Borborema Measured and Indicated Resources increase by 61%

↗ **Measured and Indicated** gold resources at Borborema have risen 61% to a total of **50.9 Mt @ 1.14 g/t Au for 1.87 Moz Au**, from the Indicated estimate resource in November 2011

↗ Preliminary pit optimisations[1] indicate early constrained starter pit[2] grades of up to **1.30 g/t** gold

↗ The new Mineral Resource estimate has delineated optimised in-pit resources of **42.9 Mt @ 1.20 g/t Au for 1.66 Moz Au**[3] for a 10.5 year initial mine life

↗ The total **Mineral Resource estimate** for the Borborema Project (at a 0.5g/t cut-off) has increased to **68.6 Mt @ 1.10 g/t Au for 2.43 Moz** of contained gold[4]

↗ Excellent conversion to Measured and Indicated Resource categories, which now represents 77% of the contained gold, provides a solid foundation for the estimation of a maiden Ore Reserve, expected this quarter

↗ Borborema mineralisation remains open at depth and along strike

Australian Securities Exchange Information

ASX Code: CAS

↗ Ordinary Shares **110,146,040**

↗ Options **4,460,000** (exercise prices: $0.44 to $1.30)

↗ Market Capitalisation **$66M**

↗ Treasury **$10.6M** (31 Mar 2012)

↗ Share price **$0.60** (12 month closing range: $0.57 to $1.50)

Board of Directors

Non-Executive Chairman
David Archer

Managing Director
Rob Smakman

Executive Director
Paul Stephen

Non-Executive Directors
Justin Evans
David Netherway

Borborema Gold Project
Mineral Resource Estimate by Multiple Indicator Kriging (MIK)

Category	Tonnes (Mt)	Grade (Au g/t)	Contained Gold (Moz)
Measured Resources	8.2	1.22	0.32
Indicated Resources	42.8	1.12	1.55
Total Measured + Indicated	50.9	1.14	1.87
Inferred Resources	17.6	1.00	0.57
Total- All Categories	68.6	1.10	2.43

Table 1: July 2012 Mineral Resources Estimate Summary Table, reported at a 0.5 g/t cut-off.
Parent Block 25mE x 25mN x 5mRL. Selective Mining Unit 5mE x 6.25mN x 2.5mRL.
Note, appropriate rounding has been applied, subtotals may not equal total figure.

Crusader Resources Limited (ASX:CAS) has increased the Measured and Indicated Resources of the Borborema Gold Project by 61% from the November 2011 estimate to **50.9 Mt @ 1.14 g/t Au for 1.87 million ounces of contained gold.** This represents 77% of the contained metal in the total Mineral Resource, an excellent result from the intense drilling programs undertaken in the first half of the year.

Preliminary Whittle pit optimisations on the updated Resource indicate that 43Mt @ 1.2 g/t Au for 1.66 Moz Au are contained within an economic pit-shell, constrained using parameters detailed in Appendix 2. This pit shell returned the highest average discounted cash flow for the project with a projected life of 10.5 years at a throughput rate of 4 Mtpa.

The starter pit shell has a three year life, a strip ratio of 3.0 and a grade of 1.30g/t.

Two other pit shells have been selected as guides for progressive pits. The results, including the contained tonnages and grades are presented below.

Pit Shell #	Tonnes (Mt)	Grade (g/t Au)	Contained Gold (Moz)	Strip Ratio	Final Bench (mRL)	Mine Life (Years)	In-pit Inferred Resources (%)
7	12.2	1.30	0.51	3.0	340	3	0.11
11	21.1	1.19	0.81	3.6	295	5	0.41
13	42.9	1.20	1.66	6.3	190	10.5	1.23

Table 2. Whittle 4D Pit Optimisation results for Borborema Gold Project. Optimisation parameters are detailed in Appendix 2.

[1]Pit shell optimisation parameters are included in Appendix 2
[2]Represents the first 3 years of production
[3]The pit optimisation parameters may change for the BFS study
[4]Independent JORC-Compliant Resources Estimate reported at a lower cut-off of 0.5g/t Au.

Crusader managing director, Rob Smakman, said,

"Crusader is now a major step closer to becoming a significant gold producer with Borborema poised to deliver its maiden Ore Reserve.

