Yamarna Goldfields Limited
& its controlled entity
84 006 189 331

Appendix 4D
Half Yearly Financial Report

for the half year ended
31 December 2005

To be read in conjunction with the 30 June 2005 Annual Report.
In compliance with Listing Rule 4.2A

DIRECTORS' REPORT

Your directors submit the financial report of the Company for the half year ended 31 December 2005.

Directors
The names of directors who held office during or since the end of the half-year:

Bryan Frost	Executive Chairman (Director since 1991)
Richard Revelins	Executive Director & Company Secretary (Director since 1991)
James Edward Babbage	Independent Non-Executive Director (Director since 1991)

Review of Operations

During the period the company announced highly prospective new sampling results from its Talga Peak Project in the Pilbara region of Western Australia. The company also announced a new joint venture agreement with Independence Group Limited in respect of Yamarna's 100% owned Lake Lefroy Project near Kambalda.

Subsequent to the end of the period the company announced it had reached agreement with Asarco Exploration Company Inc ("Asarco"), the operator and 80% owner of the Yamarna Joint Venture Project, for Yamarna and Asarco to restructure the ownership of the project. Both parties will dispose of their respective joint venture interests in exchange for shares in a new company called Eleckra Mines Limited which is proposing to list on the Australian Stock Exchange within the next few months. Eleckra Mines has also acquired additional highly prospective ground from Terra Resources adjacent to the former joint venture ground so that its tenements now cover the whole of the greenstone belt.

Over the past 12 months the company has sold down its investment in De Grey Mining Limited and significantly increased its share and option position in Atlas Gold Limited ("Atlas"). Also after the end of the period Atlas announced high grade drilling results at its Pardoo iron ore project near Port Hedland. Atlas is proposing to change its name to Atlas Iron to reflect the success of its iron ore activities.

On Australia Day this year the company's chief consulting geologist Mr Geoffrey Blackburn was awarded an Order of Australia for his services to the mining industry.

<u>**Talga Peak Project**</u>
(Yamarna earning up to 80%)

It was reported to the ASX on the 12th December 2005 that recent sampling and geological mapping at the Cord prospect had resulted in the identification of significant strike extensions to the previously identified and reported gossan at Cord. Geological mapping also resulted in the recognition of features that suggest that the gossan is derived from a volcanogenic massive sulphide (VMS) body or similar body of sulphides.

In summary,

- Cord Main gossan has an identified strike length estimated at 500m with widths up to 40-50m with gold values up to 2.45g/t and silver values up to 110g/t
- Cord North gossan has an identified strike length estimated at 400m widths up to 5m with gold values up to 0.54g/t and silver values up to 64g/t.
- Strike length of mineralised horizon is at least 11.0kms
- Geochemical signature and mapping suggests the potential for a significant VMS style deposit
- Gold values range up to 7.69 g/t and are commonly in excess of 0.5 g/t over a strike length of 1.5kms at the newly discovered Cord West gossan, located 6 kms west of the Cord Main gossan.

Yamarna has an option to acquire an 80% interest in the Talga Peak exploration licence located between Port Hedland and Marble Bar in the Pilbara Goldfield of Western Australia.

The Talga Peak exploration licence covers geology comparable to that which hosts the Wingina Well discovery (+200,000 ozs 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. The eastern end of the licence adjoins the Spinifex Ridge project of Moly Mines Ltd and their planned open pit designed to exploit the announced resource of 281Mtonne @ 0.07% Mo and 0.10% Cu is located about 2kms from the eastern boundary of the Talga Peak licence.

Pursuant to an agreement with Oakover Gold Limited, 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.

Preparations are under way to commence drilling at Talga Peak to further investigate the excellent initial sampling results.

Yamarna Joint Venture Project

Finalisation of Agreement with Asarco

On 20 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.

The new structure will see Eleckra Mines Limited ("Eleckra") acquiring each parties respective interests in the project subject to Eleckra successfully raising a minimum amount of $4 million and listing on the Australian Stock Exchange.

