

ACTIVITIES REPORT - MARCH QUARTER 2009

Commercial Considerations

- The Tennant Creek mineral field has significantly increased its profile with the introduction to the field of a subsidiary of a major international exploration company (Ivanhoe Mines Ltd).
- Truscott has established itself as a key participant in the heart of the goldfield through selective acquisition of highly prospective primary exploration projects with the potential to host substantial ore deposits.
- Selection of the company's five primary exploration Project areas, Westminster, Lyall, Hera, Arcadia and Olympus follows research into the structural controls on mineralisation throughout the entire Tennant Creek Mineral Field.

Research and Development

Historically exploration in the Tennant Creek Field has relied heavily on traditional methods of exploration related to geophysical and geochemical techniques. These tools still relevant appear in recent history to be insufficient to generate new discoveries of commercial significance.

Truscott therefore sought to investigate the introduction of other techniques that would have the potential to increase the level of business success. The company has now advanced initial work on a field wide basis that focuses on the relationship of mineral occurrences and distribution to a structural framework.

The interim objective of the exercise was to more thoroughly investigate the relationship between openings created as consequence of shear interaction and the potential for mineralising fluids to preferentially enter at these targets.

The overall objective was to ensure that the company was advancing its exploration programs on a basis of targeting ore bodies of sufficient magnitude to have the potential to lead to the development of major operations.

For logistical reasons the company focuses its gold exploration activities on 1:100,000 Tennant Creek map sheet in an area within 25km of the Tennant Creek Township. Within that map sheet two underground operations Peko and Juno stand out, with past and present publicly reported inferred and indicated resource tonnages for each deposit now totalling more than 3 million tonnes.

The application of the company's shear analysis modelling has enabled the identification of eight primary targets that exhibit congruent structural settings to the major deposits identified. These targets are illustrated on the Tennant Creek map sheet of Figure 1.



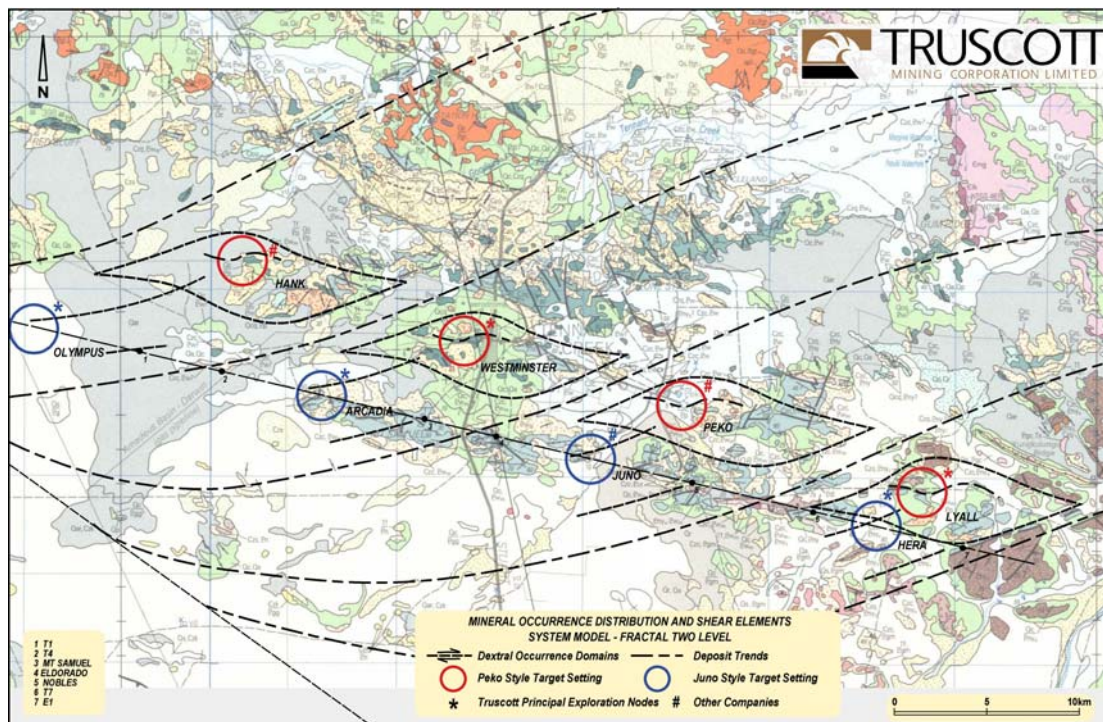


Figure 1 Principal Exploration Targets Central Tennant Creek Mineral Field

Of the eight interpreted targets Truscott has 100% ownership or entitlement to five targets being; Westminster, Lyall, Hera, Olympus, and Arcadia. The target interpreted over Peko has had substantial tonnages of ore mined while the target interpreted over Juno is partially exploited.

