

SEPTEMBER 2012–QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

HERA PROJECT APPROVAL

YTC received Project Approval for the Hera Gold Project from the NSW Department of Planning and Infrastructure (DP&I) under Part 3A of the NSW EP&A Act on the 1st August 2012.

STRONG DRILLING RESULTS EXTEND HERA DEPOSIT TO BOTH NORTH AND SOUTH

Hera exploration drilling during the quarter focused on targeting down hole EM (DHEM) conductor targets to the north and south of the Hera deposit. Strong drilling results have extended the size of the Hera deposit in both directions.

Highlight intersections to the south of Hera include:

- HRD040: 14m @ 2.40g/t Au, 22g/t Ag & 6.6% Pb+Zn from 628m, including 6m @ 4.54g/t Au, 15g/t Ag & 5.3% Pb + Zn from 628m

Highlight intersections to the north of Hera include:

- HRD042: 11m @ 279g/t Ag, 2.2% Pb, 4.7% Zn and 0.16g/t Au from 382m, including 7m @ 343g/t Ag, 3.0% Pb, 6.7% Zn and 0.21g/t Au from 382m
- HRD042W1: 11m @ 107g/t Ag, 7.2% Pb, 12.3% Zn and 0.15g/t Au from 324m
- HRD042W2: 4.75m @ 0.34g/t Au, 359g/t Ag, 10.9% Pb and 22.2% Zn from 350.78m, and 1.90m @ 0.89g/t Au, 601g/t Ag from 364m

STRONG DRILLING RESULTS AT NYMAGEE NORTH

Results from hole NMD075, the northernmost hole drilled by YTC at Nymagee, returned strong results approximately 500m north of the existing Nymagee Resource:

- NMD075: 18m @ 1g/t Au, 23g/t Ag, 0.9% Cu, 0.6% Pb and 1.3% Zn including 1m @ 11.3g/t Au, 26g/t Ag and 1.8% Cu from 432m
- NMD075: 6m @ 0.5g/t Au, 149g/t Ag, 5% Pb and 11.6% Zn from 512m

CORPORATE

Appointment of Mr Mark Milazzo as non-executive director.

Cash position of \$12.5m at end of quarter.

INTRODUCTION: 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, hosted in the Cobar Basin rocks of central NSW. The Cobar Basin also hosts 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 Hera Project received NSW Government permitting approval in the quarter and the Company is now finalising project finance arrangements prior to commencement of full scale project development.

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 (YTC- 100%)

HERA PROJECT APPROVAL

On 1st August 2012, YTC received Project Approval for the Hera Gold Project from the NSW Department of Planning and Infrastructure (DP&I) under Part 3A of the NSW EP&A Act.

The final Project Approval conditions were in line with the Company's expectations.

The Approval provides for the construction and establishment of an underground mine and surface processing operations consistent with the Company's objectives under the Hera Definitive Feasibility Study ('DFS').

The Hera Project will deliver a financially and technically robust underground mine and processing plant producing gold and silver doré bars and a bulk-lead-zinc concentrate for sale.

Key metrics of the Hera Project, based on the DFS previously announced to the ASX, include:

- **High margin, low cost gold production at A\$395/ounce** (after base metal credits)
- **Ore Reserve of 423,471 Au Eq. ounces** at average grade of **7.0g/t Au Eq.**
- **7.3 year mine life** producing 391Koz Au Equivalent
- **Gross revenue of \$510 million**, and a **pre-tax operating profit of \$94.8m** (based on A\$1,450/oz gold).
- **Gross revenue of \$572 million**, and a **pre-tax operating profit of \$152m** (based on A\$1,750/oz gold).
- **Gold recovery of 94%**
- **Pre-Production Capital Cost of \$73.5m**

YTC has already substantially advanced the Hera Project under the existing Part 5 (exploration decline approval) including all weather access roads, boxcut and contractors area in anticipation of a rapid project commencement upon finalisation of project finance.

