

## MARCH 2011 QUARTER HIGHLIGHTS

### NYMAGEE COPPER MINE

Deeper drilling confirms the discovery of two new contiguous high-grade copper lodes in the footwall position at the Nymagee Mine

- **NMD017:** 12m @ 3.7% Cu from 324m (Royal lode)
- **NMD017W1:** 12m @ 3.2% Cu from 323m ('Royal' lode)
- **NMD017:** 6m @ 3.75% Cu from 471m (Club House lode)

The first shallow RC drill holes by YTC at Nymagee discovered significant shallow copper sulphide mineralisation:

- **NMRC001:** 53m @ 2.3% Cu from 34m, including  
16m @ 4.2% Cu from 42m (supergene zone)
- **NMRC002:** 69m @ 1.5% Cu from 39m, including  
19m @ 3.0% Cu from 49m (supergene zone)
- **NMRC003:** 71m @ 0.9% Cu from 56m
- **NMRC006:** 63m @ 1.3% Cu from 54m
- **NMRC009:** 10m @ 2.9% Cu from 56m

Ongoing drilling continues to demonstrate the continuity of strong copper sulphide mineralisation below the Nymagee Copper Mine. Significant results in the quarter include:

- **NMD009W2:** 10m @ 7.1% Cu, 0.21g/t Au, 39.7g/t Ag from 379m
- **NMD021:** 10m @ 2.4% Cu from 430m
- **NMD021W1:** 36m @ 2.5% Cu and 11g/t Ag from 381m

Substantial lead-zinc-silver mineralisation intersected as a discrete lead-zinc silver lens on the western side of the Nymagee Copper mineralisation. Significant results include:

- **NMD015W1:** 8.0m @ 4.6% Pb, 7.3% Zn, 26g/t Ag and 0.34% Cu from 325m, and  
3.3m @ 6.1% Pb, 11.7% Zn, 51g/t Ag and 0.24% Cu from 346.7m
- **NMRC002:** 5m @ 6.0% Pb, 10.9% Zn, 55g/t Ag and 0.8% Cu from 112m
- **NMRC003:** 8m @ 5.7% Pb, 10.2% Zn, 57g/t Ag and 0.5% Cu from 127m
- **NMRC006:** 8m @ 3.0% Pb, 4.7% Zn, 24g/t Ag and 0.2% Cu from 117m

### HERA GOLD PROJECT

Resource extension and resource-infill programme at the Hera Far West Lens continuing, with bonanza grades intersected:

- **HRD032:** 10.2m @ 68.3g/t Au\*, 19g/t Ag, 3.2% Pb and 3.8% Zn from 520.2m,  
including 4.2m @ 164g/t Au\*, 25.1g/t Ag, 7.0% Pb and 5.0% Zn from 522m
- **HRD030:** 3.0m @ 15.1g/t Au\*, 0.7% Pb and 1.0% Zn from 484m

### CORPORATE

The announcement of a successful capital raising of \$25m to fund a continued aggressive evaluation of the Nymagee Copper deposit and the integrated Hera-Nymagee Project.

- Cash of \$8.163m at end of quarter, with receivables of \$25.08m

## INTRODUCTION – HERA GOLD PROJECT AND THE NYMAGEE COPPER MINE

The Hera Gold Project (YTC 100%) and the Nymagee Copper Mine (YTC 90%) are located 100km south-east of Cobar, hosted in the Cobar Basin of central NSW which also hosts the major mineral deposits at CSA (Cu-Ag), The Peak (Cu-Au) and Endeavor (Cu-Pb-Zn-Ag).

YTC is progressing an expanded Definitive Feasibility Study ('DFS') on the Hera Project to establish an underground mine producing gold, silver, lead, zinc and copper. The Company is at the same time pursuing an aggressive drilling programme at the Nymagee Copper Mine, located 4.5km to the north, with a view to demonstrating a combined development of the Hera and Nymagee deposit.

## NYMAGEE COPPER MINE - EXPLORATION

YTC-90%

Activities at Nymagee during the quarter were again dominated by drilling activity, with a view to scoping the Nymagee mineralisation and moving towards a maiden Resource Estimate.

The mineralisation and geological characteristics of the Nymagee mineralisation show strong affinities to the CSA Copper Mine, located approximately 90km north along strike, which is currently Australia's highest grade copper mine and has a recorded production of >1.5Mt of copper. Results in the quarter include the following highlights:

- The discovery of two, new, contiguous footwall copper lodes at depth
- The discovery of significant widths of shallow copper mineralisation at Nymagee at strong grades with strong potential to evolve into open pitminable mineralisation
- The recognition of substantial lead-zinc-silver mineralisation as a discrete lead-zinc silver lens on the western side of the Nymagee Copper mineralisation.
- A continuation of strong copper sulphide mineralisation beneath the historic Nymagee Copper Mine

### Footwall Zones

The completion of two diamond drill holes, NMD017 & NMD017W1, which are now the deepest holes drilled below the Nymagee Copper Mine, confirmed the discovery of two new, contiguous, high grade copper lodes in the eastern 'footwall' position.

The new lodes have been named the '**Royal**' and '**Club House**' lodes with the Club House lode now having a demonstrated vertical continuity of >100m at >3% Cu. Of particular encouragement is the apparent increase in grade within these footwall lodes with increasing depth.

Intersections within the lodes include:

- **NMD017: 12m @ 3.7% Cu from 324m (Royal lode)**
- **NMD017W1: 12m @ 3.2% Cu from 323m ('Royal' lode)**
- **NMD017: 6m @ 3.75% Cu from 471m (Club House lode)**

Other zones of footwall mineralisation intersected in holes NMD017 and NMD017W1 which also have the potential to evolve into higher grade lodes at depth include:

- **NMD017: 12m @ 0.84% Cu from 271m**
- **NMD017: 12m @ 1.3% Cu from 371m**
- **NMD017: 14m @ 0.9% Cu from 529m**
- **NMD017W1: 2m @ 2.8% Cu from 338m**
- **NMD017W1: 8m @ 2.0% Cu and 46g/t Ag from 369m**

- **NMD017W1: 3m @ 1.8% Cu from 491m**
- **NMD017W1: 5m @ 1.5% Cu and 17g/t Ag from 508m**

Significant footwall copper intersections were also recorded from hole NMD021, drilled at the northern end of the Nymagee Copper Mine. Significant footwall intervals intersected in NMD021 include:

- **15m @ 0.75% Cu, from 264m**
- **1m @ 5.1% Cu from 295m**
- **35m @ 0.86% Cu from 322m, including**
- **5m @ 2.0% Cu from 336m**

### Discovery of Shallow Copper Mineralisation at Nymagee

The first RC drill holes at the Nymagee Copper Mine were designed to intersect the remnant pillar mineralisation at shallow depths. The drill holes intersected:

- Broad widths of **strong, copper sulphide mineralisation at shallow depths**, with strong implications for the potential significant open pit mine mineralisation.
- A significant **zone of supergene enrichment** developed in the footwall copper sulphide mineralisation immediately below the surface oxide zone

Significant results from the first RC holes include:

- **NMRC001: 53m @ 2.3% Cu from 34m, including  
16m @ 4.2% Cu from 42m (supergene zone)**
- **NMRC002: 69m @ 1.5% Cu from 39m, including  
19m @ 3.0% Cu from 49m (supergene zone)**
- **NMRC003: 71m @ 0.9% Cu from 56m**
- **NMRC006: 63m @ 1.3% Cu from 54m**
- **NMRC009: 10m @ 2.9% Cu from 56m**

These results are presented on the accompanying cross sections, drill plan and long section.

The remaining RC holes in the RC programme (results pending) were completed as part of a 'pillar' drilling programme, designed to evaluate the remnant mineralisation left in place in the upper part of the historic Nymagee copper mine, following the selective high-grade mining completed in 1917.

The shallow copper mineralisation at Nymagee remains open to the north and a major shallow RC drilling programme has now been planned to evaluate the area in detail and allow for an estimation of a shallow copper resource at Nymagee in combination with a deeper, high-grade underground resource. The commencement of the second RC programme will be subject to the relevant environmental approvals from NSW Industry & Investment.

### Further strong copper results – Nymagee Main Lode

Ongoing drilling has continued to record strong copper results from the Nymagee Main Lode position below the historic Nymagee Copper Mine as well as from the remnant mine pillars.

