

CRUSADER HOLDINGS NL

A.C.N. 106 641 963

HALF-YEAR REPORT

FOR THE HALF-YEAR ENDED
31 DECEMBER 2006

CRUSADER HOLDINGS NL

DIRECTORS' REPORT

The directors of Crusader Holdings NL submit herewith the financial report for the half-year ended 31 December 2006. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company during or since the end of the half-year are:

Name

Mr. D. Archer

Mr. M. Hodges

Mr. J. Evans

Mr. R. M. Smakman

REVIEW OF OPERATIONS

(a). Overview

The consolidated entity operates as a mineral explorer in Brazil and Western Australia. The consolidated entity is continuing exploration work in the Borborema region in Brazil and near Southern Cross in Western Australia.

(b). Review of operations:

The consolidated entity incurred an after tax operating loss for the half-year ended 31 December 2006 of \$1,097,008 (31 December 2005: \$72,209).

Juru Belem Gold Project – Brazil (94%)

Since the last reporting date Crusader has recently completed the maiden Reverse Circulation (RC) drilling campaign for a total of 3,126m in 42 holes. Drilling was targeted at 2 main gold prospects, Rajada and Pedro do Cipo, two high grade gold prospects which have a reported production history from near surface Garimpeiro mining of 90,000oz and 60,000 oz respectively and have returned spectacular rock chip results in the lead up to drilling (Rajada 695 g/t gold and Pedro do Cipo 173 g/t gold).

Drilling returned high grade gold results from the first batch of samples. Best results included 1m@11.4 g/t gold in hole RRC002 from 54m (down hole depths), 1m @11.1 g/t gold from 55m in hole RRC006, 3m @ 5.67 g/t from 87m gold in hole RRC0012 and 1m @13.4 g/t gold from 51m in hole RRC025. The results provide significant encouragement for Crusader's Brazilian exploration strategy.

Lake Throssell Uranium Project WA (100%)

The Lake Throssell Uranium Project is an extensive project east of Laverton and is considered highly prospective for calcrete hosted Uranium mineralization. Crusader will target the extensive paleo-channel and deltaic areas that ultimately drain into Lake Throssell and Lake Yeo.

Crusader is continuing to progress native title applications to enable tenement granting and access.

Southern Cross Gold Projects

Crusader has entered into a heads of agreement with Regatta Resources Limited (Regatta) to sell all of its rights, interests and obligations in our Parker Range and Greenmount tenements in the Southern Cross region of WA. The agreement is subject to Regatta achieving a successful ASX listing when Crusader will receive 1,500,000 shares in Regatta.

Corporate

Crusader successfully raised \$2.52m during the reporting period through the exercise of 12.6m listed 20 cent options. The 94% take up from option holders is considered a strong endorsement of the Company's exploration strategy. Tricom Equities underwrote the exercise of the options and were paid a fee of 5%.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 13 of the half-year report.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors

J. Evans
Director
Perth, 16 March 2007

CRUSADER HOLDINGS NL
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

	Note	Half-year ended 31 Dec 2006 Consolidated \$	Half-year ended 31 Dec 2005 Consolidated \$
Revenue	2	120,041	157,322
Rent & office expenses		(13,532)	(9,868)
Depreciation expense		(6,205)	(317)
ASX listing fees		(19,800)	(8,668)
Consulting and directors fees		(31,107)	(48,823)
Legal and professional fees		(31,865)	(11,732)
Provision against investments		(50,000)	-
Share options expense		(484,065)	-
Exploration expenditure		(540,008)	(103,000)
Other expenses		(76,455)	(53,532)
Loss for the period from continuing operations		(1,132,996)	(78,618)
Loss before tax		(1,132,996)	(78,618)
Income tax expense		-	-
Loss for the period		(1,132,996)	(78,618)
Attributable to:			
Equity holders of the parent		(1,097,008)	(72,209)
Minority interest		(35,988)	(6,409)
		(1,132,996)	(78,618)
Basic loss per share (cents per share)	6	(4.79)	(0.35)

Diluted earnings per share does not represent an inferior view of the consolidated entity's performance and is not disclosed for this reason

Notes to the financial statements are included on pages 7 to 9.

