

## HERA PROJECT UPDATE

YTC Resources Limited (“YTC” or “the Company”) is pleased to update the market with progress on activities at the Hera Project (YTC-100%) in the Cobar Basin, NSW.

### STRONG RESULTS FROM HERA RESERVE EXTENSION DRILLING

Drilling to test for reserve extensions in the upper part of the northern Hera Main Lens has confirmed this part of the deposit is **lead-zinc rich**, and strong intersections outside the current Reserve outline will likely result in additional Reserve tonnages to form the first production stopes in the Hera mine and shorten the schedule to first ore production. Highlight intersections include:

**HRD038: 10m @ 5.4% Pb, 10.0% Zn, 0.13g/t Au and 30g/t Ag**

**HRD038W1: 18m @ 7.2% Pb, 4.4% Zn, 0.32g/t Au and 48g/t Ag**

**TNY047AW1: 15m @ 3.3% Pb, 7.0% Zn, 0.5g/t Au and 23g/t Ag**

Hole HRD039W1 intersected significant grade in a mineralised structure some 30m east of the Hera Main Lens:

**HRD039W1: 5m @ 3.96g/t Au, 1.7% Pb, 3.4% Zn and 9g/t Ag**

This intersection east of the Hera Main Lens further demonstrates the potential for additions to the initial +7 year mine life at Hera, and YTC will follow up these results with further drilling.

A long section of the Hera Main Lens, showing the position of the new results and likely extension to the Hera Mining Reserve, is included with this release.

### HERA AT FINAL PERMITTING STAGE

The Environmental Assessment (EA) document for the Hera Project was put on public exhibition for the period 17<sup>th</sup> November – 19<sup>th</sup> December 2011. A total of seven (7) submissions were received, all from Government Departments. No submissions were received from the public.

YTC submitted its final Response to Submission on 20 February 2012 and the Hera Project EA is now with the NSW Department of Planning and Infrastructure (DP&I) for final determination.

### MINING LEASE LODGED

The Hera Mining Lease Application (MLA417) was lodged on 27 January 2012.

### STAGE 1 EARTHWORKS >50% COMPLETE

Stage 1 of the Hera Project earthworks, including the main access road, sediment dams, magazine and the Hera boxcut, which commenced in December 2011, is now over 50% complete.

YTC’s CEO Rimantas Kairaitis said: *“These drill results confirm substantial tonnages of high grade lead-zinc mineralisation which can now be brought into the mining reserve as the shallowest economic mineralisation in the Hera deposit. This is an important gain both in terms of the Reserve boost and in shortening the mining schedule to first ore. Meanwhile the permitting and development activities for the Hera Project are progressing nicely.”*

**Table 1: Collar summary for drill holes in this release**

Hole	GDA_E	GDA_N	DIP	AZI_MGA	Depth	Comments
TNY047AW1	436438	6447392	-67	266.3	315.4	
TNY050W1	436198	6447324	-71	83.3	366.5	
HRD036	436379	6447428	-66	246.3	300.8	
HRD037	436201	6447324	-60	71.3	282.9	
HRD038	436379	6447430	-69	267.3	291.8	
HRD038W1	436380	6447430	-69	267.3	282.8	
HRD039	436380	6447430	-72	267.3	339.6	
HRD039W1	436380	6447430	-72	267.3	343	

**Table 2: Intersection summary for drill holes in this release**

Hole	From (m)	To (m)	Intercept (m)	Est true width (m)	Au* (g/t)	Cu (%)	Pb (%)	Zn (%)	Ag (g/t)	Comments
TNY047AW1	264	279	15	10	0.5	0.1	3.3	7.0	23	Main Lens
TNY050W1	261	265	4	2.5	0.32	-	1.5	2.3	8	Main Lens
HRD036	201	212	11	6	0.19	0.5	1.2	1.9	12	Main Lens
HRD037										Assays Pending
HRD038	212	222	10	6.5	0.13	0.2	5.4	10	3	Main Lens
HRD038W1	192	210	18	11.7	0.32	0.4	7.2	4.4	48	Main Lens
HRD039W1	194	199	5	2.5	3.96	-	1.7	3.4	9	Eastern Structure

\*All gold assays are quoted using the screen fire assay method.

