Exploration Licence EL 23897

4th Annual Report
Year ending 9th February 2008

5th Year MMP Plan
Year ending 9th February 2008

Map Sheet: Tennant Creek 5758
Northern Territory

Submitted by: Ivan Henderson & Kevin Alexander

Date: February 2008

Copies to: Department of Primary Industry, Fisheries & Mines/Titles Division
Department of Primary Industry, Fisheries & Mines/Mines Division
Capricorn Mapping & Mining Title Services
Truscott Mining Corporation Limited (2 copies)
Resource Holdings (WA) Pty Ltd

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RC Drill Hole Digital Datafiles attached:

EL23897_2008_A_01_DrillCollars
EL23897_2008_A_02_DownholeSurveys
EL23897_2008_A_03_DrillLithologs
EL23897_2008_A_04_DownholeGeochem
EL23897_2008_A_05_DownholeMagSus
EL23897_2008_A_06_DrillingSummary
SECTION 1: Outline and Introduction

Proponent Details

1.1 Project Name and Location

EL 23897 (Ewan Edward) is situated approximately 25 kilometres southeast of Tennant Creek. Access to the tenement is gained via the sealed Peko road to the Nobles Nob mine from Tennant Creek, then via the unsealed Gosse River road.

Immediate access to the western extremity of the tenement is gained via an established boundary fence and track crossing the Gosse River road at 433000mE. The boundary fence and access traverse south to 7817500mN and then head east transacting the entire tenement along a line at approximately 7817500mN. An alternate access route is available via old exploration tracks heading south from the Gosse River road at approximately 438500mE and over higher ground. Location of EL 23897 is provided as Figure 1.1 (1) below.

![Figure 1.1 (1): EL 23897 (Ewan Edward) outlined in blue and overlain on the Tennant Creek topographic map](image-url)
1.2 Tenement Details

The title information is listed in Table 1.

<table>
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Table 1. Tenement Information

1.3 Operator

The Operator appointed under section 10(4) of the Mining Management Act is:

Truscott Mining Corporation Limited

1.4 Address

PO Box 2805
West Perth,
Western Australia 6872

1.5 Contacts

Telephone : +61 8 9327 7300
Mobile : +61 4 19943684
Email: i.henderson@truscottmining.com.au

1.6 Contact Person

Mr Ivan Henderson – Chief Geologist
Permits and Conditions

1.7 Regulatory Requirements

Primary legislation regulating mining activities:

- Mining Management Act 2001
- Mining Act 1980
- Northern Territory Mining Management Act 2002 (Section 24A)
  - Section 10(4) “Notice of Appointment of Operator (appendix two)
  - Section 35 “Application for an Authorisation” (MMP)

Other relevant legislation:

- Bushfires Act 1980
- Weed Management Act 2001
- Environmental Assessment Act 1982
- Heritage Act 1991
- Public Health Act 1982

Future reporting requirements of the project include:

- Mining Management Act
  - Mining Management Plan
  - Production and Safety statistics
  - Incident Reporting
  - Conditions of Authorisation (not granted at this time)

- Mining Act
  - Title tenure conditions

Project Status

1.8 History & Current Status

1.8.1 INTRODUCTION

EL 23897 was granted to Resource Holdings (WA) Pty Ltd in 2004. Truscott Mining Corporation Ltd acquired 90% of the licence and assumed management in late 2005, and Resource Holdings retained 10%

Following evaluation of previous exploration results, Truscott planned and carried out a Reverse Circulation drilling programme in July 2006 to test for hematite hosted gold mineralisation on EL 23897. Results from this and the previous year’s RC drilling were then incorporated into remodelling of detailed ground gravity data, to refine exploration targets for 2007 drill testing. Details of work carried out are given in this report, together with recommendations for follow-up exploration.
1.8.2 LOCATION AND ACCESS

The project is centred about 25 kilometres east-southeast from Tennant Creek township, and falls within the area of 1:100,000 map sheet 5758 (Tennant Creek).

Access to the tenement is eastward from Tennant Creek along sealed road towards the former Peko and Nobles Nob mine sites, continuing east on the well maintained Gosse River gravel road for about 9 kilometres to a gate in the Tennant Creek Pastoral Lease boundary fence.

The western end of EL 23897 can be reached from the gate by driving southwards for 1.75 kilometres along a fenceline track. The area is generally flat-lying, with few of the prominent ridges typical of the region.

Alternatively, the turnoff to an access track made for the July 2005 drilling programme is situated a further 5.4 kilometres past the gate, along the Gosse River road. The access track continues for just over two kilometres south, where it passes through a gate in the southern boundary fence to the drill area.

1.8.3 TENURE

Resource Holdings (WA) Pty Ltd applied for EL 23897 in May 2003. The licence was granted on 10th February, 2004 for a period of 6 years. It covers 8 sub blocks, and is 9.27 square kilometres in area. In October 2005 Resource Holdings entered into a sale and JV agreement with Truscott Mining Corporation Limited under which Truscott acquired 90% of the tenement and was appointed operator for future work programmes.

The central main part of EL 23897 covers land held under Crown Lease Perpetual 1109 by Australian National University. A narrow strip of ground 0.4 kilometres wide by 12.8 kilometres long forms the northern segment of the tenement, and covers the southern margin of Perpetual Pastoral Lease 1142 of Tennant Creek Station. Adjoining but outside the southern boundary of EL 23897 is Aboriginal freehold land held by the Warumungu Aboriginal Land Trust.

A clearance survey conducted by the Aboriginal Areas Protection Authority recorded no Heritage Sites within the tenement boundaries. An authority certificate has been issued for mining exploration and mining, including the construction of infrastructure.

1.8.4 REGIONAL GEOLOGY AND MINERALISATION: TENNANT CREEK PROVINCE

Regionally, the palaeoproterozoic Tennant Creek Inlier outcrops over more than 45,000 square kilometres and is surrounded by younger Cambrian and Mesozoic flat lying cover. It comprises three separate geological provinces – from north to south these are the Ashburton, Warramunga (or Tennant Creek) and Davenport provinces.

EL 23897 lies within the southeastern portion of the central Warramunga province. This geological region includes the Tennant Creek Goldfield, which has recorded production of over 5.5 million ounces of gold and 488,000 tonnes of copper since 1932. Gold grade has averaged 19g/t Au recovered, and copper-gold deposits averaged 2.9% Cu + 4.9g/t Au recovered.
Almost all known Au (±Cu±Bi) mineralisation in the Tennant Creek Goldfield is hosted by massive hematite and magnetite ironstones within the Warramunga Formation, a coarsening-upwards sequence of silty to sandy turbiditic flysch sediments at the base of the inlier sequence. Sheared quartz porphyry intrusives are often locally present.

Estimated minimum thickness of the Warramunga Formation is about 3,000m, although the base is not exposed. Maximum age of deposition has been recorded as 1860Ma, and these rocks are believed to have been rapidly deposited and largely derived from contemporaneous rhyodacitic to rhyolitic volcanics in a continental island arc setting.

Deformation of Warramunga sediments during the Barramundian Orogeny (D1, 1845-50Ma) produced moderate to tight upright folding with east or east-southeast trending fold axes and a well developed axial planar slaty cleavage (S1). This was accompanied by intrusion of “early” granites and smaller porphyries. Southeast of Tennant Creek, the volcano-sedimentary Flynn Subgroup succession was deposited more or less contemporaneously with this intrusive activity, with rhyolitic volcanics probably representing an extrusive phase.

The massive ironstones within the Warramunga Formation are discordant to occasionally stratabound, and are generally accepted to be of replacement origin. Donellan et al (1999) proposed that these pods and pipe-like bodies were formed during D1 deformation as an oxide phase, when hematitic iron oxides were remobilised from sediments and magmatic intrusives by moderately saline connate brines.

