

Posse Licensing Update

Crusader Resources Limited (ASX:CAS) advises that its application for a Requerimento de Lavra or Mining License for the Posse Iron Ore Project has returned to the formal mines department (DNPM) licensing process following the favourable consideration of an appeal lodged by Crusader in relation to the timelines of the submission of information by Crusader to the DNPM.

The project is ready to go into production subject to the DNPM approving an amended version of Crusader's Plano de Aproveitamento Econômico (PAE) or economic development plan and, in turn, SUPRAM approving Crusader's environmental licence application. The DNPM approval and the grant of a Mining Licence are dependent upon the outcome of the DNPM's review of additional information submitted by Crusader around the PAE.

The further information included expanded information about treatment rates, pit slope angles and the clarification of neighbouring freehold property ownership. In August 2012 Crusader received a request for clarification of this information which Crusader will respond to shortly.

Once the PAE is approved, the environmental licensing application for the proposed mine will then go before the environmental body, SUPRAM. The timing and the ultimate outcome of the DNPM and SUPRAM licensing process remains uncertain.

Crusader continues to hold a Guia de Utilização 93/2009 (a 'GU' or 'trial mining license') for the Project which licenses Crusader to undertake limited mining. The GU is limited to 300,000tpa ROM and beneficiation is by dry separation only. In parallel to the full licence application process described above, Crusader is pursuing a simplified environmental license to allow mining and processing using the GU. Mining would be subject to the same restrictions, however there is the possibility it will shorten the timeline to production.

An iron ore processing plant has been built and commissioned on site and production could commence quickly assuming the receipt of licences. Subject to the successful conclusion of DNPM and SUPRAM licensing, domestic sales of high-grade and low-contaminant lump and fine iron ore should deliver strong cash flows from the simple, low cost beneficiation process.

Australian Securities Exchange Information

ASX Code: CAS

- Ordinary Shares **126,646,041**
- Options **4,460,000**
(exercise prices: \$0.44 to \$1.30)
- Market Capitalisation **\$61 M**
- Cash (31 Aug 2012) **\$10 M**
- Share price **\$0.48**
(12 month closing range: \$0.48 to \$1.25)

Board of Directors

Non-Executive Chairman

David Archer

Managing Director

Rob Smakman

Executive Director

Paul Stephen

Non-Executive Directors

Justin Evans

David Netherway

CAS Investment Opportunity in Brazilian Projects

- Underexplored and high potential portfolio
- In-country experienced management (inc. MD, COO and Exploration Manager)
- Extensive network into new opportunities

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About Crusader

Crusader Resources Limited (ASX:CAS) is a minerals exploration company listed on the Australian Securities Exchange. Its major focus is Brazil, a country Crusader believes is vastly underexplored with high potential for the discovery of world class mineral deposits.

Crusader's key asset is the 2.43 million ounce Borborema Gold Project in north eastern Brazil. The company has 4,100 km² of exploration tenements in the Seridó Belt, a highly prospective geological structure which hosts the Borborema Gold Project. This region is under explored and could provide Crusader with a pipeline of high growth, greenfields gold discoveries.

Crusader also owns the Posse Iron Project near Belo Horizonte which will, subject to licensing, produce high-quality iron ore for consumption in Brazil's domestic iron industry. Production will commence once licences have been obtained from the mines and environment departments.

About Borborema

The Borborema gold project is in the Seridó area of the Borborema province in north-eastern Brazil.

It is 100% owned by Crusader Resources Ltd and consists of three mining leases covering a total area of 29 km² including freehold title to the property over the main prospect area.

The Borborema Gold Project benefits from existing on-site facilities and excellent infrastructure, such as buildings, grid power, water, sealed roads and is close to major cities and regional centres. The current JORC compliant Indicated and Inferred Mineral Resource estimate, using a 0.50 g/t cut-off grade, is 68.6 million tonnes at 1.10 g/t for 2.43 million ounces of gold. . Drilling continues to define and expand the gold mineralisation, which remains open at depth and along strike.

Crusader completed a Pre-Feasibility Study (PFS) in September 2011 into the economic and technical merits of the Borborema Gold Project. The PFS results revealed a robust investment case based on an open cut mine development of 3Mtpa.

A Bankable Feasibility Study is now underway and will consider a larger throughput of 4Mtpa.

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 Fellow 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.

The information in this report that relates to Mineral Resources is based on information compiled by Mr. Lauritz Barnes and Mr. Brett Gossage who are both Members of The Australasian Institute of Mining and Metallurgy. Messrs Barnes and Gossage are both independent consultants to Crusader Resources Limited. Both Messrs Barnes and Gossage have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken 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". Messrs Barnes and Gossage consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.