

23rd December 2009

ASX Release

Crusader Signs Option Agreement over Gold Project in Brazil

HIGHLIGHTS;

- **Crusader has signed an option to purchase 100 % of the Borborema Gold Project in Brazil for a total of A\$2.4M, which includes land and infrastructure.**
- **The Borborema Gold Project has been previously estimated, at a 1g/t gold cutoff, to hold a resource of 5.3 million tonnes grading an average of 1.9 g/t gold for 325,000 ounces of gold¹. This estimate has *not* been reported in compliance with the JORC code.**
- **Recent Garimpiero and previous open pit mining is estimated to have produced 300,000 ounces of gold.**
- **Excellent exploration upside, with detailed drilling over only 1.2 kilometres of a six kilometre long shear zone.**
- **The acquisition involves a six month option period during which Crusader will undertake due diligence covering all technical, legal and environmental issues.**
- The Project has excellent infrastructure with grid power, on site water storage, established buildings and bitumen road access.
- The Project consists of three granted mining leases covering a total area of 29kms² plus freehold title to the property over the main prospect area covering 7.5kms²
- Existing exploration data will be reviewed immediately aimed at establishing a JORC compliant mineral resource.
- Excellent potential to build on any resource that may be estimated from exploration along the six kilometre long shear zone and in structures parallel to the identified mineralisation
- A signing fee of R\$300,000 (Brazilian Reals) will be paid to the vendors subject to preliminary legal and environmental due diligence, scheduled over the coming seven days.

Better drilling intersections from historic exploration include;

6m @ 13.74 g/t gold from 119.6m in hole 275-02

6m @ 11.98 g/t gold from 84.5m in hole 525-01

16m @ 3.92 g/t gold from 77.4m in hole 1000-02

4.75m @ 8.72 g/t gold from 116.8m in hole 821-02

¹ Note, this is a foreign estimate and is not reported in accordance with the JORC Code. It is uncertain that future evaluation and/or exploration of the resource will ever be able to be reported in accordance with the JORC Code. The ASX has granted Crusader a waiver to allow inclusion of the estimate for the reasons detailed in Annexure 1

Crusader managing director Rob Smakman said;

“This is a very exciting opportunity which is attractively priced in an environment of record gold prices.

The previous exploration and resource study was completed to a high standard by a major Brazilian mining company. We believe it to be very robust with the ability to quickly convert this to a JORC compliant resource in a short timeframe. The project also has excellent exploration potential.

The Project is further benefited by good on-site facilities and excellent access to infrastructure, including power, water, roads and cities.”

Project Details

The Borborema Gold Project (“the Project”) located in Rio Grande do Norte state is the most important gold mine in northeast Brazil (see figure 1). Approximately 300km from Crusader’s headquarters in Joao Pessoa, access is by sealed national highways. The project is the most significant gold mine in the northeast Borborema mineral province with historical production from higher grade garimpeiro workings and modern open-pit heap-leaching reported as totalling approximately 300,000 ounces.

The Project consists of three granted mining leases of 2,907Ha and the title to the freehold land over the main workings of 752Ha. The land includes buildings in good condition, comprising an office, camp and storage areas. The existing heap leach stockpiles, which are estimated by the current owners to contain 700,000 tonnes at an average grade between 0.2g/t and 0.5g/t gold, are included in the transaction.

Exploration during 2007 included 75 diamond drill holes, of which only 50 were logged, sampled and assayed. Many of the un-sampled holes are shallow and within the predicted mineralised area. Logging, sampling and assaying of these holes should provide a ready source of new information to Crusader during the due diligence process and increase the quantity of shallow mineralisation (see Figure 2).

The main mineralised shear zone (the Morro Pelada shear), has been drilled to varying degrees over 2.5 kilometres of strike and mineralisation is open to both the NE and SW. Work has concentrated on the central part, which includes the 350m x 50m Xapetuba pit (see project history below) with drilling spaced at approximately 50m x 50m. The shear zone comprises a quartz stock-work within biotite schist, with true widths of up to 20m. The Morro Pelada shear zone has been mapped along an extension of 6km and is open down dip and along strike.

