

## Quarterly Activities Report March 2019

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### Overview

#### *Project*

- Installation Permit was granted post quarter for the Borborema Project – All essential permitting now in hand to commence mining upon completion of final mine and process design
- Borborema project review undertaken and revised Scope of Works issued to complete BFS
- Juruena project sold for up to \$3 million in cash and shares

#### *Corporate*

- Board and management changes undertaken with review of operations and financials
  - Increased focus on core assets with non-core assets under review for possible sale
  - Capital raise of A\$1.75 million through issue of convertible notes and short term loan
  - Cancellation of trading on AIM and steps taken to become reinstated on the ASX
  - Proposed change of Company name to Big River Gold Ltd (ASX:BRV)
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### Operational Update

#### **Borborema Gold Project**

- Reviews were undertaken of the current JORC resource model that contains an estimated 2.43M oz gold at an average grade of 1.1 g/t Au with a view to defining a higher grade component in the upper 120m of the mineralisation that will support an initial Stage 1 open pit operation. The resource comprises 51Mt @ 1.14 g/t Au in Measured and Indicated categories and 17.6Mt @ 1.00 g/t Au classified as Inferred. The Company is not aware of any new information or data that has materially affected the Mineral Resource since it was announced on 24 July 2017.
- Processing routes and design plans are being reviewed with a view to simplifying operations and reducing both the initial construction capital and ongoing operational costs.
- Crusader aims to target profitable production rather than maximise ounces of gold produced.

#### ***Bankable Feasibility Study***

Crusader has reviewed the feasibility study results to date and identified several areas for improvement in concept and design. Revised Scopes of Work have been provided to a shortlist of external engineering consultants in both Brazil and Australia for completion of the BFS and process design. The revised Bankable Feasibility Study (BFS) is some way off completion and Crusader has appointed Corporate Mining Services Pte (CMS) to manage and co-ordinate its completion. CMS has extensive experience in managing Feasibility Studies and a track record of successfully commissioning both CIL and heap leach gold projects around the world.

Completion of the BFS, with final design and equipment selection along with firm pricing and quotations, is expected to be completed by the end of the third quarter 2019. Submission of the BFS for project financing is expected to commence in the following quarter.

**Installation Permit Granted**

As announced on 28 April 2017 (updated on 30 July 2018), the Company was granted the critical Pre-Licence (Licença Previa or ‘LP’) for Borborema from the Rio Grande do Norte State Government Environmental Department (IDEMA). The terms and conditions associated with the Installation Permit are standard in nature but covers an area of 490 ha and permits an operation producing and processing up to 4.2 million tonnes per year.

The Project’s processing plant design required for the Installation Permit was finalised in November 2018 by the Belo Horizonte office of Ausenco do Brasil Engenharia Ltda (“Ausenco”) and the Company submitted the final application for the installation permit for the Borborema Gold Project in November.

Post March quarter end, the Company received formal approval of the Installation Permit in April 2019 (ASX Announcement 26 April 2019). This is a very significant step forward for the project and Company as licencing in Brazil is one of the most difficult and time consuming hurdles in establishing a new mine. The Company has already been granted an environmental licence so with receipt of the installation permit, the Company will have received the main permits required to commence construction of the Borborema Mine.



