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Half Year Report - 30 June 2018

Crusader Resources Limited **("Company" or "Crusader")** (ASX:CAS, AIM:CAS) is pleased to announce its financial results for the half year ended 30 June 2018.

Highlights

- **Successful completion of a dual listing on the AIM Market of the London Stock Exchange raising A$6.5m before costs.**
- **Ongoing technical and financial optimisation of the Borborema Gold Project delivers positive results**
- **Borborema Ore Reserve estimate updated to JORC 2012 compliance**
- **Key initiatives for the Borborema Bankable Feasibility Study progressed**
- **Ausenco in Brazil engaged to assist in finalisation of the Borborema Installation Licence application**

Commenting on the Company's half-year performance, Crusader's Managing Director, Marcus Engelbrecht, said:

"Crusader has successfully reached a number of milestones during the reporting period, and with our successful London AIM dual listing and capital raise in April, the Company has significantly increased its exposure in the Northern hemisphere. In addition, we have made considerable progress in moving our headline gold project in Brazil, Borborema, from exploration toward a decision to mine and development through continuing work on our BFS."

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CRUSADER RESOURCES LIMITED

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Half year Financial Report

For the half-year ended 30 June 2018

Corporate Directory

Directors

Andrew Vickerman	Non-Executive Chairman
Marcus Engelbrecht	Managing Director
Paul Stephen	Executive Director
John Evans	Non-Executive Director

Company Secretary
Andrew Beigel

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ASX Code:
Ordinary shares - CAS

Directors' Report

The directors present their report together with the financial report of Crusader Resources Limited ("the Company" or "Crusader") and its subsidiaries (the "Group") for the half-year ended 30 June 2018, and the auditors review report thereon.

Directors

The directors of the Company at any time during or since the end of the half-year are set out below. Directors were in office for the entire period unless otherwise stated.

Name	
Mr. A Vickerman	Chairman - appointed 16 April 2018
Mr. M Engelbrecht	Managing Director
Mr. P. Stephen	Executive Director
Mr. J. Evans	Non-executive Director
Mr. M. Ferreira	Non-executive Director – resigned 16 April 2018
Mr. J. Rogers	Non-executive Director – resigned 16 April 2018
Mr. S. Copulos	Chairman - resigned 16 April 2018

Operating Result

The Group incurred an after tax loss for the half-year ended 30 June 2018 of $4,063,577 (30 June 2017: loss of $2,872,589).

Review of operations

Corporate

During the reporting period, the Company successfully completed a dual listing on the AIM Market of the London Stock Exchange (AIM), whilst also completing a capital raise totalling $6.5 million (before costs) in April 2018.

Borborema Gold Project

During the half-year 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 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$1,300/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.

The Company 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 Estimate 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 Maiden Ore Reserve				
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
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.

During the period the Company progressed a number of key initiatives in connection with the Borborema bankable feasibility study. These include metallurgical technical optimisation of the processing outcome through ongoing metallurgical testing conducted by the ALS Laboratories in Perth, finalisation of the installation licence application from the Rio Grande do Norte State Governmental Department (IDEMA) in Brazil and defining the mandate and seeking expressions of interest from globally recognised engineering contractors.

As part of the metallurgical optimisation work, the Company completed a review and the recommissioning of test work to support the processing flowsheet and finalise additional processing cost saving opportunities.

Metallurgical test work is focused on a detailed metallurgical sampling program comprising eight large diameter PQ diamond holes for 1,200m (~6 tonnes). Initial composite formation, head assays and investigation into the distribution of mica in the Borborema ore body have now been completed with 40 composites samples ranging in Au grade from 0.17 g/t – 7.95 g/t. This is in line with expectations and provides a comprehensive and reliable representation of the Borborema ore body. A full table of the results was included in the Company's ASX announcement of 28 January 2015.

In parallel, test work on dry stacking of tailings at Borborema has being progressed. Dry stacking of tailings delivers significant recycling of mine site water as well as removing the need for the construction of a tailings dam saving significant initial and sustaining capital.