Holes NMD009W1 and NMD009W2 were drilled as a wedge and parent hole to test the southern limits of the high grade copper mineralisation. The holes intersected high grade copper mineralisation as massive to semi-massive sulphides in the **Nymagee Main Lode** position:

- **NMD009W2: 10m @ 7.1% Cu, 0.21g/t Au, 39.7g/t Ag, 0.55% Pb from 379m**
- **NMD009W1: 3.6m @ 4.1% Cu, and 19.8g/t Ag from 403m**

Holes **NMD021, NMD021W1 and NMD021W2** were drilled as a parent and two wedge holes to test the depth persistence of copper mineralisation at the northern end of the known Main Lode mineralisation at Nymagee. The holes each intersected broad intervals of economic grade copper mineralisation:

- **NMD021: 10m @ 2.4% Cu from 430m**
- **NMD021W1: 36m @ 2.5% Cu and 11g/t Ag from 381m, including  
5m @ 4.0% Cu and 8g/t Ag from 393m, and  
7m @ 6.7% Cu, 0.16g/t Au and 30g/t Ag from 405m**
- **NMD021W2: 16m @ 1.2% Cu from 370m**

NMD015W2 was drilled through the remnant pillar between the historic 7 and 8 levels. The remnant pillar mineralisation recorded high grade copper mineralisation with significant gold credits:

- **NMD015W2: 5.3m @ 3.5% Cu and 0.30g/t Au from 303.7m**

Hole NMD015W1 also passed through the Nymagee Main Lode as a remnant pillar between the historic 7 and 8 levels, however the hole failed to reach target depth and was re-drilled as NMD015W2. The Main Lode intersection in hole NMD015W1 recorded:

- **NMD015W1: 5m @ 4.3% Cu, 21g/t Ag and 0.55g/t Au from 301m**

The parent hole NMD015 intersected the Nymagee Main Lode approximately 30m below the 8 level and recorded the following intersections:

- **NMD015: 36m @ 1.7% Cu from 334m, including**
- **NMD015: 2m @ 4.5% Cu from 353m**

YTC is now completing the drilling programme targeting the remnant pillars with the historic Copper Mine. Once completed, the holes should allow for the estimation of a JORC Resource estimate on the remnant pillars to supersede the previous historical estimate completed by Cyprus Mining Corporation in 1974.

A long section of the Nymagee Copper Mine with drill hole results in included with this report.

## Lead-Zinc-Silver mineralisation at Nymagee

The occurrence of substantial lead-zinc-silver mineralisation at the Nymagee Copper Mine was recorded by the historic miners and also in an historical estimate completed by Cyprus Mining Corporation in 1974. The lead-zinc-silver mineralisation occurs as a discrete lens or lenses approximately 10-15 west of the Nymagee Main Lode copper mineralisation and was left unmined by the operators of the historical Nymagee Copper Mine. The ongoing drilling at Nymagee has continued to intersect the lens, particularly in the upper sections of the mine, and a number of substantial intersection have now been recorded including:

- **NMD015W1: 8.0m @ 4.6% Pb, 7.3% Zn, 26g/t Ag and 0.34% Cu from 325m, and 3.3m @ 6.1% Pb, 11.7% Zn, 51g/t Ag and 0.24% Cu from 346.7m**
- **NMD015: 6m @ 2.2% Pb, 4.2% Zn, 36g/t Ag and 0.6% Cu from 370m**
- **NMRC002: 5m @ 6.0% Pb, 10.9% Zn, 55g/t Ag and 0.8% Cu from 112m**
- **NMRC003: 8m @ 5.7% Pb, 10.2% Zn, 57g/t Ag and 0.5% Cu from 127m**
- **NMRC006: 8m @ 3.0% Pb, 4.7% Zn, 24g/t Ag and 0.2% Cu from 117m**

It is anticipated that once results from the pillar drilling programming are received that the lead-zinc silver lens will form a component of the maiden resource estimate at Nymagee.

Table 1 below summarises the drill hole information for all diamond drill holes completed, or for which results are included at the Nymagee Copper Mine to the end of the March quarter.

| Hole     | GDA_E  | GDA_N   | DIP | AZI_MGA | Depth | Comments                                        |
|----------|--------|---------|-----|---------|-------|-------------------------------------------------|
| NMD009W1 | 434994 | 6452187 | -60 | 223.3   | 447.7 | 90m below 8 level – testing for southern extent |
| NMD009W2 | 434994 | 6452187 | -60 | 223.3   | 432.5 | 70m below 8 level – testing for southern extent |
| NMD011   | 434945 | 6452347 | -55 | 261     | 426.9 | To test northern end of Nymagee Main Lode       |
| NMD013   | 434973 | 6452246 | -53 | 262     | 392   | 20m below 8 level – central area                |
| NMD013W1 | 434973 | 6452246 | -53 | 262     | 419.5 | 50m below 8 level – central area                |
| NMD014   | 434973 | 6452246 | -57 | 250.3   | 447.9 | 90m below 8 level – central area                |
| NMD014W1 | 434973 | 6452246 | -57 | 250.3   | 398.4 | To test above NMD014                            |
| NMD015W1 | 434994 | 6452187 | -55 | 252.5   | 320   | To test mine pillar between 7 and 8 level       |
| NMD015W2 | 434994 | 6452187 | -55 | 252.5   | 390.6 | To test mine pillar between 7 and 8 level       |
| NMD017   | 434997 | 6452187 | -70 | 227.3   | 558.5 | Wedge hole off NMD017                           |
| NMD017W1 | 434973 | 6452246 | -53 | 277.3   | 432   | To test above hole NMD021W1                     |
| NMD019   | 434994 | 6452187 | -61 | 252.3   | 480.8 | To test central area                            |
| NMD021   | 434973 | 6452246 | -53 | 277.3   | 509   | To test approx 120m below 8 level               |
| NMD021W1 | 434973 | 6452246 | -53 | 277.3   | 452.5 | To test between holes NMD007 & NMD021           |
| NMD021W2 | 434973 | 6452246 | -53 | 277.3   | 432   | To test above hole NMD021W1                     |

**Table 1: Nymagee Diamond Drill Collars to end of March quarter**

# March 2011

## Quarterly Activities Report

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Table 2 below summarises the drill hole information for all RC drill holes completed, or for which results are included at the Nymagee Copper Mine to the end of the March quarter.

| Hole    | GDA_E  | GDA_N   | DIP | AZI_MGA | Depth | Comments                  |
|---------|--------|---------|-----|---------|-------|---------------------------|
| NMRC001 | 434759 | 6452406 | -52 | 247.3   | 88    | Ended in mine void - 88m  |
| NMRC002 | 434760 | 6452406 | -60 | 237.3   | 117   | Ended in mine void - 117m |
| NMRC003 | 434775 | 6452416 | -60 | 240.3   | 162   |                           |
| NMRC004 | 434768 | 6452392 | -56 | 247.3   | 22    | Ended in mine void - 22m  |
| NMRC005 | 434760 | 6452389 | -56 | 246.3   | 41    | Ended in mine void - 41m  |
| NMRC006 | 434772 | 6452395 | -59 | 249.3   | 168   |                           |
| NMRC007 | 434800 | 6452343 | -60 | 255.3   | 180   | Between shallow open cuts |
| NMRC008 | 434765 | 6452338 | -60 | 245.3   | 99    | Ended in Mine Void - 99m  |
| NMRC009 | 437769 | 6452339 | -63 | 245.3   | 162   | Beneath shallow open cut  |

Table 2: Nymagee Diamond RC Collars to end of March quarter

## **NYMAGEE COPPER MINE - FEASIBILITY**

YTC is working towards a maiden Nymagee Resource Estimate that will allow for the construction of a preliminary mine plan and mine schedule to be included into the Hera feasibility as part of the assessment of Nymagee and Hera as an integrated development.

YTC is also progressing metallurgical studies to allow for the finalisation of a process flow sheet and process plant costings suitable for the treatment of both Hera and Nymagee mineralisation.

### **Nymagee Metallurgy**

YTC completed preliminary flotation test work on the Nymagee copper mineralisation as part of the assessment of Nymagee to be combined with the Hera project as an integrated development, which indicates both high recovery rates and a clean, marketable concentrate can be achieved.

The preliminary samples were taken from hole NMD001 (369.5m – 380.6m, 11.1m @ 5.93% Cu and 19.8 g/t Ag) and tested at the METCON laboratories in Sydney.

The preliminary test work included copper rougher flotation at a range of grind sizes. The test work is very favourable on this initial sample, with recoveries in excess of 92% to a concentrate grading >26% copper and recoveries in excess of 98% using a finer grind size. At this early stage no cleaner flotation tests have been conducted so there may be potential to further improve the concentrate grade.

| Grind Size | Recovery | Concentrate Grade |
|------------|----------|-------------------|
| 75 µm      | 98.8%    | 26.8%             |
| 125 µm     | 98.5%    | 26.7%             |
| 250 µm*    | 92.7%    | 26.7%             |

\*Equivalent Hera Process grind size

The Nymagee mineralisation also contains considerable silver. In this initial test, the recovery of silver to the concentrate is >80%.

A sample of the concentrate has been tested to determine the level of potentially deleterious elements. On this sample none of the penalty thresholds for common penalty elements were reached indicating a clean and marketable concentrate can be produced.

The program of testwork is ongoing and will include a program of regrind and cleaner flotation testwork and ongoing testing of sample to understand the variability of the metallurgical response to different grind sizes and reagent regimes prior to selecting a defined processing route.

An program of ore hardness and crushing and grinding amenability testwork is about to be completed to enable preliminary design of a processing flowsheet.



