

HERA RESOURCE UPGRADE

- **Hera Gold Resource increased to 677,200 ounces at a gold equivalent grade of 8.6g/t Au Equivalent**
- **86% of the Hera Resource now in the Indicated Category**
- **Implied increase in mine life of approximately 1.5 years**
- **Significant exploration potential at the Hera deposit remains, with mineralisation open at depth, and along strike to north and south**
- **YTC continues to pursue the integrated development of Hera with the high grade Nymagee Copper Project**

YTC Resources Limited ("YTC" or "the Company") is pleased to announce an upgraded JORC-compliant Mineral Resource Estimate for its Hera gold and base metal deposit. The upgraded estimate follows a substantial round of additional drilling specifically designed to increase the component of the Resource that is in the Indicated Resource Category, as well as to expand the existing Resource as part of the expanded Definitive Feasibility Study pursuing the integrated development of the Hera and Nymagee Projects.

As with the previous Hera Resource, the estimate has been reported at a "Net Smelter Return (NSR)" cut-off grade of A\$125/tonne. An NSR is considered the best representation of the gold and base metal nature of the ore deposit. Details of the NSR calculation are included as Appendix 1 with this release.

Table 1: Hera Mineral Resource Estimate

Category	Tonnes	NSR (A\$)	Au g/t	Ag g/t	Cu %	Pb %	Zn %	Au Eq (g/t)	Contained Au Ozs Eq
Indicated	2,113,000	243	4.2	17.0	0.2	2.8	3.9	9.2	
Inferred	330,000	207	3.5	14	0.1	2.3	3.3	7.5	
Total	2,444,000	238	4.1	16.7	0.2	2.8	3.8	8.6	677,200

Note: The Hera Resource estimate utilises a A\$125/tonne NSR cut-off. Tonnage estimates have been rounded to nearest 1,000 tonnes. Metal grades have been rounded to nearest decimal place. A full summary of the Estimate is included with this release as Appendix 1.

The upgraded estimate now contains **677,200oz Au equivalent** at a gold equivalent grade of **8.6g/t Au Eq.**

Other key highlights of the new Resource Estimate include:

- 86% of the new total Mineral Resource is now in the Indicated Resource category
- 33% increase in Indicated Resource tonnes
- 35% increase in contained gold in Indicated Resource
- 55% increase in contained silver in Indicated Resource
- 37% increase in contained lead in Indicated Resource
- 48% increase in contained zinc in Indicated Resource
- An implied increase of 1.5 years mine life at 350,000tpa at a 100% reserve conversion
- Mineralisation remains open at depth, and along strike to the north and south

The significant increase in the Indicated component of the Resource is expected to result in a substantial increase in mine life for the Hera Project. At a mining rate of 350,000 tonnes per annum and assuming a 100% Indicated Resource to Reserve conversion, the upgraded Resource is expected to add over 1.5 years of mine life. We note that feasibility studies into the integrated development of Hera and Nymagee are ongoing, which will determine the optimum mining rate for the projects.

YTC's CEO Rimas Kairaitis said,

"This is a very important step forward for the Hera Project. The tonnes and grade of the Resource have substantially increased and the major lift in the Indicated Resource category will see very significant additions of mine life and metal revenue. The Company believes the Hera Project will continue to evolve and grow over time into a larger scale deposit in a manner typical of other Cobar-style mineral deposits."

Hera is a multi lens system. The resource estimate does not include some additional mineralised lenses that were encountered during the drilling and estimation process, and it is expected that these will be modelled and incorporated into future updates to the Mineral Resource.

The Hera deposit remains open to the north and south and, as for most Cobar style deposits, substantial exploration potential remains at depth. YTC has committed funds to further exploration to the north and south in the current budget period.

The Indicated Mineral Resource will now be submitted for mine planning and scheduling in the final phase of the Definitive Feasibility Study (DFS).



APPENDIX 1 – NOTES TO THE ESTIMATE

- The Mineral Resource estimate has been calculated over 5 discrete gold and base metal mineralised geological lenses, being:
 - Main Lens North & South
 - Far West Lens
 - Hays Lens North & South
- During the drilling and estimate process, additional mineralised lenses were encountered and will also be modelled and incorporated onto future updates to the Mineral Resource.
- Metal grades have been estimated into 10 x 10 x 2m blocks by ordinary kriging of the grades using independent estimation runs.
- The estimate is supported by a database of 190 diamond core drill holes and 11 RC drillholes. This drilling comprises mostly HQ core with some NQ sized core.
- YTC Resources completed 32 drill holes during the period November 2009 – April 2010 and a further 32 drill holes (11 RC and 21 DDH) during the period May 2010 to April 2011.
- All drill holes have been surveyed at collar by registered surveyors and also at regular downhole intervals using magnetic surveying tools. A series of gyroscopic survey checks have been completed to verify the appropriateness of this method.

