

Appointment of Nominated Adviser and Corporate Update

Crusader Resources Limited (ASX:CAS, AIM:CAS) is pleased to announce the appointment of Beaumont Cornish as Nominated Adviser to the Company with immediate effect, together with the following corporate update.

Background

On 1 October 2018, the Company announced that trading of its securities on AIM and the ASX had been suspended pending clarification of the Company's financial position, to enable it to consider various proposed capital raising initiatives to provide working capital and continue with the development of its two gold projects in Brazil. The Company's working capital position had been adversely affected by, *inter alia*, additional costs and fees incurred in relation to the Admission to AIM earlier in the year, the non-payment by the purchaser of the Posse iron ore mine ("Posse") of the deferred consideration payments, a lower than anticipated reduction in corporate and operational overheads and additional third-party consultants' fees.

As subsequently announced on 28 November 2018, the position with Posse has been resolved and the Company received its second instalment payment of approximately US\$0.05m from the purchaser who is required to make monthly payments of between approximately US\$0.05m US\$0.06m between now and March 2019 and then eight further monthly payments of approximately US\$0.27m from April 2019 until November 2019. In addition, the environmental claim by the Public Ministry of Brazil has been settled.

Update on funding

Since 1 October, the Directors have been in discussions with a number of providers of both debt and equity funding and on 5 November 2018 announced the issue of secured convertible notes to raise AUD\$1.0 million before costs ("Convertible Notes").

The Board still intends that the subscription and issue of the Convertible Notes (for which AUD\$0.9 million has now been subscribed) will be followed by a pro rata entitlement issue to eligible shareholders ("Entitlement Issue"). Pinnacle Corporate Finance Pty Ltd is the lead manager to the Convertible Notes issue and Entitlement Issue. The quantum and pricing for the Entitlement Issue is still being finalised and a further announcement will be made in due course. The Board currently intends to publish shortly the prospectus for the Entitlement Issue, together with a Notice of General Meeting.

The Company currently requires further immediate funding for short term general working capital needs and the Board intends to issue further Convertible Notes to provide funding for the Group pending completion of the Entitlement Issue. The principal terms of the Convertible Notes issued and to be issued are set out below.

The Convertible Notes 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 of Crusader Shares (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. 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 (at a General Meeting to be convened in due course). 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.

Update on suspension from trading

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

Board role change

The Board also is pleased to announce that John Evans (an existing director of the Company) has agreed with immediate effect to become Finance Director with Board oversight and responsibility for finance. Andrew Beigel will continue as non-Board Chief Financial Officer. John Evans is a Fellow of Chartered Accountants Australia & New Zealand, is a member of CPA Australia and is currently chairman of the Audit Committee.

Convertible Note subscription by Stephen Copulos

Pursuant to the Convertible Note issue, on 15 November 2018, Eyeon Investments Pty Limited, Spacetime Pty Limited and Copulos Superannuation Pty Limited (all being companies controlled by Stephen Copulos) each subscribed for AUD\$100,000 (in aggregate AUD\$300,000) in Convertible Notes on the terms set out above. At the base conversion price of AUD\$0.01 per share, the conversion of these Convertible Notes would result in the issue of 30 million new shares (representing approximately 6 per cent. of the current issued share capital of the Company). Stephen Copulos is a related party under the AIM Rules as he is both a former director within the last 12 months and a substantial shareholder and the issue of conversion rights to the Convertible Notes (which is subject to independent shareholder approval in due course) is a related party transaction under the AIM Rules (as well as the ASX Rules).

The Directors of the Company consider, having consulted with the Company's Nominated Adviser, that the terms of the transaction, and in particular the proposed issue of conversion rights, are fair and reasonable insofar as its shareholders are concerned. In forming this view the Directors have taken into account the current financial position of the Company, the subscription by independent parties for the Convertible Notes and that the issue of conversion rights and grant of security to the entities associated with Stephen Copulos is subject to the approval of independent shareholders and the issue of a fair and reasonable third-party report in accordance with the rules of ASIC and ASX.

Total Voting Rights

The Company confirms that the total number of Ordinary Shares in issue with voting rights is 502,150,521. This figure may be used by shareholders in the Company as the denominator for the calculation by which they will determine if they are required to notify their interest in, or a change of interest in, the share capital of the Company under the Financial Conduct Authority's Disclosure and Transparency Rules.

Special note concerning the Market Abuse Regulation

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No 596/2014 ("MAR"). The person who arranged for the release of this announcement on behalf of the Company was Marcus Engelbrecht, Managing Director.

Website

A copy of this announcement is available from the Company's website at www.crusaderresources.com

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CAUTION REGARDING FORWARD LOOKING STATEMENTS

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the company’s business and operations in the future. The company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the company or management or beyond the company’s control.

Although the company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

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 29km² 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.

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