

# crusader



## Corporate Presentation – September 2014

ASX:CAS

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



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#### Competent Person Statement

The information in this report that relates to Juruena Gold Project Exploration Results is based on information compiled or reviewed by Mr Robert Smakman who is a full time employee of the company and is a Fellow of the Australasian Institute of Mining and Metallurgy, and has sufficient experience that is relevant to the type of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mr Smakman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to:

- a) Borborema Gold Project and Posse Iron Ore Project Exploration Results are 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,

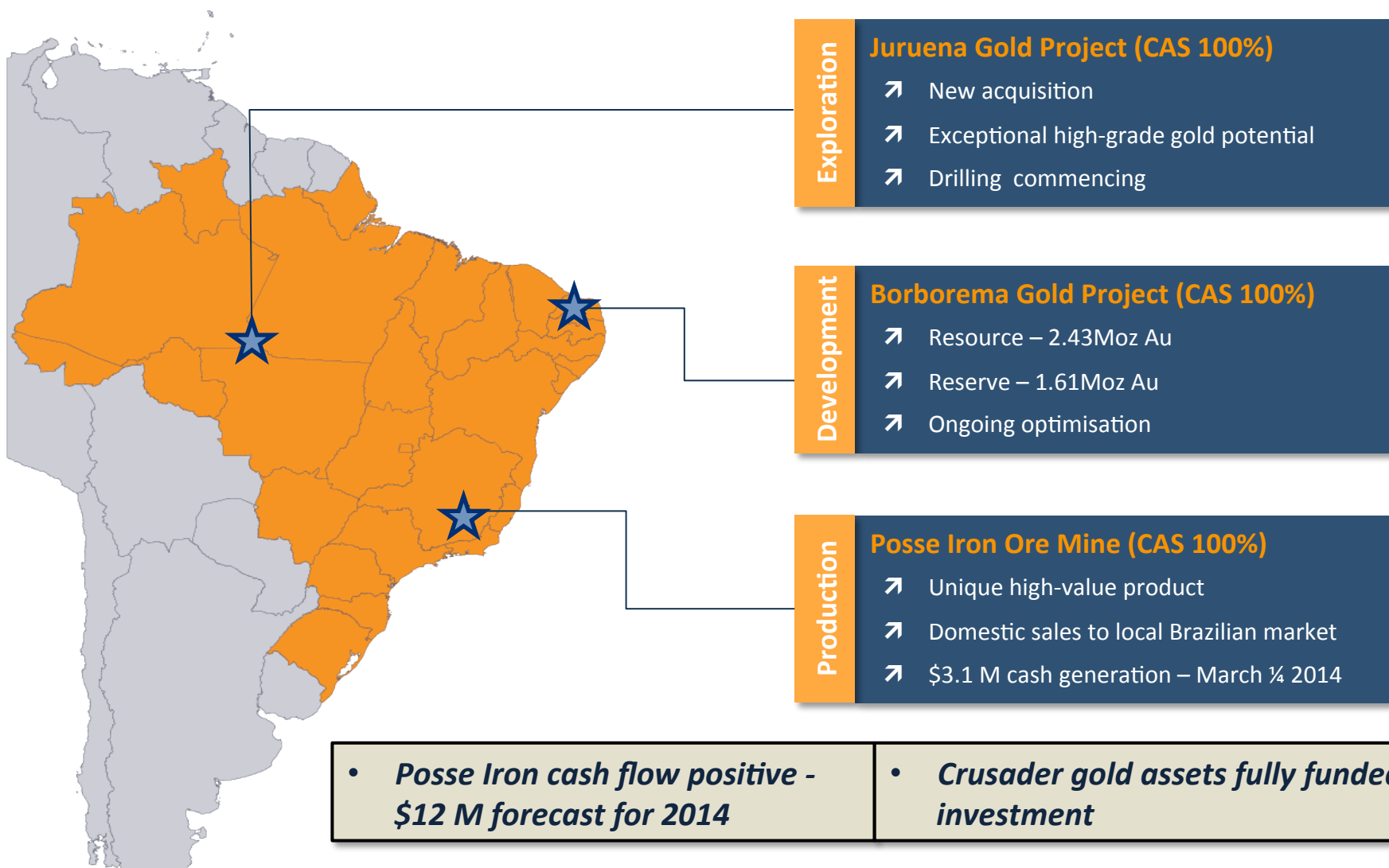
and who are all Members of the Australasian Institute of Mining and Metallurgy (Rob Smakman and Linton Kirk being Fellows), and who all have sufficient experience that is relevant to the type of mineralisation and type of deposit under consideration, and to the activity which they are undertaking to 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 Barnes, Mr Kirk, Mr Viana and Mr Gossage consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

This information was prepared and disclosed under the JORC Code 2004. It has not been updated since to comply with JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

# A Brazilian Mining Company

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*Utilising strong local relationships to acquire and develop mineral assets in Brazil.  
Solid cash flow from Posse Iron and exciting high-grade gold potential.*



# Corporate Overview



<i><b>Capital Structure (ASX : CAS)</b></i>	<i><b>As at 5 September 2014</b></i>
Share Price	\$0.395
Ordinary Shares (ASX:CAS)	140.9 M
Options <sup>1</sup>	27.2 M
Market Capitalisation	\$56 M
Cash at Bank (30 June 2014)	\$6.7 M
Debt	\$5.0 M

<i><b>Major Shareholders</b></i>	<i><b>As at 5 September 2014</b></i>
CAS Directors	24%
IFC	10%
Strong Institutional Representation	

