

JUNE 2012 QUARTER HIGHLIGHTS

HERA PROJECT DEVELOPMENT

Hera Project Permitting

The Part 3A Application for approval of the Hera Project Development has now entered final determination stage with the NSW Dept. of Planning.

YTC Resources has reviewed the Final Approval Conditions to be recommended to the Deputy Director General and is satisfied that the Final Approval Conditions are consistent with the Company's expectations.

Accordingly, the Company understands the Hera Project Part 3A Approval is imminent.

Financing

YTC has substantially advanced negotiations on Project funding with a number of funding providers.

Development Contracts

YTC is close to completion of all key project development contracts including underground mining, camp construction and the EPC Contract for process plant construction.

NEW TARGETS IDENTIFIED AT NYMAGEE

A down hole EM ('DHEM') survey at Nymagee has identified new, high priority targets at Nymagee North, approximately 500m north of the existing Nymagee Resource.

Drill testing of these targets is expected to commence in August.

DRILLING OF NEW EM TARGETS UNDERWAY AT HERA

YTC has also completed an extensive ('DHEM') survey at Hera with a number of high priority targets identified. Strong conductor targets were identified to the north, south and east of the Hera Deposit. All targets are considered likely extensions to the known mineralisation.

Drilling at Hera, designed to sequentially test each of these targets, is now well underway. The first drill hole in the programme, HRD040, intersected strong sulphide mineralisation with visible gold in the target zone. Results for hole HRD040 are expected shortly. The first hole testing the eastern targets (Kershaws) has also intersected strong sulphides in the target zone.

Drilling is currently completing a daughter hole above HRD040, before moving to test the targets identified at Hera north.

ACQUISITION OF OZ MINERALS NYMAGEE TENEMENTS

YTC has reached agreement with OZ Exploration Pty Ltd ('OZ'), a subsidiary of OZ Minerals Ltd, to purchase a strategic tenement holding immediately surrounding the Hera-Nymagee Project.

The OZ Minerals tenements represent a logical and exciting addition to YTC's existing tenement coverage and increase YTC's tenement holding along the highly prospective Rookery Fault Zone of the Cobar Basin to over 1040 km².

CORPORATE

- Cash of \$15.1 million at end of quarter
- Appointment of Mr Gary Comb as an independent non-executive Director
- Exercise of 3,500,000 share options raising \$875,000, including 3,000,000 Director options

INTRODUCTION: HERA-NYMAGEE PROJECT

The Hera-Nymagee Project 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, hosted in the Cobar Basin rocks of central NSW. The Cobar Basin rocks also host the major mineral deposits at CSA (Cu-Ag), The Peak (Cu-Au) and Endeavor (Cu-Pb-Zn-Ag).

YTC has commenced development activities at the Hera Gold Project following the completion of the Hera Definitive Feasibility Study ('DFS') 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.

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. The Company considers both deposits have the potential to evolve into very large 'Cobar style' mineral systems

HERA GOLD PROJECT DEVELOPMENT

YTC-100%

In the previous quarter, YTC completed the Stage 1 earthworks in preparation for commencement of full development activities at Hera. The Stage 1 earthworks included all weather access road, box cut, ROM pad area and magazine. The Stage 1 earthworks were completed on time and on budget, and provide for a 3 month advance on the Hera decline development.

