

## **ACTIVITIES REPORT – DECEMBER 2021**

### **Summary**

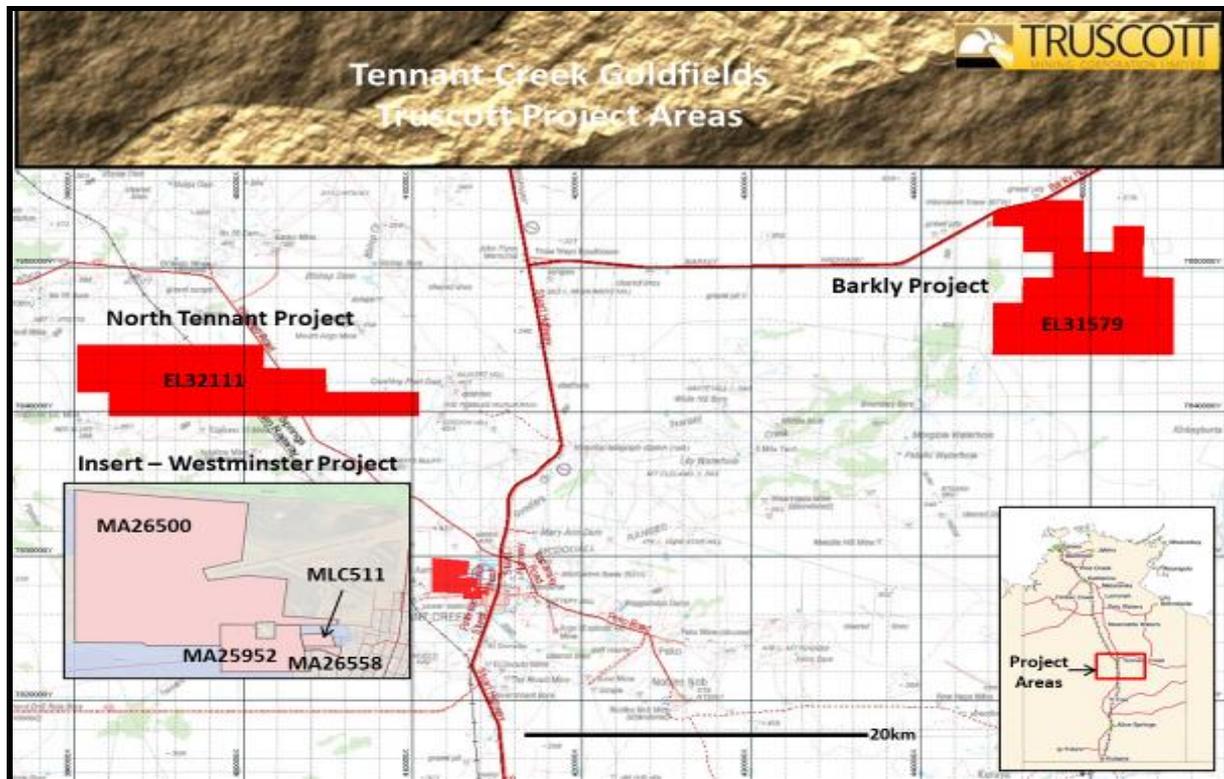
Truscott is now, positioned to drive value, through realisation of significant intangible assets in the form of new knowledge, by the carriage of research and development initiatives to commercialisation.

The new knowledge attained by Truscott, including advances in the modelling of strike slip mineralisation, means that the timing of transformation to commercialisation is primarily dependent on gold sector market considerations.

The company stands ready to advance the drill out and development of its lead high grade gold project Westminster. The required drill program discipline, to provide for ore resource extension drilling, being supported by the findings of substantial research and development work.

Truscott has provided for further expansion of business by the selection of the North Tennant Creek and Barkly reconnaissance areas (Figure 1) within structurally preferred locations. Reconnaissance exploration programs using modelling, with attributes of intelligent design, targeting substantive zones of mineralisation.

Using the new models and search techniques, an extensive strike length of anomalous mineralisation has been located on the Barkly Project, indicating the possibility of a significant new discovery.



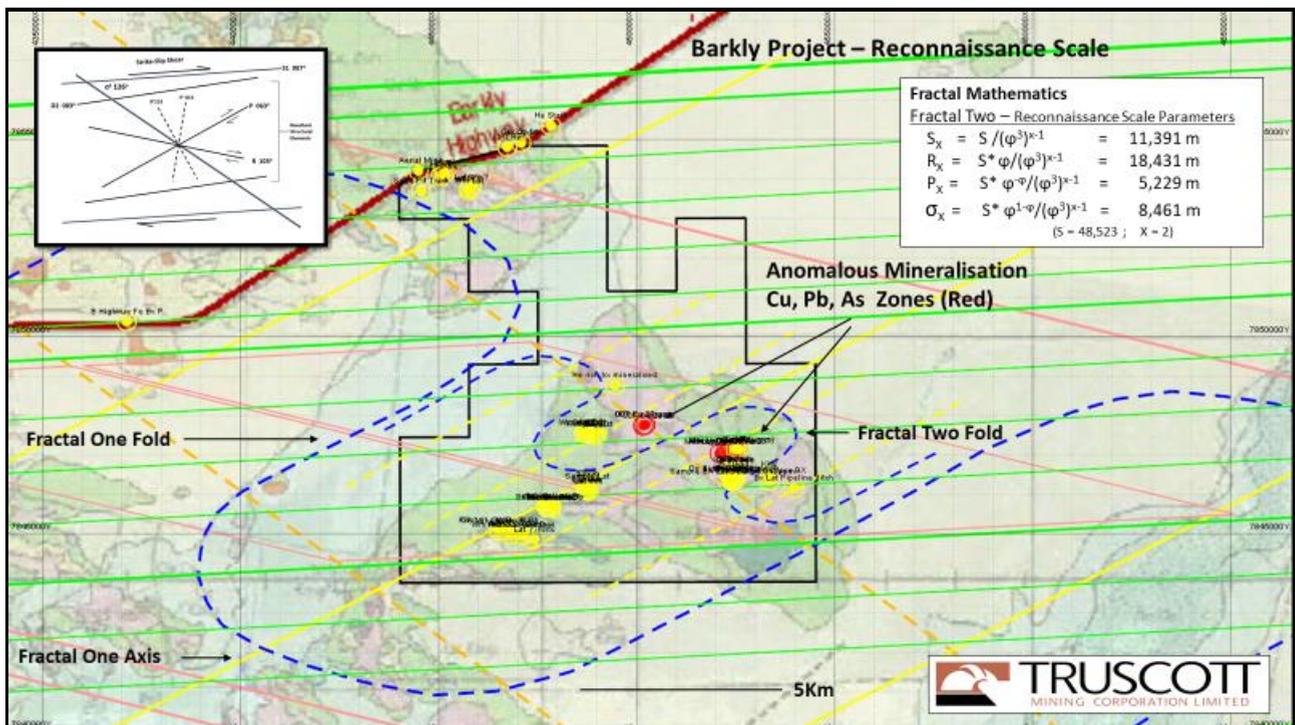
**Figure One: Truscott Exploration & Development Projects**



