



## Yamarna Goldfields Limited

### Quarterly Report For The 3 Months Ended 30<sup>th</sup> September 2005

#### Highlights:

- Initial exploration at Talga Peak Project provides potentially economic gold grades
- Formal agreement to be executed in respect of acquisition of majority interest in the Yamarna Joint Venture Project
- The Company withdraws from the Niue Island Option Agreement
- Jackson Gold Limited announce increase of 140% of resource estimate at the Wallbrook Project
- Atlas Gold Limited announces private placement to raise up to \$6m, and acquires additional prospective ground acquisitions in the Pilbara region

#### Talga Peak Project

Yamarna has an option to acquire an 80% interest in the Talga Peak exploration license located between Port Hedland and Marble Bar in the Pilbara Goldfield of Western Australia. The eastern end of the license adjoins the Spinifex Ridge project of Moly Mines Ltd and their planned open pit designed to exploit there announced resource of 281Mtonne @ 0.07% Mo and 0.10% Cu is located about 2kms from the eastern boundary of the Talga Peak license.

The Talga Peak exploration license covers geology comparable to that which hosts the Wingina Well discovery (+200,000 ounces of gold) of De Grey Mining and that which hosts the recently discovered gold mineralisation at Atlas Gold's Farrel Well project located along strike to the west.

Prospecting by the vendor has returned gold values up to 7.0g/t within a brittle iron rich chert horizon at the Duesenberg prospect. At Duesenberg the chert is the loci for strike parallel deformation.

Historical work from the early 1970s discovered the Cord prospect located about 4.5kms northerly of Duesenberg. At Cord anomalous metal values are located within a gossanous horizon that is located within and adjacent to a major regional shear. It is considered likely that this major structure is one of the regional features that have played a part in the location of the intrusion that is the primary host to the mineralisation at Spinifex Ridge.

Detailed soil sampling programs have commenced at both Duesenberg and Cord with a view to drilling the resulting targets.

Results to date show strong and continuous gold in soil anomalies extending over the western 2.7kms of strike of the Duesenberg sampling grid for which sample assays have been received. Plotting of the data resolves these results into three distinct gold in soil anomalies that may be reflecting gold mineralisation within the bedrock. It is considered likely that this gold mineralisation was part of one

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+ See chapter 19 for defined terms.

body that has been disrupted by later faulting. These three anomalies are named (from the west) Duesenberg One, Two and Three. (Refer to attached Figure A and Figure B)

Duesenberg One is a linear anomaly (at the +10ppb Au contour) with a strike length of at least 500m and an average width of at least 40m. Its average gold in soil value is 54ppb. At the 30ppb contour the anomaly has an average width of at least 20m and an average gold in soil value of 92ppb.

Duesenberg Two is a curve-linear anomaly with a strike length, (at the +10ppb Au contour), of at least 1100m and an average width of at least 100m. Its average gold in soil value is 40ppb. At the 30ppb contour the anomaly has an average width of at least 30m and an average gold in soil value of 93ppb.

Duesenberg Three is a linear anomaly with a strike length, (at the +10ppb Au contour), of at least 700m and an average width of at least 70m. Its average gold in soil value is 38ppb. At the 30ppb contour the anomaly has an average width of at least 30m and an average gold in soil value of 70ppb.

In the view of the Company's consulting geologist, Geoff Blackburn, anomalies of this substance and character in this environment reflect potentially economic (gold) grades within the bedrock at depth. It is however impossible to quantify the likely grades or widths or to infer the presence of economic mineralisation without conducting a comprehensive drilling program.

The soil sampling is continuing and planning for a drilling program has commenced.

Pursuant to the agreement, Yamarna has paid a non-refundable deposit of \$100,000 and may earn a 51% controlling interest by spending \$800,000 on exploration within 2 years (Yamarna is required to spend a minimum of \$400,000 before it can withdraw). After earning a 51% interest Yamarna may then acquire a further 29% interest (80% in total) by paying \$2,000,000 to the vendor Oakover Gold Limited.

