TUC RESOURCES

(formerly Territory Uranium Company Ltd)

Annual Financial Report
30 June 2011

TUC Resources Limited
ACN 115 770 226

CORPORATE DIRECTORY

Directors

Mr Peter Harold
Non-executive Chairman

Mr Ian Bamborough
Managing Director

Mr Ronald Stanley
Non-executive Director

Mr Anthony Barton
Non-executive Director

Mr Michael Britton
Non-executive Director

Company Secretary
Mr Graeme Boden
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Facsimile: (08) 9382 1766
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Website: www.tucresources.com.au

Auditors
Deloitte Touche Tohmatsu
Level 13, Woodside Plaza
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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, 2011.

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 48
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 39
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) - Age 74
Mr Stanley has 49 years experience in mining exploration and mine feasibility and over twenty six 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 54
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 34 years of commercial experience having also acted in senior executive and director capabilities for two leading Australian stockbroking firms. Mr Barton is also a Non-Executive Director of Equator Resources Limited (14 September 2009 to present) and Non-Executive Chairman of Speewah Metals Limited (21 May 2007 to present).

Michael Britton - Non-Executive Director (appointed on 31 October, 2006) - Age 38
Michael holds a Bachelor of Commerce degree and is a Fellow of the Institute of Public Accountants. He has 15 years experience in accounting and finance and for the last 9 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.

Peter Stanley - Non-Executive Director (appointed on 31 October, 2006, resigned 22 November 2010) - Age 53
Peter has broad management and business experience gained during senior management positions held in Berkeley Group, a national building services company and as Managing Director of Westlaw Securities Pty Ltd. Peter is also a director of Stanley Resources Pty Ltd with involvement in property development and mining investments.

COMPANY SECRETARY

Graeme Boden – Company Secretary (appointed secretary on 11 December 2006) – Age 62
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	6	6	2	2	3	3
Ian Bamborough	6	6	2	2	3	3
Ronald Stanley	6	6	2	2	3	3
Anthony Barton	1	1	1	1	1	1
Peter Stanley	4	4	-	-	1	1
Michael Britton	6	6	2	2	3	2

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 Peter Stanley – resigned 22 November, 2010
- Mr Anthony Barton – appointed 6 April, 2011

DIRECTORS' INTERESTS

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

	Ordinary Shares	Employee Options
Peter Harold	5,000,000	-
Ian Bamborough	244,450	4,000,000
Ronald Stanley	13,975,000	-
Anthony Barton	12,213,146	-
Michael Britton	478,146	-

DIVIDENDS

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

PRINCIPAL ACTIVITIES

The principal activity of the Company 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, 2011 was $1,419,179 (2010: loss $655,896). The major items of expenditure were employee expenses totalling $858,207 (2010: $750,135) and shareholder relations expenditure of $55,208 (2010: $22,213). A further $3,003,859 (2010: $575,110) was capitalised as exploration and evaluation expenditure in accordance with the relevant accounting standards.

Financial Position

During the year 30,174,774 shares were issued pursuant to placements and 390,000 shares were issued on exercise of options.

Cash and assets utilised by the Company for the year ended 30 June, 2011 are consistent with the Company's business objectives since listing on the ASX on 26 April, 2007. Cash in bank at the end of the year was $6,397,919.

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 16,000km^2 of prospective land package across 39 tenements (27 under application). The business holds consolidated project areas across several key geological terrains (Figure 1).

