

# CRUSADER RESOURCES LIMITED

ACN 106 641 963

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## ENTITLEMENT ISSUE PROSPECTUS

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For a pro rata non-renounceable entitlement issue of one (1) Share for every five (5) Shares held by Shareholders at an issue price of \$0.16 per Share to raise up to approximately \$1,489,250 (**Entitlement Issue**)

The Entitlement Issue is partially underwritten by Eyeon Investments Pty Ltd as Trustee for the Eyeon Investments Family Trust, a substantial shareholder of the Company. Refer to Section 8.2 for details regarding the terms of the Underwriting Agreements and Section 8.3 for details of the effect of the underwriting on the Company.

### IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

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## 1. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

### TIMETABLE AND IMPORTANT DATES\*

Lodgement of Prospectus with ASIC	12 June 2009
Notice sent to Shareholders	16 June 2009
Ex Date	17 June 2009
Record Date for determining Shareholder entitlements	23 June 2009
Prospectus despatched to Shareholders	26 June 2009
Closing Date of Offer	10 July 2009
Shares quoted on a deferred settlement basis	13 July 2009
Notify ASX of under-subscriptions	15 July 2009
Despatch date/Shares entered into Shareholders' security holdings	20 July 2009

\* These dates are determined based upon the current expectations of the Directors and may be changed with 6 Business Days prior notice.

### IMPORTANT NOTES

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisors.

This Prospectus is dated 12 June 2009 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus.

The expiry date of the Prospectus is 13 months after the date it was lodged with the ASIC (**Expiry Date**). No Shares will be allotted or issued on the basis of this Prospectus after the Expiry Date.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Application Form which accompanies this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

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## 2. CORPORATE DIRECTORY

### Directors

David Archer (Chairman)  
Robert Smakman (Managing Director)  
Justin Evans (Non-Executive Director)  
Murray Hodges (Non-Executive Director)

### Company Secretary

Phillip MacLeod

### Registered Office and Principal Place of Business

Level 2  
35 Havelock Street  
West Perth WA 6005

### General Enquiries:

Telephone: (08) 9320 7500  
Facsimile: (08) 9320 7501

### Share Registry\*

Security Transfer Registrars Pty. Limited  
770 Canning Highway,  
Applecross WA 6153

Telephone: (08) 9315 2333

### Solicitors

Steinepreis Paganin  
Lawyers and Consultants  
Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000

### Auditor\*

Deloitte Touche Tohmatsu  
Level 14  
240 St George's Terrace  
Perth WA 6000

Telephone: (08) 9365 7000  
Facsimile: (08) 9365 7001

\*These parties have been included for information purposes only. They have not been involved in the preparation of this Prospectus.

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**3. CHAIRMAN'S LETTER**

Dear Shareholder

The Board is pleased to offer Shareholders the opportunity to participate in a one (1) for five (5) non-renounceable rights issue of Shares to raise up to approximately \$1,489,250 (**Entitlement Issue**).

All Shareholders registered as at 5.00pm (WST) on 23 June 2009 will be entitled to participate in the Entitlement Issue. The price payable on application for each Share is \$0.16.

The Closing Date for acceptances of the Offer is 5.00pm (WST) on 10 July 2009.

Shareholders wishing to subscribe for Shares in excess of their Entitlement under the Offer are invited to subscribe for the Shortfall. The Offer is partially underwritten to the extent of \$700,000 by Eyeon Investments Pty Ltd. Any Shares not taken up by Shareholders pursuant to the Offer or the Underwriter pursuant to the Underwriting Agreement may be allocated to the Shortfall Offer.

The funds raised from the Offer will be used for the evaluation of the Company's mineral properties in Brazil and Australia as well as working capital.

The Board takes this opportunity to thank all Shareholders for their support and looks forward to your continued support in the future.

Yours faithfully



**David Archer**  
**Chairman**

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## **4. DETAILS OF THE OFFER**

### **4.1 Entitlement Issue**

By this Prospectus, the Company offers for subscription approximately 9,307,816 new Shares pursuant to a pro-rata non-renounceable entitlement issue to Shareholders of one (1) new Share for every five (5) Shares held on the Record Date at an issue price of \$0.16 per Share. Fractional Entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company (and assuming no existing Options are exercised prior to the Record Date), the maximum number of Shares to be issued pursuant to the Entitlement Issue is approximately 9,307,816. The Entitlement Issue will raise approximately \$1,489,250. The purpose of the Entitlement Issue and the use of funds raised are set out in Section 5 of this Prospectus.

