

ASX ANNOUNCEMENT
16 May 2013

EXCELLENT RARE EARTH RESULTS: SKYFALL PROSPECT

TUC Resources Ltd (ASX:TUC) is pleased to announce very positive assay results from a second round of surface sampling at the Skyfall Prospect at TUC's Heavy Rare Earth (HREE) District in the Northern Territory.

Highlights

Total Rare Earth Oxide (TREO) Results Improve

The latest rock chip results from the Skyfall Prospect have given the highest Total Rare Earth Oxide (TREO) assays to date, including:

- 1.25% TREO (37% Heavy Rare Earth Oxide (HREE)/TREO);
0.81% TREO (14.8% HREE/TREO), and;
0.48% TREO (27.8% HREE/TREO).

These TREO results are considerably higher than the majority of surface samples at the nearby Stromberg HREE discovery where drilling has successfully outlined significant mineralisation. These results represent an excellent target for follow up work including drilling.

A New Rare Earth Mix

The individual rare earth distributions of the latest assay results (Figure 1) provide further positives beyond the high heavy rare earth content (42% HREE/TREO). The results also have a higher proportion of light rare earths that feed key growth markets in magnets (neodymium and praseodymium).

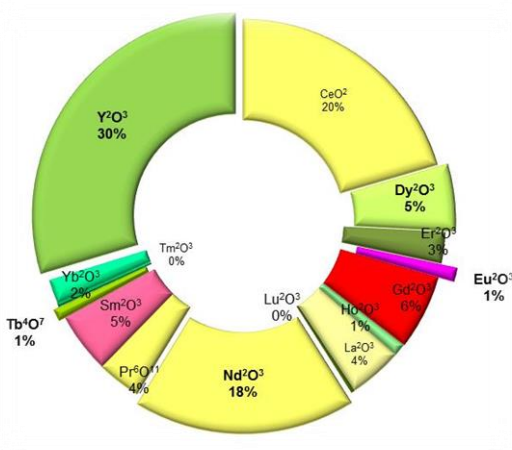


Figure 1: HREE Distribution, Skyfall Prospect latest results above 0.2%TREO cut-off

The valuable light rare earth Neodymium (used in high power low energy electric motors) reports at 18%. The Europium content of the samples from Skyfall continues to show a unique and unusually high Europium distribution (+1%/TREO). Europium is a highly valuable Medium Rare Earth (MREE).

Notable and high value HREE's in the TREO distribution are Dysprosium at 5.3%/TREO, Terbium at just under 1%/TREO, and Yttrium at 29%/TREO.

Evidence of Positive Mineralogy

A general lack of visual rare earth minerals under the microscope does not account for the high rare earth contents in the samples. This may suggest 'absorption' of rare earths onto clay and iron mineral surfaces. 'Absorbed' rare earths may be easier to process.

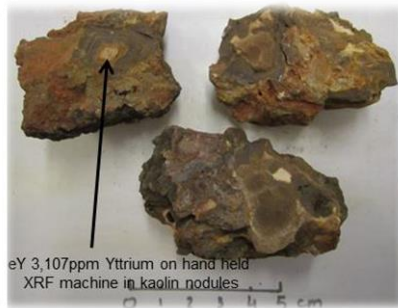


Figure 2: Note weathered kaolin (clay) nodules containing high HREE contents.

Further mineralogical testing is in progress by the Australian Nuclear Science and Technology Organisation (ANSTO) who are experts in rare earth processing, having worked on deposits such as Lynas' Mt Weld and Alkane Resources' Dubbo Project.

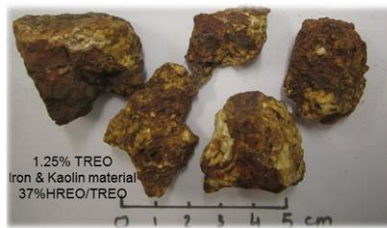


Figure 3: Material from highest tenor TREO sample. Note weathered iron oxides and kaolin (clay) material, the results of fieldwork are adding support and detail to TUC's developing exploration model of rare earth mineralisation.