Preliminary work on filtration of tailings has been completed with various manufacturers and prices estimated. A filter cake of tailings from Borborema ore achieved 18% moisture and confirmed that low moisture content in the filter cake is possible. The current program has been designed to finalise the filtration specifications needed to complete the costing of the dry stacked tailings facility at Borborema.

The Company has engaged Ausenco do Brasil Engenharia Ltda to assist in completing and reviewing the final documentation required to submit the application for the installation licence for Borborema.

Juruena Gold Project

During the half year Crusader announced an update on the drilling campaign at five previously un-drilled prospects within the Juruena Gold project area.

This initial exploration program was focused on several new targets identified in line with the main trend in the Juruena Project region, using smaller drilling rigs suitable for operation during the wet season.

The program represented approximately 250m of diamond drilling across 5 holes with an average depth of 50m. A full table of significant intercepts was included in the ASX announcement dated 8 June 2018, with better results received including:

- 0.7m @ 12.22 g/t Au from 29m in JRND-071 at the Daniel target
- 1.57m @ 3.17 g/t Au from 37m in JRND-072 at the Izau III target
- 3.03m @ 0.60 g/t Au from 23.5m in JRND-073 at the Panelas target

The drilling campaign was the first pass exploration conducted over new prospects within the Juruena project area aimed at evaluating the mineral potential at tenements 866.578/2006 and 866.247/2011.

These represent new targets generated by the Crusader exploration team with successful exploration representing exciting potential to expand the pipeline of prospects which could become significant satellite targets.

Auditor Independence Declaration

The auditor's independence declaration is included on page 24 of the half-year report.

Signed in accordance with a resolution of the directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the directors

M Engelbrecht
Managing Director

Perth, 13 September 2018

Competent Person Statement

The information in this report that relates to the Mineral Resource estimate for the Borborema Gold 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.

The information in this report 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.

The information in this report that relates to the Mineral Resource estimate for the Juruena Gold 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.

Index to the condensed consolidated financial statements

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 30 JUNE 2018

	Note	Consolidated Half-year ended	
		30 June 2018 $	30 June 2017 Restated $
Continuing operations			
Gross Profit		-	-
Other income	4	30,055	71,500
Administration		(719,620)	(626,432)
Corporate expenses		(2,878,780)	(917,281)
Business Development		-	(43,705)
Finance costs	5	(307,031)	(55,871)
Depreciation and amortisation		(20,208)	(60,870)
Exploration and evaluation	10	(32,517)	(114,494)
Unrealised foreign exchange (loss)/gain		(68,545)	-
Other expenses from ordinary activities		(66,932)	(53,241)
Loss before income tax expense		**(4,063,578)**	**(1,800,393)**
Income tax expense	6	-	-
Net loss from continuing operations		(4,063,578)	(1,800,393)
Discontinued Operations			
Net loss from discontinued operations	18	-	(1,072,196)
Net loss for the period		**(4,063,578)**	**(2,872,589)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		(1,513,487)	(1,094,974)
Net fair value gain/(loss) on available-for-sale assets taken to equity		-	(3,000)
Income tax relating to components of other comprehensive income		-	-
Other comprehensive income for the period, net of income tax		**(1,513,487)**	**(1,097,974)**
Total comprehensive (loss)/income for the period attributable to to owners of the parent		**(5,577,064)**	**(3,970,563)**
Loss per share			
From continuing and discontinued operations			
Basic (cents per share)	17	**(1.03)**	**(0.95)**
Diluted (cents per share)	17	**(1.03)**	**(0.95)**
From continuing operations			
Basic (cents per share)	17	**(1.03)**	**(0.60)**
Diluted (cents per share)	17	**(1.03)**	**(0.60)**