<sup>1</sup> Exercise prices: \$0.34 to \$1.35



## Section 1

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# Posse Iron Ore Mine



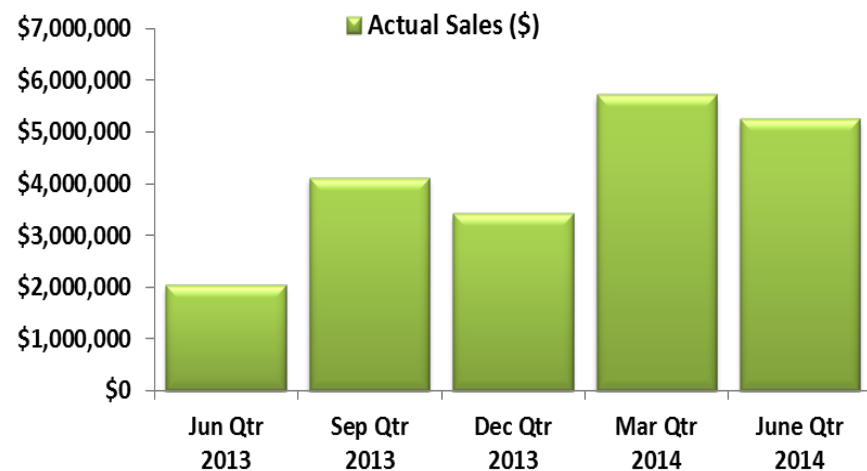
# Sales & Operating Costs

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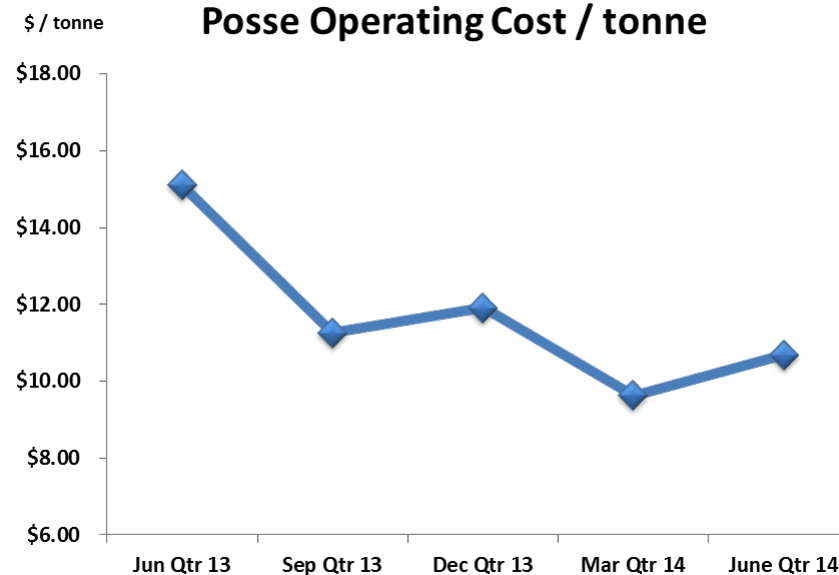
<i>Posse Mine Performance</i>	<i>3 months to 30 Jun 13</i>	<i>6 months to 31 Dec 13</i>	<i>6 months to 30 June 14</i>	<i>6 months to 31 Dec 14 (forecast)</i>
Sales Revenue*	2.0 M	7.5 M	10.9 M	10.8 M
Gross Profit	1.0 M	3.5 M	5.9 M	6.5 M

\* Sales and sales forecasts are net of all taxes and royalties

**Posse Sales (\$)**



**Posse Operating Cost / tonne**





# Posse Iron – Overview

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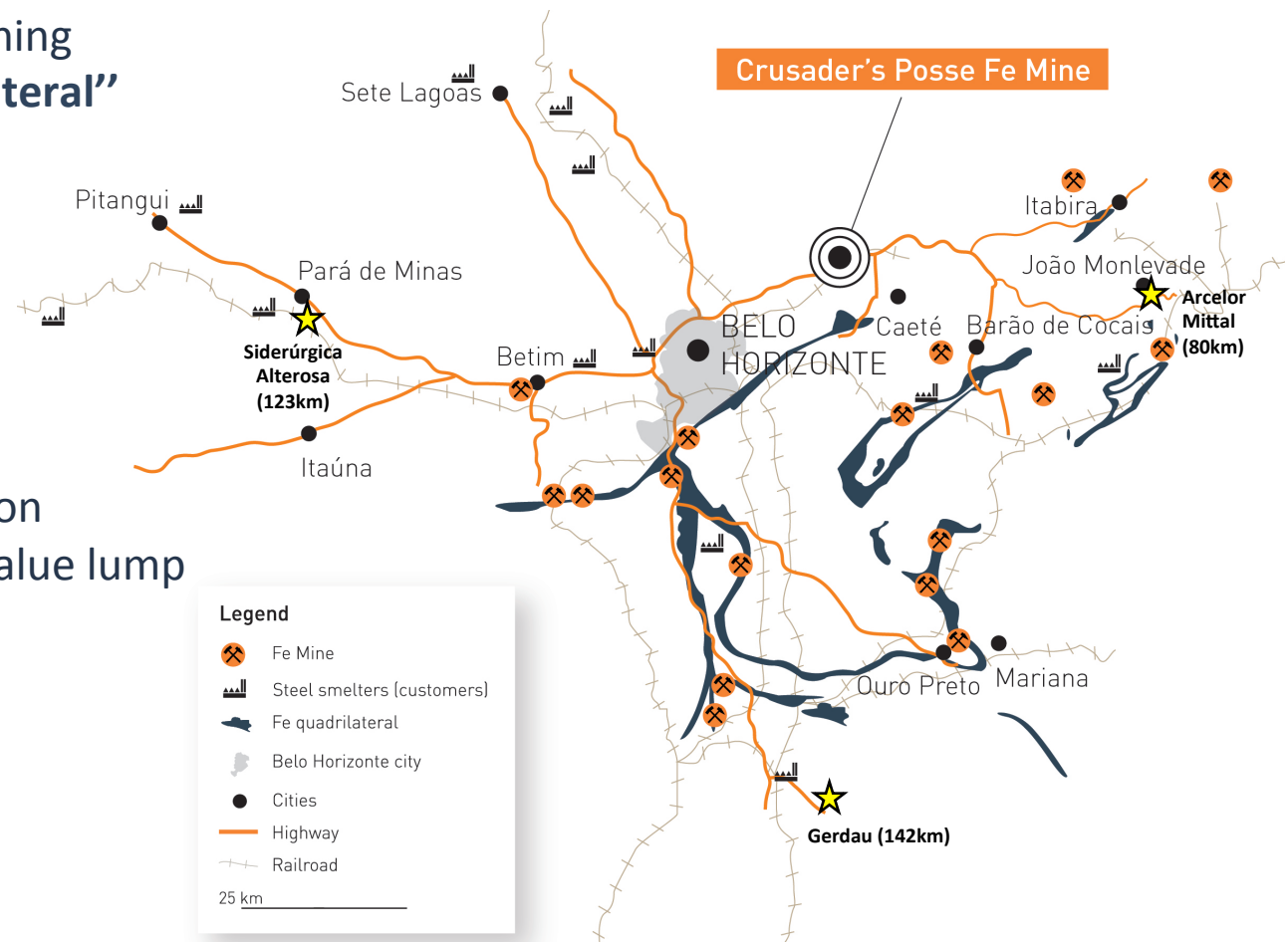


