CRUSADER HOLDINGS NL

A.C.N. 106 641 963

ANNUAL

FINANCIAL

REPORT

30 JUNE 2005

Table of Contents and Company Directory

Directors
Murray Hodges (Chairman)
Justin Evans
Robert Smakman

Company Secretary
Jonathan Asquith

Registered Office
20 Howard Street
PERTH WA 6000
Telephone: 61+8 481 7501
Facsimile: 61+8 9481 2394
Website www.crusaderholdings.com

Auditors
Stanton Partners
Level 1, 1 Havelock Street
West Perth WA 6005

Share Registry
Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6959
Telephone: 61+8 9315 0933
Facsimile: 61+8 9315 2233
ASX Codes: Ordinary shares -CAS
Options - CASO

Chairman's Report

Dear Shareholder

I am pleased to report that Crusader Holdings NL has made good progress throughout the financial year and the prospects for the future look excellent.

The company now has two distinct areas of interest. Firstly in Western Australia where the company has tenements that are highly prospective for gold and nickel, and more recently a second area of interest in Brazil, where through the subsidiary company Crusader do Brazil Mineracao Ltd, we have a 94% interest in some exciting gold prospects.

In Western Australia the Fair Adelaide project followed up on a nickel gossan using fixed loop TEM and moving loop TEM surveys. Although no strong bedrock conductors were identified, further work along strike and RAB drilling may well be fruitful. In addition, several drill targets for gold have been identified.

I am also are looking forward to nickel exploration at the Greenmont project near Southern Cross. The recent granting of our tenement opens up the possibility of exploration along an ultramafic unit of in excess of 5 kilometres that is very prospective for nickel sulphide mineralisation.

At the time of writing I am currently in Brazil following up on the projects that have been generated by our partners Geoconsult. We have two granted tenements (at Mara Rosa) and twenty-one tenement applications in progress. Our objective in Brazil was to seek out high quality gold and metal projects in Brazil which have the potential to host gold deposits of over one million ounces ore metal value equivalent. From what I have seen to date there is a real possibility we will achieve this.

These achievements could not have been possible without the help and support of my fellow directors and the consultants to the company, and I would like to take this opportunity to thank them for their efforts during the past year. I would also like to thank our shareholders for their support during the year.

Crusader is in a strong cash position and has several opportunities to hand that could result in a major exploration success. I hope to share that with you soon.

Yours faithfully

Murray Hodges
Chairman

Directors' Report

Your directors present their report on the company for the financial year ended 30 June 2005.

Current Directors
The names and particulars of the directors of the company during or since the end of the previous financial period are:

Murray Hodges B.Sc (Geol) (Chairman)
Mr Hodges was involved for 15 years in his early working life exclusively in the mineral exploration industry, initially working as exploration geologist for major companies, then in a consultancy capacity. His primary experience is in base metal and gold exploration.

For the next 20 years Mr Hodges pursued a mixture of personal mining interests and general business interests. His personal mining interests primarily involved acquiring prospective tenements for evaluation purposes and, depending on success of exploration results, farming out or vending the tenements to mining companies. His general business interests are mainly in the fuel distribution industry, as a major beneficial shareholder of Link Energy Pty Ltd, a company with an annual turnover of over $100 million.
During the past three years Mr Hodges has not served as a director of any other listed company.

Justin Evans B.Bus
Mr Evans currently holds the position of General Manager of Sigma Chemicals Ltd manufacturing chemists and suppliers, a wholly Western Australian owned company. Prior to joining Sigma Chemicals in 1999 Justin worked in stockbroking for 12 years. He gained a wide range of experience in client financial advice and corporate capital raisings. He was a founding share holder of Montagu Stockbrokers Pty Ltd. He no longer has any interest in Montagu Stockbrokers Pty Ltd. During the past three years Mr Evans has not served as a director of any other listed company.

Robert Smakman BSc (Hons) AusIMM ASIA
Appointed 2 August 2005
Mr Smakman is an Honours graduate of Monash University, and has had a successful international career as a geologist over the past 10 years. Mineral discoveries he has been associated with include:

- The Southern Star gold deposit for Gasgoyne Gold NL-Southern Cross Western Australia -first drill hole to bankable feasibility study,
- Dikulushi Copper/Silver Deposit for Anvil Mining NL -DRC Africa- drillout of the deposit to 1.55mt @8.9%Copper and 9.5million oz silver for feasibility study and mining,
- Certej Gold Deposit for European Goldfields Ltd -Romania-project management from commencement to a resource of 2.6m oz gold and 13m oz silver.

During the past three years Mr Smakman has served as a director of the following listed companies:
- Mawson West Ltd

Mark Stowell B.Bus CA
Resigned 2 August 2005
Mr Stowell has been involved in the public company corporate sector for 15 years, formerly as a manager in the Corporate division of an international accounting firm and subsequently in the establishment and management of a number of successful ventures as principal in a wide variety of industries. He has been involved in the management of mineral companies operating locally and internationally for over 12 years.
During the past three years Mr Stowell has served as a ofdirector the following listed companies:
- Mawson West Ltd

Directors' Report (contd)

Company Secretary
Jonathan Asquith BA (Hons) CA MBA
Mr Asquith is a chartered accountant with over 20 years corporate experience with major international accounting firms and commercial enterprises. He has held senior executive positions with a number of public and listed Australian companies. Mr Asquith recently completed a Masters of Business Administration at the University of Western Australia and brings to the Company considerable experience in managing and strategic planning of developing businesses.
During the past three years Mr Asquith has served as a director of the following listed companies:

- Norwood Systems Ltd
- Mawson West Ltd

Directors' interests
The relevant interest of each director in the share capital of the company as at the date of this report is as follows:

Director	Ordinary Shares	Options
Mr J Evans	350,000	550,000
M Hodges	420,000	793,332
R Smakman	1,250,000	503,332

The options referred to above are options exercisable at 20 cents per option before 31 December 2006.

Operating Results
The operating loss after income tax and minority interests of the consolidated entity for the year was $352,149 (2004 Company: $12,704.) The basic loss per share was 1.82 cents (2004: 0.09 cents)

Dividends
The directors do not recommend that a dividend be paid. No dividend has been paid by the company.

Corporate information

Corporate Structure
Crusader Holdings NL is a company limited by shares incorporated in and domiciled in Australia. The company has two subsidiary companies, Brazil Minerals Pty Ltd incorporated in and domiciled in Australia in which the economic entity has a 100% interest and Crusader Do Brazil Mineracao Ltda incorporated in and domiciled in Brazil in which the economic entity has a 94% interest. The development of exploration interests that are held by the subsidiary companies is financed by Crusader Holdings NL

Nature of Operations and Principal Activities
The principal activity of the economic entity is mineral exploration. There has been no significant change in the nature of this activity during the year.

