



Yamarna Goldfields Limited

Quarterly Report For The 3 Months Ended 31st March 2006

Highlights

- Drilling to commence at both the Duesenberg and Cord prospects within the Talga Peak gold project following approval by the Njamal Heritage Survey Team.
- Finalisation of Agreement with Asarco leading to full acquisition of the Yamarna Gold Joint Venture Project.
- Atlas Iron's further land acquisitions and capital raising
- Jackson Gold announces agreements with Placer Dome Australia and LionOre Australia
- Cangold adjusting its focus towards Mexico

Talga Peak Project

(Yamarna earning up to 80%)

- Ethnographic survey by the Njamal Heritage Survey Team at the Talga Peak project's Duesenberg and Cord prospects has approved the area for exploration, including the coming drilling program.
- Drill program to consist of approximately 7,000-8,000m as a first stage drill program
- 3000m of RC/RAB drilling at the Duesenberg prospect to test identified gold mineralisation over a 4km strike length
- 3,000-4,000m of RC/RAB drilling at the Cord prospect to test gold / base metal mineralisation (Cu, Pb, Zn) identified over a 2km strike length
- 1,000m of RC/RAB drilling to be completed at Viagra Prospect to test encouraging gold mineralisation identified by reconnaissance rock chip sampling 6km west of Cord.

Approval to conduct detailed exploration (including drilling) was granted by the Njamal Heritage Survey Team on the 20th February 2006 for the Talga Peak exploration areas. The planned exploration programs, including drilling, will further define the significant anomalous zones of potential gold and or base metal rich mineralisation at Duesenberg, Cord and 6km to the west of Cord.

+ See chapter 19 for defined terms.

The proposed drill program of some 7000 to 8000m has been planned to test several gold and or base metal anomalous areas at both the Duesenberg and Cord prospects.

At Duesenberg the soil sampling and geological mapping program has resulted in the definition of at least six gold anomalous targets over a four kilometre strike length. These six anomalies are called Nimery, Talga King, Southern Duesenberg, Everest, Duesy and little Duesenberg and it is proposed to test all of these targets in the coming drill program.

The Cord gold and base metal target is planned to be tested by some 3-4,000m of drilling. The Cord gossan is interpreted to represent oxidised massive and or disseminated VMS style gold/base metal mineralisation (Cu, Pb, Zn). This gossan, which has been identified through soil and rock chip sampling (with grades up to 2.45g/t Au, 6.8% Cu, 1.65% Pb and 0.7% As), has been confirmed by geological mapping to occur over an estimated 2km of strike.

Eleckra Mines Limited

On 20th January 2006 the company announced that it had reached agreement with Asarco Exploration Company Inc (“Asarco”), the 80% shareholder and operator of the Yamarna Joint Venture Project, to restructure the ownership of the project. As a consequence of these protracted negotiations both Asarco and Yamarna entered into an agreement with Eleckra Mines Limited. That agreement provides for Eleckra to acquire their respective interests in the Yamarna Joint Venture Project, subject to Eleckra successfully raising a minimum amount of \$4 million (maximum of \$6 million) and listing on the Australian Stock Exchange. It is understood that a disclosure document for the offer of the securities by Eleckra will be made available when the securities are offered. Any person wishing to acquire the securities will need to complete the application form that will be in or will accompany the disclosure document.

As previously announced, the Yamarna Joint Venture Gold Project contains an estimated measured, indicated and inferred resource of 12.6 Mt @ 1.82 gpt Au, containing 738,000 ounces of gold in accordance with the JORC Code. The directors of Yamarna are of the opinion that the sale to Eleckra is a positive step for the project. Yamarna will maintain a significant shareholding in Eleckra.

Atlas Iron Limited

(Yamarna currently holds approximately 3m shares and 2m options in Atlas) (ASX: AGO)

On 31st January and 13th April 2006 Atlas Iron Limited (“Atlas”) announced further land acquisitions to boost its iron ore prospective land holdings in the Pilbara iron ore province. Both acquisitions fall into the company’s corporate strategy of defining and developing iron ore deposits in proven mineralised terrain within a comfortable trucking distance to Port Headland.

The first acquisition was reached with Aquilla Resources through the acquisition of the iron ore rights to Aquilla’s Port Headland tenements which hold 450km² of land approximately 40km SE of Port Headland and are prospective for iron mineralisation. These tenements adjoin Atlas’ Pardoo Iron Ore Project.

+ See chapter 19 for defined terms.

The other acquisition was with Dynasty Metals whose tenements are located approximately 100km south of Port Headland and adjoin Atlas' Abydos Project. The area acquired from Dynasty entirely surrounds land currently held by BHP and it is considered by the Atlas geological team that the iron mineralisation discovered by BHP on its ground may strike extensions into the ground acquired by Atlas from Dynasty.

On 27th March the company was pleased to announce after a shareholders meeting it had been decided to change the name from Atlas Gold to Atlas Iron.

On the 13th April Atlas also completed a \$3.8 million placement to the Merrill Lynch Natural Resources Fund. This equates to 10% of the registered capital and gives a further endorsement of Atlas Iron's regional acquisition strategy and excellent exploration results on its primary Pardoo tenements.

