

DIAMOND DRILLING COMMENCES AT STROMBERG HEAVY RARE EARTH PROSPECT

The Board of TUC Resources Limited is pleased to announce the commencement of metallurgical and exploration diamond drilling at the Stromberg Heavy Rare Earth (HREE) Prospect.

Diamond Drill Program

Work is being undertaken to:-

- Produce samples for continued flow sheet development and metallurgical test work; drilling aims to increase information on the style and distribution of the important HREE mineral xenotime at the prospect;
- To test for extensions to new mineralisation identified in this year's RC drilling (see TUC ASX Announcements dated 19 September 2012);
- Provide geological information to be used in further targeting at the nearby prospects such as the newly discovered Scaramanga and Skyfall.

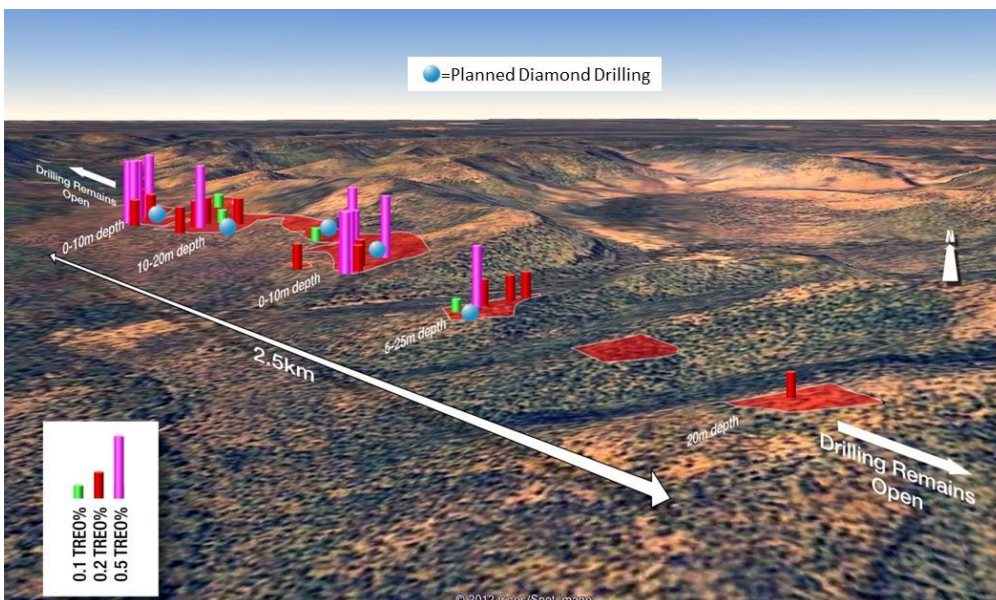


Figure 1: Location of planned diamond drill holes, Stromberg HREE Project, with previous RC drilling and interpreted mineralisation indicated.

Background Information on Stromberg

RC drill results returned this year at Stromberg include an impressive STRC53 - 8m @ 0.72% TREO (93.5% HREO/TREO). The distribution of valuable and high demand Rare Earths (REE) in all significant intersections returned to date is an excellent ~8% Dysprosium/TREO, ~65% Yttrium/TREO and ~5% Erbium/TREO. Drilling has continued to outline significant near surface HREE mineralisation over a full 2.3km strike-length of the prospect. To date, metallurgical test work has given up to 85% TREE (Total Rare Earth) recoveries using a multi-stage reagent process. This leaching process and Stromberg's xenotime mineralogy could potentially result in a more direct processing route to a valuable REE intermediate/carbonate material with lower capital expenditure. A large district exploration potential exists with recent land access breakthroughs providing new potential at prospects such as the nearby Skyfall and Largo (see TUC ASX Announcement dated 25 September 2012).

For further information please contact:

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TUC
RESOURCES

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*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. 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's = Dy, Er, Ho, Lu, Tb, Tm, Yb, Y;
Medium Rare Earth Elements MREE's = Gd, Eu, Sm;
Light Rare Earths LREE's Ce, La, Pr, Nd.

TUC Resources Ltd holds approximately 17,300km² of prospective land package across 50 (30 under application) tenements making it one of the biggest ground holders in the Northern Territory of Australia. The business holds multiple consolidated project areas across several key geological and metallogenic terrains, affording it some 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.

