

crusader

Brazilian Miner, Developer and Explorer

January 2013

www.crusaderresources.com



ASX: CAS



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Competent Person Statement

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 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.

The information in this report that relates to Borborema Gold 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 they appear.

The 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.

Corporate Snapshot



Capital Structure

(As at 21 January 2013)

Ordinary Shares (ASX:CAS)	126.6 M
Unlisted Options (weighted average exercise price: \$0.96)	3.46 M
Market Capitalisation (share price \$0.40 – undiluted)	~ \$51 M
Cash at Bank (30 Sep 2012)	~ \$8.4 M

Significant Shareholders

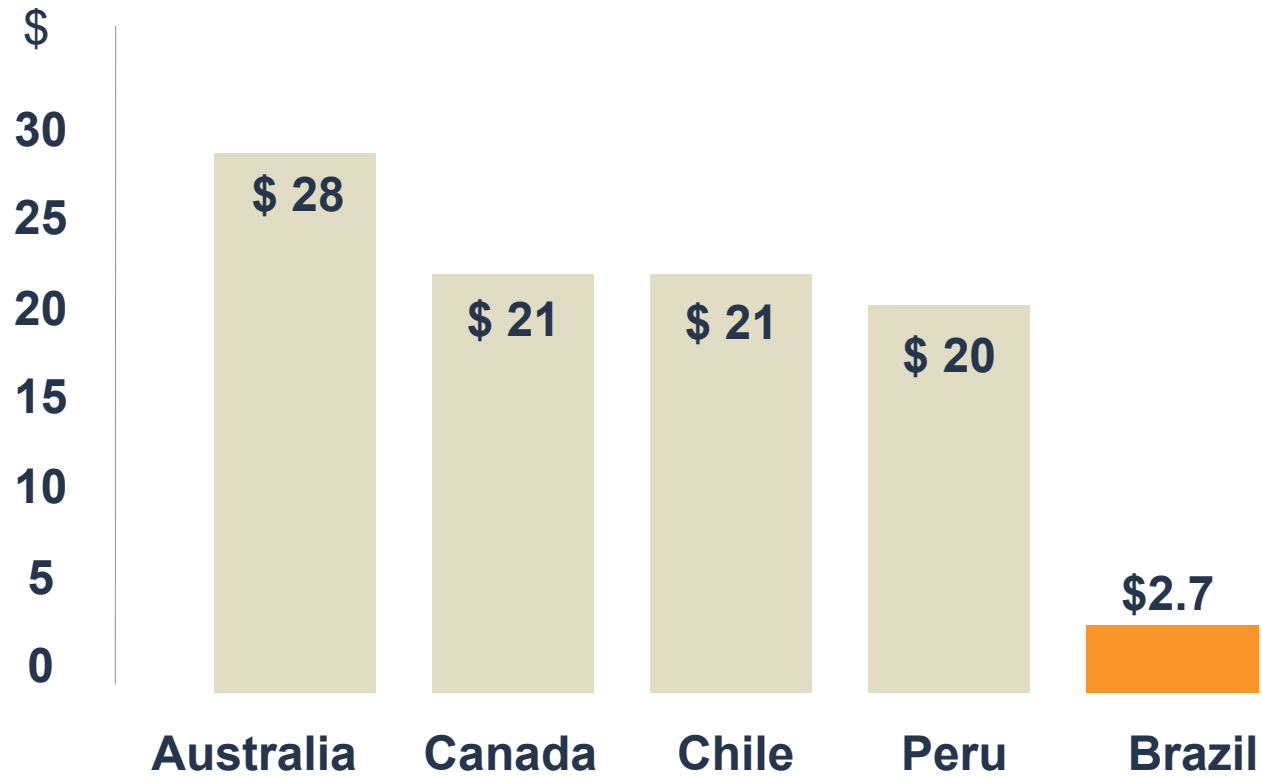
Dundee Corporation	15 %	Directors	8 %
Northcape Capital	10 %	Copulos Group	8 %

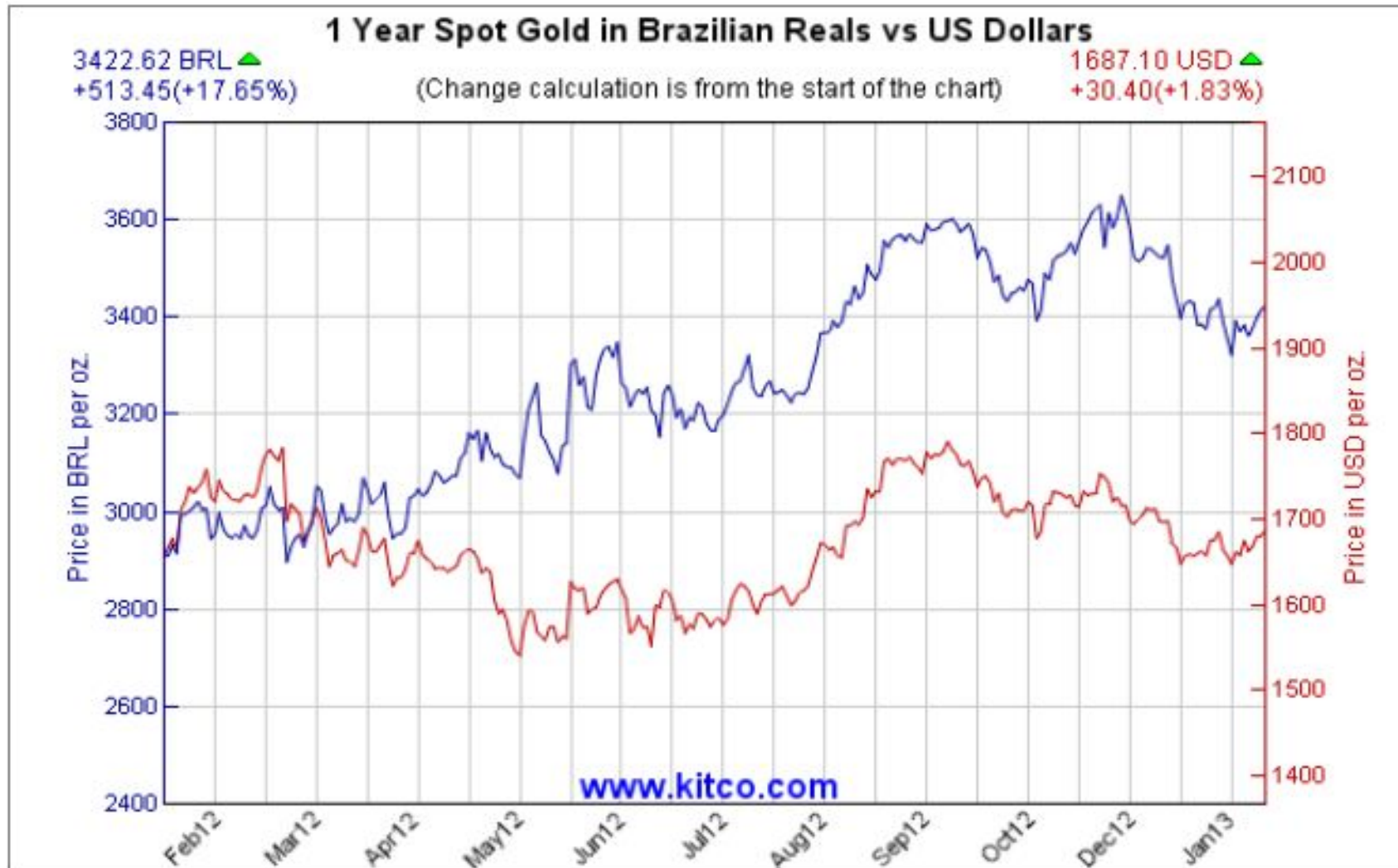
Top 20 Shareholders own 68 % of Share Register