STRONG DRILLING RESULTS EXTEND HERA DEPOSIT TO BOTH NORTH AND SOUTH

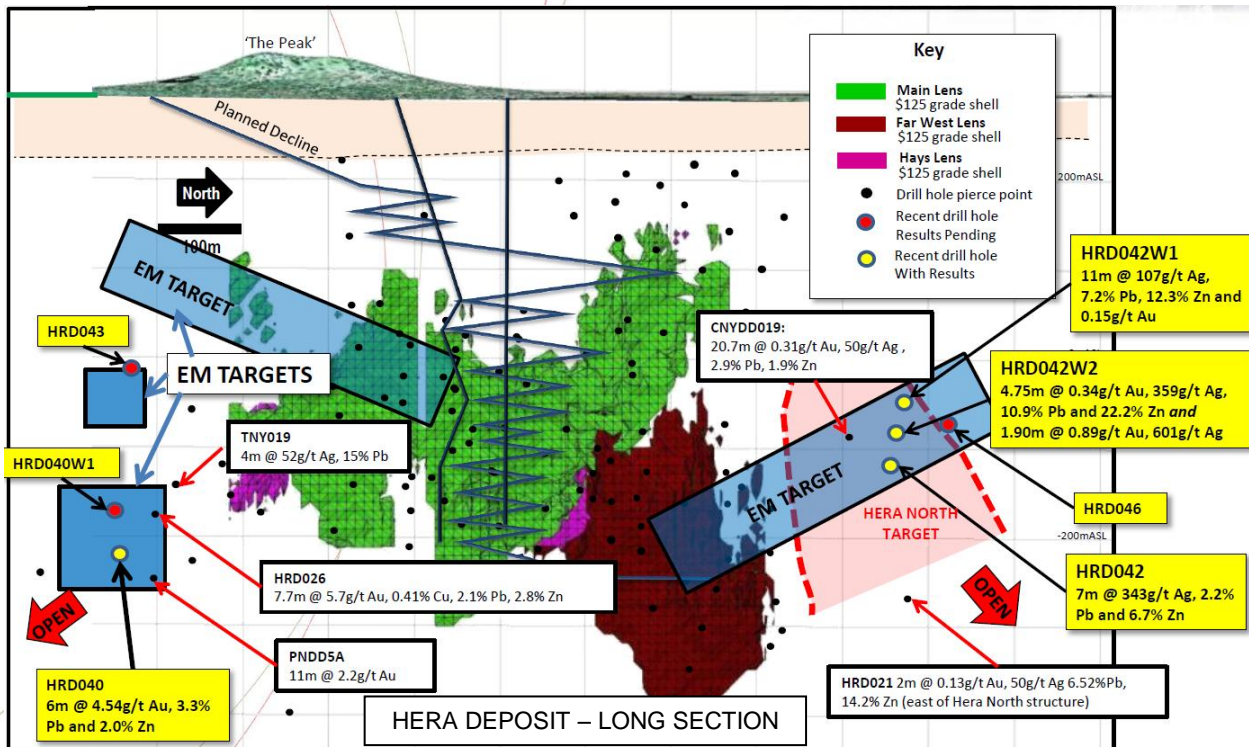
Exploration drilling continued at the Hera Project during the quarter with strong exploration results recorded to both the north and south of the existing Hera Resource. Drill holes were targeted to intersect conductor plates generated from a large down hole EM (DHEM) survey completed during the previous quarter.

Results from the first hole in the programme, HRD040, immediately validated the first EM target, intersecting strong sulphide mineralisation with economic gold-base metal grades. Hole **HRD040** recorded:

- HRD040: 14m @ 2.40g/t Au, 22g/t Ag & 6.6% Pb + Zn from 628m, including 6m @ 4.54g/t Au, 15g/t Ag & 5.3% Pb + Zn from 628m

This strong result extends economic grade mineralisation to >150m south of the Hera Resource and shows the Hera mineral system to be open to the south along plunge (see long section below)

A wedge hole, HRD040W1, was completed approximately 60m above the intersection in HRD040 and recorded a strong sulphide intersection from approximately 566-578m down hole but did not return economic grades.