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Project Financing

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Development Contracts

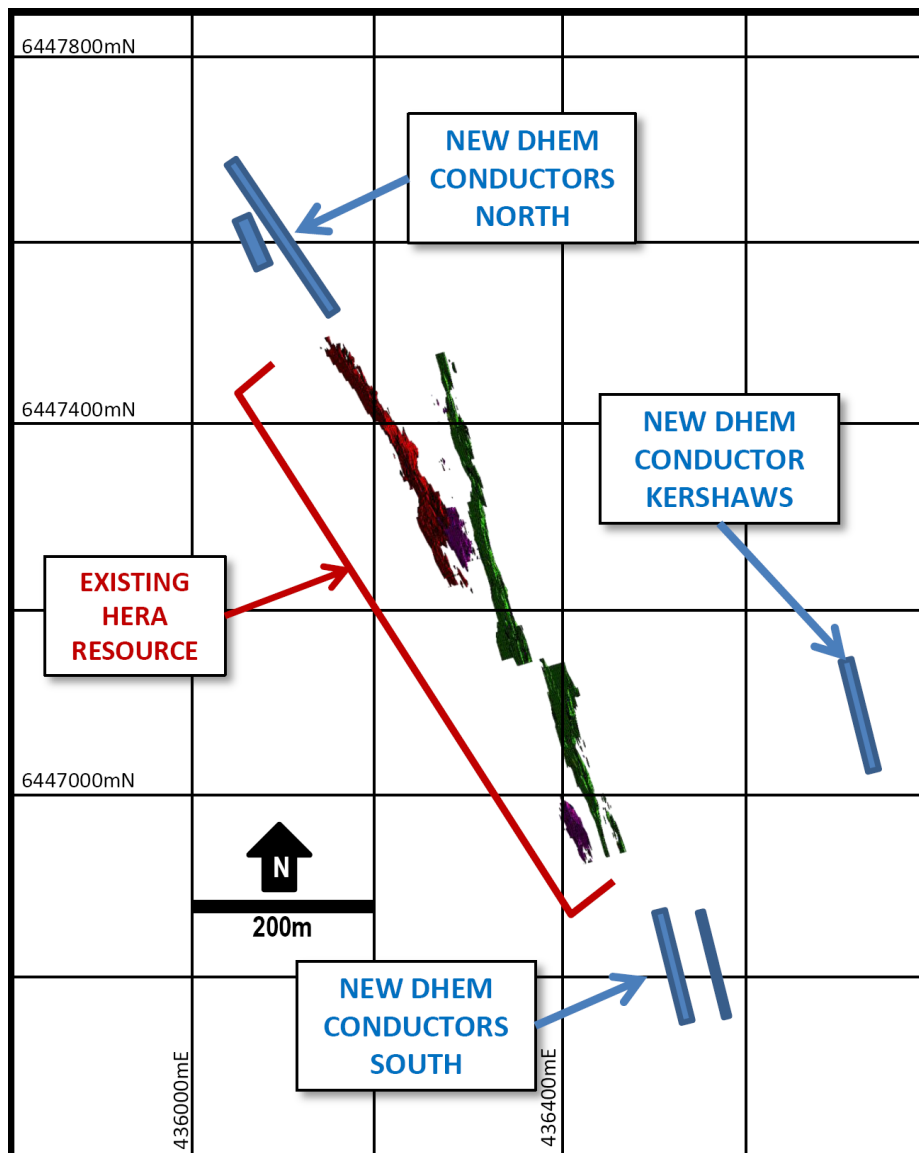
YTC is close to completion of all key Project Development contracts including underground mining, camp construction and the EPC Contract for process plant construction. All contracts are expected to be in place within the next month.

HERA GOLD PROJECT - EXPLORATION

Downhole EM ('DHEM')

During the quarter, YTC completed an extensive programme of DHEM geophysics at the Hera deposit. The DHEM survey was designed to detect extensions to the known deposit as well as provide new targets beneath the Hera deposit. The DHEM detects “conductors” which can be accurately modelled as “plates”, and which have been demonstrated to correlate strongly with base metal sulphide mineralisation.

The survey proved very successful in delineating a number of high priority conductors to the north south and east of the existing Hera deposit. The relative position of these conductors is shown in plan view below.