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	Consolidated	
		30 Jun 2018 $	**31 Dec 2017 $**
Current Assets			
Cash and cash equivalents		1,358,189	2,632,054
Trade and other receivables	7	255,083	157,855
Inventories	8	1,455	1,617
Other current assets		368,531	364,771
Total Current Assets		**1,983,258**	**3,156,297**
Non-Current Assets			
Other financial assets	9	145,661	145,661
Exploration and evaluation assets	10	27,231,713	27,955,110
Property, plant and equipment		161,821	202,527
Total Non-Current Assets		**27,539,195**	**28,303,298**
Total Assets		**29,522,453**	**31,459,595**
Current Liabilities			
Trade and other payables		1,647,572	3,305,113
Borrowings	12	-	2,925,631
Total Current Liabilities		**1,647,572**	**6,230,744**
Non-Current Liabilities			
Trade and other payables		661,717	698,301
Total Non-Current Liabilities		**661,717**	**698,301**
Total Liabilities		**2,309,289**	**6,929,045**
Net Assets		**27,213,164**	**24,530,550**
Equity			
Total equity attributable to equity holders of the Company			
Issued capital	13	86,636,863	78,681,768
Reserves	14	8,509,227	9,718,130
Retained earnings		(67,932,926)	(63,869,350)
Total Equity		**27,213,164**	**24,530,550**

The above Condensed Consolidated Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2018

Consolidated	Issued Capital	Retained Earnings	Reserves: Foreign Currency Translation Reserve	Reserves: Share Based Payments Reserve	Reserves: Investment Revaluation Reserve	Reserves: Other Reserve	Total Equity
	$	$	$	$	$	$	$
At 1 January 2017 (as previously reported)	**75,820,161**	**(66,951,458)**	**555,618**	**10,206,888**	**20,000**	**-**	**19,651,209**
Adjustment on change in accounting policy	-	7,963,132	-	-	-	-	**7,963,132**
At 1 January 2017 (restated)	**75,820,161**	**(58,988,326)**	**555,618**	**10,206,888**	**20,000**	**-**	**27,614,341**
Other comprehensive loss for period	-	-	(1,094,974)	-	(3,000)	-	**(1,097,974)**
Loss for the period (Restated)	-	(2,872,589)	-	-	-	-	**(2,872,589)**
Total comprehensive income for period	**-**	**(2,872,589)**	**(1,094,974)**	**-**	**(3,000)**	**-**	**(3,970,563)**
Shares issued	260,000	-	-	-	-	-	**260,000**
Share issued upon exercise of options	-	-	-	-	-	-	**-**
Share issue costs	(5,099)	-	-	-	-	-	**(5,099)**
Issuance of Convertible Note	-	-	-	-	-	118,677	**118,677**
Share Based Payments	-	-	-	13,141	-	-	**13,141**
At 30 June 2017	**76,075,062**	**(61,860,915)**	**(539,356)**	**10,220,029**	**17,000**	**118,677**	**23,030,497**
At 1 January 2018	**78,681,768**	**(63,869,350)**	**(671,536)**	**10,223,297**	**17,000**	**149,369**	**24,530,550**
Other comprehensive income for period	-	-	(1,513,487)	-	-	-	**(1,513,487)**
Loss for the period	-	(4,063,577)	-	-	-	-	(4,063,577)
Total comprehensive income for period	**-**	**(4,063,577)**	**(1,513,487)**	**-**	**-**	**-**	**(5,577,064)**
Shares issued	8,893,104	-	-	-	-	-	**8,893,104**
Share issued upon exercise of options	-	-	-	-	-	-	**-**
Share issue costs	(938,009)	-	-	-	-	-	**(938,009)**
Conversion of Convertible Note	-	-	-	-	-	(149,369)	**(149,369)**
Share Based Payments	-	-	-	453,954	-	-	**453,954**
At 30 June 2018	**86,636,863**	**(67,932,927)**	**(2,185,023)**	**10,677,251**	**17,000**	**-**	**27,213,164**

The above Condensed Consolidated Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2018

	Consolidated	
	30 June 2018 $	30 June 2017 (restated) $
Cash flows from operating activities		
Receipts from customer	-	1,729,791
Payments to suppliers and employees	(3,618,922)	(3,416,884)
Finance Costs	(123,945)	-
Net cash used in operating activities	**(3,742,867)**	**(1,687,093)**
Cash flows from investing activities		
Interest received	7,230	10,238
Payments for exploration and evaluation	(1,010,193)	(1,004,857)
Net cash provided by investing activities	**(1,002,963)**	**(994,619)**
Cash flows from financing activities		
Proceeds from issues of equity securities	5,708,609	260,000
Costs of issuing securities	(636,009)	(68,461)
Repayment of borrowings	(1,500,000)	-
Proceeds of borrowings	-	1,500,000
Net cash provided by financing activities	**3,572,600**	**1,691,539**
Net (decrease)/increase in cash and cash equivalents	(1,173,230)	(990,174)
Cash and cash equivalents at the beginning of the financial period	2,632,054	1,560,782
Effect of exchange rate fluctuations on cash held in foreign currencies	(100,632)	(63,287)
Cash and cash equivalents at the end of the financial period	**1,358,192**	**507,321**

The above Condensed Consolidated Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements.

