

7th September 2010

ASX Release

Drilling underway at Borborema Gold Project.

HIGHLIGHTS;

- **3 rigs drilling at Borborema gold project aimed at expanding resources beyond 1 million ounces**
- **A\$2M exploration budget to be spent in next 6 months.**
- **Further tenement applications expand project footprint.**

Crusader Resources Ltd's (ASX: CAS) has initiated an extensive drilling program at its 100% owned Borborema gold project in Brazil. Drilling has already started with one Reverse Circulation and two diamond drill rigs already operating. To date, the RC rig has completed 17 holes (total meterage to date is 608m) and the diamond rigs are both on their first holes (rig 1 at 110m - hole CRDD001 and rig 2 at 119m - hole CRDD002). All rigs are drilling 24 hours a day, 5 and half days a week (see photos below).

Crusader has planned a program of approximately 2,500m of RC (in ~50 holes) and 5,000m of diamond (in 40 holes.) The program may be expanded –pending results. A diagram of the planned drilling is presented in figure 1.



Figure 1 RC rig drilling day and night.

Drilling program.

Crusader will drill four main target areas.

1. **Oxide Resource;** to be drilled mainly with RC. The aim is to better establish grade and mineralisation control, expand the resource along strike and measure the density. Will comprise ~15% of the drill program.
2. **Down Dip Potential;** These diamond drill holes will test the exploration target as defined by Coffey mining in the recent maiden JORC Mineral Resource estimate (see [announcement](#) on 25th August). Will comprise ~20% of the drill program.
3. **Resource expansion;** two main targets have been defined with the aim of increasing the overall mineral resource estimate;
 - a. Along strike; test the NE and SW strike potential with a combination of RC and diamond holes. Will comprise ~40% of the drill program.
 - b. Other targets; will test nearby parallel geochemical anomaly (see figure 2) with RC drilling. Will comprise ~10% of the drill program. Other targets may also be tested as geochemistry and drill results are received.
4. **Resource upgrade;** intended to upgrade the categories of the resource to convert a near surface portion into Measured and at least 50% of the planned resource estimate (see pre feasibility study below) into the Indicated category. 20% of the drilling program.

Exploration update.

Exploration geochemistry has been underway on site for the last 4 weeks and the results are encouraging Crusader to look for parallel mineralised zones. Soil sampling on part of the tenement holding near the mine has confirmed the main mineralised trend and also confirmed the previously mapped shear in the hanging wall (to the southeast- see diagram below).

Crusader has been using a handheld XRF device (Niton) which cannot detect gold directly, however, through previous geochemistry work, a strong association between Pb, As, Cu and Au has been noted. The Niton has revealed a strong parallel mineralised zone of approximately 2km x 200m with co-incident Pb, As and Cu anomalism. This area will be tested in the current drilling program. Several other targets may also be tested.

Crusader has also expanded the project footprint in the area, recently having granted several new tenements with others currently under application. The total project area covered by Crusader (100%) is now 8,510 Ha (85km²-see figure 4).

