



crusader

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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, Minerals Resources and Ore Reserves and 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 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 Members 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 consent 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 and 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 it appears.





# Brazilian Based Mineral Explorer and Developer

- Exciting Gold and Iron ore projects in vastly underexplored areas of exciting South American powerhouse
- Experienced and expert management based in country

# 2

## Near term cash generation to fund resource growth

- Cash flow from sales of high grade Posse iron ore, starting early 2012, will underwrite near term Borborema Gold exploration and feasibility
- Borborema PFS defined robust economic base case, resources continue to expand

# 3

## Develop and Build Major Gold Project- Borborema

- BFS to be initiated in 4th ¼ 2011
- Resources continue to grow- potentially “World Class”?
- Targeting first production in early 2014

# CAS

CAS – listed in 2004,  
in Brazil since 2006

## Australian Securities Exchange Information (as at 11 November 2011)

- Ordinary Shares 110,146,040
- Options 4,250,000  
(exercise prices: A\$ 0.44 to A\$ 1.30)
- Market Capitalisation ~ \$141 M
- Treasury ~ \$19 M (30 Sep 2011)
- Share price \$ 1.28  
(12 month range: \$ 0.75 to \$ 1.50)

## Board of Directors

Non Executive Chairman **David Archer**  
Managing Director **Rob Smakman**  
Executive Director **Paul Stephen**  
Non Executive Director **Murray Hodges**  
Non Executive Director **Justin Evans**  
Non Executive Director **David Netherway**

## Significant Shareholders

Dundee Corporation 19 %  
Copulos Group 10 %  
Directors 11 %  
Macquarie Metals  
Hayman Capital

# Executive Team



## **Rob Smakman** Managing Director

Rob has lived in João Pessoa (Brazil) since 2006 and is a founder of Crusader. He is a graduate of Monash University (Geology with Honours) and a Fellow of the Australasian Institute for Mining and Metallurgy. Rob has 18 years of exploration, development and management experience in a variety of international locations. Fluent in Portuguese.

## **Paul Stephen** Executive Director

Paul had had 17 years' experience in the financial services industry with Perpetual Trustees, Macquarie Bank, Montagu Stockbrokers and Patersons Securities. Paul is responsible for investor relations and corporate structuring, based in Perth.

## **Mike Schmulian** Chief Operating Officer

Mike is an experienced geologist (→ 30 years), based in Brazil and South America for over 20 years. Mike had led WMC and AngloGold Ashanti in Brazil and developed several gold projects in South America. Mike is based in Rio and is fluent in Portuguese.

## **Andrew Beigel** Chief Financial Officer

Andrew is a CPA with → 15 years experience in corporate accounting and management. Andrew has held the roles of CFO and Company Secretary with several other listed and private companies. Based in Perth

## **Aidan Platel** Exploration Manager

Aidan is a geologist with → 10 years of experience in the exploration for and development of gold and base metals. Formerly in Brazil with ASX listed Mirabella nickel, Aidan is fluent in Portuguese and lives in João Pessoa.

## **John Forman** Key Brazilian Consultant

John is a Brazilian national who lives in Rio de Janeiro. A professor of geology, John also has extensive business interests and contacts in Brazil. John has held directorships in several governmental organisations, including the Brazilian Petroleum Agency and the Brazilian Nuclear Authority.