**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.

**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.

**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.

### **About the Hera Gold and Base Metals Deposit**

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 has advanced the Hera deposit through a Definitive Feasibility Study ('DFS') on mining and processing of the Hera deposit to establish an underground mine producing gold, silver, lead, zinc as Stage 1 of an integrated mine development with the nearby Nymagee copper deposit. The study confirmed a technically and financially robust development.

The Company is currently moving ahead with preliminary development activities at Hera whilst awaiting final development approvals.

2012 will see YTC commence the full scale Hera development and progress Stage 2 Feasibility studies into the combined development of Nymagee and Hera while at the same time maintaining an active exploration programme at both the Hera and Nymagee deposits and along the broader prospective corridor.

YTC considers that significant exploration upside exists not only in the extension of the existing lenses, but also for Hera to evolve into a major gold-base metal system consistent with the pedigree of Cobar-style deposits.



**Progress on the boxcut – Hera Deposit**

### **About the Nymagee Joint Venture**

YTC has a 95% interest in the Nymagee JV tenements which are located immediately north of YTC's 100% owned Hera gold-base metal deposit.

YTC has recently announced a maiden resource at Nymagee of 8.1Mt @ 1.2% Cu, 0.3%Pb, 0.7% Zn and 9g/t Ag.

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

YTC is the manager and operator of the Joint Venture and undertaking exploration at Nymagee to pursue the combined development of Nymagee and Hera.

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 considers the Nymagee deposit to represent the upper part of a larger 'Cobar style' copper dominant mineral system, analogous to the world-class CSA copper mine located approximately 90km north-west along strike. The company has budgeted a continuing aggressive exploration campaign at Nymagee for 2012.



