

Yilgarn Gold Limited

ABN 34 002 527 906

19 January 2006

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

Appendix 3B and Section 708A Notice

Further to the company's announcement on 16 January 2006, the Directors advise that the allotment of 76,500,000 ordinary fully paid shares and 156,500,000 options expiring 31 December 2008 at an exercise price of 5 cents each has been completed.

An updated Appendix 3B is attached.

The Company refers to the allotment and issue of the further 5,000,000 shares and 5,000,000 options referred to in the announcement on 16 January 2006 and gives this notice pursuant to Section 708A(5) of the Corporations Act 2001 ("the Act").

The shares and options were issued without disclosure to investors under Part 6D.2, in reliance of Section 708A(5) of the Act.

The Company, as at the date of this notice, has complied with:

- (a) the provisions of Chapter 2M of the Act as they apply to the Company; and
- (b) Section 674 of the Act.

As at the date of this notice, there is no 'excluded information' (as defined in Section 708A(7) and (8) of the Act), required to be disclosed by the Company.

Yours faithfully

Neville J Bassett
Secretary

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

YILGARN GOLD LIMITED

ABN

34 002 527 906

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Ordinary fully paid shares
Options (31 December 2008; 5 cents) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 76,500,000 ordinary fully paid shares
156,500,000 options (31 December 2008; 5 cents) |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Ordinary fully paid shares equal with existing ordinary fully paid shares

Options exercisable on or before 31 December 2008 at 5 cents each |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes – Ordinary fully paid shares</p> <p>Options exercisable on or before 31 December 2008 at 5 cents each</p>						
<p>5 Issue price or consideration</p>	<p>Ordinary fully paid shares - 1.5 cents each, together with one free attaching option</p> <p>80,000,000 Options – 0.1 cents</p>						
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To raise \$1,227,500 (before expenses) for further exploration work, to retire debt and to provide working capital, including the identification of any potential projects.</p>						
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>20 January 2006</p>						
<p>8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1500 925 1534">Number</th> <th data-bbox="925 1500 1287 1534">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1534 925 1579">196,320,368</td> <td data-bbox="925 1534 1287 1579">Ordinary fully paid shares</td> </tr> <tr> <td data-bbox="686 1579 925 1688">178,500,000</td> <td data-bbox="925 1579 1287 1688">Options expiring 31 December 2008, exercisable at 5 cents each</td> </tr> </tbody> </table>	Number	⁺ Class	196,320,368	Ordinary fully paid shares	178,500,000	Options expiring 31 December 2008, exercisable at 5 cents each
Number	⁺ Class						
196,320,368	Ordinary fully paid shares						
178,500,000	Options expiring 31 December 2008, exercisable at 5 cents each						

⁺ See chapter 19 for defined terms.

	Number	+Class
9	4,500,000	Options expiring 31 May 2007, exercisable at 15 cents each
10	-	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	-
12	Is the issue renounceable or non-renounceable?	-
13	Ratio in which the +securities will be offered	-
14	+Class of +securities to which the offer relates	-
15	+Record date to determine entitlements	-
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	-
17	Policy for deciding entitlements in relation to fractions	-
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	-
19	Closing date for receipt of acceptances or renunciations	-

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

20	Names of any underwriters	-
21	Amount of any underwriting fee or commission	-
22	Names of any brokers to the issue	-
23	Fee or commission payable to the broker to the issue	-
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	-
25	If the issue is contingent on +security holders' approval, the date of the meeting	-
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	-
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	-
28	Date rights trading will begin (if applicable)	-
29	Date rights trading will end (if applicable)	-
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	-
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	-

+ See chapter 19 for defined terms.

- 32 How do *security holders dispose of their entitlements (except by sale through a broker)? -
- 33 *Despatch date -

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

Information on optionholders to be provided

- 35 If the *securities are *equity securities, the names of the 20 largest holders of the additional *securities, and the number and percentage of additional *securities held by those holders
- 36 If the *securities are *equity securities, a distribution schedule of the additional *securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional *securities

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

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39 Class of +securities for which
 quotation is sought

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40 Do the +securities rank equally in all
 respects from the date of allotment
 with an existing +class of quoted
 +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next dividend,
 (in the case of a trust,
 distribution) or interest payment
- the extent to which they do not
 rank equally, other than in
 relation to the next dividend,
 distribution or interest payment

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41 Reason for request for quotation
 now

Example: In the case of restricted securities, end of
 restriction period

(if issued upon conversion of
 another security, clearly identify that
 other security)

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	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: N J Bassett
Company secretary

Date: 19 January 2006.

Print name: Neville John Bassett

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+ See chapter 19 for defined terms.