CRUSADER HOLDINGS NL

A.C.N. 106 6415963

HALF-YEAR FINANCIAL REPORT

31 December 2005

CRUSADER HOLDINGS NL
DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2005

Your directors present their report on the consolidated entity consisting of Crusader NL and the entities it controlled at the end of, or during, the half-year ended 31 December 2005.

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

Name	**Particulars**
Murray Hodges	Chairman - non executive
Justin Evans	Director
Robert Smakman	Director

REVIEW OF OPERATIONS
The economic entity operates as a mineral explorer in Brazil and Western Australia. The economic entity is continuing exploration work in the Mara Rosa region in Brazil and near Southern Cross in Western Australia.

The consolidated entity incurred an after tax operating loss for the half year ended 31 December 2005 of $72,209 (31 December 2004: $19,667).

AUDITOR'S INDEPENDENCE DECLARATION
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 19.

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

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Murray Hodges
Director
Perth
16 March 2006

CRUSADER HOLDINGS NL
CONDENSED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

	Note	31 Dec 2005 Consolidated $	31 Dec 2004 Consolidated $
Revenue	2	157,322	55,004
Rent		(9,868)	(18,506)
Depreciation expense		(317)	-
ASX listing fees		(8,668)	(8,832)
Consulting and directors fees		(48,823)	(28,884)
Legal fees		(11,732)	(4,327)
Exploration expenditure expensed		(103,000)	-
Other expenses from ordinary activities		(53,532)	(14,122)
Loss from continuing operations before tax and finance income		(78,618)	(19,667)
Loss before income tax		(78,618)	(19,667)
Income tax		-	-
Net loss for the period		**(78,618)**	**(19,667)**
Loss attributable to minority interest		(6,409)	-
Net loss attributable to members of parent		**(72,209)**	**(19,667)**
Basic loss per share (cents per share)	6	(0.35)	(0.10)

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 statement should be read in conjunction with the accompanying notes.

CRUSADER HOLDINGS NL
CONDENSED BALANCE SHEET
AS AT 31 DECEMBER 2005

	Note	31 Dec 2005 Consolidated $	30 Jun 2005 Consolidated $
Current Assets			
Cash and cash equivalents		2,098,918	2,149,377
Trade and other receivables		3,832	69,763
Total Current Assets		2,102,750	2,219,140
Non current Assets			
Tenement acquisition costs		212,384	212,154
Plant and equipment		3,990	1,399
Total Non current Assets		216,374	213,553
Total Assets		2,319,124	2,432,693
Current Liabilities			
Trade and other payables		27,737	56,744
Total Current Liabilities		27,737	56,744
Total Liabilities		27,737	**56,744**
Net Assets		**2,291,387**	**2,375,949**
Equity			
Issued capital	3	2,690,000	2,690,000
Accumulated losses		(437,061)	(364,852)
Option premium reserve		62,655	62,655
Translation reserve		(12,594)	(7,007)
Parent interests		2,303,000	2,380,796
Minority interests		(11,613)	(4,847)
Total Equity		**2,291,387**	**2,375,949**

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

CRUSADER HOLDINGS NL
CONDENSED CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

	31 Dec 2005 Consolidated $	31 Dec 2004 Consolidated $
Cash flows from operating activities		
Receipts from sales and services	100,802	-
Interest received	57,832	55,004
GST receipts	11,292	19,268
Payments to suppliers and employees	(108,496)	(66,666)
Net cash from/(used in) operating activities	61,430	7,606
Cash flows from investing activities		
Payments for exploration expenditure	(108,646)	(176,412)
Payments for property, plant and equipment	(2,907)	-
Net cash used in investing activities	(111,553)	(176,412)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Net decrease in cash and cash equivalents held	(50,123)	(168,806)
Cash and cash equivalents at beginning of period	2,149,377	2,172,704
Foreign exchange differences	(336)	-
Cash and cash equivalents at end of period	**2,098,918**	**2,003,898**

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

CRUSADER HOLDINGS NL
CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

	Attributable to equity holders of the parent				Minority interest	Total equity
CONSOLIDATED	Issued capital	Accumulated losses	Other reserves	Total		
	$	$	$	$	$	$
At 1 July 2004	2,227,626	(12,704)	62,655	2,277,577	-	2,277,577
Total income and expense for the period recognised in equity	-	-	-	-	-	-
Loss for the period	-	(19,667)	-	(19,667)	-	(19,667)
Total income/expense for the period	-	(19,667)	-	(19,667)	-	(19,667)
Shares issued for tenement acquisition	98,000	-	-	98,000	-	98,000
At 31 December 2004	2,325,626	(32,371)	62,655	2,355,910	-	2,355,910

	Attributable to equity holders of the parent				Minority interest	Total equity
CONSOLIDATED	Issued capital	Accumulated losses	Other reserves	Total		
	$	$	$	$	$	$
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 directly 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)
At 31 December 2005	2,690,000	(437,061)	50,061	2,303,000	(11,613)	2,291,387

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of Crusader Holdings NL as at 30 June 2005, which was prepared based on Australian Accounting Standards applicable before 1 January 2005 ('AGAAP').

