

Quarterly Activities Report

March 2018

Highlights

- Successful listing on the AIM Market of the London Stock Exchange.
- Successful placement undertaken.
- Borborema Optimisation Study completed with outstanding results.
- Borborema Ore Reserve updated.
- Drilling Underway at Juruena Gold Project – Alta Floresta Gold Belt.
- Agreement reached for conversion of the Company's outstanding loan with the Copulos Group.

Dual listing on AIM

During the quarter Crusader Resources Limited (“**Crusader**” or the “**Company**”) completed its dual listing on the AIM Market of the London Stock Exchange. Crusader's ordinary shares commenced trading on the AIM market (in the form of depositary interests) on 16 April 2018.

The Company's ordinary shares will continue to be traded on the ASX, with shareholders able to transfer their shares between exchanges if required.

During the quarter Crusader also received binding commitments for a placement to raise approximately \$6.43 million (before expenses). Shareholder approval is being sought at the Annual General Meeting for Stephen Copulos (previous Chairman), Andrew Vickerman (Chairman) and Marcus Engelbrecht (Managing Director) (or their respective nominees) for an aggregate of approximately \$416,486 worth of securities on the same terms and conditions as the unrelated investors in the placement. Notice of the Annual General Meeting is expected to be posted to shareholders shortly.

The placement also provides for the issue of one free-attaching warrant for every two shares subscribed for under the placement. Each warrant will be exercisable at the issue price of \$0.055 each (or the equivalent in pence), at any time within 24 months following their issue. The Company is seeking shareholder approval at the Annual General Meeting for the issue of these attaching warrants.

The funds raised by the placement will be used for the completion of the BFS at Crusader's Borborema Project in Brazil, the repayment of debt and the advancement of the high grade and substantially underexplored Juruena Gold Project.

Smith & Williamson Corporate Finance Limited is acting as the Company's nominated adviser. The Placing was joint lead managed by advisory group Hannam & Partners (UK), and Patersons Securities Limited (Australia) with ANZ Corporate Advisory acting as joint financial adviser.

Operational updates

[Updated Optimisation Study: Borborema Gold Project](#)

During the quarter Crusader announced an update to its ongoing technical and financial optimisation of its 100% owned Borborema Gold Project located in the state of Rio Grande do Norte in North Eastern Brazil which delivered outstanding results, including the following highlights:

- Net present value of US\$117.8M, discounted at 8%.
- Internal rate of return of 31%, based on a gold price of US\$1300/oz.
- Gold production over ten years of 701koz with expected annual average production of ~70koz.
- Cash cost of production estimated at US\$724/oz with all in sustaining cost of US\$908/oz.
- Pre-production capital expenditure for a planned 2Mtpa capacity CIL plant and associated infrastructure projected to be US\$93.4M.

The optimisation update is based on processing 2Mtpa of an initial 20Mt of ore for an initial 10 year period. The initial development exploits the upper lens of the Borborema deposit, approximately half of the current ore reserve of 42Mt @ 1.18g/t. The initial 20Mt of ore optimises the project at current gold prices, minimises waste movement, capital expenditure and operational risks and does not prevent the future development of the deeper reserves.

Refer to the Company's ASX announcements of 8 February 2018 and 11 April 2018 for further information.

Updated Ore Reserve: Borborema Gold Project

During the quarter Crusader announced an update to its Ore Reserve estimate for the Borborema Gold Project in compliance with the JORC Code (2012 Edition) and using economic inputs as at 31 December 2017. The update fully supports the previously reported Ore Reserve estimate, and was prepared in connection with the admission to AIM.

