

\$A1200/oz gold and more than \$US2000/t lead-zinc, meaning that, unless the definitive feasibility study uncovers an unknown quantity, success from Hera is a veritable no-brainer.

In late 2009, YTC Resources appointed a third-party consultant to complete the DFS, which will feature detailed metallurgical testwork and cost estimates for mining and processing options, including toll treatment of the ore at the nearby Endeavour plant or the construction of a stand-alone plant onsite.

Metallurgical studies already completed for the DFS have indicated high gold gravity recoveries (+70%) at coarse grind (0.25mm), as well as high-quality lead, zinc and likely copper concentrates, good recovery and high silver and gold credits.

"It is certainly shaping up to be a very attractive proposition based on today's prices alone but there is still a lot of work to be done," Kairaitis said.

"We have a very good idea on what the resource is now and we recognise there is promising exploration potential to the north, south and underneath the main deposit.

"Should our exploration team encounter immediate success, it may have an impact on what the DFS team finally delivers.

"A positive result might scale our project up by 100 per cent or 200 per cent."

Hera features a significant blue-sky element given that most deposits in the Cobar Basin which started as modest, shallow projects have evolved into vertically continuous major orebodies.

Kairaitis said the project was a good discovery back in 2001 and as YTC committed more exploration energy to it, hopefully it could demonstrate how big Hera really was.

While Hera is undoubtedly the potential hero for the company, Kairaitis is equally excited about its 100%-owned Kadungle project, also in central NSW, where initial drilling results have indicated the presence of large-tonnage, porphyry-related gold-copper and molybdenum mineralisations.

"Kadungle is definitely our second area of priority," he said.

"We have recorded a number of major, very broad, low-grade gold and copper intersections which have been very encouraging.

"They will be the target of a gravity geophysics survey during 2010 to locate mineralising porphyry intrusions at depth for subsequent drill testing.



"The next 12 months will be an incredibly busy time for YTC Resources and as a management team, we are very confident that it will reap significant rewards for us.

"We are extremely fortunate to have a project of such exceptional quality on our books at a time when there is a strong gold price and constant growth in demand for industrial metals."

Kairaitis also believes the company's growing shareholder base has every reason to be confident, with YTC offering a low-cost entry into what will be high-margin gold production within a fairly short timeframe.

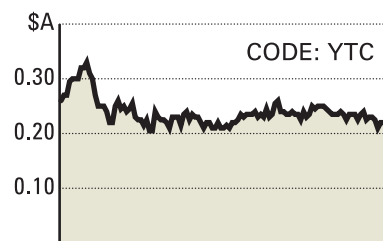
"There is a lot of exploration upside to our story – an aggressive junior company with a great patch of ground in a basin with a history of world-class deposits and a broader acquisition strategy with Yunnan Tin Group which gives us access and exposure to some excellent opportunities," he said.

"We are very keen to expand our interests in the Cobar Basin and we will keep up the search for additional projects which meet all of our criteria, but first and foremost we have to focus on getting this company into production and making money."

– Imelda Cotton

YTC Resources chief executive Rimas Kairaitis on the ground at Hera

YTC RESOURCES AT A GLANCE



5 months ending January 28, 2010

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MARKET CAPITALISATION

\$A36.5 million (at press time)

MAJOR SHAREHOLDERS

Yunnan Tin Group 15%
Wonderful Investments 9.75%
CYTMG (HK) 5.23%