

31 July 2009

JUNE 2009 QUARTERLY ACTIVITIES REPORT

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

In May 2009, Crusader Resources Ltd (ASX:CAS) (Crusader) received the Scoping Study from international consultants Coffey Mining for the 100% owned Posse Iron Project in Minas Gerais, Brazil.

Crusader has continued working on the Posse project, incorporating and expanding on the recommendations made in the Scoping study. Further metallurgical, engineering and environmental work is underway, with further results due from this work due soon.

The main proposals from the Scoping study recommend a two stage development.

- Stage 1 envisaged contract mining for up to 3 years at a production rate of between 300,000 tonnes per annum (300ktpa) and 600ktpa run of mine (ROM). Beneficiation during this stage is by dry sieving to produce a premium quality lump ore. Capital costs were estimated at A\$1.64 million. (Limited wet beneficiation is currently being investigated with the additional benefits of a higher grade product and the potential for a second product the aim).
- Stage 2 recommends an increase in production to 800ktpa ROM for up to a further 13 years and treats material through an expanded wet beneficiation plant.

The estimated operational cost structure for Stage 1 is presented below:

Posse Project- Stage 1 Operating Cost Summary	
	A\$ / tonne ROM
Mining : Ore	\$2.64
Mining : Waste and Low Grade	\$2.56
Processing	\$3.91
Other (transport, administration etc)	\$1.99
Taxes and royalties ¹	\$1.40
Total	\$12.50

¹ Calculated on the taxes and charges which are applied to the gross margin before operating costs including PIS (1.65%), Confins (7.6%) and those which are applied to the net cash after capital and operating expenses including, royalties (CFEM 2%, land owner 1%), Commercialization tax (2%). Income tax (IR=15-25%) and the social contribution tax (CSSL of 9%) which are applied to the groups taxable income, have not been included. ICMS (Sales tax) which can vary from 0-12%, has not been included.

The Study generated a positive outcome assuming a sale price “at the mine gate” of approximately A\$² \$44.5/t for lump ore and A\$34/t for pellet feed.

Crusader is in the process of completing the Mines Department and Environmental Agency licensing, with the trial mining licence allowing the start of Stage 1, expected to be granted during the current quarter.

Crusader is negotiating with various potential domestic customers, including larger and smaller smelters within trucking distance (between 60-150km). Bulk samples of the material from the planned Stage 1 of operations have been delivered to several customers for individual testing.

Other projects in Brazil (CAS 100%)

No exploration work was carried out on these projects during the quarter. Crusader is working towards the sale or joint venture of these projects. Information Memorandums have been prepared on the Juru Belem gold project, the Tarantula tungsten project and the Ouro Belo tin/gold/indium project. Several interested parties are currently reviewing the data.

Lake Throssell, Western Australia (CAS 100%)