"This latest resource upgrade is a significant milestone for the project and Crusader. The drilling undertaken since November 2011 has returned great results and the subsequent increases in grade and ounces during the conversion of Inferred Resources into the Measured and Indicated Resource categories is crucial to Borborema becoming a gold producer."

Measured and Indicated Resources are of particular importance as they represent the level of confidence required to estimate an Ore Reserve , the next step required for the Bankable Feasibility Study (BFS) currently underway at Borborema. Crusader is aiming to complete the mine planning necessary for the release of a maiden Ore Reserve this quarter.

The new Mineral Resource estimate is an independent, JORC-compliant estimate, using the Multiple Indicator Kriging (MIK) method. The MIK method better reflects the geology and drilling results compared with the previously-utilised Ordinary Kriging (OK) method. Using the MIK method was considered a necessary step for moving forward with the mining selectivity being considered by the BFS.
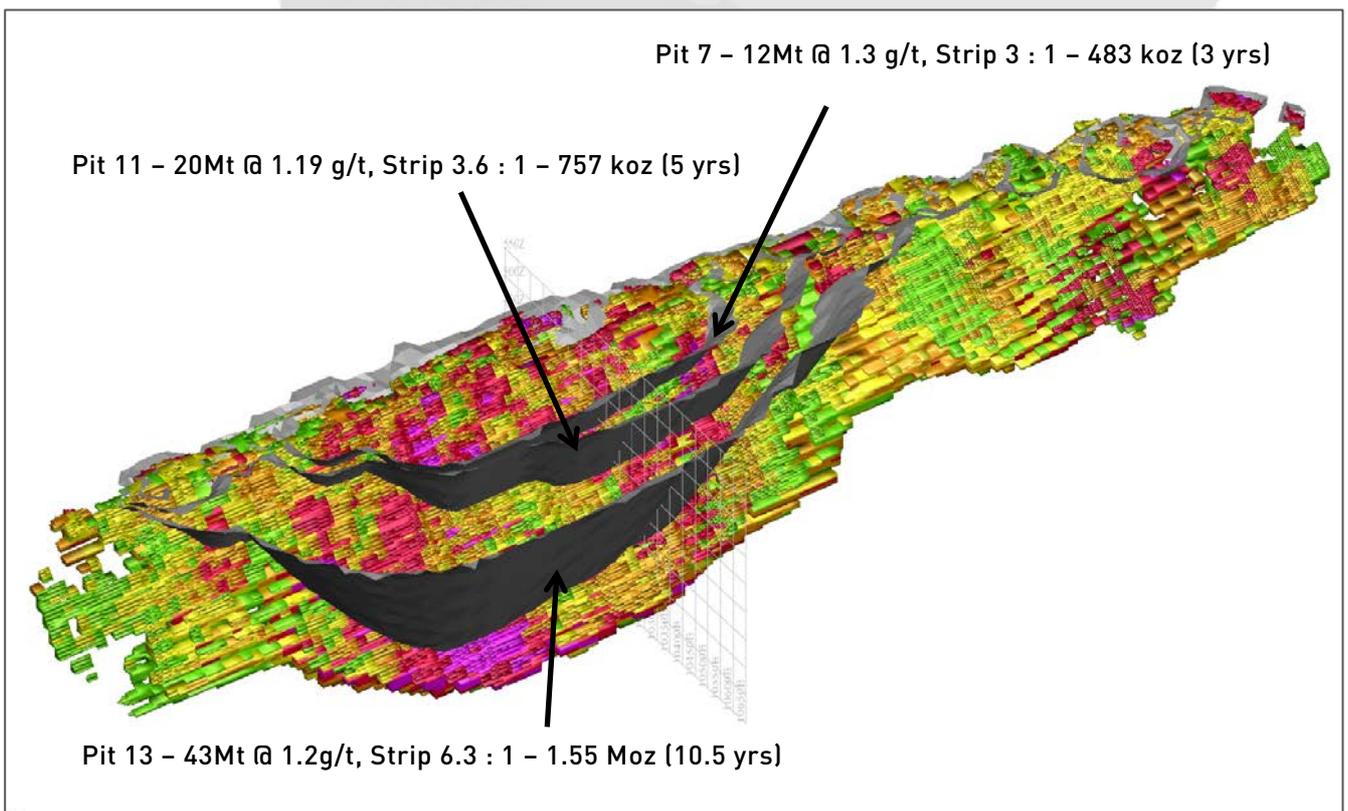
A Table attached in Appendix 1 shows the Mineral Resource estimate for the Borborema Gold Project at various cut-off grades. Full details of the Mineral Resource estimate and background information are also included in Appendix 1.
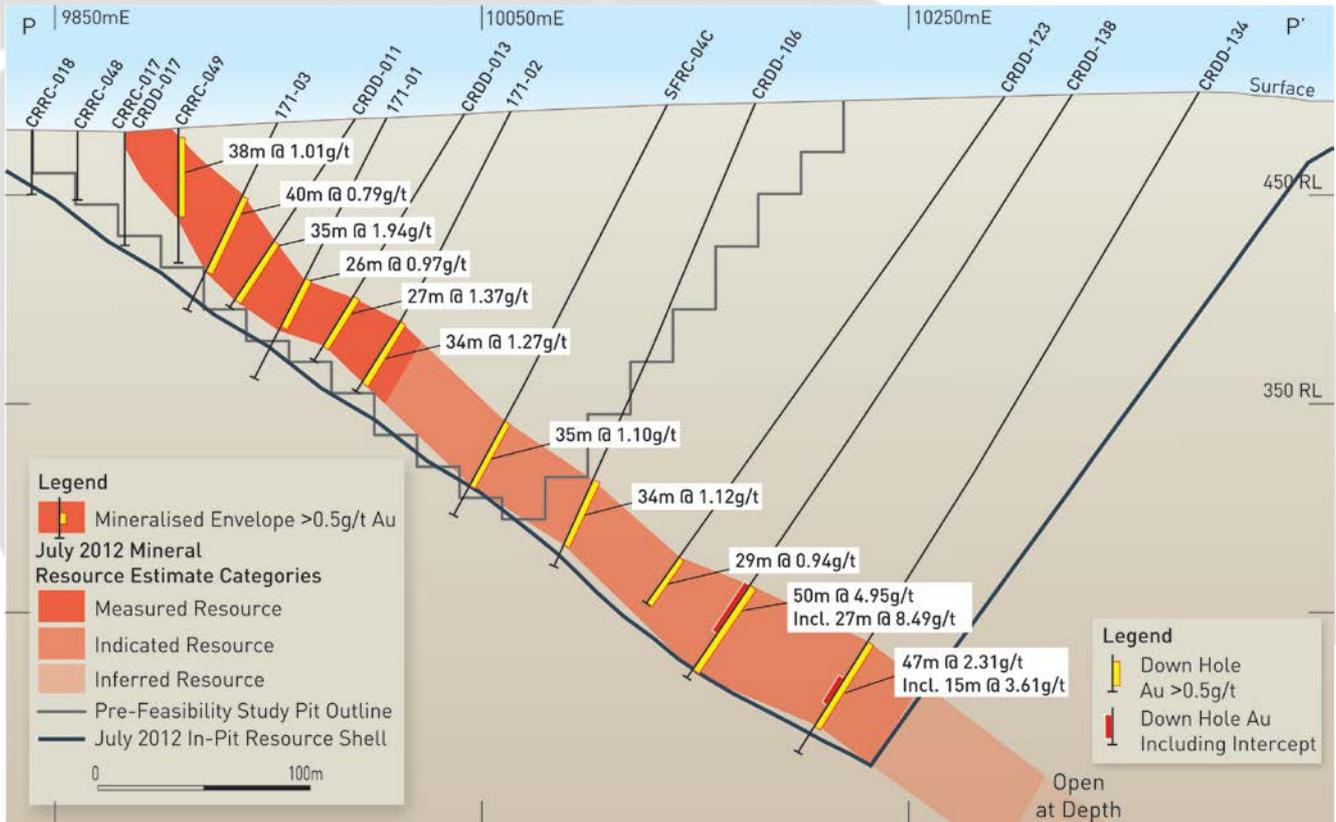
Long Projection July 2012
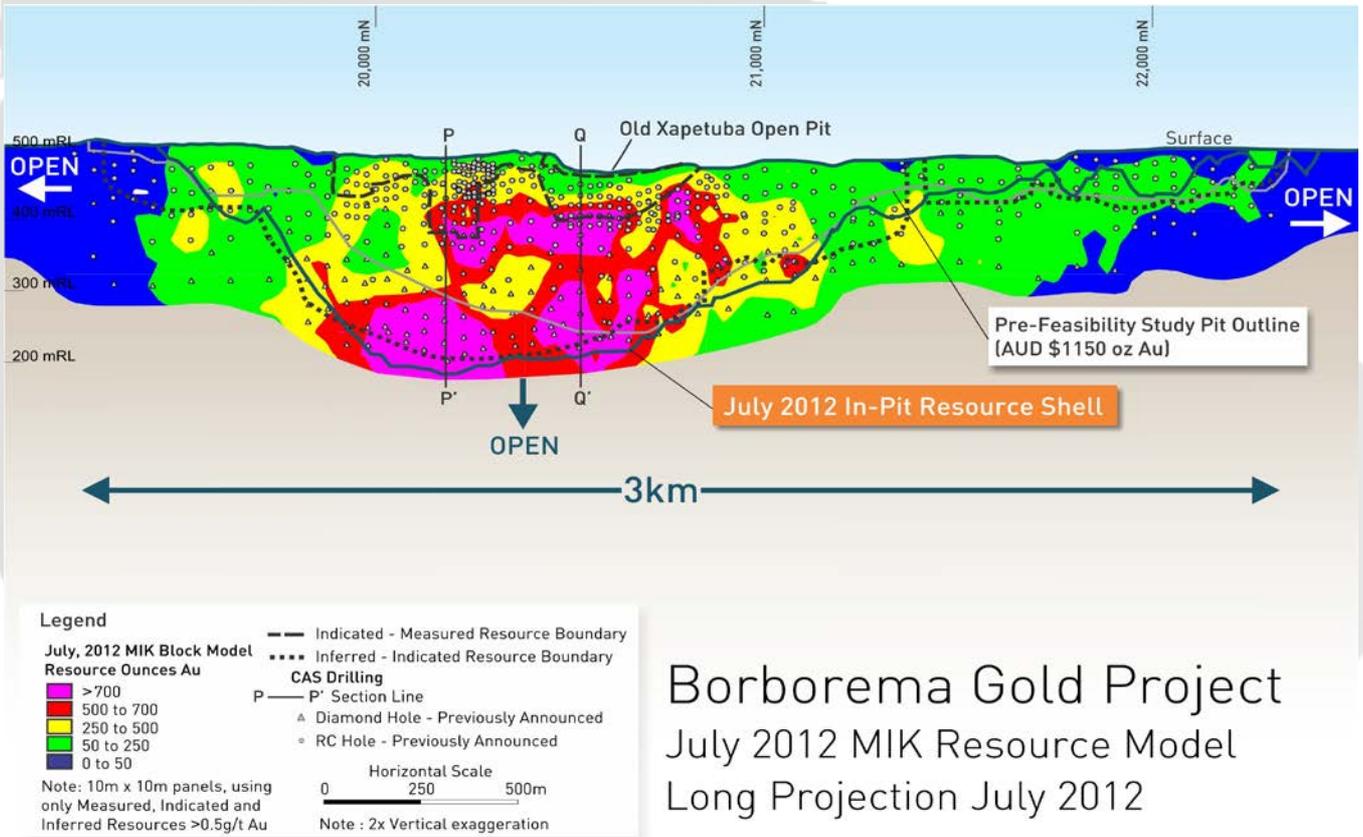
Borborema Gold Project
July 2012 MIK Resource Model
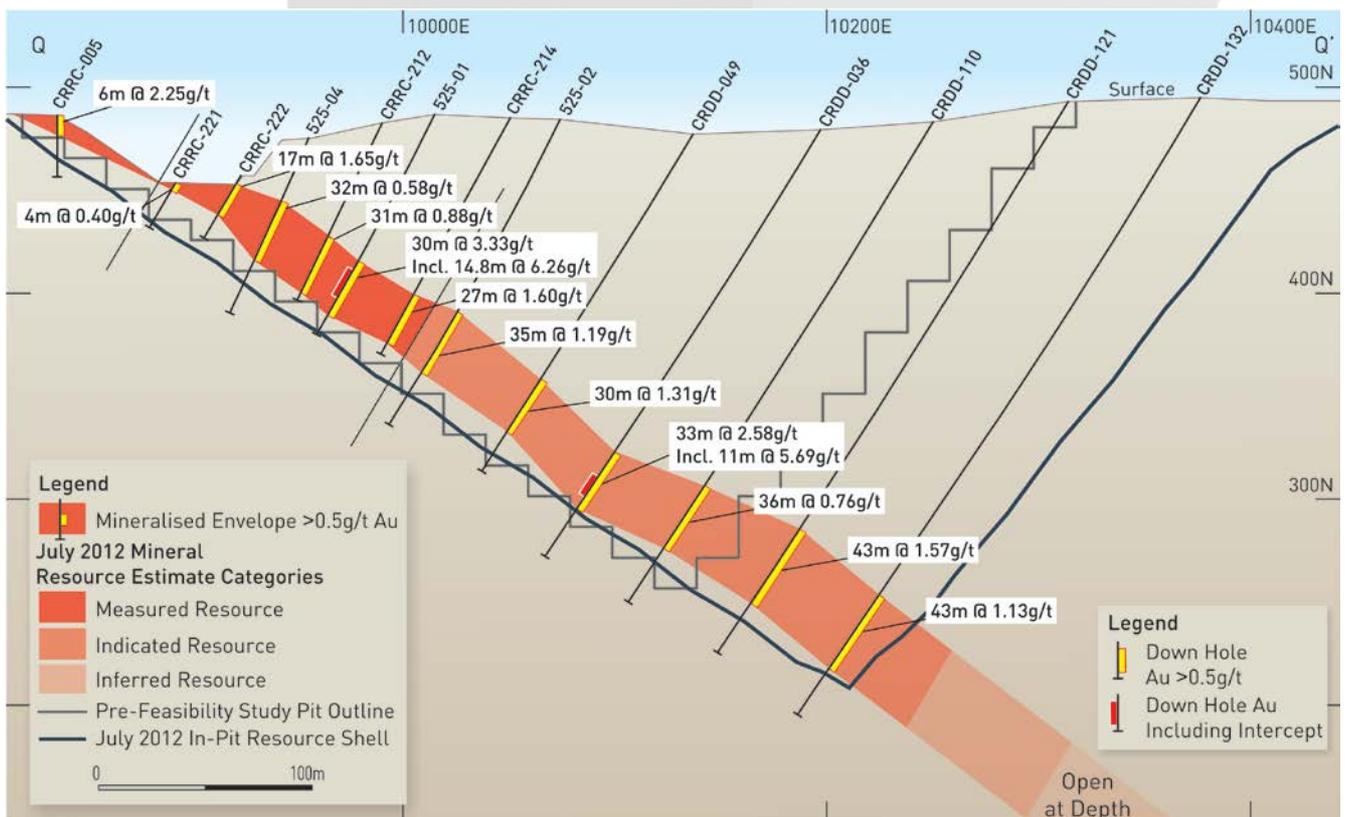Long Projection July 2012

