

29 December 2010

ASX Release

### PROPOSED GRANT OF OPTIONS UNDER ESOP

The Board of Directors of Crusader Resources Limited (ASX:CAS) advises that as part of a review of the Managing Director's remuneration arrangements for the coming contract year of 1 January to 31 December 2011, the Board has agreed to issue Mr. Smakman employee share options under the company's approved Employee Share Option Plan (ESOP).

The grant of the ESOP options is subject to the approval of shareholders which will be sought at a general meeting of shareholders to be called in the early part of the New Year.

The grant of the ESOP options to Mr Smakman is designed to maximise the alignment of the interests of the Managing Director with those of the company's shareholders and to secure his ongoing commitment to the continued very satisfactory growth of the company.

The details of the proposed issue are as follows:

1. 1,500,000 ESOP options with an exercise price of \$1.30 per option.
2. 3 year term expiring 31 December 2013.
3. Consistent with the terms of all employee options and the board's policy, the options will be subject to a vesting period requiring continued employment. In the case of the proposed new options they are proposed to vest as to 50% on 31 December 2011 assuming continuing employment and 50% on 31 December 2012 assuming continuing employment.

The strike price of the options represents a 25% premium to the 10 day VWAP up to and including 24 December 2010.

For further information please contact:

**Chairman**

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### About Crusader

Crusader Resources Limited (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, gold, uranium, tungsten and tin. Crusader applies leading edge exploration skills to the discovery of new assets and utilises its strong networks in Brazil, Australia and around the world to identify new opportunities.

Crusader is set to become Australia's latest iron ore production company when production begins at the Posse Iron project (100%). The project is located in the Iron Quadrilateral region of Minas Gerais state, Brazil and is 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 Jurú-Belem. The Borborema gold project is the most important gold project in the NE of Brazil with historical production of ~300,000 ounces. In November 2010, Crusader updated the JORC compliant resource estimate at Borborema (at a 0.5g/t cut-off) to 12.16Mt @ 1.67g/t for 653 kozs Indicated and 3.23Mt @ 1.79 g/t for 186 kozs Inferred for a combined Indicated and Inferred resource estimate of 15.39Mt @ 1.70g/t for 839 kozs. Crusader is currently aggressively exploring the Borborema project.

Crusader also has an extensive portfolio of gold, tin, indium, REE and tungsten projects within Brazil.

In Australia, Crusader owns 100% of the Lake Throssell uranium project, a highly prospective project covering more than 2,500 km<sup>2</sup> and located 200km to the north east of Laverton in Western Australia. Exploration is set to begin in early 2011 after successful negotiations were held with the native title holders.

Crusader Resources Ltd has 88,226,040 ordinary shares on issue.