

Yilgarn Gold Limited

ABN 34 002 527 906

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Companies Announcements Office
Australian Stock Exchange Limited
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NEW BULONG PROJECT PLANNED DRILL PROGRAM (Yilgarn Gold Ltd 100%)

A planned aircore drill program will shortly commence on the company's New Bulong Project. The program is designed to test two near surface targets (above 50m) for gold mineralisation at the Queen Margaret mine and the Anomaly 38 prospect.

Further RAB and RC Drilling is currently being planned to test the potential of the numerous targets on the project.

Queen Margaret / Queen Margaret South

Historical mining from the Queen Margaret Mine was from underground stopes which did not penetrate to the surface and plunged to the south. A review of historical records from 1896 to 1908 confirmed three shallow open pits between 4 to 15 metres deep were mined between the QM main shaft and the White Horse shaft to the north. Surface potential therefore exists south of the main shaft along strike of the main and footwall lodes. The historical mining underground and the small pits were limited to the Queen Margaret main lode, a high grade quartz shear zone approximately a metre wide and grading 27g/t gold. It was mined extensively down to the 600 foot level (182m) after which the mine closed in 1908. The Queen Margaret footwall lode situated 10m in the footwall from the main lode contains gold mineralisation which was only mined in very small trial stopes on 2, 3 and 6 levels. They only produced 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 abandoned.

The planned drill program is designed to test the near surface potential of both lodes mainly to the south of the Main Queen Margaret Shaft.

Anomaly 38

Anomaly 38 is situated 10km to the north and slightly east of the Queen Margaret within the project area and needs to be investigated for a potential supply of 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 (above 50m) gold potential of this area.

Background of the New Bulong Project

The New Bulong Project is located just 35Km east of major mining city of Kalgoorlie and is considered by the company to have the potential to host economic gold mineralisation. The tenements cover approximately 60 square kilometres of highly prospective greenstone terrain. It has a continuous strike of 19km which hosts numerous old workings and gold mines, the most notable being the historically high grade Queen Margaret gold mine. There has been no drilling on the project since Mid 2003 due to a dispute with the previous joint venture partner and the lack of sufficient funds, both issues are now resolved and the company now has 100% interest in the project.

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