Ironstone bodies formed where iron oxide-rich fluids were concentrated in favourable dilational structural and stratigraphic traps, after migrating along cleavage planes and shear zones. They are typically located in structural flexures near hinge zones of the main east-northeasterly trending fold axes.

This D1 event was followed in about 1830-20Ma by a reactivation of earlier fabrics by progressive dextral shear, which resulted in development of extensional fractures in the oxide iron pods within ductile chloritic shear zones.

Gold bearing sulphidic mesothermal metamorphic fluids then infilled fractures and replaced zones in some of the hematite bodies, resulting in magnetite-sulphide ore bodies with chlorite, talc and dolomite alteration haloes variably developed according to local geological conditions.

Numerous other genetic models have also been proposed, invoking single or multiple phases and differing mineral sources, although a mineralisation age of 1830Ma is generally accepted. Similarities to other Proterozoic IOCG deposits (iron oxide copper gold) have been described.

Strong structural control on both the hematitic ironstone distribution and the later Au (±Cu±Bi) mineralisation is evident, as shown by distribution of major deposits along “Lines of Lode” which trend west-northwest. As only a relatively small number of the 650 or so known ironstones host significant gold and copper deposits, location within these recognised mineralised trends is an important exploration parameter.

A later stage of regional deformation (D2/D2’, pre 1730 Ma) occurred well after the mineralisation event, contemporaneous with the Strangways Orogeny in the Arunta Block to the south of the Tennant Creek Inlier.
Folding in the Warramunga Formation was largely co-axial with the earlier F1, being largely controlled by the existing tectonic fabric. Two pervasive cleavages were developed on northwest (S2) and northeast (S2’) orientations and are predominantly crenulation, or local fracture or slaty cleavages.

D2 and D2’ folding in the Warramunga Formation on the meso-scale include symmetric and asymmetric chevron anticlinal folds; asymmetric, box and doubly peaking anticlines; symmetric doubly peaking anticlines; and predominantly concentric synclinal folds.

Granitic intrusion followed the D2 tectonic event, with minor ultramafic, calc-alkaline lamprophyre intrusion at about 1685Ma. Metamorphic grade of the Warramunga Formation is very low to low grade greenschist facies.

Details of regional geology, structure and mineralisation are included in the 1:250,000 (SE53-14) and 1:100,000 (5758) Tennant Creek sheet notes.

1.8.5 LOCAL GEOLOGY AND MINERALISATION

Within the Tennant Creek province, the southern boundary of the Warramunga Formation is marked by a fault zone which separates predominantly silty Warramunga sediments to the north from Flynn Subgroup felsic volcanics, sediments and coeval “early” granites to the south.

This regional structure runs approximately east-southeast for 30 kilometres from west of Mt Samuel to just south of EL 23897, where it swings to an east-northeasterly direction.

It also marks the southern boundary of the Mt Samuel-Eldorado-Juno-Nobles Nob “Line of Lode”, a well-mineralised structural corridor which is two to three kilometres wide. Over two million ounces of gold have been produced from within this zone, or more than 40% of the total of the entire Tennant Creek field. Average recovered gold grade of 36g/t Au is almost twice the field average of 19g/t Au.

As shown on the Tennant Creek 1:100,000 Geological Map, most of the tenement area (outlined in blue) is covered by Quaternary sand, sandy soils, colluvium and scree. The adjoining areas marked in red on Figure 1.8 (1) are exploration licence applications held by Resource Investments and Consulting Pty Ltd, which have not been granted.

A felsic porphyry outcrops poorly in the north central part of the tenement, striking in a general east-northeasterly direction for about two kilometres. Numerous areas of white quartz blow are developed in thin soils over the porphyry, as well as one prominent white quartz reef outcrop trending 070 degrees which is from 1-3m wide, 1m high and about 120m long.

South of the porphyry, a low hill of weakly hematitic and ferruginous silty to fine sandy Warramunga sediments outcrops and shows a subvertical cleavage predominantly developed along 070 degrees. This trend can also be seen further east, both within EL 23897 and in the adjoining EL application area.
On a flat soil-covered plain just west of the low Warramunga hill, several very small discrete pods of black silicified hematite ironstone outcrop on a west-northwest trend over about 40 metres. Extension of this trend to the east-southeast is shown by cleavage locally developed in narrow zone in poorly outcropping Warramunga sediments.

Although no mineralisation has been recorded within the predominantly covered tenement area, it lies within the western end of the Mt Samuel-Eldorado-Juno-Nobles Nob mineralised corridor which has produced over 2 million ounces of gold at an extremely high average grade of 36g/t Au.

The NTSTRIKE database shows nine abandoned mines, prospects or mineral occurrences within two kilometres of EL 23897. These are, from west to east, the Black Boy, Red Terror, Golden Dingo, Desert Gold, New Hope, Plumb, Comstock, Desert Hope and The Flag. Total recorded production from these deposits is 4,280oz gold at an average recovered grade of 28g/t Au, and ranging from 13-80g/t Au.

The gold occurrences are all hosted by hematitic ironstone within Warramunga sediments, while The Flag is a small hydrothermal copper vein in younger mudstones adjacent to a granite. The ironstones vary from sheet to tabular or pipe-like in shape and are up to 70m long, 7m wide and 40m deep.

1.8.6 PREVIOUS EXPLORATION

There is little evidence of exploration within the area of EL 23897 although the ground has been held intermittently, usually as part of a much larger tenement. Most historical exploration was aimed at defining and testing “bullseye” magnetic targets, based on the traditional Tennant Creek style magnetite-ironstone ore model. Truscott’s main target is low magnetic hematite-quartz ironstone deposits, similar to the Nobles Nob +1 million ounce orebody.

In 1965, Mining Reserve 244 was established immediately south of the present boundary of EL 23897, restricting exploration of this reserved area.
NTGS on-line records and historic maps indicate the first modern tenement over the area was Authority to Prospect AP 1253, from 1964 to 1968. This covered much of the mineralised corridor from Eldorado to Comstock but excluded the Juno and Nobles Nob mines. Work was apparently aimed at aeromagnetic targets and no exploration was reported within the current tenement area.

Subsequent tenements held over the same area as AP 1253 from 1968 to 1976 by Australian Development Ltd and then Nobelex were AP 1947, AP 2386 and EL96, but again the focus was on magnetic targets well outside the current tenure.

Between 1976 and 1984 the ground was vacant, and although there was an application for EL 2817 in 1980 it lapsed and no work was reported. In November 1978, part of the area was included in the wider Warumungu land claim.

Peko Wallsend held the area as part of EL 4536 between 1984-1987, and their exploration emphasis was on aeromagnetic targets north of EL 23897. The ground was again vacant during 1987-1988 apart from some small areas held under MCC’s.

From 1988-1991, Metana Minerals and Placer Exploration carried out limited stream sediment sampling within EL 5729 and drilled three aeromagnetic targets north of the current ground but without success. Only the southernmost part of their licence coincided with EL 23897.

During 1991 -1995, part of the area was covered by a joint venture between North Flinders Mines and Roebuck Resources (EL 7410, EL 7793). Most of the JV exploration was aimed at more subtle aeromagnetic targets, with limited soil and rockchip sampling and shallow geochemical drilling.

Rockchip values to 3ppb Au and 11ppm Cu were recorded by the JV near Golden Dingo, just outside the western end of EL 23897. They considered this area to have potential due to encouraging geology and structure (shearing in ironstone associated with talc alteration and porphyry) and recommended follow-up. This was not done, apparently due to proximity of the tenement boundary.

Wide-spaced bedrock geochemical sampling over a small aeromagnetic dipole feature on EL 7793 was carried out in 37 vertical vacuum drillholes averaging 6.3m deep (total for 234.8 metres) Gold values from end of hole samples were mostly <1ppb Au, but several 2ppm Au values were recorded. Between these gold highs, a maximum copper value of 143ppm Cu was recorded in gossanous hematitic greywacke, on the western side of the magnetic anomaly and just inside the northern boundary of EL 23897. A second zone of anomalous copper to 37ppm Cu was defined more than one kilometre to the south southeast. Some of these holes are within the area of EL 23897 (Figure 1.8.3).