- 100% Crusader
- Heart of Brazilian iron industry
- High value product mix
- Sales completed with 19 domestic customers
- **Producing three products:**
  - Coarse lump - (+19mm -32mm)
  - Fine lump - (+6.35mm -19mm)
  - Fines - (-6.35mm)

# Close to Infrastructure & Customers

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- Belo Horizonte, Brazil's mining heart – **"The Iron Quadrilateral"**
- Highway network to the mine gate
- Pig iron smelters surround the project
- Strong demand from pig iron smelters for Posse's high value lump products









# Growth -Drilling Underway

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- New program to determine depth extent / potential of newly discovered set of hematite veins
- Potential to increase yield of high-grade lump products
- 12 holes and over 1,000 metres planned
- First results in – more to come





# Recent Drill Results

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- **7.4\* m @ 69.01% Fe** from 12.90m in PODH-021;
- **20.0 m @ 56.10% Fe** from 46m in PODH-012 including:
  - **8.00m @ 64.22% Fe** from 50m and
  - **2.00m @ 62.50% Fe** from 62m
- **31.1 m @ 55.17% Fe** from 0m in PODH-018 including:
  - **3.13m @ 62.93% Fe** from 4m and
  - **7.94m @ 66.52% Fe** from 16.9m

\* Hole stopped in mineralisation due to mechanical issues





## Section 2

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# Crusader Gold



# Crusader Gold



## 2014 Program Fully Funded by IFC\*



### Juruena Gold Project

- Recent acquisition
- Potential for high-grade, low Capex projects
- Exciting advanced exploration program about to commence
- Significant historical drilling – approx. 30,000m

### Borborema Gold Project

- 1.61 Moz Au in Reserve
- 85,000m drilled
- Low cost mining environment
- Optimisation underway

\* International Finance Corporation is a member of the World Bank Group and the largest global development institution focussed exclusively on the private sector in developing countries.



# Borborema Gold

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# Overview of Borborema



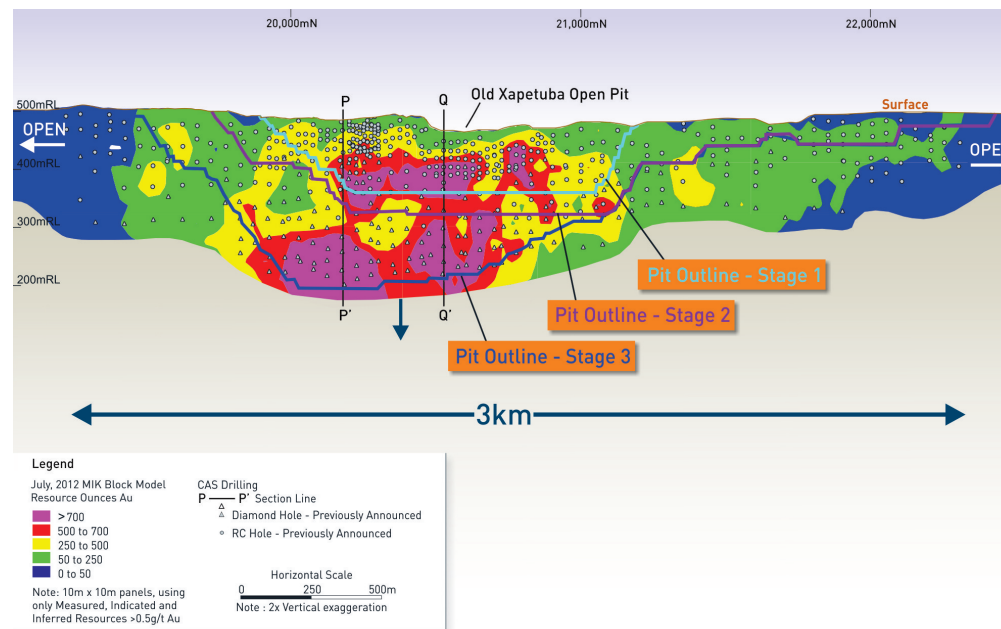
- Large, wholly owned, open-pittable gold discovery by Crusader, 68.6mt @ 1.10g/t Au for 2.43Moz contained gold
- Low discovery cost of US\$9.50/oz provides significant leverage for Crusader shareholders to various value realisation options
- JORC reserve 42mt @ 1.20g/t released 2012 comprises 2 ore lens', shallow lens contains the bulk of the reserve (26mt @ 1.14g/t for 970koz)
  - A staged development scenario focusing on the shallow lens results in a significantly lower strip ratio with only a marginal reduction in NPV versus the larger pit *in the prevailing gold price environment*
  - Reduced scale of the staged development significantly lowers the development and operating risk of the project, whilst maintaining a valuable option over the ounces in the lower lens
- Exploration potential remains with ore body open and grades increasing at depth



