

CRUSADER RESOURCES LIMITED

A.C.N. 106 641 963

HALF-YEAR REPORT

FOR THE HALF-YEAR ENDED
31 DECEMBER 2011

CRUSADER RESOURCES LIMITED

CORPORATE INFORMATION

Directors

David Archer	Chairman
Robert Smakman	Managing Director
Paul Stephen	Executive Director
Justin Evans	Non-executive Director
David Netherway	Non-executive Director

Company Secretary

Andrew Beigel

Registered office

Suite 2, Level 2,
35 Havelock Street
West Perth WA 6005
Australia

Principal place of business

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West Perth WA 6005
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Brazil

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Bairro Floresta 30.150-220
Belo Horizonte - MG
Brazil
Telephone: +55 31 2515 0740

70 Rua Antonio Gomes de Oliviera
Bairro Manaíra – 58038-040
João Pessoa – PB
Brazil
Phone/fax: +55 83 8881 8608

Auditors

Deloitte Touche Tohmatsu
Level 14, Woodside Plaza
240 St Georges Terrace
Perth WA 6000
Telephone: +61 8 9375 7000
Facsimile: +61 8 9365 7001

Bankers:

Bank of Western Australia Limited
Perth Business Banking Centre
Level 30, Bank West Tower
108 St Georges Terrace
Perth WA 6000

Share Register

Security Transfers Registrars Pty Ltd
770 Canning Highway
Applecross WA 6959
Telephone: +61 8 9315 0933
Facsimile: +61 8 9315 2233

Solicitors

GTP Legal
Level 1
28 Ord Street
West Perth
Telephone: +61 8 6555 1867

ASX Code:

Ordinary shares - CAS

CRUSADER RESOURCES LIMITED

DIRECTORS' REPORT

The directors of Crusader Resources Limited submit herewith the financial report of Crusader Resources Limited and its subsidiaries (the Group) for the half-year ended 31 December 2011. 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. P. Stephen	Executive Director
Mr. J. Evans	Non-executive Director
Mr. D. Netherway	Non-executive Director
Mr. M. Hodges	Resigned 23 November 2011

REVIEW OF OPERATIONS

(a). Overview

The Group operates as a mineral explorer and project developer in various areas of Brazil.

Crusader has spent the period focusing on its principal asset, the Borborema Gold Project. Extensive diamond and RC drilling, a pre-feasibility study (PFS) and two resource upgrades has provided a high level of confidence around the economics of a potential large scale, gold mine development.

Crusader now has a combined Indicated and Inferred Mineral Resource estimate at Borborema of 2.31Moz ounces of gold at a cut-off of 0.5g/t and will continue to evaluate the potential of the Project in 2012.

The PFS confirmed the robust economics of the project including a pre- tax NPV₁₀ of US\$250M and an IRR of 33%. The positive PFS has prompted the initiation of a Bankable Feasibility Study (BFS), which is due to be completed in the third quarter of 2012.

Crusader continues to seek mines department (DNPM) and environmental (SUPRAM) licensing for the Posse Iron Ore project.

CRUSADER RESOURCES LIMITED

DIRECTORS' REPORT

REVIEW OF OPERATIONS (Continued)

An iron ore processing plant has been built and commissioned on site and production could commence quickly assuming the receipt of licenses. Subject to the successful conclusion of DNPM and SUPRAM licensing, domestic sales of high-grade and low-contaminant lump and fine iron ore should deliver strong cash flows from the simple, low cost beneficiation process.

Crusader's Brazilian exploration portfolio includes the Ouro Belo Tin/Indium Project (central Brazil), the Jurú-Belém Gold Project and the Tarantula Tungsten Project, both in the north-eastern Borborema region.

- (b). Review of operations:
The Group incurred an after tax loss for the half-year ended 31 December 2011 of \$6,538,807 (31 December 2010: \$4,734,056).

Borborema Gold Project, Rio Grande do Norte, Brazil (CAS 100%)

Crusader purchased 100% of the Borborema Gold Project during the second half of 2010, and has been drilling and conducting studies on the project since. At the end of the December half 2011, over 48,000m of drilling had been completed. The most recent Mineral Resource estimate (using a 0.5g/t cutoff) of 68 million tonnes at 1.06 g/t for 2.31 million ounces of gold was published in December 2011.

Crusader also completed a PFS study on the project which provided a high level of confidence around the economics of a large scale, gold mine development. The main results of the PFS are presented in the table below.

