



# Crusader Resources

Feb 20<sup>th</sup> 2013

## Crusader Resources begins transition to producer at Brazilian iron ore project

Crusader Resources (ASX: CAS) is transitioning from explorer to producer with the start of plant commissioning for the production of direct shipping ore from its Posse Iron Ore Project in Brazil.

This places the company on track for first sales and revenue in March.

Sales of direct shipping ore are expected to generate margins of up to A\$1 million per month after tax.

Posse is a low capital cost project, close to infrastructure and simple logistics as sales will be made at the mine gate to local customers.

Mining of direct shipping hematite iron ore (DSO) will begin in February and quickly expand production to a target rate of 50,000 tonnes per month in April-May.

Production will be further expanded up to 1 million tonnes per annum with additional licensing.

Importantly, forecast costs are expected to be very low at around A\$12 per tonne and given the current strong global market conditions for iron ore, Crusader will be delivering to local smelters at an opportune time.

Low strip ratio (0.15:1 in early years), free digging (no blasting) and simple crushing and screening of the ore results in very low operating costs.

Iron ore sales will consist primarily of low contaminant, high grade lump and some lower grade fines.

Ore will be sold at the mine gate to local customers including pig iron producers and steel mills and then transported by road.

The Posse project is located within Brazil's famous "Iron Quadrilateral" region which is home to numerous iron ore mines as well as pig iron and steel smelting operations, providing a strong local market for Posse's products.

Crusader has signed three sales letters of intent with domestic smelters and is concentrating on developing its marketing, commercialisation and sales processes.

Significantly, demand from the smelter group is in excess of Posse's projected production.

A Licence to Operate for the Posse project was granted by the Minas Gerais state environmental council, COPAM, late in 2012, allowing Crusader to begin operations at an annual rate of 300,000 tonnes of run of mine ore using simple, dry beneficiation.

The construction of access roads, weighbridge, stockpile areas and office infrastructure began in December 2012 and is nearing completion.

A quantity of ore has already been stockpiled on the run of mine pad ahead of the anticipated start of processing in two weeks' time.

**Price:** A\$0.37

**Market Cap:** A\$41.79M

### 1 Year Share Price Graph



### Share Information

**Code:** CAS

**Listing:** ASX

**Sector:** General Mining

**Website:** crusaderresources.com

### Company Synopsis:

*Crusader Resources (ASX: CAS) is a minerals exploration company focussed on the identification, acquisition and development of projects in Brazil.*

**Author:**

**Angela Kean** +61 2 9299 5001

action@proactiveinvestors.com.au



Posse contains an Indicated and Inferred Resource of 36 million tonnes at 43.5% iron.

A drilling program to better define the high grade, DSO haematite ore distribution within the resource has begun. The drilling will aim to expand the resource along strike and down dip.

Proactive Investors Australia is the market leader in producing news, articles and research reports on ASX "Small and Mid-cap" stocks with distribution in Australia, UK, North America and Hong Kong / China.

You understand and agree that no content published constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential advisability, value or suitability of any particular security, portfolio of securities, transaction, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including company related products and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made.

However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The contributors make every effort to ensure that the information and material contained in this report is accurate and correct and has been obtained from reliable sources. However, no representation is made about the accuracy or completeness of the information and material and it should not be relied upon as a substitute for the exercise of independent judgment. Proactive Investors does not accept any liability, including negligence, for any loss or damage arising from the use of, or reliance on, the material contained in this report. There are general risks associated with any investment in securities. Investors should be aware that these risks might result in loss of income and capital invested.

WARNING: No recipients should rely on any recommendation (whether express or implied) contained in this document without obtaining specific advice from their advisers. All investors should therefore consider the appropriateness, in light of their own objectives, financial situation and/or needs, before acting on the advice.

DISCLOSURE: The Company, its directors, associates, employees or representatives may not effect a transaction upon its or their own account in the investments referred to in this report or any related investment until the expiry of 24 hours after the report has been published.