# Borborema



- Resource is based on >85,000m of RC and diamond drilling to a depth of 300m
  - Stage 1 drilled on a 25m x 25m spacing, >99% in proven/probable reserves
- Favourable ore body geometry for a conventional shallow open pit mining operation
- Conventional CIL process route achieves recoveries of ~95%
  - Investigating the potential to use flotation to reduce grind size and a smaller leach circuit with reduced tailing infrastructure

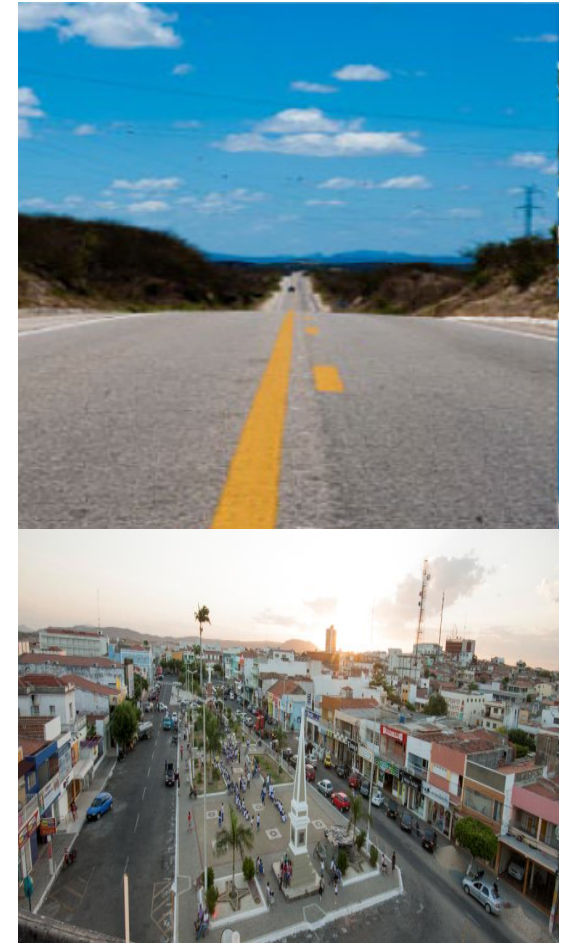


Note: Pit shell outlines are based on the 2012 Ore Reserve optimisations



# Infrastructure & Regulatory Advantages crusader

- All Project locations are not created equal
  - Borborema has **significant advantages** over comparable grade projects
- High level of existing support infrastructure
  - Bitumen highway BR226, 140km from city (and port) of Natal to mine gate
  - Power lines traverse Crusader's tenements (expected power cost 7c/kWh)
  - 25km from mining town of Currais Novos
- Conducive regulatory environment
  - Sudene tax concessions<sup>1</sup> may be available – overall tax rate of 15.25%
  - Low government mineral royalties<sup>2</sup> - currently 1%
  - IFC has provided support for the project
- Efficient logistics and power infrastructure significantly reduce project development and execution risk



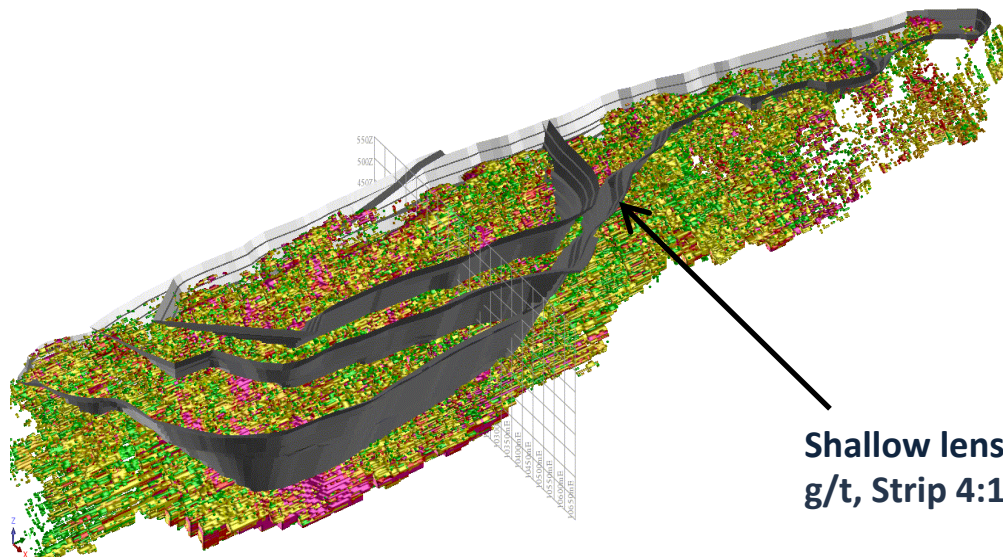
<sup>1</sup>A federal government economic stimulus scheme, called Sudene, provides significant benefits for businesses operation in the north east of Brazil, including Rio Grande do Norte. The scheme was introduced to boost economic activity in a relatively impoverished area of Brazil. Company tax rates 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.