A second parallel shear zone (the Sao Francisco shear zone) has been unexplored by modern methods, however this shear has been mined by the garimpeiros.

Project History

The area was first discovered by garimpeiros in 1942, after which it was exploited until 1977. Details of production from this era are incomplete, however approximately 200,000 ounces was reported to the Brazilian Mines Department (DNPM).

The project area was intermittently mined between 1984 and 2006, with production estimated at 100,000 ounces. During this period, Mineração Xapetuba Ltda. (Xapetuba) opened a 350m x 50m open pit in order to trial Brazil's first ever heap leach.

In 2006, Mineração Caraiba S/A (Caraiba) took an option over the area and performed systematic and modern exploration.

Caraiba performed preliminary metallurgical testwork, regional mapping and estimated total resources within the area of detailed drilling of 10.1 million tonnes averaging 1.30g/t gold for a total of 420,000 ounces of gold (see Table 1). Although the estimate is not reported consistent with the JORC Code, the quality of the work is considered to be comparable with the work needed for qualification as a mineral resource under the JORC Code. A full audit of the technical work will be carried out during the due diligence period.

Table 1 : Mineral Estimate (not reported in accordance with the JORC Code) reported by Caraiba in October 2007 for the Borborema Project, Rio Grande de Norte.

Cutoff Grade Range	Classification	Tonnes x 1000	Au (g/t)	Au (kg)	Ounces*
>0.25g/t & < 0.50g/t	Measured	20	0.447	9	287
	Indicated	948	0.465	441	14,173
	Inferred	344	0.465	160	5,143
	Total	1,312	0.465	610	19,603
>0.50g/t & < 1.0g/t	Measured	120	0.709	85	2,735
	Indicated	2,642	0.686	1,812	58,270
	Inferred	687	0.673	462	14,865
	Total	3,449	0.684	2,360	75,871
>1.0g/t	Measured	746	1.880	1,402	45,091
	Indicated	4,364	1.905	8,313	267,283
	Inferred	221	1.795	397	12,754
	Total	5,331	1.897	10,113	325,127
Total	Measured	886	1.689	1,497	48,114
	Indicated	7,954	1.328	10,567	339,726
	Inferred	1,252	0.814	1,019	32,762
	Total	10,093	1.296	13,082	420,601

*Added by Crusader Resources Limited

This is a foreign estimate and is not reported in accordance with the JORC Code and it is uncertain that following evaluation and/or further exploration the resource will ever be able to be reported in accordance with the JORC Code

Crusader has confirmed the excellent condition of the drill core and samples and the accurate location of the drill collars. The company believes that the reporting of this estimate is relevant as the work was completed relatively recently, follows modern practice and documentation is of a high standard.

Proposed work program

Crusader has planned a six month work program that will focus on several important areas. A complete audit of the available technical data as presented by the vendors will be undertaken along with sampling of the recent drilling. Crusader is aiming to prepare a JORC compliant estimate in early 2010.

Metallurgical testwork will also be performed to determine the suitability of the in-ground oxide and sulphide mineralisation and the remaining heaps to heap leach and conventional CIL extraction.

Crusader will also seek to define the exploration potential of the area, by detailed mapping, ground geophysics and trenching and possibly drilling.

Acquisition Terms.

The vendors have agreed to a six month option period, during which Crusader will undertake due diligence covering all aspects of technical, legal and environmental issues.

A signing fee of R\$300,000 (Brazilian Reals) will be paid to the vendors subject to preliminary legal and environmental due diligence, scheduled over the coming 30 days. Crusader has agreed to the payment schedule over the coming 12 months outlined in Table 2.

Crusader may extend the option period for up to 3 months by paying a further R\$100,000 per month. Crusader may withdraw at anytime during the option period (all fees paid until such are non-refundable) by paying a R\$100,000 break fee.

Table 2. Payment terms for the acquisition of the Borborema Gold Project.

