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Brazilian gold shines for Crusader

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Ron Berryman

AUSTRALIAN junior Crusader Resources' decision to invest in Brazil is paying dividends, with the estimated resource at the company's Borborema gold project in the northeast of the country more than doubling to 1.86 million ounces.

The previous indicated and inferred resource estimate was 839,000oz.

Shares in Crusader have soared 25c to \$1.25 in today's trade on the back of the resource upgrade announcement.

Chief executive officer Rob Smakman told *MiningNews.net* the company decided to look at Brazil in 2006 when it couldn't find anything in Australia that had the potential to be a "company-maker".



The Borborema project in Brazil

"We sent some people over to check out some gold projects and I moved over here in 2006," he said.

"Gold was discovered by Garimpeiros in the 1920s and they reportedly retrieved about 150,000 ounces of gold, while exploration and mining between 1980 and 1990 resulted in a drilling program which included 202 reverse circulation and 20 diamond holes and further mining of about 100,000 ounces.

"A further 75 diamond holes were drilled by Mineracao Cariba in 2006/7, but they didn't look at the old data or consider the parallel zones."

Smakman said the geological system was world class and the Neoproterozoic Orogen zones were not dissimilar to the regions where Telfer and Tropicana had operations.

Today's JORC-compliant resource estimate is 44.65 million tonnes at 1.3 grams per tonne using a 0.5gpt cut-off to a depth of about 215 metres, a depth Crusader believes is realistic for open pit mining.

Smakman said the company had already started a pre-feasibility study that was expected to be finished by the end of July. If the figures added up it would go straight into a definitive feasibility study, with a target of the first quarter of 2013 to start production.

"Borborema is located adjacent to a sealed highway linking the port city of Natal, has power running through the property and includes infrastructure from previous exploration and mining and excellent prospects for a workforce from the neighbouring township of Currais Novos," he said.

"We only purchased the project in August 2010 with 9 square kilometres of ground. We now have 25 square kilometres and our aim is to increase that significantly.

"The ore body is striking northeast and is about 20 metres thick and mineralised along the whole length of about 3.3 kilometres."

The company is aiming to complete another 100km of drilling before the next update, with drilling starting from July on higher grade areas in the central zone as well as parallel structures.

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