Notes to the condensed consolidated financial statements

1. General Information

Crusader Resources Limited ("the Parent Entity" or "Crusader" or "the Company") is a listed public company incorporated in Australia and operating in Australia and Brazil. The address of the Company's registered office and principal place of business is Level 9, 190 St Georges Terrace, Perth, Western Australia. The Consolidated Financial Statements of the Company as at, and for, the half-year ended 30 June 2018 comprise those of the Company and its subsidiaries (together referred to as the "the Consolidated Entity" or "the Group"). The Group is involved primarily in the mineral exploration industry.

2. Significant accounting policies

Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report and any public announcements made by the Company during the interim reporting period, unless otherwise stated.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2017 annual financial report for the twelve months ended 31 December 2017. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Change in accounting policy

Prior to the year ended 31 December 2017, the Group expensed all costs incurred subsequent to the acquisition of rights to explore, up to costs associated with the preparation of a definitive feasibility study, whereby the Group commenced the capitalisation of costs associated with the area of interest.

The Group elected to change the above method of accounting for exploration and evaluation expenditure for the year ended 31 December 2017, and the new policy was applied retrospectively (with comparative information restated accordingly). Under the new policy:

- exploration and evaluation expenditure incurred in the acquisition of the rights to explore (including payments to landowners required under the Group's mineral leases) is capitalised and recognised as an exploration and evaluation asset; and
- exploration and evaluation expenditure incurred subsequent to acquisition of the area of interest is capitalised to the extent that they are expected to be recouped through the successful development of a relevant area of interest or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

The Directors are of the opinion that the change in accounting policy provides users with more relevant and no less reliable information given the prevalence of this policy with comparable exploration companies based in both Australia and also the UK where the Group has a secondary listing on the AIM Market of the London Stock Exchange (AIM). Consequently, adopting this revised accounting policy will in the opinion of the directors result in the Group's financial statements being more comparable to its peers operating in both Australia, and also the UK. The impact of this change in accounting policy is reflected below.

Notes to the condensed consolidated financial statements

For comparative purposes, the change of accounting policy has resulted in the restatement of the affected financial statement line items for the prior period as follows:

Impact on Statement of profit or loss	**30 June 2017**
De-recognise exploration expenditure	985,407
Decrease in net loss	**985,407**

Basic and diluted loss per share have also been restated. The amount of the impact on basic and diluted loss per share for the restated result for the period ended 30 June 2017 due to the change in accounting policy is a decrease in loss per share of 0.33 cents.

Impact on statement of cash flows	**30 June 2017**
Cash flows from operating activities	
Payments for exploration and evaluation	1,004,857
Decrease in net cash outflow used in operating activities	**1,004,857**
Cash flows from investing activities	
Payments for exploration and evaluation	(1,004,857)
Increase in net cash used in investing activities	**(1,004,857)**

Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group incurred a loss of $4,063,578 (2017: loss $2,872,589) and experienced net cash outflows from operating and investing activities of $4,745,830 (2017: outflows of $2,681,712) for the half year ended 30 June 2018. As at 30 June 2018, the Group had a net current asset position of $335,686 (31 December 2017: net current liabilities of $3,074,447).

Cash and cash equivalents totalled $1,358,189 as at 30 June 2018 (31 December 2017: $2,632,054). Cash and cash equivalents approximated $498,000 as at 31 August 2018.

The Directors have prepared a cash flow forecast for the Group out to 30 September 2019. This forecast shows approximately $4.6 million in cash outflows will be incurred over a 12 month period to 30 September 2019 based on budgeted operational requirements, which includes capital expenditure related to the Borborema Bankable Feasibility Study.