CRUSADER HOLDINGS NL
CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2006

	Note	<u>31 Dec 2006</u> Consolidated \$	<u>30 Jun 2006</u> Consolidated \$
Current assets			
Cash and cash equivalents		2,348,828	1,687,091
Trade and other receivables		914,277	22,467
Total current assets		<u>3,263,105</u>	<u>1,709,558</u>
Non current assets			
Investments		-	50,000
Assets available for sale		79,500	-
Capitalised exploration costs		384,606	230,955
Plant and equipment		92,709	4,290
Total non current assets		<u>556,815</u>	<u>285,245</u>
Total assets		<u>3,819,920</u>	<u>1,994,803</u>
Current liabilities			
Trade and other payables		143,738	159,923
Total current liabilities		<u>143,738</u>	<u>159,923</u>
Total liabilities		<u>143,738</u>	<u>159,923</u>
Net assets		<u>3,676,182</u>	<u>1,834,880</u>
Equity			
Issued capital	3	5,127,552	2,690,000
Accumulated losses		(1,956,130)	(859,122)
Amounts recognised directly in equity relating to available for sale assets		19,500	-
Option premium reserve		546,720	62,655
Translation reserve		2,208	(28,981)
Parent entity interest		3,739,850	1,864,552
Minority interest		(63,668)	(29,672)
Total equity		<u>3,676,182</u>	<u>1,834,880</u>

Notes to the financial statements are included on pages 7 to 9.

CRUSADER HOLDINGS NL
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

	<u>Half-year ended 31 Dec 2006 Consolidated \$</u>	<u>Half –year ended 31 Dec 2005 Consolidated \$</u>
Cash flows from operating activities		
Receipts from customers	-	100,802
Interest received	50,041	57,832
GST receipts	28,229	11,292
Payments to suppliers and employees	(95,713)	(108,496)
Net cash provided by/(used in) operating activities	<u>(17,443)</u>	<u>61,430</u>
Cash flows from investing activities		
Proceeds from sale of tenement	10,000	-
Payment for tenement	(9,971)	-
Payments for exploration expenditure	(640,323)	(108,646)
Payments for plant and equipment	(94,626)	(2,907)
Net cash used in by investing activities	<u>(734,920)</u>	<u>(111,553)</u>
Cash flows from financing activities		
Proceeds from issue of equity securities	1,413,793	-
Net cash provided by financing activities	<u>1,413,793</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	<u>661,430</u>	<u>(50,123)</u>
Cash and cash equivalents at the beginning of the period	1,687,091	2,149,377
Foreign exchange differences	307	(336)
Cash and cash equivalents at the end of the period	<u>2,348,828</u>	<u>2,098,918</u>

Notes to the financial statements are included on pages 7 to 9.

CRUSADER HOLDINGS NL
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

	Share capital	Accumulated losses	Other reserves	Total	Minority Interest	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2005	2,690,000	(364,852)	55,648	2,380,796	(4,847)	2,375,949
Currency translation differences	-	-	(5,587)	(5,587)	(357)	(5,944)
Total income and expense for the period recognised in equity	-	-	(5,587)	(5,587)	(357)	(5,944)
Loss for the period	-	(72,209)	-	(72,209)	(6,409)	(78,618)
Total income/(expense) for the period	-	(72,209)	(5,587)	(77,796)	(6,766)	(84,562)
Balance at 31 December 2005	2,690,000	(437,061)	50,061	2,303,000	(11,613)	2,291,387

	Issued capital	Accumulated losses	Other reserves	Total	Minority Interest	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2006	2,690,000	(859,122)	33,674	1,864,552	(29,672)	1,834,880
Currency translation differences	-	-	31,189	31,189	1,992	33,181
Total income and expense for the period directly recognised in equity	-	-	503,565	503,565	-	503,565
Loss for the period	-	(1,097,008)	-	(1,097,008)	(35,988)	(1,132,996)
Total income/(expense) for the period	-	(1,097,008)	534,754	(562,254)	(33,996)	(596,250)
Underwriters costs	(80,000)	-	-	(80,000)	-	(80,000)
Shares issued on exercise of options	2,367,552	-	-	2,367,552	-	2,367,552
Shares issued for tenement acquisition	150,000	-	-	150,000	-	150,000
Balance at 31 December 2006	5,127,552	(1,956,130)	568,428	3,739,850	(63,668)	3,676,182

Notes to the financial statements are included on pages 7 to 9.

CRUSADER HOLDINGS NL
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's financial report for the financial year ended 30 June 2006. The adoption of the mandatory amending standards for annual periods beginning on or after 1 January 2006 are either not applicable or have no material impact on the group.