Holders of existing Options will not be entitled to participate in the Entitlement Issue. The Company currently has 15,956,668 Options on issue as at the date of this Prospectus, which Options may be exercised by the Option holder prior to the Record Date in order to participate in the Entitlement Issue.

### **4.2 How to Accept the Entitlement Issue**

Your acceptance of the Entitlement Issue must be made on the Entitlement and Acceptance Application Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Entitlement Issue as follows:

- (a) if you wish to accept your Entitlement in full:
  - (i) complete the Entitlement and Acceptance Application Form, filling in the details in the spaces provided; and
  - (ii) attach your cheque for the amount indicated on that relevant Entitlement and Acceptance Application Form; or
- (b) if you only wish to accept part of your Entitlement:
  - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Application Form; and
  - (ii) attach your cheque for the appropriate application monies (at \$0.16 per Share); or
- (c) if you wish to accept your Entitlement in full and apply for Shares under the Shortfall:
  - (i) complete the Entitlement and Acceptance Application Form, filling in the details in the spaces provided;
  - (ii) fill in the Shortfall Application Form in respect of the number of additional Shares you wish to apply for under the Shortfall; and

- (iii) attach your cheque for the appropriate application monies (at \$0.16 per Share); or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "**Crusader Resources Limited – Subscription Account**" and crossed "**Not Negotiable**".

Your completed Entitlement and Acceptance Application Form and cheque must reach the Company's share registry no later than 5.00pm WST on the Closing Date.

The Entitlement Issue is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

#### **4.3 Shortfall**

Any Entitlement not taken up pursuant to the Offer will form the Shortfall. The Underwriter will subscribe for that part of the Shortfall that it is obliged to subscribe for under the Underwriting Agreement (being up to 4,375,000 Shares). If there is any Shortfall remaining after the Underwriter has fulfilled its obligations under the Underwriting Agreement the Company offers the balance of the Shortfall to Shareholders and to the public.

The offer of the Shortfall is a separate offer pursuant to this Prospectus (**Shortfall Offer**). Pursuant to the Shortfall Offer, an offer is made to every applicant of Shares under the Entitlement Issue and to the general public to apply for any Shares not taken up under the Entitlement Issue or by the Underwriter (**Shortfall Shares**). The issue price of any Shortfall Shares offered pursuant to the Shortfall Offer is \$0.16, being the price at which the Entitlement Issue has been offered to Shareholders pursuant to this Prospectus. The Shortfall Offer shall remain open for 3 months from the Closing Date (**Shortfall Closing Date**) unless closed early at the discretion of the Directors.

Applications pursuant to the Shortfall Offer will be dealt with as follows:

- (a) to apply for any of the Shortfall Shares where an applicant is a Shareholder the applicant must first have taken up their full Entitlement under the Entitlement Issue;
- (b) an applicant making an application for Shortfall Shares (**Secondary Applicant**) is entitled to apply for all or any part of the Shortfall Shares, by completing the Shortfall Application Form and submitting it to the Company with appropriate application monies (at \$0.16 per Share) by the Shortfall Closing Date;
- (c) if the number of Shortfall Shares sought exceeds the actual number of Shortfall Shares, applications will be scaled back entirely at the discretion of the Company.

The Company reserves the right to allot to an applicant a lesser number of Shortfall Shares than the number for which the applicant applies, or to reject an application, or to not proceed with placing the Shortfall.

If you wish to participate in the Shortfall Offer, complete the Shortfall Application Form attached to this Prospectus. You must also provide payment with your application in respect of all of the Shares you are applying for.

If your allocation of the Shortfall Shares is scaled back in part or in its entirety, you will be provided with a refund of the balance of the Shortfall Offer application monies with the notification of your allocated Shares.

The Company will issue Shares pursuant to the Shortfall Offer to the Underwriter and those who have subscribed for Shares prior to the Closing Date shortly after the Closing Date on the basis set out in this Section. If there is any remaining Shortfall, the balance of the Shortfall Shares issued to Secondary Applicants will be issued progressively up to the date that is 3 months after the Closing Date, at the discretion of the Directors, in consultation with the Underwriter.

#### **4.4 Minimum Subscription**

The minimum subscription in respect of the Entitlement Issue is \$700,000.

No Shares will be allotted or issued until the minimum subscription has been received. If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application monies.

#### **4.5 Underwriting**

The Entitlement Issue is partially underwritten by Eyeon Investments Pty Ltd as trustee for the Eyeon Investments Family Trust.

Refer to Sections 8.2 and 8.3 of this Prospectus for further details of the terms of the underwriting and the effect the underwriting may have on the voting power of the Underwriter in respect of the Company.