Number of Employees
The number of employees at 30 June 2005 was Nil (2004:Nil)

Directors' Report (contd)

Operating and Financial Review

Review of Operations

During the year the company was an active explorer in Western Australia. In particular work on the Fair Adelaide project near Kalgoorlie concentrated on moving and fixed loop surveys, which whilst they did not uncover a significant bedrock conductor, they have suggested that further exploration along strike is indicated.
Through Crusader do Brazil Mineracao Ltda the group worked on securing exploration acreage in Brazil that could be capable of hosting gold deposits of over one million ounces. The mineral rights to twenty-three areas have been applied for and two have already been granted.

Review of financial condition
The economic entity has a cash position that is satisfactory to meet its exploration commitments.

Capital Structure
During the year the company issued 1,715,000 shares for cash and 350,000 shares to acquire tenements in Western Australia.

Risk management
The company takes a proactive approach to risk management. The Board is responsible for ensuring that risks, and also opportunities are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Board.

The Company believes that it is important for all Board members to be part of this process and hence the Board has not established a separate risk management committee and the Board as a whole acts in that role.

The Board has mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board.

Significant changes in the State of Affairs
The state of affairs of the economic entity was affected by significant changes during the financial year referred to in the Review of Operations above and as disclosed elsewhere in this report.

Environmental Regulation and Performance
The economic entity's activities are subject to environmental regulations under either Commonwealth or State legislation. However, the Board believes that the economic entity has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the economic entity.

Matters subsequent to the end of the financial year
There has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

Likely developments
The economic entity will continue to focus on mineral exploration and development opportunities.

Directors' Report (contd)

Remuneration Report

This report outlines the remuneration arrangements in place for directors of the economic entity.
Remuneration policy

Directors agreed remuneration of $1,000 per month per director during the year.

Details of the nature and amount of emoluments of each director during the financial year are as follows:

	Primary			Post Employment			Equity		
Director	*Salary & Fees	Bonus	Non-Monetary	Super-annuation	Prescribed Benefits	Other	Options	Other Benefits	Total
	$	$	$	$	$	$	$	$	$
M Stowell	12,000	-	-	-	-	-	-	-	12,000
Mr J Evans	12,000	-	-	-	-	-	-	-	12,000
M Hodges	12,000	-	-	-	-	-	-	-	12,000

*Included in Salary and Fees are amounts made available to related parties of directors.

Indemnification of directors
The company has agreed to indemnify and keep indemnified each of the directors against all liabilities incurred by them as directors of the company (and subsidiary companies) and all legal expenses incurred by them as directors of the company (and subsidiaries).

The indemnification is subject to various specific exclusions and limitations.

Committee Memberships
The company does not have a Remuneration, Nomination or Audit Committee as these roles are undertaken by the full Board.

Corporate governance
In recognising the need for high standards of corporate behaviour and accountability, the directors support and have substantially adhered to the best practice recommendation set by the ASX Corporate Governance Council.

Share options
At the date of this report, the unissued ordinary shares of the company under option are as follows:

Date of Expiry	Exercise Price	Number under option
31 December 2006	20 Cents	12,605,074

No person entitled to exercise these options had or has any right by virtue of the options to participate in any share issue of any body corporate. During the year ended 30 June 2005 no ordinary shares of the company were issued on the exercise of options. No options were granted to directors either during or after the end of the financial year.

Directors' Report (contd)

Meetings of directors
The number of directors' meetings held during the year and the numbers of meetings attended by each director during the year were:

DIRECTORS	DIRECTORS MEETINGS	
	HELD	ATTENDED
Mr M Stowell	4	4
Mr J Evans	4	4
Mr M Hodges	4	4

Directors' benefits
No director of the company has received or become entitled to receive a benefit because of a contract that the director or a firm of which the director is a member or an entity in which the director has substantial financial interest made with the company or an entity that the company controlled, or a body corporate that was related to the company, when the contract was made or when the director received, or became entitled to receive the benefit, other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in Note 4 to the financial statements.

Auditor Independence and Non-Audit Services

Auditor Independence
The auditor's independence declaration for the year ended 30 June 2005 has been received and is to be found on page 27.

Non-Audit services
No non-audit services were provided by the entity's auditor, Stanton Partners and no fees were paid or are payable to Stanton Partners for non-audit services for the year ended 30 June 2005.

This report is signed in accordance with a resolution of the directors, made pursuant to Section 298(2) of the Corporations Act 2001.

On behalf of the directors

Justin Evans
Director
Perth
30 September 2005

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2005

	Notes	2005 Consolidated $	2005 Company $	2004 Company $
Revenue from ordinary activities	2	123,840	123,840	57,483
Audit and accounting		(13,362)	(13,195)	-
Consulting fees		(128,088)	(78,609)	(25,439)
Legal		(7,127)	(7,127)	-
Listing and share registry		(15,456)	(15,456)	(11,316)
Rental and office expenses		(30,615)	(30,615)	(7,413)
Insurance		(5,962)	(5,962)	(11,644)
Provisions against assets		-	(76,375)	-
Travelling and accommodation		(18,593)	(18,593)	-
Wages and Salaries		(12,161)	(11,958)	-
Exploration expenditure expensed		(142,639)	(131,525)	-
Other expenses from ordinary activities		(27,409)	(15,051)	(14,375)
Loss from ordinary activities before the effect of change of accounting policy for exploration expenditure and income tax expense		(277,572)	(280,626)	(12,704)
Cumulative effect of change in accounting policy for exploration costs	1(e)	(78,977)	(78,977)	-
Loss from ordinary activities before income tax		(356,549)	(359,603)	(12,704)
Income tax attributable to operating loss	3	-	-	-
Operating loss after income tax	11	(356,549)	(359,603)	(12,704)
Minority interests in operating loss after income tax		4,400	-	-
Net loss attributable to members of the parent entity		(352,149)	(359,603)	(12,704)
Total changes in Equity other than those resulting from transactions with Owners as Owners		(352,149)	(359,603)	(12,704)
Basic Loss Per Share (cents)	14	(1.82)	(1.85)	(0.09)

