



TRUSCOTT
MINING CORPORATION LIMITED

ABN: 31 116 420 378

FINANCIAL REPORT

FOR THE HALF YEAR ENDED

31 DECEMBER 2008

COMPANY DIRECTORY

DIRECTORS

P N Smith – Executive Chairman

M J Povey – Executive Director

D Sufredo – Non-Executive Director

COMPANY SECRETARY

M J Povey B.Bus, CA, FTIA

REGISTERED OFFICE

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West Perth WA 6005

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AUDITORS

Maxim Audit

243 Hay Street

Subiaco WA 6008

HOME EXCHANGE

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2 The Esplanade

Perth WA 6000

ASX Code: TRM

SHARE REGISTRY

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DIRECTORS' REPORT

Your directors submit the financial report of the company for the half-year ended 31 December 2008.

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 resigned 10 December 2008

Michael Jarvis Povey – executive director and company secretary

Derrick Sufredo – non-executive director

Review of Operations

Exploration activities

- Definition of a commercial objective that focuses exploration expenditure on targets with the potential to be classified as substantial deposits.
- Description of five primary exploration nodes, Westminster, Lyall, Hera, Arcadia and Olympus with the potential to meet the company's commercial objectives.
- Intersection of highly mineralised zones at Westminster that provides increased confidence in the interpretation of a possible deposit which extends beyond the full east west extent of tenements MLC511 and A25952.
- Completion of additional detailed ground gravity survey on EL 25497 confirming the setting for drilling at Lyall, the next primary node scheduled for testing after Westminster.
- Analysis of Geophysics signatures for Uranium at the Explorer Project (EL 25881, EL26415) and the planning for the dry season field program.

Capital raising

- The Company did not raise any capital during the six months ended 31 December 2008.

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 2008.

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



Director

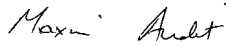
Michael J Povey

Dated this 11th day of March 2009

**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 2008 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 11th day of March 2009.

TRUSCOTT MINING CORPORATION LIMITED ABN 31 116 420 378

Interim Financial Report

INCOME STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Note	31.12.2008	31.12.2007
		\$	\$
Revenue		38,285	75,065
Accounting and company secretarial services		20,000	10,690
Consultants		13,659	19,300
Directors' remuneration		64,403	42,500
Depreciation and amortisation expense		5,586	6,479
Exploration evaluation and development costs written-off		28,140	-
Finance costs		-	25
Occupancy costs		24,595	27,552
Superannuation expenses		2,824	3,938
Administration expenses		84,171	71,215
Loss before income tax		(205,093)	(106,634)
Income tax expense		-	-
Loss for the period	2	(205,093)	(106,634)
Overall Operations			
Basic earnings per share (cents per share)		(0.39)	(0.22)
Diluted earnings per share (cents per share)		(0.34)	(0.20)

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Interim Financial Report

BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	31.12.2008	30.06.2008
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		670,226	1,542,214
Trade and other receivables		56,351	50,354
TOTAL CURRENT ASSETS		<u>726,577</u>	<u>1,592,568</u>
NON-CURRENT ASSETS			
Property, plant and equipment		77,326	88,446
Deferred exploration, evaluation and development expenditure	3	2,671,649	1,954,071
TOTAL NON-CURRENT ASSETS		<u>2,748,975</u>	<u>2,042,517</u>
TOTAL ASSETS		<u><u>3,475,552</u></u>	<u><u>3,635,085</u></u>
CURRENT LIABILITIES			
Trade and other payables		98,040	142,576
TOTAL CURRENT LIABILITIES		<u>98,040</u>	<u>142,576</u>
TOTAL LIABILITIES		<u>98,040</u>	<u>142,576</u>
NET ASSETS		<u><u>3,377,512</u></u>	<u><u>3,492,509</u></u>
EQUITY			
Issued capital	4	4,141,398	4,141,398
Reserves		185,180	95,084
Accumulated losses		(949,066)	(743,973)
TOTAL EQUITY		<u><u>3,377,512</u></u>	<u><u>3,492,509</u></u>

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2008

		\$	\$	\$	\$
	Note	Issued Capital Ordinary	Accumulated losses	Options Reserve	Total
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		<u>3,571,938</u>	<u>(448,792)</u>	<u>100,874</u>	<u>3,224,020</u>
Balance at 1.7.2008		4,141,398	(743,973)	95,084	3,492,509
Options reserve		-	-	90,096	90,096
Loss for the period		-	(205,093)	-	(205,093)
Balance at 31.12.2008	4	<u><u>4,141,398</u></u>	<u><u>(949,066)</u></u>	<u><u>185,180</u></u>	<u><u>3,377,512</u></u>

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CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	31.12.2008	31.12.2007
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(196,407)	(195,010)
Interest received	37,926	74,786
Finance costs	-	(25)
Net cash used in operating activities	<u>(158,481)</u>	<u>(120,249)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(1,991)	(62,401)
Payments for exploration, evaluation and development expenditure	(709,800)	(448,353)
Payments for interests in exploration/mining tenements	(1,716)	(20,498)
Net cash used in investing activities	<u>(713,507)</u>	<u>(531,252)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	-
Initial deposit received for placement to sophisticated and professional investors	-	300,000
Net cash provided by financing activities	<u>-</u>	<u>300,000</u>
Net decrease in cash held	(871,988)	(351,501)
Cash at beginning of period	1,542,214	2,606,339
Cash at end of period	<u>670,226</u>	<u>2,254,838</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

NOTE 1: BASIS OF PREPARATION

(a) 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 2008 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 company and are consistent with those in the June 2008 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.

