

HERA-NYMAGEE EXPLORATION UPDATE

- **FIRST ASSAYS RECEIVED FROM HERA NORTH DISCOVERY**
- **ECONOMIC GRADES CONFIRMED INCLUDING HIGH GRADE SILVER**
- **FURTHER MASSIVE SULPHIDES INTERSECTED AT HERA NORTH**

YTC Resources Limited (“YTC” or the “Company”) is pleased to provide the following exploration update from the Hera Gold Deposit (YTC-100%) and the Nymagee JV (YTC-95%) in the Cobar Basin, NSW.

FIRST ASSAYS FROM HERA NORTH DISCOVERY

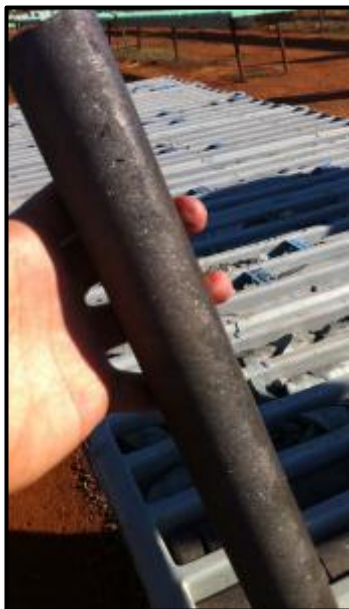
Results for the first two holes drilled to test the DHEM target at Hera North (HRD042 and HRD042W1) are now available. Both holes, HRD042 and HRD042W1, intersected a zone of strong lead-zinc sulphides as reported to the ASX on the 9th and 15th of August. The holes recorded high-grade **lead-zinc-silver** intersections:

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

These results confirm the extension of economic grade mineralisation approximately 200 metres north of the existing Hera Resource. The **very high silver grades**, particularly in HRD042 have not been previously identified with the Hera mineralisation.

FURTHER MASSIVE SULPHIDES INTERSECTED AT HERA NORTH



Hole HRD042W2 was drilled at Hera North to follow up strong intersections between HRD042 and HRD042W1. HRD042W2 intersected a 6m zone of very strong lead-zinc sulphide mineralisation including a 2m zone of massive lead-zinc sulphides. This intersection confirms the continuity of the Hera North mineralisation over a minimum of 65m vertical metres.

Drilling has also just completed on hole HRD046 (refer long section attached). HRD046 did not intersect the strongly mineralised zone and suggests the Hera North zone holds a steep northerly plunge.

Drilling at Hera North is continuing.

Massive lead-zinc sulphides in hole HRD042W2, at approximately 351m down hole depth

NYMAGEE DRILLING UPDATE

YTC has now completed hole NMD077 approximately 70m above the strong copper-bearing sulphides intersected in hole NMD075 (reported to the ASX on 20th August). NMD077 intersected weak mineralisation in the target zone. Given the significance of the copper bearing matrix and massive sulphides intersected in hole NMD075, YTC plan to follow up with a significant programme of drilling at Nymagee North to test to the north, south and below the strong result intersected in NMD075. Hole NMD075 remains the northernmost drill hole by YTC into the Nymagee mineral system.



The drilling at Nymagee will re-commence shortly once a drill rig swap is completed.

Commenting on the results, YTC's MD Rimas Kairaitis said:

"Assays have confirmed the high-grade nature of the Hera North mineralisation and have also demonstrated very high silver values an unexpected bonus. Ongoing drilling is expected to continue to define the size and grade of the Hera North discovery"

