

Quarterly Activities Report

March 2015

Highlights

- Drilling accelerated with arrival of diamond rig
- Drilling at Juruena continues to deliver high-grade gold results including;
 - **8m @ 6.27 g/t Au** from 80m in QR-20
 - **2m @ 17.62 g/t Au** from 84m in QR-21
 - A total of 6,465m of RC and 1,087m of diamond core has been drilled to date
- Multiple prospects at Juruena now being drilled
- Posse Iron Ore Mine maintains profitability, aided by cost cutting and improving sale volumes
- Sales receipts for March quarter of \$2.1M
- Announcement of successful share placement to raise approximately \$3.3M

Crusader Gold

Drilling is continuing at Crusader's exciting Juruena Gold Project with an RC and diamond rig working systematically through four different prospective targets (see figures 1-4). A pipeline of samples are currently being processed by the laboratory and we expect multiple results in coming weeks following the improved drilling performance.

Prospects are located in close proximity to each other and represent unique mineralised systems, each with differing amounts of historical work. Crusader's systematic approach to the targeting of these prospects will help with an overall understanding of the geological setting in the region.

Continued data interpretation along with on-site mapping and dynamic interpretation of ongoing drilling has revised the geological interpretation at Juruena. In terms of mineralisation and relationship with alteration, ore intervals appear to be closely associated with pyrite-bearing phyllic alteration.

There also seems to be a close association with magnetite destruction and ore zones indicating that, on a broader scale, ground and aeromagnetic surveys could be very useful tools in exploration. Historic aeromagnetic surveys have identified several linear magnetic-low areas which have been untested by modern exploration. These targets will be prioritised and explored as resources permit.

Crusader purchased the Juruena Project in late 2014 after reviewing many diverse opportunities. This search was driven by a corporate strategy to purchase projects capable of being brought into production for less than US\$50M in capital costs and capable of producing gold below US\$500/oz C1 cash costs. Crusader believes that this is the key criteria for

Australian Securities Exchange Information

ASX Code: CAS

- Ordinary Shares **147,952,559**
- Options **35,992,308**
(exercise prices: \$0.286 to \$1.35)
- Market Capitalisation **\$28M**
- Treasury **\$1.4M** (31 Mar 2015)
- Share price **\$0.19**
(12 month closing range: \$0.165 to \$0.455)

Board of Directors

Non-Executive Chairman
Stephen Copulos

Managing Director
Rob Smakman

Executive Director
Paul Stephen

Non-Executive Directors
John Evans
David Netherway
Mauricio Ferreira

developing a gold project in a US\$1,000 gold price environment- a criteria which places projects like Jurueña ahead of the field in the current gold price environment. (Gold is currently around US\$1,200 or R\$3,500/oz- close to all-time highs in Brazilian local currency).

Results released over the period include several high-grade intercepts from the first target- the high-grade Querosene prospect, which include;

- **8m @ 6.27 g/t Au** from 80m in QR 20 (these are 2 x 4m composite samples)
 - including **4m @ 11.46 g/t Au** from 80m
- **2m @ 17.62 g/t Au** from 84m in QR21
 - including **1m @ 31.33 g/t Au** from 84m
- **4m @ 3.78 g/t Au** from 86m in QR24
- **1m @ 3.36 g/t Au** from 86m in QR25

A full table of significant intercepts is included at the end of this announcement.