Figure 1. Borborema location plan

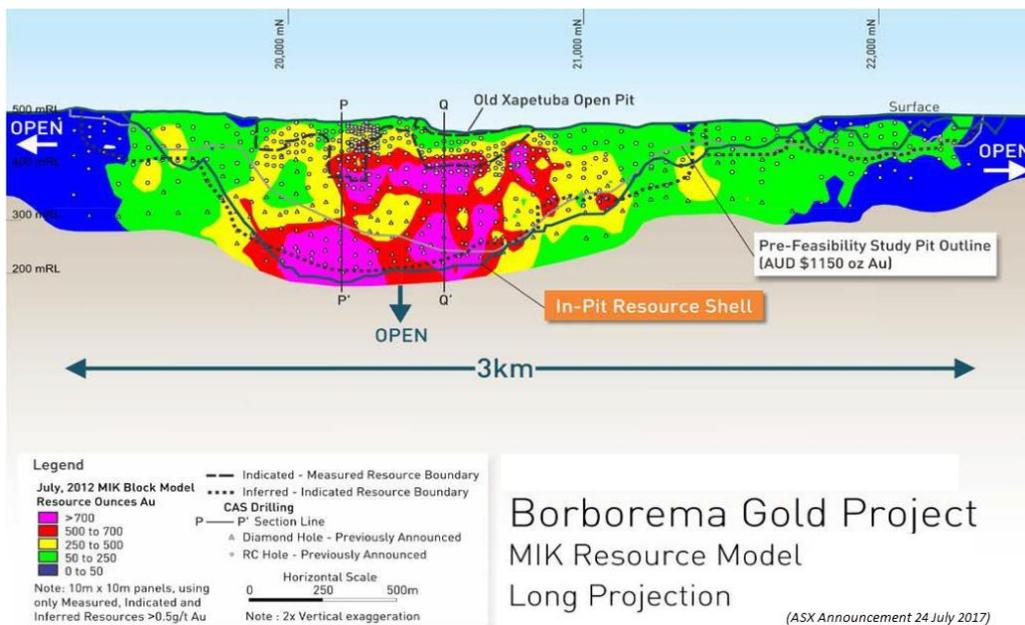


Figure 2. Long section of resource block model for Borborema deposit .

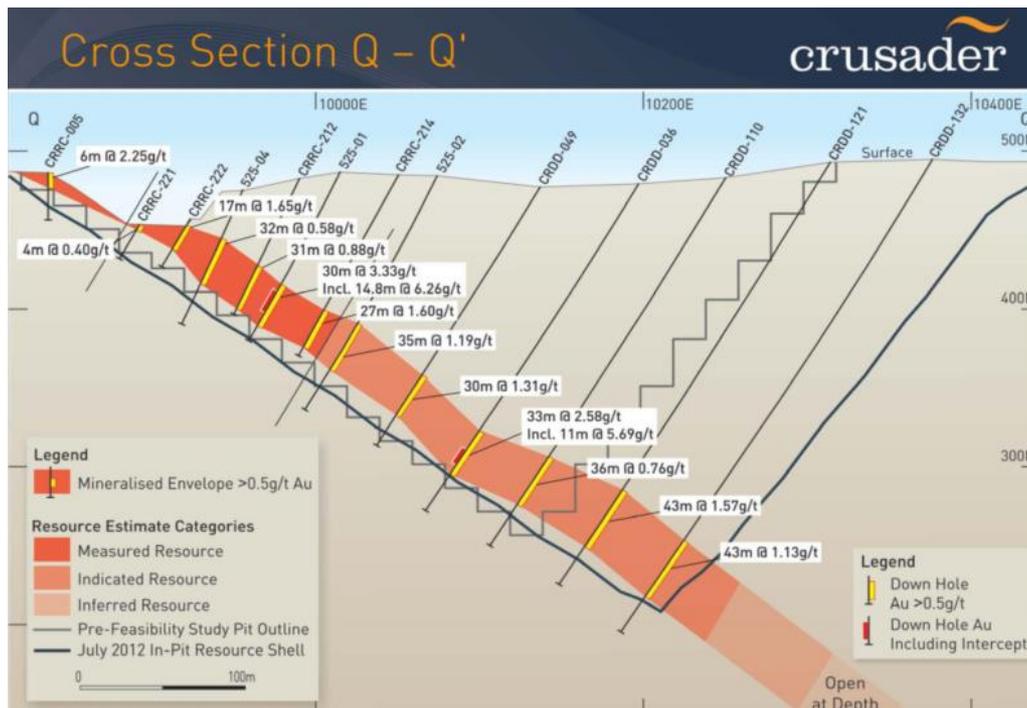


Figure 3. Section Q-Q' across Borborema deposit (refer Figure 2 for location).

### **Sale of Juruena Gold Project**

Crusader 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. Final documentation was completed subsequent to the end of the quarter with the signing of a Share Sale Agreement on 15 April 2019.

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 2). 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 MEI shareholder approval.

