

Posse Iron Ore Project Receives Operating Licence

Crusader Resources Ltd's 100% owned Posse iron ore project in Brazil has received an operating licence which will allow mining to begin immediately, with first iron ore production targeted for early in 2013.

A Licence to Operate (LOP) for the Posse project was granted by the Minas Gerais state environmental council, COPAM, after the licence was approved at COPAM's monthly meeting in Belo Horizonte, Brazil.

The LOP allows Crusader to begin operations under its existing trial mining licence which is granted for 300,000tpa of run-of-mine ore production using dry beneficiation. The process plant is fully constructed and commissioned.

Crusader Managing Director, Rob Smakman said,

"We are obviously very pleased to have the LOP granted today. We are now looking forward to opening the mine and generating the strong cash flows that we believe Posse is capable of delivering".

Crusader continues to pursue, in parallel, a full mining licence for the project. With the updated Economic Development Plan (PAE) recently approved by the Federal Mines Department (DNPM) (see announcement of 26 November 2012), Crusader aims at completing the process required for a full mining licence during the first half of 2013.



Australian Securities Exchange Information

ASX Code: CAS

- Ordinary Shares **126,616,040**
- Options **4,460,000**
(exercise prices: \$0.44 to \$1.30)
- Market Capitalisation **\$54M**
- Treasury **\$8.4M** (30 September 2012)
- Share price **\$0.43**
(12 month closing range: \$0.35 to \$1.20)

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 Borborema Gold Project in north eastern Brazil. The company has 4,400 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 produce high-quality iron ore for consumption in the Brazilian domestic iron industry.

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 project's Maiden Ore Reserve was announced in November 2012. Proven and Probable Ore Reserves of 1.61Moz of mineable gold from 42.4Mt @ 1.18g/t (0.4 & 0.5g/t cut-offs for oxide & fresh). The Mineral Resource remains open in all directions.

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

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

About Posse

The Posse Iron Ore Project is located 30km from Belo Horizonte, a city acknowledged as the mining capital of Brazil and the capital of Minas Gerais state. The project has a Mineral Resource of 36Mt @ 43.5% Fe.

With an experienced mining workforce amongst a population of over 2.3 million people, the infrastructure and access to the domestic steel market around the Posse Project is excellent.

Production will commence in early 2013.

Disclaimer

Information in this report that relates to Ore Reserves is based on information compiled by Mr. Linton Kirk who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr. Kirk is an independent consultant to Crusader Resources Limited. Mr. Kirk has 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". Mr. Kirk consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to Posse Fe 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 Member of the Australian Institute of Mining and Metallurgy. 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.