

Quarterly Activities Report

December 2017

Highlights

- The appointment of experienced resources industry executive Mr Marcus Engelbrecht as Managing Director
- The appointment of advisors to facilitate a secondary listing of Crusader on the AIM Market of the London Stock Exchange Plc (AIM)
- Successful capital raise of A\$3.3M by placement provides significant working capital and allows Crusader to focus on development of its core gold assets. The raise also resulted in a new substantial shareholder for the company.

Share Placement

On the 20th of December 2017, Crusader announced that it had received binding commitments to raise a total of \$3.3M through a private placement.

The placement involved the issue of 51,358,937 new fully paid ordinary shares (**Shares**) at \$0.065 per Share, comprised of the following:

- 43,665,091 Shares issued to sophisticated and professional investors pursuant to Crusader's 15% placement capacity under ASX Listing Rule 7.1 (**Unrelated Party Shares**); and
- 7,693,846 Shares to Crusader's Chairman, Stephen Copulos and Managing Director, Marcus Engelbrecht, subject to the receipt of prior shareholder approval (**Related Party Shares**).

Crusader intends to use the funds raised by the placement to fund its general working capital requirements, including costs associated with the proposed AIM admission, as well as preliminary development funding for the Company's Borborema Gold Project ("Borborema").

The placement was joint led by UK based advisory group Hannam & Partners and Patersons Securities Limited.

The Juruena Gold Project's ("Juruena") value potential has been validated recently with major international mining companies applying for > 2 million hectares of mineral title adjacent to Juruena.

Appointment of Marcus Engelbrecht as Managing Director

Mr Engelbrecht is a highly experienced resources industry executive, with previous roles including Managing Director and CEO of formally AIM-quoted Archipelago Resources plc (2011-2013) and Chief Financial Officer of ASX and TSX listed OceanaGold Corporation. During his tenure at Archipelago Resources, Mr Engelbrecht took the company from construction to production. Mr Engelbrecht also spent 20 years at BHP Billiton, including as Chief Financial Officer of the group's Diamond and Specialty Products division. Mr Engelbrecht was most recently the Managing Director of Stratex and has a strong familiarity with Crusader's assets.

Appointment of Advisers to Facilitate Secondary Listing on the AIM

Crusader has appointed UK based advisory group Hannam & Partners (H&P) to work alongside its existing Australian mandated advisor ANZ Corporate Advisory in seeking to establish a secondary listing of Crusader on the AIM of the London Stock Exchange with the listing completion expected by end February 2018.

Crusader currently has a portfolio of three highly prospective gold exploration assets in Brazil from early stage through to pre-development. Longer term, the Company intends to continue to acquire and develop its pipeline of projects through to production and cash flow with the aim of becoming a 150k–200koz Au per annum gold producer across a number of jurisdictions¹.

As well as advancing its own projects, Crusader will target growth through acquisition of near or in-production gold assets that provide an opportunity to release value not recognised by the market, which may include assets that require recapitalisation and funding, provide opportunities to resolve management, technical or social issues and with AISC < US\$850/oz.

In the short term, the Company's strategy is to:

- Undertake a dual London AIM listing for the Company in the first two months of 2018, in addition to the current Australian ASX listing
- Finalise the Bankable Feasibility Study ("BFS") of Crusader's flagship Borborema Project in H2 2018
- Submit the Borborema installation licence in Q1 2018 with a decision to mine expected during H2 2018
- Complete a review of our 100% owned Juruena Project and initiate a focussed exploration drilling program aimed at delivering an economic and minable reserve within 18-24 months
- Commence an exploration review over the large and highly prospective early stage Nova Astro Gold Project ("Nova Astro")

AIM Listing Update

The Company, currently listed on the Australian Securities Exchange (ASX), will be applying for a dual listing on the AIM market of the London Stock Exchange Plc ("AIM") (ASX Announcement 20th November 2017) in the first two months of 2018. This listing is anticipated to better enable the Company to attract both the funding necessary to advance its projects and a broader range of institutional and retail investors in the UK market with a concomitant increase in liquidity.

A review of the valuation metrics of peer listed companies in the UK and North America reflects valuations considerably in excess of those currently being achieved by Crusader. Attracting a wider range of sophisticated investors presents an opportunity to be re-rated by the market to more accurately reflect the broader view on the value of Crusader and its underlying projects.

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¹ Aspirational statement, comprised of the existing 70,000oz/pa production target previously disclosed for Crusader's Borborema Project (which is based solely on Ore Reserves), plus additional prospective acquisition opportunities. For the avoidance of doubt, Crusader notes that such opportunities are prospective only and there is no certainty that such opportunities will eventuate.

Appendix: Resource and Reserve Tables

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) is a minerals exploration and development 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 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.

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.

Competent Person Statements

Borborema mineral resource estimate

The information in this presentation 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 presentation that relates to the Ore Reserve estimate for the Borborema Project was first reported in accordance with ASX Listing Rule 5.9 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 Ore Reserve estimate continue to apply and have not materially changed.

Juruena mineral resource estimate

The information in this presentation 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 presentation relating to exploration results for the Borborema Project, 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. 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.