

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 |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1,000,000 ordinary fully paid shares |
| 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) | Equal with existing fully paid shares |

+ See chapter 19 for defined terms.

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<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>5 Issue price or consideration</p>	<p>15 cents</p>						
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Exercise of unlisted options exercisable on or before 31 May 2007 at 15 cents each</p>						
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>31 May 2007</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 1422 925 1467">Number</th> <th data-bbox="925 1422 1281 1467">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1467 925 1534">273,270,368</td> <td data-bbox="925 1467 1281 1534">Ordinary fully paid shares</td> </tr> <tr> <td data-bbox="686 1534 925 1628">177,550,000</td> <td data-bbox="925 1534 1281 1628">Options (31 December 2008; 5 cents)</td> </tr> </tbody> </table>	Number	+Class	273,270,368	Ordinary fully paid shares	177,550,000	Options (31 December 2008; 5 cents)
Number	+Class						
273,270,368	Ordinary fully paid shares						
177,550,000	Options (31 December 2008; 5 cents)						

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	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	3,500,000	Options (31 May 2007; 15 cents)
	2,500,000	Options (30 September 2007; 1.5 cents)
	10,000,000	Options (30 June 2008; 7 cents)
	5,000,000	Options (30 June 2009; 10 cents)
	5,000,000	Options (30 June 2009; 12 cents)
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	-	

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	-

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- | | | |
|----|---|---|
| 18 | Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents

Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7. | - |
| 19 | Closing date for receipt of acceptances or renunciations | - |
| 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) | - |

+ See chapter 19 for defined terms.

- 30 How do +security holders sell their entitlements *in full* through a broker? -
- 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance? -
- 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

- 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

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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.