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2005

	Notes	2005 Consolidated $	2005 Company $	2004 Company $
Current Assets				
Cash Assets	22(a)	2,149,377	2,083,394	2,172,704
Receivables	6	69,763	17,731	12,920
Total Current Assets		2,219,140	2,101,125	2,185,624
Non Current Assets				
Exploration expenditure	7	212,154	207,931	137,633
Loans	8	-	126,638	-
Investments	9	-	1	-
Property, plant and equipment	10	1,399	1,399	-
Total Non Current Assets		213,553	359,969	137,633
Total Assets		2,432,693	2,437,094	2,323,257
Current Liabilities				
Payables	11	56,744	56,744	45,680
Total Current Liabilities		56,744	56,744	45,680
Net Assets		2,375,949	2,380,350	2,277,577
Equity				
Contributed Equity	12	2,690,000	2,690,000	2,227,626
Option Premium Reserve	13	62,655	62,655	62,655
Accumulated Losses	14	(364,852)	(372,305)	(12,704)
Foreign Exchange Translation Reserve	15	(7,007)	-	-
Parent Equity Interest		2,380,796	2,380,350	2,277,577
Minority Interests	16	(4,847)	-	-
Total Equity		2,375,949	2,380,350	2,277,577

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2005

	Notes	2005 Consolidated $	2005 Company $	Period 10 October 2003 to 30 June 2004 Company $
Cash Flows from Operating Activities				
Receipts from customers		1,484	1,484	-
Interest received		103,397	103,397	57,484
GST receipts		38,550	38,550	11,778
Payments to suppliers and employees		(326,196)	(204,502)	(58,894)
Net cash from operating activities	22(b)	(182,765)	(61,071)	10,368
Cash Flows from Investing Activities				
Payments for property plant and equipment		(1,671)	(1,671)	-
Payments for exploration expenditure		(217,412)	(202,075)	(122,945)
Payments for equity investments		-	(1)	-
Loans to other entities		-	(188,867)	-
Net cash used in investing activities		(219,083)	(392,614)	(122,945)
Cash Flows from Financing Activities				
Proceeds from issue of shares and options		364,375	364,375	2,285,281
Net cash provided by financing activities		364,375	364,375	2,285,281
Net Increase/(Decrease) in Cash Held		(37,473)	(89,310)	2,172,704
Cash at the Beginning of the Year		2,172,704	2,172,704	-
Foreign exchange differences		14,146	-	-
Cash at the End of the Year	22(a)	2,149,377	2,083,394	2,172,704

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Corporations Act 2001. The financial report covers the economic entity of Crusader Holdings NL and controlled entities, and Crusader Holdings NL as individual parent entity. Crusader Holdings NL is a listed public company incorporated and domiciled in Australia.

The financial report as been prepared on the basis of historical costs and accrual accounting and, except where stated, does not take into account changing money values or current valuations of non-current assets.

(b) Changes in accounting policies

Except as noted in 1(e) below, the accounting policies adopted are consistent with those of the previous period.

(c) Taxation

Income tax expense is calculated on operating profit adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the statement of financial position as a future income tax benefit or a provision for deferred income tax.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits relating to entities with tax losses are only brought to account when their realisation is virtually certain. The tax effect of capital losses is not recorded unless realisation is virtually certain.

(d) Joint Venture Operations

The company's interests in unincorporated joint venture operations are brought to account by including its interest in the following amounts in the appropriate categories in the financial statements:

- each of the individual assets employed in the joint venture;
- liabilities incurred by the company in relation to the joint venture and the liabilities for which it is jointly and/or severally liable; and
- expenses incurred in relation to the joint venture.

(e) Exploration and evaluation expenditure

Expenditure incurred during exploration and the early stages of evaluation of new areas of interest is written off as incurred.

Costs of acquisition of exploration areas of interest are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future.

Change in accounting policy

In the prior period, exploration and acquisition costs were accumulated in respect of each separate area of interest and carried forward if certain conditions were met. The new policy requires the immediate expensing of exploration costs.

The new policy adopts a more conservative view of the inherent uncertainty of the valuation of carried forward exploration expenditure. Immediately expensing these costs improves the relevance and reliability of financial information about financial performance, financial position and cash flows of the entity.

The change in accounting policy has resulted in exploration costs of $78,977 relating to the prior period being recognised in the current year consolidated statement of financial performance.

(f) Recoverable amounts of non-current assets

The carrying values of non-current assets are reviewed annually by directors to ensure they are not in excess of the recoverable amounts from those assets. The recoverable amount is assessed on the basis of the expected cash flows which will be received from the assets employed and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

(g) Accounts payable

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the company.

(h) Share capital

Ordinary share capital is recognised at 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.

(i) Debtors

Debtors are carried at amounts due. The collectibility of debts is assessed at balance date and specific provision is made for any doubtful accounts.

(j) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). 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 expenses.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

(k) Revenue recognition

Interest income is recognised as it accrues.

The gross proceeds of asset sales not originally purchased for the intention of resale are included as revenue at the date an unconditional contract of sale is signed.

(l) Earnings per share

Basic earnings per share is determined by dividing the operating profit/(loss) after tax by the weighted average number of ordinary shares outstanding during the financial period.

Diluted earnings per share is determined by dividing the operating profit/(loss) after tax adjusted for the effect of earnings on potential ordinary shares, by the weighted average number of ordinary shares (both issue and potentially dilutive) outstanding during the financial period.

(m) Principles of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the economic entity, being the Company (the parent entity) and its controlled entities as defined in accounting standard AASB 1024 "Consolidated Accounts". A list of controlled entities appears in note 20 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each controlled entity from the date on which the Company obtains control and until such time as the Company ceases to control such entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the economic entity are eliminated in full.

(n) Foreign currency

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at that date. The gains and losses from conversion of assets and liabilities whether realised or unrealised are included in profit/(loss) from ordinary activities.

Exchange differences are recognised in the statement of financial performance in the period in which they arise except that:

i. exchange differences which relate to assets under construction for future productive use are included in the cost of those assets; and
ii. exchange differences on transactions entered into in order to hedge the purchase or sale of specific goods and services are deferred and included in the measurement of the purchase or sale.

The assets and liabilities of the overseas controlled entities, which are self sustaining , are translated at year end rates and operating results are translated at the rates ruling at the end of each month. Gains and losses arising on translation are taken directly to the foreign currency translation reserve.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

	2005 Consolidated $	2005 Company $	2004 Company $
2. Loss From Ordinary Activities			
Loss from ordinary activities before income tax includes the following items of revenue and expenses			
Operating Revenue			
Interest revenue:			
Bank interest	117,545	117,545	57,483
Expenses			
Depreciation	272	272	-
3. Income tax			
(a) The prima facie income tax expense on pre-tax accounting income reconciles to the income tax expense in the financial statements as follows:			
Loss from Ordinary Activities	(356,549)	(359,603)	(12,704)
Income tax benefit calculated at 30% of the operating loss	(106,965)	(107,881)	(3,811)
Permanent differences:			
Non-deductible items	192	192	329
Timing differences:			
Exploration expenditure	-	-	(41,290)
Timing differences and tax losses not brought to account as future income tax benefits	106,773	107,689	44,772
	-	-	-
(b) Future income tax benefits not brought to account as assets			
Tax losses – revenue	60,501	60,776	44,772

The future income tax benefit arising from tax losses and timing differences has not been recognised as an asset because recovery is not virtually certain.

