



Crusader Holding NL

Quarterly Report – June 2004

Highlight

Gossans identified at Puzzle Bear prospect near Kalgoorlie - Nickel Sulphide potential.

Puzzle Bear Prospect (Option 80%)

The Puzzle Bear prospect is located within the Fair Adelaide tenements which are located 65km north west of Kalgoorlie near Ora Banda.

Follow up petrographic work on a series of rock samples (FARK22 – 26) taken from a single ferruginous band in the centre of the nickel/copper soil geochemical anomaly previously reported confirmed the band to be a lateritised gossan. As previously reported this rock assayed up to 0.62% Nickel. Due to the high level of weathering, it was unclear at the time of sampling whether this rock was a product of the lateritisation process or actually a primary geological feature such as a gossan.

Thin section work identified box work textures that suggested a massive sulphide precursor. The box work textures and the presence of residual pyrite indicate the sulphide content comprised up to 80% pyrite and possibly, up to 20% pyrrhotite. This result significantly upgrades the prospectivity of the area for nickel sulphide ore. A subsequent field inspection in the immediate area of the original sampling revealed a number of similar gossans over an extensive area. The identification of the gossans in the field has been made difficult due to extensive laterite material in the area. Several sub-parallel gossanous units up to 8m thick occur within an extensive mafic/ultramafic sequence.

Further detailed surface sampling and mapping is currently underway at the Puzzle Bear prospect to determine the extent of the gossans and help plan drill testing.

This result significantly upgrades the potential of this area to host primary nickel sulphide mineralisation.



Greenmount – Nickel and Gold. (Crusader 80%)

ELA77/1153. Work is progressing in order to finalise the granting of this tenement. The tenement is expected to be granted soon. On grant, Crusader will commence field work designed to test the nickel potential of the ultramafic units within the tenement.

Parker Range – Gold.

The results of the drilling at Little Dulcie M77/581 completed in the first quarter of 2004 were reviewed. This work highlighted the potential of the area to the south, in Crusaders tenement application areas and hence Crusader has progressed work on granting these areas. Crusader expects these tenements to be granted soon, enabling field work to commence, exploring for strike continuations of the shears and banded iron formations that host the gold mineralisation in the Little Dulcie and Constance Una mines.

Yours faithfully

Murray Hodges
Director.

This report, so far as it pertains to ore or mineralisation, is based on information compiled by and is reported upon by Mr Shane Hibbird, who is a Member of the Australian Institute of Mining and Metallurgy, and has more than 5 years experience in the field of activity being reported on.