

ACTIVITIES REPORT - DECEMBER QUARTER 2008

Significant Advances

- 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.

Research and Development Initiatives

Historically, exploration in the Tennant Creek Field has relied heavily on traditional methods of exploration related to geophysical and geochemical techniques. These tools whilst 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 regional basis that focuses on the relationship between mineral occurrence and distribution within a shear zone array.

The interim objective of the exercise is to identify zones of dilation created as consequence of shearing as places to trap potential mineralising fluids.

The overall objective is to ensure the company is advancing exploration activities 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 is focusing its exploration activities in an area within 25km of the Tennant Creek Township. Within that area the underground operations at Peko and Juno stand out. Past and present reported inferred and indicated resource tonnages for each deposit now total more than 3 million tonnes.



The application of the first phase of the company’s modelling has enabled the identification of eight primary nodes that exhibit similar geological settings to the major deposits identified. These nodes are illustrated on the Tennant Creek map sheet of Figure 1.

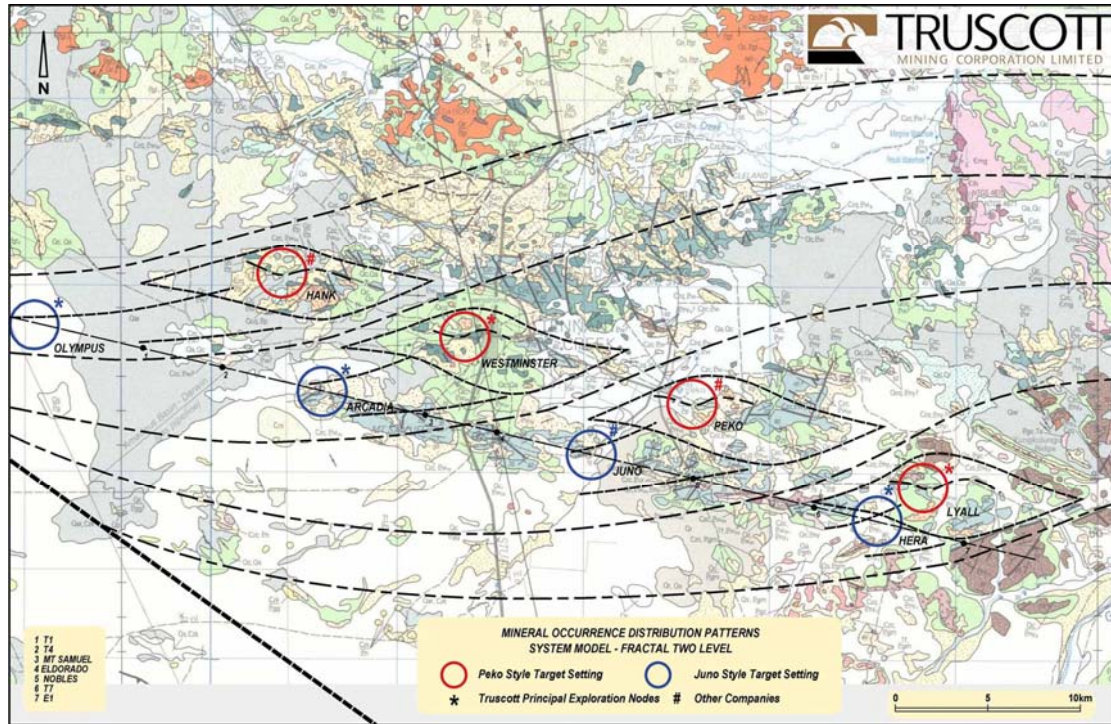


Figure 1 Interpreted Principal Exploration Nodes Central Tennant Creek Mineral Field

Of the eight interpreted principal nodes, Truscott holds 100% tenure over Westminster, Lyall, Hera, Olympus, and Arcadia. The node interpreted over Peko has had substantial tonnages of ore mined while the interpreted node over Juno has only been partially exploited.

A number of secondary nodes have been interpreted which are considered to be of lower prospectivity are indicated as numbered points on a 285° line that has been referred to as the “Southern Shear”. These intersection points have the potential to host high grade but lower tonnage mineralisation than the primary nodes located more centrally within the larger scale trend envelopes.