As at the date of signing this half year financial report, the Directors are managing the Group's cash flow requirements closely and continue to implement strategies that will streamline business processes and reduce ongoing expenditure.

In addition, the Directors and are currently pursuing a number of both debt and equity funding options which are in various stages of negotiation and the Directors are confident that adequate funding sources are available within the timeframes required to enable the consolidated entity to continue as a going concern.

The Directors consider that the Company has a demonstrated a track record of successfully raising capital and expect that the Company will continue to do so in the future to support the Group's monthly cash flow requirements, including repayment of amounts due to creditors and other parties and the continued exploration and development spend committed at the Group's key projects.

However, should the Directors not be successful in raising sufficient additional funding prior to 30 September 2018, there is a material uncertainty whether the Group will be able to continue as a going concern and therefore whether it will be able to realise its assets and extinguish its liabilities in the normal course of business.

Notes to the condensed consolidated financial statements

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

3. Segment information

The following table presents the revenue results information analysed by mineral resource for the half years ended 30 June 2018 and 30 June 2017. This is the group's primary basis of segmentation.

Jun-2018	**Iron Ore (discontinued) $**	**Gold $**	**Unallocated $**	**Total $**
Revenue	-	-	-	**-**
Cost of sales	-	-	-	**-**
Gross Profit	**-**	**-**	**-**	**-**
Other revenue	-	-	30,055	**30,055**
Exploration and evaluation	-	-	(32,517)	**(32,517)**
Central administration costs	-	-	(3,598,400)	**(3,598,400)**
Business development costs	-	-	-	**-**
Depreciation and amortisation	-	(11,133)	(9,074)	**(20,207)**
Unrealised foreign exchange loss	-	-	(68,545)	**(68,545)**
Finance costs	-	-	(307,031)	**(307,031)**
Other expenses from ordinary activities	-	**-**	(66,932)	**(66,932)**
Segment Result	**-**	**(11,133)**	**(4,052,443)**	**(4,063,576)**

Jun-2017	**Iron Ore (Discontinued) $**	**Gold $**	**Unallocated $**	**Total $**
Revenue	1,560,204	-	-	**1,560,204**
Cost of sales	(2,457,107)	-	-	**(2,457,107)**
Gross Profit	**(896,903)**	**-**	**-**	**(896,903)**
Other revenue	1,375	28,098	43,402	**72,875**
Exploration and evaluation	-	-	(114,494)	**(114,494)**
Central administration costs	-	-	(1,543,712)	**(1,543,712)**
Business development costs	-	-	(43,705)	**(43,705)**
Depreciation and amortisation	(8,427)	(26,314)	(34,556)	**(69,297)**
Unrealised foreign exchange loss	-	-	-	-
Finance costs	-	-	(55,871)	**(55,871)**
Other expenses from ordinary activities	(168,240)	-	(53,241)	**(221,481)**
Segment Result	**(1,072,195)**	**1,784**	**(1,802,177)**	**(2,872,588)**

Notes to the condensed consolidated financial statements

The following is an analysis of the consolidated entity's assets by reportable operating segment:

Jun-2018	Iron Ore [1] (discontinued) $	Gold $	Unallocated $	Total $
Current assets	18,384	131,056	1,833,818	**1,983,258**
Non-current assets	-	27,343,936	195,259	**27,539,195**
Total Assets	**18,384**	**27,474,992**	**2,029,078**	**29,522,454**
Current liabilities	-	354,082	1,293,490	**1,647,572**
Non-current liabilities	-	-	661,717	**661,717**
Total Liabilities	**-**	**354,082**	**1,955,208**	**2,309,290**
Net Assets / (Net Liabilities)	**18,384**	**27,120,910**	**73,870**	**27,213,164**

Dec-2017	Iron Ore $	Gold $	Corporate/ Unallocated $	Total $
Current assets	20,428	167,783	2,968,086	**3,156,297**
Non-current assets	-	31,528,530	211,494	**31,740,024**
Total Assets	**-**	**31,696,313**	**3,179,581**	**34,896,321**
Current liabilities	-	496,422	5,734,322	**6,230,744**
Non-current liabilities	-	-	698,301	**698,301**
Total Liabilities	**-**	**496,422**	**6,432,623**	**6,929,045**
Net Assets / (Net Liabilities)	**20,428**	**31,199,891**	**(3,253,042)**	**27,967,276**

(1) Receivables associated with the discontinued operations remain with the Group to realise or settle as appropriate.