Selected Pit Shells & Resource Block Model

Pit 7 – 12Mt @ 1.3 g/t, Strip 3 : 1 – 483 koz (3 yrs)

Pit 11 – 20Mt @ 1.19 g/t, Strip 3.6 : 1 – 757 koz (5 yrs)

Pit 13 – 43Mt @ 1.2g/t, Strip 6.3 : 1 – 1.55 Moz (10.5 yrs)

Cross Section P – P'

P | 9850mE | 10050mE | 10250mE   P'

CRRC-018 CRRC-048 CRRC-017 CRDD-017 CRRC-049 171-03 CRDD-011 171-01 CRDD-013 171-02 SFRC-04C CRDD-106 CRDD-123 CRDD-138 CRDD-134   Surface

450 RL

350 RL

38m @ 1.01g/t
40m @ 0.79g/t
35m @ 1.94g/t
26m @ 0.97g/t
27m @ 1.37g/t
34m @ 1.27g/t
35m @ 1.10g/t
34m @ 1.12g/t
29m @ 0.94g/t
50m @ 4.95g/t
Incl. 27m @ 8.49g/t
47m @ 2.31g/t
Incl. 15m @ 3.61g/t

Open
at Depth

Legend
■ Mineralised Envelope >0.5g/t Au
July 2012 Mineral Resource Estimate Categories
■ Measured Resource
■ Indicated Resource
■ Inferred Resource
— Pre-Feasibility Study Pit Outline
— July 2012 In-Pit Resource Shell
0   100m

Legend
▮ Down Hole Au >0.5g/t
▮ Down Hole Au Including Intercept

Cross Section Q – Q'

