

CRUSADER HOLDINGS NL

A.C.N. 106 641 963

FINANCIAL

REPORT

For the half year ended
31 December 2004

CRUSADER HOLDINGS NL

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2004

Your directors present their report on the Company Crusader Holdings NL for the half year ended 31 December 2004.

DIRECTORS

The following persons were directors of Crusader Holdings NL during the whole of the half year and at the date of this report: -

Name	Particulars
Mark Stowell	Chairman - non executive
Murray Hodges	Director
Justin Evans	Director

REVIEW OF OPERATIONS

The Company operates as a mineral explorer in the Southern Cross and Kalgoorlie regions of Western Australia. The Company is continuing exploration work in the Southern Cross and Kalgoorlie.

The Company incurred an after tax operating loss for the half year ended 31 December 2004 of \$19,667.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 12.

This report is made in accordance with a resolution of the directors.

Mark Stowell
Director

Perth, Western Australia
15 March 2005

CRUSADER HOLDINGS NL
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE HALF YEAR ENDED 31 DECEMBER 2004

	Note	<u>31 Dec 2004</u>
		\$
Revenue from ordinary activities	2	55,004
Rent		(18,506)
ASX listing fees		(8,832)
Consulting and directors fees		(28,884)
Legal fees		(4,327)
Other expenses from ordinary activities		<u>(14,122)</u>
Loss from ordinary activities before income tax expense		(19,667)
Income tax attributable to operating loss		<u>-</u>
Operating loss after income tax		<u>(19,667)</u>
Total changes in Equity other than those resulting from transactions with Owners as Owners		<u>(19,667)</u>
Basic loss per share (cents per share)	5	(0.10)

The above statement should be read in conjunction with the accompanying notes.

CRUSADER HOLDINGS NL
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2004

	Note	<u>31 Dec 2004</u>	<u>30 June 2004</u>
		\$	\$
Current Assets			
Cash		2,003,898	2,172,704
Receivables		21,276	12,920
		<hr/>	<hr/>
Total Current Assets		2,025,174	2,185,624
		<hr/>	<hr/>
Non Current Assets			
Exploration Expenditure		369,664	137,633
		<hr/>	<hr/>
Total Non Current Assets		369,664	137,633
		<hr/>	<hr/>
Total Assets		2,394,838	2,323,257
		<hr/>	<hr/>
Current Liabilities			
Payables		38,928	45,680
		<hr/>	<hr/>
Total Current Liabilities		38,928	45,680
		<hr/>	<hr/>
Total Liabilities		38,928	45,680
		<hr/>	<hr/>
Net Assets		2,355,910	2,277,577
		<hr/>	<hr/>
Equity			
Issued Capital	3	2,325,626	2,227,626
Option Premium Reserve		62,655	62,655
Accumulated Losses		(32,371)	(12,704)
		<hr/>	<hr/>
Total Equity		2,355,910	2,277,577
		<hr/>	<hr/>

The above statement should be read in conjunction with the accompanying notes.

CRUSADER HOLDINGS NL
STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2004

	<u>31 Dec 2004</u>
	\$
Cash Flows from Operating Activities	
Interest received	55,004
GST receipts	19,268
Payments to suppliers and employees	<u>(66,666)</u>
Net cash used in operating activities	<u>7,606</u>
Cash Flows from Investing Activities	
Payments for exploration expenditure	<u>(176,412)</u>
Net cash used in investing activities	<u>(176,412)</u>
Net decrease in Cash Held	(168,806)
Cash at the Beginning of the Half Year	<u>2,172,704</u>
Cash at the End of the Half Year	<u>2,003,898</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

CRUSADER HOLDINGS NL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies that have been adopted in the preparation of this financial report are:

Basis of preparation

This general purpose financial report for the interim half year reporting period ended 31 December 2004 has been prepared in accordance with the requirements of the Corporations Act 2001; Accounting Standard AASB 1029: Interim Financial reporting, Urgent Issues Group consensus Views 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 2004 and any public announcements made by Crusader Holdings NL during the half year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the Company and are consistent with those applied in the 30 June 2004 annual report.

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

Comparative information

The Company was incorporated on 10 October 2003. Comparative information for the previous corresponding period has not been provided as this half year financial report is the first to be prepared by the Company since becoming a disclosing entity.

