

\$25 MILLION DRAWDOWN FUNDS RECEIVED

YTC Resources Limited ("YTC" or the "Company") is pleased to advise that it has received \$25 million from a subsidiary of Glencore International AG ("Glencore") in respect of Facility A (\$20 million) & Facility E (\$5 million) of the Glencore Facilities, and that the Facility A converting notes have been issued to Glencore.

These funds will be used for the continuing development of the low cost, Hera Gold & Base Metals Project and to purchase metal price protection.

Facility A is a \$20 million converting note facility, with a conversion price of \$0.251 per share and which is convertible solely at YTC's election, and Facility E is a \$5 million debt facility to allow YTC to purchase metal price protection cover to manage its exposure to commodity prices.

Attached to this Announcement is a Notice under section 708A of the Corporations Act to allow conversion of Facility A if an election is made by YTC to convert Facility A at a future point in time.

For further information please contact:

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16 April 2013

Company Announcements Office
ASX Limited

Notification under section 708A(12C)(e) of the *Corporations Act 2001* (Cth) for the purposes of ASIC Class Order [CO10/322] *On-sale for convertible notes issued to wholesale investors*

This notice is given jointly by YTC Resources Limited ABN 37 108 476 384 (ASX code: YTC) ("**YTC**") and its wholly owned subsidiaries Nymagee Resources Pty Ltd ACN 138 154 131 ("**Nymagee**") and Hera Resources Pty Limited ACN 138 992 999 ("**Hera**") under section 708A(12C)(e) of the *Corporations Act 2001* (Cth) ("**Corporations Act**") as modified by Australian Securities and Investments Commission ("**ASIC**") Class Order 10/322 ("**CO 10/322**") and ASIC's relief instrument [13-0391] ("**ASIC Relief**").

Where applicable, references in this notice to the Corporations Act are to those sections as modified by CO 10/322 and the ASIC Relief.

On 16 April 2013 ("**Issue Date**"), Hera and Nymagee issued A\$20 million worth of secured converting notes in YTC (convertible at YTC's option) to Glencore Group Funding Limited ("**Converting Notes**") following drawdown under Facility A of the facilities provided by Glencore International AG ("**Glencore Facilities**") for the development of the Hera and Nymagee Projects.

The Converting Notes were issued without a disclosure document under Part 6D.2 of the Corporations Act.

Details of the Glencore Facilities and the funding package provided by Glencore International AG were provided in YTC's Notice of General Meeting dated 12 February 2013.

The issue of the Converting Notes was approved by YTC's members at a general meeting on 15 March 2013 for the purposes of section 611, item 7 of the Corporations Act.

1. SUMMARY OF THE GLENCORE FACILITIES

The Glencore debt facilities consist of:

- (a) Facility A – A\$20 million Converting Note Facility;
- (b) Facility B – A\$50 million Converting Note Facility;
- (c) Facility C – A\$30 million Debt Facility;
- (d) Facility D – A\$50 million Debt Facility; and
- (e) Facility E – A\$5 million Working Capital Facility.

YTC has drawn down in full Facility A and Facility E.

2. EFFECT OF ISSUE ON YTC

The issue of the Converting Notes under Facility A resulted in an increase in the indebtedness of YTC by an amount of A\$20 million. The indebtedness created by the issue of the Converting Notes will be reduced to the extent that the Converting Notes are converted to ordinary shares at YTC's option. If Facility A is converted, YTC's equity capital will increase by that number of shares issued upon conversion as detailed by the conversion formula below.

The number of ordinary shares to be issued upon conversion of a Converting Note is determined as follows:

$$\frac{\text{Principal Amount}}{\text{Conversion Price in effect on the conversion date}}$$

Where:

Principal Amount means, in respect of each Converting Note at any time, the outstanding principal amount of that Converting Note.

Conversion Price means for Converting Notes issued as Facility A: \$0.251 per share.

The Conversion Price in effect on the conversion date will be the Conversion Price, subject to any subsequent adjustment in accordance with the Converting Notes Facility Documents.

Capital structure	Share Capital
<i>Conversion price</i>	
Shares on issue (assuming issue of the OZ Consideration Shares and the Straits Considerations Shares)	262,114,334
Options	4,990,000
Performance Rights	840,000
Fully diluted shares on issue	267,944,334
Maximum Shares issued upon conversion of Facility A (assuming no adjustment of Conversion Price)	79,681,275
Total Shares on issue following conversion of Facility A (assuming no adjustment of Conversion Price)	347,625,609

3. IMPACT ON YTC'S FINANCIAL POSITION

Set out below is a pro forma consolidated balance sheet for YTC (unaudited) as at 31 December 2012, adjusted to reflect the drawdown of Facility A and reflecting the Placement to Glencore on 26 March 2013.

