

HEAVY RARE EARTH EXPLORATION UPDATE

TUC Resources Ltd (ASX:TUC) is pleased to provide an Exploration and Progress Update — 12 June 2012.

2012 Field Season; Significant Events to Date

- Field work has commenced in the wider Stromberg HREE district with extensive soil surveys and geological mapping currently underway at Scaramanga and Northern Skyfall. Assays pending.
- Positive discussions are being held with Traditional Aboriginal Landowners, through the Northern Land Council (NLC), with regards to access to HREE prospective tenements on Aboriginal Freehold Land surrounding the Stromberg prospect.
- A detailed airborne topographic survey (Light Distance and Ranging) has been completed over the Stromberg and Scaramanga Heavy Rare Earth (HREE) prospects. This work is critical for efficient drill programs and environmental and project studies.
- Planning of metallurgical and resource definition drilling at Stromberg moves towards completion. Initial 3D modelling has been completed.
- The latest metallurgical test work has given exciting results with Total Rare Earth recoveries up 10%, to 85% (see TUC ASX Announcement dated 1 May 2012). A number of tests continue towards further improving the efficiency of this process with the aim of developing a direct processing route to a competitively valued rare earth intermediate product. Assays pending.
- A reconnaissance geochemical sampling trip has been undertaken to TUC's new HREE target tenement at Hodgsons Downs. Assays pending.
- TUC is continuing with its strategy to attract a rare earth industry cornerstone investor.



Figure 1; Allan undertaking geological mapping and handheld XRF geochemistry at the Scaramanga HREE prospect some 5km NE of the Stromberg HREE prospect (May 2012) .



TUC

RESOURCES

ASX Code: TUC

ASX Announcement

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Stromberg, Scaramanga and Stromberg District HREE's

Soil Geochemistry Survey and Geological Mapping

In addition to planned RC exploration drilling at Stromberg, TUC intends to carry out exploration drilling at Scaramanga and other HREE Prospects. To better focus drilling efforts, a systematic soil geochemistry survey is underway at Scaramanga to test radiometric anomalism and results from previous positive rock chip testing (Figure 2).

In addition to testing the Scaramanga prospect, the survey has also made a first pass test on the Northerly extensions of a significant radiometric anomaly and HREE prospective target in ELA27151 (Skyfall, Figure 2). Land Access to this tenement is being discussed with Traditional Owners through the NLC at present.