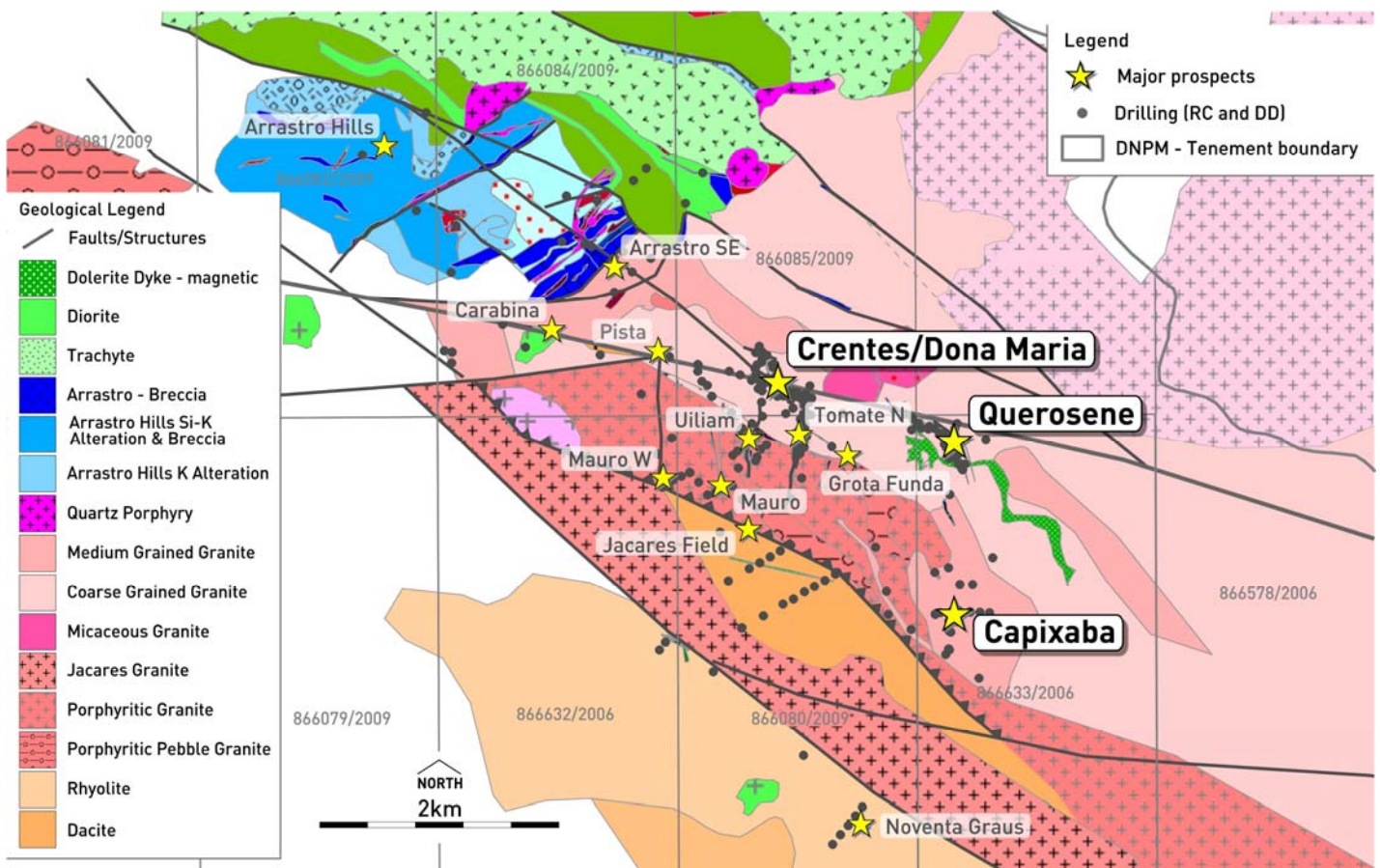


Figure 1: Jurueña Gold Project area

Drilling to date

A total of 6,465m of RC and 1,087m of diamond core has been drilled to date by Crusader (total initial phase of drilling is planned at ~10,000m), with many samples currently in transit to the SGS lab in Belo Horizonte.

- Querosene - 25 RC holes for 2,999m and 7 diamond holes for 1,087m
- Crentes - 10 RC holes for 1,111m
- Dona Maria - 9 RC holes for 890m
- Capixaba - 16 RC holes for 1,465m

Drilling is continuing with both the RC and diamond rigs completing a small program of infill holes at Querosene, Crentes and Dona Maria.

Results from Querosene indicate that the higher grade mineralisation is concentrated on the southern portion of the shear zone, extending further south than previously expected. This is encouraging as the high-grade intercepts form a coherent zone within the middle of the drilling to date and appear to be continuing along strike to the south. The entire mineralised system remains open at depth. (See Figures 3 & 4).