## Barkly Project Reconnaissance - Exploration Initiatives

The Barkly exploration region is currently receiving interest from major exploration and mining companies. Truscott, as an established explorer in the area, works with a comparative advantage to the late comers, who will be dependent on geophysical data. The company having written the mathematics to model the structural setting and to provide a context for exploration work.

A first application and test for the use of the mathematical modelling by Truscott, has provided confirmation of its potential to drive mineral discovery. Truscott interpret the centre of the Barkly Project (Figure 2), as being a large fold structure that fits in both scale and position with the company’s modelling. Within the large fold a series of smaller or parasitic folds, provide further context for understanding the expected control settings for the location of mineralisation.



**Figure Two: Barkly Project -Structural Controls**

Field reconnaissance, in its early phase has proceeded in the first instance to undertake surface rock chip sampling in accordance with predicted locations for mineralisation. The area more extensively sampled by the company, at this stage, has returned remarkably consistent anomalous readings for pathfinder elements.

The leakage of mineralisation along five hundred metres of a shear zone evaluated to date has generated remarkably consistent results (Table 1) for pathfinder elements Copper (Cu), Lead (Pb) and Arsenic (As). The anomalous results provide a first indication of the potential for a significant body of gold and sulphide mineralisation below or adjacent to the initial sample zone.

From understanding the paragenetic sequence, or order of events in which mineralisation occurred, it is evident the direction that has the greatest influence on local accumulation of gold mineralisation is P (063°). In targeting the mineralised zones, the company has used components of the structural model including the direction and location of the principle primary axis Sigma 1 (126°) and the resultant cross shearing action S (087°), with the later regimes of folding and dilation occurring on P (063°).

Sample Location		Surface Samples			Notable:
GDM94/AMG ZONE 53		Assay Results @ ppm			
Easting	Northing	Copper	Lead	Arsenic	
452253	7847094	137	67	31	<b>Every</b> sample collected across a five hundred metre traverse returned consistent anomalism  Historically, in the Tennant Creek Field, individual samples returning more than 40 ppm Copper was considered as significant enough to warrant following up.
452329	7847099	166	46	20	
452355	7847102	188	89	37	
452365	7847104	171	53	26	
452380	7847104	155	69	33	
452450	7847115	120	54	18	
452304	7847100	92	35	23	
452492	7847123	145	95	14	
452580	7847143	161	110	28	
<u>Average</u>		<b>148</b>	<b>69</b>	<b>26</b>	

Table One: Barkly Project – Reconnaissance Samples -Target Area One

### Building a Context for Exploration- Structural Controls

The recent field work programs undertaken at the Barkly Project progressed after a background of observations and research by the company into the regional structural setting. Initial work on development of a context for exploration has followed from first observations on government geophysical imagery.