Exploration Spend Comparison



Exploration spend (\$/ha) by country





Crusader in Brazil

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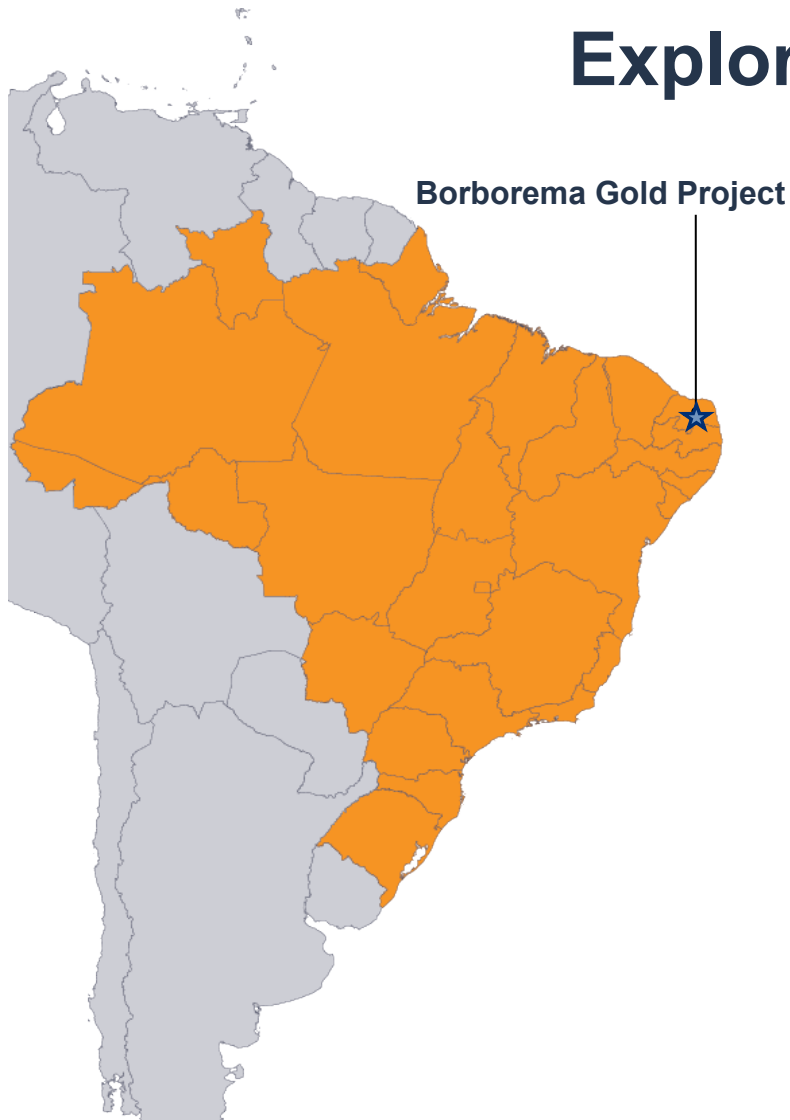


- Positive cash flow - March 2013
- 150,000 oz gold producer by 2015
- Continue exploration success

Borborema Gold Project

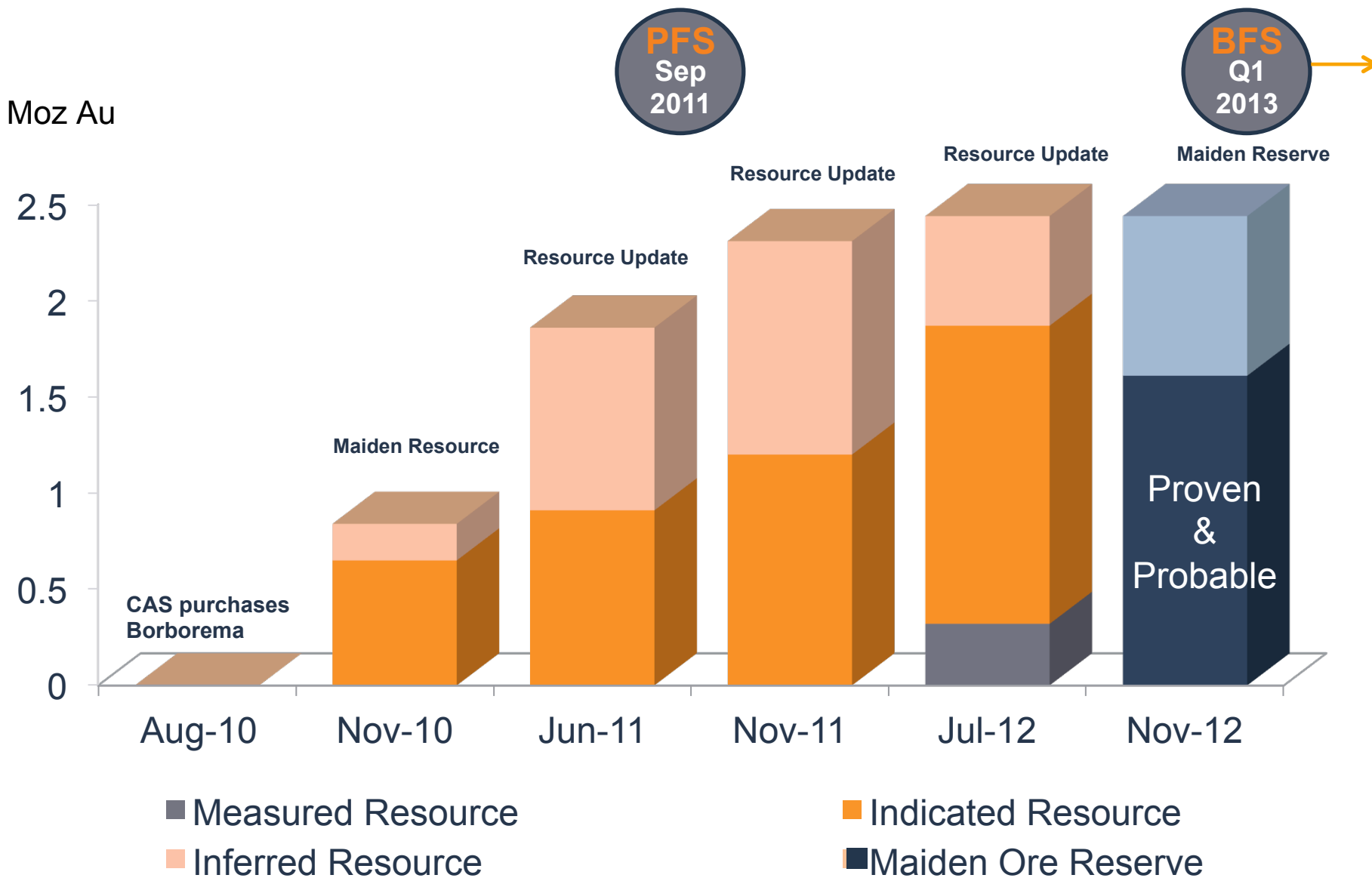
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Explore → Develop → Produce



