

6 July 2010

Matthew Foy
ASX Limited ("ASX")
2 The Esplanade
PERTH WA 6000

BY EMAIL: Matthew.Foy@asx.com.au

Dear Matthew

ASX QUERY

We refer to your letter dated 5 July 2010 regarding the announcement made by Crusader Resources Limited ("the Company") on 2 July 2010. The Company advises as follows:

1. Yes.
2. Not applicable
- 3a. The Company did not release the information to the market at an earlier time because it was not required to do so pursuant to Listing Rule 3.1A.3 on the basis that the information concerned an incomplete negotiation.
- 3b. The Company did in fact request a trading halt on 28 June when it became aware that it was unable to rely upon the exceptions to Listing Rule 3.1 contained in Listing Rule 3.1A.
4. The Company confirms it is in compliance with Listing Rule 3.1.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Andrew Beigel".

Andrew Beigel
Company Secretary

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ASX Markets Supervision Pty Ltd
ABN 26 087 780 489
Level 8
Exchange Plaza
2 The Esplanade
Perth WA 6000

GPO Box D187
Perth WA 6840

Telephone 61 (08) 9224 0000
Facsimile 61 (08) 9221 2020
Internet <http://www.asx.com.au>

5 July 2010

Mr. Andrew Beigal
Company Secretary
Crusader Resources Limited
Suite 2, Level 2
35 Havelock Street
WEST PERTH WA

By Email: andrew@crusaderdobrasil.com

Dear Mr Beigal,

Crusader Resources Limited ("Company")

ASX Limited ("ASX") refers to the announcement made by the Company on 2 July 2010 entitled "Crusader Resources \$5.2M Capital Raising Strongly Supported" disclosing details of a fully subscribed \$4.2 million institutional placement and share purchase plan ("Announcement").

We wish to draw your attention to the definition of "aware" in Chapter 19 of the listing rules which states that:

"an entity becomes aware of information if a director or executive director (in the case of a trust, director or executive officer of the responsible entity or management company) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity."

Further we wish to draw your attention to listing rule 3.1 which requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

Furthermore, paragraph 17 of Guidance Note 8 states:

"Once a director or executive officer becomes aware of information, he or she must immediately consider whether that information should be given to ASX. An entity cannot delay giving information to ASX pending formal sign-off or adoption by the board, for example."

Please note that for disclosure not to be required under listing rule 3.1, all of the exceptions under listing rule 3.1A must apply:

3.1A.1 A reasonable person would not expect the information to be disclosed.

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential.

3.1A.3 One or more of the following applies.

- *It would be a breach of a law to disclose the information.*
- *The information concerns an incomplete proposal or negotiation.*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure.*
- *The information is generated for the internal management purposes of the entity.*
- *The information is a trade secret."*

Finally, we would like to draw your attention to ASX's policy position on the concept of "confidentiality" which is detailed in paragraphs 33 to 39 of Guidance Note 8. In particular, paragraphs 34 and 35 of the Guidance Note state that:

"'Confidential' in this context has the sense of 'secret'..." and "Loss of confidentiality may be indicated by otherwise unexplained changes to the price of the entity's securities, or by reference to the information in the media or analysts reports".

Having regard to the above definition, listing rule 3.1 and Guidance Note 8 - Continuous Disclosure, we ask that you answer the following questions in relation to the Announcement in a format suitable for release to the market in accordance with listing rule 18.7A.

1. Does the Company believe that the information contained in the Announcement was material to the Company?
2. If the answer to question 1 is "no", please advise the basis on which the Company does not consider the information contained in the Announcement to be material.
3. If the answer to any part of question 1 is "yes" and the Company became aware of the information within the Announcement prior to the release of the Announcement, please advise the following:
 - a. Why the information was not released to the market at that earlier time? Please comment specifically on the application of listing rule 3.1; and
 - b. Why, if the Company was not able to announce the institutional placement and share purchase plan at that time, the Company did not request a trading halt, pending the release of an announcement concerning the capital raising?
4. Please confirm that the Company is in compliance with listing rule 3.1.

Your response should be sent to me by email or by facsimile on **facsimile number (08) 9221 2020**. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, **not later than 7.30am WST on Wednesday, 7 July 2010**.

If you have any queries regarding any of the above, please let me know.

Yours sincerely



Matthew Foy
Senior Adviser, Issuers (Perth)

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