The taxation benefit will only be obtained if:

(i) the company derives assessable income of a nature and of an amount sufficient to enable the benefit from the deductions to be realised;

(ii) the company continues to comply with the conditions for deductibility imposed by the law; and

(iii) no changes in the tax legislation adversely affect the company in realising the benefit from the deductions.

4. Directors' remuneration and equity holdings

The directors of Crusader Holdings NL during the financial year were:

Mr M Stowell
Mr M Hodges
Mr J Evans

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

Directors' remuneration was as follows:

	Primary			Post Employment			Equity		
	*Salary & Fees	Bonus	*Non-Monetary	Super-annuation	Prescribed Benefits	Other	Options	Other Benefits	Total
Specified Directors	$	$	$	$	$	$	$	$	$
M Stowell									
2005	12,000	-	-	-	-	-	-	-	12,000
2004	6,000	-	-	-	-	-	-	-	6,000
M Hodges									
2005	12,000	-	-	-	-	-	-	-	12,000
2004	6,000	-	-	-	-	-	-	-	6,000
J Evans									
2005	12,000	-	-	-	-	-	-	-	12,000
2004	6,000	-	-	-	-	-	-	-	6,000
Total Specified Directors									
2005	36,000	-	-	-	-	-	-	-	36,000
2004	18,000	-	-	-	-	-	-	-	18,000

*Included in Salary and Fees are amounts made available to related parties of directors.

Remuneration Options
No remuneration was provided to directors by way of options.

Options held by specified directors and related entities

	Balance at 30 June 04	Granted as remuneration	Options exercised	Options Sold	Options Purchased	Net Change	Balance at 30 June 05	Vested at 30 June 05	Vested and exercisable	Un-exerciseable
Specified directors										
M Stowell	516,666	-	-				516,666	516,666	516,666	-
M Hodges	606,666	-	-	-			606,666	606,666	606,666	-
J Evans	550,000	-	-	-			550,000	550,000	550,000	
Total Specified Directors	1,673,332	-	-				1,673,332	1,673,332	1,673,332	-

Ordinary shares held by specified directors and related entities

	Balance at 30 June 04	Granted as remuneration	Allotted for tenement	Shares Purchased	Shares Sold	Net change	Balance at 30 June 05
Specified directors							
M Stowell	900,000	-	-	-	-	-	900,000
M Hodges	320,000	-	350,000	-	-	350,000	670,000
J Evans	150,000	-	-	-	-	-	150,000
Total Specified Directors	1,370,000	-	350,000	-	-	350,000	1,720,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

Specific transactions with directors and director related entities
On 1 December 2003, the company entered into a joint venture agreement with Mawson West Ltd by which the company can earn 60% equity in Mawson West's Kiaby Well tenements by spending a minimum of $300,000 over three years and meeting DMPR requirements on each tenement once granted. Mr Stowell is a director of Mawson West Ltd.

On 16 February 2004 the company entered into an option agreement in relation to the Fair Adelaide tenements with entities associated with director Murray Hodges. The option was exercised on 16 August 2004 and following shareholder approval on 23 September 2004 the company is required to re-imbursed the vendor for $36,370 costs of preliminary work and allotted 350,000 ordinary fully paid shares.

The company has made payments at normal commercial rates for rental of office premises to a company of which Mr Stowell was a director until 31 December 2004 and has a shareholding interest. Total rental payments for the year were $32,320. (2004: $7,136)

	2005 Consolidated $	2005 Company $	2004 Company $
			$
5. Remuneration of Auditor			
Auditing the financial report	9,045	9,045	2,500
Other services	-	-	3,414
	9,045	9,045	5,914
6. Receivables			
Current			
Other debtors	69,134	17,731	12,920
7. Exploration Assets			
Costs brought forward	137,633	137,633	-
Expenditure during the year	296,137	280,799	137,633
Expenditure expensed	(221,616)	(210,501)	-
Costs carried forward	212,154	207,931	137,633
8. Loans			
Loan – controlled entities	-	203,013	-
Provision against loan	-	(76,375)	-
	-	126,638	-
9. Investments			
Controlled entity	-	1	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

	2005 Consolidated $	2005 Company $	2004 Company $
10. Property plant and equipment			
Gross carrying amount			
Additions	1,671	1,671	
At the end of the year	1,671	1,671	-
Accumulated Depreciation			
At the beginning of the year	-	-	-
Depreciation expense	272	272	
At the end of the year	272	272	
Net book Value			
At the beginning of the year	-	-	-
At the end of the year	1,399	1,399	-
11. Current payables			
Payables	56,744	56,744	45,680
12. Contributed Equity			
20,755,675 (2004:18,690,675) fully paid ordinary shares	2,690,000	2,690,000	2,227,626

Fully paid Ordinary Share Capital	2005 Number	2005 $	2004 Number	2004 $
Balance at the start of the financial year	18,690,675	2,227,625	-	-
Shares issued for cash	1,715,000	377,300	6,500,000	80,000
Shares issued for tenement acquisition	350,000	98,000	500,000	5000
Shares issued pursuant to prospectus	-	-	11,690,675	2,338,135
Capital raising costs	-	(12,925)		(195,509)
Balance at end of the financial period	20,755,675	2,690,000	18,690,675	2,227,626

	2005 Consolidated $	2005 Company $	2004 Company $
13. Option Premium Reserve			
Premium on issue of options	62,655	62,655	62,655

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.

	2005 Consolidated $	2005 Company $	2004 Company $
14. Accumulated Losses			
Accumulated losses at the start of the year	(12,704)	(12,704)	-
Net loss for the year	(352,149)	(359,601)	(12,704)
Accumulated losses at the end of the year	(364,853)	(372,305)	(12,704)
15. Foreign Exchange Translation Reserve			
Foreign exchange difference arising on translation of financial statements of foreign subsidiary	(7,454)	-	-
Minority Interest	447	-	-
	(7,007)	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

	2005 Consolidated $	2005 Company $	2004 Company $
16. Minority Interests			
Loss for the year	(4,400)	-	-
Translation reserve	(447)	-	-
Minority interest in subsidiary company	(4,847)	-	-

17. Earnings per share	2005 Cents per share	2004 Cents per share
Basic loss per share	(1.82)	(0.09)
	No. 000's	**No. 000's**
The weighted average number of ordinary shares on issue during the financial year used in the calculation of basic loss per share	19,398	13,674

18. Commitments for expenditure

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 has certain minimum obligations in pursuance of the terms and conditions of mining tenement licences in the forthcoming year. Whilst these obligations are capable of being varied from time to time, in order to maintain current rights of tenure to mining tenements, the company will be required to outlay in 2005/6 amounts of approximately $101,920. These are expected to be fulfilled in the normal course of operations.

