

# Posse Drilling Continues to Deliver

➤ Drilling at the Posse Iron Ore Mine continues to intercept broad, compact haematite zones. Exceptional high-grade, near surface results include:

- **24 m @ 63.08% Fe** from 12 m in PORC-007

➤ Results also returned wide zones of friable itabirite, easily upgradable in the planned Stage 2 processing plant. Broader zones include:

- **102 m @ 41.35% Fe** from surface in PORC-001;
- **40 m @ 44.40% Fe** from surface in PORC-005 including:
  - **12 m @ 58.73% Fe** from surface;
- **156 m @ 41.99% Fe** from surface in PORC-007;
- **114 m @ 43.87% Fe** from surface in PORC-008; and
- **104 m @ 42.46% Fe** from surface in PORC-012

➤ These results complete the recent drilling program, with better results previously announced including:

- **137 m @ 45.23% Fe** from surface in PORC-003, including:
  - **14 m @ 66.43% Fe** from 8 m; and
- **120 m @ 45.26% Fe** from surface in PORC-004, including:
  - **28 m @ 61.40% Fe** from surface which includes
    - **8m @ 63.43% Fe** from 0 m and
    - **14m @ 63.81% Fe** from 12 m

➤ Geological modelling is now underway, with the broader than expected haematite zones potentially increasing the volumes of high-value lump products.

Drilling at Crusader's 100% owned Posse Iron Ore Mine in Brazil continues to intersect high-grade compact haematite ore suitable for high value lump products and broad zones of friable itabirite, suitable for finer products subject to processing in the planned Stage 2 development.

The lenses of haematite ore are near-surface (see Figures 2 & 3) and more continuous than previously expected and potentially significantly larger. These lenses are the principal components of the lump ore products, currently being beneficiated and sold into the domestic Brazilian iron ore market.

## Australian Securities Exchange Information

ASX Code: CAS

- Ordinary Shares **126,646,041**
- Options **16,447,000**  
(exercise prices: \$0.34 to \$1.35)
- Market Capitalisation - **\$25M**
- Treasury **\$2.85M** (30 June 2013)
- Share price **\$0.20**  
(12 month closing range: \$0.20 to \$0.56)

## 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

Also reported are wide zones of friable itabirite ore which comprise the bulk of the current deposit. This friable ore is currently undergoing metallurgical test work to finalise the design of an enhanced Stage 2 beneficiation plant. Crusader is considering several different flow sheets for Stage 2 and the consistent wide zones of ore increase confidence for the future mine life.

Crusader’s Managing Director Rob Smakman commented on the results:

*“The drilling results were really pleasing and complement the excellent start-up at Posse we have had to date. With sales of the high-grade lump products continuing strongly, the additional near-surface zones of compact haematite we have intercepted is especially positive as these lenses are the primary source of the lump”.*

Following first production in April 2013, the Posse Iron Ore Mine and processing plant has now operated for approximately four months. Mining rate, production throughput and sales are currently being increased, in line with a commissioning plan which expects steady state production this month (see Figure 1 below).

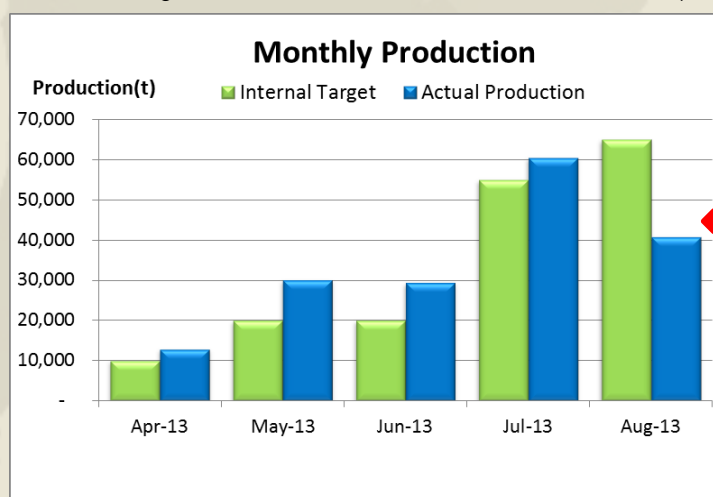
All key infrastructure requirements, including weighbridge, exit ramp and onsite sales and administration offices, have been completed and are fully operational.

The Stage 2 scoping study is well underway with the focus on metallurgy, marketing and logistics. Results will be released as they come to hand. Stage 2 processing will upgrade the itabirite ore into high-grade sinter and pellet feed products, both saleable into the domestic market. The plant modifications are expected to be funded out of cash flow.

