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ASX Release

Pre-Feasibility Study of the Borborema Gold Project Underway

Highlights

- **Pre-Feasibility Study into the technical and economic viability of the Borborema Gold Project has commenced**
- **Study will consider a 3Mtpa mine and CIL plant to produce >100,000oz gold per annum**

Crusader Resources Limited (ASX:CAS) has initiated a Pre-Feasibility Study (PFS) into the economic and technical merits of the 100% owned Borborema Gold Project in the northeast of Brazil.

Mr Rob Smakman, the Managing Director of Crusader said today *"The PFS is another major step forward for the Borborema project. In less than 12 months we have increased the Indicated and Inferred Mineral Resource to a total of 44Mt @1.30 g/t gold for 1.86Moz. The Project's proximity to local infrastructure, favourable metallurgy and potential for further Mineral Resource upgrades makes a compelling case for the PFS"*.

The study will consider an open cut mine development of 3Mtpa with a conceptual plant design to produce in excess of 100,000ozs of gold per annum. The PFS is expected to be finalised in the second half of 2011. Subject to these results, it is planned to then move to a full Definitive Feasibility Study.

Key components such as pit optimisations and production scheduling, water supply, metallurgy, electricity, tailings storage, infrastructure licensing and environment will all form part of the technical reporting on the project. The flowsheet definition, as suggested by extensive preliminary metallurgical testing, is nearing completion

The PFS will be managed in house and is led by Crusader's Chief Operating Officer and Brazilian resident, Mike Schmulian. Mike has a long history of developing gold mines in Brazil and South America and has drawn on his extensive contacts to select an experienced and professional consortium to execute individual parts of the PFS.

The PFS team includes:

Company	Scope
Onix Engenharia e Consultoria (Brazil)	Conceptual plant design and layout, estimate capital expenses, project layout, infrastructure and tailings disposal.
Hidrológica (Brazil)	Hydrology study
Auralia Mining Consulting (Australia)	Optimisation, scheduling and mine design
Testwork Desenvolvimentos de Processo Ltda (Brazil)	Metallurgical testwork and process route.
Progel Geologia e Meio Ambiental (Brazil)	Environment studies and project licensing
BVP Engenharia (Brazil)	Geotechnical study

For further information please contact:

Mr. Rob Smakman

Managing Director , Brazil

Mobile Australia: +61 427 771 559

Mobile Brazil: +55 83 8881 8608

Email: rob@crusaderdobrasil.com

Mr. Paul Stephen

Executive Director, Australia

Mobile Australia:+ 61 408 850 525

Office: +61 8 9320 7500

Email: paul@crusaderresources.com

Mr. Ian Howarth

Media Relations, Australia

Collins Street Media

Mobile: +61 407 822 319

Email: ian@collinsstreetmedia.com.au

(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 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.

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 north east of Brazil with historical production of ~250,000 ounces. In June 2011, Crusader updated the JORC compliant resource estimate at Borborema (at a 0.5g/t cut-off) to 21.49Mt @ 1.32 g/t for 0.91 Moz Indicated and 23.16Mt @ 1.28 g/t for 0.95 Moz Inferred for a combined Indicated and Inferred resource estimate of 44.65Mt @ 1.30g/t for 1.86 Moz. 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. The maiden exploration program was completed in the first quarter of 2011 and will be reported soon.

Crusader Resources Ltd has 90,416,040 ordinary shares on issue.