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ASX Release

Posse Iron Ore Project- Update

Installation of Crusader Resources Limited's (ASX:CAS) iron ore beneficiation plant at the Posse Iron Ore Project in Brazil is complete with the company ready to begin commissioning and production immediately it receives final approvals from the Minas Gerais state environmental agency in Brazil.

Both ore crushers, electrical motors, screens and conveyor belts have all be installed. The processing circuit has been tested with small quantities of ore and appears to be working well.

On site, important drainage work and other site works in preparation for mining are continuing.

Crusader's Managaing Director Rob Smakman said,

"The Posse project is now ready to operate - subject to final license approvals.Site work has progressed well and the plant is now ready for full scale commissioning.

The licensing process is also going well. The public meeting is scheduled for 14 October and preparations are in place for this important part of the process. We are hopeful this will go well and allow Crusader to present at the Environmental agency council (COPAM) meeting in late October. A successful council meeting would be the last step in the environmental licensing process prior to the issue of a formal operating license. I look forward to keeping the market up to date with our progress both on site and with the licensing authorities."

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Figure 1: Crusader Company Secretary, Andrew Beigel, inspects the Posse beneficiation plant.

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 August 2010, Crusader announced a maiden JORC compliant resource estimate at Borborema (at a 0.5g/t cut-off) of 2.51Mt @ 2.37g/t for 191 kozs Indicated and 11.36Mt @ 1.47 g/t for 537 kozs Inferred for a combined Indicated and Inferred resource estimate of 13.88Mt @ 1.63g/t for 728 kozs (Refer to announcement made 25 August 2010). 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 km² 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 73,926,372 ordinary shares on issue.