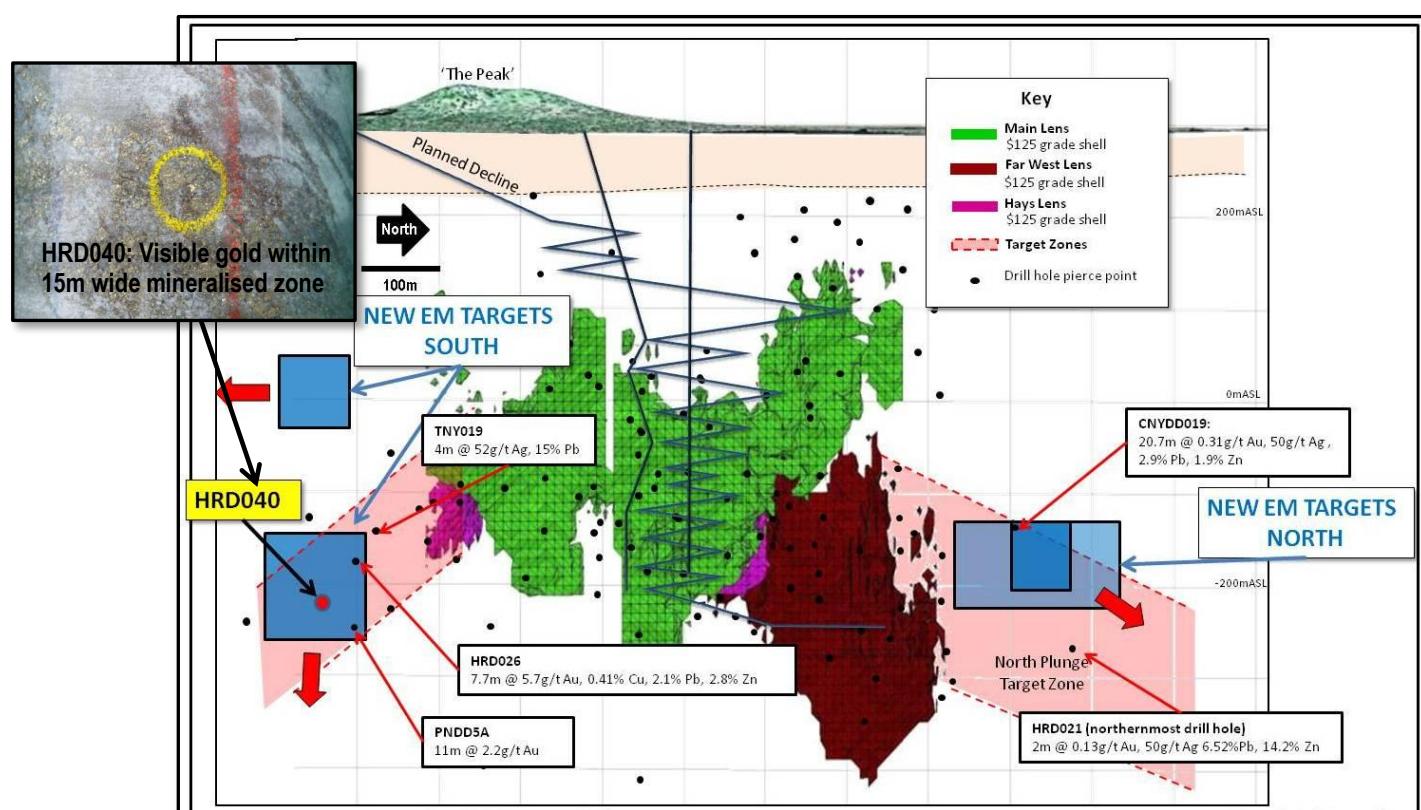


Plan view of the Hera gold deposit showing existing resource outlines and new DHEM conductor targets

Drilling

Exploration drilling re-commenced at Hera during the quarter, and the first exploration drill hole (HRD040) designed to test the down hole EM (DHEM) target south of Hera has intersected strong mineralisation in the target zone. The hole intersected a zone of strong alteration and sulphide mineralisation for an approximate 100m down hole width. This zone includes a zone of approximately 15m hosting strong sulphide mineralisation with visible gold.