It is also recommended that the half-year financial report be considered together with any public announcements made by Crusader Holdings NL and its controlled entities during the half-year ended 31 December 2005 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of accounting

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

The half-year financial report has been prepared on a historical cost basis. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Going concern

The financial statements have been prepared on the basis the economic entity is a going concern, which contemplates the continuity of normal business activity and realisation of assets and settlement of liabilities in the normal course of business.

In order to meet their obligations as and when they fall due and the appropriateness of adopting the going concern basis of accounting, the economic entity may have to raise additional equity or realise assets.

The directors are of the opinion the adoption of the going concern basis of accounting is appropriate. However, if the economic entity is unable to raise sufficient funds to remain as a going concern, it may have to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial statements.

(c) Statement of compliance

The half-year financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the half-year financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

This is the first half-year financial report prepared based on AIFRS and comparatives for the half-year ended 31 December 2004 and full-year ended 30 June 2005 have been restated accordingly. A summary of the significant accounting policies of the Group under AIFRS are disclosed in Note 1(d) below.

Reconciliations of:

- AIFRS equity as at 1 July 2004, 31 December 2004 and 30 June 2005; and
- AIFRS loss for the half-year 31 December 2004 and full year 30 June 2005,

to the balances reported in the 31 December 2004 half-year report and 30 June 205 full-year financial report prepared under AGAAP are detailed in Note 1(f) below.

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(d) Summary of significant accounting policies

(i) Basis of consolidation

The consolidated financial statements comprise the financial statements of Crusader Holdings NL and its subsidiaries ('the Group').

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which Crusader Holdings NL has control.

(ii) Foreign currency translation

The functional and presentation currency of Crusader Holdings NL is Australian dollars (A$)

Transactions in foreign currencies are initially recorded in the functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date.

All differences in the consolidated financial report are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

The functional currency of the overseas subsidiary (Crusader Do Brasil Mineraca) is Brasilian Reals.

(iii) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.
Land and buildings are measured at fair value less accumulated depreciation.
Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:
Plant and equipment-over 5 to 10 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(d) Summary of significant accounting policies (continued)

(iii) Property, plant and equipment (continued)

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.
The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(iv) Goodwill
Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is not amortised.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.

Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(v) Recoverable amount of assets
At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(d) Summary of significant accounting policies (continued)

(v) Recoverable amount of assets (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(vi) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.
An estimate for doubtful debts is made when collection of the full amount is no longer probable.
Bad debts are written off when identified.

(vii) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.
For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(viii) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.
Gains and losses are recognised in the income statement when the liabilities are derecognised and as well as through the amortisation process.

(ix) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)
(d) Summary of significant accounting policies (continued)

(xi) Leases
Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as the lease income.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

(xii) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest
Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Dividends
Revenue is recognised when the shareholders' right to receive the payment is established.

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(d) Summary of significant accounting policies (continued)

(xiii) Income tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

• except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

• in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

• except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

• in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(d) Summary of significant accounting policies (continued)

(xiv) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

• where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which ease the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
• receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(xv) 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 new 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.

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.

(e) AASB 1 Transitional exemptions

The Group has made its election in relation to the transitional exemptions allowed by AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' as follows:

Business combinations
AASB 3 'Business Combinations' was not applied retrospectively to past business combinations (i.e. business combinations that occurred before the date of transition to AIFRS).

Designation of *previously recognised financial instruments*
Financial instruments were designated as financial assets or liabilities at fair value through profit or loss or as available-for-sale at the date of transition to AIFRS.

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(e) AASB 1 Transitional exemptions (continued)

Share-based payment transactions

AASB 2 'Share-Based Payments' is applied only to equity instruments granted after 7 November 2002 that had not vested on or before 1 January 2005.

(f) Impact of adoption of AIFRS

The impacts of adopting AIFRS on the total equity and loss after tax as reported under Australian Accounting Standards applicable before 1 January 2005 ('AGAAP') are illustrated below.