19. Interests in Joint Ventures

Details of the company's interests in joint venture operations are as follows:

Joint Venture	Principal Activity	Ownership
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%

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 revenues or profits.

On 1 December 2003, the company entered into a joint venture agreement with Mawson West Ltd by which the company can earn 60% equity in Mawson West's Kiaby Well tenements by spending a minimum of $300,000 over three years and meeting DMPR requirements on each tenement once granted.

On 1 December 2003 the company acquired an 80% interest in various tenements near Southern Cross (Parker Range). The company is required to fund expenditure of $400,000 for an Initial Period of three years commencing on the date of its admission to listing on the Australian Stock Exchange.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

On 16 August 2004 the company exercised an option to acquire an 80% interest in tenements near Kalgoorlie (Fair Adelaide). The company is required to fund expenditure of $300,000 for an Initial Period.

20. Controlled entities

Name of entity	Country of Incorporation	Ownership Interest 2005	2004
Parent entity			
Crusader Holdings NL	Australia		
Controlled entities			
Brazil Minerals Pty Ltd	Australia	100%	-
Crusader do Brazil Mineracao Ltda	Brazil	94%	-

At acquisition date the controlled entities had no assets or liabilities other than those arising from the issue of nominal amount of share capital.

21. Segment Reporting

The economic entity operates in the minerals exploration industry in Australia and in Brazil.

The following table presents the revenue and loss information regarding geographical segments for the year ended 30 June 2005.

Primary reporting —Geographical segments –	Australia $	Brazil $	Total $
REVENUE			
External Revenue	123,840	-	123,840
Total segment revenue	123,840	-	123,840
RESULT			
Segment loss	(283,227)	(68,922)	(352,149)
Income tax expense	-	-	-
Loss from ordinary activities after income tax	(283,227)	(68,922)	(352,149)
ASSETS			
Segment assets	2,309,827	122,238	2,432,064
LIABILITIES			
Segment liabilities	56,744	-	56,744

During the period ended 30 June 2004 the economic entity operated solely in Australia.

	2005 Consolidated $	2005 Company $	2004 Company $
22. Notes to the statements of cash flows			
(a) Cash Reconciliation			
For the purposes of the statement of cash flows, cash includes cash on hand in banks and investments in short term money market instruments. Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:			
Cash at bank	2,149,377	2,083,394	2,172,704

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

	2005 Consolidated $	2005 Company $	2004 Company $
22. Notes to the statements of cash flows (contd)			
(b) Reconciliation of Net Cash from Operating Activities to Operating Loss:			
Operating loss	(352,149)	(359,603)	(12,704)
Exploration	221,616	210,502	(9,689)
Provisions	-	76,375	-
Depreciation	272	272	-
GST on exploration expenditure	19,275	19,275	-
Foreign exchange differences	(21,600)	(14,146)	-
Minority interests	(4,400)	-	-
			-
Changes in net assets and liabilities net of effect of acquisition and disposal of businesses:			
(Increase) in assets:			
Current receivables	(56,843)	(4,811)	(12,921)
Increase in liabilities:			
Current payables	11,064	11,064	45,682
Cash used in operating activities	(182,765)	(61,072)	10,368

(c) Non-cash Transactions

During the year the company issued 350,000 ordinary shares at a deemed value of $98,000 as consideration for the acquisition of tenements.

23. Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of an unusual nature likely, in the opinion of the directors, to affect significantly the operations of the company, the results of those operations, or the state of affairs of the company, in subsequent financial years.

24. Financial Instruments

(a) Credit Risk

The economic entity has adopted the policy of only dealing with counterparties it believes to be credit worthy as a means of mitigating the risk of financial loss from default. The economic entity makes adequate provisions where necessary.

(b) Interest Rate Risk

The following table details the economic entity's exposure to interest rate risk.

(c) Net Fair Values

The carrying amounts of bank term deposits, other debtors and accounts payable approximate net fair value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

2004	Average Interest Rate %	Variable Interest Rate $	Fixed Interest Rate *Maturity Less than 1 Year* $	Fixed Interest Rate *Maturity 1-5 Years* $	*Non Interest Bearing* $	Total $
Financial Assets						
Cash assets	5.3%	2,172,704	-	-	-	2,172,704
Other	-	-	-	-	12,920	12,920
		2,172,704	-	-	12,920	2,185,624
Financial Liabilities						
Payables	-	-	-	-	45,680	45,680

2005	Average Interest Rate %	Variable Interest Rate $	Fixed Interest Rate *Maturity Less than 1 Year* $	Fixed Interest Rate *Maturity 1-5 Years* $	*Non Interest Bearing* $	Total $
Financial Assets						
Cash assets	5.5%	2,149,377	-	-	-	2,149,377
Other	-	-	-	-	69,763	69,763
		2,149,377	-	-	69,763	2,219,140
Financial Liabilities						
Payables	-	-	-	-	56,744	56,744

(d) Reconciliation of net financial assets/(liabilities) to net assets

	2005 $	2004 $
Financial Assets	2,219,140	2,185,624
Property, plant and equipment	1,399	-
Exploration Expenditure	212,154	137,633
Total Assets	2,432,693	2,323,257
Financial Liabilities	(56,744)	(45,680)
Net assets	2,375,949	2,277,577

25. Impact of adopting AASB equivalents to IASB standards

Crusader Holdings NL is in the process of transitioning its accounting policies and financial reporting from current Australian Accounting Standards (AGAAP) to Australian equivalents of International Finance Reporting Standards (AIFRS) which will be applicable for the financial year ended 30 June 2006. In 2004/2005, the company allocated internal resources to conduct impact assessments to identify key areas that would be impacted by the transition to AIFRS. Priority has been given to the preparation of an opening balance sheet in accordance with AIFRS as at 1 July 2004, as this will form the basis of accounting for AIFRS in the future, and is required when we prepare our first fully AIFRS compliant financial report for the year ended 30 June 2006.

Set out below are the key areas where accounting policies are expected to change on adoption of AIFRS and our best estimate of the quantitative impact of the changes on total equity as at the date of transition and 30 June 2005 and on net loss for the year ended 30 June 2005.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

25. Impact of adopting AASB equivalents to IASB standards (contd)

The information disclosed are management's best estimates of the quantitative impact of the changes as at the date of preparing the 30 June 2005 financial report. The actual effects of transition to AIFRS may differ from the estimates disclosed due to (a) ongoing work being undertaken by the AIFRS project teams; (b) potential amendments to AIFRS and Interpretations thereof being issued by the standard-setters and IFRIC; and (c) emerging accepted practice in the interpretation and application of AIFRS and UIG Interpretations.

