YTC RESOURCES LIMITED

HERA-NYMAGEE PROJECT UPDATE

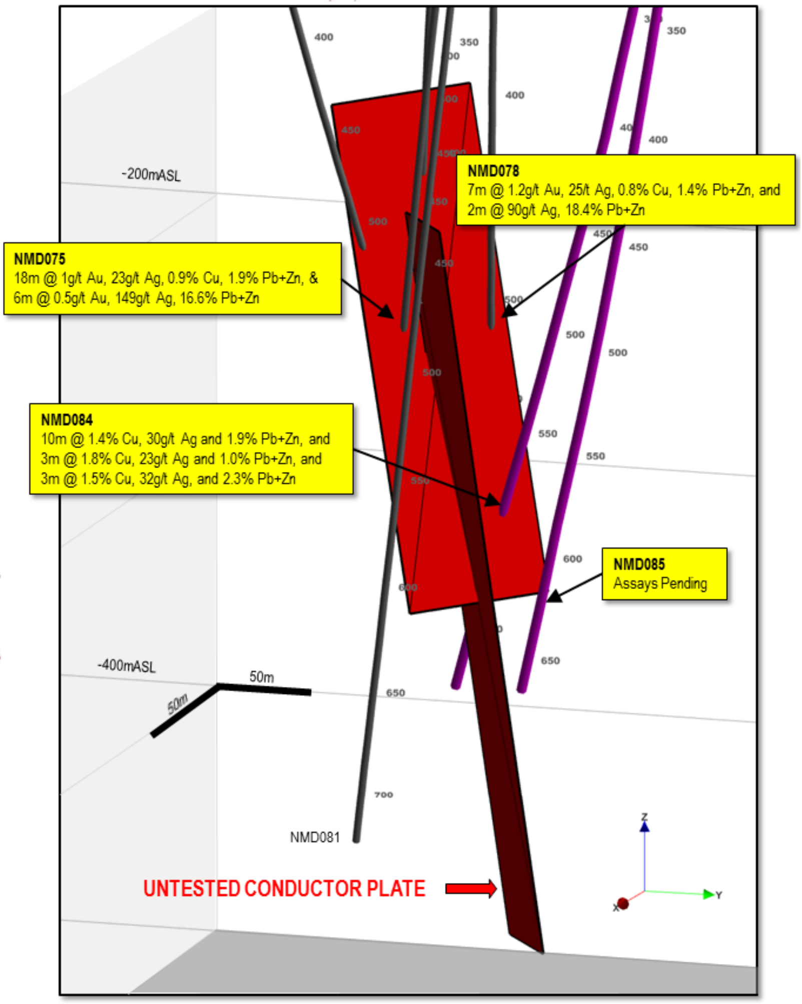
- Down Hole EM (DHEM) survey at Nymagee North shows main conductor target is yet to be intersected by drilling
- Hera Project construction continues to progress smoothly

YTC Resources Limited ("**YTC**" or the "**Company**") is pleased to provide an update on development and exploration activities at its Hera -Nymagee Project.

DHEM AT NYMAGEE NORTH REFINES CONDUCTOR TARGET

Following two strong sulphide intervals recorded in drill holes NMD084 and NMD085 at Nymagee North, YTC has completed a high definition downhole EM (DHEM) survey on hole NMD085 to further refine the target.

The DHEM modeling confirms that the bulk of the very strong conductor target is yet to be intersected by drilling, is approximately 300m long, and lies sub-parallel to existing drilling. Drill hole designs to test this target are now underway. The refined conductor target is shown in the graphic below and on the long section included with this release.



3D view of DHEM Conductor Plates – Nymagee North

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HERA CONSTRUCTION

Development activities at the Hera Project continue to progress smoothly. Key activities since the last project update include:

LONG TERM POWER SUPPLY

YTC has reached agreement with Aggreko for the installation of gas-fired generators for the provision of long term power supply. The use of gas-fired generators sets and the associated gas supply agreement, represents a substantial saving over feasibility study costings which assumed diesel-fired power generation. In addition the Australian dollar gas supply contract will remove the last significant US$ exposure to the Hera project operating costs.