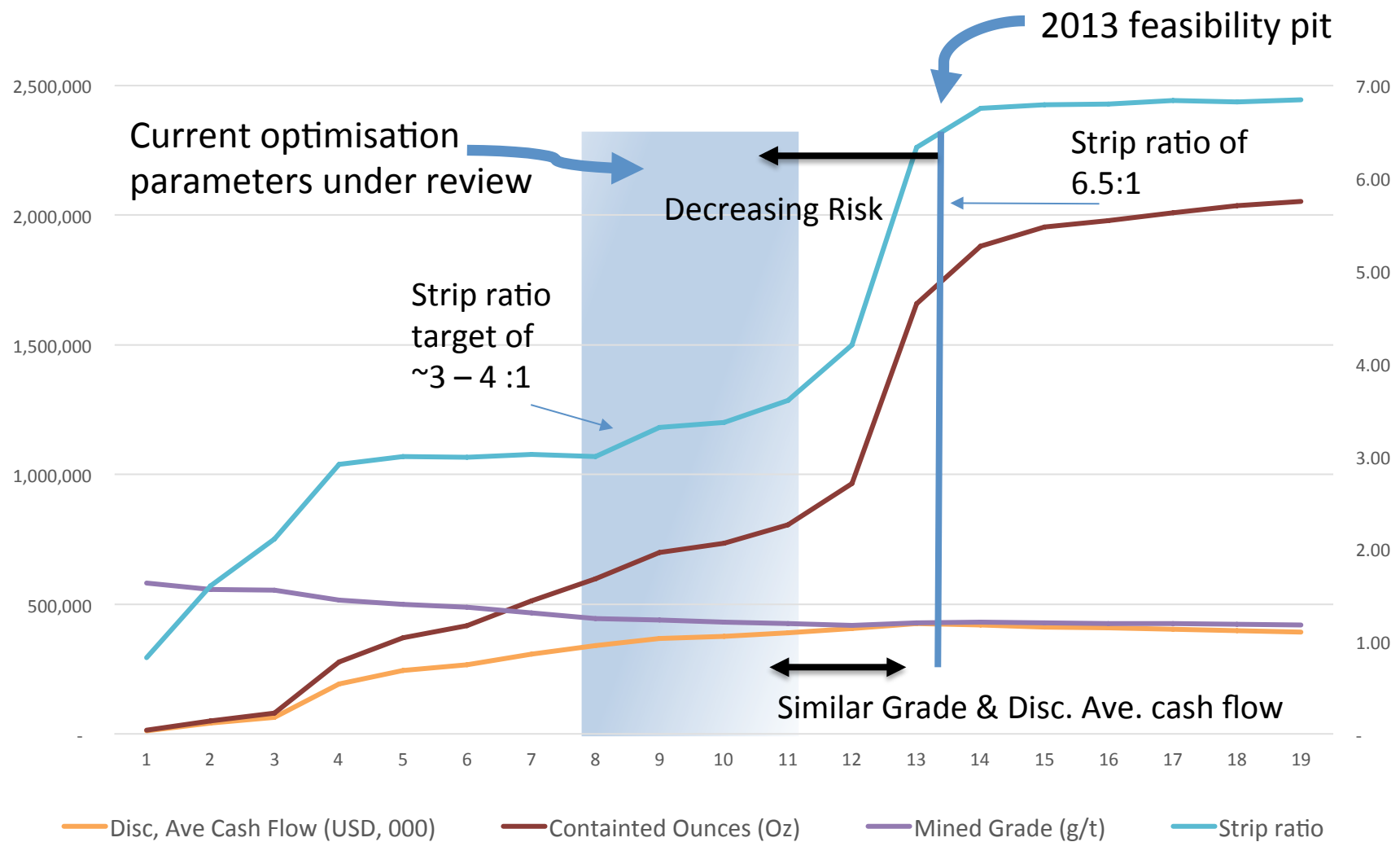
## Borborema – Next steps

- Development strategy focussed on shallow lens with a strip ratio of ~4:1
  - Significant capital and operating cost savings through reduced footprint and material movements
- Drilling commenced to support metallurgical optimisation test work
- Review of existing plants for sale in Brazil to reduce capital costs and shortened development timeframe
- Optimised development study expected to be completed early 2015



Shallow lens only pit – Up to 26Mt @ 1.14 g/t, Strip 4:1 – 970 koz

# Borborema - Recap



\*graph based on optimisation work completed during 2013 feasibility using USD Au price of 1,300/oz, 5% discount and 4Mtpa throughput. These optimisation parameters are under review.



# Juruena – The Golden Opportunity

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# Alta Floresta Gold Province

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## ➤ Alta Floresta Gold Belt

