

Friday, 19 November 2010

Dear Shareholders,

On behalf of the Board of Directors I would like to welcome you to the 2010 Annual General Meeting of Crusader Resources Limited.

The last year has been significant in that the Posse Iron Ore Project is now set to be a producer once a final environmental approval is received and we have added the Borborema Gold Project to the portfolio. Borborema shows all the hallmarks of being a million ounce plus project with significant potential for further discoveries.

In many ways, the 2009/2010 year has provided “proof of concept” around Crusader’s original strategy which defined Brazil as a country with a significant unexploited mineral endowment which was ideally suited to evaluation and exploitation using conventional exploration and development techniques well understood in Australia. Crusader is one of a limited number of Australian companies providing this bridge into Brazil.

Equally, the 2009/2010 year has underscored the merit of Crusader’s cautious, value adding approach to the development of its resources portfolio. Posse was acquired for a modest price and has been evaluated and a 1.0 MTPA process plant acquired, constructed and developed for less than AUD\$3 million. It is now set to produce high grade haematite and itabarite ore once a final environmental permit is received.

Meanwhile, the Borborema Gold Project was acquired earlier this year. The Project was acquired at a price which is now equivalent to approximately AUD\$3 per resource ounce of gold. Crusader announced this week an increase in the Borborema Mineral Resource to 15.39MT @1.70 g/t gold for 839,000 ounces.

A three rig drilling programme is underway at Borborema which is designed to further upgrade the Mineral Resource with a view to moving into a pre-feasibility study in the first half of 2011 to study a potential mine development. We are confident that the area at Borborema currently being drilled offers exceptional potential for major near term Mineral Resource upgrades. In addition, the 88km² tenement package which contains the mineralised shear zone will come under concentrated evaluation next year.

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It is appropriate to acknowledge the excellent work that the Company's Managing Director, Mr Rob Smakman has put into both establishing the Company's very exciting project portfolio but also in doing this in a way that both secured the assets for relatively modest outlays and then added significant value with judicious evaluation and development expenditures.

I would also like to acknowledge, on behalf of the Board, the financial support provided by our very loyal group of shareholders over the last 12 months.

I am very pleased to conclude by saying the team effort is showing excellent results and the 2010/2011 will see us as both an iron ore producer and a gold mine developer.

David Archer

Chairman

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