- Total Resources 2.43 Moz @ 1.10g/t (Measured, Indicated & Inferred)
- 1.61 Moz Au Proven and Probable Ore Reserve (42.4 Mt @ 1.18g/t)
- Project area > 4,400km² and growing

Resource / Reserve Definition



Maiden Ore Reserve – Nov 2012



Borborema Gold Project Maiden Ore Reserve				
Category		Tonnes (Mt)	Grade (Au g/t)	Mineable Gold (koz)
Proven	Oxide	0.65	0.80	17
	Fresh	7.26	1.25	292
Probable	Oxide	1.68	0.70	38
	Fresh	32.82	1.20	1,260
Total		42.41	1.18	1,610 (1.61 Moz)

Ore Reserve estimate for the Borborema Gold Project. Reported at a 0.4 g/t cut-off for oxide and 0.5g/t cut-off for fresh material. The cut-off grades have been based on the latest throughput costs, gold price of US\$1350/oz, metallurgical recovery of 95% and then rounded up. Note, appropriate rounding has been applied, subtotals may not equal total figures.

2012 Drilling Highlights



January 2012

- ↗ **15m @ 3.36 g/t Au** from 142m in CRDD-097
- ↗ **16m @ 7.20 g/t Au** from 245m in CRDD-115
- Including **7m @ 15.41 g/t Au** from 252m
- ↗ **16m @ 7.87 g/t Au** from 74m in CRRC-211
- Including **3m @ 35.67 g/t Au** from 81m
- ↗ **18m @ 2.04 g/t Au** from 0m in CRRC-228
- ↗ **18m @ 5.86 g/t Au** from 59m in CRRC-284
- Including **7m @ 15.35 g/t Au** from 62m

February 2012

- ↗ **17m @ 5.24 g/t Au** from 64m in CRRC-286
- Including **4m @ 17.75 g/t Au**
- ↗ **15m @ 4.91 g/t Au** from 190m in CRDD-119
- Including **3m @ 14.86 g/t Au**
- ↗ **22m @ 3.15 g/t Au** from 104m in CRRC-215

April 2012

- ↗ **27m @ 8.49 g/t Au** from 278m in CRDD-138
- including **5m @ 37.10 g/t Au**
- ↗ **26m @ 3.17 g/t Au** from 301m in CRDD-141
- including **3m @ 18.46 g/t Au** from 308m
- ↗ **26m @ 2.73 g/t Au** from 294m in CRDD-136

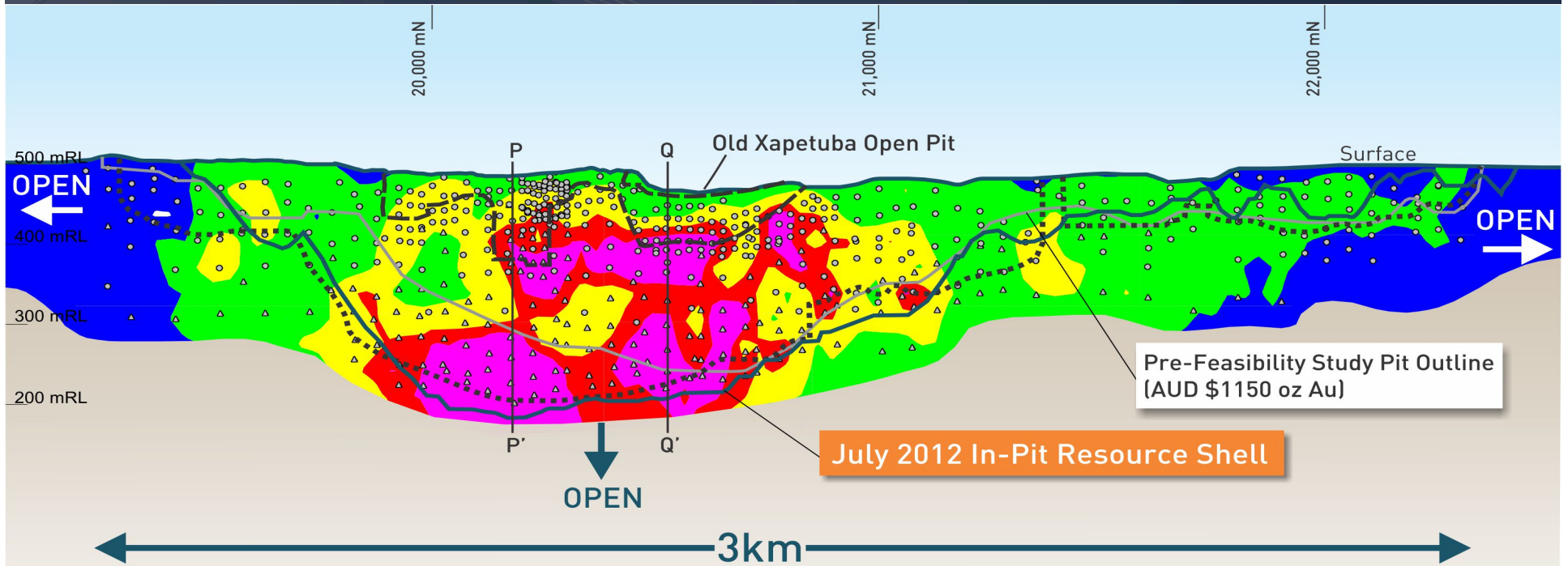
June 2012

- ↗ **34m @ 2.77 g/t Au** from 287m in CRDD-146
- ↗ **20m @ 2.87 g/t Au** from 194m in CRDD-151
- ↗ **17m @ 2.55 g/t Au** from 304m and **5m @ 3.61g/t Au** from 327m in CRDD-134 a combined interval of **38m @ 2.60 g/t Au** from 304m)

August 2012

- ↗ **1m @ 26.30 g/t Au** from 161m and **1m @ 6.48 g/t Au** from 173m and **10m @ 2.16 g/t Au** from 207m in CRDD-162
- ↗ **12m @ 1.25 g/t Au** from 167m and **8m @ 2.93 g/t Au** from 182m in CRDD-166
- ↗ **10m @ 3.65 g/t Au** from 304m and **25m @ 1.08 g/t Au** from 317m in CRDD-160
- ↗ **16m @ 2.15 g/t Au** from 239m in CRDD-159

Long Section



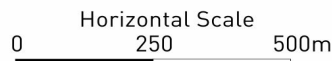
Legend

July, 2012 MIK Block Model Resource Ounces Au

- > 700
- 500 to 700
- 250 to 500
- 50 to 250
- 0 to 50

Note: 10m x 10m panels, using only Measured, Indicated and Inferred Resources >0.5g/t Au

