

# crusader

Miner, Developer, Explorer

Precious Metals, September 2013



ASX:CAS

[www.crusaderresources.com](http://www.crusaderresources.com)



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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.



## PMS 2012-13



### PMS 2012;

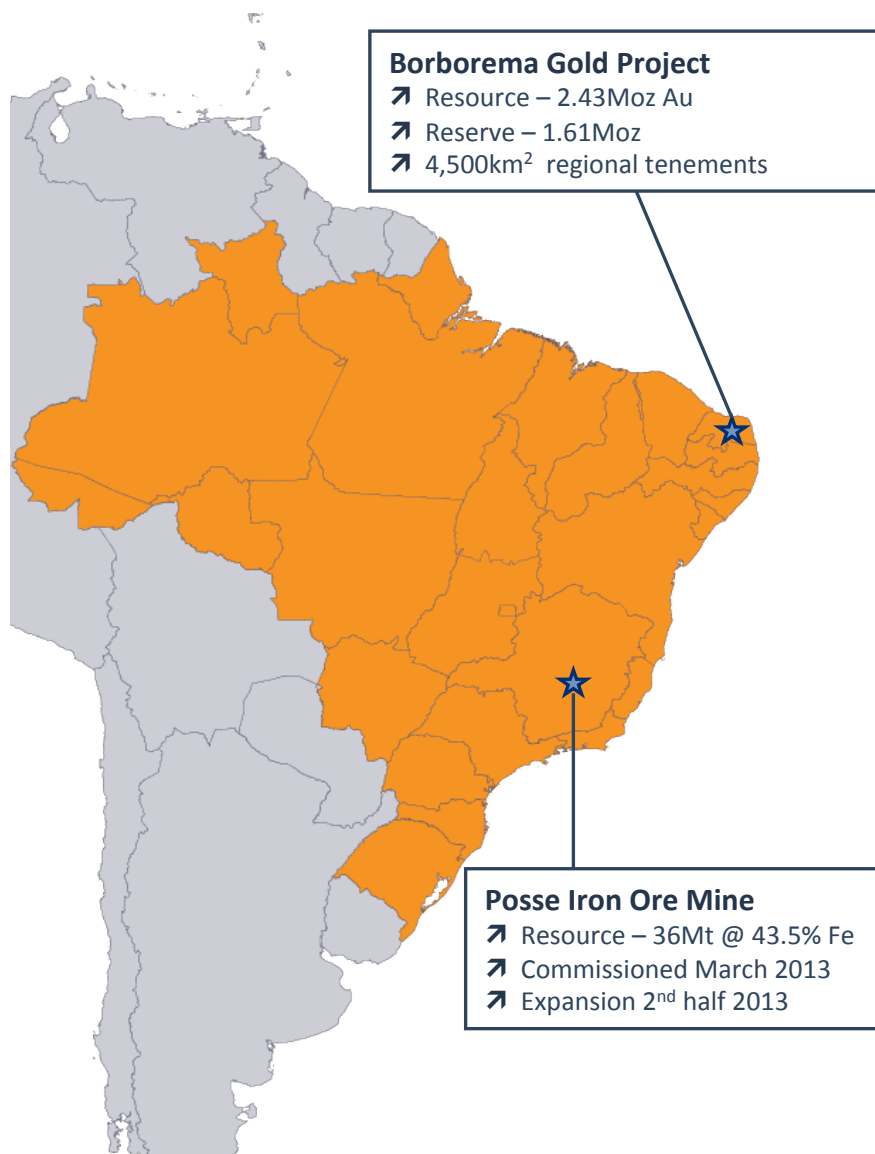
- \$11M in the bank
- \$65M market cap
- Advancing BFS on Borborema gold project

### PMS 2013

- \$3M in the bank
- \$25M market cap

BUT.....Crusader has;

- **Licenced, commissioned and is successfully operating the Posse mine**
- **Is now CASHFLOW positive**
- **NOT raised any additional equity**
- **Raised \$20M in debt (drawn \$5)**
- **Re-structured the board and management**
- **Advanced BFS on Borborema and,**
- **Initiated exploration on our Serido gold project**



## Achievements – Iron Ore

- Licences - Dec '12 – LOP; May '13 – LP/LI
- Mar '13 – First iron ore sales – Posse
- Jul '13 – Nameplate production achieved

## Achievements - Gold

- Nov '12 – Maiden Ore Reserve – Borborema
- Mar '13 – Funding - \$20 M – Macquarie Bank