As previously disclosed the Yamarna Joint Venture Project hosts measured, indicated and inferred resources of 12.6 mt @ 1.82 gpt Au, containing 738,000 ounces of gold in terms of the JORC Code.

The directors of Yamarna are of the opinion that the agreement with Eleckra is a highly positive development for the project and for Yamarna. Yamarna will maintain a significant shareholding in Eleckra. Eleckra has also entered into additional agreements , predominantly with Terra Resources Limited, to acquire other prospective tenements within the immediate area of the Yamarna Joint Venture Project.

Joint Venture with Independence Group – Lake Lefroy Project

(100% Yamarna)

On 21 November 2005 the company announced that it had entered into an agreement with Independence Group Limited (ASX Code – IGO) in respect of its 100% owned Lake Lefroy Project located in the Kambalda region of Western Australia. IGO acquired the exclusive right to evaluate the tenements for the purposes of entering into a joint venture with Yamarna. Amongst other techniques IGO intends to test the tenements for nickel sulphides using a geophysical device called a SQUID magnetometer ("squid").

Under the terms of the agreement IGO has been granted an exclusive six month evaluation period during which time it must complete a minimum of 10 line kms of SQUID surveying on the tenements. At any time during the evaluation period IGO may elect to enter into a farm-in and joint venture agreement.

The new joint venture provides a highly favourable outcome for Yamarna. IGO must spend a minimum of $150,000 within the first 12 months following the election to enter into a joint venture and $600,000 before Yamarna must contribute further funds.

Atlas Gold High Grade Drilling Results

On 11 January 2006 Atlas Gold Limited (ASX – AGO) announced high grade drilling results at its Pardoo iron ore project located 75 km east of Port Hedland in the Pilbara of Western Australia. During November and December Atlas completed 100 RC holes for 5,592 metres which confirmed extensive iron enrichment (> 55% Fe) with strike lengths up to 400 metres.

Atlas' managing director David Flanagan described the results as the best results achieved on the project to date and that Atlas intends to complete infill drilling for resource estimation later this year.

Yamarna currently holds approximately 3m shares and 2m options in Atlas.

Auditors' Declaration of Independence
A copy of the auditors' declaration under Section 307C in relation to the review for the half year is set out on the following page.

This report is signed in accordance with a resolution of the Board of Directors.

Richard Revelins
Executive Director

Dated 16 March 2006

PKF

Chartered Accountants
& Business Advisers

16 March 2006

The Directors
Yamarna Goldfields Limited
Suite 2
1233 High Street
ARMADALE VIC 3146

Dear Directors

INDEPENDENCE DECLARATION

As lead audit partner for the review of the financial report of Yamarna Goldfields Limited for the half-year ended 31 December 2005 and in accordance with section 307C of the Corporations Act 2001, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(b) any applicable code of professional conduct in relation to the review.

Yours faithfully

PKF

D J Garvey
Partner

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Appendix 4D for the Half Year Ended 31 December 2005

Results for announcement to the market

Current Reporting Period - Half year Ended 31 December 2005
Previous Reporting Period - Half year Ended 31 December 2004

Revenues	up	to	$2,009,749
Profit after tax attributable to members	up	to	$1,192,985
Net profit for the period attributable to members	up	to	$1,192,985

Dividends (distribution)	Amount per Security	Franked Amount per Security
Final dividend	Nil	n/a
Previous corresponding period	Nil	n/a

Net Tangible Asset per Security (cents per security)

As at 31 December 2005	0.76
As at 31 December 2004	1.17

Record date for determining entitlements to the dividend, (in the case of a trust, distribution)	n/a

Explanation of the above information:

Refer to the Directors' Report - Review of Operations.