CRUSADER RESOURCES LIMITED

DIRECTORS' REPORT

REVIEW OF OPERATIONS (Continued)

3Mtpa Base case	
Mining inventory (In-pit Inferred & Indicated Resources, \$1,150 Gold)	1.18Moz (27Mt @ 1.39 g/t)
Mining throughput rate	3Mtpa
Mine life	9 years
Annual production*	Up to 180koz (Ave 131koz)
Estimated capex**	USD \$169M
Estimated opex	USD \$558/oz
Metallurgical recovery	96%
NPV (10%) pre-tax, \$1,300 Gold	USD \$250M
IRR	32.9 %
Strip ratio (life of mine)	4.23:1

* This is not a production forecast by the Company but an outcome of the PFS. There remains at present insufficient certainty with respect to whether economically mineable mineralisation exists to reliably estimate future production. Further exploration and studies are required to determine this.

The Company is of the opinion that the Inferred and Indicated Mineral Resources have a reasonable prospect of eventual economic extraction. Under the JORC Code, an Ore Reserve is the economically mineable part of an Indicated or Measured Mineral Resource, as at the date of reporting, taking into account mining, metallurgical, economic, marketing, legal, social, and governmental factors (Modifying Factors).

At this stage the Company has not yet progressed the Inferred and Indicated Resource or progressed the modifying factors sufficiently to define an Ore Reserve. As such, the production assumptions in the PFS should not be used as a basis for investment decisions about shares in the Company.

** Assumes owner operated and includes 15% contingency. Does not include sustaining capex.

Crusader has continued to drill at Borborema with the aim of expanding the mineable resources. A BFS has started. The BFS is being completed by Cognestoga and Associates Ltd (CRA), a well-credentialed, independent consultant with Brazilian offices and an experienced in-country team of resource professionals.

DIRECTORS' REPORT

REVIEW OF OPERATIONS (Continued)

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

The Posse Iron Project is 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 local mining industry which is well established in the area.

Crusader was aiming to start production at Posse during 2011; however DNPM and SUPRAM licensing has not yet been received.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 19 of the half-year financial 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



R. Smakman
Managing Director
Perth, 15 March 2012

CRUSADER RESOURCES LIMITED
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Note	Half-year ended 31 Dec 2011 Consolidated \$	Half-year ended 31 Dec 2010 Consolidated \$
Continuing operations			
Other revenue	3	560,493	104,933
Administration		(541,476)	(281,712)
Corporate Expenses		(652,770)	(189,197)
Finance Costs		(21,734)	(10,541)
Depreciation		(56,706)	(48,298)
Employee Expenses		(2,531,452)	(970,835)
Exploration and Evaluation		(67,341)	(1,959,253)
Unrealised foreign exchange loss		(2,887,487)	(1,304,091)
Other expenses from ordinary activities		(340,334)	(75,062)
Loss before income tax expense		(6,538,807)	(4,734,056)
Income tax expense		-	-
Loss for the period attributable to owners of the parent		(6,538,807)	(4,734,056)
Other comprehensive income			
(Loss)/ gain on available-for-sale assets taken to equity		(11,000)	37,500
Exchange differences arising on translation of foreign operations		1,446,564	684,408
Other comprehensive income for the period (net of tax)		1,435,564	721,908
Total comprehensive income/(expense) for the period attributable to owners of the parent		(5,103,243)	(4,012,148)
Earnings per share			
Basic loss per share (cents per share)		(6.64)	(6.30)
Diluted loss per share (cents per share)		(6.64)	(6.30)

Notes to the condensed consolidated financial statements are included on pages 10 to 15.

CRUSADER RESOURCES LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Note	31 Dec 2011 Consolidated \$	30 June 2011 Consolidated \$
Current assets			
Cash and cash equivalents		15,063,311	4,792,664
Trade and other receivables		137,891	129,338
Other current assets		97,500	105,440
Total current assets		15,298,702	5,027,442
Non current assets			
Other financial assets		301,141	370,741
Mineral resources	4	9,366,526	5,541,689
Mine development properties	5	3,520,333	4,018,049
Plant and equipment		1,608,416	1,529,169
Total non current assets		14,796,416	11,459,648
Total assets		30,095,118	16,487,090
Current liabilities			
Trade and other payables		1,443,883	1,315,631
Provisions		745,501	81,888
Borrowings		110,273	109,754
Total current liabilities		2,299,657	1,507,273
Non current liabilities			
Provisions		43,181	182,143
Borrowings		108,706	65,166
Total non current liabilities		151,887	247,309
Total liabilities		2,451,544	1,754,582
Net assets		27,643,574	14,732,508
Equity			
Share capital	6	47,770,480	30,409,280
Reserves		6,203,918	4,115,244
Accumulated losses		(26,330,823)	(19,792,016)
Total equity		27,643,574	14,732,508

Notes to the condensed consolidated financial statements are included on pages 10 to 15.