0 24km

Map Projection: Longitude / Latitude (GDA 94)

Compiled: 16 / 03 / 2010

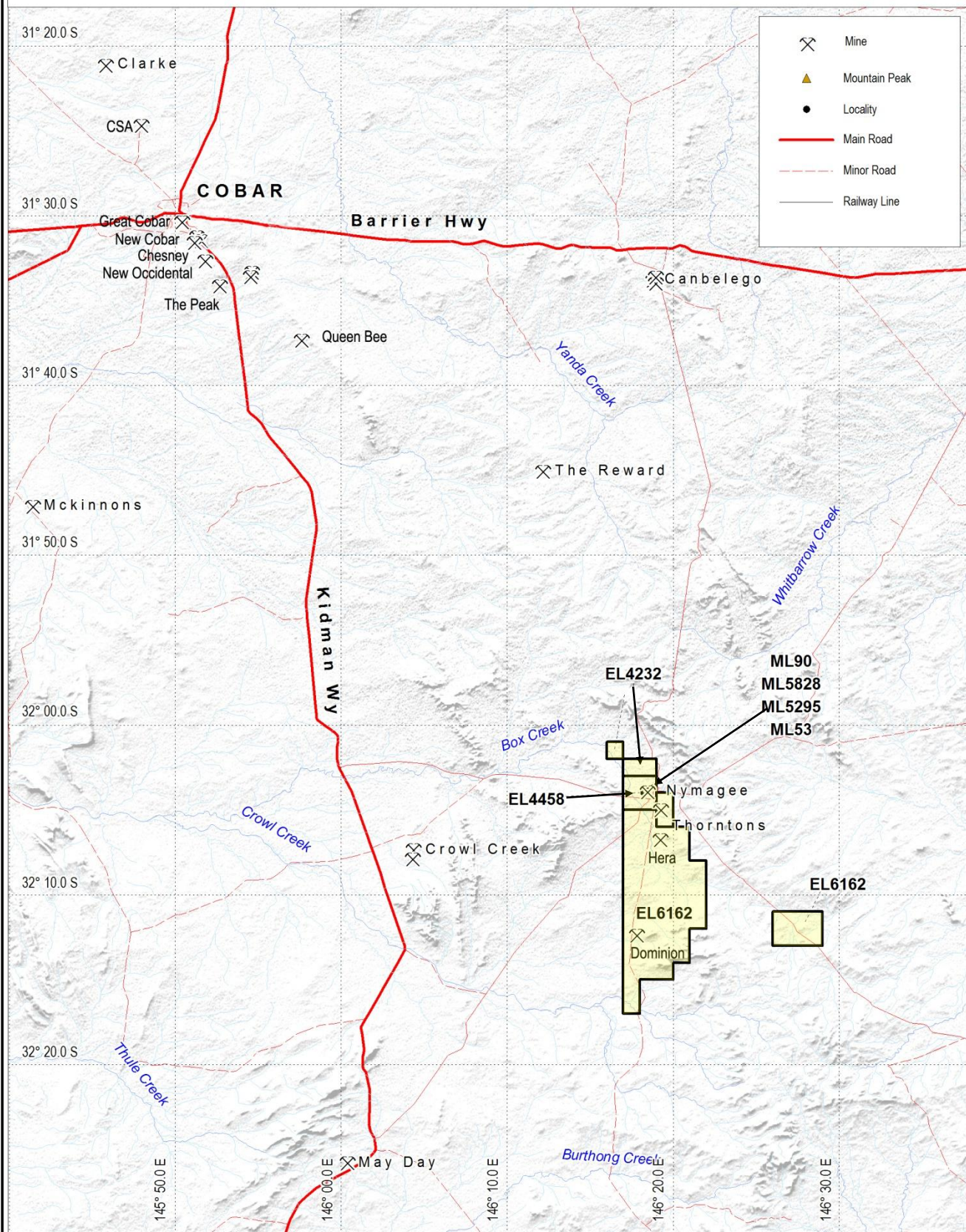
This map is copyright© (2010), of YTC Resources Ltd