- Indicated - Measured Resource Boundary
- Inferred - Indicated Resource Boundary
- CAS Drilling**
- P' Section Line
- Diamond Hole - Previously Announced
- RC Hole - Previously Announced



Note : 2x Vertical exaggeration

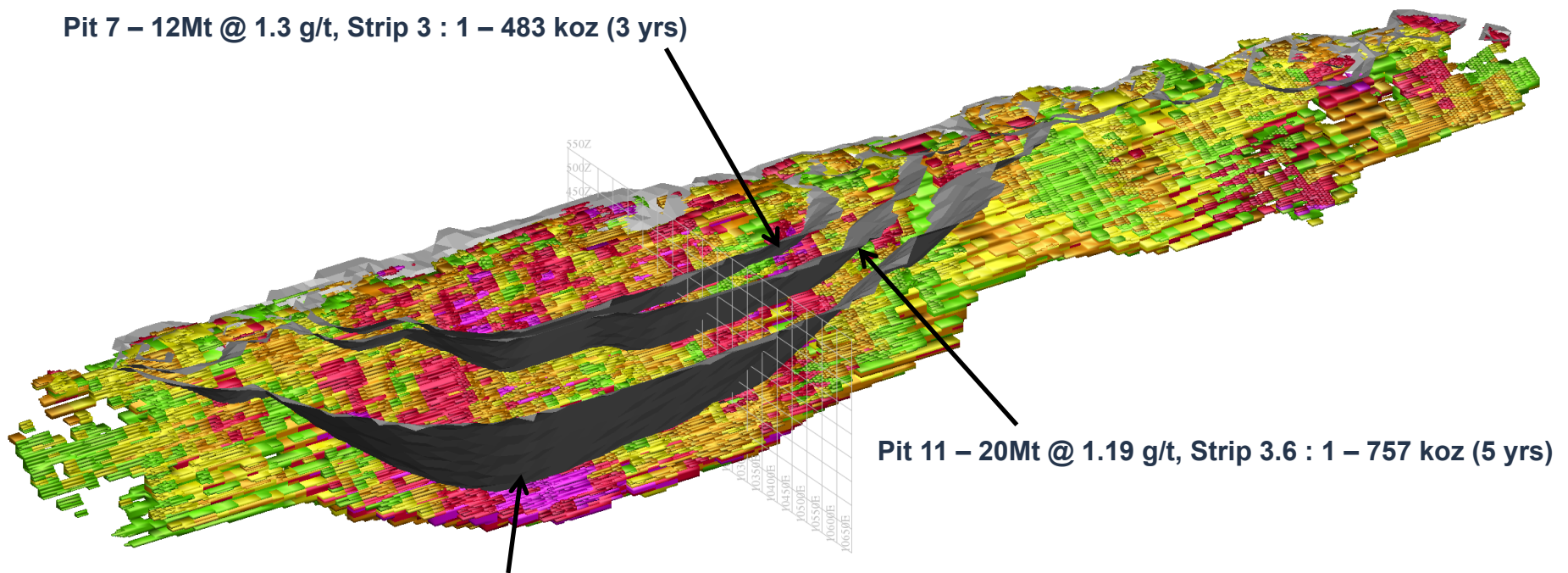
Borborema Gold Project
 July 2012 MIK Resource Model
 Long Projection July 2012

Projected Short Payback Period



- Initial pit shell averages **1.30 g/t Au** with **low strip ratio of 3:1**
- Higher ounces in early years should allow for faster capital payback
- Selective mining may allow for further improved early ounces

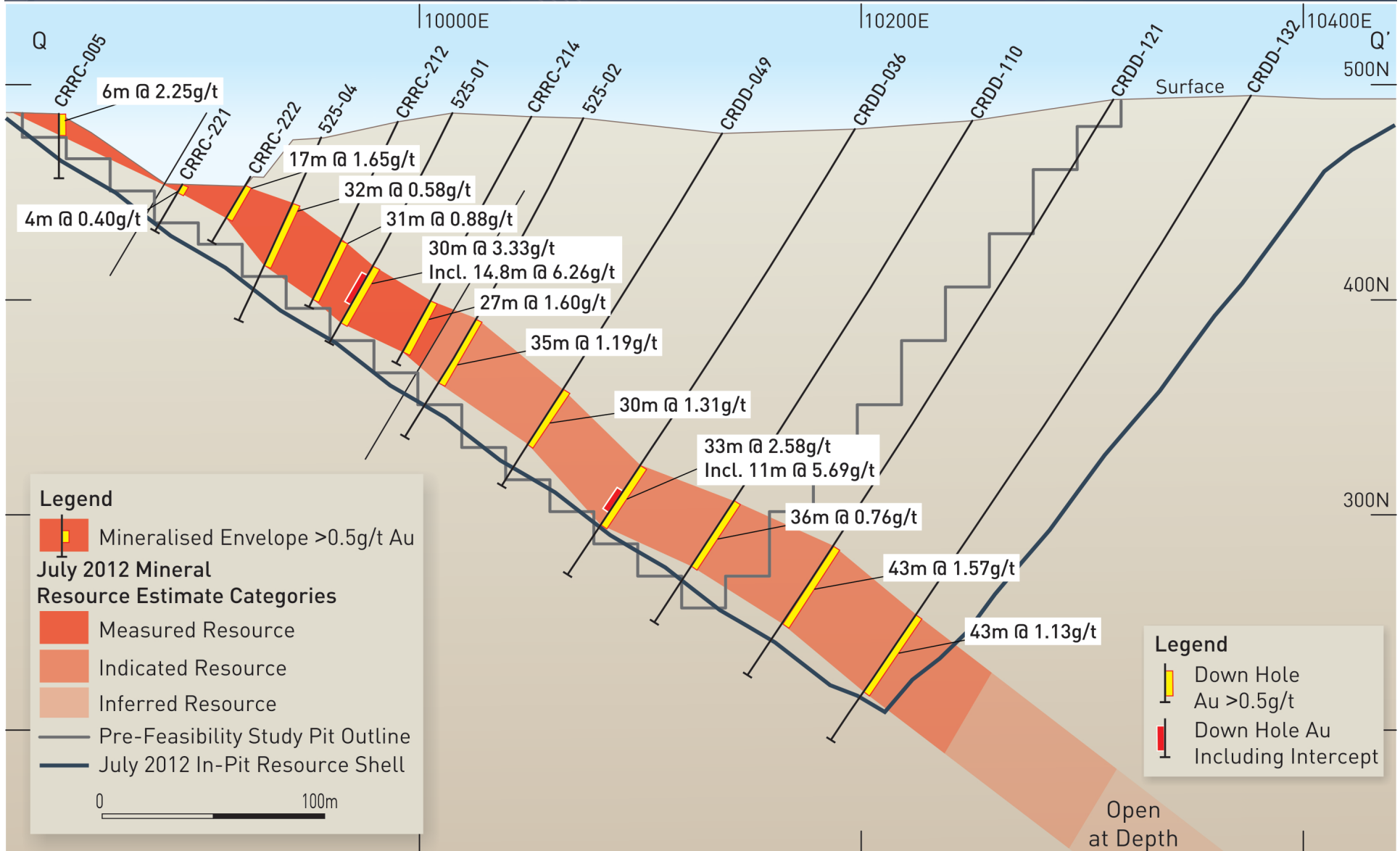
Pit 7 – 12Mt @ 1.3 g/t, Strip 3 : 1 – 483 koz (3 yrs)



