

Yilgarn Gold Limited

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

COMPLETION OF DRILLING

New Bulong Project Yilgarn Gold Limited 100%

An Aircore drill program was recently conducted at the New Bulong Project consisting of 20 holes. The program was designed to test the footwall mineralisation at the Queen Margaret Mine, 10 holes at Anomaly 38 and three at the Boundary prospect to test for near surface gold mineralisation.

The Company is currently planning follow up drilling at the Queen Margaret mine and a drill program designed to test for economic gold mineralisation at the Strathfield target.

Queen Margaret

This program tested the big gaps in the drilling for near surface footwall gold mineralisation with angled -60 degree holes to the east. The holes covered the interpreted surface expression of the lode. Due to rig commitments the 13 most northerly holes north of Y24 were not drilled and are planned for the future.

Hole ID	North	East	Depth (m)	Dir	Dip	From	To	Grade g/t Au
Y24	6597485	382937	24	090	-60	1	2	0.84
						14	15	0.51
						15	16	1.52
						18	19	0.61
Y25	6597450	382910	45	090	-60	16	17	1.42
						19	20	0.76
						20	21	1.31
						23	24	2.01
						28	29	1.01
						30	31	1.68
Y26	6597450	382930	21	090	-60	0	1	0.53
Y27	6597400	382902	51	090	-60	16	17	1.58
						17	18	1.36
						18	19	0.86
						31	32	2.00
Y28	6597400	382915	36	090	-60	14	15	1.24
						16	17	1.15
						21	22	5.44
						25	26	0.53
						34	35	1.83
						35	36	4.19
Y29	6597400	382928	21	090	-60	13	14	2.24
Y30	6597370	382915	31	090	-60	15	16	5.32
						16	17	1.47
						20	21	0.53
						21	22	0.69
						22	23	0.86
Y32	6597306	382912	39	090	-60	33	34	1.57
Y33	6597306	382926	24	090	-60	0	1	1.08

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Y34	6597266	382908	48	090	-60	16	17	2.17
						23	24	0.52
Y35	6597266	382920	39	090	-60	0	1	1.33
						27	28	0.68
Y36	6597266	382938	24	090	-60	0	1	0.65
Y37	6597266	382950	15	090	-60	1	2	0.63
Y38	6597160	382885	51	090	-60	47	48	3.86
Y38	6597160	382907	21	090	-60	1	2	0.65
Y40	6597120	382892	51	090	-60	43	44	0.92

"About the Queen Margaret"

Historical mining from the Queen Margaret Mine was from underground stopes which did not penetrate to the surface and was 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). An exploration crosscut mined 400 metres into the footwall exposed the Queen Margaret footwall lode containing gold mineralisation. Two small trial stopes were mined from 6 and 3 level, but 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 mining of the footwall lode was abandoned. The mine closed in 1908.

The Queen Margaret footwall was 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.

ANOMALY 38

Anomaly 38 is situated in the north east of the project area and required infill drilling to follow up on previous significant intersections. The area covers 1.3km of strike and while the northern half has been drilled on 100m spaced lines the southern half has only been drilled on 200m spaced lines. Infill drilling will help determine the near surface gold potential of this area. Ten holes were drilled with the following significant intersections. Additional drilling will be required to evaluate the full near surface potential of this area.