Truscott is focusing its exploration efforts on the primary node locations which are interpreted to be similar to the Peko. Several characteristic features have been identified which include:

- Deposits appear to have several discrete ore bodies
- Ore bodies appear to be related to envelopes or trends
- Ore bodies are developed proximal to the flexure of the mineralised trends.

TENNANT CREEK GEOSYNCLINE – Lower Proterozoic

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

Western Division – Tennant Creek

Primary Exploration Nodes: WESTMINSTER ARCDIA OLYMPUS

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 km² (Figure 2). The project area covers an area that includes some of the earliest workings and discoveries in the field dating from the mid 1930’s and 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.

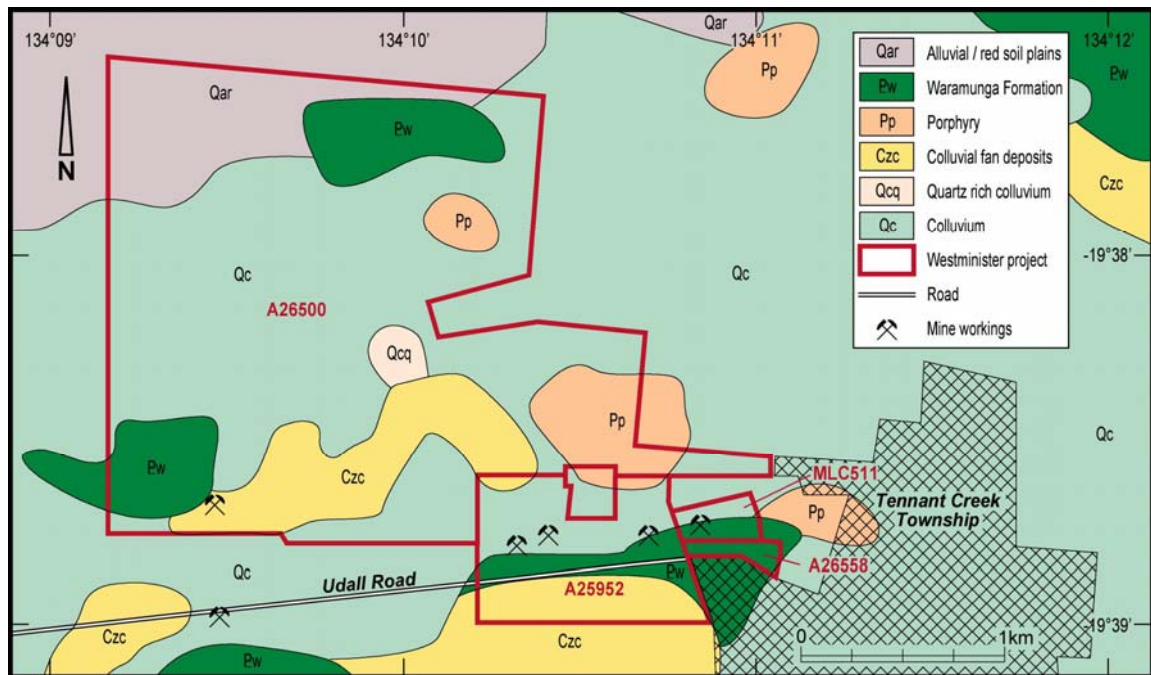


Figure 2 Exploration & Mining leases, Westminster Project

Deposit Structure

- There exists an array of three mineralised zones within a complex shear zone along the full 1.4 kilometres (Figure 3) 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.
- The lower Zone C does not outcrop along much of the 1.4 kilometres of shear, and has received little recognition from previous explorers.
- Zone B has received the greatest drilling density; it appears likely that five mineralised shoots will be defined within the limits of the current drilling grid.
- Shoot 4 has been interpreted to be divided as a result of minor late faulting.
- Geophysical data suggest Shoots 1 and 2 and Shoots 3 and 4 are related to two separate discrete bodies at depth.
- 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)

- Some of the mineralisation within the strike extent of tenements MLC 511 and A25952 is adjacent to a porphyry intrusive that has been displaced by late stage cross faulting.
- 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 data indicate the presence of substantive modelled bodies associated with the mineralised shoots, some of which only partially outcrop and are yet to be drill tested.
- Specific Gravity measurements collected for core samples of mineralised ironstone samples from recent drilling programs have returned values of 3.4 -3.8 tonnes/cubic metre. These values are consistent with values used by previous explorers and producers. These values are expected to be applied to future resource estimates.