	Payment terms R\$ (Brazilian Reals)	Payment terms A\$ based on exchange rate of 0.60
Within 30 days of signing	300,000	180,000
End of month 2	100,000	60,000
End of month 3	100,000	60,000
End of month 4	300,000	180,000
End of month 5	100,000	60,000
End of month 6	100,000	60,000
Exercise Option Decision		
End of month 7	1,250,000	750,000
End of month 12	1,750,000	1,050,000
Total	R\$4,000,000	\$2,400,000

Crusader has started the due diligence process and will regularly update shareholders of the progress. A more complete technical summary will be presented in mid January.

ENDS

Further information

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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, tin, gold, tungsten and uranium. Crusader applies leading edge exploration skills to the discovery of new assets and continues to utilise its strong networks in Brazil, Australia and around the world to identify new opportunities.

Crusader is developing the Posse Iron project located in the Iron Quadrilateral region of Minas Gerais state, Brazil with first production due in the second quarter of 2010.. 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 [here](#)).

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

In Australia, Crusader has a portfolio of projects prospective for uranium, gold and nickel.

The Lake Throssell uranium project is 100% CAS owned. The company holds highly prospective leases over more than 2,500 km² located 200km to the north east of Laverton in Western Australia. Crusader will initiate exploration in 2009 targeting uranium mineralisation in the extensive paleodrainage within the area.

Crusader Resources Ltd has 52,557,152 ordinary shares on issue.

Annexure 1
Notes in Regard to Companies Update 11/07

1. References to gold resources in this document refer to a foreign estimate that was not reported in accordance with the JORC Code. It is uncertain that future evaluation and/or exploration of the resource will ever be able to be reported in accordance with the JORC Code.
2. The gold resources reported in this document are detailed in a report prepared by Brazilian mining company MINERAÇÃO CARAIBA S/A. and dated October 2007. The report is titled; "Relatorio de Final de Pesquisa Modelamento Geologico e Obtenção de Recursos e Reservas " (Final Report on Research and Geological Modelling for Resources and Reserves). The report rigorously describes how the resource was calculated and follows procedures consistent with the standards set out in the JORC Code.
3. Crusader considers the foreign resource reported in this study as material because it demonstrates that the work done was both professional and extensive and that the findings indicate significant gold in the system over consistent intervals. Crusader has not previously published any gold mineral resources or reserves and non-disclosure of the information would represent the withholding of information that could be material to the Company's share price.
4. The foreign resources published in this document were estimated following construction of a 3D geological model from surface mapping and drillhole logging. Assays for the Caraiba drilling were reported from the internationally accredited SGS Geosol laboratory in Belo Horizonte. Caraiba routinely submitted duplicates (5% of the samples submitted, blanks and standards). The logging, sampling and submitting of samples is rigorously described. A statistical analysis was undertaken and variography estimated. A block model was produced and a resource estimated via ordinary kriging within polygons defined by varying cutoff grades. A top cut of 20g/t was applied and three envelopes were calculated for low (>0.25g/t and <0.5g/t), medium (>0.5g/t and <1.0g/t) and high grade (> 1.0g/t).
5. Crusader considers this foreign estimate material because:
 - a. The estimate is of a quantity and quality that is material to the asset value of the Company;
 - b. The Company will undertake due diligence of the underlying data on which the resources have been estimated and update the estimation to satisfy the JORC Code.
 - c. The work required under the due diligence program will be funded from internal funds.
 - d. The work is not expected to affect any other work programs budgeted by the Company.
6. The estimate is reported with classifications that use names identical to those used in the JORC Code. These classifications cannot be correlated directly with the same terms as applied in the JORC Code and Crusader recommends that no reliance should be placed on the use of those classifications.
7. The report quoted in this announcement is the most recent geological report in the Brazilian Mines Department and Crusader is not aware of any more recent studies.
8. Crusader intends to complete due diligence and update the resource estimate to one consistent with the JORC Code within the six month option period under the agreement.
9. Crusader Resources is reporting the estimate consistent with ASX Companies Update 11/07 (December 2007) and 05/04 (March 2004).
10. 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, Mineral 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. Mr Smakman accepts responsibility for the accuracy of the statements disclosed in this report.