#### **4.6 Australian Securities Exchange Listing**

Application for official quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of the Prospectus, (or such period as modified by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

#### **4.7 Allotment of Shares**

Shares issued pursuant to the Offer will be allotted as soon as practicable after the Closing Date. The Company will allot the Shares on the basis of a Shareholder's Entitlement. Where the number of Shares issued is less than the number applied for, or where no allotment is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.



Pending the allotment and issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

#### **4.8 Overseas Shareholders**

No action has been taken to register or qualify the Shares or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia and New Zealand.

Shareholders resident outside Australia and New Zealand should consult their professional advisers as to whether any governmental or other consents are required, or other formalities need to be observed to enable them to accept or deal with their Entitlement. The return of a completed Entitlement and Acceptance Application Form from a non-resident applicant will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained and that the Company may legally issue the Shares to the applicant.

#### **4.9 Taxation Implications**

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of applying for Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation consequences. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders. Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Shares offered pursuant to this Prospectus.

#### **4.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship**

The Company will not be issuing share certificates. The Company will apply to ASX to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

#### **4.11 Privacy Act**

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and

corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

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## 5. PURPOSE AND EFFECT OF THE OFFER

### 5.1 Purpose of the Offer

The purpose of the Offer is to raise up to approximately \$1,489,250 (before expenses). The proceeds of the Offer are planned to be used in accordance with the table set out below:

<b>Proceeds of the Offer</b>	<b>\$</b>
Ongoing evaluation and development of the Posse Iron Project in Brazil	400,000
Evaluation of existing mineral properties and identification of new project in Brazil	250,000
Evaluation of the Lake Throssell uranium project in Australia	600,000
Working Capital	181,250
Expenses of the Offer	58,000
<b>Total</b>	<b>\$1,489,250</b>

#### Note:

Refer to Section 8.8 of this Prospectus for further details relating to the estimated expenses of the Offer. In the event that funds raised under the Offer are between \$700,000 and \$1,489,250 the Company will allocate funds after the costs of the raising pro rata between the costs of evaluation and development of the mineral properties, and working capital.

### 5.2 Effect of the Offer and Pro Forma Consolidated Balance Sheet

Assuming the Offer is accepted in full, the principal effect of the Offer will be to:

- (a) increase the cash reserves by approximately \$1,431,250 immediately after completion of the Offer after deducting the estimated expenses of the Offer; and
- (b) increase the number of Shares on issue from 46,539,081 to approximately 55,846,897 Shares following completion of the Offer.

### 5.3 Consolidated Balance Sheet

The unaudited Balance Sheet as at 31 March 2009 and the unaudited Pro Forma Balance Sheet as at 31 March 2009 shown on the following page have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position. They have been prepared on the assumption that all Shares offered pursuant to the Offer in this Prospectus are issued.

The reviewed Balance Sheet has been prepared to provide Shareholders with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

**Consolidated Balance Sheet and Pro Forma Balance Sheet as at 31 March 2009.**

	<b>Unaudited</b>	<b>Unaudited</b>
	<b>31 March 2009</b>	<b>Pro Forma</b>
	<b>Consolidated</b>	<b>31 March 2009</b>
	<b>\$</b>	<b>Consolidated</b>
		<b>\$</b>
<b>Current assets</b>		
Cash and cash equivalents	1,186,777	2,618,027
Trade and other receivables	29,635	29,635
Other current assets	40,108	40,108
Assets held-for-sale	61,500	61,500
	<hr/>	<hr/>
<b>Total current assets</b>	1,318,020	2,749,270
	<hr/>	<hr/>
<b>Non current assets</b>		
Other financial assets	55,243	55,243
Capitalised exploration costs	3,766,958	3,766,958
Plant and equipment	266,369	266,369
	<hr/>	<hr/>
<b>Total non current assets</b>	4,088,570	4,088,570
	<hr/>	<hr/>
<b>Total assets</b>	5,406,590	6,837,840
	<hr/>	<hr/>
<b>Current liabilities</b>		
Trade and other payables	245,530	245,530
Provisions	22,518	22,518
	<hr/>	<hr/>
<b>Total current liabilities</b>	268,048	268,048
	<hr/>	<hr/>
<b>Total liabilities</b>	268,048	268,048
	<hr/>	<hr/>
<b>Net assets</b>	<b>5,138,542</b>	<b>6,569,792</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Equity</b>		
Share capital	12,162,343	13,593,593
Reserves	1,998,203	1,998,203
Accumulated losses	(9,022,004)	(9,022,004)
	<hr/>	<hr/>
<b>Total equity</b>	<b>5,138,542</b>	<b>6,569,792</b>
	<hr/> <hr/>	<hr/> <hr/>

#### 5.4 Effect on Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Offer is set out below, assuming that the Offer is fully subscribed.

