

# Crusader Receives Key Borborema Environmental Licence

## Highlights

- **Crusader has received the critical Pre-Licence (Licença Previa or 'LP') for its Borborema Gold Project from the Rio Grande do Norte State Government Environmental Department (IDEMA)**
- **Importantly, the state Ministério Público (Public Ministry) has positively reviewed the licence and endorsed the licence issue by IDEMA**
- **Strong support for the new project plan has been received from both the environmental agency, local municipal council and the State Government of Rio Grande do Norte**

Crusader Resources (ASX: CAS) ("the Company") has achieved a significant milestone in the development of its wholly-owned Borborema Gold Project, located in Rio Grande do Norte State, Brazil, receiving the LP from the State Government Environmental Authority- IDEMA.

Borborema is a large scale, advanced gold project that has significant infrastructure advantages. Development of this project has the potential of positioning Crusader in the medium term as a mid-tier Brazilian gold producing company.

Commenting on the receipt of this key licence, Crusader Managing Director Rob Smakman said:

*"We are very pleased to receive the LP for Borborema- considered across Brazil as the most important licence in the licensing process. We have worked closely with IDEMA, who have in turn worked closely with the Public Ministry to ensure the project impacts are well studied and minimised. We look forward to continuing our strong relationship with these departments whilst attending the next steps in the process."*

*"I wish to thank our principal consultants- Progel Environmental Services and our internal licensing team for their tireless efforts in achieving this major milestone."*

This critical licence approves the Environmental Impact Assessment for Borborema and follows submission of an updated project plan to the environmental authorities in 2016, which was developed in conjunction with IDEMA. The updated project plan proposed a reduced project footprint, dry stacked tailings and restricts project infrastructure to Crusader's owned farm area (see Figure 5 below and ASX releases 16 May 2016 and 20 July 2016).

With this key licence now received, Crusader will work to fulfil the standard conditions of the LP, which have largely already been achieved. On submission of the required reports and subject to approval by IDEMA, an "Installation Licence" (Licença de Instalação or LI) will be issued. It is envisaged this will occur in 2017, after which project construction can commence.

## Support from Rio Grande do Norte State

Crusader has formed strong connections with the authorities in Rio Grande do Norte state and is confident that support for the project is strong (see Figures 1-4 below). Crusader is currently negotiating a joint 'letter of commitment' with the Rio Grande do Norte State Government which is aimed at formalising their support for the project development and could lead to economic benefits through additional tax incentives and/or tariff reductions.



Figure 2: IDEMA General Director, Rondinelle Oliveira hands over the LP to Crusader's RN representative- Jucieny Barros (source; idemarn; Instagram).



Figure 1: Meeting with representatives of Progel, IDEMA, the State Public Ministry, CAERN (State Water Authority) and Crusader in early 2017 (source;. idemarn; Instagram)



Figure 3: Technical visit from IDEMA to inspect the Borborema Gold Project, June 2016



Figure 4: Crusader Managing Director, Rob Smakman (lfs), visits the Borborema Gold Project with the Mayor of Currais Novos, Odilon Junior (centre) and Vice-Mayor (rhs) (source;. Prefeituracurraisnovos Instagram)

### Borborema Project Background

Previously mined as a heap leach in the 1980's, Crusader has completed sufficient work (including >95,000m of drilling) to delineate a JORC compliant mineral resource estimate of 68.6mt @ 1.10g/t Au for 2.43Moz contained gold, including Proven and Probable reserves of 42mt @ 1.20g/t for 1.6Moz (see Figure 6 below).

The orebody is tabular and able to be mined as a simple open pit. Free milling ore with expected gold recoveries >90%, the project is favoured by its location which has a dry climate, good infrastructure (roads, power, water and nearby professional population centres).