Although follow-up exploration was proposed, and the anomalous areas pegged under Mineral Claims MCC 1379-1381, no further work appears to have been carried out.

Adjoining the anomalous areas on EL 7793 to the west was EL 7806, held by Giants Reef Mining between 1994-1995. After a review of aeromagnetic data, they relinquished the licence.

The ground remained vacant from 1995 to 2004, when it was granted to Resource Holdings as EL 23897. Details of exploration prior to February 2006, given in previous Annual Reports, are summarised below.
Resource Holdings selected the area based on its high prospectivity, with favourable factors including dilational structural setting, location within the Eldorado-Juno-Nobles Nob high grade gold trend, the presence of ironstones and favourable alteration within Warramunga siltstones and porphyry intrusives, anomalous copper and gold geochemistry and very little previous exploration.

A ground gravity survey was carried out in September 2004, utilising 25 metre stations on 200 metre spaced lines. The target was low magnetic quartz-hematite ironstones similar to those hosting the +1 million ounce gold Nobles Nob deposit, less than 10 kilometres away along the structural trend.

A significant gravity anomaly was discovered in the central part of the tenement, where the survey spacing was closed up to 25m x 25m to better define its characteristics. Modelling of the gravity data identified nine separate subvertical bodies up to 800m long, 31m wide and 250m high, with density contrasts of between 0.8-1.2t/m3.

![Figure 1.8 (2) Central Gravity Anomaly Area](image-url)
The gravity anomalies lie along the southwestern flank of a regional aeromagnetic high, developed just north of the tenement boundaries and extending further eastwards. Resource Holdings undertook a programme of fieldwork in June 2005 to prepare for Phase 1 RC drill testing of the gravity anomalies.

An access track from the Gosse River road was extended by tramming a D7 bulldozer over the route with the blade raised to minimise vegetation disturbance, and drill sumps were dug adjacent to the selected deeper hole sites to ensure that any ground water encountered could be contained.

In July 2005, eight RC holes (ERC001-008) were drilled on three lines over 200 metres strike length, for 952 metres. These holes targeted the upper part of Modelled Gravity Body 1 at the peak of the gravity high, and at its eastern end in a zone of structural complexity and possible dilation. One shallow hole, ERC004, was drilled to test the upper extension of Modelled Gravity Body 3 and provide further geological information on the ERC001-003 section.

Drilling was carried out between 19th – 24th July, 2005 by Underdale Drillers of Adelaide, utilising an Investigator Mark 10 rig with a 900cfm/350psi on-board compressor and a face sampling hammer. No downhole survey equipment was available, having broken down on the previous job.

Figure 1.8 (3) Phase 1 Drilling, ERC001-008
Full details of this drilling are given in the previous Annual Report for EL 23897. A sequence of Warramunga siltstones, very fine sandstones and occasional medium grained sandstones was intersected on all sections drilled. Dips are steep, and interpreted to be possibly southerly from correlation of slightly more sandy units. The northernmost hole, ERC004, intersected a generally more sandy unit.

A sheared and variably quartz veined and hematite altered quartz porphyry intrusive was also intersected on all drill sections, varying from 7m-24m downhole width (5m-17m estimated true width). The porphyry appears to dips northwards at about 75-80 degrees, crosscutting the interpreted bedding, and strikes at 307 degrees, slightly oblique to the west-northwest gravity trend of 300 degrees.

Petrographic examination shows the porphyry to be a brittle/ductile sheared and altered (quartz-sericite) and subsequently retrogressed (iron rich chlorite – hematite) granite to granodiorite porphyry. It has been progressively deformed and altered in a brittle/ductile regime. Magnetite, as part of the initial phase, was oxidised to hematite during retrograde metasomatic alteration – probably during reactivation of the shear.

A total of 132 samples were selected for analysis, mainly from the porphyry intrusive and sheared, hematite altered sediments adjacent to it. Maximum gold value recorded was 8ppb, in dark grey silty fine sandstone just above the hanging wall contact of the porphyry intrusive in ERC006 (108-109m downhole).

Copper anomalism to a maximum value of 43ppm in hematitic quartz porphyry was recorded at 105-106m downhole in ERC008. Variable amounts of highly saline water were intersected, with ERC007 abandoned due to high inflow.

Based on the drill results, a remodelling exercise was carried out on the gravity data using various density contrasts, source dimensions and source depths. This confirmed that the observed Bouguer anomaly of Modelled Body 1 could be due to a deeper hematite-rich body up to 60 metres wide and with a density contrast of 0.85/t/m3.

After acquiring 90% of EL 23897 and assuming management of the property, Truscott Mining carried out a review in early 2006 of all previous exploration data including aeromagnetics, detailed ground gravity and results of the 2005 RC drilling programme. A follow-up RC drilling programme was planned, to test the strike and depth extents of the brittle/ductile sheared and hematite altered quartz porphyry and to test for associated gold mineralisation.

In July 2006, Truscott deepened two of the previous RC holes and drilled a further 6 RC holes over a total 550 strike length of Modelled Gravity Body 1 for a total of 1,795 metres. The programme was carried out by Gomex Drilling from 11th to 21st July using a Metzke rig and 5½ inch face sampling hammer. On-board air was 350psi/900cfm, with a similar size auxiliary and a 900psi booster alongside. The rig was equipped with an effective dust suppression system, and a hydraulically-operated cyclone and splitter system for sample collection.

Down hole surveying was provided by a Reflex electronic unit. Surveying was carried out in open holes, in RC rods and (for part of the programme) inside a stainless steel starter rod. Significant hole deviation was identified in both current and previous drilling, leading to re-interpretation of the dip of the altered porphyry intrusive and the controlling shear structure.
During the drilling programme, a total of 1,795m was drilled in 8 holes (two of which involved re-entry and deepening of Phase 1 holes). Samples were collected via the on-board cyclone and riffle splitter for each metre, and bagged as both analytical (calico bags) and bulk (plastic bags) samples for each interval. A total of 365 samples were despatched to ALS-Chemex Alice Springs for gold (Au-AA25) and 14 element (ME-ICP41) analyses. Of these, 309 were single metre samples and 56 were composited into 14 x 4m composites.

Figure 1.8 (4) Gravity Image Showing Interpreted Anomalies TC1-TC4 and RC Drilling
Environmental remediation was commenced at the end of the July 2006 drill programme. Bulk cuttings from the 2005 drilling were deposited into the existing sumps which were re-filled and covered with local thin soil material from the initial excavation. It is anticipated that these will revegetate naturally with grasses and spinifex, following rains of the 2006-7 wet season. Progress of revegetation will be monitored during 2007 field work.

Following the 2006 drilling program, the detailed gravity survey data was reinterpreted by Southern Geoscience Consultants using the updated geological and structural data, resulting in the outlining of four main gravity targets (TC1-TC4), three of which are yet to be drill tested (Figure 1.8 (4)). The main elongate anomaly TC1 is related to density contrast associated with fresher porphyry within deeper weathered sediments, and sporadic hematite enrichment.

Two dominant structural/emplacement trends were highlighted, west northwest and east northeast, which are the principal mineralising trends at the high grade Nobles Nob mine less than 10 kilometres westwards along the structural trend.

1.8.7 EXPLORATION DURING THE REPORTING PERIOD

A ground magnetic survey was undertaken during July 2007 as infill around existing anomalous zones identified from regional data sets. Sixty four lines were completed over selected areas. Data were collected from stations at 5m intervals along 100m spaced north south trending lines using a Geometrics G856 hired from Fugro Instruments. Figure 1.8 (5)

Files containing digital data are listed in E23897_2008_A_Groundmag_data.XYZ in Appendix I.