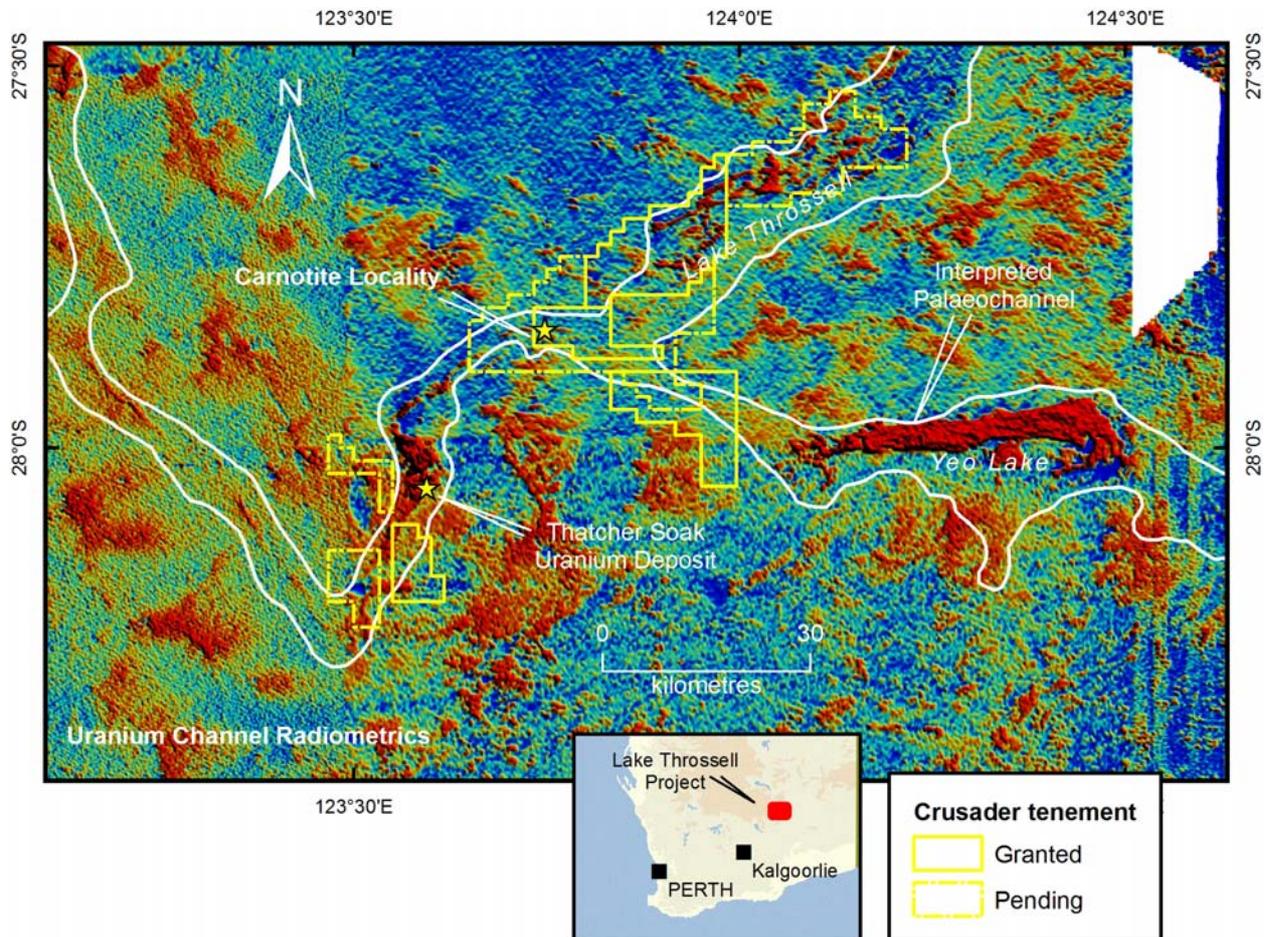
Crusader’s Lake Throssell project is located 200km northeast of Laverton in the Great Victoria Desert of Western Australia. The company owns a 100% interest in the Lake Throssell tenements which cover an area of >2,500 km², as shown on the diagram below:

Crusader is targeting a range of styles of uranium mineralisation in the paleochannel system, which hosts a significant deposit at the nearby Thatcher Soak project. The company believes the project presents an exciting exploration opportunity, supported by:

- The presence of uranium mineralisation at surface on one of Crusader’s tenements in calcrete samples.
- The presence of a significant (11Mlbs of contained U₃O₈) deposit “up-paleochannel” at Thatchers Soak.
- The absence of significant historical or modern ground exploration in the area.
- The presence of a major paleochannel confluence within the project area, with significant surficial radiometric anomalies both upstream of the confluence, on Lake Throssell and at Thatchers Soak, and downstream on Lake Yeo.
- The paleochannel over Lake Throssell is extensively covered by recent sands which could be obscuring a radiometric signature from mineralisation.

² All costs are in AUD having been converted from Brazilian Reals at an exchange rate of BRL:AUD = 1:0.64

Figure 1. Lake Throssell location map.



Crusader has recently added to its landholding in the area with two new applications for exploration licences and one of its existing applications has recently been granted

Crusader is also presently engaged with the Cosmo Newbery Land Council in regard to an access agreement for the remaining areas not yet granted. Dependant on the successful negotiations in this matter, exploration is set to commence in the current quarter with an initial reconnaissance visit followed closely by aircore drilling.

Southern Cross Gold, Western Australia (CAS 0%)

Crusader completed the sale of all its tenements in the Parker Range district near Marvel Loch to Southern Cross Goldfields during the quarter. Crusader has received 750,000 Southern Cross Goldfields shares.

Corporate

Crusader raised \$300,000 during the quarter from a placement and during July raised a further \$947,000 before costs through a partially underwritten rights issue. Crusader has a current cash balance of approximately \$2.0M (\$1.2M at 30th June 2009), with 52,457,152 ordinary shares on issue. Crusader continues to carefully monitor expenses and the cash balance of the company.