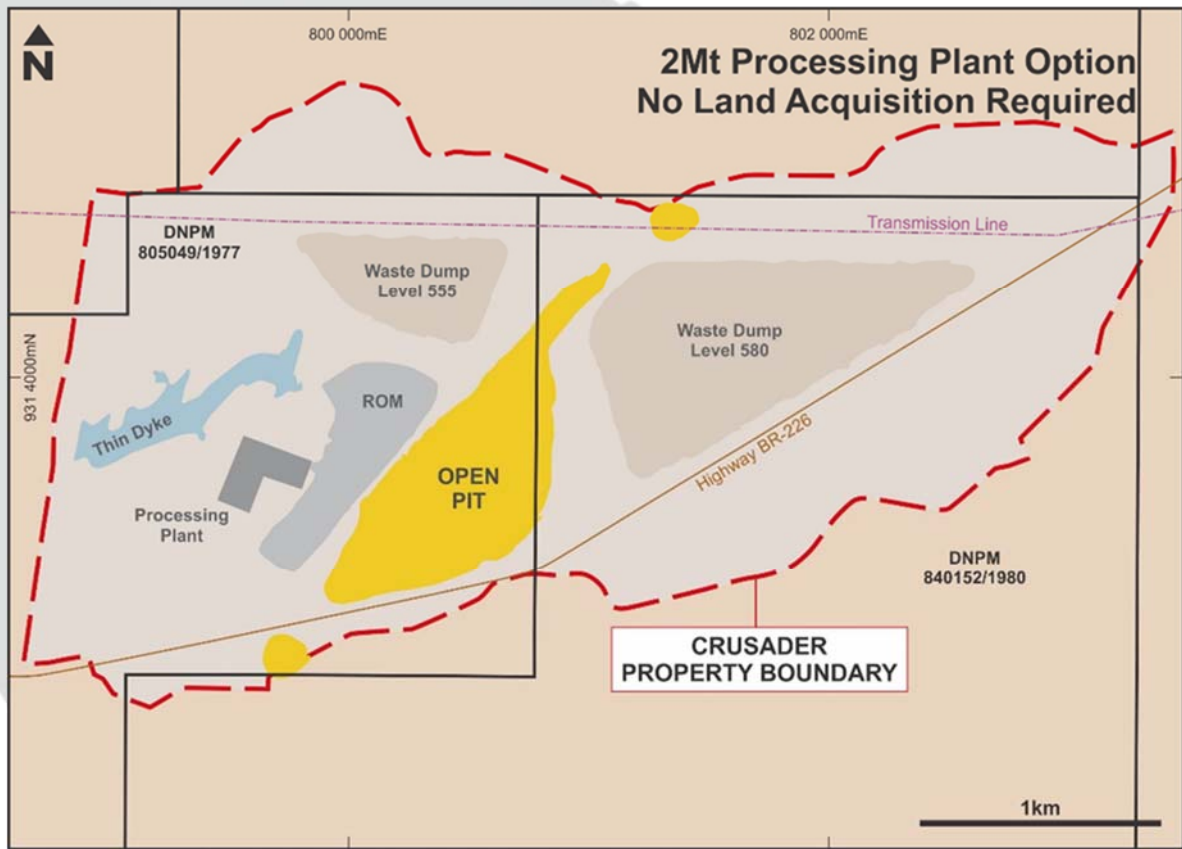


Figure 5: Modified general design for Borborema. The LP covers all the tenements in the diagram (805.049/1977, 840.152/1980 and 840.149/1980). All three areas will now be consolidated (grouped) by the Federal Mines department (DNPM).

Borborema Gold Project			
Mineral Resource Estimate by Multiple Indicator Kriging (MIK)			
Category	Tonnes (Mt)	Grade (Au g/t)	Contained Gold (Moz)
Measured	8.2	1.22	0.32
Indicated	42.8	1.12	1.55
<b>Total Measured + Indicated</b>	<b>51.0</b>	<b>1.14</b>	<b>1.87</b>
Inferred	17.6	1.00	0.57
<b>Total Mineral Resource*</b>	<b>68.6</b>	<b>1.10</b>	<b>2.43</b>

\*July 2012 Mineral Resource Summary Table, reported at a 0.5 g/t cut-off. Parent Block 25mE x 25mN x 5mRL. Selective Mining Unit 5mE x 6.25mN x 2.5mRL. Note, appropriate rounding has been applied, subtotals may not equal total figure.

Borborema Gold Project - Ore Reserves				
Category		Tonnes (Mt)	Grade (Au g/t)	Mineable Gold (koz)
Proven	Oxide	0.65	0.80	17
	Fresh	7.26	1.25	292
Probable	Oxide	1.68	0.70	38
	Fresh	32.82	1.20	1,260
<b>Total</b>		<b>42.41</b>	<b>1.18</b>	<b>1,610 (1.61 Moz)</b>

Ore Reserve estimate for the Borborema Gold Project.

Reported at a 0.4 g/t cut-off for oxide and 0.5g/t cut-off for fresh material. The cut-off grades have been based on the latest throughput costs, gold price of US\$1350/oz, metallurgical recovery of 95% and then rounded up. Note, appropriate rounding has been applied, subtotals may not equal total figures.

Figure 6: Borborema Gold Project, JORC compliant (2004) Mineral Resources and Ore reserves.

## For further information, please contact:

### Mr. Rob Smakman

#### Managing Director, Brazil

Office (Brazil): +55 31 2515 0740

Email: rob@crusaderdobrasil.com

### Mr. Paul Stephen

#### Executive Director, Australia

Office (Aus): +61 8 9320 7500

Email: paul@crusaderresources.com

### Mr. David Tasker

#### National Director, Investor Relations

Professional Public Relations

Tel: +61 433 112 936

Email: David.tasker@ppr.com.au

## 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 km<sup>2</sup> 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.