

Yilgarn Gold Limited

ACN 002 527 906
ABN 34 002 527 906

QUARTERLY REPORT For the period ending 31 March 2005

CORPORATE SUMMARY

During the quarter:

- Negotiations continue with major local mining groups aimed at evaluating the potential for low grade mill feed at Anomaly 38, Boundary and the Queen Margaret footwall zone
- Expressions of interest received for wider ranging exploration participation in the New Bulong project area
- Yilgarn Gold Limited announced a successful placement of twelve million new shares at an issue price of \$0.015 per share raising \$180,000
- On 17th February 2005, the company received a request for a general meeting of shareholders to consider the appointment of two new board members, Mr Graeme Clatworthy and Mr Nigel Gellard and the removal of two existing board members, Mr Reg Eccles and Mr Lindsay Colless.

Subsequent events:

- On 11th April 2005, the company announced the appointment of two new directors, Mr Graeme Clatworthy and Mr Nigel Gellard. Both new directors bring extensive resource industry experience to the board. Mr Reg Eccles and Mr Lindsay Colless retired from the board on the same date.
- On 14th April 2005, Mr Peter Vassilef was appointed to the board and accepted the role of chairman of Yilgarn Gold Limited.
- On the 14th April 2005, Mr Neville Bassett was appointed company secretary.

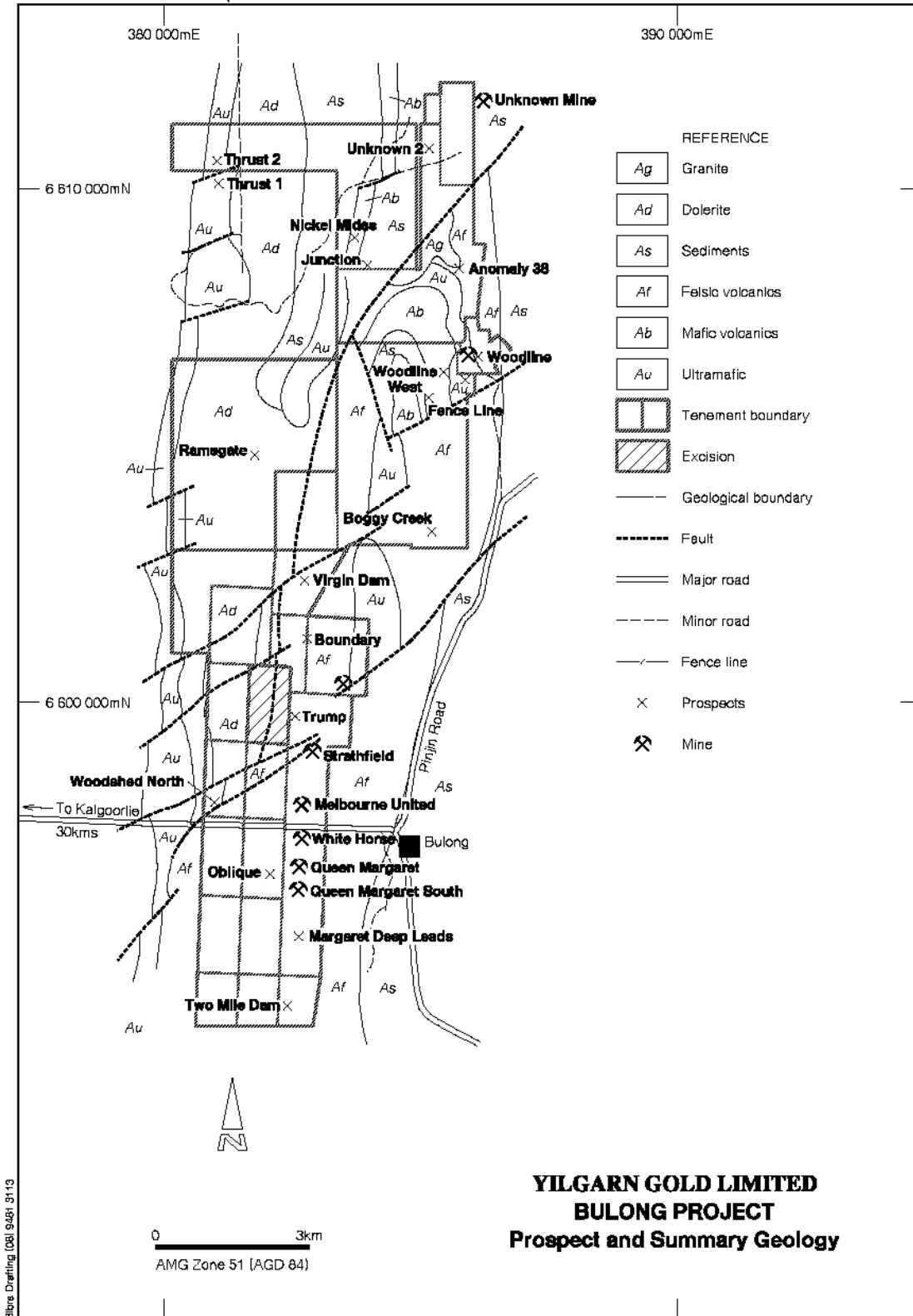
New Bulong Project Yilgarn Gold Limited 100%

