YAMARNA GOLDFIELDS LIMITED
ACN 006 189 331

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COMPANY ANNOUNCEMENT

HIGH GRADE DRILLING INTERSECTION FROM YAMARNA PROJECT

8 June 2004

The Company is pleased to announce that a recent RC drilling program at the Khan North Prospect (Yamarna Joint Venture Project) has returned a high grade gold intersection which may have a significant bearing upon the future prospectivity of the project area.

Eight RC holes were drilled on three lines spaced 100 metres apart to test a 1300 ppb Au RAB anomaly defined in 2003. Four metre composite samples were collected from the RC holes and submitted for analysis.

YARC 303 was drilled on the central traverse and returned an intercept of 33 metres averaging 9.7 gpt Au from 40 metres to end of hole. This includes a section of 20 metres averaging 13.6 gpt Au from 52 metres. (No top cut was applied to the assays.)

The Yamarna Project has reported a resource base of 12.5 million tonnes at an average grade of 1.82 gpt Au for 737,907 ounces (1 gpt cut-off). The new drill results significantly exceed any results released to date from the project area. The Joint Venture has been seeking areas of high grade ore to enhance the commercial prospectivity of the project.

The composite sample results should be considered preliminary. The anomalous sections of the drill holes will be re-sampled at one metre intervals and analysed by fire assay as soon as possible.

The gold mineralization is hosted in sheared porphyry close to a contact with basalt. The shear zone is interpreted to be dipping steeply to the west and given that the RC holes at Khan North are inclined to the west the true width of the mineralization in YARC 303 could be less than the down-hole width. Additional drilling is required to determine the mineralization's orientation and extent.

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The Yamarna Joint Venture Project was established in 1997 between Yamarna Goldfields Limited and Asarco Exploration Company, Inc (a wholly owned subsidiary of Grupo Mexico SA de CV – the worlds 3rd largest copper producer). Yamarna holds a 20% interest and is free carried by Asarco to a decision to mine stage. In addition:

- Asarco is required to arrange finance for Yamarna's 20% participating interest at decision to mine.
- Asarco must also pay Yamarna an additional 1% net smelter royalty on gold production emanating from the Atilla zone.

For And On behalf of the Board

Bryan J Frost
Executive Chairman

<u>Disclosure Notice</u>:
Information in relation to the Yamarna Joint Venture has been compiled and supplied by Asarco Exploration Company Inc.