

**Centralian Minerals
Limited (formally
known as Giants Reef
Mining Limited)
ABN 71 058 436 794**

Financial Report
For the period ended 31
December 2005

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CENTRALIAN MINERALS LIMITED
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DIRECTORS' REPORT

The directors present their report together with the financial report of Centralian Minerals Limited for the period ended Saturday, 31 December 2005 and auditors report thereon. This financial report has been prepared in accordance with Australian Equivalents of International Financial Reporting Standards.

Directors Names

The names of the directors in office at any time during or since the end of the period are:

Name	Period of directorship
Robert Keith Rae BCom (Hons), FAICD Non-Executive Chairman	(Director since May 2001 - Chairman since May 2004)
Charles William (Bill) DuchatelBE (Mining), FAusIMM, FIE (Aust), FAICD	Non-Executive Director (Director since June 1994)
Geoffrey Robert Hudson BSc (Hons) PhD, FAusIMM, MAICD Non-executive Director	(Director since July 2000)
Jeffrey John Gresham BSc (Hons), MAusIMM, MAICD Non-Executive Director	(Director since February 2003)
Giuseppe (Joe) Vince Ariti BSc, DipMinSc, MBA, MAusIMM Managing Director and Chief Executive Officer	(Managing Director since April 2004)

Directors have been in office since the start of the period to the date of this report unless otherwise stated.

REVIEW OF OPERATIONS

Consolidated Results

The consolidated loss after tax for the half-year ended 31 December 2005 was \$2,568,828 (2004: \$5,103,045). The consolidated loss includes depreciation and amortisation charges of \$5,545,729.

Subsequent Events

On 27 January 2006, the Company and other wholly owned subsidiaries were placed into voluntary administration.

A proposal to enter the Company and its subsidiaries into a Deed of Company Arrangement was approved at a meeting of creditors on 24 February 2006. On 17 March 2006, the Deed of Company Arrangement was executed and Centralian Mining Limited and its subsidiaries, previously subject to voluntary administration, became subject to a Deed of Company Arrangement.

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DIRECTORS' REPORT (cont'd)

On 23 June 2006 a Share Sale Deed was executed between Emmerson Resources Pty Ltd and the group to purchase the shares in the subsidiary companies, Giants Reef Exploration Pty Ltd and TC8 Pty Ltd. As Santexco Pty Ltd is 100% owned by Giants Reef Exploration Pty Ltd, Emmerson Resources will indirectly control Santexco without directly owning its ordinary shares.


In order to Reconstruct Centralian Minerals Limited a conditional Reconstruction Deed was executed on 4 July 2006. Both the Share Sales Deed and Reconstruction Deed with Desertfox Pty Ltd were approved by creditors on 26 July 2006.

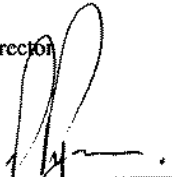
The Reconstruction Deed contemplates a capital raising (being a combination of a rights issue, placements and public offer), payment of cash and the issue of debt capitalisation shares for the benefit of creditors under the DOCA and Trust deed, the lifting of the company's ASX trading suspension and the termination of the DOCA and coming into effect of a Trust Deed for the benefit of creditors.

Auditor's Independence Declaration

A copy of the auditor's declaration under section 307C in relation to the audit for the financial year is provided with this report.

Signed in accordance with a resolution of the Board of Directors:

Director 

Timothy Kestell
Non-Executive Director
Director 

Peter Pynes
Non-Executive Director

Dated this 29th day of November 2006



Chartered Accountants
& Advisers

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29 November 2006

The Directors
Centralian Minerals Ltd
Level 1, 65 Hay Street
SUBIACO WA 6008

Dear Sirs

**DECLARATION OF INDEPENDENCE BY BDO TO THE DIRECTORS OF CENTRALIAN
MINERALS LIMITED**

To the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit;
and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

BDO
Chartered Accountants

BG McVeigh
Partner



CENTRALIAN MINERALS LIMITED
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INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2005