The intersection in hole HRD040 provides strong validation of the effectiveness of the DHEM technique, and shows the mineralisation in this area remains open along the southern plunge. The position of hole HRD040 is presented on the Hera long section below. Assay results are expected to be available shortly.



Long Section of the Hera gold deposit showing existing resource outlines, new DHEM conductor targets and the position of hole HRD040.

At time of reporting the first hole testing the eastern EM target (Kershaws) has been completed and has also intersected strong sulphides in the target zone. Drilling is currently completing a daughter hole above HRD040, before moving to test the targets identified at Hera north.

NYMAGEE JOINT VENTURE

YTC-95%

The Nymagee Joint Venture includes the Nymagee copper deposit, discovered by YTC beneath the historic Nymagee Copper Mine in October 2010. In December 2011, YTC published a maiden Resource Estimate for Nymagee of 8.1Mt @ 1.2% Cu, 0.3% Pb, 0.7% Zn and 9g/t Ag. The mineralisation at Nymagee remains open to the north and at depth and YTC considers the Nymagee system holds potential to evolve to an analogue to the world class CSA copper deposit, located approximately 90km north-west along strike.

YTC is evaluating the Nymagee deposit with a view to integrating a Nymagee mine development as Stage 2 to the Hera Mine Project.

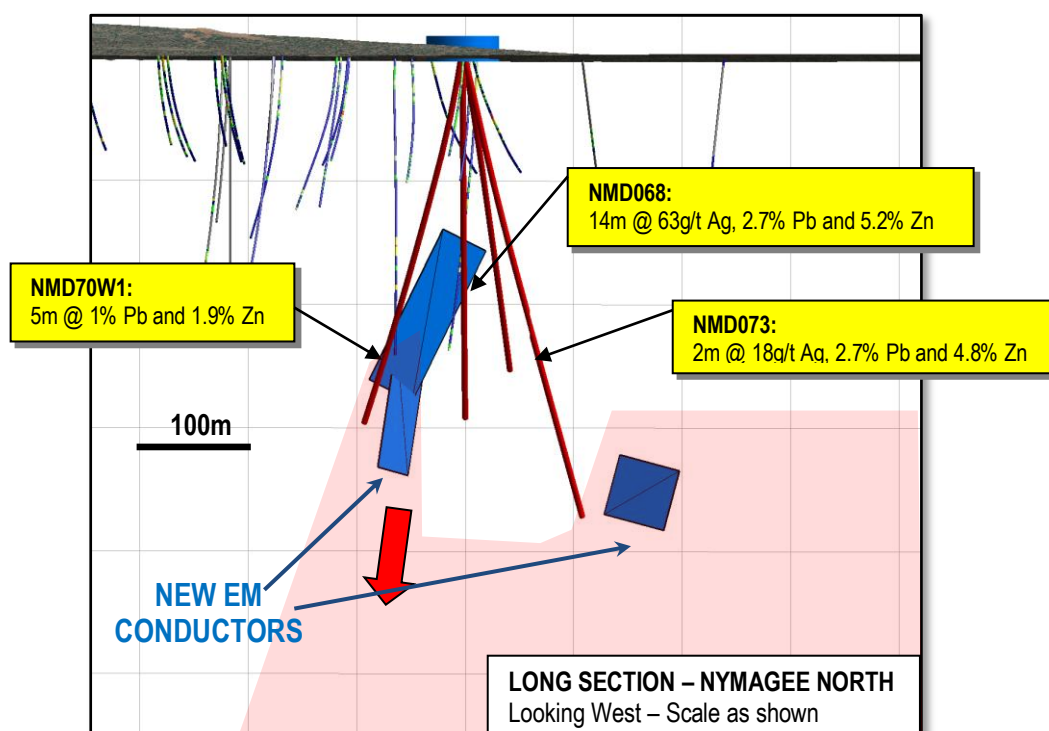
Nymagee North

During the quarter, down hole EM (DHEM) survey results and assay results were received from three diamond drill holes completed at Nymagee North, approx 500m north of the Nymagee Resource, to test around strong results from massive sulphide mineralisation intersected in hole NMD068 (14m @ 63g/t Ag, 0.2% Cu, 2.7% Pb and 5.2% Zn).