#### **Yamarna Joint Venture Project**

(Currently 80% Asarco Exploration Company / 20% Yamarna)

Yamarna has been in negotiations with Asarco in regards to acquiring its 80% interest in the Joint Venture. Negotiations have currently entered into the final drafting of a contract to be agreed upon in the near future.

The Company will advise shareholders of the contract terms upon agreement.

#### **Uranium and Minerals Project**

In August 2005, Yamarna entered into an option agreement with Avian Mining Pty Limited ("Avian") to acquire up to 80% interest in a Uranium and Minerals Project on the island of Niue, which is a sovereign nation located in the Pacific Ocean approximately 480 kms north-east of Tonga.

As a result of the evaluation carried out by the Company's consulting geologist, Mr. Blackburn, the Company has advised Avian that it intends to withdraw from the Niue Island Option Agreement.

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+ See chapter 19 for defined terms.

**Jackson Gold Limited**

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

Jackson Gold Ltd is primarily a precious and base metal exploration Company, with quality projects that have potential for resource development in the near future. The Company has interests in more than 3,600 sq km of tenure in Australia and 787 sq km in Kyrgyz Republic in Central Asia.

In July 2005, the Company announced a substantial increase in the resource estimate at the Company's Wallbrook Gold Project 125kms north-east of Kalgoorlie in Western Australia.

The new estimate of 7.1 million tonnes grading 2.14 grams per tonne gold for a contained 488,400 ounces of gold is an increase of 140% on previously announced resources. The resources comprise the core wallbrook project as well as the Yilangi and Yerilla projects in the same region.

**Atlas Gold Limited**

(Yamarna currently holds approximately 3.1m shares and 2.1m options)  
(ASX: AGO)

In October 2005, the Company announced that recent mapping and rock chip sampling has confirmed further extensive surface iron enrichment at its Pardoo Project located 75km east of the public access port of Port Hedland in the Pilbara of Western Australia.

The Company has completed a surface mapping and sampling program at the South Limb Prospect comprising 36 rock chip channel samples on 6 traverses spaced at approximately 100 metres. Enrichment has been confirmed over an area 600 metres in length at an average width of 80 metres. Of a total 36 channel samples, 27 assayed better than 55% Fe and averaged 57.88% Fe over an average sample length of 32.80 metres. Better sample results include:

- ARK00009, 28.2 metres at 60.77% Fe
- ARK00023, 26.2 metres at 59.96% Fe
- ARK00019, 40.0 metres at 59.37% Fe
- ARK00013, 30.9 metres at 59.26% Fe
- ARK00005, 34.8 metres at 58.98% Fe

In addition, In October 2005, the Company announced that it has reached agreement with LinQ Corporate Pty Ltd ("LinQ") for the private placement of up to 27.3 million new shares (at an issue price of \$0.22 per share) and 1 for 2 free attaching unlisted options exercisable at \$0.30 within 3 years of the date of allotment. The placement is subject to shareholder approval at the Company's AGM to be held in November 2005.

Funds raised will be predominately applied towards accelerating the Company's highly encouraging exploration effort at the Pardoo Iron-Ore Project and the Farrel Well Gold Project. Atlas has recently announced a number of additional prospective ground acquisitions in the Pilbara through agreements reached with Independence Group (ASX Code IGO) and De Grey Mining (ASX Code: DEG).

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**Cangold Limited**

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

In August 2005, the Company announced the results from fieldwork and drilling at the Thorn Property in the Atlin Mining Division of northwest British Columbia. The 2005 program consisted of reconnaissance scale mapping, rock sampling and prospecting, contour soil and silt sampling, Induced Polarization (IP) geophysical surveys and diamond drilling to test geophysical targets.

