

## JUNE 2011 QUARTER HIGHLIGHTS

### NYMAGEE COPPER MINE JV

- Commencement of a deeper drilling programme beneath the Nymagee Copper Mine
- Permits received and drilling commenced on detailed shallow drilling programme at Nymagee
- Further strong drill results received from the Nymagee Main Lode, including:
  - **NMD011:** 5m @ 2.3% Cu and 11g/t Ag from 383m
  - **NMD011W1:** 3m @ 4.1% Cu, 4.4% Pb, 7.3% Zn, 52g/t Ag and 0.36g/t Au from 367m
  - **NMD023:** 6m @ 3.5% Cu and 18g/t Ag from 292m
  - **NMD027W1:** 15m @ 2.5% Cu, 0.8% Pb, 2.5% Zn, 21g/t Ag and 0.1g/t Au from 296m
- Further high-grade lead-zinc-silver mineralisation intersected on the western side of the Nymagee Copper mineralisation. Significant results include:
  - **NMD030:** 5m @ 0.1% Cu, 7.0% Pb, 13.3% Zn and 97g/t Ag from 162m
  - **NMD032:** 5m @ 17.1% Pb, 24.0% Zn, 265g/t Ag and 0.16g/t Au from 81m
  - **NMD031:** 17m @ 3.1% Cu, 7.2% Zn, 14g/t Ag and 0.15g/t Au from 217m, and
  - **NMD031:** 9m @ 0.7% Cu, 7.0% Pb, 13.1% Zn and 51g/t Ag from 234m
- The discovery of shallow copper sulphide mineralisation in the footwall position at the southern end of the Nymagee Copper Mine. Significant results include:
  - **NMRC022:** 53m @ 1.7% Cu from 87m, and
  - **NMRC021:** 19m @ 1.0% Cu from 17m
- Results from a gravity survey completed at Nymagee are interpreted to clearly **delineate the Nymagee mineralisation for over 1.2km in strike.**

### HERA GOLD PROJECT

- The drilling programme on the Far West Lens of the Hera Deposit was completed to both extend the existing Resource as well as upgrade the Resource classification. Significant new intersections from the drilling programme include:
  - **HRD032W2:** 20m @ 3.9g/t Au\*, 18g/t Ag, 2.9% Pb and 3.8% Zn from 530m  
including 10m @ 7.2g/t Au\*, 16g/t Ag, 2.6% Pb and 4.5% Zn from 540m
  - **HRD035W3:** 40m @ 2.7/t Au\*, 17g/t Ag, 0.4% Cu, 2.8% Pb and 3.6% Zn from 445m  
including 9m @ 7.0g/t Au, 16g/t Ag, 4.1% Pb and 6.3% Zn from 475m
  - **HRD074AW2:** 21m @ 6.3g/t Au\*, 20g/t Ag, 3.1% Pb, and 4.9% Zn from 576m  
including 11m @ 10.1g/t Au\*, 25g/t Ag, 4.3% Pb, and 7.0% Zn from 577m
  - **HRD035W2:** 25m @ 3.8g/t Au\*, 38g/t Ag, 0.6% Cu, 5.9% Pb and 7.2% Zn from 471m  
including 8m @ 9.6g/t Au\*, 31g/t Ag, 0.1%Cu, 4.3%Pb and 5.8% Zn from 471m
- The Hera deposit Resource increased to 677,200 ounces at a gold equivalent grade of 8.6g/t Au equivalent with 86% of the Hera Resource now in the Indicated Category

### CORPORATE

- Cash of \$28.583m at end of quarter.

## INTRODUCTION – HERA GOLD PROJECT AND THE NYMAGEE COPPER MINE

The Hera Gold Project (YTC 100%) and the Nymagee Copper Mine (YTC 90%) are located 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 is progressing an expanded Definitive Feasibility Study (“DFS”) on the Hera Project to establish an underground mine producing gold, silver, lead, zinc and copper. The Company is at the same time pursuing an aggressive drilling programme at the Nymagee Copper Mine, located 4.5km to the north, with a view to demonstrating a combined development of the Hera and Nymagee deposit.

### NYMAGEE COPPER MINE JV - EXPLORATION

YTC-90%

Activities at Nymagee during the quarter included ongoing drilling activity and geophysics, with a view to scoping the Nymagee mineralisation and moving towards a maiden Resource Estimate. For most of the quarter YTC had one rig active at Nymagee as the Company awaited drilling approvals and the arrival of rigs. The Company now has three drilling rigs active at Nymagee.

The mineralisation and geological characteristics of the Nymagee mineralisation show strong affinities to the CSA Copper Mine, located approximately 90km north along strike, which is currently Australia’s highest grade copper mine and has a recorded production of >1.5Mt of copper. Activities and results for the quarter are summarised below.

#### Further strong drill results from the Nymagee Main Lode

Strong copper results with silver credits have continued to be returned from the Nymagee Main Lode. Holes NMD011 and NMD011W1 were drilled as a parent and wedge hole to test just below the northern limits of the historic 8 level. The holes returned:

- **NMD011: 5m @ 2.3% Cu and 11g/t Ag from 383m**
- **NMD011W1: 3m @ 4.1% Cu, 4.4% Pb, 7.3% Zn, 52g/t Ag and 0.36g/t Au from 367m**

Of particular interest in hole NMD011W1 is an unusual breccia texture observed with the copper mineralisation which contained individual assays >1g/t Au. This result infers the potential for the discovery of further gold rich mineralisation of this style.

Hole NMD023 was drilled to test the remnant pillar mineralisation between levels 7 & 8 in the historic mine, to the south of the main shaft position. The hole returned a main lode intersection containing:

- **NMD023: 6m @ 3.5% Cu and 18g/t Ag from 292m**

Holes NMD027W1 and NMD025 were drilled from west to east to test the grade and tenor of the Nymagee Main Lode at the southern end of the known copper mineralisation. The holes intersected broad zones of strong copper mineralisation which now represent the southernmost intersections in the Nymagee Main Lode.

- **NMD027W1: 15m @ 2.5% Cu, 0.8% Pb, 2.5% Zn, 21g/t Ag and 0.1g/t Au from 296m**
- **NMD025: 7m @ 1.6% Cu and 11g/t Ag from 196m**

A long section showing the position of the Nymagee Main Lode intersections is included with this report.

### High grade results from the Nymagee lead-zinc-silver lens

The occurrence of substantial lead-zinc-silver mineralisation at the Nymagee Copper Mine was recorded by the historic miners and also in an historical estimate completed by Cyprus Mining Corporation in 1974. The lead-zinc-silver mineralisation occurs as a discrete lens or lenses approximately 5-15m west of the Nymagee Main Lode copper mineralisation and was left unmined by the operators of the historical Nymagee Copper Mine which closed in 1917.

During the quarter, YTC recorded a number of substantial intersections through the lead-zinc-silver lens. Holes NMD030, 31 and 32 were each drilled from the west to east to target remnant pillar mineralisation associated with the historic Nymagee Copper Mine. Each hole intersected substantial intersections from the Nymagee lead-zinc-silver lens:

- **NMD030: 5m @ 0.1% Cu, 7.0% Pb, 13.3% Zn and 97g/t Ag from 162m**
- **NMD031: 17m @ 3.1% Cu, 7.2% Zn, 14g/t Ag and 0.15g/t Au from 217m**
- **NMD031: 9m @ 0.7% Cu, 7.0% Pb, 13.1% Zn and 51g/t Ag from 234m**
- **NMD032: 5m @ 17.1% Pb, 24.0% Zn, 265g/t Ag and 0.16g/t Au from 81m**

These results provide further encouragement that the western lead-zinc-silver lens has potential to contribute substantial high grade tonnages to a combined development of the Hera and Nymagee deposits. Although metallurgical testing has not commenced on the Nymagee lead-zinc-silver mineralisation, YTC remains confident that the material will be readily treatable using a variation of the existing flow sheet finalised for the Hera Project.

A long section showing the position of the lead-zinc silver intersections is included with this report.

