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CRUSADER HOLDINGS NL

A.C.N. 106 641 963

HALF-YEAR REPORT

FOR THE HALF-YEAR ENDED
31 DECEMBER 2007

CRUSADER HOLDINGS NL

DIRECTORS' REPORT

The directors of Crusader Holdings NL submit herewith the financial report for the half-year ended 31 December 2007. 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	Chairman
Mr. R. M. Smakman	Managing Director
Mr. J. Evans	Non-executive Director
Mr. M. Hodges	Non-executive Director

REVIEW OF OPERATIONS

(a). Overview

The consolidated entity operates as a mineral explorer in Brazil and Western Australia. The company's main exploration targets in Brazil are the Manga Tin Indium Project, the Posse Iron Project and several gold projects in the Borborema region. The company also has a Uranium project at Lake Throssell as well as gold and Nickel projects all in Western Australia.

(b). Review of operations:

The consolidated entity incurred an after tax loss for the half-year ended 31 December 2007 of \$1,561,637 (31 December 2006: \$1,132,996).

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

Crusader has purchased 100% of the Posse Iron Project located within the northern part of the Iron Quadrilateral of Minas Gerais state, Brazil. The Posse project is located 30km from Belo Horizonte, the capital city of Minas Gerais state. Belo Horizonte is a major city providing infrastructure to the well established mining industry in the area.

Crusader believes there is a ready local market for all types of product identified so far from the Posse Iron ore project.

Work completed during the half included surface sampling, mapping, a topographic survey and drilling. Crusader has identified significant areas of iron mineralisation typical of the Iron Quadrilateral, including friable itabirite and compact hematite.

Crusader is working towards 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.

CRUSADER HOLDINGS NL

DIRECTORS' REPORT

REVIEW OF OPERATIONS (Continued)

Manga Tin-Indium Project, Goiás, Brazil (CAS 100%)

The Manga project occurs within the larger Goiás Tin province, covers 15km² 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.

Detailed geological mapping at Manga was completed during the period in combination with a sampling and trenching program. The sampling was aimed at providing greater control on the main body of mineralization and at defining drill targets.

Results from the surface sampling are expected before the commencement of a 1500m combined RC and Diamond drilling program which is scheduled to begin in March 2008.

Jurú-Belém Gold project, Paraíba, Brazil (CAS 100%)

Mapping continued at Jurú-Belém including several reefs in the Mineração do Nordeste Ltda (MNL) ground. Mapping includes a regional scale map over the entire Crusader tenement holding and detailed maps over Mina do Farias (MNL), Covico and Xique-Xique prospects.

The work program is being partly restricted due to the absence of a land access agreement to a key portion of the MNL area. Crusader is hopeful of gaining access to that area in the near future, which will allow the finalisation of a drilling plan.

Corporate

During the period, Crusader completed the placement of 9,500,000 shares at A\$0.75 each to raise a total of A\$7,125,000 before expenses to sophisticated and private investors of Montagu Stockbrokers. The placement included AUD\$3 million to a US based institution, which visited the Posse Iron project during August 2007.

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 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 Goiás 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 totaling US\$50,000 during the earn-in period. Subsequent to the earn-in period 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.

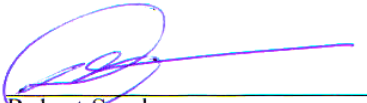
CRUSADER HOLDINGS NL

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307c of the Corporations Act 2001 is set out on page 15.

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

On behalf of the Directors



Robert Smakman

Managing Director
Perth, 14 March 2008

CRUSADER HOLDINGS NL
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

	Note	Half-year ended 31 Dec 2007 Consolidated \$	Half-year ended 31 Dec 2006 Consolidated \$
Revenue from continuing operations			
Revenue	2	131,231	120,041
Rent and office expenses		(35,242)	(13,532)
Depreciation expense		(16,716)	(6,205)
ASX and registry fees		(40,339)	(19,800)
Consulting and directors fees		(6,000)	(31,107)
Legal and professional fees		(50,273)	(31,865)
Provision against investments		-	(50,000)
Share options expense		(500,900)	(484,065)
Exploration expenditure		(672,821)	(540,008)
Finance costs		(404)	(19)
Other expenses		(370,173)	(76,436)
Loss for the period from continuing operations		<u>(1,561,637)</u>	<u>(1,132,996)</u>
Loss before income tax		<u>(1,561,637)</u>	<u>(1,132,996)</u>
Income tax		-	-
Loss for the period		<u>(1,561,637)</u>	<u>(1,132,996)</u>
Attributable to:			
Equity holders of the parent		(1,561,637)	(1,097,008)
Minority interest		-	(35,988)
		<u>(1,561,637)</u>	<u>(1,132,996)</u>
Basic loss per share (cents per share)	7	(3.75)	(4.79)

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

The above Condensed Income Statement should be read in conjunction with the accompanying notes.