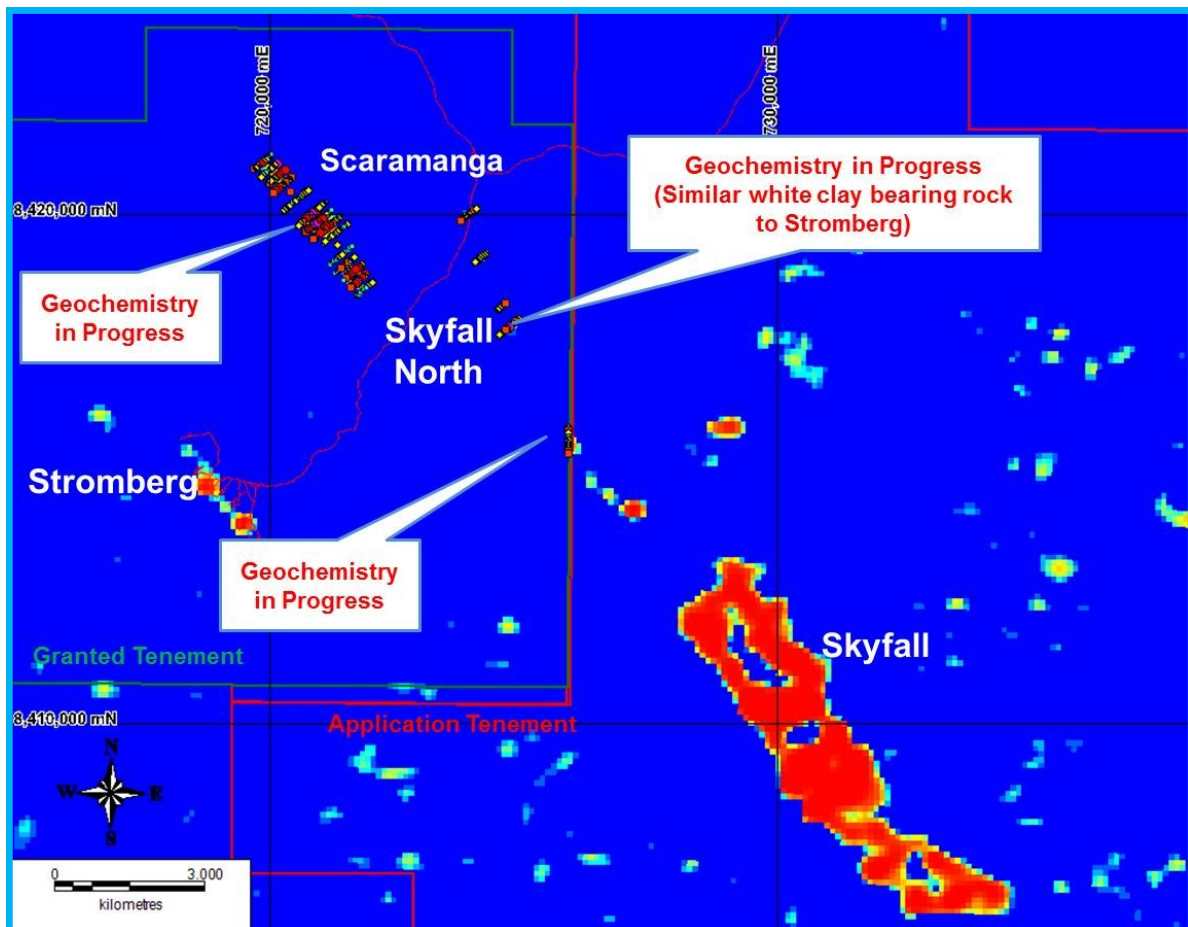


Figure 2; Stromberg District; potential shown by airborne radiometric anomalism. Current soil survey at Scaramanga and Northern Skyfall HREE Prospects illustrated.

LiDAR Survey Completion

TUC has recently completed a LiDAR (Light Distance and Ranging) topographic survey over approximately 200km² of the Stromberg and Scaramanga HREE area (Figure 3). This area is considered of great importance as a number of interpreted repetitions of HREE bearing rocks occur (Figure 2).

The new LiDAR topography is far more accurate than previous information and will aid substantially in the planning of proposed drilling, and improve the modelling of results. The survey will also be critical in project planning and environmental studies.

