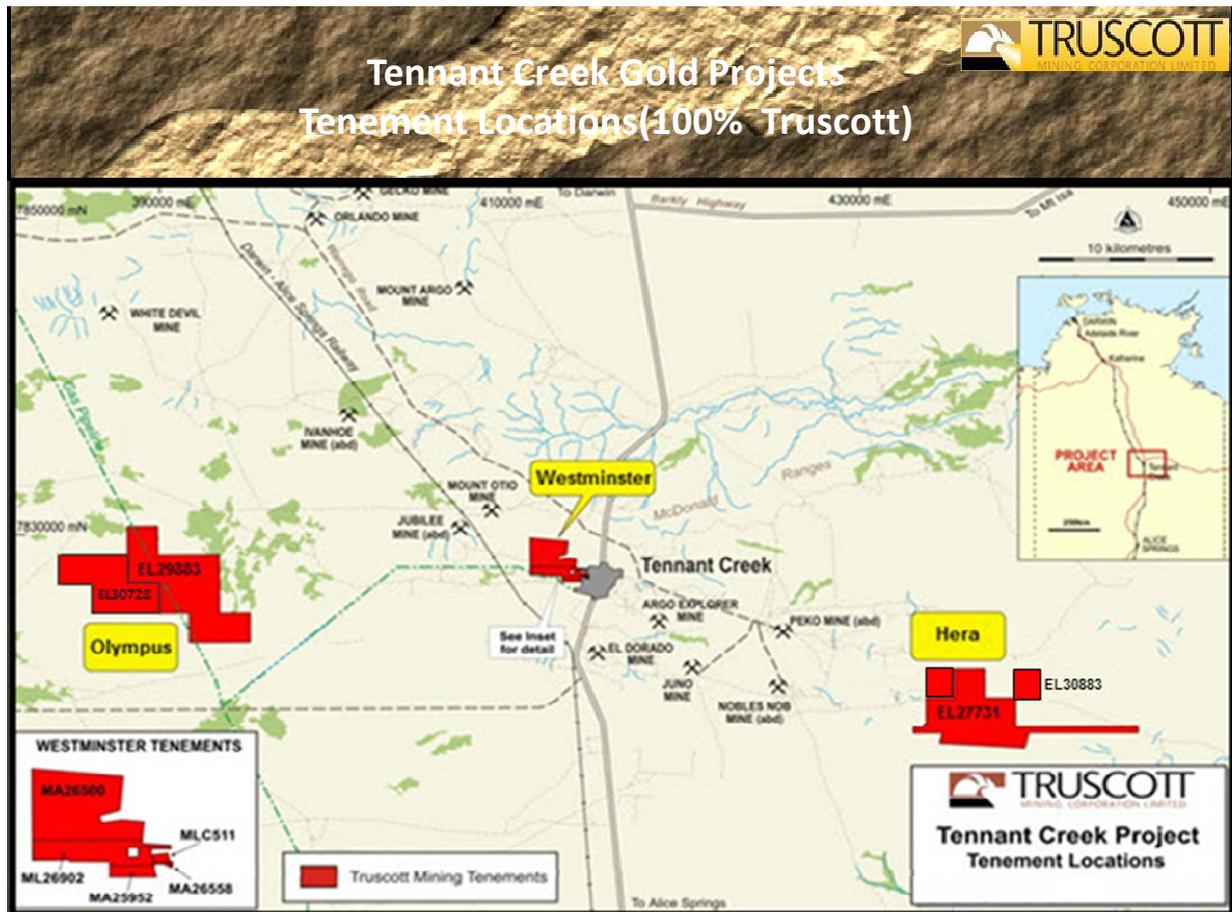


Figure Nine Truscott Exploration Tenure

Project Tenement		Interest at Beginning	Interest at End	Acquired	Disposed
<b>Westminster</b>	Northern Territory				
MLC 511		100%	100%		
MA25952		100%	100%		
MA26500		100%	100%		
MA26558		100%	100%		
<b>Hera</b>	Northern Territory				
EL27731		100%	100%		
EL30883		0%	100%		
<b>Olympus</b>	Northern Territory				
EL30728		100%	100%		
EL29883		100%	100%		

Mining Tenements Held at 30 June 2016 (Table 1)