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## ASX Release

# Crusader Moves to Mining Development

Crusader Resources Limited's Posse iron ore project in Brazil could be in production by April 2010 after the Company's board gave the first stage of the project's development provisional approval.

The planned development will be in two phases, firstly the dry treatment of high-grade iron ore producing a lump product for domestic sale, followed by the production of iron ore treated through a wet beneficiation plant.

The development remains subject to the granting of a mining lease by the Brazilian mines department (DNPM) as well as securing a suitable customer for the ore.

The first phase, which could be in production as early as April next year, is expected to cost less than \$A1 million and process 300,000 tonnes of material a year.

Crusader Managing Director Rob Smakman said;

*"In anticipation of finalising the mining lease and securing a suitable customer, we are building the development and mining team, opening the tender process for both mining and treatment and finalising the economics of the project. All the work we have done to date indicates a simple, cheap and most importantly- profitable trial mining operation which will also enable Crusader to more carefully evaluate the expanded second stage."*

*"This is an exciting step forward for the company- realising our long held goal to be become a miner. It also reflects the improvement of the overall market conditions. With the global economy strengthening we can expect further improvement in iron ore pricing which will make the longer term profitability of this project really fly"*

During the first stage, which is expected to have a capital cost less than \$A1,000,000, 300,000 tonnes per annum will be treated, with fines and lower grade ore stockpiled for treatment in Stage 2. The stage 1 development is allowable under the trial mining lease and is expected to take around two years.

During this period, contract mining and treatment of the ore is the key component in keeping the capital costs at a minimum. The project is anticipated to be profitable during the first phase at current iron ore prices with significant upside should iron ore demand continue to strengthen.

Project implementation and detailed engineering is underway, with the expected opening of the operation after the end of the rainy season in early April 2010.

Further information

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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, 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 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, 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, Australia and around the world to identify new opportunities.

The company's development project is the Posse Iron Project located in the Iron Quadrilateral of Minas Gerais state, Brazil. It is located 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 Mineral Resource of 4.83Mt at 47.39% Fe and Inferred Mineral Resource of 31.18Mt at 42.89% Fe (Refer to announcement made 11 May 2009 <http://www.asx.com.au/asxpdf/20090511/pdf/31hjb3wk8cvk3n.pdf>). A positive Scoping Study by international consultants Coffey Mining, has encouraged Crusader to continue pursuing this project towards production. Licensing, off-take agreements and further technical work are all being vigorously pursued.

Crusader also has an extensive portfolio of Au, Sn, In and W projects within Brazil.

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

The Lake Throssell Uranium project is 100% CAS owned, extensive (over 2,500km<sup>2</sup>) and highly prospective project, located 200km to the north east of Laverton in Western Australia. Crusader will initiate exploration in 2009 targeting uranium mineralisation in the extensive paleodrainage within the area.

Crusader Resources Ltd has 52,557,152 ordinary shares on issue.