

Yilgarn Gold Limited

ACN 002 527 906
ABN 34 002 527 906

23 January 2004

Manager Announcements
Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir,

GOODENOUGH PROJECT Progress Report - Phase 4 & 5 Drilling Programme

Yilgarn Gold Limited is continuing Reverse Circulation drilling at the Company's 100% owned Goodenough Gold Project, six kilometres east of Menzies in the Eastern Goldfields of Western Australia.

As previously reported, the current drill programme is aimed at both defining a near surface gold resource and testing for possible extensions of the mineralised zone (*of influence*) identified by the Phase 1 to 3 programmes. The Phase 4 & 5 programme commenced in December and to date forty-seven holes (amounting to 3600 metres) have been drilled and assay results have been received for twenty-nine holes. It is anticipated that the Phase 4 & 5 programme will be completed by mid February with all assay results being available shortly thereafter.

Phase's 4 & 5 commenced with hole GEN47. The Company is presently drilling GEN97 with the intention to drill through to GEN103 in the west. This series of holes have been planned to follow western extensions to the gold mineralisation. Additional holes are planned to follow up gold intersections in the east. All holes have been drilled vertically with the gold bearing structures dipping thirty-five degrees to the south. With the exception of holes GEN65, 66, 71 and 72, gold assays have been received for holes in the series GEN47-GEN79.

The following table details gold assays over a three hundred metre east-west strike length from surface to a vertical depth of one hundred and fifty six metres. The mineralised structure remains open to the east, west and south.

For further information on the Company and a detailed listing of the Company's projects please visit our web site at www.yilgarngold.com or phone Lex Brailey on 08 9227-0197.

Yours faithfully,
for **YILGARN GOLD LIMITED**



Lex Brailey
Managing Director

NOTE: This report is based on information compiled by Mr N Taylor MAusIMM MAIG, an employee of the company, who is a competent person as defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves, September 1992. This report accurately reflects the information compiled by the relevant competent person and is released with his written permission.



Table 1 – Goodenough Phase 4 & 5 Drilling Results

Hole ID	Easting	Northing	Depth (metres)	Dip	From	To	Intersection Grade g/t Au
GEN47	314000	6715530	45	-90	0	1	1.10
					8	9	2.13
					31	32	3.63
					32	33	3.40
					33	34	2.36
					34	35	2.59
					35	36	0.73
					36	37	1.12
					37	38	0.67
GEN48	314075	6715530	40	-90	18	19	1.19
					19	20	2.06
					37	38	1.32
					38	39	1.05
					39	40	0.88
GEN49	313960	6715505	50	-90	36	37	1.70
					37	38	1.86
					44	45	1.20
GEN50	314000	6715505	60	-90	5	6	0.54
					22	23	0.51
					29	30	23.69
					48	49	0.94
					49	50	2.89
					50	51	1.32
					51	52	2.78
52	53	0.76					
GEN51	314025	6715505	66	-90	3	4	0.58
					51	52	1.17
					58	59	1.34
					59	60	4.13
					60	61	2.50
					61	62	1.03
62	63	0.71					
GEN52	314050	6715505	66	-90	9	10	2.47
					10	11	0.88
					11	12	0.71
					38	39	0.98
					51	52	3.63
					52	53	3.06
					53	54	1.65
					56	57	0.65
					57	58	0.52