# Current Projects



**BORBOREMA GOLD**

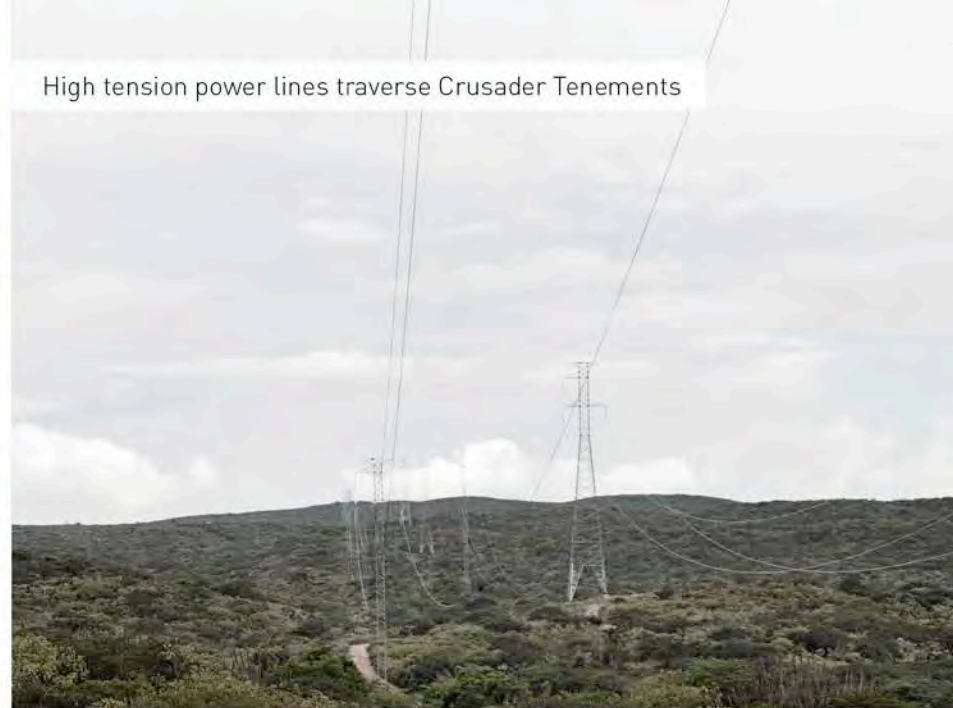
# Location and Infrastructure



- Crusader purchased 100 % of the Borborema Gold Project NE Brazil Aug 2010
- Historic production is estimated at ~ 250,000 ozs
- Excellent Infrastructure
  - Power
  - Water
  - Logistics
  - Workforce



Federal Highway (BR226) bisects this project



High tension power lines traverse Crusader Tenements



Statue to local artisanal miners at Currais Novos (pop 42,000). Ready & experienced workforce, 25km from project area



Sao Francisco dam on site. Dam was installed for mining in the 1980's



# Borborema History

- Discovered by Garimpeiros in 1920's  
Reported production ~ 150,000 oz
- Exploration and mining between 1980's & 1990's includes  
202 RC holes & 20 diamond holes
- Mined by Xapetuba Ltda- open cut and heap leach- Brazil's  
first!
- Mineração Caraíba SA 2006/07 – 75 diamond holes completed
- Better results include:

4 m @ 16.52 g/t from 0 m  
 5 m @ 9.92 g/t from 8 m  
 6 m @ 6.59 g/t from 0 m  
 16 m @ 18.01 g/t from 13 m\*  
 16 m @ 9.68 g/t from 0 m\*  
 12 m @ 8.39 g/t from 3 m\*

