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**CRUSADER RESOURCES LIMITED**

**ACN 106 641 963**

**NOTICE OF GENERAL MEETING**

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**TIME:** 11:00 am (WST)  
**DATE:** Tuesday, 8 June 2010  
**PLACE:** Parmelia Hilton Hotel  
14 Mill Street  
Perth, WA, 6000

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9320 7500.***

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**TIME AND PLACE OF MEETING AND HOW TO VOTE**

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**VENUE**

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The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11:00 am (WST) on Tuesday, 8 June 2010 at:

Parmelia Hilton Hotel  
14 Mill Street  
Perth, WA, 6000

**YOUR VOTE IS IMPORTANT**

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The business of the General Meeting affects your shareholding and your vote is important.

**VOTING IN PERSON**

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To vote in person, attend the General Meeting on the date and at the place set out above.

**VOTING BY PROXY**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Crusader Resources Limited, PO Box 9023, Nicholson Road, Subiaco, 6008;  
or
- (b) facsimile to the Company on facsimile number (+61 8) 9381 4056,

so that it is received not later than 11:00 am (WST) on 6 June 2010.

**Proxy Forms received later than this time will be invalid.**

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## NOTICE OF GENERAL MEETING

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Notice is given that the General Meeting of Shareholders will be held at 11:00 am (WST) on Tuesday, 8 June 2010 at the Parmelia Hilton Hotel, 14 Mill Street, Perth, WA, 6000.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at the close of business on 6 June 2010.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

### AGENDA

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#### 1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.4 of the ASX Listing Rules and for all other purposes, Shareholders ratify the allotment and issue of 7,100,000 Shares in the capital of the Company at a price of 25 cents per Share on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by a person who participated in the prior issue and any associate of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 2. RESOLUTION 2 – ISSUE OF SHARES TO MR ROBERT SMAKMAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue up to 100,000 Shares in the capital of the Company at an issue price of 25 cents per Share to Mr Smakman (or his nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Smakman and any associate of Mr Smakman. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**DATED: 6 MAY 2010**

**BY ORDER OF THE BOARD**



**PHILLIP MACLEOD  
CRUSADER RESOURCES LIMITED  
COMPANY SECRETARY**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 11:00am (WST) on Tuesday, 8 June 2010 at the Parmelia Hilton Hotel, 14 Mill Street, Perth, WA.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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### 1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SECURITIES

#### 1.1 Background

During February 2010 the Company placed 7,100,000 Shares at a price of 25 cents each to raise \$1,775,000 before costs of the issue. The funds were raised for the work associated with the evaluation of the Borborema gold project, development activities at the Posse iron project and for general working capital. Both projects are located in Brazil.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those securities.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying these issues, the Company will retain the flexibility to issue equity securities in the future up to the 15% threshold set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

#### 1.2 Regulatory Requirements – Resolution 1

ASX Listing Rule 7.5 contains certain requirements as to the content of a notice of meeting sent to shareholders for the purposes of obtaining shareholder approval under ASX Listing Rule 7.4. The following information is provided to Shareholders in accordance with ASX Listing Rule 7.5:

- (a) a total of 7,100,000 Shares were allotted and issued to sophisticated and professional investors. The investors were not related parties of the Company;
- (b) the Shares were issued on 24 February 2010 and 3 March 2010 for \$0.25 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing issued Shares;
- (d) \$1,775,000 was raised from the issue before costs of the issue; and
- (e) the funds raised from the placement have or will be used for the following:
  - (i) evaluation of the Borborema gold project and development activities at the Posse iron project; and
  - (ii) other general working capital needs.

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## **2. RESOLUTION 2 – ISSUE OF SHARES TO ROBERT SMAKMAN**

### **2.1 Background**

As detailed in 1.1 above, the Company placed 7.1 million Shares during February 2010. At that time the Company announced that, subject to shareholder approval, Mr Smakman, a Director of the Company, would participate in the placement on the same terms. Approval is being sought to issue and allot 100,000 Shares to Mr Smakman (or his nominee).

