
CRUSADER RESOURCES LIMITED

ACN 106 641 963

NOTICE OF GENERAL MEETING

TIME: 11:00 am (WST)
DATE: Thursday, 26 August 2010
PLACE: Celtic Club
48 Ord Street
West Perth WA 6005

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

VENUE

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11:00 am (WST) on Thursday, 26 August 2010 at:

Celtic Club
48 Ord Street
West Perth WA 6005

YOUR VOTE IS IMPORTANT

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

VOTING IN PERSON

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

VOTING BY PROXY

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

- (a) post to Crusader Resources Limited, West Perth BC, PO Box 692, West Perth WA, 6872; or
- (b) facsimile to the Company on facsimile number (+61 8) 9320 7501,

so that it is received not later than 11:00 am (WST) on 24 August 2010.

Proxy Forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders will be held at 11:00 am (WST) on Thursday, 26 August 2010 at the Celtic Club, 48 Ord Street, West Perth WA 6005.

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 24 August 2010.

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

AGENDA

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 8,863,571 Shares in the capital of the Company at a price of 35 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.

2. RESOLUTION 2 – ISSUE OF SHARES TO AUSTOCK PTY LTD AND EYEON INVESTMENTS PTY LTD

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 7.1 of the ASX Listing Rules and for all other purposes, Shareholders approve the allotment and issue of 1,500,000 Shares to Austock Pty Ltd in the capital of the Company at a price of 35 cents per Share, and 857,143 Shares to Eyeon Investments Pty Ltd in the capital of the Company at a price of 35 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.

DATED: 26 JULY 2010

BY ORDER OF THE BOARD

**ANDREW BEIGEL
CRUSADER RESOURCES LIMITED
COMPANY SECRETARY**

EXPLANATORY STATEMENT

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 Thursday, 26 August 2010 at the Celtic Club, 48 Ord Street, West 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.

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SECURITIES

1.1 Background

During July 2010, the Company placed 8,863,571 Shares at a price of 35 cents each to raise \$3,102,250 before costs of the issue. The proceeds will fund the Company's Brazil activities including gold and iron ore exploration programmes as well as providing general working capital. Part of the proceeds are earmarked to fund the purchase option of the Borborema Gold project, should the Company decide to exercise the option.

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 8,863,571 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 14 July 2010 and 20 July 2010 for \$0.35 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) \$3,102,250 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) exploration programmes of existing and new projects in Brazil;

- (ii) fund the purchase option to acquire 100% of the Borborema Gold project, should company decide to exercise the option; and
- (iii) other general working capital needs.

2. RESOLUTION 2 – ISSUE OF SHARES TO AUSTOCK PTY LTD AND EYEON INVESTMENTS PTY LTD

2.1 Background

As detailed in 1.1 above, the Company placed 8,863,571 Shares during July 2010. At that time the Company announced that an additional placement of Shares would be made at \$0.35 per Share to Professional and Sophisticated Investors, subject to shareholder approval. The participants to this placement are as follows:

- 1,500,000 Shares to Austock Pty Ltd
- 857,143 Shares to Eyeon Investments Pty Ltd

Neither Austock Pty Ltd or Eyeon Investments Pty Ltd are related parties of the Company.

ASX Listing Rule 7.1 provides that a company must not, without prior approval of Members, issue securities if the securities will in themselves or when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

2.2 Regulatory Requirements – Resolution 2

ASX Listing Rule 7.3 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 7.1. The following information is provided to shareholders for the purposes of ASX Listing Rule 7.3:

- (a) the total number of shares to be issued is 2,357,143;
- (b) the Shares will be issued as soon as practical but no later than three (3) month from the date of approval of the Resolution and it is anticipated that the Shares will be issued on one and the same date;
- (c) the Shares will be issued at a price of 35 cents each;
- (d) 1,500,000 Shares will be issued to Austock Pty Ltd, and 857,143 Shares will be issued to Eyeon Investments Pty Ltd;
- (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 (\$825,000) for exploration programmes of existing and new projects in Brazil and Australia, and for general working capital.

3. ENQUIRIES

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

GLOSSARY

\$ 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 Thursday, 26 August 2010 at the Celtic Club, 48 Ord Street, West Perth, WA and at any adjournment thereof.

Voting on Business of the General Meeting

Resolution 1 – Ratification of prior issue of Shares

FOR

AGAINST

ABSTAIN

Resolution 2 – Issue of Shares to Austock Pty Ltd and Eyeon Investments Pty Ltd

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 may 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):** _____

CRUSADER RESOURCES LIMITED
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, West Perth BC, PO Box 692, West Perth WA, 6872; or
 - (b) facsimile to the Company on facsimile number +61 8 9320 7501,

so that it is received not later than 11:00 am (WST) on 24 August 2010.

Proxy forms received later than this time will be invalid.