- Extensive mineralised belt ~400km east-west

- ~7Moz produced 1979-1997

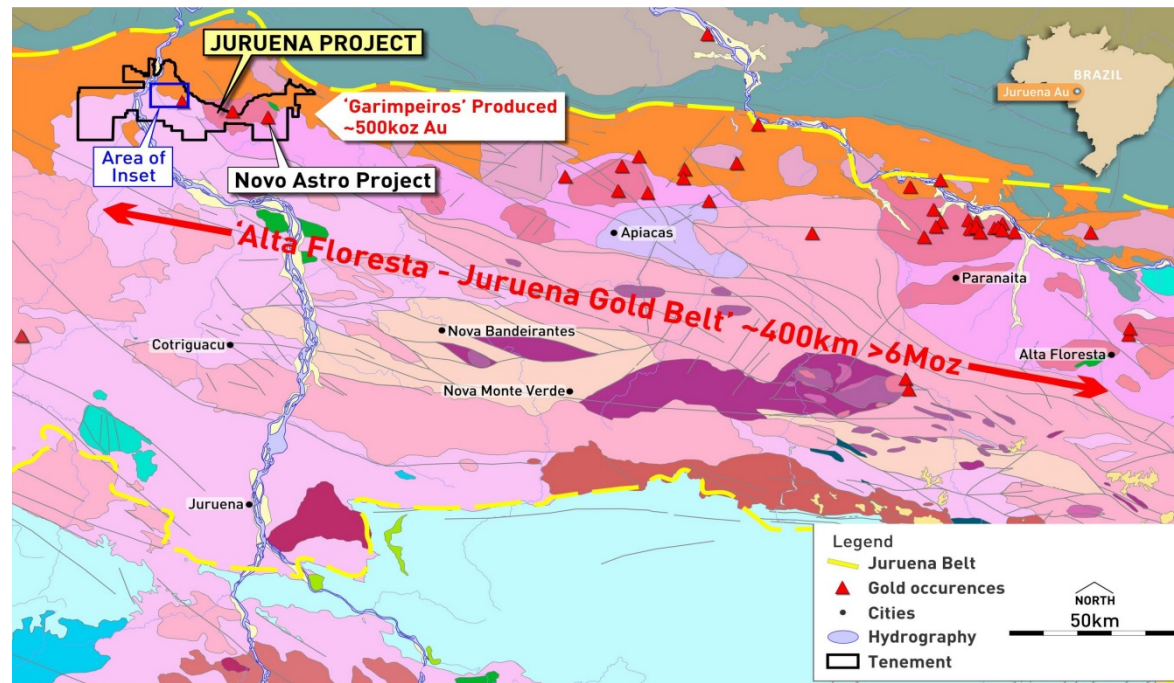
## ➤ 2 key Targets

### ▪ Juruena

- 500koz historical production with a 20,000 strong garimpeiro workforce at the peak during the 1980's
- 6 confirmed zones of mineralisation

### ▪ Novo Astro

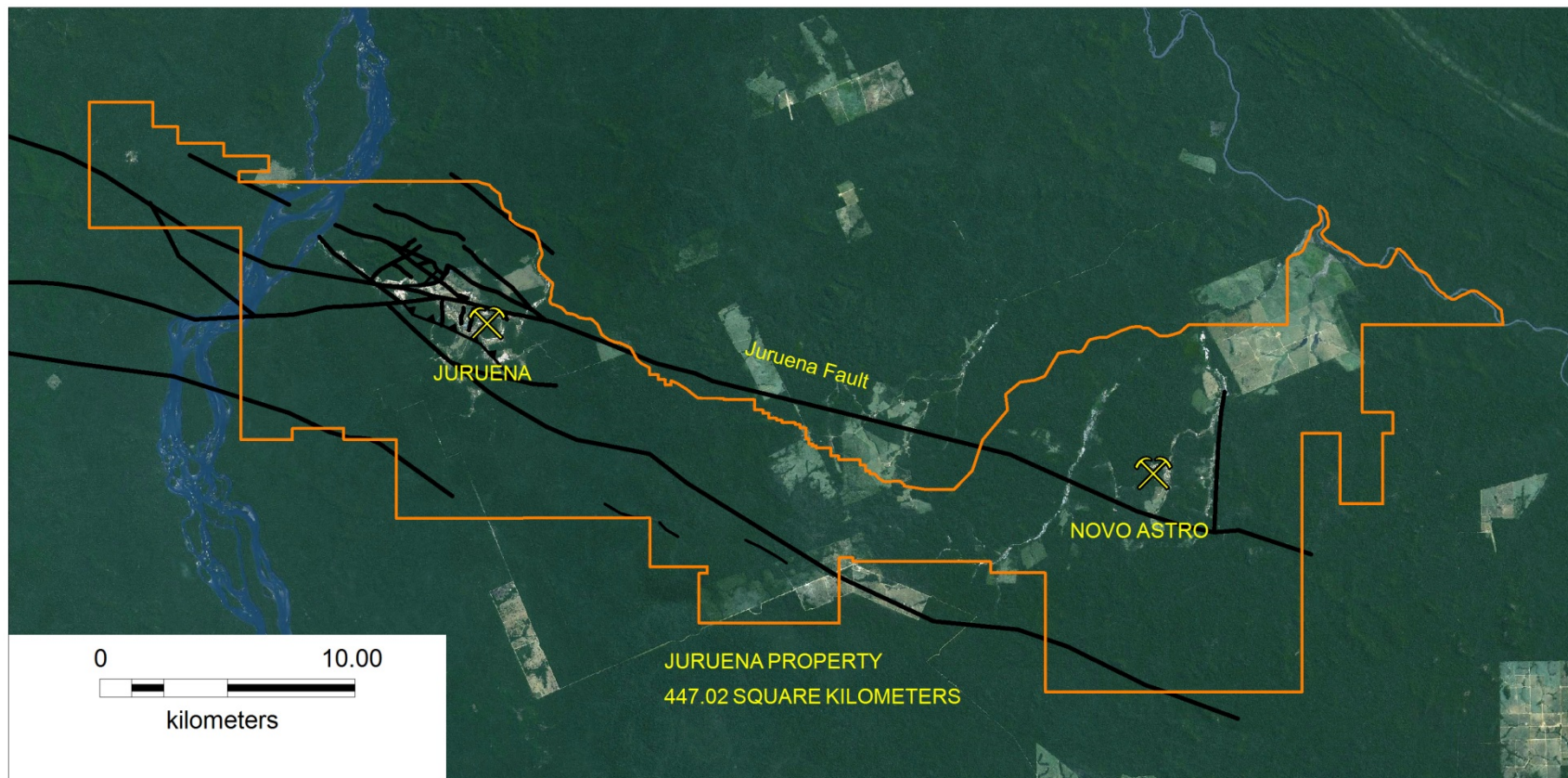
- 4km wide circular soil anomaly
- never been drilled