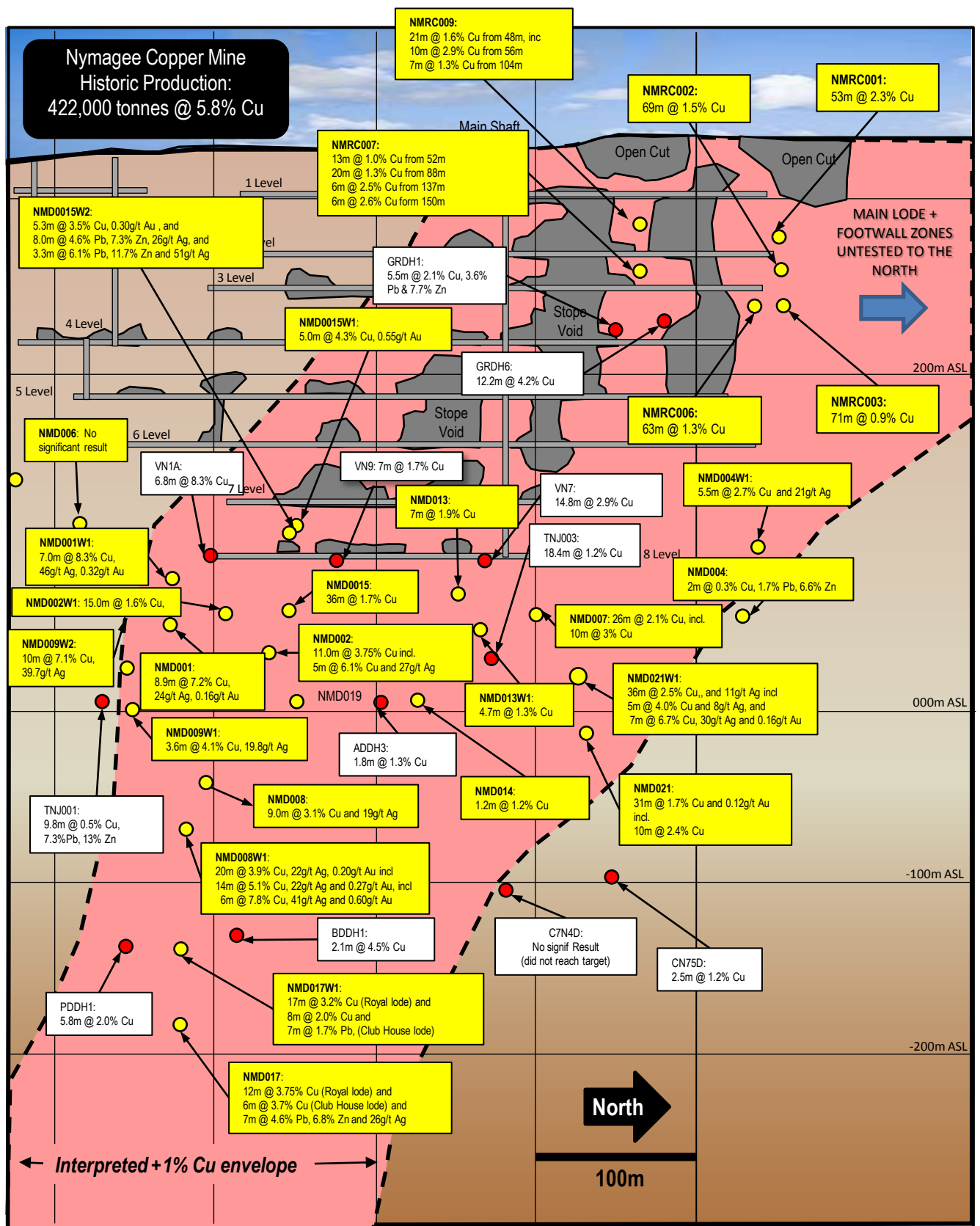


New South Wales

Hera Gold Project

Location Diagram



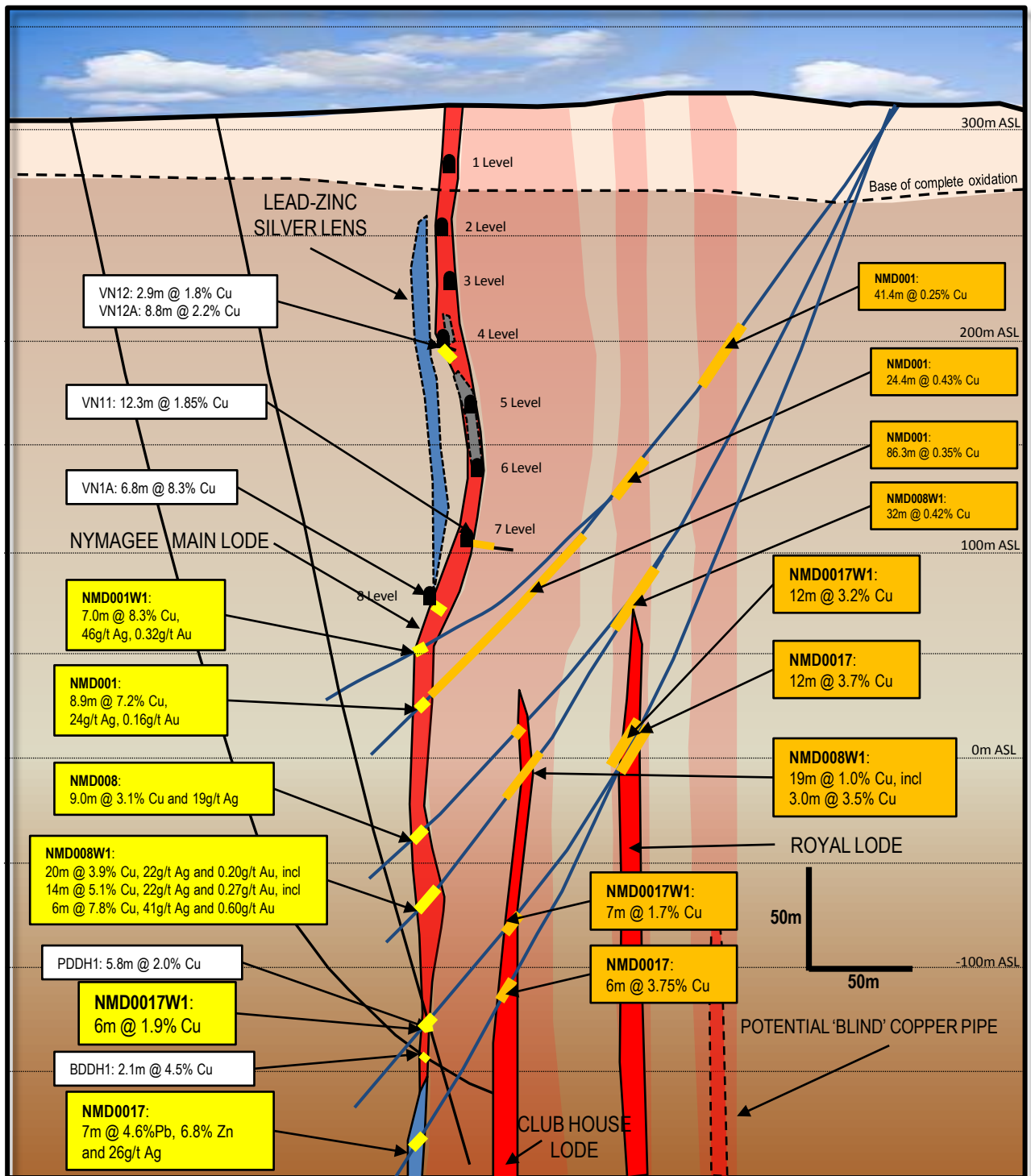


- Previous Drill Holes – with results
- YTC Drill Holes – Current Programme - with results

