



30 January 2008

## DECEMBER 2007 QUARTERLY ACTIVITIES REPORT

### HIGHLIGHTS:

- Drilling completed at Posse- significant results reported- including 11m @ 62% Fe
- Drilling set to start at Manga Tin/Indium project
- Strengthened management team
- Heads of Agreement signed with Amarillo Gold Corp

### Posse Iron Ore Project, Minas Gerais, Brazil (CAS 100%)

Crusader's Posse Iron Project is located within the northern part of the Iron Quadrilateral of Minas Gerais state, Brazil. During the quarter the diamond drill program was completed. A total of 11 holes were completed for 851 metres. Significant results have been received during the quarter including ;

**11m @ 62% Fe from 19m in hole PODH008**

**4m @ 61% Fe from 24.55m in hole PODH006**

The Posse project is located 30km from Belo Horizonte, the capital city of Minas Gerais state. A national highway runs through the tenement and there is ready access to power and water. Belo Horizonte is a major city providing infrastructure to the well established mining industry in the area.

There are several large and smaller steel mills in the region, which have the potential to offer the project different options for the sale of ore. Crusader believes there is a ready market for all types of product identified so far from the Posse Iron ore project. Mapping and sampling has identified significant areas of iron mineralisation typical of the Iron Quadrilateral, including friable itabirite and compact hematite.

Final results are expected soon and then SRK Consulting will begin work on a geological model and JORC compliant resource estimate.

An experienced engineer, Mr Gonzalo Marcet, has been appointed to the role of project engineer for the Posse project. In this role he will be responsible for facilitating the on-going permitting process, determining the optimal mine development option and managing the project implementation.

Level 2, 35 Havelock St, West Perth WA 6005  
PO Box 9023, Nicholson Rd, Subiaco WA 6008  
Phone +618 9320 7500  
Fax +618 9320 7501  
[www.crusaderholdings.com](http://www.crusaderholdings.com)

Avenida Cajazeiras - 108  
Manaira, 58038-040  
Joao Pessoa, Paraiba, Brazil  
Tele/fax +55 83 3227 0589  
ACN: 106 641 963

For personal use only

## **Manga Tin/Indium Project, Goias, Brazil (CAS 100%)**

The Manga project occurs within the larger Goias Tin province, covers 15km<sup>2</sup> and despite never having any modern exploration, shows evidence of significant surficial garimpeiro activity for tin mineralisation. The tin mineralisation at Manga also displays very high indium, which has an increasingly significant economic value.

A total of 197 rock chip samples were collected last quarter at Manga. These samples have been transferred to a laboratory in Perth, Australia where final results are awaited. Results are expected before the commencement of a 1500m combined RC and Diamond drilling program which is scheduled to begin in February.

### **Corporate**

During the quarter, Crusader appointed Ms Katina Law to the position of Commercial Manager, Dr Christopher Stephens as geological consultant and Mr Gonzalo Marcet as project engineer for the Posse iron project. Crusader is also interviewing for a Brazilian based exploration manager to continue our strong corporate focus on exploration.

Ms Law has 15 years' experience in the mining industry and has held senior financial positions at LionOre Australia and Newmont Mining Corporation. Ms Law has extensive experience in business development and financial project evaluation in the resources sector and she will assist in project identification and evaluation, corporate administration and investor relations.

Dr Christopher Stephens has 30 years experience in exploration and mining with exposure to a wide range of commodities. He has worked as an independent consultant with the international consulting group RSG Global Pty Ltd (now Coffey Mining) and more recently as Chief Geologist and acting CEO of ASX listed Abra Mining Limited. Dr Stephens has recently completed a visit to Crusader's Brazilian projects and will provide support to the Managing Director in evaluating, developing and reporting on the Crusader project portfolio.

Mr Gonzalo Marcet has over 30 years of experience as an engineer and has held senior positions with Minerconsult S.A. and Bechtel do Brasil Construções Ltda. He has extensive experience in management of large construction projects and contracts management across a range of industries including mining, construction and petro-chemicals. He has a degree in Mine Engineering from Superior – State Technical University in Chile. Mr Marcet has lived in Belo Horizonte for over 30 years and is fluent in Portuguese. In his role as Project Engineer for the Posse Iron Project, Mr Marcet will be based in Belo Horizonte and will have the main responsibility of facilitating the on-going permitting process, determining the optimal mine development option and managing the project implementation.