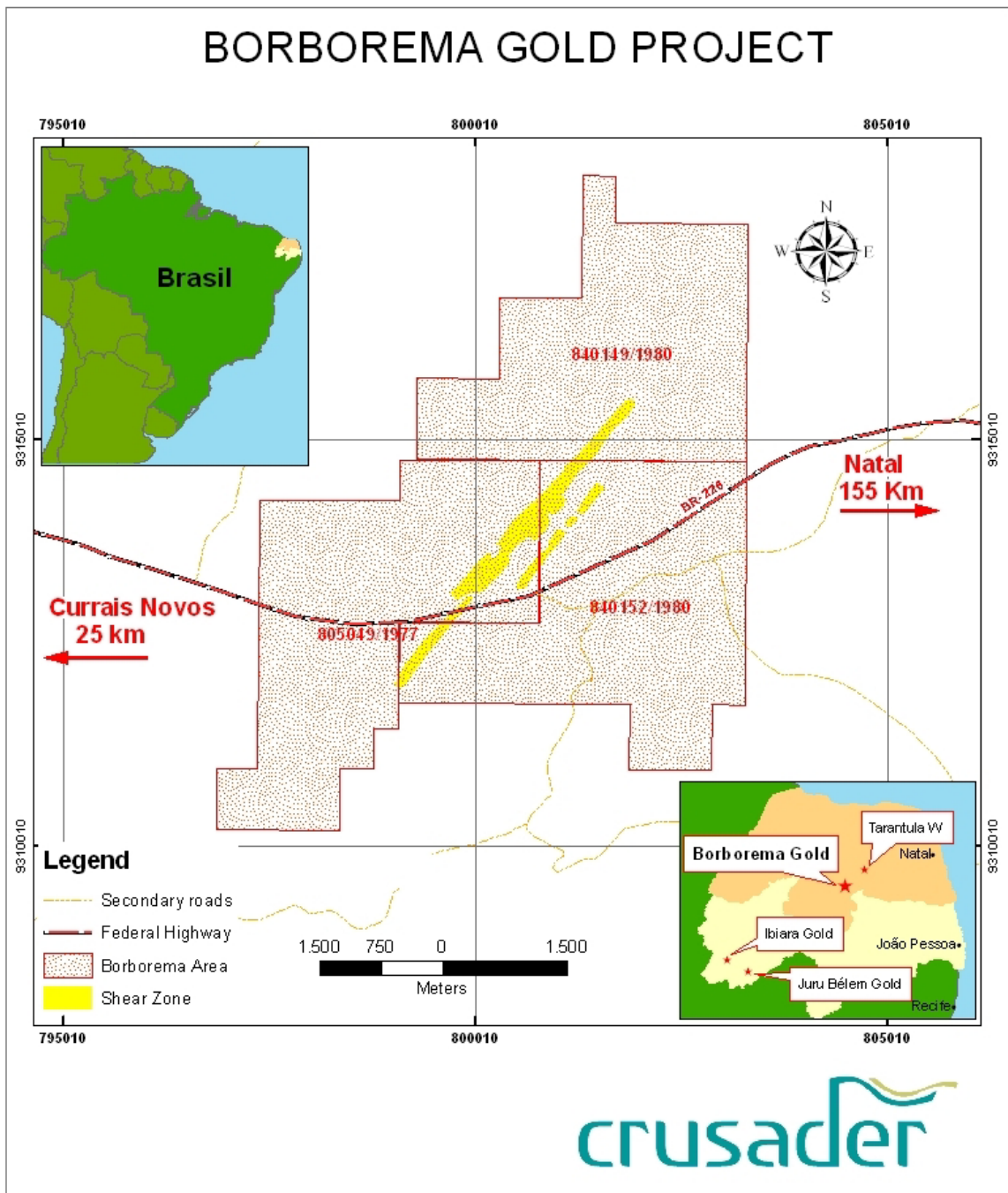


Figure 1. Location map of Borborema Gold Project.