The Posse Mine is currently operating under a trial mining licence at a throughput restricted to 300,000tpa and dry beneficiation. As a result, the current development plan has targeted the haematite ore which, due to its high-grade, low contaminant levels, compact nature and near-surface location, requires only crushing and screening to produce highly sought after, direct trucking lump products.

A full mining licence is awaited to allow for Stage 2 plant upgrades for beneficiation of the itabirite ore currently being stockpiled on site. In May 2013, Crusader was granted a LI (Installation Licence) which, when coupled with the PAE (Economic Development Plan) previously approved by the Mines Department, enables Crusader to apply for a full mining right, upgrade the beneficiation plant and produce high-grade fines products.

An application for the full mining licence has been made and is expected to be received soon.



Current production on track to exceed forecast

\*As at August 19th, production for the month totalled 40,796 tonnes. Average daily production for the month equals 2,720 tonnes.

Figure 1: Actual and forecast production for Posse Mine since inception

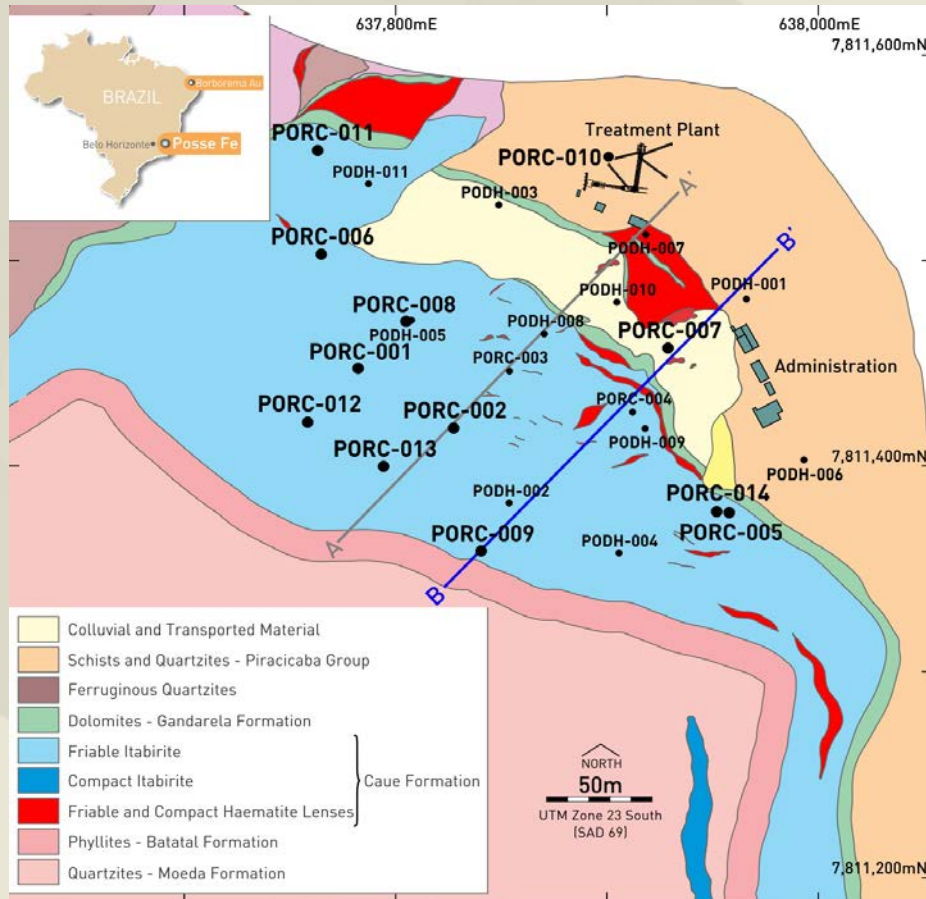


Figure 2: Posse Iron Ore geological plan with drill hole locations

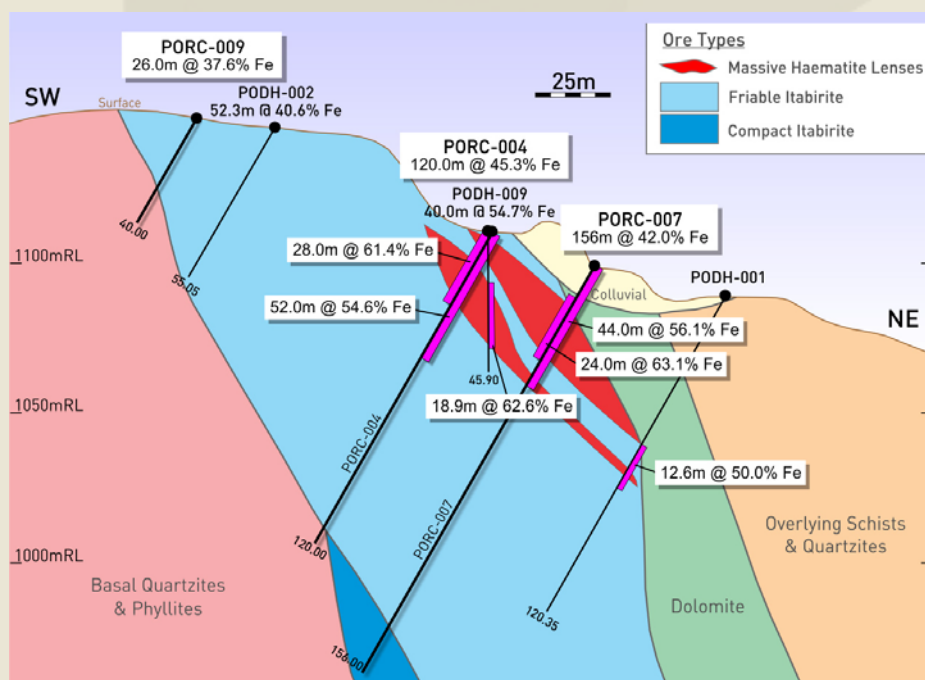


Figure 3: Section B-B' from the Posse Iron Ore project