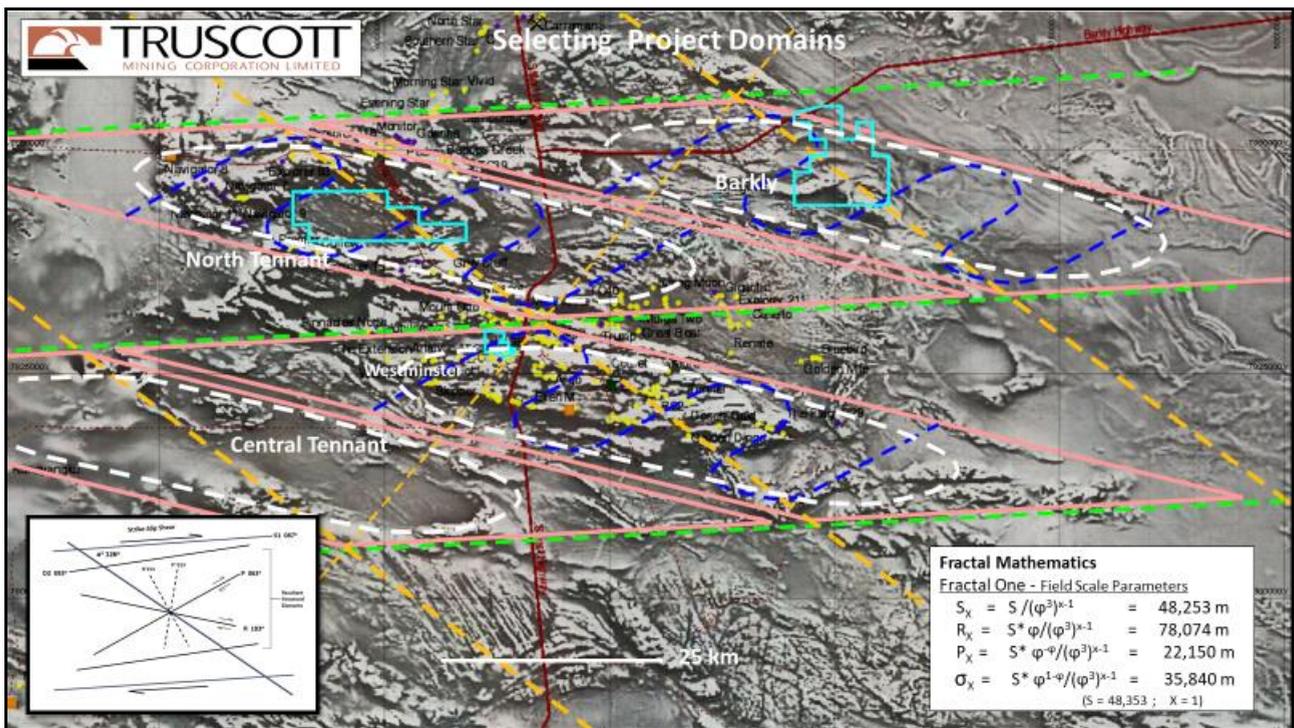


Figure Three: Fractal One Domains and Included Fractal One Folding (blue)

Extensive outcropping of Proterozoic rocks proximal to Tennant Creek has provided the company with an opportunity to study the influence of a stress continuum and the resultant structural elements generated. The viewer can observe the presence (Figure 3) of discrete structural domains generated in the processed (1VD) image.

Truscott has mathematically described these primary (fractal one) structural domains and then written general equations to define other fractal levels or scales of activity. The derived general mathematics have successfully described observations at multiple fractal levels on the company's project areas.

Modelling at fractal level one, provides patterns (blue) as illustrated in figure three of early D2 compression folding, initially aligned with 063° as the strike slip shear corridor developed. These larger folds setting up the framework for later regimes of smaller parasitic folding and dilation that have functioned as principle directional controls for the concentration of gold mineralisation.

### Building a Context for Exploration – Defining Primary Stress Directions

The viewer can observe (Figure 4), regular domain geometries, with variations in intensity attributed to the extent to which latter geological units and sediments overly the Proterozoic rock. The focus of these repeating structures is cross tied by intersection of resultant structural elements on R and R'

It is evident from the image, that the primary structural domains repeat along the sigma one and the sigma three directions. The focus of stress development with uplift along Sigma 1 is associated with a dynamic environment and rising fluid intrusions. With the third orthogonal principal stress direction, sigma two, influencing the repeat cycles of structural control over mineralisation with depth.

The wider strike slip corridors aligned to S(087°), providing for initial D2 compression folding, initially aligned with 063°. Subsequent shearing within these corridors allowing for the movement of mineralised fluids, which concentrate in resultant shears R (103°), and late stage folding and cross shearing on P (063°).