### Shallow copper mineralisation discovered at southern end of Nymagee

Further results from the first RC drilling programme at Nymagee were received in the June quarter. RC holes testing the footwall position at the southern end of the Nymagee Copper Mine discovered broad intervals of strong copper sulphide mineralisation. Significant results included:

- **NMRC022: 53m @ 1.7% Cu from 87m, including  
25m @ 2.7% Cu from 96m**
- **NMRC021: 16m @ 0.7% Cu from 35m, and  
19m @ 1.0% Cu from 76m**

This southern footwall zone will be evaluated in more detail in the detailed RC drilling programme that is now underway. YTC has now demonstrated broad widths of shallow, open-ended copper sulphide mineralisation at both the northern and southern ends of the Nymagee Copper Mine. Both zones represent excellent potential for the establishment of open cut mine operations ahead of the development of a high-grade underground mine.

These results are presented on a plan included with this report.

Other significant results from the first RC programme are included in Table 2.

Table 1 below summarises the drill hole information for all drill holes completed, or for which results were reported at the Nymagee Copper Mine to the end of the June quarter.

Hole	GDA_E	GDA_N	DIP	AZI_MGA	Depth	Comments
NMD011	434945	6452347	-55	261	426.9	Test north of NMD007
NMD011W1	434945	6452347	-55	261	394.4	Wedge hole above NMD011
NMD012	434935	6452392	-50	270	444.5	Test footwall zone, north of mine workings
NMD023	434973	6452246	-50	246	359.7	To test southern shaft pillar between 7 & 8 levels
NMD025	434794	6451960	-55	66.3	378.7	To test southern limits of Nymagee Main Lode
NMD027	434754	6451970	-75	67.3	210.9	Parent hole for NMD027W1
NMD027W1	434753	6451967	-73	67.3	354.7	To test southern limits of Nymagee Main Lode
NMD029	434754	6451970	-55	54.3	265.8	Top test pillar mineralisation south of 7 level
NMD030	434702	6452057	-55	67.3	353.4	South Pillar mineralisation between 6 & 5 levels
NMD031	434704	6452059	-65	78.3	299.8	To test Western Pb-Zn-Ag Zone and Main Lens Pillar
NMD032	434736	6452145	-66	66.3	174	To test Western Pb-Zn-Ag Zone and Main Lens Pillar
NMD033	434779	6452034	-55	66.3	93.5	To test upper pillar at southern end of remnant pillar
NMD034	434760	6452026	-55	66.3	155.7	Results pending at end of quarter
NMD035	434760	6452026	-64	62.3	191.5	Results pending at end of quarter
NMD036	434744	6452077	-62	66.3	191	Results pending at end of quarter
NMD037	434867	6452233	-56	230.3	269.8	Results pending at end of quarter
NMD038	435021	6452079	-55	257.3	347.9	Results pending at end of quarter
NMRC008	434766	6452338	-60	245.3	99	Ended in mine void - 99m
NMRC010	434845.49	6452204.1	-63	245.3	129	
NMRC011	434847.86	6452205.2	-68	245.3	137	
NMRC014	434806	6452047	-55	70.3	99	
NMRC016	434741	6452128	-52	65.3	99	
NMRC018	434788	6452090	-60	67.3	60	
NMRC021	435014	6452081	-60	280.3	118	
NMRC022	435016	6452080	-60	248.3	160	

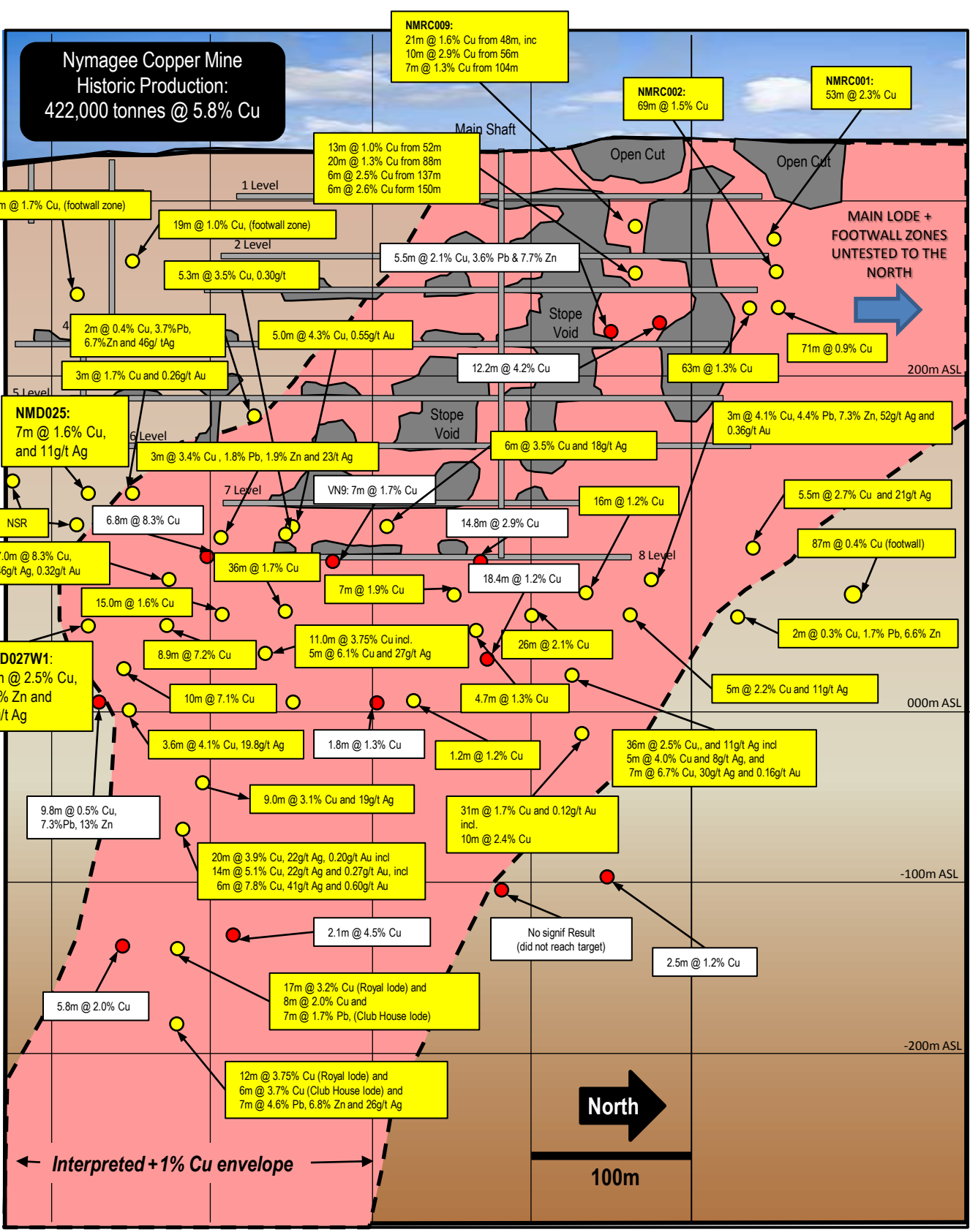
Table 1: Nymagee Diamond Drill Collars to end of June quarter

Table 2 below summarises the drill hole information for all drill holes completed, or for which results were reported at the Nymagee Copper Mine to the end of the June quarter.

