



SEPT 2011 QUARTER HIGHLIGHTS

HERA DEFINITIVE FEASIBILITY STUDY (DFS)

During the quarter, YTC Resources Limited ("YTC" or "the Company") completed the Definitive Feasibility Study (DFS) on the Hera gold-base metal deposit as Stage 1 of the development of the Company's Hera-Nymagee Project in the Cobar Basin, NSW.

The Hera DFS confirms the technical and financial viability of the development of the Hera deposit as a shallow underground mine and processing plant to produce gold and silver doré bars and a bulk lead-zinc concentrate for sale.

Key DFS Outcomes include:

- **Greater than \$510 million revenue generated in Stage 1 (A\$1,450 gold price)**
- **A C1 operating cost of A\$395 per ounce (after Pb-Zn credits)**
- **Average annual production exceeds 50,000 Au Eq. ounces over life of mine**
- **Maiden Ore Reserve of 423,471 Au Eq. ounces at average grade of 7g/t Au Eq.**
- **Minimum 7.3 year mine life**
- **Production of over 390,000 ounces (gold equivalent)**
- **Life of Mine gold recovery of 94%**
- **Pre-production capital expenditure of \$73.5m**
- **Net Operating Profit (pre-tax) of :**
 - \$95 million (\$A1,450 gold price)
 - \$152 million (A\$1,750 gold price)

RECORD COPPER RESULTS FROM NYMAGEE

Nymagee drilling returned very strong results including **record copper intersections** from the main lens and southern footwall zone:

- **NMD038: 92m @ 1.5% Cu from 88m (Southern Footwall Zone)**
- **NMD038: 18m @ 6.3% Cu, 0.65g/t Au & 26g/t Ag from 294m (Main Lens)**
- **NMRC030: 10m @ 4.3% Cu, 16g/t Ag and 0.27g/t Au from 102m (Main Lens)**
- **NMRC040: 10m @ 6.7% Cu, and 13g/t Ag from 15m (Main Lens)**
- **NMRC059: 87m @ 2.2% Cu from 13m to EOH (Southern Footwall Zone), including 13m @ 7.3% Cu and 25g/t Ag from 13m, and 13m @ 3.1% Cu from 55m**
- **NMD041: 49.1m @ 1.8% Cu from 26m (Northern Footwall Zone)**

NYMAGEE LEAD-ZINC-SILVER LENS EXTENDED

Further strong results from the Nymagee lead-zinc-silver lens with hole NMRC051 extending the lens to the north:

- **NMD043: 8m @ 0.5% Cu, 5.0% Pb, 13.6% Zn and 125g/t Ag from 205m**
- **NMRC026: 7m @ 0.4% Cu, 3.3% Pb, 6.0% Zn and 30g/t Ag from 104m**
- **NMRC051: 12m @ 0.3g/t Au, 0.3% Cu, 5.7% Pb, 9.1% Zn and 62g/t Ag from 89m**

CORPORATE

- Cash of \$25.3m at end of quarter

INTRODUCTION: HERA-NYMAGEE PROJECT

The Hera-Nymagee Project consists of the Hera gold-base metal deposit (YTC 100%) and the Nymagee copper deposit (YTC 90%), and is located approximately 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 has now finalised a Definitive Feasibility Study ("DFS") on the Hera Project confirming 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.

The Company is at the same time pursuing an aggressive drilling programme at the Nymagee copper deposit, located 4.5km to the north, with a view to demonstrating an integrated development of the Hera and Nymagee deposits.

HERA GOLD PROJECT

YTC-100%

HERA DFS: ROBUST GOLD PROJECT CONFIRMED

On the 19th September, YTC announced the results of the Hera DFS, managed by Optiro Mining Consultants, confirming the technical and financial viability of the development of the Hera deposit. Stage 1 development will see the establishment of the Hera gold mine and construction of a processing facility at the Hera site. Feasibility studies are progressing on Stage 2 to evaluate the integration of the Nymagee deposit utilising Stage 1 infrastructure.

YTC has adopted a two-stage approach to developing the Hera-Nymagee Project to fast track first gold revenue and to establish mining and process infrastructure with a view to self-funding the development and integration of the larger Nymagee deposit.

DFS Summary

In October 2010, YTC announced the expansion of the Hera Definitive Feasibility Study to accommodate the recent discovery of high grade copper mineralisation at the Nymagee copper deposit, and the discovery of additional high grade gold-lead-zinc mineralisation within the Hera Far West Lens.

The Definitive Feasibility Study (DFS) for Stage 1 of the Hera-Nymagee Project, being the financial and technical evaluation of a mining and processing facility at the Hera gold-base metal deposit, was completed in the quarter and released to the ASX on the 19th September 2011.