Jackson Gold Limited

(Yamarna currently holds 1.5m shares and entitlement to further 1.5m on commercial event) (ASX: JAK)

Jackson Gold ("Jackson") is a gold exploration company with projects located in Western Australia, Queensland and Kyrgyz Republic. The company's primary focus is on exploration for gold in the Kalgoorlie region of Western Australia.

On the 25th January, Jackson announced it had divested its Cooper-Gold asset located in the Kyrgyz Republic to a UK registered company Leopard Minerals Plc ("Leopard"). Upon Leopard listing on the Alternative Investment Market (AIM) Jackson expects to control approximately 18% of its listed capital.

On the 30th January, Jackson announced a deal with Placer Dome Australia over its Kalgoorlie gold targets. Placer Dome has the right to sole fund 'declared areas' and will acquire 80% of Jackson's interest in any individual discovery completed by Jackson of more than 15,000oz's of Au within Jackson's exploration tenements. Jackson may continue to explore non-'declared areas'. Upon any resource discovery, Placer will have the option to purchase a 51% interest by repaying 2.5 times Jackson's expenditure on that discovery.

Continuing from the Placer agreement Jackson announced on the 6th February the signing of the Kalgoorlie Nickel earn-in Joint Venture with LionOre Australia. LionOre are required under the agreement to spend \$6m within 4 years to earn 60% in Jackson's Nickel Assets. The Kalgoorlie Nickel project area contains 200 strike kilometres of ultramafic units directly related to those that host LionOre's deposits of Scotia (35,000t Ni) and Black Swan (135,000t Ni).

Cangold Limited

(Yamarna currently holds approximately 5.2m shares) (TSX-V: CLD)

Cangold Limited is a junior mineral exploration & development company based in Vancouver and listed on the TSX Venture Exchange (TSXV). The Company's primary focus is precious metals, especially gold, and its current geographic focus is Canada and Mexico.

+ See chapter 19 for defined terms.

Until Feb 14th 2006, the company's primary exploration targets had been its Canadian based assets. The company has now decided to change its geographic corporate strategy and include copper/gold projects based in Mexico.

Mexico was identified as a target due to its immense discovery opportunities, the presence of many world class ore bodies and Cangold's management having a large amount of experience in the country. Cangold intends to be very aggressive in identifying later stage exploration assets. The Company has purchased a very substantial geological database of Northern Mexico to help identify some potential targets as soon as possible.

Cangold will continue to develop its 51% Thorn project in Northern British Columbia. So far mineralisation has been identified over an 8km² area.

For And On Behalf Of The Board



Richard Revelins
Director

The information in this report in relation to the Talga Peak Project was been compiled by Geoff Blackburn. Geoff Blackburn 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. Geoff Blackburn consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report in relation to the Yamarna Joint Venture Project was extracted from previously publicly available information compiled by Asarco Exploration Company Inc.

The information in this report in relation to Atlas Iron was extracted from previous ASX announcements released by Atlas Iron Limited.

The information in this report in relation to Cangold Limited was extracted from previous TSX-V announcements released by Cangold Limited.

The information in this report regarding Jackson Gold Limited was extracted from previous ASX announcements released by Jackson Gold Limited.

Rule 5.3

Appendix 5B – 3rd Quarter

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')

31st March 2006

Consolidated Statement of Cash Flows

	Current Quarter \$A'000	Year to Date (9 months) \$A'000
<u>Cash Flows Related to Operating Activities</u>		
1.1 Receipts from product sales and related debtors	44	47
1.2 Payments for: (a) exploration and evaluation	(134)	(346)
(b) development	-	-
(c) production	-	-
(d) administration	(95)	(489)
(e) contract services	(81)	(241)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	11
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	(264)	(1,018)
<u>Cash Flows Related to Investing Activities</u>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(847)	(2,149)
(c) other fixed assets	-	(19)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	1,175	2,365
(c) other fixed assets	-	-
1.10 Loans to other entities		(250)
1.11 Loans repaid by other entities	257	357
1.12 Other (provide details if material)	-	-
Net Investing Cash Flows	585	304
1.13 Total Operating and Investing Cash Flows	321	(714)

+ See chapter 19 for defined terms.

		Current Quarter \$A'000	Year to Date (9 months) \$A'000
1.13	Total Operating and Investing Cash Flows (Carried Forward)	321	(714)
<u>Cash Flows Related to Financing Activities</u>			
1.14	Proceeds from issues of shares, options, etc.	-	849
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
Net Financing Cash Flows		-	849
Net Increase / (Decrease) in Cash Held		321	135
1.20	Cash at beginning of quarter/year to date	7	193
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at End of Quarter	328	328

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	73
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	328	7
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: Cash at End of Quarter (item 1.22)	328	7

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	Nil	Interests in mining tenements relinquished, reduced or lapsed		
6.2	Nil	Interests in mining tenements acquired or increased		

+ 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 (cents) (see note 3)	Amount Paid Up Per Security (cents) (see note 3)
7.1	Preference +Securities <i>(Description)</i>	-	-		
7.2	Changes During Quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs, redemptions				
7.3	+Ordinary Securities	809,721,133	809,721,133		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs				
7.5	+Convertible debt securities <i>(Description)</i>	-	-		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(Description and Conversion Factor)</i>			<i>Exercise Price</i>	<i>Expiry Date</i>
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

+ 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: 27 April 2006

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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