Hole	From (m)	To (m)	Intercept (m)	Est true width (m)	Cu (%)	Pb (%)	Zn (%)	Ag (g/t)	Au (g/t)	Comments
NMD011	322	332	10	7.4	1.0	-	-	-	-	Footwall Zone
	383	388	5	3.8	2.3	-	-	11	-	Nymagee Main Lode
NMD012	261	349	88	63	0.4	-	-	-	-	Footwall Zone
NMD011W1	367	370	3	2.6	4.1	4.4	7.3	52	0.36	Nymagee Main Lode
NMD023	292	298	6	4.7	3.5	-	-	18	-	Nymagee Main Lode
	332	345	13	10.5	0.1	2.0	4.0	12	-	Lead-Zinc-Silver Lens
NMD029	219	222	3	1.7	1.7	-	-	12	0.26	Nymagee Main Lode
NMD030	162	167	5	3.3	0.1	7.0	13.3	97	-	Lead-Zinc-Silver Lens
NMD031	217	234	17	8.2	0.15	3.1	0.1	7.2	14	Pb-Zn-Ag Lens (Cu rich)
	234	243	9	4.3	0.05	0.7	7.0	13.1	51	Pb-Zn-Ag Lens
	278	281	3	1.5	0.04	3.4	1.8	1.9	23	Main Lens Pillar
NMD032	81	86	5	2.1	0.16	-	17.1	24.0	265	Pb-Zn-Ag Lens
NMD027W1	296	311	15	5.6	0.1	2.5	0.8	2.5	21	Main Lens
NMD025	196	203	7	4.5	-	1.6	-	-	11	Main Lens
NMRC008	27	74	47	undetermined	0.85	-	-	-	-	Footwall Zone
	includes	57	63	6	undetermined	2.8	-	-	6	Footwall Zone
NMRC010	48	51	3	undetermined	0.2	1.3	3.1	6	-	lead-zinc lens
	66	70	4	undetermined	-	2.1	4.8	9	-	lead-zinc lens
NMRC011	62	80	18	undetermined	-	0.5	1.1	-	-	broad lead-zinc zone
NMRC014	70	72	2	undetermined	-	0.4	1.2	3	-	lead-zinc lens
NMRC016	0	3	3	undetermined	1.0	-	0.1	4	-	Oxide Copper
	64	66	2	undetermined	-	1.7	0.2	28	-	lead-zinc-silver lens
	83	86	3	undetermined	2.7	-	0.1	19	-	copper zone
NMRC018	0	5	5	undetermined	0.7	-	0.3	-	-	Oxide Copper
	35	46	11	undetermined	0.3	1.2	0.2	-	-	copper-lead-zinc zone
NMRC021	35	51	16	undetermined	0.7	-	-	5	-	Footwall Zone
	76	95	19	undetermined	1.0	-	-	-	-	Footwall Zone
NMRC022	87	140	53	undetermined	1.7	-	-	7	-	Footwall Zone
	includes	96	121	25	undetermined	2.7	-	-	10	Footwall Zone

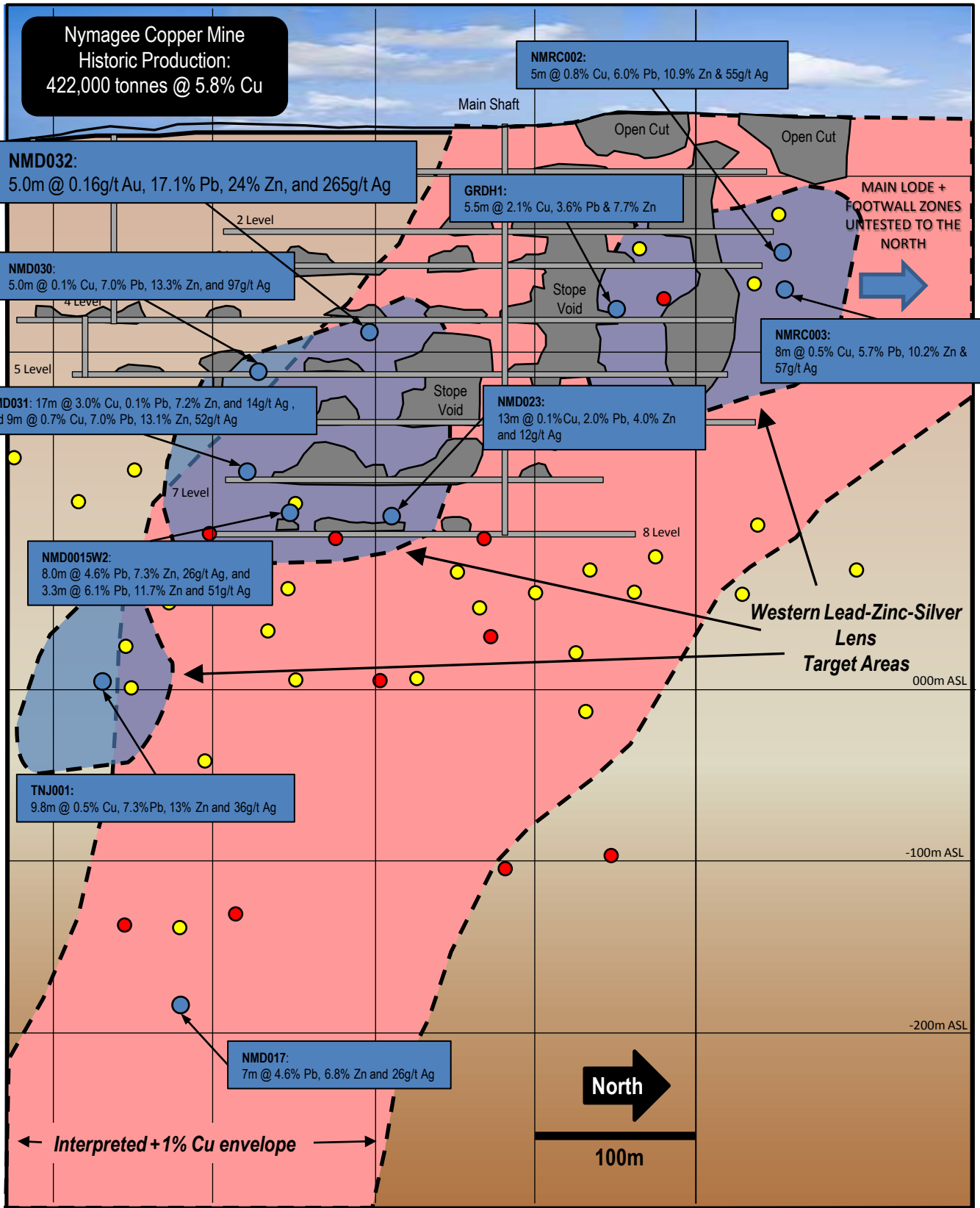
Table 2: Intersection Summary for all drill results at Nymagee reported to end of June quarter





**Nymagee Copper Mine**  
**Long Section – Looking West**  
**Main Lode Drill Hole Results**  
Grid: Local - Scale as Shown