**Massive sulphide mineralisation – Nymagee Copper Deposit**

# Key

- New YTC Drillhole with Results
- Previous Drillhole with Results

**TNY022:**  
3m @ 3.82g/t Au, 5.9% Pb, 10.4% Zn and 29g/t Ag

**HRD036:**  
11m @ 0.19g/t Au, 1.6% Pb, 2.6% Zn and 16g/t Ag

**TNY063:**  
13m @ 0.15g/t Au, 4.5% Pb, 7.7% Zn and 25g/t Ag

**HRRC001**  
5m @ 5.64g/t Au, 1.47% Pb and 5.51% Zn

**HRD038W1**  
18m @ 0.32g/t Au, 7.2% Pb, 4.4% Zn and 48g/t Ag

**HRD038:**  
10m @ 0.13g/t Au, 5.4% Pb, 10.0% Pb and 30g/t Ag

**TNY047AW1:**  
15m @ 0.5g/t Au, 3.3% Pb, 7.0% Zn and 23g/t Ag

**TNY050W1:**  
4m @ 0.32g/t Au, 1.5% Pb, 2.3% Zn and 8g/t Ag

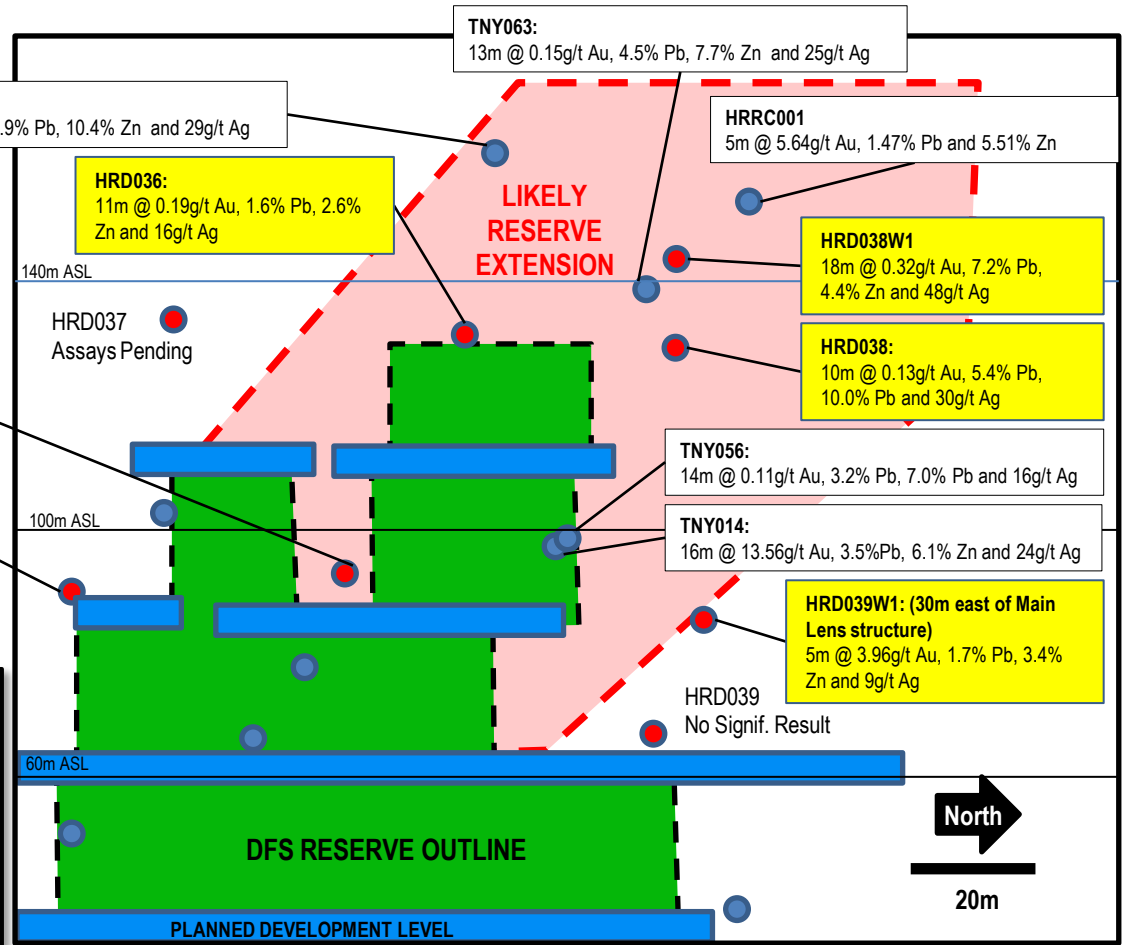
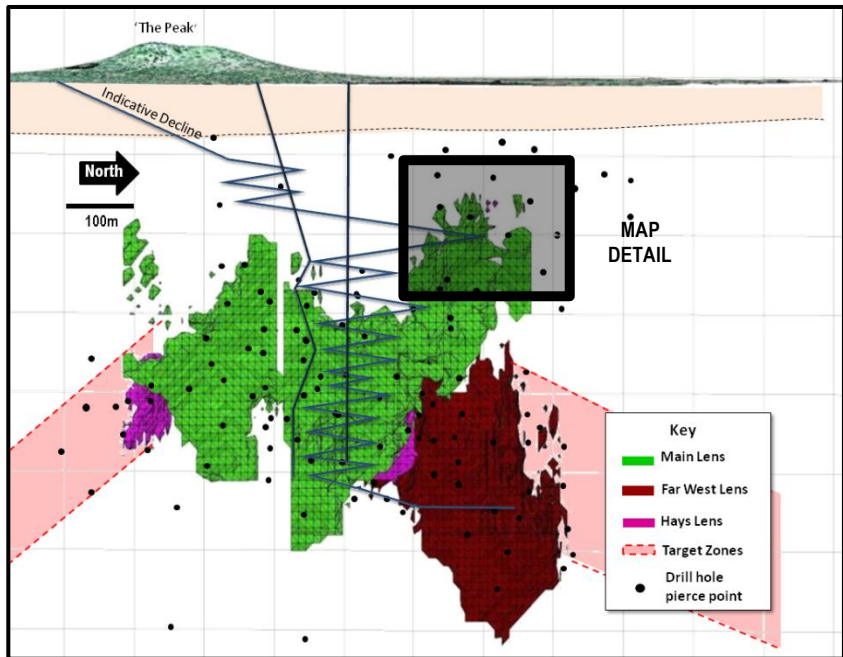
HRD037  
Assays Pending

**TNY056:**  
14m @ 0.11g/t Au, 3.2% Pb, 7.0% Pb and 16g/t Ag

**TNY014:**  
16m @ 13.56g/t Au, 3.5%Pb, 6.1% Zn and 24g/t Ag

**HRD039W1: (30m east of Main Lens structure)**  
5m @ 3.96g/t Au, 1.7% Pb, 3.4% Zn and 9g/t Ag

HRD039  
No Signif. Result



## Hera Gold Deposit Long Section – Hera Main Lens – Upper North Reserve Extension – Drilling Results

Grid: Local - Scale as Shown