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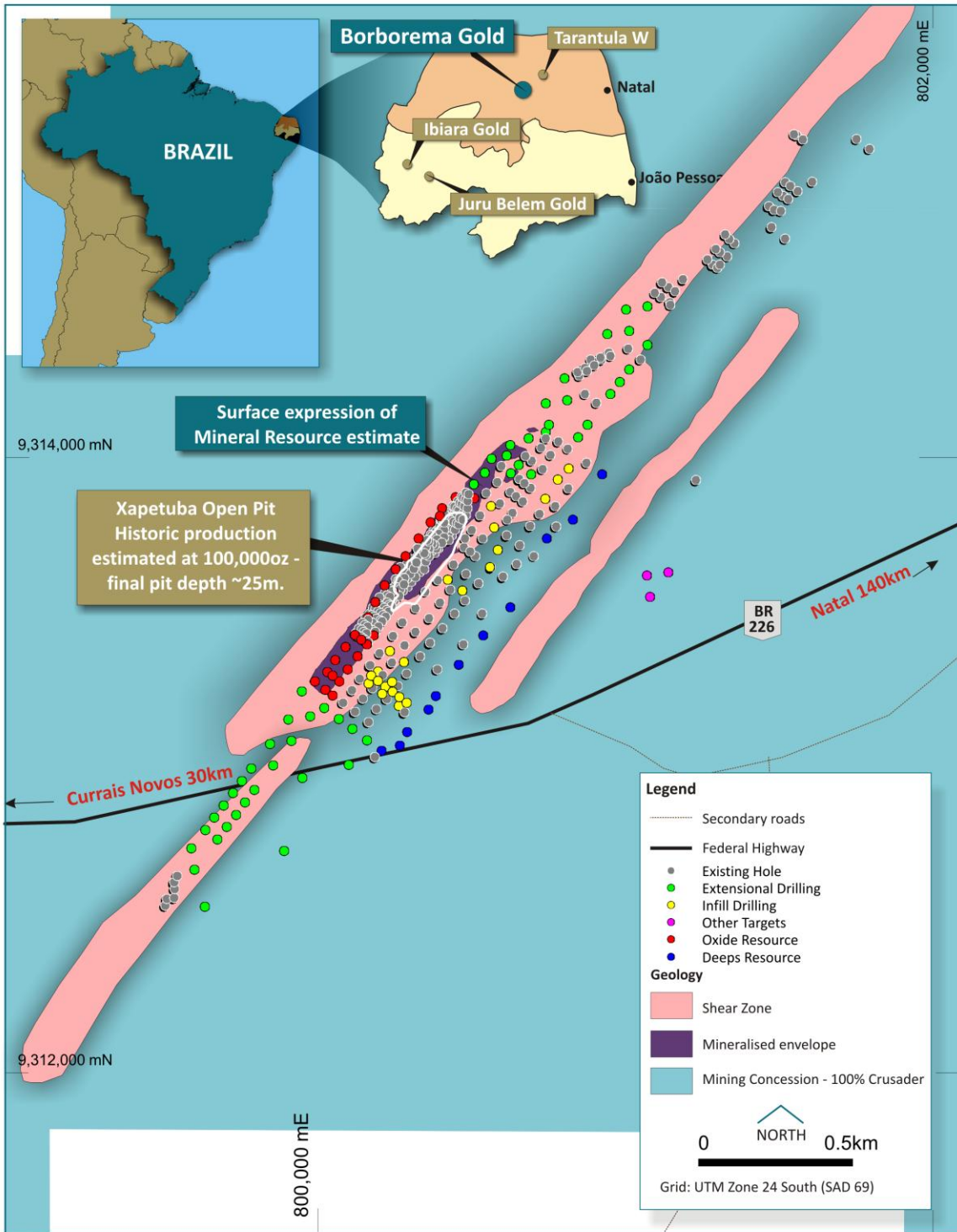
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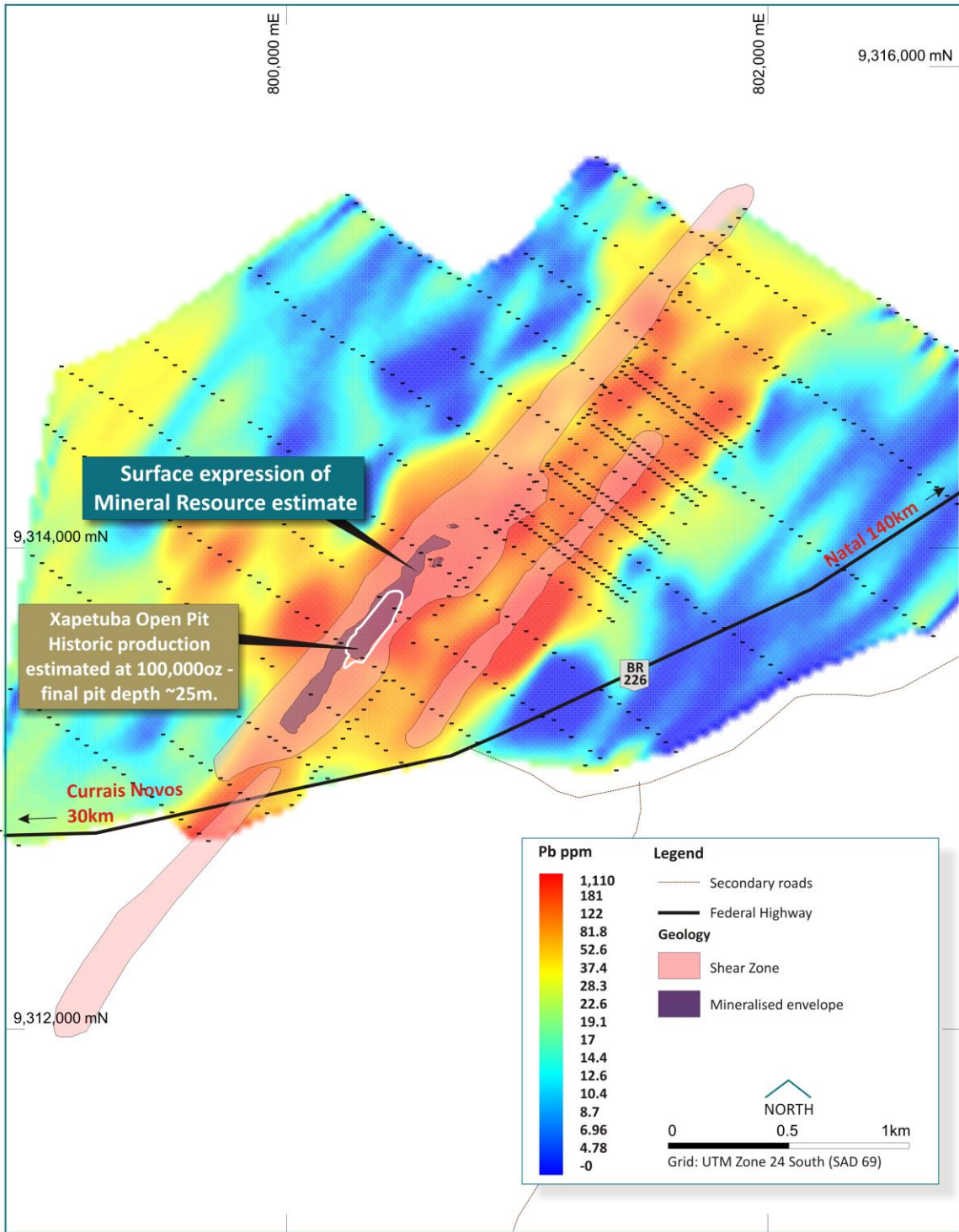
The information in this report that relates to Exploration Results is based on information compiled or reviewed by Mr. Robert Smakman, who is a Member of The Australasian Institute of Mining and Metallurgy and is a full-time employee of the company. Mr. Smakman has sufficient experience in the type of 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 and accurately reflects, information compiled by Mr Bernardo Viana who is a full time employee of Coffey Mining Pty Ltd and a Member of the Australian Institute of Geoscientists. Mr Viana has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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. Mr Viana consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