Continuity of Near Surface Mineralisation

Mineralisation delineated to date sits in a flat tabular near surface body demonstrating mineralised continuity (cross-section, Figure 4). This could provide advantages in terms of shallow and efficient drilling, and if exploration continues to be successful, ease of mining.

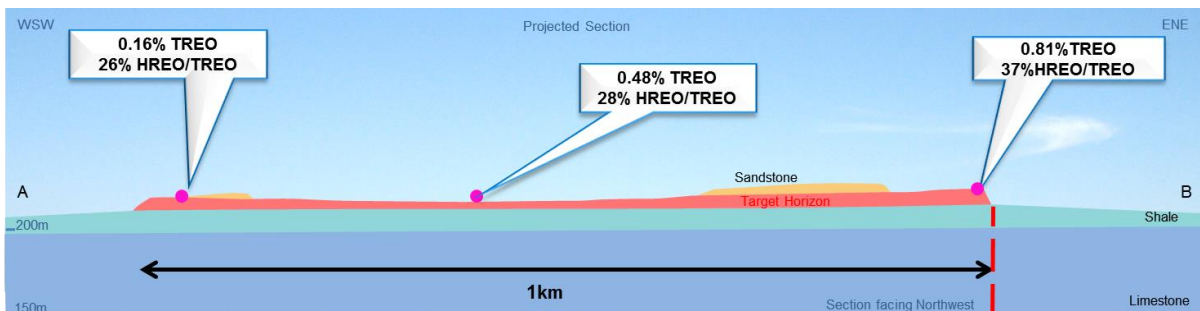


Figure 4: Schematic Projected Section of the Skyfall Prospect.

Large Size Potential Further Defined

A large mineralised system is evident at Skyfall. Significant rock chips now exist over at least a 6km strike length and 1km cross section (Figures 4 and 5). Geophysical anomalism associated with the mineralisation (illustrated in Figure 5) shows potential for the system to be much larger. The potential for further mineralisation is considered high by the TUC Exploration team and sampling is continuing.

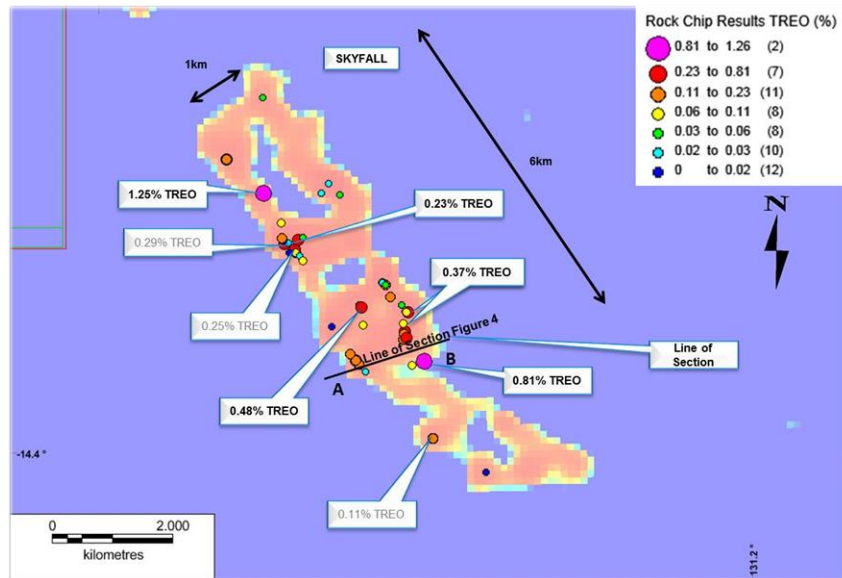


Figure 5: Skyfall Prospect showing the locations of recent rock chip results (background airborne radiometrics).