Q | 10000E | 10200E | 10400E   Q'
500N

CRRC-005 CRRC-221 CRRC-222 525-04 CRRC-212 525-01 CRRC-214 525-02 CRDD-049 CRDD-036 CRDD-110 CRDD-121 CRDD-132   Surface

400N

300N

6m @ 2.25g/t
17m @ 1.65g/t
32m @ 0.58g/t
31m @ 0.88g/t
4m @ 0.40g/t
30m @ 3.33g/t
Incl. 14.8m @ 6.26g/t
27m @ 1.60g/t
35m @ 1.19g/t
30m @ 1.31g/t
33m @ 2.58g/t
Incl. 11m @ 5.69g/t
36m @ 0.76g/t
43m @ 1.57g/t
43m @ 1.13g/t

Open
at Depth

Legend
■ Mineralised Envelope >0.5g/t Au
July 2012 Mineral Resource Estimate Categories
■ Measured Resource
■ Indicated Resource
■ Inferred Resource
— Pre-Feasibility Study Pit Outline
— July 2012 In-Pit Resource Shell
0   100m

Legend
▮ Down Hole Au >0.5g/t
▮ Down Hole Au Including Intercept

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About Crusader

Crusader Resources Limited (ASX:CAS) is a minerals exploration company listed on the Australian Securities Exchange. Its major focus is Brazil, a country Crusader believes is vastly underexplored with high potential for the discovery of world class mineral deposits.

Crusader's key asset is the 2.43 million ounce Borborema Gold Project in north eastern Brazil. The company has 4,100 km^2 of exploration tenements in the Seridó Belt, a highly prospective geological structure which hosts the Borborema Gold Project. This region is under explored and could provide Crusader with a pipeline of high growth, greenfields gold discoveries.

Crusader also owns the Posse Iron Project near Belo Horizonte which will, subject to licensing, produce high-quality iron ore for consumption in Brazil's domestic iron industry. Production will commence once licences have been obtained from the mines and environment department.

About Borborema

The Borborema gold project is in the Seridó area of the Borborema province in north-eastern Brazil.
It is 100% owned by Crusader Resources Ltd and consists of three mining leases covering a total area of 29 km² including freehold title to the property over the main prospect area.
The Borborema Gold Project benefits from existing on-site facilities and excellent infrastructure, such as buildings, grid power, water, sealed roads and is close to major cities and regional centres. The current JORC compliant Indicated and Inferred Mineral Resource estimate, using a 0.50 g/t cut-off grade, is 68.6 million tonnes at 1.10 g/t for 2.43 million ounces of gold. . Drilling continues to define and expand the gold mineralisation, which remains open at depth and along strike.

Crusader completed a Pre-Feasibility Study (PFS) in September 2011 into the economic and technical merits of the Borborema Gold Project. The PFS results revealed a robust investment case based on an open cut mine development of 3Mtpa.

A Bankable Feasibility Study is now underway and will consider a larger throughput of 4Mtpa.

Disclaimer

The information in this report that relates to Exploration Results is based on information compiled or reviewed by Mr. Robert Smakman, who is a Fellow of The Australasian Institute of Mining and Metallurgy and is a full-time employee of the company. Mr. Smakman has sufficient experience in the type of deposits under consideration and the activities being undertaken to qualify as a Competent Person as defined in the December 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Mr. Smakman accepts responsibility for the accuracy of the statements disclosed in this report.

The information in this report that relates to Mineral Resources is based on information compiled by Mr. Lauritz Barnes and Mr. Brett Gossage who are both Members of The Australasian Institute of Mining and Metallurgy. Messrs Barnes and Gossage are both independent consultants to Crusader Resources Limited. Both Messrs Barnes and Gossage have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Messrs Barnes and Gossage consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Appendix 1: July 2012 Resource Model Explanatory Notes

↗ The Borborema deposit geology is characterised by a 30m to 60m wide shear zone displaying a penetrative NNE-trending fabric, dipping east at around 35 degrees within a sequence of banded arkosic metapelitic schists.

↗ The Mineral Resource estimate is based on 293 RC drill holes for 19,521m and 248 diamond drill holes for 47,296.49m. Diamond and RC drilling contributed to the geological interpretation and wireframes and their associated assays have been used for the resource calculations. Most holes were drilled at 60 degrees towards 270 degrees.