## Achievements – Corporate

- May '13 - Board restructure & overheads reduction complete

### Capital Structure\*

Ordinary Shares (ASX:CAS)	126.6 M
Options <sup>1</sup>	16.4 M
Market Capitalisation <sup>2</sup>	~ \$25 M
Cash at Bank (30 Jun 2013)	~ \$3M

\* As at 04/09/13

<sup>1</sup> exercise prices: \$0.34 to \$1.30

<sup>2</sup> share price \$0.20

### Significant Shareholders

Northcape Capital	10 %	Directors	14 %
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**Top 20 Shareholders own 60% of Share Register**

# Posse Iron Ore Mine

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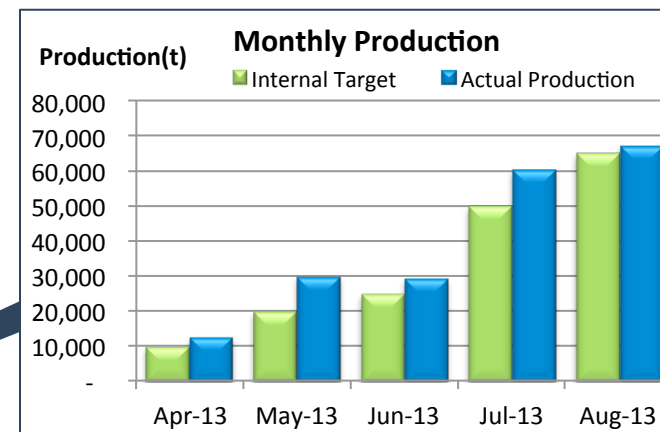
Exploration



Development



Production



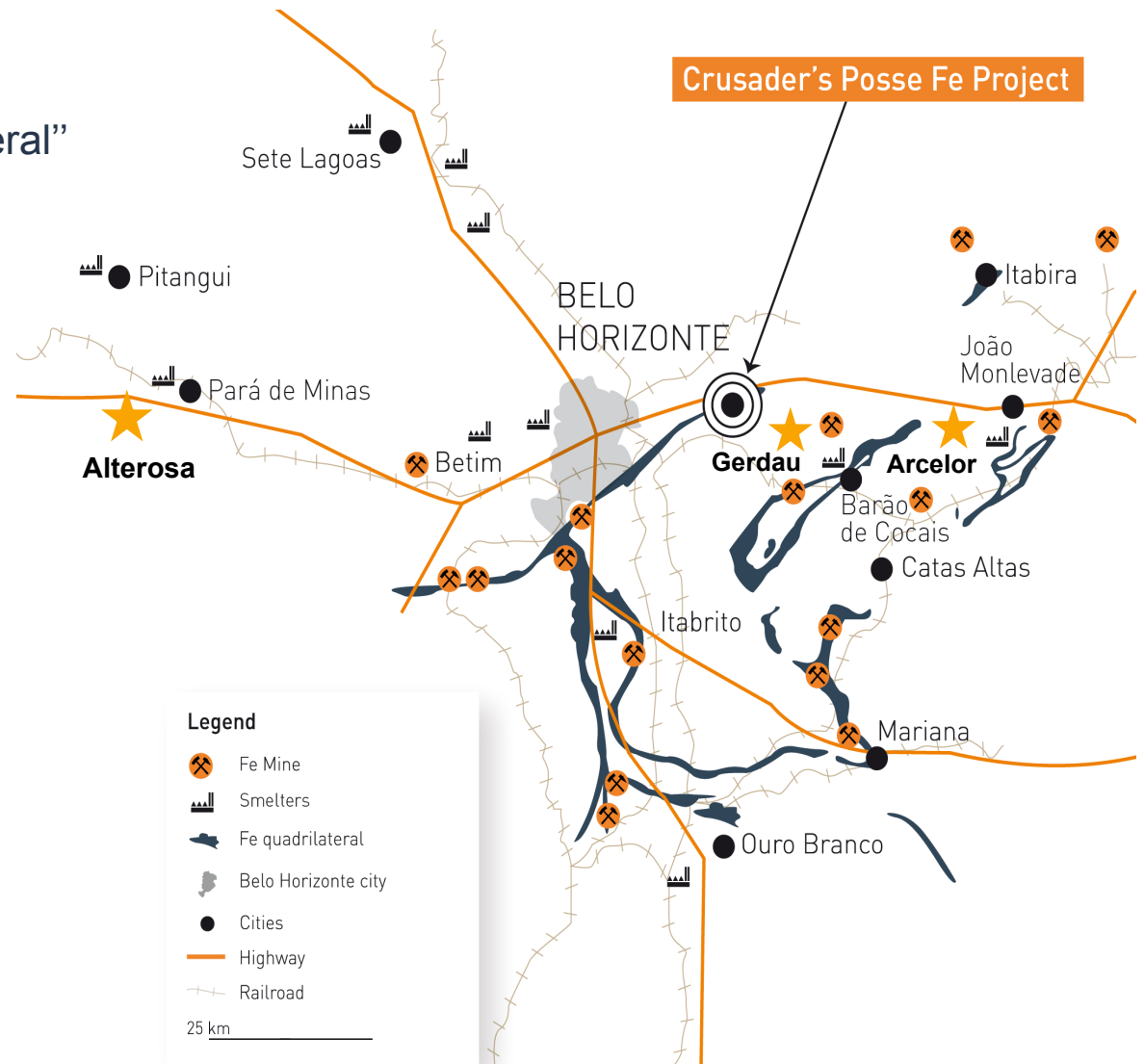
- 100% Crusader
- Opex ~ A\$12/t
- Sales contracted with domestic smelters
- Heart of Brazilian iron industry
- Expansion planned – Q4 of 2013
- Explored, developed, commissioned