CRUSADER RESOURCES LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	<u>Half-year ended 31 Dec 2011 Consolidated \$</u>	<u>Half-year ended 31 Dec 2010 Consolidated \$</u>
Cash flows from operating activities		
Receipts from customers	33,153	1,500
Finance costs	(21,734)	(10,541)
Payments to suppliers and employees	(3,094,848)	(3,444,028)
Net cash used in operating activities	<u>(3,083,429)</u>	<u>(3,453,069)</u>
Cash flows from investing activities		
Payments for exploration expenditure and acquisitions	(3,834,814)	(1,826,421)
Payments for development	-	(699,886)
Payments for property plant and equipment	(135,954)	(241,730)
Receipts from sale of investments	-	58,454
Interest received	455,123	47,905
Net cash used in investing activities	<u>(3,515,645)</u>	<u>(2,661,678)</u>
Cash flows from financing activities		
Proceeds from issue of equity securities	17,793,200	14,491,144
Costs of raising capital	(432,000)	(242,021)
Proceeds from borrowings	89,763	145,597
Repayment of borrowings	(45,703)	(42,922)
Net cash provided by financing activities	<u>17,405,260</u>	<u>14,351,798</u>
Net increase in cash and cash equivalents	10,806,186	8,237,051
Cash and cash equivalents at the beginning of the period	4,792,664	567,477
Effects of exchange rate changes on the balance of cash held in foreign currencies	(535,539)	(12,728)
Cash and cash equivalents at the end of the period	<u>15,063,311</u>	<u>8,791,800</u>

Notes to the condensed consolidated financial statements are included on pages 10 to 15.

CRUSADER RESOURCES LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Share capital	Accumulated losses	Foreign currency translation reserve	Share based payments reserve	Investment revaluation reserve	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2010	15,124,495	(11,014,010)	(233,667)	1,958,807	(7,500)	5,828,125
Foreign currency translation	-	-	684,408	-	-	684,408
Change in market value of investments	-	-	-	-	37,500	37,500
Loss for the period	-	(4,734,056)	-	-	-	(4,734,056)
Total comprehensive loss for the period	-	(4,734,056)	684,408	-	37,500	(4,012,148)
Shares issued for cash	14,491,144	-	-	-	-	14,491,144
Share issue costs	(220,059)	-	-	-	-	(220,059)
Recognition of share-based payments/(failure of vesting conditions)	-	-	-	329,018	-	329,018
Balance at 31 December 2010	29,395,580	(15,748,066)	450,741	2,287,825	30,000	16,416,080

	Share capital	Accumulated losses	Foreign currency translation reserve	Share based payments reserve	Investment revaluation reserve	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2011	30,409,280	(19,792,016)	1,396,160	2,709,084	10,000	14,732,508
Foreign currency translation	-	-	1,446,564	-	-	1,446,564
Change in market value of investments	-	-	-	-	(11,000)	(11,000)
Loss for the period	-	(6,538,807)	-	-	-	(6,538,807)
Total comprehensive loss for the period	-	(6,538,807)	1,446,564	-	(11,000)	(5,103,243)
Shares issued for cash	17,793,200	-	-	-	-	17,793,200
Share issue costs	(432,000)	-	-	-	-	(432,000)
Recognition of share-based payments/(failure of vesting conditions)	-	-	-	653,109	-	653,109
Balance at 31 December 2011	47,770,480	(26,330,823)	2,842,724	3,362,193	(1,000)	27,643,574

Notes to the condensed consolidated financial statements are included on pages 10 to 15.

CRUSADER RESOURCES LIMITED
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, AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The condensed consolidated half-year financial report does not include notes of the type normally included in an annual financial report, and accordingly this report should be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated 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 2011, except for the impact of the Standards and interpretations described below. The accounting policies are consistent with Australian Accounting Standards and with International Reporting Standards.

The company has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2011. The adoption of these new and revised standards has not resulted in any significant changes to the Company's accounting policies or to the amounts reported for the current or prior periods.

A range of amendments to Standards and Interpretations have been made which are available for early adoption for financial reporting periods beginning on or after 1 July 2011. The Company has decided not to early adopt these amendments and they are not expected to have a significant impact on the consolidated financial statements.

For the purpose of preparing the report the half-year has been treated as a discrete reporting period.

2. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The following table presents the consolidated entity's revenue and results information analysed by mineral resource for the half-year periods under review. This is the Group's primary basis of segmentation.