**Nymagee Copper Mine  
Long Section – Looking West  
With RC Drill Hole Results**

Grid: Local - Scale as Shown





Previous Drill Holes – with results

YTC Drill Holes – Main Lode- with results

YTC Drill Holes – Footwall Lodes – with results



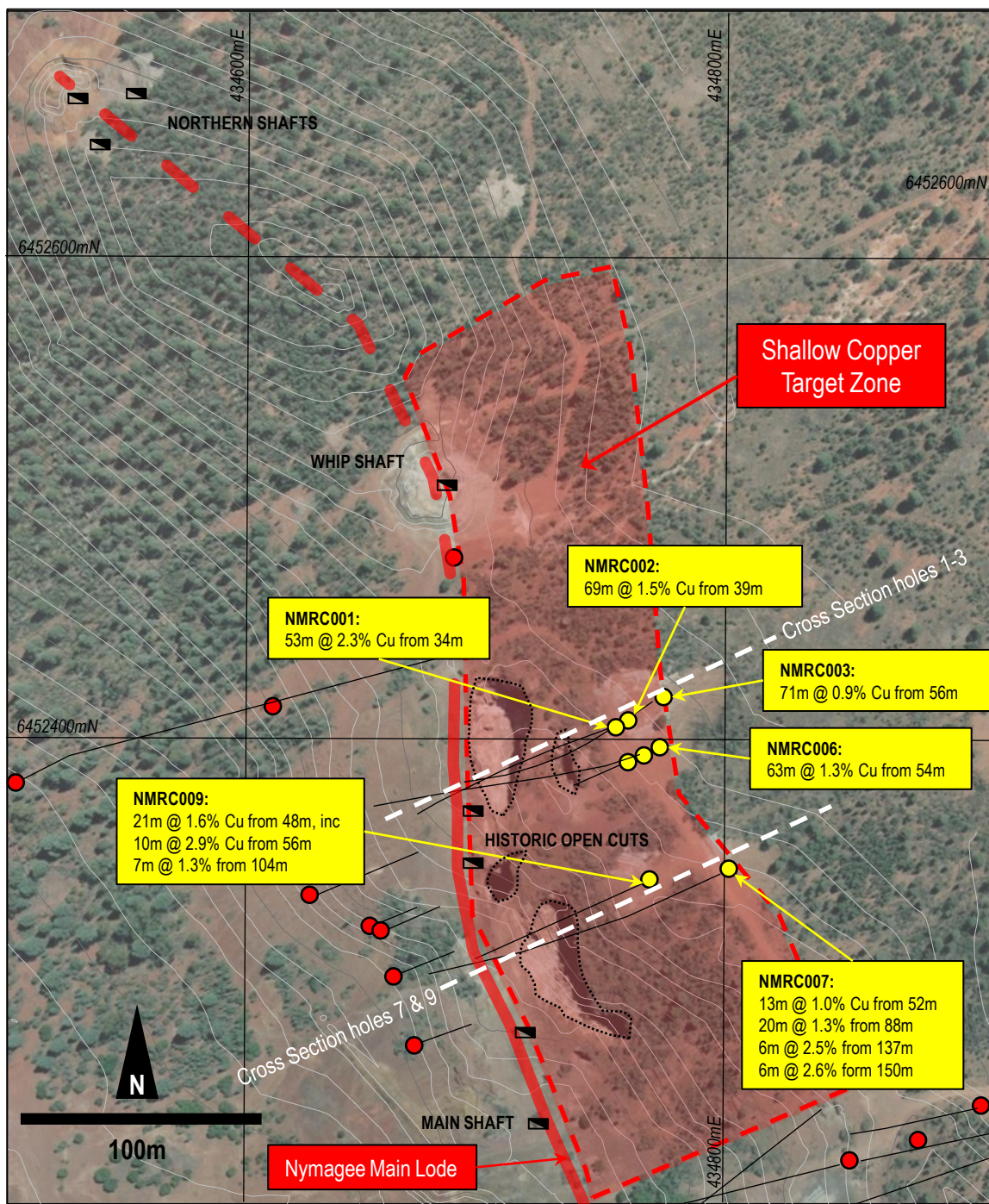
LOCATION PLAN

## Nymagee Copper Mine

### Cross Section looking North

Grid: Local- Scale as Shown

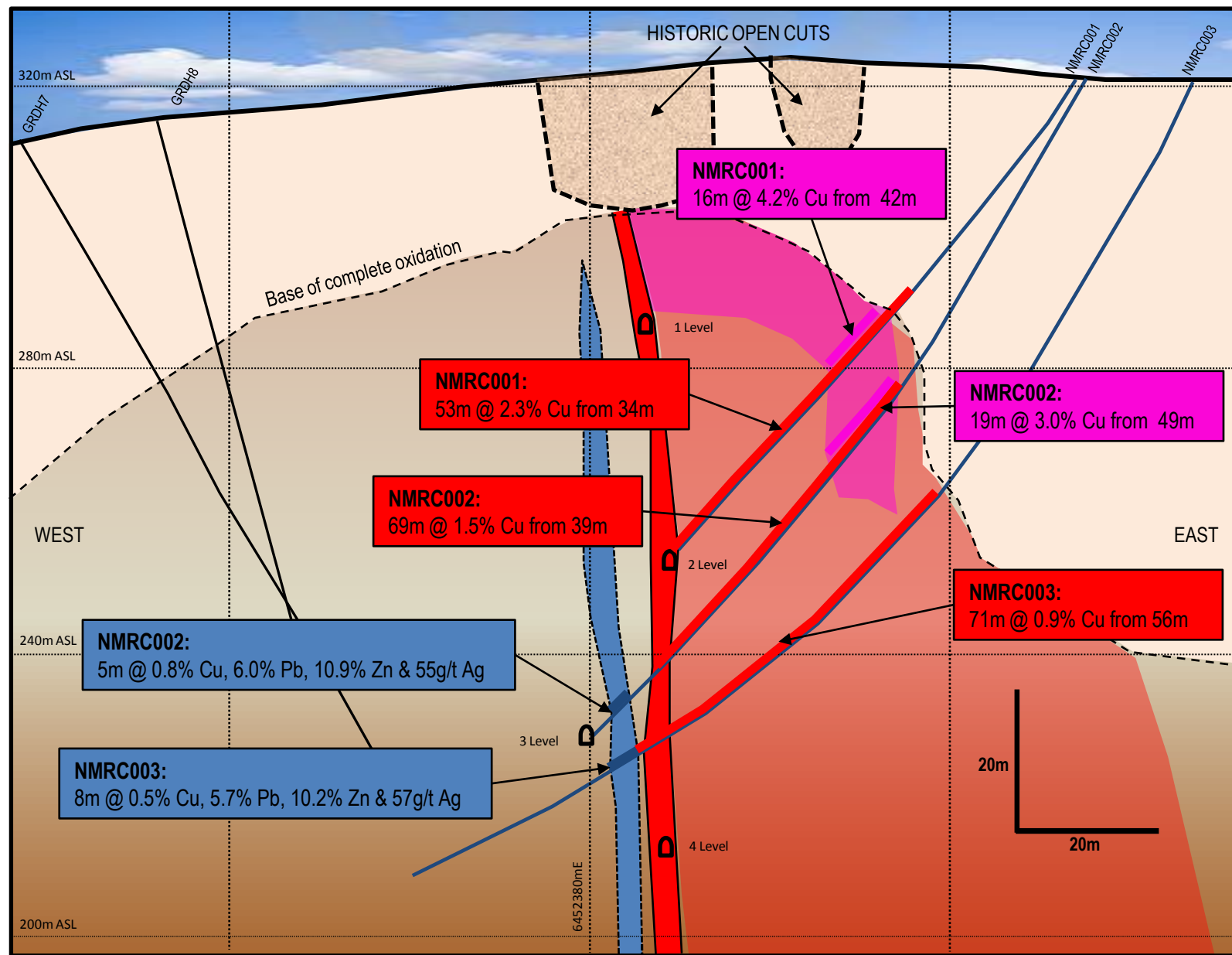




- Drill hole – previous explorers
- Drill hole – YTC Resources

## Nymagee Copper Mine Plan RC Drill Holes - Northern End Schematic of Mineralised Zones with RC drill Results

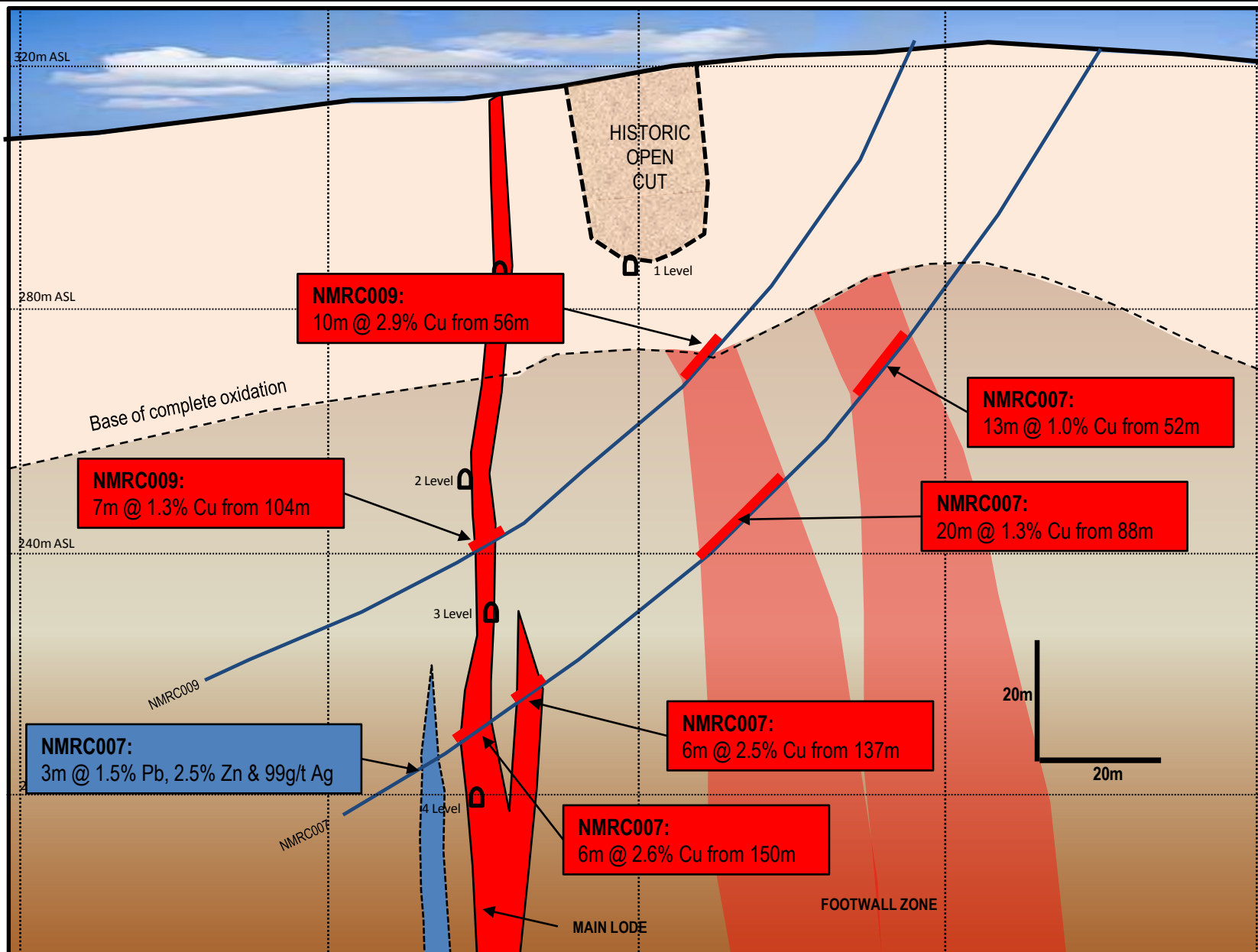
Grid: GDA Zone 55 - Scale as Shown



- |                                                                      |                                                                      |
|----------------------------------------------------------------------|----------------------------------------------------------------------|
| <span style="color: red;">■</span> High-Grade Lode Cu Mineralisation | <span style="color: lightcoral;">■</span> Footwall Cu Mineralisation |
| <span style="color: blue;">■</span> Pb-Zn-Ag Mineralisation          | <span style="color: magenta;">■</span> Supergene Cu Mineralisation   |

## Nymagee Copper Mine Cross Section RC holes 1-3

Grid: GDA Zone 55- Scale as Shown



- High-Grade Lode Cu Mineralisation
- Pb-Zn-Ag Mineralisation
- Footwall Cu Mineralisation
- Supergene Cu Mineralisation

## Nymagee Copper Mine Cross Section RC holes 7 & 9

Grid: GDA Zone 55- Scale as Shown

## **HERA GOLD PROJECT**

*YTC-100%*

Drilling activity for the quarter has been focused on the resource extension and resource-infill programme at the Hera Far West Lens.

During the quarter, results were also received from a significant shallow RC drilling programme testing the upper sections of the Hera deposit, Hera site sterilisation holes as well regional exploration targets including the Hebe-Zeus and Dominion prospects.

### **Hera Far West Lens**

During the quarter, results were received from the first diamond core holes completed as part of the resource extension and infill drilling on the Far West Lens. The drilling programme is designed to both extend the contained tonnage of the Far West Resource as well as lift a substantial percentage of the Far West Lens into the Indicated category to allow for its inclusion in a mining Reserve.

Significant results are shown below and include bonanza-grade gold results from hole HRD032.

**HRD032: 10.2m @ 68.3g/t Au\*, 19g/t Ag, 3.2% Pb and 3.8% Zn from 520.2m, incl.  
4.2m @ 164g/t Au\*, 25.1g/t Ag, 7.0% Pb and 5.0% Zn from 522m**

**HRD030: 3.0m @ 15.1g/t Au\*, 0.7% Pb and 1.0% Zn from 484m**

The Far-West drilling programme has now been completed and results are pending for a further 10 holes.

Table 3, below summarises drill hole information for the Far West drilling programme.

| Hole       | GDA_E  | GDA_N   | DIP | AZI_MGA | Depth | Comments                             |
|------------|--------|---------|-----|---------|-------|--------------------------------------|
| HRD030     | 435999 | 6447306 | -63 | 74      | 596.8 | Resource extension                   |
| HRD032     | 436000 | 6447306 | -68 | 73.3    | 557.8 | Resource extension                   |
| HRD032W1   | 436000 | 6447306 | -68 | 73.3    | 638.8 | Resource infill                      |
| HRD032W2   | 436000 | 6447306 | -68 | 73.3    | 627.5 | Resource infill – results pending    |
| HRD033     | 435970 | 6447357 | -67 | 66.3    | 620   | Resource extension – results pending |
| HRD033W2   | 435970 | 6447357 | -67 | 66.3    | 617.2 | Resource extension– results pending  |
| HRD033W3   | 435970 | 6447357 | -67 | 66.3    | 540.4 | Resource extension– results pending  |
| HRD034     | 435873 | 6447363 | -61 | 67      | 618.3 | Resource infill– results pending     |
| HRD34W1    | 435873 | 6447363 | -61 | 67      | 645.4 | Resource infill– results pending     |
| CNYDD018AW | 435970 | 6447358 | -68 | 67.3    | 609.4 | Resource infill– results pending     |
| TNY074AW2  | 435989 | 6447395 | -75 | 65.3    | 643.4 | Resource infill– results pending     |
| HRD035W2   | 436077 | 6447202 | -70 | 60.3    | 557.9 | Resource extension– results pending  |
| HRD035W3   | 436077 | 6447202 | -70 | 60.3    | 518.6 | Resource extension– results pending  |

**Table 3: Hera Project- Far West Lens. Drill collars to end of March quarter**

Pierce points for these holes are shown on a Far West Lens long section included with this report.

## Hera Project – RC Drilling

Results have now been received for a significant RC drilling programme at the Hera Project which was completed in the December quarter 2010.