↗ The vast majority of the holes used in the Resource were drilled by Servitec Drilling.

↗ Diamond drilling samples were collected as half core for HQ core (pre-collar) and NQ core. Sample intervals were typically 1 metre.

↗ RC samples were collected at the drill rig as 1m samples.

↗ All Diamond and RC drill holes were surveyed at the collar using a Total Station or a DPGS. All diamond drill holes were surveyed at 30m intervals down hole using a Peewee wellbore electronic single shot survey system.

↗ The Resource has been drilled to 300 vertical metres on a 50m x 50m drill pattern in the Central Zone and to lesser depths in the Southern and Northern Zones. Infill drilling was included in some of the shallower areas to 25m x 25m and 12.5m x 12.5m.

↗ QA-QC procedures were equivalent across Diamond and RC drilling. Blind QAQC samples were inserted every 20th sample including Certified Standards and Blanks. Duplicate QAQC samples were inserted every 25th sample.

↗ All resource assays by 50g Fire Assay method with AAS finish through ALS Global's laboratory in Belo Horizonte, Brazil. All lab pulps have been retained in storage. Interlaboratory checks have been regularly completed using Acme Analytical Laboratories Ltd's laboratory in Santiago, Chile.

↗ Bulk dry densities used for the Mineral Resource were based on 8,558 diamond core measurements. Mean bulk densities were calculated at 2.65 t/m^3 for oxide and 2.76 t/m^3 for fresh rock.

↗ Oxidation boundaries were wireframed and included in modelling. All densities were included to calculate a total.

Appendix 1: continued

↗ The grade estimate is constrained by a mineralisation zone defined using a nominal 0.1g/t Au envelope that captures the mineralised shear zone.

↗ The drilling within the mineralised zone has been composited to 2m intervals for the grade estimation study.

↗ Grade distributions were reviewed and high grade cuts (high grade caps) were applied to limit the impact of outlier data. High grade cuts of 10 g/t and 40 g/t were applied to the Southern and Central Zones respectively. No high grade cuts were applied to the Northern Zone.

↗ Detailed variography has been carried out on the gold composites and for selective indicator cut offs that have been used in the MIK grade estimation. The grade variography is characterised by moderate to high nugget effects (approximately 60% of the total variogram variance) and ranges in excess of the drill spacing to a max along strike distance of 140m.

↗ A block model has been generated based on a 25m (East) x 25m (North) x 5m (Elevation) parent block size with sub blocking completed to 5m (East) x 6.25m (North) x 2.5m (Elevation).

↗ Multiple indicator kriging was used to estimate the block grades within the mineralisation envelope to represent a selective mining unit of 5m (East) x 6.25m (North) x 2.5m (Elevation).

↗ The grade estimate has been classified as a combination of Measured, Indicated and Inferred Mineral Resource in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004 (the JORC Code).

↗ Measured Resource areas have generally been drill tested at a spacing of 25m x 25m or better, Indicated Resource areas are generally defined by a drill spacing of 50m x 50m or better, and the Inferred Resource areas represent a 75m extension down dip from the Indicated blocks or 100m spaced drill sections. A long section of the distribution of the Resources categories is provided as Figure 1.

↗ A combination of Measured, Indicated and Inferred Resource has been reported as summarised below.

Appendix 1: continued

Borborema Gold Project Mineral Resource Estimate by Multiple Indicator Kriging (MIK)				
Category	Cut-off grade	Tonnes (Mt)	Grade (Au g/t)	Contained Gold (Moz)
Measured	0.40	9.8	1.09	0.34
	0.50	8.2	1.22	0.32
	0.60	6.8	1.35	0.30
Indicated	0.40	53.1	0.99	1.70
	0.50	42.8	1.12	1.55
	0.60	34.8	1.26	1.41
Total Measured + Indicated	0.40	62.9	1.01	2.04
	0.50	51.0	1.14	1.87
	0.60	41.7	1.27	1.70
Inferred	0.40	23.2	0.87	0.65
	0.50	17.6	1.00	0.57
	0.60	13.6	1.14	0.49
Total Mineral Resource	0.40	86.1	0.97	2.69
	0.50	68.6	1.10	2.43
	0.60	55.2	1.24	2.20