The results confirmed:

- A new, untested EM conductor detected north of all previous drilling
- That follow-up drilling did not adequately test conductors, but recorded encouraging drill results including:
 - o **NMD073:** 2m @ 2.7% Pb and 4.8% Zn from 287m
 - o **NMD070W1:** 5m @ 1% Pb and 1.9% Zn from 351m

YTC is particularly encouraged by a new conductor located to the north of all existing drilling. Refer long section below.



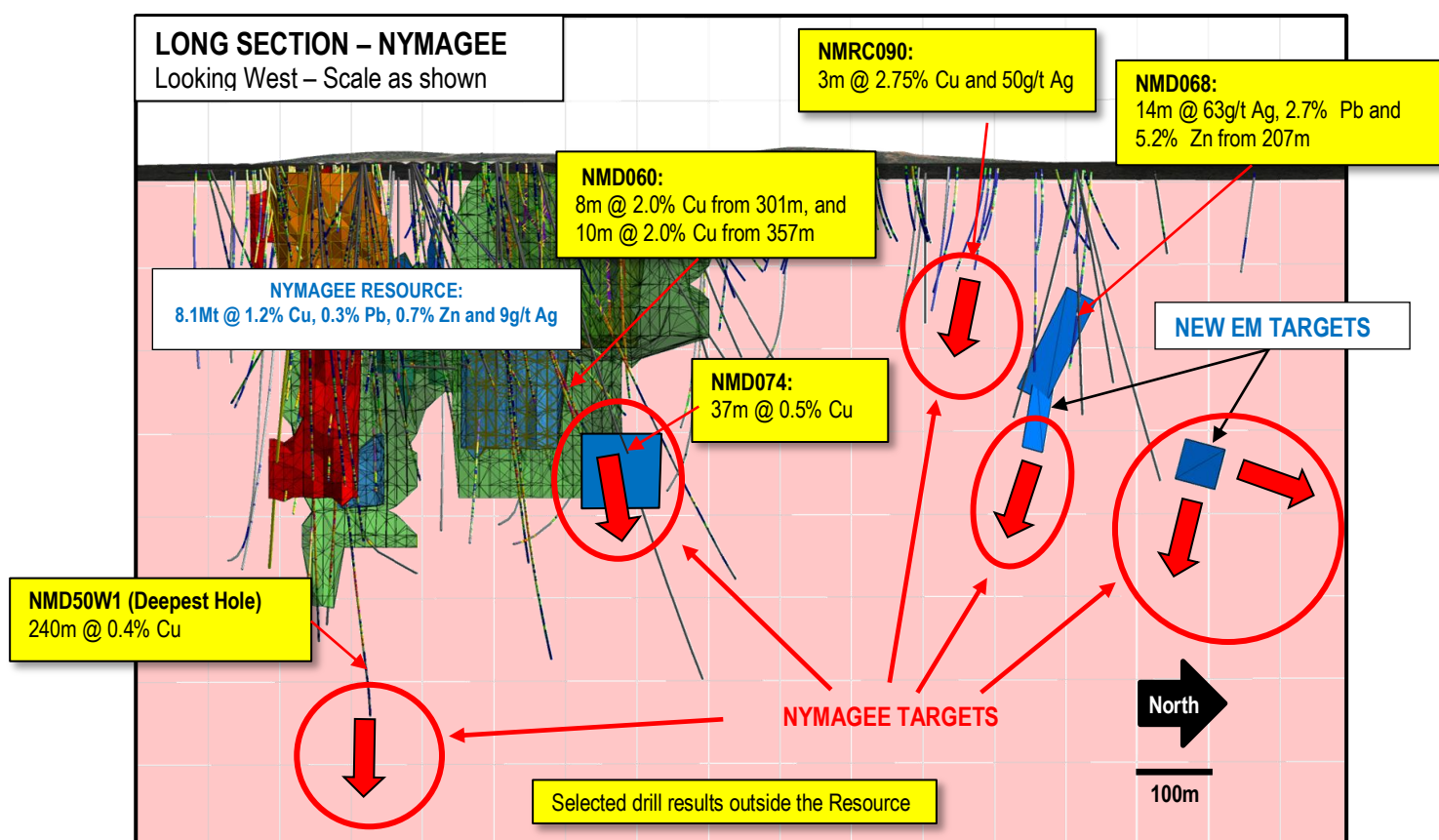
YTC interprets the Nymagee North area to represent the upper, lead-zinc rich zone above a new potential copper rich mineral system.