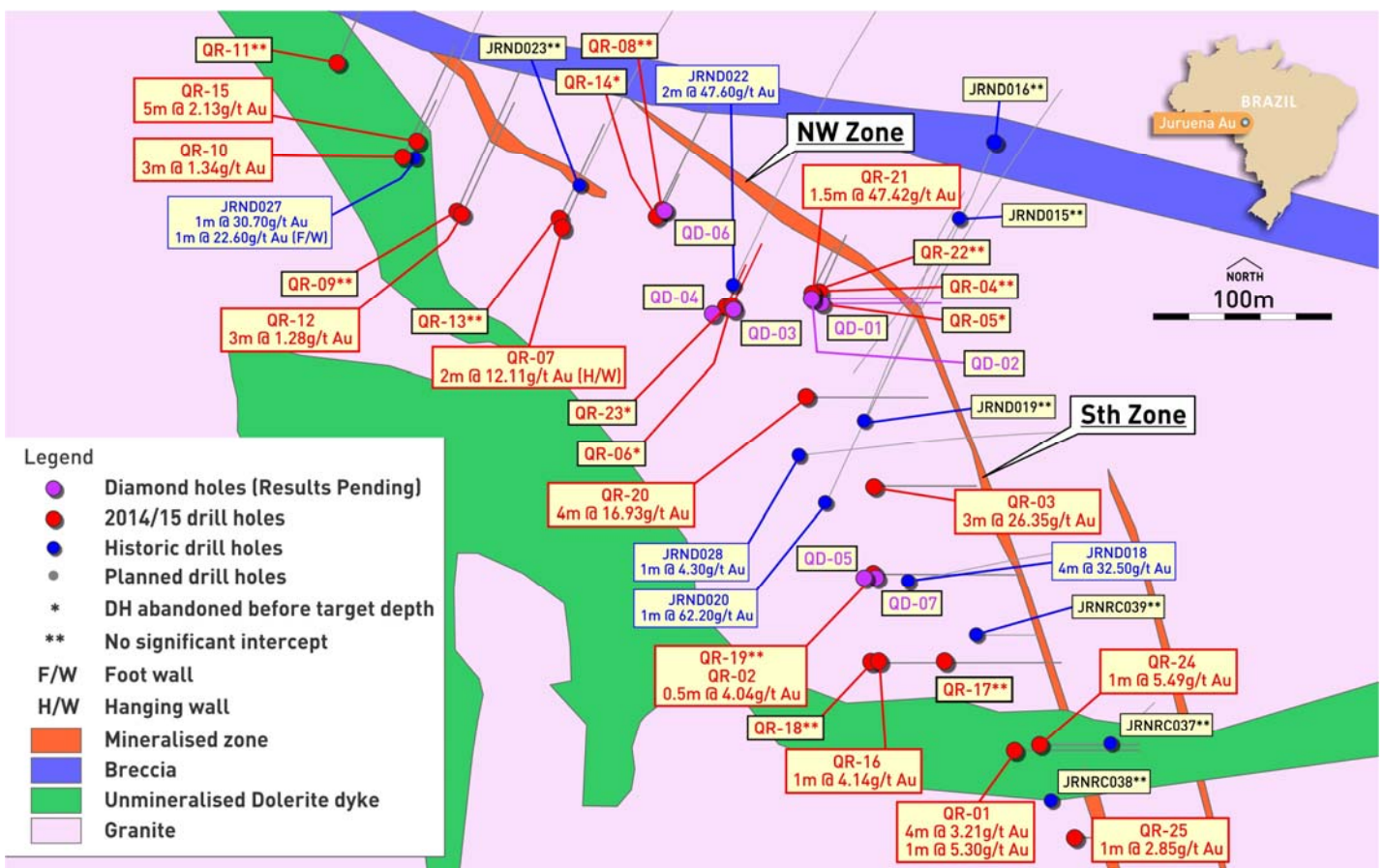


Figure 2: Querosene drill hole location plan

It is worth noting that grades can often be erratic along narrow high-grade mineralised systems, such as Querosene. This is generally due to the nuggety nature of high-grade gold systems that can lead to bonanza grades in some areas, with low grades close by. Crusader is encouraged by the consistency of the intercepts at Querosene to date, but understands that fully understanding the grade distribution will be an inherent part of the project evaluation.

