RESOURCES

Heavy Rare Earth (HREE) in the Northern Territory

IAN BAMBOROUGH, Managing Director
TUC Resources Investor Update
June 2012

Contents

- The Company – A Brief Introduction
- Value Proposition – HREE Market
- Stromberg Deposit – Potential Market Impact
- Large HREE Exploration Upside
- Margin Drivers; Mining / Processing Costs and Price
- Time to Market – TUC/Stromberg Advantages
- Strategy – Activities – Goals 2012
- A Reason to Invest

The Company

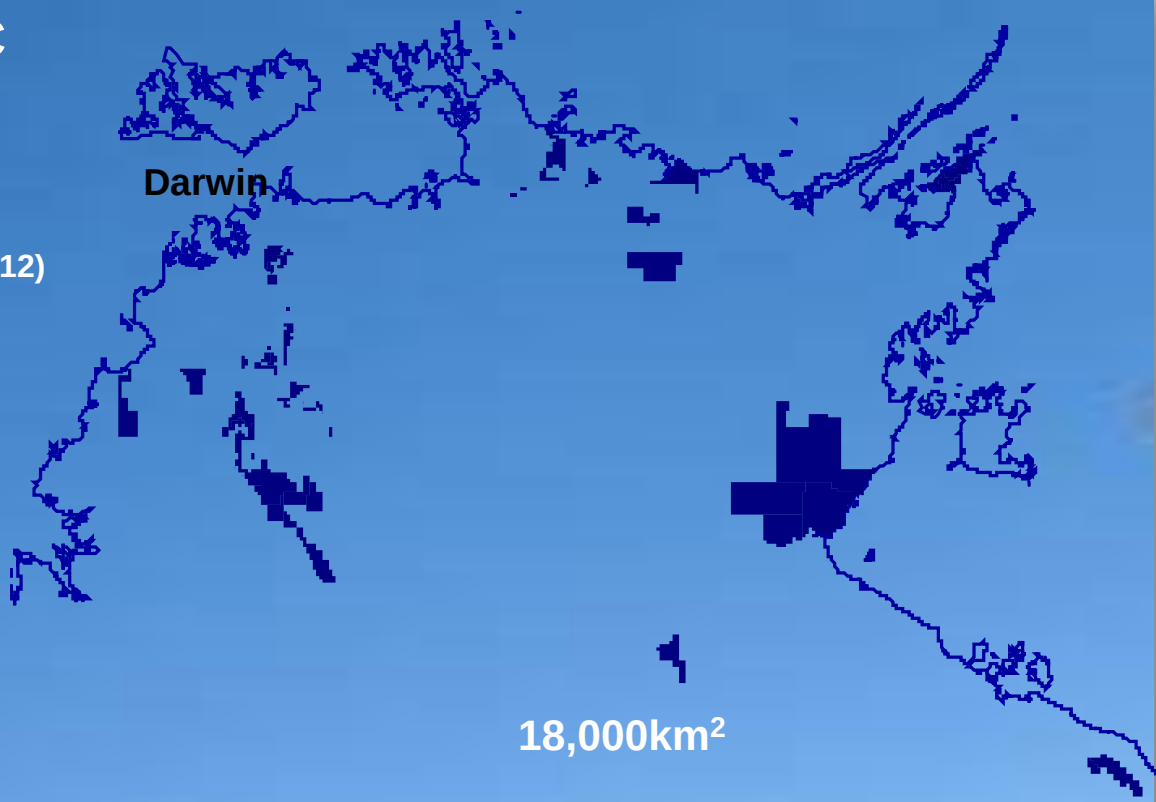
Company Position; ASX TUC

- 124.4M Shares at A$0.14

  Market Cap. A$17.4M (20 June 2012)

- Funds +$2.9M (31 March 2012)

- +1200 Shareholders



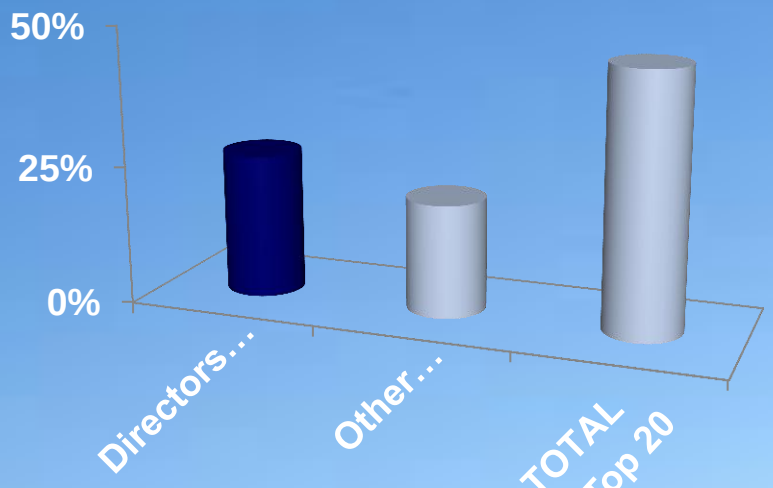
18,000km²

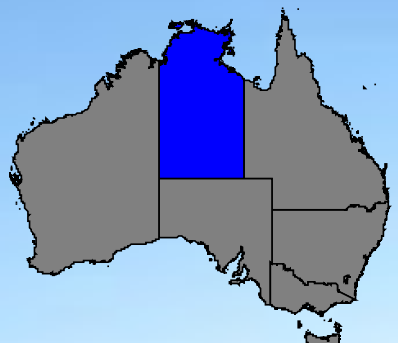
10 Developing Projects

across the NT

Tennant Creek

Top 20 Share Register



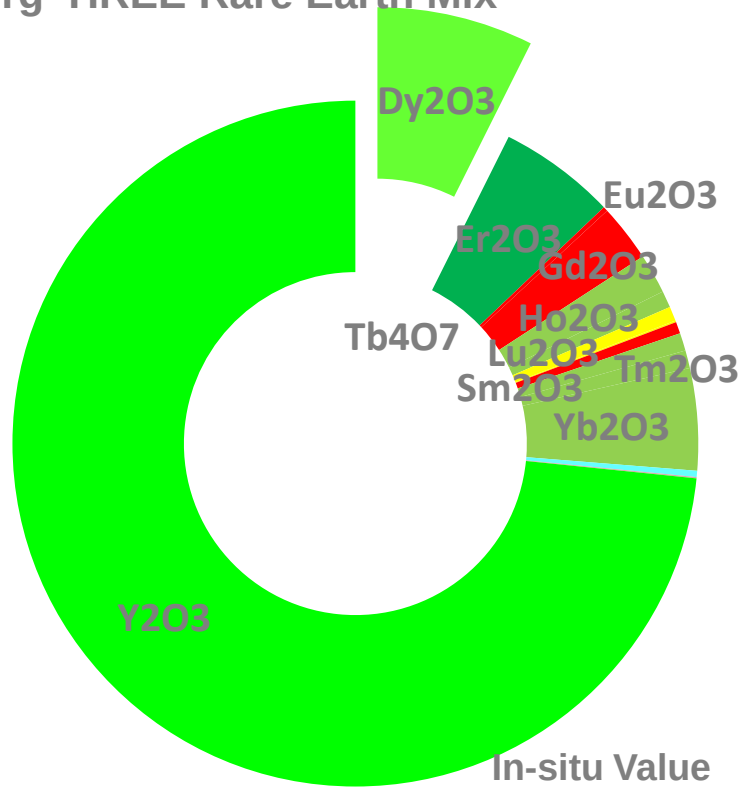


HREE Market

Product – Light vs. Heavy Rare Earths

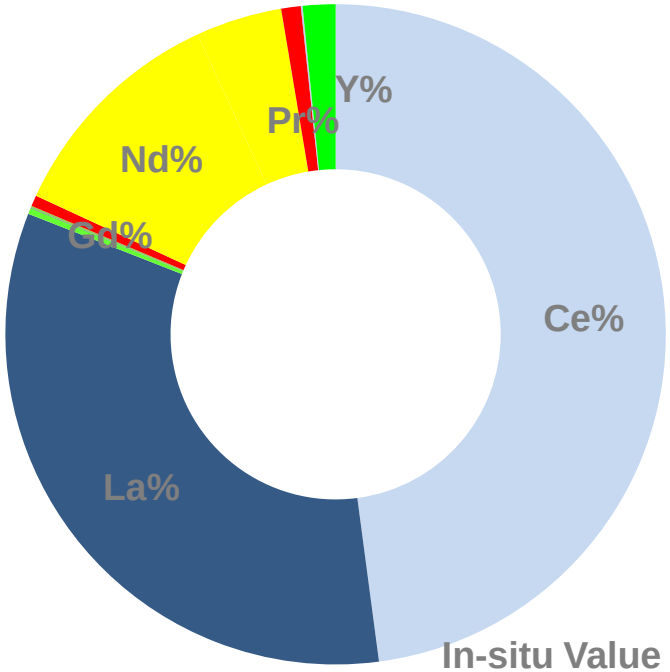
- 85% HREE/TREE (Distribution)

