

ASX ANNOUNCEMENT

26 August 2013

\$1.4 MILLION PRIVATE PLACEMENT

TUC Resources Ltd (ASX:TUC) is pleased to announce it has signed a Term Sheet to raise up to \$1.4 million in working capital through a private placement to an overseas based cornerstone investor. The funds will primarily be used to progress the Company's Heavy Rare Earth Project.

Terms

- The new investor will subscribe for 31,000,000 new ordinary shares in two tranches at an average price of \$0.045 per share to raise \$1,402,000. This placement is at a significant premium to the closing market price on 22 August 2013.
- Tranche 1 will comprise the issue of 18,500,000 shares at \$0.04 per share to raise \$777,000.
- Tranche 2 will comprise the issue of 12,500,000 shares at \$0.05 per share to raise \$625,000. Tranche 2 also has 12,400,000 free listed options attached exercisable at \$0.20 on or before 15 August 2014 (these options are issued on a 2:5 basis and have the same exercise price and expiry date as the Loyalty Options awarded to all TUC Shareholders in August 2012).
- Subscription of the Tranche 1 shares will become binding on the execution of a Share Subscription Agreement and is subject only to the successful completion legal due diligence (21 days allowed). Subscription of the Tranche 2 shares is subject to Australian Foreign Investment Review Board Approval and TUC Resources Shareholder approval at a General Meeting.
- The new investor has the right to nominate a new director to the board of TUC Resources.

General

The successful completion of this placement will ensure TUC Resources is well funded to continue planned exploration on our Northern Territory Heavy Rare Earth District. Immediate exploration activities will primarily be focused on defining drilling targets.

The Board is confident that the new investor will bring its industry contacts and significant commercial experience to TUC Resources and will greatly assist in taking TUC Resources forward.

If not completed by 1 November 2013 the Term Sheet and subsequent Share Subscription Agreement will lapse.

For further information please contact: Mr Ian Bamborough, Managing Director
08 9325 7946 or ibamborough@tucresources.com.au

<u>Registered Office</u>	<u>Main Office</u>	<u>Company Management</u>
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