Truscott is focusing its initial exploration efforts on the axis of anticline folds at Westminster and Lyall where they are interpreted to intersect Riedel shearing at approximately 285° . The associated restraint direction of approximately 0600 indicates the opening direction is adjacent to the shearing direction. It therefore indicates the direction of the plunge for infilling mineralisation.

TENNANT CREEK GEOSYNCLINE – Lower Proterozoic

Poly-Metallic (Au, Ag, Mo, Bi, Co, Cu, Pb, Zn, U, Fe) Systems

Western Division – Tennant Creek

Primary Exploration Targets: WESTMINSTER OLYMPUS ARCADIA

Westminster (Truscott 100%)
(MLC511, A25952, A26500, A26588)

Truscott's Westminster project area is located just west of the Tennant Creek Township in the centre of the Tennant Creek Goldfield and now encompasses an area of 5.96 km^2 . The project area covers an area that includes some of the earliest workings and discoveries in the field that date from the mid 1930's.

Truscott has been the first company to successfully consolidate a number of historical mining leases along a line of strike. Exploration activity is being concentrated over more than 1.4 kilometres strike length of mineralised ironstone outcrop and sub-crop containing these historical shallow high grade gold workings. The project site is extremely favourably located with all major service connections and the local airport located within 500 metres.

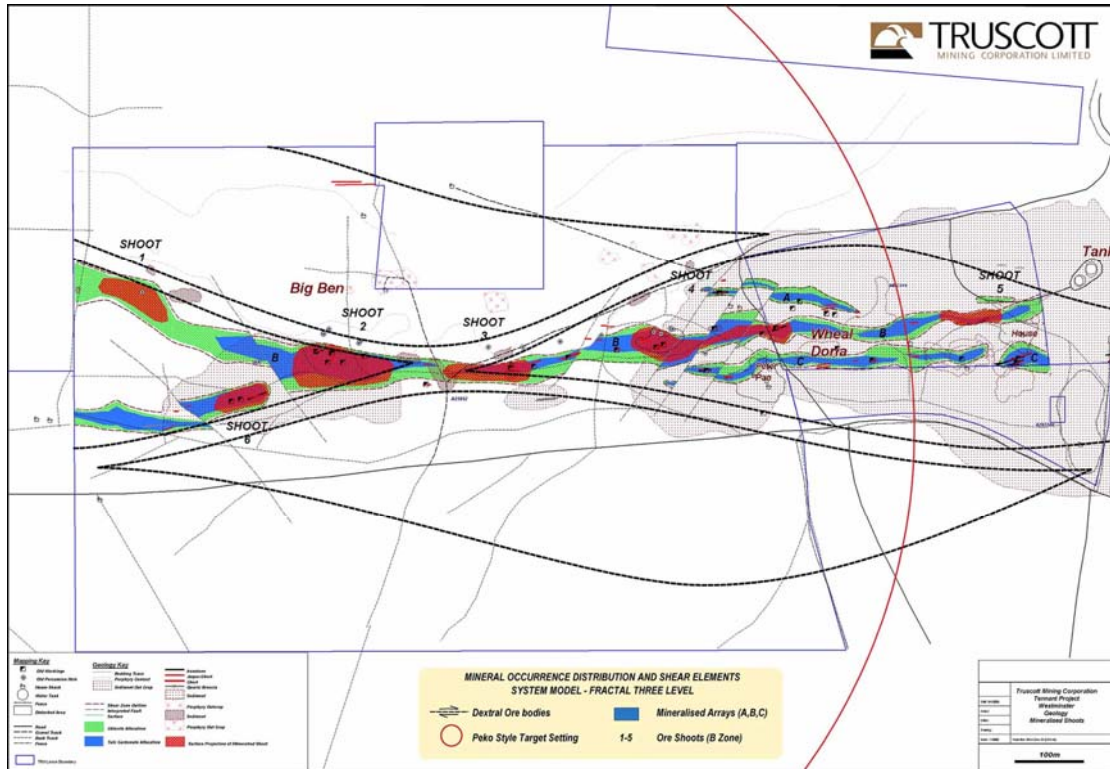


Figure 2 Plan showing Mineralised Shoots, Westminster Project

Deposit Structure

- There exists an array of three mineralised zones within a complex shear zone along the full 1.4 kilometres (Figure 2) of the core project area.
- Zones (A, B, C) form a stacked array having a total thickness of approximately 150 metres with a dip 70° to the north.
- A series of mineralised bodies within the strike extent of tenements MLC 511 and A25952 are located adjacent to porphyry intrusive and have been subject to late stage cross faulting and displacement.
- This is an extensive system with alteration and mineralisation not being limited to the extent of the existing drilling grid.

