

Crusader to Focus on High-Grade Gold Development

Crusader Resources is pleased to provide an update on progress at its 100% owned Juruena Gold Project.

- **Licensing progressing on schedule**
- **Preliminary equipment quotations and Scoping Study advanced**
- **Discussions with Financing Partners underway**

Licensing

Crusader Resources Limited (ASX:CAS) is pleased to announce that the applications for trial mining licences ('Guia de Utilização') (GU), over the high-grade Juruena Gold Project, have been lodged with Brazilian authorities.

On grant of the GUs, Crusader will be permitted to conduct underground mining on both the Querosene and Dona Maria prospects up to a maximum throughput of 100,000 tonnes of ROM material, or 50,000 tonnes per prospect.

The project development strategy for Juruena is similar to the direction undertaken by the Crusader operational team in commissioning the Posse Iron Ore Mine, and has been the path to production for a number of other successful mining companies in Brazil.

In addition to the GU applications, Crusader's licensing team has commenced the application process for a full 'Concessão de Lavra' (Mining Concession / Mining Licence). In order to achieve the application for a full mining licence, Crusader has engaged several internationally recognised consulting groups to conduct both environmental and social impact assessments for the planned operations, which will comply with the Brazilian mining code and International Finance Corporation (IFC) performance standards.

The full mining licence will remove the tonnage restriction on operations and allow the project to expand to full capacity.



Figure 1: Querosene Pit

Scoping Study Advances

Denver based international engineering firm Global Resource Engineering (GRE) has progressed preliminary costings for the project. The preliminary costings are based on appropriately sized plant and equipment to mine and process within the tonnage restrictions of the GU licence, and leverage Crusader’s existing in-country iron ore operations, to source locally manufactured equipment and contractors in the mining focused city of Belo Horizonte.

Preliminary costings support a modular processing facility, the design of which would be intentionally semi-mobile and on a minimalistic footprint to allow it to be relocated post the granting of the full mining licence.

In addition to the processing facility, GRE has completed preliminary costings on both owner operator and contract development for both the Querosene and Dona Maria ore bodies, allowing access to the current known Mineral Resources¹. Tender documents for contract underground mine development will be issued in January 2016 in line with company’s development schedule.

Crusader will recommence drilling early in 2016 in order to increase confidence levels and evaluate a number of close, high-value targets identified by the 3D resource models that have been built around the current inferred resources.

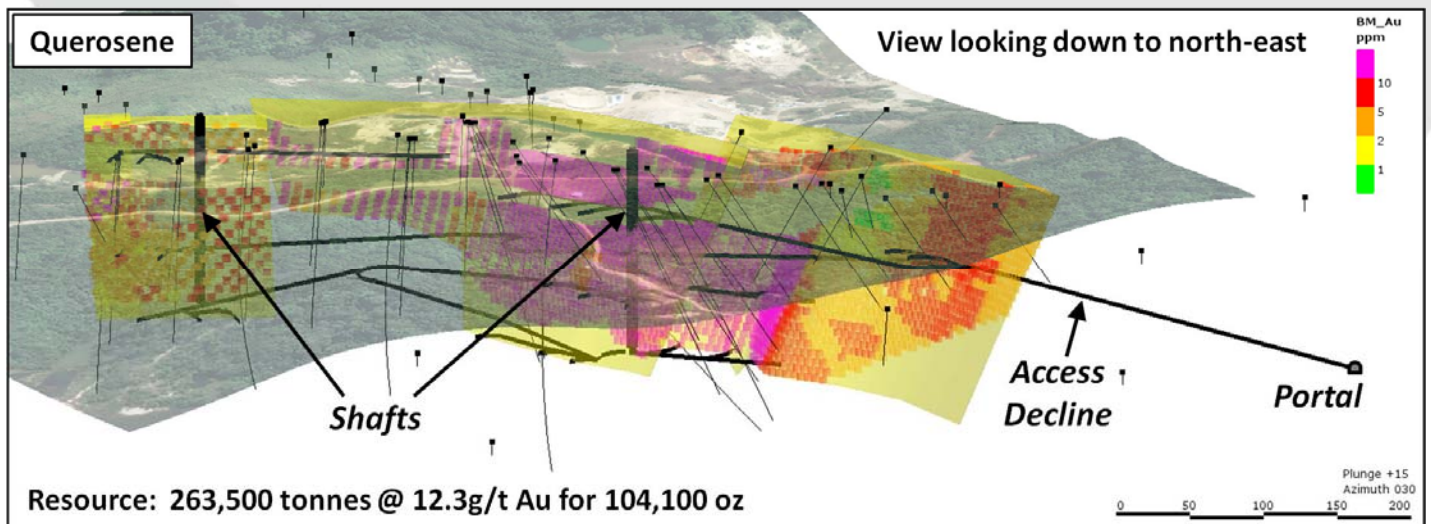


Figure 2: Querosene resource model showing preliminary mine plan - looking down to north-east

