

Exploration Update - Follow Up Drilling Planned at Quantum REE and Uranium Prospect

TUC are well positioned to continue exploration at the Quantum REE and uranium prospect throughout the coming months. The announcement of a successful placement to sophisticated and professional investors (TUC ASX announcement 18 November 2010) has allowed for a planned acceleration of exploration activities at the prospect.

Recent significant intersections including 12m @ 4.5% REO, 2.7m @ 2.3% REO (see TUC ASX announcement dated 26 October 2010) and 0.5m @ 4,244ppm U_3O_8 have highlighted the importance and potential of this prospect in TUC's portfolio. The REO grades are comparable to those of other deposits around the globe. For example, Bear Lodge USA and Hoidas Lake Canada at average estimated grades of 4% and 2.4% respectively. In light of this, TUC have contracted an RC rig and plan to commence drilling in the coming week to provide a secure start for diamond drilling plans over the coming months.

An initial program of 5 holes for 2,500m is planned to further test dip and strike extensions to REO mineralisation. Figure 1 shows a conceptual drill section with targets illustrated on multiple fault zones and prospective rock types. Figure 2 illustrates Quantum's +4km strike potential. In addition, drilling is also planned to test uranium potential after the recent encouraging results noted above (TUC ASX announcements dated 30 August 2010 and 5 October 2010).

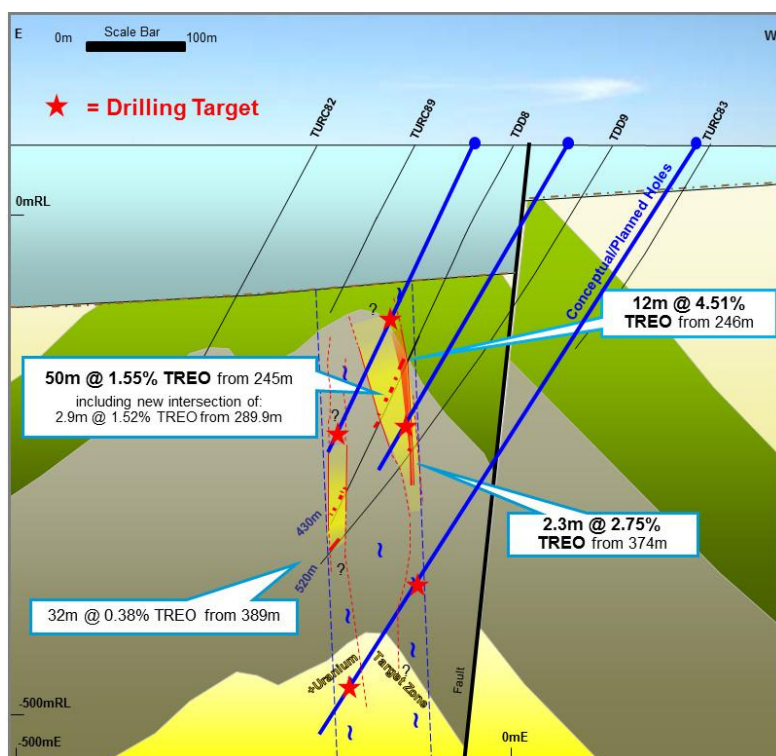


Figure 1—Conceptual planned holes targeting REE mineralization at the Quantum Prospect

Delays to the planned program could be possible due to inclement Northern Territory weather conditions. However, TUC intends on taking advantage of the current window of opportunity and any future weather gaps throughout the 'Wet'. In addition, investigations are being conducted into the use of specialised machinery including track mounted vehicles and helicopter supported drilling rigs.



ASX Code: TUC

ASX Announcement

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In the coming month, aircore drilling is planned at the Wildcard uranium prospect in the Pine Creek region of the Northern Territory (30 holes for 1500m). The Wildcard prospect is adjacent to, and geologically analogous to Thundelarra's recent high grade uranium discovery at Thunderball and the Quantum prospect. Figure 3 illustrates the location of both the Wildcard and Quantum prospects in a regional context.

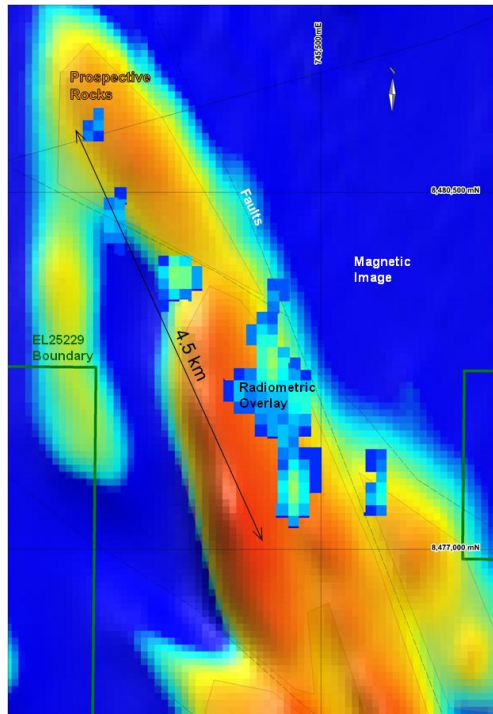


Figure 2 - Magnetic and radiometric image of Quantum showing strike potential of the system based on geological factors; drilling to date has only focused on one drill section in the centre of the system and remains open both north and south.

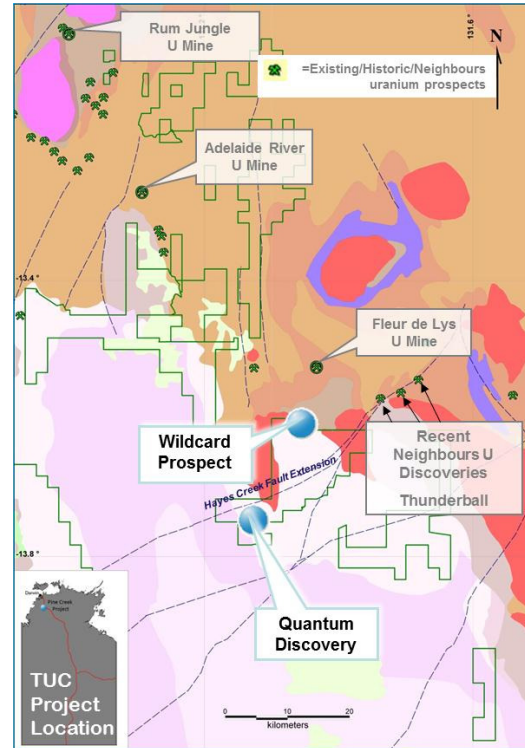


Figure 3—Quantum REE and Wildcard Uranium prospects in regional geological context.

Other Exploration Programs

Preparations have commenced for a phosphate/copper-gold RAB drill program on TUC-Panoramic Joint Venture tenement EL24967 at Tennant Creek. This drilling is now likely to commence earlier in 2011 given the outlined activity levels at Quantum in the coming months. Likewise, a small geochemical program scheduled for the Calvert base metal and gold tenement, EL25397, is now likely to be postponed until early in the 2011 field season.

Budgets and drill programs for the greater 2011 calendar year are currently being developed and planning continues towards a hopefully successful 2011 field season.

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Territory Uranium holds approximately 17,000km² of prospective land package across 40 (27 under application) tenements making it one of the biggest ground holders in the Northern Territory of Australia. Although the Company has a primary focus on Uranium exploration the business holds nine consolidated project areas across several key geological and metallogenic terrains, affording it the opportunity to diversify exploration into other 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 Territory Uranium. 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.