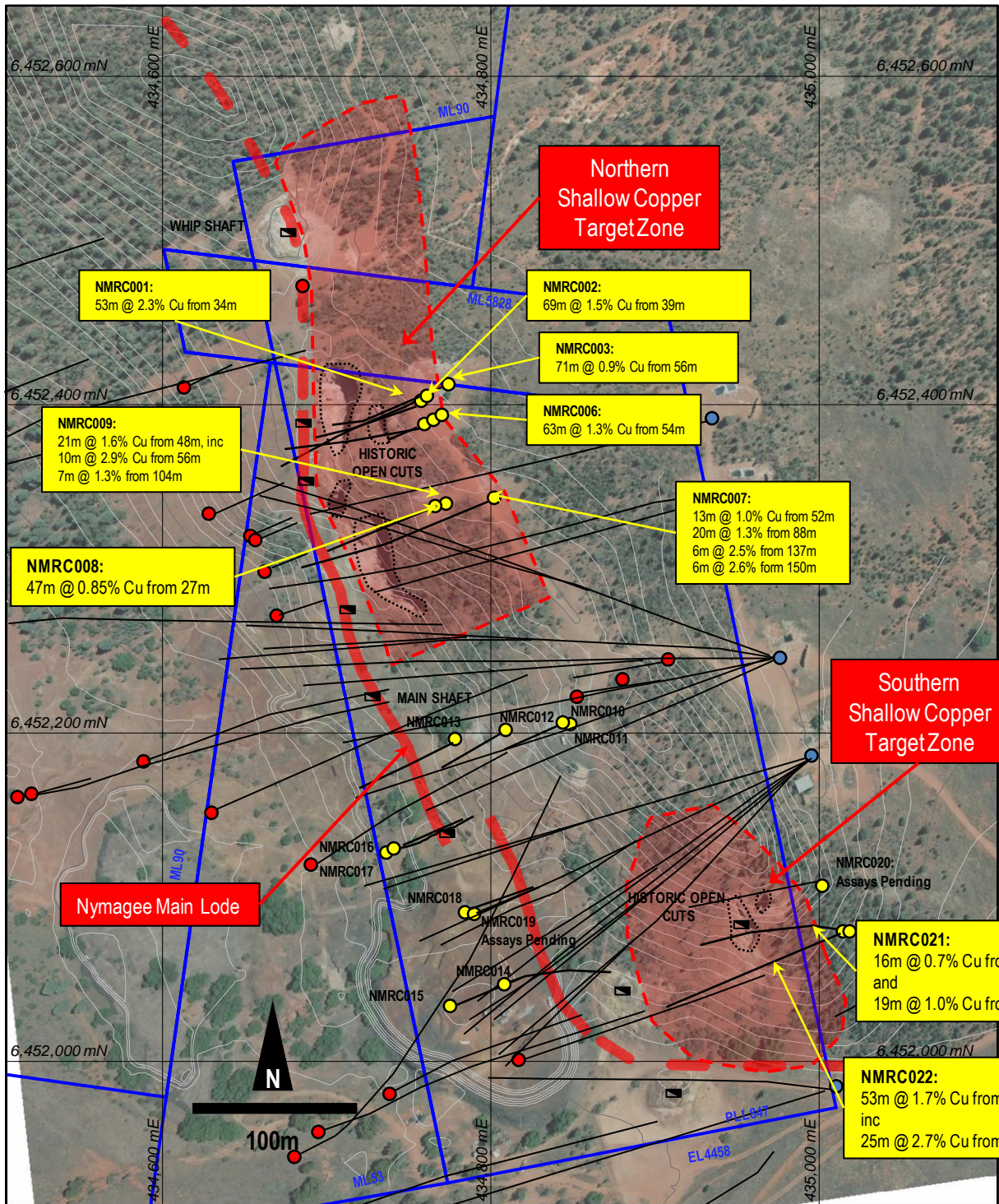


- Previous Drill Holes
- YTC Drill Holes
- Western Lead-Zinc-Silver Lens Intersections – with results

**Nymagee Copper Mine  
Long Section – Looking West  
Summary Intersections into the Western Lead-Zinc Silver Lens**

Grid: Local - Scale as Shown





- Drill hole – previous explorers
- RC Drill hole – YTC Resources
- DD Drill hole – YTC Resources

## Nymagee Copper Mine Plan RC Drill Results – June Quarter 2011

Grid: GDA Zone 55 - Scale as Shown



## NYMAGEE GEOPHYSICS

During the quarter YTC received results from a number of geophysical surveys completed at Nymagee.

The survey results have provided a number of new exploration targets as well as assisted with the understanding of the Nymagee mineral system. Important results included:

- The gravity survey now describes the Nymagee mineral system **over 1.2km in strike** with additional gravity-high target zones identified
- The detailed IP has defined a shallow, **low-resistivity target** which is interpreted to represent in part the recently discovered **shallow copper sulphide mineralisation**
- The Down Hole EM (DHEM) survey has confirmed the presence of **numerous conductive zones** in the footwall and main lode positions at Nymagee

### Gravity Survey

YTC completed detailed gravity to the north of the previous survey to provide complete gravity coverage over the Nymagee mine area and surrounds. The survey was designed to infill gaps in the previous survey and infill the data coverage to a higher resolution.

The gravity survey is interpreted to clearly **delineate the Nymagee mineralisation for over 1.2km in strike**. Interim gravity survey results, released in March, provided a new gravity target to the south east. This complete survey now provides additional gravity-high targets to the north and east which are either untested or poorly tested by previous exploration.

YTC drilling to date has only tested 400m of the 1.2km strike of the Nymagee gravity high.

A gravity image showing the position of existing drilling and the new target zones is included with this report.

### DHEM Survey

YTC completed a DHEM survey on 4 selected diamond holes beneath the Nymagee Mine. Each of the holes identified **strong conductors** where the holes had intersected copper mineralisation in the footwall and main lode positions, confirming effectiveness of the DHEM method at Nymagee.

Of particular interest is the result from hole NMD005, drilled off the southern end of the Nymagee mineralisation, which indicate the presence of a **strong off hole conductor to the north** of the hole. This target position coincides with the southern gravity target at Nymagee.

The DHEM method will continue to be applied on selected deeper drill holes in the upcoming deeper drilling programme.

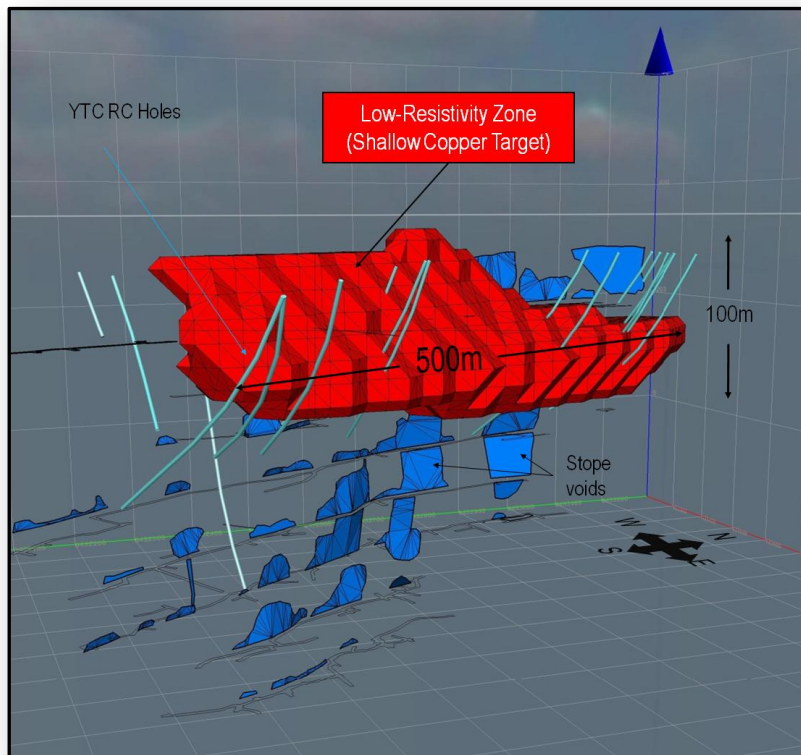
### Detailed IP Survey

YTC re-processed the data from an existing (2005), detailed Induced Polarisation (IP) survey across the Nymagee Mine area. The data was re-processed to enable better targeting of the shallow copper mineralisation identified in the recent YTC RC drilling programme. The IP shows a distinctive low-resistivity zone across the top of the Nymagee Copper Mine of approximate dimensions 500m x 100m x 100m. YTC has reported broad widths of strong copper sulphide mineralisation where recent RC drilling has intersected this zone (NMRC001-9).

