

COMPANY UPDATE

GLENCORE TRANSACTION DOCUMENTS SIGNED

HERA DECLINE CONSTRUCTION WELL UNDERWAY

- YTC and Glencore have executed definitive transaction documents for the \$158m finance facilities for the development of the Hera and Nymagee Deposits
- YTC to issue a Notice of Shareholders Meeting shortly
- Hera Portal established and decline has advanced on schedule
- Underground Contractor Site full established including workshop and concrete plant

YTC Resources Limited ("YTC" or the "Company") is pleased to provide the following Company Update.

TRANSACTION DOCUMENTS SIGNED

YTC and certain of Glencore International AG related bodies corporate ('Glencore') have now executed the definitive transaction documents for the \$158m in financing facilities announced to the ASX on the 22nd November 2012 ('Project Finance Facilities'). In summary, the Project Finance Facilities are:

- Glencore to subscribe for a placement of YTC shares to the value of \$2.95 million at a 25% premium to YTC's 30 day VWAP¹, to grow its total equity interest in YTC to 9.9%
- Two converting note facilities for a total of A\$70 million, convertible only at YTC's election
- Three debt facilities for a total A\$85 million

The Project Finance Facilities are subject to a number of conditions precedent, as detailed in the announcement dated 22nd November 2012, including the approval of YTC shareholders. Further details on the conditions precedent and other terms of the Project Finance Facilities will be contained in the Notice of Shareholders Meeting which will be sent to shareholders shortly.

It is anticipated that the shareholder meeting to approve the Project Finance Facilities will take place on Friday, 15th March 2013.

The Independent Expert (full report to be included in the Notice of Shareholders Meeting) has concluded that the transaction is fair and reasonable to shareholders. In addition, the Facilities have been recommended by the majority of the Board, including the Managing Director, the independent Chairman and all independent non-executive Directors. The Facilities have also been recommended by YTC's Finance Committee.

¹ Based on the 30 day volume weighted average share price of YTC at the date of execution of the transaction Term Sheet.



KEY BENEFITS OF THE GLENCORE FINANCING

The Project Finance Facilities will provide YTC shareholders with many benefits, including:

- Glencore to subscribe for a placement of YTC shares to the value of \$2.95 million at a 25% premium to YTC's 30 day VWAP, to grow its total equity interest in YTC to 9.9%
- Glencore committed to provide YTC with up to A\$155 million in funding comprising two converting note facilities for a total of A\$70 million, and three debt facilities for a total A\$85 million, subject to certain conditions precedent
- The Project Finance Facilities have been structured to ensure financial flexibility for YTC and manage cash flow during project ramp-up whilst providing Glencore with the strategic benefits related to the offtake of the base metal concentrate production from Hera and Nymagee and the associated synergies with the existing Glencore operations in the Cobar district
- The development of both Hera and Nymagee will be funded into production once the Project Finance Facilities are in place
- YTC will retain sufficient cash reserves to maintain continuous exploration programmes at the Hera and Nymagee Projects, and at its regional targets
- The Project Finance Facilities place YTC in a strong position to continue development of the Hera Gold and Base Metals Project, and establish a strong platform from which it may integrate the Nymagee Copper Project in the medium term
- YTC has agreed life of mine offtake with Glencore in respect of base metals production from the Hera and Nymagee projects
- YTC and Glencore will form a Technical Steering Committee to advise on the technical aspects of the mining feasibility, development and operations of the Hera and Nymagee Projects; and
- YTC is well placed to join the ranks of Australia's gold production companies, and begin its transformation from explorer to diversified miner.

HERA DECLINE CONSTRUCTION WELL UNDERWAY

Progress on the construction of the Hera Decline and portal is well underway. Significant achievements since the commencement of works include:

- Establishment of Hera decline portal
- Decline advanced approximately 20m from Portal Face
- Underground contractors site establishment largely completed
- Installation of concrete batch plant

YTC's Managing Director, Rimas Kairaitis commented, *"We are very pleased to conclude the finance documentation with Glencore and look forward to satisfying the remaining conditions precedent to funding. YTC has been fortunate to have relevant approvals in place to allow the commencement of the Hera decline construction. With the decline well underway and full financing imminent we look ahead to full scale Project construction."*



Recent Hera Project Construction Photos



Hera Portal



Jumbo boring first portal cut



Jumbo preparing for first portal cut



Installation of concrete batch plant

About the Hera Gold and Base Metals Deposit

The Hera Project is located 100km south-east of Cobar and is hosted in Cobar Basin rocks which also host the world-class mineral deposits at CSA, The Peak and Endeavor.

The Hera deposit was discovered by Pasminco in 2001 and advanced to pre-feasibility by Triako Resources in the period 2002 to 2006, before Triako was the subject of a takeover by CBH Resources Limited. YTC acquired the Hera Project from CBH Resources in September 2009.

The Hera deposit represents multiple lenses of high grade, sub-vertical gold and base metal mineralisation. The central Main lens represents the bulk of the deposit tonnes and extends for approximately 600m along strike.

In September 2011, YTC released a Definitive Feasibility Study ('DFS') on mining and processing of the Hera deposit to establish an underground mine producing gold, silver, lead, and zinc as Stage 1 of an integrated mine development with Nymagee. The study confirms the technical and financial viability of the development of the Hera deposit. Stage 1 development will see the establishment of the Hera gold mine and construction of a processing facility at the Hera site.

YTC received State Government Approval for the Hera Project in August 2012 and announced a major project funding package with Glencore International AG ('Glencore') on the 22nd November 2012.

Stage 2 Feasibility studies will look at the optimum strategy for the integration of the Nymagee deposit into the Hera development.

YTC considers that exploration upside exists not only in the extension of the existing lenses, but also in the interpretation of Hera to evolve into a major gold-base metal system consistent with the pedigree of Cobar-style deposits.



Hera Project – Delivery of underground haultruck

About the Nymagee Joint Venture

YTC has a 95% interest in the Nymagee JV tenements which are located immediately north of YTC's 100% owned Hera gold-base metal deposit.

YTC has announced a maiden resource at Nymagee of 8.1Mt @ 1.2% Cu, 0.3%Pb, 0.7% Zn and 9g/t Ag.

The Joint Venture includes the Nymagee Copper Mine which last operated in 1918, and has recorded historical production of 422,000t @ 5.8% Cu.

YTC is the manager and operator of the Joint Venture and undertaking exploration at Nymagee to pursue the combined development of Nymagee and Hera.

The Nymagee Mine Joint Venture includes the following Exploration Licences and Mining Leases which cover both the historic Nymagee Copper Mine as well as linking the tenement coverage of the Hera-Nymagee corridor.

- EL 4458, EL 4232, ML 53, ML 90, ML 5295, ML 5828 and PLL 847



Massive sulphide mineralisation - Nymagee Copper Deposit