\*mined out

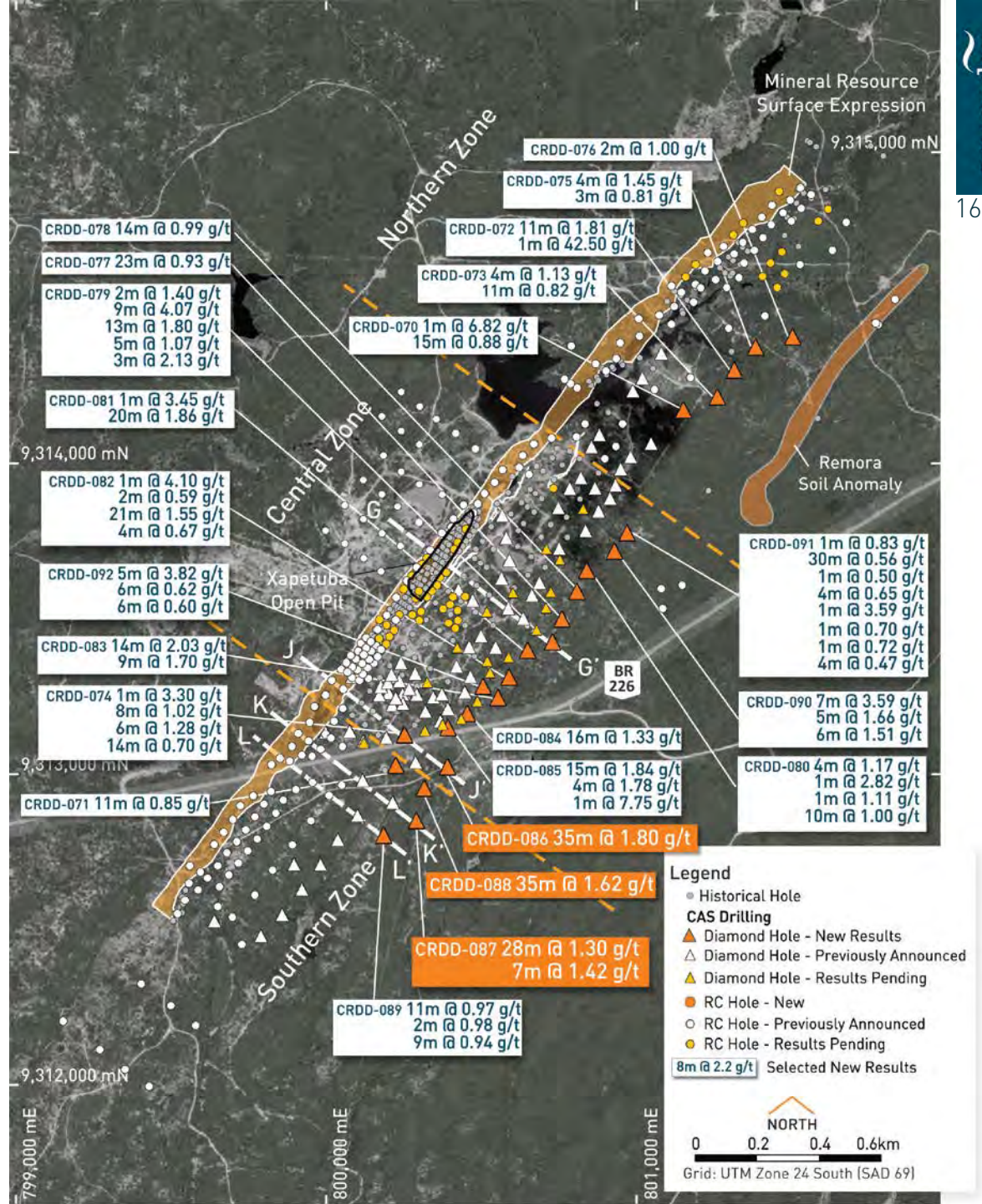
6 m @ 13.74 g/t from 119.6 m  
 6 m @ 11.98 g/t from 84.5 m  
 16 m @ 3.92 g/t from 77.4 m  
 4.75 m @ 8.72 g/t from 116.8 m

