



ABN: 37 108 476 384

ASX Release

20 November 2009

YTC Resources Ltd

2 Corporation Place
Orange, NSW
Australia
Tel: +61 2 6361 4700
Fax: +61 2 6361 4711

Contact:

Rimas Kairaitis
Chief Executive Officer

E-mail:
office@ytcresources.com

Tel: +61 2 6361 4700

For the latest news:

www.ytcresources.com

Directors / Officers:

Dr Wenxiang Gao
Anthony Wehby
Rimas Kairaitis
Robin Chambers
Stephen Woodham
Richard Hill
Dr Guoqing Zhang
Christine Ng
Matthew Sikirich

ASX Symbol: YTC

DFS Manager Appointed

YTC is pleased to announce it has appointed GR Engineering Services ('GRES') as Lead Manager to the Hera Gold Project Definitive Feasibility Study ('DFS').

GRES personnel have a proven track record and reputation in successful feasibility studies and project delivery, in particular gold and base metal processing facilities including site infrastructure.

GRES will lead the Feasibility team in combination with a number of sub Consultants.

Manager	Task
GRES	Overall study management/co-ordination.
GRES	Process plant, services and infrastructure.
Optiro	Mining including mine geotechnical Financial modelling/analysis (with GRES input)
Coffey	Plant and infrastructure civil geotechnical Hydrology Tailings storage facility Site drainage/catchment Geochemistry and ARD
Leo Consulting/Metcon Laboratories	Metallurgical testwork and flow sheet design

Stage 1 of the DFS Scope of Work, being a detailed metallurgical test work programme and the optimisation of the Hera process options, has commenced under the management of Leo Consulting, and is expected to be completed within 3-4 weeks.

Under Stage 2 of the DFS Scope of Work, GRES will then finalise the flow sheets and evaluate the infrastructure, plant design and cost estimates for the optimised process options.

YTC Resources CEO Rimas Kairaitis said "YTC is delighted to appoint such a high calibre group such as GRES to lead the Hera DFS. We believe GRES, in combination with high quality sub-consultants have demonstrated capability to take the Hera Project through the DFS and then through a successful project execution phase and commissioning "

Metallurgy Testwork Programme

Further Metallurgical test work has commenced as Stage 1 of the DFS, and is focussed on reducing the processing options for the Hera ore to two potential flow sheets.

YTC in conjunction with Leo Consulting have commissioned the following additional metallurgical testwork:

- Gravity Recovery and Sulphide Pre-Concentration
- Flow Sheet Optimisation.

Pre-Concentration

A metallurgy testwork programme has commenced at Gekko Systems Pty Ltd in Ballarat, specifically designed to assess the suitability of Gekko equipment to pre-concentrate gold and sulphide minerals by gravity and flotation at a fine crush size from the Hera ore.

This work will look at using gravity separation and flotation on a relatively coarse grind to produce:

- A gravity gold concentrate, and
- Sulphide gravity and flotation concentrates for sale, leaching and/or further processing to produce the various metal concentrates.

Metallurgical studies completed for the Hera Pre-Feasibility Study (PFS) in 2005, already indicate high gold gravity recoveries (+50%) at coarse grind (0.25mm).

If it can be demonstrated that the fine crush gravity/flotation technique can also produce a sulphide concentrate containing lead, zinc and copper sulphides together with remaining gold and silver, then YTC believe substantial advantages can be obtained in comparison to a standard flotation process, being:

- Significantly lower capital cost
- Significantly lower operating costs
- Substantial reduction in power and water requirements

Should the sulphide pre-concentration prove feasible, cyanide leaching tests on the concentrate may further show the potential for greater on-site gold production capability than previously considered.

YTC consider that pre-concentration has the potential to make a major positive impact on the anticipated profitability of an integrated mining and processing centre at Hera.

Flow Sheet Optimisation

This testwork is underway at Metcon Laboratories in Sydney and will assist in defining an optimal process flowsheet for the Hera ore. Previous metallurgical testwork, completed by Triako Resources using a 45µm grind (after gravity gold recovery), indicated:

- Gold gravity concentrate that accounts for about 50% of the contained gold.
- Total gold recovery of 92% with 42% of overall gold to copper and lead concentrates.
- Lead concentrate grade of about 63% Pb and 88% recovery.
- Zinc concentrate grade of about 53% Zn at 80% recovery.
- Copper concentrate to be produced if copper head grade is $\geq 0.2\%$ Cu.
- Copper concentrate grade of 20% Cu to 22% Cu with approximately 70% recovery.
- Overall silver recovery of 79% with most of the silver reporting to the lead concentrate (60%) with the remainder in the copper concentrate.

All samples indicate that the lead concentrate will be high quality with high lead grades and very good recovery. The lead concentrates will also have high silver and gold credits. The zinc concentrates will be high quality with reasonable recoveries.

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.