	Notes	Consolidated 2005	2004
		\$	\$
Sales revenue		12,930,182	20,776,163
Other revenue from ordinary activities		(32,948)	185,258
Total revenue from ordinary activities		<u>12,897,234</u>	<u>20,961,421</u>
Cost of Sales			
- Operating costs		(8,122,901)	(15,058,073)
- Change in inventory		(202,538)	4,525,605
- Royalties		(651,748)	(767,915)
- Depreciation		(5,545,729)	(1,421,396)
- Amortisation		-	(8,878,298)
- Provision for rehabilitation		-	(185,018)
Total Cost of Sales		<u>(14,522,916)</u>	<u>(21,785,095)</u>
Gross loss		(1,625,682)	(823,674)
Borrowing cost expense		-	(717,303)
Exploration and development expenditure expense		(595,818)	(1,653,616)
Carrying amount on property sold		-	(100,000)
Provision for loss on unmatched hedge contracts		-	(818,633)
Other expenses from ordinary activities		(294,557)	(989,819)
Environment		<u>(52,771)</u>	<u>-</u>
Loss from ordinary activities before related income tax expense		(2,568,828)	(5,103,045)
Income tax expense relating to ordinary activities			
Net loss attributable to members of Centralian Minerals Limited		<u>(2,568,828)</u>	<u>(5,103,045)</u>
Basic loss, cent per share		(0.29)	(0.59)

The accompanying notes form part of these financial statements.

CENTRALIAN MINERALS LIMITED
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BALANCE SHEET
AS AT 31 DECEMBER 2005

	Notes	31 December 2005 \$	30 June 2005 \$
CURRENT ASSETS			
Cash and cash equivalents		619,792	1,353,495
Receivables		615,580	674,790
Inventories		276,249	647,635
Other assets		185,685	440,657
Property, plant and equipment		3,120,533	3,192,824
Exploration, evaluation and development expenditure		-	4,386,126
TOTAL CURRENT ASSETS		4,817,839	10,695,527
TOTAL ASSETS		4,817,839	10,695,527
CURRENT LIABILITIES			
Payables		4,516,473	6,922,343
Interest-bearing liabilities		10,150,261	10,594,092
Provisions		1,177,803	7,598,790
TOTAL CURRENT LIABILITIES		15,844,537	25,115,225
NON-CURRENT LIABILITIES			
Provisions		6,030,000	-
TOTAL NON-CURRENT LIABILITIES		6,030,000	-
TOTAL LIABILITIES		21,874,537	25,115,225
NET LIABILITIES		(17,056,698)	(14,419,698)
EQUITY			
Contributed equity		51,802,654	51,872,436
Accumulated losses		(68,859,352)	(66,292,134)
TOTAL EQUITY		(17,056,698)	(14,419,698)

The accompanying notes form part of these financial statements.

CENTRALIAN MINERALS LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2005

	Notes	2005	2004
		\$	\$
Total equity at the beginning of the financial period		(14,419,698)	9,597,299
Loss for the year		<u>(2,568,828)</u>	<u>(25,999,753)</u>
Total recognised income and expense for the period		(16,988,526)	(16,402,454)
Transactions with equity holders in their capacity as equity holders			
Contribution of equity net of transaction cost		<u>(68,172)</u>	<u>1,982,756</u>
Total equity at the end of the financial year		(17,056,698)	(14,419,698)

The accompanying notes form part of these financial statements.

CENTRALIAN MINERALS LIMITED
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STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2005

	Notes	2005	2004
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		14,246,067	20,737,079
Payments to suppliers and employees		(14,173,210)	(17,871,992)
Interest received		-	44,112
Borrowing costs		(294,557)	(312,519)
Net cash provided by operating activities		<u>(221,700)</u>	<u>2,596,680</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of other non current assets		-	128,747
Payment for property, plant and equipment		-	(180,303)
Payment for other non current assets		-	(5,047,436)
Net cash used in investing activities		<u>-</u>	<u>(5,098,992)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from share issue		-	2,029,811
Transaction cost from issue of shares		(68,172)	(47,054)
Repayment of borrowings		(443,831)	(3,681,126)
Finance lease payments		-	(77,464)
Net cash used in financing activities		<u>(512,003)</u>	<u>(1,775,833)</u>
Net decrease in cash held		(733,703)	(4,278,145)
Cash at beginning of period		<u>1,353,495</u>	<u>7,186,539</u>
Cash at end of period		<u>619,792</u>	<u>2,908,394</u>

The accompanying notes form part of these financial statements.

CENTRALIAN MINERALS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of half-year financial report

The half-year consolidated financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 134 *Interim Financial Reporting*, the recognition and measurement requirement of applicable AASB standards, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group consensus views. The half-year financial report is to be read in conjunction with the 30 June 2005 Annual Financial Report and any public announcements made by the Company during the half-year in accordance with the continuous disclosure obligations arising under the corporations Act 2001.

