HIGHEST GRADE HEAVY RARE EARTH INTERSECTIONS TO DATE RETURNED AT STROMBERG

Diamond drilling at the Stromberg Heavy Rare Earth Prospect has delivered excellent near surface intersections, indicated extremely high (+90%) heavy rare earth distributions and further extended mineralisation.

Highlights

- At or near surface Total Rare Earth Oxide (TREO) Intersections include:-
  - ⇒ STDH3, **4.2m @ 0.93% TREO (92% Heavy Rare Earth Oxide (HREO/)TREO)**;
    - ***inc. 3m @ 1.19% TREO (92% HREO/TREO)***;
  - ⇒ STDH2, 3.0m @ 0.59% TREO (92% HREO/TREO);
    - ***inc. 1m @ 1.10% TREO (94% HREO/TREO)***;
  - ⇒ STDH5, 2.5m @ 0.32% TREO (85% HREO)/TREO);
- Diamond hole STDH5 extended mineralisation up dip under shallow cover providing for further exploration upside (Figure 1).

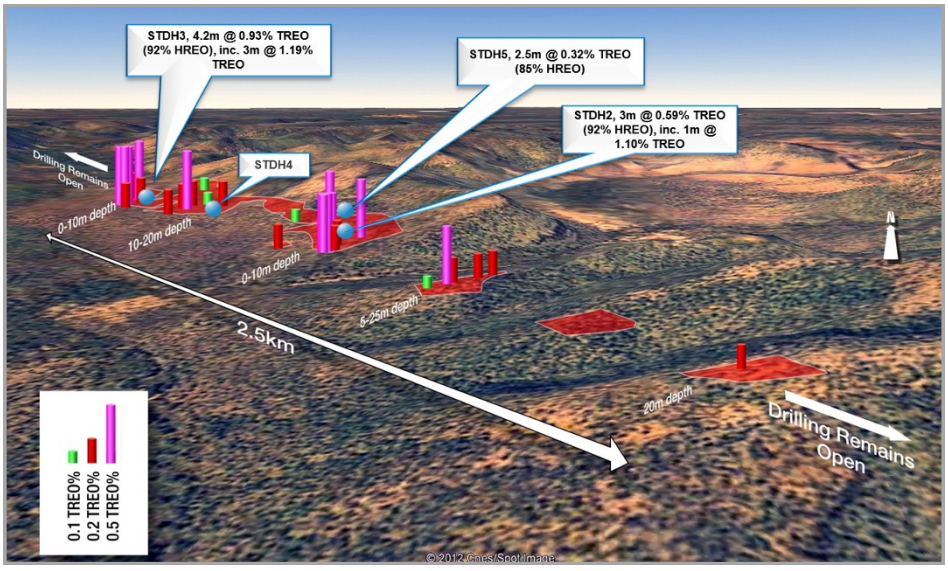

Figure 1: Location of diamond drill holes, Stromberg HREE Project, with previous RC drilling and interpreted mineralisation indicated.

Figure 2: Drill core STDH3 showing significant intersection and clay host rock types similar to Southern China Clay Hosted Rare Earth Deposits.

TUC RESOURCES

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The clay host rock noted in Figure 2 allows TUC to conclude that the geological processes that have formed the Stromberg Prospect are similar to those that produced the renowned Southern China Clay Rare Earth Deposits. The Southern China Clay rare earth deposits are at the forefront of rare earth production because the majority of deposits have very low production costs. TUC hopes to find mineralisation with similar mineral processing characteristics to these Southern China Clay deposits and theorises its chances of doing so are increased due to the large number of prospects on its ground (Figure 3). Recent land access breakthroughs are providing access to these new at targets such as the nearby Skyfall and Largo Prospects (Figure 3) (see TUC ASX Announcement dated 25 September 2012). TUC intends to focus 2013 exploration efforts on this large district potential with work planned to commence in February.