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

	CONSOLIDATED		
	30-June-05	*31-Dec-04*	*01-July-04*
	$	*$*	*$*
Total equity under AGAAP	2,375,949	2,355,910	2,277,577
Adjustments to equity:	-	-	-
Total equity under AIFRS	2,375,949	2,355,910	2,277,577

(ii) Reconciliation of loss after tax under AGAAP to that under AIFRS

	CONSOLIDATED	
	Year ended 30-Jun-05	*Half-Year ended 31-Dec-04*
	$	*$*
Loss after tax as previously reported	(352,149)	(19,667)
Adjustments to losses:	-	-
Loss after tax under AIFRS	(352,149)	(19,667)

There are no material differences between the cash flow statements presented under AIFRS and those presented under AGAAP.

CRUSADER HOLDINGS NL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

2. Revenue

	31 Dec 2005 Consolidated $	31 Dec 2004 Consolidated $
Unrealised foreign exchange gain	12,587	-
Sundry Income	86,903	-
Bank interest	57,832	55,004
	157,322	55,004

3. Issued Capital

	31 December 2005	30 June 2005
Ordinary Shares	**Number**	**Number**
Issued and fully paid	20,755,675	20,755,675
		$
Movements in ordinary shares on issue		
At 1 July 2005	20,755,675	2,690,000
At 31 December 2005	20,755,675	2,690,000

Share Options

At the date of this report there were the following options over unissued fully paid ordinary shares:

- 6,230,074 listed options exercisable at 20 cents per option before 31 December 2006.
- 6,375,000 unlisted options exercisable at 20 cents per option before 31 December 2006. These options were listed with the ASX on 3 February 2006.

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. 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

	31 Dec 2005
	Cents per share
Basic Loss per share	(0.35)
	No.
The weighted average number of ordinary shares on issue during the half year used in the calculation of basic earnings per share	20,755,675

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

7. Segment Information

The following table presents the revenue and results information regarding geographical segments for the half-year periods ended 31 December 2005 and 31 December 2004.

31 December 2005	Brazil	Australia	Total
	$	$	$
Segment revenue	14,200	143,122	157,322
Segment result	(100,422)	28,213	(72,209)

31 December 2004	Brazil	Australia	Total
	$	$	$
Segment revenue	-	55,004	55,004
Segment result	-	(19,667)	(19,667)

8. Events after the balance sheet date

No matters or circumstance have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of the Company subsequent to the half-year ended 31 December 2005.

CRUSADER HOLDINGS NL

Directors' Declaration

In accordance with a resolution of the directors of Crusader NL I state that:

In the opinion of the directors:

(a) the financial statements and notes of the consolidated entity

- (i) give a true and fair view of the financial position as at 31 December 2005 and the performance for the half-year ended on that date of the consolidated entity; and
- (ii) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) 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.

For and on behalf of the Board of Directors

Murray Hodges
Director

16 March 2006

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 REVIEW REPORT TO THE MEMBERS OF CRUSADER HOLDINGS NL

Scope

We have reviewed the financial report comprising the income statement, balance sheet, statement of cash flows, statement of changes in equity, accompanying notes to the financial statements and the directors' declaration of Crusader Holding NL (the Company) for the half-year ended 31 December 2005 as set out on pages 2 to 16. The financial report includes the consolidated financial statements of the consolidated entity comprising the disclosing entity and the entities it controlled at the end of the half year or from time to time during the half year. The disclosing entity's directors are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the consolidated entity, and that complies with Accounting Standard AASB 134 "Interim Financial Reporting", in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review Approach

We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 134: Interim Financial Reporting and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to lodge the financial report with the Australian Securities and Investments Commission and the Australian Stock Exchange.

Our review has been conducted in accordance with Australian Auditing and Assurance Standards applicable to review engagements. A review is limited primarily to inquiries of the disclosing entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

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

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Crusader Holdings NL is not in accordance with:

(a) the Corporations Act 2001, including:

 (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2005 and of its performance for the half year ended on that date; and

 (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) other mandatory financial reporting requirements in Australia.

STANTON PARTNERS

Stanton Partners

J P Van Dieren
Partner

West Perth, Western Australia
16 March 2006

STANTON PARTNERS

1 HAVELOCK STREET
WEST PERTH 6005
WESTERN AUSTRALIA

TELEPHONE: (08) 9481 3188

Facsimile: (08) 9321 1204

e-mail: australia@stanton.com.au

16 March 2006

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

Dear Directors

RE: CRUSADER HOLDINGS NL

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

As Audit Partner for the review of the financial statements of Crusader Holdings NL for the half year ended 31 December 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 review; and

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

Yours sincerely
STANTON PARTNERS

John Van Dieren
Partner