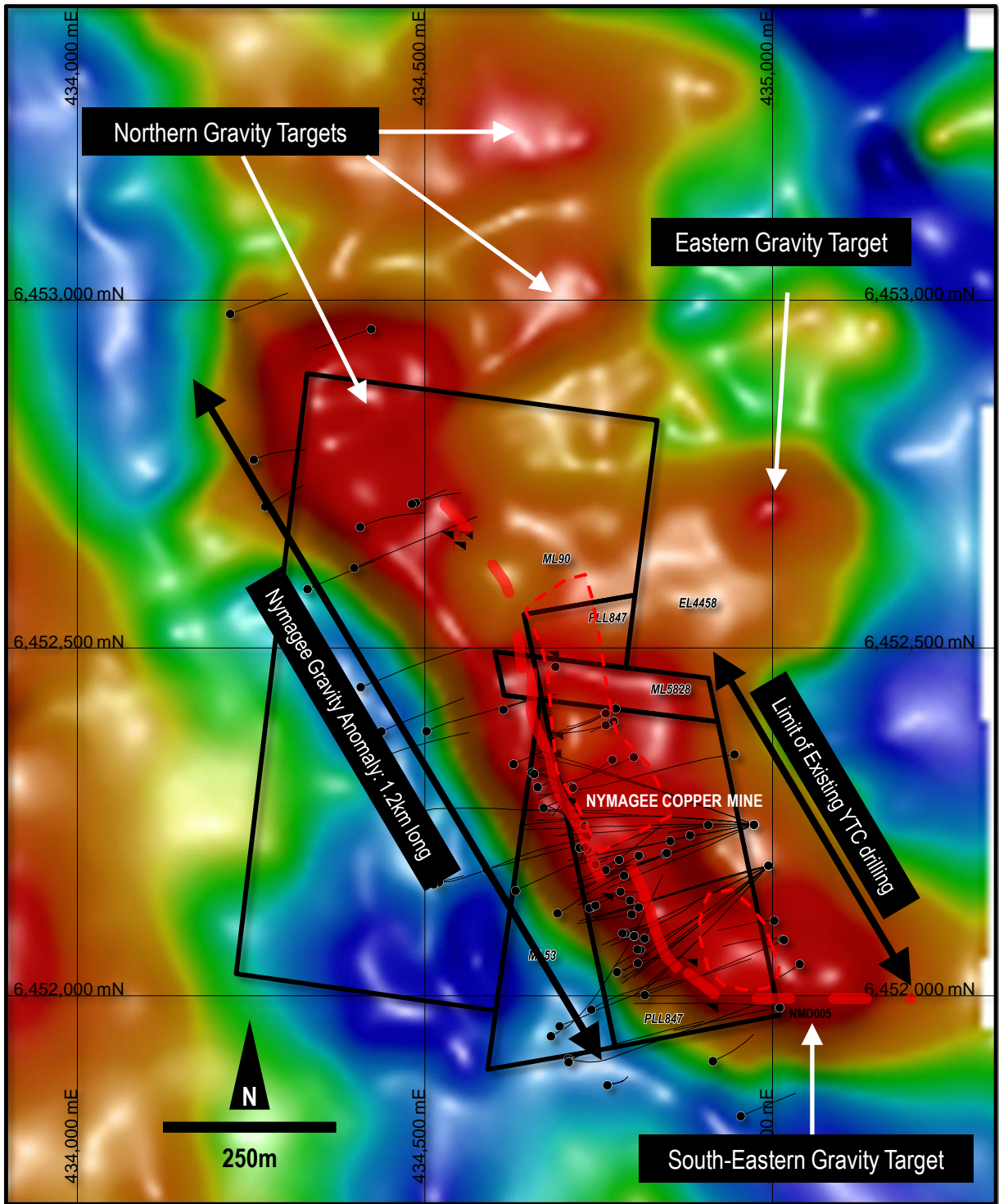
The working interpretation is that the low resistive zone in part represents a significant zone of shallow copper mineralisation.



This zone has been used to assist targeting of the current programme of RC drilling designed to evaluate the shallow copper mineralisation in detail.



3D visualisation of shallow low resistivity zone at the Nymagee Mine showing YTC RC holes only.



- Drill hole – All Companies
- ▬ Nymagee Main Lode
- Nymagee Open Cut targets (Footwall Zones)

**Nymagee Copper Project**  
**Residual Gravity Image**  
 Showing existing drilling and gravity targets  
 Grid: GDA Zone 55 - Scale as Shown





**NYMAGEE COPPER MINE - FEASIBILITY**

YTC is working towards a maiden Nymagee Resource Estimate that will allow for the completion of a preliminary mine plan and mine schedule to be included into the Hera feasibility study as part of the assessment of Nymagee and Hera as an integrated development.

YTC is also progressing metallurgical studies to allow for the finalisation of a process flow sheet and process plant costings suitable for the treatment of both Hera and Nymagee mineralisation.

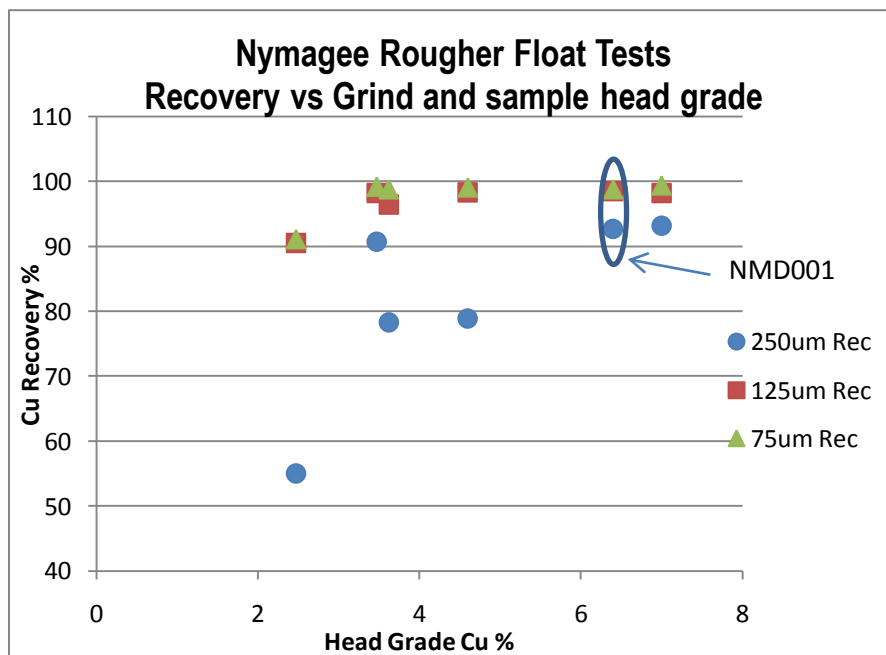
**Nymagee Metallurgy**

The Company completed some initial metallurgical testwork on the Nymagee Ore from drillhole NMD001 in the previous quarter. The preliminary samples were taken from 369.5m – 380.6m, 11.1m @ 5.93% Cu and 19.8 g/t Ag and were tested at the METCON laboratories in Sydney.

This testwork indicated very good metallurgical recoveries at a range of grind sizes for this sample. The resulting concentrate was tested for common deleterious elements and was of high quality.

To supplement this work a further five samples ranging in grade from 2.4% Cu through to 7.0% Cu were submitted for further rougher flotation testwork at grind sizes of 250um, 125um and 75um to understand the relationships between grind sizes, head grade and metallurgical recovery.

The results of this work are at a preliminary stage of analysis and indicate that there are variations in rougher float recovery. This variation is demonstrated in the following graph.



These results indicate >90% Cu recoveries can be achieved at a 125µm grind across a range of feed grades.

The program of testwork is ongoing and will include a program of regrind and cleaner flotation testwork and ongoing testing of samples to understand the variability of the metallurgical response to different grind sizes and reagent regimes prior to selecting a defined processing route.

A program of rock hardness and crushing and grinding amenability testwork is about to be completed to enable preliminary design of a processing flowsheet.



## HERA GOLD PROJECT

YTC-100%

The June quarter saw YTC complete the resource extension drilling on the Hera gold-lead-zinc-silver deposit and the completion of an upgraded Hera Resource Estimate. The Hera DFS was also substantially advanced and is now near completion.