Deposit Characteristics

- A poly-metallic system is being defined that contains potentially economic mineral concentrations for a diverse mineral assemblage. Maximum assays for intersections for one metre sample increments now include;

Precious Metals	Gold (Au 167g/t, 5.36 oz/t), Silver (Ag 685g/t, 22.02 oz/t)
Speciality Metals	Molybdenum (Mo 6110g/t), Bismuth (Bi 2830g/t)
Base Metals	Copper (1.5m @ 5.4% Cu), Lead (13.7% Pb), Zinc (5.3% Zn)
Energy Metals	Uranium (U 140 ppm)

- High aggregate values for differing mineral assemblages at defined locations within mineralised shoots demonstrate down plunge continuity that exceeds 200 metres and remain open at depth.
- Geophysical interpretation indicates the presence of substantive modelled bodies associated with the mineralised shoots, some of which only partially outcrop and are yet to be drill tested.

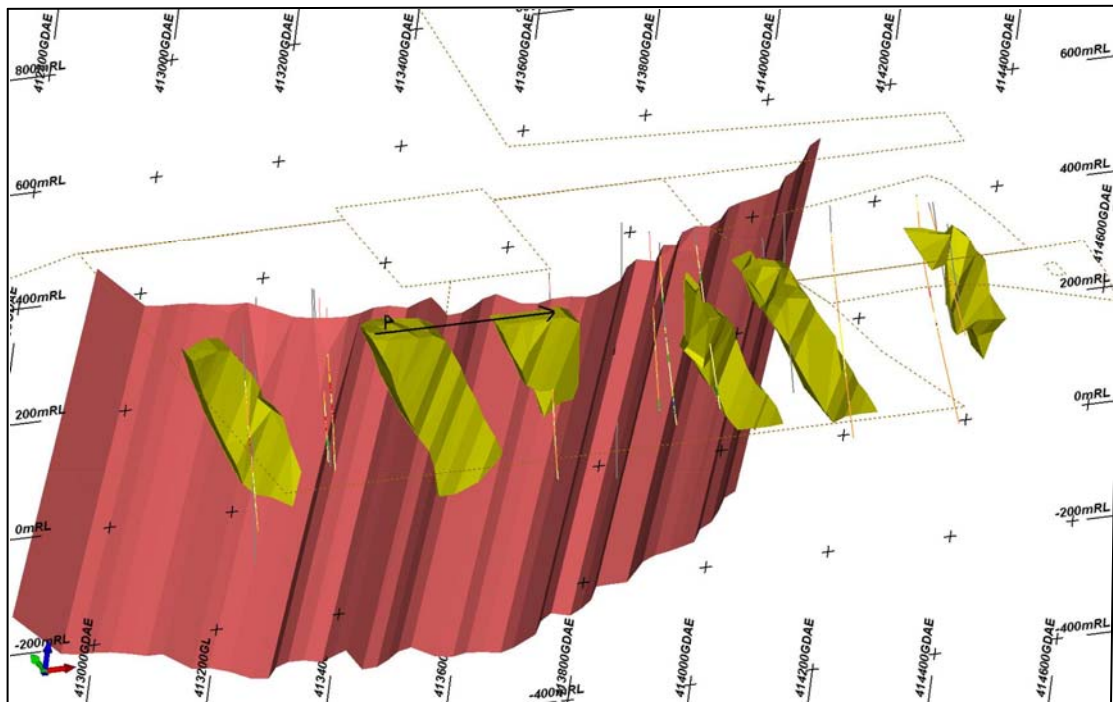


Figure 3 3D View (northerly) Westminster Mineralised Shoots (B zone only) (Interpreted mineralised shoots in yellow solids, Porphyry sediment contact brown surface)

Mineral Shoots

Detailed structural analysis and three dimensional modelling (Figure 3) of the mineralised shoots at Westminster has now enabled the plunge direction for the mineralisation to be determined.

The transform section (Figure 4) provides a view that is orthogonal to the direction of plunge and hence allows the full length of mineralised zone to be visualised. Figure 4 describes the mineralisation of the eastern part of mineralised shoot four (Figure 2).

The top member (Zone A) of the mineralised array was recovered by artisan miners between the 1930's -1960's.