During the quarter YTC has received results for hole NMD074, drilled at the northern end of the Nymagee deposit, testing an EM conductor approximately 100m down dip from hole NMD060, which recorded 8m @ 2.0% Cu from 301m, and 10m @ 2.0% Cu from 357m. The hole intersected a broad interval of lower grade 'footwall mineralisation' recording:

- **NMD074: 37m @ 0.5% Cu from 384m**

Down hole EM (DHEM) surveying of this hole confirmed a strong offhole anomaly above and to the south of the intersection in NMD074.

The collation of recent drilling and EM surveys has delineated a number of high priority drill targets for Nymagee as shown in the long section below, with drilling expected to re-commence in August 2012.



Long Section of the Nymagee copper deposit showing existing resource outlines and priority targets

Table 1: Collar summary for Nymagee drill holes in this report

Hole	GDA_E	GDA_N	DIP	AZI_MGA	Depth	Comments
NMD073	434429	6452852	-68	275.3	418	
NMD070W1	434429	6452851	-67	219.3	396	
NMD074	434935	6452393	-65	273	750.4	

Table 2: Intersection summary for Nymagee drill holes in this report

Hole	From (m)	To (m)	Intercept (m)	Est true width (m)	Au (g/t)	Cu (%)	Pb (%)	Zn (%)	Ag (g/t)	Comments
NMD073	287	289	2	1.5	-	-	2.7	4.8	18	
NMD070W1	351	556	5	3.5	-	0.1	1.0	1.9	9	
NMD074	384	421	37	28	-	0.5	-	-	-	Footwall lode

ACQUISITION OF OZ MINERALS NYMAGEE TENEMENTS

During the quarter, YTC reached agreement with OZ Exploration Pty Ltd ('OZ'), a subsidiary of OZ Minerals Ltd, to purchase a strategic tenement holding immediately surrounding its Hera-Nymagee Project.

The OZ Minerals tenements represent a logical and exciting addition to YTC's existing tenement coverage and increase YTC's tenement holding along the highly prospective Rookery Fault Zone of the Cobar Basin to over 1040 km².

A prospectivity review has already identified a number of targets of immediate interest to the immediate east and north of YTC's 95% owned Nymagee deposit. These targets will be prioritised for drill testing in the short term.

Summary Acquisition Terms

The following is a summary of the acquisition terms agreed between YTC and OZ Minerals;

- YTC to acquire a 100% interest in Exploration Licences EL 7446, 7447, 7524 and 7529,
- YTC to issue OZ: \$250,000 of YTC shares at \$0.45 per share (555,556 shares)
- Consideration shares escrowed for 6 months

CORPORATE

Cash Position

At 30 June 2012, the Company held cash reserves of \$15.1 million.