CRUSADER RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. SEGMENT INFORMATION (continued)

	Revenue		Segment loss	
	Half-year ended		Half-year ended	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
	\$	\$	\$	\$
Mineral resource exploration				
Iron ore	-	-	(29,975)	(84,315)
Gold	-	-	(125,649)	(1,633,076)
Uranium	-	-	88,283	(160,334)
Other exploration	-	-	-	(81,528)
			(67,341)	(1,959,253)
Other revenue			560,493	104,933
Depreciation			(56,706)	(48,298)
Interest expense			(21,734)	(10,541)
Share expense			(653,109)	(329,018)
Unrealised foreign exchange expense			(2,887,487)	(1,304,091)
Central administration costs			(3,412,923)	(1,187,788)
Consolidated segment revenue and loss for the period	-	-	(6,538,807)	(4,734,056)

Segment profit represents the exploration expenditure incurred by each segment without allocation of central administration costs, interest income, rental income and unrealised foreign exchange gains.

The following is an analysis of the consolidated entity's assets by reportable operating segment:

	31 Dec 2011	30 June 2011
	\$	\$
Segment Assets		
Mineral resource exploration		
Iron ore	6,220,254	5,079,605
Gold	7,985,933	5,775,496
Uranium	-	-
Other	-	-
Total segment assets	14,206,187	10,855,101
Unallocated assets	15,888,931	5,631,989
Total assets	30,095,118	16,487,090

CRUSADER RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. SEGMENT INFORMATION (continued)

	31 Dec 2011	30 June 2011
	\$	\$
Segment Liabilities		
Mineral resource exploration		
Iron ore	372,574	219,340
Gold	1,135,795	693,489
Uranium	39,551	90,959
Other	-	-
Total segment liabilities	<u>1,547,920</u>	<u>1,003,788</u>
Unallocated liabilities	<u>903,623</u>	<u>750,794</u>
Total liabilities	<u>2,451,543</u>	<u>1,754,582</u>

3. OTHER REVENUE

	Half-year ended	Half-year ended
	31 Dec 2011	31 Dec 2010
	\$	\$
Bank interest	527,284	87,375
Rental income	16,053	9,526
Other	17,156	8,032
	<u>560,493</u>	<u>104,933</u>

4. MINERAL RESOURCES

	31 Dec 2011	30 June 2011
	\$	\$
Exploration assets:		
Costs brought forward	5,541,689	4,409,697
Expenditure incurred during the year	4,578,627	7,035,274
Expenditure expensed	(67,341)	(2,188,509)
Capitalised exploration costs impaired during the year	-	(206,838)
Effect of foreign exchange on costs carried forward	(686,449)	(222,235)
Transfer to Mine Properties	-	(3,285,700)
Costs carried forward	<u>9,366,526</u>	<u>5,541,689</u>

CRUSADER RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. MINE DEVELOPMENT PROPERTIES

	31 Dec 2011	30 June 2011
	\$	\$
Mine properties:		
Costs brought forward	4,018,049	-
Transfer from mineral resources	-	3,285,700
Additional expenditure	-	732,349
Effect of foreign exchange on costs carried forward	(497,716)	-
Costs carried forward	3,520,333	4,018,049

Crusader continues to attempt to resolve a number of approvals for the Posse Iron Ore project (Posse) in Minas Gerais state, Brazil. The project is ready to go into production subject to the DNPM approving an amended version of the Crusader's Plano de Aproveitamento Econômico (PAE) or economic development plan and, in turn, SUPRAM approving Crusader's environmental license application. The DNPM approval and the grant of a Requerimento de Lavra or Mining License is dependent upon the outcome of a DNPM review of additional information submitted by Crusader around the PAE.

The continuing delays in licensing during the half year result from a request by the DNPM for the submission of further studies associated with the PAE for Posse as part of the DNPM's PAE review and approval process in early 2011. Submissions of the studies in response to such a request are required to be made within 60 days of the recipient becoming aware of the request. Crusader became aware of the request in late August 2011. The submission of further studies included expanded information about treatment rates, pit slope angles and the clarification of neighboring freehold property ownership. Crusader submitted the studies within 60 days after it became aware of the additional requirements. The regional office of the DNPM claims the response to the request for submissions on studies was required earlier than submitted by Crusader and has suggested the rejection of Crusader's Mining License. Crusader has rejected and disputed the regional DNPM's interpretation and process for determining the time in which to respond to the request for submissions on studies. The matter is currently being considered by the federal office of the DNPM. Crusader has received legal advice from its Brazilian lawyers 'that it is highly unlikely that the DNPM will reject Crusader's plea'.

Crusader is awaiting a response from the DNPM. Assuming this is favorable, the consideration of the environmental licensing conditions for the proposed mine will then go before SUPRAM. Nevertheless, the timing and the ultimate outcome of the DNPM licensing process remains uncertain.