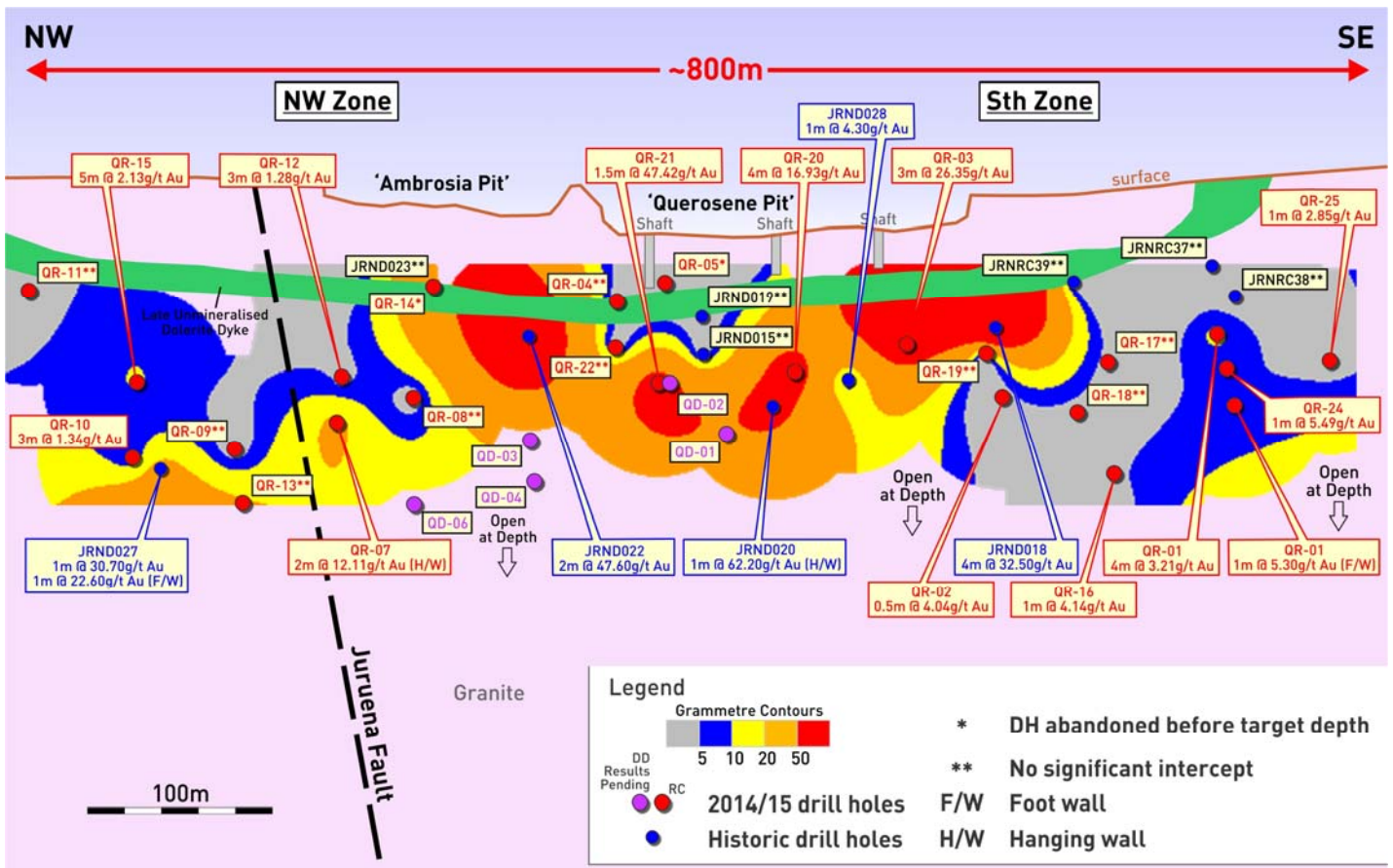


Figure 3: Querosene long section with gold gram x metre contours

Mineralisation at Cretes appears to be associated with sheeted quartz and sulphide veins which are partially exposed in the eastern end of a shallow garimpo working. The garimpo pit is approximately 400m long (oriented WNW- see Figure 5), up to 40m wide and is associated with a strong and well-defined aeromagnetic low.

Historical drilling by previous explorers includes some broad intercepts including;

- 14m @ 4.85 g/t Au in J-01 from 28m
- 8.25m @ 6.37 g/t Au in J-09 from 10.95m
- 7m @ 3.77 g/t Au in JRND010 from 78m

Mineralisation at Cretes often returns anomalous values for copper, silver, molybdenum, bismuth and tungsten and there may be multiple mineralised horizons, although interpretation of the historical drilling is difficult as various drill orientations were used.

Mineralisation at Dona Maria appears to splay away from the main Cretes trend toward the NNW. There is a broad and shallow garimpo working over the mineralised trend and historical intercepts indicate both broad, moderate grade disseminated intervals as well as higher-grade narrower intercepts. Better historical numbers include;

- 6.62m @ 20.61 g/t Au from 112.5m and 4.66m @ 64.3g/t Au from 124.7m in J-07
- 14m @ 2.29 g/t Au in JRND012 from 105m

Crusader’s fourth target at the Juruena Project, the Capixaba prospect, is located a few kilometres to the south of Querosene and close to the Crusader camp. Capixaba has a series of mineralised quartz veins which have been exploited in a variety of shallow garimpo workings. The area is centred over a complex intersection of magnetic anomalies with a NW-SE trend and broad soil anomaly trending NE. Historical drilling has intercepted some bonanza intercepts in multiple veins with better results including;