A precision GPS-Gravity survey was carried out during September 2007. A total of 1978 stations were surveyed. Gravity data was acquired using a Scintrex CG-5 digital gravity meter. Position and level data was obtained using Leica GPS units to produce precise real-time-kinematic locations. All data was acquired using Daishsat foot-borne methods. Gravity data was reduced using standard reductions on the ISOGAL84 gravity network. GPS data were reduced to MGA coordinates with levels expressed as metres above the Australian Height Datum.

The survey employed 50m station spacing with either 100m or 200m line spacing. This survey was complementary to existing data in immediate vicinity of the Ewan Edward survey.

The grid was set up concurrently with the gravity data acquisition using the Leica 1200 GPS operating in real time kinematic mode. Where possible, the readings were taken as close to the ideal coordinates as possible. At repeat stations, a washer tied to pink flagging, marked with the station number, was used for identification. At each station, the station number, position and RL were recorded digitally Figure 1.8 (6).

Files containing digital data are listed in E23897_2008_A_Gravity.dfn, E23897_2008_A_Gravity_SD, E23897_2008_A_Gravity_Tennant_Creek.des in Appendix II.

Data from the September 2007 ground gravity and July 2007 ground magnetic survey were merged with the 2004 gravity survey data sets. Magnetic and gravity highs were identified. Nine coincident magnetic and gravity highs (TRT1 – TRT9) were identified as potential targets to be associated with gold and copper mineralization Figure 1.8 (7).
Three RC holes, 07EERC015, 07EERC016 and 07EERC017 were drilled at Ewan Edward (E23897) for a total of 651m. The holes were located using a hand held Garmin GPS. Down hole surveying was completed on each hole using a digital multi shot Eastman camera.

### Table 2 Drilling Details

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A summary of drilling details are listed in the digital data file `EL23897_2008_A_06_DrillingSummary` in Appendix 5.

Drilling was completed by L A Boyles Drilling using a RC drill rig with top drive Hydro rotation head 6000C on a 4WD truck using a 5 inch diameter face sample hammer. The rig was coupled with a 900 cfm/350 psi Sullair compressor, a Keypower 700 psi auxiliary booster and an Ingersoll-Rand 700cfm/350psi auxiliary compressor.

The holes were sampled using a spear at 3m composited intervals. 220 samples were submitted to ALS Alice Springs for sample preparation. Preparation involved pulverizing the complete sample to 85% passing through 75 micron. The bowl was cleaned by pulverizing a barren sample after every sample. Sample pulps will be sent onto ALS Perth for analysis. Gold (Au>0.001ppm) analysis was done by fire assay and AAS using a 30g nominal sample weight (Au-AA25). Multi-element analysis was by an Aqua Regia digest with an ICP finish (ME-ICP41) for Cu>1ppm, Zn>2pppm, Pb2ppm, As>1ppm, Bi>2ppm and U>10ppm.

Magnetic susceptibility was collected for each sample using a hand held Fugro GMS-2 Magnetic Susceptibility Meter.

Each drill hole was geologically logged at 1m intervals using geological codes listed in Truscott Mining Geological Codes (Appendix IV). A small portion of each sample was sieved and washed and collected in plastic chip trays and stored at Tennant Creek.

Drill hole details are listed in Table 2. Collar locations are plotted in Figure 1.8 (8). Geological Cross Sections are in Appendix III. Data for collar locations, down hole survey, geochemical data, magnetic susceptibility and geological descriptions can be found in the digital files `EL23897_2008_A_01_DrillCollars, EL23897_2008_A_02_DownholeSurveys, EL23897_2008_A_03_DrillLithologs, EL23897_2008_A_04_DownholeGeochem, EL23897_2008_A_05_DownholeMagSus, EL23897_2008_A_06_DrillingSummary` in Appendix V.

07EERC015 was targeted at the magnetic anomaly TC3 located at approximately 438530E 7817125N. The linear anomaly TC3 has been modelled as a body of density 4.0g/cc representing a possible ironstone body, with a depth to top of as little as 40m. The hole was collared at 438545E 7817180N angled -65° towards 200° to a depth of 199m.

07EERC016 and 07EERC017 were targeted at the magnetic anomaly TC4 located at 438480E 7817350N.
TC4 has been modelled as an elliptical body of density 4.0 with NE-SW strike. The depth to the top of TC4 is modelled as 100m for consistency with TC2. It is off-section and oblique to the modelled profile limiting the modelling precision. The holes were drilled approximately 30m apart on a line orientated towards 155° to intersect the target at 150m and 200m below the surface. To allow for excessive lift encountered during the drilling of 07EERC015 the holes were angled at -70°.

07EERC016 was collared at 438450E 7817425N and drilled to a depth of 181m. The hole intersected a sequence of interbedded siltstone and sandstone units.

07EERC017 was collared at 438440E 7817455E and drilled to a depth of 271m. The hole intersected a sequence of interbedded siltstone and sandstone units.

No significant gold or copper mineralisation was intersected.

A verification file is included as Appendix VII.
Figure 1.8 (5) Ground Magnetic Survey Lines on Merged Magnetic Image

Figure 1.8 (6) Merged 1st VD Ground Gravity Survey with Sample Stations
Figure 1.8 (7) Merged Ground Gravity & Ground Magnetic Image with Co-incident Gravity & Magnetic Highs
1.8.8 CONCLUSIONS AND RECOMMENDATIONS

Exploration by Resource Holdings and Truscott Mining has confirmed the presence of favourable geological and structural settings prospective for Tennant Creek style low-magnetic quartz hematite hosted gold mineralisation within EL 23897.

The main elongate gravity anomaly has been confirmed to be associated with a brittle/ductile sheared porphyry intrusive which has been altered (quartz-sericite) and subsequently retrogressed (iron rich chlorite – hematite). Magnetite from the initial phase has been oxidised to hematite during the retrograde metasomatic alteration – probably during reactivation of the shear. Weakly anomalous gold and copper are also present.

RC drilling along strike of this altered porphyry system has demonstrated many of the factors associated with gold mineralisation elsewhere in the Tennant Creek field. Gravity reinterpretation has shown the presence of structural directions, intersections and potential dilation settings identified as important at orebodies elsewhere within the Mt Samuel – Eldorado – Juno – Nobles Nob mineralised corridor.
Recent incorporation of geological and structural data from the RC drilling programmes carried out have improved the gravity modelling and defined further targets which will now be tested by additional RC drilling during 2008.

Prior to drilling, further surface mapping and orientation multi-element geochemistry should be undertaken in the drill target area to validate geology and structural controls interpreted from the gravity data. Detailed aeromagnetic data has been purchased from previous explorers and will be reinterpreted to provide a further structural perspective for drill targeting.

Work to date has concentrated mainly on the central anomaly area, and should now be extended more widely across the tenement to evaluate other subtle gravity anomalies which have been defined. Expenditure for the year ending 9th February 2008 is listed in Table 3 and also presented in an expenditure form in Appendix VI.

**Table 3: Expenditure for Year Ending 9th February 2008**

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Geology</td>
<td>$69,398</td>
</tr>
<tr>
<td>Exploration Planning</td>
<td>$14,197</td>
</tr>
<tr>
<td>Field Base</td>
<td>$14,831</td>
</tr>
<tr>
<td>Field Supplies</td>
<td>$10,736</td>
</tr>
<tr>
<td>Geo Consultants</td>
<td>$4,361</td>
</tr>
<tr>
<td>Geophysics</td>
<td>$30,321</td>
</tr>
<tr>
<td>RC Drilling (3holes/651m)</td>
<td>$51,864</td>
</tr>
<tr>
<td>Assays (220samples)</td>
<td>$6,600</td>
</tr>
<tr>
<td>Misc</td>
<td>$1,224</td>
</tr>
<tr>
<td>Travel</td>
<td>$14,563</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td><strong>$218,095</strong></td>
</tr>
</tbody>
</table>

**1.9 Proposed Exploration Program**

Following interpretation of detailed ground gravity and ground magnetic survey data by consulting geophysicists and integration of these results with drilling and geological data, planning of a further Reverse Circulation drilling program will be finalised. This will be completed during the first quarter of 2008, allowing drill mobilization soon after conclusion of the wet season.