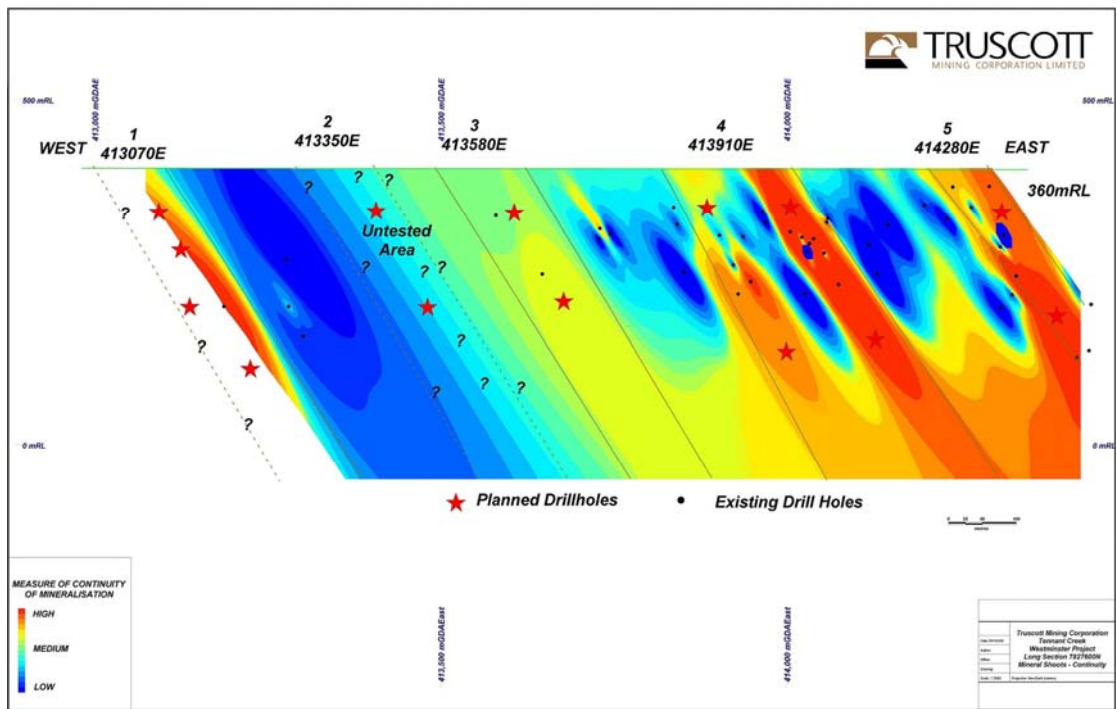
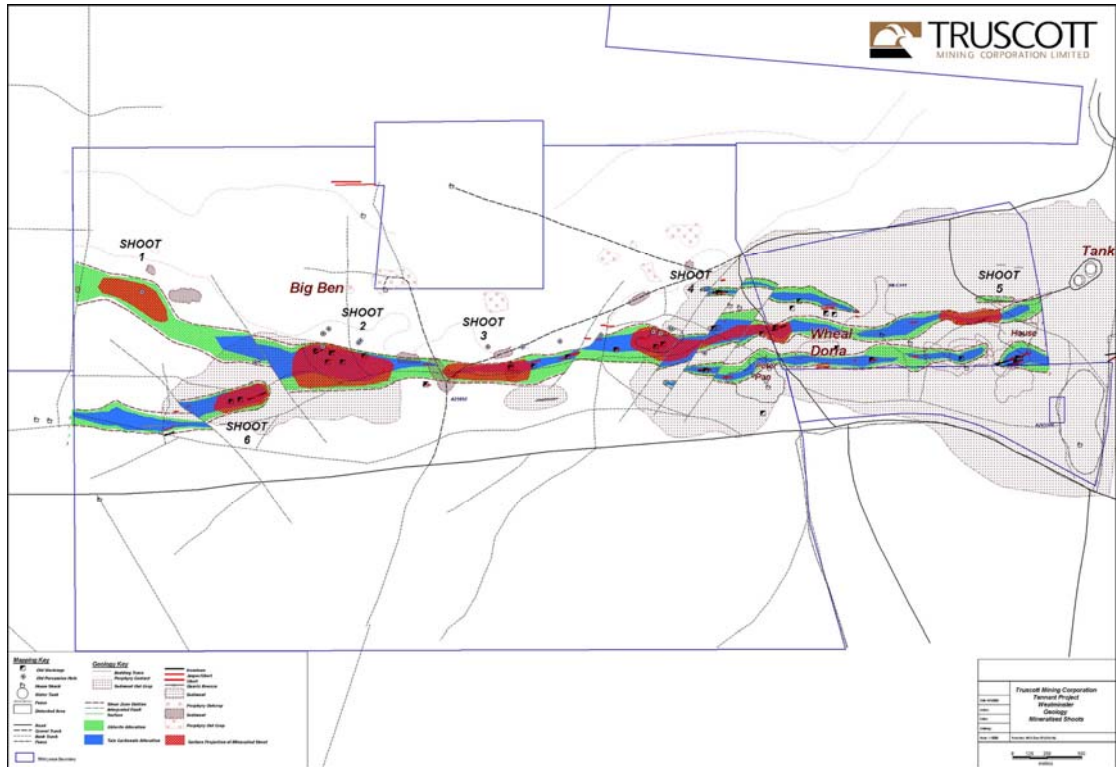