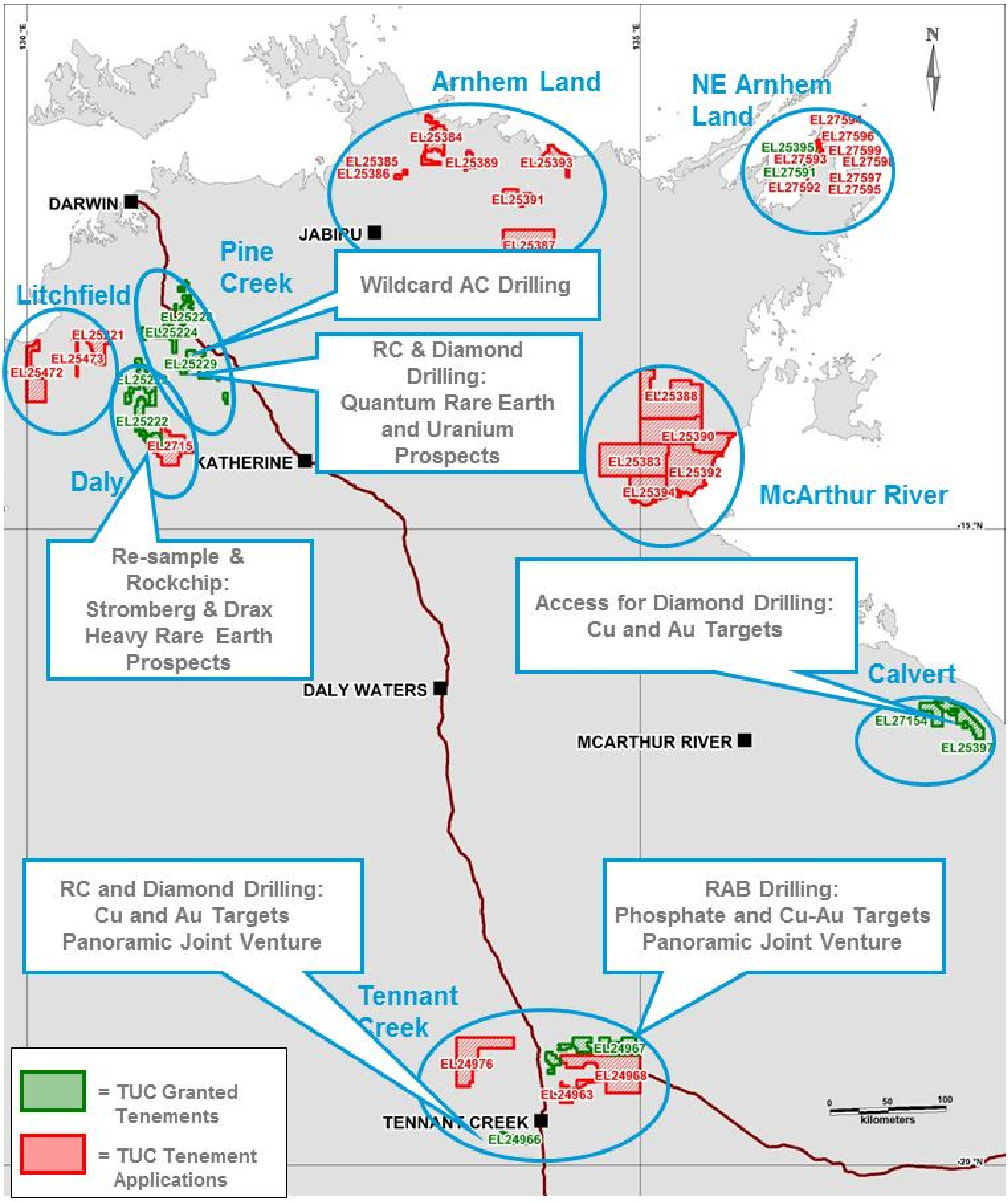

Figure 1. TUC Tenements and recent activities

Pine Creek and Daly Regions - Rare Earth Exploration

Since October 2010 the company has continued to build its focus on its rare earth projects, Quantum, and the more recent discoveries, Stromberg and Drax, with excellent results.

Quantum

The Quantum prospect is located within TUC's Pine Creek Project on the Western margin of the mineral prospective Pine Creek orogen.

Drilling programs conducted throughout 2010/11 have revealed numerous significant high grade intersections (see TUC ASX Announcements dated 26 October 2010 and 21 March 2011). Ongoing drilling at Quantum continues to reveal extensions to the rare earth mineralised system which is now known to be at least 400m long. A total of 4.5km of anomaly remains to be tested more thoroughly.

Metallurgical testing of a composite drill sample from the Quantum Rare Earth prospect combining density and magnetic separation produced a 19% Total Rare Earth Oxide (TREO) concentrate grade. Importantly, the concentrate is heavily endowed with Bastnasite – a mineral well understood and in keen demand from a global processing point of view. The opportunity to produce an export specification concentrate using well known, low cost physical separation methods gives the Quantum prospect a very significant competitive advantage over other potential rare earth deposits.

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 higher percentages of the very valuable Dysprosium Oxide at this prospect make this a very exciting prospect for TUC.

The Stromberg Prospect is situated at, or very near surface, in a flat lying tabular body. Further shallow exploration potential exists over a highly promising and undrilled +2km strike length.

Recent mineralogy results have confirmed that the rare earths are contained in the mineral xenotime (see ASX announcement 14 September, 2011). Xenotime is known for its excellent recovery of rare earths and improves the economics of this important discovery.

Pine Creek Region - Uranium Exploration

Since October 2010 the company has continued with some uranium exploration in the area around Quantum at Pine Creek.

Wildcard

A small aircore drilling program was completed to test radiometric anomalies and interpreted fault positions at the Wildcard Prospect. This initial drilling highlighted several anomalous zones for follow up drilling. The shallow AC holes confirmed the presence of uranium prospective basement rocks beneath cover rocks (depth of cover ~40m). Geochemically anomalous signatures for uranium, gold, platinum and base metals were noted in the basement. Further RC drilling is planned to more fully test this prospective area. The Wildcard prospect is geographically close to the Cosmo Howley gold mine and Fleur De Lys uranium mine.

Quantum Area Uranium

A single diamond hole was completed to follow up on significant uranium intersections in a historic drill hole. A number of zones of mineral alteration, veining and elevated uranium results were identified in both the historic and recently drilled hole indicating continuity in mineralisation. Further drilling is being planned to more fully test this stand-alone uranium target.

Phosphate Exploration on the Panoramic Resources (PAN)—TUC JV, Tennant Creek

A drilling program was completed on EL24967 to explore for phosphate bearing rocks on the Barkly table land. A total of 41 RAB holes were completed at 2km spacing for 1,135m (average hole depth 27m). Samples have been delivered to the laboratory for multi-element analysis and assays remain pending.

Copper Gold Exploration on the Panoramic Resources (PAN)—TUC JV, Tennant Creek

A drilling program was completed on EL24966 to explore for Tennant Creek style copper-gold mineralisation. A total of 1200m of RC and diamond drilling targeted a number of promising geophysical anomalies. Despite drilling successfully identifying the source of the anomalies, exploration failed to intersect any significant mineralisation. This tenement has been removed from the Joint Venture and relinquished by TUC Resources.

Panoramic can spend up to $3m to earn up to 51% of the tenement in the Tennant Creek Region (now only EL24967). Panoramic have spent approximately $900,000 to date.

Calvert Cu-Au Project

Road building and drill pad clearing were undertaken at the Calvert project. An attempt was made to mobilise a diamond drill rig into this base metal project but wetter than expected ground conditions rendered access impossible. An attempt to access the prospect is now planned for 2012, either when the ground is drier, or by utilising helicopter supported drilling.

Land Access Progress

TUC Resources made significant in-roads into gaining access to some of its application tenements on Aboriginal Freehold Land during the reporting period. Verbal consent was given for access to two key uranium tenements in its Arnhem Project (EL25389 and ELA 25384) and three tenements in the Tennant Creek Project (ELA24976, ELA24963 and ELA 24968). The Company is negotiating agreements with the Traditional Aboriginal Land Owners through the relevant Land Councils and also on its McArthur Project.

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 Company 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 Company, the results of those operations or the state of affairs of the Company, in future financial years, other than:

- The Company changed its name form Territory Uranium Company Ltd to TUC Resources Ltd on 27 July 2011.
- The Company adopted a new Constitution at a general meeting on 26 August 2011, principally to update for changes to the Corporations Act in relation to the payment of dividends and proportional takeovers, but also to increase the aggregate amount available form remuneration of non-executive directors, from $200,000 to $300,000 per annum.
- At the general meeting of 26 August 2011 the Company approved the TUC Resources Performance Rights Plan as an incentive scheme for employees.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company 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 Company 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 Company has complied with all material environmental requirements up to the date of this report. The directors believe that the Company 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 were 4,040,000 issued ordinary shares under option.

Grant Date	Date of Expiry	Exercise Price $	Number under option
29/11/2007	30/06/2012	0.40	500,000
29/11/2007	30/06/2012	0.48	500,000
29/11/2007	30/06/2012	0.56	500,000
29/11/2007	30/06/2012	0.64	500,000
25/11/2008	30/06/2012	0.15	1,000,000
25/11/2008	30/06/2012	0.20	500,000
25/11/2008	30/06/2012	0.25	500,000
07/03/2010	30/06/2012	0.15	40,000
			4,040,000

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

390,000 fully paid ordinary shares were issued during the year as a result of the exercise of unlisted options.

