19 September 2016

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RE: Final Report For The Reduced Tenement, EL 27731, With Partial blocks dropped SE533198W, ES533198X and SE533198L

The sixth anniversary of exploration licence EL 27731 (Figure 1) occurred on the 23rd August 2016. At that time Partial blocks SE5333198W, SE533198X and SE533198L were surrendered.

Overview

EL 27731 is constituted of three full blocks and nine partial blocks. The tenure is located approximately 25 kilometres east of Tennant Creek and is reported on under the joint Ewan Edward Project Area. For joint venture negotiation purposes the area contained within the tenement itself is currently being described as the Hera Project.

Figure 1: Ewan Edward Project Area – EL 27731 & EL 30883
Hera Project – Structural Setting

The Hera Project Area (Figure 3) is thought by Truscott at this time, to contain two significant targets, located at intersections of structural elements, which are designated as Hera One and Hera Two. (Figure Four)

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.

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.

Figure Two: Hera Project – Structural Setting

Explanation For Partial Tenement Surrender

Truscott’s recent field research work has now been extended to encompass what is being described as the Central Australian Mineral Field. The Tennant Creek Mineral
Field is only one of the structural domains within this broader regional framework. In anticipation of increasing the level of activity Truscott has already commenced acquiring additional tenement positions within the other structural domains and surrendering those seen as having little minable value, especially those areas with restricted work space potential.

The Partial blocks to be surrendered are listed in the Table 1 below, and outlined in Red Figure Three.

<table>
<thead>
<tr>
<th>Blocks to drop</th>
<th>Red Outline</th>
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<tbody>
<tr>
<td>SE533198W</td>
<td>SE53</td>
</tr>
<tr>
<td>SE533198X</td>
<td>SE53</td>
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<tr>
<td>SE533198Y</td>
<td>SE53</td>
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</tbody>
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Figure Three, Blocks Surrendered outlined in red

The reasons for surrender can be seen in Figure 4 where the main drilling targets for The Hera Project, tenement EL 27731 are shown. Firstly the partial drop off areas do not fall within the projected target zones. Secondly the partial block areas are long and narrow (some 386 m in width) making minable target prediction within this area difficult.
Exploration Activities within the Drop-off zone.

Due to the size and shape of the area to be dropped there has been only minimal exploration activities carried out within this zone. Some minor Gravity geophysics and some field walking, but structures were not recorded because to do so in full required that the structural mapping would need to be extended to adjacent ground which is recorded on Government Data base maps as being Aboriginal owned with restricted access.

Figure Four. Truscott Potential Target Localities within the Ewan Edward Project

The ground based gravity map Appendix 1 will be attached separately to the Final Report E-mail.

Jude Hanson
Truscott Mining
Third Schedule
(Plan of Area)

SEL27731
12 Blocks
21.99 Sq Kms
Appendix 1
Appendix 2

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