Table 1. Borborema Gold Project Mineral Resource (JORC 2012 code)

Borborema Gold Project Mineral Resource by Multiple Indicator Kriging (MIK)				
Category	Cut-off grade	Tonnes (Mt)	Grade (Au g/t)	Contained Gold (Moz)
Measured	0.40	9.8	1.09	0.34
	0.50	8.2	1.22	0.32
	0.60	6.8	1.35	0.30
Indicated	0.40	53.1	0.99	1.70
	0.50	42.8	1.12	1.55
	0.60	34.8	1.26	1.41
Total Measured + Indicated	0.40	62.9	1.01	2.04
	0.50	51.0	1.14	1.87
	0.60	41.7	1.27	1.70
Inferred	0.40	23.2	0.87	0.65
	0.50	17.6	1.00	0.57
	0.60	13.6	1.14	0.49
Total Mineral Resource	0.40	86.1	0.97	2.69
	0.50	68.6	1.10	2.43
	0.60	55.2	1.24	2.20

Mineral Resource table, reported at various cut-offs. 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 figures

Table 2. Borborema Gold Project Ore Reserve (JORC 2012 code)

Borborema Gold Project - Ore Reserve				
Category		Tonnes (Mt)	Grade (Au g/t)	Gold to Mill (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
Total		42.41	1.18	1,610 (1.61 Moz)

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 costs, gold price of US\$1301/oz. Note, appropriate rounding has been applied, subtotals may not equal total figures.

Refer to the Company's ASX announcements of 6 March 2018, 29 March 2018 and 11 April 2018 for further information.

Commencement of 2018 exploration over Juruena and Novo Astro Gold Projects

During the quarter, Crusader announced the commencement of an exploration program over its highly prospective and high grade Juruena and Novo Astro Gold Projects situated within the Alta Floresta belt in western Brazil.

Refer to the Company's ASX announcement of 16 January 2018 for further information.

Agreement reached for conversion of the Company's loan with the Copulos Group.

On 30 March 2017, the Company executed a Convertible Loan Agreement with The Copulos Group. The limit of the facility was A\$1,500,000. During the quarter, the Copulos Group agreed to convert all of funds loaned, plus accrued interest and establishment fees, to shares in Crusader, at a deemed conversion price of A\$0.055 per share, with 1 free attaching warrant for every 2 shares issued. This conversion price is equal to the placement price of the Company's recent capital raising conducted in conjunction with the admission to AIM.

The conversion of the Copulos Group Loan is subject to the receipt of shareholder approval, which will be sought at the Company's Annual General Meeting to be held in May 2018.

The Copulos Group is committed to the long term development of the Company and its asset portfolio in Brazil and through this conversion will grow its position as a major shareholder in the Company. The Copulos Group's shareholding in the Company will be subject to a lock-in agreement for 12 months following the conversion date pursuant to the AIM Rules.

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About Crusader

Crusader Resources Limited (ASX:CAS, AIM: CAS) is a minerals exploration and development company listed on the Australian Securities Exchange and the AIM market of the London Stock 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 two key Gold Assets:

Borborema Gold Project

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 km² 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.

Juruena Gold Project

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.

Competent Person Statements

Borborema mineral resource estimate

The information in this announcement that relates to the mineral resource estimate for the Borborema Project was first reported in accordance with ASX Listing Rule 5.8 on 24 July 2017. Crusader confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 24 July 2017 and that all material assumptions and technical parameters underpinning the Mineral Resource estimate continue to apply and have not materially changed.

Borborema ore reserve estimate

The information in this announcement that relates to the Ore Reserve estimate for the Borborema Project was first reported in accordance with ASX Listing Rule 5.9 on 6 March 2018, 29 March 2018 and 11 April 2018. Crusader confirms that it is not aware of any new information or data that materially affects the information included in these previous announcements and that all material assumptions and technical parameters underpinning the Ore Reserve estimate continue to apply and have not materially changed.

Juruena mineral resource estimate

The information in this announcement that relates to the Mineral Resource estimate for the Juruena Project was first reported in accordance with ASX Listing Rule 5.8 on 22 December 2016. Crusader confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 22 December 2016 and that all material assumptions and technical parameters underpinning the Mineral Resource estimate continue to apply and have not materially changed.

Exploration results

The information in this presentation relating to exploration results for the Borborema Project, Juruena Project and Novo Astro Project is based on and fairly represents information and supporting information compiled by Mr Robert Smakman. Mr Smakman is the former Managing Director of the Company. Mr Smakman is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Smakman has consented to the form and context in which the exploration results and supporting information are presented in this announcement.