	Consolidated Half-year ended 30 June 2018 $	30 June 2017 $
4. Other income		
Interest revenue	7,512	12,639
Rental income and office services	22,543	30,763
Proceeds from sale of fixed assets	-	28,098
	30,055	**71,500**

Notes to the condensed consolidated financial statements

	Consolidated Half-year ended 30 June 2018 $	30 June 2017 $
5. Finance costs		
Interest expense	188,827	55,871
Amortisation of finance options and fees[1]	118,204	-
	307,031	**55,871**

(1) Relates to 15,771,763 share options issued to Stephen Copulos, Company Chairman (resigned 16 April 2018). The fair value of the options issued has been recognised in the share option reserve.

6. Income tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit, or tax loss, for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

	Consolidated 30 Jun 2018 $	31 Dec 2017 $
7. Trade and other receivables		
Current		
Trade receivables	268,150	297,960
Less provision for doubtful debts	(249,766)	(277,533)
Other receivables	236,699	137,427
	255,083	**157,855**

Other receivables are non-interest bearing and consist of rent and office services receivable due within 30 days, and GST credits receivable from the Australian Taxation Office.

	Consolidated 30 Jun 2018 $	31 Dec 2017 $
8. Inventories		
Work In Progress	-	1,617
Finished Goods	-	-
	-	**1,617**

Notes to the condensed consolidated financial statements

	Consolidated 30 Jun 2018 $	Consolidated 31 Dec 2017 $
9. Other financial assets		
Non-current		
Deposits	121,661	121,661
Available-for-sale assets at fair value[1]	24,000	24,000
	145,661	**145,661**

(1) Fair value is based on the closing price on the Australian Securities Exchange at the reporting date.

	Consolidated 30 Jun 2018 $	Consolidated 31 Dec 2017 $
10. Exploration and evaluation assets		
Costs brought forward	27,955,110	28,091,173
Expenditure incurred during the period	895,786	1,630,749
Expenditure expensed	(32,517)	(149,542)
Effect of exchange rates	(1,586,666)	(1,617,270)
Costs carried forward	**27,231,713**	**27,955,110**

The Group has exploration and evaluation assets relating to three mining leases covering a total area of 29km^2 including freehold title over the main prospect area, held in the Seridó area of the Borborema province in north-eastern Brazil, and the Juruena project and area of 400km^2 of exploration licences and applications in the Mato Grosso state, Brazil. Recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest.

	Consolidated 30 Jun 2018 $	Consolidated 31 Dec 2017 $
11. Mine development properties		
Costs brought forward	-	13,820
Additions	-	-
Impairment reversal		520,000
Disposal of Posse operations	-	(520,000)
Depreciation and amortisation	-	(13,820)
Effect of foreign exchange	-	
Carrying amount at the end of the period	**-**	**-**

Notes to the condensed consolidated financial statements

Impairment of Non-Current Assets: Mine development and property, plant and equipment
Non-financial assets are reviewed annually to determine whether there is an indication of impairment. Where an indicator of impairment exists, a formal estimate of recoverable amount is made.

	Consolidated	
	30 Jun 2018 $	31 Dec 2017 $
12. Borrowings secured at amortised cost		
Current		
Convertible Notes	-	2,925,631
	-	**2,925,631**

Convertible Note

Copulos Group Convertible Note

Effective 30 March 2017 the Company executed a $1,500,000 convertible debt facility agreement (with interest of 12% per annum, payable quarterly, and a maturity date of 30 March 2018) with the Copulos Group, a related party to Chairman, Mr Stephen Copulos.

The loan was converted into 31,543,526 shares (with 15,771,763 unlisted options attached) after shareholder approval was obtained at a General Meeting on 30 May 2018. Conversion was on the same terms as the Company's April capital raising, i.e. fully paid ordinary shares issued at $0.055 each with one free attaching option for every 2 ordinary shares acquired, exercisable at $0.055 expiring 31 May 2020.