HERA UNDERGROUND

The Hera decline construction continues to advance well. Total underground advance is now at 1613m with decline advance as per schedule. The primary vent fan has now been installed and is ready for commissioning.

YTC has reached an agreement with its primary underground contractor, Pybar Mining Services Pty Ltd ('Pybar') for a reduction in rates for the provision of mining services in the period from 1 September 2013 to 31 October 2014. In consideration for this reduction, YTC will issue Pybar 4 million YTC shares to be held in escrow until 31 October 2014.

PROCESS PLANT CONSTRUCTION

The process plant is being designed and constructed under a lump-sum, turn-key EPC Contract with Gekko Systems in Ballarat. The project sign-off phase of the design has been completed.

Construction has commenced on tertiary crushing frames, secondary screens and flotation circuit. The Reverse Osmosis (R/O) water treatment plant has been installed and commissioned. Site civil works for the plant are due to commence in November.

SURFACE EARTHWORKS

Construction activity continues to focus on Stage 1 of the Tailings Storage Facility (TSF) with the progressive infill of the keyway trench and construction of the TSF wall. The process water dam is complete and the heavy vehicle access road is 90% completed.

ACCOMMODATION CAMP

Stage 1 of the Hera Accommodation Camp, including 40 accommodation rooms, is now complete and fully occupied. Construction of Stage 2, for an additional 40 accommodation rooms, has now commenced with an expected completion in late December. TI hospitality was selected as the successful camp manager and took management control in the first week of September.

YTC's Managing Director, Rimas Kairaitis commented: *"We are delighted that the Hera construction continues smoothly. Results at Nymagee North continue to suggest our drilling is closing in on a significant zone of mineralisation"*

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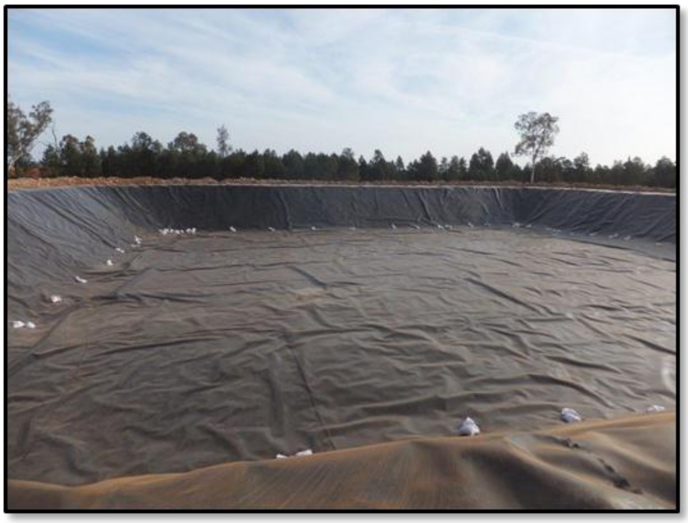
Recent Hera Construction Photos

Primary vent fan



Process water dam

Contractors area, looking south with TSF construction in background

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.