Hole ID	Easting	Northing	RL	Final Depth (m)	Dip	Azimuth	Hole Type
PODH-001	637,966	7,811,481	1,088	120.35	-60°	228°	DD
PODH-002	637,854	7,811,382	1,143	55.05	-59°	222°	DD
PODH-003	637,849	7,811,527	1,096	68.40	-60°	223°	DD
PODH-004	637,906	7,811,358	1,139	24.00	-60°	220°	DD
PODH-005	637,808	7,811,471	1,128	97.90	-60°	225°	DD
PODH-006	637,993	7,811,403	1,086	82.30	-59°	237°	DD
PODH-007	637,918	7,811,513	1,087	88.70	-60°	224°	DD
PODH-008	637,870	7,811,464	1,110	108.30	-60°	242°	DD
PODH-009	637,918	7,811,418	1,110	45.90	-90°	225°	DD
PODH-010	637,905	7,811,480	1,098	83.80	-60°	225°	DD
PODH-011	637,787	7,811,537	1,110	77.90	-60°	225°	DD
PORC-001	637,782	7,811,448	1,138	102.00	-60°	225°	RC
PORC-002	637,828	7,811,419	1,136	108.00	-60°	225°	RC
PORC-003	637,854	7,811,446	1,120	136.62	-60°	225°	RC
PORC-004	637,912	7,811,426	1,110	120.00	-60°	225°	RC
PORC-005	637,952	7,811,378	1,104	54.00	-60°	225°	RC
PORC-006	637,765	7,811,503	1,115	50.00	-60°	225°	RC
PORC-007	637,929	7,811,457	1,098	156.00	-60°	225°	RC
PORC-008	637,805	7,811,470	1,127	124.00	-60°	225°	RC
PORC-009	637,840	7,811,359	1,147	40.00	-60°	225°	RC
PORC-010	637,901	7,811,551	1,084	129.00	-60°	225°	RC
PORC-011	637,763	7,811,554	1,101	40.00	-60°	225°	RC
PORC-012	637,758	7,811,421	1,153	120.00	-60°	225°	RC
PORC-013	637,794	7,811,400	1,151	67.00	-60°	225°	RC
PORC-014	637,958	7,811,377	1,104	98.00	-55°	145°	RC

