

Major Drilling Campaign Begins at High-Grade Juruena Project

Highlights

- 6,000m diamond drilling program commencing at Juruena Project, initially targeting Querosene and Dona Maria prospects
- Aim of the drilling program is to:
 - convert Inferred resources to the Indicated category;
 - build on the overall size of Juruena's gold resource which currently stands at:
 - 1.3Mt @ 5.6g/t for 234koz Au
- Crusader has appointed GTR Brasil to undertake drilling program, who are currently mobilising two modern drill-rigs to site

Brazil-focused gold development company Crusader Resources (ASX: CAS) ("Crusader" or "the Company") is pleased to advise that following the successful raising of A\$6.25m (see ASX releases on 2 and 9 March 2016), the Company has initiated a diamond drilling program at its 100% owned high-grade Juruena Gold Project.

The resource-infill and expansion program will comprise a minimum of 50 holes for approximately 6,000m over a period of up to 90 days. The Company expects to convert a high percentage of the current Inferred resources at Dona Maria and Querosene to the Indicated category as well as seek to expand the size of the overall gold resources at Juruena.

The drill program will initially target the Querosene and Dona Maria prospects, which are both open at depth and along strike. Also planned are initial holes at several new targets, including Tomate, Mauro and Uiliam.

Commenting on the drill program, Crusader Resources' Managing Director Rob Smakman said; *"Our recent successful capital raising allows Crusader to get back on the ground and continue on from previous high-grade results at both the Querosene and Dona Maria prospects."*

"Our aim is to convert resources from Inferred to Indicated as well as expand the size of the resource at these prospects."

"I look forward to updating shareholders over the next few of months as the results from this drilling program become available."

In September last year, Crusader announced a JORC-compliant maiden Resource Estimate for three prospects at Juruena (Dona Maria, Querosene and Crentes prospects) of **1.3Mt @ 5.6 g/t for 234koz Au** (see ASX release on 29 September 2015).

The Juruena Project (> 400km² of contiguous tenements) is located in Central Brazil on the southern fringe of the Amazon Basin. Situated on the western end of the prospective Juruena-Alta Floresta gold belt (estimated to have produced ~7Moz Au), Juruena has been explored extensively by artisanal miners since the 1980's, producing an estimated 500koz of gold.

Drill contractors GRK Brasil (a subsidiary of UTZM see; www.utm.com) have been commissioned by Crusader to undertake the drilling program at Juruena.

Querosene Prospect

The Querosene prospect is located on the eastern end of the Juruena Project area and was the first prospect targeted in the Crusader 2015 drilling program, due to consistent high-grade drilling results from previous explorers.

Results from Crusader's 2015 drill campaign confirmed and expanded on these results (including 2m @ 32.97 g/t gold from 84m in hole QR-20 and 3m @ 26.35 g/t gold from 73m in hole QR-03) and their continuity has allowed independent consultants to estimate a JORC compliant mineral resource of 263,500t at 12.3 g/t for 104,100oz Au.

Results for metallurgical testing on samples from the Querosene prospect indicate recoveries of > 90% for both gold and silver using standard leaching (see ASX release 1 July 2015). Results also indicate the gold and silver are free milling and well distributed within the ore.

Dona Maria Prospect

Dona Maria is located adjacent to the Crentes prospect, approximately 1 kilometre along the Juruena fault zone from Querosene. Mineralisation at Dona Maria appears to 'splay away' from the main Crentes trend (WNW) toward the NNW. There is a broad, relatively shallow garimpo working over the mineralised trend and historical intercepts indicate both very high-grade narrower intercepts and broad, moderate grade disseminated intervals.

Results from Crusader's 2015 drill campaign have confirmed there are very high grade zones within the Dona Maria prospect with results including; 12m @ 35.13 g/t Au from 99m in MR-10, including 4m @ 75.07 g/t Au from 99m and 3.38m @ 47.97 g/t Au from 183.62m in MD-01, including 1.87m @ 84.50 g/t Au from 183.62m. Results from drilling have allowed independent consultants to estimate a JORC compliant mineral resource of 196,300t @ 11.8 g/t for 74,700oz Au.

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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.