



TRUSCOTT
MINING CORPORATION LIMITED

ABN: 31 116 420 378

FINANCIAL REPORT

FOR THE HALF YEAR ENDED

31 DECEMBER 2007

COMPANY DIRECTORY

DIRECTORS

P N Smith – Executive Chairman
K R Alexander – Non-Executive Director
D Sufredo – Non-Executive Director
M J Povey – Executive Director

COMPANY SECRETARY

M J Povey B.Bus, CA, FTIA

REGISTERED OFFICE

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AUDITORS

Maxim Audit
243 Hay Street
Subiaco WA 6008

HOME EXCHANGE

Australian Securities Exchange Ltd
Exchange Plaza
2 The Esplanade
Perth WA 6000

ASX Code: TRM

SHARE REGISTRY

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Applecross WA 6053
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TRUSCOTT MINING CORPORATION LIMITED ABN 31 116 420 378

Interim Financial Report

DIRECTORS' REPORT

Your directors submit the financial report of the company for the half-year ended 31 December 2007.

Directors

The names of directors who held office during or since the end of the half-year:

Peter Neil Smith – executive chairman

Kevin Raymond Alexander – non-executive director appointed 3 December 2007

Michael Jarvis Povey – executive director and company secretary

Derrick Sufredo – non-executive director

Ian David Cowden – executive director retired 30 November 2007

Review of Operations

Exploration activities

- Following the granting of new tenements and work approvals, the Company initiated drilling programs at both the Ewan Edward and the Westminster project areas, Tennant Creek, NT.
- The exploration program at Westminster is to follow up on significant gold intercepts of 5m at 10.94g/t Au, 2m at 8.27g/t Au, 1.8m at 11.3g/t Au, 5.0m at 39.42g/t Au and 37.5m at 0.57g/t from historical drill holes.
- Drill targets at Westminster were defined from extensive information, including new ground magnetic and ground gravity surveys, geochemical sampling, site geology and the previously published list of historical drill-hole information.
- Recent auger geochemical sampling confirmed the structural setting of mineralisation and geochemical trace element associations at Westminster.
- Truscott's Westminster Project area that is centrally located in the Tennant Creek Goldfield has been significantly expanded by the application of adjacent tenements A26500 & A26588.

Capital raising

- The first \$300,000 of the \$600,000 of additional funds (at 15 cents per share) to provide for an acceleration of exploration work programs on the company's expanded Tennant Creek Projects was received prior to 31 December 2007. The balance of \$300,000 has now been banked and all shares issued for the full \$600,000. The placement was to sophisticated and professional investors from broking house Martin Place Securities Pty Ltd.

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 2 for the half-year ended 31 December 2007.

This report is signed in accordance with a resolution of the Board of Directors.

Director


Michael J Povey

Dated this 6th day March 2008

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT*
2001

TO THE DIRECTORS OF TRUSCOTT MINING CORPORATION LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2007 there have been:

- a. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- b. no contraventions of any applicable code of professional conduct in relation to the review.



Maxim Audit

Chartered Accountants



M A Lester

Perth WA

Dated this 6th day of March 2008

TRUSCOTT MINING CORPORATION LIMITED ABN 31 116 420 378

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INCOME STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

	Note	31.12.2007	31.12.2006
		\$	\$
Revenue		75,065	4,710
Accounting and company secretarial services		10,690	2,500
Consultants		19,300	-
Directors' remuneration and superannuation		46,438	120,000
Depreciation and amortisation expense		6,479	146
Finance costs		25	-
Occupancy costs		27,552	-
Administration expenses		71,215	4,161
Profit (loss) before income tax		(106,634)	(122,097)
Income tax expense		-	-
Profit (loss) for the period	2	(106,634)	(122,097)
Overall Operations			
Basic earnings per share (cents per share)		(0.22)	(0.42)
Diluted earnings per share (cents per share)		(0.20)	(0.42)

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BALANCE SHEET AS AT 31 DECEMBER 2007

	Note	31.12.2007	30.06.2007
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,254,838	2,606,339
Trade and other receivables		45,825	20,036
Other current assets		16,728	-
TOTAL CURRENT ASSETS		2,317,391	2,626,375
NON-CURRENT ASSETS			
Property, plant and equipment		81,256	27,713
Deferred exploration, evaluation and development expenditure	3	1,228,865	608,918
TOTAL NON-CURRENT ASSETS		1,310,121	636,631
TOTAL ASSETS		3,627,512	3,263,006
CURRENT LIABILITIES			
Trade and other payables		403,492	12,352
TOTAL CURRENT LIABILITIES		403,492	12,352
TOTAL LIABILITIES		403,492	12,352
NET ASSETS		3,224,020	3,250,654
EQUITY			
Issued capital	4	3,571,938	3,491,938
Reserves		100,874	100,874
Accumulated losses		(448,792)	(342,158)
TOTAL EQUITY		3,224,020	3,250,654

