TUC RESOURCES

Annual Financial Report
30 June 2012

TUC Resources Limited

ACN 115 770 226

CORPORATE DIRECTORY

Directors

Mr Peter Harold
Non-executive Chairman

Mr Ian Bamborough
Managing Director

Mr Michael Britton
Non-executive Director

Mr Anthony Barton
Non-executive Director

Mr Leonid Charuckyj
Non-executive Director

Company Secretary
Mr Graeme Boden
Telephone: (08) 9384 3284
Facsimile: (08) 9284 3801
Email: gboden@bigpond.net.au

Share Registry
Security Transfer Registrars Pty Ltd
PO Box 535
Applecross
Western Australia 6953
770 Canning Highway
Applecross
Western Australia 6153
Telephone: (08) 9315 2233
Facsimile: (08) 9315 2333
Email: registrar@securitytransfer.com.au

CONTENTS

Directors' Report	3
Auditor's Independence Declaration	15
Corporate Governance Statement	16
Statement of Comprehensive Income	21
Statement of Financial Position	23
Statement of Cash Flows	24
Statement of Changes in Equity	25
Notes to the Financial Statements	26
Directors' Declaration	59
Audit Report	60
ASX Additional Information	62

Principal Place of Business
Unit 2
59 Winnellie Road
Winnellie NT 0820
Telephone: (08) 8947 0944
Facsimile: (08) 8947 5217

Registered Office
15 Lovegrove Close
Mount Claremont WA 6010
Telephone: (08) 9384 3284
Facsimile: (08) 9284 3801
Email: info@tucresources.com.au
Website: www.tucresources.com.au

Auditors
Deloitte Touche Tohmatsu
Level 13, Woodside Plaza
240 St Georges Terrace
Perth WA 6000

Incorporated in Western Australia, August, 2005
Listed on the Australian Securities Exchange (ASX)
Home Exchange: Perth
Code: TUC ordinary shares

DIRECTORS' REPORT

The directors present the following report for the year ended 30 June, 2012.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows:

Peter Harold - Non-Executive Chairman (appointed on 1 March, 2007) - Age 49

Mr Harold is a process engineer with over 20 years corporate experience in the minerals industry specialising in financing, marketing, business development and general corporate activities. He has extensive experience with the development and operation of resource projects having been the Managing Director of Panoramic Resources Ltd (formerly Sally Malay Mining Ltd) since May 2001 and previously responsible for metals marketing and various corporate functions relating to the Cawse nickel laterite project and the Silver Swan and Mt Keith nickel sulphide projects. Peter is a director of ASX listed company Panoramic Resources Limited (16 March 2001 to present) and a non-executive chairman of ASX listed Alloy Resources Limited (15 September 2005 to present).

Ian Bamborough - Managing Director (appointed on 21 September, 2007) – Age 40

Mr Bamborough has over 15 years mining industry experience in various geological leadership roles and was the Principal Exploration Geologist at Newmont's Tanami Operations in the Northern Territory and the Jundee Operations in Western Australia. Mr Bamborough has also worked in a multidisciplinary corporate advisory team with Newmont Mining Corporation in the US providing consultations multi-commodity Exploration Business Development, M & A activities and operational support and audit initiatives.

Ronald Stanley – Non-Executive Director (appointed on 15 August, 2005, resigned 19 December, 2011) - Age 75

Mr Stanley has 50 years experience in mining exploration and mine feasibility and over twenty seven years experience in the Northern Territory. He owned and operated a highly successful drilling company for thirty three years. Ron was a founding Director of Sipa Resources International Ltd a public listed mining company on the Australian Securities Exchange and remained a Director for over a decade. For a number of years Ron was Chairman of Mt Grace Gold Mining Ltd, also a public listed company on the Australian Securities Exchange. He is currently Chairman of several private companies involved in mining investments and property development.

Anthony Barton - Non-Executive Director (appointed on 6 April, 2011) - Age 55

Mr Barton has been involved in founding and growing a number of successful listed public companies. He has extensive experience in capital markets, corporate finance, funds management and venture capital and has had advisory roles in the incorporation and listing of many Australian based resource companies. Mr Barton is the founding Executive Chairman of the boutique investment bank, Australian Heritage Group. He is a graduate of the Royal Melbourne Institute of Technology with a Bachelor of Business (Accountancy) degree and has 35 years of commercial experience having also acted in senior executive and director capabilities for two leading Australian stockbroking firms. Mr Barton held the position of Non-Executive Director of Equator Resources Limited (from 14 September 2009 to 21 November, 2011) and is currently Non-Executive Chairman of Speewah Metals Limited (21 May 2007 to present).

Michael Britton - Non-Executive Director (appointed on 31 October, 2006) - Age 39
Michael holds a Bachelor of Commerce degree (Accounting and Finance) and is a Fellow of the Institute of Public Accountants. He has 16 years experience in accounting and finance and for the last 10 years has acted in the capacity of a principal of an accounting firm. Michael spent 2 years working in London in investment banking for Banque National de Paris and Schroder Investment Management.

Leonid Charuckyj – Non-Executive Director (appointed on 22 December, 2011) – Age 65
Leonid has had extensive experience over a broad range of technical, engineering, management and corporate roles including senior positions in government, public and private industry both in Australia and overseas. Focus has been on the environmental, pollution control and waste management industries and on the energy and mining industries amongst others.

COMPANY SECRETARY

Graeme Boden – Company Secretary (appointed secretary on 11 December 2006) – Age 63
Graeme is an experienced business executive with more than 30 years in senior corporate or financial roles, particularly in the planning and evaluation function of the resources industry and in the finance and administration function of a range of industries. He has over 20 years experience as a Director or Secretary of ASX listed companies.

DIRECTORS' MEETINGS

The number of meetings of directors held during the year and the number of meetings attended by each director while they were a director was as follows:

	Board Meeting		Remuneration Committee		Nomination Committee	
	A	B	A	B	A	B
Peter Harold	4	4	1	1	1	1
Ian Bamborough	4	4	1	1	1	1
Ronald Stanley	1	1	-	-	1	1
Anthony Barton	4	4	1	1	1	1
Michael Britton	4	4	1	1	1	1
Leonid Charuckyj	3	2	1	1	-	-

A Number of meeting held whilst a director.
B Number of meetings attended.

The above named directors held office during the whole of the financial year and since the end of the financial year except for:

- Mr Ronald Stanley – resigned 19 December, 2011
- Mr Leonid Charuckyj – appointed 22 December, 2011

DIRECTORS' INTERESTS

Interests in the shares and options of the Consolidated Entity as at the date of this report:

	Note	Ordinary Shares	Employee Options	Bonus Options
Peter Harold	19(f)	5,000,000	-	2,000,000
Ian Bamborough	19(f)	1,244,450	-	497,780
Anthony Barton	19(f)	12,213,146	-	4,885,259
Michael Britton	19(f)	478,146	-	191,259
Leonid Charuckyj	19(f)	1,680,000	-	672,000

No share options were issued to directors or senior management during the financial year.

Directors and senior management were entitled to bonus options issued on 21 September 2012.

DIVIDENDS

No dividends have been paid or declared by the Company since the incorporation of the Company

PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the course of the financial year was the exploration and evaluation of rare earths, uranium, base metals and gold mineral interests.

There were no significant changes in the nature of activities during the year.

OPERATING AND FINANCIAL REVIEW

Overview
The Company was incorporated on 15 August, 2005 for the primary purpose of acquiring prospective mineral exploration licences in the Northern Territory. TUC Resources has successfully acquired a diverse portfolio of tenements which it believes are prospective for rare earth, uranium, gold and base metals.

Operating Results for the Year
The net loss for the year ended 30 June, 2012 was $1,677,976 (2011: loss $1,419,179). The major items of expenditure were employee expenses totalling $1,079,787 (2011: $858,207) and travel and accommodation expenses of $116,583 (2011: $45,283). A further $1,998,326 (2011: $3,003,859) was capitalised as exploration and evaluation expenditure in accordance with the relevant accounting standards.

Financial Position
During the year 1,000,000 shares were issued on exercise of options.

Cash and assets utilised by the Consolidated Entity for the year ended 30 June, 2012 are consistent with the Consolidated Entity's business objectives since listing on the ASX on 26 April, 2007. Cash in bank at the end of the year was $2,485,313.

Exploration Activities
A detailed review of the Company's activities is contained in the Review of Operations section of this Annual Report. The following is a summary of exploration strategy, projects and activities during the year.

TUC Resources currently holds approximately 18,000km^2 of prospective land package across 44 tenements (33 under application). The business holds consolidated project areas across several key geological terrains (Figure 1).