Figure 3 Mineralised Shoots in Plan View (top) and Long Section (bottom)

Mineral Shoots

The cross section (Figure 4) provides a down pitch view of Shoot 4 demonstrating the continuity of the ore shoots. Only drill results which are within 20 metres of the pitch line for the shoot are shown.

The figure shows the mineralisation of the eastern part of Shoot 4. Ore grade gold mineralisation in the upper part of Zone A was recovered by artisan miners between the 1930's -1960's. Historical drilling and Truscott's drilling have determined that Zone B contains valuable intersections of mineralisation to depths of 200m and remains open to depth.

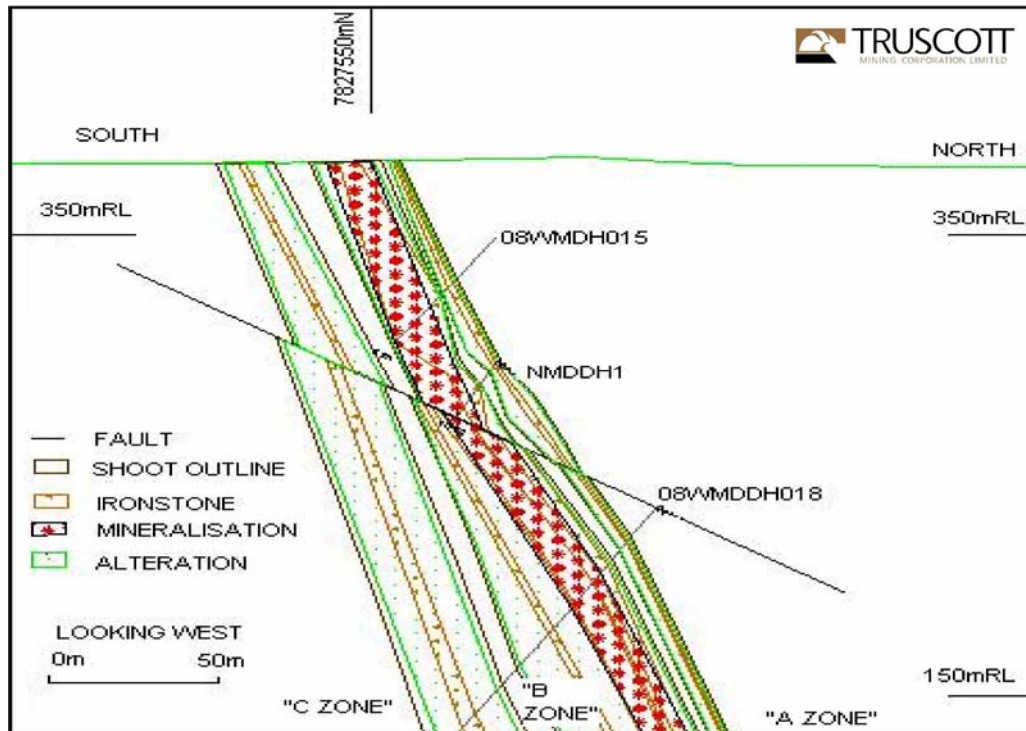


Figure 4 Cross Section 414000E (oblique A-A) – Westminster Project

Definitive intersections recorded for the 413910E shoot now 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)

Eastern Division – Tennant Creek

Primary Exploration Nodes: LYALL HERA

Ewan Edward Project Area (Truscott 90%-100%)
(EL23897 (90%), EL25497, EL25577, EL26122 (all 100%))

Truscott’s Ewan Edward Project is located 20 kilometres east of Tennant Creek and contains the primary exploration nodes Lyall and Hera. It covers two interpreted trends of strongly mineralised lode. Within the bounds of the Tennant Creek map sheet the Hera, Juno, Arcadia, Olympus trend, has produced more than 2 million ounces of gold at an exceptionally high average grade of 36g/t Au. The Lyall, Peko, Westminster, Hank trend has produced more than 400,000 ounces gold and 120,000 tonnes of copper.

During the quarter, field observations delineated an area of outcrop within EL25497 that demonstrated structural features that characterise other important nodes for economic mineralisation. A vein array (multiple veins) and a central zone of alteration further enhanced the prospectivity of the location.

A detailed ground gravity survey was completed during October 2008 to provide for integration of physical and geophysical observations.