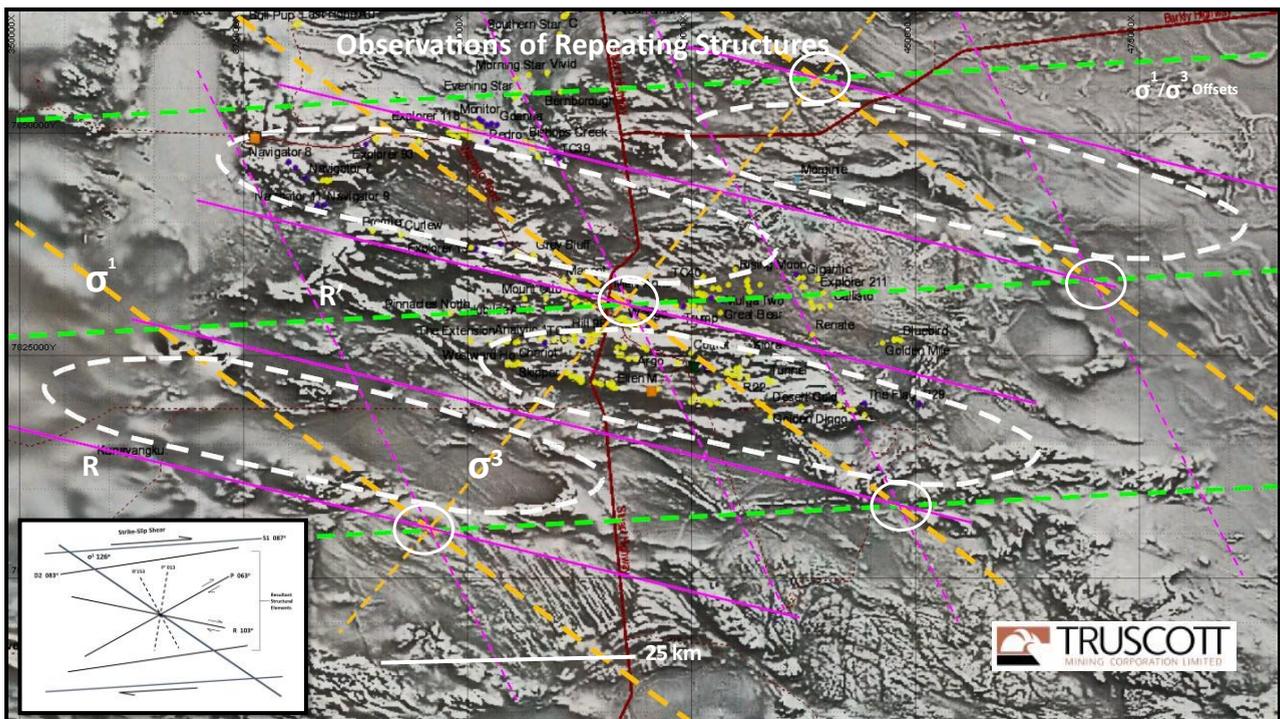


Figure Four: Structural Domains within the Strike-Slip Corridor

## Building a Context for Exploration – Orogenic Influences

The opportunity for discovery is often a result of the limitations of previous exploration, and exploiting that potential requires the establishment of a context for new exploration work. Work on development of a context for exploration has followed from first observations on government mapping.

Mapping illustrates (Figure 5) the setting for large-scale tectonic forces, with a primary stress direction (sigma one), aligned to physical landforms, structures, and geological boundaries. With Archean and Proterozoic rocks evident as relative zones of uplift or crustal thinning across the Northern Territory.

The Company interprets the lineation observed on  $126^\circ$  (Sigma 1) as being the principal stress direction that is a consequence of inter-plate collision. Structural theory suggesting that ongoing primary stress (Sigma 1) has the capacity to develop major strike slip corridors which exhibit characteristic structural elements.