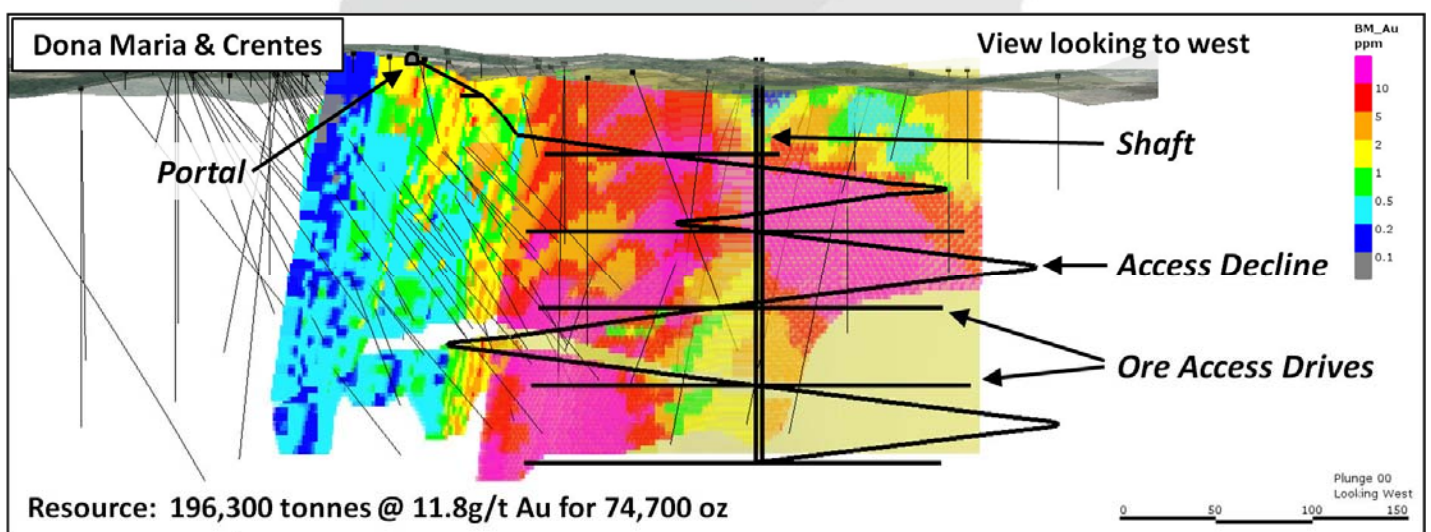


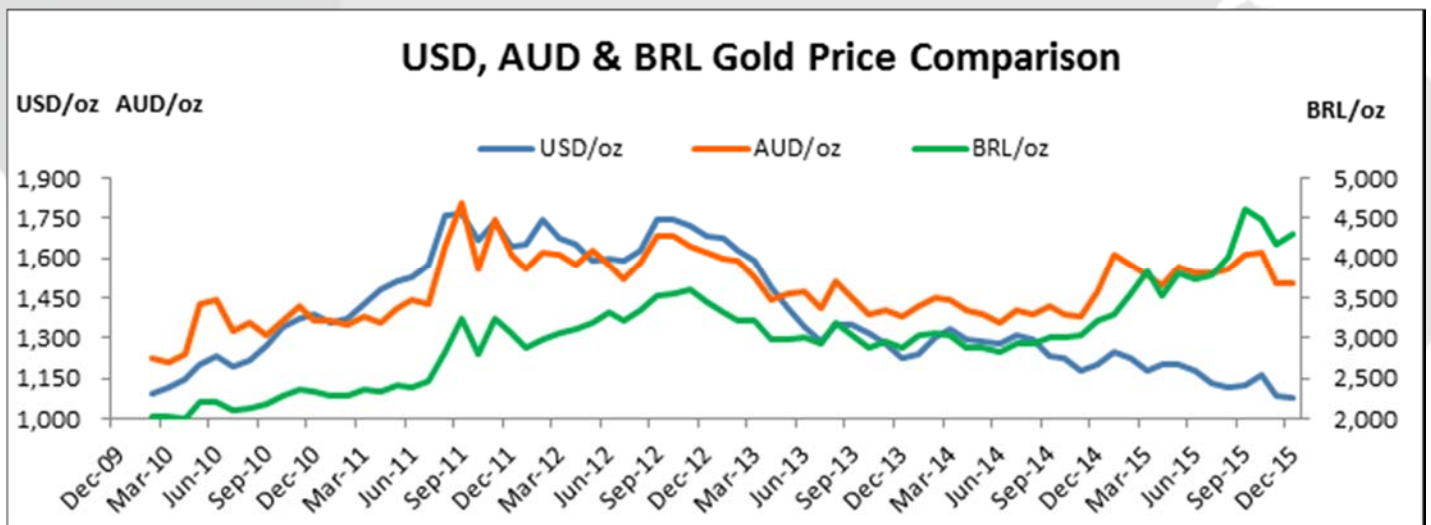
Figure 3: Dona Maria & Crentes resource model showing preliminary mine plan – looking down to the west