The study confirms a financially and technically robust underground mine and processing plant producing gold and silver doré bars and a bulk-lead-zinc concentrate for sale. Once established, the Hera mine will substantially provide the mining and process infrastructure to support the future integration of mineralisation from the Nymagee Copper deposit. The Modular plant design capable of expansion to treat Nymagee ore in Stage 2

The key parameters and economics of the Stage 1 development of the Hera-Nymagee Project are set out below:

September 2011

Quarterly Activities Report

ASX Code: YTC

2 Corporation Place
Orange, NSW 2800
T: +61 6361 4700
F: +61 6361 4711

Email: office@ytcresources.com
Web: www.ytcresources.com

DFS Summary Table

	HERA DFS	UNITS
Diluted Ore Reserve	1,875,918	tonnes
Diluted Ore Reserve Grade	\$218 7g/t Au Eq	Net Smelter Return (NSR) per tonne Gold Equivalent
Mine Life (box cut to last revenue)	7.3	years
Mining & Process Rate	350,000	tpa
Metal Production		
Gold Production (to doré)	204,274	ounces
Silver Production (to doré)	426,860	ounces
Zinc Production	63,439	tonnes
Lead Production	46,399	tonnes
Au Equivalent Production	391,253	Au Equivalent Ounces
Site Operating Costs		
Mining	\$72.80	per tonne
Process	\$34.55	per tonne
Offsite Costs	\$49.33	per tonne
Administration	\$14.25	per tonne
Avg Operating Margin (after mining & milling)	\$105.33	per tonne
C1 Operating Costs (after Pb-Zn credits)	\$394.60	\$/Ounce Au
Pre-Production Capital Costs	\$73.5m	Capital Expenditure to first ore
Gross Revenue (Au = A\$1450/oz)	\$510.8m	
Net Revenue (pre-tax Profit) Au = A\$1450/oz	\$94.8m	Au at 20% discount to spot
Net Revenue (pre-tax Profit) Au = A\$1750/oz	\$152m	Au at spot

All dollar figures are in Australian dollars unless otherwise stated.

Hera Project Layout

The Hera development will see the establishment of an underground mine and process facility on 'The Peak' property owned by YTC Resources. Figure 1 below shows the indicative project layout for the project.

The key elements of the Project include:

- Surface roads
- Mine Camp and Administration buildings
- Tailings Storage Facility (TSF)
- Box cut and decline
- Processing facility
- Diesel generator power station
- Water bore and surface water harvesting network

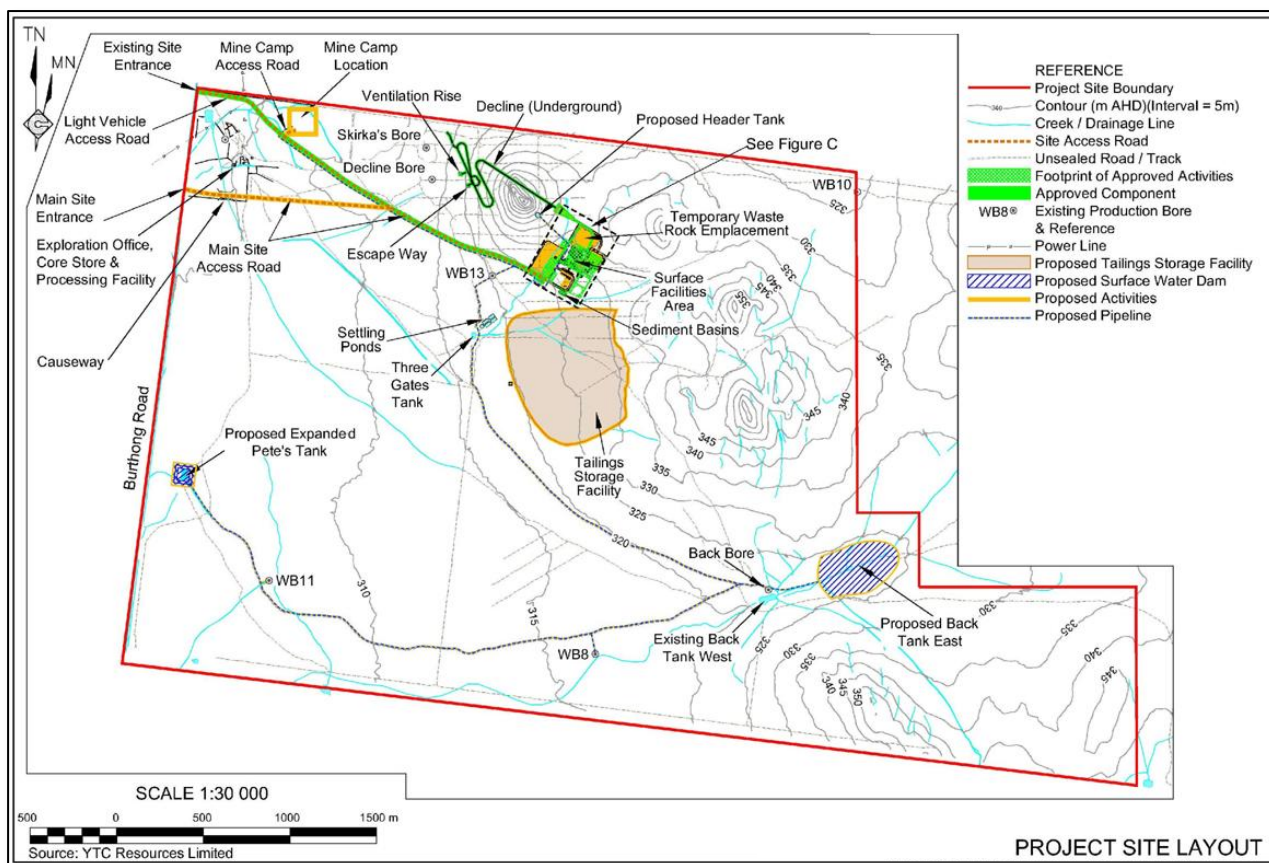


Figure 1 – Hera Site Layout

Mineral Resource Estimate

In June 2011, YTC upgraded the Resource Estimate for the Hera Project to over 677koz Au equivalent at an average grade of 8.6g/t Au Eq.

