

19<sup>th</sup> January 2009

## ASX Release

### Posse Iron Resource Grows >400%

- Posse iron deposit Indicated and Inferred Resource quadrupled to 36 million tonnes at an average grade of 43.5% iron (May 2007 Resource 7.7M t)
- Posse mineralisation is easily upgradeable to smelter grade (>60%Fe) and has low contaminants.
- Completion of Coffey Mining's Scoping Study imminent.

A new JORC compliant Indicated and Inferred Mineral Resource of 36.02 million tonnes at an average grade of 43.5% iron has been estimated for Crusader Resources Limited's (ASX:CAS) 100% owned Posse Iron Project in the Iron Quadrilateral region of Minas Gerais state, Brazil.

This estimate is more than four times the previous estimate of 7.7Mt @ 45% iron which was prepared in May last year. The increase is largely due to the re-modelling of the geology and the extension of the inferred resource boundary to the south and at depth. This increase in tonnes has been achieved without a significant change in the overall resource grade.

**Table 1. January 2009 Mineral Resource table for Posse Iron Project**

	Tonnes	Fe	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	Mn	P	LOI*
	(Mt)	(%)	(%)	(%)	(%)	(%)	(%)
<b>Indicated Resources</b>	<b>4.83</b>	<b>47.39</b>	27.56	1.82	0.25	0.020	1.38
<b>Inferred Resources</b>	<b>31.18</b>	<b>42.89</b>	36.17	0.61	0.17	0.026	0.73
<b>Total</b>	<b>36.02</b>	<b>43.50</b>	35.02	0.77	0.18	0.024	0.82

\*LOI is the loss on Ignition.

*The Inverse Power of Distance (IDW2) method of estimation has been used to obtain estimates of iron (Fe), silica (SiO<sub>2</sub>), aluminium (Al<sub>2</sub>O<sub>3</sub>), manganese (Mn), phosphorus (P) and loss of ignition (LOI) grades. The grade estimate has been classified as an Indicated and Inferred Mineral Resource based on the guidelines set out in the JORC Code (2004). No cutoff was applied to the estimation.*

*Grade was estimated within a mineralised envelope based on geological interpretation, measured bulk density values and drill assay results from the SGS Geosol Laboratory located in Belo Horizonte- Brazil.*

Coffey Mining's Brazilian office, using its strong local knowledge and in-country experience, worked closely with Crusader's geological team to re-model the geology of the Posse deposit extending the mineralisation to the south. The model now includes high-grade and low-grade compact and friable units (hematite and itabirite) allowing for better mine scheduling in the first years of mining operations.

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The new estimate has been incorporated in the Scoping Study which Coffey Mining is close to completing.

Crusader's managing director, Rob Smakman said, "The large upgrade to the resource inventory at Posse highlights the potential for a viable mining operation with a much longer life. We already know the mineralisation is easily amenable to simple beneficiation to extract the silica. The other contaminants are very low especially when compared to a typical Australian ore spec."

"By re-modelling the geology, we have been able to define the high-grade, near surface mineralisation that will be available during the initial mining period. It is envisaged this particular material will be treated by crushing and dry screening over the first two years to produce lump and coarse sinter feed products. "

"Our focus has always been to confirm sufficient, near-surface, high-grade resources to start mining at Posse- a larger resource means we can expand the longer term potential of the project.

Crusader's focus will now shift to concluding the scoping study, securing an off-take agreement and finalising the necessary permitting.

#### About Posse

Crusader finalised the 100% purchase of the Posse Iron Project in September of 2007 from private parties. At the time of first encountering the project, there was no mapping, drilling and very limited sampling. Crusader has completed drilling, mapping, topographical surveying and extensive sampling to allow for the current work of resource estimation and scoping study to be realised.

The project is located approximately 30km from the major mining city of Belo Horizonte, Minas Gerais (General Mines) state in south central Brazil. The project is close to transport infrastructure and several potential customers- both major smelters and smaller operators.

Crusader's consultant, Coffey Mining is currently using the upgraded Mineral Resource estimate as the basis for a scoping study which will examine the economic feasibility of the project.

*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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### About Crusader

Crusader Resources Ltd (ASX:CAS) 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, tungsten 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 updated the resource inventory at Posse to an Indicated and Inferred Mineral Resource of 36Mt at 43.5% Fe which is the subject of a scoping study due to be released shortly.

Crusader recently strengthened its iron ore focus through a strategic partnership with Canadian company G4G Resources Ltd. The partnership intends to acquire iron ore fines in Brazil as feedstock for the production of saleable iron units utilising the Finesmelt™ process.