INCOME STATEMENT
for the half year ended 31 December 2005

	Note	ECONOMIC ENTITY 31 December 2005 $	31 December 2004 $
REVENUE	**3**	2,009,749	21,883
Directors & consultants fees		(177,233)	(209,047)
Tenement expense		(326,707)	(2,419)
Professional fees		(108,750)	(123,242)
Share registry, printing & postage		(29,763)	(32,838)
Travel		(72,632)	(59,711)
Depreciation		(3,983)	(5,412)
Movement in provision for write-down of exploration assets		-	300,000
Promotion & investor relations		(23,744)	-
Net Movement in assets held for sale		-	(414,321)
Other expenses		(73,952)	(41,060)
PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE		1,192,985	(566,167)
INCOME TAX EXPENSE		-	-
NET PROFIT/(LOSS) ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY		1,192,985	(566,167)
BASIC EARNINGS PER SHARE (cents per share)		0.15	(0.08)
DILUTED EARNINGS PER SHARE (cents per share)		0.15	(0.08)

The accompanying notes form part of these financial statements.

BALANCE SHEET
as at 31 December 2005

	Note	ECONOMIC ENTITY 31 December 2005 $	30 June 2005 $
CURRENT ASSETS			
Cash and Cash Equivalents		7,748	222,786
Trade and Other Receivables		438,836	233,294
Financial Assets		5,254,510	3,258,813
Other		19,729	198
		5,720,823	3,715,091
Non-current Assets Classified as Held For Sale	9	430,000	430,000
TOTAL CURRENT ASSETS		6,150,823	4,145,091
NON-CURRENT ASSETS			
Trade and Other Receivables		416	416
Property, Plant & Equipment		30,693	23,306
Exploration and Evaluation Costs		113,731	50,000
TOTAL NON-CURRENT ASSETS		144,840	73,722
TOTAL ASSETS		6,295,663	4,218,813
CURRENT LIABILITIES			
Trade and Other Payables		131,618	54,303
TOTAL CURRENT LIABILITIES		131,618	54,303
TOTAL LIABILITIES		131,618	54,303
NET ASSETS		6,164,045	4,164,510
EQUITY			
Issued Capital		20,963,220	20,156,670
Accumulated Losses		(14,799,175)	(15,992,160)
TOTAL EQUITY		6,164,045	4,164,510

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
for the half year ended 31 December 2005

	ECONOMIC ENTITY		
	Contributed Equity	**Accumulated Losses**	**Total**
	$	**$**	**$**
Balance at 1.7.2004	20,156,670	(11,384,654)	8,772,016
Equity issued during the half year	-	-	-
Profit/(loss) attributable to members of parent entity	-	(566,167)	(566,167)
Balance at 31.12.2004	20,156,670	(11,950,821)	8,205,849
Equity issued during the half year	-	-	-
Profit/(loss) attributable to members of parent entity	-	(4,041,339)	(4,041,339)
Balance at 1.7.2005	20,156,670	(15,992,160)	4,164,510
Equity issued during the half year	806,550	-	806,550
Profit/(loss) attributable to members of parent entity	-	1,192,985	1,192,985
Balance at 31.12.2005	20,963,220	(14,799,175)	6,164,045

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT
for the half year ended 31 December 2005

	ECONOMIC ENTITY	
	31 December 2005 $	31 December 2004 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(810,373)	(814,569)
Interest and other items of similar nature received	23,585	14,010
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	(786,788)	(800,559)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of property, plant and equipment	(11,370)	-
Payment for purchases of equity investments	(1,889,949)	(2,909,153)
Proceeds from sale of equity investments	1,850,416	3,584,935
Loans to other entities	(120,166)	(68)
Other - IP	(63,731)	5,290
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	(234,800)	681,004
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issues of securities (shares, options, etc.)	849,000	-
Capital raising costs	(42,450)	-
Repayment of borrowings	-	(60,500)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	806,550	(60,500)
NET (DECREASE) IN CASH HELD	(215,038)	(180,055)
Cash at beginning of period	222,786	721,778
Exchange rate adjustments	-	-
CLOSING CASH BALANCE	7,748	541,723

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Basis of Preparation

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements for the Corporations Act 2001, Accounting Standards AASB 134: Interim Financial Reporting, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2005 and any public announcements made by the Company and its controlled entities since 30 June 2005 in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The Company and controlled entities have prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (IFRS) from 1 July 2005.