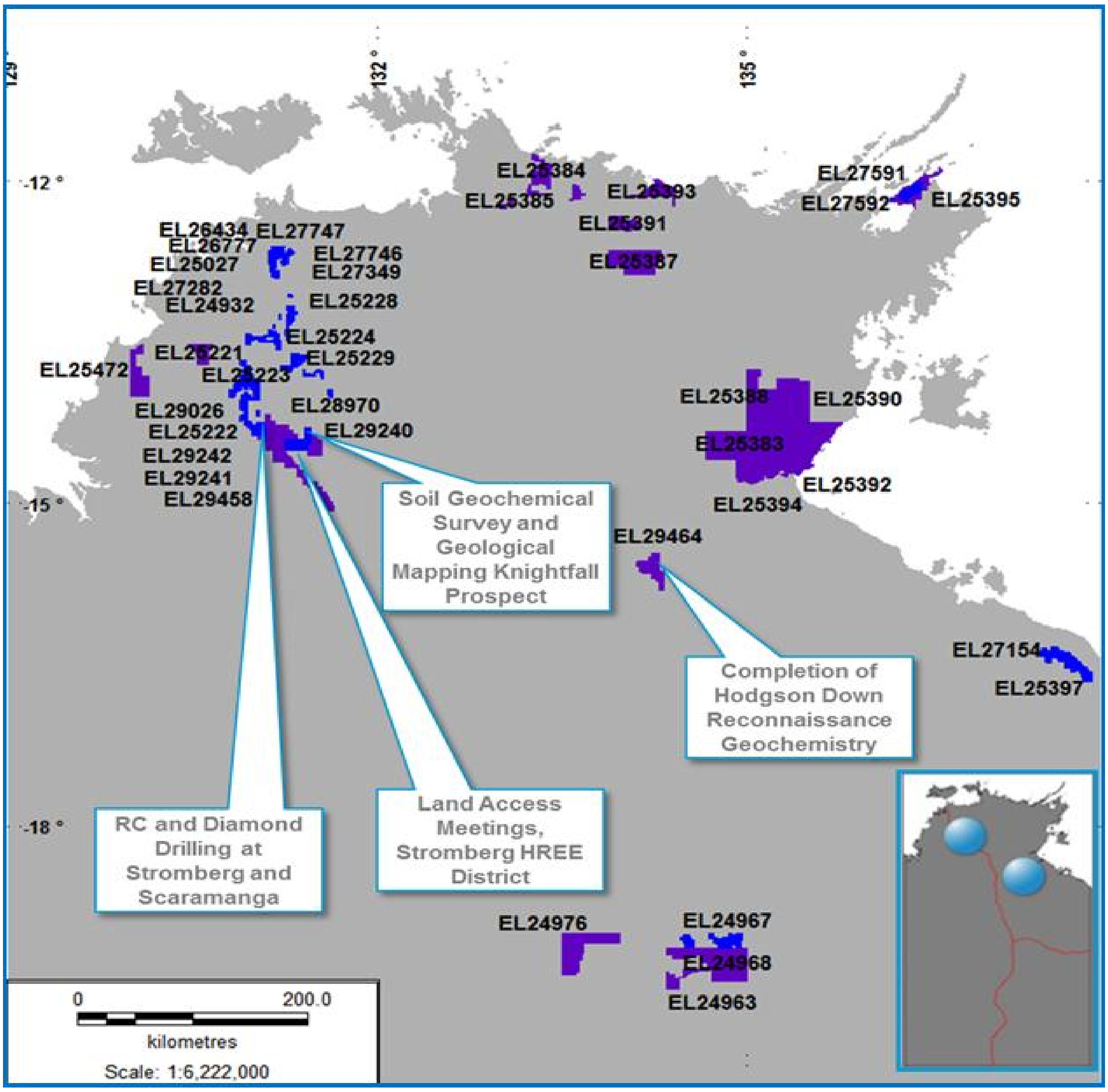

Figure 1. *TUC Tenement Map and Location of Planned Work. Note Granted Licence = Blue and Application Licence = Purple*

Pine Creek and Daly Regions - Rare Earth Exploration

Since October 2010 the company has continued to build on the heavy rare earth regional potential with a focus on its Stromberg prospect and the more recent discovery of the Scaramanga prospect with excellent results.

Quantum

In July and August 2011, the Company continued with RC and diamond drilling activities at its Quantum Light rare earth prospect. Despite positive results, the Company then switched focus to its Heavy Rare Earth Stromberg prospect.

Stromberg

In August, 2011 the Company announced a new Dysprosium-rich heavy rare earth discovery at its Stromberg prospect (see TUC ASX Announcement dated 25 August, 2011). The prospect is rich in the critical rare earths Dysprosium (averaging 7.2% of Total Rare Earth Oxides (TREO) and Yttrium (averaging 68% of TREO).

This discovery prompted the Company to undertake a 54 hole drill program in the September 2011 quarter to extend the strike length to 2.3km. The results were exciting as they confirmed the high Heavy Rare Earth Element (HREE) distributions with multiple near surface intersections averaging 82% HREE/TREO.

Additional mineralogical test work confirmed the presence of the important rare earth mineral Xenotime. Xenotime mineralogy theoretically offers simple processing/development routes (see TUC ASX Announcement dated 12 November 2011).

Mineralisation at the Stromberg Prospect is situated at, or very near surface, in flat lying tabular bodies. This gives the prospect two advantages: firstly, providing for a quicker drilling time towards resource, and secondly, with continued successful drilling, improving the likelihood of a lower cost mining scenario.

In addition, very low quantities of deleterious elements, including 3.5ppm Thorium and 195ppm Uranium are reported in the mineralised material. Mineralised material averages TREO of 0.45% from all significant intersections (>0.2% TREO).

Further RC drilling in August 2012 (16 holes) confirmed both the presence of significant near surface HREE mineralisation, and extended TUC's exploration models. Importantly, mineralisation is now clearly defined over the prospect strike length.

Scaramanga

As part of the Company's strategy to prove the district potential for HREEs, TUC completed a reconnaissance geochemical program in September 2011 quarter. A total of four soil lines were run with 40 sample locations. The positive Yttrium results from this XRF based soil survey work along with further geological mapping increased the confidence of the district's potential and assisted with confirming drill targets.

First pass, broad spaced drilling in August 2012 successfully defined mineralisation in the same geological setting to Stromberg. Six out of the seven holes drilled intersected anomalous HREE mineralisation at shallow levels. Drilling was broadly spaced and infill drilling is planned to target higher grade mineralisation.

Cornerstone Investor Strategy

Discussions were held, and continue to be held with a number of rare earth value chain parties with respect to cornerstone equity investment in TUC. TUC considers early alignment with a major industry player as a valuable advantage, due to the downstream processing and marketing requirements associated with these metals.

Tenement Holdings

The Company has continued to undertake partial relinquishment of some tenements within its portfolio, in line with current NT mining legislation. TUC believes that turnover of ground represents efficient assessment of potential and an increase in the quality of tenure remaining.

The applications for five new tenements during the year bolstered TUC's land position around the Stromberg HREE district and at the Hodgsons Downs HREE target area.

Land Access Progress

TUC continues to build stakeholder relationships by undertaking Annual Information visits to the Stromberg HREE Prospect for Native Title Claimants. These meetings are held to update Traditional Aboriginal Land Owners of the status of the project and give them a review of operations.

These and further on-country consultations are an integral part of building relationships with all stakeholders. As a result of these consultations, TUC recently announced that Traditional Aboriginal Land Owners have given verbal consent to begin exploration on the highly HREE prospective ELA27151 Skyfall tenement adjacent to Stromberg and Scaramanga HREE prospects (see TUC ASX Announcement dated 25 September, 2012).

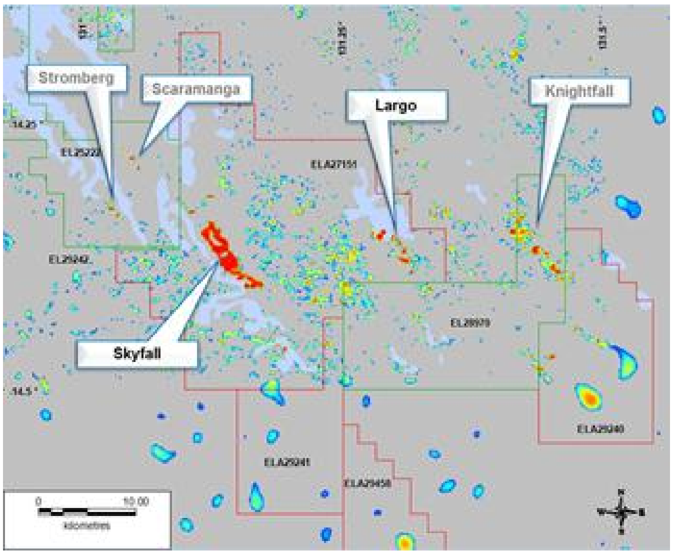

Figure 2 - The Stromberg HREE District; Prospects, Radiometric Anomalies and Tenement Boundaries

Through the constant and quality application of the exploration process and corporate arrangements, TUC Resources continues to be ideally placed to gain leverage from its work to date and its large prospective land position. The Consolidated Entity continues its efforts towards the ultimate goal of finding and developing an operating mine.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity, in future financial years, other than:

On the 21 August, 2012, the Consolidated Entity announced that shareholders will become entitled to Loyalty Options on the basis of 2 for every 5 shares held. The options will be issued free, will be exerciseable at $0.20 per share and will expire on the 15 August, 2014. The options were subsequently issued on the 21 September, 2012.

Directors' relevant interests in the Shares of the Company at the date of report are:-

Name	Shares	Loyalty Option Entitlement
Mr P Harold	5,000,000	2,000,000
Mr I Bamborough	1,244,450	497,780
Mr A Barton	12,213,146	4,885,259
Mr M Britton	478,146	191,259
Leonid Charuckyj	1,680,000	672,000

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Consolidated Entity will continue its exploration activities at and around its current exploration projects in Northern Territory with the object of identifying commercial resources.

ENVIRONMENTAL REGULATION

The exploration activities of the Consolidated Entity are subject to environmental regulations imposed by various regulatory authorities, particularly those relating to ground disturbance and the protection of rare and endangered flora and fauna. The Consolidated Entity has complied with all material environmental requirements up to the date of this report. The directors believe that the Consolidated Entity has adequate systems in place for the management of its environmental responsibilities and are not aware of any breaches of the regulations during the period covered by this report.

OPTIONS

As at the date of this report, there are 50,158,758 issued ordinary shares under option. These options were issued in accordance with the Loyalty Option Prospectus dated 10th September, 2012.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Consolidated Entity or any related body corporate or in the interest issue of any other registered scheme.

1,000,000 fully paid ordinary shares were issued during the year as a result of the exercise of unlisted options raising $150,000.

INDEMNIFICATION AND INSURANCE OF DIRECTORS

The Consolidated Entity has paid premiums to insure the Directors against liabilities incurred in the conduct of the business of the Consolidated Entity and has provided right of access to Consolidated Entity records. In accordance with common commercial practice, the insurance policy prohibits disclosure of the amount of the premium and the nature of the liability insured against.

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for directors, secretaries and senior managers of TUC Resources Limited (the "Consolidated Entity").

Remuneration levels for directors and executives are competitively set to attract the most qualified and experienced candidates, taking into account prevailing market conditions and individual's experience and qualifications.

In accordance with best practice corporate governance the structure of non-executive directors and executive remuneration is separate and distinct.

The following persons acted as directors of the company during or since the end of the financial year:
Mr P Harold (Non-Executive Chairman)
Mr I Bamborough (Managing Director)
Mr R Stanley (Non-Executive Director) – resigned 19 December, 2011
Mr A Barton (Non-Executive Director)
Mr M Britton (Non-Executive Director)
Mr L Charuckyj (Non-Executive Director) – appointed 22 December, 2011
Mr G Boden (Company Secretary)

The term 'senior management' is used in this remuneration report to refer to Mr I Bamborough. Mr Bamborough held his position for the whole of the financial year and since the end of the financial year:

Non-executive director remuneration and employment terms
The Board has aggregated remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre whilst incurring a cost which is acceptable to the shareholders.

Each of the non-executive directors receives a fixed fee for their services as directors. There is no direct link between remuneration paid to any of the directors and corporate performance such as bonus payments for achievement of certain key performance indicators.

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was on 26 August 2011 when shareholders approved aggregate remuneration of $300,000 per year (previously $200,000). Non-executive directors' base fees are presently $40,000 per annum and the non-executive chairman receives $55,000 per annum. The Company also pays superannuation contributions at the statutory rate, or an amount in lieu, in addition to these amounts.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The board considers the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

The non-executive directors are not employed under contract and their current remuneration is set out as follows:

Director	Remuneration
Mr P Harold	Salary of $55,000 plus 9% superannuation guarantee contribution.
Mr A Barton	Salary of $40,000 plus 9% superannuation guarantee contribution.
Mr M Britton	Salary of $40,000 plus 9% superannuation guarantee contribution.
Mr L Charuickyi	Salary of $40,000 plus 9% superannuation guarantee contribution.