Pit 11 – 20Mt @ 1.19 g/t, Strip 3.6 : 1 – 757 koz (5 yrs)

Pit 13 – 43Mt @ 1.2g/t, Strip 6.3 : 1 – 1.55 Moz (10.5 yrs)

Cross Section Q – Q'



Legend

- Mineralised Envelope >0.5g/t Au
- July 2012 Mineral Resource Estimate Categories**
- Measured Resource
- Indicated Resource
- Inferred Resource
- Pre-Feasibility Study Pit Outline
- July 2012 In-Pit Resource Shell

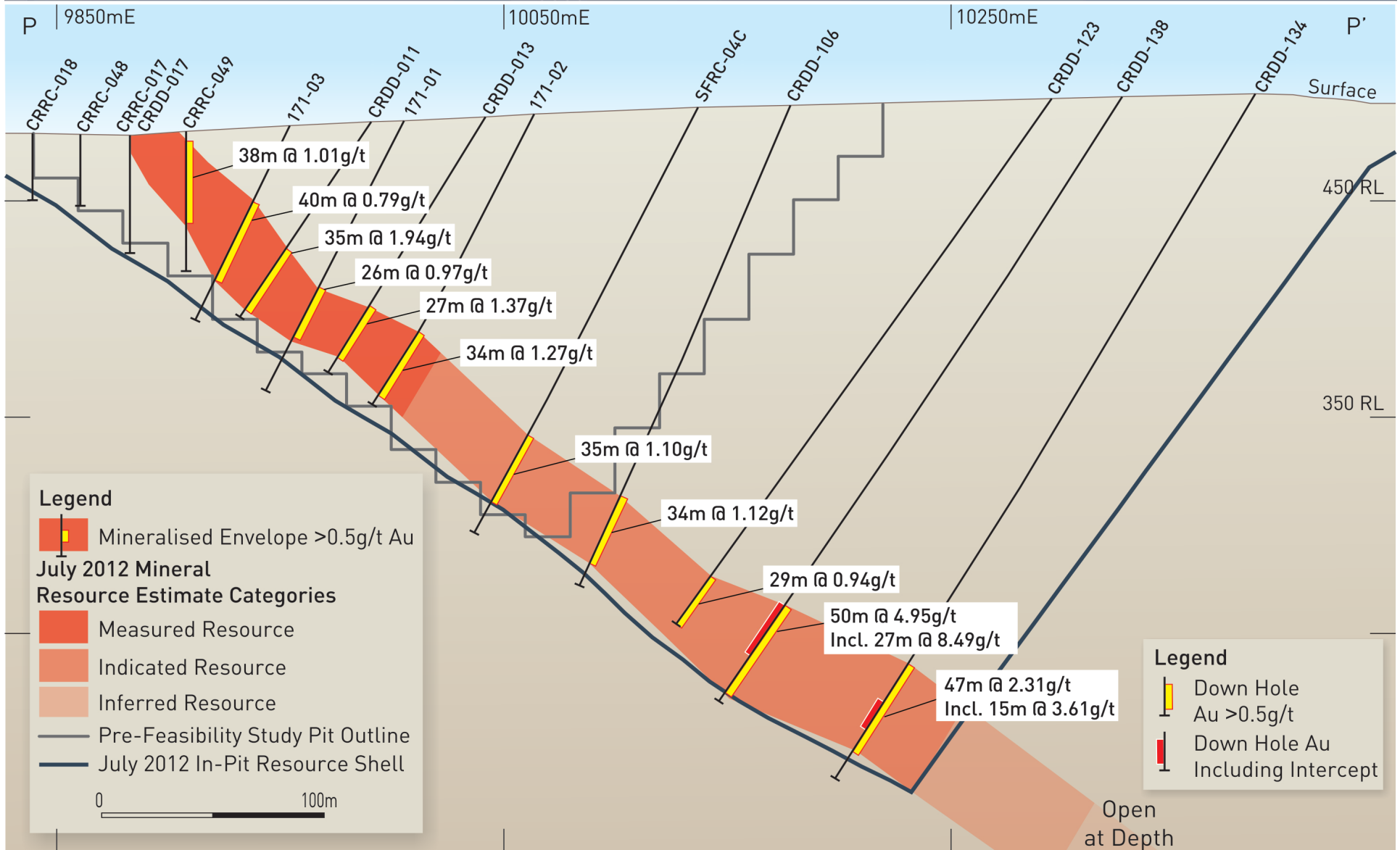


Legend

- Down Hole Au >0.5g/t
- Down Hole Au Including Intercept

Open at Depth

Cross Section P – P'



Project Advantages

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Excellent Location

- 25km from mining town of Currais Novos (pop 42,000)
- Region has rich mining history

Excellent Infrastructure

- Bitumen Highway BR226, 140km from city (and port) of Natal to mine gate
- Power lines traverse Crusader's tenements
- Multiple water options available

Low Cost

- Low mining costs - owner operated, cheap diesel and labour
Mineralisation amenable to bulk mining
- Low processing costs- moderate consumables, low power costs

Government Incentives

- Sudene tax concessions¹ may be available – overall tax rate of 15.25%
- Low government mineral royalties² - currently 1%

¹A federal government economic stimulus scheme, called Sudene, provides significant benefits for businesses operation in the north east of Brazil, including Rio Grande do Norte. The scheme was introduced to boost economic activity in a relatively impoverished area of Brazil. Company tax rates are reduced from 34% to 15.25% for a period of 10 years. Other benefits include reduction in the rates of taxes such as goods and services taxes, sales taxes and import duties.

²The current rate of government royalty is 1% of sales revenue. There is also a 0.5% royalty payable to the landowners. Note that Crusader owns a number of farms in the immediate area including the one that covers the central part of the ore body.