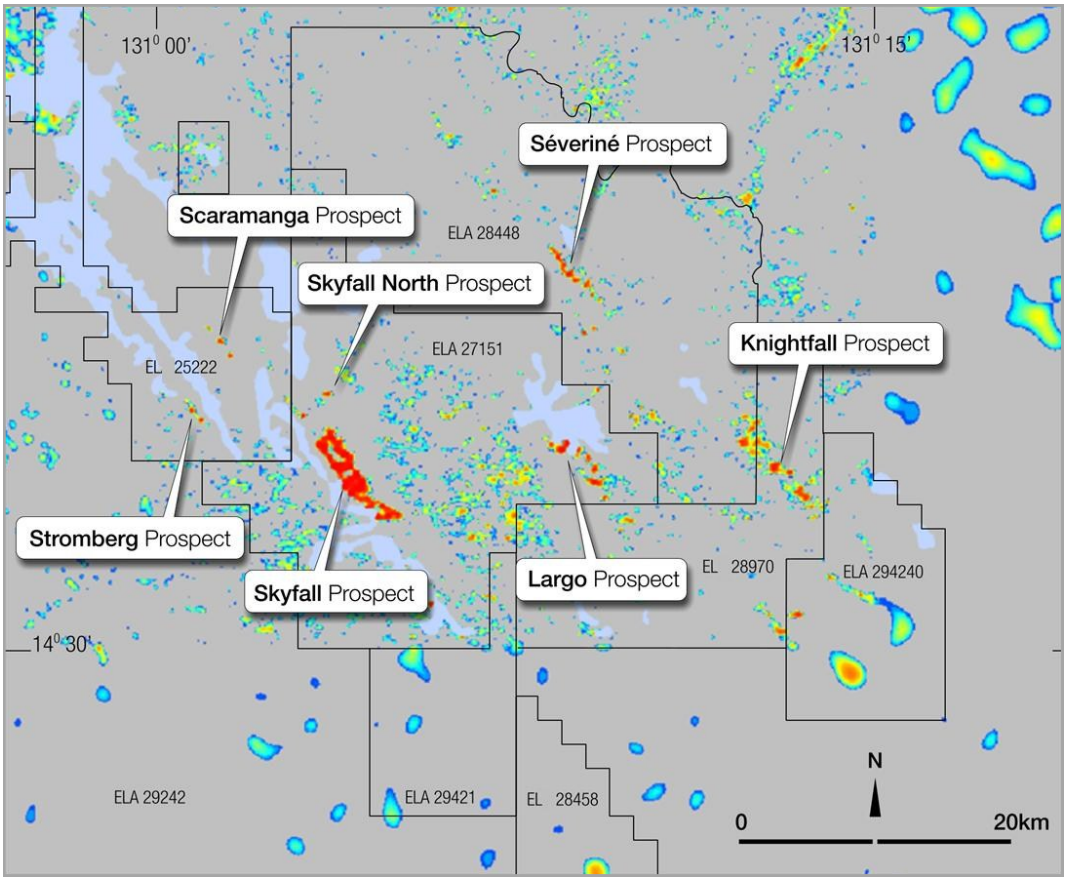

Figure 3: Significant HREE prospects, radiometric anomalies, geological trends and TUC Stromberg HREE District tenements.

Table 1 shows all significant intersections returned from drilling and Table 2 gives hole details.

Hole ID	Interval Width m	TREO Grade %	From m	Dy2O3/TREO%	Er2O3/TREO%	Tb4O7/TREO%	Y2O3/TREO%	HREO/TREO%
STDH02	3.0	0.59	0	7.51	5.54	0.88	70.21	**92.34**
incl	*1*	*1.10*	*1*	*7.32*	*5.42*	*0.86*	*72.51*	***94.38***
STDH03	1.8	0.51	0.8	9.24	6.47	0.98	65.9	**92.49**
STDH03	4.2	0.93	3.8	8.42	5.3	1.02	69.89	**92.42**
incl	*3*	*1.19*	*5*	*8.49*	*5.07*	*1.07*	*69.91*	***91.9***
STDH03	4	0.53	10	7.97	5.29	1	68.62	**90.68**
STDH05	2.5	0.32	5	7.4	5.14	1.01	64.53	**85.23**

Table 1: Significant intervals returned from diamond drilling. Intersections are calculated with a minimum cutoff grade of 0.2% TREO, with 1 metre dilution.

Diamond Drilling has increased information on the style and distribution of the important HREE mineral xenotime at Stromberg. It has provided TUC Resources with excellent samples for the next stage of metallurgical testing and provides further information for resource definition.

Hole_ID	Orig_East	Orig_North	Orig_RL	Max_Depth	Orig_Grid_ID	Azimuth	Inclination	Comment
STDH01	718876	8414581	176.4223	5.7	MGA94_52	045	-60	Abandoned
STDH02	718875	8414580	176.4758	20.6	MGA94_52	045	-60	Complete
STDH03	719706	8413585	175.7193	17.8	MGA94_52	135	-70	Complete
STDH04	719430	8413847	185.845	17.7	MGA94_52	125	-70	Complete
STDH05	718877	8414331	201.4852	21.8	MGA94_52	176	-70	Complete

Table 2: Hole Details—2013 Diamond Drilling Program

Background Information on Stromberg

Other 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. These metals are used in Clean Energy Technologies. Drilling has continued to outline significant near surface HREE mineralisation in flat tabular bodies 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 like mineralogy could potentially result in a more direct processing route to a valuable REE intermediate/carbonate material with lower capital expenditure. The Stromberg District is located approximately 4 hours drive south of Darwin (Figure 4).

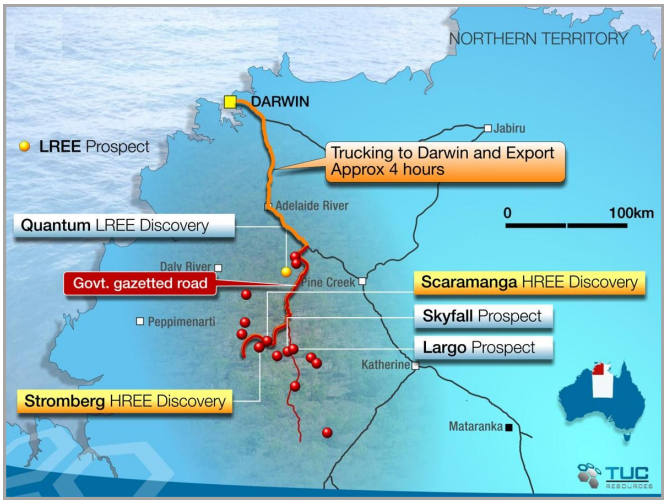

Figure 4: TUC Stromberg HREE District Location and Infrastructure.

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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 REE_2O_3, with the exception of Ce, Pr and Tb; which are calculated as CeO_2, Pr_6O_{11}, and Tb_4O_7 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 15,000km^2 of prospective land package across 47 (28 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.