Category	Tonnes	NSR (A\$)	Au g/t	Ag g/t	Cu %	Pb %	Zn %	Au Eq (g/t)	Contained Gold Ounces (Au 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

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 formula:

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

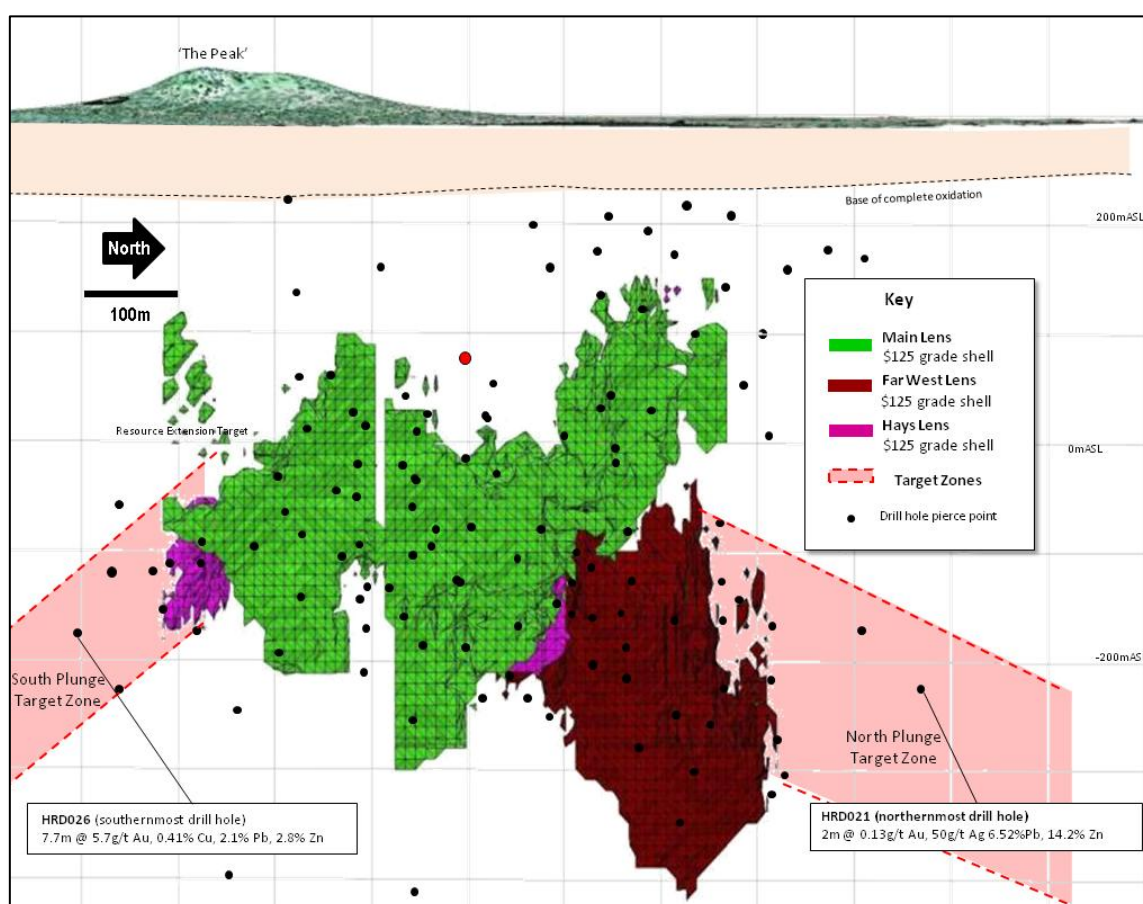


Figure 2: Long Projection view of the Hera Deposit showing the Mineral Resource outlines and drill hole pierce points

Mining Method

The mining study was completed by Optiro Mining Consultants with input from a geotechnical study completed by Coffey Mining. The mining method used for the DFS is predominantly longhole open stoping, mining top down without backfill. To ensure overall stability of the mine, pillars are left in-situ in the ore to keep stope dimensions below the recommended sizes.

The mine is broken up into discreet stoping areas by the placement of Cemented Rock Fill (CRF) sill pillars to limit the extent of open stopes without fill to 100m vertically within each lens. CRF material will be placed in higher grade areas to enable stopes to be mined adjacent to each other along strike without the need for pillars.

Development will be undertaken by conventional and well understood drill and blast excavation techniques that are common in Australian underground metalliferous mines.

