



Yamarna Goldfields Limited

Quarterly Report For The 12 Months Ended 30 June 2004

Highlights:

- The Yamarna Joint Venture Project completes an RC Drilling Program. Best results include an interval of 33m @ 7.4g/t Au, including 23m @ 9.85g/t Au.
- De Grey Mining doubles the vertical depth of the known gold mineralisation to below 200 metres and extends strike length to 600 metres. The Wingina One deposit remains open along strike and at depth.
- Cangold announces new targets at the Thorn property on the Oban and South grids.

Yamarna Joint Venture Project

(20% Yamarna / 80% Asarco Exploration Company)

Programs

A Reverse Circulation drill program was completed at Khan North, Khan South, Alaric North, Attila North, and Attila Deeps. Table 1 lists significant (>1g/t Au) gold results from the RC drill program.

**Table 1
Significant Assay Results from RC Drill Program**

Area	Drill hole	Northing (local)	Easting (local)	Depth (m)	Composite Interval (m)	Grade (>1 g/t Au)
Khan North	YARC 303	36400	10630	40-73*	33	7.4
				Inc (50-73*)	23	9.85
	YARC 304	36400	10660	10-11	1	1.12
				14-16	2	5.75
				40-41	1	1.82
	YARC 306	36300	10620	14-15	1	1.01
				23-24	1	1.15
				35-36	1	1.97
	YARC 307	36300	10665	95-96	1	2.73
	YARC 308	36500	10640	27-29	2	3.75
				42-43	1	3.31
				46-47	1	1.46
				68-71	3	1.09

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Khan South	YARC 285	23200	11230	38-39	1	8.85
	YARC 287	23200	11300	33-34	1	1.04
	YARC 288	23200	11340	36-37	1	1.09
				57-58	1	1.53
				71-72	1	1.01
	YARC 289	23200	11380	77-79	2	0.93
	YARC 292	23400	11280	32-35	3	1.08
	YARC 293	23400	11320	30-31	1	2.95
	YARC 294	23800	11280	54-55	1	1.85
				60-64	4	1.80
	YARC 295	23800	11320	49-51	2	3.00
	YARC 310	24200	11260	58-59	1	2.33
Alaric North	YARC 296	21800	11240	65-66	1	1.-3
	YARC 297	21800	11280	47-48	1	1.11
				73-74	1	1.40
	YARC 299	21400	11260	16-20	4	3.30
				85-88	3	2.18
	YARC 300	21400	11300	27-28	1	1.06
				58-59	1	3.85
				72-73	1	1.69
	YARC 301	21400	11340	57-58	1	3.30
				89-90	1	4.01
Attila North	YARC 311	10300	11330	17-18	1	1.27
				51-52	1	1.91
	YARC 312	10300	11360	53-56	3	1.41
	YARC 313	10400	11290	29-30	1	1.20
	YARC 314	10400	11320	64-70	6	2.92
				72-76	4	0.70
	YARC 315	10500	11310	21-22	1	1.06
				79-80*	1	1.51
	YARC 316	10500	11340	38-42	4	1.90
	YARC 320	10600	11320	26-27	1	1.80
				72-74	2	2.63
				76-77	1	2.71
Attila Deeps	YARC 321	9000	11690	77-81	4	2.30
				109-110	1	2.63
				113-114	1	1.07
				120-122	2	1.50

* end of drill hole

Khan North Prospect

The RC drilling intersected a massive to weakly foliated feldspar-quartz -biotite porphyry and a weakly to moderately foliated amphibolite interpreted to be a meta-basalt. Significant gold mineralisation was intersected in YARC 303 which returned 33m at 7.42g/t Au from 40m to the end of drillhole. This intercept includes 23m at 9.9g/t Au and ended in 15.0g/t Au. The gold mineralisation is associated with a shear zone hosted by the feldspar-quartz-biotite porphyry. A narrower eastern lode was intersected on Section 36400N (YARC 304, 2m at 5.75g/t Au from 14m) and Section 36500N (YARC 308, 2m at 3.75g/t Au from 27m). This lode is associated with moderate foliation, weak silicification and minor quartz veining. The sheared contact with the basalt amphibolite is weakly to unmineralised.

+ See chapter 19 for defined terms.