Appointment of Mr Gary Comb as Non-Executive Director

On the 4th July, Mr Gary Comb was appointed an Independent Non-Executive Director of YTC Resources. Mr Comb is an engineer and mining industry veteran with over 26 years experience in the Australian Mining Industry, both with mining companies and in mining contractor roles. He spent four years as Chief Executive Officer of BGC Contracting Pty Ltd, the mining contracting arm of West Australian construction group BGC Ltd. From 2003, Mr Comb was Managing Director of Jabiru Metals Limited, taking the Jaguar Copper/Zinc Project from discovery through feasibility, construction to operations. Jabiru Metals was taken over by Independence Group Limited for A\$532 million in 2011.

YTC is very pleased to have the addition of Mr Comb's experience to the Board as the Company approaches the commencement of mining.

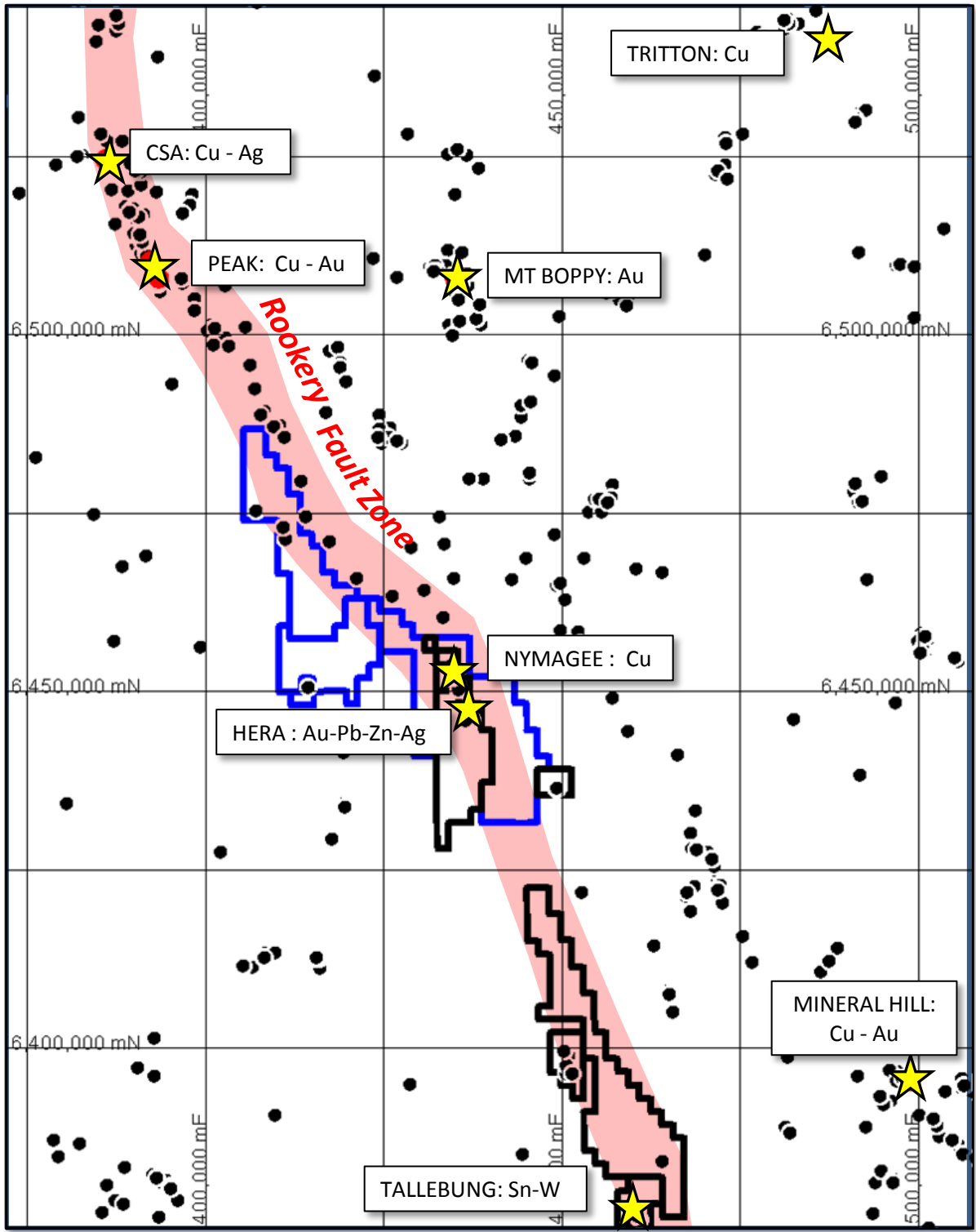
Retirement of Mr Richard Hill as Non-Executive Director




