

Crusader agrees to sale of Juruena Gold Project Rights issue underwriting increased to \$3.5m of \$4.2m Offer

Crusader Resources Limited (ASX: CAS) ("Company" or "Crusader") is pleased to announce that as part of the Company's efforts to re-establish Crusader on a sound financial footing and focus on our core gold project at Borborema we have secured two significant milestones.

Sale of Juruena and Novo Astro Gold Projects

Crusader has entered into a binding Term Sheet with Meteoric Resources Ltd (ASX:MEI) ("Meteoric" or "MEI") for the purchase of its 100% owned Juruena Gold Project which comprises the Juruena and Nova Astro prospects.

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 an extensive database of drilling and geological data (refer to ASX Announcement of 22 December, 2016).

The Company has previously reported a mineral resource estimate for the Juruena Gold Prospect in accordance with the 2012 edition of the JORC Code, comprised of an indicated and inferred resource of 260,900 ounces gold (refer Table 1). The Novo Astro Gold Prospect is Crusader's second prospect within the Juruena-Alta Floresta Gold Belt, 25km south east of the Juruena Gold Prospect.

Under the terms of the sale, Meteoric will pay cash and MEI shares, comprised of the following:

- A\$1,000,000 cash at settlement.
- A\$500,000 of MEI shares, comprised of 50,000,000 shares at a deemed issue price of 1c each at settlement (subject to voluntary escrow for a period of 12 months from the date of issue).
- A\$750,000 of MEI shares at an issue price equal to a 5-day VWAP upon defining a mineral resource estimate in accordance with the JORC Code, at Juruena and/or Novo Astro containing at least 400,000 oz gold.
- A\$750,000 of MEI shares at an issue price equal to a 5-day VWAP upon the Board of Meteoric approving a decision to mine at Juruena and/or Novo Astro, pursuant to a granted mining licence.

Crusader believes the Juruena and Novo Astro Gold Prospects to be prospective however, the sale provides a cash injection to the Company and significantly reduces our expenditure commitments while allowing the Company to retain an interest in the upside potential through a significant shareholding in Meteoric.

Several expressions of interest were considered in relation to the sale of Juruena but the proposal by Meteoric was the most attractive based on the consideration and limited conditionality.

Completion of the sale remains subject to and conditional on:

- The provision of information and assistance required to lodge certain mining licence applications;
- the receipt of any necessary regulatory approvals in Brazil or change of control approvals;

- no breach of any warranties given by Crusader in relation to the assets being sold up to and including the date of completion; and
- if required, the receipt of Crusader/MEI shareholder approval.

Although the term sheet is binding, definitive documents are currently being finalised and settlement is expected within a few weeks.

Additional Partial Underwriting Agreement for \$1.0 million with Pinnacle Corporate Finance Pty Ltd

An agreement was executed with Pinnacle Corporate Finance Pty Ltd who have agreed to partially underwrite the upcoming non-renounceable rights issue to shareholders to an additional \$1.0 million of the A\$4.2 million offer ("Rights Issue").

The Rights Issue is planned to be offered on the basis of two new shares for every three shares held on the record date for the Rights Issue, at an issue price of \$0.01 per share. Eligible shareholders will also be entitled to subscribe for shortfall shares in addition to their entitlement.

Subscribers in the Rights Issue will also be issued one free-attaching option for every three new shares subscribed for, exercisable at \$0.02 each and expiring three years from the date of issue

Underwriting agreements have now been entered into for A\$3.5 million comprising \$2.5 million from Eyeon Investments Pty Ltd ("Eyeon"), a company related to Mr Copulos (announced on 22 February 2019) plus the \$1.0 million from Pinnacle. The key terms of the underwriting agreement with Pinnacle are materially the same as the terms of the underwriting agreement with Eyeon, apart from the following:

- Pinnacle will receive underwriting fees of \$60,000 plus 12.5 million Options (exercisable at \$0.02 each, expiring 3 years after the date of issue);
- Eyeon's underwriting commitment will be fulfilled in priority to Pinnacle's underwriting commitment; and
- Pinnacle's underwriting commitment is conditional on Eyeon fulfilling its underwriting commitment.

The Company is currently completing the documentation for the Rights Issue and plans to make the full details of this financing available to the market shortly.

Chairman Stephen Copulos stated *"these events, following our departure from the AIM and UK and other corporate rationalisation previously announced to the market, will significantly move the Company along the path to its key objective; revitalising the Company and bringing Borborema into production. The new Board and management in Brazil have increased their focus on the outstanding technical aspects of Borborema with a view to completing the Bankable Feasibility Study as quickly as possible"*.

A handwritten signature in black ink, appearing to read "Andrew Richards".

Andrew Richards
Executive Director

About Crusader

Crusader Resources Limited (ASX:CAS), is a mineral exploration and development 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. The Company's key asset is the Borborema Gold Project.

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 and sealed roads. It is close to major cities and regional centres and the services they can provide. The project's measured, indicated and inferred Mineral Resource Estimate of 2.43Moz @ 1.10 g/t gold, remains open in all directions (refer to ASX Announcement of 24 July 2017).

Juruena Gold Project

Juruena Gold Project Mineral Resource estimation by combination of IDS, OK and MIK			
Category	Tonnes (kt)	Grade (g/t Au)	Contained Gold (koz)
Dona Maria & Querosene prospects:			
Indicated	99.00	18.3	48.3
Inferred	337.20	13.6	147.5
Sub Total	436.20	14.7	205.8
Crentes prospect: Inferred	846.45	2.00	55.1
Total Mineral Resources	1,282.65	6.30	260.9

Table 1. Juruena Mineral Resource (JORC 2012) table, reported above 2.5 g/t Au cut-off for Dona Maria and Querosene prospects and above 1.0 g/t Au for Crentes prospect. Note, appropriate rounding has been applied, subtotals may not equal total figures.

Competent Person Statements

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.

Juruena exploration results

The information in this announcement that relates to exploration results for the Juruena Project was first reported in accordance with ASX Listing Rule 5.7 on 1 July 2015, 29 September 2015, 21 September 2016 and 22 December 2016. Crusader confirms that it is not aware of any new information or data that materially affects the information included in these previous announcements.

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.