##### Shares

	<b>Number</b>
Shares on issue at date of Prospectus	46,539,081
Shares offered pursuant to the Entitlement Issue	9,307,816
<b>Total Shares on issue after completion of the Offer</b>	<b>55,846,897</b>

##### Options

	<b>Number</b>
Options exercisable at 25 cents, expiring 22 August 2011.	6,800,000
Options exercisable at 30 cents, expiring 21 January 2010.	896,668
Options exercisable at \$1.00, expiring 12 September 2010.	4,950,000
Options exercisable at 28 cents, expiring 22 August 2011.	1,000,000
Options exercisable at 76 cents, expiring 5 May 2011.	1,000,000
Options exercisable at 82 cents, expiring 5 August 2011.	310,000
Options exercisable at 65 cents, expiring 31 December 2012.	1,000,000
<b>Total Options on issue after completion of the Offer</b>	<b>15,956,668</b>

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## **6. RIGHTS AND LIABILITIES ATTACHING TO THE SHARES**

### **6.1 Terms of Shares**

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

### **6.2 General Meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

### **6.3 Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes being equivalent to the proportion which the amount paid up (not credited) is of the total amounts paid and payable in respect of those shares (excluding amounts credited).

### **6.4 Dividend Rights**

The Directors may from time to time declare and pay or credit a dividend in accordance with the Corporations Act. Subject to any special right as to dividends attaching to a share, all dividends will be declared and paid according to the proportion which the amount paid (not credited) on the Share is to the total amount paid and payable (excluding amounts credited) in respect of the Shares. The Directors may from time to time pay or credit to the Shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. A determination by the Directors as to the profits of the Company shall be conclusive. No dividend shall carry interest as against the Company.

## **6.5 Winding-Up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided.

The liquidator may also, with the authority of a special resolution, may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders, and vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

Subject to the rights of shareholders (if any) entitled to shares with special rights in a winding up, all moneys and property that are to be distributed among Shareholders on a winding up, shall be so distributed in proportion to the shares held by them respectively, irrespective of the amount paid up or credited as paid up on the shares.

## **6.6 Transfer of Shares**

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

## **6.7 Future Increase in Capital**

The allotment and issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

## **6.8 Variation of Rights**

Under Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

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## **7. RISK FACTORS**

### **7.1 Introduction**

The Shares offered under this Prospectus are considered speculative, and involve investors being exposed to risk. The Directors strongly recommend potential applicants examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors.

The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Company's shares.

The following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of.

### **7.2 Operating Risks**

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- (a) adverse geological conditions;
- (b) limitations on activities due to seasonal weather patterns and cyclone activity;
- (c) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities;
- (d) mechanical failure of operating plant and equipment;
- (e) industrial and environmental accidents, industrial disputes and other force majeure events;
- (f) unanticipated disputes or difficulties with landowners affected by the Company's activities;
- (g) unavailability of aircraft or drilling equipment to undertake airborne electromagnetic and other geological and geophysical investigations;
- (h) unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment; and
- (i) inability to obtain necessary consents or approvals.

In particular, the Posse iron project which is located in Brazil, is the Company's largest project and has the largest carrying value on the Company's balance sheet. Posse is in a pre-development phase which entails large amounts of expenditure over extended periods of time connected with exploration and evaluation. The Posse project may be affected by licensing, landowner, environmental and commercial issues which may significantly diminish the carrying value of the investment. A decision to proceed with a mine development of Posse has not been made. Assuming that a decision is made to



proceed with a mine development this will require the Company to fund the development which may require capital and/or debt raisings. There is no guarantee the Company will be able to raise sufficient capital to fund this development.

### **7.3 Native Title and Title Risks**

Both the *Native Title Act 1993* (Cth), related State Native Title legislation and Aboriginal Land Rights and Aboriginal Heritage legislation may affect the Company's ability to gain access to prospective exploration areas or obtain production titles.

Compensatory obligations may be necessary in settling Native Title claims if lodged over any tenements acquired by the Company. The existence of outstanding registered Native Title claims means that the grant of a tenement in respect of a particular tenement application may be significantly delayed or thwarted pending resolution of future act procedures in the Native Title Act. The level of impact of these matters will depend, in part, on the location and status of the tenements acquired by the Company. At this stage it is not possible to quantify the impact (if any) which these developments may have on the operations of the Company

### **7.4 Foreign Operations Risks**

A portion of the Company's operations are currently conducted in Brazil and, as such the operations of the Company are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, terrorism, hostage taking, military repression, extreme fluctuations in currency exchange rates, high rates of inflation, labour unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licences, permits and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Brazil may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the Company.