The middle member (Zone B) has been intersected by historical drilling as well as Truscott's more recent drilling. Valuable intersections of mineralisation have been recorded over a down plunge distance of approximately 200 metres. It is now clearly evident on the transform section that approximately 100 metres remains untested between the defined mineralisation and surface.

The next round of drilling will therefore target extensions to the known mineralisation by both shallower and deeper drilling.

The lower member (Zone C) is less well defined. A conservative approach has been taken to depicting its width at depth. The general setting of dilation openings within the anticline hosting the deposit suggests the possibility of an increase in width lower in the system.

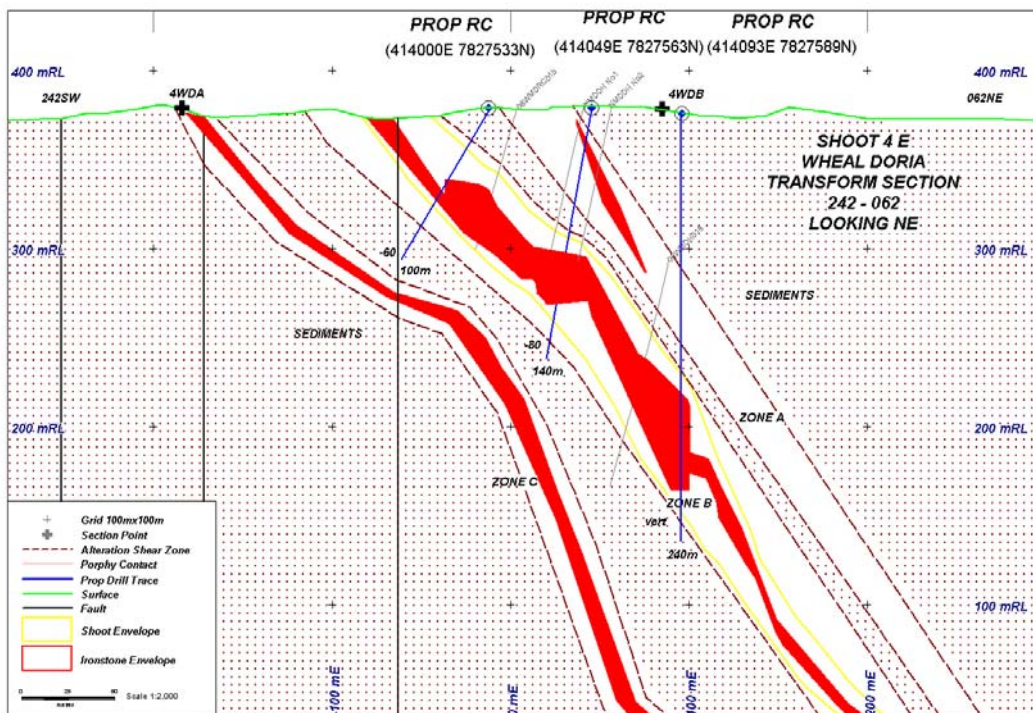


Figure 4 Transform Section (Shoot 4E) – Westminster Project

Definitive intersections recorded for the transform section (shoot 4E) shoot include;

08WMDRC015:	19.0m	@ 0.31g/t Au, 17.4g/t Ag, 62g/t Mo, 186g/t Bi 0.93% Cu, 1.15% Pb, 1.28% Zn (3.36% base metals)
Including	3.0m	@ 0.17g/t Au, 13.1g/t Ag, 133g/t Mo, 536g/t Bi 2.04% Cu, 2.25% Pb, 0.91% Zn (5.20% base metals)
	4.0m	@ 0.15g/t Au, 37.6g/t Ag, 71g/t Mo, 174g/t Bi 1.80% Cu, 2.13% Pb, 2.15% Zn (6.08% base metals)
NMDDH1:	25.0m	@ 11.39g/t Au
Including	7.0m	@ 40.4g/t Au (Au assays only record)
08WMDRCO18:	17.0m	@ 0.27/t Au, 52.5g/t Ag, 404g/t Mo, 229g/t Bi 0.18% Cu, 0.90% Pb, 0.46% Zn (1.54% base metals)
Including	2.0m	@ 1.85g/t Au, 439g/t Ag, 3356g/t Mo, 1744g/t Bi 1.35% Cu, 7.54% Pb, 3.64% Zn (12.53% base metals)

It is also of note that the plunge of shoot 4E now takes it directly underneath a hole previously drilled by Truscott (08WMDD05) that included 43.4 metres of 89ppm U₃O₈ in a carbonate zone. Carbonate zones have been observed to be associated with significant ore concentrations, in other systems in the both the Tennant Creek and the Rover Fields.