A number of target will be tested, initially gravity/magnetic anomalies TRT1 to TRT9. Holes are proposed to test modelled bodies to depths of up to two hundred and fifty metres depth. Precise co-ordinates are yet to be finalised, pending completion of the gravity and geochemical interpretation. Approximately 10-12 holes are anticipated, within an area of 250m radius adjoining the existing drill coverage.

Additional drilling will follow, depending on results of this initial 2008 program. If warranted, deeper diamond drilling of this zone will be undertaken. A number of additional aeromagnetic/structural/gravity targets are also to be tested with shallow drilling. As discussed in Section 1.8.8, targets from geophysical interpretation will be validated by surface mapping and geochemistry where appropriate, prior to drilling.

An estimate of expenditure for the 2009 drilling and exploration program is provided in Table 4.
Table 4: Estimated Expenditure for Year Ending February 2009

<table>
<thead>
<tr>
<th>Activity</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>RC Drilling 2,200 metres</td>
<td>$154,000</td>
</tr>
<tr>
<td>Sampling &amp; Assaying</td>
<td>$12,500</td>
</tr>
<tr>
<td>Travel &amp; Accommodation</td>
<td>$7,500</td>
</tr>
<tr>
<td>Program Geologist &amp; Tech</td>
<td>$15,000</td>
</tr>
<tr>
<td>Access Maintenance/Environmental</td>
<td>$8,000</td>
</tr>
<tr>
<td>Management &amp; Admin</td>
<td>$11,000</td>
</tr>
<tr>
<td>Geophysics &amp; Mineralogy</td>
<td>$10,000</td>
</tr>
<tr>
<td>Misc Costs</td>
<td>$2,000</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td><strong>$220,000</strong></td>
</tr>
</tbody>
</table>

1.10 Proposed Exploration Method

A reverse circulation drilling program is planned with collection and bagging of all return samples at 1 metre intervals. Drill targeting will be based on further interpretation from gravity, magnetics, and geology and geochemistry data derived from previous exploration by the tenement holders.

1.11 Target Minerals

The primary target mineral is gold, along with the usual suite of Tennant Creek minerals (Cu, Ag, Bi, etc) if in economic concentrations.

1.12 Exploration Schedule

The RC drill program will commence at the conclusion of the 2006/2007 wet season and is therefore likely to start in March/April 2007, subject to suitable drill rig availability. Should results be encouraging, further drilling will be scheduled immediately if possible, subject to continuing rig availability.

Infrastructure Required

No infrastructure is required, with this being available nearby at Tennant Creek.

1.13 Transportation and Site Access

Current site access is either along existing public roads and then by boundary fence tracks for the last 7 kms. A gate has been established in the boundary fence at 438790mE and a short four hundred metre length track has been established over higher ground to the centre of the drill target zone. No excavation to the ground surface was necessary to establish the short access track which was simply formed after trafficking over the same route.
No unauthorised personnel shall be allowed on site during drilling operations.

1.14 Other Relevant Information

The immediate area of the planned drill site is colluvium with less than fifty percent vegetation cover, vegetation being primarily clumps of spinifex and mixed grasses with no significant trees. There is expected to be no interference with, or any requirement to, clear of any mature trees of any species anywhere within the leases for the purpose of this drilling program.

1.15 Exploration Site and Layout

The proposed exploration site and base line survey set out is shown on Figure 1.8 (4) above.
SECTION 2: Current Project Site Conditions

Physical Environment

2.1 Land Area Type

The topography of the region consists predominantly of east-west trending flat-topped mesas and buttes rising up to 80m above extensive alluvial and aeolian plains. The highest peaks are Mt Samuel (438.1m asl) and Mt Rugged (424.6m asl).

The general area is native scrubland with small areas of savannah grasslands and to date there has been no attempt to establish any form of intensive agriculture in the Tennant Creek region.

Historically the only form of agricultural land use in Tennant Creek and surrounding regions has been cattle grazing.

The soils of the Tennant Creek area can be categorised into four major types:

(i) Gravelly Lateritic red earths;
(ii) Lateritic red earths;
(iii) Red-brown desert alluvial soils; and
(iv) Skeletal soils.

There are several other categories, however, these make up only a small percentage of the remaining types. The soils of the area are highly leached and lacking phosphorus, are low in nutrient value and lack many trace elements to assist in the revegetation of areas.

The exploration site is situated in an area of low relief with variations in the immediate area of the proposed drill programs being less than two metres. The prospect has been defined by geophysical remote sensing technology and no major ironstone knobs (magnetite hematite outcrops which are quite often sites with significance in Aboriginal culture) are known to occur within at least 2.5 kilometres of the drilling area.

2.2 Climate

Tennant Creek airport is situated at 19° 38' S, 134° 11' E at an elevation of 375m and lies within the demographic region known as "the Barkly" and is on the southern fringe of the savanna grassland country. Tennant Creek lies approximately 450km north of the Tropic of Capricorn, however it is marginally south of the tropical monsoon/cyclone region.

The rainfall in the area is received in a pronounced period known as the "wet" which generally occurs from December through to February each year. The average annual rainfall received for the area is 423mm.

Temperatures in the Tennant Creek region range from summer maximums of around 40°C to winter minimums of around 12°C. As would be expected, evaporation in the region is high with an annual evaporation rate in excess of 4000mm.

The predominant direction of the prevailing winds in the area, are east and south east.
2.3 Hydrology

There is very limited natural permanent surface water in the Tennant Creek region and all industrial and domestic water is derived from ground water bores.

The Tennant Creek township draws its water from a bore field located 30km south west of the town. Annual consumption from this bore field is around 1,800 megalitres.

Both the regional geology maps and the detailed elevation survey produced during the gravity survey program describe the main local drainage channel as being approximately one kilometer to the west of the proposed exploration site.

Typically standing water levels are intersected in the field between 50 and 100 metres below the surface, and it is anticipated that drilling will enable the ground water profile to be defined early in the exploration program.

2.4 Flora

The vegetation in the region is described as very open Eucalypt Savanna to tall Eucalypt acacia scrubland grading into grassland areas. In 1983, a flora survey was undertaken by the Conservation Commission from Alice Springs. A Botanist was brought to the area to identify and list the most common species.

These are:

<table>
<thead>
<tr>
<th>Type</th>
<th>Species</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shrubs</td>
<td>Acacia Ligulata</td>
</tr>
<tr>
<td></td>
<td>Carrisa Lanceolata</td>
</tr>
<tr>
<td></td>
<td>Cassia Oligophyllia</td>
</tr>
<tr>
<td></td>
<td>Eremophila labrobes</td>
</tr>
<tr>
<td>Scatter Trees</td>
<td>Eucalyptus Leueophloia (snappy</td>
</tr>
<tr>
<td></td>
<td>gum)</td>
</tr>
<tr>
<td></td>
<td>Ventilage Viminalis</td>
</tr>
<tr>
<td></td>
<td>Eucalyptus Pruinosa</td>
</tr>
<tr>
<td></td>
<td>Eucalyptus Terminalis (bloodwood)</td>
</tr>
<tr>
<td></td>
<td>Hakea SP</td>
</tr>
<tr>
<td>Mixed Grasses</td>
<td>Tridia Punges</td>
</tr>
<tr>
<td>Spinifex</td>
<td>Aris Tida</td>
</tr>
<tr>
<td></td>
<td>Cynibopagon</td>
</tr>
<tr>
<td></td>
<td>Enneapogon</td>
</tr>
</tbody>
</table>

It was noted that the area does not contain any rare or endangered species of flora. The survey was undertaken by PosGold using a graduate Horticulturist. This survey identified the common species found on each of the operating and non-operating mine sites in the area. A detailed herbarium was also collected and can be utilised for future reference in revegetation works. The collective observations for overall region are listed below.
2.5 Fauna

There is not a large permanent native animal population in the district; however, the following species have been identified in the Tennant Creek area.

