

1 March 2013

Dear YTC Shareholder

### Reminder to Return Your Proxy Form & Vote In Favour of the Development Funding

On 15 March 2013 YTC Resources Limited ("YTC " or "the Company") is holding a General Meeting at which Shareholders will be asked to approve a \$158 million funding transaction to secure the funding necessary to complete the development of the Hera Gold Project ("Development Funding").

I am pleased to report that earlier this week YTC was awarded with "**Best Small Cap Deal**" at the Government Magazine's Annual Mining Awards in respect of this Development Funding. It is great to see the achievements of YTC being recognised by this award.

Approval of the Development Funding at the upcoming General Meeting is the final major hurdle required for YTC to transition from explorer to a gold developer and producer. Given the importance of the Development Funding, regardless of the size of your investment, **I strongly urge every Shareholder to vote "For" both Resolutions as soon as possible by voting online or returning their personalised proxy form.** Instructions for voting online, a personalised proxy form and a reply paid envelope have been included with this letter.

Since announcement of the Development Funding, I've spoken with many of YTC's Shareholders, and continue to endeavour to speak with others. Pleasingly, the feedback from these conversations has been overwhelmingly in favour of the Development Funding transaction, with Shareholders recognising this opportunity to build the Hera and Nymagee Projects on very favourable funding terms. Building on this indicative support, I urge all Shareholders to vote to ensure your support for the transaction is recorded.

### Background

As you will no doubt be aware, YTC has undertaken early site works for the development of the Hera Gold Project, however to complete the mine's development, YTC requires considerable capital. Following a competitive and rigorous negotiation process, YTC secured funding from Glencore International AG and its related bodies corporate ("Glencore") on terms that I consider to be an outstanding outcome for YTC Shareholders.

As announced to the ASX on 22 November 2012, Glencore and YTC have agreed binding terms for Glencore to provide the YTC group with a total of A\$158 million for development of the Hera and Nymagee Projects. Pursuant to this agreement, Glencore will:

- subscribe to approximately \$2.95 million worth of YTC shares at a 25% premium to YTC's 30 day volume weighted average price<sup>1</sup>, to grow its total equity interest in YTC to 9.9% ("Placement");
- provide the YTC group with two converting note facilities for a total of A\$70 million, which may be converted into YTC shares solely at YTC's discretion<sup>2</sup> ("Converting Notes"); and
- provide the YTC group with three debt facilities for a total A\$85 million<sup>3</sup>.

<sup>1</sup> Based on the 30 day volume weighted average price of YTC at the time of execution of the Term Sheet in respect of the Development Funding.

<sup>2</sup> Subject to terms and conditions considered standard for this type of funding, details of which are specified in the Notice of Meeting.

<sup>3</sup> Subject to terms and conditions considered standard for this type of funding, details of which are specified in the Notice of Meeting.

Further details on the terms of the agreement, and the potential advantages and potential disadvantages of the Development Funding, are set out in the Notice of Meeting and Explanatory Statement, which includes the Independent Expert's Report ("**Notice**"). A copy of the Notice was mailed to all Shareholders on 13 February 2013.

A full copy of the Notice may be downloaded from the Company's website at: [www.ytcreources.com](http://www.ytcreources.com) If you require a new hard copy, please contact the Company Secretary on +61 2 6361 4700 or by email on [richard.willson@ytcreources.com](mailto:richard.willson@ytcreources.com).

In the Independent Expert's Report ("IER"), the Independent Expert concluded that the Development Funding is **FAIR AND REASONABLE** to Shareholders who are not associated with Glencore (reasons for the decision are detailed in the IER). In addition, the majority of the YTC Board, including the independent Chairman, each of the independent non-executive Directors, and myself as the Managing Director (the "Board Majority"), **recommend Shareholders vote in favour of the Development Funding by voting FOR both Resolution 1 and Resolution 2.**

Shareholders should be aware that the various components of the Development Funding are inter-dependent, so that if Shareholders do not approve the Resolutions for the Placement and Converting Notes, all of the proposed Development Funding and related agreements such as the Off-Take Agreement and formation of the Technical Steering Committee will fall away, and YTC will need to source alternative funding to develop the Hera and Nymagee Projects.