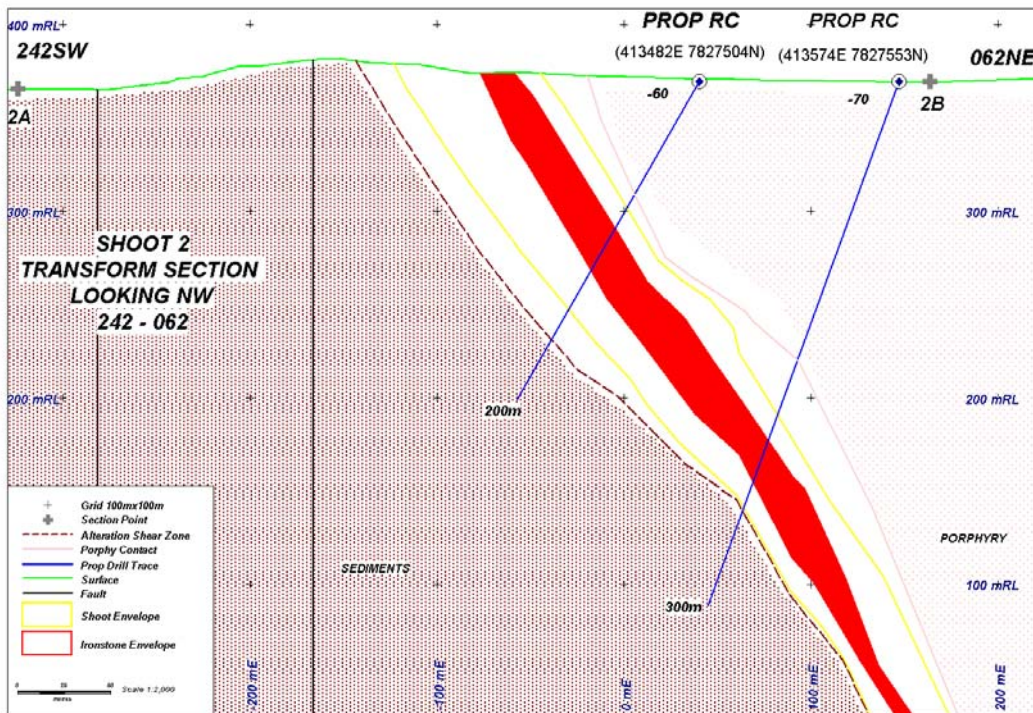


Figure 5 Transform Section (Shoot 2) – Westminster Project

The transform section (Figure 5) (only B Zone illustrated) provides further insight into the overall scale of the Westminster project. Shoot 2 is defined by a series of artisan mine shafts and outcrop at surface and projections from adjacent drilling. Shoot 2 remains untested at depth.

The mineralisation is adjacent to a porphyry intrusive and is interpreted to plunge beneath the porphyry at depth. Both the mineralisation and the porphyry appear to exploit openings adjacent to the Riedel shear direction of 285° and plunge into the restraining shear direction of 060° . The mineralisation plunges towards an untested IP anomaly defined by an earlier explorer.

Preliminary three dimensional modelling has provided valuable insights into the nature and orientation of the mineralisation at Westminster. Future drilling is expected to be more effective with increased cost control.

Other Developments

Ivanhoe Mines Limited has discovered molybdenum deposits containing high levels of Rhenium at Mt Dore in Queensland. These deposits have similar associations and mineral assemblages to those identified at Westminster. This has prompted a reassessment of the range of metals being assayed.

Samples from recent drilling at Westminster, that returned elevated molybdenum assays ($>50\text{ppmMo}$), have been resubmitted for analysis for Rhenium (Re).

Peak molybdenum grades (6110 g/t Mo) were intersected in the primary zone at a depth of 170m below surface at Westminster. This conforms to the depth, in the primary zone at Mt Dore, from which the build up of molybdenum and associated rhenium becomes significant. The potential exists for the development of significant Re mineralisation to be developed at depth at Westminster.

Proposed Activities

- As previously indicated the diversity of potentially recoverable economic minerals encountered on the Westminster leases indicates the need for additional drilling prior to establishing resource estimates.
- The next step towards calculating an inferred resource has been initiated with the development of a preliminary three dimensional model for the mineralised shoots. This model coupled with the structural model will serve to develop bounding constraints for resource estimation.
- Initiation of the next round of drilling is expected to follow the completion of the Rhenium assessment work and conclusion of negotiations with an appropriate drilling contractor.