Appendix Table1: July 2012 Mineral Resources Estimate Summary Table, reported at a 0.5 g/t cut-off. Parent Block 25mE x 25mN x 5mRL. Selective Mining Unit 5mE x 6.25mN x 2.5mRL. Note, appropriate rounding has been applied, subtotals may not equal total figure.
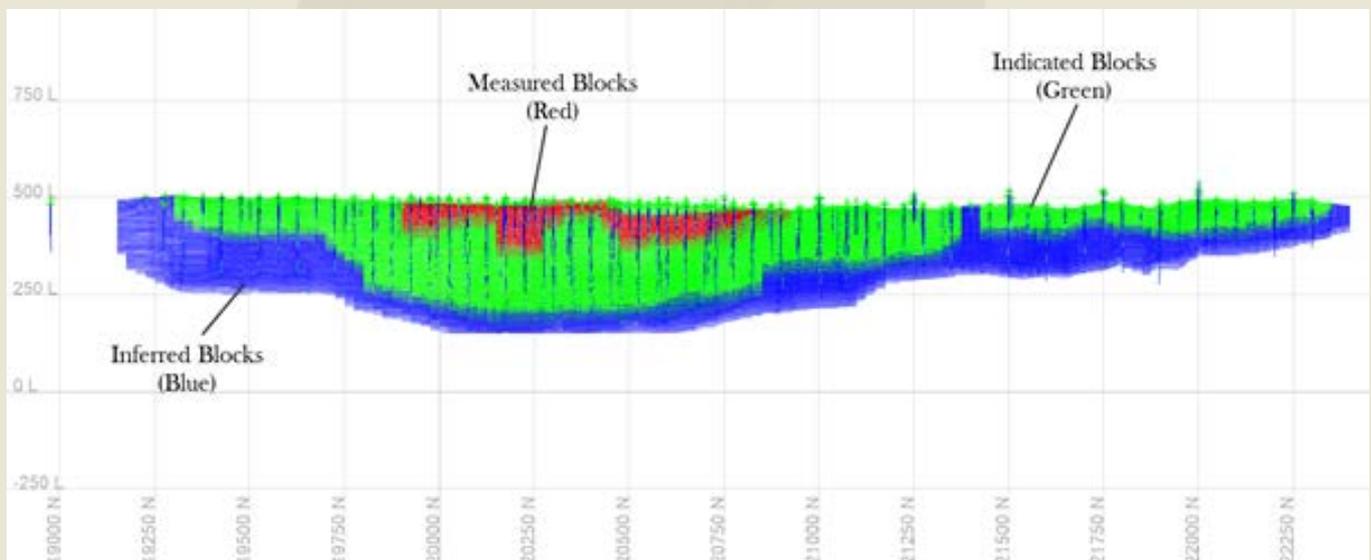

Figure 1: Long section showing the Resource estimate classification and drilling

Appendix 2: Pit Optimisation Parameters

Pit optimisation of the Borborema Gold Project was completed by consultants working on the BFS.

The optimisations were completed on the updated MIK block model containing all Mineral Resources categories using Whittle software. The main optimisation inputs are as per Appendix Table 2 below, as provided by Crusader and the study team and are preliminary parameters only.

Borborema BFS Pit Optimisation Inputs	
Gold price	US$1,350/oz
Government royalty	1% revenue
Discount rate	5%
Mining recovery	98%
Overall Pit slopes	36 FW, 52 HW degrees
Milling rate	4Mtpa
Average processing recovery	95.8%
Average mining cost	US$2.71/t mined
Average mill throughput cost	US$14.68/t milled

Appendix Table 2: Borborema BFS Pit Optimisation Inputs

The summary results for the maximum, average discounted pit shell, to be used for ongoing BFS mining engineering work, are as per Appendix Table 3 below.

Borborema BFS Pit Optimisation Results	
Optimal in-pit Resources (all categories)	42.9Mt
Resources grade	1.20g/t
Gold produced (after ore loss and processing)	1.56Moz
Strip ratio	6.3:1 (t:t)
Max pit depth	300m
NPV[5]	US$426M

Appendix Table 3: Borborema BFS Pit Optimisation Results

The MIK block model is a recoverable mining model which replicates the grade tonnage likely in mining but an additional 2% ore loss has been allowed for mining operations. Within the pit shell effectively all the Measured and Indicated Resources are contained within the selected shell plus less than 0.5Mt of Inferred Resources.

_____

[5]Based on in-pit resources for all categories and assumptions in Appendix 2, Table 2