#### **Vote FOR the Resolutions**

The Board Majority recommends that Shareholders vote For both Resolutions, and the Board Majority intends to vote all YTC shares they own or control in favour of the Resolutions, subject to there being no superior proposal and the Independent Expert not changing its view prior to the General Meeting. However, the minority Directors recommend that Shareholders vote Against both Resolutions.

The reasons why the Board Majority have recommended that Shareholders vote in favour of the Resolutions are contained in the Notice. The reasons why the minority Directors have recommended that Shareholders vote against the Resolutions are also contained in that Notice.

The Explanatory Memorandum previously sent to all Shareholders sets out all information relevant to your decision, and you should read it in its entirety.

#### **How to Vote**

If you cannot attend the General Meeting to vote in person, you can complete and return the enclosed proxy form by mail, in the reply paid envelope, or by fax on +61 8 9315 2233. Instructions for how to complete the proxy form are set out on the proxy form.

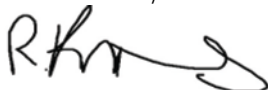
Alternatively, you may vote online by visiting [www.securitytransfer.com.au](http://www.securitytransfer.com.au). To use this option, you will utilise your Security Holder Reference Number (SRN) or Holder Identification Number (HIN) and your allocated Online Proxy ID as shown on your proxy form. Detailed instructions on how to vote online are included with this letter.

We encourage you to vote as soon as possible, and to **vote by no later than 10am (AEDST) Wednesday 13 March 2013.**

I look forward to finalising the Development Funding and immediately commencing full scale construction and development of the Hera Gold Project to become one of Australia's next gold producers. Commencing gold production at Hera will be a tremendous achievement for YTC Resources, and lays a solid foundation for the continued growth of the Company.

If you have any queries, please contact myself on +61 2 6361 4700 or Richard Willson, YTC's Company Secretary, on +61 2 6361 4700 or email [richard.willson@ytcreources.com](mailto:richard.willson@ytcreources.com).

Yours sincerely



**Rimas Kairaitis**  
Managing Director

# YTC Resources Limited

## Proxy Voting Guide



### *You can now vote online!*

We encourage all Shareholders to **vote online now** by following the steps outlined below.

Regardless of the size of your shareholding, **your vote is important to YTC.**

**The majority of the YTC Board of Directors, including the Managing Director, the Independent Chairman, and all of the Independent Non-Executive Directors recommend that you vote FOR both the Resolutions.**

### How to Vote Online

**Step 1:** Visit [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

**Step 2:** Click on "Investor Login" at the top of the web page.

**Step 3:** Select "YTC Resources Limited" from the drop down menu under the field titled "Investment Name".

**Step 4:** Select your Holder Type:

- **Issuer Sponsored:** Your shares are Issuer Sponsored if there is a "C" in front of your Holder Number.  
or
- **CHESS** Your shares are a CHESS holding if there is an "X" in front of your Holder Number.

Type in your Holder Identification Number (HIN) or Security Reference Number (SRN), and remember to ignore any letters (i.e. X or C) and any zeros that appear at the start of your Holder Number.

**Step 5:** Click on "Submit"

**Step 6:** Click on "Voting" in the options on the right hand side of the web page.

**Step 7:** Enter your Online Proxy ID, which is printed on your Proxy Form.

**Step 8:** Tick the "For" or "Against" boxes for each of the Resolutions to reflect your voting preference.

**Step 9:** Click on "Submit" to lodge your vote.

If you vote online, you do not need to complete and return the Proxy Form.

### Voting By Proxy Form

If you are unable to vote online, we urge you to vote by returning the personalised proxy form enclosed with this letter. A reply paid envelope is included for your convenience.

Please refer to the Proxy Form for instructions on how to complete the Proxy Form.

**Proxies must be received no later than 10am AEDST on Wednesday 13 March 2013.**

### Enquiries

If you have any questions in relation to voting online or completing your Proxy Form, please contact YTC's Company Secretary, Richard Willson, on +61 2 6361 4700, or by email on [richard.willson@ytcresources.com](mailto:richard.willson@ytcresources.com).

