

Yilgarn Gold Limited

ABN 34 002 527 906

16 January 2006

Companies Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

Placement of Shares and Options

The Directors are pleased to announce that the Prospectus dated 14 December 2005 has closed fully subscribed, raising \$1,152,500 (before costs).

Pursuant to the Prospectus the company has placed:

1. 71,500,000 ordinary fully paid shares at an issue price of 1.5 cents each, together with 71,500,000 free attaching options expiring 31 December 2008 at an exercise price of 5 cents each; and
2. 80,000,000 options expiring 31 December 2008 at an exercise price of 5 cents each, at an issue price of 0.1 cent each.

Additionally, the Directors have place a further 5,000,000 ordinary fully paid shares at an issue price of 1.5 cents each, together with 5,000,000 free attaching options expiring 31 December 2008 at an exercise price of 5 cents each, thereby raising an additional \$75,000.

An Appendix 3B for the placement of shares and options will be submitted on clearance of all funds.

N J Bassett
Company Secretary