

INVESTMENT NEWS:

Glencore snaffles up YTC stake

Friday, 9 March 2012

GOLD and base metal explorer YTC Resources has attracted the attention of Swiss commodities trader Glencore, which has secured a 6.49% stake.

Glencore lodged an initial substantial shareholder's notice yesterday. It has purchased 16.17 million shares in the junior at prices between 41c and 50c.

It initially started acquiring shares in YTC in November.

YTC is developing the \$A74 million Hera project located 100km southeast of Cobar in New South Wales, but also has plans to develop the nearby and larger Nymagee copper play.

It is a strategic move for Glencore, which owns the nearby CSA operation in Cobar.

YTC plans to unite the Hera and Nymagee projects into a combined operation producing gold, copper, silver, lead and zinc.

The company aims to develop a high-grade underground mine capable of delivering around at least 40,000 ounces of gold per annum and 35,000 tonnes per annum of lead and zinc concentrates.

To get the ball rolling it is completing a definitive feasibility study at Hera.

Late last year it released a maiden resource of 125,000t of copper equivalent for Nymagee, bringing total resources to a little more than 8 million tonnes grading 1.2% copper, 0.3% lead, 0.7% zinc and 9gpt silver for around 125,000t of copper equivalent.

YTC purchased an 80% interest in the Nymagee mine joint venture from CBH Resources when it purchased the Hera property in September 2009 and has since earned a 90% stake through sole funding exploration.

Work has now started on scoping level feasibility studies designed to integrate Nymagee as a stage two development with that of the nearby Hera gold deposit.

Stage one development of the project is expected to be a relatively low-cost, high-grade operation based on mining the Hera deposit at the rate of 50,000 ozpa of gold equivalent over a minimum 7.3 year mine life and at estimated C1 operating costs of \$395/oz (after lead and zinc credits).

Initial metallurgical studies have already shown the Nymagee copper mineralisation capable of producing high quality copper concentrates at high recoveries.

Shares in YTC were unchanged in morning trade on 47c.