The RC programme was completed to test numerous exploration and feasibility targets across the Hera Project including:

- Extensions to the shallow mineralisation at the Hera Deposit
- Outcropping lead-zinc mineralisation + an IP response at the Dominion Prospect
- Lead-zinc anomalism + a gravity response at the Hebe-Zeus prospect
- A VTEM conductor to the west of the Hera Deposit, and
- Sterilisation drilling across the proposed Hera mill site

Highlights of the drilling include further intersections from the shallow mineralisation at Hera, with best results of:

- **HRRC011: 13m @ 2.48g/t Au and 22g/t Ag from 112m**
- **HRRC011: 5m @ 0.15g/t Au, 16g/t Ag, 1.7% Pb and 4.1% Zn from 135m**
- **HRRC011: 2m @ 2.48g/t Au, 0.27% Cu, 1.7% Pb and 3.7% Zn from 183m**
- **HRRC010: 16m @ 0.13g/t Au, 1.0% Pb and 1.8% Zn from 173m**

These results are presented on a Hera long section included with this release.

Four RC drill holes were completed at Dominion, located 16km south of the Hera deposit, and represent the first ever drill holes at the prospect. Each hole intersected anomalous lead-zinc mineralisation with best results of:

- **DRC001: 6m @ 0.43% Cu, 1.4% Pb and 0.65% Zn from 69m**

The results at Dominion shows strong similarities to the first round of drilling results into the upper sections of the Hera deposit prior to its discovery in 2001 and further drilling beneath these results is planned.

Two RC drill holes were completed to test for mineralisation where the Hebe mineralised trend meets the Zeus gravity response. Weak gold and lead-zinc mineralisation was observed in both holes, and hole HBRC007 recorded a best result of.

- **HBRC007: 3m @ 1.2g/t Au from 165m**

No significant results were returned from the Hera West VTEM drilling and the sterilisation holes.

# March 2011

## Quarterly Activities Report

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Table 4 below, summarises drilling information for the Hera RC drilling programme.

| Hole    | Prospect  | GDA_E  | GDA_N   | DIP | AZI   | Depth | Comments                                |
|---------|-----------|--------|---------|-----|-------|-------|-----------------------------------------|
| HRRC010 | Hera      | 436232 | 6447346 | -65 | 66.3  | 210   | Shallow Hera Mineralisation             |
| HRRC011 | Hera      | 436212 | 6447320 | -65 | 70.3  | 198   | Shallow Hera Mineralisation             |
| DRC001  | Dominion  | 434625 | 6436295 | -60 | 90.3  | 180   | testing coincident Pb-Zn + IP anomaly   |
| DRC002  | Dominion  | 434600 | 6436240 | -60 | 90.3  | 180   | testing coincident Pb-Zn + IP anomaly   |
| DRC003  | Dominion  | 434605 | 6436155 | -60 | 95.3  | 198   | testing coincident Pb-Zn+ IP anomaly    |
| DRC004  | Dominion  | 434590 | 6436070 | -60 | 90.3  | 108   | testing coincident Pb-Zn + IP anomaly   |
| HRRC009 | Hera West | 435856 | 6446929 | -70 | 13.3  | 258   | 'Hera West' VTEM target                 |
| HBRC006 | Hebe-Zeus | 437882 | 6445792 | -60 | 70.3  | 198   | testing Pb-Zn + gravity anomalism       |
| HBRC007 | Hebe-Zeus | 437983 | 6445701 | -60 | 70.3  | 198   | testing Pb-Zn + gravity anomalism       |
| STRC018 | Hera Mill | 437027 | 6446796 | -65 | 75.3  | 240   | RC Sterilisation hole – Hera Plant Site |
| STRC019 | Hera Mill | 436910 | 6446778 | -65 | 76    | 216   | RC Sterilisation hole – Hera Plant Site |
| STRC020 | Hera Mill | 437155 | 6446686 | -65 | 255.3 | 252   | RC Sterilisation hole – Hera Plant Site |

**Table 4: Hera Project- RC Drill Collars – March Quarter**

## **HERA GOLD PROJECT – FEASIBILITY**

### **Metallurgy-Process Flow Sheet**

YTC has continued to refine the process flow sheet for the Hera Project. The refinements include the allowances for the process flow sheet to treat Nymagee mineralisation.

Recent adjustments have included the introduction of a small re-grind mill to re-grind the bulk concentrate prior to the final cyanidation step and the introduction of cleaner flotation cells after the cyanidation step. This has provided for two important advantages in the process flow sheet being:

- An improvement in gold leach recoveries. Total gold recoveries in the flow sheet are now to >90% (gravity + leach)
- The production of a cleaner bulk lead-zinc concentrate suitable for direct sale to smelters

In addition, YTC is finalising initial costing on adjustments required to the process facility to scale the Hera process plant from 350,000 tpa to 700,000tpa to accommodate ores sourced from both the Hera and Nymagee Projects.

### **Resource Estimation and Mine Planning**

On receipt of all results from the recently completed drilling programme at the Far West Lens, YTC will complete an updated Resource Estimate for Hera with the expectation of a substantial lift tonnage contained in the Indicated category.

Completion of the updated Resource Estimate will allow for the completion of final mine planning studies, production of a detailed mine schedule, and finalisation of the Definitive Feasibility Study.

### **Permitting and Environmental Studies**

YTC submitted its Part 3A development application (DA), for the Hera Project to the NSW Department of Planning in November 2010 and is nearing completion of the accompanying Environmental Assessment (EA), which is expected to be submitted in May.

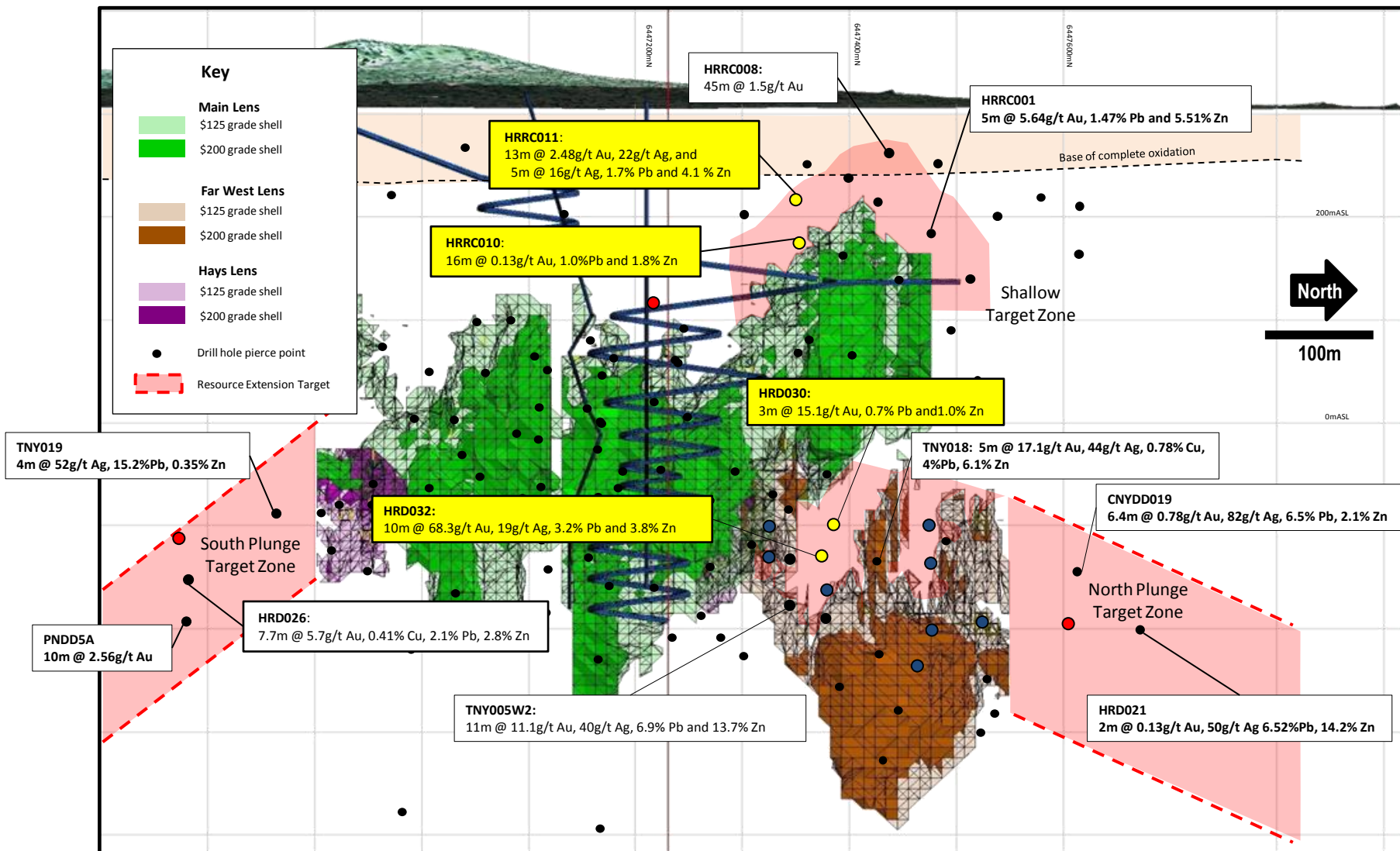
The Hera Project is already subject to a Part 5 Approval which allows for the construction of the box cut, portal and decline together with associated surface infrastructure.

## **BALDRY PROJECT**

*YTC 100%*

YTC has finalised access and approvals for the completion of a 12 hole RC programme at the Baldry Project testing for extensions and repetitions of high grade gold bearing epithermal quartz veins previously mined at the Project by BHP Gold in 1990-1991.