In accordance with the requirements of AASB 1: First-time adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the parent entity and economic entity accounts resulting from the introduction of IFRS have been applied retrospectively to 2004 comparative figures. These consolidated accounts are the first financial statements of the Company to be prepared in accordance with Australian equivalents to IFRS.

As this is the first interim financial report prepared under Australian equivalents to IFRS, the accounting policies applied are inconsistent with those applied in the 30 June 2005 Annual Report as this report was presented under the previous Australian GAAP. Accordingly, a summary of the significant accounting policies under Australian equivalents to IFRS has been included below. A reconciliation to equity and profit and loss between previous GAAP and Australian equivalents to IFRS has been prepared and disclosed in Note 2.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Accounting Policies

a) Principles of Consolidation
A controlled entity is any entity Yamarna Goldfields Limited has the power to control the financial and operating policies of so as to obtain benefits from its activties.

All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

b) Income Tax

The change for current income tax expenses is based on the profit or loss for the year adjusted for any non-assessable or non-deductible items. It is calculated using tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Yamarna Goldfields Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group on 1 July 2002 under the Tax Consolidation Regime. Yamarna Goldfields Limited is responsible for recognising the current and deferred tax assets and liabilities for the tax consolidated group as it is the head entity. Each company within the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

c) Property, Plant & Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Furniture & Fittings	
Plant & Equipment	20 - 33%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount would otherwise be greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

d) Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

The costs of restoration obligations are provided for in full at the time of the activities which give rise to the need for restoration. Restoration costs include reclaimation, site closure and monitoring of those activities, and are based on undiscounted prospective current cost estimates which satisfy anticipated legal requirements. Estimates of future costs are measured at least annually.

Where part of a joint venture is farmed out in consideration of the farminee undertaking to incur further expenditure on behalf of both the farminee and the entity in the joint venture area of interest, exploration expenditure incurred and carried forward prior to farmout continues to be carried forward without adjustment, unless the terms of the farmout are excessive based on the diluted interest retained. A decision is then made to reduce exploration expenditure to its recoverable amount. Any cash received in consideration for farming out of a joint venture interest is treated as a reduction in the carrying value of the related mineral property.

e) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transactions costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or if so designated by management and within the requirement of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also classified as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Investments

Investments held for trading are recorded at fair value and classified as current assets. All other investments are recorded at fair value and either classified as current or non-current assets. The gains or losses, whether realised or unrealised, are included in profit before income tax.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based current bid prices for quoted investments at reporting dates. Valuation techniques are applied to determine the fair value for unlisted securities; including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

f) Impairment of Assets
At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

g) Foreign Currency Transactions and Balances
Functional and presentation currency
The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

h) Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

i) Revenue
Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

j) Trade and other receivables
Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Payables to related parties are carried at the principle amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

k) Trade and other payables
Trade payables and other accounts payable are recognised when the economic entity becomes obliged to make future payments resulting from the purchase of goods and services.

l) Contributed Equity
Ordinary share capital is recognised as the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

m) Share-based payments
Equity-settled payments are measured at fair vale at the date of grant. Fair value is measured by use of the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate for the effects of non-transferability and exercise restrictions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the economic entity's estimate of shares that will eventually vest.

n) Earnings per share
Basic earnings per share is determined by dividing the result from ordinary activities after related income tax expense by the weighted average number of ordinary shares outstanding during the financial year. Where a net loss is made for the period, basic earnings per share and dilutive earnings per share are the same, as the inclusion of the options in the earnings per share calculation does not result in further dilution.

o) Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified as operating cash flows.

p) Comparative Figures
Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Note 2. First-time adoption of Australian Equivalents to International Financial Reporting Standards