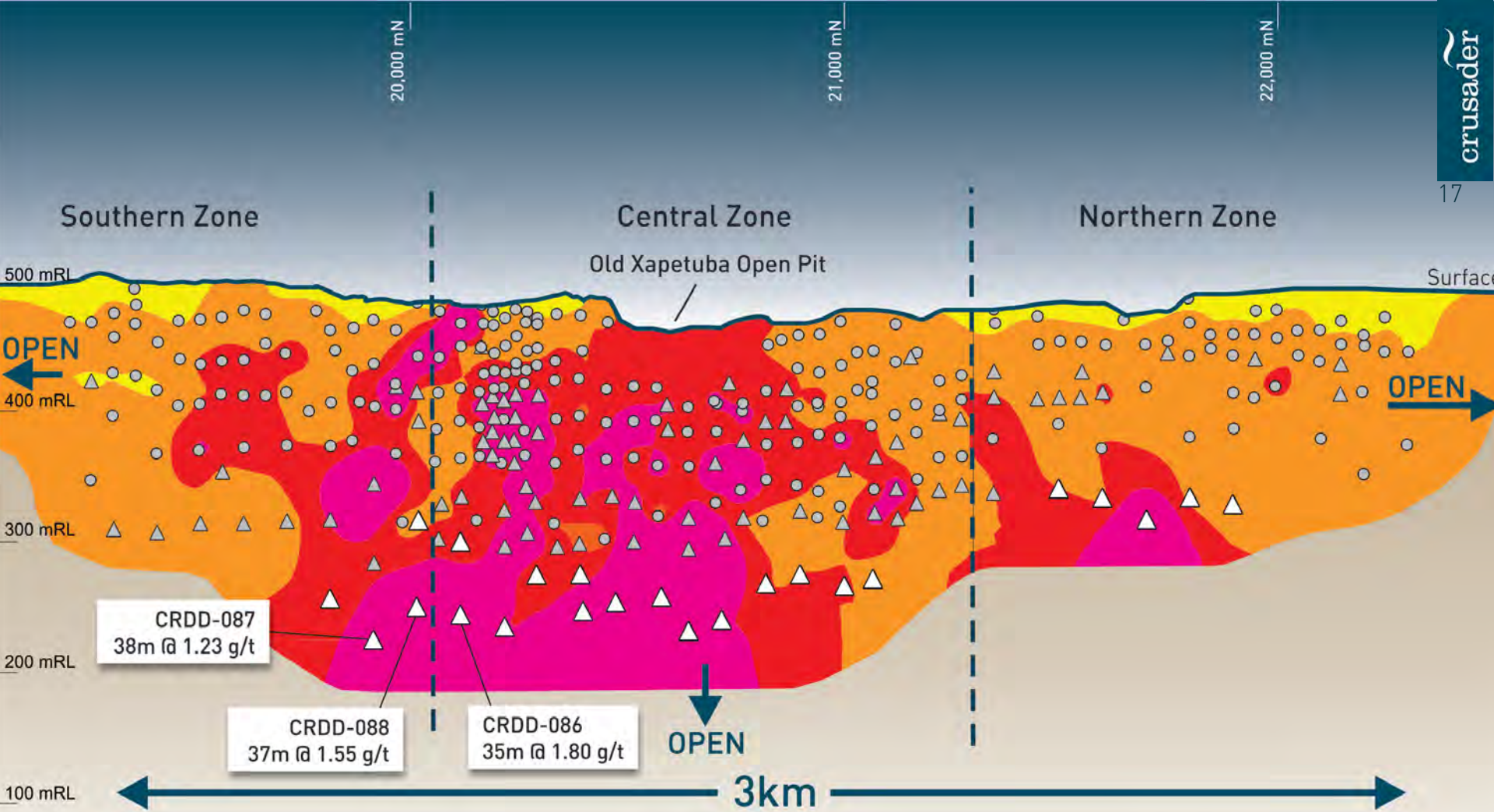
width 50 m | length 350 m | depth 25 m



# Selected Drill Results November 2011

- 40,000m RC and Diamond completed to November 2011
- 5 rigs ongoing through to end of year
- Only 3 kilometres of strike drilled
- Deepest intercepts show expanding widths and increasing grade

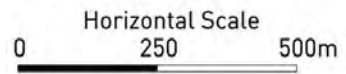




**Legend**

- Au Gram Metre Contours True Width**
- > 35
  - 20 to 35
  - 5 to 20
  - 0 to 5

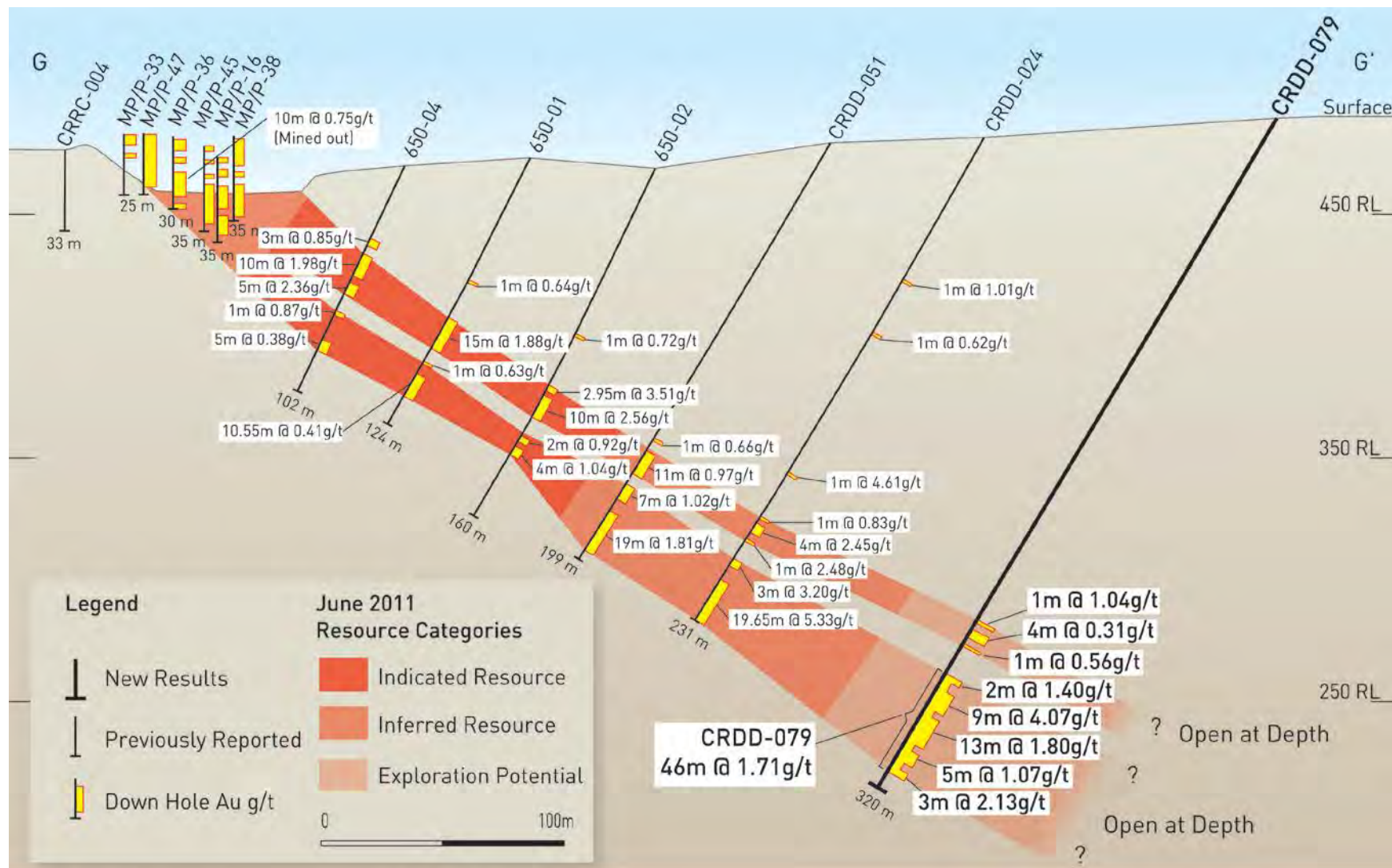
- CAS Drilling**
- Diamond Hole - New Results
  - Diamond Hole - Previously Announced
  - RC Hole - Previously Announced
- Note: Intersections are True Width