Company	Metres (Total)	Number of Holes
CBH	13,255	28
Pasminco	4,263	9
Triako	43,335	100
YTC DDH	26,309	53
YTC RC	2,058	11
Total	75,581	190

Table A1: Drill Hole Summary used in Resource Estimation

- Drill core has been sampled on nominal 1.0m intervals, split in half with a diamond saw and assayed in commercial laboratories. All of the YTC Resources drilling has been assayed for Au, Ag, Pb, Zn and Cu at ALS Orange which has also produced assays for previous tenement owners.
- YTC Resources has maintained a QA/QC system during its sampling and assaying process. Previous owners have also maintained an extensive QA/QC system and YTC Resources has reviewed this data.
- Gold assaying by YTC Resources has been completed initially by 30gm fire assay with all assays >0.5g/t Au or within subsequently assayed by the screen fire assay (SFA) method. Previous owners have also completed screen fire assays for gold. The database of some 27950 assays contains 2810 individual SFA within mineralised sections of core.
- Samples have been composited into 1.0m intervals weighted by density.

- Au grades have been top cut to 90g/t Au outside of a constrained, very high-grade domain within the Main Lens (a single assay in the northern section of main lens has been cut to 20g/t):
 - A small very high-grade domain within the Main Lens has been estimated using uncut samples and was also informed by composites from the surrounding Main Lens.
 - The remainder of the main lens uses all top cut composites including those inside the very high-grade domain
- No top cuts have been applied by to the Ag, Pb, Zn or Cu composites.
- Specific Gravity has been estimated into the blocks using an established relationship between Pb+Zn+Cu and physical SG measurements made on sections of drill core using the Archimedes method (3630 measurements within mineralised sections).
- Domains have been wireframed based on a nominal 2% Pb+Zn+Cu cut-off. This domain captures a significant portion of the Au mineralisation.
- The Mineral Resources are reported above a Net Smelter Return (NSR) cut-off – no mining designs have been made and therefore mining recovery has not been applied and no dilution added.
- Since the last Mineral Resource release in June 2010 YTC Resource has undertaken considerable further Metallurgical testwork. This testwork has focussed on recovering as much gold and silver as possible to dore and producing a saleable Bulk Lead-Zinc Concentrate.
- Marketing studies for a bulk Pb-Zn concentrate have been undertaken to determine saleability of the product and to provide indicative concentrate terms for use in this study. These terms are shown in Table A3.
- The estimate has been reported on a “Net Smelter Return (NSR)” cut-off. This is considered the best representation of the gold and base metal nature of the ore deposit. NSR Values are estimated into each block using the following:

Metal grade x expected recovery (%) x expected payability (%) x Metal price: less concentrate freight and treatment charges and royalties

- It is the company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered.

Au Equivalent calculation formula = (Metal price x metal grade) ÷ (gold price per oz ÷ 31)

- The metal prices, exchange rates and metal recoveries and payabilities that were used in the estimation of “net recoverable ore value per tonne” and for the calculation of a gold equivalent are included below as Tables A2 and A3.

Metal	Price	Source
Au	US\$1200/oz	90% of Consensus forecast, to May 2013 <i>Consensus economics, May2011</i>
Cu	US\$8370/t	90% of Consensus forecast, to May 2013 <i>Consensus economics, May2011</i>
Pb	US\$2420/t	90% of Consensus forecast, to May 2013 <i>Consensus economics, May2011</i>
Zn	US\$2425/t	90% of Consensus forecast, to May 2013 <i>Consensus economics, May2011</i>
Ag	US\$27/oz	90% of Consensus forecast, to May 2013 <i>Consensus economics, May2011</i>
AUD/USD	0.90	

Table A2: Metal Price and Exchange Rate Assumptions used in the NSR Calculation

Metal	Recovery	Payability	Source
Au	94%	100%	YTC Metallurgical testwork and Marketing Study
Cu	88%	0	YTC Metallurgical testwork and Marketing Study
Pb	91%	95%	YTC Metallurgical testwork and Marketing Study
Zn	90%	85%	YTC Metallurgical testwork and Marketing Study
Ag to Dore	47%	100%	YTC Metallurgical testwork and Marketing Study
Ag Bulk Con	46%	0%	YTC Metallurgical testwork and Marketing Study

Table A3: Metal Recovery and Payabilities used in the NSR Calculation

The Resource Estimation has been completed by Mr Dean Fredericksen with assistance from Mr Stuart Jeffrey (BSc (Hons), MSC, MAusIMM, MGSA).

Competent Persons Statement- Resource Estimation

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 – Exploration Results

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.

About the Hera Gold Project

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.

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.

YTC consider 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.



High grade visible gold mineralisation Hera Project – hole HRD032

About the Nymagee Joint Venture

YTC Resources purchased an 80% interest in the Nymagee Mine Joint Venture from CBH Resources as part of the Hera Project purchase transaction in September 2009. YTC has subsequently earned a 90% interest, through sole funding exploration expenditure.

The Nymagee JV tenements adjoin immediately north of YTC's 100% owned Hera gold-base metal Project,

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

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

YTC is the manager and operator of the Joint Venture and is evaluating the Nymagee mineralisation with a view to delivering an expanded Feasibility case to allow for the combination of the Nymagee and Hera mineral systems in an expanded mining scenario.



**High grade massive sulphide core from the
Nymagee Copper Mine**