➤ 9.05m @ 54.38 g/t Au in J-81 from 32.95m

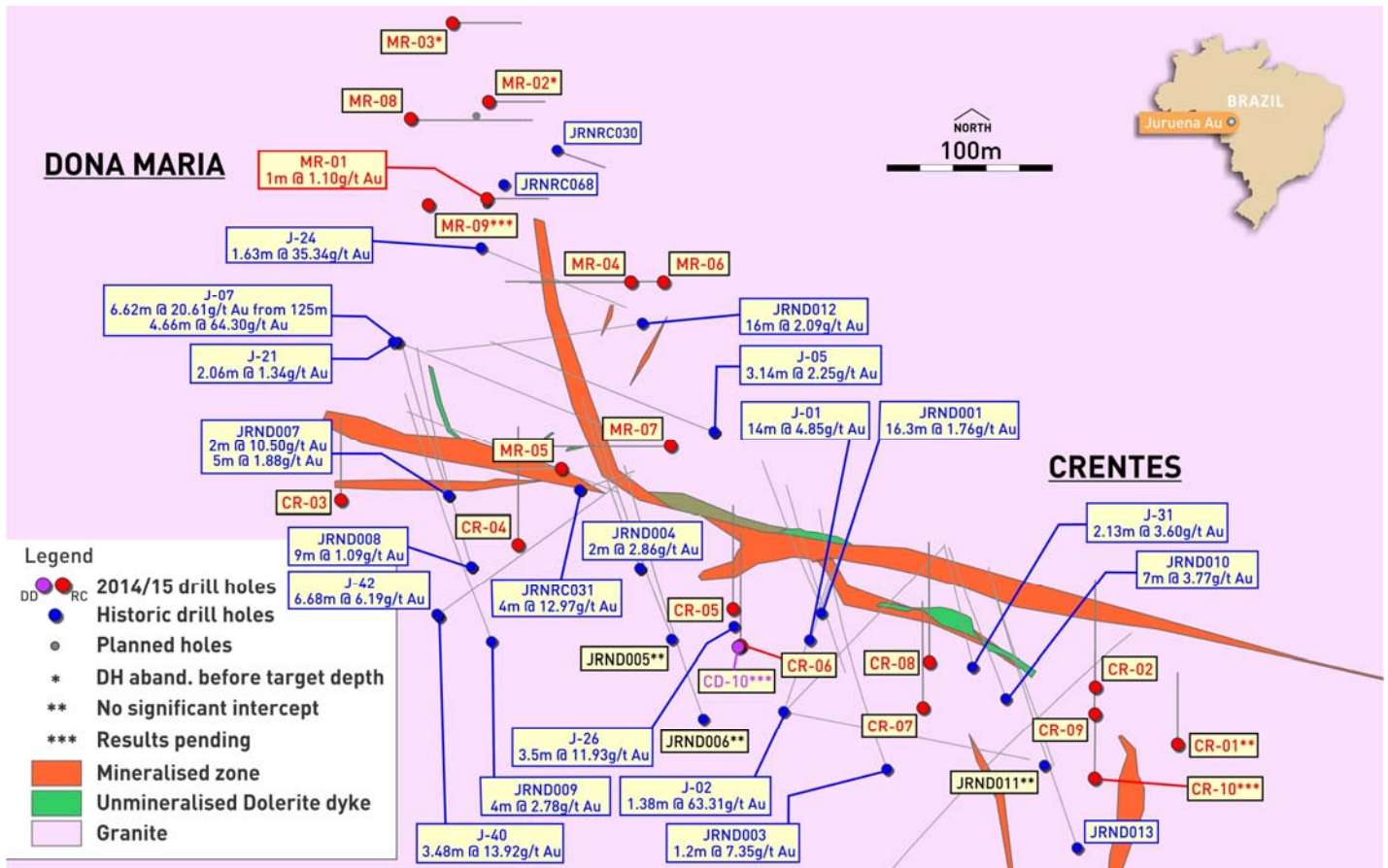


Figure 4: Dona Maria and Crentes drill-hole location plan

Borborema Development & Seridó Exploration - Rio Grande do Norte, Brazil (100% Crusader)

Crusader continues to evaluate the development options for the Borborema Gold Project, cognisant of the current unique global commodity markets. With gold prices in Brazilian Real terms touching all-time highs (see Figure 5 below) and the potential to re-size Borborema into a smaller project, economics have changed for the positive for this long-term asset.

A smaller project would require smaller plant throughput and significantly lower capital costs compared to development options previously considered.

Crusader is also pursuing a number of other incremental initiatives which could provide significant overall improvements for the development of the project, including alternatives to the process flow sheet, project layout and scheduling, that could significantly improve the project viability. These development options are being pursued in-house and using limited consulting time with the aim to provide an updated development option in the near future.

On site, costs have been significantly reduced with the release of some of the local personnel and dropping of large areas of the Seridó exploration project holdings. Crusader has reduced its land holding by ~ 30,000ha in the area during the period.