Stromberg HREE Rare Earth Mix



In-situ Value
~$230/Kg

Typical Light REE Mix Similar to Mt Weld - Lynas

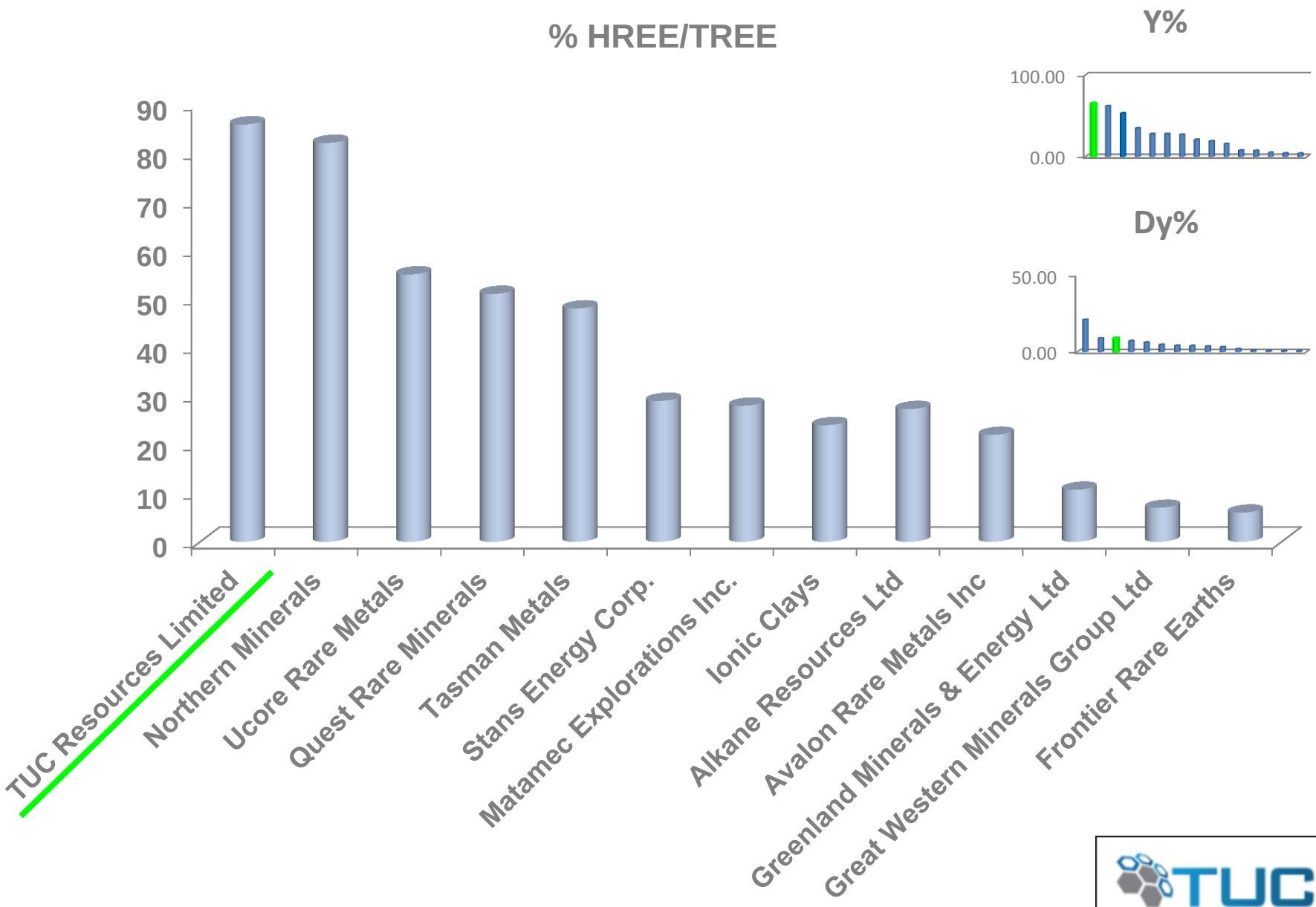


In-situ Value
~$90-100/Kg

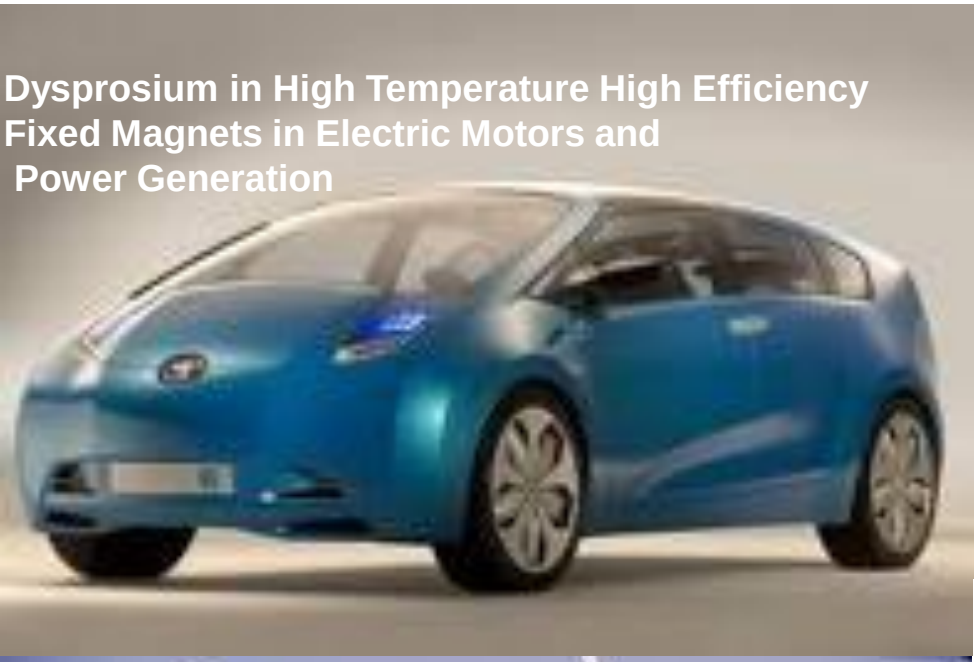
In-situ Values/Kg; No recovery implied, Deposit grades must also be considered;, June 2012 Prices – Metal Pages

TUC

TUC's Stromberg holds a #1 Position in terms of HREE Distribution



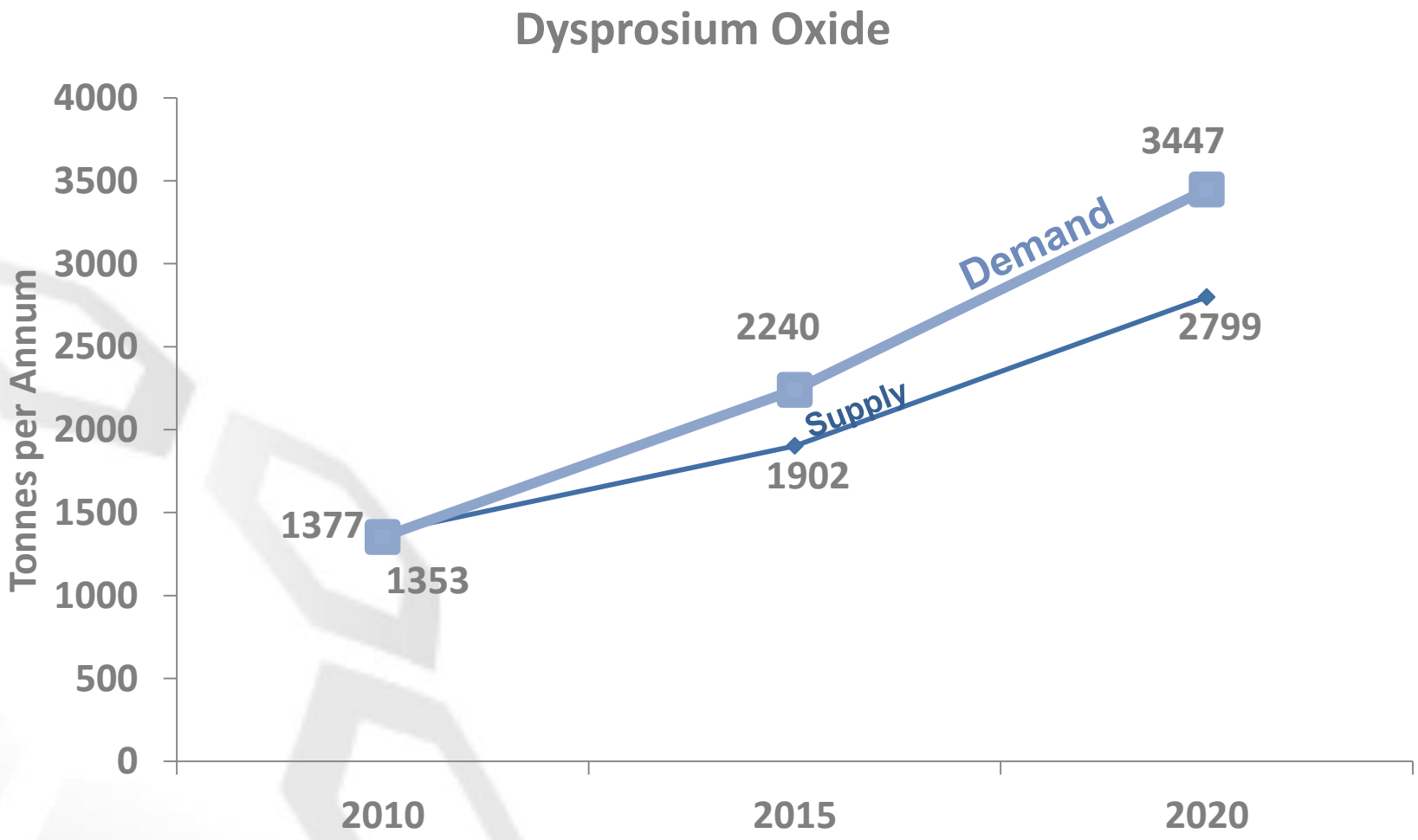
HREE's are used in the growing Clean Efficient Energy Markets



Yttrium and Erbium in
Low Energy Lighting;
Lighting Phosphors

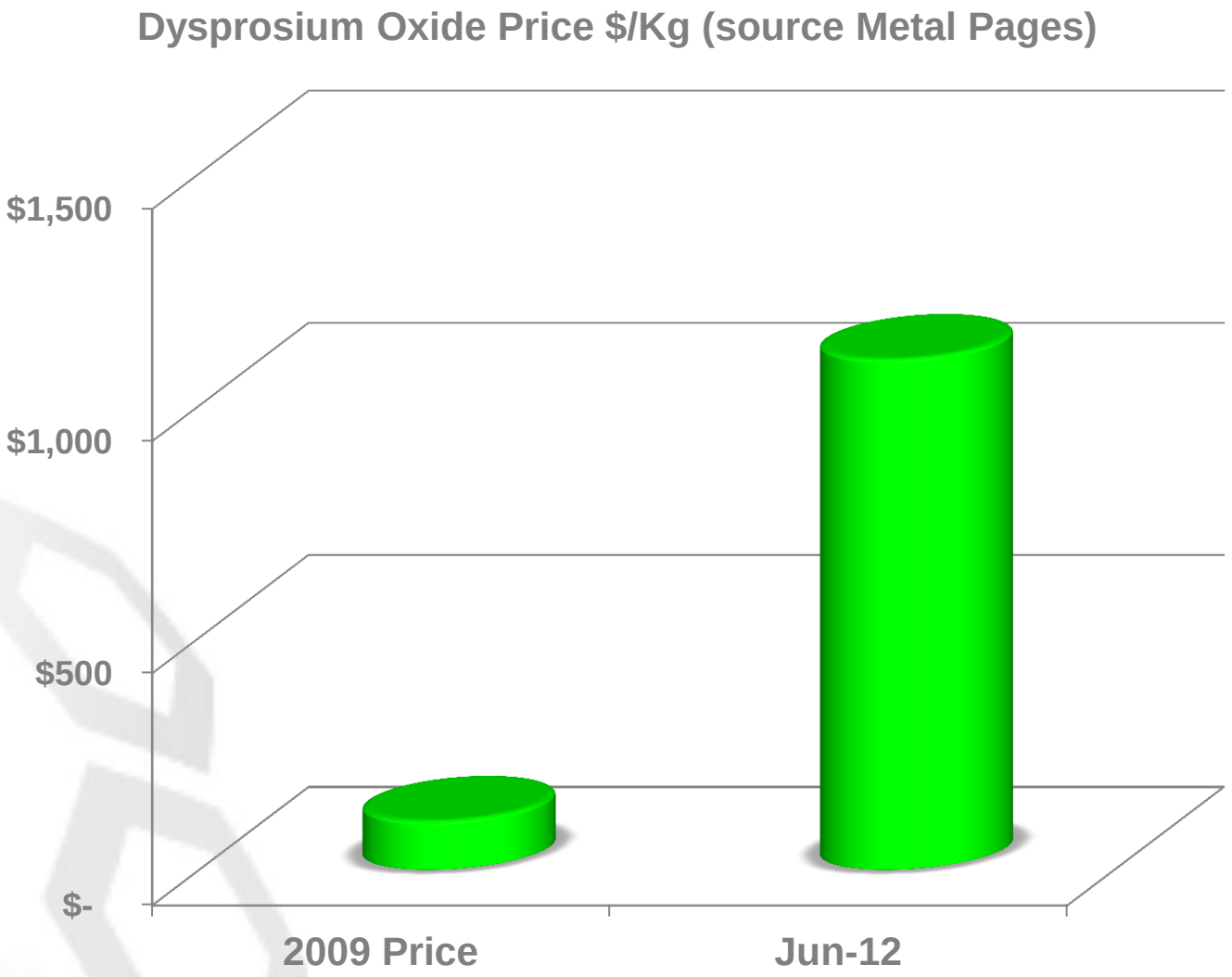
Europium for Red Colouring in Video Screens

