

# Posse Iron Ore Progress Mining this Quarter

Mining of direct shipping iron ore at Crusader Resources Ltd's 100% owned Posse Iron Ore Project in Brazil is set to start in February with first sales and revenue expected in March.

Mining of direct shipping hematite iron ore (DSO) will commence in February and quickly expand production to a target rate of 50,000 tonnes per month in April-May. Production will be further expanded up to 1.0Mtpa with additional licensing.

Speaking from Brazil, Crusader Managing Director, Rob Smakman, said,

*"Contractors have worked across the Christmas period to construct a short access road to the site. We are very keen to start mining at Posse, generating revenue for the company and building value for shareholders."*

*"Forecast costs are expected to be very low at around A\$12 per tonne and given the current strong global market conditions for iron ore, we will be delivering to local smelters at a very opportune time. We expect sales of DSO could generate margins of up to A\$1M per month, after tax".*



## Australian Securities Exchange Information

### ASX Code: CAS

- Ordinary Shares **126,616,040**
- Options **3,460,000**  
(exercise prices: \$0.44 to \$1.30)
- Market Capitalisation **\$43M**
- Treasury **\$8.4M** (30 September 2012)
- Share price **\$0.34**  
(12 month closing range: \$0.34 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

Iron ore sales will consist primarily of low contaminant, high-grade lump and some lower grade fines, at a time of strong global iron ore prices. Ore will be sold at the mine gate to local customers including pig iron producers and steel mills and then transported by road.

The Posse project is located within Brazil's famous "Iron Quadrilateral" region which is home to numerous iron ore mines as well as pig iron and steel smelting operations, providing a strong local market for Posse's products. Crusader has signed several non-binding iron ore sales agreements with nearby customers for the various products.

A Licence to Operate (LOP) for the Posse project was granted by the Minas Gerais state environmental council, COPAM, late in 2012, allowing Crusader to begin operations at an annual rate of 300,000 tonnes of run of mine ore using simple, dry beneficiation. The process plant is fully constructed and commissioned.

Construction of an access road, additional office facilities and a weigh bridge are required for first sales to commence.



Photo 2: Clearing underway for access to Posse Iron Project

## Posse background

The Posse Iron Ore Project (100% Crusader owned) is located 30km from Belo Horizonte in the Iron Quadrilateral region of Minas Gerais state, Brazil- one of the most prolific iron ore regions in the world. Posse is a low capital cost project, close to infrastructure and simple logistics as sales will be made at the mine gate to local customers.

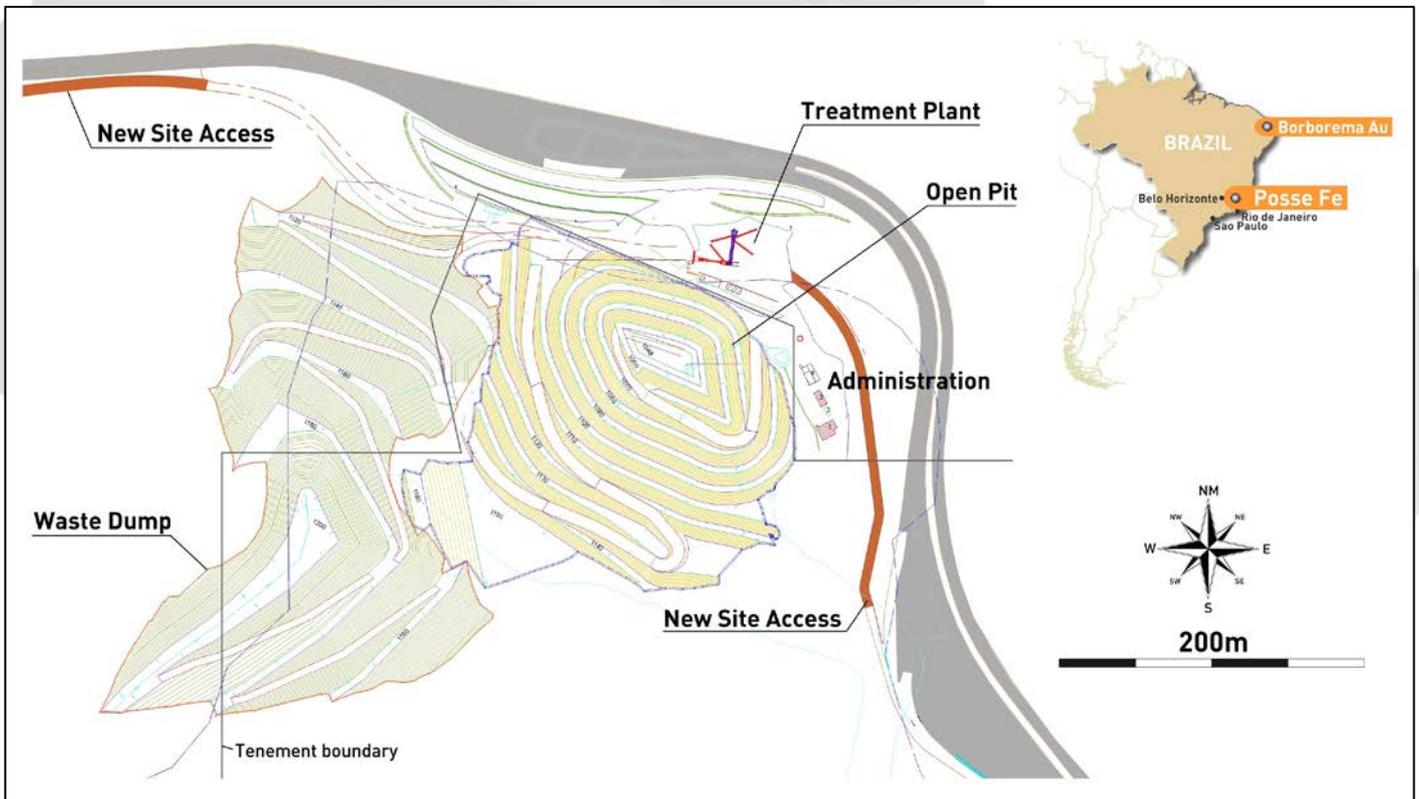
Posse contains an Indicated and Inferred Mineral Resource of 36Mt@ 43.5% Fe. Low strip ratio (0.15:1 in early years), free digging (no blasting) and simple crushing and screening of the ore results in very low operating costs of ~ A\$12 per tonne of ore mined.

Crusader's application for a license to mine 300,000 tonnes a year was granted late in 2012 and is renewable in September 2013. An application for a full mining license to increase annual production up to one million tonnes a year is currently being pursued.



Photo 3: Loading trucks during clearing on the product stockpile at Posse

# Posse Iron Ore Project Layout



For further information please contact:

Mr. Rob Smakman  
Managing Director, Brazil  
Mobile (Brazil): +55 83 8881 8608  
Email: rob@crusaderdobrasil.com

Mr. Paul Stephen  
Executive Director, Australia  
Office (Aus): +61 8 9320 7500  
Email: paul@crusaderresources.com

Mr. Ian Howarth  
Media Relations, Australia  
Collins Street Media  
Mobile: +61 407 822 319  
Email: ian@collinsstreetmedia.com.au

### 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 km<sup>2</sup> 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 km<sup>2</sup> 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 is expected to commence in early 2013.

### Disclaimer

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.