The New Bulong Project is situated approximately 30 kilometres east of Kalgoorlie with easy access along the sealed Bulong road. The project area is elongated north south and covers approximately 60 square kilometres of highly prospective greenstone terrain. The 19 km of strike includes numerous old workings and gold mines, the most notable being the Queen Margaret which closed in 1908 due to excessive water inflow on the 600 foot level. The mine has not been worked since. Main target areas are Anomaly 38 (shallow gold), Woodline (nickel), Virgin Dam (deep gold), Boundary & Strathfield (shallow gold), Queen Margaret and Queen Margaret South (shallow & deep gold targets of footwall & main reef).

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Previous exploration focussed on gold and was carried out mainly by major gold mining companies whose sole aim was to discover a resource which fitted their criteria of a large mine.
 Now that the project is back under Yilgarn Gold's management the focus will be three fold which will include locating and developing near surface oxide material aimed at local plants, deeper high grade narrow vein gold deposits and, most importantly, to aggressively delineate the nickel mineralisation located by three previous RC holes drilled in 1999-2000. Target generation and planning is in progress with the target areas shown in the attached plan.



Blare Drafting (08) 9481 3113

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Woodline

The Woodline is situated in the north east of the project area where gold was first discovered in 1895 and has been an important source of gold nuggets in the past. Several historical workings exist in the area with the Bulong Laterite Nickel mine situated less than 500m to the south east. RC and RAB drilling has been carried out with limited success for gold. The most significant results were nickel mineralisation in 3 RC holes drilled in 1999-2000 at the ultramafic/high-magnesium basalt contact giving the following results.

Hole ID	East GDA	North GDA	Dip	Azimuth	From m	To m	Interval m	Grade % Ni
BURC015	386107	6607257	-60	270	84	88	2m	1.54
BURC017	386122	6607157	-60	270	70	84	14m	1.67
BURC022	386022	6607157	-60	90	138	146	8m	0.98

The nickel potential of this area has not been thoroughly tested.

Anomaly 38

Anomaly 38 is situated just to the north and east of the Woodline and has potential to supply low grade gold feed to a local plant. The area covers 1.3km of strike and the northern half has been drilled on 100m spaced lines while the southern half has only been drilled on 200m spaced lines. Infill drilling will determine the near surface gold potential of this area. Future work is intended to follow up earlier high grade hits beneath the area of immediate low grade surface material potential.

Strathfield

The Strathfield prospect lies to the north and along strike of the Queen Margaret and Melbourne United mines and also has the potential to yield low grade near surface gold mineralisation. The main felsite host rock is weathered to 70 metres with the gold mineralisation present around the sheared contact between the felsite and the footwall metasediments.