# Infrastructure & Customers

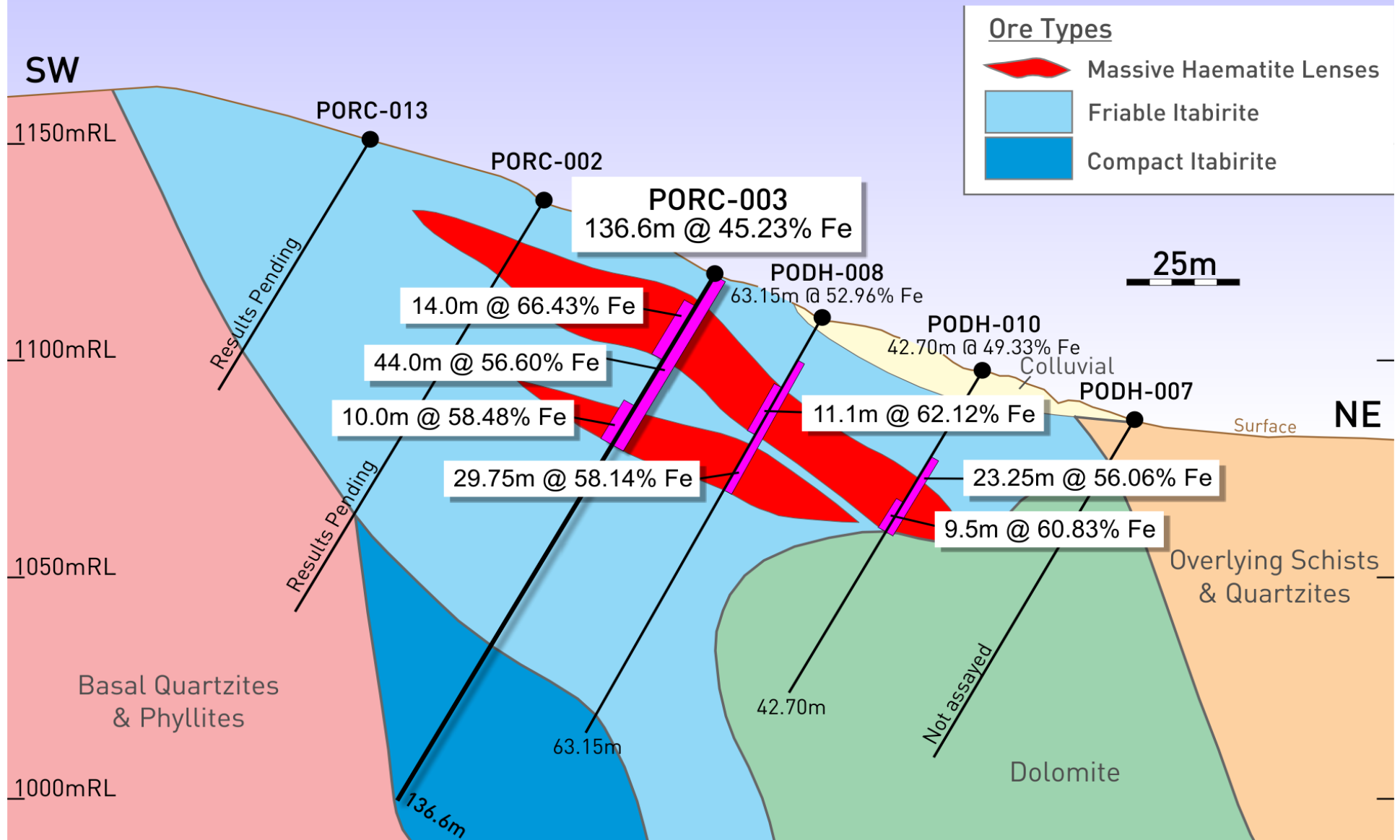
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- Close to Belo Horizonte, Brazil's mining heart – "The Iron Quadrilateral"
- Highway network to the mine gate
- Smelters surround the project
- Product demand is strengthening driven by domestic growth
- Multiple sales contracts in place