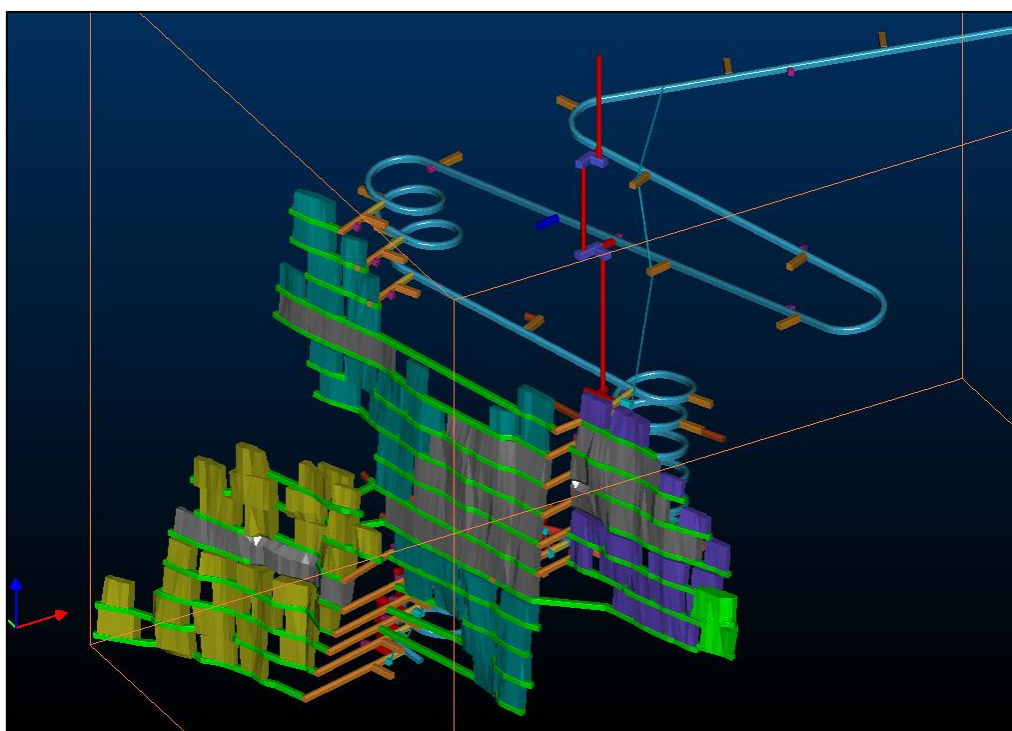


Figure 3: 3D view of Hera Mine Design showing mine capital development, final stope design and CRF fill.

Mining Reserve

The final mine plan delivered a Probable Ore Reserve of 1.87Mt @ 7g/t Au Eq with an overall mine dilution of 13%.

SOURCE	Tonnes	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Au Eq (g/t)	Contained Gold Ounces (Au Eq.)
Development Sub-total	278,158	2.86	13.06	0.13	2.26	3.19		
Stope Sub-Total	1,597,760	3.72	15.39	0.17	2.56	3.55		
MINE PROBABLE RESERVE	1,875,918	3.59	15.04	0.16	2.51	3.50	7.00	423,471

Mineral Processing

The process flow sheet was developed following extensive testwork, incorporating the substantial historical work completed at the Hera Project.

The major components of the plant design are:

- 3 Stage crushing circuit and coarse grind to 250 micron
- Gravity gold recovery circuit to win 60% Au and 8% Ag to doré
- Bulk sulphide flotation to win base metals and remaining Au-Ag at 250 micron
- Regrind of bulk flotation concentrate to 38 micron
- Cyanide leach of bulk concentrate to leach residual gold and 39% silver
- Merrill Crowe process to Au-Ag doré
- Cleaner flotation to upgrade bulk concentrate to marketable product

The modular plant design was chosen to provide maximum flexibility for YTC to undertake a rapid expansion to accommodate the processing of Nymagee ore in the Stage 2 development.

Engineering, design and costings of the processing plant was completed by Gekko Systems.

Pre-Production Capital Costs

Pre-production capital costs for the project are estimated to be \$73.5m, being the sum of surface and process plant infrastructure and pre-production mine capital costs as summarised in the Table below.

Capital invested to establish the Hera processing facility in Stage 1 will provide a solid platform for the expanded Hera-Nymagee Project, and offer the potential of very significant financial returns in the proposed Stage 2 development.

Item	Total Cost
Mining & Infrastructure (to first ore)	\$26.8 million
Milling (to commissioning)	\$40.8 million
Administration	\$5.9 million
TOTAL	\$73.5 million