**Reptiles**
- Monitors
- Skinks
- Legless lizards
- Geckos
- A variety of snakes

**Mammals**
- Pseudomys hermannsburgensis (Sandy inland mouse)
- Mus Musculus (House mouse)
- Sminthopsis Cristicauda (Mulgara)
- Macropus Rufus (Red Kangaroo)
- Macropus Robustos (Euro)

**Bats**
- Chalinalobus Gouldii
- Taphazous Hilli
- Eptesicus Pumilus
- Taphazons Flaviventris
- Mormoptenis Seccari
- Tadanda Australis
- Nyeticeius Greyi

Nyetophilus Geoffroyi

The most abundant wild life in the region by far is the bird population and it has been estimated that there are over 50 species in the region. The most common are:-

- Zebra Finch
- Blackfaced Wood Swallow
- Singing Honeyeater
- Crested Pigeon
- Galah
- Blackfaced Cuckoo-shrike
- Magpie Lark
- Willie Wagtail
- Red-backed Kingfisher
- White Plumed Honeyeater
- Black Kke
- Brown Falcon
- Nankeen Kestrel

**Socio-Economic Environment**

2.6 Current Land Use

The immediate area of the drilling program is contained within NT portion 01375 designated as crown land perpetual and currently listed under the Australian National University. There are no apparent activities in the immediate vicinity, however there is known to be a set up for a seismic grid outside the tenement area several kilometres to the south.
Access to the exploration drill site is via NT portion 01075 designated as pastoral holding under Tennant Creek Station. The area is actively utilised for cattle grazing.

2.7 Identified Stakeholders (NT portion 01375 - active area)

- Truscott Mining Corporation & Resource Holdings (WA) - tenement holders
- Tennant Creek Town Council - local authority
- Aboriginal Areas Protection Authority – heritage protection
- Australian National University - custodians
- DPIFM - government regulators

2.8 Historical, Aboriginal and Heritage Sites

A tenement clearance was conducted by the Aboriginal Areas Protection Authority and no Heritage Sites were recorded within the Exploration Licence 23897, within both part of NT portion 01075 and NT portion NT 01375.

An Authority Certificate has been issued by the Aboriginal Areas Protection Authority, Ref D89/199: 89/2044 (Doc No 508170) for mining exploration and mining, including the construction of infrastructure.

2.9 Workforce

The workforce will consist of a driller and two driller’s assistants, a geologist and two field technicians. Where possible, the latter will be sourced locally as has been the previous practice.
SECTION 3: Safety Management Plan

3.1 Safety Policy Commitments and Responsibilities

Truscott Mining Corporation Limited acknowledges and accepts its responsibility to provide a safe and healthy workplace for all employees and visitors. This policy reflects a genuine commitment to ensuring the highest practicable safety standards are met, and continuously reviewed, in all activities related to our business.

It is the philosophy of Truscott Mining that the health, safety and welfare of all employees are intimately interwoven with the long-term productivity and prosperity of the company. Senior management has both the duty, and the desire, to provide for the health and safety of all employees in the workplace.

3.2 Induction and Training

All employees will be provided induction training at the commencement of the project and any new employees will be inducted before entering the site.

Induction training will include:
- Safety responsibilities
- Personnel protective equipment
- Safety practices and procedures
- First aid
- Site security
- Environmental awareness

3.3 Communications

As there will only be a small workforce for the project, communication will be daily and on a person-to-person basis. The operators will conduct regular informal meetings with employees to discuss progress issues, safety, health and environment issues.

Communications are possible from the site by mobile phone. Tennant Creek Emergency Service Contact details are contained in the first aid equipment.

3.4 Management of Risk

A risk assessment of the site shall be undertaken on a routine basis and management procedures and emergency responses developed for the issues identified as higher probability occurrences. All employees will be inducted and appropriately trained.

Drill Site Safety Equipment: All employees and contractors will be required to wear the appropriate personal protective equipment while at the drill site. This shall include, but not be limited to, the following.

- Hard hats shall be worn at all times
- Eye Protection shall be worn at all times.
- Ear Plugs or suitable approved protection shall be worn during drilling operations.
Dust masks or suitable approved protection against dust shall be worn during drilling operations. Truscott Mining shall ensure that drillers properly clamp air-hose couplings with safety chain. Suitable, fully charged fire extinguishers shall be maintained at the drill site. A first aid kit will be located and maintained on the site. The drilling site is located approx 25 kilometres away from the Tennant Creek Ambulance Station and Hospital.

Appropriate warning shall be located at the access gate to the drilling site.

### 3.5 Hazardous Materials/Fuel Storage

Truscott Mining shall ensure that diesel fuels shall be handled in accordance with Australian standards. It is not anticipated that there will be any fuel storage on site, but that the drill rig will be re-fuelled each day or as required from a fuel truck.

The drilling contractor shall be required to ensure that no fuel leakage takes place, and to clean up any leakage which may occur. In the event of a fuel spill, the spill shall be immediately contained by bunding with earthmoving equipment on the site. As much as possible of the spilt fuel shall be recovered and placed in a secured area. Any contaminated soil shall be remediated or removed and properly disposed of.

### 3.6 Records and Reporting

The following records will be maintained in Truscott’s Perth office:

- Staff employment and training
- Accidents and incidents
- Production data

Reporting to the Department of Primary, Industry, Fisheries and Mines will be in accordance with Regulations 3 and 4 of the Mining Management Act and any additional reporting requirements that may be contained in any Authorisations issued under the Mining Management Act.

### 3.7 Emergency Response

Emergencies that have the highest probability of occurring are workplace incident or injury, bushfire and fuel spill.

In the event of a workplace injury, first aid will be applied immediately, the project manager notified and if necessary medical attention sought from the Tennant Creek ambulance or hospital. Both ambulance and hospital are less than 25 kilometres from the drilling site. Appropriate reporting will be made to DPIFM.

In the event of a fuel spill, the spill shall be immediately contained by bunding with earthmoving equipment on the site. As much as possible of the spilt fuel shall be recovered and placed in a secured area. Any contaminated soil shall be remediated or removed.
SECTION 4: Safety Performance

Reporting shall take place according to the following format.

4.1 Safety Performance Reporting

4.1.1 Were there any reportable incidents or injuries during the previous year?

NO ☒ YES ☐

4.1.2 Were there any complaints relating to health and safety incidents or accidents during the previous year?

NO ☒ YES ☐

4.1.3 Were there any lost time injuries during the previous year?

NO ☒ YES ☐

4.1.4 Were any reviews (eg. audits) conducted through the year?

NO ☒ YES ☐

4.1.5 Was there any Occupational Health Monitoring (eg. noise, dust) completed during the year?

NO ☒ YES ☐

4.1.6 Are there any other Safety Performance issues that have been/will be measured?

Wearing of Personal Protection Equipment and reporting of any incidents and accidents
SECTION 5: Environmental Management Plan

5.1 Environmental Policy Statement
Truscott Mining Corporation Limited acknowledges and accepts its responsibility to conduct its operations in such a way as to minimise impact on the environment and to protect intrinsic environmental values in areas that it operates. This policy reflects a genuine commitment to ensuring the highest practicable environmental standards are met, and continually reviewed, in all activities related to our business.

It is a philosophy of this company that appropriate protection and management of the environment is intimately interwoven with long-term productivity and prosperity of the company. Senior management has both the duty, and the desire, to provide for appropriate protection of the environment.