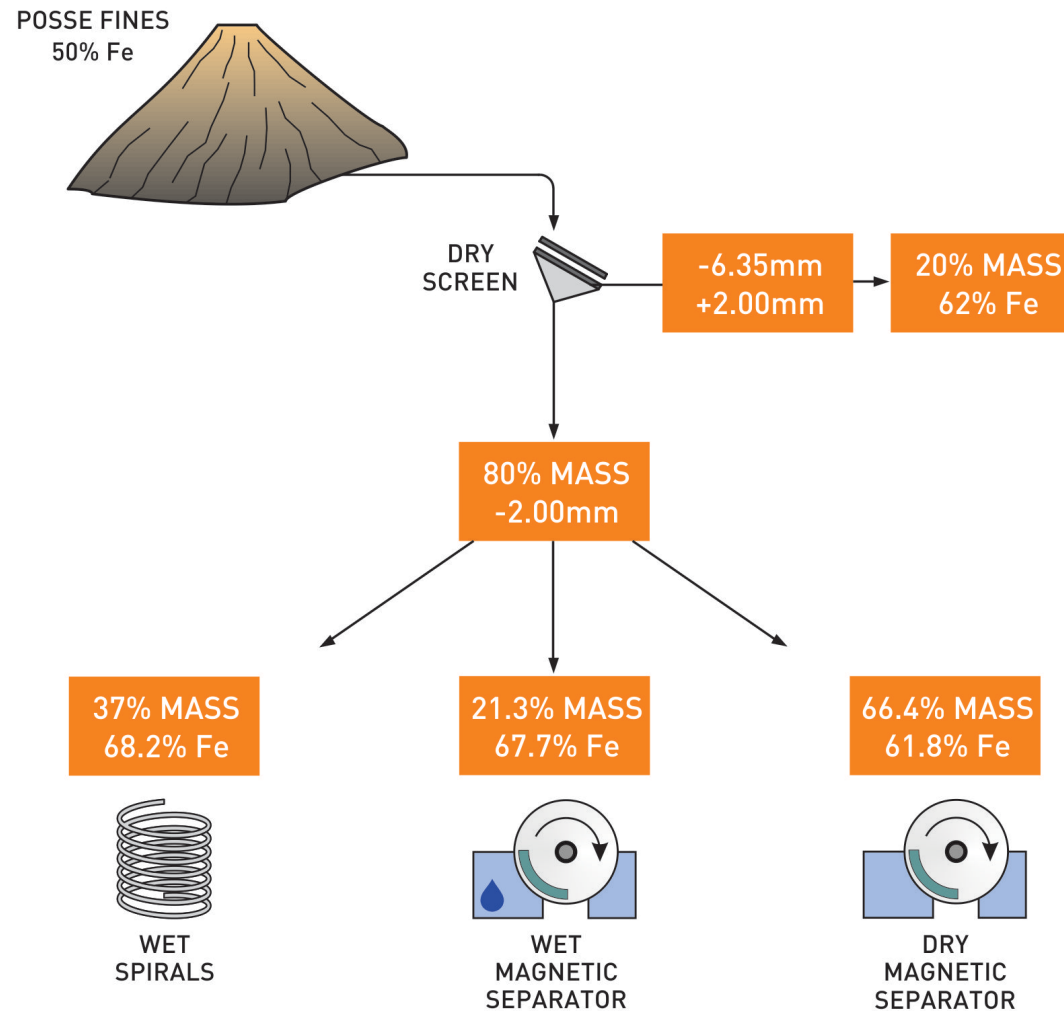
# Drilling Results Cross Section A – A'

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# Metallurgy results

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# Borborema Gold Project

## 1.61 Moz Reserve

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Exploration → Development → Production