District Potential Grows

Work to date shows the mineralised district to be over 30km wide with at least four zones of potentially economic mineralisation now being delineated (Stromberg, Scaramanga, Skyfall and Largo) (Figure 6). Targets such as Séverine (Figure 6) remain as yet untested.

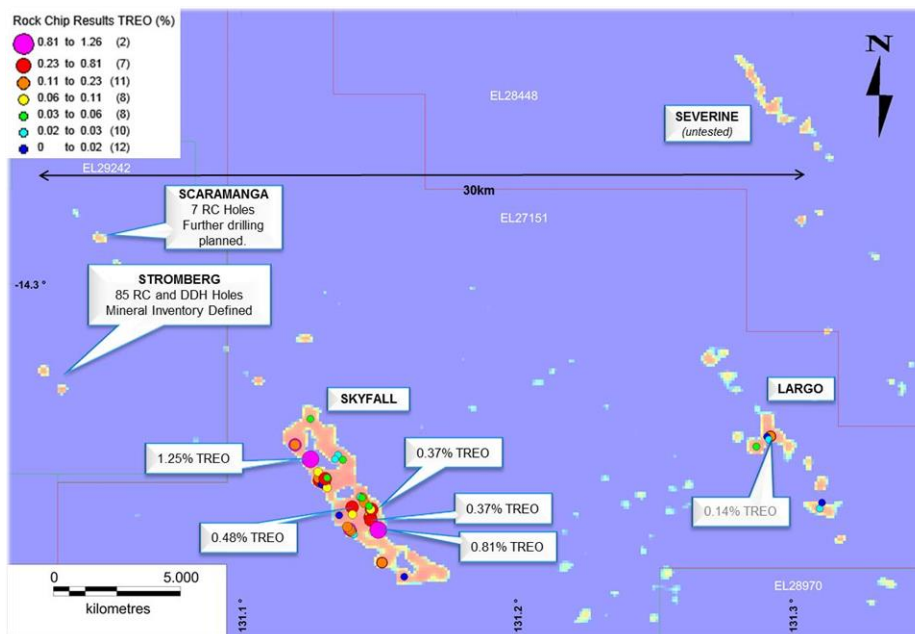


Figure 6: Skyfall and Largo Prospect showing the locations of the initial HREE rock chips on ELA27151 (airborne radiometric background). Note, latest results black, recent results grey.

Results Table

Table 1 details significant results from this round of work above a likely 0.05% mineralised envelope cut-off.

Prospect	TREO %	Dy ² O ³ % /TREO	Eu ² O ³ % /TREO	Nd ² O ³ % /TREO	Tb ⁴ O ⁷ % /TREO	Y ² O ³ % /TREO	HREE% /TREO
Skyfall	1.25	5.49	1.11	19.96	0.99	25.32	37.21
Skyfall	0.81	2.40	1.00	22.28	0.54	9.78	14.83
Skyfall	0.47	4.34	1.34	25.11	0.85	18.81	27.89
Skyfall	0.37	2.76	1.01	23.24	0.50	10.36	16.13
Skyfall	0.37	3.27	1.43	26.14	0.75	10.52	17.01
Skyfall	0.23	7.42	0.95	10.81	1.14	50.62	68.83
Skyfall	0.23	7.23	1.41	16.22	1.28	40.29	56.60
Skyfall	0.17	7.09	0.75	5.84	1.07	56.43	75.01
Skyfall	0.17	8.49	0.82	5.52	1.18	59.75	80.95
Skyfall	0.145	7.11	1.67	20.87	1.70	15.30	27.64
Skyfall	0.13	4.89	1.25	19.41	0.91	22.12	33.31
Skyfall	0.105	5.99	1.43	23.24	1.17	14.46	25.25
Skyfall	0.10	5.65	1.60	21.81	1.22	19.37	31.41
Skyfall	0.09	9.43	1.07	7.79	1.51	48.27	70.82
Skyfall	0.09	11.98	1.09	7.30	1.96	47.72	71.73
Skyfall	0.09	6.46	1.04	13.14	1.06	39.34	55.87
Skyfall	0.08	8.65	0.73	3.44	1.26	56.65	78.97
Skyfall	0.06	6.93	0.92	10.19	1.03	46.41	63.98