	<u>31 Dec 2006</u> <u>Consolidated</u> <u>\$</u>	<u>31 Dec 2005</u> <u>Consolidated</u> <u>\$</u>
2. Revenue		
Unrealised foreign exchange gain	-	12,587
Sundry Income	-	86,903
Proceeds from sale of tenements	70,000	-
Bank interest	50,041	57,832
	<u>120,041</u>	<u>157,322</u>

3. Issued Capital

	<u>31 December</u> <u>2006</u> <u>Number</u>	<u>30 June</u> <u>2006</u> <u>Number</u>
<i>Ordinary Shares</i>		
Issued and fully paid	28,974,639	20,755,675
Shares issued on exercise of options	4,368,794	-
	<u>33,343,433</u>	<u>20,755,675</u>
		\$
<i>Movements in ordinary share capital</i>		
At 1 July 2006	20,755,675	2,690,000
Issue of shares for tenement acquisition	750,000	150,000
Issue of shares on exercise of options	11,837,758	2,367,552
Underwriting costs		(80,000)
At 31 December 2006	<u>33,343,433</u>	<u>5,127,552</u>

CRUSADER HOLDINGS NL
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. Issued Capital (continued)

Included in issued capital is an amount of \$873,759 which is funds received at the Company share registry at 31 December 2006 to exercise 4,368,794 options but not yet banked by Crusader. This amount has been correspondingly included in trade and other receivables.

Share Options

At the date of this report there were 6,500,000 unlisted options over unissued fully paid ordinary shares with an exercise price of 25 cents.

4. Dividends

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

5. Contingencies and Commitments

In order to maintain current rights of tenure to exploration tenements, the economic entity is required to perform minimum exploration work to meet the minimum expenditure commitments as specified by the State Government and the Brazilian 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 economic entity 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 economic entity 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.

6. Loss per share

	<u>31 Dec 2006</u>	<u>31 Dec 2005</u>
	Cents per share	Cents per share
Basic loss per share	(4.79)	(0.35)
	No.	No.
The weighted average number of ordinary shares on issue during the half-year used in the calculation of basic loss per share	22,917,660	20,755,675
Diluted loss per share has not been disclosed as it does not result in an inferior position.		

CRUSADER HOLDINGS NL
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. Segment Information

The following table presents the revenue and results information regarding geographical segments for the half-year periods ended 31 December 2006 and 31 December 2005.

31 December 2006	Brazil \$	Australia \$	Total \$
Segment revenue	12,492	107,549	120,041
Segment result	(563,805)	(533,203)	(1,097,008)
31 December 2005	Brazil \$	Australia \$	Total \$
Segment revenue	14,200	143,122	157,322
Segment result	(100,422)	28,213	(72,209)

8. Events after the balance sheet date

A total of 767,316 options with an expiry date of 31 December 2006 and an exercise price of 20 cents lapsed and were taken up by the underwriters, Tricom Equities for a consideration of \$153,463 less a fee of \$80,000 paid for their services.

The amount receivable amounting to \$873,759 for shares issued on exercise of options at 31 December 2006 has been received subsequent to the balance sheet date.

9. Share based payments

During the six months ended 31 December 2006, the consolidated entity granted 6,500,000 unlisted options to directors of the Company of which 2,000,000 vested immediately. The fair value of the options was ascertained using the Black-Scholes valuation method and is based upon the following inputs and assumptions:

- (a) share price of 25 cents at grant date;
- (b) an estimated volatility factor of 60%;
- (c) an option exercise price of 25cents;
- (d) a risk free rate of 5.96%; and
- (e) a term to expiry of 60 months (27 July 2011).

In deriving the valuation, the Black-Scholes method relies on the following assumptions:

- (a) the Options can be exercised at any time during the period, subject to the performance criteria being met;
- (b) there are no transaction costs and the securities are infinitely divisible and information is available to all without cost; and
- (c) the risk free rate is known and constant throughout the duration of the option contract.

The basis of measuring fair value is consistent with that disclosed in the consolidated financial report as at and for the year ended 30 June 2006.

CRUSADER HOLDINGS NL

Directors' declaration

The directors declare that:

- (a) 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; and
- (b) in the director's opinion, the attached condensed consolidated financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity for the period ended 31 December 2006.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors

J. Evans
Director

Perth, 16 March 2007

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CRUSADER HOLDINGS NL

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Crusader Holdings NL, which comprises the condensed consolidated balance sheet as at 31 December 2006, and the condensed consolidated income statement, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Crusader Holdings NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in

accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

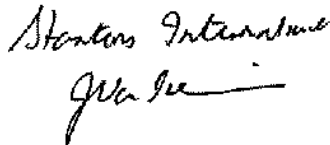
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Crusader Holdings NL on 16 March 2007.

Conclusion

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 the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL
(An authorised audit company)



J P Van Dieren
Director

West Perth, Western Australia
16 March 2007

Stantons International

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16 March 2007

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

Dear Sirs

RE: CRUSADER HOLDINGS NL

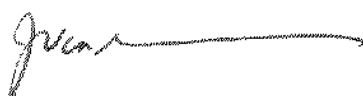
In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Crusader Holdings NL.

As Audit Director for the review of the financial statements of Crusader Holdings NL for the six months ended 31 December 2006, 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

STANTONS INTERNATIONAL
(Authorised Audit Company)



John Van Dieren
Director