### Hera Far West Lens – drilling results

The drilling programme on the Far West Lens of the Hera Deposit was completed to both extend the existing Resource as well as upgrade the resource classification. Significant new intersections reported in the quarter include:

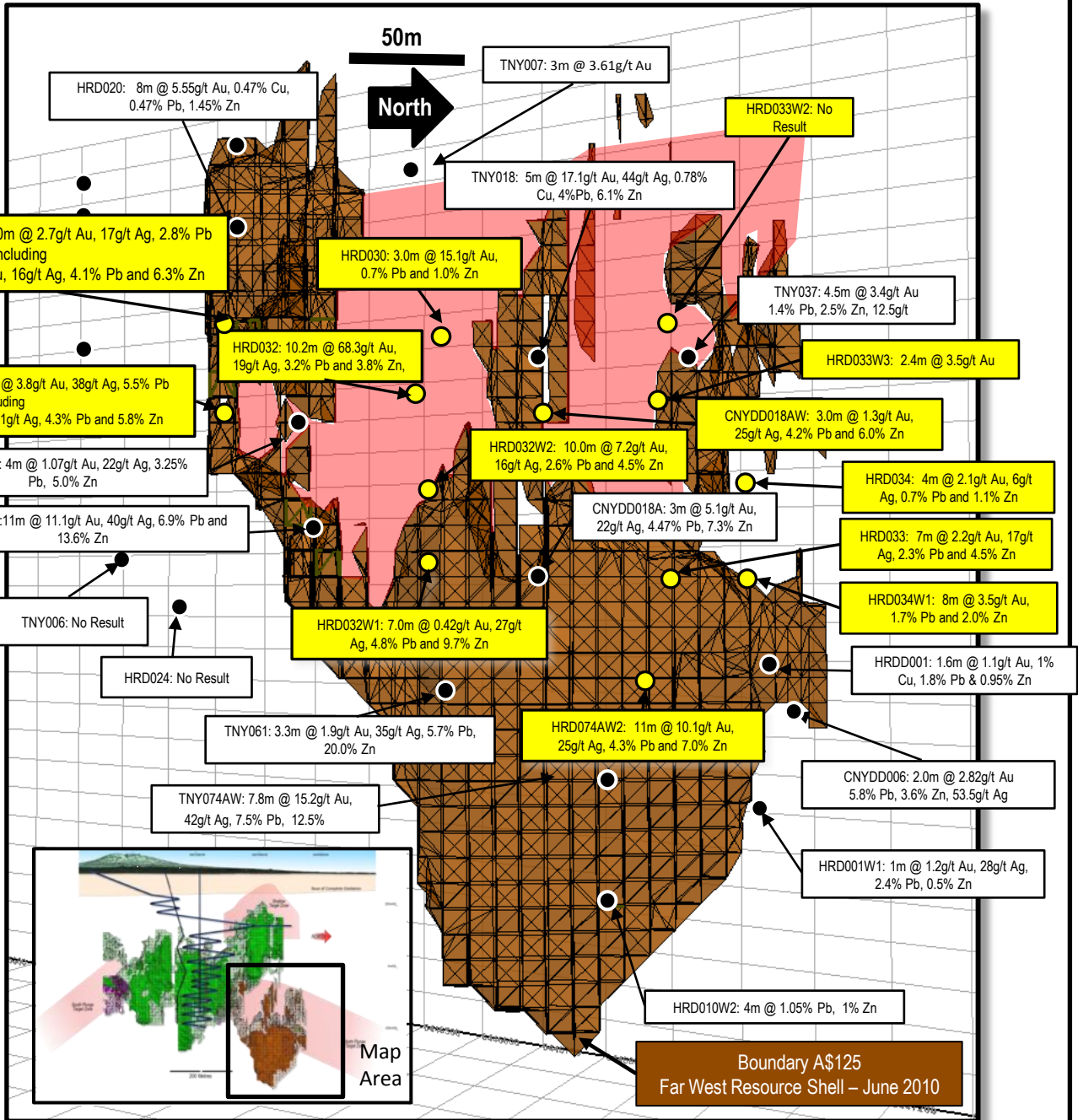
- **HRD032W2:** 20m @ 3.9g/t Au\*, 18g/t Ag, 2.9% Pb and 3.8% Zn from 530m  
including 10m @ 7.2g/t Au\*, 16g/t Ag, 2.6% Pb and 4.5% Zn from 540m
- **HRD035W3:** 40m @ 2.7/t Au\*, 17g/t Ag, 0.4% Cu, 2.8% Pb and 3.6% Zn from 445m  
including 3m @ 3.3g/t Au\*, 62g/t Ag, 4.4% Cu, 4.8% Pb and 2.3% Zn from 462m  
and 9m @ 7.0g/t Au, 16g/t Ag, 4.1% Pb and 6.3% Zn from 475m
- **HRD074AW2:** 21m @ 6.3g/t Au\*, 20g/t Ag, 3.1% Pb, and 4.9% Zn from 576m  
including 11m @ 10.1g/t Au\*, 25g/t Ag, 4.3% Pb, and 7.0% Zn from 577m
- **HRD035W2:** 25m @ 3.8g/t Au\*, 38g/t Ag, 0.6% Cu, 5.9% Pb and 7.2% Zn from 471m  
including 8m @ 9.6g/t Au\*, 31g/t Ag, 0.1%Cu, 4.3%Pb and 5.8% Zn from 471m  
and 3m @ 3.9g/t Au\*, 131g/t Ag, 4.2% Cu, 19.7% Pb and 13% Zn from 488m

These results extended the Far West Lens to the south with a substantial increase in thickness. The results are presented on a long section for the Far West Lens included with this report. The presence of high grade copper zones in holes HRD035W2 & W3 were unexpected and may provide for further targeting of copper mineralisation beneath the existing Hera Deposit limits.

Table 3, below summarises drill hole information for drill holes and Table 4 contains a summary of drilling results for Hera Project holes completed and reported in the June quarter.

Hole	GDA_E	GDA_N	DIP	AZI_MGA	Depth	Comments
HRD032W2	436000	6447306	-68	73.3	627.5	Resource infill – results pending
HRD033	435970	6447357	-67	66.3	620	Resource Extension
HRD033W2	435970	6447357	-67	66.3	617.2	Resource extension– results pending
HRD033W3	435970	6447357	-67	66.3	540.4	Resource extension– results pending
HRD034	435873	6447363	-61	67	618.3	Resource infill
HRD34W1	435873	6447363	-61	67	645.4	Resource infill
CNYDD018AW	435970	6447358	-68	67.3	609.4	Resource infill
TNY074AW2	435989	6447395	-75	65.3	643.4	Resource infill
HRD035W2	436077	6447202	-70	60.3	557.9	Resource extension
HRD035W3	436077	6447202	-70	60.3	518.6	Resource extension

Table 3: Hera Project- Far West Lens. Drill collars to end of June quarter



- Previous Drill Holes – with results
- YTC Drill Holes – Current Programme - with results
- YTC Drill Holes – Current Programme - Assays Pending

All gold results reported as screen fire assays

## Hera Gold Project Long Section – Far West Lens Intersection Summary - looking west

Grid: GDA - Scale as Shown



Hole	From (m)	To (m)	Intercept (m)	Est true width (m)	Au (g/t)	Cu (%)	Pb (%)	Zn (%)	Ag (g/t)	Comments
<b>HRD032W2</b>	530	550	20	13.2	3.9*	0.1	2.9	5.2	18	Far West Lens
includes	540	550	10	6.7	7.2*	0.09	2.6	4.5	16	Far West Lens
<b>HRD033</b>	553	582	29	13.8	1.0*	0.1	1.3	2.3	12	Far West Lens
includes	563	570	7	3.3	2.2*	0.07	2.3	4.5	17	Far West Lens
<b>HRD033W2</b>	390.2	392.6	2.4	1.5	3.7*	-	-	-	-	Au-As zone, west of Far West Lens
<b>HRD033W3</b>	394.2	396.6	2.4	1.4	3.5*	-	-	-	-	Far West Lens
<b>HRD034</b>	550	554	4	2.8	2.1	-	0.7	1.1	6	Far West Lens
<b>HRD034W1</b>	598	606	8	4.6	3.5*	-	1.7	2.0		Far West Lens
<b>CNYDD018AW</b>	511	523	12	8.4	0.23*	0.05	1.5	2.5	33	Far West Lens
	539	542	3	2.2	1.3*	0.38	4.2	6.0	25	Far West Lens
<b>TNY074AW2</b>	576	597	21	12	6.3*	0.09	3.1	4.9	20	Far West Lens
includes	577	588	11	6.3	10.1*	0.07	4.3	7.0	25	Far West Lens
<b>HRD035W2</b>	471	496	25	12.5	3.8*	0.6	5.9	7.2	38	Far West Lens
Includes	471	479	8	4	9.6*	0.1	4.3	5.8	31	Far West Lens
And	488	491	3	1.5	3.9*	4.2	19.7	12.9	131	Far West Lens
<b>HRD035W3</b>	445	485	40	27.8	2.7*	0.4	2.8	3.6	17	Far West Lens
Includes	462	465	3	2.1	3.3*	4.4	4.8	2.3	62	Far West Lens
And	475	484	9	6.3	7.0*	-	4.1	6.3	16	Far West Lens

Table 4: Intersection Summary for all drill results at Hera as reported to end of June quarter

## Hera Resource Upgrade

On 2<sup>nd</sup> June 2011, YTC announced an upgraded Resource Estimate for the Hera Deposit as part of the expanded DFS. The upgraded estimate followed a 9 month drilling programme designed to both extend the limits of the existing Resource and upgrade the Resource Category.