Executive remuneration and employment terms

Executives receive a fixed remuneration set to provide a base level commensurate with their position and responsibilities within the Company and so as to align the interests of executives with those of shareholders and ensure total remuneration is competitive by market standards. The Managing Director's employment contract provides that an annual bonus payment will be considered on the basis of achievement of certain key performance indicators, which had not been set at the date of this report.

In addition, executives are entitled to participate in equity-based remuneration plans to recognise ability and effort, provide incentive to improve Company performance, attract appropriate persons and promote loyalty. In the case of executive directors, this participation is subject to shareholder approval.

Remuneration levels are reviewed annually by the Remuneration Committee by reviewing Company performance, personal performance, market trends, industry comparisons, employment market conditions and, where appropriate, external advice.

The Managing Director’s employment contract was for an initial four year term and has been renewed for a further three year term commencing 21st September, 2011. Mr Bamborough’s ongoing Total Employment Cost will be $305,200 including $25,000 in superannuation contributions. However, during 2012 he was paid a salary of $263,248 plus superannuation contributions of $24,733 due to the renewal and subsequent increase in remuneration coming into effect from 21st September, 2011 and not the full financial year. The Company can terminate the Managing Director’s contract summarily or with one month’s notice for serious breaches or offences or with six months notice without reason.

The tables below set out summary information about the Company's earnings and movements in shareholder wealth for the last 5 years:

	30 June 2012 $	30 June 2011 $	30 June 2010 $	30 June 2009 $	30 June 2008 $
Revenue	282,493	226,233	725,516	82,986	235,303
Profit before tax	(1,852,087)	(1,253,155)	(655,896)	(1,979,544)	(1,054,361)
Net profit after tax	(1,677,976)	(1,419,179)	(655,896)	(1,979,544)	(1,054,361)

	30 June 2012	30 June 2011	30 June 2010	30 June 2009	30 June 2008
Share price at start of year	$0.22	$0.07	$0.09	$0.10	$0.50
Share price at end of year	$0.12	$0.22	$0.07	$0.09	$0.10
Loss per share	1.4cps	1.3cps	0.8cps	3.4cps	1.8cps

Details of remuneration for the year ended 30 June, 2012

Details of the nature and amount of each major element of remuneration of each Key Management Personnel of the Company are:

		Short term employee benefits		Post Employment Benefits	Share Based Payments		
	Year	Directors Salary or Fees $	Fees from other services provided to the Company $	Superannuation $	Value of Options $	Total $	Value of Options as proportion of remuneration %
Directors							
Non-executive							
Mr P Harold	2012	55,000	28,018	4,950	-	87,968	-
	2011	51,667	-	4,650	-	56,317	-
Mr R Stanley	2012	18,710	29,605	1,684	-	49,999	-
	2011	36,667	14,500	3,300	-	54,467	-
Mr A Barton	2012	40,000	-	3,600	-	43,600	-
	2011	9,111	-	820	-	9,931	-
Mr M Britton	2012	40,000	58,994	3,600	-	102,594	-
	2011	36,667	41,450	3,300	-	81,417	-
Mr L Charuckyj	2012	20,968	-	1,887	-	22,855	-
	2011	-	-	-	-	-	-
Secretary							
Mr G Boden	2012	40,919	-	-	-	40,919	-
	2011	25,402	-	-	-	25,402	-
Executive							
Mr I Bamborough	2012	263,248	-	24,733	3,807	291,788	9.02
	2011	226,967	-	20,234	24,503	271,704	21.36
Total Key Management Personnel	**2012**	**478,845**	**116,617**	**40,454**	**3,807**	**639,723**	**4.76**
	2011	400,287	55,950	33,546	24,503	514,286	11.95

Options

During the financial year ended 30 June 2012, no options were granted and issued to any employee as part of a remuneration package.

During the financial year ending 30 June 2012 a total of 1,000,000 options, previously granted as part of three remuneration packages in prior financial years, were exercised at $0.15, with the total amount paid on exercise of $150,000.

The following information summarises the value of options to key management personnel granted, exercised or lapsed during the year:

	Value of options granted at the grant date (i) $	Value of options exercised at the exercise date $	Value of options lapsed at the date of lapse $
Mr I Bamborough	Nil	Nil	Nil

(i) The value of options granted during the period is recognised in compensation over the vesting period of the grant, in accordance with Australian Accounting Standards.

During the financial year, the following share-based payment arrangements were in existence:

Grant Date	**Vesting Date**	**Date of Expiry**	**Grant Date Fair Value**	**Exercise Price $**	**Number under option**
29/11/2007	15/08/2008	30/06/2012	0.1348	0.40	500,000
29/11/2007	15/08/2009	30/06/2012	0.1259	0.48	500,000
29/11/2007	15/08/2010	30/06/2012	0.1184	0.56	500,000
29/11/2007	15/08/2011	30/06/2012	0.1115	0.64	500,000
25/11/2008	25/11/2008	30/06/2012	0.0307	0.15	500,000
25/11/2008	15/08/2009	30/06/2012	0.0307	0.15	500,000
25/11/2008	15/08/2010	30/06/2012	0.0274	0.20	500,000
25/11/2008	15/08/2011	30/06/2012	0.0249	0.25	500,000
					4,000,000

The above options relate to the Managing Director's remuneration package. 3,000,000 of the abovementioned options lapsed as at 30th June, 2012. The remaining 1,000,000 were exercised as mentioned above.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of TUC Resources Limited support and have adhered to the principles of corporate governance. The Company's corporate governance statement is included in page 16.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

Deloitte Touche Tohmatsu did not provide any non-audit services to the Company during the year ended 30th June, 2012 (2011: nil)

AUDITORS INDEPENDENCE DECLARATION

The lead auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 15 and forms part of the Directors Report for the year ended 30 June, 2012.

Signed at Melbourne this 27th day of September, 2012 in accordance with a resolution of the directors made pursuant to s298(2) of the Corporations Act 2001.

Ian Bamborough
Managing Director

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Woodside Plaza
Level 14
240 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

Tel: +61 8 9365 7000
Fax: +61 8 9365 7001
www.deloitte.com.au

The Board of Directors
TUC Resources Limited
15 Lovegrove Close,
MOUNT CLAREMOUNT WA 6010

27 September 2012

Dear Board Members

TUC Resources Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of TUC Resources Limited.

As lead audit partner for the audit of the financial statements of TUC Resources Limited for the financial year ended 30 June 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Leanne Karamfiles
Partner
Chartered Accountants

CORPORATE GOVERNANCE STATEMENT

Introduction
The ASX Corporate Governance Council issued a revised version of its Corporate Governance Principles and Recommendations which are to apply for reporting periods commencing after 1 January 2009.

Commensurate with the spirit of the ASX Principles and Recommendations, the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for corporate governance practices, taking into account factors such as the size of the Company and the Board, resources available and activities of the Company. Where, after due consideration, the Company's corporate governance practices depart from the Principles and Recommendations, the Board has disclosed the nature of, and reason for, the adoption of its own practice.

The following additional information about the Company's corporate governance practices is set out on the Company's website at www.tucresources.com.au

(a) statement of Board and management functions;
(b) statement of policy and procedure for selection and appointment of new directors;
(c) statement of code of conduct for directors and key executives;
(d) code of conduct for the Company;
(e) statement of policy on securities trading;
(f) policy and procedure for selection of external auditor and rotation of audit engagement partners;
(g) statement of policy and procedures for compliance with continuous disclosure requirements;
(h) summary of arrangements regarding communication with and participation of shareholders;

Explanations for departures from best practice recommendations

Principle 1: Lay solid foundations for management and oversight

There were no material departures from the recommendation in respect of Principle 1.

A formal performance evaluation process was in place during the 2011 year for the Company's employees (excluding a formal performance evaluation on the Managing Director). The process for employees is a written evaluation based on previously agreed performance indicators, reviewed with employees and reset on a 6 monthly basis. The Managing Director's performance was reviewed in discussion with the Chairman and two non-executive directors.

Principle 2: Structure the board to add value.
Recommendation 2.1 is that a majority of the board should be independent directors.

The board is presently comprised of five directors, of whom two have a relationship with the Company which would lead them to be defined as independent. Mr Barton is a substantial shareholder. Mr Bamborough is an executive and Mr M Britton, although a non-executive director and also provides contractual services as the Company's chief financial officer. The chairman Mr Harold was previously a substantial shareholder but is now below the threshold 5% and thus meets the definition of an independent director and Mr Leonid Charuckyj is also an independent non-executive director.

The board has reviewed its composition and considers that relationships which define three of the directors as non-independent have been, and continue to be, of benefit to the Company. It is not considered that the relationship of non-independent directors affects their capacity to bring independent judgement to bear on board decisions.

Recommendation 2.2 is that the chair should be an independent director.

As mentioned above, Mr Harold now meets the definition as an independent director because his shareholding has been diluted below the substantial shareholder threshold of 5%. The board does not consider that his shareholding has been, or will be, an impediment to Mr Harold making decisions in the interests of all shareholders.

Recommendation 2.3 is that the Chairman and CEO should not be the same person.

Mr Ian Bamborough is the CEO.

Recommendation 2.4 is that the board should establish a nomination committee:

The full board sits as the nomination committee when that is required. The board met in this capacity on two occasions during the year.

Recommendation 2.5 is that companies should disclose the process for evaluating the performance of the board, its committees and the individual directors.

The evaluation process which is used to evaluate the performance of the board is an internal self-assessment based on a questionnaire and an analysis of answers with round table discussions. All members of the Board participated in the assessment. The performance of committees in isolation or of individual directors has not been undertaken to date and is not proposed, particularly whilst the full board is fulfilling the roles of the committees. The need for committees is minimal at the Company's present level of operations and the board does not consider that there is a useful basis for evaluation or merit in the process.

A performance evaluation of the board was not conducted during the 2012 year, using the process described above. The process is under review for the evaluation to be conducted during 2013.

Principle 3: Promote ethical and responsible decision making.

Recommendation 3.1: Companies should establish a code of conduct and disclose the code or a summary of the code:

There are no material departures from the guidelines in respect of Recommendation 3.1.

The Company has established a corporate code of conduct, which sets out the principles covering appropriate conduct in a variety on contexts and outlines the minimum standard of behaviour expected from employees. The Corporate Code of Conduct is available on the Company's website.

Recommendation 3.2: Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measureable objectives for achieving gender diversity for the board to assess annually both the objectives and the progress in achieving them.

The Company has not yet established a diversity policy. Notwithstanding this, the company has policies in accordance with its code of conduct which:

- provide for equal opportunity in employment;
- has recruitment and selection processes which are based on the merit of appropriate candidates; and
- has grievance procedures to manage conflict, misconduct, discrimination and harassment.