Drilling to target the Hera North EM conductor target also recorded strong massive and matrix-breccia lead-zinc sulphides in the target zone. Results for the first hole into this target (HRD042) and two wedge holes

(42W1 and 42W2) were received in the quarter. Assays recorded very high to bonanza lead-zinc-silver grades including:



- HRD042: 11m @ 279g/t Ag, 2.2% Pb, 4.7% Zn and 0.16g/t Au from 382m, incl. 7m @ 343g/t Ag, 3.0% Pb, 6.7% Zn and 0.21g/t Au from 382m
- HRD042W1: 11m @ 107g/t Ag, 7.2% Pb, 12.3% Zn and 0.15g/t Au from 324m
- HRD042W2: 4.75m @ 0.34g/t Au, 359g/t Ag, 10.9% Pb & 22.2% Zn from 350.78m, and 1.90m @ 0.89g/t Au, 601g/t Ag from 364m

Results from Hera North are located approximately 200m north of the Hera Deposit and will form a new lens for addition to the Resource at the next Hera Resource update.

At the time of this report YTC was continuing drilling above and below the intersections described above.

Photo: Massive lead-zinc sulphides from hole HRD042W2 – 351m

Table 1: Collar summary for Hera drill holes results in this report

Hole	GDA_E	GDA_N	DIP	AZI_MGA	Depth	Comments
HRD040	436793	6446915	-71	240.3	720	Test southern EM target
HRD042	435932	6447539	-67	60.3	657.25	Hera North
HRD042W1	435932	6447539	-67	60.3	459.24	Hera North
HRD042W2	435932	6447539	-67	60.3	457.5	Hera North

Table 2: Intersection summary for Hera 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
HRD040	628	642	14	8.8	2.40	0.15	4.7	1.9	22	Hera South
Includes	628	634	6	4	4.54	0.13	3.3	1.9	14	
HRD042	382	393	11	5.2	0.16	-	2.2	4.7	279	Hera North
Includes	382	389	7	3.3	0.21	-	3.0	6.7	343	
HRD042W1	324	335	11	8.2	0.15	-	7.2	12.3	107	Hera North
HRD042W2	350.78	355.53	4.75	2.8	0.34	-	10.9	22.2	359	Hera North
	364	365.9	1.9	1.2	0.89	-	0.5	0.9	601	Hera North

* Gold assays by the screen fire assay (SFA) method. The screen fire assay is considered the most accurate assay technique in coarse gold environments.

NYMAGEE (YTC- 95%)

STRONG DRILLING RESULTS FROM NYMAGEE NORTH

Exploration drilling at Nymagee re-commenced in the quarter following a programme of downhole EM (DHEM) and a target review. The first drill hole in the programme, NMD075, was drilled to intersect an untested DHEM anomaly detected to the north of all drilling at Nymagee North in the recent DHEM survey. Nymagee North lies approximately 500m north of the existing Nymagee Resource.

