



FUNDING FOR UP TO \$25M FROM PACIFIC ROAD CAPITAL TO ACCELERATE EXPLORATION AND RESOURCE DEVELOPMENT AT THE HERA-NYMAGEE PROJECTS

- Strategic two-stage transaction with Pacific Road Capital for up to \$25 million to fund exploration and resource development at the Hera-Nymagee Project
- Pacific Road Capital is a resource specialist private equity fund
- Immediate Phase 1 Funding of \$14.3 million at a price of \$0.243 per share, being a 21.7% premium to closing price on 5 December 2013
- Phase 2 Funding of up to \$10.67 million, priced by reference to 30 day VWAP from YTC call
- Strong endorsement of the Hera-Nymagee Project and future expansion potential
- YTC now well placed to open up the Hera-Nymagee Resource potential with an expanded exploration programme in parallel with developing the Hera-Nymagee Project

YTC Resources Limited ("YTC" or the "Company") is very pleased to announce that it has today agreed a strategic equity funding transaction with Pacific Road Capital to advance exploration and resource delineation activity at the Hera-Nymagee Project.

Funds raised from the transaction with Pacific Road Capital will be applied to substantially increase exploration and resource development activity at the Hera-Nymagee Project. The strategic transaction is premised on the shared view of YTC and Pacific Road Capital that accelerating exploration will assist in unlocking the substantial growth potential of both the Hera and Nymagee deposits, in parallel with the Company's focus on developing the Hera and Nymagee Project.

The transaction follows an extensive due diligence process from Pacific Road Capital and represents a strong endorsement of the Hera-Nymagee Project and of the Project's potential to evolve into major Cobar style ore systems.

YTC's Managing Director, Rimas Kairaitis said:

"We are delighted to have attracted an investor of the calibre of Pacific Road Capital and welcome them to our register. This strategic transaction with Pacific Road Capital is complimentary to the development funding package with Glencore that we completed earlier this year. Together with the development funding, this transaction with Pacific Road Capital will ensure that YTC is funded for an aggressive exploration and resource extension programme, as well as funded for development of both its Hera and Nymagee deposits."

"In addition to the Resource extension potential at our existing Hera and Nymagee deposits, we have numerous high priority exploration targets at, and in the vicinity of our Hera-Nymagee Projects. With exploration funding now secured, and the Hera development progressing very well, we now look forward to significantly ramping up our level of exploration activity as soon as possible."



TRANSACTION DETAILS

Phase 1 Funding

Placement of 58.8m shares to Pacific Road Capital at \$0.2434 per share to raise \$14.3 million. The transaction price of \$0.2434, being the VWAP calculated over the 30 days prior to the date of the Agreement, represents a 21.7% premium to the last closing price of YTC. Upon completion of Phase 1 funding Pacific Road Capital's entities will have a 17.96% shareholding in YTC.

Phase 1 Funding Use of Proceeds

Phase 1 funding will be applied to:

- Board-approved exploration at Hera and Nymagee Projects;
- Resource delineation and estimation at Hera and Nymagee; and
- Working capital requirements, including financial risk management such as hedging price protection costs (up to \$3 million).

Phase 2 Funding

Should YTC choose to raise further monies after Phase 1, Pacific Road Capital will hold a first right to subscribe further funds, as Phase 2. In this event, YTC will call further funds up to \$10.7 million from Pacific Road, such funding being subject to Pacific Road Capital's election.

- Phase 2 funding of up to \$10.7 million at a 30 day VWAP price from the time of YTC call with Phase 2 funds to include an additional of \$0.7 million at the Phase 1 funding price. This would bring the total Phase 1 funding to \$15 million.
- Up to \$5 million of Phase 2 funds may be used for debt service or Hera Project cost overrun if applicable
- Phase 2 funding price for those funds used for debt service or Hera Project cost overrun to be priced at a 10% discount to the 30 day VWAP price.
- YTC to seek shareholder approval, and assist with obtaining other necessary Australian regulatory approvals, for Phase 2 funding if required.

Director Appointment

Pacific Road Capital will have the right to appoint a Director to the YTC Board for so long as Pacific Road Capital holds at least 10% of issued capital in YTC, subject to limited exceptions.

Non-Dilute

Subject to the grant of an ASX waiver, YTC will, from completion of Phase 2 funding grant Pacific Road an anti-dilution right for so long as Pacific Road holds at least 10% of issued capital in YTC, subject to limited exceptions.

ABOUT PACIFIC ROAD CAPITAL

Pacific Road Capital provides expansion and buyout capital for mining projects located throughout resource-rich regions of the world. The Pacific Road Resources Funds are private equity funds managed or advised by Pacific Road Capital Management Pty Ltd. ("Pacific Road Capital"). The Pacific Road Capital team, located in Sydney, Australia, San Francisco, USA, and Vancouver, Canada, is comprised of experienced mining investment professionals that have extensive knowledge and experience in the mining sector, including considerable operating, project development, transactional and investment banking experience. For further information on the Pacific Road Resources Funds and PRCM, please go to their website at www.pacroad.com.au.



ABOUT THE HERA-NYMAGEE PROJECT

The Hera-Nymagee Project represents YTC's flagship Project and consists of the Hera gold-base metal deposit (YTC 100%) and the Nymagee copper deposit (YTC 95%), and is located approximately 100km south-east of Cobar, in central NSW. The deposits are hosted in the Cobar Basin, which also host the major mineral deposits at CSA (Cu-Ag), The Peak (Cu-Au) and Endeavor (Cu-Pb-Zn-Ag).

YTC completed the Definitive Feasibility Study ('DFS') on the Hera Gold Project in June 2011, which confirmed the technical and financial viability of the development of the Hera deposit as a shallow underground mine and processing plant producing gold and silver doré bars and a bulk lead-zinc concentrate for sale. YTC subsequently received Project Approval from the NSW State Government in August 2012 and shareholder approval for a major funding transaction with Glencore in March 2013.

YTC is now in full scale development of the Hera project with first production due in the September quarter 2014.

The Company is also currently evaluating the Nymagee copper deposit, located 4.5km to the north, with a view to demonstrating an integrated development of the Hera and Nymagee deposits.

YTC maintains a commitment to the ongoing exploration of the Hera-Nymagee Project and considers both deposits have the potential to evolve into very large 'Cobar style' mineral systems.



Hera Boxcut and Portal