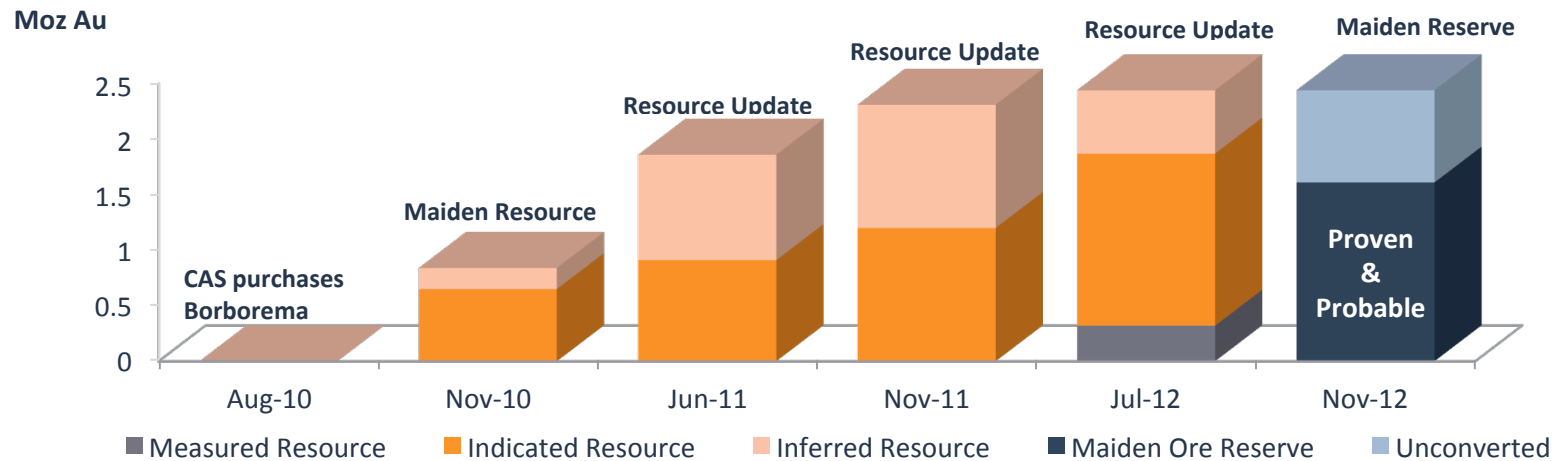
- 100% Crusader owned
- Development Project
- Hard work complete - > 80,000m drilled
- Completed PFS. Feasibility work underway
- 1.6 Moz Au in Reserve



# Resource Growth



## Resource / Reserve Definition



## Borborema Gold Project - Maiden Ore Reserve

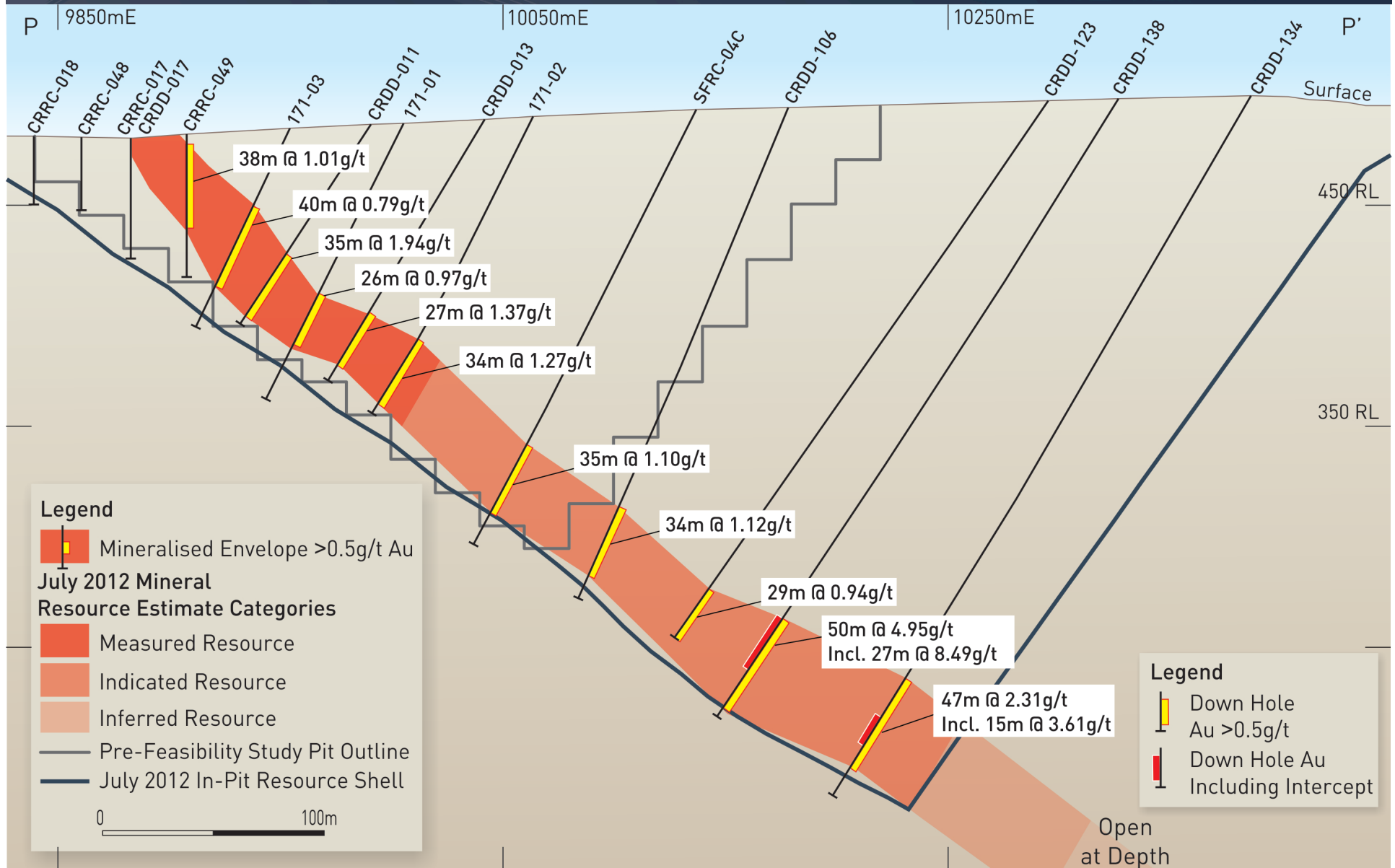
Category		Tonnes (Mt)	Grade (Au g/t)	Mineable Gold (koz)
Proven	Oxide	0.65	0.80	17
	Fresh	7.26	1.25	292
Probable	Oxide	1.68	0.70	38
	Fresh	32.82	1.20	1,260
Total		42.41	1.18	1,610 (1.61 Moz)