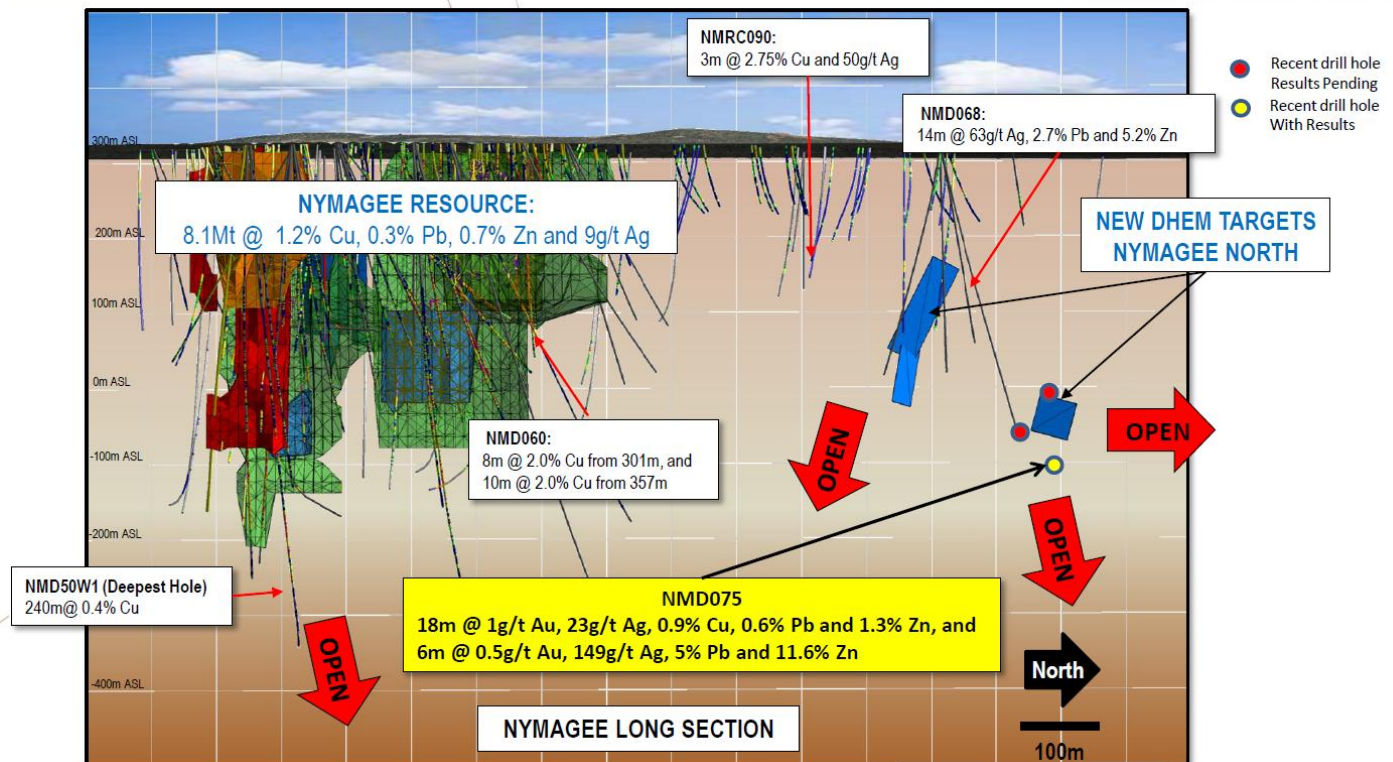
NMD075 passed approximately 30m below the target EM anomaly and returned three discrete poly-metallic intersections, with two of these intersections recording substantial gold mineralisation.