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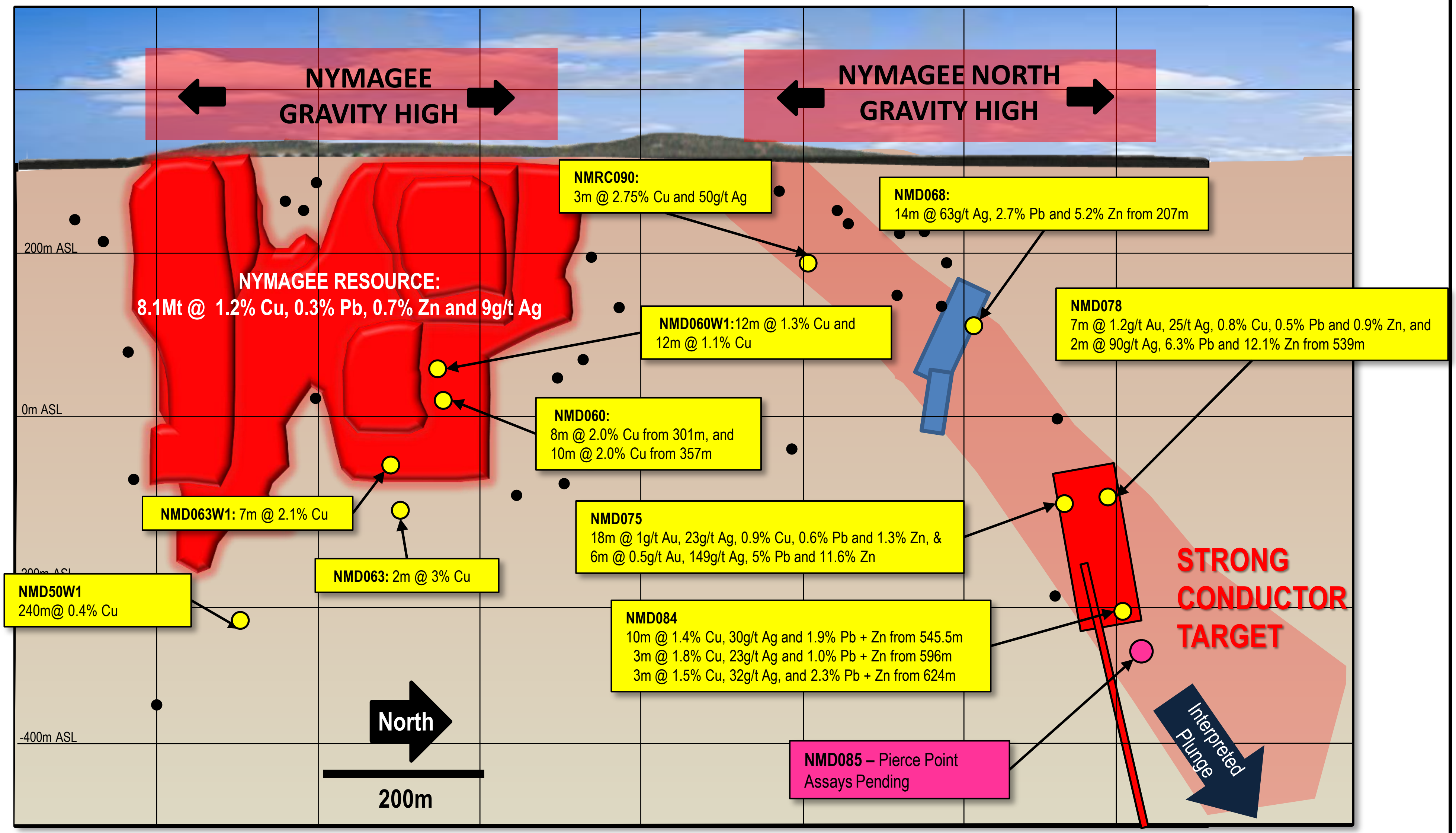

Drill Holes outside the Nymagee Resource	Nymagee North DHEM Conductors
● No Significant Results	Weak-moderate
● Strong Mineralisation	Strong
● Assays Pending	

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Nymagee Copper Deposit

Long Section looking west with Resource Outlines

Showing drill holes outside resource and DHEM conductor targets

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ABOUT THE HERA-NYMAGEE PROJECT

The Hera-Nymagee Project represents YTC's flagship Project and consists of the Hera gold-base metal deposit (YTC 100%) and the Nymagee copper deposit (YTC 95%), and is located approximately 100km south-east of Cobar, in central NSW. The deposits are hosted in the Cobar Basin, which also host the major mineral deposits at CSA (Cu-Ag), The Peak (Cu-Au) and Endeavor (Cu-Pb-Zn-Ag).

YTC completed the Definitive Feasibility Study ('DFS") on the Hera Gold Project in June 2011, which confirmed 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. YTC subsequently received Project Approval from the NSW State Government in August 2012 and shareholder approval for a major funding transaction with Glencore in March 2013.

YTC is now in full scale development of the Hera project with first production due in the September quarter 2014.

The Company is also currently evaluating the Nymagee copper deposit, located 4.5km to the north, with a view to demonstrating an integrated development of the Hera and Nymagee deposits.

YTC maintains a commitment to the ongoing exploration of the Hera-Nymagee Project and considers both deposits have the potential to evolve into very large "Cobar style' mineral systems.

Hera Boxcut and Portal

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