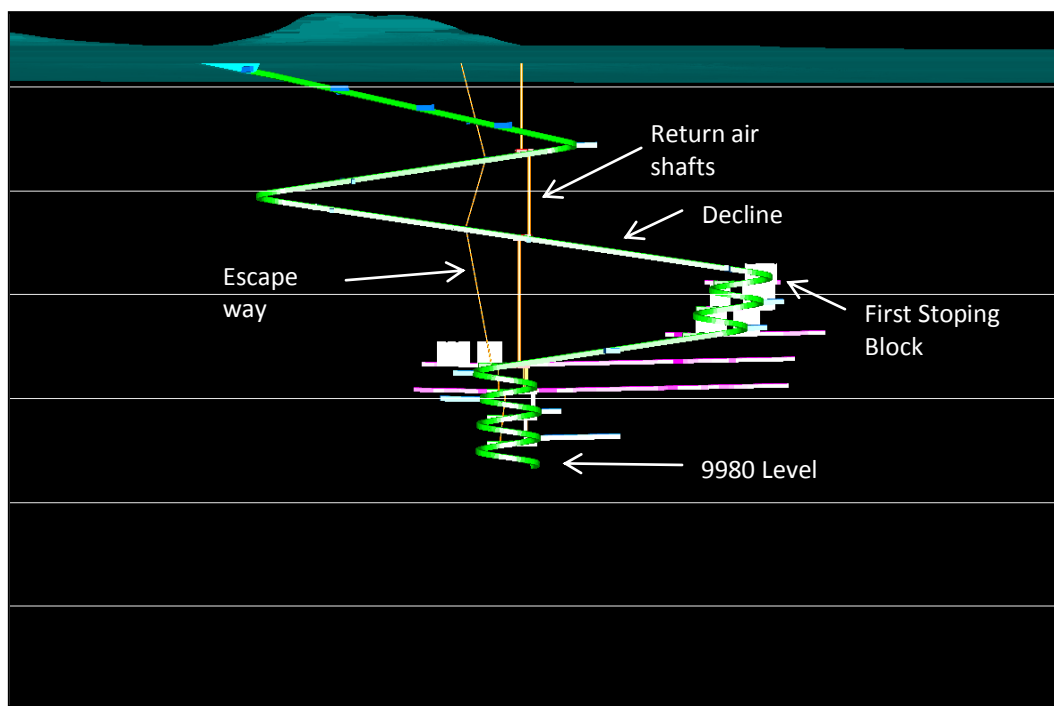


Figure 4: Hera long section showing pre-production mine capital

Operating Costs

Mining

The operating cost estimates have been based on a schedule of rates submitted by the preferred tenderer out of four reputable Australian underground mining contractors who undertook the tendering process for the Hera mine.

Processing

The operating costs for the Hera Processing Plant have been estimated from first principals by Gekko Systems. Onsite operating costs are summarised below:

Item	Cost / Tonne
Mining	\$ 72.79
Milling	\$ 34.55
Administration	\$ 14.25
TOTAL	\$ 121.59

Offsite operating costs include concentrate road, rail and sea freight plus smelter treatment and refining costs:

Item	Cost / Tonne
Offsite Costs – Concentrate freight and smelter charges	\$49.33

NYMAGEE COPPER DEPOSIT

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.

Three drilling rigs were active on the Nymagee deposit for the quarter. A shallow RC percussion rig was active defining the shallow mineralisation, a diamond core rig remained active further defining the deposit at moderate depths, with a second diamond rig drilling a programme designed to test the Nymagee deposit at depth.

Very strong results were received during the quarter including record copper results from the main lens and southern footwall zone.

Nymagee Shallow RC Drilling

A programme of shallow RC percussion drilling continued during the quarter. The drilling is designed to define the Nymagee mineralisation at shallow depths with a view to defining a significant shallow component to the upcoming Resource which is amenable to extraction by open pit mining.

Highlight RC results received in the quarter are listed below:

- **NMRC026:** 10m @ 1.9% Cu from 19m
- **NMRC030:** 10m @ 1.3% Cu from 46m, and
10m @ 4.3% Cu, 16g/t Ag and 0.27g/t Au from 102m
- **NMRC032:** 41m @ 0.9% Cu from 71m, and
17m @ 2.1% Cu, 12g/t Ag from 149m
- **NMRC034:** 31m @ 1.0% Cu from 72m
- **NMRC036:** 2m @ 3.47g/t Au, 1.0% Cu from 5m
- **NMRC038:** 11.3m @ 2.2% Cu from 38m
- **NMRC040:** 10m @ 6.7% Cu, and 13g/t Ag from 15m, and
14m @ 1.9% Cu and 16g/t Ag from 56m
- **NMRC043:** 16m @ 2.2% Cu from 75m
- **NMRC046:** 20m @ 1.1% Cu from 30m
- **NMRC048:** 8m @ 1.1% Cu from 19m
- **NMRC059:** 87m @ 2.2% Cu from 13m to EOH, including
13m @ 7.3% Cu and 25g/t Ag from 13m, and
13m @ 3.1% Cu from 55m
- **NMRC058:** 102m @ 0.5% Cu from 0m to EOH, including
24m @ 1.1% Cu from 78m to EOH
- **NMRC057:** 130m @ 0.4% Cu from 0m to EOH including
35m @ 0.8% Cu from 95m to EOH

Shallow Results to date have been strongly encouraging for the delineation of substantial tonnage of open-pittable copper-sulphide mineralisation. A summary plan with a selection of shallow copper results received to date is included with this report.

Drill collars for RC drill holes completed or results received are included as Table 1 with this report.

Nymagee Diamond Drilling

YTC continued a programme of diamond core drilling at the Nymagee deposit throughout the September quarter. The programme is designed to test the remnant mine pillars, the deeper extents of the footwall copper zones as well as the extensions of the Nymagee mineral system.

Strong copper results were reported in the quarter, including a record intersection for the Main Lens in hole NMD038. Highlight results from the diamond drilling are presented below:

Hole NMD038 intersected the southern footwall zone as copper sulphide mineralisation from 88m and recorded:

- **NMD038: 92m @ 1.5% Cu from 88m**

NMD038 then intersected the Nymagee Main Lens from 294m, recording the widest massive sulphide zone observed to date. The Main Lens is interpreted to be structurally thickened in this position. The intersection recorded:

- **NMD038: 18m @ 6.3% Cu, 0.65g/t Au and 26g/t Ag from 294m**

A further two, narrow massive sulphide zones were recorded below this zone in what are interpreted to be structural repeats of the Main lens:

- **NMD038: 4.5m @ 8.4% Cu, 0.78g/t Au and 38g/t Ag from 317.5m, and
2.7m @ 4.6% Cu, 0.81g/t Au and 18g/t Ag from 329.9m**

NMD039 was drilled approximately 50m beneath the footwall zone intersected in hole NMD038 (92m @ 1.5% Cu) and confirmed the continuity of the zone intersecting:

- **NMD039: 76m @ 0.8% Cu from 141m**

Holes NMD042, 43, 44 and 45 and 47 were each testing the continuity of northern zone of shallow copper mineralisation with each hole returning wide zones of strong copper mineralisation, indicating **significant tonnages of copper mineralisation at a grade and depth that is amenable to open pit mining**. A number of holes continued west to also record a Main Lens intersection. Results include:

- **NMD042: 117m @ 0.9% Cu from 66m, including
5m @ 2.2% Cu from 80m, and
14m @ 2.1% Cu and 9g/t Ag from 169m (Main Lens)**
- **NMD043: 30m @ 0.5% Cu from 44m, and
22m @ 0.9% Cu from 98m, and
18.9m @ 2.0% Cu from 171m (Main Lens)**
- **NMD044: 124.3m @ 0.8% Cu from 71.7m including,
26m @ 1.6% Cu from 170m (Main Lens)**
- **NMD045: 34m @ 0.9% Cu from 166m**
- **NMD047: 102.2m @ 0.6% Cu from 152m including
17m @ 1.2% Cu and 11g/t Ag from 215m**

Drill collars for diamond core drill holes completed or results received are included as Table 2 with this report.

Nymagee Lead-Zinc-Silver Lens

The ongoing drilling activity has recorded numerous intersections into the Nymagee lead-zinc-silver lens which has continued to evolve into a significant high-grade component of the Nymagee mineralisation. Significant intersections recorded in the quarter include:

- **NMRC023:** 10m @ 0.3% Cu, 7.1% Pb, 0.34g/t Au and 38g/t Ag from 32m
- **NMRC024:** 6m @ 0.2% Cu, 1.1% Pb, 2.5% Zn from 73m
- **NMRC025:** 8m @ 1.3% Pb, 2.2% Zn from 105m
- **NMRC026:** 7m @ 0.4% Cu, 3.3% Pb, 6.0% Zn and 30g/t Ag from 104m
- **NMD042:** 7m @ 0.3% Cu, 1.7% Pb, 4.2% Zn and 22g/t Ag from 184m
- **NMD043:** 8m @ 0.5% Cu, 5.0% Pb, 13.7% Zn and 125g/t Ag from 205m
- **NMD047:** 4.5m @ 0.2% Cu, 0.8% Pb, 7.0% Zn and 17g/t Ag from 271.5m

Of particular interest was the intersection in hole NMRC051 which substantially extends the lead-zinc-silver lens to the north and also includes weak gold credits:

- **NMRC051:** 12m @ 0.3g/t Au, 0.3% Cu, 5.7% Pb, 9.1% Zn and 62g/t Ag from 89m

Nymagee Deep Drilling

During the quarter, YTC completed the first four deep drill hole beneath the Nymagee copper mine as part of an extended programme designed to test the continuity of the Nymagee copper system at depth and to test for blind massive sulphide lodes in the deep footwall position.

The first drill hole, NMD050W1 was designed to test approximately 100m below strong copper mineralisation in holes NMD017 and NMD017W1. The drill hole drifted approximately 50m north of its target. Assays are not yet available for this hole, however visual estimation indicates the hole has intersected a broad interval (approx 120m) of 0.3 to 1.0% Cu mineralisation, including a number of narrower zones of >1.5% Cu.

The second deeper drill hole, NMD057, drilled directly below hole NMD017 also intersected a broad interval of low grade copper mineralisation from 453-545m.

The third hole, NMD058, was abandoned at 510m after the hole swung into the hole path of NMD050W1.

The fourth hole, NMD059 was drilled to test approximately 75m south of the intersection in hole NMD017 and 17W1. Logging of this hole is now underway.