It has been prepared on the basis of historical cost and except where stated, does not take into account changing money values or current valuations of non-current assets.

The principle accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Applications of AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards

This interim financial report is the first Centralian Minerals Limited is the first interim financial report to be prepared in accordance with Australian Equivalents to International Financial Reporting Standards ("AIFRSs"). AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards has been applied in preparing these financial statements.

Financial statements of Cenralian Minerals Limited until 30 June 2005 had been prepared in accordance with previous Australian General Accepted Accounting Principles (AGAAP). AGAAP differs in certain respects from AIFRS. When preparing the Centralian Minerals Limited interim financial report for the half-year ended 31 December 2005, management has amended certain accounting, valuation and consolidation methods applied in the previous AGAAP financial statements to comply with AIFRS. The comparative figures were restated to reflect these adjustments.

Reconciliations and descriptions of the effect of transition from previous AGAAP and AIFRSs on the Group's equity and its net income are given in note 3.

Historical cost convention

These financial statements have been prepared under the historical cost convention

(b) Going Concern

The half-year consolidated financial report has been prepared on the going concern basis which contemplates continuity of normal activities and the realization of assets and settlement of liabilities in the ordinary course of business.

However, the company was placed in Voluntary Administration on 27 January 2006.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2005**

NOTE 2: CONTRIBUTED EQUITY	31 December 2005	30 June 2005
Issued shares	899,482,901	899,482,991
Paid up Capital	51,802,654	51,872,436

Movement in issue and paid up share capital during the half-year to 31 December 2005

	Number of Shares	\$
1 July 2005	899,482,901	51,872,436
Equity raising cost	-	(69,782)
31 December 2005	<u>899,482,901</u>	<u>51,802,654</u>

NOTE 3: ACCUMULATED LOSSES	31 December 2005	30 June 2005
	\$	\$
Accumulated losses at the beginning of the half-year	(66,290,524)	(40,292,380)
Net loss attributable to members of the parent entity	<u>(2,568,828)</u>	<u>(5,103,045)</u>
Accumulated losses at the end of the half-year	<u>(68,859,352)</u>	<u>(45,395,425)</u>

NOTE 4: COMMITMENTS

In order to maintain current rights of tenure to its exploration licenses and exploration retention licenses (excluding licenses the subject of joint ventures wherein the joint venture partner is earning an interest), the Company will be required to perform minimum exploration work and incur minimum expenditure requirements specified by the Northern Territory government. However, provision is made in the Mining Act of the Northern Territory for a variation of the work and expenditure commitment these obligations are expected to be fulfilled in the normal course of operations.

NOTE: 5 SEGMENT INFORMATION

The company operates in one business segment, namely the gold mining industry in Australia. The revenues and results of this segment are those of the company as a whole and are set out in the Income Statement.

NOTE: 6 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Other than as set out below, there were no material changes in contingent liabilities or contingent assets since 30 June 2005.

CENTRALIAN MINERALS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2005

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

On 27 January 2006, the Company and other wholly owned subsidiaries were placed into Voluntary Administration.

A proposal to enter the Company and its subsidiaries into a Deed of Company Arrangement was approved at a meeting of creditors on 24 February 2006. On 17 March 2006, the Deed of Company Arrangement was executed and Centralian Mining Limited and its subsidiaries, previously subject to voluntary administration, became subject to a Deed of Company Arrangement.

On 23 June 2006 a Share Sale Deed was executed between Emmerson Resources Pty Ltd and the group to purchase the shares in the subsidiary companies, Giants Reef Exploration Pty Ltd and TC8 Pty Ltd. As Santexco Pty Ltd is 100% owned by Giants Reef Exploration Pty Ltd, Emmerson Resources will indirectly control Santexco without directly owning its ordinary shares.

In order to reconstruct Centralian Minerals Limited a conditional Reconstruction Deed was executed on 4 July 2006. Both the Share Sales Deed and Reconstruction Deed with Desertfox Pty Ltd were approved by creditors on 26 July 2006.

The Reconstruction Deed contemplates a capital raising (being a combination of a rights issue, placements and public offer), payment of cash and the issue of debt capitalisation shares for the benefit of creditors under the DOCA and Trust deed, the lifting of the company's ASX trading suspension and the termination of the DOCA and coming into effect of a Trust Deed for the benefit of creditors.