It has only been drill tested on one section line with holes drilled by Spargos in 1988 and Mt Monger in 1992. Additional drilling is required to fully test the potential of near surface gold mineralisation.

Queen Margaret (Footwall)

Historical mining from the Queen Margaret Mine was from underground, there were no surface pits mined and the mining was limited to the Queen Margaret main lode, a high grade quartz shear zone approximately a metre wide and grading 27g/t gold. The mine was noted for its high proportion of nuggets. It was mined extensively down to the 600 foot level (182m) at which point the mine could not contain the inflow of water from an exploration crosscut which was mined 400 metres into the footwall. The mine closed in 1908. However this crosscut did expose the Queen Margaret footwall lode containing gold mineralisation which had a small trial stope mined from 6 level, producing a grade of 6-7dwts/ton (approximately 9g/t) over 3 metres. In the early 1900's this was not a sustainable underground grade and the footwall lode was never mined.

The Queen Margaret footwall has been tested with RC drilling from 1992-1994. The drill lines were spaced at 25 metres with all holes drilled vertical. The justification for vertical holes was based on the interpretation that the mineralised zones had a shallow plunge to the south. The Queen Margaret structure dips at 65 degrees to the west. The near surface footwall gold mineralisation needs to be tested with angled holes to the east which includes the interpreted surface expression of the lode.

Boundary / Virgin Dam

The Boundary and Virgin Dam prospects are situated on a structure to the east of the Queen Margaret line and are buried beneath at least 20 metres of transported cover. They were both discovered with the use of

soil geochemistry. Due to the amount of cover there are no historical workings on these prospects. An inferred resource of 47,000 tonnes at 3.37g/t was calculated for the Boundary in 1993, with the economics at that time proving the deposit to be marginal due to the over burden. Yilgarn Gold Limited will be applying present day economies to the deposit to determine its viability and 3D modelling to generate any possible targets down plunge and dip.

A local prospector continues to prospect for surface gold over several of the project's leases undertaking extensive mandatory rehabilitation work in the process. Prospecting using a small bulldozer to scrape and detect the surface for gold covering two hectares at any given time. The prospector is now concentrating on the Queen Margaret, Woodline and Anomaly 38 areas.

Cowarna Rocks E28/1041

Yilgarn Gold Limited 100%

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

The Railway shear, which is interpreted to run through the middle of the exploration licence, separates the Kurnalpi belt which lies to its east and consists of mafic and ultramafic rocks with the North-West striking Penny Dam conglomerate covering most of the western portion of the licence.

A gold soil anomaly has been identified in the central eastern part of the licence with the anomaly average between 0.014-0.20ppm Au. It covers a north south strike of 800 metres and extends east west up to 700 metres. Background results averaged between 0.005-0.008ppm Au. The anomaly needs to be fully defined to the east before drill targeting is conducted. The gold anomaly corresponds to the interpreted position of the Railway shear. The area is totally soil covered with no outcrop. Geological interpretation using ground information, air photography and aeromagnetic data is ongoing to define the structures of the area.

Goodenough Project

Yilgarn Gold Limited 100%

A number of approaches have been made to the Company by other parties to farm-in to various areas held by Yilgarn Gold Ltd in the Menzies project area and discussions are on going. All proposals are being considered.

Browns Lagoon

Yilgarn Gold Limited 100%

With the withdrawal of Placer Dome Asia Pacific Limited from the Browns Lagoon Project Yilgarn Gold Limited is reviewing the options available.

Great Southern Project

Yilgarn Gold Limited 100%

The recent sampling data for this project was reviewed and the Company is considering various options for the future of the Great Southern Project.

Golden Cliffs

Yilgarn Gold Limited 100%

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.

Before work can begin the Company has been advised by the Department of Industry and Resources that a survey of the mining tenement must be carried out.

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 Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr N Taylor MAusIMM MAIG, a full time employee of the Company. Mr Taylor has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Taylor consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