Competent Persons Statement

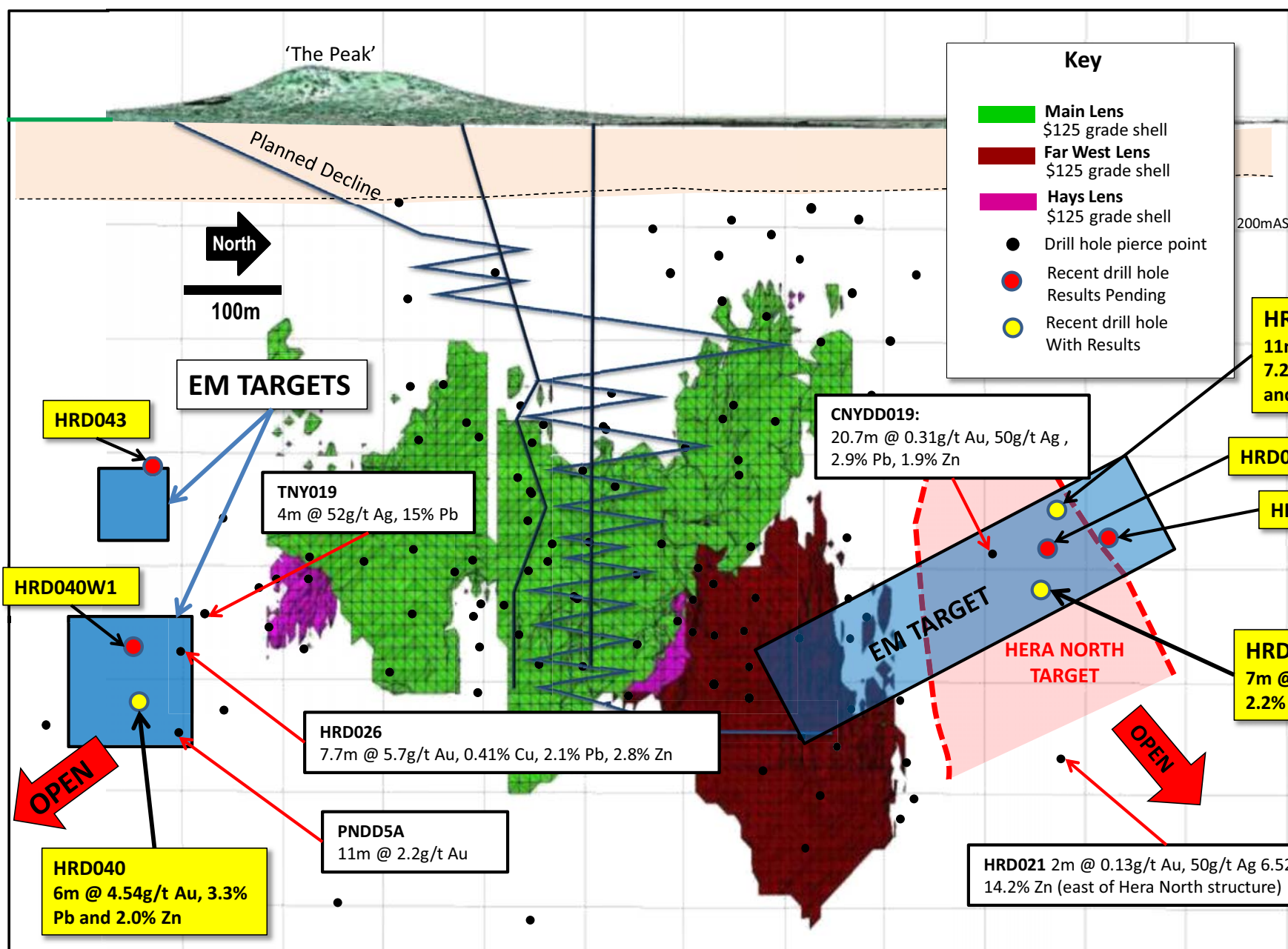
The information in this report that relates to Exploration Results is based on information compiled by Rimas Kairaitis, who is a Member of the Australasian Institute of Mining and Metallurgy. Rimas Kairaitis has sufficient experience which is relevant to the style of mineralisation and type of deposit 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.

Table 1: Collar summary for drill holes in this release

Hole	GDA_E	GDA_N	DIP	AZI_MGA	Depth	Comments
HRD042	435932	6447539	-67	60.3	657.25	
HRD042W1	435932	6447539	-67	60.3	459.24	

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
HRD042	382	393	11	5.2	0.16	-	2.2	4.7	279	
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	



Key

- Main Lens**
\$125 grade shell
- Far West Lens**
\$125 grade shell
- Hays Lens**
\$125 grade shell
- Drill hole pierce point
- (red) Recent drill hole
Results Pending
- (yellow) Recent drill hole
With Results

June 2011 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	
Total	2,444,000	238	4.1	16.7	0.2	2.8	3.8	8.6	677,200

Hera Gold Deposit
Long Section looking west with Resource Outlines
Showing new drill hole positions, DHEM conductor targets and previous drilling

Grid: GDA – Zone 55 - Scale as Shown

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.

In September 2011, YTC released 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 Nymagee. The study confirms the technical and financial viability of the development of the Hera deposit. Stage 1 development will see the establishment of the Hera gold mine and construction of a processing facility at the Hera site.

YTC received State Government Approval for the Hera Project in August 2012.

Stage 2 Feasibility studies will look at the optimum strategy for the integration of the Nymagee deposit into the Hera development.

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



Hera Project – Completed Boxcut

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



Massive sulphide mineralisation – Nymagee Copper Deposit