INDEMNIFICATION AND INSURANCE OF DIRECTORS

The Company has paid premiums to insure the Directors against liabilities incurred in the conduct of the business of the Company and has provided right of access to Company 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

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

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)
Mr A Barton (Non-Executive Director) – appointed 6 April, 2011
Mr M Britton (Non-Executive Director)
Mr P Stanley (Non-Executive Director) – resigned 22 November, 2010
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
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 an increase in 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.

Executive remuneration
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 Total Employment Cost is $271,704 including $20,234 superannuation and he has been granted options (as set out in this report) to assist with keeping his package competitive in the market. The exercise price of these options keeps Mr Bamborough’s interests aligned with those of shareholders. The Company can terminate the Managing Director’s contract summarily or with one month’s notice for serious breaches or offences or with three months notice without reason.

The tables below set out summary information about the Company’s earnings and movements in shareholder wealth since listing:

	30 June 2011	**30 June 2010**	**30 June 2009**	**30 June 2008**
	$	**$**	**$**	**$**
Net loss	1,419,179	655,896	1,979,544	1,054,361

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

Details of remuneration for the year ended 30 June, 2011

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	2011	51,667	-	4,650	-	56,317	-
	2010	37,500	-	3,375	-	40,875	-
Mr R Stanley	2011	36,667	14,500	3,300	-	54,467	-
	2010	26,250	18,000	2,363	-	46,613	-
Mr A Barton	2011	9,111	-	820	-	9,931	-
	2010	-	-	-	-	-	-
Mr M Britton	2011	36,667	41,450	3,300	-	81,417	-
	2010	26,250	36,706	2,363	-	65,319	-
Mr P Stanley	2011	13,806	-	1,242	-	15,048	-
	2010	26,250	-	2,363	-	28,613	-
Secretary							
Mr G Boden	2011	25,402	-	-	-	25,402	-
	2010	32,402	-	-	-	32,402	-
Executive							
Mr I Bamborough	2011	226,967	-	20,234	24,503	271,704	9.02
	2010	195,933	-	17,487	57,966	271,386	21.36
Total Key Management Personnel	**2011**	**400,287**	**55,950**	**33,546**	**24,503**	**514,286**	**4.76**
	2010	344,585	54,706	27,951	57,966	485,208	11.95

Options

During the financial year ending 30 June 2011, 50,000 options exercisable at $0.15 on or before 30 June 2012, were granted and issued to an employee as part of a remuneration package in August 2010. Subsequently, upon ceasing employment the 50,000 lapsed in February 2011.

During the financial year ending 30 June 2011 a total of 390,000 options, previously granted as part of three remuneration packages in prior financial years, were exercised at $0.15

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. In order for him to gain beneficial interest in the abovementioned options, his service must continue until the vesting date.

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 contained in the following section.

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, 2011.

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, 2011.

Signed at Perth this 28th day of September, 2011 in accordance with a resolution of the directors made pursuant to s298(2) of the Corporations Act 2001.

Ian Bamborough
Managing Director

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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The Directors
TUC Resources Limited
Suite 3, 257 York Street
Subiaco WA 6008

28 September 2011

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 2011, 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

Conley Manifis
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 offered full disclosure of 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 there is only one director that has a relationship with the Company which would lead them to being defined as independent. Mr Barton and Mr Ron Stanley are both substantial shareholders. Mr Bamborough is an executive and Mr M Britton, although a non-executive director, 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 now meets the definition of an independent director.

The board has reviewed its composition and considers that relationships which define four 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 did met in this capacity on three 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. 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 2011 year, using the process described above, however, is in the process on being conducted at the date of this report.

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:

	2011		2010	
	Female	**Total**	**Female**	**Total**
Board	-	5	-	5
Other Key Management Personnel	-	1	-	1
Other Professionals	1	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 Mr P Stanley's resignation from the board, it was decided that the whole board should sit as the audit committee. The board considers that the membership of the audit committee is the most appropriate given there is only one independent director. The board considers that by having the whole board sit as the audit committee it is able to fulfil its charter.

The audit committee did not meet during the 2011 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 2011 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 four years, ending September 2011, which has been renewed for a further three year term. All other directors have a term of no more than three years rtire in accordance with a rotation schedule. Mr Barton was appointed by the board during the year and will stand for election at the 2011 annual general meeting.

Identification of independent directors

Currently only Mr Harold complies 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 responsibility 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. 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.

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

Statement of Comprehensive Income
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	*2011* *$*	*2010* *$*
Revenue			
Sale of tenements		-	600,000
Sale of option (Jandapa Hills)		-	25,000
Interest received	3(a)	209,559	86,435
Other Income		16,674	14,081
		226,233	725,516
Expenses			
Accounting & Audit costs		83,132	70,063
ASX & Share Registry expenses		35,575	30,344
Depreciation	3(b)	38,931	37,278
Consultants Fees		18,112	22,944
Travel & Accommodation		45,283	29,318
Employee expenses	3(c)	858,207	750,135
Rent	3(d)	49,930	42,524
Company Secretarial Services		25,402	32,402
Vehicle & Equipment Hire		21,693	5,529
Insurances		39,705	32,451
Postage, Printing & Stationery		21,332	12,497
Repairs & Maintenance		33,893	12,356
Shareholder/Public Relations		55,208	22,213
Dues & Subscriptions		30,542	32,317
Impairment of Exploration & Evaluation expenditure		-	194,415
Other expenses from operating activities		122,443	55,200
Loss before income tax		(1,253,155)	(655,896)
Income tax expense	4	166,024	-
Loss for the year		(1,419,179)	(655,896)
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		**(1,419,179)**	**(655,896)**
Loss per share (cents per share)	5		
- basic for loss for the year		-1.3	-0.8
- diluted for loss for the year		-1.3	-0.8
- dividends paid per share	6	-	-

The accompanying notes form part of these financial statements.