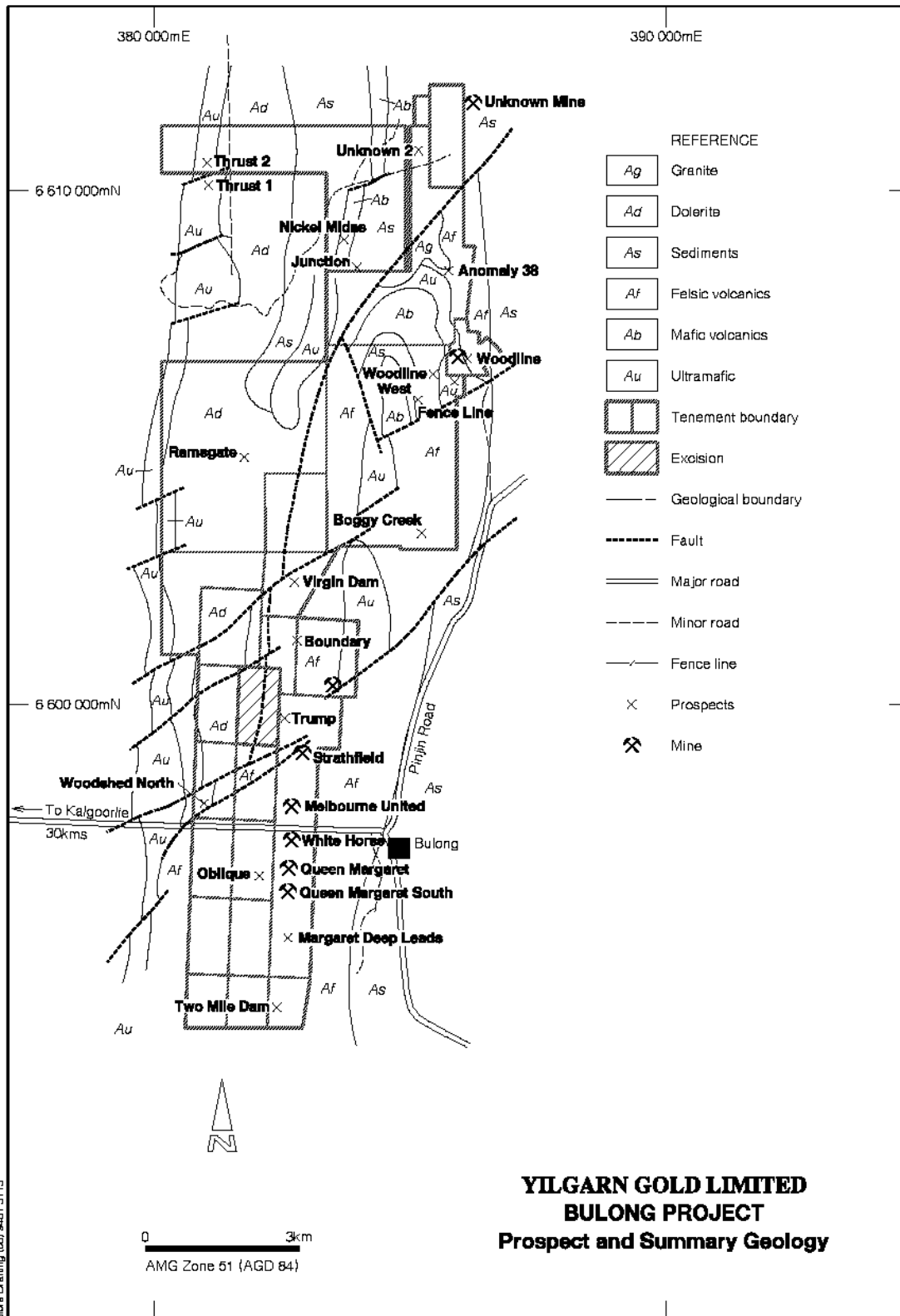
Hole ID	North	East	Depth (m)	Dir	Dip	From	To	Grade g/t Au
Y45	6608960	386097	36	090	-60	32	33	1.06
Y46	6608910	386040	44	090	-60	40	41	0.83
Y48	6608810	386015	41	090	-60	31	32	2.33
						32	33	4.12
						33	34	1.38
						34	35	0.59
Y52	6608710	386195	37	090	-60	26	27	0.52
						35	36	1.04

Boundary

The Boundary prospect is situated on a structure to the east of the Queen Margaret line and is buried beneath at least 20 metres of transported cover. The prospect has an inferred resource of 47,000 tonnes at 3.37g/t. Three holes were drilled to test the thickness of this cover up plunge at the northern part of the deposit with the following significant results. The drilling confirmed at least 20 metres of barren cover is present.

Hole ID	North	East	Depth (m)	Dir	Dip	From	To	Grade g/t Au
Y56	6601035	382890	42	090	-60	38	39	1.91
Y59	6601080	382902	43	090	-60	30	31	3.82
						31	32	0.84

All samples at the Queen Margaret and Boundary were over one metre and collected through a splitter. At Anomaly 38 two metre composites to a depth of 14 metres were collected thence one metre samples taken. Due to the clay present samples were not split but collected using the spear method. All assays were determined using the Aqua Regis Digest method at Kaigoorlie Assay Laboratories.



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YILGARN GOLD LIMITED

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.