Inset shows several of Crusader's other projects in the area. Coordinates in UTM South American Datum 1969 Zone 34S.

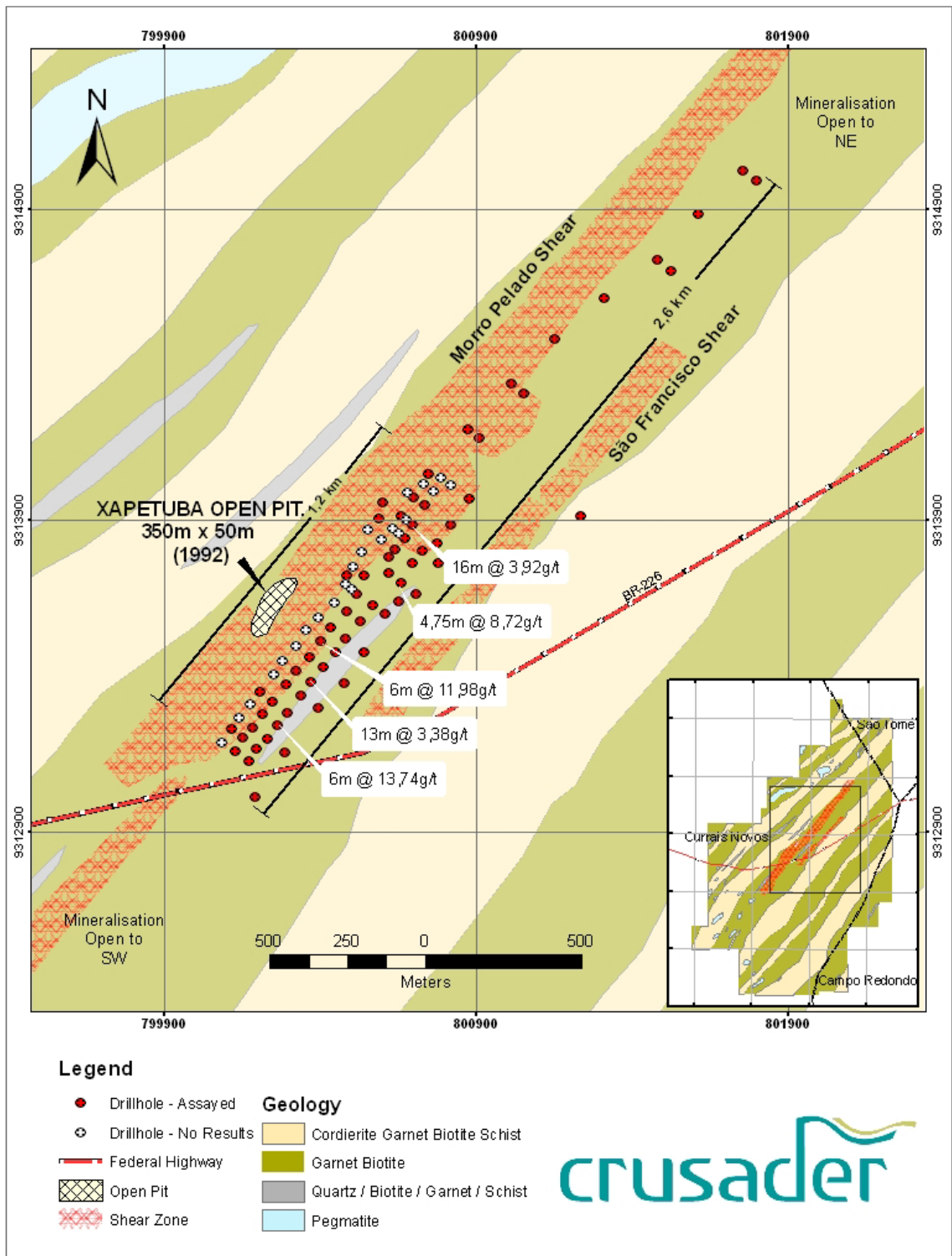


Figure 2. Local geology, drilling and significant intercepts from Borborema Gold Project.
Coordinates in UTM South American Datum 1969 Zone 34S.