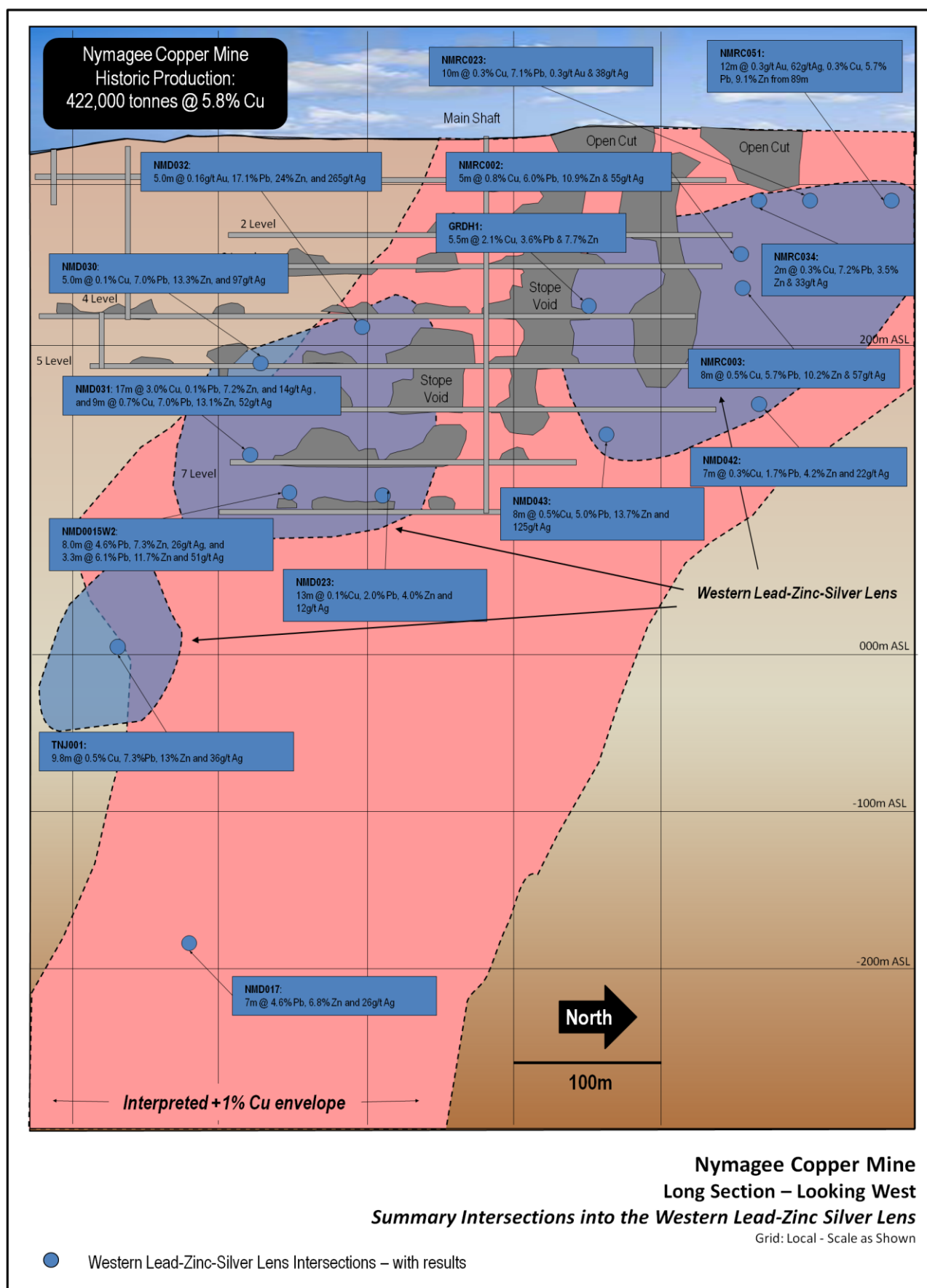
Nymagee Gravity Anomaly – South

NMD026 was drilled to test the south-eastern gravity response at depth. The hole recorded a broad interval of low grade copper mineralisation indicating the mineral system remains well developed.

- **NMD026:** 124m @ 0.2% Cu from 170m







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ASX Code: YTC

2 Corporation Place

Orange, NSW 2800

T: +61 6361 4700

F: +61 6361 4711

Email: office@ytcresources.com

Web: www.ytcresources.com

Table 1: RC Drill Hole Collars – September Quarter

Hole	GDA_E	GDA_N	DIP	AZI_MGA	Depth	Comments
NMRC023	434711	6452442	-60	246	110	Testing for northern extension
NMRC024	434734	6452451	-60	246	137	Testing for northern extension
NMRC025	434757	6452461	-60	246.5	160	Testing for northern extension
NMRC026	434739	6452426	-70	246	148	Testing for northern extension
NMRC027	434765	6452437	-70	246.3	116	Hole ended early with water ingress
NMRC028	434667	6452396	-70	69.3	74.5	Hole ended early in open stope
NMRC029	434737	6452363	-65	248.3	46.5	Hole ended early in open stope
NMRC030	434759	6452338	-70	240.3	166	
NMRC031	434774	6452304	-70	230.3	154	
NMRC032	434814	6452297	-70	231.3	172	
NMRC033	434786	6452364	-70	226.3	141	
NMRC034	434665	6452369	-70	50.3	114	Hole ended with water ingress
NMRC035	434669	6452330	-70	55.3	53	Hole ended early in open stope
NMRC036	434725	6452259	-70	53.3	100	Cavity at 94m. Hole ended early.
NMRC037	434749	6452240	-70	240.3	59	Hole ended early in open stope.
NMRC038	434756	6452217	-70	227.3	49.3	Hole ended early in open stope
NMRC039	434683	6452291	-70	65.3	104	Hole ended early in open stope
NMRC040	434720	6452273	-70	50.3	108	Hole ended early with water ingress
NMRC041	434807	6452260	-70	230.3	132	
NMRC043	434891	6452140	-70	50.3	106	
NMRC044	434902	6452106	-70	55	94	
NMRC045	434919	6452103	-70	48.3	82	
NMRC046	434940	6452078	-70	50.3	89	Hole ended early in open stope
NMRC048	434908	6452066	-70	50.3	89	
NMRC049	434881	6452061	-70	51.3	150	
NMRC051	434718	6452492	-65	245.3	190	
NMRC052	434762	6452518	-65	235.3	184	
NMRC053	434769	6452556	-65	235.3	172	
NMRC054	434728	6452539	-65	245.3	178	
NMRC055	434784	6452282	-70	232.3	135	
NMRC056	434792	6452243	-70	230.3	110	
NMRC057	434902	6452038	-70	50.3	130	Hole abandoned at 130m with high water inflow
NMRC058	434913	6452040	-60	63.3	102	Hole abandoned at 102m with high water inflow
NMRC059	434936	6452052	-70	50.3	100	Hole terminated in mineralisation
NMRC060	434960	6452034	-70	50.3	94	
NMRC061	434948	6452002	-70	50.3	124	
NMRC062	434937	6452021	-70	50.3	130	
NMRC063	434914	6452012	-65	50.3	122	
NMRC064	434885	6452002	-65	50.3	42	Hole ended early in open stope
NMRC065	434871	6452018	-70	53.3	112	