Hole ID	Easting	Northing	Depth (metres)	Dip	From	To	Intersection Grade g/t Au
GEN53	314075	6715505	55	-90	16	17	2.38
					17	18	2.38
					45	46	0.95
					46	47	0.55
					47	48	0.52
					53	54	0.75
GEN54	313850	6715480	35	-90	21	22	1.15
					22	23	16.87
					23	24	34.46
					24	25	0.52
					25	26	1.20
					26	27	0.92
					27	28	1.25
					28	29	1.87
					29	30	1.43
					30	31	2.33
					31	32	0.60
					32	33	0.89
					33	34	0.69
					34	35	1.07
GEN55	313910	6715480	55	-90	23	24	1.97
					28	29	0.78
					30	31	1.43
					35	36	1.18
					39	40	0.74
GEN56	313935	6715480	55	-90	11	12	0.53
					30	31	0.66
					46	47	4.61
					47	48	1.97
GEN57	313960	6715480	65	-90	3	4	1.62
					33	34	0.89
					53	54	6.47
					54	55	0.66
GEN58	314025	6715480	75	-90	12	13	0.55
					59	60	1.38
					69	70	2.18
GEN59	314050	6715480	72	-90	20	21	3.95
					47	48	1.07
					60	61	0.64
					64	65	5.09
					66	67	0.89
					70	71	0.93
GEN60	314075	6715480	72	-90	46	47	0.60
					49	50	0.54
					51	52	0.72
					52	53	2.06
					51	52	0.72
					61	62	0.58

Hole ID	Easting	Northing	Depth (metres)	Dip	From	To	Intersection Grade g/t Au
GEN61	313910	6715455	75	-90	37	38	0.94
					48	49	0.80
					49	50	1.50
					50	51	0.70
					53	54	5.19
					54	55	4.24
					62	63	0.68
					63	64	0.83
GEN62	313935	6715455	75	-90	48	49	1.19
					63	64	1.27
					64	65	1.79
					65	66	0.58
GEN63	314000	6715455	100	-90	16	17	0.67
					40	41	2.61
					41	42	2.47
					58	59	0.68
					79	80	2.23
					80	81	0.51
					82	83	0.67
					83	84	5.24
					84	85	0.50
					87	88	1.23
98	99	0.70					
GEN64	313960	6715455	85	-90	2	3	0.70
					20	21	4.01
					21	22	4.89
					22	23	1.69
					70	71	1.95
					71	72	13.20
					75	76	5.11
					76	77	1.63
					77	78	3.67
78	79	1.42					
GEN67	313910	6715430	90	-90	50	51	2.50
					60	61	1.40
					70	71	0.81
					71	72	3.73
					72	73	0.68
					85	86	4.28
					86	87	2.00
					87	88	0.89
					89	90	0.76
GEN68	313850	6715375	100	-90	74	75	1.81
					75	76	10.23
					76	77	1.27

Hole ID	Easting	Northing	Depth (metres)	Dip	From	To	Intersection Grade g/t Au
GEN69	313880	6715350	150	-90	77	78	4.84
					84	85	0.68
					103	104	1.19
					108	109	0.75
					112	113	0.69
					129	130	1.01
					130	131	0.55
GEN70	313925	6715335	170	-90	28	29	0.56
					30	31	1.04
					31	32	0.83
					65	66	0.62
					88	89	0.56
					97	98	1.44
					146	147	0.66
174	175	0.68					
GEN73	314050	6715405	140	-90	10	11	23.78
					11	12	26.28
					12	13	1.11
					106	107	0.92
					119	120	0.82
GEN74	314025	6715385	150	-90	66	67	1.30
					111	112	1.27
					118	119	4.39
GEN75	313970	6715335	170	-90	44	45	0.70
					76	77	0.75
					77	78	0.70
					85	86	0.62
					111	112	0.75
					114	115	3.75
					117	118	1.12
					151	152	5.39
155	156	2.05					
GEN76	313825	6715500	42	-90	6	7	2.88
					11	12	0.60
					29	30	4.64
					36	37	0.74
					40	41	0.86
GEN77	313825	6715477	55	-90	21	22	0.69
					22	23	2.35
					23	24	2.64
					25	26	0.63
					26	27	0.68
					29	30	0.86
GEN78	313850	6715520	30	-90	0	1	9.06
					1	2	9.31
					2	3	1.03
					6	7	0.51

Hole ID	Easting	Northing	Depth (metres)	Dip	From	To	Intersection Grade g/t Au
GEN79	313850	6715500	40	-90	14	15	1.19
					15	16	1.32
					16	17	27.01
					17	18	1.75
					18	19	1.32
					21	22	3.30
					31	32	1.31