Statement of Financial Position

AS AT 30 JUNE 2011

	Notes	*2011* *$*	*2010* *$*
ASSETS			
Current Assets			
Cash and cash equivalents	7	6,397,919	2,284,710
Trade and other receivables	8	161,259	5,977
Prepayments		33,388	14,559
Total Current Assets		6,592,566	2,305,246
Non-Current Assets			
Exploration and Evaluation Expenditure	9	4,500,342	1,496,483
Property, plant and equipment	10	355,797	170,769
Total Non-current assets		4,856,139	1,667,252
TOTAL ASSETS		11,448,705	3,972,498
LIABILITIES			
Current Liabilities			
Trade and other payables	12	820,769	252,382
Total Current Liabilities		820,769	252,382
TOTAL LIABILITIES		820,769	252,382
NET ASSETS		10,627,936	3,720,116
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	13	15,713,850	7,412,305
Option reserve	13	446,315	420,861
Accumulated losses		(5,532,229)	(4,113,050)
TOTAL EQUITY		10,627,936	3,720,116

The accompanying notes form part of these financial statements.

Statement of Cash Flows
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	*2011* *$*	*2010* *$*
Cash flows from operating activities			
Other receipts		16,674	14,081
Payments to suppliers and employees		(1,535,214)	(970,188)
Net cash flows from/(used in) operating activities	7	(1,518,540)	(956,107)
Cash flows from investing activities			
Interest received		209,559	88,365
Proceeds from sale of tenements		-	600,000
Proceeds from sale of option		-	25,000
Purchase of property, plant and equipment		(223,959)	(11,791)
Capitalised Exploration & Evaluation Expenditure		(2,489,372)	(769,526)
Net cash flows from/(used in) investing activities		(2,503,772)	(67,952)
Cash flows from financing activities			
Proceeds from issue of shares/options		8,688,934	2,831,562
Cost of capital raising		(553,413)	(120,703)
Net cash flows from/(used in) financing activities		8,135,521	2,710,859
Net increase/(decrease) in cash and cash equivalents		4,113,209	1,686,800
Cash and cash equivalents at beginning of period		2,284,710	597,910
Cash and cash equivalents at end of period		6,397,919	2,284,710

The accompanying notes form part of these financial statements.

Statement Of Changes In Equity
FOR THE YEAR ENDED 30 JUNE 2011

	Ordinary Shares	Options Reserve	Accumulated Losses	Total Equity
	$	$	$	$
THE COMPANY				
At 1 July 2009	4,701,447	360,000	(3,457,154)	1,604,293
Loss for the year	-	-	(655,896)	(655,896)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	(655,896)	(655,896)
Issue of share capital	2,831,561			2,831,561
Options issued	(120,703)	60,861	-	(59,842)
At 30 June 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)
Options issued	-	25,454	-	25,454
At 30 JUNE 2011	15,713,850	446,315	(5,532,229)	10,627,936

The accompanying notes for part of these financial statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2011

1 CORPORATE INFORMATION

The financial report of TUC Resources Ltd for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the directors on 27 September, 2011

TUC Resources Ltd is a 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.

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

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). The financial report also complies with International Financial Reporting Standards (IFRS).

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.

New and revised Standards	Impact on Company financial report
Amendments to AASB 7 'Financial Instruments: Disclosure' (adopted in advance of effective date of 1 January 2011).	The amendments (part of AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') clarify the required level of disclosures about credit risk and collateral held and provide relief from disclosures previously required regarding renegotiated loans.
Amendments to AASB 5 'non-current Assets held for Sale and Discontinued Operations'	Disclosures in these financial statements have been modified to reflect the clarification in AASB 2009-5 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project' that the disclosure requirements in Standards other than AASB 5 do not generally apply to non-current assets classified as held for sale and discontinued operations.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Amendments to AASB 101 'Presentation of Financial Statements' (adopted in advance of effective date of 1 January, 2011)	The amendments (part of AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.
Amendments to AASB 107 'Statement of Cash Flows'	The amendments (part of AASB 2009-5 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') specify that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows. Consequently, cash flows in respect of development costs that do not meet the criteria in AASB 138 'Intangible Assets' for capitalisation as part of an internally generated intangible asset (and, therefore, are recognised in profit or loss as incurred) have been reclassified from investing to operating activities in the statement of cash flows.

(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.

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

AASB 2009-5 'Further Amendments to Australian Accounting Standard arising from the Annual Improvements Project'	Except for the amendments to AASB 5 and AASB 107 described earlier in this section, the application of ASB 2009-5 has not had any material effect on amounts reported in the financial statements
AASB 2009-8 ' Amendments to Australian Accounting Standards – Group Cash-Settled Share-based Payment Transactions'	The application of AASB 2009-8 makes amendments to AASB 2 'Share-based Payment' to clarify the scope of AASB 2, as well as the accounting for group cash-settled share-based payment transactions in the separate (of individual) financial statements of an entity receiving the goods or services when another group entity or shareholder has the obligation to settle the award.
AASB 2009-10 'Amendments to Australian Accounting Standards – Classification of Rights Issues'	The application of ASB 2009-10 makes amendments to AASB 132 'Financial Instruments: Presentation' to address the classification of certain rights issues denominated in a foreign currency as either an equity instrument or as a financial liability. To date, the Company has not entered into any arrangements that would fall within the scope of the amendments.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

AASB 2010-3 'Amendments to Australian Accounting Standards arising from the Annual Improvements Project'	The application of AASB 2010-3 makes amendments to AASB 3(2008) 'Business Combinations' to clarify that the measurement choice regarding non-controlling interest at the date of acquisition is only available in respect of non-controlling interests that are present ownership interests and that entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other types of non-controlling interest are measured at their acquisition-date fair value, unless another measurement basis is require by other Standards. In addition, the application of ASB 2010-3 makes amendments to AASSB 3(2008) to give more guidance regarding the accounting for share-based payment awards held by the acquiree's employees. Specifically, the amendments specify that share-based payment transactions of the acquiree that are not replaced should be measure in accordance with AASB 2 'Share-based Payment' at the acquisition date (market-based measure)
AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the annual Improvements Project'	Except for the amendments to AASB 7 and AASB 101 described earlier this section, the application of AASB 2010-4 has not had any material effect on amounts reported in the financial statements.
Interpretation 19 'Extinguishing Financial Liabilities with Equity Instruments'	This interpretation provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments. In particular, the equity instruments issued under such arrangements will be measure at their fair value, and any difference between the carrying amount of the financial liability extinguished and the fair value of equity instruments issued will be recognised in profit or loss. To date, the Company has not entered into transactions of this nature.