Highlights of the program include drilling at Talisker Zone, which has now been extended over a strike length of at least 200 metres with intercepts in both 2005 step out holes. This includes THN05-37 which cut 4.2 metres of 4.44g/t gold, 407.9g/t silver, and 2.95% copper, 100 metres east-northeast of the 2004 Talisker hole. Drilling at the Cutty Shark anomaly intersected the first occurrences of lithologically controlled alteration on the property.

The 143.5sqkm Thorn Property is located 130km south of the town of Atlin, in northwest British Columbia. Cangold Limited and Rimfire were attracted to the property by its large and dynamic mineralizing system and its strength and extent of alteration. To date, mineralization has been identified over an 8sqkm area.

Cangold Limited and Rimfire Minerals Corporation are 51:49 joint venture partners in the Thorn Property, with Cangold the operator.

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 Exploration Company Inc.
- 2) Information in relation to Jackson Gold Limited has been compiled and supplied by Jackson Gold Limited based on publicly available information and reports to the ASX.
- 3) Information in relation to Atlas Gold Limited has been compiled and supplied by Atlas Gold Limited based on publicly available information and reports to the ASX.
- 4) Information in relation to Cangold Limited has been compiled and supplied by Cangold Limited based on publicly available information and reports to the TSX-V.
- 5) Information in relation to the Talga Peak Project has been provided by Geoff Blackburn. [include standard disciplines]