Demand Supply Gap Forecast to Grow



Source: IMCOA – Öko-Institut; Jan 2012

HREE Prices Forecast to Remain Elevated



Source: - CREME IMCOA after Prstn 2012.04 Freiberg Inn Symp

Darwin-Gateway to the Worlds Largest REE Processing/Manufacturing Markets

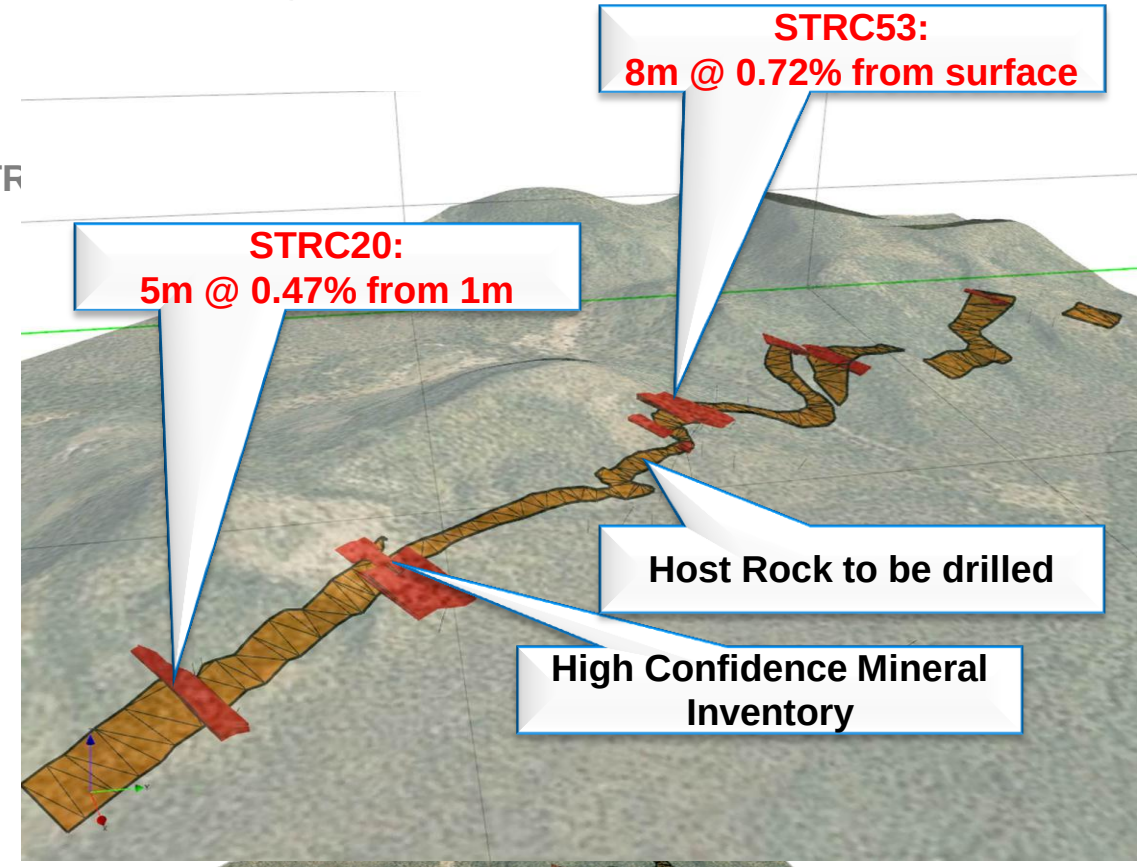
✓ Correct HREE Market Space +…..

Stromberg HREE Prospect; Potential Market Impact

Clear Resource Potential from Exploration Drilling

- 2.3km Strike Length
- Six Robust Drilling Cross Sections
- 3.5m average thickness >0.1% TREO
- 0.45% TREO all intersections >0.2%/TR
- Dysprosium Oxide 7.2%/TREO
- Terbium Oxide 1%/TREO
- Yttrium Oxide 72%/TREO
- Only 2ppm Thorium per 1% TREO