Recommendation 3.3: Companies should disclose in each annual report the measureable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.

The Company has not established measurable guidelines in relation to diversity and may not. In an organisation of a handful of people establishing diversity on the basis of gender, age, ethnicity and cultural background is going to be difficult to design let alone achieve.

Recommendation 3.4: Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive position and women on the board.

The gender balance throughout the organisation at 30 June was as follows:

	2012		2011	
	Female	**Total**	**Female**	**Total**
Board	-	5	-	5
Other Key Management Personnel	-	1	-	1
Other Professionals	-	2	1	2
Other Employees	1	2	1	2

Principle 4: Safeguard integrity in financial reporting.

Recommendation 4.2 is that the audit committee consist of a least three members, all non-executive with a majority of independent members and an independent chair.

After a director resignation in 2010, it was decided that the whole board should sit as the audit committee. The board considered that the membership of the audit committee was the most appropriate given there was only one independent director. The matter will be reviewed now that there are two independent directors. The board considers that by having the whole board sit as the audit committee it is able to fulfil its charter.

The audit committee met once during the 2012 financial year.

The Company has an audit committee charter, which is published on the Company's website.

The Company's external auditors rotate the audit engagement partner every five years.

Principle 5: Make timely and balanced disclosures.

There were no material departures from the recommendation in respect of Principle 5.

The Company has written policies to ensure compliance with disclosures required under the ASX Listing Rules. The Company Secretary is responsible for compliance.

The continuous disclosure policy is available on the Company's website

Principle 6: Respect the rights of shareholders.

There were no material departures from the recommendation in respect of Principle 6.

The Company has designed a communications policy for promoting effective communication with shareholders. The policy is available on the Company's website.

Principle 7: Recognise and manage risk.

There were no material departures from the recommendation in respect of Principle 7.

The entity has established policies for the oversight of material business risks and the full board is engaged in the management of those risks when the need arises. The terms of the risk management policies are disclosed on the Company's website. The categories of risk which are reported in this annual report are material business risks and financial risk.

The board has required management to prepare a risk identification register, which has been reviewed on a regular basis by the board.

The board has received assurance from the CEO and CFO that the S 295A declaration is founded on a sound system of financial risk management and internal control and the system is operating effectively in all material respects in relation to financial risks.

Principle 8: Remunerate fairly and responsibly.

There were no material departures from the recommendation in respect of Principle 8.

The structure of remuneration of executive and non-executive directors is set out in the Remuneration Report on the pages which follow. A charter of the remuneration committee is available on the Company's website.

Recommendation 8.1 is that the board should establish a remuneration committee.

The whole board sits as the remuneration committee when that is required and met twice in this capacity during the 2012 financial year.

The Board as a whole considers the CEO's remuneration and the allocation of the payment of fees to individual directors from the aggregate amount approved by shareholders.

Skills, experience, expertise and term of office of each director

A profile of each director containing the applicable information is set out at the beginning of this Directors Report. The Managing Director is not required by the Company's constitution to be elected by shareholders. His contract of employment is for three years, ending September 2014. All other directors have a term of no more than three years retire in accordance with a rotation schedule. Mr Charuckyj was appointed by the board during the year and will stand for election at the 2012 annual general meeting.

Identification of independent directors

Currently Mr Harold and Mr Charuckyj comply with the guideline definitions for independent directors. The Board will consider its composition periodically, including the objective to increase independence.

Statement concerning availability of independent professional advice

If a director considers it necessary to obtain independent professional advice to properly discharge his responsibilities as a director then, provided the director first obtains approval for incurring such expense from the chairman, the Company will pay the reasonable expenses associated with obtaining such advice.

Company’s remuneration policies

The non-executive directors of the Company receive director's fees.
The managing director receives a fixed salary, reimbursement of expenses and a bonus. The bonus comprises a cash payment on achievement of certain milestones.
The managing director’s remuneration package contains the following benefits:

1. Term A period of three years commencing on 21st September 2011 with an option to extend the term for an additional period of three years by mutual agreement.

2. Package Total Employment package of $305,000 per annum inclusive of $25,000 superannuation contributions and any living away from home allowance, plus a bonus based on the achievement of key performance indicators agreed with the Board.

3. Options Approval was granted at the 2007 annual general meeting for the allotment of 2,000,000 options to Mr Bamborough, vesting over three years from engagement and exercisable at premiums of between 25% and 100% of the price calculated at time of engagement. All of these options expired unexercised.

Approval was granted at the 2009 annual general meeting for the allotment of 2,000,000 options to Mr. Bamborough, vesting over three years from grant and exercisable at prices of $0.15 to $0.25 per share. One million of these options were exercised at $0.15 per share and one million options expired unexercised.

Existence and terms of any schemes for retirement benefits for non-executive directors
There are no termination and retirement benefits for non-executive directors.

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2012

	Notes	*2012* *$*	*2011* *$*
Revenue			
Sale of option (Jandapa Hills)		50,000	25,000
Interest received	4(a)	215,038	209,559
Other Income		17,455	16,674
		282,493	226,233
Expenses			
Accounting & Audit costs		86,889	83,132
ASX & Share Registry expenses		41,815	35,575
Depreciation	4(b)	57,247	38,931
Consultants Fees		28,477	18,112
Travel & Accommodation		116,583	45,283
Employee expenses	4(c)	1,079,787	858,207
Rent	4(d)	95,446	49,930
Company Secretarial Services		40,919	25,402
Vehicle & Equipment Hire		27,713	21,693
Insurances		65,339	39,705
Postage, Printing & Stationery		22,986	21,332
Repairs & Maintenance		22,521	33,893
Shareholder/Public Relations		86,095	55,208
Dues & Subscriptions		24,376	30,542
Impairment of Exploration & Evaluation expenditure	10	164,207	-
Other expenses from operating activities		174,180	122,443
Loss before income tax		(1,852,087)	(1,253,155)
Income tax benefit/(expense)	5	174,111	(166,024)
Loss for the year		(1,677,976)	(1,419,179)
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		**(1,677,976)**	**(1,419,179)**
Loss attributable to:			
Owners of the Company		(1,677,976)	(1,419,179)
Non-controlling interests		-	-
		(1,677,976)	(1,419,179)
Total comprehensive income attributable to:			
Owners of the Company		(1,677,976)	(1,419,179)
Non-controlling interests		-	-
		(1,677,976)	(1,419,179)

Consolidated Statement of Comprehensive Income
FOR THE YEAR ENDED 30 JUNE 2012 (continued)

	Notes	*2012* *$*	*2011* *$*
Earnings per share			
Loss per share (cents per share)	6		
- basic for loss for the year		(1.4)	(1.3)
- diluted for loss for the year		(1.4)	(1.3)
- dividends paid per share	7	-	-

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

AS AT 30 JUNE 2012

	Notes	*2012* *$*	*2011* *$*
ASSETS			
Current Assets			
Cash and cash equivalents	8	2,485,313	6,397,919
Trade and other receivables	9	5,651	161,259
Prepayments		58,171	33,388
Total Current Assets		2,549,135	6,592,566
Non-Current Assets			
Exploration and Evaluation Expenditure	10	6,334,461	4,500,342
Property, plant and equipment	11	442,739	355,797
Total Non-current assets		6,777,200	4,856,139
TOTAL ASSETS		9,326,335	11,448,705
LIABILITIES			
Current Liabilities			
Trade and other payables	13	222,568	820,769
Total Current Liabilities		222,568	820,769
TOTAL LIABILITIES		222,568	820,769
NET ASSETS		9,103,767	10,627,936
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	14	16,043,789	15,713,850
Option reserve	14	-	446,315
Accumulated losses		(6,940,022)	(5,532,229)
		9,103,767	10,627,936
Equity attributable to owners of the Company		9,103,767	10,627,936
TOTAL EQUITY		9,103,767	10,627,936

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2012

	Notes	*2012* *$*	*2011* *$*
Cash flows from operating activities			
Other receipts		22,250	16,674
Research and development tax credit		174,111	-
Payments to suppliers and employees		(1,904,713)	(1,535,214)
Net cash flows used in operating activities	8	(1,708,352)	(1,518,540)
Cash flows from investing activities			
Interest received		215,038	209,559
Proceeds from sale of option		50,000	-
Proceeds from sale of property, plant and equipment		14,545	-
Purchase of property, plant and equipment		(163,529)	(223,959)
Capitalised Exploration & Evaluation Expenditure		(2,470,308)	(2,489,372)
Net cash flows used in investing activities		(2,354,254)	(2,503,772)
Cash flows from financing activities			
Proceeds from issue of shares/exercise of options		150,000	8,688,934
Cost of capital raising		-	(553,413)
Net cash flows used in financing activities		150,000	8,135,521
Net increase/(decrease) in cash and cash equivalents		(3,912,606)	4,113,209
Cash and cash equivalents at beginning of year		6,397,919	2,284,710
Cash and cash equivalents at end of the year	8	2,485,313	6,397,919

The accompanying notes form part of these financial statements.

Consolidated Statement Of Changes In Equity

FOR THE YEAR ENDED 30 JUNE 2012

	Ordinary Shares $	Options Reserve $	Accumulated Losses $	Total Equity $
CONSOLIDATED ENTITY				
At 1 July 2010	7,412,305	420,861	(4,113,050)	3,720,116
Loss for the year	-	-	(1,419,179)	(1,419,179)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	(1,419,179)	(1,419,179
Issue of share capital	8,688,934	-	-	8,688,934
Capital raising costs	(387,389)	-	-	(387,389)
Share based payments	-	25,454	-	25,454
At 30 June 2011	15,713,850	446,315	(5,532,229)	10,627,936
Loss for the year	-	-	(1,677,976)	(1,677,976)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	(1,677,976)	(1,677,976)
Issue of share capital	150,000	-	-	150,000
Share based payments	-	3,807	-	3,807
Exercised unlisted options	179,939	(179,939)	-	-
Expired unlisted options	-	(270,183)	270,183	-
At 30 JUNE 2012	16,043,789	-	(6,940,022)	9,103,767

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2012

1 CORPORATE INFORMATION

The financial report of TUC Resources Ltd for the year ended 30 June 2012 was authorised for issue in accordance with a resolution of the directors on 27 September, 2012.

TUC Resources Ltd is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

TUC Resources Ltd changed its name from Territory Uranium Company Ltd at a General Meeting held 21st July, 2011.

The Company's principal activity is mineral exploration with tenements only located in the Northern Territory of Australia.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and applicable Australian Accounting Standards. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars.

The financial report complies with Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Consolidated Entity comply with International Financial Reporting Standards ('IFRS').