### **7.5 Environmental Risks and Regulations**

The Company is subject to various regulations regarding environmental matters and the discharge of hazardous wastes and materials. Whilst the Company intends to conduct its activities in an environmentally responsible manner, risks

arise in relation to compliance with these regulations and the impact of the introduction of more stringent environmental regulations.

#### **7.6 Share Market Conditions**

The price of Shares quoted for trading by ASX is impacted by various international and domestic factors. As the Company is listed on ASX, its Share price is subject to these numerous influences that may affect both the trends in the share market and the share prices of individual companies.

The factors which may create fluctuations in the share market include inflation, economic conditions, commodity prices, interest rates and exchange rates.

#### **7.7 Reliance on Key Personnel**

The Company's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. To manage its growth, the Company must attract and retain additional highly qualified management, technical, sales and marketing personnel and continue to implement and improve operational, financial and management information systems. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

#### **7.8 Agents, Contractors and Joint Venture Parties**

The Company enters into business relationships with various parties, including agency and joint venture relationships for the sale of various products, and sub-contract agreements for the installation of its surfacing products.

In these business relationships, there is the risk of an adverse impact on the Company associated with insolvency, default or other managerial failure of agents, contractors or joint venture participants.

#### **7.9 Intellectual Property Rights**

The Company has certain rights to intellectual property, including brand names, domain names, trade marks, processing technology, product knowledge and other intellectual property. The Company relies upon various laws and agreements to protect its intellectual property rights. However, the unauthorised disclosure or use of information relating to its intellectual property may have an adverse impact on the Company's financial performance and the price of its Shares.

#### **7.10 Economic Conditions**

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as currency fluctuations, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs, commodity prices and share market prices. The Company's future possible revenue and share price can be affected by these factors all of which are beyond the control of the Company and the Directors. In addition, the Company's ability to raise additional capital, should it be required, may be affected.

### **7.11 Taxation**

The Company is subject to various forms of taxation, of which income tax and the goods and services tax are expected to have the most significant impact. There is an ongoing risk that changes to taxation legislation may adversely impact revenues or expenditures, and therefore the financial performance of the Company.

### **7.12 Contractual Risks and Other Legal Risks**

All agreements entered into by the Company are subject to interpretation. There is no guarantee that the Company will be able to enforce all its rights under its agreements with third parties.

The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and therefore on the financial performance and share price of the Company.

### **7.13 Future Capital Requirements**

The Company's ongoing activities will require substantial expenditures. There can be no guarantee that the funds raised through the Offer will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to continue to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offer, there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional fundraising on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

### **7.14 Speculative Nature of Investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares offered pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares.

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## 8. ADDITIONAL INFORMATION

### 8.1 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms “transaction specific prospectuses” are only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the financial statements of the Company for the financial year ended 30 June 2008 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus;
  - (ii) any half year financial statements of the Company lodged with ASIC since the lodgement of the last financial statements for

the year ended 30 June 2008 lodged with ASIC before the issue of this Prospectus; and

- (iii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in Section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of the 2008 audited financial statements:

<b>Date</b>	<b>Description of Announcement</b>
14/05/2009	Notice under section 708A
12/05/2009	Sale of Parker Range Tenements Complete
11/05/2009	Positive Scoping Study Results for Posse Mine Development
8/05/2009	Change in substantial holding
7/05/2009	Placement and proposed rights issue
7/05/2009	Trading Halt
4/05/2009	Change in substantial holding
4/05/2009	Change in substantial holding
30/4/2009	Quarterly Activities and Cash Flow Report
17/04/2009	SXG: Early Production Scenario Moving Forward
26/03/2009	Change in substantial holding
24/03/2009	SXG: Extension to complete Crusader Transaction
17/03/2009	Half Year Accounts Competent Person Statement
16/03/2009	Half Year Accounts
30/01/2009	Quarterly Activities and Cash Flow Report
19/01/2009	Change in substantial holding
19/01/2009	Posse Iron Resource Grows Greater than 400%
19/01/2009	Change in substantial holding
13/01/2009	Change in substantial holding
29/12/2008	Change of Director's Interest Notice

29/12/2008	Appendix 3B
28/12/2008	Appointment of Auditor
28/11/2008	Results of meeting
28/11/2008	Chairman's Address to Shareholders
11/11/2008	Change in substantial holding
30/10/2008	Quarterly Activities and Cashflow Report
28/10/2008	Notice of Annual General Meeting/Proxy Form

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website [www.crusaderresources.com](http://www.crusaderresources.com).

