

Yilgarn Gold Limited

ACN 002 527 906
ABN 34 002 527 906

QUARTERLY REPORT

For the period ending 30 June 2004

CORPORATE SUMMARY

During the quarter:

- Yilgarn Gold Limited regained management control of the New Bulong Project
- Agreement was reached with Sherlock Bay Nickel Corporation Limited for the farm-in agreement to terminate on the New Bulong Project. A new joint venture agreement is being finalised where Yilgarn Gold Limited will hold 90% and Sherlock Bay a contributing 10%
- An initial 1000m RC drilling programme was completed at Queen Margaret South and Melbourne United mines
- Goodenough Project pit optimisation studies completed

New Bulong Project Joint Venture

Yilgarn Gold Limited 90%

Sherlock Bay Nickel Corporation Limited 10%

Management of the New Bulong project passed back to Yilgarn Gold Limited after an agreement was reached with Sherlock Bay Nickel Corporation Limited that project management would revert back to Yilgarn Gold Limited.

With the project management back under the control of Yilgarn Gold Limited, an RC drill program was initiated on the Queen Margaret lines of workings.

Queen Margaret South

The Queen Margaret South workings make up the southern portion of the Queen Margaret line of gold mineralisation which overall produced over 75,000 ounces of gold at an average grade of 31.13g/t before tributaries continued to the mine the deposit. The Queen Margaret South was mined to at least 70 metres in depth with a southerly plunge.

Two RC holes were drilled to determine any southerly down plunge extension to the gold mineralisation and two were drilled to determine any southerly strike extension within the current mine depth. The two deeper holes intersected the Queen Margaret lode horizon and its associated hanging wall black shale at depths of 100 metres in fresh rock. The two shallower holes 200 metres to the south had the following significant intersections.

Hole ID	North	East	Depth (m)	Dir	Dip	From	To	Grade g/t Au
Y1	6596550	382887	60	90°	-60°	53 54	54 55	2.35 2.33
Y2	6596550	382847	100	90°	-60°	74 80	75 81	1.15 3.91

The near surface and southerly strike potential for this low grade mineralisation will be investigated.



Melbourne United Mine

The Melbourne United workings make up the northern portion of the Queen Margaret line of gold mineralisation. It produced over 300 ounces of gold at a grade of 39.2 g/t before 1912 before being mined by tributaries with final production difficult to determine but workings reaching a depth of 76 metres.

A total of 6 RC holes were drilled to determine any mineralised extension down dip and along strike with the result the lode hanging wall black shale and lode horizon were intersected. One hole intersected a quartz hanging wall lode situated 70 metres west of the Queen Margaret line within the hanging wall talc schist and produced the following significant intersections.

Hole ID	North	East	Depth (m)	Dir	Dip	From	To	Grade g/t Au
Y8	6597900	382870	135	90°	-60°	36	37	0.8
						37	38	2.62
						42	43	1.66
						43	44	2.35
						44	45	0.74
						45	46	0.71

This hanging wall quartz lode has been intersected in historical drilling but was ignored due to its low grade, however its near surface potential will be investigated.

Goodenough Project**Yilgarn Gold Limited 100%**

A total of three open pit optimisation studies were completed which resulted in an overall pit design encompassing the resource. At current gold prices these studies showed the deposit to be marginal. Excessive trucking distances to the nearest available mills being the main inhibiting factor.

The Company is now considering the available options for the Goodenough Project including a regional structural study to determine the project's potential to add further resources to the total inventory.

Cowarna Rocks**Yilgarn Gold Limited 100%**

The Cowarna Rocks project lies 85 km east of Kalgoorlie and covers 14 square kilometres of the Jubilee Greenstone Terrane.

Air photography has been acquired and aeromagnetic interpretation is being conducted over the area. A surface geochemistry program will be conducted in the next quarter which will target gold nickel and copper mineralisation.

Browns Lagoon**Yilgarn Gold Limited 100%**

Placer Dome Asia Pacific Ltd (Placer) Manager and earning up to 60%

Placer advised no work was undertaken on the Browns Lagoon JV tenements during the June quarter.

Great Southern Project**Yilgarn Gold Limited 100%**

A rock chip sampling program within the old open pit was carried out during the quarter to determine the potential of gold mineralisation along strike from the historical workings. The central slightly deeper part of the pit was covered in water however the quartz lode that was previously mined was exposed in the pit floor and was sampled. The quartz lode splits into narrow stringers in the eastern and western ends of the pit and the whole zone was sampled at their respective pit faces.

Rock chip samples were over a horizontal distance of 1 metre or less and were approximately 2 kg in weight. Three samples from a total of 45 assayed above 0.5 g/t Au.

Sample GS 1	location pit floor west end, width 0.6m	1.37 g/t
GS10	pit floor west end, width 0.6m	0.81 g/t
GS25	pit floor east end, width 1.0m	1.05 g/t

The quartz lode was at its widest between 2 to 3 metres towards the centre of the pit but narrows to thin stringers at both ends. Potential for a mineralised strike extension to the east west quartz lode within the mining lease is low and the company will re-evaluate its options with this project.

Golden Cliffs

Yilgarn Gold Limited 100%

Yilgarn Gold Limited was informed by the Department of Indigenous Affairs that a traditional camping and ceremonial ground has been reported at within the vicinity of Brewery Well situated within the Golden Cliffs granted mining lease. The Company has been advised that ethnographic and archaeological surveys should be carried out to ensure all Aboriginal interest groups are consulted and the sites are identified and avoided.

Foley Well

Yilgarn Gold Limited 100%

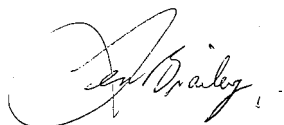
No information was received from Gutnick Resources during the quarter.

Clinker Hill

Yilgarn Gold Limited 100%

ML application is still pending.

YILGARN GOLD LIMITED



L BRAILEY
Managing Director

The information in this report that relates to Mineral Resources or Ore Reserves is based on information compiled by Mr N Taylor MAusIMM MAIG, a consultant to the company who is a competent person as defined in the Australasian Code for Reporting of Mineral Resources and Ore Reserves, September 1999. This report accurately reflects the information compiled by the relevant competent person and is released with his written permission.