	<u>31 Dec 2004</u>
	\$
2. Revenue	
Operating Revenue	
Bank interest	55,004

CRUSADER HOLDINGS NL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2004

3. Contributed Equity

Movements in the issued and paid up ordinary capital of the Company during the half year ended 31 December 2004 were as follows:

	<u>31 Dec 2004</u> Number of shares	<u>31 Dec 2004</u> \$
Balance at the beginning of the half year	18,690,675	2,227,626
Issues to acquire tenements	350,000	98,000
Balance at the end of the half year	<u>19,040,675</u>	<u>2,325,626</u>

Share Options

At the date of this report, there were 12,605,074 options over unissued fully paid ordinary shares on issue. The options are exercisable at 20 cents per option before 31 December 2006.

4. Dividends

No dividends have been paid or provided for in the period.

5. Loss per share

	<u>31 Dec 2004</u>
Basic loss per share (cents per share)	<u>(0.10)</u>
	No.
The weighted average number of ordinary shares on issue during the half year used in the calculation of basic loss per share	18,824,555

Diluted earnings per share has not been disclosed as it does not result in an inferior position.

6. Contingencies and Commitments

In order to maintain current rights of tenure to exploration tenements, the Company is required to perform minimum exploration work to meet the minimum expenditure commitments as specified by the State Government. These obligations are subject to renegotiations when application for a mining lease is made and at other times. The obligations will be met from normal working capital of the Company. The minimum exploration tenement commitments will be reduced should the Company enter into a joint venture on the tenements or extinguished should the tenement be abandoned because the directors decide that the project is not commercial.

The Company is not aware of any other contingent liabilities which existed as at the end of the half year or have arisen as at the date of this report.

7. Segment Information

The Company operates within Western Australia in the minerals exploration industry.

8. Events subsequent to Reporting Date

No matters or circumstance have arisen since the end of the half year which will significantly affect, or may significantly affect, the state of affairs or operations of the Company subsequent to the half year ended 31 December 2004.

9. Impact of adopting international accounting standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year. The Company's management, along with its auditors, are assessing the significance of these changes and preparing for their implementation. We will seek to keep stakeholders informed as to the impact of these new standards as they are finalised. The directors are of the opinion that the key differences in the Company's accounting policies which will arise from the adoption of IFRS are:

Taxation

Under the AASB112 "Income Taxes", a balance sheet approach will be adopted for calculating taxation, replacing the "statement of financial performance approach". This method recognizes deferred tax balances for all temporary differences arising between the carrying value of an asset or liability and its tax base. Whilst there will be enhanced disclosure of the composition of the deferred tax assets and liabilities it is not expected that there will be any significant impact in terms of the statement of financial position or performance.

Financial Instruments

Under AASB 139 "Financial Instruments: Recognition and Measurement" financial instruments will be required to be classified into five categories and to be measured based on the nature of the classification. The five categories and basis of measurement are:

- Financial asset or financial liability measured at fair value through the statement of financial performance
- Held to maturity investments measured at amortised cost, subject to impairment
- Loans and receivables measured at amortised cost, subject to impairment
- Available for sale assets measured at fair value with changes in fair value measured directly in equity
- Financial liability measured at amortised cost

This will result in a change in the current accounting policy that does not classify financial instruments.

Share based payments

The group currently does not recognize an expense for options issued to directors and staff. Under AASB 2 “Share Based Payments”, the company will be required to recognize an expense for all share based remuneration, including options, and will amortise those expenses over the relevant vesting periods.

Impairment of assets

Under the AASB136 “Impairment of Assets” the recoverable amount of an asset is determined as the higher of net selling price and value in use. This will result in a change in the company’s current accounting policy which determines recoverable amount of an asset on the basis of undiscounted cashflows. Under the new policy it is likely that the impairment of assets will be recognized sooner and the amount of write downs will be greater.