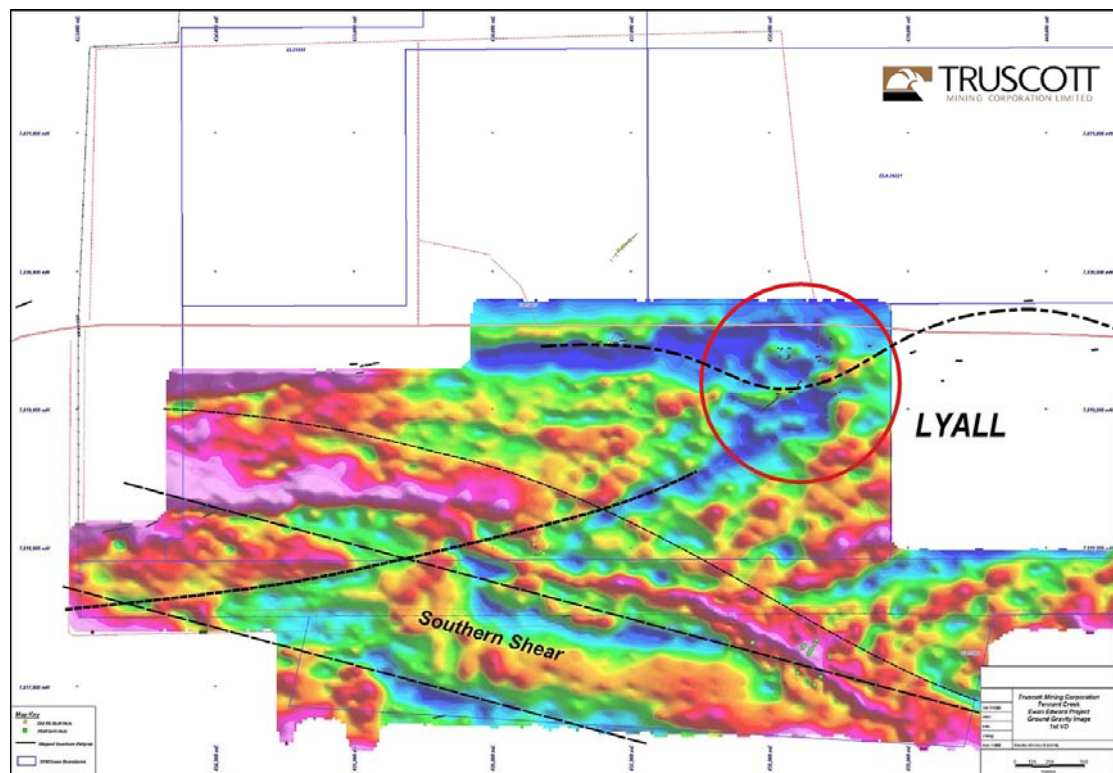


Figure 5 Lyall Node – Detailed Ground Gravity Survey and Ironstone Outcrop

At Lyall (Figure 5), an ironstone outcrop pattern of over a kilometre strike length has been identified that demonstrates the geometry and structure consistent with a zone of dilation.

The nodes defined at Peko, Westminster and Lyall are interpreted as zones of dilation and coincide with the development of ironstone outcrop within gravity lows. Dilational settings are where alteration and potential high grade gold mineralisation are likely to be concentrated.

The interpreted nodes within the “*Southern Shear*” that include Juno and Hera are also expected to be associated with gravity lows, however the gravity footprints are likely to be different due to the influence of the apparent movement along this corridor.

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 6). 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 as 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 could be the sites for potential 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 intrusives and at the Sally Malay project, hosts nickel and copper mineralisation. The 1.2 - 1.88Ga poorly constrained clastic sedimentary sequences that overlie the older basement rocks appear to thin towards the south west of the project area where they unconformably overlie the Halls Creek Mobile Zone. Windows in the sediment pile expose units closer to the unconformity exhibit radiometric signatures that are also evident in closely associated faulting. Part of this clastic sediment pile could be prospective for uranium or rare earth mineralisation in locations near or over deep seated sutures or associated splay structures. Further to the northeast, at the Rum Jungle Complex, poly-metallic deposits and unconformity-style uranium mineralisation has been dated at 1.63-1.64Ga.

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.