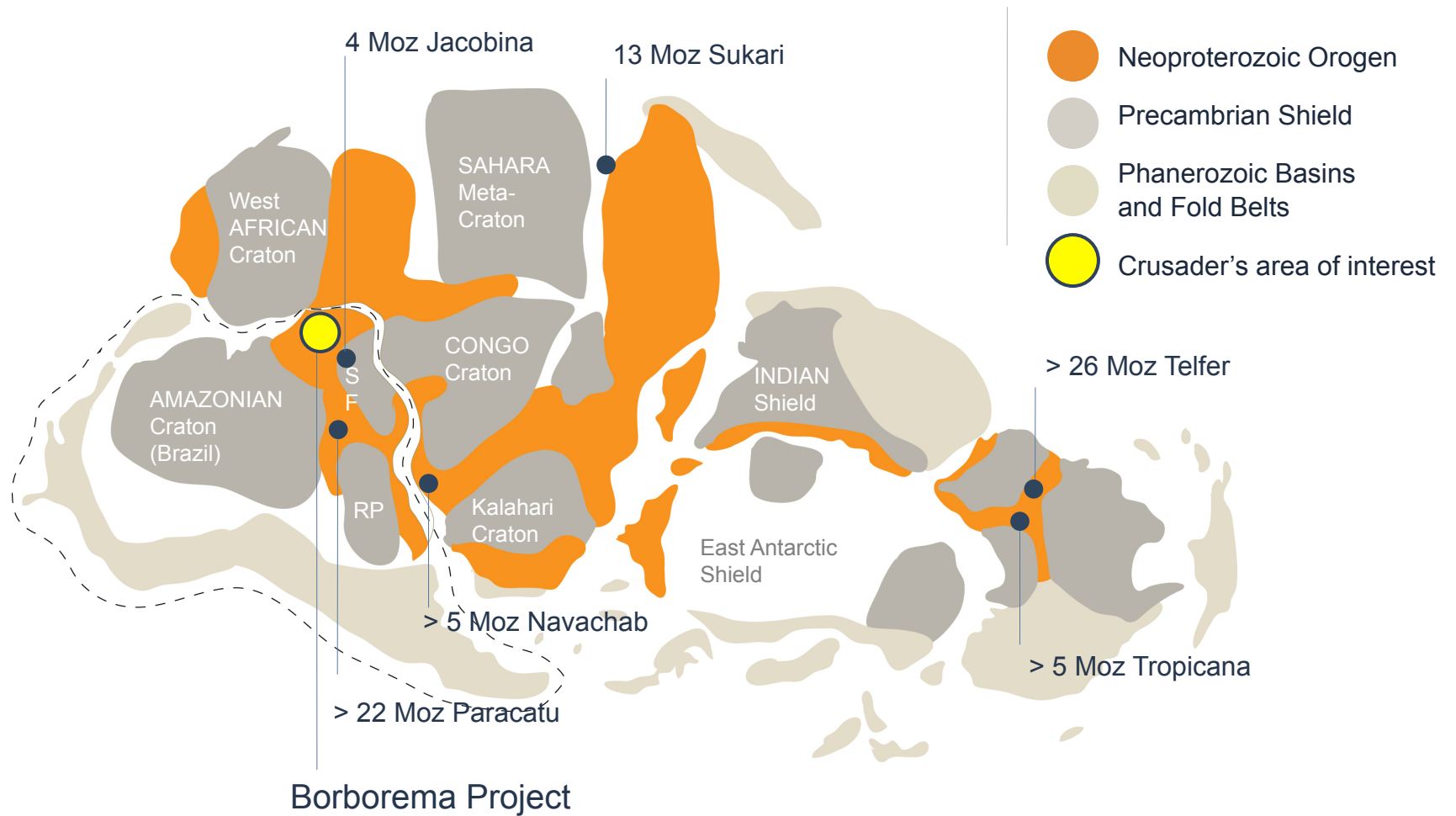


Borborema Exploration Upside

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Exploration – The Right Rocks



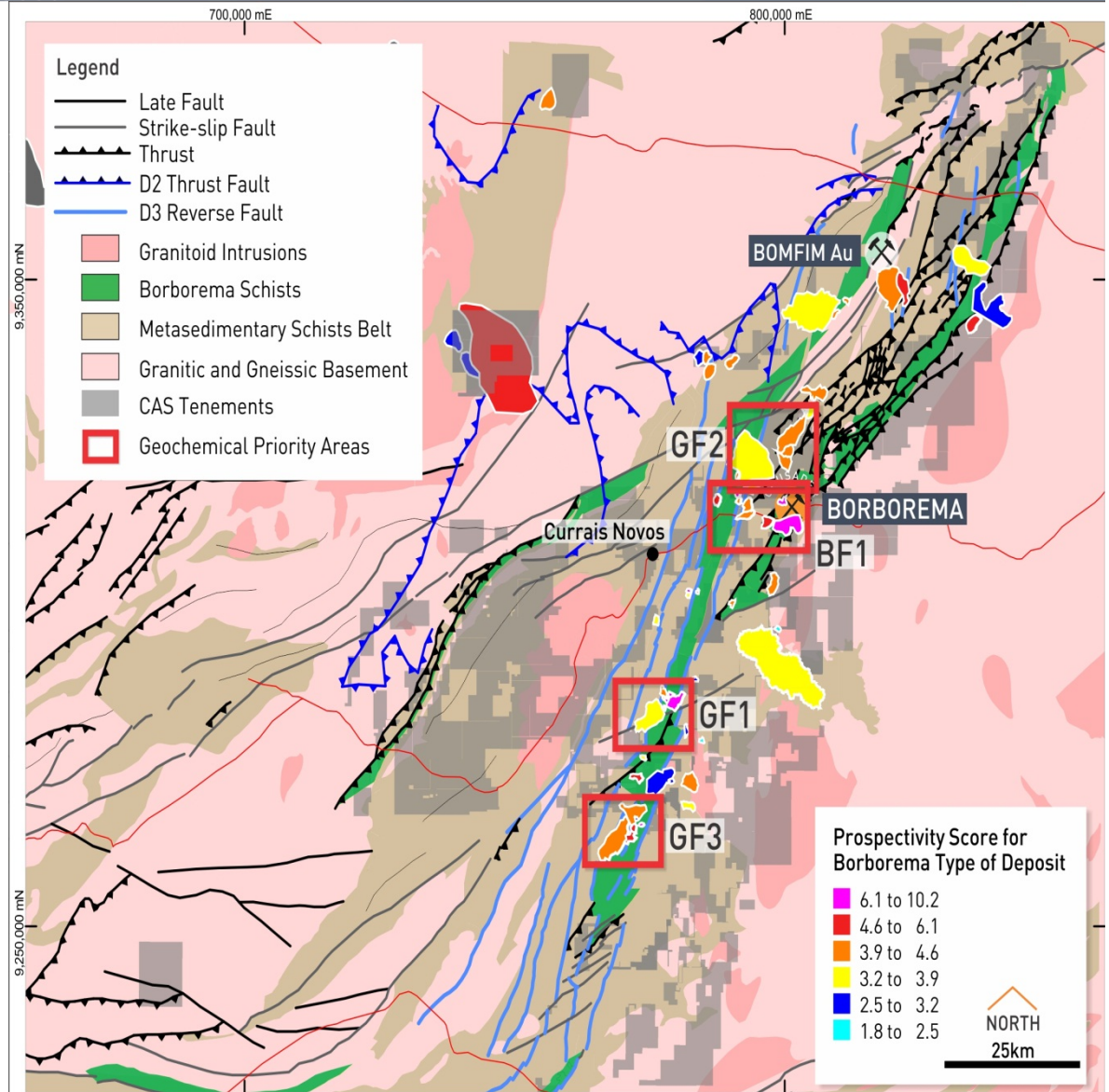
Regional Exploration Underway

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- Project area >4,400km² - **Expanding**
- 100% owned by Crusader- first mover – **New Gold Belt?**
- ~200km of strike
- Never explored for gold

Crusader is;

- Systematic
- Innovative and contemporary
- Persistent!