The Australian Accounting Standards Board is adopting the Standards of the International Accounting Standards Board for application to reporting periods beginning on or after 1 January 2005. Pending Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' prescribes transitional provision for first-time adopters.

AASB 1047 'Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards' requires financial reports to disclose information about the impacts of any changes in accounting policies in the transition period leading up to the adoption date and will apply for June 2004 reporting.

Exploration and evaluation expenditure
In terms of the standards issued by the International Accounting Standards Board (IASB) and the Australian Accounting Standards Board (AASB) on exploration and evaluation expenditure, entities are permitted to continue their previous accounting policies but all exploration and evaluation expenditure would be subject to an annual impairment test. Under the impairment test, exploration and evaluation expenditure would be carried at recoverable value which will be determined at the higher of fair value less costs to sell, and value in use. This policy is not expected to have a material impact on equity at 30 June 2004 or 30 June 2005.

Taxation
Under the Australian equivalent to IAS 12 "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

While this will result in a change in the current accounting policy that does not classify financial instruments, the change in policy is not expected to have a material impact on equity at 30 June 2004 or 30 June 2005.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

25. Impact of adopting AASB equivalents to IASB standards (contd)

Impairment of Assets

Under the Australian equivalent to IAS 36 "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 the company's current accounting policy which determines the recoverable amount of an asset on the basis of undiscounted cashflows. Under the new policy it is likely that the impairment of assets may be recognised sooner and the amount of write downs may be greater. The company does not expect this change in policy to have a material impact on equity at 30 June 2004 or 30 June 2005.

Share based payments

The group currently does not recognise 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. While this will result in a change in the current accounting policy, there will be no impact on equity at 30 June 2004 or 30 June 2005.

(a) Reconciliation of equity as presented under AGAAP to that under AIFRS

	Notes	Economic Entity		Parent Entity	
		30 June 2005 **	1 July 2004 *	30 June 2005 **	1 July 2004 *
		$	$	$	$
Total equity under AGAAP		2,375,949	2,277,577	2,380,350	2,277,577
Total equity under AIFRS		2,375,949	2,277,577	2,380,350	2,277,577

* this column represents the adjustments as at the date of transition to AIFRS

** this column represents the cumulative adjustments as at the date of transition to AIFRS and those for the year ended 30 June 2005.

(b) Reconciliation of net loss as presented under AGAAP to that under AIFRS

Year Ended 30 June 2005	Notes	Economic Entity	Parent Entity
		$	$
Net loss as reported under AGAAP		(352,149)	(359,603)
Net loss under AIFRS		(352,149)	(359,603)

(c) Reconciliation of cash flows as presented under AGAAP to that under AIFRS

No material impacts are expected to the cash flows presented under AGAAP on adoption of AIFRS.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. the financial statements and notes, as set out on pages 8 to 23 are in accordance with the Corporations Act 2001:

   (a) comply with Accounting Standards and the Corporations Regulations 2001; and

   (b) give a true and fair view of the financial position as at 30 June 2005 and of the performance for the year ended on that date of the company and economic entity;

2. this declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial period ending 30 June 2005.

3. 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.

J Evans
Director
Perth
30 September 2005

STANTON PARTNERS

1 HAVELOCK STREET
WEST PERTH 6005
WESTERN AUSTRALIA

TELEPHONE: (08) 9481 3188

Facsimile: (08) 9321 1204

e-mail: australia@stanton.com.au

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF CRUSADER HOLDINGS NL

SCOPE

The financial report and directors' responsibility
The financial report comprises the statement of financial position, statement of financial performance, statement of cashflows, accompanying notes to the financial statements, and the director's declaration for Crusader Holdings NL (the Company) and the consolidated entity for the year ended 30 June 2005. The consolidated entity comprises both the company and the entities it controlled during the year.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report 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 financial report.

Audit approach
We conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

INDEPENDENCE

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

AUDIT OPINION

In our opinion, the financial report of Crusader Holdings NL is in accordance with:

a) the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2005 and of their performance for the year ended on that date; and

  (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

b) other mandatory professional reporting requirements in Australia.

STANTON PARTNERS

Stanton Partners

J Van Dieren

J P Van Dieren
Partner

Perth, Western Australia
30 September 2005

STANTON PARTNERS

1 HAVELOCK STREET
WEST PERTH 6005
WESTERN AUSTRALIA

TELEPHONE: (08) 9481 3188

Facsimile: (08) 9321 1204

e-mail: australia@stanton.com.au

30 September 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 audit of the financial statements of Crusader Holdings NL for the year ended 30 June 2005, 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely
STANTON PARTNERS

John Van Dieren
Partner

Corporate Governance Statement
and Compliance with Principles of Good Corporate Governance

Principle 1:
Lay solid foundations for management and oversight

The board of directors is responsible for the overall corporate governance of the company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.
The primary responsibilities of the board include responsibility for:
• oversight of the company, including its control and accountability systems,
• appointing and removing the chief executive officer (or equivalent),
• ratifying the appointment and, where appropriate, the removal of the chief financial officer (or equivalent) and the company secretary,
• input into and final approval of management's development of corporate strategy and performance objectives,
• reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance,
• monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available,
• approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures,
• approving and monitoring financial and other reporting.

Directors consider that the company's procedures comply with Principle 1 of the Principles of Good Corporate Governance.

Principle 2:
Structure the board to add value

2.1: A majority of the board should be independent directors.
The names of the directors of the company in office at the date of this statement are set out in the Directors' Report. Directors are appointed based on their experience and on independence of their decision-making and judgement.

In considering the status of directors as independent directors the company has regard to the following
An independent director is a non-executive director (ie is not a member of management) and:

- is not a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company,
- within the last three years has not been employed in an executive capacity by the company or another group member, or been a director after ceasing to hold any such employment,
- within the last three years has not been a principal of a material professional adviser or a material consultant to the company or another group member, or an employee materially associated with the service provided,
- is not a material supplier or customer of the company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer,
- has no material contractual relationship with the company or another group member other than as a director of the company,
- has not served on the board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the company,
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the company.

Corporate Governance Statement
and Compliance with Principles of Good Corporate Governance

Having regard to the above criteria, all directors are independent.
Directors consider that the company complies with Principle 2.1 of the Principles of Good Corporate Governance

2.2: The chairperson should be an independent director.
Mr Hodges, the chairman, is an independent director.
Directors consider that the company complies with Principle 2.2 of the Principles of Good Corporate Governance.

2.3: The roles of chairperson and chief executive officer should not be exercised by the same individual.
The company does not employ a chief executive officer.
Directors consider that the company complies with Principle 2.3 of the Principles of Good Corporate Governance.