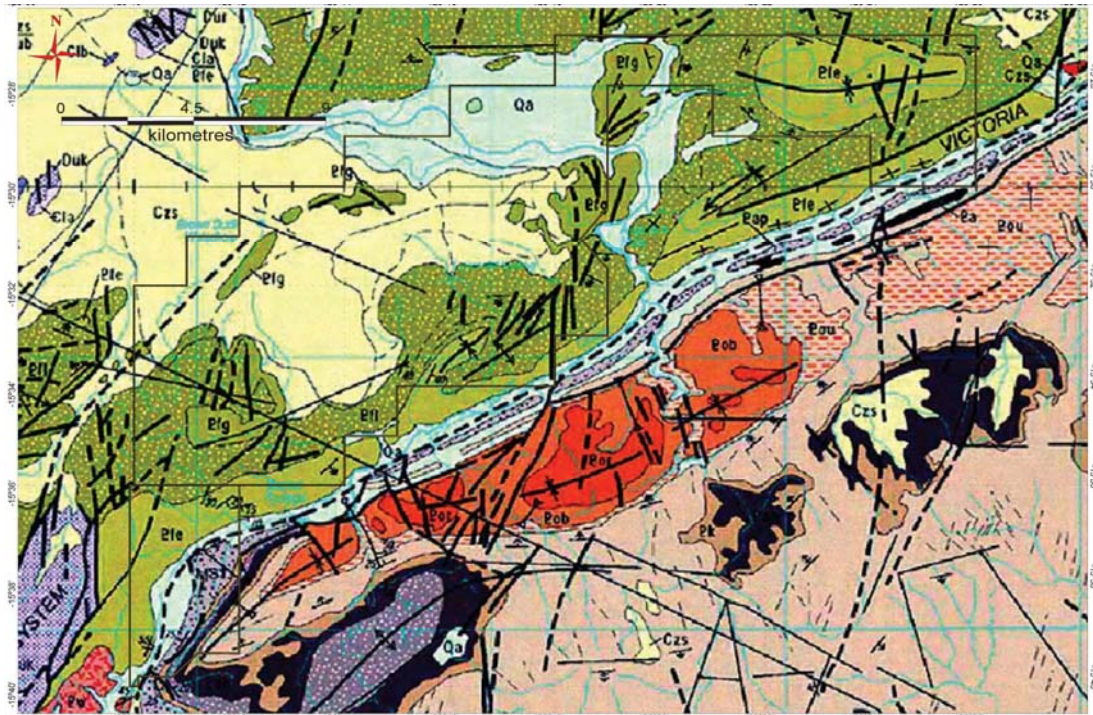


Figure 6 Explorer Project Location & Geology

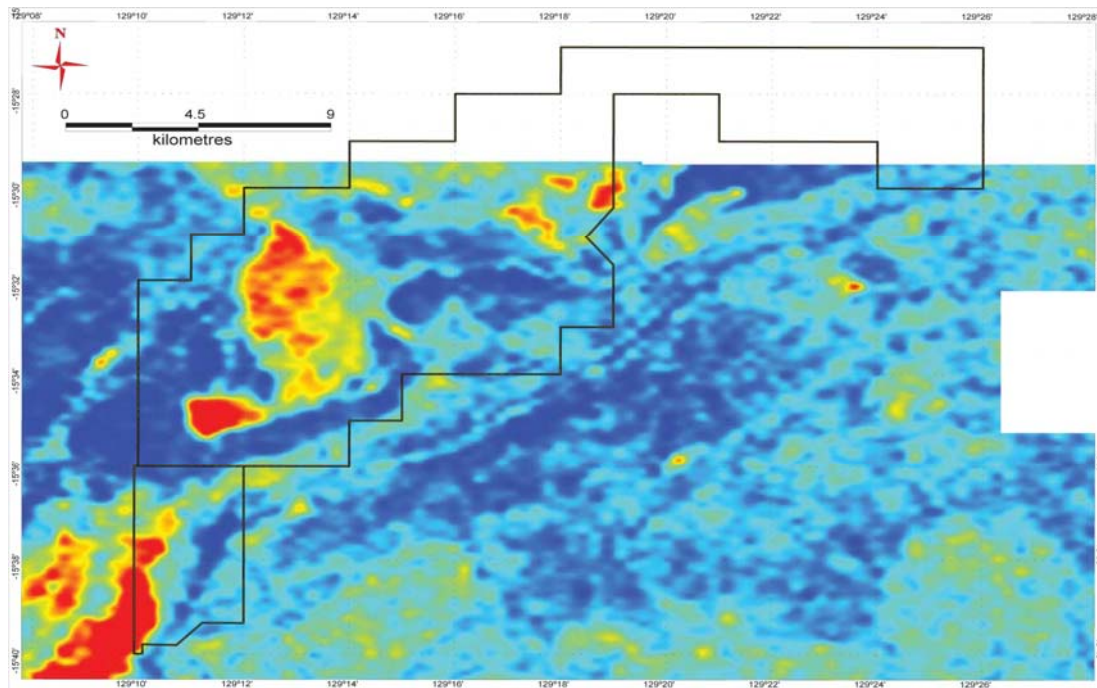


Figure 7 Explorer Project Location & Uranium Channel Anomaly

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 which is comprised of phyllites and schists which are deformed with moderate to steeply dipping primary layering. These are unconformably overlain by relatively flat dipping quartz sandstones units with associated pelitic rocks. The uranium mineralisation overlaps the contact and both the basement and the overlying sediments host known uranium deposits. 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 which outcrop just the western boundary of the licence area. The overlying Meso-Poterozoic sediments occurring in the licence area (Figure 6) are the Laingang (Pfl) and the Goobaieri (Pfg) Formations that are part of the Fitzmaurice Group.

The prominent central radiometric anomaly (Figure 7) 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 7. 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. Field based exploration activities will then be planned and scheduled for the northern dry season.

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 Peter Smith, who is a Fellow of the Australasian Institute of Mining and Metallurgy, and by Ivan Henderson a Member of the Australian Institute of Geoscientists. Both persons have 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. Peter Smith and Ivan Henderson consent to the inclusion in this report of the matters compiled by them in the form and context in which they appear.*