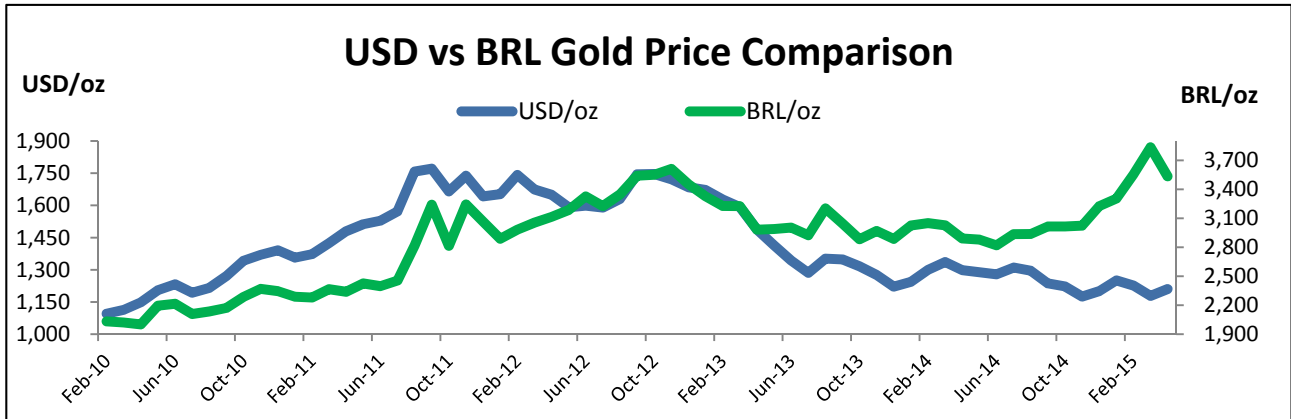


Figure 5: US Dollar gold Vs Brazilian Real gold price comparison

Note: Gold price and foreign exchange as at 29 April 2015

Crusader Iron

Posse sales receipts for the quarter, net of sales taxes, were \$2.1M. Demand for product strengthened as the quarter progressed with January and February being seasonally low months and as local smelters adjusted to the new pricing environment. Crusader expects sales volumes to strengthen over the coming period with customers focusing in on stockpile management and quality control.

Posse’s main product – Hematitinha (HTT) has been the main income driver in the local market and a significant improvement in the quality of the product has been well received by customers. (See Figure 6 below). With improved product specifications, Posse will remain as a premium product in the local market.

Unit operating costs were \$14.60/t during the quarter, significantly lower than the previous quarter (\$18.22/t). Although production and sales have reduced from early 2014 levels, the company has been able to reduce unit costs and it is anticipated that this trend will continue in Q2. This process has been achieved through the reduction of costs and a significant increase in productivity within the Posse beneficiation plant. (See Figure 6).

