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Borborema Gold Project Bankable Feasibility Study Metallurgical Testing

Crusader Resources Limited (ASX:CAS, AIM:CAS) ("**Company**" or "**Crusader**") is pleased to provide the following update on Bankable Feasibility Study (BFS) metallurgical test work at the Company's Borborema Gold Project.

Highlights

- Orway Mineral Consultants (OMC) is evaluating comminution flowsheet options. Evaluations suggest the Borborema ore is amenable to single stage SAG milling which will reduce upfront capital expenditure compared to the previous three stage crush / ball mill option.
- Recommissioned test work on the Borborema resource has confirmed the validity of a simple crush-grind-cyanidation processing circuit to provide high gold extractions in excess of 90%.
- As expected heap leach and flotation options have been further evaluated and have been shown not to be optimal.
- Recent test work has identified 80% material tests passing 106µm as the optimum grind size when operating costs and revenue benefits are analysed.
- Mineralogical evaluations are continuing to assess the gold deportment and mineralogical associations. Notably the role of mica present in the ore and gold liberation characterisation as a function of mica content and grinding energy input.

As part of the BFS the Company is undertaking an ongoing technical and financial optimisation of the 2.0Mtpa Borborema Gold Project. This optimisation work includes detailed metallurgical test work utilising samples originating from eight large diameter (PQ) diamond drill holes which have provided approximately 6 tonnes of sample from 1,200m of core. The holes are deemed representative of the larger ore body, both along strike and down dip, and reflect the various lithologies present at Borborema. Finalisation of the metallurgical test work and subsequent processing plant flowsheet design is a critical path item for the completion of the BFS for the Borborema Gold Project.

An opportunity has been identified in minimising the usage of grinding media via optimisation of the grinding circuit. Work is ongoing, with OMC embarking on assessment of operating cost criteria for the comminution circuit options. Options under evaluation are:

- Single stage SAG (lowest capex option) recently shown suited to achieving the nominal 106µm grind
- A SAG/ball mill flowsheet (SAB)
- A multiple stage crush/ball mill flowsheet, as previously proposed in the PFS
- A hybrid coarse fed ball mill/SAG which includes primary crushing, and open circuit secondary crushing feeding a high ball charge SAG mill

Work completed indicates the optimal grind size of 80% material passing 106µm and a leach residence time of 24 hours. The 106µm grind size provides a positive impact on the project's NPV over both finer and coarser grinds and residence time considerations. Final grind size selection is expected to be confirmed post the completion of the OMC operating cost criteria determinations.

Ongoing metallurgical testing is focusing on variability testing where some 40 composites along strike and down dip will be subjected to a matrix of gravity-leaching test work encompassing variables of grind size, cyanidation conditions and

residence time. Short range variability testing will also be undertaken to populate a geo-metallurgical model to forecast process recovery. Bulk test work will generate the key design parameters needed to take the BFS forward by providing the basis for capital and operating cost estimation as well as revenue estimates. This data will also ultimately support detailed design of the facility as the project is taken forward to production

Crusader confirms that the optimisation work undertaken to date and disclosed in this announcement does not materially change any of the material assumptions and technical parameters underpinning the Company's previously announced mineral resource and ore reserve estimates. Following completion of the Company's optimisation work and BFS, if there are any material changes to these material assumptions or technical parameters, the Company will release all information required under the Listing Rules, the AIM Rules and the JORC Code 2012.

Marcus Engelbrecht, CEO of Crusader said: "The metallurgical test work on the Borborema Gold Project BFS is progressing well and is delivering some key positives with regard to optimising work-streams. In particular the results from the OMC review regarding the SAG mill option, as well as the conclusions reached on grind size will have a real and positive impact on capital and operating costs and project economics."

Borborema Gold Project

Crusader's key asset is the Borborema Gold Project 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 29km² including freehold title over the main prospect area. Previously mined as a heap leach in the 1980's, Crusader has completed more than 95,000m of drilling on an orebody which is tabular and mineable as an open pit. Free milling ore with expected gold recoveries of 93%, the project is favoured by its location which has a dry climate and excellent infrastructure (roads, power, water and nearby sophisticated population centres). The Company benefits from a favourable taxation regime, significant existing infrastructure and on-site facilities and the critically important Environmental Licence (LP) which Crusader received in 2017 (refer ASX release of 28 April 2017).

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Appendix

Table 1: 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 throughput costs, gold price of US$1210/oz. Note, appropriate rounding has been applied, subtotals may not equal total figures.

Table 2: 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 estimate for the Borborema Gold Project, 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

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 km^2 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. 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 Gold 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.