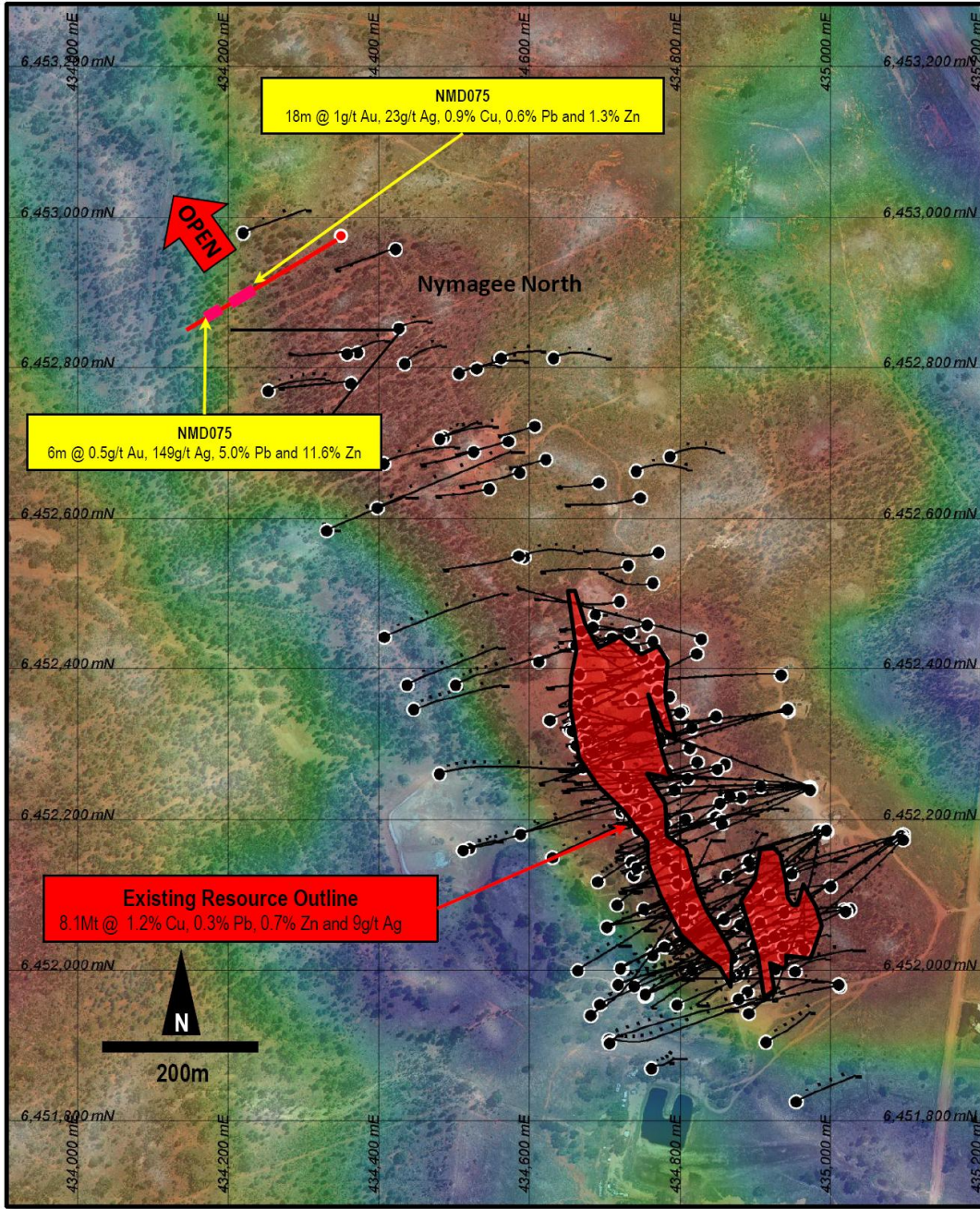
- 11m @ 1.1% Pb and 2.5% Zn from 167m
- 18m @ 1g/t Au, 23g/t Ag, 0.9% Cu, 0.6% Pb and 1.3% Zn from 431m, including
 - 1m @ 11.3g/t Au, 26g/t Ag and 1.8% Cu from 432m
- 6m @ 0.5g/t Au, 149g/t Ag, 5% Pb and 11.6% Zn from 512m

The recognition of high-grade gold mineralisation with copper, lead and zinc mineralisation is considered very significant for the potential of Nymagee North which remains open to the north and at depth.

These results are shown on a long section below and plan on the following page of this report.

Hole NMD075 is the northernmost hole drilled by YTC at Nymagee North.





● Drill holes

**Nymagee Copper Deposit
Latest Drill Results
over airphoto with gravity image**

Grid: GDA Zone 55 - Scale as Shown



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In follow up drilling, hole NMD077 was drilled approximately 70m above the strong copper-bearing sulphides intersected in hole NMD075. NMD077 intersected weak mineralisation in the target zone.

At the time of this report YTC was completing follow up drilling to the north and below the intersection in hole NMD075.

YTC considers the Nymagee North mineralisation to represent the potential upper part of a new, copper-rich, Cobar style mineral deposit.

Table 3: Collar summary for Nymagee drill holes in this report

Hole	GDA_E	GDA_N	DIP	AZI_MGA	Depth	Comments
NMD075	434350	6452980	-74	240.3	588.9	Nymagee North

Table 4: Intersection summary for Nymagee 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
NMD075	167	178	11	unknown	-	-	1.1	2.5	6	
	431	449	18	unknown	1.0	0.9	0.5	1.3	23	
Includes	432	433	1	unknown	11.25	1.8	0.17	0.4	26	
	512	518	6	unknown	0.53	0.3	5.0	11.6	149	

DORADILLA JV – EL6258 (YTC earning 70%)

AIRCORE DRILLING PROGRAMME COMPLETE

YTC is exploring the Doradilla JV for large tonnage tin deposits with associated copper, silver, zinc and indium. The tenement (EL 6258) includes the 16km long DMK mineralized skarn which hosts tin deposits at Doradilla, Midway and 3KEL.