### 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.

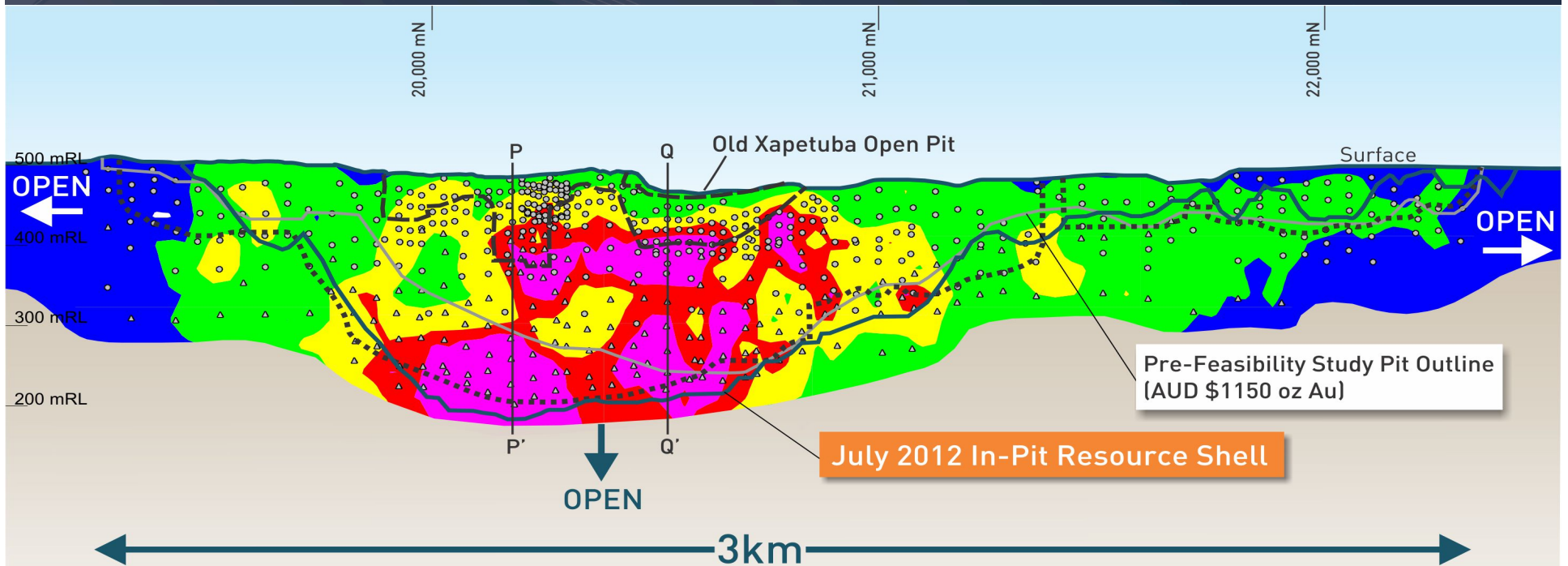
# Cross Section P – P'

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# Long Section

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## 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 — P' Section Line

▲ Diamond Hole - Previously Announced

○ RC Hole - Previously Announced

Horizontal Scale

0 250 500m

Note : 2x Vertical exaggeration

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

# 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 concessions<sup>1</sup> may be available – overall tax rate of 15.25%
- Low government mineral royalties<sup>2</sup> - currently 1%

<sup>1</sup>A 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.