About Crusader

Crusader Resources Ltd (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, uranium, tin, gold and tungsten. Crusader applies leading edge exploration skills to the discovery of new assets and continues to utilise its strong global networks to identify new opportunities.

The company's most mature project is the Posse Iron project which is located in the Iron Quadrilateral in the state of Minas Gerais, 30km from the regional capital and iron ore mining centre of Belo Horizonte. Crusader has recently updated the resource inventory at Posse to an Indicated Mineral Resource of 4.83Mt at 47.39% Fe and Inferred Mineral Resource of 31.18Mt at 42.89% Fe (Refer to announcement made 19 January 2009 <http://www.asx.com.au/asxpdf/20090119/pdf/31fm58z1kfl8dn.pdf>). A positive Scoping Study by International consultants Coffey Mining, has encouraged Crusader to continue pursuing this project towards production. Licensing, off-take agreements and further technical work are all being vigorously pursued.

Crusader also has an extensive portfolio of Au, Sn, In and W projects within Brazil.

In Australia, Crusader has the 100% owned Lake Throssell Uranium project. With over 2,500km² under application, exploration for paleodrainage hosted mineralisation on this highly prospective project, will begin during the current quarter.

The information in this report that relates to Exploration Results is based on information compiled or reviewed by Mr. Robert Smakman, who is a Member of The Australasian Institute of Mining and Metallurgy and is a full-time employee of the company. Mr. Smakman has sufficient experience in the type of deposits under consideration and the activities being undertaken to qualify as a Competent Person as defined in the December 2004 Edition of the Australasian Code for reporting of Exploration Results, Minerals Resources and Ore Reserves and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on and accurately reflects, information compiled by Mr Bernardo Viana who is a full time employee of Coffey Mining Pty Ltd and a Member of the Australian Institute of Geoscientists. Mr Viana has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Viana consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Crusader Resources Limited

ABN

94 106 641 963

Quarter ended ("current quarter")

30 June 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	22	95
1.2 Payments for (a) exploration and evaluation	(158)	(1,300)
(b) development	-	-
(c) production	-	-
(d) administration	(226)	(1,179)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	9	116
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(354)	(2,269)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) exploration	-	-
(b) mining tenements	-	-
(c) other fixed assets	-	(58)
1.9 Proceeds from sale of:		
(a) tenements	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	(58)
1.13 Total operating and investing cash flows (carried forward)	(354)	(2,327)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(354)	(2,327)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	300	321
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Capital raising costs	-	-
	Net financing cash flows	300	321
	Net increase (decrease) in cash held	(54)	(2,006)
1.20	Cash at beginning of quarter/year to date	1,186	3,149
1.21	Exchange rate adjustments to item 1.20	(10)	(21)
1.22	Cash at end of quarter	1,122	1,122

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	72
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payment of salary and benefits to managing director. Payment of directors' fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

During the quarter the sale of Crusaders' tenements in the Parker Range district to Southern Cross Goldfields Limited (SXG) was completed. In consideration for the sale Crusader received 750,000 SXG ordinary shares.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	250
4.2 Development	-
Total	250

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,122	1,186
5.2 Term deposits	-	-
5.3 Bank overdraft	-	-
5.4 Other	-	-
Total: cash at end of quarter (item 1.22)	1,122	1,186

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	M77/581	All tenements were sold to SXG.	100%	0%
	E77/1153		80%	0%
	M77/806 (P77/3660)		80%	0%
	M77/921 (P77/3661)		80%	0%
	M77/972 (P77/3662)		80%	0%
	P77/3416		80%	0%
	P77/3478		80%	0%
	P77/3479		80%	0%
	P77/3548		80%	0%
	P77/3654		80%	0%
	P77/3655		80%	0%
	P77/3656		80%	0%
	P77/3657		80%	0%
	P77/3658		80%	0%
	P77/3659		80%	0%
6.2 Interests in mining tenements acquired or increased	E77/1233		100%	0%
	M77/730 (P77/3663, P77/3664)		90%	0%
	M77/948		90%	0%
	E38/1808	Direct	0%	100%
	E38/1910			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	46,539,081	46,539,081		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,875,000	1,875,000		
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases (b) Decreases				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	6,800,000	-	25 cents	22 August 2011
	896,668	-	30 cents	21 January 2010
	4,950,000	-	\$1.00	12 September 2010
	1,000,000	-	28 cents	22 August 2011
	1,000,000	-	76 cents	5 May 2011
	310,000	-	82 cents	5 August 2011
	1,000,000	-	65 cents	31 December 2012
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired/lapsed during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

