

## Crusader advances Borborema licensing

### Important renewal received from Rio Grande do Norte State Environmental Authority

#### Highlights

- Crusader has received an important renewal from the Rio Grande do Norte state government environmental department (IDEMA) for its operating licence for Borborema
- The current operating licence is the penultimate step in the updated licensing process for Borborema, with the final step being an alteration to the operating licence
- Strong support for the new project plan has been received from both the environmental agency, local council and the State Governor of Rio Grande do Norte

Brazil-focused gold development company Crusader Resources (ASX: CAS) ("Crusader" or "the Company") is pleased to announce its current operating licence for its wholly-owned Borborema Gold Project in Rio Grande do Norte State, Brazil, has been renewed by the State Government Environmental Authority- IDEMA.

The licence grant comes in the wake of the new project plan submission made to the environmental authorities which proposes a smaller footprint, dry stacked tailings and restricts the project infrastructure to Crusader's owned farm area (see Figure 1 and ASX release 16/05/2016).

The renewal of the operating licence for tenement 805.049/1977 means that, subject to the normal licence conditions which are materially unchanged from previous versions, Crusader is free to operate within an 8Ha area- an area covering the main open pit and historic heap leaching area. This operating licence needed to be renewed before it could be altered to allow for Carbon in Leach (CIL) processing on a much increased footprint.

The granting comes in the wake of a technical visit from an IDEMA team who visited in May 2016 (see Figure 2) in order to audit the renewal application and importantly, the subsequent alteration licence application which is now the final and most important hurdle to licensing Borborema.

Crusader Managing Director Rob Smakman said:

"We are very pleased with the progress we are making on the licensing at Borborema, by pro-actively changing the project scope, we have received very strong support from both the environmental agency and the government as a whole. We are now very confident IDEMA will grant the full licence for the project in coming months."

Previously mined as a heap leach in the 1980's (Brazil's first such project), Crusader has completed sufficient work 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 4)

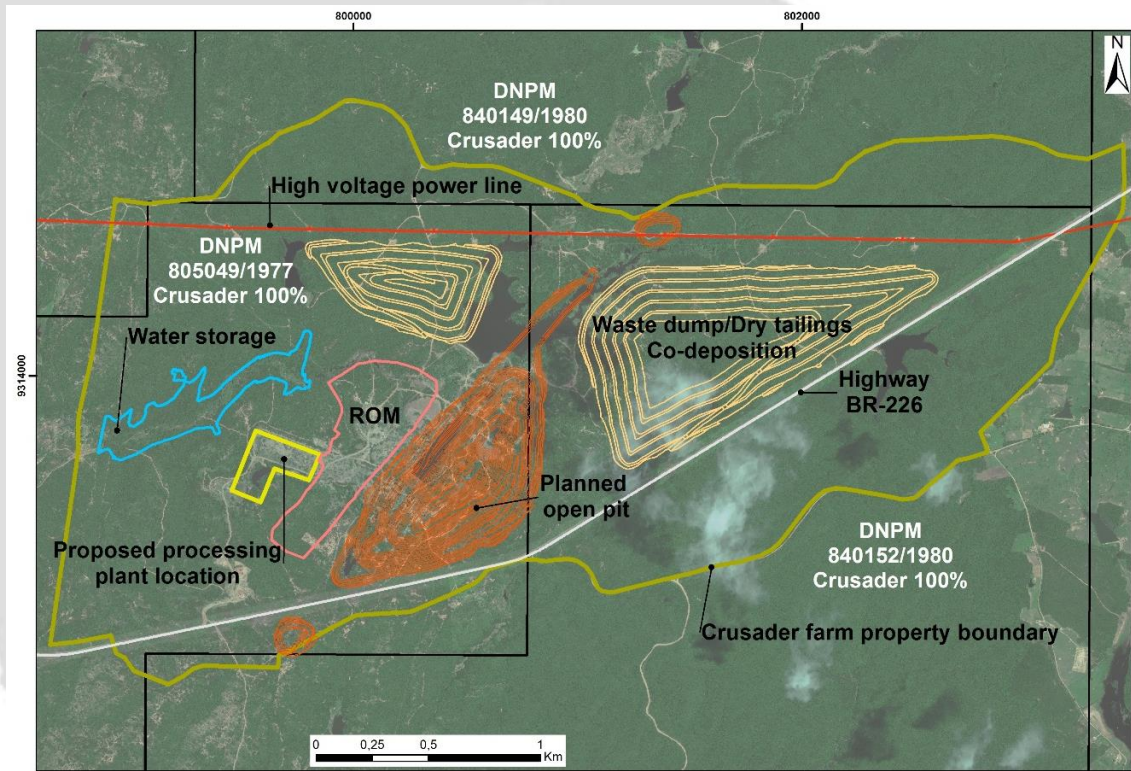


Figure 1: General design for Borborema. Operating License (LO) approved for DNPM (Brazilian federal mines department) tenement number 805.049/1977. An Alteration License (LA) is now awaited for this area, the final step in the licensing process. Areas 840152/1980 and 840149/1980 are awaiting their Preview Licenses (LP), as part of the same environmental impact report and project application.



Figure 2: IDEMA technical audit team visiting Borborema project, May 2016. Crusader representative, Jucieny Barros (4th from left). Image from IDEMA website ([www.idema.com.br](http://www.idema.com.br))





Figure 3: Crusader representatives meeting Rio Grande do Norte state Governor and staff. From left to right; Officer of the government affairs (Civil cabinet): Tatiana Mendes Cunha; Crusader tenement controller: Jucieny Sousa de Moura Barros; COO PROGEL (Crusader's environmental Consulting company): Gutemberg Dias; Interim Governor of Rio Grande do Norte: Fabio Dantas; COO of Crusader group: Julio Cesar Nery Ferreira; Commercial officer of PROGEL: Paulo Coelho; Assistant Secretary of Government affairs: Flávio Giorgi Medeiros Oliveira

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 4: Borborema Gold Project, JORC compliant (2012) Mineral Resources and Ore reserves.

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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 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.