ECONOMIC ENTITY

Reconciliation of Equity at 1 July 2004		**Previous GAAP at 1 July 2004 $**	**Adjustments on introduction of Australian equivalents to IFRS $**	**Australian equivalents to IFRS at 1 July 2004 $**
CURRENT ASSETS				
Cash and Cash Equivalents		721,778	-	721,778
Trade and Other Receivables		46,858	-	46,858
Financial Assets		3,526,295	2,725,204	6,251,499
Other		359	-	359
TOTAL CURRENT ASSETS		4,295,290	2,725,204	7,020,494
NON-CURRENT ASSETS				
Trade and Other Receivables		416	-	416
Property, Plant & Equipment		30,650	-	30,650
Exploration and Evaluation Costs		1,941,693	-	1,941,693
TOTAL NON-CURRENT ASSETS		1,972,759	-	1,972,759
TOTAL ASSETS		6,268,049	2,725,204	8,993,253
CURRENT LIABILITIES				
Trade and Other Payables		221,237	-	221,237
TOTAL CURRENT LIABILITIES		221,237	-	221,237
TOTAL LIABILITIES		221,237	-	221,237
NET ASSETS		6,046,812	2,725,204	8,772,016
EQUITY				
Issued Capital		20,156,670	-	20,156,670
Accumulated Losses	2a	(14,109,858)	2,725,204	(11,384,654)
TOTAL EQUITY		6,046,812	2,725,204	8,772,016

ECONOMIC ENTITY

Reconciliation of Equity at 31 December 2004		Previous GAAP at 31 December 2004 $	Adjustments on introduction of Australian equivalents to IFRS $	Australian equivalents to IFRS at 31 December 2004 $
CURRENT ASSETS				
Cash and Cash Equivalents		541,723	-	541,723
Trade and Other Receivables		194,900	-	194,900
Financial Assets		4,406,283	1,255,111	5,661,394
Other		75,605	-	75,605
TOTAL CURRENT ASSETS		5,218,511	1,255,111	6,473,622
NON-CURRENT ASSETS				
Trade and Other Receivables		416	-	416
Property, Plant & Equipment		25,238	-	25,238
Exploration and Evaluation Costs		1,741,693	-	1,741,693
TOTAL NON-CURRENT ASSETS		1,767,347	-	1,767,347
TOTAL ASSETS		6,985,858	1,255,111	8,240,969
CURRENT LIABILITIES				
Trade and Other Payables		35,120	-	35,120
TOTAL CURRENT LIABILITIES		35,120	-	35,120
TOTAL LIABILITIES		35,120	-	35,120
NET ASSETS		6,950,738	1,255,111	8,205,849
EQUITY				
Issued Capital		20,156,670	-	20,156,670
Accumulated Losses	2a	(13,205,932)	1,255,111	(11,950,821)
TOTAL EQUITY		6,950,738	1,255,111	8,205,849

Reconciliation of Equity at 30 June 2005		Previous GAAP at 30 June 2005 $	Adjustments on introduction of Australian equivalents to IFRS $	Australian equivalents to IFRS at 30 June 2005 $
CURRENT ASSETS				
Cash and Cash Equivalents		222,786	-	222,786
Trade and Other Receivables		233,294	-	233,294
Financial Assets		3,094,211	164,602	3,258,813
Other		198	-	198
		3,550,489	164,602	3,715,091
Non-current Assets Classified as Held For Sale		-	430,000	430,000
TOTAL CURRENT ASSETS		3,550,489	594,602	4,145,091
NON-CURRENT ASSETS				
Trade and Other Receivables		416	-	416
Property, Plant & Equipment		23,306	-	23,306
Exploration and Evaluation Costs		480,000	(430,000)	50,000
TOTAL NON-CURRENT ASSETS		503,722	(430,000)	73,722
TOTAL ASSETS		4,054,211	164,602	4,218,813
CURRENT LIABILITIES				
Trade and Other Payables		54,303	-	54,303
TOTAL CURRENT LIABILITIES		54,303	-	54,303
TOTAL LIABILITIES		54,303	-	54,303
NET ASSETS		3,999,908	164,602	4,164,510
EQUITY				
Issued Capital		20,156,670	-	20,156,670
Accumulated Losses	2a	(16,156,762)	164,602	(15,992,160)
TOTAL EQUITY		3,999,908	164,602	4,164,510

