

CRUSADER STRENGTHENS BRAZILIAN GOLD MINING TEAM AND ACQUIRES CRUSHING PLANT

Highlights - Key Milestones Achieved Towards Becoming Brazil's Next Gold Producer

- Highly experienced Mineral Process Engineer and Senior Geologist appointed, bringing over 70 years of Brazilian gold experience to Crusader
- Primary crushing plant with maximum capacity of 100 t/h acquired from Brazilian equipment supplier and foundry, GNA for ~\$800,000 **in deferred payments**
- Plant can be erected on site in 60 days, includes support and a one-year warranty
- Long association with GNA as crushing, screening and wear part supplier for the Posse Iron Ore Mine

Brazil-focused, resource development company Crusader Resources Ltd (ASX: CAS) ("Crusader" or "the Company") has significantly bolstered its Brazilian gold team with two senior appointments and acquired long lead item for the processing plant for the Juruena Gold Project. Crusader is seeking to accelerate development of Juruena and complete licensing and development studies at the Borborema Gold Project as the Company transitions to a near-term gold producer in Brazil.

The Company has appointed highly experienced **mineral process engineer Carlos Fonseca** as an engineering consultant to Crusader. In his role, Mr Fonseca will work on operating and capital cost estimates for the Juruena Gold Project as well as provide strategic advice for the Borborema Gold Project.

Mr Fonseca has over 40 years' experience in the gold sector in Brazil and across a vast array of gold projects including design for Kinross Gold Corporation's Paracatu Mineração project, processing and equipment sizing at Luna Gold's Aurizona gold plant, Yamana's Fazenda Brasileira and the Amapari gold project (now owned by ASX listed Beadell Resources), amongst many others.

Mr Fonseca's professional experience also includes process engineering, ore processing manager and technical specialist services across a number of Brazilian mines. He has an MBA in project management and MSc in Minerals Engineering.

Crusader also welcomes the appointment of **senior geologist Luis Navarro** to the position of exploration manager at Crusader. Mr Navarro has over 32 years' experience as a geologist working for a number of gold companies including Canadian-based Yamana Gold, Gold Fields do Brasil Ltda (a subsidiary of Gold Fields South Africa) and Western Mining Corporation (Mara Rosa gold mine).

Most recently, Mr Navarro has worked as an independent consultant for both Yamana Gold and Aura Minerals at the Ernesto/Pau-a-Pique Project in Brazil.

Crusader Resources Managing Director Rob Smakman said the appointments brought over 70 years of experience to the Crusader team.

"I am very excited with the appointment of Mr Fonseca and Mr Navarro, who both have a wealth of experience in the mineral processing and evaluation of mining projects in Brazil," he said.

"Both Mr Fonseca and Mr Navarro are attracted to the Borborema and Juruena projects' strong potential to be low-cost gold producers within a short time frame. I look forward to working with both men as we bring these projects into production."

Primary Crushing Plant

Crusader has acquired a primary crushing plant from Brazilian equipment supplier and foundry GNA (Minerals equipamentos e Aços Especiais Ltda) for its wholly owned high-grade Juruena Gold Project.

Key Terms

The refurbished plant, to be erected on site with maximum capacity of 100t/h, will cost a total of ~\$800,000 (~R\$2,080,000). A refundable deposit of ~\$30,000 has been paid, with the balance consisting of ~\$380,000 payable on 31 January 2017 following a board decision to mine, two monthly payments of ~\$100,000 per month after rebuild and a final two payments of ~\$100,000 per month after the plant is operating on site.

The plant, which is expected to take 60 days to construct once the go ahead has been received by the board, will have a one-year warranty.

Crusader has had a long association with GNA as crushing, screening and wear part supplier for the Posse Iron Ore Mine.



Figure 1: Crushing & screening plant in operation pre-refurbishment in 2015



Figure 2: Refurbished Plant – GNA Warehouse – Belo Horizonte, Brazil 2016



Figure 3: Posse's 1mtpa iron ore processing plant as supplied and maintained by GNA for Crusader Resources

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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 and which offers high potential for the discovery of world class mineral deposits. Crusader has three key assets:

Juruena Gold

The Juruena Gold Project is located in the highly prospective Juruena-Alta Floresta Gold Belt, which stretches east-west for >400km and has historically produced more than 7Moz of gold from 40 known gold deposits.

The Juruena Project has been worked extensively by artisanal miners (garimpeiros) since the 1980s, producing ~500koz in that time. Historically there is a database of more than 30,000 meters of drilling and extensive geological data.

Posse Iron Ore

The Posse Iron Ore Mine is located 30km from Belo Horizonte, a city acknowledged as the mining capital of Brazil and the capital of Minas Gerais state. The project had an indicated and inferred Mineral Resource estimate of 36Mt @ 43.5% Fe when mining began in March 2013. Posse is currently selling DSO into the domestic market. With an experienced mining workforce amongst a population of over 2.5 million people, the infrastructure and access to the domestic steel market around the Posse Project is excellent.

Borborema Gold

The Borborema Gold Project is in the Seridó area of the Borborema province in north-eastern Brazil. It is 100% owned by Crusader 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 a favourable taxation regime, 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 Ore Reserve includes 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 measured, indicated and inferred Mineral Resource Estimate of 2.43Moz @ 1.10g/t gold, remains open in all directions.

Competent Person Statement

The information in this report that relates to Juruena Gold Project exploration results, Posse Iron Ore Project exploration results and Borborema Gold Project exploration results released after 1 December 2013, 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. The information in this report that relates to Mineral Resources at the Juruena Gold Project is based on information compiled or reviewed by Mr. Lauritz Barnes and Mr. Aidan Platel who are independent consultants to the company and Members of the Australasian Institute of Mining and Metallurgy. Each of Mr. Smakman, Mr. Barnes and Mr. Platel have sufficient experience that is relevant to the type of mineralisation and type of deposits 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, Mr. Barnes and Mr. Platel consent 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 released prior to 1 December 2013 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, 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 was 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. 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. The 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.