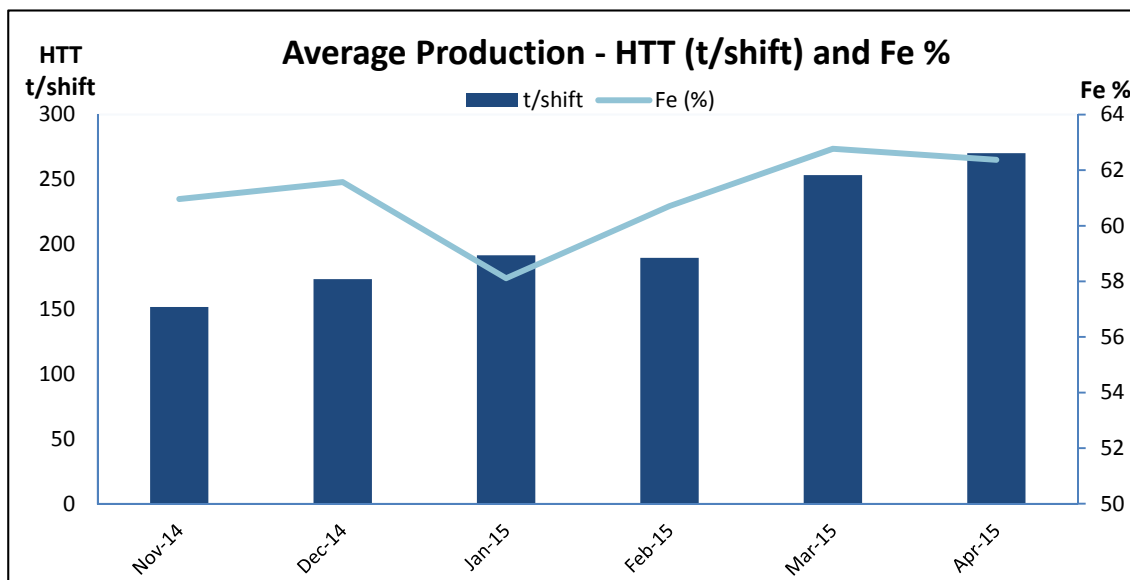


Figure 6: Average Hematitinha production (tonnes per shift) and Fe %

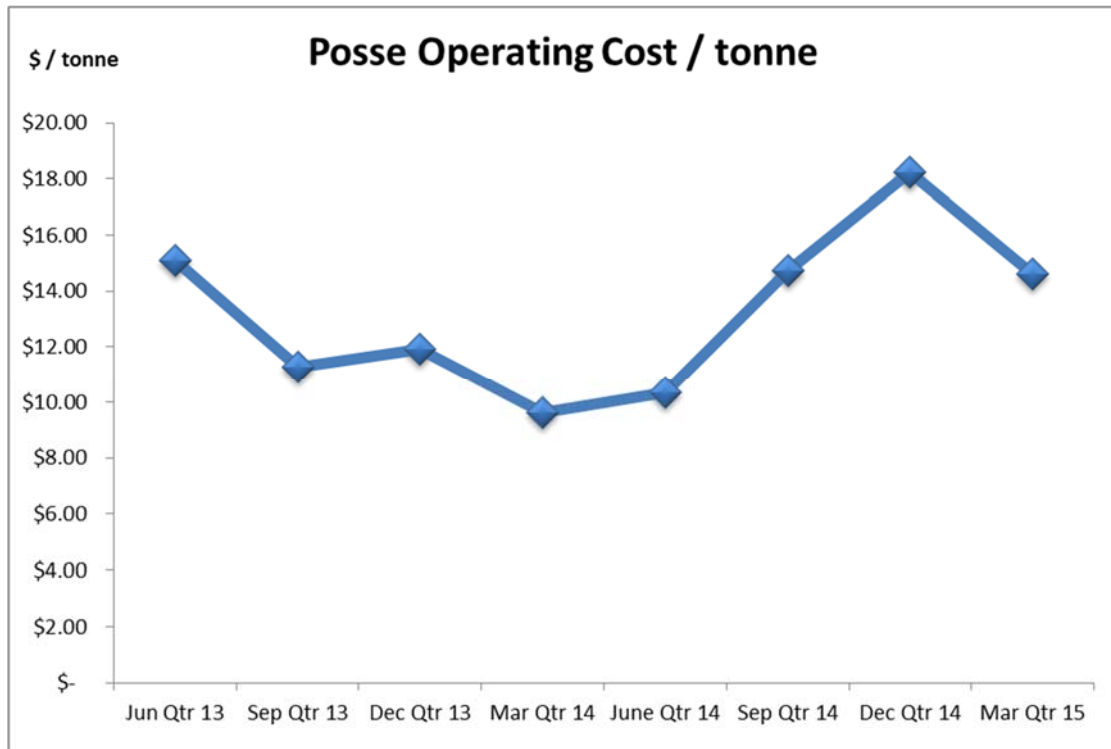


Figure 7: Posse operating cost per tonne

Corporate

During the quarter the Company announced successful completion of a share placement to raise approximately \$3.3 million.

Settlement of the placement is to occur in two tranches:

- **Tranche 1 (7,013,418 shares)** – settlement was completed on 9 April 2015; and
- **Tranche 2 (12,626,471 shares)** – subject to shareholder approval settlement is expected to occur on 20 May 2015.

The funds will be used to accelerate exploration activities at Crusader’s Juruena Gold Project in Brazil and for general working capital purposes.

Morgans Corporate Limited and PCF Capital Group Pty Ltd acted as Joint Lead Managers to the Placement.

In addition to the Placement, Crusader will also be offering shareholders the opportunity to participate in a share purchase plan, scheduled to close on 15 May 2015.