As with the previous Hera Resource, the estimate has been reported at a "Net Smelter Return (NSR)" cut-off grade of A\$125/tonne. An NSR is considered the best representation of the gold and base metal nature of the deposit. Details of the NSR calculation are included as Appendix 1 with this report.

Table 5: Hera Mineral Resource Estimate

Category	Tonnes	NSR (A\$)	Au g/t	Ag g/t	Cu %	Pb %	Zn %	Au Eq (g/t)	Contained Au ozs 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	
<b>Total</b>	<b>2,444,000</b>	<b>238</b>	<b>4.1</b>	<b>16.7</b>	<b>0.2</b>	<b>2.8</b>	<b>3.8</b>	<b>8.6</b>	<b>677,200</b>

Note: The Hera Resource estimate utilises a A\$125/tonne NSR cut-off. Tonnage estimates have been rounded to nearest 1,000 tonnes. Metal grades have been rounded to nearest decimal place. A full summary of the Estimate is included with this release as Appendix 1.

June 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](mailto:office@ytcresources.com)

Web: [www.ytcresources.com](http://www.ytcresources.com)

The upgraded estimate now contains **677,200oz Au equivalent** at a gold equivalent grade of **8.6g/t Au Eq.**

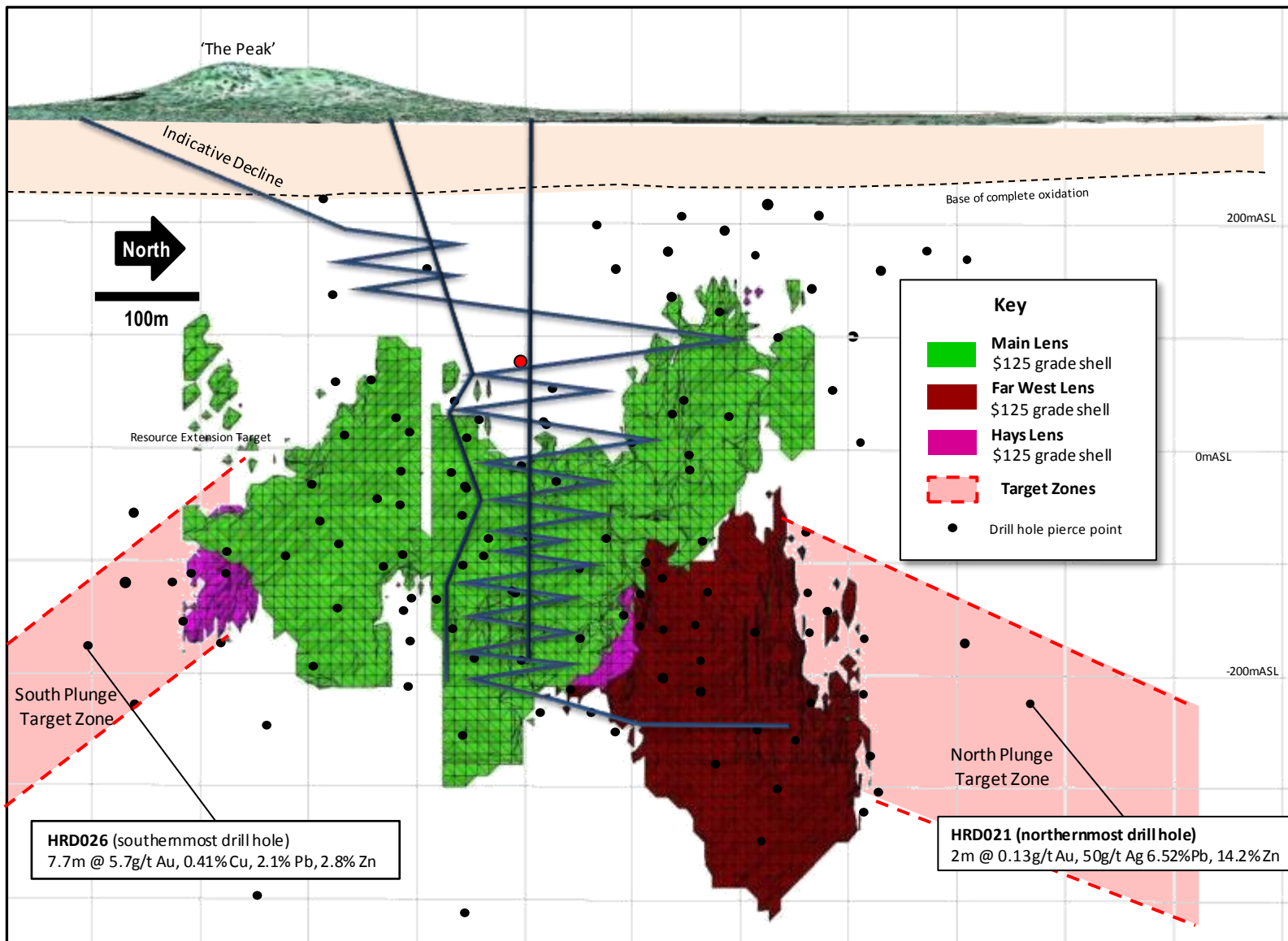
### Other key highlights of the new Resource Estimate include:

- 86% of the new total Mineral Resource is now in the Indicated Resource category
- 33% increase in Indicated Resource tonnes
- 35% increase in contained gold in Indicated Resource
- 55% increase in contained silver in Indicated Resource
- 37% increase in contained lead in Indicated Resource
- 48% increase in contained zinc in Indicated Resource
- Mineralisation remains open at depth, and along strike to the north and south

The significant increase in the Indicated component of the Resource is expected to result in a substantial increase in mine life for the Hera Project.

The Hera Resource is presented as a long section with this report, inclusive of the northern and southern target areas into which YTC believes substantial upside remains to grow the Hera Resource over time.





June 2011 Resource Estimate

Category	Tonnes	NSR (AS)	Au g/t	Ag g/t	Cu %	Pb %	Zn %	Au Eq (g/t)	Contained Au Ozs 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	
<b>Total</b>	<b>2,444,000</b>	<b>238</b>	<b>4.1</b>	<b>16.7</b>	<b>0.2</b>	<b>2.8</b>	<b>3.8</b>	<b>8.6</b>	<b>677,200</b>

Hera Gold Deposit  
 June 2011 Resource Outlines – Long Section looking west  
 Showing indicative decline development

Grid: GDA – Zone 55 - Scale as Shown



## HERA GOLD PROJECT – FEASIBILITY

The expanded Definitive Feasibility Study (DFS) for the Hera Project is nearing completion. Once finalised the Company strategy is to progress the Hera project to construction whilst aggressively advancing the Nymagee Project through feasibility, with a view to delivering the two Projects as an integrated development.

### DFS Update

The major components of the Hera DFS are now complete. These include the final process design, plant design and costing, surface infrastructure design and tendered mine costings.