Pictures clockwise from top left;

- Stacked diamond drill core from the 2006 drilling program.
- Crusaders' MD Rob Smakman reviews the geological map near the open pit.
- Rock face in Garimpo at Borborema- note quartz boudins in biotite schist.
- Team including consultant Mike Schmulian (second from right) inspecting the old heap leach piles.
- Unsampled sulphide rich drill core from hole # 075-04 at 51.55 metres.
- On-site buildings included in the acquisition.

Table 2 Table of Significant Intercepts: Borborema Gold Project, Rio Grande de Norte.

Hole_ID	Easting	Northing	RL	Azimuth	Dip	From	Width	Au g/t
SFR-05A	800188	9313012	490	303	-64	177	4	0.96
						184	1	1.30
						202.6	0.85	1.01
SFR-04C	800284	9313158	487	300	-65	167	4	2.49
						175	2	1.86
						183	1	1.36
						194.75	7.36	2.05
SFR-04B	800391	9313298	485	301	-64	143.4	1	3.58
						156.4	1	1.66
						166.4	13.1	1.73
						202	1.17	2.67
SFR-03D	800476	9313379	477	299	-64	167.5	1	2.14
						177.5	1	4.41
SFR-03B	800538	9313478	476	306	-64	122	1	1.03
						176.5	1	2.41
SFR-02A	800605	9313599	472	302	-61	127	1	1.42
						131	2	5.27
						141	1	5.61
						159	3	3.81
						165	1	2.49
SFR-02	800565	9313629	470	307	-65			NSI
SFR-01C	800705	9313666	480	302	-63	177.1	9.9	1.72
SFR-01B	800777	9313763	469	303	-66	128.9	1.1	1.81
						166.6	3.2	3.66
SFR-01A	800616	9313733	474	307	-63	96.3	1	1.01
						105	1	1.03
SFR-01	800669	9313844	467	306	-65	65	1	1.19
						74.3	4	3.75
						89.3	5.2	2.48
PSD-9	801052	9314305	467	307	-55	46	1	1.56
PSD-8	801755	9315022	473	307	-55			NSI
PSD-7	801610	9314882	479	307	-55			NSI
PSD-6	801478	9314734	473	307	-55	15.2	2	1.22
						17.2	1.8	1.05
PSD-5	801309	9314614	473	307	-55	31	2	1.82
						38.27	2.13	1.28
PSD-4	801150	9314483	467	307	-55	25	2	1.06
						36.4	1.6	2.11

Hole_ID	Easting	Northing	RL	Azimuth	Dip	From	Width	Au g/t
PSD-3	801011	9314340	466	307	-55	21	2	1.44
						29.25	1.92	1.35
						38	2	1.35
PSD-2	800872	9314193	465	307	-55	30	1.8	1.14
PSD-15	800481	9313724	463	307	-50	25	3	1.59
						41.75	1.25	1.98
						60	1	2.38
PSD-14	800619	9313784	471	307	-55	51.4	1.6	1.66
						79.22	1	3.06
						101.53	2.03	1.16
PSD-13	801233	9313912	477	307	-50	31	1	1.08
PSD-12	801,796	9,314,989	478	307	-55			NSI
PSD-11	800,909	9,314,164	466	307	-55	52.8	2.06	3.34
						66.6	1.4	1.30
PSD-10	801,523	9,314,698	482	307	-55			NSI
PSD-1	800744	9314048	470	307	-55	15	1.35	2.77
						34	2	1.23
950-02	800586	9313907	460	307	-65	11	1	1.24
						42.49	1.08	2.43
950-01	800,723	9,313,803	473	307	-65	95.3	0.95	1.34
						101.36	1.04	1.38
						121.1	1.1	1.49
						131	1.01	1.84
						135.1	2	1.79
						139.75	0.85	1.06
						144.35	0.95	2.10
900-02	800,693	9,313,763	475	307	-65	99.45	0.95	5.69
						105.4	1.95	2.75
						120.2	3.8	1.41
						130.22	7.18	1.79
						154	3	2.93
900-01	800,636	9,313,806	468	307	-65	39.6	1.1	1.54
						57.7	6.67	3.11
						69.5	1.08	1.62
						74.75	3.22	1.04
						81.15	7.65	1.82
						95.6	2	1.51
						101.4	1.9	1.84