2.4: The board should establish a nomination committee
The company does not have a formal nomination committee due to the scale and nature of the company's activities. The whole board meet to consider additional appointments to the board.
Directors consider that the company complies with the intentions of Principle 2.4 of the Principles of Good Corporate Governance.

2.5: Provide the information indicated in *Guide to reporting on Principle 2*
The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report are disclosed in the directors' report included in the annual report.
All of the directors are considered by the board to constitute independent directors. The company does not have fixed materiality thresholds.
Each director has the right to seek independent professional advice at the Company's expense. However, prior approval of the Chair is required, which is not unreasonably withheld.
No directors have fixed terms of office.
The company does not have a nomination committee for the reasons outlined in 2.4 above.
Any departures from best practice recommendations 2.1, 2.2, 2.3, 2.4 or 2.5 are included in those sections.
The board will review its composition on an annual basis to ensure that the Board has the appropriate mix of expertise and experience. Where a vacancy exists, for whatever reason, or where it is considered that the board would benefit from the services of a new director with particular skills, the board will select appropriate candidates with relevant qualifications, skills and experience.
Directors consider that the company complies with Principle 2.5 of the Principles of Good Corporate Governance.

Principle 3:
Promote ethical and responsible decision-making

3.1: Establish a code of conduct to guide the directors, the chief executive officer (or equivalent), the chief financial officer (or equivalent) and any other key executives as to:
3.1.1 the practices necessary to maintain confidence in the company's integrity
3.1.2 the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.
The board's policy for the directors and management is to conduct themselves with the highest ethical standards. All directors and employees will be expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the company.
The company has not adopted a specific Code of Conduct due to the size of its operations and number of employees at this time.
Directors consider that the company does not comply with Principle 3.1 of the Principles of Good Corporate Governance.

Corporate Governance Statement
and Compliance with Principles of Good Corporate Governance

3.2: Disclose the policy concerning trading in company securities by directors, officers and employees.
The policy is as follows:
Directors and senior executives (officers) must not buy or sell shares or securities in the company if they possess information which, if disclosed publicly, might have a material effect on the price or value of the company's shares. Directors through the company secretary must notify the ASX of any change in their share holdings within 3 business days of the transaction taking place.
No transaction should take place if the directors (or officers) are aware of any information which, if disclosed publicly, might have a material effect on the price or value of the company's shares.
Directors consider that the company complies with Principle 3.2 of the Principles of Good Corporate Governance.

3.3: Provide the information indicated in *Guide to reporting on Principle 3*.
This information is provided in this statement.
Directors consider that the company complies with Principle 3.3 of the Principles of Good Corporate Governance.

Principle 4:
Safeguard integrity in financial reporting

4.1: Require the chief executive officer (or equivalent) and the chief financial officer (or equivalent) to state in writing to the board that the company's financial reports present a true and fair view, in all material respects, of the company's financial condition and operational results and are in accordance with relevant accounting standards.
The company secretary provides the board with this statement in relation to financial reports.
Directors consider that the company complies with Principle 4.1 of the Principles of Good Corporate Governance.

4.2: The board should establish an audit committee.
Due to the company's size and structure at present it is not considered appropriate to have a formal audit committee.
Directors consider that the company does not comply with Principle 4.2 of the Principles of Good Corporate Governance.

4.3: Structure the audit committee so that it consists of:
- **only non-executive directors,**
- **a majority of independent directors,**
- **an independent chairperson, who is not chairperson of the board,**
- **at least three members.**

Directors consider that Principle 4.2 of the Principles of Good Corporate Governance is not applicable.

4.4: The audit committee should have a formal charter.
Directors consider that Principle 4.2 of the Principles of Good Corporate Governance is not applicable.

4.5: Provide the information indicated in *Guide to reporting on Principle 4*.
Directors consider that the company complies with Principle 4.5 of the Principles of Good Corporate Governance to the extent applicable to the Company.

Principle 5:
Make timely and balanced disclosure

5.1: Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.
All directors are required to have a general understanding of the matters that are to be, or not to be disclosed in accordance with the ASX Listing Rules.
All matters concerning compliance with the listing rules are to be reported to the chairman.

Corporate Governance Statement
and Compliance with Principles of Good Corporate Governance

The chairman has primary responsibility for ensuring that the company complies with its disclosure obligations and is primarily responsible for deciding what information will be disclosed.
Directors are required to maintain confidentiality of corporate information to avoid premature disclosure.
The chairman is responsible for media contact and comment, external communications such as analyst briefings and responses to shareholder questions.
Directors consider that the company complies with Principle 5.1 of the Principles of Good Corporate Governance.

5.2: Provide the information indicated in *Guide to reporting on Principle 5.*
This information is provided in this statement.
Directors consider that the company complies with Principle 5.2 of the Principles of Good Corporate Governance.

Principle 6:
Respect the rights of shareholders

6.1: Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.
Information is communicated to shareholders as follows:

- notices of all meetings of shareholders;
- all documents that are released publicly are made available on the company's website at www.crusaderholdings.com.

Directors consider that the company complies with Principle 6.1 of the Principles of Good Corporate Governance.

6.2: Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.
Directors anticipate that the company will comply with Principle 6.2 of the Principles of Good Corporate Governance.

Principle 7:
Recognise and manage risk

7.1: The board or appropriate board committee should establish policies on risk oversight and management.
The board monitors and if necessary receives advice on areas of operational and financial risk, and considers strategies for appropriate risk management arrangements.
Specific areas of risk, which are identified, will be regularly considered at board meetings include performance of activities, human resources, the environment and continuous disclosure obligations.

7.2: The chief executive officer (or equivalent) and the chief financial officer (or equivalent) should state to the board in writing that:
7.2.1 the statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board.
7.2.2 the company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.
Matters of risk management and compliance are currently addressed by the board as a whole at this stage of the development of the company.
Directors consider that the company complies with the intentions of Principle 7.2 of the Principles of Good Corporate Governance.

7.3: Provide the information indicated in *Guide to reporting on Principle 7.*
This information is provided in this statement.

Corporate Governance Statement
and Compliance with Principles of Good Corporate Governance

Directors consider that the company complies with Principle 7.3 of the Principles of Good Corporate Governance.

Principle 8:
Encourage enhanced performance

8.1: Disclose the process for performance evaluation of the board, its committees and individual directors, and key executives.
At this stage of the development of the company does not have formal procedures in place for performance evaluation of the board, its committees and individual directors, and key executives.
Directors consider that the company does not comply with Principle 8.1 of the Principles of Good Corporate Governance.

