

Quarterly Activities Report June 2018

Highlights

- **AIM London dual listing successfully completed**
- **Capital raise of A\$6.5m (US\$5.0m) across both ASX and AIM**
- **Cost reduction exercise complete**
- **Commencement of metallurgical test work program for Borborema Gold Project**
- **Juruena drilling identifies potential new project close to existing resources**

Operational Updates

During the quarter, Crusader Resources Limited (“Crusader” or the “Company”) successfully achieved admission to trading on the AIM Market of the London Stock Exchange (“AIM”) which resulted in a dual listing with the Australian ASX. This was completed primarily to achieve broader exposure to the institutional and retail investor base within the UK and North America.

Concurrent with the listing, the Company raised A\$6.5m (US\$5.0m) across the Australian and London markets to be used primarily for the Borborema bankable feasibility study (“Borborema BFS”), the Company’s pre-development stage project in Brazil (“Borborema”). The Company’s unaudited cash balance as at 30 June 2018 was A\$1.358m.

Subsequent to admission to AIM, the Crusader management team has undertaken significant measures to improve overall cost efficiencies including a number of cutbacks at the Juruena Gold Project, a proactive scale back of the Company’s Brazilian office in Belo Horizonte to essential personnel, as well as moving the Australian corporate branch to a smaller office in Perth.

The Company is currently focussed on progressing a number of key initiatives in connection with the Borborema BFS. 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.

Metallurgical Testing

As part of the metallurgical optimisation work, on 9 May 2018 the Company announced its review and recommissioning of test work to support the processing flowsheet and finalise additional processing cost saving opportunities.

Post the quarter period end, the Company announced that it had engaged Ausenco do Brasil Engenharia Ltda (“Ausenco”) to assist in completing and reviewing the final documentation required to submit the application for the installation licence for Borborema. These two workstreams are being completed in parallel and are considered to be on the critical path for delivery of the Borborema BFS.

Metallurgical test work 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.

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. This is in line with expectations and provides a comprehensive and reliable representation of the Borborema ore body.

In parallel, test work on dry stacking of tailings at Borborema is 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.

Drilling: Juruena Gold Project

On 8 June 2018 Crusader announced an update on the recent drilling campaign at five previously un-drilled prospects within the Juruena Gold project area.

This initial exploration program is 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 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.

Juruena Gold Project

Crusader's Juruena Project represents 23 tenements over 770km² and has returned some of the highest gold results across the belt, with diamond drilling delivering several extremely high grade intercepts, including two in excess of 1,000 g/t. (See ASX announcement dated 22 December 2016 for details of all relevant intercepts). The current indicated resource at Juruena has an average grade >18 g/t (see Table 1 in the Appendix below) with the 2018 programme focused on developing a larger scale resource.

Alta Floresta Belt

Crusader has a significant position of over 770km² of the Alta Floresta Belt, which is located in the northern area of the Mato Grosso State in the mid-western region of Brazil. Alta Floresta is a belt of placer and intrusion-related gold deposits striking for 600km in the northern border of the Paleoproterozoic Juruena Orogenic Belt. This area has also recently attracted the attention of some of the big miners – during the latter half of 2017, approximately 2.65 million hectares of copper and gold exploration permit applications were filed with the Brazilian Mining Department, covering virtually all the remaining mineral rights in the district. Companies now active in this region include Vale, Anglo American and Votorantim which underpins the prospectivity of the belt and its capacity to host world-class sized deposits.

Marcus Engelbrecht, Managing Director of Crusader said: *“This was an important and transformational quarter for the company. With the dual listing secured, the Company now has increased exposure to a broadened investor market. Together with continued progress at Borborema, where we expect to deliver an optimised BFS, and with Juruena looking like a highly attractive high grade gold project, Crusader is well placed to gain momentum into the second half of the year.”*

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Appendix

Table 1: Juruena Gold Project Mineral Resource estimate (JORC 2012)

| Prospect name (Mineral Resource category) | Resource Category | Lower cut-off (g/t Au) | Tonnes (t) | Grade (Au g/t) | Contained gold (oz) |
|---|-------------------|---------------------------|------------------|-------------------|------------------------|
| Dona Maria | Indicated | 2.5 | 67,800 | 13.7 | 29,800 |
| | Inferred | 2.5 | 148,500 | 12.2 | 58,200 |
| Dona Maria – Subtotal | | | 216,300 | 12.7 | 88,000 |
| Querosene | Indicated | 2.5 | 31,200 | 28.4 | 28,500 |
| | Inferred | 2.5 | 188,700 | 14.7 | 89,300 |
| Querosene – Subtotal | | | 219,900 | 16.7 | 117,800 |
| Total Indicated | | | 99,000 | 18.3 | 58,300 |
| Total Inferred | | | 337,200 | 13.6 | 147,500 |
| Total high-grade ounces | | | 436,200 | 14.7 | 205,800 |
| Crentes | Inferred | 1.0 | 846,450 | 2.0 | 55,100 |
| Total combined Inferred Mineral Resource | | | 1,282,650 | 6.3 | 260,900 |

Note: Appropriate rounding applied. Table includes updated mineral resource estimates for Querosene and Dona Maria, Crentes remains the same as per the 2015 resource estimate. For further information, please see the section below: Summary of Resource Estimate and Reporting Criteria.

Table 2: Borborema Gold Project Ore Reserve (JORC 2012 code)

| Borborema Gold Project - Ore Reserve | | | | |
|--------------------------------------|-------|--------------|----------------|-------------------------|
| Category | | Tonnes (Mt) | Grade (Au g/t) | Gold to Mill (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 throughput costs, gold price of US\$1210/oz. Note, appropriate rounding has been applied, subtotals may not equal total figures.

Table 3: Borborema Gold Project Mineral Resource (JORC 2012 code)

| Borborema Gold Project Mineral Resource 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 estimate for the Borborema Gold Project, 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

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 @ 1.18 g/t (0.4 & 0.5 g/t cut-offs for oxide & fresh). The measured, indicated and inferred Mineral Resource Estimate of 2.43Moz @ 1.10 g/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 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.

Exploration results

The information in this announcement relating to exploration results for the Juruena Project and Novo Astro Project is based on and fairly represents information and supporting information compiled by Mr Robert Smakman. Mr Smakman is the former Managing Director of the Company and now acts as an independent consultant. Mr Smakman is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Smakman has consented to the form and context in which the exploration results and supporting information are presented in this announcement.

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.