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 124 'Related Party Disclosures' (revised December 2009), AASB 2009-12 'Amendments to Australian Accounting Standards'	1 January 2011	30 June 2012
AASB 9 'Financial Instruments', ASB 2009-11 'Amendments to Australian Accounting Standards arising form AASB 9 and AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)'	1 January 2013	30 June 2014
AASB 2009-14 'Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement'	1 January 2011	Ending 30 June 2012
AASB 2010-5 'Amendments to Australian Accounting Standards'	1 January 2011	30 June 2012

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 2010-6 'Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets'	1 July 2011	30 June 2012
AASB 2010-8 'Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets'	1 January 2012	30 June 2013

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued.

New or revised requirement	**When effective**	**Applicability at 30 June 2011 to**	
		Full years	Half years
IFRS 10 *Consolidated Financial Statements* Requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in IAS 27 *Consolidated and Separate Financial Statements* and *SIC-12 Consolidation – Special Purpose Entities*. The Standard identifies the principles of control determines how to identify whether an investor controls an investee and therefore must consolidate the investee, and sets out the principles for the preparation of consolidated financial statements. The Standard introduces a single consolidation model for all entities based on control, irrespective of the nature of the investee (ie. whether an entity is controlled through voting rights of investors of through other contractual arrangements as is common in 'special purpose entities'). Under IFRS 10, control is based on whether an investor has: o Power of the investee o Exposure, or rights, to variable returns from its involvement with the investee o The ability to use its power over the investee to affect the amount of the returns.	Applicable to annual reporting periods beginning on or after 1 January 2013 (see note regarding early adoption)	Optional (once an equivalent pronoun-cement is made by the AASB	Optional (once an equivalent pronoun-cement is made by the AASB

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) 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.

(f) Borrowing costs

Borrowing costs are recognised as an expense when incurred.

(g) 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.

(h) 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 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) 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.

(i) 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 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) 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 Company 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.

(k) 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.

(l) 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.

(m) Provisions

Provisions are recognised when the Company 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 Company 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 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Share-based payment transactions

The Company has provided to employees (including directors) of the Company options to subscribe in the Company'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 Company, 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).

(o) Leases

Finance leases, which transfer to the Company 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 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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.

(q) 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 Company'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:

- 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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Income tax (continued)

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.

(r) Other taxes

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.

(s) 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 Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The management of the Company's capital is performed by the Board.

Financial Instruments

The Company's financial instruments include cash, short-term deposits, trade debtors and trade creditors.

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

The main risks arising from the Company'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 Company also monitors the market price risk arising from all financial instruments.

Interest rate risk

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's cash and cash equivalents.

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

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Foreign currency risk
The Company has no foreign currency risk

Credit risk
Credit risk is the risk of financial loss to the Company 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 Company. The carrying amount of the Company's financial assets represents the maximum credit risk exposure, as represented below:

	2011	*2010* $
Cash and cash equivalents	6,397,919	2,284,710
Short-term deposits	-	-
Trade and other receivables	161,259	5,977
	6,559,178	2,290,687

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

Trade and other receivables comprise GST refunds due.

With respect to credit risk arising from cash and cash equivalents, the Company'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 Company's approach to capital management during the year.

Interest rate risk
The Company's exposure to market interest rates relates primarily to the Company'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 Company's short-, medium- and long-term funding and liquidity management requirements. The Company 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 Company'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 Company 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:

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) 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

Year ended 30 June 2010	Weighted average effective interest rate %	Less than 1 month $	1-3 months $	Total $
Financial Assets				
Interest Bearing				
Cash and cash equivalents	5.22	2,284,710	-	2,284,710
Non-Interest Bearing				
Trade and other receivables	-	-	5,977	5,977
Total Financial Assets		2,284,710	5,977	2,290,687
Financial Liabilities				
Non-Interest Bearing				
Trade and other payables	-	252,382	-	252,382
Total Financial Liabilities		252,382	-	252,382
Net Financial Assets		2,032,328	5,977	2,038,305

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fair value
The methods for estimating fair value are outlined in the relevant notes to the financial statements.

Interest rate sensitivity
A sensitivity of 10 per cent has been selected as this is considered reasonable given the current level of both short-term and long-term interest rates. A 10% 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
2011				
Cash and cash equivalents	127,958	(127,958)	127,958	(127,958)
2010				
Cash and cash equivalents	45,694	(45,694)	45,694	(45,694)

(t) Operating Segments

AASB 8 requires operating segments to be identified on the basis of internal report about components of the Company 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 Company does not report segmented operations.

3 REVENUES AND EXPENSES

	2011 $	2010 $
(a) Finance income		
Bank interest receivable	209,559	86,435
Total finance income	209,559	86,435
(b) Depreciation included in income statement		
Depreciation	38,931	37,278

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2011

3 REVENUES AND EXPENSES (CONTINUED)

(c) Employee expenses

Wages and Salaries	709,470	585,909
Superannuation expense	67,421	57,606
Expense of Share-based payments	25,454	60,861
Other allowances/expenses	55,862	45,759
	858,207	750,135

(d) Operating Lease expenditure

Rent – Darwin Office	42,830	40,724
Rent – Perth Office	7,100	1,800
	49,930	42,524

4 INCOME TAX

	2011 $	2010 $
Major components of income tax expense for the years ended 30 June 2011 and 2010 are:		
Income statement		
Current income tax charge	-	-
Deferred Income tax expense	166,024	
Income tax expense (benefit) reported in income statement	166,024	-
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 2011 and 2010 is as follows:		
Accounting profit (loss) before income tax	(1,253,155)	(655,896)
At the statutory income tax rate of 30% (2010: 30%)	(375,946)	(196,769)
Add non-deductible expenses:		
Share-based remuneration	7,636	18,258
	(152,479)	(178,511)
Adjustments recognised in the current year in relation to the current tax of prior years	-	(21,114)
Tax Losses and Timing Differences not recognised	534,334	199,625
Income tax expense reported in income statement	166,024	-

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2011

4 INCOME TAX (continued)

	Balance Sheet 2011 $	Balance Sheet 2010 $
Deferred Income Tax		
Deferred income tax at 30 June relates to the following:		
Deferred income tax assets:		
Employee entitlements	29,952	18,586
Share Issue Costs	155,044	50,902
Professional Fees	3,600	4,307
Unused Tax Losses	3,130,783	1,810,092
Total Deferred income tax assets	3,319,379	1,883,887
Deferred income tax liabilities:		
Capitalised exploration	1,350,103	448,945
	1,350,103	448,945
Net deferred tax asset/(liability)	1,969,276	1,434,942

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.