The Ouro Belo Tin-Indium-Gold project covers more than 400km<sup>2</sup> 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 identified, mapped and sampled. Crusader has recently drilled the Manga prospect and continues exploration activities at other regional prospects.

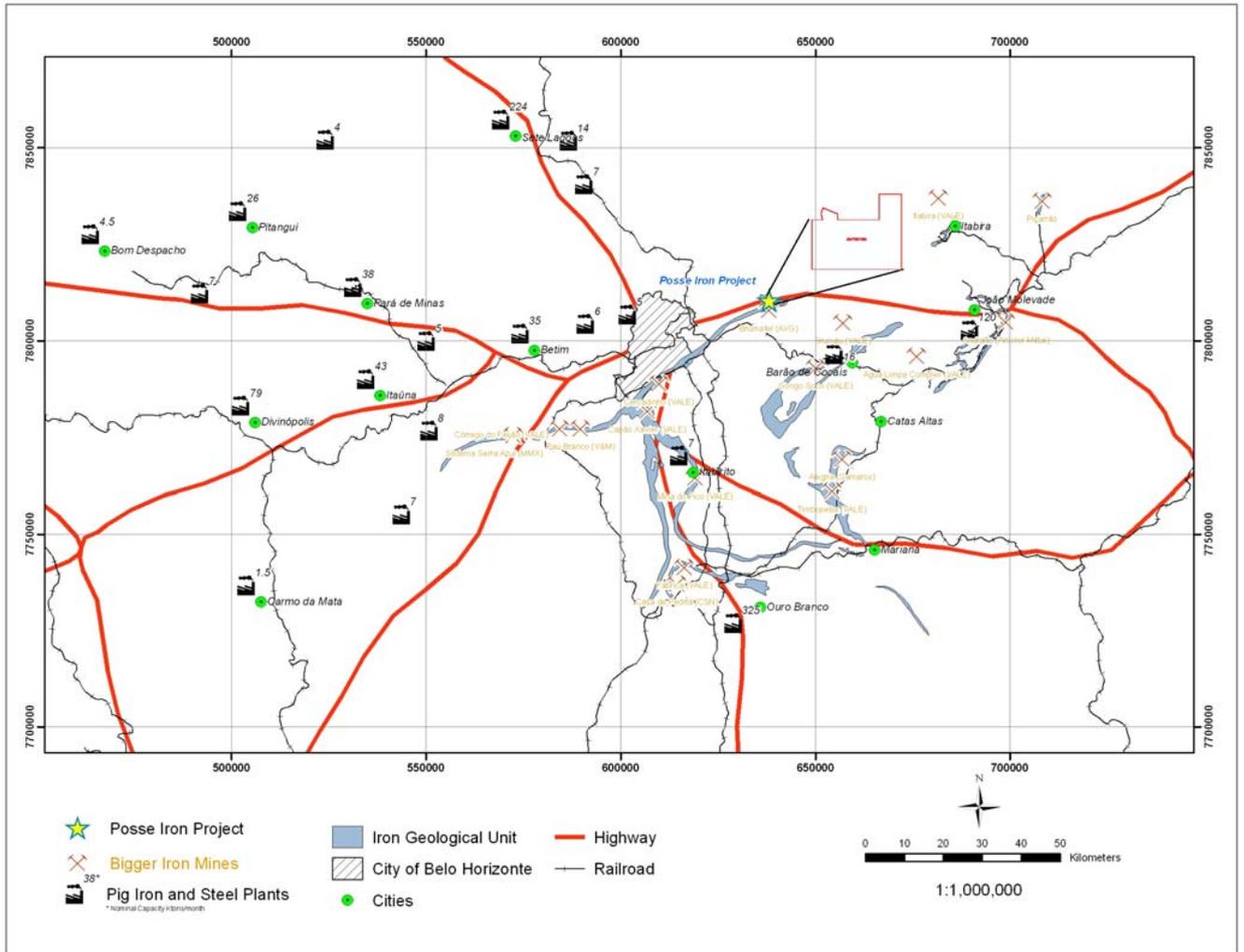
The Tarantula tungsten project is located in Rio Grande do Norte state, northeast Brazil. The project comprises an area of 13.2 square kilometres within the Serido tungsten province and covers the geological extension to the mine sequence of several important tungsten mines.

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 has a portfolio of projects prospective for palaeochannel uranium and Archaean gold and nickel.

Crusader Resources Ltd has 44,664,081 ordinary shares on issue.

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Posse location map. Regional mines and smelters (with approximate capacity- as at Oct 2008) are also shown.

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