Principle 9:
Remunerate fairly and responsibly

9.1: Provide disclosure in relation to the company's remuneration policies to enable investors to understand (i) the costs and benefits of those policies and (ii) the link between remuneration paid to directors and key executives and corporate performance.
At this stage of the development of the company does not have formal remuneration policies in place.
The company does not comply with Principle 9.1 of the Principles of Good Corporate Governance.

9.2: The board should establish a remuneration committee.
At this stage of the development of the company does not have formal remuneration policies in place.
Directors consider that the company does not comply with Principle 9.2 of the Principles of Good Corporate Governance.

9.3: Clearly distinguish the structure of non-executive directors' remuneration from that of executives.
The remuneration of each director is set out in the directors' report included in the annual report.
Directors consider that the company complies with Principle 9.3 of the Principles of Good Corporate Governance.

9.4: Ensure that payment of equity-based executive remuneration is made in accordance with thresholds set in plans approved by shareholders.
The company does not have equity-based executive remuneration
Directors consider that with Principle 9.4 of the Principles of Good Corporate Governance is not applicable

9.5: Provide the information indicated in *Guide to reporting on Principle 9*.
This information is provided in this statement.
Directors consider that the company complies with Principle 9.5 of the Principles of Good Corporate Governance.

Principle 10:
Recognise the legitimate interests of stakeholders

10.1: Establish and disclose a code of conduct to guide compliance with legal and other obligations to legitimate stakeholders.
At this stage of the development of the company does not have formal Code of Conduct in place.
Directors consider that the company does not comply with Principle 10.1 of the Principles of Good Corporate Governance.

ADDITIONAL STOCK EXCHANGE INFORMATION

The additional information dated 22 September 2005 is required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report.

Distribution of Shareholders

	Number
1 - 1,000	2
1,001 - 5,000	9
5,001 - 10,000	61
10,001 - 100,000	159
100,001 and over	44
TOTAL	275

There were 3 holders of less than marketable parcel of ordinary shares.

Twenty Largest Shareholders

Shareholder	Number of Shares	Percentage
MR MATHEW WALKER	1,000,000	4.82%
MS KATHRYN YULE	952,999	4.59%
BLUE BONE ENTERPRISES PTY LTD	900,000	4.34%
HUSIF NOMINEES PTY LTD	775,000	3.73%
ASCOT PARK ENTERPRISES PTY LTD	750,000	3.61%
GWYNVILL TRADING PTY LIMITED	700,000	3.37%
D F LYNTON-BROWN PTY LTD	531,300	2.56%
MR VERNON WESLEY STRANGE	500,000	2.41%
MR PAUL STEPHEN	425,000	2.05%
VITOR PTY LTD	420,000	2.02%
REAL SOCKS PTY LTD	400,000	1.93%
HUSIF NOMINEES PTY LTD	398,266	1.92%
MURRAY HODGES PTY LTD	375,000	1.81%
BIRRANG INVESTMENTS PTY LTD	350,540	1.69%
MR PETER NELSON	350,000	1.69%
MR PAUL RICHARD STEPHEN &	315,311	1.52%
CORLESS FARMS (WA) PTY LTD	300,000	1.45%
DENCOVE NOMINEES PTY LTD	295,000	1.42%
LINEAR A PTY LTD	250,000	1.20%
R GEORGE INVESTMENTS PTY LTD	250,000	1.20%
	10,238,416	49.33%

Substantial Shareholders

Shareholder	Number of Shares	Percentage
Husif Nominees Pty Ltd	1,173,266	5.65

Voting Rights

The voting rights attaching to each class of equity securities are set our below:

(a) Ordinary Shares: On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options: No voting rights.

Stock Exchange Listing

Crusader Holdings NL's ordinary shares are quoted on the Australian Stock Exchange Limited. The home exchange is the Australian Stock Exchange (Perth) Limited.

ADDITIONAL STOCK EXCHANGE INFORMATION
Distribution of Quoted Optionholders
Distribution of Holders of Listed Options:

	Number
1 - 1,000	1
1,001 - 5,000	58
5,001 - 10,000	61
10,001 - 100,000	54
100,001 and over	14
TOTAL	188

Twenty Largest Optionholders

Optionholder	Number of Options	Percentage
HUSIF NOMINEES PTY LTD	496,666	7.97%
LINEAR A PTY LTD	418,327	6.71%
MELSELINA PTY LTD	400,236	6.42%
ASCOT PARK ENTERPRISES PTY LTD	366,666	5.89%
BLUE BONE ENTERPRISES (WA)	300,000	4.82%
ILLINGTON PTY LTD	200,000	3.21%
GWYNVILL TRADING PTY LIMITED	166,666	2.68%
REAL SOCKS PTY LTD	155,999	2.50%
MR CHRISTOPHER ROBIN LADYMAN	150,000	2.41%
MR PAUL STEPHEN	141,666	2.27%
MR PAUL RICHARD STEPHEN &	135,425	2.17%
D F LYNTON-BROWN PTY LTD	134,295	2.16%
REAL SOCKS PTY LTD	133,333	2.14%
MR DAVID BRYAN TOTTERDELL	133,333	2.14%
CENTREACE PTY LTD	100,000	1.61%
MS KATHRYN YULE	100,000	1.61%
ILLINGTON PTY LTD	100,000	1.61%
BIRRANG INVESTMENTS PTY LTD	100,000	1.61%
BLUE BONE ENTERPRISES (WA)	100,000	1.61%
TONGZI PTY LIMITED	100,000	1.61%
	3,932,612	63.15%

Schedule of Mining Tenements

Name	Ref	Ownership
Kiaby Well	E59/934	Earning 60% (JV Mawson West Ltd)
Janetta (Parker Range)	P77/3204	80%
Cheritons (Parker Range)	P77/3260	80%
Mountain Devil (Parker Range)	P77/3201	80%
Dulcie (Parker Range)	P77/3111	80%
Dulcie North (Parker Range)	M77/581	100%
Greenmount	ELA77/1153	80%
Fair Adelaide	P24/3681 to P24/3689 (inc)	Option to purchase 80%

Mara Rosa	860033	94%
Mara Rosa	860032	94%
Igaracy	846138	94%
Igaracy	846137	94%
Diamante- Ibiara	846124	94%
Diamante- Ibiara	846125	94%
Diamante- Ibiara	846133	94%
Diamante- Ibiara	846129	94%
Manaira	846132	94%
Manaira Princesa Isabel	846127	94%
Espinharas	848140	94%
Espinharas	848128	94%
Espinharas	848136	94%
Espinharas	848134	94%
Princesa Isabel	846139	94%
Princesa Isabel	846135	94%
Princesa Isabel	846131	94%
Princesa Isabel	846126	94%
Princesa Isabel	846121	94%
Princesa Isabel	846123	94%
Alto Horizonte	860816	94%
Mara Rosa	860815	94%
Mara Rosa	860814	94%