# Overview of Juruena

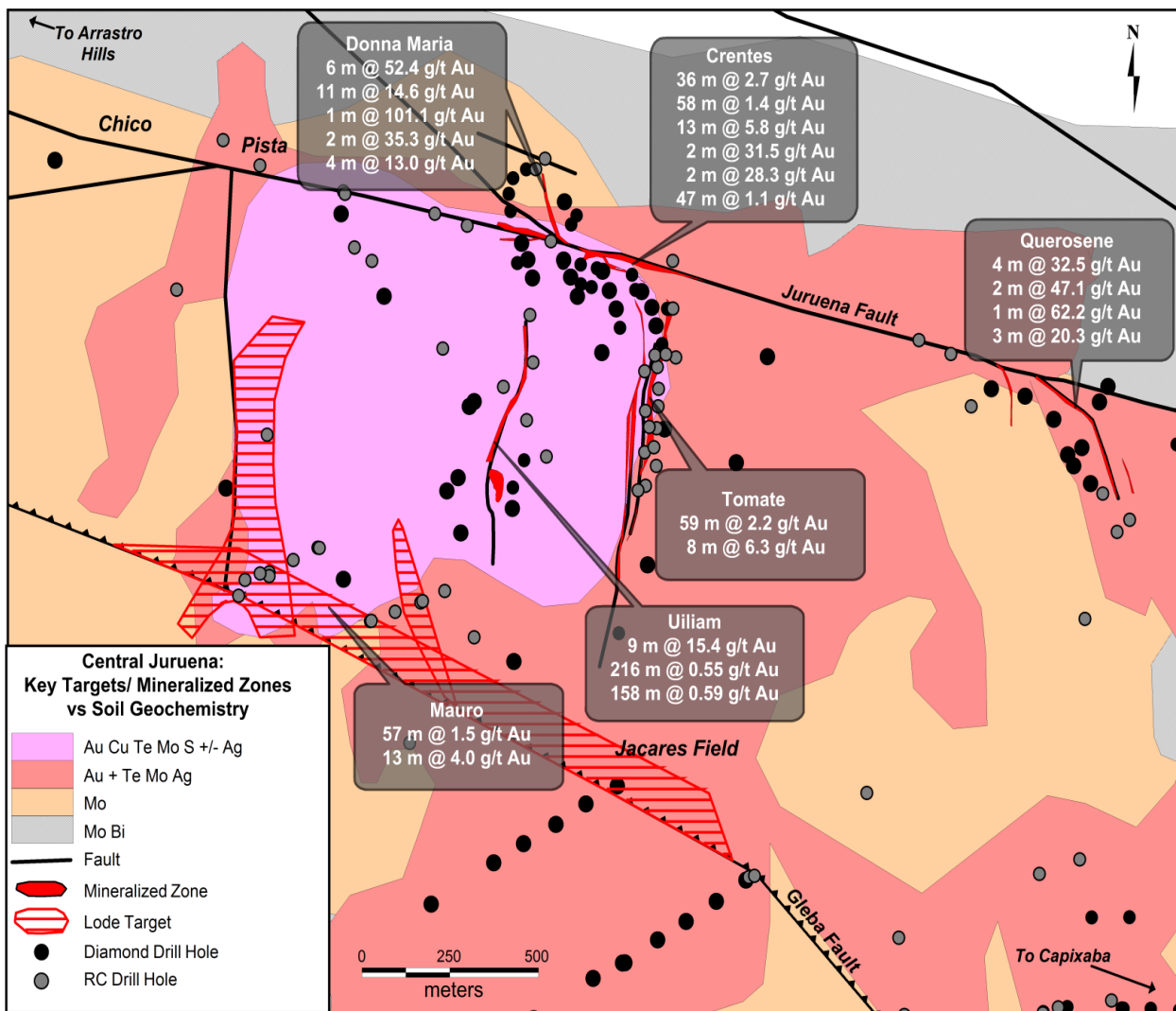
- Large land package ~ 450km<sup>2</sup> including two large gold targets
- Significant historical artisanal mining limited to a depth of <15m
- Novo Astro is a 4km wide circular soil anomaly that has never been drill tested





# Juruena Targets

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## Six Mineralised Zones Discovered to Date

- Two very high-grade zones: Querosene & Donna Maria
- Mineralisation structurally controlled
- Numerous structural targets remain untested

# Querosene

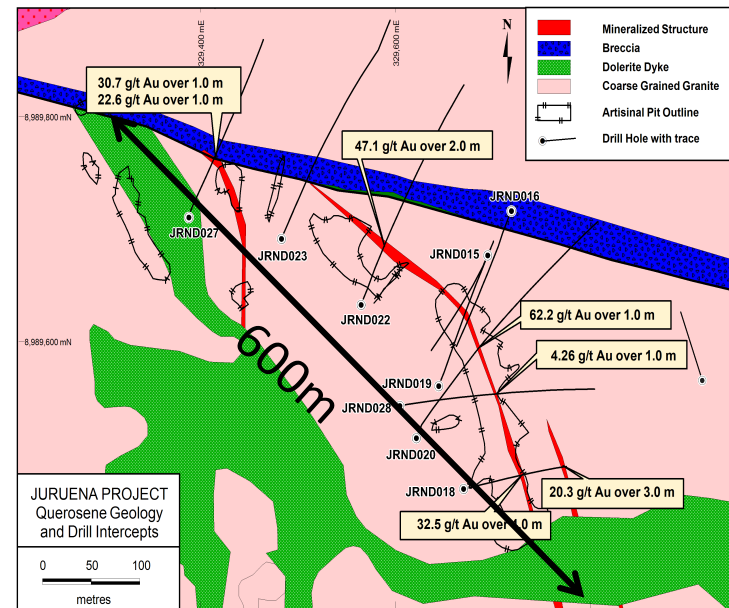
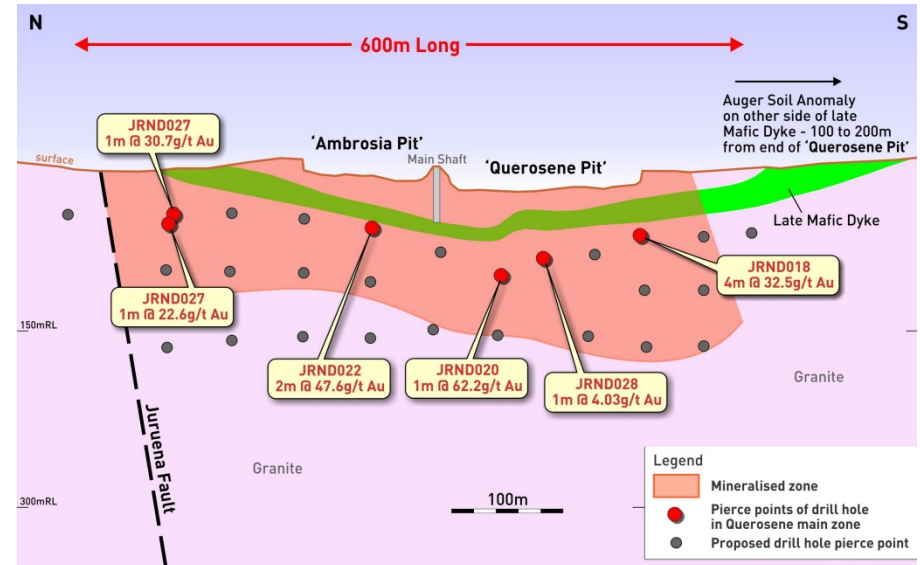
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# Highest Priority: Querosene