Exploration and evaluation costs

AASB 6 “Exploration for and Evaluation of Mineral Resources” continues to allow companies to “apply area of interest” accounting to their exploration and evaluation expenditures, effectively grandfathering the treatment of capitalising exploration and evaluation costs currently used by the Company under AASB 1022 “Accounting for the Extractive Industries”. Under AASB 6, if facts and circumstances suggest that the carrying amount of any recognised exploration and evaluation assets may be impaired, the Company must perform impairment tests on those assets and measure any impairment in accordance with AASB 136 “Impairment of Assets”. Impairment of exploration and evaluation assets is to be assessed at a cash generating unit or group of cash generating units level provided this is no larger than an area of interest. Any impairment loss is to be recognised as an expense in accordance with AASB 136. It is anticipated that it is unlikely that the requirements of this standard will have a material impact on the financial position of the Company, however, acquisition costs capitalised will need to be written off or reduced if the Company abandons the area of interest or the fair value is deemed to be less than the carrying value.

CRUSADER HOLDINGS NL

Directors' Declaration

The Directors of Crusader Holdings NL declare that:

1. The financial statements and notes as set out on pages 2 to 8:
 - (a) comply with Accounting Standard AASB 1029: Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the Company's financial position as at 31 December 2004 and of its results for the half year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that Crusader Holdings NL 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.

For and on behalf of the Board of Directors

Mark Stowell
Director

Perth, Western Australia
15 March 2005



STANTON PARTNERS

1 HAVELOCK STREET
WEST PERTH 6005
WESTERN AUSTRALIA

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INDEPENDENT REVIEW REPORT TO THE MEMBERS OF CRUSADER HOLDINGS NL

Scope

We have reviewed the financial report comprising of the statement of financial position, statement of financial performance, statement of cash flows and accompanying notes to the financial statements and the directors' declaration of Crusader Holdings NL (the Company) for the half-year ended 31 December 2004. The directors of the Company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the Company that complies with Accounting Standard AASB 1029 "Interim Financial Reporting" in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the report.

Review Approach

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 1029 "Interim Financial Reporting" and other mandatory financial 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 and Investments Commission.

Our review has been conducted in accordance with Australian Auditing and Assurance 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 is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

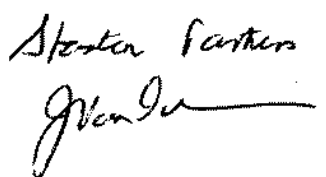
We are independent of the Company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. We have given to the directors of the Company a written Auditor's Independence Declaration.

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 Crusader Holdings NL is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2004 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029 Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.

STANTON PARTNERS



The image shows a handwritten signature in black ink. The signature is written in a cursive style and appears to read 'J P Van Dieren'. Below the signature is a horizontal line.

J P Van Dieren
Partner

West Perth, Western Australia
15 March 2005



STANTON PARTNERS

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15 March 2005

Board of Directors
Crusader Holdings NL
20 Howard Street
PERTH WA 6000

Dear Directors

RE: CRUSADER HOLDINGS NL

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Crusader Holdings NL.

As Audit Partner for the review of the financial statements of Crusader Holdings NL for the half year ended 31 December 2004, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely
STANTON PARTNERS

John Van Dieren
Partner

CRUSADER HOLDINGS NL
ADDITIONAL STOCK EXCHANGE INFORMATION

The additional information is required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report.

For announcement to the market

Extracts from this report for announcement to the market (see note 1). \$A'000

2.1 Revenues from ordinary activities <i>(item 1.1)</i>	55
2.2 Profit (loss) from ordinary activities after tax attributable to members <i>(item 1.22)</i>	(19)
2.3 Net profit (loss) for the period attributable to members <i>(item 1.11)</i>	(19)
2.4 Dividends (distributions)	

The Company has not declared a dividend for the period.

Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

None

3.0 Net tangible assets per security 31.12.04 – 12.3 Cents

4.0 None

5.0 No dividends were paid during the periods

6.0 The Company does not have a dividend re-investment plan

7.0 Interests in Joint ventures:

Details of the Company's interest in joint venture operations are as follows:

Joint Venture	Principal Activity	Ownership Interest 2004
Kiaby Well	Gold & base metals exploration	Earning up to 60%
Parker Range	Gold Exploration	80%
Fair Adelaide	Gold & base metals exploration	Option to acquire 80%
Dev's Reward	Gold & base metals exploration	90%

The joint ventures are not separate legal entities. They are contractual arrangements between the participants for sharing of exploration costs and do not in themselves generate revenue or profit.