

Posse Iron Ore Mine Receives Full Environmental Licence

Crusader Resources Ltd. has been granted a full environmental licence for its 100% owned Posse Iron Ore mine in Brazil.

A combined LP (Preliminary Licence) and LI (Installation Licence) was granted yesterday (Tuesday the 28th May) by the Minas Gerais state environmental council, COPAM at its monthly meeting in Belo Horizonte.

This licence, coupled with the PAE (Economic Development Plan) previously approved by the DNPM (Mines Dept.), enables Crusader to apply for a full mining right and, expand production.

The Posse Mine is currently successfully operating under a trial mining licence at a throughput restricted to 300,000tpa.

Following first production in March 2013, the Posse Iron Ore Mine and processing plant has now operated continuously for six weeks. Both production and sales are currently being increased, in line with our commissioning plan.

Operations are now running two eight hour shifts per day with an additional shift to be added to achieve full production throughputs, in line with the licence approval process.

All key infrastructure requirements, including weighbridge, exit ramp and onsite sales and administration offices, have been completed and are fully operational.

Crusader Managing Director Rob Smakman said, "We are obviously delighted to have had the LP/LI granted as it is the most important step towards us expanding Posse to its ultimate potential. We have been really pleased with the sales of the high quality product from the mine so far and are excited by the potential to further grow production."

Australian Securities Exchange Information

ASX Code: CAS

- Ordinary Shares **126,646,041**
- Options **13,457,000**
(exercise prices: \$0.34 to \$1.30)
- Market Capitalisation ~\$30M
- Treasury **\$1.2M** (31 March 2013)
- Share price **\$0.24**
(12 month closing range: \$0.210 to \$0.850)

Board of Directors

Non-Executive Chairman
Stephen Copulos

Managing Director
Rob Smakman

Executive Director
Paul Stephen

Non-Executive Directors
John Evans
David Netherway
Mauricio Ferreira

CAS Investment Opportunity in Brazilian Projects

- Producing DSO asset - Posse
- Large Borborema gold project - BFS underway
- Underexplored and high potential exploration portfolio
- In-country Management (inc. MD, COO and Exploration Manager)
- Extensive network into new opportunities



Figure 1: Loaded Customer Truck on Weighbridge at Posse Mine



Figure 2: Iron Ore Stockpiles at Posse Mine

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About Crusader

Crusader Resources Limited (ASX:CAS) is a minerals exploration and mining 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 Ore Project near Belo Horizonte which produces 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 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.

Sales commenced in March 2013.

Competency Statement

The information in this report that relates to:

- a) Exploration Results is based on information compiled or reviewed by Mr Robert Smakman who is a full time employee of the company;
- b) Borborema gold Mineral Resources is based on information compiled by Mr Lauritz Barnes and Mr Brett Gossage and independent consultants to the company;
- c) Borborema gold Ore Reserves is based on information compiled by Mr Linton Kirk, independent consultant to the company;
- d) 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 who are all Members of the Australian Institute of Mining and Metallurgy (Rob Smakman and Linton Kirk being Fellows), and who all have sufficient experience that is relevant to the type of mineralisation and type of deposit under consideration, and to the activity which they are 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. Each of Mr Smakman, Mr Lauritz Barnes, Mr Kirk, Mr Viana and Mr Brett Gossage consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.