Stromberg
Potential Impact
Initial 1.5Mt Exploration Case



✓ Correct HREE Market Space

✓ Potential for Strong Market Impact+……

Large HREE Exploration Upside

Control of a New HREE District

= HREE Prospects

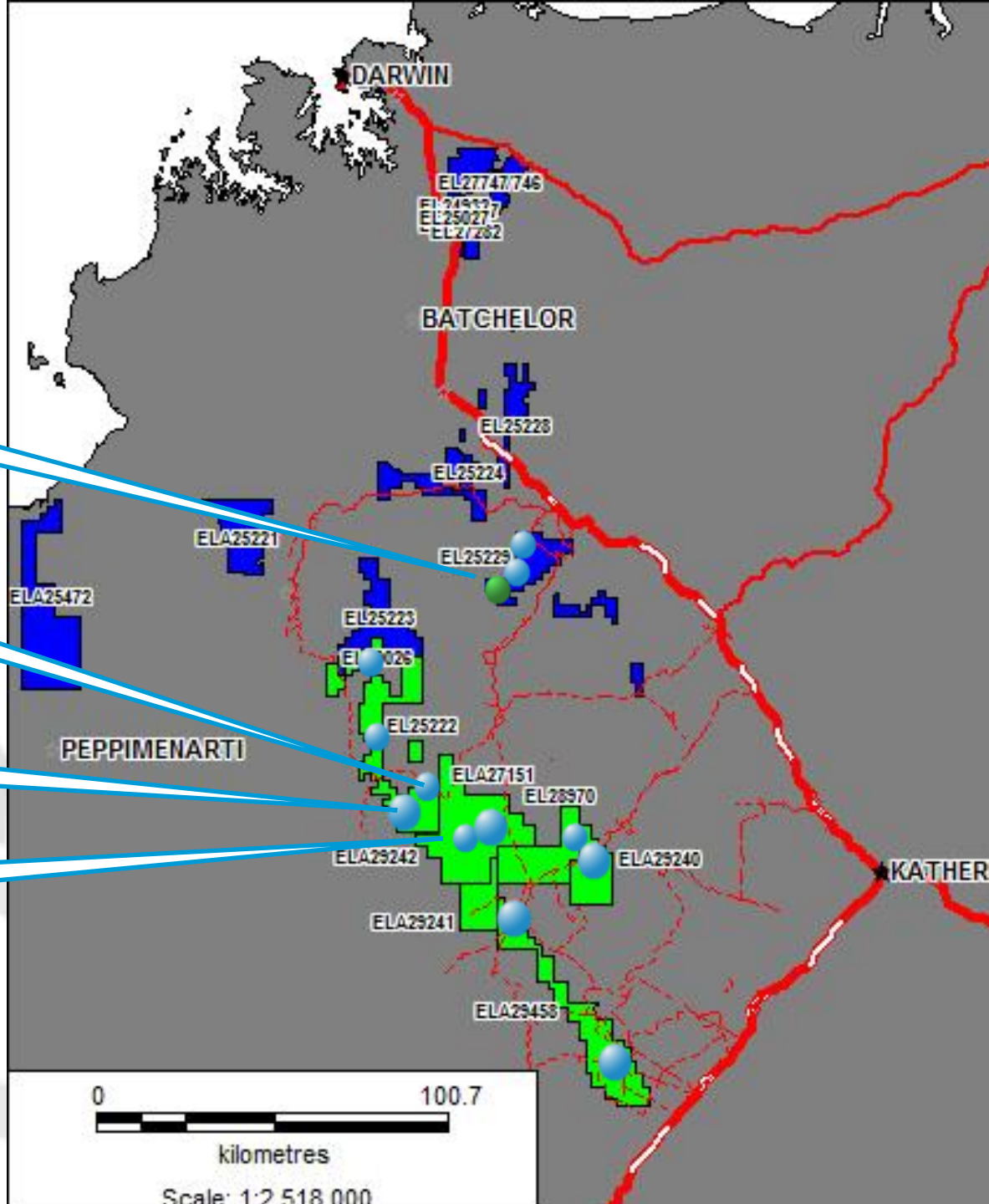
= LREE Prospect

Quantum LREE Discovery

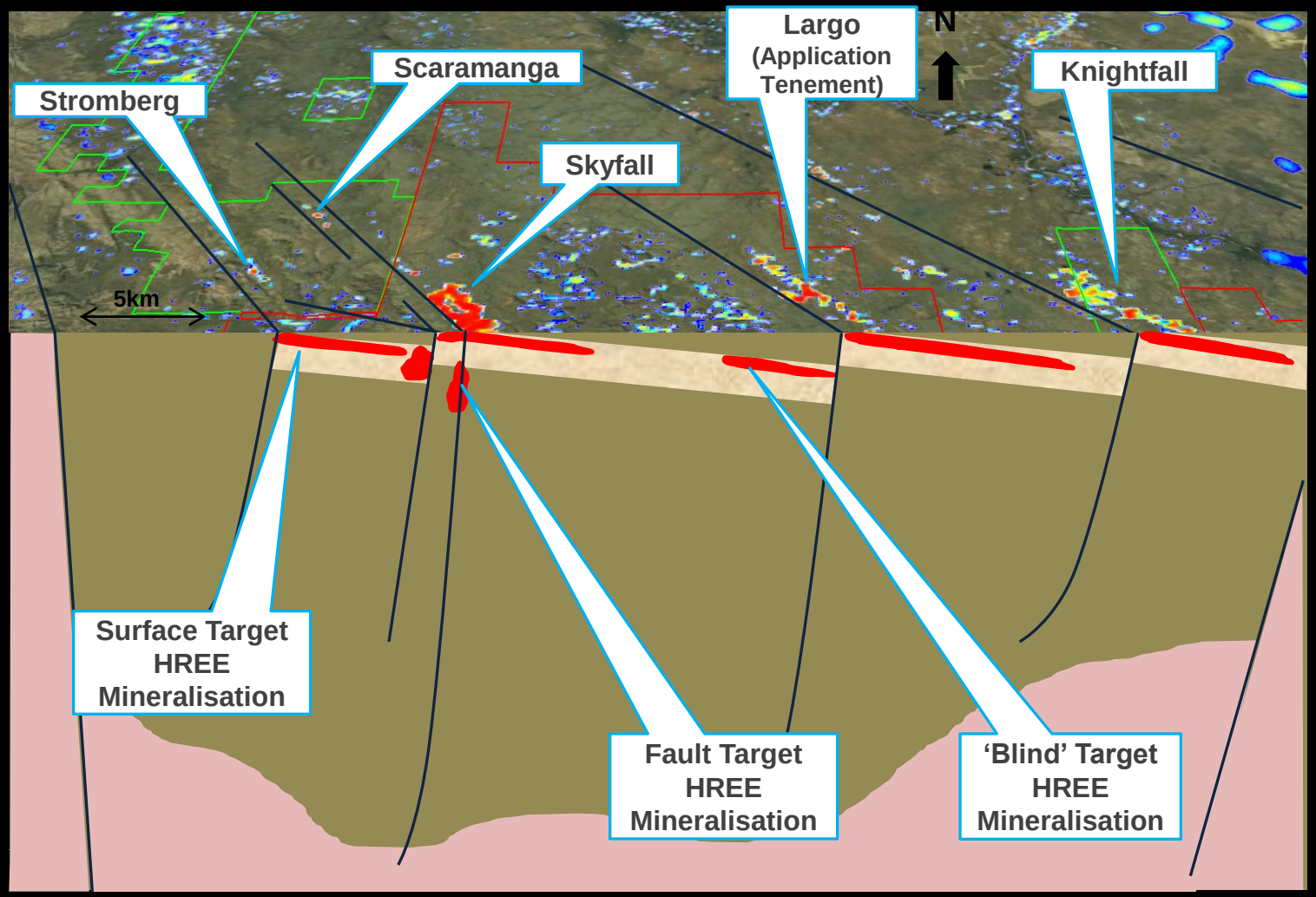
Scaramanga HREE Prospect

Stromberg HREE Discovery

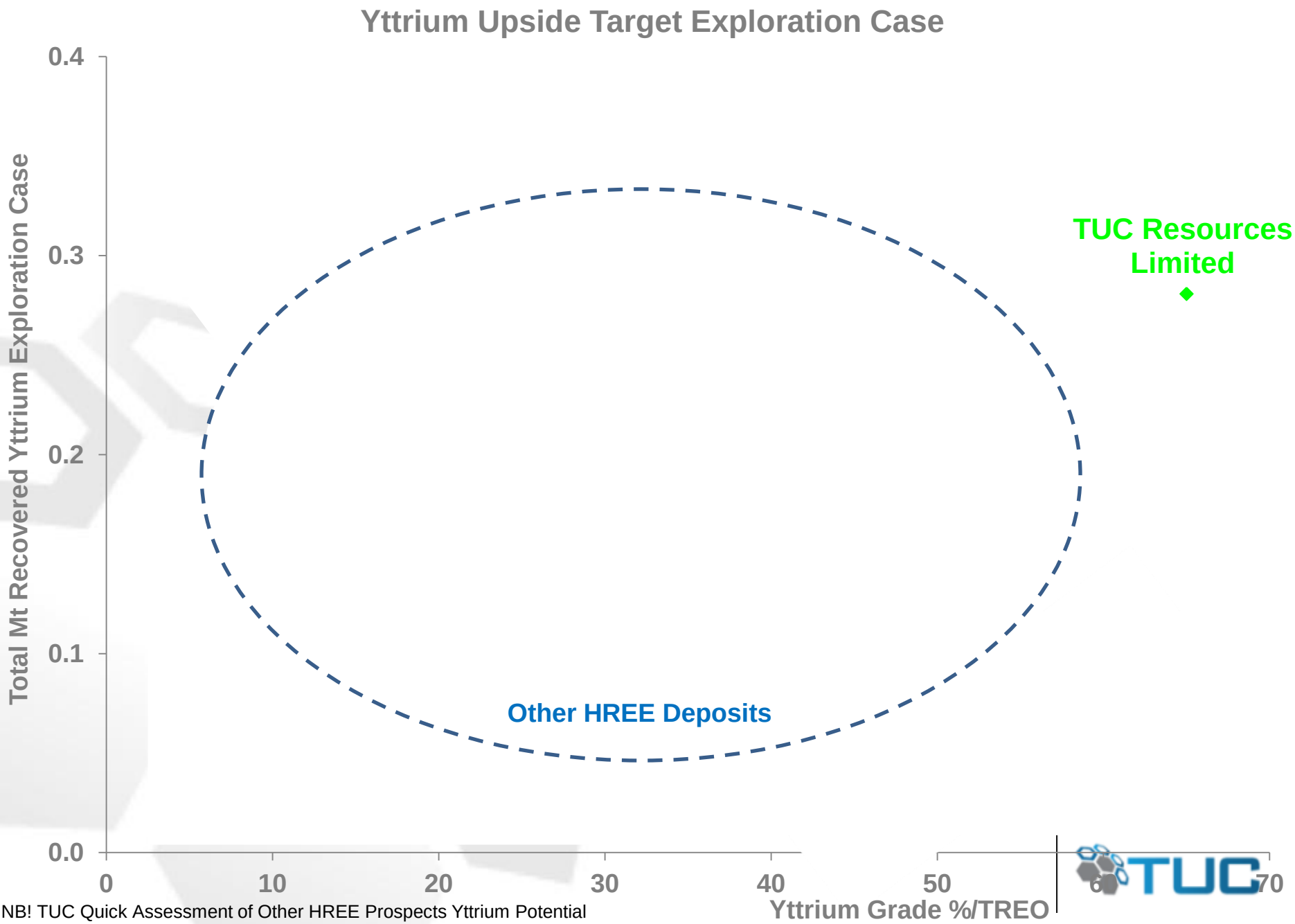
Skyfall



Large Exploration Potential - Rocks , Faults and Mineralised Systems Repeat



Exploration Potential Sets TUC in its own space – Yttrium Grade is King

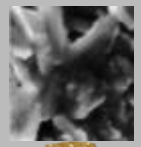


NB! TUC Quick Assessment of Other HREE Prospects Yttrium Potential

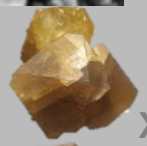
- ✓ Correct HREE Market Space
- ✓ Potential for Strong Market Impact
- ✓ Large HREE Exploration Upside +…….

Cost Advantages
Mineral Processing

Mineralogy Matters; Stromberg – A Xenotime Deposit in Clay – A Strong Combination



Clay

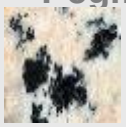


Xenotime

Eudialyte

Monazite

Pegmatite/Aplite



- Mineral Processing Efficiency +

South China Clays

TUC Resources Limited

Most Preferred Mineral Processing Options for HREE

Other HREE Deposits

Other Mineral Processing Options for HREE

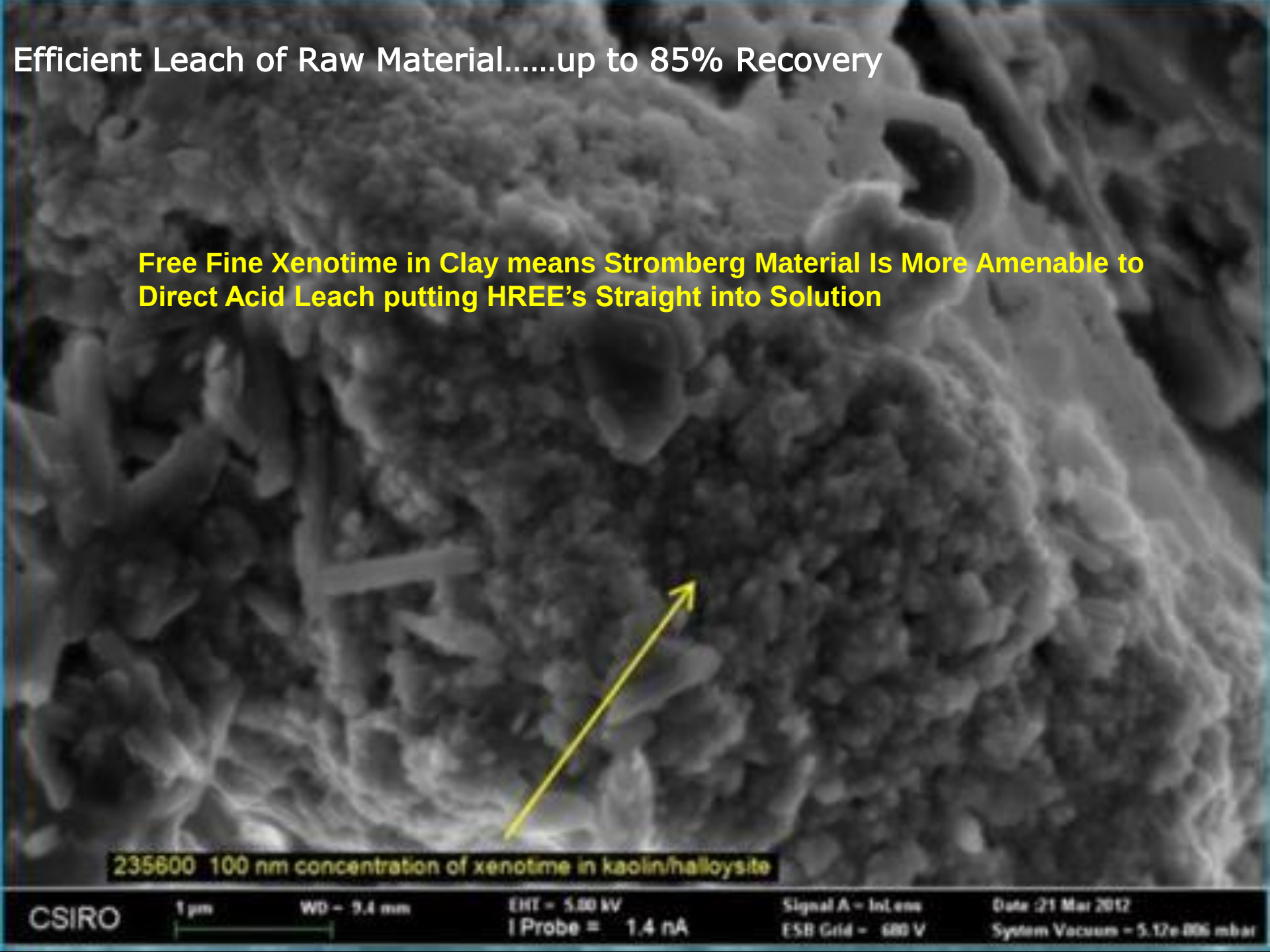
Other Possible Mineral Processing Options for HREE