NOTE 8: EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRSs (AIFRS)

(a) Reconciliation of equity reported under previous Australian Generally Accepted Accounting Principles (AGAAP) to equity under Australian equivalents to IFRSs (AIFRS)

	Previous AGAAP	Effect of Transition to AIFRS	AIFRS
	\$	\$	\$
TOTAL EQUITY			
(i) At the date of transition to AIFRS: 1 July 2004	9,597,297	-	9,597,297
(ii) At the end of the last half-year financial reporting period under previous AGAAP: 31 December 2004	6,477,011	-	6,477,011
(iii) At the end of the last reporting period under previous AGAAP 30 June 2005	(14,419,698)	-	(14,419,698)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2005

NOTE 8: EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRSs (AIFRS) (Cont'd)

b) Reconciliation of profit reported under previous Australian Generally Accepted Accounting Principles (AGAAP) to equity under Australian equivalents to IFRSs (AIFRS)

PFOFIT

(i) Reconciliations of profit for the half-year ended 31 December 2004	(5,103,045)	-	(5,103,045)
(ii) Reconciliation of the profit for the year ended 30 June 2005	(25,999,753)	-	(25,999,753)

NOTE 9: COMPANY DETAILS

The registered office of the company is:

Centralian Minerals Limited

Level 1

65 Hay Street

Subiaco WA

CENTRALIAN MINERALS LIMITED
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DIRECTORS' DECLARATION

The persons that were directors of the Company as at the 31 December 2005 have since been removed as directors prior to the date of preparation of this Report. Due to the Company being in administration as at 31 December 2005, some of the records have been difficult to ascertain and reconcile.

Due to the sale of the majority of the Company's assets post 31 December 2005, these accounts do not have any material significance in the context of the Company's future operations.

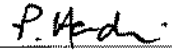
Notwithstanding this, the current Directors of the Company declare that, to the best of their knowledge, information and belief:

1. The financial statements and notes, as set out on pages 4 to 14, are in accordance with the *Corporations Act 2001*:
 - (a) comply with Accounting Standards in Australia and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the financial position as at Saturday, 31 December 2005 and performance for the period ended on that date of the company.
2. as at the date of this Report (referred to below), 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.

Director 
Timothy Kestell
Non-Executive Director

Director 
Peter Pynes
Non-Executive Director

Director 
Paul Hardie
Non-executive Director

Dated this 29th day of NOVEMBER 2006.

Deleted: 2



Chartered Accountants
& Advisers

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INDEPENDENT REVIEW REPORT TO THE MEMBERS OF CENTRALIAN MINERALS LIMITED

Scope

We have reviewed the financial report comprising the Income Statement, Balance Sheet, Statement of Cash Flows, Statement of Changes in Equity, accompanying notes and Directors' Declaration of Centralian Minerals Limited for the half-year ended 31 December 2005. The disclosing entity's directors 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, other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the disclosing 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 & 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.

Qualification

As stated in Note 1 (b) and Note 7, the company was placed into Voluntary Administration on 27 January 2006. The Administrator has not received or had made available all of the accounting records of the company and has no indication of their existence or otherwise.

As the accounting records are not adequate to permit the application of necessary auditing procedures, we are unable to obtain all the information and explanations we require in order to form an opinion on the financial report.

The accounts also have been prepared on a going concern basis. In our opinion this is not appropriate as the company was placed into Voluntary Administration on 27 January 2006.

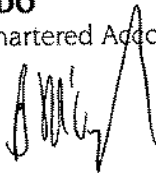


Qualified Review Statement

Based on our review, which is not an audit, because of the existence of the limitation on the scope of our work and the inappropriate use of the going concern basis of accounting as described in the qualification paragraph, and the effects of such adjustment, if any, as might have been determined to be necessary had the limitation not existed nor the use of the going concern basis of accounting, we are unable to, and do not express, an opinion as to whether the financial report is presented fairly in accordance with Applicable Accounting Standards and other mandatory professional reporting requirements of the financial position of Centralian Minerals as at 31 December 2005 and the results of its operating and its cash flows for the period then ended.

BDO

Chartered Accountants



BG McVeigh

Partner

Perth, Western Australia

Dated this 29th day of November 2006