Hole_ID	Easting	Northing	RL	Azimuth	Dip	From	Width	Au g/t
821-02	800,659	9,313,700	478	307	-65	82.8	0.95	2.12
						103.74	1.04	1.89
						116.8	4.75	8.72
						138.35	2.05	1.11
						147.25	3.9	1.21
						156.15	1	1.11
775-03	800,649	9,313,640	476	307	-50	124.15	0.96	2.34
						134.8	8.9	2.67
						147.7	1	1.27
						152.65	0.95	1.22
						157.7	3.1	4.81
775-01	800,538	9,313,723	470	307	-65	51.66	2.99	4.81
						58.42	0.98	2.52
						66.35	4.75	1.69
						79.3	9.36	2.04
715-01	800,516	9,313,666	466	307	-65	53.3	1.05	2.90
						68.6	7.9	2.11
						91.45	1	2.55
						121	1	1.12
650-02	800,525	9,313,577	468	307	-65	68.7	0.93	2.88
						97.95	3.04	3.47
						104	1	6.69
						108	5	3.40
						123	1	1.10
						130	1	2.38
650-01	800,484	9,313,607	473	307	-65	72.75	1	1.23
						76.75	9	2.74
						99.75	1	1.03
						106.55	0.95	1.05
579-02	800,480	9,313,521	478	307	-65	60.95	1	1.05
						76.75	1	1.46
						100.5	1	4.71
						111.1	3.05	8.00
						117.3	8.2	2.84
						135.7	7.2	1.96
579-01	800,433	9,313,557	477	307	-65	58.2	1.05	1.38
						80	9	3.23
						94	3.14	6.87

Hole_ID	Easting	Northing	RL	Azimuth	Dip	From	Width	Au g/t
525-02	800,447	9,313,479	479	307	-65	99.21	1.67	1.16
						108.25	1	1.95
						112.31	1.05	1.08
						116.27	5.88	3.36
						126.15	0.96	2.15
						135.7	2	3.05
525-01	800,401	9,313,514	481	307	-65	79.5	1	1.23
						84.5	6	11.98
						96.45	3.85	5.21
						109	0.9	2.15
462-02	800,408	9,313,431	482	307	-65	119.5	11.15	3.12
						137.71	1.05	8.17
462-01	800,365	9,313,463	481	307	-65	87	6	2.45
						96	2	1.33
						102	1	25.63
						105.85	5.75	1.78
400-02	800,367	9,313,383	484	307	-65	92.6	2	5.10
						114.7	13	3.38
						131.89	5.11	2.29
400-01	800,319	9,313,419	486	307	-65	77.1	1	1.83
						86.1	1.05	1.82
						93.2	1	1.64
						97.25	1	1.62
						101.35	1.03	2.13
						105.43	2.07	4.79
346-02	800,335	9,313,340	488	307	-65	93.45	1	6.93
						111.5	1	2.24
						122.65	4.1	3.27
						131.8	4.1	1.88
						139.95	4.05	2.73
346-01	800,334	9,313,340	490	307	-65	59.59	4.06	0.69
						86.95	10.06	1.65
						100.95	1.05	1.06
						106.22	6.21	4.07
						115.43	1	1.01
275-04	800,204	9,313,349	485	307	-65	46.9	8.7	2.61
						59.55	4	1.48
						74.49	1.06	1.71
						80.6	1	2.89
275-02	800,292	9,313,283	487	307	-65	119.6	6	13.74
						130.7	13.2	3.55
						146.95	1.05	2.71