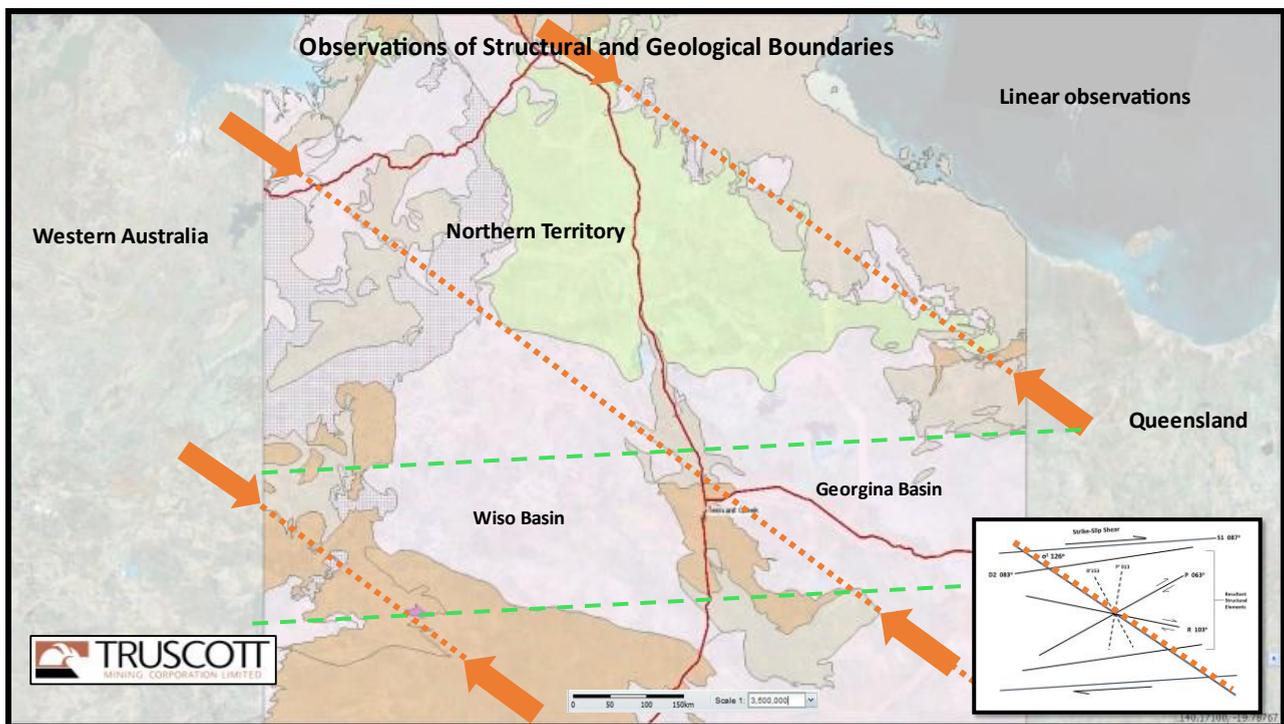


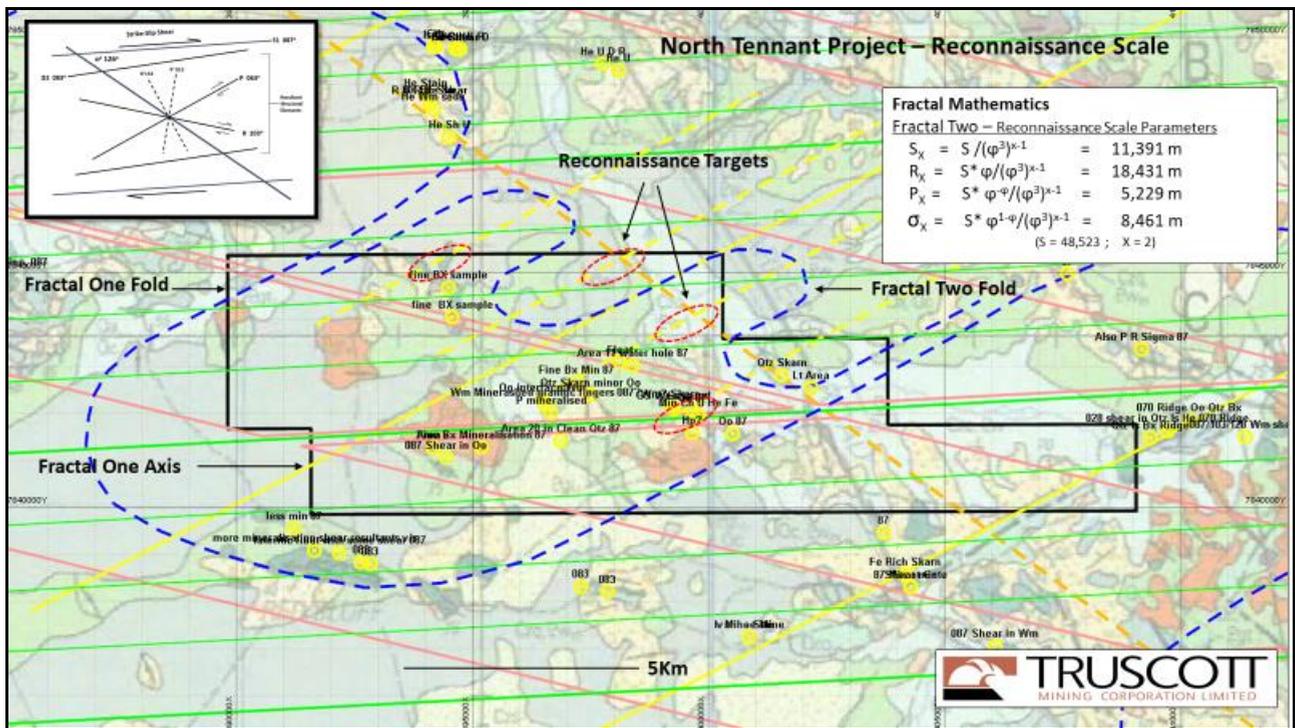
Figure Five: Regional Linear observations on  $126^\circ$  (Sigma 1)

## North Tennant Project Reconnaissance- Exploration Initiatives

The company previously confirmed the presence of the expected strike slip  $S(087^\circ)$  elements crossing the North Tennant Project area. During the quarter, referencing of the fractal model allowed confirmation with alignment of mapped structure and the locations (Figure 6) of reconnaissance targets.

Reconnaissance targeting at fractal level two provides for areas to undertake initial field observations to better understand the landforms and assimilate structural observations. More detailed modelling a fractal three shall then follow for the purpose of targeting zones for surface sampling.

Truscott has through its research established a complete overlay of additional prescriptive information, to that which is available to other exploration entities, to design and support exploration initiatives.



**Figure Six: North Tennant Project -Structural Controls**

*Note: The research undertaken by Truscott uses concepts from applied mathematics and structural geology to support development of systems in intelligent design. Mathematics of the character used by the company has seen previous application in the disciplines of biological and physical sciences to describe natural systems.*

### Westminster Development Project (1+ Million Oz Au Target)

The Westminster Project contains several ore body scale mineralised zones. The mineralisation is well characterised through extensive study and analysis. Ore Body One, as described below, has a significant footprint of high-grade gold mineralisation, and stands ready for resource extension drilling.

#### Westminster - Observations at Ore Body Scale

By further mathematical derivation of the primary domain, it is possible to undertake analysis at ore body level or fractal four.

The initial reference observation set for undertaking analysis at ore body level or fractal four is ore body one within the Westminster project area.

The gravity image (Figure 7) and the block model for ore body one at Westminster are set in alignment with a structural domain at fractal four, with the structural elements S, R, P also in evidence with ore constrained within shear corridor S (087°).

It being clear that the upper ore gold zones drilled and modelled to date sympathetically align with the dilation P (063 deg), a reoccurring observation at multiple other historical mines that becomes a determinant for planning and orienting future drilling programs.