Unrecognised deferred tax assets	2011 $	2010 $
Deferred tax assets have not been recognised in respect of the following items		
Tax Losses	1,969,276	1,434,942
	1,969,276	1,434,942

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	2011 $	2010 $
Deferred tax		
Share issue benefits deductable over five years	(166,024)	-
	(166,024)	-

5 LOSSES PER SHARE

Basic losses 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:

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2011

5 LOSSES PER SHARE (continued)

	2011	*2010*
	$	*$*
Net loss attributable to equity holders from continuing operations	(1,419,179)	(655,896)
Net loss attributable to ordinary shareholders for diluted earnings per share	(1,419,179)	(655,896)
	Thousands	*Thousands*
Weighted average number of ordinary shares for basic earnings per share	107,418	86,512
Adjusted weighted average number of ordinary shares for diluted earnings per share	107,418	86,512
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.

6 DIVIDENDS PAID AND PROPOSED

No dividends have been paid or proposed.

7 CASH AND CASH EQUIVALENTS

	2011 $	2010 $
Cash at bank and in hand	6,397,919	2,284,710
	6,397,919	2,284,710

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

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2010

7 CASH AND CASH EQUIVALENTS (continued)

	2011 $	2010 $
The fair value of cash and cash equivalents is	6,397,919	2,284,710

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	6,397,919	2,284,710
Short-term deposits		-
	6,397,919	2,284,710

Reconciliation from the net profit after tax to the net cash flows from operations

Net Profit/(Loss)	(1,419,179)	(655,896)
Adjustments for:		
Depreciation	38,931	37,278
Share options expensed	25,454	60,861
Write-off of Capitalised Exploration & Evaluation expenditure	-	194,415
Interest received	(209,559)	(88,365)
Proceeds from sale of assets	-	(625,000)
Recognition of Deferred Tax Expense	166,024	
Changes in assets and liabilities		
(increase)/decrease in trade and other receivables	(155,282)	4,685
(increase)/decrease in prepayments	(18,829)	1,773
(decrease)/increase in trade (operating expenses) and other payables	53,900	114,142
Net cash from operating activities	(1,518,540)	(956,107)

8 TRADE AND OTHER RECEIVABLES (CURRENT)

	2011 *$*	*2010* *$*
Net GST Refund	161,259	5,977
	161,259	5,977

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.

9 EXPLORATION AND EVALUATION EXPENDITURE

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

	2011 *$*	*2010* *$*
Reconciliation		
Balance at the beginning of year	1,496,483	921,373
Additions	3,003,859	769,525
Impairment losses (expenditure written off)	-	(194,415)
Closing Balance	4,500,342	1,496,483

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2011

9 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.

10 PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment *$*
Year ended 30 June 2010	
At 1 July 2009, Net of accumulated depreciation	196,256
Additions	11,791
Depreciation charge for the year	(37,278)
At 30 June 2010, Net of accumulated depreciation	170,769
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
At 30 June 2010	
Cost	268,825
Accumulated depreciation and impairment	(98,056)
Net carrying amount	170,769
At 30 June 2011	
Cost	492,784
Accumulated depreciation and impairment	(136,987)
Net carrying amount	355,797

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2011

11 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.

	2011 No.	*2011 WAEP*	*2010 No.*	*2010 WAEP*
Outstanding at the beginning of the year	4,430,000	$0.3340	4,350,000	$0.3374
Granted during the year	50,000	$0.1500	80,000	$0.1500
Forfeited during the year	(50,000)	$0.1500	-	-
Exercised during the year	390,000	$0.1500	-	-
Expired during the year	-		-	-
Outstanding at the end of the year	4,040,000	$0.3517	4,430,000	$0.3340
Exercisable at the end of the year	3,000,000	$0.3253	2,350,000	$0.2734

The outstanding balance as at 30 June 2011 is represented in the following table:

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
07/03/2010	07/12/2011	30/06/2012	0.0309	0.15	40,000
					4,040,000

The weighted average contractual life for the share options outstanding as at 30 June 2011 is 1 year.

Share options issued and outstanding at the end of the year have the following exercise prices:

Grant Date	*Expiry Date*	*Exercise price*	*2011 No.*	*2010 No.*
5th September, 2008	30th June, 2011	$0.15	-	350,000
25th November, 2008	30th June, 2012	$0.15	1,000,000	1,000,000
7th March, 2010	30th June, 2012	$0.15	40,000	80,000
25th November, 2008	30th June, 2012	$0.20	500,000	500,000
25th November, 2008	30th June, 2012	$0.25	500,000	500,000
29th November, 2007	30th June, 2012	$0.40	500,000	500,000
29th November, 2007	30th June, 2012	$0.48	500,000	500,000
29th November, 2007	30th June, 2012	$0.56	500,000	500,000
29th November, 2007	30th June, 2012	$0.64	500,000	500,000
	Total		4,040,000	4,430,000

390,000 options were exercised during the reporting period 50,000 options were issued, and then subsequently lapsed during the reporting period. No options have been exercised since 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 are no other conditions attached.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2011

11 EMPLOYEE BENEFITS

Employee share options (continued)

Employee share options exercised for the year ending 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	

12 TRADE AND OTHER PAYABLES (CURRENT)

	2011 *$*	*2010* *$*
Trade payables – Operating Expenses	46,758	32,346
Trade payables – Exploration & Evaluation Expenditure	666,742	152,255
Other payables	107,269	67,781
	820,769	252,382

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.

13 ISSUED CAPITAL AND RESERVES

	2011 *$*	*2011* *No. of shares*	*2010* *$*	*2010* *No. of shares*
Ordinary Shares				
Issued and fully paid	15,713,850	124,396,647	7,412,305	93,831,873
Movement in ordinary shares on the issue				
At 1 July	7,412,305	93,831,873	4,701,447	58,437,500
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	58,500	390,000	-	-
Placement			1,220,000	15,250,000
Costs of placement			(61,000)	-
Share Purchase Plan	-	-	1,611,547	20,144,353
Costs of share purchase plan	-	-	(59,703)	-
Listed Options Exercised	-	-	14	20
At 30 June	15,713,850	124,396,647	7,412,305	93,831,873

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2011

13 ISSUED CAPITAL AND RESERVES (continued)

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

- 8,000,000 ordinary shares were issued fully paid at $0.23 per share through a placement to raise $1,840,000.
- 15,274,774 ordinary shares were issued fully paid at $0.30 per share through a placement to raise $4,582,434.
- 6,900,000 ordinary shares were issued fully paid at $0.32 per share through a placement to raise $2,208,000.
- 390,000 unlisted options were exercised by employees of TUC Resources Ltd. This raised a further $58,500.

