ASX: YTC
23 Dec 2013

HERA-NYMAGEE PROJECT UPDATE

- Record advance for Hera underground pushes development ahead of schedule
- Plant Construction on track
- Exploration drilling to re-commence in January 2014

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

HERA CONSTRUCTION

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

RECORD MONTHS FOR HERA UNDERGROUND DEVELOPMENT

Strong performance in the Hera underground development in October was matched with another record month for November which recorded 269m of advance or 120% of schedule. The underground development is ahead of schedule. Optimisation work continues on the mine schedule, evaluating the opportunities to present higher grades ore to the process plant earlier than currently scheduled. Underground stope-definition drilling has commenced ahead of planned ore development

PROCESS PLANT CONSTRUCTION ON SCHEDULE

The process plant is being designed and constructed under a lump-sum, turn-key EPC Contract with Gekko Systems in Ballarat with an expected commissioning in July 2014.

Construction of flotation frames have been completed and construction of gravity structure has commenced. Orders for the Primary and Secondary crushing modules have been placed. A number of the key long lead items have been delivered to the Gekko factory in Ballarat and others are beginning to ship. All items remain on schedule.

Earthwork civil construction activities for the process plant are close to completion and site concrete works have commenced. Construction of the ore-reclaim tunnel has commenced with the placing of precast concrete culverts.

Panorama of Hera Project Construction Site

SURFACE EARTHWORKS

Stage 1 of the Tailings Storage Facility (TSF) is nearing completion, with finalisation of the TSF floor due for January.

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ACCOMMODATION CAMP

Stage 2 of the Hera accommodation camp is now complete and the Hera Camp is now commissioned for 80 persons.

HERA POWER STATION CONSTRUCTION UNDERWAY

Construction of the permanent gas-fired power station is now well advanced with delivery of LNG tanks and gas-fired generator sets. The power station is on-track for commissioning in January.

Construction of the Hera power station

HERA-NYMAGEE EXPLORATION

Following completion of Phase 1 of the transaction with Pacific Road (as announced 6 December 2013) YTC is planning a substantial exploration programme for Hera and Nymagee in calendar 2014. Drilling on priority targets is due to commence in mid-January 2014.

YTC's Managing Director, Rimas Kairaitis commented: *""We continue to be pleased with the smooth progress of the Hera Project construction. 2014 shapes as a critical and exciting year for YTC with the Hera Project due for completion and a re-energised exploration effort on both Hera and Nymagee"*

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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YTC
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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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