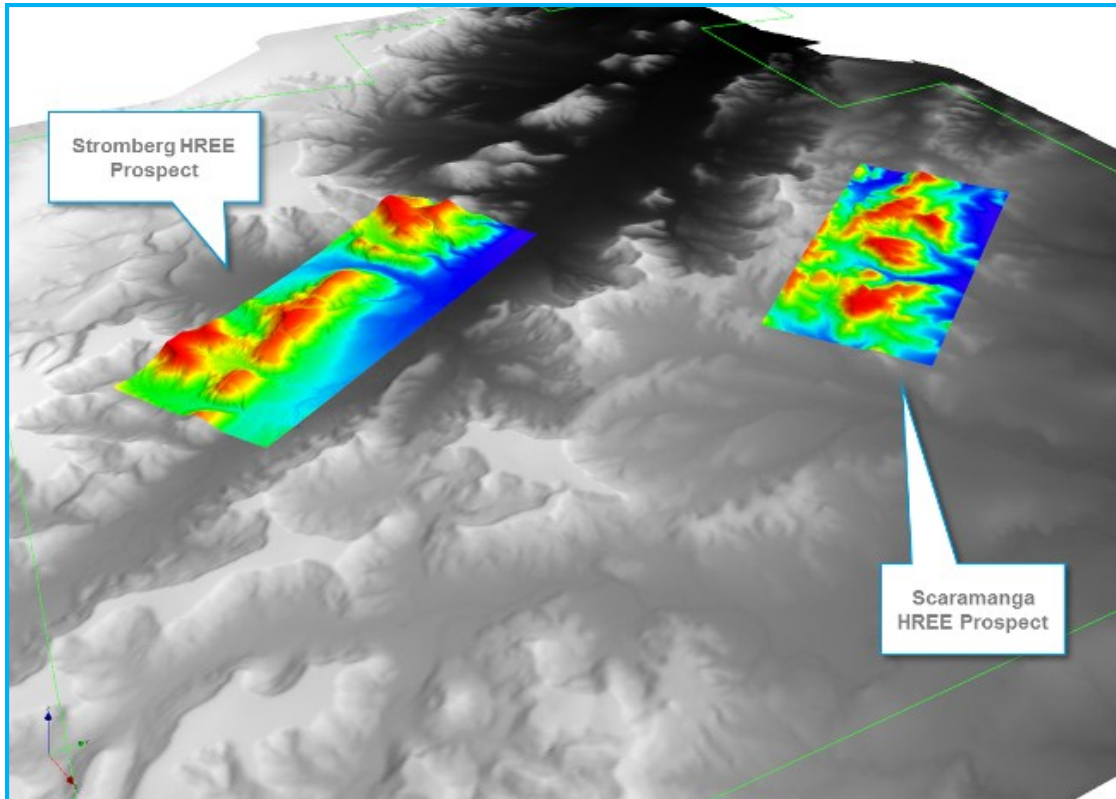


Figure 3; Oblique view of LiDAR (Light Distance and Ranging) topographic survey of section of EL25222 licence area grey scale with Stromberg and Scaramanga HREE Prospects in colour. View approximately north west.

Stromberg 3D Interpretation and Drill Planning

Geological modelling of the Stromberg HREE Prospect has been completed and is being used to plan the next rounds of drilling.

Work currently planned for the Stromberg HREE Prospect includes diamond drilling for geo-metallurgical purposes and RC drilling for exploration and resource definition work (Figures 4 and 5).

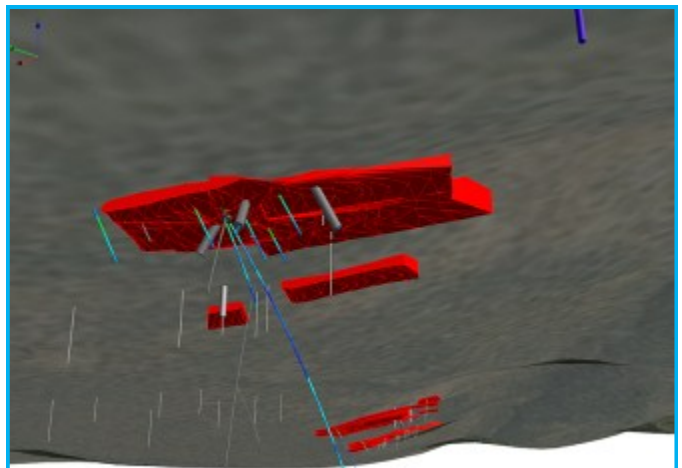


Figure 4; Current geological interpretation of mineralised zone. Figure 5; Current geological interpretation of mineralised zone (red) with planned metallurgical diamond drilling (grey cylinders), planned RC drilling for resource work not shown; view oblique and upwards to the south east.

Improvement on Recent Metallurgical and Mineralogical Test Results

The latest metallurgical test work has given exciting results with Total Rare Earth recoveries up 10%, to 85% (see TUC ASX Announcement dated 1 May 2012). A number of tests continue towards further improving the efficiency of this process (reducing reagent consumption by testing variation in leach times, acid to mineralised material mixes, and acid leach temperature) with the aim of developing a direct processing route to a competitively valued rare earth intermediate product. In addition, test work has commenced towards precipitating a mixed rare earth intermediate/carbonate product. Results and assays remain pending for all test work.