## 8.2 Underwriting Agreement

By agreement between Eyeon Investments Pty Ltd as trustee for the Eyeon Investments Family Trust (the **Underwriter**) and the Company dated 11 June 2009 (**Underwriting Agreement**), the Underwriter has agreed to partially underwrite the Entitlement Issue up to \$700,000 being 4,375,000 Shares.

The Underwritten Shares shall be issued at an issue price of \$0.16 per Share (being the issue price pursuant to the Entitlement Issue). A fee of \$35,000 is payable by the Company in respect of the underwriting of the Entitlement Issue. The amount of the Shares to be underwritten will be reduced by the number of Shares which the Underwriter Group subscribes for under their Entitlement.

The Agreement is conditional upon:

- (a) the Underwriter being satisfied (in its sole and absolute discretion) with the form of the Prospectus and having given its consent to be named in the Prospectus prior to the date the Company lodges the Prospectus with the ASIC; and;
- (b) the Company lodging the Prospectus with the ASIC on the date of lodgement.

These conditions have been satisfied.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if prior to 5pm on the Closing Date:

- (a) **Prospectus:** the Company does not dispatch the Prospectus to Shareholders in accordance with the timetable, or the Prospectus or the Offer is withdrawn by the Company;
- (b) **No quotation approval:** the Company fails to lodge an Appendix 3B in relation to the Shares with ASX by the time required by the Corporations Act, the Listing Rules or any other regulation;

- (c) **Non-compliance with requirements:** it transpires that the Prospectus does not contain all the information required by the Corporations Act;
- (d) **Restriction on allotment:** the Company is prevented from allotting the Shares within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (e) **ASIC application:** an order is made under Section 1324B or any other provision of the Corporations Act in relation to the Prospectus;
- (f) **Takeovers Panel:** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, which in the Underwriter's reasonable opinion has a material adverse effect;
- (g) **Authorisation:** any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably;
- (h) **Indictable offence:** a director of the Company is charged with an indictable offence; or
- (i) **Termination Events:** , any of the following events occurs (subject to clause 10.3 of the Underwriting Agreement (which provides that the following events do not give the Underwriter the right to terminate unless the event has a material adverse effect or gives rise to a liability of the Underwriter under the Corporations Act)):
  - (i) **Default:** default or breach by the Company under this Agreement of any terms, condition, covenant or undertaking;
  - (ii) **Contravention of constitution or Act:** a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
  - (iii) **Official Quotation qualified:** the official quotation is qualified or conditional other than as set out in the Underwriting Agreement;
  - (iv) **Prescribed Occurrence:** a prescribed occurrence occurs;
  - (v) **Suspension of debt payments:** the Company suspends payment of its debts generally;
  - (vi) **Event of Insolvency:** an event of insolvency occurs in respect of a relevant company;
  - (vii) **Judgment against a Relevant Company:** a judgment in an amount exceeding \$100,000.00 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;

- (viii) **Litigation:** litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against any relevant company;
- (ix) **Board and senior management composition:** there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the new shares without prior notification to the Underwriter;
- (x) **Force Majeure:** a force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;
- (xi) **Certain resolutions passed:** a relevant company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xii) **Capital Structure:** any relevant company alters its capital structure in any manner not contemplated by the Prospectus; or
- (xiii) **Breach of Material Contracts:** any of the contracts are terminated or substantially modified.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

### 8.3 Current and Potential Voting Power of the Underwriter

The Underwriter, together with its associates (**Underwriter Group**), currently has a relevant interest in the Shares of the Company as follows:

	Shares	Voting Power
Underwriter	2,711,290	5.82%
Associates	6,556,700	14.09%
<b>Total</b>	<b>9,267,990</b>	<b>19.91%</b>

Pursuant to the terms of the Underwriting Agreement, the Underwriter has agreed to partially underwrite the Entitlement Issue.

The potential effect that the issue of Shares under the Entitlement Issue will have on the control of the Company is as follows:

- (a) if all Shareholders take up all of their Entitlement under the Entitlement Issue, the percentage interest in the Shares of the Company held by the Underwriter Group (and any other major Shareholders) would not change and there would not be any effect on the control of the Company; and



- (b) if some or all of the Shareholders do not take up their Entitlement under the Offer, and there is a Shortfall, then the Entitlement Issue may have an effect on the control of the Company as detailed below.