(b) Standards and Interpretations affecting amounts reported in the current period (and/or prior periods)

The following new and revised Standards and Interpretations have been adopted in the current period. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(b) Standards and Interpretations affecting amounts reported in the current period (and/or prior periods) continued

Standards affecting presentation and disclosure	Impact on Company financial report
AASB 1054 'Australian Additional Disclosures' and AASB 2011-1 'Amendments to Australian Accounting Standards arising from Trans-Tasman convergence Project'	AASB 1054 sets out the Australian-specific disclosures for entities that have adopted Australian Accounting Standards. This Standard contains disclosure requirements that are in addition to IFRSs in areas such as compliance with Australian Accountting Standards, the nature of financial statements (general purpose or special purpose), audit fees, imputation (franking) credits and the reconciliation of net operating cash flow to profit (loss).AASB 2011-1 makes amendments to a range of Australian Accounting Standards and Interpretations for the purpose of closer alignment to IFRSs and harmonisation between Australian and New Zealand Standards. The Standard deletes various Australian-specific guidances and disclosures from other Standards (Austalian-specif disclosures retained are now contained in AASB 10554), and aligns the wording used to that adopted in IFRSs. The application of AASB 1054 and AASB 2011-1 in the current year has resulted in the simplification of disclosures in regards to audit fees, franking credits and capital and other expenditure commitments as well as an additional disclosure on whether the Group is a for-profit or not-for-profit entity.
AASB 124 'Related party Disclosures' (revised December 2009)	AASB 124 (revised December 2009) has been revised on the following two aspects: (a) AASB 124 (revised December 2009) has changed the definition of a related party and (b) AASB 124 (revised December 2009) introduces a partial exemption from the disclosure requirements for government-related entities. The Company and its subsidiaries are not government-related entities.

(c) Standards and Interpretations affecting the reported results or financial position

There are no new and revised Standards and Interpretations adopted in these financial statements affecting the reporting results or financial position.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(d) Standards and Interpretations adopted with no effect on financial statements

AASB 2009-14 'Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement'	Interpretation 114 addresses when refunds or reductions in future contributions should be regarded as available in accordance with paragraph 58 of AASB 119; how minimum funding requirements might affect the availability of reductions in future contributions; and when minimum funding requirements might give rise to a liability. The amendments now allow recognition of an asset in the form of prepaid minimum funding contributions. The application of the amendments to Interpretation 114 has not had material effect on the Group's consolidated financial statements.
AASB 2009-12 ' Amendments to Australian Accounting Standards'	The application of AASB 2009-12 makes amendments to AASB 8 'Operating Segments' as a result of the issuance of AASB 124 ' Related Party Disclosures' (2009). The amendment to AASB 8 requires an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The Standard also makes numerous editorial amendments to a range of Australian Accounting standards and Interpretations. The application of AASB 2009-12 has not had any material effect on amounts reported in the Group's consolidated financial statements.
AASB 2010-5 'Amendments to Australian Accounting Standards'	The Standard makes numerous editorial amendments to a range of Australian Accountin Standards and Interpretations. The application of AASB 2010-5 has not had any material effect on amounts reported in the Groups's consolidated financial statements.
AASB 2010-6 'Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets'	Thee application of AASB 2010-6 makes amendments to AASB 7 'Financial Instruments – Disclosures' to introduce additional disclosure requirements for transactions involving transfer of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred and derecognised but the transferor retains some level of continuing exposure in the asset. To date, the Group has not entered into any transfer arrangements of financial assets that are derecognised but with some level of continuing exposure in the asset. Therefore, the application of the amendments has not had any material effect on the disclosures made in the consolidated financial statements.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(e) Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standards and Interpretations in Issue not yet adopted	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments (December 2009)', AASB 2009-11 'Amendments to Australian Accounting Statendards arising from AASB 9'	1 January 2015	30 June 2016
AASB 9 'Financial Instruments (December 2010)' and AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)' and AASB 2012-6 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures'*	1 January 2015	30 June 2016
AASB 10 'Consolidated Financial Statements'	1 January 2013	30 June 2014
AASB 11 'Joint Arrangements'	1 January 2013	30 June 2014
AASB 12 'Disclosure of Interests in Other Entities'	1 January 2013	30 June 2014
AASB 127 'Separate Financial Statements' (2011)	1 January 2013	30 June 2014
AASB 128 'Investments in Associates and Joint Ventures' (2011)	1 January 2013	30 June 2014
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'	1 January 2013	30 June 2014
AASB 2010-8 'Amendments to Australian Accounting – Deferred Tax: Recovery of Underlying Assets'	1 January 2012	30 June 2013
AASB 2011-4 'Amendments to Australian Accounting Standards to RRemove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	30 June 2014

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(e) Standards and Interpretations in issue not yet adopted (continued)

AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'	1 January 2013	30 June 2014
AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'	1 January 2014	30 June 2015
AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009 – 2011 Cycle'	1 January 2015	30 June 2016
AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'	1 July 2012	30 June 2013
Interpretation 20 'Stripping Costs in the Production Phase of a Surface Mine' and AASB 2011-12 'Amendments to Australian Accounting Standards arising from the Interpretation 20' .	1 January 2013	30 June 2014

*The IASB have recently deferred the application date of the IFRS equivalent to this Standard until 1 January 2015

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Land and buildings are measured at cost less accumulated depreciation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Buildings - over 20 years
Plant and equipment - over 5 to 15 years

Impairment
The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(g) Borrowing costs

Borrowing costs are recognised as an expense when incurred.

(h) Exploration, evaluation and development expenditure

Exploration and evaluation costs are capitalised as incurred. Expenditure is accumulated in respect of each separate area of interest. Acquisition, exploration, evaluation and development costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through the sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. When an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated expenditure in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated expenditure written off to the extent that it is considered to be unrecoverable in the future. Amortisation is not charged on expenditures carried forward in respect of areas of interest in the development phase until production commences. Costs incurred before the Company has obtained the legal rights to explore are recognised in the Profit and Loss.

(i) Recoverable amount of assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or Company's of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Recoverable amount of assets (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(j) Financial Assets

All investments (excluding assets held 'at fair value through profit or loss') are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the Profit and Loss.

Gains or losses on available-for-sale investments are recognised in Other Comprehensive Income as a separate component of equity in the Investment Revaluation Reserve until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the Profit and Loss.

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity.

For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date i.e. the date that the Company commits to purchase the asset.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Financial liabilities and equity instruments issued by the Company

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Consolidated Entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

(l) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(m) Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(n) Provisions

Provisions are recognised when the Consolidated Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Consolidated Entity expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Share-based payment transactions

The Consolidated Entity has provided to employees (including directors) of the Consolidated Entity options to subscribe in the Consolidated Entity's ordinary shares.

The cost of the options granted to employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model further details are given in note 11.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Consolidated Entity, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see note 5).

(p) Leases

Finance leases, which transfer to the Consolidated Entity substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as the lease income.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Consolidated Entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(r) Interests in joint ventures

A joint venture is a contractual arrangement whereby the Consolidated Entity and other parties undertake an economic activity that is subject to joint control. Under the Consolidated Entity's current joint venture with Panoramic Resources Ltd/Pindan Exploration Company Pty Ltd, TUC Resources Ltd will manage the affected tenement whilst Pindan's Exploration Manager will review and authorise budget expenditure prior to the commencement of any work programs. Under the agreement Pindan is to spend a minimum of $500,000, which they have complied with (expenditure as at 30th June, 2012 is approximately $918,000). No interest has been earned until Pindan achieves certain cumulative total expenditure targets. The first earn-in stage is once Pindan's total expenditure reaches $3,000,000 at which time they will earn a 51% in the tenement. The tenement subject to this agreement is EL24967.

(s) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Consolidated Entity's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for the financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Income tax (continued)

- except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

(t) Other taxes

The Consolidated Entity recognises Research and Development Tax rebates through income tax expense.

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.
Cash flows are included in the Cash Flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(u) Financial risk management objectives and policies

Capital Management

The Board's objective when managing capital is to maintain a strong capital base so as to safeguard the Consolidated Entity's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The management of the Consolidated Entity's capital is performed by the Board.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Financial risk management objectives and policies (continued)

Financial Instruments
The Consolidated Entity's financial instruments include cash, short-term deposits, trade debtors and trade creditors, which are disclosed in the accompanying notes.

It is, and has been throughout the period under review, the Consolidated Entity's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Consolidated Entity's financial instruments are interest rate risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

The Consolidated Entity also monitors the market price risk arising from all financial instruments.

Interest rate risk
The Consolidated Entity's exposure to market risk for changes in interest rates relates primarily to the Consolidated Entity's cash and cash equivalents.

The Consolidated Entity's policy is to manage its interest risk by having monies on deposits varying in maturity.

Foreign currency risk
The Consolidated Entity has no foreign currency risk

Credit risk
Credit risk is the risk of financial loss to the Consolidated Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents and trade and other receivables.

There are no significant concentrations of credit risk within the Consolidated Entity. The carrying amount of the Consolidated Entity's financial assets represents the maximum credit risk exposure, as represented below:

	2012	*2011 $*
Cash and cash equivalents	2,485,313	6,397,919
Trade and other receivables	5,651	161,259
	2,490,964	6,559,178

The Consolidated Entity does not have any significant customers and accordingly does not have any significant exposure to bad or doubtful debts.

Trade and other receivables comprises of GST refunds due and trade debtors.

With respect to credit risk arising from cash and cash equivalents, the Consolidated Entity's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

Risk Exposures and Responses
Capital Management

There were no changes in the Consolidated Entity's approach to capital management during the year.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Financial risk management objectives and policies (continued)

Interest rate risk
The Consolidated Entity's exposure to market interest rates relates primarily to the Consolidated Entity's cash and cash equivalents.

Liquidity Risk
Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Consolidated Entity's short-, medium- and long-term funding and liquidity management requirements. The Consolidated Entity manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the maturities and interest rate risk for the Consolidated Entity's financial instruments. The tables have been drawn up based on the undiscounted cash flows of the financial instruments based on the earliest date on which the Consolidated Entity can be required to pay or call on the financial instrument. The tables below also include the weighted average effective interest rate for each financial instrument subject to interest rate risk:

Year ended 30 June 2012	Weighted average effective interest rate %	Less than 1 month $	1-3 months $	Total $
Financial Assets				
Interest Bearing				
Cash and cash equivalents		2,485,313	-	2,485,313
Non-Interest Bearing				
Trade and other receivables	-	5,525	126	5,651
Total Financial Assets		2,490,838	126	2,490,964
Financial Liabilities				
Non-Interest Bearing				
Trade and other payables	-	222,568	-	222,568
Total Financial Liabilities		222,568	-	222,568
Net Financial Assets		2,268,270	126	2,268,396

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Financial risk management objectives and policies (continued)

Year ended 30 June 2011	Weighted average effective interest rate %	Less than 1 month $	1-3 months $	Total $
Financial Assets				
Interest Bearing				
Cash and cash equivalents	5.55	6,397,919	-	6,397,919
Non-Interest Bearing				
Trade and other receivables	-	161,259	-	161,259
Total Financial Assets		6,559,178	-	6,559,178
Financial Liabilities				
Non-Interest Bearing				
Trade and other payables	-	818,368	2,401	820,769
Total Financial Liabilities		818,368	2,401	820,769
Net Financial Assets		5,740,810	(2,401)	5,738,409

Fair value
The methods for estimating fair value are outlined in notes 7, 8 and 12 to the financial statements. The fair value of assets and liabilities are approximately equal to their carrying amounts.