Hole_ID	Easting	Northing	RL	Azimuth	Dip	From	Width	Au g/t
275-01	800,244	9,313,319	487	307	-65	82.3	9	1.61
						94.35	1.05	2.89
						98.46	1.04	3.31
						104.62	3.98	2.83
						112.6	6.2	1.69
225-02	800,262	9,313,243	483	307	-65	115.4	1	2.40
						121.45	1	1.81
						126.55	1	6.56
						127.55	1	7.49
						132.45	3.95	1.93
						140.4	1	13.95
						146.4	2	1.88
225-01	800,214	9,313,279	484	307	-65	79.8	7.91	2.81
						91.71	7	1.48
						101.71	3	1.25
171-02	800,227	9,313,201	484	307	-65	59.76	0.94	1.43
						118.5	9.1	3.48
						130.7	3.2	1.28
						139.1	1.1	1.17
171-01	800,179	9,313,237	481	307	-65	85.34	3	2.16
						94.5	3.05	2.78
						109.55	1	1.38
125-03	800,194	9,313,169	484	307	-65	107.6	0.96	1.64
						114.56	5.98	1.63
125-02	800,150	9,313,202	480	307	-67	77.4	4	2.33
						84.4	3	2.43
						96.36	5.94	1.26
						105.35	2	1.98
125-01	800,114	9,313,229	479	307	-65	43.6	2.95	1.29
						58.26	1.04	1.10
						66.65	1.05	5.90
						75.82	4.18	3.55
1175-01	800,877	9,313,969	477	307	-65	18.3	1	1.17
						120.3	2.25	1.51
						126.9	0.9	2.38
						137.6	0.95	1.08
						142.34	0.86	3.57
1075-03	800,817	9,313,885	469	307	-65	35	2.1	5.91
						77.4	1.05	1.20
						121.7	1	3.15
						129.61	0.99	7.09
						135.8	1	5.94
						139.8	4.97	1.91
Hole_ID	Easting	Northing	RL	Azimuth	Dip	From	Width	Au g/t

1075-02	800,733	9,313,948	471	307	-65	36.8	0.95	3.88
						42.85	1.05	3.79
						65.5	3.16	3.80
						71.6	2.07	2.88
						76.6	0.9	1.66
						81.1	4.2	1.33
1075-01	800,697	9,313,975	468	307	-65	15.3	1	1.77
						46.54	0.96	2.07
						53.45	1.05	2.79
1000-04	800,600	9,313,959	468	307	-78	20.53	0.92	2.00
						24.28	0.97	3.44
1000-03	800,774	9,313,828	465	307	-65	35	1	2.30
						108.8	1	8.74
						116.7	0.95	1.04
						123.4	2.8	1.76
						140.2	1	1.67
1000-02	800,694	9,313,888	464	307	-65	23.3	1	1.20
						37.8	1	4.29
						49.7	1	1.42
						68.3	4	1.44
						77.4	16	3.92
						98.4	1.02	1.70
1000-01	800,657	9,313,916	463	307	-65	11.8	1	1.12
						16.8	1	1.65
						41.5	1	5.03
075-02	800,167	9,313,126	484	307	-65	116.5	6.1	1.67
						137.25	1.07	1.22
						142.3	2	3.19
						147.3	1	3.25
075-01	800,124	9,313,159	485	307	-65	81.55	1.05	1.27
						103	1	1.25
						114	1	4.30
						119	1	6.21
						129.1	0.9	1.18

Down hole significant intercepts were calculated using a minimum lower cutoff of 1g/t, no upper-cut and up to 2m consecutive internal dilution.

All drilling is HQ or NQ diamond drill core. Average sample widths are 1m. Samples were cut and half core submitted for analysis at SGS Geosol laboratory in Belo Horizonte and duplicates were sent to ALS Chemex.

Drillhole collar coordinates given in South American Datum 1969 Zone 24 South.

All intercept widths are approximate true width.