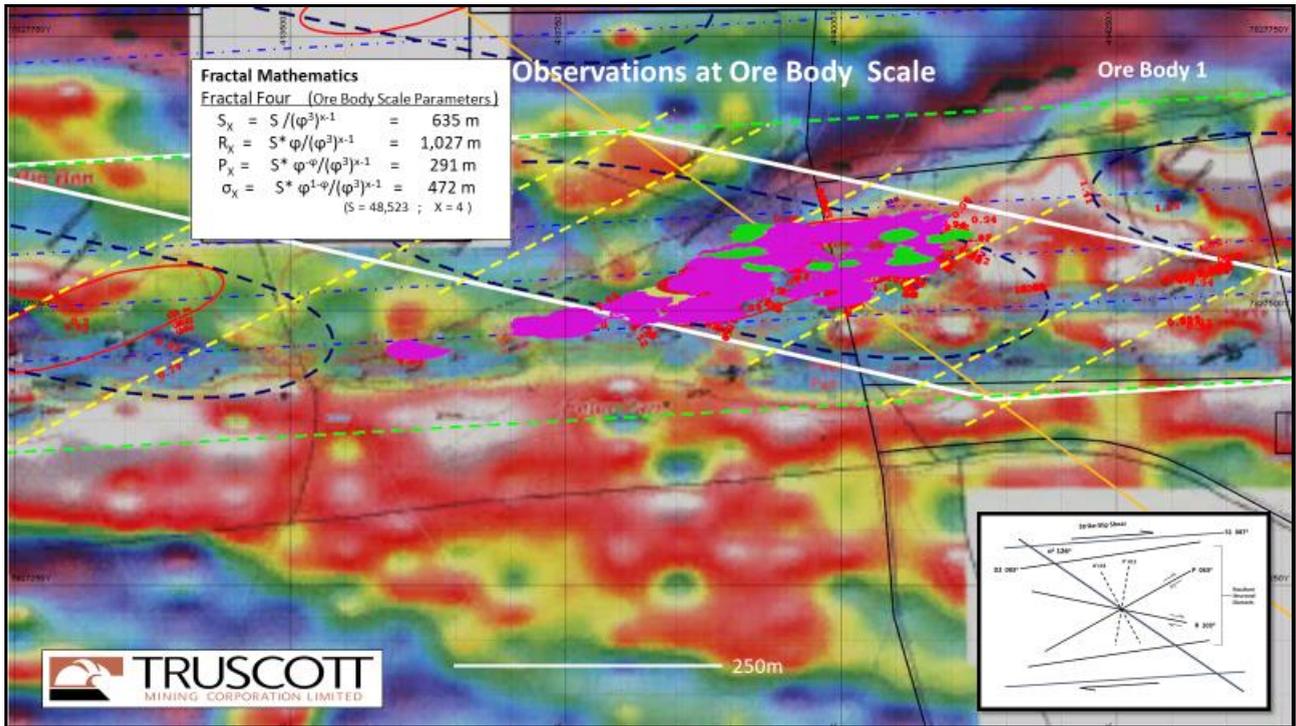


Figure Seven: Observations-Ore Body Level (Fractal Four) Westminster – Gold Block Model & Gravity Image

### Westminster - Modelling Mineral flow & Dilation Interactions

Analysis and modeling of the upper part of orebody one at Westminster

S (087°).

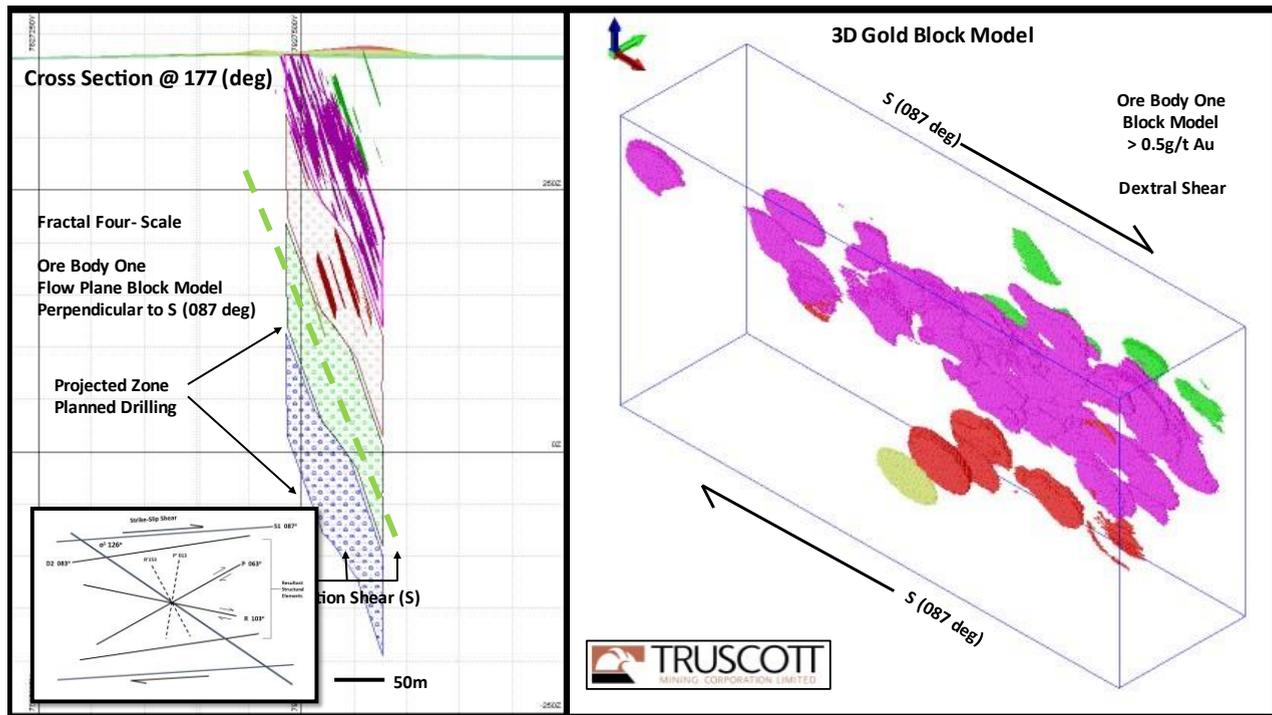


Figure Eight: Modelling Mineralising fluid flows and Dilation Shear Interaction – Westminster Project

The Cross section (Figure 8) of Ore body One – Westminster, illustrates the intersection of modelled flow plains and dilation on P (063°), where pregnant fluids precipitate gold within the constraining shear corridor.

With the cross section aligned perpendicular to the constraining shear S (087°) the dip of the mineralization is higher than the apparent dip observed the cross sections of figure eight.

Based on historical observations of other deposits and mineralisation along strike, substantial high-grade gold has typically existed at depths that correlate with the untested green horizon.

### Westminster -Work Programs -Diamond Core Drilling Controls

Modelling has defined discordant strike slip- shear corridors striking S (087°). Aligned within these corridors planner elements tilt at 10 degrees to the east and dip 65-70° N resulting in a surface strike trace of (083°). These elements acting as flow plains for mineralisation.

The intersection of these flow plains and the resultant vertical P (063°) dilation direction generated by the strike-slip action, determines the dominant trend for gold mineralisation, being a direction of P (063°) with a plunge of 041°.

The later stage cross-linking shear and dilation on P (063°) providing the strongest influence on the local distribution of structurally controlled gold mineralisation.