Table 1: Significant second pass rock chip assay results at Skyfall; Figures 1 and 4 show the location and magnitude of assay results in Table 1. A total of 27 samples were taken in this first program.

About TUC's Heavy Rare Earth District

TUC's HREE district is located approximately four hours' drive south of Darwin (Figure 8). It is home to multiple heavy rare earth dominant prospects which are exhibiting mineralogy favourable for low cost mineral processing.

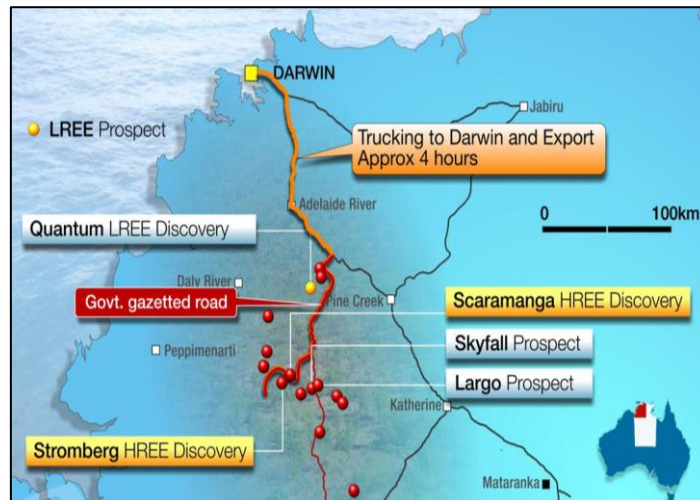


Figure 8: TUC's Northern Territory Heavy Rare Earth District; HREE prospects shown as red dots.

Heavy Rare Earths are an important component in a number of clean and low cost energy and electronic technologies such as hybrid electric vehicles (a growing market).



Directors' outlook...

Directors are very pleased with the exploration progress at Skyfall. Very positive results continue to outline a large drill target with an economically favorable rare earth mix and increasingly promising mineralogy.

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*Total Rare Earth Oxides (TREO's) have been calculated by addition of common oxide values for Ce, Dy, Er, Eu, Gd, Ho, La, Lu, Nd, Pr, Sm, Tb, Tm, Yb, Y. REO values have been calculated from rare earth element (REE) ppm grades after analysis by lithium-metaborate fusion and ICPMS, where possible, or by HF/multi acid digest and ICPMS. The total REO is calculated as the sum of all REE as REE₂O₃, with the exception of Ce, Pr and Tb; which are calculated as CeO₂, Pr₆O₁₁, and Tb₄O₇ respectively, in accordance with geochemical conventions.

**Heavy Rare Earth Elements HREE's and Heavy Rare Earth Oxides (HREO) = Dy, Er, Ho, Lu, Tb, Tm, Yb, Y;
Medium Rare Earth Elements MREE's = Gd, Eu, Sm;
Light Rare Earths LREE's Ce, La, Pr, Nd.

TUC Resources Ltd holds approximately 15,000km² of prospective land package across 47 (28 under application) tenements making it one of the biggest ground holders in the Northern Territory of Australia. The business holds multiple consolidated project areas across several key geological and metallogenic terrains, affording it some opportunity to diversify exploration into many commodities. TUC's main focus is its Stromberg Heavy Rare Earth District where it retains approximately 3,000km² of tenements. The Stromberg District is located approximately 4 –5 hours' drive south of Darwin.

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

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