Detailed metallurgical testwork has provided tightly constrained specifications for the final lead-zinc-silver concentrates and the Company has commenced discussions with a number of smelting groups regarding concentrate offtake.

Following completion of a detailed geotechnical study and the updated Hera Resource, a revised mine schedule has now been finalised. The study is currently finalising the DFS cost model to generate the final study outputs.

### Permitting and Environmental Studies

YTC and its consultants have now completed the Environmental Assessment (EA) for the Hera Project and the EA has been submitted to the NSW Dept of Planning for Adequacy review.

Following Adequacy, the EA will be placed on public exhibition. YTC is expecting final determination on the EA in the 4<sup>th</sup> quarter of CY2011.

The Hera Project is already subject to a Part 5 Approval which allows for the construction of the box cut, portal and decline together with associated surface infrastructure.

## BALDRY PROJECT

*YTC 100%*

During the quarter YTC completed a 12 hole RC programme at the Baldry Project testing for high grade gold-silver epithermal veins beneath an ignimbrite cap rock. The target areas lay 0.5-1km south-east of the historic Mt Aubrey gold mine which last was operated by BHP Gold in 1991. The holes were targeted using IP geophysics which delineated strongly resistive zones interpreted to represent prospective quartz veins beneath cap rocks.

The only significant result was in the final 1m interval of hole MARC001, which intersected sulphide bearing quartz veins at the bottom of hole which recorded 1m @ 0.36g/t Au from 183m. The hole was abandoned at 184m due to high water inflows.

This hole was testing the highest priority target in the programme and a diamond tail is scheduled to deepen the hole in the next quarter.

## TALLEBUNG PROJECT

*YTC 100%*

YTC has been seeking access to the historic Tallebung Mine site to complete a scheduled programme of two deep diamond core holes to test deep geophysical targets and to scope the Tallebung system for a potential large tonnage low grade tin deposit.

YTC has received advice that the affected land parcel is potentially subject to Native Title and the Company is now commencing a Right to Negotiate process. It is anticipated this process may delay the commencement of the planned drilling by up to 6 months.

## CORPORATE

### Taronga Mines Update

YTC has been advised that new tenements have now been granted to Taronga Mines ('Taronga') over the YTC tenements in the Torrington district.

Under the Agreements between YTC and Taronga, YTC and Taronga are now proceeding to completion which will see Taronga issue YTC 12.4m fully paid ordinary shares and 5.5m options to acquire ordinary shares in Taronga Mines.

In addition, the Agreement between YTC and Australian Oriental Mines (AOM) for YTC to purchase the remaining interest in EL 6389 is now also proceeding to completion which will see YTC issue AOM approximately 166,445 fully paid ordinary shares in YTC.

Taronga Mines have advised YTC that the Taronga IPO is proceeding towards ASX listing within the September quarter. YTC will advise on the proposed Taronga listing date once received.

### Cash Position

At 30 June 2011, the Company held cash reserves of \$28.583million.

June 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](mailto:office@ytcresources.com)

Web: [www.ytcresources.com](http://www.ytcresources.com)

*\* All drill holes marked with an asterisk in this report are reporting gold results generated using the screen fire assay method. Screen fire assay is considered a more definitive estimation of gold grade in coarse gold mineralisation. High grade results not marked with an asterisk are 30g fire assay results and will be re-assayed by screen fire assay.*

### **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.*



**APPENDIX 1 – NOTES TO THE HERA RESOURCE ESTIMATE**

- The Mineral Resource estimate has been calculated over 5 discrete gold and base metal mineralised geological lenses, being:
  - Main Lens North & South
  - Far West Lens
  - Hays Lens North & South
- During the drilling and estimate process, additional mineralised lenses were encountered and will also be modelled and incorporated onto future updates to the Mineral Resource.
- Metal grades have been estimated into 10 x 10 x 2m blocks by ordinary kriging of the grades using independent estimation runs.
- The estimate is supported by a database of 190 diamond core drill holes and 11 RC drillholes. This drilling comprises mostly HQ core with some NQ sized core.
- YTC Resources completed 32 drill holes during the period November 2009 – April 2010 and a further 32 drill holes (11 RC and 21 DDH) during the period May 2010 to April 2011.
- All drill holes have been surveyed at collar by registered surveyors and also at regular downhole intervals using magnetic surveying tools. A series of gyroscopic survey checks have been completed to verify the appropriateness of this method.

Company	Metres (Total)	Number of Holes
CBH	13,255	28
Pasminco	4,263	9
Triako	43,335	100
YTC DDH	26,309	53
YTC RC	2,058	11
<b>Total</b>	<b>89,220</b>	<b>201</b>

**Table A1: Drill Hole Summary used in Resource Estimation**

- Drill core has been sampled on nominal 1.0m intervals, split in half with a diamond saw and assayed in commercial laboratories. All of the YTC Resources drilling has been assayed for Au, Ag, Pb, Zn and Cu at ALS Orange which has also produced assays for previous tenement owners.
- YTC Resources has maintained a QA/QC system during its sampling and assaying process. Previous owners have also maintained an extensive QA/QC system and YTC Resources has reviewed this data.
- Gold assaying by YTC Resources has been completed initially by 30gm fire assay with all assays >0.5g/t Au or within subsequently assayed by the screen fire assay (SFA) method. Previous owners have also completed screen fire assays for gold. The database of some 27950 assays contains 2810 individual SFA within mineralised sections of core.
- Samples have been composited into 1.0m intervals weighted by density.

- Au grades have been top cut to 90g/t Au outside of a constrained, very high-grade domain within the Main Lens (a single assay in the northern section of main lens has been cut to 20g/t Au):
  - A small very high-grade domain within the Main Lens has been estimated using uncut samples and was also informed by composites from the surrounding Main Lens.
  - The remainder of the main lens uses all top cut composites including those inside the very high-grade domain
- No top cuts have been applied by to the Ag, Pb, Zn or Cu composites.
- Specific Gravity has been estimated into the blocks using an established relationship between Pb+Zn+Cu and physical SG measurements made on sections of drill core using the Archimedes method (3630 measurements within mineralised sections).
- Domains have been wireframed based on a nominal 2% Pb+Zn+Cu cut-off. This domain captures a significant portion of the Au mineralisation.
- The Mineral Resources are reported above a Net Smelter Return (NSR) cut-off – no mining designs have been made and therefore mining recovery has not been applied and no dilution added.
- Since the last Mineral Resource release in June 2010 YTC Resource has undertaken considerable further Metallurgical testwork. This testwork has focussed on recovering as much gold and silver as possible to dore and producing a saleable bulk Lead-Zinc Concentrate.
- Marketing studies for a bulk Pb-Zn concentrate have been undertaken to determine saleability of the product and to provide indicative concentrate terms for use in this study. These terms are shown in Table A3.
- 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:

*Metal grade x expected recovery (%) x expected payability (%) x Metal price: less concentrate freight and treatment charges and royalties*

- 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)*

- The metal prices, exchange rates and metal recoveries and payabilities that were used in the estimation of “net recoverable ore value per tonne” and for the calculation of a gold equivalent are included below as Tables A2 and A3.

Metal	Price	Source
Au	US\$1200/oz	90% of Consensus forecast, to May 2013 <i>Consensus economics, May2011</i>
Cu	US\$8370/t	90% of Consensus forecast, to May 2013 <i>Consensus economics, May2011</i>
Pb	US\$2420/t	90% of Consensus forecast, to May 2013 <i>Consensus economics, May2011</i>
Zn	US\$2425/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	

**Table A2: Metal Price and Exchange Rate Assumptions used in the NSR Calculation**

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

**Table A3: Metal Recovery and Payabilities used in the NSR Calculation**

*The Resource Estimation has been completed by Mr Dean Fredericksen with assistance from Mr Stuart Jeffrey (BSc (Hons), MSC, MAusIMM, MGSA).*

***Competent Persons Statement- Resource Estimation***

*The Resource Estimation has been completed by Mr Dean Fredericksen the Chief Operating Officer of YTC Resources Ltd. This report has been 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.*