<sup>2</sup>The 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.



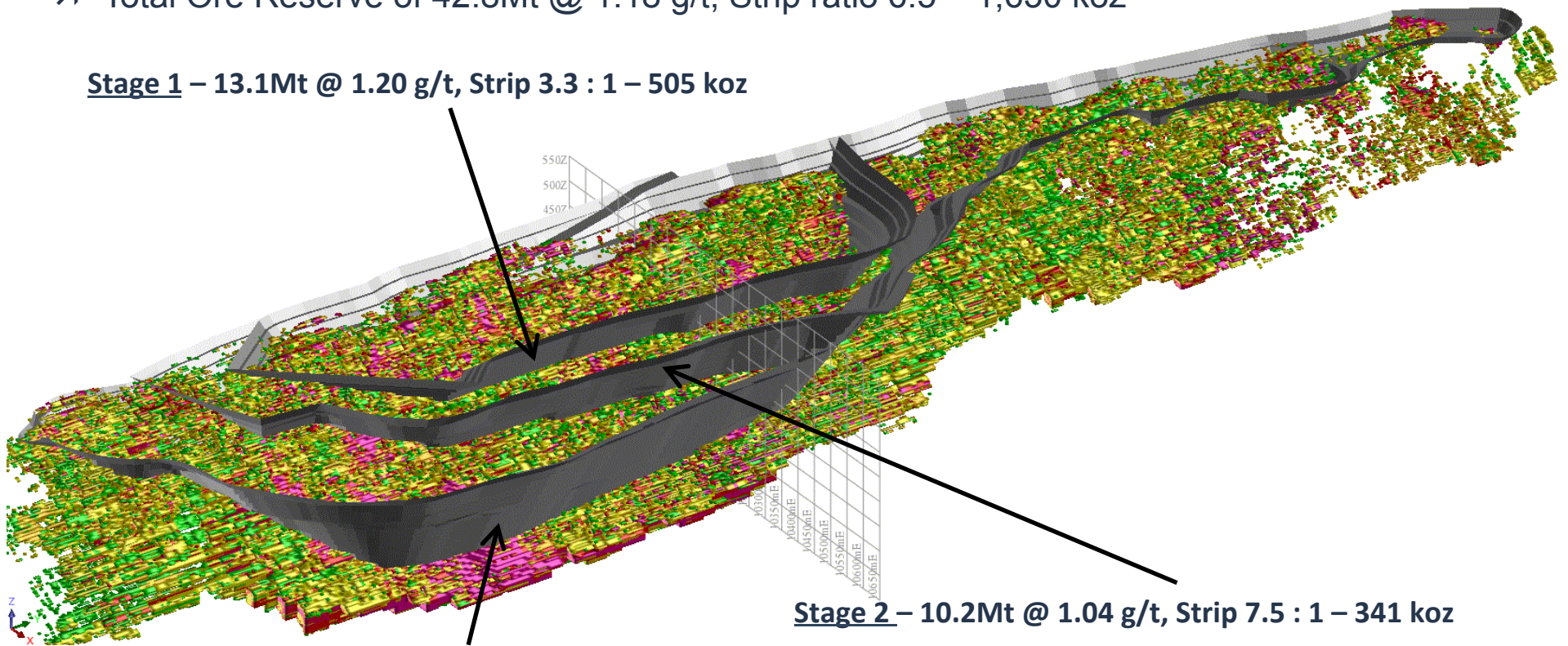


# Staged Development



- Initial pit stages lower strip ratio
- Two stages will be mined concurrently to even out fleet requirements
- Total Ore Reserve of 42.8Mt @ 1.18 g/t, Strip ratio 6.5 – 1,630 koz