The dip attitude of the shear zones are interpreted to be vertical or steep to the west based upon a lack of geological and gold assay correlation for an east dip, and the vertical to steep west dipping contact between the porphyry and the amphibolite which is constrained by RC drilling. The true width of the intercept and host shear zone maybe up to 15m.

The strike of the shear zone is interpreted to be approximately north-south, sympathetic to the geological contact between the porphyry and the amphibolite and indicated by an aeromagnetic feature within a broader aeromagnetic low interpreted to represent the porphyry body. The main shear zone is located approximately 50-80m west of the porphyry-amphibolite contact.

Widespaced RAB drilling indicates that gold and arsenic anomalism extends over 800m between 36000N and 36800N in the immediate prospect area and probably over the porphyry body for at least 2km. The tenor of the RAB response is generally low; however, the shallow depth of weathering (5-15m) of which 2-5m is sand cover can result in limited dispersion of gold within the weathering profile and consequently the intersection of weak gold anomalism in very shallow RAB drillholes is considered significant. Although more drilling is required, the mineralised shear zone could extend over a significant strike, particularly in the north. The high gold grades and probable width of the shear zone (up to 15m) indicate a substantial mineralised position could be established along the 2km+ strike of the porphyry host.

Khan South Prospect

Twelve RC drillholes in four 200m spaced traverses were completed as a first pass test of aircore gold anomalies identified in 2003. The drilling intersected broad low-grade gold mineralisation and narrow medium-grade intercepts in multiple parallel shear zones within the broader Attila-Alaric shear zone. The best result was 1m at 8.85g/t Au from 38m in YARC 285 at 23200N, and 2m at 3.0g/t Au from 49m in YARC 310 at 24200N.

The gold mineralisation is associated with shearing, minor quartz-pyrite veining, and silica-biotite alteration. Three of the 13 drillholes were abandoned in swelling clays. While the technical difficulties of drilling these clays may be overcome with aircore, the deep transported cover 20-40m and the low overall grade has down graded this prospect.

Alaric North Prospect

The objective of this drilling was a first pass test 200m north and south of 21600N where medium to high grade gold mineralisation occurs near surface along the Alaric shear zone, approximately 1km north of the Alaric resource. The shear zone was intersected in both traverses, with stronger gold mineralisation occurring at 21400N (4m at 3.3g/t Au from 16m and 3m at 2.18g/t Au from 85m in YARC 299). It is concluded that infill drilling directly targeting the main lode has the potential to outline an oxide resource over a 200-600m strike between 21200N and 21700N.

Attila North Prospect

Ten RC drillholes on four 100m spaced traverses were drilled 500m north of the Attila resource with an objective of identifying extensions to the Attila mineralised system.

The results of the drilling were generally disappointing with broad low gold grades (<1g/t Au) and narrow medium-grade lodes (best of 6m at 2.92g/t Au from 64m in YARC 314). While the multiple

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Attila lodes were only partially tested in this first pass RC drilling, it is considered that the potential is limited to incremental shallow oxide gold mineralisation as localised pods.

Attila Deeps Prospect

One drill hole was completed to 180m to test for a merging of the main Attila lodes at depth. No shearing, or significant gold mineralisation was intersected at the target depth, however, shallow mineralised lodes were intersected at 77m (4m at 2.3g/tAu) and at 110m (multiple 1g/t Au intercepts) indicating that the dip of the Attila lodes is shallower than that previously interpreted and that merging of individual lodes is unlikely.

De Grey Mining Limited

(Yamarna currently holds approximately 5.3m shares and 2.4m options)
(ASX Code: DEG)

De Grey Mining has continued throughout the quarter to announce excellent results from its 100% owned Wingina Well drilling, doubling the vertical depth of the gold mineralisation below 200 metres and extending it to over 600 metres in strike length. The Wingina Well deposit remains open at depth and along strike.

Significant new drill results include:

35.10 metres @ 5.76 g/t Au, including 10.30 metres @ 10.59 g/t Au

Higher grades from the western end include:

4 metres @ 5.64 g/t Au

6 metres @ 11.63 g/t Au

3 metres @ 3.30 g/t Au

8 metres @ 3.44 g/t Au

The gold recovery from a metallurgical test sample was high with 97.7% gold extraction after 48 hours and the rate of gold was also high with 96.4% gold extracted after 8 hours.