Crusader continues to hold a Guia de Utilização 93/2009 (a 'GU' or 'trial mining license') over the Posse project which licenses Crusader to undertake limited mining over the Posse Project (the GU is limited to 300ktpa ROM and beneficiation is by dry separation only).

CRUSADER RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. MINE DEVELOPMENT PROPERTIES (continued)

The recoverability of the capitalised costs of the Posse Project is dependent upon the successful licensing and commercialisation of the Posse Project and/or a sale or some other third party agreement.

6. SHARE CAPITAL

	Half-year ended 31 Dec 2011	Half-year ended 31 Dec 2010	Half-year ended 31 Dec 2011	Half-year ended 31 Dec 2010
Fully paid ordinary shares	Number	Number	\$	\$
<i>Movements in fully paid shares on issue</i>				
At beginning of period	90,416,040	59,757,152	30,409,280	15,124,495
Issue of shares under rights issue	-	-	-	-
Issue of shares to professional investors	13,500,000	22,663,239	16,200,000	12,509,144
Issue of shares under SPP	-	5,305,649	-	1,857,000
Issue of shares on exercise of options	6,230,000	500,000	1,593,200	125,000
Less costs of issue	-	-	(432,000)	(220,059)
At end of period	<u>110,146,040</u>	<u>88,226,040</u>	<u>47,770,480</u>	<u>29,395,580</u>

Share Options

At the reporting date there were 4,460,000 unlisted options over unissued ordinary shares. The following Options were issued to employees and officers of the Company, under the Employee Share Option Plan, during the period:

No. shares under option	Class of shares under option	Exercise price of option \$	Expiry date of options
120,000	ordinary	1.35	30 June 2014
90,000	ordinary	1.35	30 June 2016

CRUSADER RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
			\$	\$
Not later than one year	129,147	77,915	110,273	66,407
Later than one year but not later than five years	127,936	37,862	108,706	36,268
Later than five years	-	-	-	-
	<u>257,083</u>	<u>115,777</u>	<u>218,979</u>	<u>102,675</u>
Less future finance charges	<u>(38,104)</u>	<u>(13,102)</u>	<u>-</u>	<u>-</u>
Present value of minimum lease payments	<u>218,979</u>	<u>102,675</u>	<u>218,979</u>	<u>102,675</u>
Included in the financial statements as:				
- Other current liability			110,273	66,407
- Other non-current liability			<u>108,706</u>	<u>36,268</u>
			<u>218,979</u>	<u>102,675</u>

8. DIVIDENDS

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

9. CONTINGENCIES AND COMMITMENTS

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure commitments as specified by the Government authorities. The quantum of these obligations is negotiated when an application for a mining tenement is made and at other times. The obligations will be met from normal working capital of the Group. The minimum exploration tenement commitments will be reduced should the Group 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.

A contingent liability was disclosed in the June 2011 financial year in respect to withholding taxes for some contractors in Brazil. A provision amounting to \$595,160 in relation to withholding taxes has been recognised in this half year financial report.

The Group 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.

10. EVENTS AFTER THE BALANCE SHEET DATE

There were no material events subsequent to balance sheet date.

CRUSADER RESOURCES LIMITED

Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinions, the attached 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.

Signed in accordance with a resolution of the directors made pursuant to s303(5) of the *Corporations Act 2001*.

On behalf of the Directors



R. Smakman
Managing Director

Perth, 15 March 2012

Independent Auditor's Review Report to the members of Crusader Resources Limited

We have reviewed the accompanying half-year financial report of Crusader Resources Limited, which comprises the condensed statement of financial position as at 31 December 2011, and the condensed income statement, the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 6 to 16.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 a 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 half-year 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 2011 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 Resources Limited, 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.

Deloitte.

Auditor's Independence Declaration

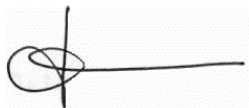
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Crusader Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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 Resources Limited 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 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU



Leanne Karamfiles
Partner
Chartered Accountants
Perth, 15 March 2012

The Board of Directors
Crusader Resources Limited
Suite 2, Level 2
35 Havelock Street
West Perth WA 6005

15 March 2012

Dear Board Members

Crusader Resources Limited

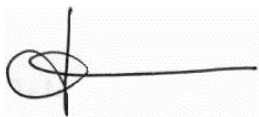
In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Crusader Resources Limited.

As lead audit partner for the review of the financial statements of Crusader Resources Limited for the half-year ended 31 December 2011, 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

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU



Leanne Karamfiles
Partner
Chartered Accountants