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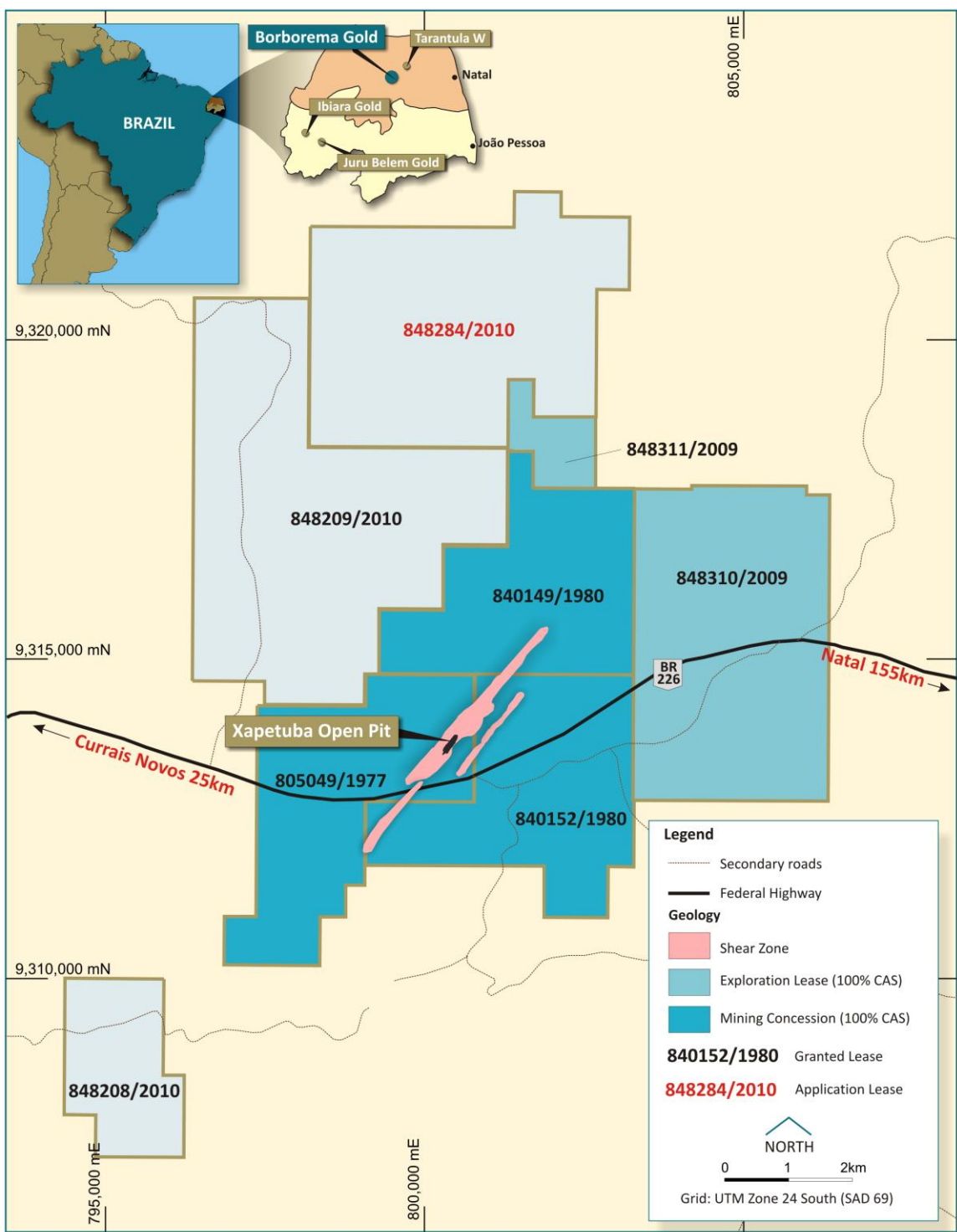
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BORBOREMA GOLD PROJECT
Surface Geochemistry Soils Pb



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About Crusader

Crusader Resources Ltd (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 continues to utilise 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 will be 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 Juru Belem. The Borborema gold project was the most important gold mine in the NE of Brazil with historical production of ~250,000 ounces. Crusader is working to expand the resources at Borborema.

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

In Australia, Crusader has a portfolio of projects prospective for uranium, gold and nickel.

The Lake Throssell uranium project is 100% Crusader owned. The company holds highly prospective leases for over more than 2,500 km² located 200km to the north east of Laverton in Western Australia. Exploration is set to begin in late 2010 after successful negotiations were held with the native title holders.

Crusader Resources Ltd has 76,283,514 ordinary shares on issue.

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