Next 6 Months – At a Glance



**Borborema
Reserve
(Complete)**

**Borborema
BFS**

**Borborema
Financing**

**Near Mine
Exploration
Success**



Posse Iron Ore – Cash Flow \$\$\$

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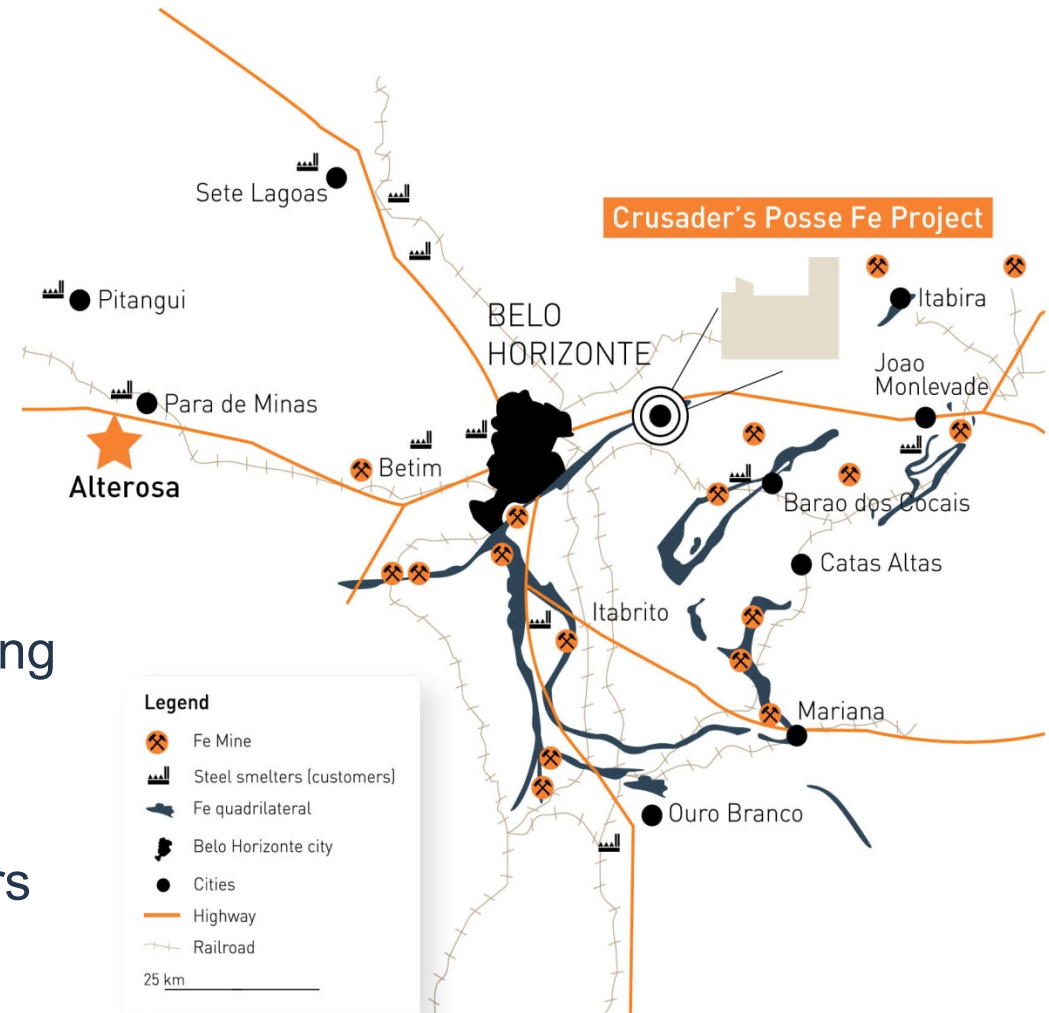
- DSO mine in Minas Gerais state
- Production and Cash flow in 1st quarter 2013
- No Capex- plant is commissioned
- Low Opex ~ A\$12/t
- 100% Crusader
- Highway access road construction underway
- Strong local market for iron ore
- Strengthening International prices



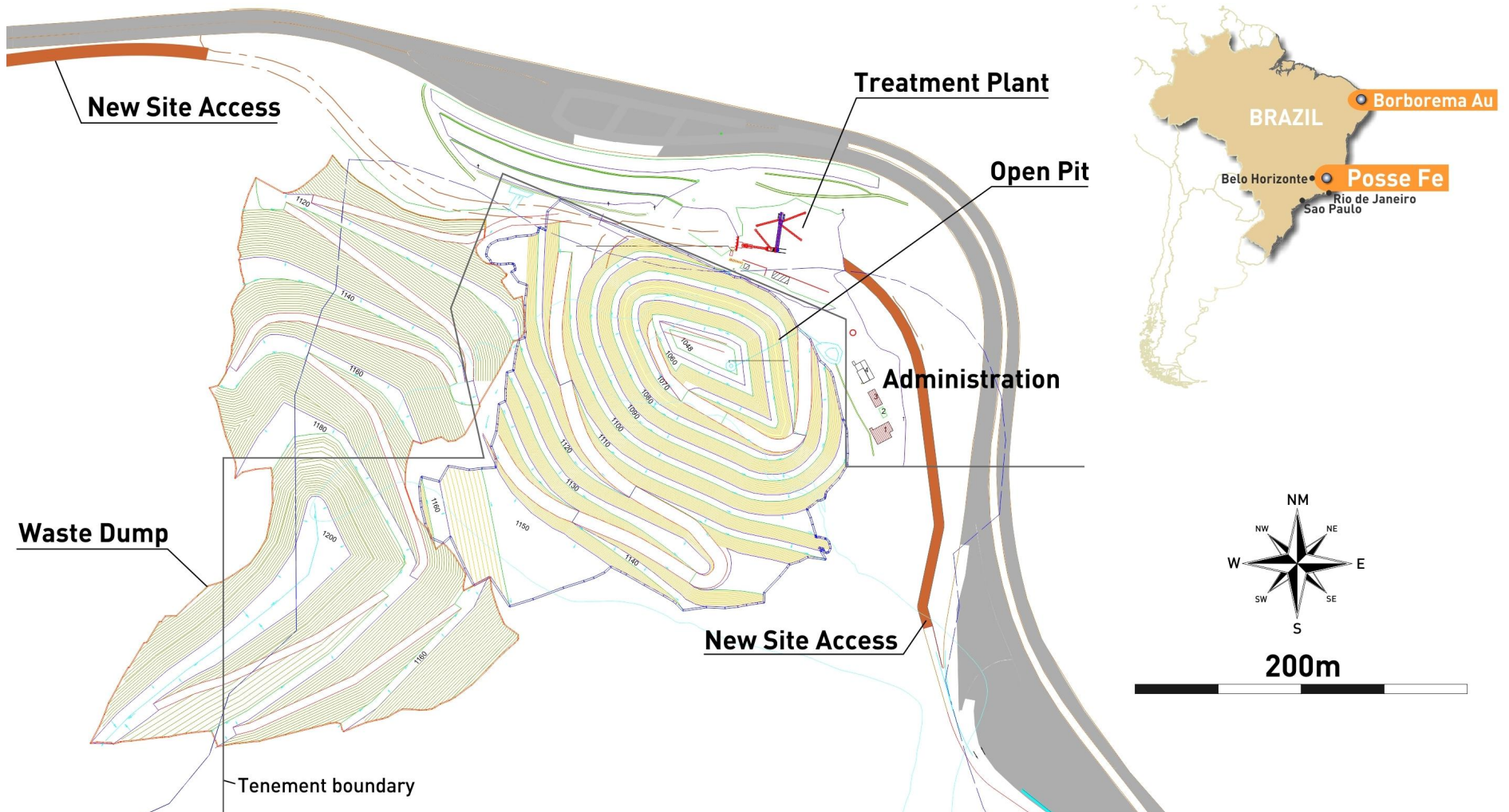
Posse- Location & Infrastructure

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- Close to Belo Horizonte, Brazil's mining heart – “The Iron Quadrilateral”
- Highway network to the mine gate
- Smelters surround the project
- Product demand is strengthening driven by domestic growth
- Letter of Intent signed with Alterosa & two other purchasers



