

22 May 2008

## Crusader Purchases Tungsten Project

Crusader Holdings NL (ASX:CAS) has purchased 100% of the Tarantula tungsten project in Rio Grande do Norte state, northeast Brazil. The project comprises an area of 13.2 square kilometres within the Serido Tungsten Province and covers the geological extension to the mine sequence of the important tungsten mines of Bodó and Cafuca (see Figure 1 below). These mines are two of Brazil's most significant historic producers, together having produced over 5,000 tonnes of tungsten, at grades up to 3%.

The Tarantula Project includes the Baixios, Quemadas and Isidore Mines which operated in the 1970s through to the 1990s at grades estimated to range from 1-2.5% WO<sub>3</sub>. The Tarantula Project also hosts multiple garimpeiro workings along three kilometres of strike of a clearly defined mine sequence. Some of the workings extend for hundreds of metres underground. The mineralisation occurs around the margin of the granites of the Dona Inês Suite and is strongly structurally controlled.

Crusader's Managing Director, Mr Rob Smakman said "We have been active for some time now identifying a technically strong tungsten project which exhibits good grades and low levels of impurities. The Tarantula Project offers excellent exploration potential around a zone of already identified mineralisation. Our geologists have worked closely with the local mines department (DNPM) to understand the geological controls on tungsten mineralisation in the region and have visited many areas before finalising the deal over Tarantula".

Crusader is commencing a campaign of structural mapping and soil sampling with the aim of defining drill targets for drilling during the September quarter.

Crusader is actively pursuing further acquisitions in what is the most important tungsten region in the country.

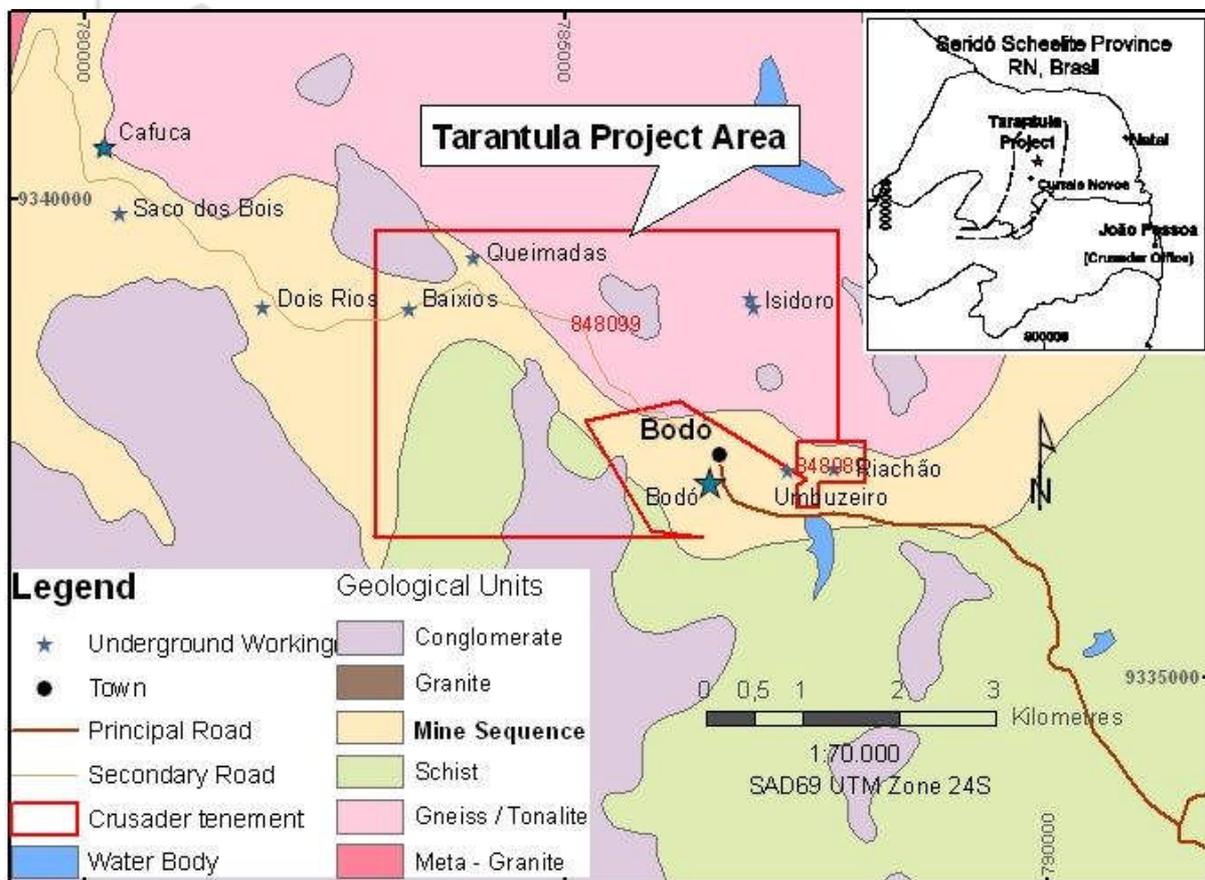
Tungsten has been mined in the Seridó Scheelite (Tungsten) Province since discovery at the turn of the nineteenth century. The province straddles the boundary between Rio Grande do Norte and Paraiba states in northeast Brazil. During the peak years of the early 1940s until the late 1980s over fifty thousand tonnes of tungsten concentrate was produced from various mines.