Stratex International plc Convertible Note

On the execution of the Scheme Implementation Deed ("SID") with Stratex International plc on 15 June 2017, Crusader entered into a secured convertible note agreement with Stratex (with interest of 12% per annum, payable quarterly) pursuant to which Stratex agreed to make available to Crusader an interim funding solution in the principal of $1,000,000. In addition, under the terms of the convertible note agreement, Crusader requested additional funding of $500,000. All amounts due to Stratex under the terms of the convertible notes were to be repaid within 6 months of the date of termination of the SID, and consequently repayment occurred on 9 May 2018.

13. Issued capital

Fully paid ordinary share capital	Jun-2018		Dec-2017	
	No.	$	No.	$
Balance at the start of the financial period	342,304,162	78,681,768	299,100,609	75,820,161
Shares issued for cash	95,453,621	5,708,609	43,203,553	2,938,231
Share based payments	64,392,739	3,184,495	-	-
Capital raising costs [1].	-	(2,561,263)	-	(76,624)
Balance at the end of the financial period	**502,150,522**	**85,013,609**	**342,304,162**	**78,681,768**

(1) Capital raising costs include $1,925,254 non cash expenses for equities issued to corporate advisors.

Notes to the condensed consolidated financial statements

14. Reserves

Nature and purpose of reserves

The Share Based Payment Reserve is used to recognise the fair value of options and performance shares issued.

The Foreign Currency Translation Reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

The Investment Revaluation Reserve is used to record movements in the fair value of available-for-sale financial assets.

The Other Reserve (Convertible Note Reserve) represents the equity component (conversion rights) on the issue of unsecured convertible notes.

	Consolidated	
	30 Jun 2018 $	**31 Dec 2017 $**
Reserves		
Share based payment reserve	10,677,251	10,223,294
Foreign currency translation reserve	(2,185,024)	(671,535)
Investment revaluation reserve	17,000	17,000
Other reserve	-	149,361
	8,509,227	**9,718,128**

15. Dividends

No dividends have been paid or provided for in the period.

16. Contingent liabilities

The group is not aware of any contingent liabilities which existed as at the end of the financial period or have arisen as at the date of this report.

17. Loss per share

Basic and diluted loss per share amounts are calculated by dividing net loss for the period attributable to equity holders of the parent, by the weighted average number of ordinary shares outstanding during the period.

The following reflects the income and share data used in the basic and diluted loss per share computations:

	30 Jun 2018 $	**30 Jun 2017 $**
Net (loss) / profit attributable to ordinary equity holders of the parent	(4,063,577)	(2,872,589)
	No.	**No.**
The weighted average number of ordinary shares on issue during the financial period used in the calculation of basic and diluted loss per share	395,224,301	300,824,366

There are no shares to be issued under the exercise of 97,118,402 options currently outstanding which are considered to be dilutive. The diluted earnings per share is therefore the same as basic earnings per share.

Notes to the condensed consolidated financial statements

18. Discontinued operations

On 1 August 2017 the Company entered into a sale agreement to divest its 100% interest in the Posse Iron Ore Mine with Inter Invest B.P. S/A for BRL 8,005,000 (Undiscounted $3,200,000). The consideration consisted of an upfront payment of BRL 1,000,000 ($399,750), and deferred consideration of BRL 7,005,000 ($2,800,000), comprising 15 equal payments of BRL 467,000 ($186,683) commencing 60 days after 1 August 2017.

Consequently, the Posse operations are reported as a discontinued operation.

As at 1 August 2017, the Group considered the fair value of the deferred consideration to be $nil due to uncertainty in relation to the timing of receipt of payments and recoverability.

As at the date of approval of the financial statements none of the deferred consideration payments due in accordance with the sales agreement have been received, since 11 October 2017.

As announced on 10 July 2018, and notwithstanding positive negotiations with the Buying Company to bring forward the payment of the total consideration, these discussions have not resulted in agreement.

Accordingly, Crusader commenced legal proceedings on 19 June 2018 through the courts regarding the payment of the amounts owed and the obligations of the Buying Company. These requests include an injunction for the suspension of activities at Posse until payment is made in full of the amount agreed upon, as well as the payment of a daily fine if there is no suspension of activities. Under Brazilian law, and before restitution occurs, both parties will initially be attempting to achieve a satisfactory outcome through a conciliation hearing.