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Figure A: Talga Peak

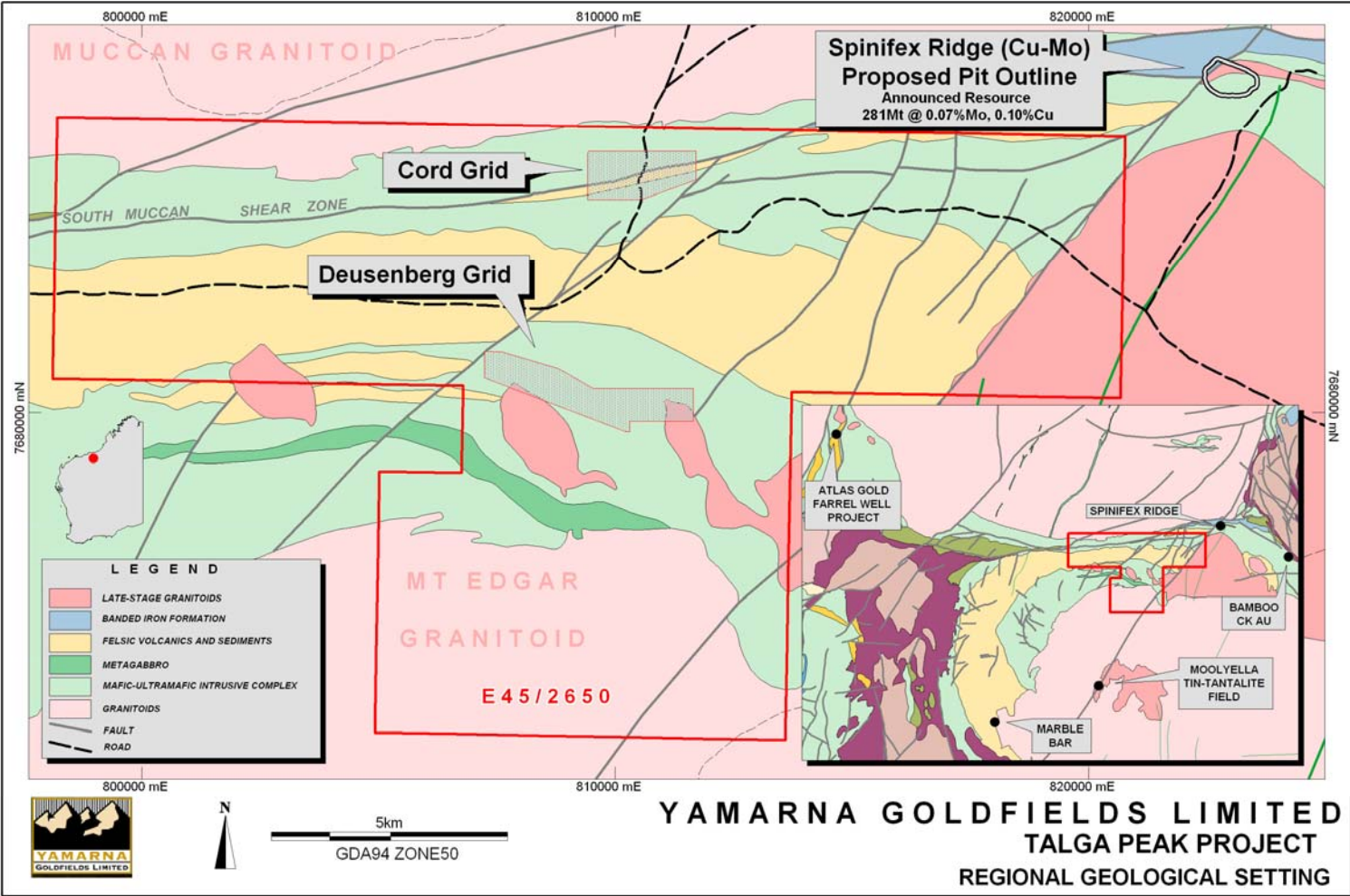


FIGURE 1

+ See chapter 19 for defined terms.