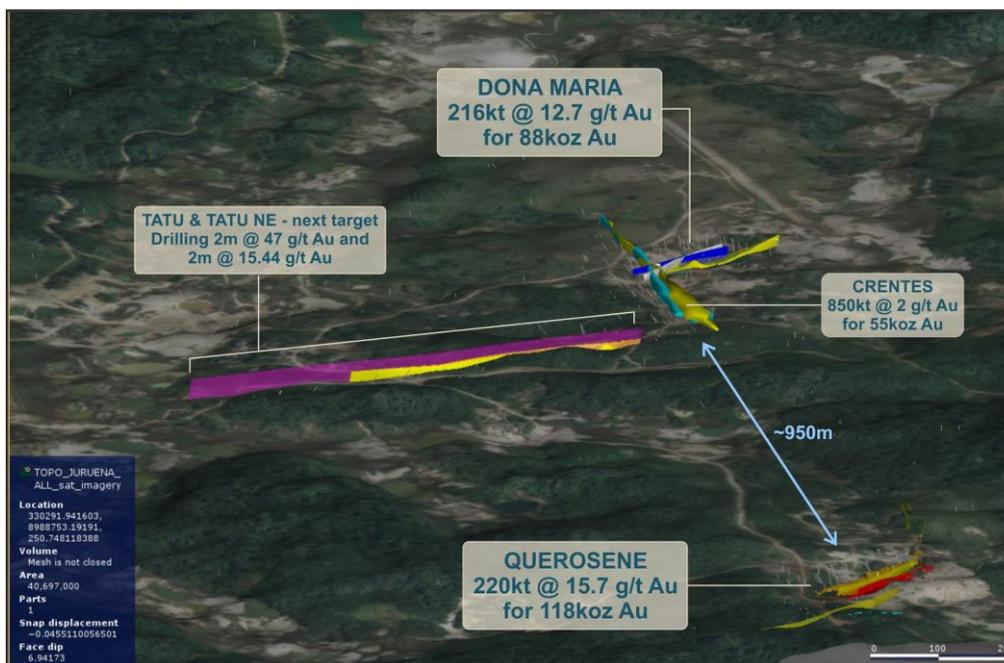


Figure 4: Major Prospects at Juruena Gold Project

## Corporate Update

### Board Changes and Cancellation of trading on AIM

Shareholders approved the cancellation of Crusader’s shares from trading on AIM at the Annual General meeting on 28 February, 2019. Subsequently, the Company’s Chairman, Andrew Vickerman, and Managing Director, Marcus Engelbrecht, resigned from the Board with immediate effect.

With the resignation of Mr Vickerman and Mr Engelbrecht, Mr Stephen Copulos was appointed as the Non-Executive Chairman of the Company and Mr Andrew Richards was appointed as a part time Executive Director, effective 28 February, 2019.

### Requisitioned Shareholder meeting

A shareholder general meeting requisitioned pursuant to section 249D was cancelled when the requisitioners withdrew their notice on 21 March, 2019.

### **Update on suspension from trading from ASX**

The Company's shares continue to be suspended from trading on the ASX pending clarification of its financial position.

Following management changes, cancellation of trading on the AIM, the Company's increased focus on core projects and improved financial situation, Crusader is working to see the Company reinstated to trading on the ASX in the second quarter of 2019.

### **Funds raised during the quarter**

Subsequent to a capital raising in December 2018 of A\$1.4m via an issue of Convertible Notes, the Company announced on 29 January 2019 that it had raised another A\$1m through an issue of further Convertible Notes.

On 4 April 2019, the Company announced an interim short term loan of \$750,000 from a company related to Mr Stephen Copulos to be repaid upon receipt of funds from the upcoming Share Rights Issue.

The funds were raised to meet working capital requirements and ensure the Company was on a sound financial footing moving forward.

### **Share Rights Issue – Underwritten to \$3.5 million**

A non-renounceable 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 to raise approximately A\$4.11 million before costs. 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.

As detailed in announcements to the ASX on 22 February and 20 March, 2019, underwriting agreements have been entered into for A\$3.5 million comprising \$2.5 million from Eyeon Investments Pty Ltd ("Eyeon"), a company related to Crusader's Chairman Mr Stephen Copulos, and \$1.0 million from Pinnacle Corporate Finance Pty Ltd ("Pinnacle").

With the submission of the Annual Accounts and Notice of Meeting the Company can now complete the documentation (including a notice of meeting and prospectus) for the Rights Issue and will make the full details of this financing available to the market shortly.

### **Change in Company Name**

Following the Company's corporate renewal, its increased focus on the Borborema Gold Project in Brazil and prior to its relisting on the ASX, the Board has proposed changing the Company's name to **Big River Gold Limited (ASX:BRV)**. The name recognises and reflects the Brazilian state of Rio Grande do Norte in which Borborema is located.

The proposed name change will be put to shareholders for approval at the upcoming General Meeting.

A handwritten signature in black ink, appearing to read "A 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 km 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).

<b>Borborema Gold Project</b>			
Mineral Resource by Multiple Indicator Kriging (MIK) estimation			
<b>Category</b>	<b>Tonnes (Mt)</b>	<b>Grade (g/t Au)</b>	<b>Contained Gold (Moz)</b>
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 Resources</b>	<b>68.6</b>	<b>1.10</b>	<b>2.43</b>

**Table 1. Mineral Resource (JORC 2012) table**, reported above 0.5 g/t Au 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 figures.

### Juruena Gold Project

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

**Table 2. 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.

### ***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.

### ***Borborema Exploration results***

The information in this announcement that relates to exploration results for the Borborema Gold Project was first reported in accordance with ASX Listing Rule 5.7 on 28 January 2015. Crusader confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 28 January 2015.