Deposits

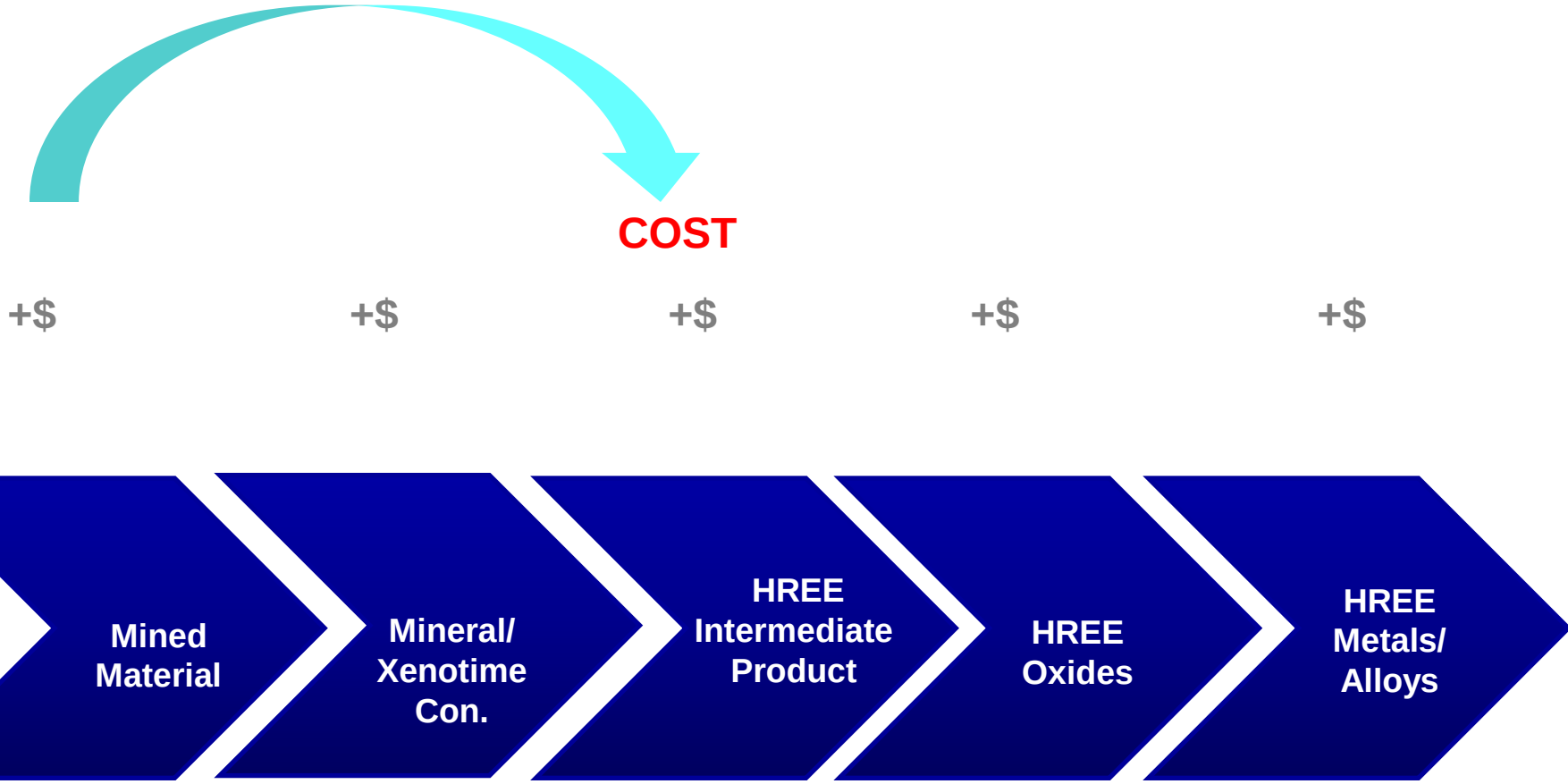
TUC

Efficient Leach of Raw Material……up to 85% Recovery

Free Fine Xenotime in Clay means Stromberg Material Is More Amenable to Direct Acid Leach putting HREE's Straight into Solution



Direct Leach Scenario Allows TUC to Leapfrog a Processing Stage

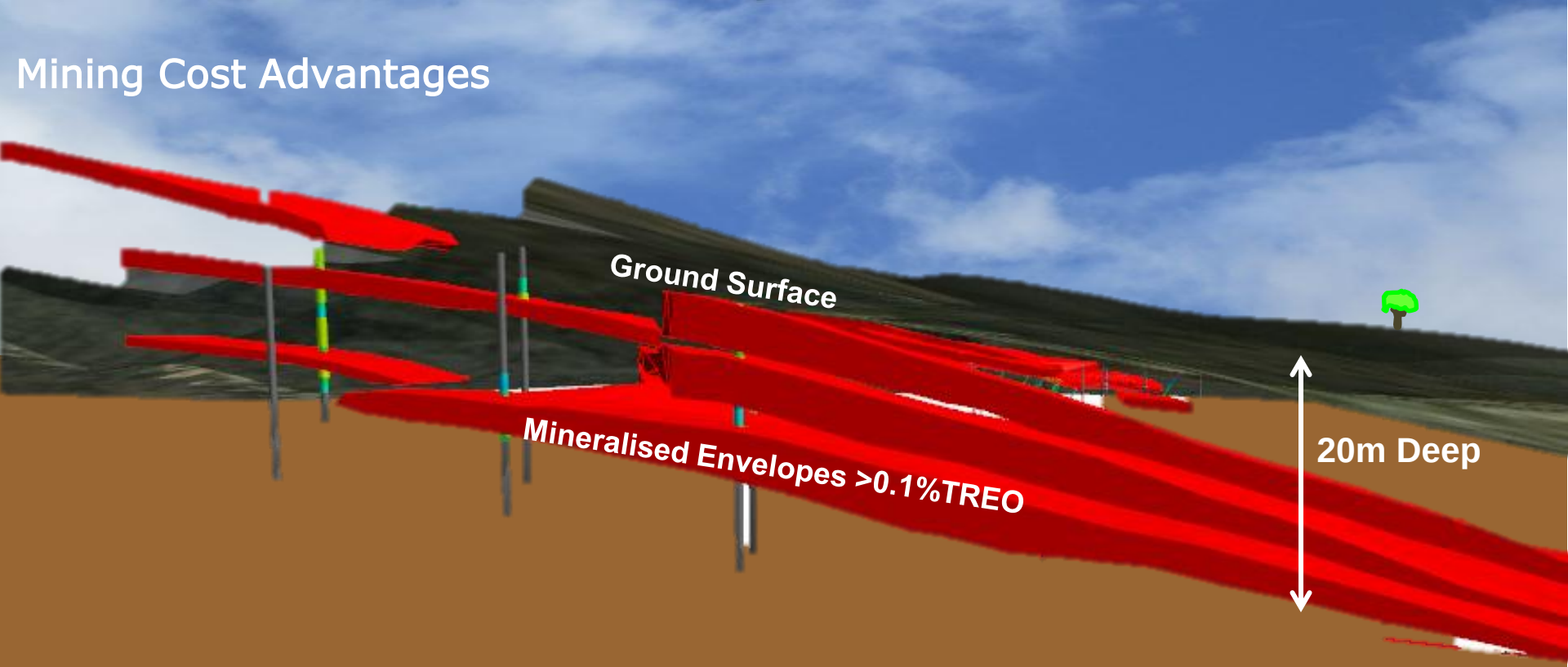


- Allows TUC to anticipate a lower opex and capex scenario

- ✓ Correct HREE Market Space
- ✓ Potential for Strong Market Impact
- ✓ Large HREE Exploration Upside
- ✓ Cost Advantages – Mineral Processing +….

Cost Advantages – Mining and Capex

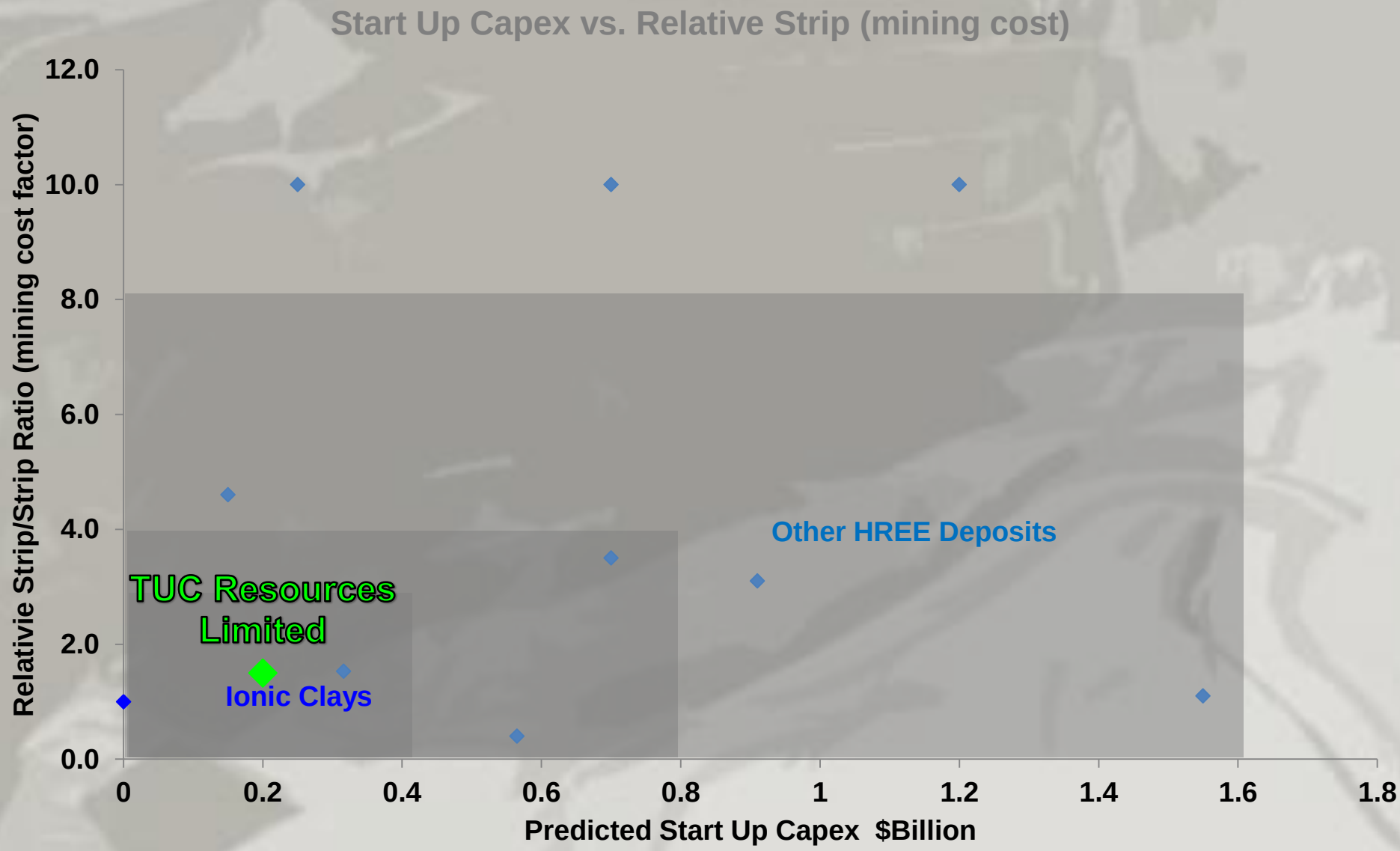
Mining Cost Advantages



- At Surface Tabular Bodies – Easy Access and Potential for Low Stripping Ratio
- Soft Weathered Clay – Easier to Mine or Dig