Prospect	Hole ID	Easting	Northing	RL	Az	Dip	From (m)	To (m)	Interval (m)	Au g/t	Zone	Comment
Querosene	QR-01 inc.	329729	8989375	245	90	-55	66.0	70.0	4.0	3.21	South	Main
							66.0	67.0	1.0	9.65		Footwall
							113.0	114.0	1.0	5.30		Main
	QR-02	329649	8989475	245	90	-55	105.5	108.0	0.5	4.04	South	Main
												QR-03 inc.
	QR-04	329619	8989633	249	25	-67	73.0	73.5	0.5	150.57 nsi	South	
	QR-05*	329616	8989629	249	90	-61					South	Did not reach target
	QR-06*	329570	8989626	246	25	-55					South	Did not reach target
	QR-07 inc.	329474	8989670	237	25	-55	52.0	54.0	2.0	12.11	NW	Upper
							52.0	53.0	1.0	18.02		
	QR-08	329527	8989676	252	25	-55				nsi	NW	
	QR-09	329414	8989679	236	25	-55				nsi	NW	
	QR-10	329384	8989710	235	25	-66	74.0	76.0	3.0	1.34	NW	Upper
	QR-11	329347	8989763	250	25	-61				nsi	NW	
	QR-12	329417	8989678	255	25	-68	66.0	68.0	2.0	1.28	NW	Upper
	QR-13	329472	8989675	240	25	-55				nsi	NW	
	QR-14*	329530	8989680	244	25	-68					NW	Did not reach target
	QR-15	329392	8989719	232	25	-55	56.5	61.0	4.5	1.33	NW	Main
	QR-16	329652	8989425	245	90	-55				nsi	South	
	QR-17	329689	8989425	244	90	-55				nsi	South	
	QR-18	329648	8989425	244	90	-63				nsi	South	
	QR-19	329649	8989475	243	90	-63				nsi	South	
	QR-20 inc.	329611	8989575	239	90	-65	80.0	88.0	8.0	6.27	South	Main
							80.0	84.0	4.0	11.46		
	QR-21 inc.	329614	8989630	244	90	-72	84.0	86.0	2.0	17.62	South	Main
84.0							85.0	1.0	31.33			
QR-22	329615	8989633	244	25	-76				nsi	South		
QR-23*	329566	8989625	245	25	-64					NW	Did not reach target	
QR-24	329743	8989378	244	90	-55	86.0	90.0	4.0	3.78	South	Main	
QR-25	329762	8989326	245	90	-55	86.0	87.0	1.0	3.36	South	Main	
Dona Maria	MR-01*	328083	8990260	222	90	-55	41.0	42.0	1.0	1.10		Did not reach target
	MR-02*	328084	8990319	222	90	-60						Did not reach target
	MR-03*	328062	8990366	230	90	-55						Did not reach target
Crentes	CR-01	328500	8989930	233	80	-55				nsi		

Table 1: Principal significant intercepts – Juruena Gold Project Targets

nsi: No significant intercept

**Intervals reported are downhole widths, approximately true width

*Hole did not reach target depth

Hole results previously reported

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About Crusader

Crusader Resources Limited (ASX:CAS) is a minerals exploration and mining 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. Crusader has three key assets:

Posse Iron Ore

The Posse Iron Ore Mine is located 30km from Belo Horizonte, a city acknowledged as the mining capital of Brazil and the capital of Minas Gerais state. The project had an indicated and inferred Mineral Resource estimate of 36Mt @ 43.5% Fe when mining began in March 2013. Posse is currently selling DSO into the domestic market. With an experienced mining workforce amongst a population of over 2.5 million people, the infrastructure and access to the domestic steel market around the Posse Project is excellent. Drilling and expansion studies were completed in 2014.

Borborema Gold

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 Maiden Ore Reserve was announced in November 2012. 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.

A Pre-Feasibility Study (PFS), completed in September 2011, into the economic and technical merits of the Borborema Gold Project, revealed a robust investment case based on an open cut mine development of 3Mtpa. Feasibility Study work is ongoing.

Juruena Gold

The Juruena Gold Project represents an exciting exploration opportunity, with multiple high-grade targets, within giant gold in-soil anomalies. The 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. Crusader acquired the project in mid-2014 and is completing a drilling program capable of defining a maiden resource.

Competent Person Statement

The information in this report that relates to Juruena Gold Project exploration results, Posse Iron Ore Project exploration results and Borborema Gold Project exploration results released after 1 December 2013, is based on information compiled or reviewed by Mr Robert Smakman who is a full time employee of the company and is a Fellow of the Australasian Institute of Mining and Metallurgy, and has sufficient experience that is relevant to the type of mineralisation and type of deposits under consideration to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Smakman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to:

- a) Borborema Gold Project and Posse Iron Ore Project Exploration Results released prior to 1 December 2013 is based on information compiled or reviewed by Mr Robert Smakman who is a full time employee of the company;
- b) Borborema Gold Mineral Resources is based on information compiled by Mr Lauritz Barnes and Mr Brett Gossage, independent consultants to the company;
- c) Borborema Gold Ore Reserves is based on information compiled by Mr Linton Kirk, independent consultant to the company;
- d) Posse Fe Mineral Resources is based on and accurately reflects, information compiled by Mr Bernardo Viana who is a full time employee of Coffey Mining Pty Ltd,

and who are all Members of the Australasian Institute of Mining and Metallurgy (Rob Smakman and Linton Kirk being Fellows), and who all have sufficient experience that is relevant to the type of mineralisation and type of deposit under consideration, and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Each of Mr Smakman, Mr Lauritz Barnes, Mr Kirk, Mr Viana and Mr Brett Gossage consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

This information was prepared and disclosed under the JORC Code 2004. It has not been updated since to comply with JORC Code 2012 on the basis that the information has not materially changed since it was last reported.