The results of the discontinued operations for the half year ended 30 June 2018 are set out below:

	30 Jun 2018 $	30 Jun 2017 $
Mineral Revenue	-	1,560,204
Cost of Sales - direct	-	(2,457,107)
Gross Profit	-	(896,903)
Other income	-	1,375
Depreciation and amortisation	-	(8,428)
Other expenses from ordinary activities	-	(168,240)
Loss before income tax expense	-	(1,072,196)
Income tax expense	-	-
Loss from discontinued operations[1]	-	(1,072,196)
Net cash used in operating activities	-	(301,963)
Net cash from (used for) investing activities	-	-
Net cash from (used for) financing activities	-	-
Net cash outflow from the disposal group	-	(301,963)

(1) The loss from discontinued operations of $nil (2017: $1,072,196) is attributable entirely to the owners of the Company.

Notes to the condensed consolidated financial statements

19. Fair value of financial instruments

As at 30 June 2018, the consolidated entity had no financial assets or financial liabilities that are measured at fair value on a recurring basis, other than the available for sale financial assets disclosed in note 9, which are classified as Level 1 in the fair value hierarchy (derived from quoted prices).

The directors consider that the carrying amounts of other financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

20. Subsequent events

There are no subsequent events to report.

DIRECTORS' DECLARATION

The Directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors

M Engelbrecht
Managing Director

Perth
13 September 2018

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Independent Auditor’s Review Report to the members of Crusader Resources Limited

We have been engaged to review the accompanying half-year financial report of Crusader Resources Limited which comprises the condensed statement of financial position as at 30 June 2018, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors’ declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 8 to 21.

Directors’ Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Because of the matters described in the Basis for Disclaimer of Review Conclusion paragraphs below, we have not been able to complete our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity.*

Auditor’s Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Crusader Resources Limited, would be in the same terms if given to the directors as at the time of this auditor’s review report.

Basis for Disclaimer of Review Conclusion

We draw attention to Note 2 ‘Going Concern’ in the half-year financial report which indicates that the consolidated entity incurred a net loss of $4,063,577, and experienced net cash outflows from operating and investing activities of $4,745,830 during the half-year ended 30 June 2018, and as of that date, the consolidated entity’s net current asset position was $335,686.

As stated in Note 2, the consolidated entity’s ability to meet its budgeted expenditures is dependent upon the ability to raise additional debt and or equity sufficient to meet the Group’s ongoing cash flow requirements. The Directors’ are currently pursuing a number of both debt and equity funding options that are in various stages of negotiation and have satisfied themselves that adequate funding sources are available within the required timeframes to enable the consolidated entity to continue as a going concern.

We have been unable to obtain sufficient appropriate audit evidence that sufficient funding will be available to the consolidated entity as and when required. Accordingly, we have been unable to conclude on the Group's ability to continue as a going concern for a period of at least twelve months from the date of this auditor's review report.

These conditions, along with other matters as set forth in Note 2 'Going Concern', indicate the existence of material uncertainties which may cast significant doubt about the consolidated entity's ability to continue as a going concern and whether it will realise its assets and discharge its liabilities in the normal course of business.

Accordingly, in our opinion, the uncertainties are so material and pervasive that we are unable to express a conclusion on the financial report taken as a whole.

Disclaimer of Auditor's Conclusion

Due to the existence of the material uncertainties as described in the Basis for Disclaimer of Review Conclusion paragraphs above, based on our review, which is not an audit, we are unable to, and do not, express a conclusion as to whether the half-year financial report of Crusader Resources Limited is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

D K Andrews
Partner
Chartered Accountants
Perth, 13 September 2018

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The Board of Directors
Crusader Resources
Level 9, 190 St Georges Terrace
Perth WA 6000

13 September 2018

Dear Board Members

Crusader Resources Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Crusader Resources Limited.

As lead audit partner for the review of the financial statements of Crusader Resources Limited for the half-year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

D K Andrews
Partner
Chartered Accountants