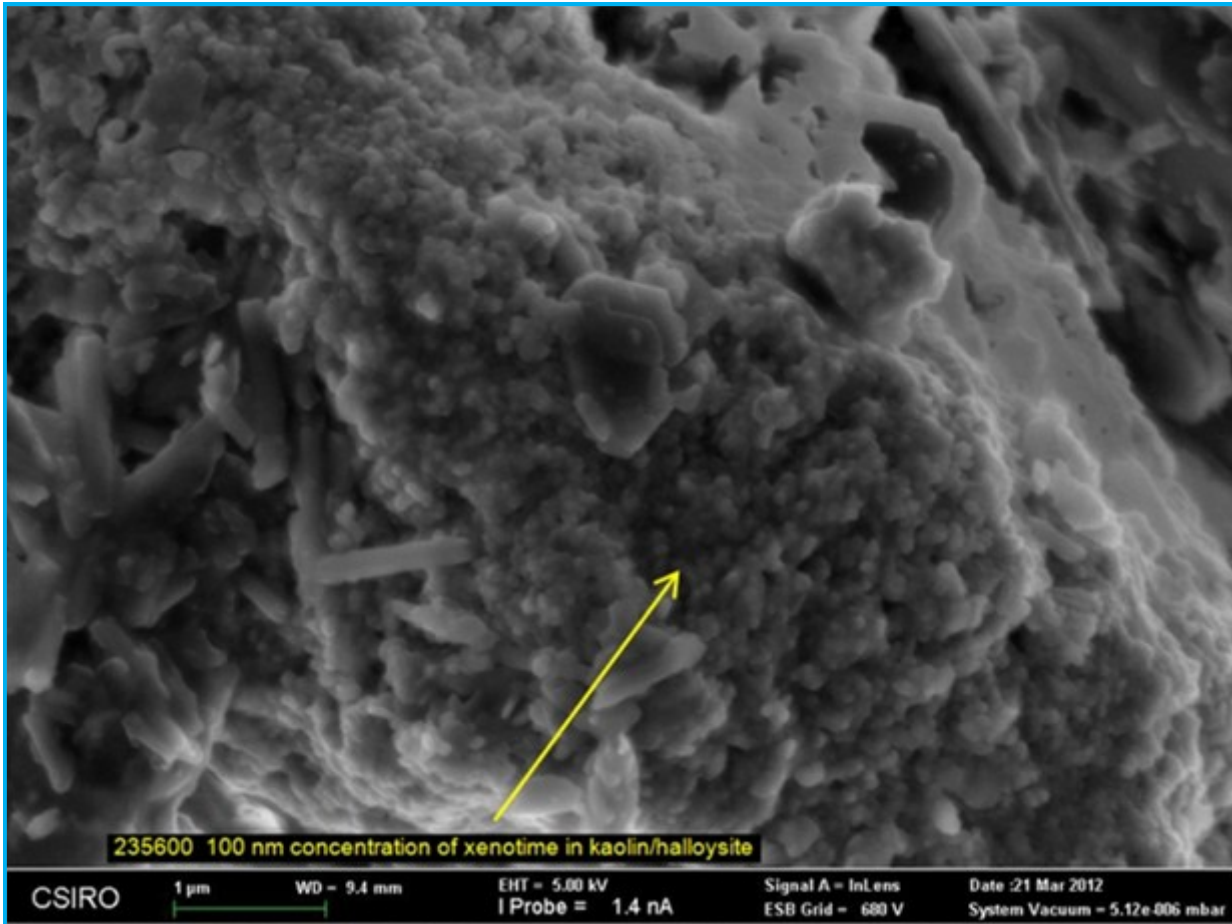


Figure 6; Scanning Electron Microscope (SEM) image of HREE bearing Xenotime agglomeration associated with clay (kaolin and halloysite). The photo illustrates how the Xenotime is not within the clay mineral. This free physical state and the fine nature should make the material more amenable to direct leaching.

Hodgson Downs Project Area

Hodgson Downs Project Area, EL29464

Increase in HREE Target Potential

TUC, after study of open file data, applied for ELA29464 on the basis of a review of HREE targeting criteria.

The area is characterised by similar geological, geophysical and geochemical elements to those found in the Stromberg HREE Prospect.