As part of the strategy to assess targets along the Turner River gold belt, 17 RC holes for 1,870 metres were completed at Turner. Results have been encouraging, with intersects of 6 metres @ 3.14 g/t Au from 38 metres depth and 6 metres @ 3.23 g/t Au from 81 metres depth.

The Company has also won the gold Mining Journal's Explorer of the Year Award, which is judged by brokers throughout Australia.

The Company has appointed Mr. Darren Townsend as General Manager – Operations, with special responsibility to bring Wingina Well into commercial production.

Cangold Limited

(Yamarna currently holds approximately 5.5m shares)
(TSX-V: CLD)

During the period in review, the Company announced that an Induced Polarization (IP) geophysical survey at the Thorn property has delineated the Oban Zone and revealed new targets on the Oban and South grids.

+ See chapter 19 for defined terms.

The IP survey has been very successful in defining the Oban Zone and its apparent extension, leading the Company to consider deeper and more widely spaced diamond drill holes within the Oban Breccia. Due to the success of the survey in defining new targets, the IP program has been expanded and drilling delayed until additional surveying has been completed. Fieldwork has been temporarily suspended due to a forest fire on the property. Surveying will resume once crews can safely return to the site and drilling is now expected to start in the later this season.

Cangold has also announced that Dundee Securities Corporation and Canaccord Capital Corporation have agreed to act as Cangold's agents for a brokered private placement to raise up to \$1,240,000 CAD.

Kalgoorlie Regional Gold Project (WA) (New name of the Claypan Dam Project)

(20% Yamarna / 80% Jackson Gold Ltd)

The 285 sqkm Kalgoorlie Regional Gold Project (KRGP) is located 20km northeast of Kalgoorlie and at the centre of a +70 Moz gold endowed region. The project contains a Resource of 73,000 ounces of gold at the Crossroads Prospect.

Due to Jackson Gold resources being focused on drilling at their Wallbrook Project, no field activities were undertaken during the quarter. It is envisaged gold and nickel exploration activities will re-commence at KRGP during the September Quarter.

Five new prospecting licenses contiguous with existing tenure were pegged during the quarter.

For and On Behalf of The Board



Richard Revelins
Director

Disclosure Notices:

- 1) Information in relation to the Yamarna Joint Venture has been compiled and supplied by Asarco Explopration Company Inc.
- 2) Information in relation to De Grey Mining Limited has been compiled and supplied by De Grey Mining Limited based on public available information and reports to the ASX.
- 3) Information in relation to Cangold Limited has been compiled by Cangold Limited based on publicly available information and reports to the Toronto Venture Exchange Canada.
- 4) Information in relation to the Kalgoorlie Regional Gold Project (WA) (New name of the Claypan Dam Project) has been compiled and supplied by Jackson Gold Ltd based on public available information and reports to the ASX.

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Appendix 5B – 4th Qtr

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

YAMARNA GOLDFIELDS LIMITED

ABN

84 006 189 331

Quarter ended ("current quarter")

30 June 2004

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	68
1.2 Payments for:		
(a) exploration and evaluation	(2)	(41)
(b) development	-	-
(c) production	-	-
(d) administration	(205)	(546)
(e) contract services	(78)	(309)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(285)	(827)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(195)	(1,860)
(c) other fixed assets	-	(11)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	1,255
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(195)	(616)
1.13 Total operating and investing cash flows (carried forward)	(480)	(1,443)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(480)	(1,443)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	237	2,233
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	220
1.17	Repayment of borrowings	-	(120)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	(147)
	Net financing cash flows	237	2,085
	Net increase (decrease) in cash held	(243)	642
1.20	Cash at beginning of quarter/year to date	964	79
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	721	721

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	70
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Salaries, directors' fees, corporate advisory & consulting fees at normal commercial rates

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	10
4.2 Development	20
Total	30

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	721	964
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	721	964

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil		
6.2	Interests in mining tenements acquired or increased	Nil		

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)	-	-		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	703,596,133	703,596,133		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	60,337,531	60,337,531	0.8 cents	0.8 cents
7.5 *Convertible debt securities (description)	-	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	188,276,012	188,276,012	Exercise price 20 cents	Expiry date 01/02/2005
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Director)

Date: 30 July 2004

Print name: Richard Revelins

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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