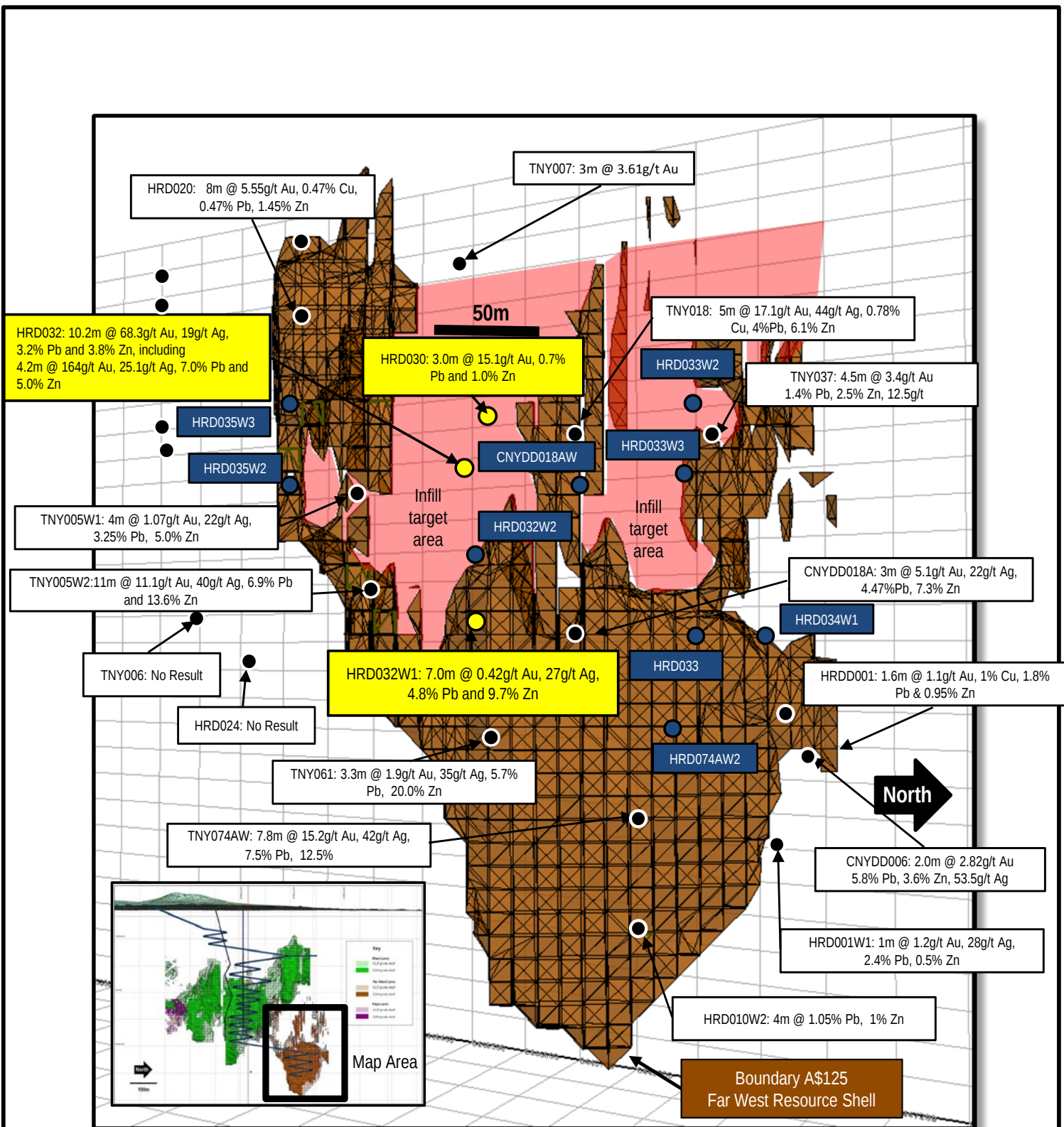
The drilling is scheduled to commence in the first week of May.



- Recent Drill holes with significant results
- Completed Holes
- Planned Holes
- Completed Holes – Assays Awaited

**Hera Gold Deposit**  
**Exploration Target Zones – Long Section looking west**  
**View showing existing Resource outlines + indicative decline development**

Grid: GDA – Zone 55 - Scale as Shown



- Previous Drill Holes – with results
- YTC Drill Holes – Current Programme - with results
- YTC Drill Holes – Current Programme - Assays Pending

## Hera Gold Project Long Section – Far West Lens looking west

Grid: GDA - Scale as Shown

## DORADILLA PROJECT

*EL 6258 YTC Earning a 70% Interest*

At the Doradilla Project, YTC is earning a 70% JV interest in EL 6258 (Doradilla) and a 75% interest in EL 6645 (Knightvale). The Project tenements are located along a major crustal boundary between the Lachlan and Thompson fold belt in the North West of NSW.

The Doradilla Project represents an extensively mineralized area prospective for precious and polymetallic metals including tin, silver, nickel, copper, bismuth, indium and zinc, and hosts a significant oxide tin resource at 3KEL-Midway of 7.81Mt @ 0.28% Sn for 22.3kt of contained tin.

During the quarter, YTC completed a programme of seven (7) RC percussion drill holes designed to test the mineralised contact of a quartz porphyry intrusion associated with copper-tungsten mineralisation at the historic Doradilla Copper Mine. A further 5 drill holes were not completed due to wet weather access issues. Table 5 below, summarises the drill hole information for the programme:

| Hole    | GDA_E  | GDA_N   | DIP | AZI_MGA | Depth | Comments                 |
|---------|--------|---------|-----|---------|-------|--------------------------|
| DMRC001 | 434375 | 6642850 | -60 | 270     | 156   | testing porphyry contact |
| DMRC002 | 434365 | 6642780 | -60 | 270     | 156   | testing porphyry contact |
| DMRC003 | 434340 | 6642650 | -60 | 270     | 162   | testing porphyry contact |
| DMRC004 | 434320 | 6642600 | -60 | 270     | 162   | testing porphyry contact |
| DMRC005 | 434280 | 6642550 | -60 | 270     | 162   | testing porphyry contact |
| DMRC006 | 434220 | 6642550 | -60 | 270     | 150   | testing porphyry contact |
| DMRC007 | 434100 | 6642600 | -60 | 90      | 150   | testing porphyry contact |

**Table 5: Doradilla Project- RC Drill Collars – March Quarter**

The holes recorded numerous broad intervals of moderately sulphide mineralised and sericite altered quartz porphyry with occasional zones of strong sulphide mineralisation. Assays record a number of broad intervals of lead and zinc anomalism with occasional intervals of anomalous copper, tin and silver. Table 6 below presents a summary of significant intervals from the drill holes.

