

Yilgarn Gold Limited

ACN 002 527 906
ABN 34 002 527 906

23 March 2004

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

Dear Sir,

GOODENOUGH GOLD PROJECT MENZIES, WESTERN AUSTRALIA

Following YGL's announcement on 24 February 2004 notifying completion of phases 4 and 5 of infill and extensional reverse circulation drilling on the Company's 100% owned Goodenough Gold Project, six kilometres east of Menzies in Western Australia, the following initial resource estimates have been calculated.

These results were generated from a standard 3-D block model using the Ordinary Kriging Interpolation technique, following a review of the localized deposit geostatistics. Data used in this series of calculations was used only when all the assumptions used in the data generation and compilation were eliminated or minimized. Careful consideration was given to localized variations in drilling and sampling density. Care has been taken to include the geologic variation as logged, measured or modelled to refine ore zone definition. The effects of localized faulting throughout the deposit were also incorporated. The removal of mineralized (ore) material as a result of previous historic mining activity has also been adequately accounted for.

The results have been calculated and categorised according to JORC guidelines and are detailed in the following table.

Category	Cut-Off Grade	Tonnage	Grade
Indicated	0.5g/t Au	484,500	1.90g/t Au
Inferred	0.5g/t Au	167,000	1.75g/t Au
Indicated	1.0g/t Au	413,600	2.09g/t Au
Inferred	1.0g/t Au	133,000	2.01g/t Au

(Drilling has been conducted on twenty-five metre hole centres. Sampling was carried out on metre spacing with splitting of all samples. Both fire assay and leachwell methods were used.)

Additional interpretation of the Goodenough structure is continuing utilising 3-D modelling to further define structural controls on the mineralization.



Pit optimisation studies are in progress and will be focussed on defining the high grade near surface gold mineralization.

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**

A handwritten signature in black ink, appearing to read 'Lex Brailey', enclosed within a faint, light-colored circular stamp or watermark.

Lex Brailey
Managing Director

NOTE: This report, so far as it pertains to ore or mineralization, is based on information compiled by and is reported upon by Mr Steve Hyland, a director of Ravensgate Pty Ltd, who is a member of the Australasian Institute of Mining and Metallurgy, and has more than 5 years experience in the field of activity being reported on. This report is also 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 1999. This report accurately reflects the information compiled by the relevant competent persons and is released with their written permission.

