

Yilgarn Gold Limited

ACN 002 527 906
ABN 34 002 527 906

27 January 2005

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

Dear Sir,

SHARE PLACEMENT

The Directors of Yilgarn Gold Limited (**Company**) wish to advise that they have arranged a placement of approximately 12 million fully paid ordinary shares at an issue price of 1.5 cents each to raise \$180,000.

Allotment of shares will take place on receipt of completed documentation and cleared funds. Appendix 3B application for listing of the securities will be made upon allotment.

No director or director related entity has an interest in the securities placed.

Following successful negotiations in 2004 to acquire 100% of the New Bulong Project (as announced on 1 December 2004), this placement provides sufficient funds to complete discussions with third parties interested in working with the Company to exploit New Bulong, to finalise the preparation of a major work programme on the project, for ongoing exploration of the Company's Western Australian mineral interests, for evaluation of new opportunities and for working capital requirements.

Yours faithfully



LEX BRAILEY
Managing Director