For personal use only

Crusader has signed a heads of agreement with Amarillo Gold Corp. (TSX-V: AGC) (“Amarillo”), a TSX listed company, where Amarillo can explore and develop Crusader’s 4,560 hectare Mara Rosa gold project in Goias state, central Brazil. Under the terms of the agreement Amarillo can earn a 70% interest by expending US\$300,000 on exploration over the next thirty months and making staged cash payments totalling US\$50,000 during the earn-in period. Subsequent to the earn-in a 70:30 joint venture agreement will be implemented. In the event that either party elects not to contribute then a standard dilution clause will be applied down to a 10% equity interest at which point it converts to a 1% NSR.

#### About Crusader

Crusader Holdings N.L. (ASX:CAS) (Crusader) is a minerals exploration company focussed on the identification, acquisition and development of projects in Brazil. The Company has a diverse portfolio of projects including iron ore, tin, gold and uranium. Crusader applies leading edge exploration skills to the discovery of new assets and continues to utilise its strong networks in Brazil to identify new opportunities.

The company’s most mature project is the Posse Iron Project which is located in the Iron Quadrilateral in the state of Minas Gerais, 30km from the regional capital and iron ore mining centre of Belo Horizonte. Crusader has recently completed a resource definition drilling program on the property and is working towards production of iron ore during 2008.

The Manga Tin-Indium project is in the Goias Tin province, located in the northeast of Goais state approximately 300km from the national capital of Brasilia. The project is highly anomalous in indium, an emerging “new metal” with particular application in flat screen displays.

Crusader also has an extensive portfolio of gold properties located in the state of Paraiba in the northeast of Brazil. These projects include significant historic production (to 150,000ozs) and display regional structural settings that are highly favourable for significant gold mineralisation.

In Australia, Crusader retains a portfolio of projects prospective for palaeochannel uranium and Archaean gold and nickel.

Crusader Holdings NL has 44,560,749 ordinary shares on issue.

For further information contact:

Mr Rob Smakman  
Managing Director  
Mobile: +55 83 8881 8608  
Email: [rob@crusaderholdings.com](mailto:rob@crusaderholdings.com)

Ms Katina Law  
Commercial Manager  
Mobile: +61 4 1819 4887  
Email: [katina@crusaderholdings.com](mailto:katina@crusaderholdings.com)

Level 2, 35 Havelock St, West Perth WA 6005  
PO Box 9023, Nicholson Rd, Subiaco WA 6008  
Phone +618 9320 7500  
Fax +618 9320 7501  
[www.crusaderholdings.com](http://www.crusaderholdings.com)

Avenida Cajazeiras - 108  
Manaira, 58038-040  
Joao Pessoa, Paraiba, Brazil  
Tele/fax +55 83 3227 0589  
ACN: 106 641 963

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

**Crusader Holdings NL**

ABN

94 106 641 963

Quarter ended ("current quarter")

31 December 2007

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(264)	(625)
(b) development	-	-
(c) production	-	-
(d) administration	(204)	(380)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	72	131
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 GST refunded	38	51
<b>Net Operating Cash Flows</b>	<b>(358)</b>	<b>(823)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) exploration	-	-
(b) mining tenements	-	(3,296)
(c) other fixed assets	(12)	(12)
1.9 Proceeds from sale of:		
(a) tenements	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(12)</b>	<b>(3,308)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(370)</b>	<b>(4,131)</b>

+ See chapter 19 for defined terms.

For personal use only

1.13	Total operating and investing cash flows (brought forward)	(370)	(4,131)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	50	7,175
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Capital raising costs	-	(428)
	<b>Net financing cash flows</b>	50	6,747
	<b>Net increase (decrease) in cash held</b>	(320)	2,616
1.20	Cash at beginning of quarter/year to date	5,091	2,233
1.21	Exchange rate adjustments to item 1.20	12	(66)
1.22	<b>Cash at end of quarter</b>	4,783	4,783

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	19
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Payments of benefits provided to managing director. Payment of directors fees. Payment for geological services provided by director.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

--

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

--

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

For personal use only

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	-
<b>Total</b>	<b>300</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	4,783	5,091
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (1 month term deposit)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>4,783</b>	<b>5,091</b>

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		
6.2		Interests in mining tenements acquired or increased		

+ See chapter 19 for defined terms.

For personal use only

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	44,560,749	44,560,749		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	200,000	200,000		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	6,800,000	-	25 cents	22 August 2011
	1,000,000	-	30 cents	21 January 2010
	4,950,000	-	\$1.00	12 September 2010
	1,000,000	-	28 cents	22 August 2011
7.8 Issued during quarter	200,000	-	\$1.00	12 September 2010
7.9 Exercised during quarter	200,000	-	25 cents	22 August 2011
7.1 Expired during quarter				
7.1 <b>Debentures</b> <i>(totals only)</i>				
7.1 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

For personal use only