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2 Corporation Place

Orange, NSW 2800

T: +61 6361 4700

F: +61 6361 4711

Email: office@ytcresources.com

Web: www.ytcresources.com

Table 2: Diamond Core Drill Hole Collars – September Quarter

Hole	GDA_E	GDA_N	DIP	AZI_MGA	Depth	Comments
NMD026	434987	6452184	-55	185.3	350	Testing SE gravity target
NMD037	434867	6452233	-56	230.3	269.8	Testing footwall Pb-Zn-Ag
NMD038	435021	6452079	-55	257.3	347.9	To test southern footwall zone and Nymagee Main Lens
NMD039	435021	6452079	-65	257.3	281.5	Testing beneath hole NMD038
NMD040	434769	6452338	-55	231.2	170.7	
NMD041	434747	6452412	-55	245.3	76.7	Hole ended in open stope
NMD042	434776	6452413	-60	245.3	263	
NMD043	434803	6452343	-55	245.3	230.8	Test beneath NMRC007
NMD044	434772	6452394	-60	245.3	230.6	
NMD045	434779	6452413	-75	245.3	314.1	
NMD047	434823	6452421	-57	242.3	316.1	
NMD050	435096	6452183	-72	245.3	240.8	Parent hole to 50W1 – abandoned at 240.8m
NMD050W1	435096	6452183	-72	245.3	759.3	
NMD057	435096	6452183	-68	235.3	670	
NMD058	435096	6452183	-68	252.3	510	Abandoned at 510 due to drift toward 50W1
NMD059	435096	6452183	-62	225.3	602.2	

KADUNGLE PROJECT

YTC-100%

The Kadungle copper-gold project is located approximately 50km north-west of Parkes in central west NSW and is considered prospective for porphyry related copper-gold and epithermal gold mineralisation.

A geophysics review including the recently completed detailed gravity survey was completed in the quarter. Based on these results a substantial gravity low associated with a mineralised diatreme breccia target has been identified for drill testing. Previous testing on the margin of this target returned best results of 12m @ 7.7g/t Au and 0.1 % Cu in hole KDD002.

A programme of 1100m RC drilling has been programmed to test this target in the December 2011 quarter.

CORPORATE

Taronga Mines Update

Agreements between YTC, Taronga Mines (TAZ) and Australian Oriental Mines (AOM) have now completed. Under these agreements:

- 12.4 million TAZ shares and 5.5 million TAZ options were issued to YTC representing 25.8% of TAZ's issued capital
- 160,970 YTC shares were issued to AOM at a consideration price of \$0.62 per share
- Exploration tenements EL 6389, 6392, 6690 and 7280 were relinquished by YTC

TAZ have advised YTC that the Taronga Mines IPO is temporarily on hold pending more favourable market conditions. YTC will advise on the proposed TAZ listing date once received.

Cash Position

At 30 September 2011, the Company held cash reserves of \$25.3 million.

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.

GOLD EQUIVALENTS – HERA DFS & HERA RESERVE

This report makes references to the Hera Ore Reserve, DFS outputs and metal equivalents. 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 ÷ 31.1)

The following metal prices, exchange rates and metal recoveries and payabilities were used for the calculation of a gold equivalent.

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 to Bulk Con	46%	0%	YTC Metallurgical testwork and Marketing Study

Metal	Price	Source
Au	US\$1450/oz	20% discount to spot
Pb	US\$2,500/t	LME 15 month buyer
Zn	US\$2,318/t	LME 15 month buyer
Ag	US\$32/oz	20% discount to spot
AUD/USD	1.00	Consensus Forecast

Competent Persons Statement – Hera Ore Reserve

The Information in this report relating to Ore Reserves is based on work undertaken by Mr Michael Leak of Optiro Pty Ltd under supervision of Mr Sean Pearce. This report has been compiled by Sean Pearce, who is a Member of the Australasian Institute of Mining and Metallurgy. Sean Pearce 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 Pearce consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

GOLD EQUIVALENTS – HERA RESOURCE

This report makes references to the Hera Resource Estimate and metal equivalents. These metal equivalent values refer to those included with Hera Resource Estimate released to the ASX on 2nd June 2011. 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 ÷ 31.1)

The following metal prices, exchange rates and metal recoveries and payabilities were used in the estimation of “net recoverable ore value per tonne (NSR)” and for the calculation of a gold equivalent.

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 to Bulk Con	46%	0%	YTC Metallurgical testwork and Marketing Study

Metal	Price	Source
Au	US\$1200/oz	90% of Consensus forecast, to May 2013 <i>Consensus economics, May2011</i>
Cu	US\$8,370/t	90% of Consensus forecast, to May 2013 <i>Consensus economics, May2011</i>
Pb	US\$2,420/t	90% of Consensus forecast, to May 2013 <i>Consensus economics, May2011</i>
Zn	US\$2,425/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	

Competent Persons Statement – Hera Resource Estimate

The Resource Estimation has been completed by Mr Dean Fredericksen the Chief Operating Officer of YTC Resources Ltd who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Dean Fredericksen 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 Fredericksen consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.