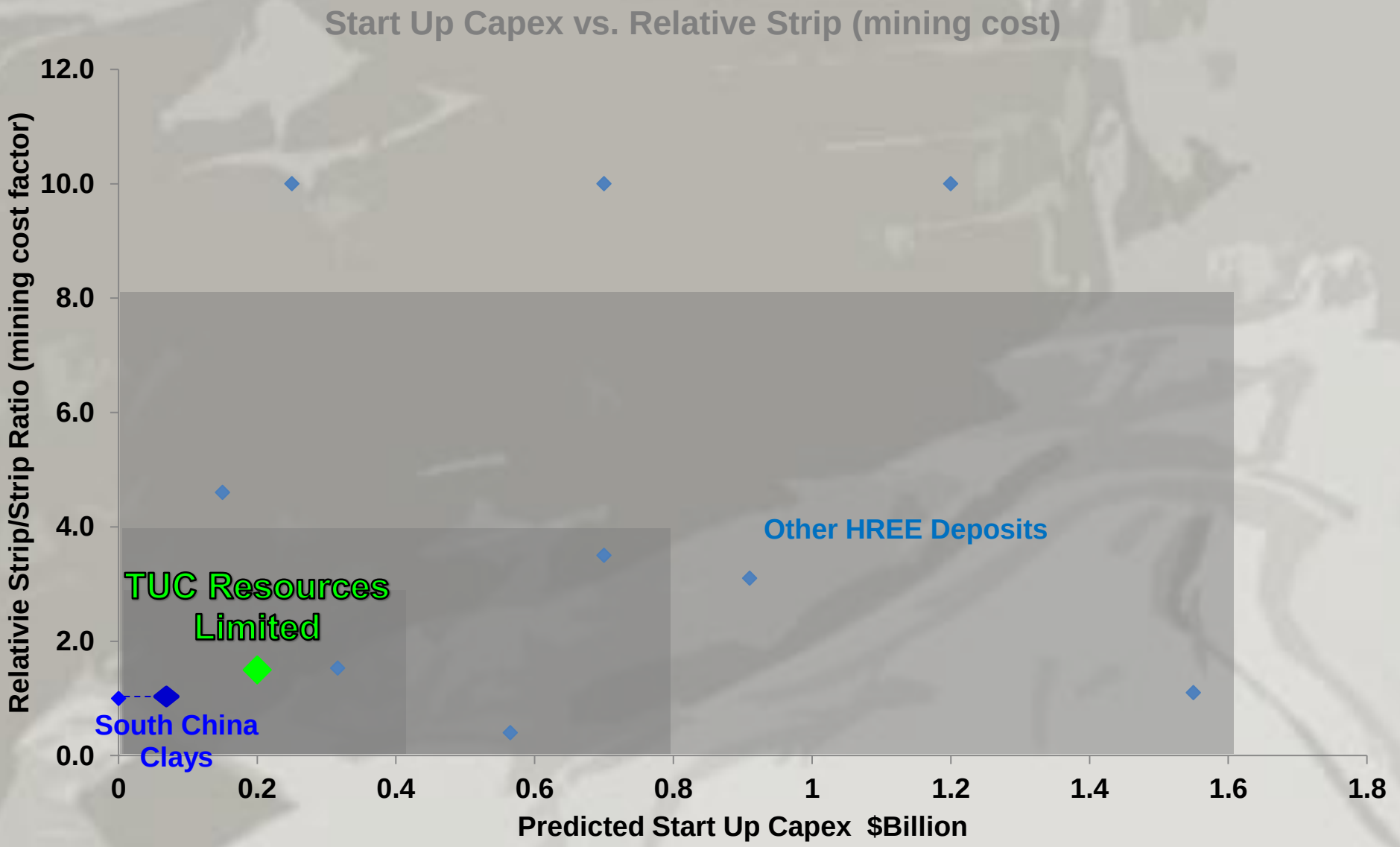
Initial Target Exploration Size at Stromberg allows TUC to Anticipate A Small Modular Plant Concept to Minimise Start Up Capex

Stromberg - Potential for Lower Quartile Costs



10:1 Strip Ratio utilised where possible underground mining scenario

Stromberg - Potential for Lower Quartile Costs

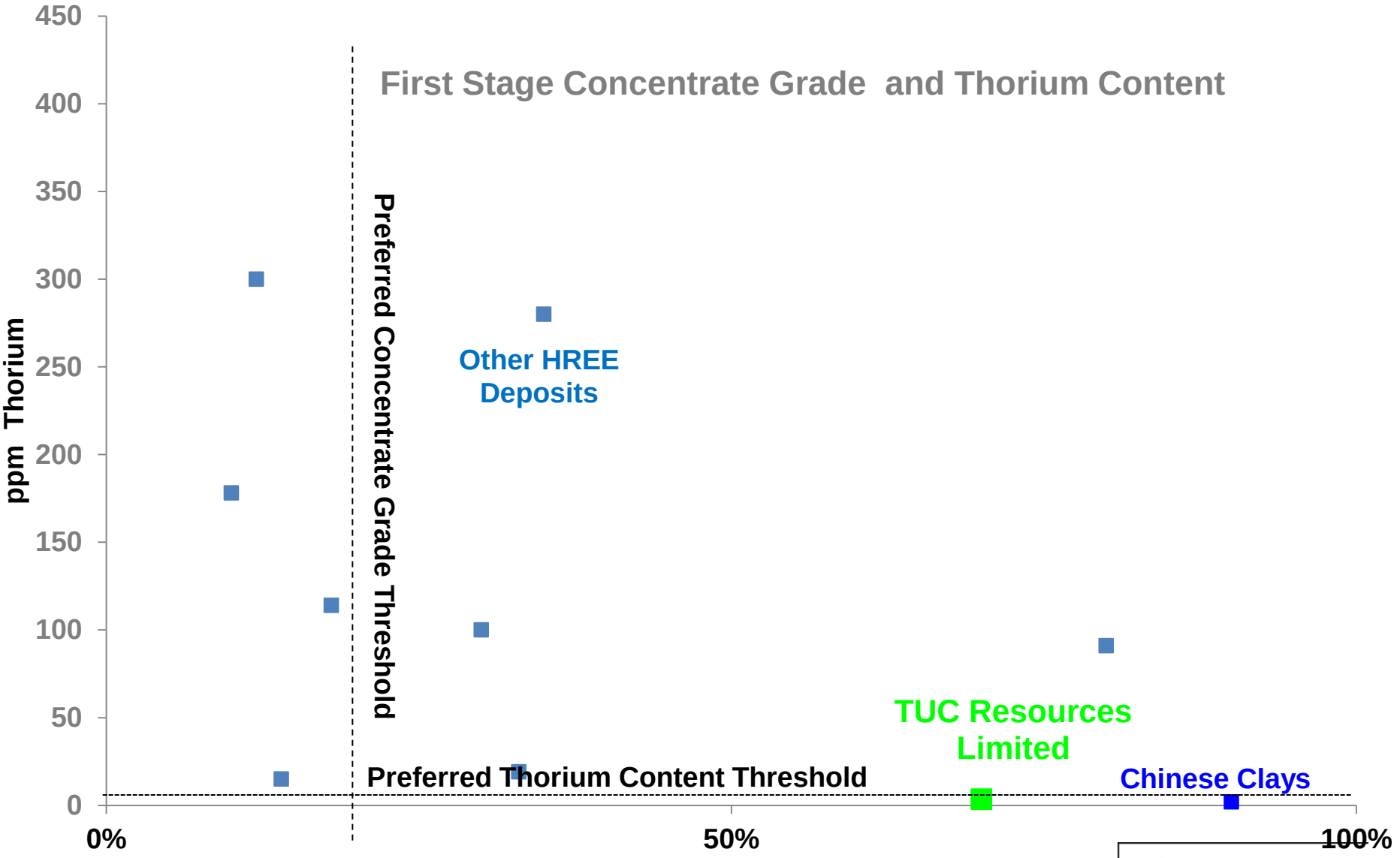


10:1 Strip Ratio utilised where possible underground mining scenario

- ✓ Correct HREE Market Space
- ✓ Potential for Strong Market Impact
- ✓ Large HREE Exploration Upside
- ✓ Cost Advantages – Mineral Processing
- ✓ Cost Advantages – Mining and Capex +….

Price Advantage

TUC's Stromberg has Other Price Advantages ; Potential Con. Grade and Low Deleterious Elements



Comparing physical separation deposits with direct leach deposits.

Assumes Comparable Solution and Precipitation Grade for TUC Material

Efficient Leach of Raw Material Potentially Provides Direct route to Competitive price position on intermediate /carbonate product.

Testing of Conceptual Flow Sheet in Progress.