ECONOMIC ENTITY

Reconciliation of Profit or Loss for the half year 31 December 2004	Previous GAAP $	Adjustments on introduction of Australian equivalents to IFRS $	Australian equivalents to IFRS $
REVENUE	1,077,655	(1,055,772)	21,883
Directors & consultants fees	(209,047)	-	(209,047)
Tenement expense	(2,419)	-	(2,419)
Professional fees	(123,242)	-	(123,242)
Share registry, printing & postage	(32,838)	-	(32,838)
Travel	(59,711)	-	(59,711)
Depreciation	(5,412)	-	(5,412)
Movement in Provision for Write-down of Exploration Assets	300,000	-	300,000
Net Movement in assets held for sale	-	(414,321)	(414,321)
Other expenses	(41,060)	-	(41,060)
PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE	903,926	(1,470,093)	(566,167)
INCOME TAX EXPENSE	-	-	-
NET PROFIT/(LOSS) ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY	903,926	(1,470,093)	(566,167)

Reconciliation of Profit or Loss for the full year to 30 June 2005	**ECONOMIC ENTITY** **Previous GAAP** **$**	**Adjustments on introduction of Australian equivalents to IFRS** **$**	**Australian equivalents to IFRS** **$**
REVENUE	206,034	(169,897)	36,137
Directors & consultants fees	(399,047)	-	(399,047)
Tenement expense	(17,282)	-	(17,282)
Professional fees	(269,402)	-	(269,402)
Share registry, printing & postage	(44,580)	-	(44,580)
Travel	(121,231)	-	(121,231)
Depreciation	(7,344)	-	(7,344)
Write down of tenements to recoverable amount	(1,311,693)	-	(1,311,693)
Other expenses	(82,359)	-	(82,359)
Net loss from trading and movement in value of investments held for trading	-	(2,390,705)	(2,390,705)
PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE	(2,046,904)	(2,560,602)	(4,607,506)
INCOME TAX EXPENSE	-	-	-
NET PROFIT/(LOSS) ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY	(2,046,904)	(2,560,602)	(4,607,506)

Notes to the reconciliation of equity and profit and loss at 1 July 2004, 31 December 2004 and 30 June 2005

	01/07/2004	**31/12/2004**	**30/06/2005**
2a - Accumulated losses			
Adjustment under AASB 139: Financial Instruments, to revalue listed investments held to market value	2,725,204	1,255,111	164,602

2b - Cashflow Statement

There are no material differences between the cashflow statement presented under A-IFRS and the cashflow statement presented under previous GAAP.

Note 3. Revenue

	ECONOMIC ENTITY **31 December 2005** **$**	**31 December 2004** **$**
Interest Revenue - other persons	23,585	16,588
Net gains from trading and movement in value of investments held for trading	1,986,164	-
Other	-	5,295
	2,009,749	21,883

Note 4. Dividends
The company resolved not to declare any dividends in the period ended 31 December 2005.