Options Reserve	*2011 $*	*2011 No. of Options*	*2010 $*	*2010 No. of Options*
Listed Options (TUCO)				
Issued	-	-		
Movement in listed options				
At 1 July	129,121	-	129,121	13,744,792
10th June, 2010 20 options exercised	-	-	-	(20)
13,744,772 options allotted 31st August, 2007 under shareholder rights issue expired 30th June, 2010	-	-	-	(13,744,772)
At 30 June	129,121	-	129,121	-
Movement in unlisted options				
At 1 July 2010	291,740	4,430,000	230,879	4,350,000
Amortisation of existing granted options	25,454	-	60,324	-
Share based payment	-	-	537	80,000
Options exercised	-	390,000		
At 30 June, 2011	317,194	4,040,000	291,740	4,430,000
Total Options Reserve balance at 30 June	446,315	4,040,000	420,861	4,430,000

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.

14 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 to renew the lease over the Darwin office. 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 2011

14 COMMITMENTS AND CONTINGENCIES (continued)

The Company also has a commercial lease on office space located in Perth. This lease is for 12 months with renewal terms 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:

	2011 *$*	*2010* *$*
Within one year	52,594	50,505
After one year but not more than five years	43,720	88,751
More than five years	-	-
	96,314	139,256

Tenement commitments

At 30 June 2011 the Company has minimum expenditure commitments of $532,470 per annum relating to existing granted tenements. There is a further $697,300 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:

	2011 *$*	*2010* *$*
Within one year		
- Exploration Licences (granted)	532,470	430,999
- Exploration Licence Applications (not granted)	697,300	697,300
After one year but not more than five years		
- Exploration Licences (granted)	532,470	430,999
- Exploration Licence Applications (not granted)	697,300	697,300
Longer than five years		-
	2,459,540	2,256,598

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, 2011.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2011

15 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 $
Stanley Resources Pty Ltd	2011	14,500	-	-
	2010	18,000	-	-
Westlaw Securities Pty Ltd	2011	46,026	-	-
	2010	36,310	-	-
Maslen Podesta & Associates Pty Ltd	2011	41,450	-	1,500
	2010	36,706	-	1,900
Boden Corporate Services	2011	25,402	-	4,101
	2010	32,402	-	201

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

Stanley Resources Pty Ltd

TUC Resources Ltd utilised bookkeeping services provided by the company. Stanley Resources Pty Ltd is a related party to Mr Ronald Stanley. This arrangement ceased 10 April, 2011.

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.

16 EVENTS AFTER THE BALANCE SHEET DATE

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

- The Company changed its name form Territory Uranium Company Ltd to TUC Resources Ltd on 27 July 2011.
- The Company adopted a new Constitution at a general meeting on 26 August 2011, principally to update for changes to the Corporations Act in relation to the payment of dividends and proportional takeovers, but also to increase the aggregate amount available form remuneration of non-executive directors, from $200,000 to $300,000 per annum.
- At the general meeting of 26 August 2011 the Company approved the TUC Resources Performance Rights Plan as an incentive scheme for employees.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2011

17 AUDITORS REMUNERATION

	2011 *$*	*2010* *$*
Amounts received or due and receivable for:		
• An audit of the financial report of the entity (Deloitte Touche Tohmatsu)	17,045	13,050
• December half-year review (Deloitte Touche Tohmatsu)	10,105	
• an audit of the financial report of the entity (PKF Australia);	-	4,758
• December half-year review (PKF Australia)	-	9,549
	27,150	27,357

18 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
Director (non-executive)

Mr A Barton
Director (non-executive) – appointed 6 April, 2011

Mr M Britton
Director (non-executive)

Mr P Stanley
Director (non-executive) – resigned 22 November, 2010

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 Ron Stanley, Mr Anthony Barton and Mr Michael Britton as directors.

The remuneration of Mr Ian Bamborough as Managing Director was reviewed 1 September, 2011 and is now $305,000 including superannuation and a living away from home allowance. Mr Bamborough has also been granted 4,000,000 options as set out in part (c) of this note.

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 2011

18 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 $	Options $	$
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
30 June 2010					
Mr P Harold	37,500	-	3,375	-	40,875
Mr I Bamborough	195,933	-	17,487	57,966	271,386
Mr R Stanley	26,250	18,000	2,363	-	46,613
Mr M Britton	26,250	36,708	2,363	-	65,319
Mr P Stanley	26,250	-	2,363		28,613
Mr G Boden	32,402	-	-	-	32,402
Total Remuneration: Key Management Personnel	344,585	54,706	27,951	57,966	485,208

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2011

18 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. Detailed below are options outstanding at the year end. The options were issued free of charge. Each option entitles the holder to subscribe for one fully paid ordinary share in the entity at an exercise price disclosed in the table below. For further details of the terms and conditions including the service and performance criteria that must be met refer to note 11.

	Vested	Granted	Terms & Conditions for each Grant			
	No.	*No.*	*Grant Date*	*Fair Value per option at grant date ($)*	*Exercise price per share ($)*	*Expiry Date*
Key Management Personnel						
Mr I Bamborough	500,000	500,000	29/11/2007	0.1348	0.40	30/06/2012
	500,000	500,000	29/11/2007	0.1259	0.48	30/06/2012
	500,000	500,000	29/11/2007	0.1184	0.56	30/06/2012
	-	500,000	29/11/2007	0.1115	0.64	30/06/2012
	500,000	500,000	25/11/2008	0.0307	0.15	30/06/2012
	500,000	500,000	25/11/2008	0.0307	0.15	30/06/2012
	500,000	500,000	25/11/2008	0.0274	0.20	30/06/2012
	-	500,000	25/11/2008	0.0249	0.25	30/06/2012
Total	3,000,000	4,000,000				

(d) Shares issued on exercise of remuneration options

No shares have been issued due to the exercising of remuneration options.

