

Successful Convertible Note Issue and Update

Crusader Resources Limited (ASX: CAS, AIM: CAS) (“Crusader” or the “Company”) wishes to provide the following update on capital raising.

Highlights

- **Successful Convertible Note issue to raise \$1.0 million**
- **Entitlement Issue to be announced in coming weeks**
- **Capital raising intended to enable Crusader to complete the BFS for the Borborema Gold Project and investigate value realisation options at the Juruena and Novo Astro Gold Project**
- **AIM update**

The Company has entered into agreements for the subscription and issue of secured convertible notes to raise \$1.0 million (**Convertible Notes**) (before costs). The Company anticipates funds in full being received on or before 7 November 2018.

Use of proceeds from the Convertible Notes will be used to fund the Company’s immediate working capital requirements.

The subscription and issue of the Convertible Notes is intended to be followed by a pro-rata entitlement issue to eligible shareholders (**Entitlement Issue**). The quantum and pricing for the Entitlement Issue is being finalised and will be announced to the market in coming weeks.

The Convertible Notes will have a principal amount of \$100,000 each, carry an interest rate of 8% per annum payable in new fully paid ordinary shares (**Shares**) at the 30-day volume weighted average price in Crusader (subject to a floor price equal to the lower of \$0.01 or the Entitlement Issue price) and mature one year from the date of issue, unless converted sooner by the investor. The Convertible Notes will be convertible into Shares in Crusader at a conversion price of the lower of \$0.01 or the Entitlement Issue price at any time up to 10 business days prior to the maturity date, at the election of the note holder.

The issue of Shares on conversion of the Convertible Notes and payment of interest is subject to the receipt of prior Crusader shareholder approval. In the event that shareholder approval is not received, or certain other events occur, the principal amount of the loans and accrued interest will become immediately repayable to the investors in cash.

Any existing Crusader shareholders or other investors who also wish to subscribe for Convertible Notes without requiring a disclosure document and are either a “sophisticated investor” or “professional investor” within the meaning of section 708 of the *Corporations Act 2001 (Cth)*, may contact the Company or the lead manager to apply for Convertible Notes (see contact details below). Acceptance of applications will be subject to Board discretion in consultation with Pinnacle.

Full details of the Convertible Notes will be set out in a notice of meeting of shareholders to be despatched in the coming weeks.

Pinnacle Corporate Finance Pty Ltd has been appointed as lead manager to the Convertible Notes issue and Entitlement.

AIM Update

The Company advises that Smith & Williamson, the Company's AIM nominated adviser, has resigned with immediate effect. The Company is actively looking to appoint a new nominated adviser, within the one month period required.

Further developments with respect to clarification of the Company's financial position, capital raising and appointment of a new nominated adviser will be notified in due course, as appropriate.

Marcus Engelbrecht, Managing Director of Crusader said:

"I am pleased with the interest received for the convertible notes which will provide the needed working capital for the company as we advance further funding initiatives to lift the current trading suspension. Work towards the BFS on Borborema is progressing and we are exploring options around monetising our interest in Juruena, as outlined in detail in our operations update announced today. I look forward to providing our shareholders with further updates and to delivering material value."

For further information, please contact:

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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.