Posse Mine Plan





Open-Pit Development at Posse

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- Well understood geology
- Both itabirite and hematite ore
- Lump high grade hematite of >63% Fe with very low phos will be the focus of early production
- Ore zone is open at depth

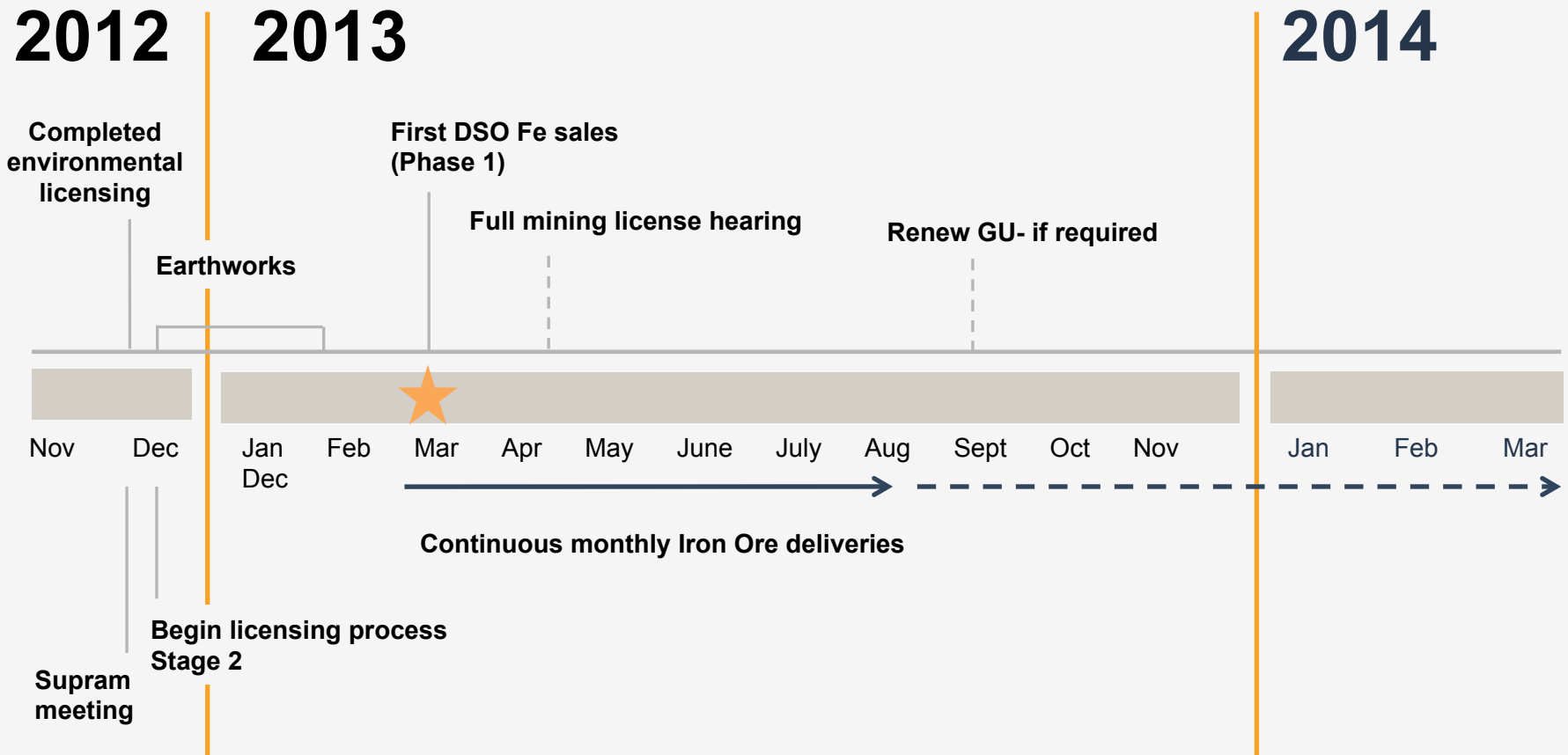
Posse DSO Production Snapshot

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- 300,000tpa ROM moving to 1 Mtpa ROM (with expanded license)
- Targeting high grade (> 60 % Fe) hematite veins
- Stripping ratio initial **0.15:1** moving to **0.21:1**
- DSO products are coarse lump (15%), fine lump (25%), fines (8%) and low grade fines (53%)
- Sales MOU with major smelter Alterosa for > 50% of production. Strong demand from many parties for increasingly rare lump product
- Sale price estimated at \$A75/tonne FOT for coarse and fine lump (> 63% Fe), A\$28 for fines (~55% Fe) and A\$14 for low grade fines (~40% Fe)
- Study underway to evaluate magnetic concentration of low grade fines for extended mine life
- Contract mining
- Opex ~A\$12/tonne ROM

Posse Timeline





Posse plant fully commissioned and ready to start treating ore



Itabirite ore is friable & easily beneficiated in stage 2



Area was mined previously – no pre-stripping required

Experienced Management



Rob Smakman Managing Director

Successful international career (+18 yrs) as Geologist and Manager. Based in Brazil. Fluent in Portuguese.

Paul Stephen Executive Director

17 years' financial services experience. Responsible for Investor Relations and Corporate. Based in Perth.

Mike Schmulian Chief Operating Officer

Experienced geologist (+30 years). Has developed several gold projects in South America. Based in Brazil.

Andrew Beigel Chief Financial Officer

15 years corporate accounting and management experience with several CFO roles held. Based in Perth.

Aidan Platel Exploration Manager

Over 10 years' experience in gold and base metal exploration & development. Based in Brazil. Fluent in Portuguese.

Linton Kirk Consultant Mining Engineer

+30 yrs experience in mining, earthmoving & management in several commodities. Fellow & Chartered Professional – AusIMM.



Crusader Highlights

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Borborema Gold Developing into Major Project

- Maiden 1.6M ounce gold Reserve
- Bankable Feasibility Study for a 4.0mtpa mine due for completion 1st half of 2013
- Brownfields and greenfields exploration underway on > 4,400km²

Cash Generation from Posse DSO Mine

- Posse now licensed
- Cash flow from sales of high grade Posse iron ore to begin in March 2013
- No Capex, low Opex and mine gate sales = high margins

Compelling Combined Investment Proposition

- Strong DSO iron ore cash flows + 1.6 Moz Au Reserve ≠ A\$45m mkt cap





Contact Information

crusader

Head Office

Suite 1, Level 1
35 Havelock Street
West Perth WA 6005
Australia

Tel: +61 8 9320 7500

Fax: +61 8 9320 7501

Email: carey@crusaderresources.com

Web: www.crusaderresources.com