Only the northern oxide extension of the DMK line has been converted to JORC Resources (YTC-2008), with the Midway-3KEL oxide deposits hosting 7.8Mt @ 0.29% Sn (refer Appendix 1).

During the quarter YTC completed 1,830m of aircore drilling to assess the oxide zone of the mineralised skarn above the Doradilla deposit. The Doradilla deposit has been previously assessed in the primary zone with little drill coverage in the oxide.

At the time of reporting, assays for this programme were pending.

KNIGHTVALE JV – EL6645 (YTC earning 75%)

By mutual agreement with tenement holder Tritton Resources Ltd, the Farm-In and Joint Venture Agreement on EL 6645 is to be set aside and the tenement to be relinquished.



CORPORATE

CASH POSITION

At 30 September 2012, the Company held cash reserves of \$12.5 million.

APPOINTMENT OF MR MARK MILAZZO AS NON-EXECUTIVE DIRECTOR

On the 3rd August YTC announced the appointment of Mr Mark Milazzo as an independent, Non-Executive Director of YTC.

Mr Milazzo is a Mining Engineer with 30 years' experience in mining operations, both surface and underground, including the management of project development and expansion activities across a range of commodities. Mr Milazzo was previously the General Manager of BHP's Olympic Dam Mine, Western Mining Corporation's Kambalda Nickel Operations and the General Manager of mining contractor HWE Mining. He is a Fellow of the Australasian Institute of Mining and Metallurgy.

YTC is very pleased to have the addition of Mr Milazzo's experience to the board as the company approaches the commencement of mining.

RETIREMENT OF MR STEPHEN WOODHAM AS NON-EXECUTIVE DIRECTOR

On the 3rd August YTC announced the resignation of Mr Stephen Woodham as Non-Executive Director of YTC.

Mr Woodham is one of the founders of YTC and has been a director since incorporation. The company wishes to express its gratitude to Mr Woodham for his significant contribution to the company, he has been instrumental in getting the company to the position it is in today. The company wishes Mr Woodham every success with his future endeavours.

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.

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 JV (YTC earning 70%) – February 2008

Category	Sn Cut-off	Midway		3KEL		TOTAL	
		Tonnes (M)	% Sn	Tonnes (M)	% Sn	Tonnes (M)	% Sn
Inferred	0.1%	4.63	0.25	3.18	0.34	7.81	0.29
Inferred	0.2%	1.97	0.4	1.85	0.48	3.82	0.44
Inferred	0.5%	0.38	0.92	0.56	0.89	0.94	0.90

APPENDIX 2: GOLD EQUIVALENT CALCULATIONS – HERA DFS & HERA RESERVE

This report makes references to the Hera Ore Reserve, DFS outputs and metal equivalents. 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 ÷ 31.1)

The following metal prices, exchange rates and metal recoveries and payabilities were used for the calculation of a gold equivalent

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

Metal	Price	Source
Au	US\$1450/oz	20% discount to spot
Pb	US\$2,500/t	LME 15 month buyer
Zn	US\$2,318/t	LME 15 month buyer
Ag	US\$32/oz	20% discount to spot
AUD/USD	1.00	Consensus Forecast

APPENDIX 3: GOLD EQUIVALENT & NSR CALCULATIONS – HERA RESOURCE

This report makes references to the Hera Resource and metal equivalents. 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 ÷ 31.1)

The following metal prices, exchange rates and metal recoveries and payabilities were used in the estimation of "net recoverable ore value per tonne (NSR)" and for the calculation of a gold equivalent.

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

Metal	Price	Source
Au	US\$1200/oz	90% of Consensus forecast, to May 2013 <i>Consensus economics, May2011</i>
Cu	US\$8,370/t	90% of Consensus forecast, to May 2013 <i>Consensus economics, May2011</i>
Pb	US\$2,420/t	90% of Consensus forecast, to May 2013 <i>Consensus economics, May2011</i>
Zn	US\$2,425/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	