Interest rate sensitivity
A sensitivity of 2 per cent has been selected as this is considered reasonable given the current level of both short-term and long-term interest rates. A 2% movement in interest rates at the reporting date would have increased/(decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables remain constant:

	Profit or loss		**Equity**	
	2% increase	2% decrease	2% increase	2% decrease
2012				
Cash and cash equivalents	49,706	(49,706)	49,706	(49,706)
2011				
Cash and cash equivalents	127,958	(127,958)	127,958	(127,958)

(v) Operating Segments

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. TUC Resources Ltd has only one operation, exploration for minerals, and operates only in one geographical location, the Northern Territory of Australia. Consequently the Consolidated Entity does not report segmented operations.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Consolidated Entity and entities (including special purpose entities) controlled by the Consolidated Entity (its subsidiaries). Control is achieved where the Consolidated Entity has the power to govern the financial and operating policies of an entitiy so as to obtain benefits from its activities.

There are no intra-group transactions, balances, income and expenses during the financial year.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Consolidated Entity's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Significant accounting estimates and assumptions:

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting year are:

Capitalisation of exploration and evaluation expenditure

The Consolidated Entity has capitalised significant exploration and evaluation expenditure on the basis that this is expected to be recouped through future successful development (or alternatively sale) of the Areas of Interest concerned or on the basis that it is not yet possible to assess whether it will be recouped.

Impairment of assets

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Consolidated Entity decides to exploit the related tenement itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

As at 30 June 2012, the carrying value of capitalised exploration and evaluation is $6,334,461 (2011: $4,500,342).

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

4 REVENUES AND EXPENSES

	2012 $	2011 $

(a) Finance income

	2012 $	2011 $
Bank interest receivable	215,038	209,559
Total finance income	215,038	209,559

(b) Depreciation included in income statement

	2012 $	2011 $
Depreciation	57,247	38,931

(c) Employee expenses

	2012 $	2011 $
Wages and Salaries	932,958	709,470
Superannuation expense	81,971	67,421
Expense of Share-based payments	3,807	25,454
Other allowances/expenses	61,051	55,862
	1,079,787	858,207

(d) Operating Lease expenditure

	2012 $	2011 $
Rent – Core Facilities	23,946	-
Rent – Darwin Office	53,077	42,830
Rent – Perth Office	18,423	7,100
	95,446	49,930

(e) Loss on disposal of Property, Plant and Equipment

	2012 $	2011 $
Loss on disposal	4,795	-

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

5 INCOME TAX

	2012 $	2011 $
Major components of income tax expense for the years ended 30 June 2012 and 2011 are:		
Income statement		
Current income tax charge	-	-
Research & Development tax credit	(174,111)	-
Deferred Income tax expense	-	166,024
Income tax expense (benefit) reported in income statement	(174,111)	166,024

	2012 $	2011 $
A reconciliation of income tax expense (benefit) applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate for the years ended 30 June 2012 and 2011 is as follows:		
Accounting profit (loss) before income tax	(1,852,087)	(1,253,155)
At the statutory income tax rate of 30% (2011: 30%)	(555,626)	(375,946)
Add non-deductible expenses:		
Share-based remuneration	1,142	7,636
	(554,484)	(152,479)
Adjustments recognised in the current year in relation to the current tax of prior years	(174,111)	-
Tax Losses and Timing Differences not recognised	554,484	534,334
Income tax (benefit)/expense reported in income statement	(174,111)	166,024

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

5 INCOME TAX (continued)

	Statement of Financial Position 2012 $	Statement of Financial Position 2011 $
Deferred Income Tax		
Deferred income tax at 30 June relates to the following:		
Deferred income tax assets:		
Employee entitlements	37,208	29,952
Share Issue Costs	147,304	155,044
Professional Fees	5,100	3,600
Subsidiary Formation expenses	445	-
Unused Tax Losses	3,776,637	3,130,783
Total Deferred income tax assets	3,966,694	3,319,379
Deferred income tax liabilities:		
Capitalised exploration	1,900,338	1,350,103
	1,900,338	1,350,103
Net deferred tax asset/(liability)	2,066,356	1,969,276

The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not possible at this stage of exploration to explicitly confirm the probability that future taxable profit will be available against which the Company can utilise these benefits. However, Deferred Tax Assets have been recognised to the extent of Deferred Tax Liabilities.

Unrecognised deferred tax assets	2012	2011
Deferred tax assets have not been recognised in respect of the following items	$	$
Tax Losses	2,066,356	1,969,276
	2,066,356	1,969,276

The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise these benefits.

Income tax recognised directly in equity	2012	2011
	$	$
Deferred tax		
Share issue benefits deductable over five years	-	(166,024)
	-	(166,024)

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

6 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the loss and share data used in the total operations basic losses per share computations:

	2012	*2011*
	$	*$*
Net loss attributable to equity holders from continuing operations	(1,677,976)	(1,419,179)
Net loss attributable to ordinary shareholders for diluted earnings per share	(1,677,976)	(1,419,179)
	Thousands	*Thousands*
Weighted average number of ordinary shares for basic earnings per share	124,402	107,418
Adjusted weighted average number of ordinary shares for diluted earnings per share	124,402	107,418
Weighted average number of converted, lapsed or cancelled potential ordinary shares included in diluted earnings per share	-	-

There is no dilution from the outstanding options as the Company is making a loss.

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

7 DIVIDENDS PAID AND PROPOSED

No dividends have been paid or proposed.

8 CASH AND CASH EQUIVALENTS

	2012 $	2011 $
Cash at bank and in hand	2,485,313	6,397,919
	2,485,313	6,397,919

Cash at bank and in hand earns interest at floating rates based on daily bank rates.

The Consolidated Entity does not have any restricted shares or any non-cash investing and financing activities.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

8 CASH AND CASH EQUIVALENTS (continued)

	2012 $	2011 $
The fair value of cash and cash equivalents is	2,485,313	6,397,919

Reconciliation of cash
For the purposes of the Cash Flow Statement, cash and cash equivalents comprise the following at 30 June:

Cash at bank and in hand	2,372,296	6,397,919
Short-term deposits	113,017	-
	2,485,313	6,397,919

Reconciliation from the net profit after tax to the net cash flows from operations		
Net Profit/(Loss)	(1,677,976)	(1,419,179)
Adjustments for:		
Depreciation	57,247	38,931
Share options expensed	3,807	25,454
Proceeds from sale of option	(50,000)	-
Interest received	(215,038)	(209,559)
Loss from sale of assets	4,795	-
Recognition of Deferred Tax Expense	-	166,024
Changes in assets and liabilities		
(increase)/decrease in trade and other receivables	134,016	(155,282)
(increase)/decrease in prepayments	(24,783)	(18,829)
(decrease)/increase in trade (operating expenses) and other payables	59,580	53,900
Net cash from operating activities	(1,708,352)	(1,518,540)

9 TRADE AND OTHER RECEIVABLES (CURRENT)

	2012 *$*	*2011* *$*
Net Business Activity Statement Refund	5,525	161,259
Trade Debtors	126	-
	5,651	161,259

Other balances within trade and other receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

10 EXPLORATION AND EVALUATION EXPENDITURE

The following table is a reconciliation of movements in exploration and evaluation expenditure during the year.

	2012 *$*	*2011* *$*
Reconciliation		
Balance at the beginning of year	4,500,342	1,496,483
Additions	1,998,326	3,003,859
Impairment losses (expenditure written off)	(164,207)	-
Closing Balance	6,334,461	4,500,342

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

10 EXPLORATION AND EVALUATION EXPENDITURE (continued)

The above expenditure has been capitalised to the Statement of Financial Position. The recoverability of these assets is dependant on successful development and commercial exploitation of the tenements. Directors regularly review the carrying value of tenements in terms of each tenement's estimated recoverable value.

11 PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment *$*
Year ended 30 June 2011	
At 1 July 2010, Net of accumulated depreciation	170,769
Additions	223,959
Depreciation charge for the year	(38,931)
At 30 June 2011, Net of accumulated depreciation	355,797
Year ended 30 June 2012	
At 1 July 2011, Net of accumulated depreciation	355,797
Additions	163,529
Disposals	(19,340)
Depreciation charge for the year	(57,247)
At 30 June 2012, Net of accumulated depreciation	442,739
At 30 June 2011	
Cost	492,784
Accumulated depreciation and impairment	(136,987)
Net carrying amount	355,797
At 30 June 2012	
Cost	636,973
Accumulated depreciation and impairment	(194,234)
Net carrying amount	442,739

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

12 EMPLOYEE BENEFITS

Employee share options

There were no share options granted to employees during the year.

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of share options issued to employees.

	2012 No.	*2012 WAEP*	*2011 No.*	*2011 WAEP*
Outstanding at the beginning of the year	4,040,000	$0.3517	4,430,000	$0.3340
Granted during the year	-	-	50,000	$0.1500
Forfeited during the year	-	-	(50,000)	$0.1500
Exercised during the year	1,000,000	$0.1500	390,000	$0.1500
Expired during the year	3,040,000	$0.4181	-	-
Outstanding at the end of the year	-	-	**4,040,000**	**$0.3517**
Exercisable at the end of the year	-	-	**3,000,000**	**$0.3253**

There are no outstanding options as at 30 June 2012.

The following share-based payment arrangements were in existence during the current year:

Grant Date	*Expiry Date*	*Grant Date Fair value*	*Exercise price*	*2012 No.*	*2011 No.*
25th November, 2008	30th June, 2012	$0.0307	$0.15	-	1,000,000
7th March, 2010	30th June, 2012	$0.0309	$0.15	-	40,000
25th November, 2008	30th June, 2012	$0.0274	$0.20	-	500,000
25th November, 2008	30th June, 2012	$0.0249	$0.25	-	500,000
29th November, 2007	30th June, 2012	$0.1348	$0.40	-	500,000
29th November, 2007	30th June, 2012	$0.1259	$0.48	-	500,000
29th November, 2007	30th June, 2012	$0.1184	$0.56	-	500,000
29th November, 2007	30th June, 2012	$0.1115	$0.64	-	500,000
	Total			-	4,040,000

1,000,000 options were exercised and 3,040,000 options expired during the reporting period. Options will automatically vest with the employee so long as the employee is still in the service of the Company at that date. There were no other conditions attached. The fair value for all of the abovementioned options at date of expiry/exercise was nil. 40,000 of the abovementioned options do not relate to directors.