TUC have undertaken a brief reconnaissance visit to the tenement and collected some rock chip samples. Assays pending. If successful, the area may substantially increase the area of prospective ground available to TUC for HREE exploration.

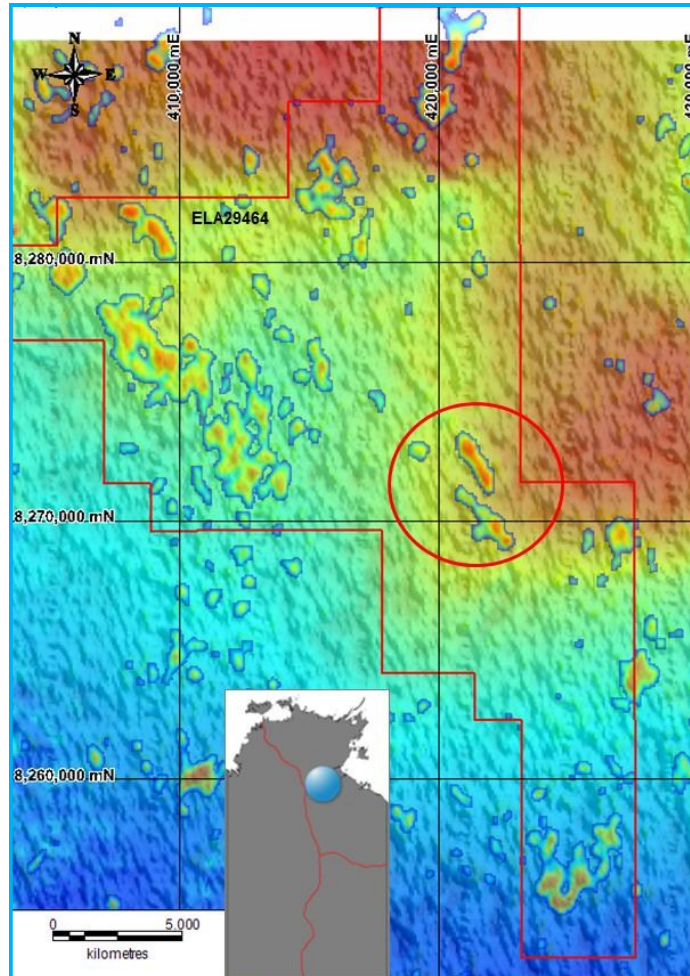


Figure 7; Hodgson Downs licence area ELA29464; radiometrics over magnetics; coincident target example highlighted by red circle.

*Total Rare Earth Oxides (TREO's) have been calculated by addition of common oxide values for Ce, Dy, Er, Eu, Gd, Ho, La, Lu, Nd, Pr, Sm, Tb, Tm, Yb, Y. Rare Earth Oxide (REO) values have been calculated from Rare Earth Element (REE) ppm grades after analysis by lithium-metaborate fusion and ICPMS, where possible, or by HF/multi acid digest and ICPMS. The total REO is calculated as the sum of all REE as REE₂O₃, with the exception of Ce, Pr and Tb; which are calculated as CeO₂, Pr₆O₁₁, and Tb₄O₇ respectively, in accordance with geochemical conventions.

Heavy Rare Earth Elements HREE = Dy, Er, Ho, Lu, Tb, Tm, Yb, Y;
Medium Rare Earth Elements MREE = Eu, Gd, Sm;
Light Rare Earths LREE Ce, La, Pr, Nd;
Total Rare Earth Elements - TREE.

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TUC Resources Ltd holds approximately 18,000km² of prospective land package across 44 (33 under application) tenements making it one of the biggest ground holders in the Northern Territory of Australia. The business holds eight consolidated project areas across several key geological and metallogenic terrains, affording it the opportunity to diversify exploration into many commodities.

The information in this report relates to exploration results compiled by Ian Bamborough, who is a Member of The Australian Institute of Geoscientists. Ian Bamborough is a fulltime employee of TUC Resources Ltd. Ian Bamborough has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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'. Ian Bamborough consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.