5.2 Responsibility
The promotion and maintenance of appropriate environmental protection and management results from co-operation between all individuals associated with this organisation. Both the employer and employees have duties to fulfil so that the highest practicable environmental protection and management is realised.

5.2.1 The Management
Specifically the management will:
- Comply with legislative requirements.
- Minimise environmental disturbance associated with operations.
- Manage environmental impacts associated with operations.
- Review environmental performance.
- Encourage workforce awareness of environmental protection and management.
- Establish environmental credibility with stakeholders and regulatory bodies.

5.2.2 The Employee
To realise the environmental goals of the company, there is also an onus on the employee to take appropriate actions. Specifically the employee shall:
- Undertake an appropriate duty of care with respect to environment protection
- Notify management of any identified environmental hazards or impacts
- Comply with any environmental procedures and policies implemented by the management

Management seeks co-operation from all employees in realising our environmental goals. This policy will be regularly reviewed in light of legislation and company changes.

SIGNED: ……………………………… DATE: ……………….

Director
5.3 Induction and Training

Refer section 3.2

5.4 Consultation

An Authorisation Certificate has been issued by the Aboriginal Areas Protection Authority, Ref D89/199:89/2044 (Doc No 508170) for all works associated with exploration and mining, including construction of infrastructure.

The Australian National University shall be advised of the proposed drilling program. The adjoining pastoral leaseholder has been and shall continue to be advised of the exploration activities.

5.5 Management of Environment

The following details shall be adhered to during the drilling program.

Access tracks and drill pads as required shall be made by brushing the vegetation from the surface of the ground, without disturbing the ground, wherever possible.

No windrows shall be formed, or if formed by accident, the ground shall be repaired to its original contour.

There shall be no clearing or interference with mature trees.

The drilling equipment shall be refueled in a manner so as to prevent spillage of fuel.

All sample return from drill holes shall be collected in PVC bags and stored at the drilled site until results of analyses are obtained and evaluated. Subsequently they will be removed from the area and properly disposed of.

The collars of drill holes shall be cased with PVC down to a depth of about 3 metres. A “Flower Pot” concrete plug shall be placed in the casing immediately after drilling or when holes may be re-entered, then a PVC cap will be installed within one month of drilling.

When it is confirmed that there is no need to geophysically log or deepen any hole, then the PVC shall be cut off to at least 0.3m beneath the surface, the concrete plug replaced, and the hole backfilled from the surface down to the cement plug.

All rubbish generated at the drill site shall be collected daily, removed from the site, and properly disposed of.

All pits and sumps dug to contain water flows during drilling shall be cleaned up, back-filled and disturbed areas restored to their original contour.
5.6 Environmental Management System

Ensure that employees and contractors will comply with this Mining Management Plan.

5.7 Incident Reporting

All environmental incidents shall be reported to DPIFM.

5.8 Monitoring Programs

A photographic record of drill sites and rehabilitation will be maintained. An annual inspection of the site will be carried out and advice sought from the Tennant Creek & Barkly Weed Management Officer if the need for a weed control program becomes evident.

5.9 Environmental Audits and Inspections

The company will undertake follow-up inspections to ensure compliance with this MMP and to monitor the success of rehabilitation.

5.10 Water Management

Water samples of any ground water encountered during the drilling program will be taken for routine water analysis and results reported to DPIFM.

5.11 Waste Management

All rubbish generated at the drill site shall be collected daily, removed and properly disposed of.

5.12 Noise and Air Quality Management

Noise and dust from the drilling is not expected to impact upon the nearest residential area which is approximately 25 kms distant. All personnel at the drill site shall be required to wear dust and hearing protection.

5.13 Emergency Procedures

In the event of a fuel spill, the spill shall be immediately contained by bunding with earthmoving equipment on the site. As much as possible of the spilled fuel shall be recovered and placed in a secured area. Any contaminated soil shall be remediated or removed.
SECTION 6: Environmental Performance

6.1 Environmental Performance Reporting

6.1.1 Have (will) Environmental Performance Targets been (be) set?

NO ☐ YES ☒ Details: Minimise disturbance, rehabilitation of drill sites

6.1.2 What progress has been made against Environmental Performance Targets?

Sumps dug adjacent to previous drilling have been refilled and levelled for rehabilitation, drill cuttings and bags have been removed and buried.

6.1.3 Were there any complaints relating to environmental performance during the previous year?

NO ☒ YES ☐

6.1.4 Were any reviews (eg. audits) conducted through the year?

NO ☒ YES ☐

6.1.5 Has Environmental Monitoring (eg. water, vegetation, fauna) been done on the site?

NO ☐ YES ☒ Details: Rig air pressure was generally sufficient to prevent water discharge during drilling operations. Previous water samples were collected during the drilling of ERC003 (2005).

6.1.6 Is there a program for managing industrial waste, oils, greases, domestic waste, and sewage on the site?

NO ☐ YES ☒ Details: Removal and proper disposal of rubbish from site. Contractors are responsible for collection, removal and disposal of grease, oil and waste.

6.1.7 Are there any other Environmental Performance issues that have been/will be measured?

NO ☒ YES ☐
SECTION 7: Mine Closure and Rehabilitation

7.1 Status of Current Rehabilitation

Minimal ground disturbance has occurred during the drill programs of the previous two years.

7.2 Rehabilitation Planning

All holes have been covered with PVC capping at ground level. Some holes may be drilled deeper. Sumps have been backfilled.

7.3 Topsoil Management

A minimal disturbance regime has been and will continue to be maintained.

7.4 Revegetation Methods

Minimal disturbance regime to be maintained.

7.5 Fire Management

Lighting of fires prohibited. Vehicles and the drilling rig shall be equipped with suitable fire extinguishers. Areas adjacent to the drill rig shall be adequately cleared.

7.6 Closure Planning

Rehabilitation of disturbed areas to a stable condition. Contouring to promote revegetation if necessary.
7.7 Rehabilitation Status Report

Operator: Authorisation 0250-01  
Lease / Project Area 9.27 sq km’s

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Area Opened (Ha)</th>
<th>Area Closed (Ha)</th>
<th>Total Outstanding (Ha)</th>
<th>As per MMP (Y/N)</th>
<th>Comments /Expected Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extractive Workings</td>
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<tr>
<td>Hard Rock Pits</td>
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<tr>
<td>Underground Workings</td>
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<td>Site Infrastructure</td>
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<tr>
<td>Dams and Reservoirs</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Exploration Drill Holes</td>
<td>5 Sumps</td>
<td></td>
<td>Y</td>
<td></td>
<td>Rehab. Post 2nd Round Drilling</td>
</tr>
<tr>
<td>Roads and Tracks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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</tbody>
</table>
### 7.8 Costing of Closure Activities

<table>
<thead>
<tr>
<th>Disturbance Type</th>
<th>Calculated Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extractive Workings : Sand Gravel or Clay</td>
<td></td>
</tr>
<tr>
<td>Hard Rock Pits</td>
<td></td>
</tr>
<tr>
<td>Underground Workings</td>
<td></td>
</tr>
<tr>
<td>Site Infrastructure (ie concrete footings)</td>
<td></td>
</tr>
<tr>
<td>Dams and Reservoirs</td>
<td></td>
</tr>
<tr>
<td>Exploration. (8 additional drill holes – cap &amp; backfill sumps)</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>Roads and Tracks</td>
<td></td>
</tr>
<tr>
<td>Revegetation</td>
<td></td>
</tr>
<tr>
<td><strong>Security Calculation</strong></td>
<td><strong>$1,000.00</strong></td>
</tr>
</tbody>
</table>

From DPIFM Security Calculation Self Assessment.