(e) Option holdings of Key Management Personnel

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 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 2011

18 DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

(e) Option holdings of Key Management Personnel (continued)

Direct options held in TUC Resources Ltd

Year ending 30 June, 2010

	Balance at beg of period 01-Jul-09	*Granted as Remuneration*	*Options Exercised*	*Lapsed during the period*	*Balance at end of period 30-Jun-10*	*Not Vested & Not Exercisable*	*Vested & Exercisable*
Key Management Personnel							
Mr P Harold	-	-	-	-	-	-	-
Mr I Bamborough	4,000,000	-	-	-	4,000,000	2,000,000	2,000,000
Mr R Stanley	-	-	-	-	-	-	-
Mr P Stanley	66,668	-	-	(66,668)	-	-	
Mr A Barton	-	-	-	-	-	-	-
Mr M Britton	-	-	-	-	-	-	-
Mr G Boden	66,667	-	-	(66,667)	-	-	-
Total	4,133,335	-	-	(133,335)	4,000,000	2,000,000	2,000,000

Indirect options held in TUC Resources Ltd

Year ending 30 June, 2011

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

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2010

18 DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

(e) Option holdings of Key Management Personnel (continued)

Indirect options held in TUC Resources Ltd

Year ending 30 June, 2010

	Balance at beg of period 01-Jul-09	*Granted as Remuneration*	*Options Exercised*	*Listed Options lapsed during period*	*Balance at end of period 30-Jun-10*	*Not Vested & Not Exercisable*	*Vested & Exercisable*
Key Management Personnel							
Mr P Harold	-	-	-	-	-	-	-
Mr I Bamborough	-	-	-	-	-	-	-
Mr R Stanley	4,350,001	-	-	(4,350,001)	-	-	-
Mr P Stanley	333,334	-	-	(333,334)	-	-	-
Mr M Britton	141,667	-	-	(141,667)	-	-	-
Mr G Boden	55,225	-	-	(55,225)	-	-	-
Total	4,880,227	-	-	(4,880,227)	-	-	-

(f) Shareholdings of Key Management Personnel

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

***** Mr Barton's holding at date of appointment (6 April, 2011)
****** Mr Stanley's holding at date of resignation (22 November, 2010)

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2010

18 DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

(f) Shareholdings of Key Management Personnel (continued)

Direct shares held in TUC Resources Ltd
Year ending 30 June, 2010

	Balance 01-Jul-09	Net Change Other	Balance 30-June-10
	Ord	Ord	Ord
Key Management Personnel			
Mr P Harold	-	-	-
Mr I Bamborough	10,000	187,500	197,500
Mr R Stanley	25,000	187,500	212,500
Mr M Britton	-	-	-
Mr P Stanley	275,000	-	275,000
Mr G Boden	250,000	187,500	437,500
Total	560,000	562,500	1,122,500

Indirect 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	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 M Britton	478,146	-	478,146
Mr P Stanley	1,125,000	-	1,125,000**
Mr G Boden	437,500	-	437,500
Total	32,516,292	500,000	33,016,292

***** Mr Barton's holding at date of appointment (6 April, 2011)
****** Mr Stanley's holding at date of resignation (22 November, 2010)

Year ending 30 June, 2010

	Balance 01-Jul-09	Net Change Other	Balance 30-June-10
	Ord	Ord	Ord
Key Management Personnel			
Mr P Harold	5,000,000	-	5,000,000
Mr I Bamborough	-	-	-
Mr R Stanley	13,050,000	712,500	13,762,500
Mr P Stanley	1,000,000	125,000	1,125,000
Mr M Britton	425,000	53,146	478,146
Mr G Boden	250,000	187,500	437,500
Total	19,725,000	1,078,146	20,803,146

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.

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 of the Company are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2011 and of their 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, 2011 by the CEO and CFO.

On behalf of the Board

Ian Bamborough
Managing Director
28th September, 2011

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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 2011, 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, as set out on pages 21 to 54.

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 is free from material misstatement, whether due to fraud or error. In Note 2b, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the 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 judgment, 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 entity'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 entity'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.

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.

Deloitte.

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 company's financial position as at 30 June 2011 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 financial statements also comply with International Financial Reporting Standards as disclosed in Note 2b.

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 2011. 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 2011, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

CMaf

Conley Manifis
Partner
Chartered Accountants
Perth, 28 September 2011

ASX Additional Information

1. Ordinary Shares

The security holders information set out below was applicable as at 14 September 2011.

(i) Distribution of Security Numbers

	Ordinary Shares	
Category (size of holding)	**Shareholders**	**Shares**
1 – 1,000	95	27,221
1,001 – 5,000	232	730,451
5,001 – 10,000	185	1,630,740
10,001 – 100,000	606	23,812,589
100,001 and over	179	98,195,646
Total	**1,297**	**124,396,647**

There were 222 shareholders holding less than a marketable parcel at a price of $0.16, totalling 293,379 shares.

(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	9.48
JP Morgan Nominees Australia Ltd	6,725,762	5.41
Australian Heritage Group Pty Ltd	5,019,294	4.03
Harold, A	5,000,000	4.02
Byrne, D H	3,325,010	2.67
Australian Heritage Group Pty Ltd	3,290,676	2.65
Caversham Nominees Pty Ltd	2,100,000	1.69
HSBC Custody Nominees Australia Ltd	2,076,912	1.67
L & E Fisher Nominees Pty Ltd	2,050,000	1.65
Inglewood Lodge Pty Ltd	1,448,146	1.16
Johns, Sharon Alice & K D	1,394,500	1.12
MLEQ Nominees Pty Ltd	1,149,820	0.92
Stanley, P & K	1,125,000	0.90
Aberv Pty Ltd	1,093,750	0.88
McKnight Holdings Pty Ltd	1,008,046	0.81
Henger, Ralph M & M J	1,000,000	0.80
Kastropil, A	950,000	0.76
Kumbhalgarh Pty Ltd	800,000	0.64
Allard Svc Ltd	781,250	0.63
Harvey Springs Estate Pty Ltd	765,000	0.61
Total	**52,890,666**	**42.50**

ASX Additional Information (cont.)

(iv) Substantial Shareholders

The names of the substantial shareholders listed in the Company's share register as at 14 September 2011 were:

Name	Number of Ordinary Shares	% of Issued Capital
Ronald Stanley and associates	13,975,000	11.23
Anthony Barton and associates	12,213,146	9.82
JP Morgan Nominees Aust Ltd	6,725,762	5.41
Total	**32,913,908**	**26.46**

(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 14 September 2011.

(i) Distribution of unquoted option holder numbers

Category (size of holding)	No of option holders	No of options
0 – 100,000	1	40,000
100,001 and over	1	4,000,000
Total	**2**	**4,040,000**

(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	%
Bamborough, I	4,000,000	99.0