Direct Leach Scenario Allows TUC to Anticipate receiving a Higher Pay Factor

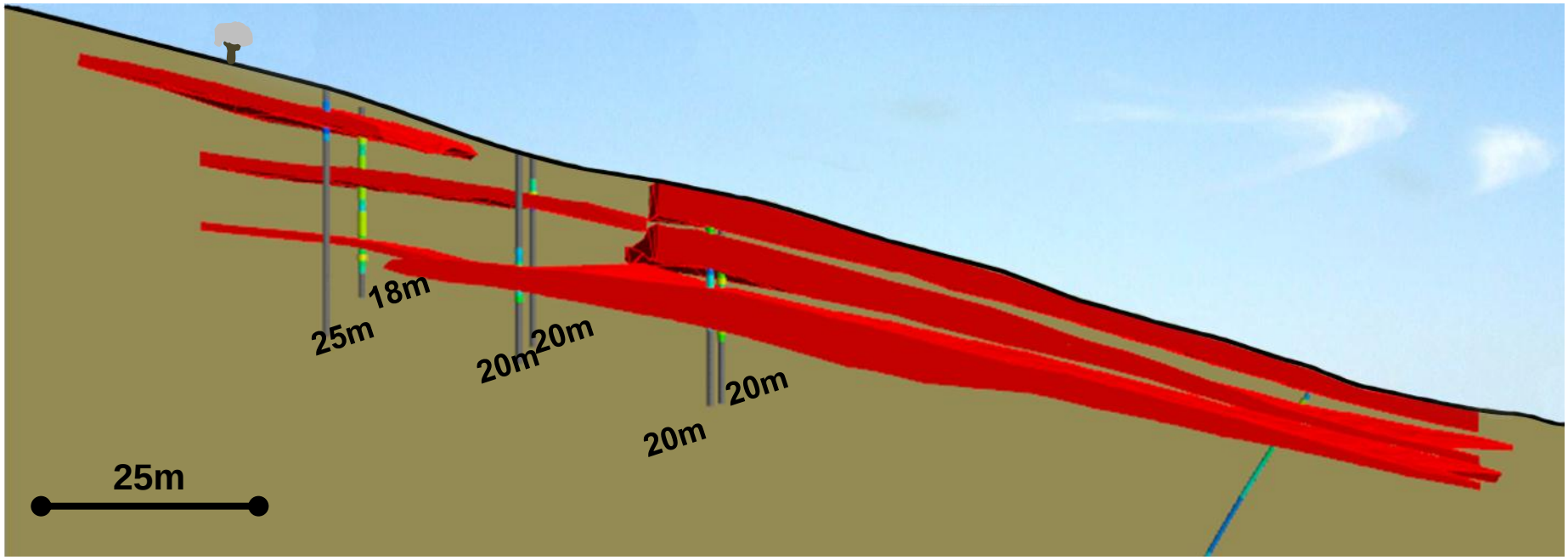
- TUC aims to Enter Market at Intermediate Stage - Not mineral Concentrate Stage

- ✓ Correct HREE Market Space
- ✓ Potential for Strong Market Impact
- ✓ Large HREE Exploration Upside
- ✓ Cost Advantages – Mineral Processing
- ✓ Cost Advantages – Mining and Capex
- ✓ Price Advantage – Potential for Higher Value Mixed Rare Earth Intermediate Product +……

Potential for Shorter Development Time – Early Mover Advantage

Development Time Advantages – Shallow Drill Holes

- Potential for Quicker Resource Development



- ✓ Correct HREE Market Space
- ✓ Potential for Strong Market Impact
- ✓ Large HREE Exploration Upside
- ✓ Cost Advantages – Mineral Processing
- ✓ Cost Advantages – Mining and Capex
- ✓ Price Advantage – Potential for Higher Value Mixed Rare Earth Intermediate Product
- ✓ Potential for Shorter Development Time – Early Mover Advantage +…

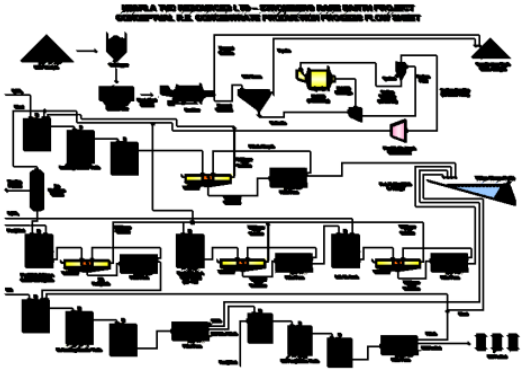
Strategy – Activities – Goals 2012

Secure Cornerstone
REE Value Chain Partner

Advanced Discussions in Progress

Prove/Improve Process Flow Sheet

Testing
In Progress

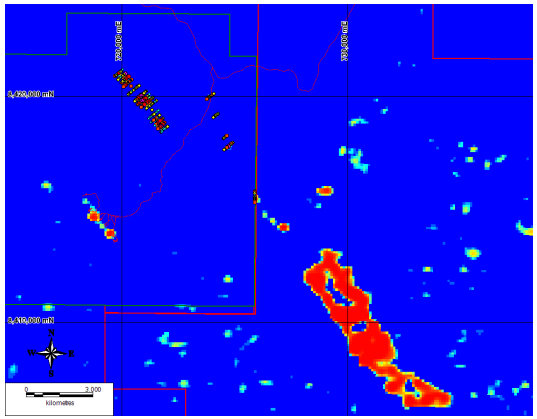


Precipitate A Mixed Rare Earth Carbonate

Stakeholder Engagement

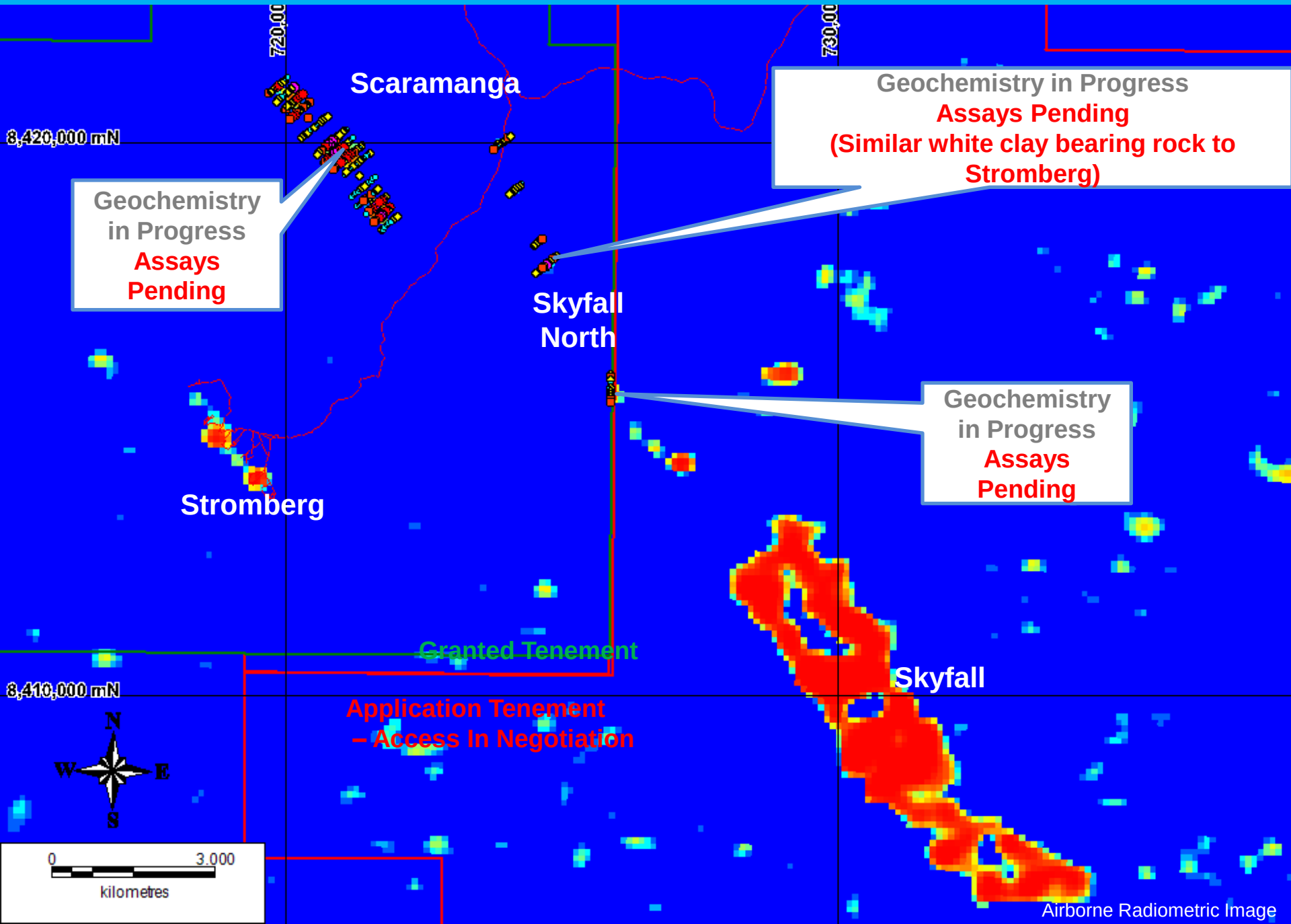
Develop Access to Large Exploration Upside in
Aboriginal Freehold Land Tenements