Note : 3x Vertical exaggeration

Borborema Gold Project  
Au Gram Metre Long Projection  
November 2011

# Cross Section G-G'



# Borborema JORC compliant Mineral Resource Estimate, June 2011 *(To be updated Nov 2011)*

Cut-off Grade Applied (g/t Au)	Indicated			Inferred			Total		
	Tonnes (Mt)	Average Grade (g/t Au)	Contained Gold (Moz)	Tonnes (Mt)	Average Grade (g/t Au)	Contained Gold (Moz)	Tonnes (Mt)	Average Grade (g/t Au)	Contained Gold (Moz)
0.5	21.49	1.32	0.91	23.16	1.28	0.95	44.64	1.30	1.86
1.0	12.51	1.75	0.70	12.40	1.75	0.69	24.91	1.75	1.40

Estimate by Ordinary Kriging, 12.5mN x 5mE x 5mRL Parent Cell  
 Note: Rounding errors may occur in the table above.

## Borborema Project 2011 Exploration Target<sup>1</sup>

Tonnage Range	Grade Range (g/t Au)	Range for contain Moz
8 to 20 Mt	1.2 to 1.8 g/t	0.5 to 0.75

<sup>1</sup> The potential quantity and grade in an exploration target is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain that further exploration will result in the determination of a Mineral Resource.

# Monthly Exploration Statistics

Activities	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Total
Drilling DD	1866.81	2956.17	3215.48	3148.41	2818.92	1749.18	2048.18	2448.5	2874.7	2737.16	25863.51
Drilling RC	1250	1459	1701	1403	968				881	2610	10272
Geological Core Logging	1349.43	3141.83	2510.43	4801.78	2080.12	1539.38	2190.7	3,235.07	3,798.04	4,055.48	24646.78
Geotechnical Core Logging	839.43	1653.88	1340.97	1913.17	1716.26	1520.26	1015.02	2,093.41	1,518.15	1,237.26	13610.55
Samples Sent to Analysis - Drilling	2649	4789	2324	3565	2807	1751	1594.69	1266	2426	3864	23171.69
Results Received - Drilling	1436	5801	2754	1069	7926	2491	873	1168	205		23723
Drillhole Survey - Total Station	36	22	32	23	32	9	8	3	395	39	560
Lines Open - Geochemical and Drilling Grid	0	0	21525	12700	19261	28924.27	29412.74	24605.78	28410.35	11980.09	164839.1
Lines Survey				9600	13600	12500	17395.58	3446.91	21785.53	46438.93	124766.9
Soil Sampling - Geochemical Targets	0	0	0	156	1178	876	977	1374	420	1252	4981
Samples Sent to Analysis - Soil									4106	2106	6212