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2007

		\$	\$	\$	\$
	Note	Issued Capital Ordinary	Accumulated losses	Options Reserve	Total
Balance at 1.7.2006		557,648	(97,857)	-	459,791
Shares issued during the period		445,000		-	445,000
Transaction costs		(57,583)		-	(57,583)
Loss for the period			(122,097)		(122,097)
Balance at 31.12.2006		945,065	(219,954)	-	725,111
Balance at 1.7.2007		3,491,938	(342,158)	100,874	3,250,654
Shares issued during the period		80,000		-	80,000
Loss for the period			(106,634)		(106,634)
Balance at 31.12.2007	4	3,571,938	(448,792)	100,874	3,224,020

TRUSCOTT MINING CORPORATION LIMITED ABN 31 116 420 378**Interim Financial Report****CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2007**

	31.12.2007	31.12.2006
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(195,010)	(118,245)
Interest received	74,786	4,710
Finance costs	(25)	-
Net cash provided by (used in) operating activities	<u>(120,249)</u>	<u>(113,535)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(62,401)	(1,323)
Payments for exploration, evaluation and development expenditure	(448,353)	(188,509)
Payments for interests in exploration/mining tenements	(20,498)	(11,100)
Net cash provided by (used in) investing activities	<u>(531,252)</u>	<u>(200,932)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	387,417
Initial deposit received for placement to sophisticated and professional investors	300,000	-
Net cash provided by (used in) financing activities	<u>300,000</u>	<u>387,417</u>
Net increase (decrease) in cash held	(351,501)	72,950
Cash at beginning of period	2,606,339	194,438
Cash at end of period	<u>2,254,838</u>	<u>267,388</u>

TRUSCOTT MINING CORPORATION LIMITED ABN 31 116 420 378

Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

NOTE 1: BASIS OF PREPARATION

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2007 and any public announcements made by Truscott Mining Corporation Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The accounting policies have been consistently applied by the entities in the company and are consistent with those in the June 2007 financial report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs.

NOTE 2: PROFIT (LOSS) FOR THE PERIOD

	31.12.2007	31.12.2006
	\$	\$
The following revenue and expense items are relevant in explaining the financial performance for the interim period:		
Interest received from other persons	75,065	4,710

NOTE 3: DEFERRED EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

	\$
Carrying amount at 1 July 2006	243,950
Expenditure during the period	272,480
Expenditure associated with acquisitions	92,488
Disposal of interest in mining tenements	0
Amounts written off during the period	0
Impairment adjustment	0
Carrying amount at 30 June 2007	608,918
Carrying amount at 1 July 2007	608,918
Expenditure during the period	519,449
Expenditure associated with acquisitions	100,498
Disposal of interest in mining tenements	0
Amounts written off during the period	0
Impairment adjustment	0
Carrying amount at 31 December 2007	1,228,865

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Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

NOTE 4: ISSUED CAPITAL	31.12.2007		30.06.2007	
(i) Issued and paid up capital:	\$		\$	
48,564,502.(30 June 2007: 48,164,502) fully paid ordinary shares	3,571,938		3,491,938	
	Half year to 31.12.2007		Year ended 30.6.2007	
(ii) Movements in shares on issue	No. of shares	\$	No. of shares	\$
Opening balance	48,164,502	3,491,938	27,750,002	557,648
Issue on 19/9/06 at 10 cents to consultant in lieu of fees	0	0	150,000	15,000
Placement on 25/10/06 at 10 cents	0	0	3,000,000	300,000
Issue on 25/10/06 at 10 cents for capital raising costs	0	0	300,000	30,000
Issue on 5/11/06 at 10 cents on behalf of the directors for directors' fees	0	0	1,000,000	100,000
Initial public offering at 20 cents	0	0	14,364,500	2,872,900
Issue on 14/4/07 at 20 cents for capital raising costs	0	0	1,600,000	320,000
Issue on 30/7/07 at 20 cents for acquisition of mining tenements	400,000	80,000	0	0
	48,564,502	3,571,938	48,164,502	4,195,548
Less costs of issues	0	0	0	703,610
Closing balance	48,564,502	3,571,938	48,164,502	3,491,938

(iii) Holders of ordinary shares have the right to receive dividends as declared and in the event of winding up of the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held and the amount paid up. Shareholders are entitled to one vote per share held either in person or by proxy at a meeting of the company.

NOTE 5: SEGMENT INFORMATION

The company operated solely in Australia in mineral exploration for the whole of the period.

NOTE 6: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

After the reporting date the company received \$300,000, being the balance of funds from a placement to sophisticated and professional investors and completed the issue of shares at 15 cents for the full \$600,000 placement.

**Interim Financial Report
DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 3 to 7:
 - a. comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
 - b. give a true and fair view of the economic entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director



Michael J Povey

Dated this 6th day of March 2008

Interim Financial Report

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF TRUSCOTT MINING CORPORATION LIMITED

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Truscott Mining Corporation Limited which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of Truscott Mining Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Truscott Mining Corporation Limited on 6th March 2008, would be in the same terms if provided to the directors as at the date of this auditor's review report

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Truscott Mining Corporation Limited is not in accordance with the *Corporations Act 2001* including:

- A. giving a true and fair view of the company's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- B. complying with Accounting Standard AASB 134 Interim Financial Reporting and *Corporations Regulations 2001*.



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Chartered Accountants



M A Lester

Perth WA

Dated this 6th day of March 2008