Employee share options exercised for the year ended 30 June, 2012

Grant Date	*No. Granted*	*Date Exercised*	*Exercise price*	*No. Exercised*	*Company Share Price at Date of Exercise*
25 November, 2009	1,000,000	29/06/12	$0.15	1,000,000	$0.12
				1,000,000	

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

12 EMPLOYEE BENEFITS

Employee share options (continued)

Employee share options exercised for the year ended 30 June, 2011

Grant Date	*No. Granted*	*Date Exercised*	*Exercise price*	*No. Exercised*	*Company Share Price at Date of Exercise*
5th September, 2008	350,000	24/05/11	$0.15	100,000	$0.19
5th September, 2008	350,000	29/06/11	$0.15	125,000	$0.22
5th September, 2008	350,000	30/06/11	$0.15	125,000	$0.22
7th March, 2010	80,000	10/02/11	$0.15	40,000	$0.34
				390,000	

13 TRADE AND OTHER PAYABLES (CURRENT)

	2012 $	*2011 $*
Trade payables – Operating Expenses	54,813	46,758
Trade payables – Exploration & Evaluation Expenditure	30,552	666,742
Other payables	137,203	107,269
	222,568	820,769

Trade payables are non-interest bearing and are normally settled on 30-day terms. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value. Please refer to note 15 for details of Related Party terms and conditions. The net of GST payable and GST receivable is remitted to the appropriate tax body on a quarterly basis.

14 ISSUED CAPITAL AND RESERVES

	2012 $	*2012 No. of shares*	*2011 $*	*2011 No. of shares*
Ordinary Shares				
Issued and fully paid	16,043,789	125,396,647	15,713,850	124,396,647
Movement in ordinary shares on the issue				
At 1 July	15,713,850	124,396,647	7,412,305	93,831,873
2 December 2010 - Placement	-	-	1,840,000	8,000,000
Costs of placement	-	-	(81,865)	-
31 January 2011 - Placement	-	-	4,582,434	15,274,774
Costs of placement	-	-	(206,179)	-
8 February 2011 - Placement	-	-	2,208,000	6,900,000
Costs of placement	-	-	(99,345)	-
Unlisted Options Exercised	150,000	1,000,000	58,500	390,000
Transfer from Options Reserve	179,939	-	-	-
At 30 June	16,043,789	125,396,647	15,713,850	124,396,647

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

14 ISSUED CAPITAL AND RESERVES (continued)

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore the Consolidated Entity does not have a limited amount of authorised capital and issued shares do not have a par value.

During the financial year the following events affected the Company's Issued Capital:

- 1,000,000 unlisted options were exercised by employees of TUC Resources Ltd. This raised a further $150,000.

Options Reserve	*2012 $*	*2012 No. of Options*	*2011 $*	*2011 No. of Options*
Listed Options (TUCO)				
Issued	-	-		
Movement in listed options				
At 1 July	129,121	-	129,121	-
Transfer to Issued Capital	(129,121)	-	-	-
At 30 June	-	-	129,121	-
Movement in unlisted options				
At 1 July 2011	317,194	4,040,000	291,740	4,430,000
Amortisation of existing granted options	3,807	-	25,454	-
Share based payment	-	-	-	-
Unlisted Options expired	(270,183)	(3,040,000)	-	-
Options exercised	(30,680)	(1,000,000)	-	390,000
Transfer to Issued Capital	(20,138)	-	-	-
	-	-	317,194	4,040,000
Total Options Reserve balance at 30 June	-	-	446,315	4,040,000

Nature and purpose of Option Reserve

The Options reserve records movements in listed options and is also used to record the value of equity benefits provided to employees as part of their remuneration. Refer to note 11 for further details.

15 COMMITMENTS AND CONTINGENCIES

Operating lease commitments - Company as lessee

The Company has a commercial lease on office and warehouse space in Darwin where it is not in the best interest of the Company to purchase these assets. The lease is for 3 years with renewal terms included in the contract. Renewals are at the option of the specific entity that holds the lease. As of 1st June, 2010 the Company exercised its first option to renew the lease over the Darwin office for a period of 3 years expiring 1 June 2013. The lease was reviewed by an independent valuer appointed by the Company and rental payments are in line with market conditions.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

15 COMMITMENTS AND CONTINGENCIES (continued)

The Company also has a commercial lease on office space located in Perth. This lease is for an initial 3 year term with renewal options included in the contract. Renewals are, again, at the option of the specific entity that holds the lease.

There are no restrictions placed upon the lessee by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

	2012 *$*	*2011* *$*
Within one year	95,560	52,594
After one year but not more than five years	88,826	43,720
More than five years	-	-
	184,386	96,314

Tenement commitments

At 30 June 2012 the Company has minimum expenditure commitments of $691,054 per annum relating to existing granted tenements. There is a further $801,100 per annum in minimum expenditure on tenements applied for, but not yet granted. The timing of the granting of these tenements is unknown and will vary significantly depending on native title meetings.

The commitments contracted for at reporting date, but not provided for:

	2012 *$*	*2011* *$*
Within one year		
- Exploration Licences (granted)	691,054	532,470
- Exploration Licence Applications (not granted)	801,100	697,300
After one year but not more than five years		
- Exploration Licences (granted)	691,054	532,470
- Exploration Licence Applications (not granted)	801,100	697,300
Longer than five years	-	-
	2,984,308	2,459,540

The Company's mining tenements may be subject to native title applications in the future. At this stage it is not possible to quantify the impact (if any) that native title may have on the operations of the Company. Other than the above, the Directors of TUC Resources consider that there are no other material contingencies or commitments outstanding as at 30 June, 2012.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

16 RELATED PARTY DISCLOSURE

The following table provides the total amount of transactions which have been entered into with related parties for the relevant financial year exclusive of GST (for information regarding outstanding balances at year-end, refer to notes 8, 11 and 17):

Related Party		Purchases from related parties $	Amount owed by related parties $	Amounts owed to related parties $
Westlaw Securities Pty Ltd	2012	29,605	115	-
	2011	46,026	-	-
Maslen Podesta & Associates Pty Ltd	2012	58,994	-	-
	2011	41,450	-	1,500
Boden Corporate Services	2012	40,919	-	5,186
	2011	25,402	-	4,101
Panoramic Resources Ltd	2012	28,018	-	-
	2011	-	-	-

Related party payables are non-interest bearing and are normally settled on 30-day terms.

Westlaw Securities Pty Ltd
Westlaw Securities Pty Ltd is the owner of the Darwin office that the Company leases. Westlaw Securities Pty Ltd is a related party to Mr Ronald Stanley.

Maslen Podesta & Associates
The Company has engaged the services of Maslen Podesta & Associates, a company related to Mr Michael Britton, for the provision of accounting and bookkeeping services. Fees are to be charged in accordance with normal charge out rates.

Boden Corporate Services
The Company has engaged the services of Boden Corporate Services, a company related to Mr Graeme Boden, for the provision of company secretarial services. This contract is for a period of two years, and can be terminated on three months notice, with fees to be charged in accordance with normal charge out rates.

Panoramic Resources Ltd
Panoramic Resources Ltd is the owner of the Perth office that the Company leases. Panoramic Resources Ltd is a related party to Mr Peter Harold.

17 EVENTS AFTER THE BALANCE SHEET DATE

As disclosed earlier in the Annual Report, the following significant events have occurred since Balance Sheet Date:

- On the 21st August, 2012, the Company announced the issue of Loyalty Options to be issued to shareholders on the basis of 2 for every 5 shares held. The options will be issued free, will be exerciseable at $0.20 per share and will expire on the 15th August 2014.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

18 AUDITORS REMUNERATION

	2012 *$*	*2011* *$*
Amounts received or due and receivable for:		
• An audit of the financial report of the entity	17,000	17,045
• December half-year review	10,895	10,105
	27,895	27,150

The auditor of TUC Resources Limited is Deloitte Touche Tohmatsu.

19 DIRECTOR AND EXECUTIVE DISCLOSURES

(a) Details of Key Management Personnel

Mr Peter J Harold
Chairman (non-executive)

Mr Ian Bamborough
Managing Director

Mr R Stanley – resigned 19 December, 2011
Director (non-executive)

Mr A Barton
Director (non-executive)

Mr M Britton
Director (non-executive)

Mr L Charuckyj
Director (non-executive) – appointed 22 December, 2011

Mr G Boden
Company Secretary

(b) Remuneration of Key Management Personnel

(i) Remuneration Policy

The Company's Constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors has been set at an amount not to exceed $300,000 per annum. The directors have set fees at present at $55,000 pa plus 9% superannuation for Mr Peter Harold as chairman and $40,000 pa plus 9% superannuation for each of Mr Leonid Charuckyj, Mr Anthony Barton and Mr Michael Britton as directors.

The remuneration of Mr Ian Bamborough as Managing Director was reviewed 21st September, 2011 and is now $305,200 including superannuation. However, during 2012 he was paid a salary of $263,248 plus superannuation contributions of $24,733 due to the renewal and subsequent increase in remuneration coming into effect from 21st September, 2011 and not the full financial year. Mr Bamborough was previously granted 4,000,000 options as set out in part (c) of this note. These options expired 30th June, 2012.

The Company has engaged the services of Maslen Podesta & Associates, a company related to Mr Michael Britton, for the provision of accounting services. Fees are to be charged in accordance with normal charge out rates.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

19 DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

(b) Remuneration of Key Management Personnel (continued)

(ii)Remuneration of Key Management Personnel

	PRIMARY		POST EMPLOYMENT	EQUITY	TOTAL
	Salary & Fees $	Other Service Fees $	Superannuation $	Share Based Payments $	$
30 June 2012					
Mr P Harold	55,000	28,018	4,950	-	87,968
Mr I Bamborough	263,248	-	24,733	3,807	291,789
Mr R Stanley	18,710	29,605	1,684	-	49,999
Mr A Barton	40,000		3,600	-	43,600
Mr M Britton	40,000	58,994	3,600	-	102,594
Mr L Charuckyj	20,968	-	1,887	-	22,855
Mr G Boden	40,919		-	-	40,919
Total Remuneration: Key Management Personnel	478,845	116,617	40,454	3,807	639,723
30 June 2011					
Mr P Harold	51,667	-	4,650	-	56,317
Mr I Bamborough	226,967	-	20,234	24,503	271,704
Mr R Stanley	36,667	14,500	3,300	-	54,467
Mr A Barton	9,111	-	820		9,931
Mr M Britton	36,667	41,450	3,300	-	81,417
Mr P Stanley	**13,806**	-	**1,242**		**15,048**
Mr G Boden	**25,402**	-	-	-	**25,402**
Total Remuneration: Key Management Personnel	**400,287**	**55,950**	**33,546**	**24,503**	**514,286**

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

19 DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

(c) Remuneration options: Granted and vested during the year

During the financial year no options were granted as equity compensation benefits to key management personnel. There are no options outstanding at the year end.