# Pre-Feasibility Study Results

<b>3Mtpa Base case</b>	
<b>Mining inventory (In-pit Inferred &amp; Indicated Resources, \$1,150 Gold)</b>	<b>1.18Moz (27Mt @ 1.39 g/t)</b>
<b>Mining throughput rate</b>	<b>3Mtpa</b>
<b>Mine life</b>	<b>9 years</b>
<b>Annual production*</b>	<b>Up to 180koz (ave 131koz)</b>
<b>Estimated capex**</b>	<b>USD \$169M</b>
<b>Estimated opex</b>	<b>USD \$558/oz</b>
<b>Metallurgical recovery</b>	<b>96%</b>
<b>NPV (10%) pre-tax, \$1,300 Gold</b>	<b>USD \$250M</b>
<b>IRR</b>	<b>32.9 %</b>
<b>Strip ratio (life of mine)</b>	<b>4.23:1</b>

\* This is not a production forecast by the Company but an outcome of the PFS. There remains at present insufficient certainty with respect to whether economically mineable mineralisation exists to reliably estimate future production. Further exploration and studies are required to determine this.

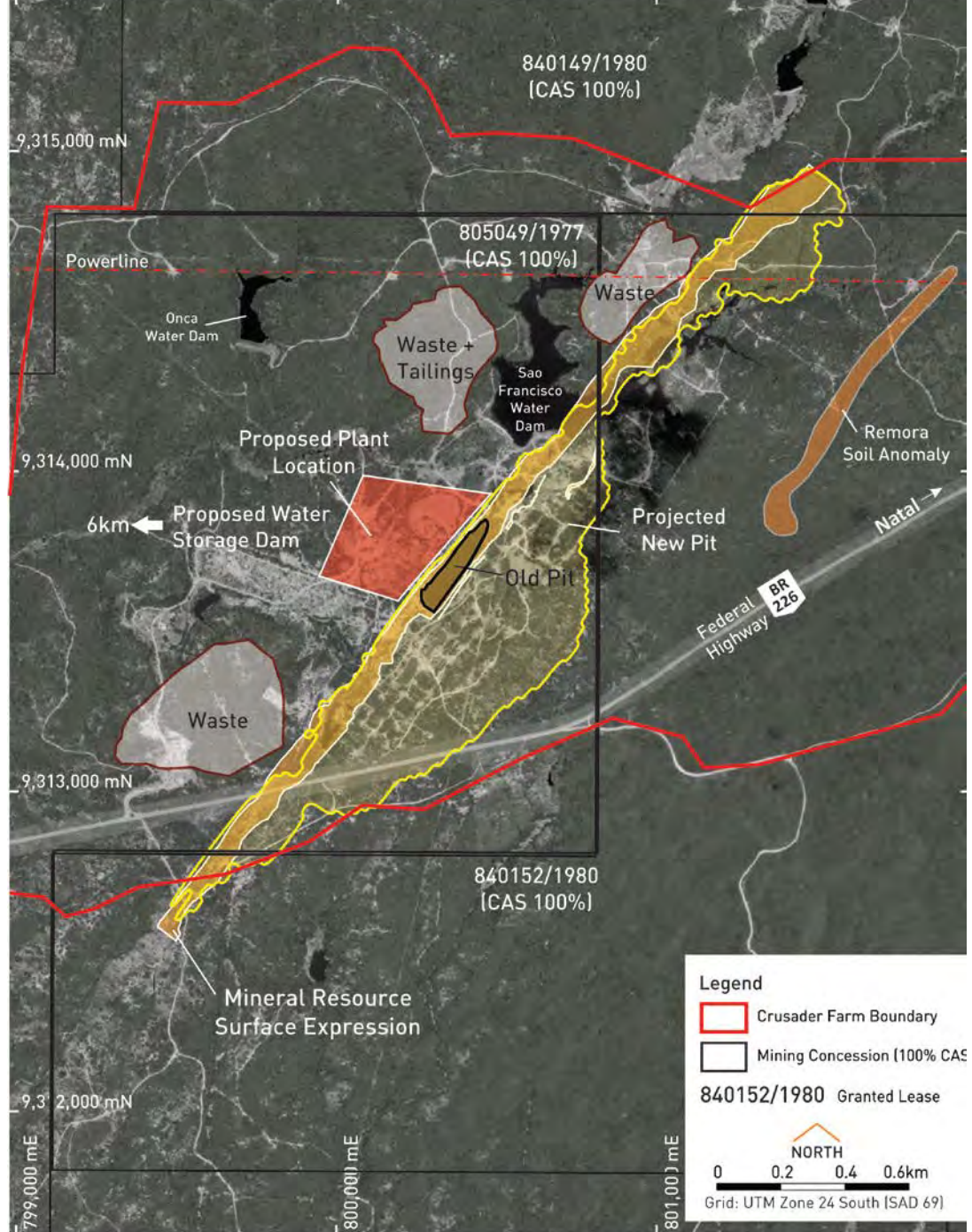
The Company is of the opinion that the Inferred and Indicated Resources have a reasonable prospect of eventual economic extraction. Under the JORC Code, an Ore Reserve is the economically mineable part of an Indicated or Measured Mineral Resource, as at the date of reporting, taking into account mining, metallurgical, economic, marketing, legal, social, and governmental factors (Modifying Factors).