Validate Exploration Upside

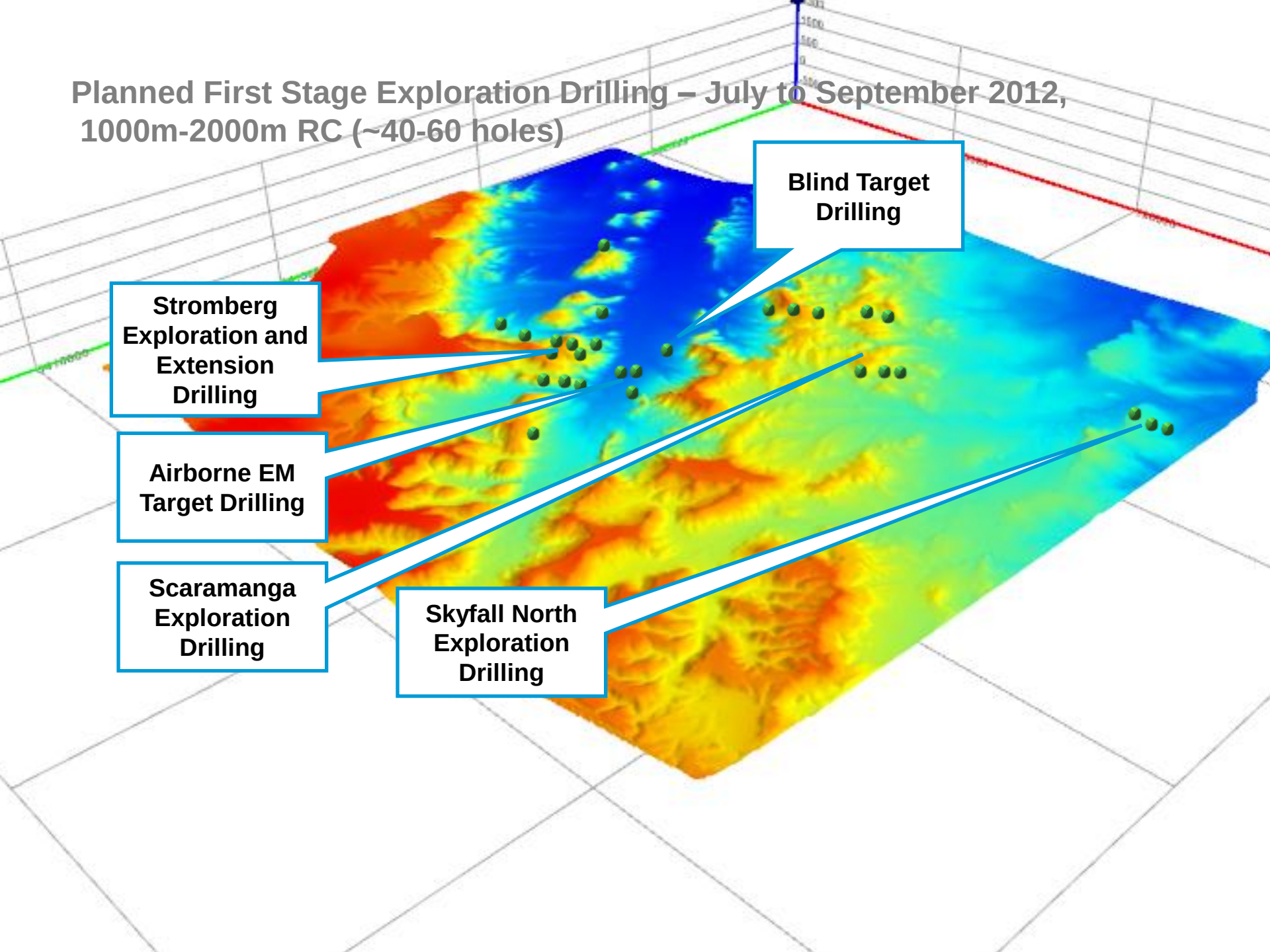


Geochemistry Programs
in Progress
Drilling Planned

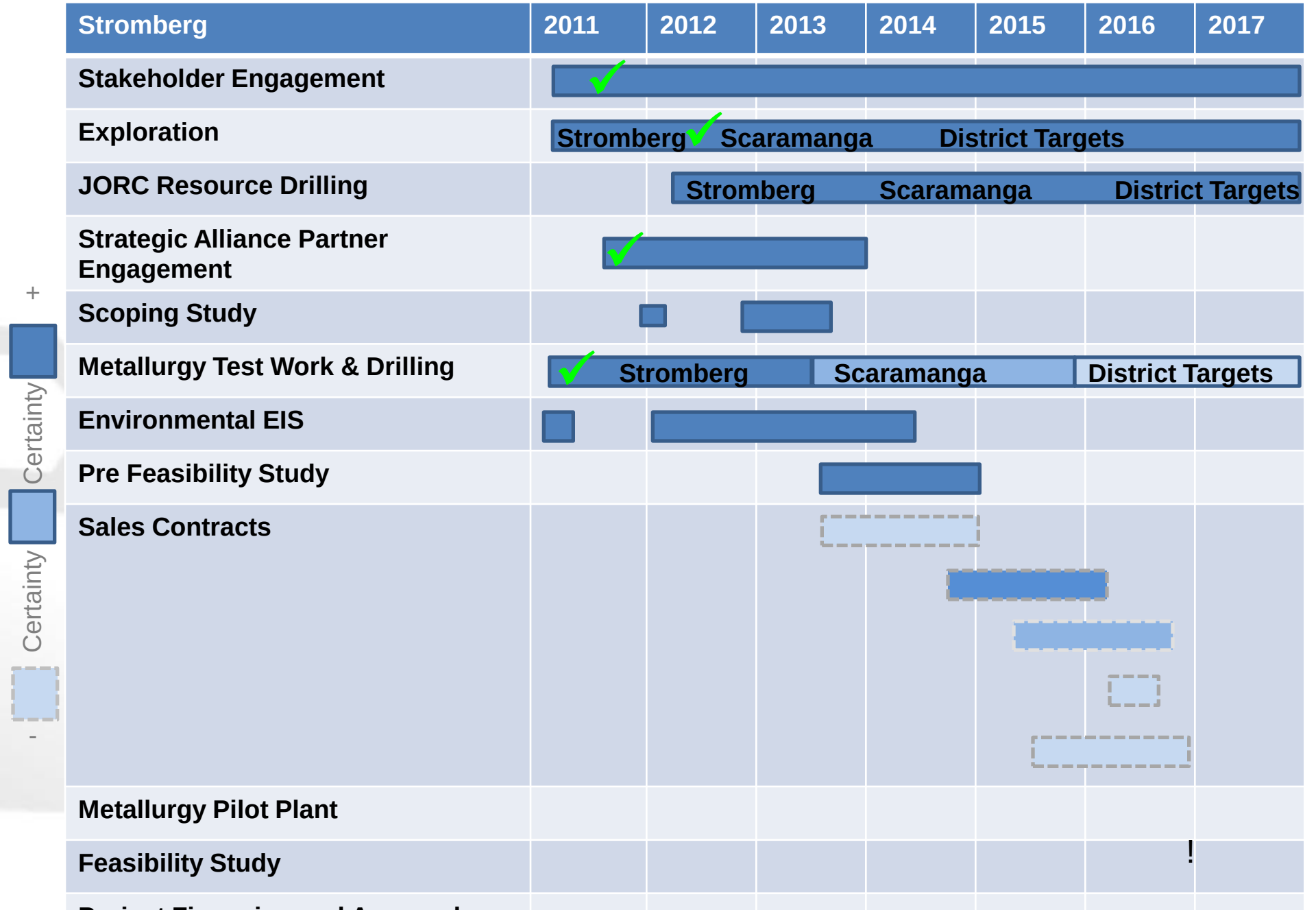
Geochemistry In Progress - Full district Potential – Drilling to Follow



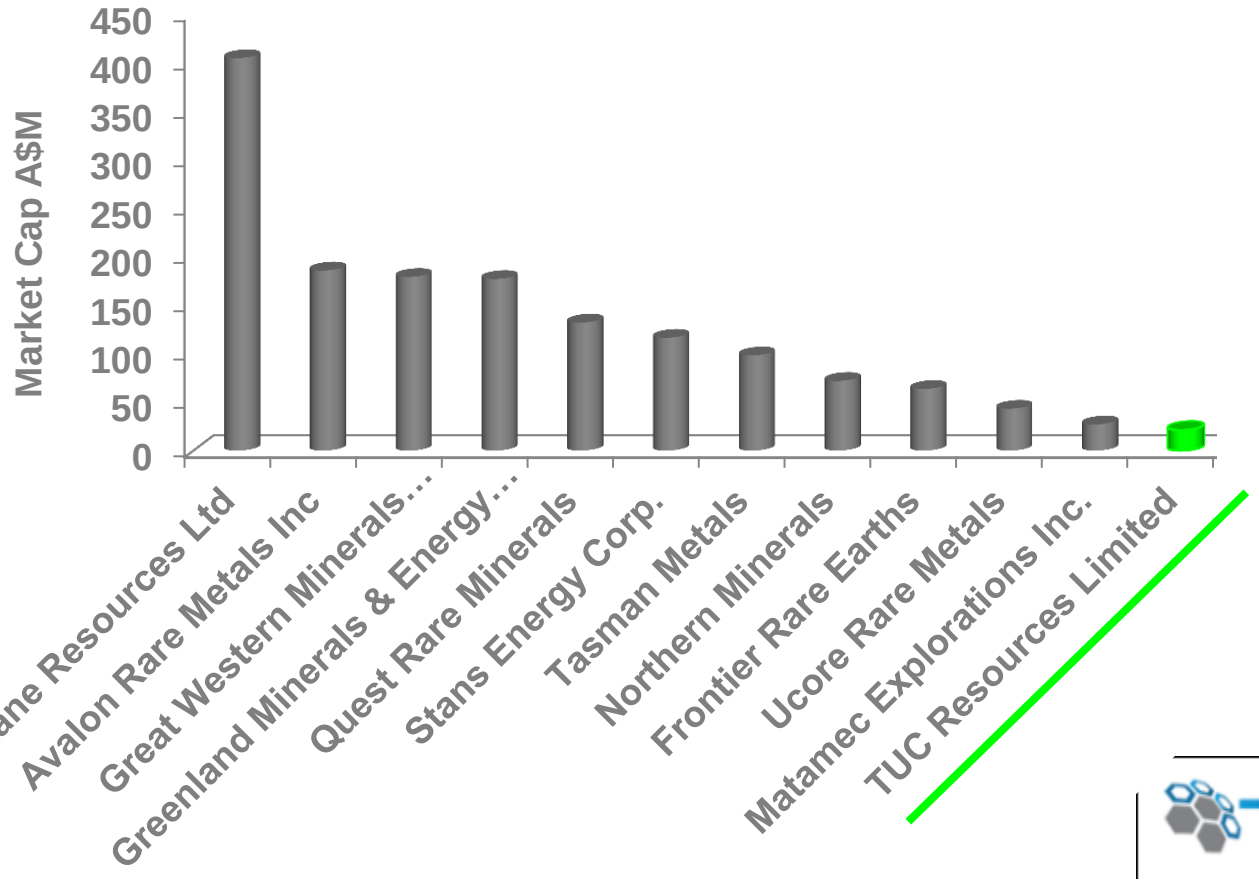
Planned First Stage Exploration Drilling – July to September 2012, 1000m-2000m RC (~40-60 holes)



Planned Stromberg Development Schedule – Parallel Opportunities



- ✓ Correct HREE Market Space
- ✓ Potential for Strong Market Impact
- ✓ Large HREE Exploration Upside
- ✓ Cost Advantages – Mineral Processing
- ✓ Cost Advantages – Mining and Capex
- ✓ Price Advantage – Potential for Higher Value Mixed Rare Earth Intermediate Product
- ✓ Potential for Shorter Development Time – Early Mover Advantage
- ✓ Aggressive Exploration Program Underway



Disclaimer

The Company has prepared this presentation. Whilst the information contained in this presentation has been prepared with all reasonable care from information provided by the Company and from sources, which the Company believes are reliable, no responsibility or liability is accepted by TUC Resources for any errors or omissions or misstatements, however caused. To the maximum extent permitted by law, TUC Resources, its directors officers, employees and agents disclaim liability for any loss or damage which may be suffered by any person thought the use or reliance on anything contained in or omitted in this presentation.

Certain information in this presentation refers to the intentions of TUC Resources, but these are not intended to be forecasts, forward looking statements or statements about future matters for the purposes of the Corporations Act or any other applicable law. The occurrence of events in the future are subject to risks, uncertainties and other factors that may cause TUC Resources actual results, performance or achievements to differ from those referred to in this presentation. Accordingly, TUC Resources Ltd, its directors officers, employees and agents do not give any assurance or guarantee that the occurrence of the events referred to in this presentation will actually occur as contemplated.

TUC Resources Ltd Directors and associates own shares in TUC Resources. The Company recommends investors obtain their own independent financial and accounting advice before making any financial investment in reliance upon information contained in this publication.

Competent Person

The information in this report that relates to Exploration Results is based on information compiled by Ian Bamborough, who is a Member of The Australian Institute of Geoscientists. Ian Bamborough is a fulltime employee of TUC Resources Ltd. Ian Bamborough has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ian Bamborough consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Contact Details

Ian Bamborough
Managing Director
ibamborough@tucresources.com.au
Phone: +61 (0)8 9325 7946

Main Office
Lvl 10, 553 Hay Street,
PERTH WA 0820
www.tucresources.com.au
ASX:TUC
ABN 94 115 770 226