Figure B: Talga Peak

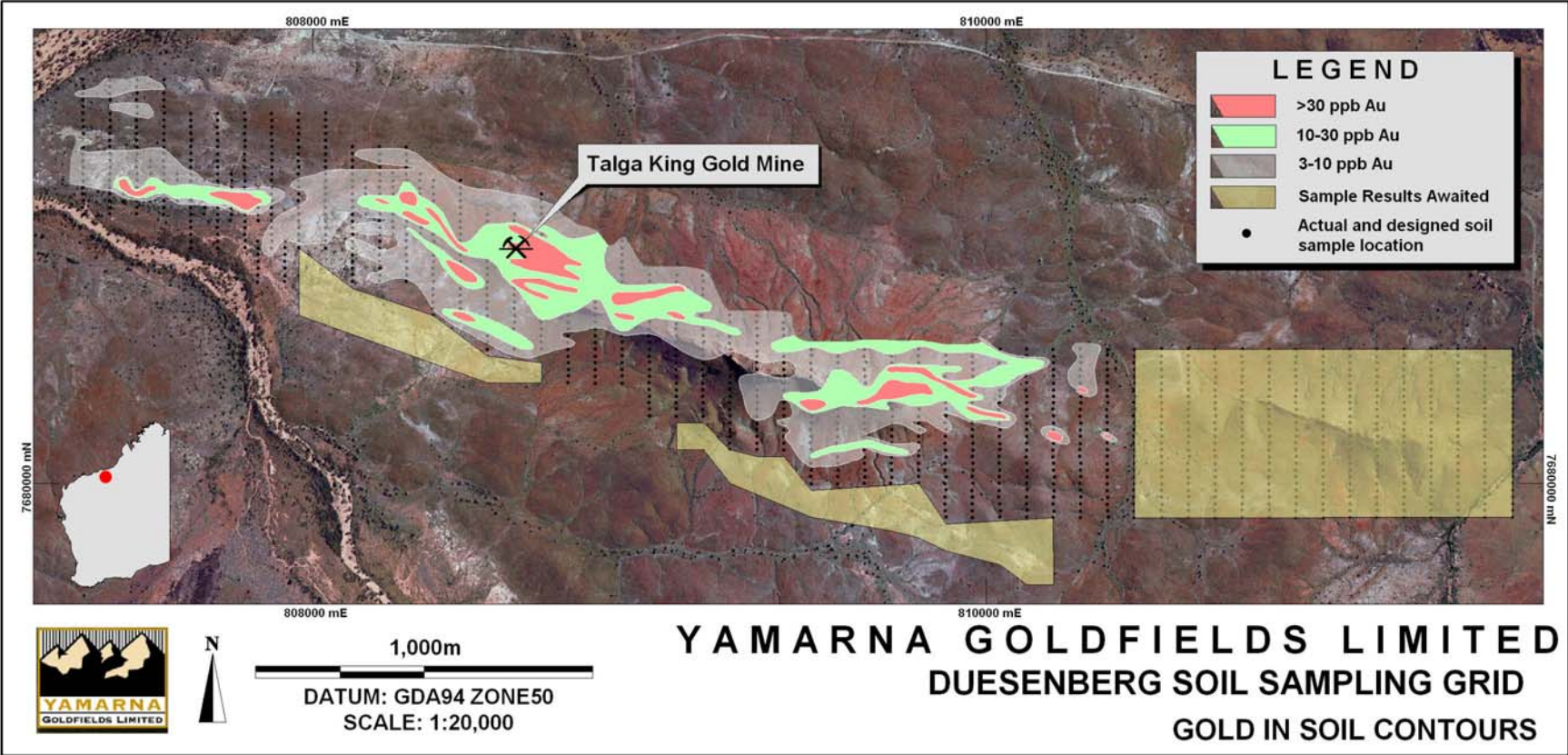


FIGURE 2

+ See chapter 19 for defined terms.

# Appendix 5B - 1<sup>st</sup> 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')

30<sup>th</sup> September 2005

### Consolidated Statement of Cash Flows

	Current Quarter \$A'000	Year to Date (3 months) \$A'000
<b><u>Cash Flows Related to Operating Activities</u></b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for: (a) exploration and evaluation	(23)	(23)
(b) development	-	-
(c) production	-	-
(d) administration	(258)	(258)
(e) contract services	(81)	(81)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(355)</b>	<b>(355)</b>
<b><u>Cash Flows Related to Investing Activities</u></b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(689)	(689)
(c) other fixed assets	(6)	(6)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	582	582
(c) other fixed assets	-	-
1.10 Loans to other entities	(100)	(100)
1.11 Loans repaid by other entities	100	100
1.12 Other (provide details if material)	-	-
<b>Net Investing Cash Flows</b>	<b>(113)</b>	<b>(113)</b>
<b>1.13 Total Operating and Investing Cash Flows</b>	<b>(468)</b>	<b>(468)</b>

+ See chapter 19 for defined terms.

		Current Quarter \$A'000	Year to Date (3 months) \$A'000
1.13	<b>Total Operating and Investing Cash Flows (Carried Forward)</b>	<b>(468)</b>	<b>(468)</b>
<b>Cash Flows Related to Financing Activities</b>			
1.14	Proceeds from issues of shares, options, etc.	849	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)	-	-
<b>Net Financing Cash Flows</b>		<b>849</b>	<b>849</b>
<b>Net Increase / (Decrease) in Cash Held</b>		<b>381</b>	<b>381</b>
1.20	Cash at beginning of quarter/year to date	193	193
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at End of Quarter</b>	<b>574</b>	<b>574</b>

**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	76
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
- |   |
|---|
| - |
|---|
- 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
- |   |
|---|
| - |
|---|

+ 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
<b>Total:</b>	<b>30</b>

### 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	562	146
5.2 Deposits at call	12	47
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: Cash at End of Quarter (item 1.22)</b>	<b>574</b>	<b>193</b>

### 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		

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**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	<b>Preference +Securities</b> <i>(Description)</i>	-	-		
7.2	Changes During Quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs, redemptions				
7.3	<b>+Ordinary Securities</b>	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	<b>+Convertible debt securities</b> <i>(Description)</i>	-	-		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> <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	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <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: 28 October 2005

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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