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

YTC Resources Limited

ACN 108 476 384

REGISTERED OFFICE:
PO BOX 7077
ORANGE NSW 2800

SHARE REGISTRY:
Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535,
APPLECROSS WA 6953 AUSTRALIA
770 Canning Highway,
APPLECROSS WA 6153 AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code: YTC

Holder Number:

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

Box for marking 'X' for Chairperson

OR

Grid for entering name of person appointed

The meeting Chairperson
(mark with an "X")

The name of the person you are appointing
(if this person is someone other than the Chairperson of the meeting).

or failing the person named, or if no person is named, the Chairperson of the Meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions...

SECTION B: Voting Directions to your Proxy

Please mark "X" in the box to indicate your voting directions to your Proxy.

Resolution

For Against Abstain\*

1. APPROVAL OF THE ISSUE OF THE SUBSCRIPTION SHARES TO GLENCORE AUSTRALIA FINANCE HOLDINGS PTY LTD

2. APPROVAL OF THE ISSUE TO GLENCORE GROUP FUNDING LIMITED OF CONVERTING NOTES AND SHARES ON CONVERSION OF THOSE CONVERTING NOTES

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

\* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Please Sign Below

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Signature box for Individual or Security Holder

Signature box for Security Holder 2

Signature box for Security Holder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

Proxies must be received by Security Transfer Registrars Pty Ltd no later than 10.00AM AEDST on Wednesday 13 March 2013.

ONLINE PROXY SERVICE

You can lodge your proxy online at www.securitytransfer.com.au

1. Follow the link to "Investor Login"

2. Input your shareholder details, then click on "submit". If an 'X' is at the start of your Holder Number, your shares are a registered CHESS holding. If a 'C' is at the start of your Holder Number, your shares are Issuer Sponsored. (When entering your Holder Number, please ignore any letters and any zeros that appear at the start of your Holder Number).

3. Click on "voting" on the right hand side of the web page, and provide your Online Proxy ID

Online Proxy ID:

My/Our contact details in case of enquiries are:

NAME													TELEPHONE NUMBER								
													(		)						

## NOTES

### 1. Name and Address

This is the name and address on the Share Register of YTC RESOURCES LIMITED. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

### 2. Appointment of a Proxy

If you wish to appoint the Chairperson of the Meeting as your Proxy please mark "X" in the box in Section A. Please also refer to Section B of this proxy form and ensure you mark the box in that section if you wish to appoint the Chairperson as your Proxy.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a Shareholder of YTC RESOURCES LIMITED.

### 3. Directing your Proxy how to vote

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

### 4. Appointment of a Second Proxy

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by telephoning the Company's share registry +61 8 9315 2333 or you may photocopy this form.

To appoint a second Proxy you must:

- (a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- (b) Return both forms in the same envelope.

### 5. Signing Instructions

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

### 6. Lodgement of Proxy

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than 10.00AM AEDST on Wednesday 13 March 2013, being 48 hours before the time for holding the meeting. Any Proxy form received after that time will not be valid for the scheduled meeting.

**Security Transfer Registrars Pty Ltd**  
**PO BOX 535**  
**Applecross, Western Australia 6953**

**Street Address:**  
**Alexandrea House, Suite 1**  
**770 Canning Highway**  
**Applecross, Western Australia 6153**

**Telephone +61 8 9315 2333**

**Facsimile +61 8 9315 2233**

**Email registrar@securitytransfer.com.au**

### Voting online

You may submit your proxy online by visiting [www.securitytransfer.com.au](http://www.securitytransfer.com.au). To use this option, you will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and your allocated Online Proxy ID number as shown on your proxy form. You will be taken to have signed the proxy form if you lodge it in accordance with the instructions on the website. A proxy cannot be appointed electronically if they are appointed under a Power of Attorney or similar authority. The online proxy facility may not be suitable for shareholders who wish to appoint two proxies with different voting directions. Please read the instructions for online proxy submissions carefully before you lodge your proxy. Custodians and other intermediaries may submit their proxy online by visiting [www.securitytransfer.com.au](http://www.securitytransfer.com.au).

### PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.