¹ Refer ASX announcement dated 29 September 2015 – “Juruena Maiden Resources include 178koz at >12 g/t Gold”

Project Funding

Crusader has commenced preliminary discussions with potential financing partners to provide a debt facility to develop the Juruena Gold Project. These discussions are ongoing with a final firm agreement likely to be linked to the completion of the Scoping Study and new resource statement scheduled for April 2016.

The weakening Brazilian currency continues to have a positive effect on the economics of gold production in Brazil in a similar dynamic to that being experienced by Australian gold producers. Crusader intends to fast-track the development of Juruena to take advantage of this favourable commodity environment.



For further information please contact:**Mr. Rob Smakman****Managing Director, Brazil**

Office (Brazil): +55 31 2515 0740

Email: rob@crusaderdobrasil.com

Mr. Paul Stephen**Executive Director, Australia**

Office (Aus): +61 8 9320 7500

Email: paul@crusaderresources.com

About Crusader

Crusader Resources Limited (ASX:CAS) is a minerals exploration and mining 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 three key assets:

Juruena Gold

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.

Posse Iron Ore

The Posse Iron Ore Mine is located 30km from Belo Horizonte, a city acknowledged as the mining capital of Brazil and the capital of Minas Gerais state. The project had an indicated and inferred Mineral Resource estimate of 36Mt @ 43.5% Fe when mining began in March 2013. Posse is currently selling DSO into the domestic market. With an experienced mining workforce amongst a population of over 2.5 million people, the infrastructure and access to the domestic steel market around the Posse Project is excellent.

Borborema Gold

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.

Competent Person Statement

The information in this report that relates to Juruena Gold Project exploration results, Posse Iron Ore Project exploration results and Borborema Gold Project exploration results released after 1 December 2013, is based on information compiled or reviewed by Mr. Robert Smakman who is a full time employee of the company and is a Fellow of the Australasian Institute of Mining and Metallurgy. The information in this report that relates to Mineral Resources at the Juruena Gold Project is based on information compiled or reviewed by Mr. Lauritz Barnes and Mr. Aidan Platel who are independent consultants to the company and Members of the Australasian Institute of Mining and Metallurgy. Each of Mr. Smakman, Mr. Barnes and Mr. Platel have sufficient experience that is relevant to the type of mineralisation and type of deposits under consideration to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Smakman, Mr. Barnes and Mr. Platel consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to:

- a) Borborema Gold Project and Posse Iron Ore Project Exploration Results released prior to 1 December 2013 is based on information compiled or reviewed by Mr. Robert Smakman who is a full time employee of the company;
- b) Borborema Gold Mineral Resources is based on information compiled by Mr. Lauritz Barnes and Mr. Brett Gossage, independent consultants to the company;
- c) Borborema Gold Ore Reserves is based on information compiled by Mr. Linton Kirk, independent consultant to the company;
- d) Posse Fe Mineral Resources is based on and accurately reflects, information compiled by Mr. Bernardo Viana who was a full time employee of Coffey Mining Pty Ltd,

and who are all Members of the Australasian Institute of Mining and Metallurgy (Rob Smakman and Linton Kirk being Fellows), and who all have sufficient experience that is relevant to the type of mineralisation and type of deposit under consideration, and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Each of Mr. Smakman, Mr. Barnes, Mr. Kirk, Mr. Viana, and Mr. Brett Gossage consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information was prepared and disclosed under the JORC Code 2004. It has not been updated since to comply with JORC Code 2012 on the basis that the information has not materially changed since it was last reported.