To comply with the requirement to fully disclose the potential voting of the Underwriter Group's power in the Company, the table below sets out various scenarios to indicate the effect on the Company's shareholding depending on the Shortfall (if any). Investors should note that the Underwriter Group's potential voting power will also be reduced to the extent that any Shortfall is applied for, and allocated, to the other Shareholders of the Company.

The potential maximum increase in the voting power of the Underwriters is set out below (100% Shortfall) and will only occur if no Shareholders take up their Entitlement under the Entitlement Issue and no Shareholders apply for, or are allocated, Shares pursuant to the Shortfall Offer. In the table below it is assumed that no Options are exercised prior to the Record Date.

<b>Event/Date</b>	<b>Number of Shares held by Underwriter Group</b>	<b>Voting Power of Underwriter Group</b>
Date of Prospectus	9,267,990	19.91%
After issue of Shares assuming 100% Shortfall	13,642,990	26.80%
After issue of Shares assuming 50% Shortfall	13,642,990	24.55%
After issue of Shares assuming 0% Shortfall	11,121,588	19.91%

#### **8.4 Intentions of the Underwriter**

The Underwriter has indicated that their intentions mentioned in this section are based on the facts and information regarding the Company and the general business environment which are known to it as at the date of this Prospectus. Any future decisions will, of course, be reached by the Underwriter based on all material information and circumstances at the relevant time. Accordingly, if circumstances change or new information becomes available in the future, the Underwriter's intentions could change.

Accordingly, the Underwriter has advised the Company that since they are presently supportive of the Company's current direction, the Underwriter does not currently intend to make any major changes to the direction and objectives of the Company, and that other than as disclosed in this Prospectus, the Underwriter:

- (a) does not currently intend to make any significant changes to the existing businesses of the Company;
- (b) does not currently intend to inject further capital into the Company other than participating in the Offer and underwriting the Offer;
- (c) does not currently intend to become involved in decisions regarding the future employment of the Company's present employees and contemplates that they will continue in the ordinary course of business (other than in their role as Directors of the Company);

- (d) does not currently intend for any property be transferred between the Company and the Underwriters or any person associated with the Underwriter;
- (e) does not currently intend to redeploy the fixed assets of the Company; and
- (f) does not currently intend to change the Company's existing financial or dividend policies.

The requirements of the Corporations Act and the ASX Listing Rules in relation to conflicts of interest and "related party" transactions will apply in the event that the Underwriter or Underwriter Group becomes a related party of the Company.

The Underwriter will make decisions on their course of action in light of material facts and circumstances at the relevant times and after they receive appropriate legal and financial advice on such matters, where required, including in relation to any requirement for Shareholder approvals.

The statements reflect current intentions only as at the date hereof which may change as new information becomes available or circumstances change or with the passage of time.

## 8.5 Directors' interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer pursuant to this Prospectus; or
- (c) the Offer pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or Offer pursuant to this Prospectus.

Directors' interests in securities of the Company at the date of this Prospectus are:

Name	Shares	Options	Entitlement	Remuneration (\$)
David Archer	-	3,300,000	-	\$32,700 p.a.
Robert Smakman	2,080,664	3,000,000	416,132	\$168,750 p.a. *
Justin Evans	1,000,000	1,000,000	200,000	\$20,000 p.a.
Murray Hodges	1,213,332	1,000,000	242,666	\$20,000 p.a.

\*Mr Smakman also receives allowances for family education, travel and food whilst living in Brazil on behalf of the Company.

The Constitution of the Company provides that the non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Directors and in default of agreement then in equal shares. The executive director receives a remuneration package that includes a base fee, bonus and living allowances. The Company paid to the Directors a total of \$959,363 for the year ended 30 June 2007 and \$1,075,456 for the year ended 30 June 2008. Please note that these figures include \$714,189 in 2007 and \$716,274 in 2008 being the deemed value of options granted. In addition to the above, the Directors have been paid fees (excluding living allowances) totalling \$296,550 from the end of the previous financial year until the date of this Prospectus. Directors, companies associated with the directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

## **8.6 Interests and Consents of Experts and Advisers**

Other than as set out below or elsewhere in this Prospectus, no expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner, nor any company with which any of those persons is or was associated, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of securities pursuant to this Prospectus; or
- (c) the Offer of securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner, or to any company with which any of those persons is or was associated, for services rendered by that person, or by the firm or the company, in connection with the formation or promotion of the Company or the Offer pursuant to this Prospectus.

Pursuant to Section 716 of the Corporations Act, Eyeon Investments Pty Ltd has given and has not withdrawn its consent to being named as Underwriter to the Issue in the Corporate Directory of this Prospectus in the form and context in which it is named.