Note 5. Segment Information
Primary Business Segment

	Exploration & Mining	Investments	Total
31/12/2005			
Segment Revenue	-	2,009,749	2,009,749
Unallocated Revenue			-
Consolidated Revenue			2,009,749
Segment Result	(326,707)	2,009,749	1,683,042
Add Unallocated Revenue			-
Add Unallocated Expenses			(490,057)
Profit before Income Tax			1,192,985
Income Tax			-
Profit after Income Tax			1,192,985
Segment Assets	543,731	5,254,510	5,798,241
Unallocated Assets			497,422
Consolidated Total Assets			6,295,663
Segment Liabilities	36,130	-	36,130
Unallocated Liabilities			95,488
Consolidated Total Liabilities			131,618
Acquistion of non-current segment assets	-	-	-
Depreciation of segment assets	-	-	-
Other non-cash expenses	-	-	-
31/12/2004			
Segment Revenue	-	16,588	16,588
Unallocated Revenue			5,295
Consolidated Revenue			21,883
Segment Result	297,581	(397,733)	(100,152)
Add Unallocated Revenue			5,295
Add Unallocated Expenses			(471,310)
Profit before Income Tax			(566,167)
Income Tax			-
Profit after Income Tax			(566,167)
Segment Assets	1,741,693	5,661,394	7,403,087
Unallocated Assets			837,882
Consolidated Total Assets			8,240,969
Segment Liabilities	-	35,120	35,120
Unallocated Liabilities			-
Consolidated Total Liabilities			35,120
Acquistion of non-current segment assets	-	-	-
Depreciation of segment assets	-	-	-
Other non-cash expenses	(300,000)	-	(300,000)

Secondary Business Segment - Geographical

31/12/2005

	Australia	North America
Segment Revenue	1,885,093	124,656
Segment Assets	5,692,374	603,289

31/12/2004

	Australia	North America
Segment Revenue	21,883	-
Segment Assets	7,321,976	918,993

Note 6. Contingent Liabilities
There has been no change in contingent liabilities since the last annual reporting date.

Note 7. Contributed Equity

	31 December 2005		31 December 2004	
	No.	$	No.	$
Issued and Paid Up Capital				
Fully Paid Ordinary Shares	809,721,133	20,963,220	703,596,133	20,156,670
Options over Fully Paid Ordinary Shares	-	-	188,276,012	-
Total Contributed Equity		20,963,220		20,156,670

During the half year ended 31 December 2005, the following movements in equity occurred:
Shares
* Private placement of 106,125,000 ordinary shares to raise working capital.

Note 8. Events Subsequent to Reporting Date

There have been no events subsequent to reporting date that have not been reported elsewhere in this report.

Note 9. Available for Sale Asset
The economic entity has entered into a signed agreement as announced to the Australian Stock Exchange on 20 January 2006, and intends to dispose of its interests in the Yamarna Gold Project assets, which have a carrying value of $430,000, in the next six months. This agreement is subject to the purchaser successfully raising a minimum amount of $4 million and listing on the Australian Stock Exchange. No impairment loss was recognised on reclassification of the Project assets as held for sale or at reporting date as it is expected, under the terms of the agreement, that the entity will recover the carrying value of these assets from the purchaser undertaking an Initial Public Offering involving the Project assets.

DIRECTORS' DECLARATION

The directors' of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 22:
   (a) comply with Accounting Standards AASB 134: Interim Financial Reporting and the Corporations Regulations; and
   (b) give a true and fair view of the economic entity's financial position as at 31 December 2005 and of its performance for the half-year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Richard Revelins
Executive Director

Dated 16 March 2006

PKF

Chartered Accountants
& Business Advisers

INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF YAMARNA GOLDFIELDS LIMITED

Scope

We have reviewed the financial report of Yamarna Goldfields Limited for the half-year ended 31 December 2005 comprising the consolidated balance sheet as at 31 December 2005, and the consolidated income statement, consolidated statement of changes in equity, and consolidated cash flow statement for the half-year then ended, summary of significant accounting policies and notes to the financial statements and the directors' declaration. The financial report includes the consolidated financial statements of the entity and the entities it controlled at the end of the half-year or from time to time during the half-year.

The directors of the disclosing entity are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the disclosing entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Yamarna Goldfields Limited is not in accordance with:

(a) the Corporations Act 2001, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2005 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.

PKF

David Garvey

PKF
Chartered Accountants

D J Garvey
Partner

16 March 2006
Melbourne

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