**Stage 1 – 13.1Mt @ 1.20 g/t, Strip 3.3 : 1 – 505 koz**



**Stage 2 – 10.2Mt @ 1.04 g/t, Strip 7.5 : 1 – 341 koz**

**Stage 3 – 19.6Mt @ 1.25 g/t, Strip 8.0 : 1 – 784 koz**



# Borborema Exploration Upside

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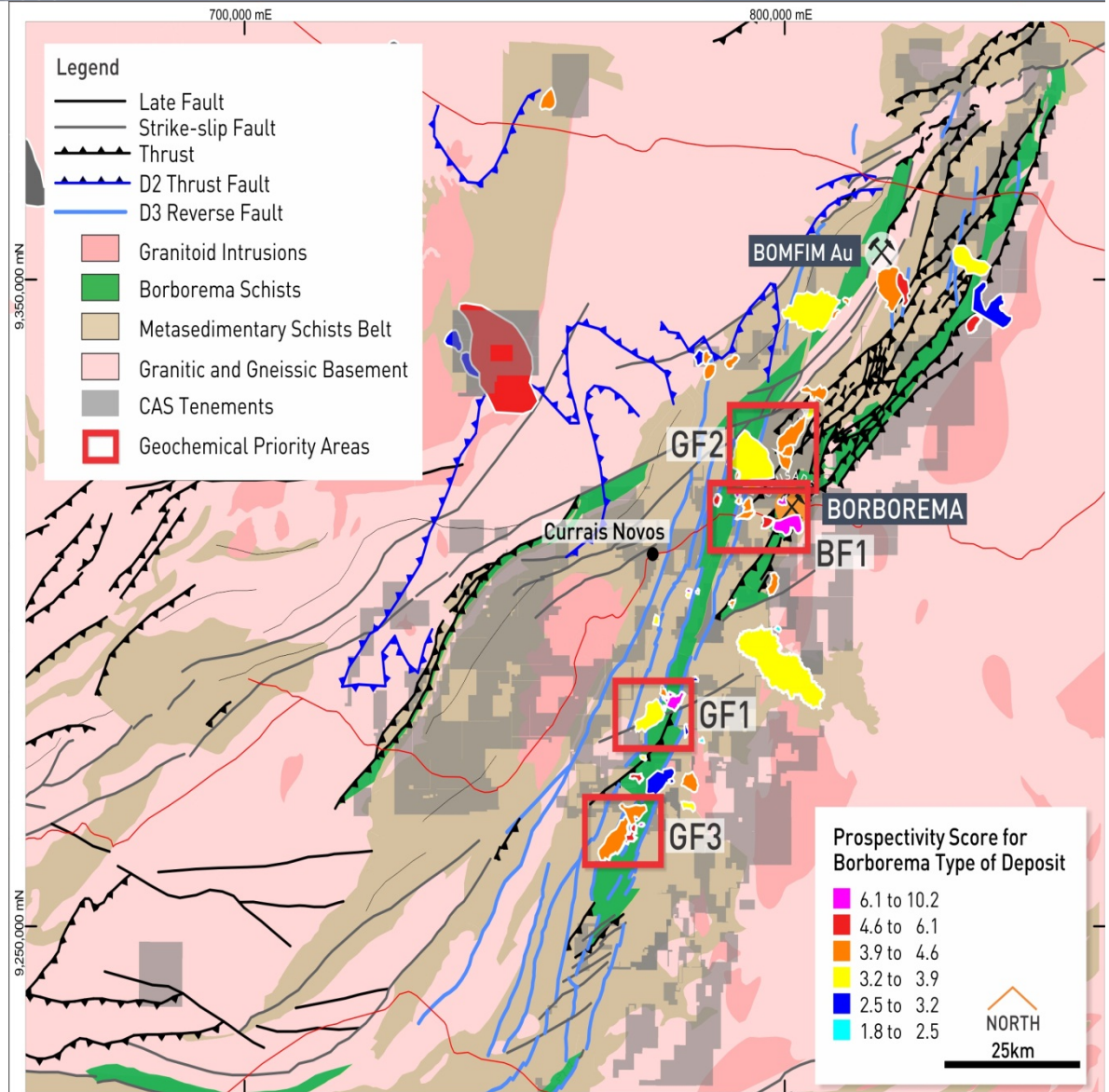




# Regional Exploration Underway

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- Project area >4,500km<sup>2</sup> - **Expanding**
- 100% owned by Crusader-  
first mover – **New Gold Belt?**
- ~200km of strike
- Never explored for gold



# CAS Investment Case

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## Cash Generation from Posse DSO Mine

- Cash flow from sales of high grade Posse iron ore. Commissioned March 2013
- Low Opex and mine gate sales = high margins

## Borborema Gold Developing into Major Project

- Maiden 1.6M ounce gold Reserve
- Brownfields and greenfields exploration underway on >4,500km<sup>2</sup>

## Compelling Combined Investment Proposition

- Strong DSO iron ore cash flows + 1.6 Moz Au Reserve ≠ AUD \$25 M Market Cap.