At this stage the Company has not yet progressed the Inferred and Indicated Resource or progressed the modifying factors sufficiently to define an Ore Reserve. As such, the production assumptions in the PFS should not be used as a basis for investment decisions about shares in the Company.

\*\* Assumes owner operated and includes 15% contingency. Does not include sustaining capex

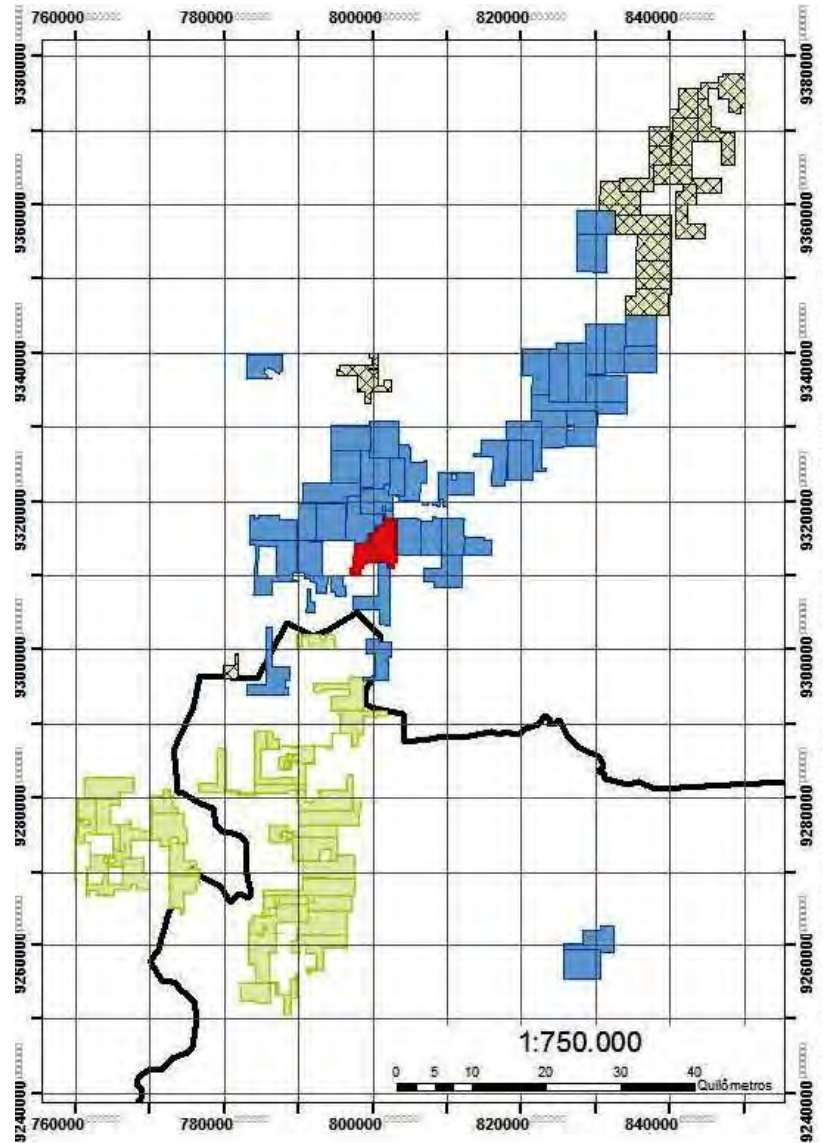
# Borborema General Layout Plan

- 3 stage crushing with standard CIL and gravity treatment- 96% recoveries
- Co-disposal of thickened tailings with waste- better water and environmental solution
- Challenges include;
  - Licensing
  - Moving BR226
  - Water
  - Power



