

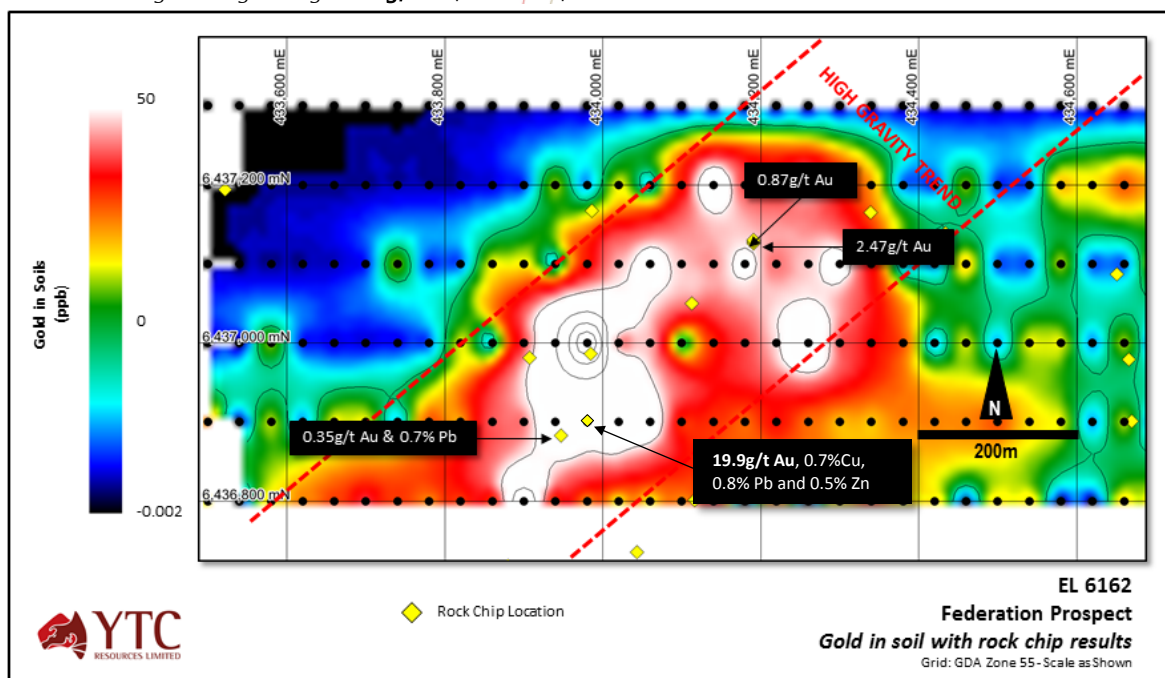
EXPLORATION TO RE-COMMENCE

- Exploration drilling expected to re-commence this week at the Federation gold prospect
- Mapping at Federation had discovered gossan sub-crop grading to 19.9g/t Au

YTC Resources Limited ("YTC" or the "Company") is pleased to advise that exploration drilling on the Hera-Nymagee Project is expected to re-commence this week, with drilling to start at the Federation Prospect, subject to receipt of environmental approvals.

The **Federation Prospect** is located on a gravity-high approximately 12km south of Hera. Exploration in the December quarter highlighted strongly mineralised outcrops with strong rock chip results up to 2.5g/t Au and 0.7% Pb. A subsequent soil survey delineated a coherent north-west trending gold anomaly over 400m at >10ppb Au with peak values at 50ppb Au (refer figure below). These gold-in-soil values are **substantially higher than the gold response over the Hera deposit**.

Further geological mapping and sampling over the peak gold-in-soil anomaly has identified a zone of sub cropping gossan (oxidized sulphide mineralisation) over an area of approximately 30m x 5m, with rock chip results from the gossan grading **19.9 g/t Au**, 0.7% Cu, 0.8% Pb and 0.5% Zn.



YTC's Managing Director, Rimas Kairaitis commented: "We are very pleased at the re-commencement of exploration following a successful period of funding and commencement of the Hera mine development. The Federation target has been selected as our initial high-priority target given strong gold values at surface are very unusual within the Cobar basin setting".

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.