

Yilgarn Gold Limited

ACN 002 527 906
ABN 34 002 527 906

QUARTERLY REPORT

For the period ending 30 September 2004

CORPORATE SUMMARY

During the quarter:

- Goodenough structural analysis completed using SpaDiS system
- Cowarna Rocks soil geochemistry programme completed in the western half
- A number of resource projects both within Australia and offshore reviewed

Corporate

In line with the company strategy of growing the Company and thus increasing share holder value, additional projects and opportunities are actively being considered both in Australia and overseas.

New Bulong Project Joint Venture

Yilgarn Gold Limited 90%

With management of the New Bulong Project under Yilgarn Gold Limited's (**Yilgarn**) control an agreement has been signed with a local prospector to prospect for surface gold over several of the projects leases. Prospecting will be carried out using a small bulldozer to scrape and detect the surface for gold covering two hectares at any given time. The area is then rehabilitated to the Department of Industry & Resources standard and inspected by them before the next two hectares is worked. The benefits for Yilgarn is three-fold: it provides at no cost to the Company the rehabilitation of areas previously disturbed by mining and in need of rehabilitation, it provides surface exploration information and the Company receives 10% of all gold won from the prospecting. In no way does the prospecting interfere with Yilgarn's ongoing exploration program.

Goodenough Project

Yilgarn Gold Limited 100%

Vearncombe & Associates were contracted to run an orebody shape analysis on the drill hole data using their SpaDiS technology. The analysis confirmed a set of first order 040 degree faults and shears controlling the gold mineralisation which is clearly visible in lines of old workings and from the air photography of the area. Detailed aeromagnetic interpretation is being considered to enhance this structural work.

A number of approaches have been made to the company by other parties to farm-in to various areas held by YGL in the Menzies project area, including an underground mine operator submitting a proposal to de-water the existing Goodenough workings with the view to re-starting mining operations under a tribute agreement. All proposals are being considered.



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.

A surface geochemistry program was completed over the western half of the exploration license covering an area of 7 square kilometres. The area is totally soil covered with no outcrop. Minerals targeted in this program are gold nickel and copper and the company is currently waiting assay results.

Geological interpretation using air photography and aeromagnetic data is ongoing.

Browns Lagoon

Yilgarn Gold Limited 100%

Placer Dome Asia Pacific Limited advised Yilgarn Gold Limited during the quarter that they have withdrawn from the Browns Lagoon JV since they had failed to expend the required \$300,000 in accordance with the JV agreement.

Yilgarn Gold Limited will now be reviewing the options regarding the Browns Lagoon Project.

Great Southern Project

Yilgarn Gold Limited 100%

No work was carried out on this project during the quarter.

Golden Cliffs

Yilgarn Gold Limited 100%

Ongoing discussions with Aboriginal interest groups regarding sacred sites on the mining lease continue.

An agreement has been signed with a local prospector to prospect for surface gold on mining lease using a front end loader to scrape and then detect. This will aid in the rehabilitation of areas previously disturbed at no cost to the company and the company will receive 10% of all gold won from the lease.

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, An employee of 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.