# Regional Exploration

Project Area ~ originally 60km<sup>2</sup>,  
expanded to +1600 km<sup>2</sup>



# Borborema- Looking Forward

- Drill Programs 8 & 9, underway.
- Upgrade all in-pit resources to Indicated
- Drill first 3 years of production into Measured.
- Bankable Feasibility Study Under Consideration
- International Groups tendering for BFS
- Will commence once Resource updated.
- Brownfields and Regional exploration

## Top 10 Brazilian Gold Mines

1	Kinross	Paracatu	529,110
2	AngloGold Ashanti	Cuiaba	352,740
3	Yamana Gold	Sao Francisco	194,007
4	Yamana Gold	Jacobina	141,096
5	<b>Crusader Resources Borborema</b>		<b>131,000*</b>
6	Vale	Sossego	123,459
7	Yamana Gold	Chapada	123,459
8	Yamana Gold	Fazenda	105,822
9	Jaguar Mining	Turmalina	70,548
10	Kinross/AngloGold Ashanti	Crixas	70,548

\*Crusader estimated average annual gold production, as per recent PFS study.

Maximum production is estimated as 180,000oz in year 8

Based on Annual 2009 numbers, does not include other Brazilian Development/expansion projects.

**POSSE** IRON



# Location



- Close to Belo Horizonte, Brazil's mining heart – The Iron Quadrilateral
- Roads to the mine gate – water and power to site
- Customers surround the project and market is strengthening – driven by domestic growth
- Main customer is 80 km from mine gate



- 100 % owned by Crusader
- JORC Resource estimate – of 36 Mt @ 43.5 % Fe (Indicated and Inferred)
- Resource open at depth
- Development proposal is two stage, 6-8 years, open pit at up to 1 Mtpa ROM
- Metallurgy indicated high grade Fe (> 63 %) with VERY low contaminants – Premium LUMP product – with minimal beneficiation
- Stage 1 License at final stages
- Letter of Intent signed to sell ore to local consumer Alterosa – Sales at Mine gate
- Beneficiation plant-purchased, constructed and commissioned. Total outlay on Capex (including earthworks) A\$ < 2 M.
- Opex – Stage 1 is estimated at A\$ < 10 t run of mine ore (ROM). Current market price is A\$ 50-80 t product (mine gate), excellent margin



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

## DEVELOPMENT PLAN

**STAGE 1**

- Stage 1 up to 1 Mtpa - dry treatment targeting high grade (> 60 % Fe) hematite veins
- Beneficiation by dry sieving to produce a premium quality lump ore. Simple procedure ~ 40 -45% of ROM will report to lump product
- Sales agreement in place with leading smelter Alterosa for + 50 % of product. Sales of Product at the mine gate. Strong demand from many parties for increasingly rare lump product
- Fines products will be stockpiled (or sold) for re-treatment in Stage 2
- Sale price estimated at \$A 50/t lump and fines (current local prices at up to A\$ 80 t)
- Capital costs (spent) at ~ A\$ 2.0 million  
Contract mining (signed)
- Operating costs are estimated at A\$ < 10 t of ROM  
~ \$A 20 t product - very healthy margins

A circular graphic with a light beige background and a faint, stylized hammer and pickaxe icon. The text "DEVELOPMENT PLAN" is in a smaller font above "STAGE 2" in a larger, bold font.

DEVELOPMENT PLAN  
**STAGE 2**

- Wet beneficiation process – up to 1 Mtpa ROM ore
- Several high-grade (63 % Fe) products including lump, sinter feed and fines (hematite)
- All metallurgy testing indicates premium products. Low contaminants < 0.02 % Phosphorus
- Stage 2 will begin with stockpiled lower grade ore from Stage 1
- Additional capital expenditure for Stage 2 estimated at A\$ 8 M



Posse



## Investment Highlights

### Continued gold resource growth

- Borborema drilling ongoing – Project remains open at depth and along strike
- Bankable Feasibility Study– completion mid-2012
- Brownfields exploration underway
- Greenfields exploration underway

### Near term cash generation to fund operation and growth

- Cash flow from sales of high grade Posse iron ore, planned for 1<sup>st</sup> half 2012- license dependant

### Established management team in country

- Combine Australian industry skills and Brazil's prospectivity to explore Crusader's high potential portfolio

### Treasury

- Currently ~ \$19M
- Funded through to Bankable Feasibility Study