At Lyall an ironstone outcrop pattern and a central zone of alteration is over a kilometre in length. It demonstrates a geometry and structure consistent with a zone of dilation.

The Peko style target identified at Lyall is interpreted as a zone of dilation that coincides with the development of ironstone outcrop within gravity lows. Dilational settings where alteration is well developed indicate the potential for high grade mineralisation.

Hera is located in an area of little outcrop. The gravity image shows the intersection of the fold axis with the southern shear zone. Programs of RAB drilling are planned for the Lyall and Hera projects to better define the orientation of the targets. Follow up RC and core drilling programs will target mineralisation at depth.

PINE CREEK – HALLS CREEK GEOSYNCLINE – Lower Proterozoic

Exploration Targets – Greenfields – multiple potential styles of mineralisation – including Unconformity style Uranium

Division - Legune

Explorer Project (Truscott 100%) (EL25881, EL26145)

The 235.38 km² Explorer Project comprises two Exploration Licences ('ELs') EL25881 of 210.70 km² and EL26145 of 24.68 km² located within the Halls Creek Mobile Belt, Northern Territory (Figure 7). The main tenement block is centred some 60km north of Newry, a settlement on the Victoria Highway that links Kununurra in Western Australia to Katherine in the Northern Territory.

The project area has recently received increased technical interest. The Halls Creek Mobile Belt that underlies the tenure is now widely recognised as having been an active zone between the Kimberly-Pine Creek block and the Tanami-Tennant Creek block to the East.

Major deep crustal lineaments traverse the area and are interpreted as sites for uranium or base metal style mineralisation.

Regional Geology

To the south across the border into Western Australia the 1.88Ga Proterozoic Halls Creek Mobile Belt basement is associated with layered intrusive. The Layered intrusion at Sally Malay hosts nickel and copper mineralisation. The clastic sedimentary sequences with a poorly constrained age of 1.2 - 1.88Ga overlay older basement rocks. The sediments appear to thin towards the south west of the project area where they unconformably overlay the Halls Creek Mobile Zone.

Windows in the sediment pile expose units closer to the unconformity. These units exhibit radiometric signatures that are also evident in closely associated faulting. Parts of the clastic sediment pile are prospective for uranium and rare earth element (REE's) mineralisation in locations near or over deep seated sutures or associated splay structures. To the northeast, at the Rum Jungle Complex, poly-metallic deposits and unconformity-style uranium mineralisation has been dated at 1.63-1.64Ga.