The approval is being sought for the purposes of ASX Listing Rule 10.11 which provides that, subject to certain exceptions, a company listed on ASX cannot issue or grant securities to a director without shareholder approval.

### **2.2 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party. Mr Smakman is considered a related party of the Company by virtue of the fact that he is a Director of the Company.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Shares as approval is being obtained under ASX Listing Rule 10.11. The issue of the Shares to Mr Smakman (or his nominee) will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11. The following information is provided to shareholders for the purposes of ASX Listing Rule 10.13:

- (a) the Shares will be issued to Mr Smakman or his nominee;
- (b) the maximum number of Shares to be issued to Mr Smakman or his nominee is 100,000;
- (c) the Shares will be issued no later than one (1) month from the date of approval of the Resolution (or such later date as approved by ASX) and it is anticipated that the Shares will be issued on one and the same date;
- (d) the Shares will be issued at a price of 25 cents each to raise up to \$25,000;
- (e) the Shares will be fully paid on issue and will rank equally in all respects with the Company's existing issued Shares; and
- (f) the Company intends to use the funds raised from the issue of the Shares for the evaluation of the Borborema gold project, development activities at the Posse iron project and for general working capital.

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## **3. ENQUIRIES**

Shareholders are required to contact Phil MacLeod on (+ 61 8) 9320 7500 if they have any queries in respect of the matters set out in these documents.

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## GLOSSARY

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**\$** means Australian dollars.

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

**ASX** means ASX Limited.

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

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Company** means Crusader Resources Limited (ACN 106 641 963).

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice of Meeting.

**General Meeting** means the meeting convened by the Notice of Meeting.

**Notice of Meeting** or **Notice of General Meeting** means this notice of General Meeting including the Explanatory Statement.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

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

**Shareholder** means a holder of a Share.

**WST** means Western Standard Time.

**PROXY FORM**

**APPOINTMENT OF PROXY  
CRUSADER RESOURCES LIMITED  
ACN 106 641 963**

**GENERAL MEETING**

I/We   
of

being a member of Crusader Resources Limited entitled to attend and vote at a General Meeting, hereby

Appoint

Name of proxy

OR  the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting to be held at 11:00am (WST), on Tuesday, 8 June 2010 at the Parnelia Hilton Hotel, 14 Mill Street, Perth, WA and at any adjournment thereof.

**Voting on Business of the General Meeting**

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Resolution 1 – Ratification of prior issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Issue of Shares to R Smakman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

**OR**

If you do **not** wish to direct your proxy how to vote, please place a mark in this box.

By marking this box, you acknowledge that the Chair of the General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 1 and 2 and that votes cast by the Chair of the General Meeting for Resolutions 1 and 2 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 1 and 2 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1 and 2.

**Signature of Member(s):**

**Date:** \_\_\_\_\_

**Individual or Member 1**

**Member 2**

**Member 3**

**Sole Director/Company Secretary**

**Director**

**Director/Company Secretary**

**Contact Name:** \_\_\_\_\_ **Contact Ph (daytime):** \_\_\_\_\_

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**ACN 106 641 963**

**Instructions for Completing 'Appointment of Proxy' Form**

1. A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. Where a member's holding is in one name the holder must sign. Where the holding is in more than one name, all members should sign.
3. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under a power of attorney, the power of attorney must be lodged in like manner as this Proxy Form.
4. Corporate members should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
  - 2 directors of the company;
  - a director and a company secretary of the company; or
  - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

5. Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
6. To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Crusader Resources Limited, PO Box 9023, Nicholson Road, Subiaco, 6008; or
  - (b) facsimile to the Company on facsimile number +61 8 9381 4056,

so that it is received not later than 11:00 am (WST) on 6 June 2010.

**Proxy forms received later than this time will be invalid.**