

18<sup>th</sup> October 2010

ASX Release

## Posse Iron Ore Project- Update

Crusader Resources Limited's (ASX:CAS) hosted a public meeting late last week during which the local public and commercial support for the project was very positive. Crusader presented a simple development project at the Posse site which has little or no environmental impact as the site was largely disturbed before Crusader arrived.

The meeting identified the requirement for Crusader to provide additional information and to seek governmental clearances from several departments. SUPRAM (the licensing authority) has taken those questions on board and it is expected that they will formally request Crusader to seek further governmental sign-offs before the project will be licensed. Crusader expects to receive that request later this week.

Mr Rob Smakman, the Managing Director of Crusader said today "We were heartened to see the level of support for the project from the local community. While a number of further government signoffs are required there were no "show-stoppers" identified. The path to licensing from here appears to be mainly procedural".

Crusader will continue to do all that is requested by the authorities in order to bring Posse into production as soon as possible. Further updates on licensing will be provided as they come to hand.

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### About Crusader

Crusader Resources Limited (ASX: CAS) is a minerals exploration company focussed on the identification, acquisition and development of projects in Brazil and Australia. The company has a diverse portfolio of projects including iron ore, gold, uranium, tungsten and tin. Crusader applies leading edge exploration skills to the discovery of new assets and utilises its strong networks in Brazil, Australia and around the world to identify new opportunities.

Crusader is set to become Australia's latest iron ore production company when production begins at the Posse Iron project (100%). The project is located in the Iron Quadrilateral region of Minas Gerais state, Brazil and is a low capital cost project with no infrastructure bottlenecks and simple logistics. Posse contains an Indicated Mineral Resource of 4.83Mt at 47.39% Fe and an Inferred Mineral Resource of 31.18Mt at 42.89% Fe. (Refer to announcement made 11 May 2009).

Crusader has two gold projects in Brazil, Borborema and Jurú-Belem. The Borborema gold project is the most important gold project in the NE of Brazil with historical production of ~300,000 ounces. In August 2010, Crusader announced a maiden JORC compliant resource estimate at Borborema (at a 0.5g/t cut-off) of 2.51Mt @ 2.37g/t for 191 kozs Indicated and 11.36Mt @ 1.47 g/t for 537 kozs Inferred for a combined Indicated and Inferred resource estimate of 13.88Mt @ 1.63g/t for 728 kozs (Refer to announcement made 25 August 2010). Crusader is currently aggressively exploring the Borborema project.

Crusader also has an extensive portfolio of gold, tin, indium, REE and tungsten projects within Brazil.

In Australia, Crusader owns 100% of the Lake Throssell uranium project, a highly prospective project covering more than 2,500 km<sup>2</sup> and located 200km to the north east of Laverton in Western Australia. Exploration is set to begin in early 2011 after successful negotiations were held with the native title holders.

Crusader Resources Ltd has 73,926,372 ordinary shares on issue.