

LARGE GOLD SYSTEM CONFIRMED AT KADUNGLE

YTC Resources Limited (“YTC” or “the Company”) is pleased to update the market with the latest exploration results from the Kadungle copper-gold project (YTC-100%) in central NSW.

In December 2011, YTC completed 2 RC holes at the Mt Leadley prospect at Kadungle, testing for copper-gold mineralisation associated with a diatreme breccia and a newly defined gravity low. Assay results from these holes confirmed broad intervals of low grade gold-copper mineralisation, with **high gold grade mineralisation** preferentially developed on the margin of the diatreme breccia:

**KRRC019: 154m @ 0.37g/t Au and 0.12% Cu from 0m, includes
3m @ 7.08g/t Au and 0.31% Cu from 115m (breccia margin)**

KRRC020: 131m @ 0.13g/t Au and 0.17% Cu from 41m

A third RC hole, KRC021, testing an IP anomaly 400m west of holes KRC019 and KRC020, did not return significant results.

BRECCIA MARGIN TARGET

The higher grade gold interval in KRRC019 (**3m @ 7.08g/t Au**) is associated with the eastern breccia margin 50m south along strike from high grade gold intersected in the same structural position in previous drilling (KDD002: **12m @ 7.73g/t Au**).

The drilling has confirmed the preferential development of high grade gold in this position. The company considers the breccia margin zone at Kadungle to represent an exciting high grade gold target.

Drill results are presented in a plan view included with this release.

ABOUT THE KADUNGLE PROJECT

The Kadungle Project is located approximately 40km northwest of the NorthParkes copper-gold deposit (Rio Tinto) in Central West NSW. The Project is hosted in Devonian aged alkaline volcanics and is considered to be in an idealised setting for the development of epithermal gold and porphyry copper-gold mineralisation.

Commenting on the results, YTC’s CEO Rimas Kairaitis said:

“These results look to have confirmed the preferential development of high grade gold on the margin of the diatreme breccia at Kadungle. The breccia margin represents an exciting high-grade gold target for further exploration”

Table 1: Collar summary for drill holes in this release

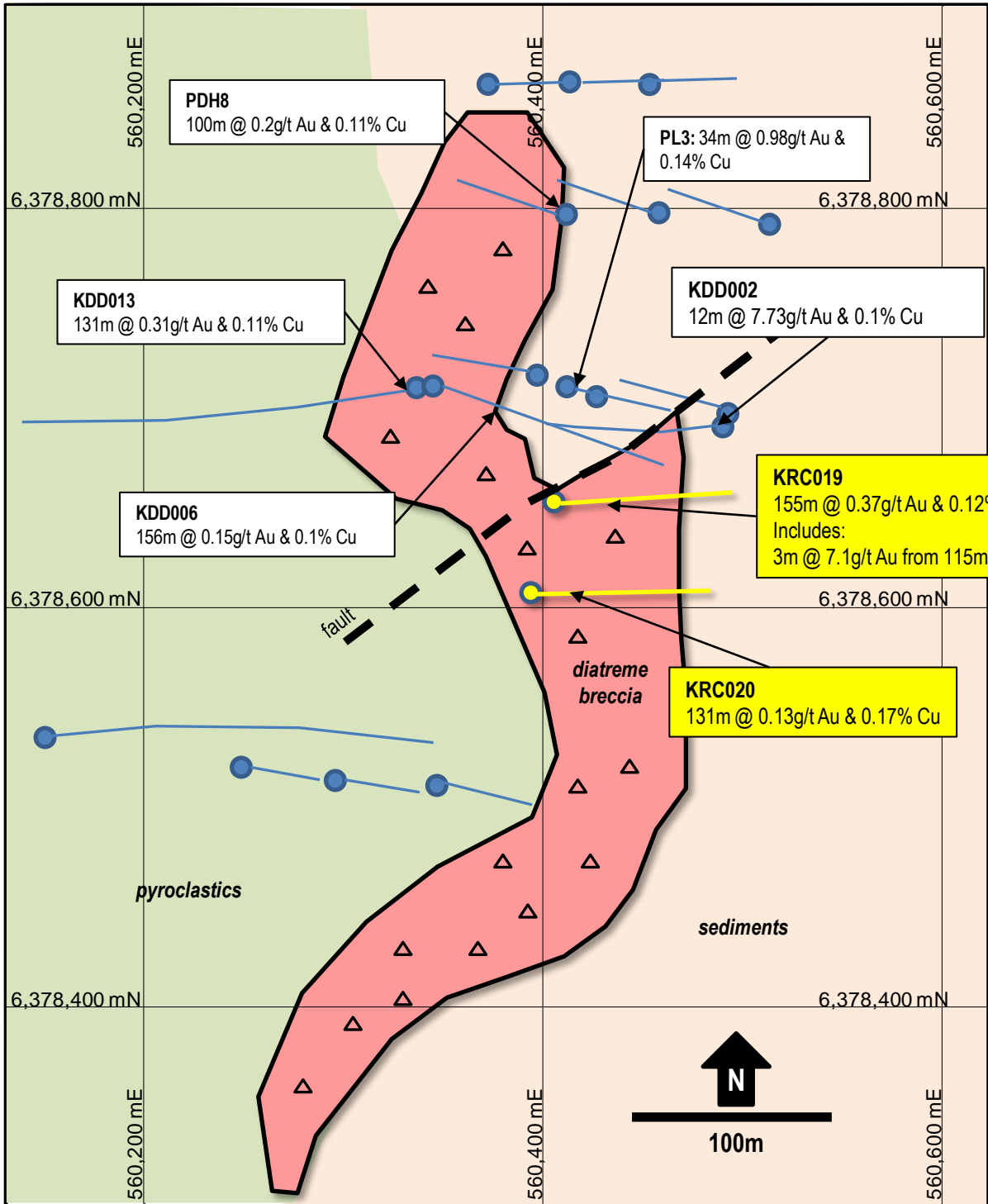
Hole	GDA_E	GDA_N	DIP	AZI_MGA	Depth	Comments
KRRC019	434944	6452344	-62	253.3	475.5	
KRRC020	434723	6452004	-65	62.3	399.2	
KRRC021	435096	6452174	-62	225.3	602.2	

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 (%)	Comments
KRRC019	0	154	154	154	0.37	0.12	
Includes	115	118	3	3	7.08	0.12	Breccia margin
KRRC020	41	172	131	131	0.13	0.17	

Competent Persons Statement – Exploration Results

The information in this report that relates to Exploration Results is based on information compiled by Rimantas Kairaitis, who is a Member of the Australasian Institute of Mining and Metallurgy. Rimantas 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.



- Previous Drill Holes – with results
- New Drill Holes –with results

Kadungle Project
Mt Leadley Prospect
Drill Hole & Geology Plan
 Grid: GDA94 - Scale as Shown