Pursuant to Section 716 of the Corporations Act, Steinepreis Paganin has given, and has not withdrawn its consent to being named as Solicitors to the Company in the Corporate Directory of this Prospectus in the form and context in which it is named. Steinepreis Paganin has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus.

Steinepreis Paganin act as solicitors to the Company. Steinepreis Paganin will be paid approximately \$10,000 for services in relation to this Prospectus.

## **8.7 Legal Proceedings**

There is no litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

## **8.8 Estimated Expenses of Offer**

In the event that the Offer is fully subscribed, the estimated expenses of the Offer are as follows:

	\$
Underwriting fee	35,000
ASIC fees	2,010
ASX fees	5,400
Legal expenses	10,000
Printing and other expenses	5,590
<b>Total</b>	<b>58,000</b>

## **8.9 Market Price of Shares**

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: \$0.20 on 22 to 27 April, 29 April to 6 May and 5 to 11 June 2009

Lowest: \$0.08 on 11 March and 3 to 7 April 2009

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was \$0.20 on 11 June 2009.

## **8.10 Offer in New Zealand**

The Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and the Corporations Regulations 2001. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

The Offer and the content of the Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act sets out how the Offer must be made.

There are differences in how securities are regulated under Australian law.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Securities Commission, Wellington, New Zealand.

The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

As noted in the Prospectus at Section 4.6, the Company will apply to the ASX for quotation of the Shares offered under this Prospectus. If quotation is granted, the Shares offered under this Prospectus will be able to be traded on the ASX. If you wish to trade the securities through that market, you will have to make arrangements for a participant in that market to sell the securities on your behalf. As the ASX does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

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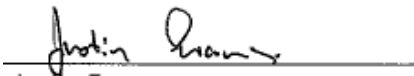
**9. AUTHORITY OF DIRECTORS**

**9.1 Directors' Consent**

Each of the Directors of Crusader Resources Limited has consented to the lodgement of this Prospectus with the ASIC in accordance with Section 720 of the Corporations Act

Dated the 12<sup>th</sup> day of June 2009

**SIGNED for and on behalf of**



Justin Evans

Director

**CRUSADER RESOURCES LIMITED**

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## 10. DEFINITIONS

**Applicant** means a Shareholder who applies for Shares pursuant to the Offer.

**ASIC** means the Australian Securities and Investments Commission.

**ASTC Settlement Rules** means the settlement rules of the securities clearing house which operates CHESS.

**ASX** means the ASX Limited (ACN 008 624 691).

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means a day on which trading takes place on the stock market of ASX.

**Closing Date** means the closing date of the Offer, being 5.00pm (WST) on 10 July 2009 (unless extended).

**Company** means Crusader Resources Limited (ACN 061 641 963).

**Constitution** means the Company's Constitution as at the date of this Prospectus.

**Corporations Act** means the *Corporations Act 2001*(Cth).

**Directors** means the directors of the Company at the date of this Prospectus.

**Dollar** or "\$" means Australian dollars.

**Entitlement** means the entitlement of a Shareholder who is eligible to participate in the Offer.

**Entitlement and Acceptance Application Form** means the entitlement and acceptance application form either attached to or accompanying this Prospectus.

**Entitlement Issue** means the issue of Shares under the Entitlement Issue contained in this Prospectus.

**Entitlement Issue** means the offer pursuant to the Prospectus of one (1) new Share for every five (5) Shares held by a Shareholder on the Record Date to raise approximately \$1,489,250 and includes the offer of the Shortfall.

**Listing Rules** or **ASX Listing Rules** means the Listing Rules of the ASX.

**Offer** means the offer of Shares pursuant to this Prospectus, consisting of the Entitlement Issue.

**Official List** means the official list of ASX.

**Option** means an option to acquire a Share.

**Prospectus** means this prospectus.

**Quotation** and **Official Quotation** means official quotation on ASX.

**Record Date** means 5.00pm (WST) on 23 June 2009.

**Related Corporation** has the meaning given to that term in the Corporations Act.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.

**Shortfall** means those Shares under the Offer not applied for by Shareholders under their Entitlement.

**Shortfall Application Form** means the shortfall application form either attached to or accompanying this Prospectus.

**Underwriter** means Eyeon Investments Pty Ltd as trustee for the Eyeon Investments Family Trust (ABN 71 058 752 176).

**Underwriter Group** means the Underwriter and its associates being Copulos Superannuation Pty Ltd, Supermax Pty Ltd and Citywest Corp Pty Ltd.

**WST** means Western Standard Time.