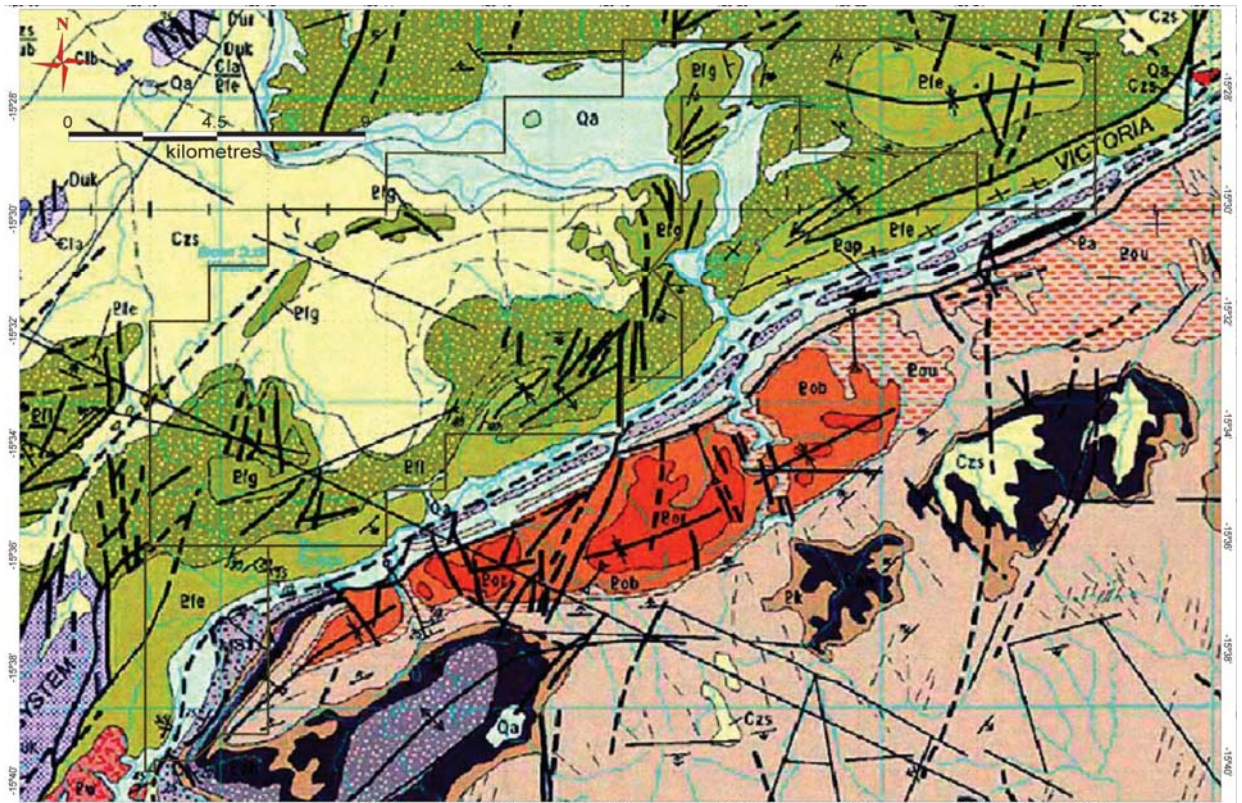


Figure 7 Explorer Project Location & Geology

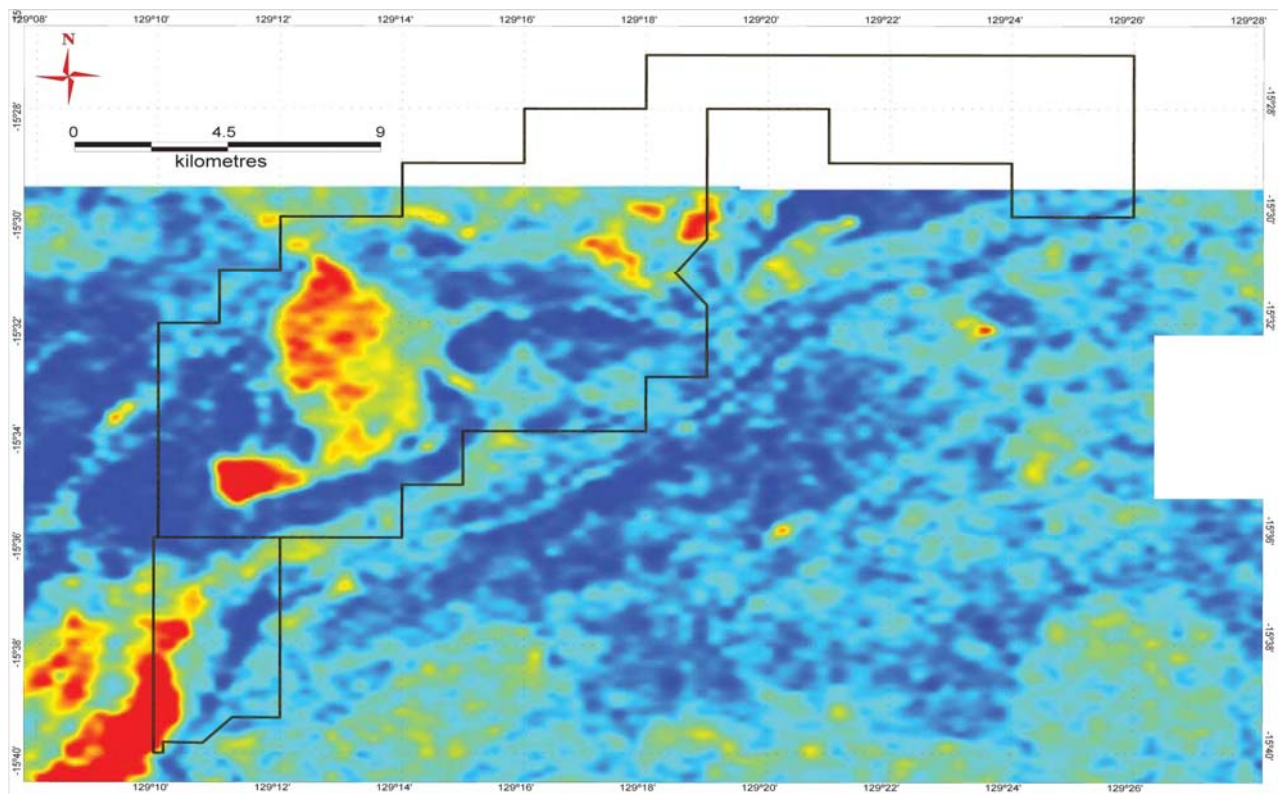


Figure 8 Explorer Project Location & Uranium Channel Anomaly

Local Geology

In the tenement area the majority of the northern exposure is of the Mesoproterozoic Fitzmaurice Group sediments. Near the southern margin of EL25881 is the substantial Victoria River shear zone (suture) which locally controls the direction of the Victoria River.