(b) Going concern

For the 6 months ended 31 December 2008, the Company has incurred losses of \$205,093 and generated net cash outflows of \$158,481 from operating activities, as disclosed in the income statement and cash flow statement, respectively. As a result of the losses and cash outflows from operations the Directors have assessed the Company's

Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

NOTE 1: BASIS OF PREPARATION

ability to continue as a going concern and to pay its debts as and when they fall due.

The Company's ability to fund exploration commitments and for use as working capital is dependent upon raising additional capital in future years or deriving revenue from existing operations.

The Directors of the company have determined that it has sufficient cash reserves to fund at least 18 months of operations and exploration from balance date and the available funds exceed estimated minimum and committed expenditure for the next 12 months.

Accordingly, the Directors have prepared the financials on a going concern basis. As such, the financial statements do not include any adjustments as to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

NOTE 2: PROFIT (LOSS) FOR THE PERIOD

	31.12.2008	31.12.2007
The following revenue and expense items are relevant in explaining the financial performance for the interim period:	\$	\$
Interest received from other persons	38,285	75,065
	38,285	75,065

NOTE 3: DEFERRED EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

	\$
Carrying amount at 1 July 2007	608,918
Expenditure during the period	1,393,558
Expenditure associated with acquisitions	118,468
Disposal of interest in mining tenements	-
Amounts written off during the period	(166,873)
Impairment adjustment	-
Carrying amount at 30 June 2008	1,954,071
Carrying amount at 1 July 2008	1,954,071
Expenditure during the period	694,482
Expenditure associated with acquisitions	51,236
Disposal of interest in mining tenements	-
Amounts written off during the period	(28,140)
Impairment adjustment	-
Carrying amount at 31 December 2008	2,671,649

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

NOTE 4: ISSUED CAPITAL	31.12.2008		30.6.2008	
(i) Issued and paid up capital:	\$		\$	
52,564,502. (30 June 2008: 52,564,502) fully paid ordinary shares	4,141,398		4,141,938	
	Half year to 31.12.2008		Year ended 30.6.2008	
(ii) Movements in shares on issue	No. of shares	\$	No. of shares	\$
Opening balance	52,564,502	4,141,398	48,164,502	3,491,938
Issue on 30/7/07 at 20 cents for acquisition of exploration tenements	-	-	400,000	80,000
Placement on 16/02/08 at 15 cents	-	-	3,566,666	535,000
Placement on 21/02/08 at 15 cents	-	-	433,334	65,000
	52,564,502	4,141,398	52,564,502	4,171,938
Less costs of issues	-	-	-	30,540
Closing balance	52,564,502	4,141,398	52,564,502	4,141,398

(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.

	Half year to 31.12.2008		Year ended 30.6.2008	
(iv) Movements in options on issue	No. of options		No. of options	
Opening balance	6,253,600		3,253,600	
Issue on 30/11/07 exercisable at 20 cents and expiring on 31/3/11	-		500,000	
Issue on 30/11/07 exercisable at 25 cents and expiring on 23/5/12	-		2,500,000	
Issue on 31/10/08 exercisable at 85 cents and expiring on 18/5/12	4,000,000		-	
Issue on 31/10/08 exercisable at 25 cents and expiring on 20/8/11	300,000		-	
Issue on 31/10/08 exercisable at 30 cents and expiring on 20/8/12	300,000		-	
Issue on 31/10/08 exercisable at 25 cents and expiring on 20/8/13	300,000		-	
Closing balance	11,153,600		6,253,600	

(v) Holders of the options have the right to exercise them by paying the exercise price and acquiring one fully paid ordinary share for each option. Option holders do not have the right to receive dividends and are not entitled to vote at any meeting of members.

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

There have not been any material events subsequent to the reporting date.

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 company's financial position as at 31 December 2008 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 11th day of March 2009

**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 2008, 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 2008 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 11 March 2009 would be in the same terms if provided to the directors as at the date of this auditor's review report.

Matters Relating to the Electronic Presentation of the Audited Financial Report

The audit report relates to the financial report of Truscott Mining Corporation Limited for the half-year ended 31 December 2008 included on the web site. The company's directors are responsible for the integrity of the Truscott Mining Corporation Limited web site. We have not been engaged to report on the integrity of this web site. The audit report refers only to the financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

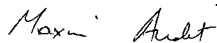
Conclusion

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:

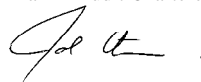
- A. giving a true and fair view of the company's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- B. complying with Accounting Standard AASB 134 Interim Financial Reporting and *Corporations Regulations 2001*.

Inherent Uncertainty

Without qualification to the opinion expressed above, attention is drawn to the following matter. As a result of the matters described in Note 1(b), there is a significant uncertainty whether the company will be able to continue as a going concern and therefore whether it will realise its assets and liabilities in the normal course of business and at the amounts stated in the financial statements.



Maxim Audit Chartered Accountants



M A Lester

Perth WA

Dated this 11th day of March 2009

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