Pro forma Balance Sheet		
	31/12/2012	Facility A Drawdown
<u>ASSETS</u>		
Current Assets		
Cash	9,174,559	32,121,141
Trade and Other Receivables	54,496	54,496
Prepayments	<u>142,804</u>	<u>142,804</u>
Total Current Assets	<u>9,371,859</u>	<u>32,318,441</u>
Non-current Assets		
Property, Plant & Equip. (PP&E)	1,339,681	1,339,681
Investments in Associates	1,152,118	1,152,118
Financial Assets	110,000	110,000
Exploration and Evaluation Assets	48,905,913	48,905,913
Mine Development	<u>5,233,305</u>	<u>5,233,305</u>
Total Non-current Assets	<u>56,741,017</u>	<u>56,741,017</u>
<u>TOTAL ASSETS</u>	<u>66,112,876</u>	<u>89,059,458</u>
<u>LIABILITIES</u>		
Current Liabilities		
Trade and Other Payables	1,509,721	1,509,721
Provisions	<u>166,764</u>	<u>166,764</u>
Total Current Liabilities	<u>1,676,485</u>	<u>1,676,485</u>
Non-current Liabilities		

Pro forma Balance Sheet

	31/12/2012	Facility A Drawdown
Provision for Hera Royalty	7,795,391	7,795,391
Debt facilities	—	<u>20,000,000</u>
Total Non-current Liabilities	<u>7,795,391</u>	<u>27,795,391</u>
<u>TOTAL LIABILITIES</u>	<u>9,471,876</u>	<u>29,471,876</u>
<u>NET ASSETS</u>	<u>56,641,000</u>	<u>59,587,582</u>
<u>EQUITY</u>		
Contributed Equity	67,074,707	70,021,289
Reserves	2,030,934	2,030,934
Carried Forward Retained Losses	(10,507,012)	(10,507,012)
Current Year Losses	<u>(1,957,629)</u>	<u>(1,957,629)</u>
<u>TOTAL EQUITY</u>	<u>56,641,000</u>	<u>59,587,582</u>

4. RIGHTS AND LIABILITIES ATTACHING TO THE CONVERTING NOTES

The rights and liabilities in relation to Converting Notes – Facility A were set out in detail in YTC's Notice of General Meeting dated 12 February 2013.

5. RIGHTS AND LIABILITIES ATTACHING TO SHARES ISSUED ON CONVERSION OF THE CONVERTING NOTES

Shares issued on conversion of the Converting Notes will rank equally in all respects with other shares on issue. The following is a broad summary of the rights which are attached to YTC shares.

Voting Rights:	At a general meeting each shareholder in person or by proxy, attorney or representative is entitled to one vote on a show of hands. On a poll, every person present who is a shareholder or a proxy, attorney or Representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or Representative, have one vote for the share.
General Meetings:	Each shareholder has the right to receive notice of and to attend and vote at all general meetings of YTC
Dividend Rights	There is no entitlement to a dividend other than that determined by the directors from time to time.
Rights on winding up	In a winding up, the shares attract the right to participate equally in the distribution of the assets of YTC (both capital and surplus), subject to any amounts unpaid on the share.
Offer of Shares	Subject to the Corporations Act, the Listing Rules and YTC's Constitution, the Directors may at any time issue such number of Shares either as ordinary shares or shares of a named class or classes at the issue price that the Directors determine and with such preferred, deferred or other special rights or such restrictions.
Transfer of shares	Subject to YTC's constitution, shareholders may transfer any share held by them by an ASX Settlement Transfer or any other method of transferring or dealing in shares introduced by ASX or operated in accordance with the ASX Settlement Operating Rules or Listing rules and in any such case recognised under the Corporations Act or an instrument in writing in any usual or common form or in any other form that the Directors approve.
Variation of rights	If at any time the share capital of YTC is divided into difference classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of the class.

6. COMPLIANCE WITH CONTINUOUS DISCLOSURE

As a disclosing entity, YTC is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to YTC may be obtained from, or inspected at an ASIC office.

As at the date of this notice, YTC has complied with:

- (i) the provisions of Chapter 2M of the Corporations Act, as they apply to YTC; and
- (ii) section 674 of the Corporations Act, as it applies to YTC.

YTC will provide a copy of any of the following documents free of charge, to any person on request:

- (i) a copy of its financial report most recently lodged with ASIC;
- (ii) a copy of any half-year report lodged with ASIC after lodgements of that annual financial report and before the lodgement of this cleansing notice; and
- (iii) a copy of any continuous disclosure notices given after the lodgement of that annual financial report and before the lodgement of this cleansing notice.

7. INFORMATION EXCLUDED FROM CONTINUOUS DISCLOSURE NOTICE

YTC is not aware of any information that:

- (a) has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
- (b) is information that investors and their professional advisers would reasonably require for the purposes of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of YTC; and
 - (ii) the rights and liabilities attaching to the Converting Notes being issued.

Yours faithfully



Richard Willson

Company Secretary

YTC Resources Ltd, Hera Resources Pty Ltd, Nymagee Resources Pty Ltd