(d) Shares issued on exercise of remuneration options

During the financial year, 1,000,000 shares have been issued due to the exercising of remuneration options (2011: nil).

(e) Option holdings of Key Management Personnel

Direct options held in TUC Resources Ltd

Year ending 30 June, 2012

	Balance at beg of period 01-Jul-11	*Granted as Remuneration*	*Options Exercised*	*Lapsed during the period*	*Balance at end of period 30-Jun-12*	*Not Vested & Not Exercisable*	*Vested & Exercisable*
Key Management Personnel							
Mr P Harold	-	-	-	-	-	-	-
Mr I Bamborough	4,000,000	-	(1,000,000)	(3,000,000)	-		
Mr R Stanley	-	-	-	-	-	-	-
Mr A Barton	-	-	-	-	-	-	-
Mr M Britton	-	-	-	-	-	-	-
Mr G Boden	-	-	-	-	-	-	-
Total	4,000,000	-	(1,000,000)	(3,000,000)	-	-	-

Direct options held in TUC Resources Ltd

Year ending 30 June, 2011

	Balance at beg of period 01-Jul-10	*Granted as Remuneration*	*Options Exercised*	*Lapsed during the period*	*Balance at end of period 30-Jun-11*	*Not Vested & Not Exercisable*	*Vested & Exercisable*
Key Management Personnel							
Mr P Harold	-	-	-	-	-	-	-
Mr I Bamborough	4,000,000	-	-	-	4,000,000	1,000,000	3,000,000
Mr R Stanley	-	-	-	-	-	-	-
Mr P Stanley	-	-	-	-	-	-	
Mr A Barton	-	-	-	-	-	-	-
Mr M Britton	-	-	-	-	-	-	-
Mr G Boden	-	-	-	-	-	-	-
Total	**4,000,000**	-	-	**-**	**4,000,000**	**1,000,000**	**3,000,000**

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

19 DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

(f) Shareholdings of Key Management Personnel

Direct shares held in TUC Resources Ltd

Year ending 30 June, 2012

	Balance 01-Jul-11	*Net Change Other*	*Balance 30-June-12*
	Ord	*Ord*	*Ord*
Key Management Personnel			
Mr P Harold	-	-	-
Mr I Bamborough	244,450	1,000,000	1,244,450
Mr R Stanley	212,500	-	212,500*
Mr A Barton	-	-	-
Mr M Britton	-	-	-
Mr L Charuckyj	415,000**	-	415,000
Mr G Boden	437,500	-	437,500
Total	1,309,450	1,000,000	2,309,450

***** Mr Stanley's holding at date of resignation (19 December, 2011)
****** Mr Charuckyj's holding at date of appointment (22 December, 2011)

Direct shares held in TUC Resources Ltd

Year ending 30 June, 2011

	Balance 01-Jul-10	*Net Change Other*	*Balance 30-June-11*
	Ord	*Ord*	*Ord*
Key Management Personnel			
Mr P Harold	-	-	-
Mr I Bamborough	197,500	46,950	244,450
Mr R Stanley	212,500	-	212,500
Mr A Barton	-*	-	-
Mr M Britton	-	-	-
Mr P Stanley	275,000	-	275,000**
Mr G Boden	437,500	-	437,500
Total	847,500	46,950	894,450

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

19 DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

(f) Shareholdings of Key Management Personnel (continued)

Indirect shares held in TUC Resources Ltd

Year ending 30 June, 2012

	Balance 01-Jul-11	*Net Change Other*	*Balance 30-June-12*
	Ord	*Ord*	*Ord*
Key Management Personnel			
Mr P Harold	5,000,000	-	5,000,000
Mr I Bamborough	-	-	-
Mr R Stanley	13,762,500	-	13,762,500*
Mr A Barton	12,213,146	-	12,213,146
Mr M Britton	478,146	-	478,146
Mr L Charuckyj	1,265,000**	-	1,265,000
Mr G Boden	437,500	-	437,500
Total	33,156,292	-	33,156,292

***** Mr Stanley's holding at date of resignation (19 December, 2011)
****** Mr Charuckyj's holding at date of appointment (22 December, 2011)

Year ending 30 June, 2011

	Balance 01-Jul-10	*Net Change Other*	*Balance 30-June-11*
	Ord	*Ord*	*Ord*
Key Management Personnel			
Mr P Harold	5,000,000	-	5,000,000
Mr I Bamborough	-	-	-
Mr R Stanley	13,762,500	-	13,762,500
Mr A Barton	11,713,146*	500,000	12,213,146
Mr P Stanley	1,125,000	-	1,125,000**
Mr M Britton	478,146	-	478,146
Mr G Boden	437,500	-	437,500
Total	32,516,292	500,000	33,016,292

All equity transactions with specified directors and specified executives other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

20 SUBSIDIARIES

Details of the Consolidated Entity's subsidiaries at the end of the reporting period are as follows

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interst and voting power held by the Group	
			30/06/12	30/06/11
Arnhem Minerals Pty Ltd (ii)	Mining	Australia	100%	Nil
Carpentaria Minerals Pty Ltd (ii)	Mining	Australia	100%	Nil
Threeways Resources Pty Ltd (ii)	Mining	Australia	100%	Nil

i) TUC Resources Limited is the head entitiy within the tax-consolidated group.
ii) These companies are members of the tax-consolidated group.

During the year, the Group incorporated Arnhem Minerals Pty Ltd, Carpentaria Minerals Pty Ltd and Threeways Resources Pty Ltd.

21 PARENT ENTITY INFORMATION

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements.

Financial performance

	2012 *$*	*2011* *$*
Loss for the year	(1,676,121)	(1,419,179)
Other Comprehensive Income	-	-
Total Comprehensive Income / Loss for the year	**(1,676,121)**	**(1,419,179)**

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

21 PARENT ENTITY INFORMATION (continued)

Financial position

	2012 *$*	*2011* *$*
ASSETS		
Current Assets	2,549,135	6,592,566
Non-Current Assets	6,779,055	4,856,139
TOTAL ASSETS	9,328,190	11,448,705
LIABILITIES		
Current Liabilities	222,568	820,769
Non-Current Liabilities	-	-
TOTAL LIABILITIES	222,568	820,769
EQUITY		
Issued capital	16,043,789	15,713,850
Option reserves	-	446,315
Retained earnings	(6,938,167)	(5,532,229)
TOTAL EQUITY	9,105,622	10,627,936

Contingent liabilities of the parent entity

	2012 *$*	*2011* *$*
NIL	-	-

Commitments for the acquisition of property, plant and equipment by the parent entity

	2012 *$*	*2011* *$*
Plant and equipment		
Not longer than 1 year	-	-
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
	-	-

Directors' Declaration

In accordance with a resolution of the directors of TUC Resources Ltd, I state that:

In the opinion of the directors:

(a) the financial statements and notes are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001; and

(iii) the financial statements and notes thereto are in compliance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 2 to the financial statements.

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given a declaration required by section 295A of the Corporations Act 2001 for the financial year ended 30 June, 2012 by the CEO and CFO.

On behalf of the Board

Ian Bamborough
Managing Director
27th September, 2012

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Woodside Plaza
Level 14
240 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

Tel: +61 8 9365 7000
Fax: +61 8 9365 7001
www.deloitte.com.au

Independent Auditor's Report to the members of TUC Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of TUC Resources Limited, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 21 to 59.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the company's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of TUC Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of TUC Resources Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 13 of the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of TUC Resources Limited for the year ended 30 June 2012, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Leanne Karamfiles
Partner
Chartered Accountants
Perth, 27 September 2012

ASX Additional Information

1. Ordinary Shares

The security holders' information set out below was applicable as at 18 September 2012.

(i) Distribution of Security Numbers

	Ordinary Shares	
Category (size of holding)	**Shareholders**	**Shares**
1 – 1,000	105	28,903
1,001 – 5,000	224	702,007
5,001 – 10,000	172	1,492,220
10,001 – 100,000	561	23,612,724
100,001 and over	178	99,560,793
Total	**1,240**	**125,396,647**

(ii) Voting Rights

On a show of hands every person present who is a member or a proxy, attorney or representative of a member has one vote and upon a poll every person present who is a member or a proxy, attorney or representative of a member shall have one vote for each share held.

(iii) Twenty Largest Security Holders

The names of the twenty largest holders of ordinary shares are listed below:

Name	Number of Ordinary Shares	% of Issued Capital
Stanley Resources Pty Ltd	11,787,500	9.40
JP Morgan Nominees Australia Ltd	6,295,597	5.02
Australian Heritage Group Pty Ltd	5,019,294	4.00
Harold, A	5,000,000	3.99
Australian Heritage Group Pty Ltd	3,290,676	2.62
Byrne, D H	2,759,010	2.20
L & E Fisher Nominees Pty Ltd	2,250,000	1.79
Caversham Nominees Pty Ltd	2,000,000	1.59
Merrill Lynch Australia Nominees Pty Ltd	1,993,283	1.59
HSBC Custody Nominees Australia Ltd	1,856,779	1.48
Johns, Sharon Alice & K D	1,459,800	1.16
Inglewood Lodge Pty Ltd	1,448,146	1.15
National Energy Pty Ltd	1,200,000	0.96
Henger, Ralph M & M J	1,200,000	0.96
ADL WA Pty Ltd	1,150,001	0.92
Stanley, Peter R & K F	1,125,000	0.90
Aberv Pty Ltd	1,093,750	0.87
BNP Paribas Nominess Pty Ltd	1,070,000	0.85
Bamborough, I	1,000,000	0.80
Solar Mate Pty Ltd	971,490	0.77
Total	**53,970,326**	**43.02**

ASX Additional Information (cont.)

(iv) Substantial Shareholders

The names of the substantial shareholders listed in the Company's share register as at 18 September 2012 were:

Name	Number of Ordinary Shares	% of Issued Capital
Ronald Stanley and associates	13,975,000	11.14
Anthony Barton and associates	12,213,146	9.74
JP Morgan Nominees Aust Ltd	6,295,597	5.02
Total	**32,483,743**	**25.90**

(v) On market buy back

There is no on-market buy-back scheme in operation for the Company's listed shares.

2. Unquoted Option holder Information

The information on unquoted option holders set out below was applicable as at 18 September 2012.

(i) Distribution of unquoted option holder numbers

Category (size of holding)	No of option holders	No of options
0 – 100,000	0	-
100,001 and over	0	-
Total	**0**	**-**

(ii) Voting Rights

Unlisted options do not entitle the holder to any voting rights.

(iii) Holders of more than 20% of unquoted options

	No of options	%
	-	-