

9 May 2018

Crusader Resources Limited

(“Company” or “Crusader”)

Borborema Gold Project BFS – Commencement of Metallurgical Testing

Crusader Resources Limited (ASX:CAS, AIM:CAS) (“Company” or “Crusader”) is pleased to provide the following update on metallurgical and comminution test work on the Company’s Borborema Gold Project.

Highlights

- Recommissioned test work on the Borborema Gold Project has commenced to confirm the processing flowsheet and finalise further processing cost saving opportunities
- Initial composite formation, head assays and investigation into distribution of mica in the Borborema ore body is underway with 40 samples now completed providing comprehensive and reliable representation of the ore body and in line with expectations
- Comminution test work and circuit design is complete with the current program focused on finalising the process flowsheet, tailings treatment specifications and confirming the treatment of the micaceous material present in the ore body. Removal of mica from the process is expected to deliver additional operational cost benefits relating to electricity usage and grinding media
- As part of the Bankable Feasibility Study (“BFS”) work stream optimisation, further test work on the dry stacking of tailings is underway and includes preliminary work on the filtration solution

As previously announced, and as part of the BFS, the Company is undertaking an ongoing technical and financial optimisation of the Borborema Gold Project. As part of this optimisation work, the Company has reviewed and recommissioned test work to support the processing flowsheet and finalise additional processing cost saving opportunities.

The test work program is focused on a detailed metallurgical sampling program comprising eight large diameter PQ diamond holes for 1,200m (~6 tonnes) which have been forwarded to the ALS Laboratories in Perth. All core received had been confirmed as being intact and available for immediate test work. Finalisation of the metallurgical test work is a critical path item for the completion of the BFS for the Borborema Gold Project.

The drill core utilised for the test work reflected the following assays:

- 16m @5.17 g/t Au (downhole width- true width ~ 6.72m) from 158m in MET-12-3G
- 22m @3.82 g/t Au (downhole width- true width ~ 12.54m) from 57m in MET-12-4F
- 7m @6.84 g/t Au (downhole width- true width ~ 3.99m) from 171m in MET-12-5F

- 37m @2.09 g/t Au (downhole width- true width ~ 24.42m) from 52m in MET-12-2F

A full table of the results was included in the Company's ASX announcement of 28 January 2015.

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 in line with expectations and providing a comprehensive and reliable representation of the Borborema ore body.

Comminution test work focused on establishing the physical properties of the ore in relation to mining & crushing (CWi, UCS), abrasivity (Ai), milling (RWi and BWi) and comminution circuit design (JK DWT and SMC tests) is complete, with the current program focused on finalising the process flowsheet, tailings treatment specifications and confirming the treatment of the micaceous material present in the Borborema ore body.

Crusader has recognised that there is a significant saving in mill capital and power cost if mica can be removed from the ore at an earlier stage in the process flowsheet with the current test work designed to confirm these assumptions and to then be included in the feasibility study.

In parallel, test work on dry stacking of tailings at Borborema will be completed. 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 looks forward to providing additional updates as results become available.

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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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 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 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 Statement**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.

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.