

2 July 2010

ASX Release

Crusader Resources \$5.2M capital raising strongly supported

- **\$4.2 million institutional capital raising completed**
- **\$1 million Shareholder Purchase Plan to open**

Brazil-focused Crusader Resources Limited (ASX: CAS) has received strong support for a capital raising to fund its gold, iron ore and exploration and mine development programmes with a fully subscribed \$4.2 million institutional placement completed yesterday. Patersons Securities acted as Lead Manager.

Proceeds from the raising will fund the Company's Brazilian activities and provide working capital. Part of the raising (approx \$1.9m) is earmarked to fund the purchase option of the Borborema Gold project, should company decide to exercise the option. The final date that the option may be exercised is 31 July 2010.

Managing Director Rob Smakman said; "The support shown by the market has been overwhelming and we thank our existing shareholders and institutional investors for their participation".

"Crusader's strategy has been to focus on Brazil, a country which is vastly underexplored- yet has the high potential for the discovery of world class mineral deposits," he said.

"Iron ore production at Posse is now imminent and Crusader will enjoy the increase in spot price and demand for this resource as Brazil's population continues to expand."

The Company will also offer existing shareholders, on the Company's share register on 1 July 2010, additional shares at \$0.35 per share, under a Share Purchase Plan (SPP), to raise up to a maximum \$1M. The SPP will open on 9 July 2010 and full details will be announced in due course.

In addition to the SPP, the placement to institutional and sophisticated investors will be completed in two Tranches:

- Tranche 1 – 8,963,571 shares at \$0.35 per share to raise \$3,137,250 (before costs) will be issued under the Company's existing 15% placement capacity,
- Tranche 2 – 3,214,286 shares at \$0.35 per share to raise \$1,125,000 (before costs) will be issued subject to shareholder approval.

The issue price of \$0.35 per share for the placement and SPP represents an 8% discount to the five day VWAP of \$0.3793.

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

Crusader has two gold projects in Brazil, Borborema and Juru Belem. The Borborema gold project is the most important gold mine in the NE of Brazil with historical production of ~300,000 ounces. Previous explorers have also defined significant non-JORC compliant resources. Crusader currently has the Borborema project under option to purchase 100%.

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.