To the south of this suture, outcrop is predominantly comprised of younger Duerdin Group, Ranford Formation Sediments.

Unconformity Uranium Model

The Ranger Area which lies to the north east near Kakadu National Park hosts U mineralisation at or near the upper contact of the Lower Proterozoic metamorphic sequence. It consists of deformed phyllites and schists with moderate to steeply dipping primary layering. They are unconformably overlain by relatively flat dipping quartz sandstones units with associated pelitic rocks. The uranium mineralisation overlaps the contact and is developed in both the basement and the overlying sediments. The mineralisation may be substantially younger than the host rocks.

In the Explorer Project area the prospective and analogous Lower Proterozoic sequence is the Halls Creek type low grade metamorphic rocks. This sequence crops out at the western boundary of the licence area. The overlying Meso-Proterozoic sediments occurring in the licence area (Figure 7) are the Laingang (Pfl) and the Goobaieri (Pfg) Formations that are part of the Fitzmaurice Group.

The prominent central radiometric anomaly (Figure 8) corresponds directly to a window within the Laingang Formation and down directly onto the Goobaieri Formation. It is likely that the surface of the Pfg is the source of the anomaly. Whether it is uranium primarily associated with the unit per se or whether it is alteration associated with nearby structures that appear to control the window will be determined in the field. The uranium from the geological window spreads to the NE out onto a broad flat, lower area and is quite likely to have been transported onto the flood plain. The window of Pfg may be close to the basement.

The southern anomaly lies in the SW corner of the southern tenement and also extends outside the tenement boundary. This area corresponds to a major regional fold closure which is primarily a syncline with a subsidiary anticline. It is possibly a decollement type feature with the NE trending fault separates the Pf rocks from the Po rocks. The lowest stratigraphical position proximal to the basement will be the core of the syncline. This position is interpreted to be very close to the SW corner of the licence. Units of Whitewater Volcanic have been mapped nearby. Hence there is an interesting juxtaposition of a number of features:

- A uranium channel anomaly
- A structural situation with an anticline potentially provides a window into the lowest stratigraphy
- The presence of Whitewater Volcanic units which are Lower Proterozoic age

The Whitewater Volcanics may be a uranium source or alternatively a host for remobilised uranium mineralisation.

Exploration History

The project area appears to have been largely overlooked by explorers in the past with the exception of limited work done searching for diamonds. Diamond exploration was a consequence of the Argyle diamond mine discovery located across the Western Australian border. Other than 1:250,000 scale mapping by the Northern Territory Geological Survey and the acquisition of aeromagnetic and radiometric data on 200m and 400m line spacing, no exploration work over the tenements has been reported. The aeromagnetic and radiometric data has been compiled by *Southern Geoscience* consultants and is limited in coverage to area delineated in Figure 8. The observation that the northern portion of the tenement holdings has no coverage is a further evidence of the limited detailed exploration the area has received.

Potential

The clastic sediment pile is also considered to be prospective for uranium and or rare earth elements mineralisation. Potential U and REE mineralisation may be developed where the sediments overlay suitably deep seated sutures. The basement rocks in the Legune Project area are also prospective for base metal mineralisation. The Legune Project area has not received serious consideration for uranium, REEs, or base metal exploration probably due its remote location relative to known mineralisation in the north of the Northern Territory.

In addition, past Federal Government legislation and depressed Uranium prices have limited the level of production and interest in exploration in the area around the Explorer Project. The region has therefore been overlooked and remains under-explored. With new interest and understanding, it is now receiving attention for its potential to host ore grade quantities for a range of minerals.

The initial interpretation of the aeromagnetic and radiometric data now requires follow up ground truthing of the identified anomalies by a helicopter supported field program. A geological team with appropriate experience will undertake the first phase reconnaissance program.

Peter N Smith **Executive Chairman**

Competent Person: *The contents of this report, that relate to geology and exploration results, are based on information reviewed by Ivan Henderson, who is a Member of the Australian Institute of Geoscientists. He has sufficient experience relevant to the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a "Competent Person", as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ivan Henderson consents to the inclusion in this report of the matters compiled by them in the form and context in which they appear.*