

Polymetallic production scenario outlined

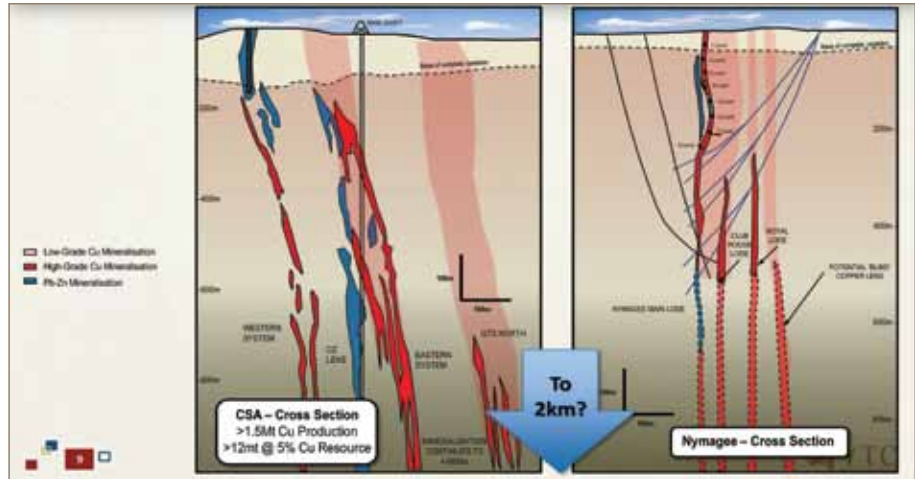
Exploration and development activities around the Nyagee and Hera projects in New South Wales have prompted brokerage Hartleys Ltd to update its valuation for precious and base metals explorer YTC Resources Ltd.

In resetting its valuation to 70 cents/share, Hartleys considered how recent drilling work and its results had opened the door for an expanded production scenario for the two developments (given the multiple lodes identified at Nymagee through recent exploration).

Located 100 kilometres south east of Cobar, the two projects (in which YTC has 100% of Hera and 80% of Nymagee) were acquired by the junior in 2009, with definitive feasibility work beginning immediately on both to assess production possibilities.

Consistent drilling has yielded a resource of 2.18 million tonnes (for 560,710 ounces) at Hera as well as revealed its base metal potential.

But the real achievement in recent months was the work program at the Nymagee joint venture, where deeper work confirmed two new lodes in the footwall of the



Some similarities exist between Nymagee and CSA.

system with grades of more than 3% copper.

The discovery of these lodes (Royal and Club House) brings their number to three across the Nymagee system and suggests parallels to the nearby CSA deposit.

In its latest report, Hartleys acknowledged that longer mine life and increased production were prescient considerations for YTC given these recent finds.

The brokerage also noted that the junior's

share price had risen after the results were released to the market.

Original data from the DFS, which is to be completed mid-2011, looked at production of 50,000t gold equivalent from a 350,000t processing plant at Hera.

This will then be expanded to address potentially stronger production scenarios suggested by the drilling at both Nymagee and Hera's Far West lens.