\*All coordinates are in SAD69, UTM 23 S

Table 1: Drill hole locations – Posse 2013 RC drilling

Hole ID	From (m)	Interval (m)	% Fe	% SiO <sub>2</sub>	% Al <sub>2</sub> O <sub>3</sub>	% Mn	% P	% LOI
<b>PORC-001</b>	<b>0</b>	<b>102</b>	<b>41.35</b>	<b>38.18</b>	<b>0.51</b>	<b>0.17</b>	<b>0.03</b>	<b>1.07</b>
inc.	0	28	46.86	29.04	0.91	0.19	0.01	0.83
<b>PORC-002</b>	<b>0</b>	<b>82</b>	<b>41.64</b>	<b>36.73</b>	<b>0.35</b>	<b>0.19</b>	<b>0.03</b>	<b>1.00</b>
inc.	0	8	54.23	20.33	0.93	0.15	0.02	0.91
<b>PORC-003</b>	<b>0</b>	<b>136.62</b>	<b>45.23</b>	<b>32.40</b>	<b>0.72</b>	<b>0.17</b>	<b>0.03</b>	<b>0.69</b>
inc.	0	44	56.60	16.28	1.27	0.17	0.01	0.72
inc.	8	14	66.43	3.34	0.88	0.10	0.02	0.45
and	34	10	58.48	10.79	2.57	0.19	0.01	1.47
<b>PORC-004</b>	<b>0</b>	<b>120</b>	<b>45.26</b>	<b>33.06</b>	<b>0.53</b>	<b>0.21</b>	<b>0.02</b>	<b>0.67</b>
inc.	0	28	61.40	10.57	0.96	0.21	0.02	0.62
inc.	0	8	63.33	6.82	1.62	0.42	0.02	1.32
and	12	14	63.81	7.24	0.81	0.15	0.02	0.37
<b>PORC-005</b>	<b>0</b>	<b>40</b>	<b>44.40</b>	<b>32.85</b>	<b>1.26</b>	<b>0.40</b>	<b>0.01</b>	<b>0.80</b>
inc.	0	12	58.73	13.36	1.32	0.21	0.01	0.67
<b>PORC-006</b>	<b>0</b>	<b>44</b>	<b>45.63</b>	<b>30.20</b>	<b>1.45</b>	<b>0.22</b>	<b>0.01</b>	<b>1.02</b>
inc.	0	30	47.60	28.52	1.50	0.14	0.00	0.95
<b>PORC-007</b>	<b>0</b>	<b>156</b>	<b>41.99</b>	<b>32.74</b>	<b>1.15</b>	<b>0.23</b>	<b>0.01</b>	<b>0.98</b>
inc.	0	44	56.14	13.30	3.37	0.37	0.02	1.63
inc.	12	24	63.08	4.46	2.15	0.53	0.03	1.19
<b>PORC-008</b>	<b>0</b>	<b>114</b>	<b>43.87</b>	<b>31.77</b>	<b>0.87</b>	<b>0.24</b>	<b>0.02</b>	<b>0.89</b>
inc.	0	84	46.56	29.07	1.01	0.27	0.01	0.83
inc.	0	20	54.36	19.34	1.64	0.04	0.01	0.76
<b>PORC-009</b>	<b>0</b>	<b>26</b>	<b>37.62</b>	<b>34.61</b>	<b>2.21</b>	<b>0.39</b>	<b>0.02</b>	<b>3.23</b>
<b>PORC-010</b>	<b>77</b>	<b>8</b>	<b>42.73</b>	<b>33.90</b>	<b>1.98</b>	<b>0.69</b>	<b>0.01</b>	<b>1.12</b>
and	99	4	40.70	29.00	1.50	1.51	0.04	2.51
<b>PORC-011</b>	<b>0</b>	<b>20</b>	<b>40.14</b>	<b>32.36</b>	<b>5.22</b>	<b>0.40</b>	<b>0.02</b>	<b>3.52</b>
inc.	2	8	45.85	29.63	2.52	0.14	0.02	1.70
<b>PORC-012</b>	<b>0</b>	<b>104</b>	<b>42.46</b>	<b>36.96</b>	<b>0.56</b>	<b>0.20</b>	<b>0.04</b>	<b>1.11</b>
inc.	0	12	45.90	30.42	0.84	0.26	0.02	0.87
and	70	10	46.86	31.94	0.42	0.18	0.06	0.93
<b>PORC-013</b>	<b>0</b>	<b>56</b>	<b>42.38</b>	<b>34.99</b>	<b>0.87</b>	<b>0.22</b>	<b>0.04</b>	<b>1.57</b>
inc.	0	4	51.10	19.75	2.73	0.11	0.01	1.80
and	38	4	45.15	31.60	0.59	0.25	0.09	2.81
<b>PORC-014</b>	<b>0</b>	<b>72</b>	<b>40.33</b>	<b>39.45</b>	<b>1.07</b>	<b>0.21</b>	<b>0.01</b>	<b>0.66</b>
inc.	10	28	45.64	31.45	1.32	0.33	0.01	0.72
inc.	22	4	60.30	10.41	1.57	0.40	0.02	0.85

\*All intersections are down-hole intersections, which for holes oriented -60° to 225° represent approximately 115% of true width

Table 2: Significant intersections from Posse 2013 RC drilling



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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 assets include 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 Ore Project near Belo Horizonte which produces high-quality iron ore for consumption in the Brazilian domestic iron industry.

**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.