On the 11th July, YTC advised that Mr Richard Hill had resigned as a Non-Executive Director of YTC. Mr Hill has been a Director since before the Company's IPO in 2007 and played a key role in the company's development and in the acquisition of the Hera-Nymagee Projects. The Company thanks Mr Hill for his substantial contribution.

YTC Resources is reviewing its Board composition as it transitions from exploration to mine development.

Directors Options

During the quarter, 3,500,000 25c share options were exercised raising \$875,000. This included 3,000,000 share options held by YTC Directors. These options were issued prior to the Company's IPO in May 2007.



-  Existing YTC Tenements
-  New Tenements Acquired
-  Significant Mineral Deposits

**Hera-Nymagee Project
Regional Tenement Plan**
Showing Existing and New Oz Mineral Tenements
Grid: GDA94 - Scale as Shown



Appendix 1: MINERAL RESOURCES AND RESERVES

Table 1: Hera Deposit Mineral Resource Estimate (YTC – 100%) – June 2011

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	
Total	2,444,000	238	4.1	16.7	0.2	2.8	3.8	8.6	677,200

Table 2: Hera Deposit – DFS Mining Reserve (YTC-100%) – September 2011

Source	Tonnes	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Au Eq (g/t)	Contained Gold Ounces (Au Eq.)
Development Sub-total	278,158	2.86	13.06	0.13	2.26	3.19		
Stope Sub-Total	1,597,760	3.72	15.39	0.17	2.56	3.55		
MINE PROBABLE RESERVE	1,875,918	3.59	15.04	0.16	2.51	3.50	7.00	423,471

Table 3: Nymagee Deposit Mineral Resource Estimate (YTC – 95%) – December 2011

Description	Cut Off	Tonnes	Cu %	Pb %	Zn %	Ag g/t
INDICATED						
Shallow Cu Resource (above 90mRL)	0.3% Cu	5,147,000	1.00	0.10	0.20	5
Deeper Cu Resource (below 90m RL)	0.75% Cu	1,984,000	1.80	0.30	0.60	11
Lead-Zinc-Silver Lens	5% Pb + Zn	364,000	0.50	4.40	7.80	41
INFERRED						
Deeper Cu Resource (below 90m RL)	0.75% Cu	601,000	1.30	0.10	0.20	8
GLOBAL		8,096,000	1.20	0.30	0.70	9
Contained Metal (tonnes)			96,000	27,000	53,000	69

Table 4: Midway & 3KEL deposits – Doradilla (YTC earning 70%) – February 2008

Category	Sn Cut-off	Midway		3KEL	
		M Tonnes	% Sn	M Tonnes	% Sn
Inferred	0.1%	4.63	0.25	3.18	0.34
Inferred	0.2%	1.97	0.4	1.85	0.48
Inferred	0.5%	0.38	0.92	0.56	0.89

Competent Persons Statement – Nymagee & Hera Resource Estimate

The Resource Estimation for both Hera and Nymagee deposits 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 – 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 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.

Competent Persons Statement – 3KEL-Midway Resource Estimation

The resource estimates of oxide material at 3KEL and Midway have been performed by Dr William Yeo, MAusIMM, who is an employee of Hellman & Schofield Pty Ltd and who qualifies as a Competent Person under the meaning of the 2004 JORC Code. He consents to the inclusion of these estimates, and the attached notes, in the form and context in which they appear.