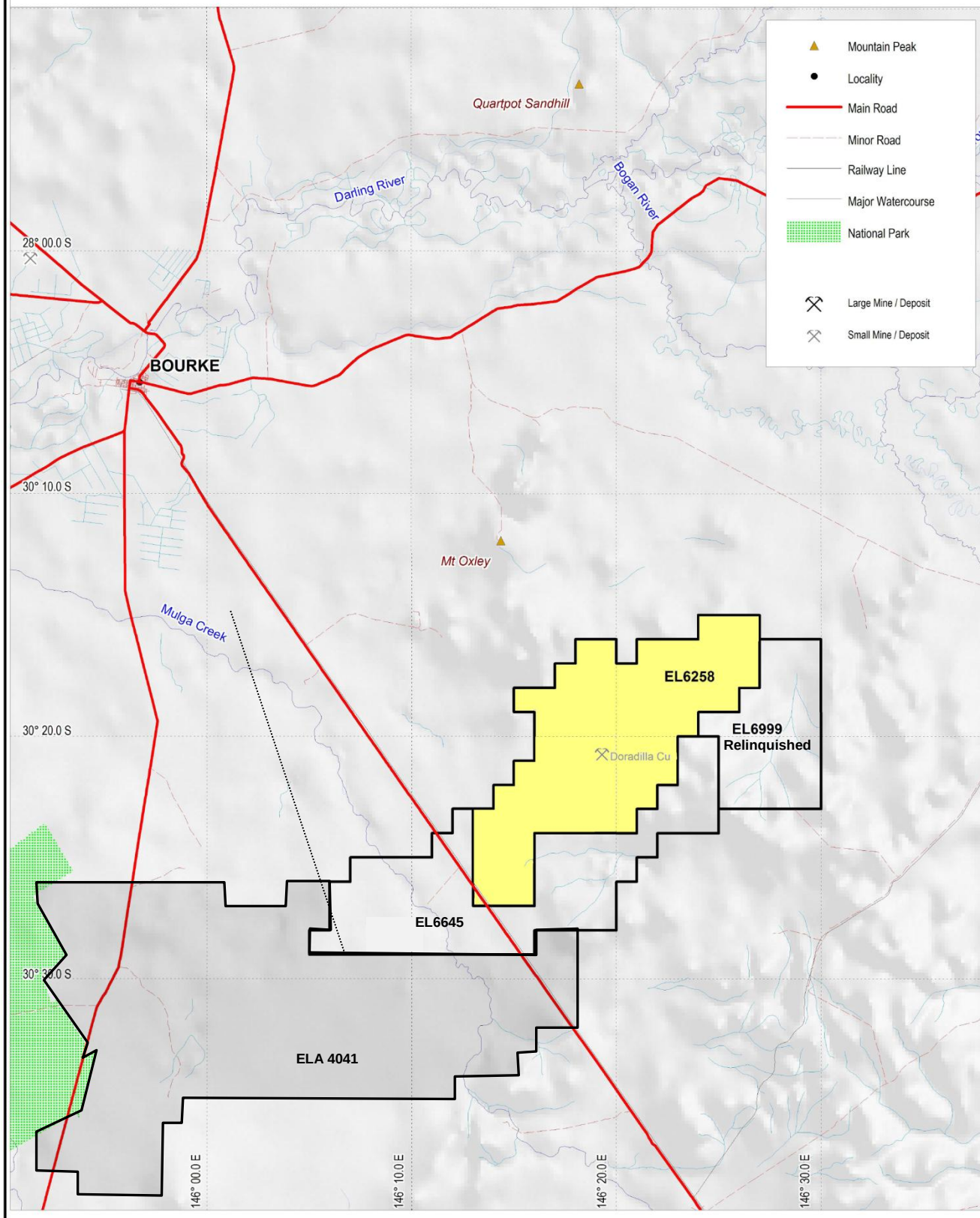
| Hole           | From (m) | To (m) | Intercept (m) | Est true width (m) | Cu (%) | Pb (%) | Zn (%) | Ag (g/t) | Sn ppm | Comments     |
|----------------|----------|--------|---------------|--------------------|--------|--------|--------|----------|--------|--------------|
| <b>DMRC001</b> | 70       | 156    | 86            | 86                 | -      | 0.1    | 0.2    | -        | -      | qtz porphyry |
| includes       | 106      | 110    | 4             | 2                  | -      | 0.33   | 0.17   | 50       | 250    | silver zone  |
| and            | 136      | 138    | 2             | 2                  | 0.14   | 0.14   | 0.45   | 54       | 900    | silver zone  |
| <b>DMRC003</b> | 104      | 110    | 6             | 6                  | -      | 0.14   | 0.1    | 15       | 110    | qtz porphyry |
|                | 120      | 126    | 6             | 6                  | -      | 0.12   | 0.16   | 3.5      | 195    | qtz porphyry |
| <b>DMRC005</b> | 116      | 144    | 28            | 28                 | -      | 0.6    | 0.12   | -        | -      | qtz porphyry |
| <b>DMRC006</b> | 54       | 146    | 92            | 92                 | -      | 0.07   | 0.17   | -        | 103    | qtz porphyry |
| <b>DMRC007</b> | 124      | 148    | 24            | 24                 | -      | -      | 0.16   | -        | -      | qtz porphyry |

**Table 6: Doradilla Project- RC Drill Holes – Significant Intercepts**

These results are not considered to have immediate economic significance. However the results together with previous results from the Doradilla Project, remain consistent with Doradilla representing a large mineral system and further exploration at the Project is planned.



0 20km  
Map Projection: Longitude / Latitude (GDA 94)  
Compiled: 03 / 08 / 2008  
This map is copyright© (2007), of YTC Resources Ltd



## **MANAGEMENT APPOINTMENTS**

The commencement of the March quarter saw YTC make two key senior management appointments as the company looks to build its operational team ahead of the finalisation of the Hera and Nymagee Feasibility study and the commencement of mining operations.

### **Dean Fredericksen: Chief Operations Officer (COO)**

Dean Fredericksen is a mining geologist with over 20 years experience in the base metal and gold mining industry, and joins YTC after working closely with company as a senior consultant for the past 2 years.

Dean's experience includes extensive mining project evaluation from concept through to feasibility studies for open pit operations, underground caving operations and underground bench stoping operations as well as resource evaluation and technical advice for various exploration and acquisition projects. Dean has had responsibility for geotechnical evaluations and has expertise in mineral resource estimation, quality control and quality assurance programs and worked with mining and metallurgical personnel to optimise metal extraction. His experience includes reporting as competent person (JORC and NI43-101) on Mineral Resource estimates for a variety of geological terrains epithermal gold and silver, porphyry Cu-Au deposits, nickel sulphides and mesothermal gold and base metal systems.

Dean has operated as a senior mining consultant to the broader industry since 2007, providing consulting services to companies operating a variety of gold and base metal projects in Australia, New Zealand, China, USA and the Philippines. Prior to his consulting business Dean held a variety of senior management positions including Mine Geology Manager, Tritton Copper Mines, Principal Geologist, Newcrest Mining Ltd, Cadia Valley Operations, Group Mine Geologist for MPI Mines Ltd, Chief Geologist at Stawell Gold Mines.

### **Sean Pearce : Hera Project – General Manager**

Sean Pearce is a mining engineer and has over 23 years operational experience in underground metalliferous mines. Sean joins the company from Peak Gold Mines in Cobar, where he was Mining Manager since 2007. Sean will initially be based in the YTC offices in Orange, and work with the YTC team on the completion of the Hera DFS and move to the formation of the operations team and take on site management as the Hera Project moves into mine construction and commissioning.

Sean brings extensive experience in underground metalliferous mining to the company and has held senior management roles in a number of major Australian underground mining Projects including Peak Gold Mines (Cu-Au), Rosebery (Pb-Zn-Cu-Ag-Au) and Mount Isa Mines.

YTC is very fortunate to have secured the appointment of such skilled and experienced mining professionals, and is very pleased to welcome Dean and Sean to the company as the core of its growing operations team.

## **CORPORATE**

### Capital Raising - Placement

On 24th March 2011, YTC announced a capital raising of \$25m to fund a continued aggressive evaluation of the Nymagee Copper deposit and the integrated Hera-Nymagee Project. The raising is through the placement of 44 million shares at \$0.57 per share.

The capital raising received strong support from a number of the Company's key institutional shareholders and will also see a further addition of a number of international and domestic institutional investors to the YTC register.

The placement was structured in two tranches, with tranche 1 of the placement, being the issue of 30.6m shares, completed on the 5<sup>th</sup> April 2011.

Tranche 2 of the placement, being the issue of a further 13.4 million shares subject to shareholder approval sought a General Meeting to be held on the 4<sup>th</sup> May.

### YTC-Taronga Mines – Agreements Update

As per the agreements announced on 19th October 2010, YTC and Taronga are proceeding to satisfy the Conditions Precedent ('CP') to finalising the agreements with Taronga Mines Limited ('TAZ') whereby YTC will sell to TAZ, YTC's New England tin exploration tenements.

The tenements will form part of TAZ's exploration portfolio for inclusion in a Prospectus seeking an ASX listing. Under the agreement, YTC shareholders will receive a priority entitlement in the Taronga Mines IPO.

The CPs to these agreements include the granting of Ministerial Consent to the transfer of the tenements. These approvals have been requested and a response is awaited.

YTC and TAZ have also entered into additional deeds whereby YTC has granted TAZ permission to apply for new tenements over the same area held by YTC to ensure that TAZ receives title to this ground as soon as possible. The deeds agree that Taronga will pay the originally agreed consideration of a total of 11 million shares and 5.5 million options in TAZ if TAZ are successful in securing new tenements over the YTC owned area the subject of the original agreements.

The original Agreement included the sale of YTC's 70% interest in EL 6389 to Taronga Mines. YTC has now reached a further agreement with Australian Oriental Minerals NL (AOM) to acquire the remaining 30% interest in EL6389, precedent to the sale of the entire EL 6389 to Taronga Mines. YTC will pay AOM \$100,000 worth of YTC shares for this interest. YTC has further agreed to sell this additional interest to TAZ for an additional 1.4 million shares in TAZ. Ministerial consent to this transfer is required as CP to this agreement which has been applied for. This will result in TAZ holding 100% of the area described EL6389.

## Cash Position

At 31 March 2011, the Company held cash reserves of approximately A\$8.16million, with a further \$25.08m in receivables being those monies pursuant to the share placement announced on 24<sup>th</sup> March 2011.

*\* All drill holes marked with an asterisk in this report are reporting gold results generated using the screen fire assay method. Screen fire assay is considered a more definitive estimation of gold grade in coarse gold mineralisation. High grade results not marked with an asterisk are 30g fire assay results and will be re-assayed by screen fire assay.*

### **Competent Persons Statement**

*The information in this report that relates to Exploration Results is based on information compiled by Rimas Kairaitis, who is a Member of the Australasian Institute of Mining and Metallurgy. Rimas Kairaitis has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Kairaitis consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

### **Competent Persons Statement – Hera Resource Estimation**

*This Report contains references to a Resource Estimation for the Hera deposit. The Resource Estimation has been completed by Mr Dean Fredericksen of Fredericksen Geological Solutions Pty Ltd under supervision of Mr Rimas Kairaitis. This report has been compiled by Rimas Kairaitis, who is a Member of the Australasian Institute of Mining and Metallurgy. Rimas Kairaitis has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Kairaitis consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

### **Competent Persons Statement – 3KEL-Midway Resource Estimate**

*The resource estimates of oxide material at 3KEL and Midway have been performed by Dr William Yeo, MAusIMM, who is an employee of Hellman & Schofield Pty Ltd and who qualifies as a Competent Person under the meaning of the 2004 JORC Code. He consents to the inclusion of these estimates, and the attached notes, in the form and context in which they appear.*