The company has planned a series of vertical drill holes to verify the mineralisation at deeper levels than have been previously tested. Discrete targets in these systems at these depths have 500,000 plus ounces of gold potential.

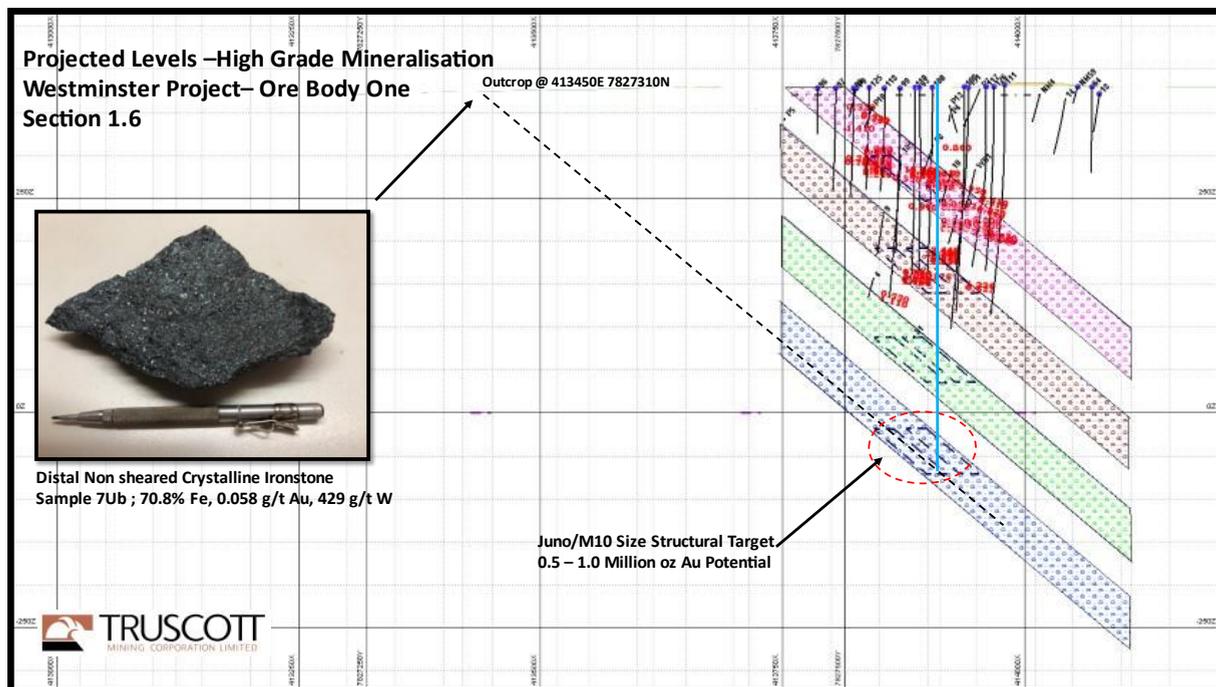


Figure Nine: Westminster Project – Drill Section 1.6

This proposed drilling, targets mineralisation to depth at one of four enrichment zones along a 2.5 km long strike shear corridor at the Westminster Project. As indicated in figure five, this first corridor of strike slip shear and mineralisation repeats multiple times and provide for multiple lines of mineralisation at substantial depths.

A typical drill control cross section (Figure 9) aligned to P (063°) demonstrate multiple levels of flow plain intersections plunging at 041°. The vertical spacing between flow plain sets of 105 metres follows from the earlier modelling of the existing drill-hole database.

Highly crystalline and non-sheared ironstone, with background gold mineralisation and elevated levels of anomalous wolframite, is evident where these flow plains come to surface, supporting precepts relating to the structural model. Of specific importance is the observation that only highly sheared ironstones with iron levels moderated by subsequent events demonstrate high concentrations of gold mineralisation.

### Westminster - Development & Operations

Truscott has now completed a development schedule for the Westminster Project that encompasses all activities from project initiation through to first gold pour, which runs for a period of three years. For conceptual purposes, the time of project initiation, will coincide with time at which the company makes an application for the extended mining lease area for the project area.

During the previous quarter, the company undertook the pegging and initial surveying (Figure 10) of the proposed mining operations area in preparedness for facilitating any Board decision to move to the first stage in advancing the application for the mining lease extension.

The proposed mining operations area captures the core of the four main 087° (S) shear zones for the project area and provides for an additional area to establish installation of alternate energy (solar) sources if required.