CRUSADER HOLDINGS NL
CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2007

	Note	<u>31 Dec 2007</u> Consolidated \$	<u>30 Jun 2007</u> Consolidated \$
Current assets			
Cash and cash equivalents		4,788,779	2,233,361
Trade and other receivables		47,750	35,008
Total current assets		<u>4,836,529</u>	<u>2,268,369</u>
Non current assets			
Assets available for sale		60,000	111,000
Capitalised exploration costs		3,929,624	484,231
Plant and equipment		161,404	157,834
Total non current assets		<u>4,151,028</u>	<u>753,065</u>
Total assets		<u>8,987,557</u>	<u>3,021,434</u>
Current liabilities			
Trade and other payables		455,624	230,083
Total current liabilities		<u>455,624</u>	<u>230,083</u>
Total liabilities		<u>455,624</u>	<u>230,083</u>
Net assets		<u>8,531,933</u>	<u>2,791,351</u>
Equity			
Issued capital	3	12,131,343	5,434,766
Reserves	4	1,507,260	901,618
Accumulated losses		(5,106,670)	(3,545,033)
Total equity		<u>8,531,933</u>	<u>2,791,351</u>

The above Condensed Balance Sheet should be read in conjunction with the accompanying notes.

CRUSADER HOLDINGS NL
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

	Half-year ended 31 Dec 2007 Consolidated \$	Half -year ended 31 Dec 2006 Consolidated \$
Cash flows from operating activities		
Receipts from customers	-	-
Interest received	131,231	50,041
Payments to suppliers and employees	(289,632)	(67,484)
Net cash used in operating activities	<u>(158,401)</u>	<u>(17,443)</u>
Cash flows from investing activities		
Proceeds from sale of tenement	-	10,000
Payment for tenement	(3,324,324)	(9,971)
Payments for exploration expenditure	(696,033)	(640,016)
Payments for plant and equipment	(13,324)	(94,626)
Net cash used in investing activities	<u>(4,033,681)</u>	<u>(734,613)</u>
Cash flows from financing activities		
Proceeds from issue of equity securities	7,175,000	1,413,793
Costs of raising capital	(427,500)	-
Net cash provided by financing activities	<u>6,747,500</u>	<u>1,413,793</u>
Net increase in cash and cash equivalents	2,555,418	661,737
Cash and cash equivalents at the beginning of the period	<u>2,233,361</u>	<u>1,687,091</u>
Cash and cash equivalents at the end of the period	<u><u>4,788,779</u></u>	<u><u>2,348,828</u></u>

The above Condensed Cash Flow Statement should be read in conjunction with the accompanying notes.

CRUSADER HOLDINGS NL
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

	Issued capital	Accumulated losses	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
Share based payments	-	-	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)
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
Transaction costs	(80,000)	-	-	(80,000)	-	(80,000)
Balance at 31 December 2006	5,127,552	(1,956,130)	568,428	3,739,850	(63,668)	3,676,182

	Issued capital	Accumulated losses	Reserves	Total	Minority Interest	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2007	5,434,766	(3,545,033)	901,618	2,791,351	-	2,791,351
Currency translation differences	-	-	104,819	104,819	-	104,819
Share based payments	-	-	500,900	500,900	-	500,900
Changes in market value of investments	-	-	(51,000)	(51,000)	-	(51,000)
Loss for the period	-	(1,561,637)	-	(1,561,637)	-	(1,561,637)
Total income/(expense) for the period	-	(1,561,637)	554,719	(1,006,918)	-	(1,006,918)
Share placement	7,125,000	-	-	7,125,000	-	7,125,000
Shares issued on exercise of options	50,000	-	-	50,000	-	50,000
Transaction costs	(478,423)	-	50,923	(427,500)	-	(427,500)
Balance at 31 December 2007	12,131,343	(5,106,670)	1,507,260	8,531,933	-	8,531,933

The above Condensed Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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'. 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 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX listing rules.

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.

Since 1 July 2007, the Group has adopted the following Standards and Interpretations mandatory for annual periods beginning on or after 1 January 2007. Adoption of these standards and Interpretations did not have any effect on the financial performance or position of the Group.

- AASB 7 Financial Instruments: Disclosures
- AASB 2005-10 Amendments to Australian Accounting Standards (AASB 132,101,114,117,133,139,1,4, 1023 and 1038)
- ASB 2007-04 Amendments to Australian Accounting Standards arising from ED 151 and other amendments
- AASB 2007-7 Amendments to Australian Accounting Standards (AASB 1, 2, 4, 5, 107 and 108)

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 2007.