Small scale underground mining occurs at the nearby Bodó mine, which commenced operation during the 1940s. Estimated annual production at Bodó is 4,000 tonnes averaging 2% WO<sub>3</sub>.

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At Cafuca, mining ceased during the mid 1980s due to a combination of low tungsten prices and lack of ore. The mining was operated by Union Carbide until it was taken over by Anglo American. No historical operational figures from the Cafuca mine are available at this time. Crusader has purchased the project from a local land owner for 50,000 Reals (~AUD \$32,000).

**Figure 1: Map showing the location of Crusader's Tarantula Project and relationship to the Bodó and Cafuca tungsten mines**



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**Figure 2: Map showing the Tarantula Project and Crusader's other Brazilian Projects**



**Tungsten - Uses and Market**

The main use for tungsten is in the manufacture of cemented carbides or hardmetals, which are wear-resistant materials used in metal working, mining, petroleum and the construction industries. The steel sector is a primary consumer of tungsten for use in stainless and full alloy steels, and superalloys.

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China is the world's largest producer of tungsten and controls approximately 67% of world reserves. Supply of tungsten metal is tight with the next largest reserves being in Canada (8%) and Russia (7%). The supply situation is expected to worsen following the recent decision by the Chinese Government to introduce severe restrictions on the production and export of tungsten in order to conserve in-country resources and to meet increasing internal demand. These restrictions are expected to put increased pressure on tungsten prices which are currently approximately US\$250/ metric tonne unit (mtu).

*The information in this report that relates to Exploration Results, Minerals Resources or Ore Reserves 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, Minerals 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*

#### About Crusader

Crusader Holdings NL (ASX:CAS) (Crusader) is a minerals exploration company focussed on the identification, acquisition and development of projects in Brazil. The Company has a diverse portfolio of projects including iron ore, tin, gold and uranium. Crusader applies leading edge exploration skills to the discovery of new assets and continues to utilise its strong networks in Brazil to identify new opportunities.

The company's most mature project is the Posse Iron Project which is located in the Iron Quadrilateral in the state of Minas Gerais, 30km from the regional capital and iron ore mining centre of Belo Horizonte. Crusader has recently completed a maiden resource on Posse which defined 7.7Mt at 45% Fe. Crusader is now working through a scoping study with potential mining to begin ASAP.

The Manga Tin-Indium project is in the Goias Tin province, located in the northeast of Goias state approximately 300km from the national capital of Brasilia. Several significant areas of garimpiero workings have been mapped, sampled and drilled. Crusader is using remote sensing techniques together with local knowledge to manage this prospective project. The project is also highly anomalous in indium, an emerging "new metal" with particular application in flat screen displays.

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Crusader also has an extensive portfolio of gold properties located in the state of Paraiba in the northeast of Brazil. These projects include significant historic production (to 150,000ozs) and display regional structural settings that are highly favourable for significant gold mineralisation.

In Australia, Crusader retains a portfolio of projects prospective for palaeochannel uranium and Archaean gold and nickel.

Crusader Holdings NL has 44,560,749 ordinary shares on issue.

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