DPIFM currently hold a security bond of $1,000 for EL 23897, plus a further $1,000 rehabilitation bond.
SECTION 8: Notice of Appointment of Operator of a Mining Site

8.1 Section 10(4) of the Mining Management Act:

TO BE COMPLETED BY THE OWNER(S) OF THE MINING INTEREST.
(A MINING INTEREST MEANS UNDER THE MINING ACT, AN EXPLORATION LICENCE, EXPLORATION RETENTION LICENCE, MINERAL LEASE, MINERAL CLAIM, EXTRACTIVE MINERAL LEASE, EXTRACTIVE MINERAL PERMIT, AN AUTHORITY UNDER SECTION 178, THE RIGHT TO OCCUPY CONFERRED BY SECTION 61(2) OR SECTION 104(2) OR IS CONTINUED UNDER SECTION 191 (19) OR (20), OR A SPECIAL MINERAL LEASE UNDER SECTION 191(12). A MINING INTEREST ALSO MEANS AN AUTHORITY ISSUED UNDER SECTION 41 OF THE ATOMIC ENERGY ACT.)

DETAILS OF OWNER
IF THERE IS MORE THAN ONE OWNER, PLEASE FILL IN AN APPLICATION FOR EACH OWNER

<table>
<thead>
<tr>
<th>OWNERS NAME</th>
<th>TRUSCOTT MINING CORPORATION LIMITED</th>
</tr>
</thead>
<tbody>
<tr>
<td>POSTAL ADDRESS</td>
<td>PO BOX 2805 WEST PERTH</td>
</tr>
<tr>
<td></td>
<td>PERTH</td>
</tr>
<tr>
<td></td>
<td>WESTERN AUSTRALIA POSTCODE: 6872</td>
</tr>
<tr>
<td>CONTACT PERSON</td>
<td>IVAN HENDERSON</td>
</tr>
<tr>
<td>TELEPHONE</td>
<td>BUSINESS: 08 9327 7300 MOBILE: 0419 943 684</td>
</tr>
<tr>
<td>FAX</td>
<td>08 9324 3691</td>
</tr>
<tr>
<td>E-MAIL</td>
<td><a href="mailto:I.HENDERSON@TRUSCOTTMINING.COM.AU">I.HENDERSON@TRUSCOTTMINING.COM.AU</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NAME OF MINING SITE:</th>
<th>EL 23897</th>
</tr>
</thead>
<tbody>
<tr>
<td>MINING INTEREST</td>
<td>90% OWNER</td>
</tr>
<tr>
<td>GIVE DETAILS IF THERE IS AN AUTHORISATION CURRENT FOR THE MINING SITE</td>
<td></td>
</tr>
<tr>
<td>AUTHORISATION NUMBER</td>
<td>0250-01  (CURRENT PART OWNER)</td>
</tr>
<tr>
<td>OPERATOR TO WHOM AUTHORISATION WAS GRANTED</td>
<td>RESOURCE HOLDINGS (WA) PTY LTD</td>
</tr>
<tr>
<td>OWNERS NAME</td>
<td>RESOURCE HOLDINGS (WA) PTY LTD</td>
</tr>
<tr>
<td>------------------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>POSTAL ADDRESS</td>
<td>PO BOX 3184 NEDLANDS</td>
</tr>
<tr>
<td></td>
<td>PERTH</td>
</tr>
<tr>
<td></td>
<td>WESTERN AUSTRALIA POSTCODE: 6009</td>
</tr>
<tr>
<td>CONTACT PERSON</td>
<td>PETER N SMITH</td>
</tr>
<tr>
<td>TELEPHONE</td>
<td>BUSINESS: 08 9386 3392 MOBILE: 0419 821 458</td>
</tr>
<tr>
<td>FAX</td>
<td></td>
</tr>
<tr>
<td>E-MAIL</td>
<td><a href="mailto:PETER@RADPACIFIC.COM">PETER@RADPACIFIC.COM</a></td>
</tr>
<tr>
<td>NAME OF MINING SITE:</td>
<td>EL 23897</td>
</tr>
<tr>
<td>MINING INTEREST</td>
<td>10% OWNER</td>
</tr>
<tr>
<td>GIVE DETAILS IF THERE IS AN AUTHORISATION CURRENT FOR THE MINING SITE</td>
<td></td>
</tr>
<tr>
<td>AUTHORISATION NUMBER</td>
<td>0250-01</td>
</tr>
<tr>
<td>OPERATOR TO WHOM AUTHORISATION WAS GRANTED</td>
<td>RESOURCE HOLDINGS (WA) PTY LTD</td>
</tr>
</tbody>
</table>
8.2 DETAILS OF OPERATOR

<table>
<thead>
<tr>
<th>NAME OF OPERATOR</th>
<th>TRUSCOTT MINING CORPORATION LIMITED</th>
</tr>
</thead>
<tbody>
<tr>
<td>POSTAL ADDRESS</td>
<td>PO BOX 2805</td>
</tr>
<tr>
<td></td>
<td>WEST PERTH</td>
</tr>
<tr>
<td></td>
<td>WESTERN AUSTRALIA</td>
</tr>
<tr>
<td></td>
<td>POSTCODE: 6872</td>
</tr>
<tr>
<td>CONTACT PERSON</td>
<td>IVAN HENDERSON</td>
</tr>
<tr>
<td>TELEPHONE</td>
<td>BUSINESS: 08 9327 7300 MOBILE: 0419 943 684</td>
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<tr>
<td>FAX</td>
<td>08 9324 3691</td>
</tr>
<tr>
<td>E-MAIL</td>
<td><a href="mailto:I.HENDERSON@TRUSCOTTMINING.COM.AU">I.HENDERSON@TRUSCOTTMINING.COM.AU</a></td>
</tr>
<tr>
<td>DATE APPOINTMENT TAKES EFFECT</td>
<td>1ST DECEMBER 2007</td>
</tr>
</tbody>
</table>

I CONFIRM THAT THE ABOVE OPERATOR HAS BEEN APPOINTED AND IS REQUIRED, IF MINING ACTIVITIES ARE OPERATIONAL, TO ESTABLISH, IMPLEMENT AND MAINTAIN A SAFETY, HEALTH AND ENVIRONMENT PROTECTION MANAGEMENT SYSTEM FOR THE SITE AS PER SECTION 10(3) OF THE MINING MANAGEMENT ACT 2001.

<table>
<thead>
<tr>
<th>SIGNED (OWNERS)</th>
<th>NAME (PLEASE PRINT)</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>PETER N SMITH</td>
<td>(RESOURCE HOLDINGS)</td>
<td>05/11/05</td>
</tr>
<tr>
<td>IVAN HENDERSON</td>
<td>(TRUSCOTT MINING)</td>
<td>01/12/07</td>
</tr>
</tbody>
</table>

I ACCEPT THE ABOVE APPOINTMENT AND ALL OBLIGATIONS THIS IMPOSES UNDER THE MINING MANAGEMENT ACT 2001

<table>
<thead>
<tr>
<th>SIGNED (OPERATOR):</th>
<th>DATE: 05/11/05</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAME:</td>
<td>IVAN HENDERSON – CHIEF GEOLOGIST - TRUSCOTT MINING CORPORATION LIMITED</td>
</tr>
<tr>
<td>(PLEASE PRINT NAME)</td>
<td></td>
</tr>
<tr>
<td>Mines Division</td>
<td>1st March 2008</td>
</tr>
</tbody>
</table>

**APPENDIX 1**

**GROUND MAGNETIC SURVEY DATA**
APPENDIX II

GROUND GRAVITY SURVEY DATA
APPENDIX III

RC DRILL HOLE SECTIONS
<table>
<thead>
<tr>
<th>Mines Division</th>
<th>1st March 2008</th>
</tr>
</thead>
</table>

APPENDIX IV

TRUSCOTT GEOLOGICAL CODES
APPENDIX V

RC DRILL HOLE DIGITAL DATA FILES
APPENDIX VI

2007 – 2008 EXPENDITURE DETAIL
APPENDIX VII

EXPLORATION VERIFICATION FILE