2. Revenue

	<u>31 Dec 2007</u> Consolidated \$	<u>31 Dec 2006</u> Consolidated \$
Proceeds from sale of tenements	-	70,000
Bank interest	131,231	50,041
	<u>131,231</u>	<u>120,041</u>

CRUSADER HOLDINGS NL
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. Issued Capital

	<u>31 Dec 2007</u> <u>Company</u> <u>Number</u>	<u>31 Dec 2007</u> <u>Company</u> <u>\$</u>
<i>Issued and paid up capital</i>		
Fully paid ordinary shares	44,560,749	12,131,343
<i>Movements in fully paid shares on issue</i>		
At the beginning of period	34,860,749	5,434,766
Placement	9,500,000	7,125,000
Issue of shares on exercise of options	200,000	50,000
Transaction costs	-	(478,423)
At the end of period	<u>44,560,749</u>	<u>12,131,343</u>

Share Options

At the reporting date there were 13,750,000 unlisted options over unissued ordinary shares. During the interim reporting period 4,750,000 options were issued as free options, one option for every two shares, as part of the placement of 9,500,000 ordinary shares. The options have a term of 3 years after the date of issue, an exercise price of \$1.00 per option on or before 12 September 2010 and a vesting date of 14 December 2008.

1,000,000 options were issued to R. Smakman, an executive director of the Company as part of his remuneration contract. The options are exercisable at 28cents per option on or before 22 August 2011.

200,000 options were issued in payment for services rendered in the placement of 9,500,000 shares. The options have an exercise price of \$1.00 per option on or before 12 September 2010.

4. Reserves

	<u>31 December</u> <u>2007</u> <u>\$</u>	<u>30 June</u> <u>2007</u> <u>\$</u>
Fair value reserve	-	51,000
Option premium reserve	1,443,919	892,096
Foreign exchange reserve	63,341	(41,478)
	<u>1,507,260</u>	<u>901,618</u>

5. Dividends

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

CRUSADER HOLDINGS NL
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. 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.

7. Loss per share

	31 Dec 2007	31 Dec 2006
	Cents per share	Cents per share
Basic loss per share	(3.75)	(4.79)
	No.	No.
The weighted average number of ordinary shares on issue during the half-year used in the calculation of basic loss per share	41,605,768	22,917,660
Diluted loss per share has not been disclosed as it does not result in an inferior position.		

8. Segment Information

The following table presents the revenue and results information regarding geographical segments for the half-year periods ended 31 December 2007 and 31 December 2006.

31 December 2007	Brazil	Australia	Total
	\$	\$	\$
Segment revenue	17,344	113,877	131,323
Segment result	(864,132)	(697,505)	(1,561,637)
31 December 2006	Brazil	Australia	Total
	\$	\$	\$
Segment revenue	12,492	107,549	120,041
Segment result	(563,805)	(533,203)	(1,097,008)

CRUSADER HOLDINGS NL
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. Events after the balance sheet date

No matters or circumstances have arisen since the end of the half year which 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.

10. Share based payments

During the six months ended 31 December 2007, 1,000,000 unlisted options were granted to a Director as part of his remuneration and a further 200,000 unlisted options were issued to a consultant for services rendered. The directors' options are exercisable at \$0.28 per option on or before 22 August 2011. The consultant options are exercisable at \$1.00 per option on before 12 September 2010.

The fair value of the options granted is estimated as at the date of grant using the Black Scholes model, taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for the half year ended 31 December 2007:

	Director (\$0.28 options)	Consultant (\$1.00 options)
Dividend yield (%)	0	0
Expected volatility (%)	100	100
Risk-free interest rate (%)	6.07	6.78
Expected life of options (years)	4	3
Discount for options (%)	0	30
Market price at grant date (cents)	74	66.5
Estimated fair value at grant date (cents)	62.3	25.5

CRUSADER HOLDINGS NL

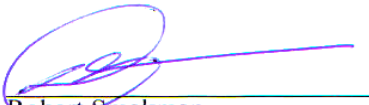
Directors' declaration

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 directors' opinion, the attached condensed consolidated financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with Accounting Standard AASB 134 'Interim Financial Reporting' and giving a true and fair view of the financial position and performance of the consolidated entity for the period ended 31 December 2007.

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



Robert Smakman

Managing Director

Perth, 14 March 2008

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 2007, 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 condensed 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 2007 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.

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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

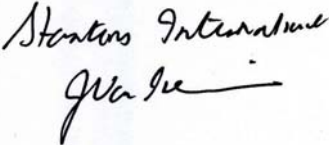
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Crusader Holdings NL on 14 March 2008.

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 2007 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 (Authorised Audit Company)



**J P Van Dieren
Director**

West Perth, Western Australia
14 March 2008

Stantons International

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14 March 2008

Board of Directors
Crusader Holdings NL
Suite 2, Level 2
35 Havelock St
West Perth WA 6005

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 2007, 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

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