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- Querosene is a priority near-surface, high-grade target
- Mineralisation characterised by multiple narrow, alteration halos below a non-mineralised dolerite dyke, which forms a barrier between target mineralisation and garimpeiro historical workings
- Historical drilling at Querosene has indicated a higher tenor of mineralisation relative to other known gold deposits in the region (20 intercepts at >50gramme-metre recorded in region)
- Veins remain open to the south beyond best intercept of 4m @ 32.5g/t





# Crusader Resources – In Summary



## ➤ **Posse is a high quality, strategic asset:**

- Strong cash flow generation
- High quality product, low cash costs
- Located in vicinity of our customers
- Cash flow helps fund other assets

## ➤ **Our gold assets provide very strong upside potential:**

- Arguably no value ascribed by the market for these assets currently
- Juruena has exceptional high-grade potential
- Juruena will be the focus of an imminent drilling program
- Borborema is a significant option on the gold price

## ➤ **Demonstrated ability to source new projects in Brazil**

## ➤ **Relatively low market cap**

# Contact Information

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# Appendix 1 - Board



## Board Of Directors

### Chairman

**Stephen Copulos**



+ 30 years' experience in business & investments in a wide range of industries, and over 14 years' experience as a company Director for both listed and unlisted companies. Major shareholder of CAS for many years. Aligned to improving shareholder returns.

### Managing Director

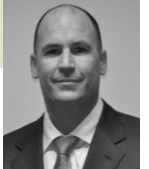
**Robert Smakman**



Highly experienced Geologist & Manager with over 20 years' Australian & international experience. Founding member of Crusader & has played integral part in moulding company into its present shape. Rob is based in Brazil (+ 8 yrs) and fluent in Portuguese. Fellow - AusIMM

### Executive Director

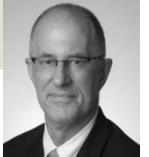
**Paul Stephen**



+20 years' experience in Financial services & Australian equity markets, specialising in Capital Management & Corporate Structuring. Paul is a founder of Crusader Resources Ltd. and holds a number of non-executive roles in the finance and resources sectors.

### Non-Executive Director

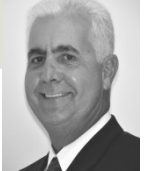
**David Netherway**



Australian Mining Engineer with over 35 years' experience in mining industry & has held senior management positions at a number of mining companies. David is also Chairman, as well as non-executive Director of several listed mining companies.

### Non-Executive Director

**Mauricio Ferreira**



More than 35 years in resources/ energy sectors. Highly educated and experienced manager. Ex Vale executive. Has been involved in the exploration and development of three Brazilian gold projects. Mauricio is a Brazilian national.

### Non – Executive Director

**John Evans**



Experienced Director & Chartered Accountant. Over 15 years in private sector finance executive roles, including listed Companies. Currently Principal of a Business Broking & Corporate Advisory Practice. Chairman of Crusader's Audit & Remuneration Committees.



## Appendix 2 - Management



### Management

#### COO

**Michael Schmulian**

+ 40 years of experience as Geologist, Manager & Executive. Developed several South American Gold Projects. In-depth knowledge of B mining legislation and culture. Mike is a Fellow of the AusIMM, is based in Brazil (+ 20 yrs) and fluent in Portuguese.

#### Project Manager

**Wayne Foote**

Wayne is a Mining Engineer with +26 years' gold mining experience in Australia, North, East and West Africa, and Asia. He has extensive experience in start-up and major expansion projects.

#### Posse Mine Manager

**Mauro Calado**

Brazilian Mining Engineer with over 25 years' experience in mining, project development, mineral processing and accident analysis. Mauro has completed an MBA Business Management and a post graduate qualification in Systems Analysis.

#### CFO & Company Secretary

**Andrew Beigel**

Andrew has over 15 years' corporate accounting & management experience across a range of industries and has held executive position other ASX listed companies in the resources sector. He has a Bachelor of Commerce degree & is a member of CPA Aus.

#### Nick Harch

**Financial Analyst**

Former Executive Director with Macquarie Bank. Extensive resource financing experience.

### Consultants

#### Linton Kirk

**Kirk Mining Consultants Ltd.**

Linton is a Mining Engineer with +30 years' experience in mining, earthmoving & management in several commodities, over five countries. He is a Fellow and Chartered Professional of the AusIMM.