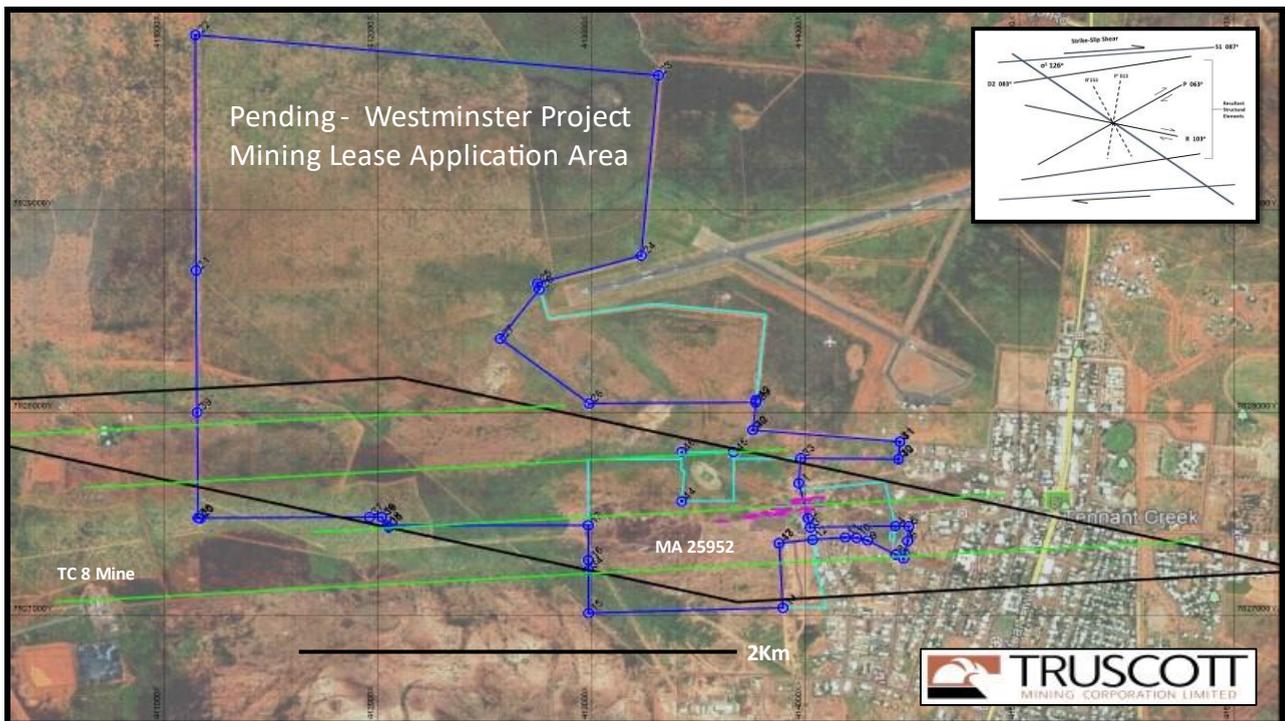


Figure Ten: Westminster Project- Proposed Operations Area

## Exploration Paradigms

Truscott is working to building knowledge and recognition of the potential a continental scale strike-slip shear zone. Outcrops of Proterozoic rock proximal to Tennant Creek have provided a window into a near basement environment that has provided an understanding of structural events. After an initial phase of sedimentation and folding a discordant strike slip event appears to have been a determinant for controlling both later intrusions and mineralising flows.

An increased understanding by explorers of this orogenic scale strike slip activity will lead to the onset of a major rush of exploration activity for companies seeking to exploit previously unrecognized potential. The successful newcomers will understand and account for the influence of discordant strike slip activity, when targeting mineralisation.

*Truscott's research and development studies use current structural models for prioritising and acquiring exploration areas. The knowledge provided by the structural modelling, is the key to the future development of the mineral field. A wider understanding of structural controls by all explorers and an integration of historical geophysical and geochemical exploration concepts will result in a change in thinking.*

### **Peter N Smith** **Executive Chairman**

Authorised by: By the Board

**Competent Person's Statement:** *The contents of this report, which 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 company's tenements. The company cautions investors against using this announcement solely as a basis for investment decisions without regard to this disclaimer.*

**Forward-Looking Statements:** *This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Truscott Mining Corporations Limited's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "expect," "intend," "may" "potential," "should," and similar expressions are forward-looking statements. Although Truscott believes that its expectations reflected in these forward- looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that further exploration will result in the estimation of a Mineral Resource.*

## Appendix 1

### Mining Tenements Held on 31 December 2021 (Table 2)

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>Barkly</b>	Northern Territory					
EL 31579			100%	100%		
<b>North Tennant</b>	Northern Territory					
EL 32111			100%	100%		

## Appendix 2

The Quarterly Cashflow Report (“Appendix 5B”) for the reporting period ending 31 December 2021 was released to the ASX the same day as this report and provides an overview of the company’s financial activities. An extract of Items relevant to this Quarterly Activities Report are tabled below.

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	<b>5</b>
6.2	Aggregate amount of payments to related parties and their associates included in item 2	<b>19</b>
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

**Payments to directors and director related entities for professional services at less than market rates.**

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

TRUSCOTT MINING CORPORATION LTD
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ABN

31 116 420 378
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Quarter ended ("current quarter")

31 December 2021
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Statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(4)	(8)
(e) administration and corporate costs	(45)	(91)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	0	0
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(49)</b>	<b>(99)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		(2)
(d) exploration & evaluation	36	12
(e) investments		
(f) other non-current assets		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material) Refund of security deposit		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>36</b>	<b>10</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		<b>210</b>
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		<b>(15)</b>
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	<b>(11)</b>	<b>(31)</b>
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(11)</b>	<b>164</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	<b>161</b>	<b>62</b>
4.2	Net cash from / (used in) operating activities (item 1.9 above)	<b>(49)</b>	<b>(99)</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	<b>36</b>	<b>10</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	<b>(11)</b>	<b>164</b>

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>137</b>	<b>137</b>

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3	18
5.2	Call deposits	134	143
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>137</b>	<b>161</b>

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	5
6.2	Aggregate amount of payments to related parties and their associates included in item 2	19
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

**Payments to directors and director related entities for professional services at less than market rates.**

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	250	166
7.2 Credit standby arrangements	0	0
7.3 Other (please specify)	9	0
<b>7.4 Total financing facilities</b>	<b>259</b>	<b>166</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>93</b>
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
7.1 Loan is an unsecured interest free loan facility from a director and his related entity.		
7.3 Net BAS refund received after 31 December.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(25)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(35)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(60)
8.4 Cash and cash equivalents at quarter end (item 4.6)	137
8.5 Unused finance facilities available at quarter end (item 7.5)	93
8.6 Total available funding (item 8.4 + item 8.5)	230
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>3.83</b>
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2022

Authorised by: By the Board  
(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.