

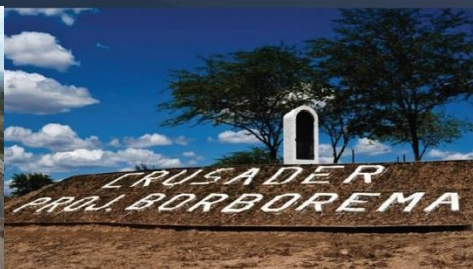
crusader



ASX:CAS

Latin America Downunder - May 2016

www.crusaderresources.com



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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, and has 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 consents 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 is 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 Lauritz 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.

This 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..

A Brazilian Mining Company

crusader

*Utilising strong local relationships to acquire and develop mineral assets in Brazil.
Cash flow from Posse Iron, exciting gold potential, now with Lithium!*



Juruena Gold Project (CAS 100%)

- 234koz @ 5.6 g/t Au
- Exceptional high-grade gold potential

Borborema Gold Project (CAS 100%)

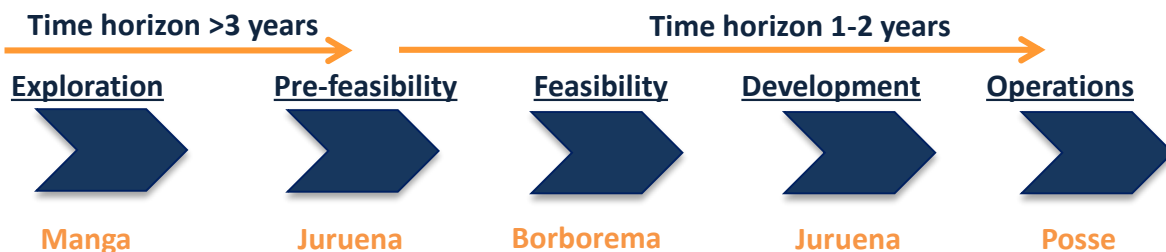
- Resource – 2.43Moz Au
- Reserve – 1.61Moz Au

Posse Iron Ore Mine (CAS 100%)

- Unique high-value product
- Domestic sales to local Brazilian market

Crusader Lithium- Manga (CAS 50%)

- Crusader asset- Li-Sn-In greisen
- Results from Rock chips to 1.3% Li₂O
- JV with Lepidico and their L-Max extraction technology



Corporate Overview

<i>Capital Structure (ASX : CAS)</i>	<i>As at 12 May 2016</i>
Share Price	\$0.13
Ordinary Shares (ASX:CAS)	230 M
Options ¹	41 M
Market Capitalisation	\$30 M

<i>Major Shareholders</i>	<i>As at 12 May 2016</i>
CAS Directors	26%
Farjoy Pty Ltd	10%
IFC	6%
Strong Institutional Representation	

¹ Exercise prices: \$0.15 to \$0.80

Board & Management



Board Of Directors

Chairman

Stephen Copulos

+ 30 years' experience in business & investments in a wide range of industries, and over 14 years' experience as a company Director for both listed and unlisted companies. Major shareholder of CAS for many years. Aligned to improving shareholder returns.



Managing Director

Robert Smakman

Highly experienced Geologist & Manager with over 20 years' Australian & international experience. Founding member of Crusader & has played integral part in moulding company into its present shape. Rob is based in Brazil (+ 8 yrs) and fluent in Portuguese. Fellow - AusIMM.



Executive Director

Paul Stephen

+20 years' experience in Financial services & Australian equity markets, specialising in Capital Management & Corporate Structuring. Paul is a founding member of Crusader Resources Ltd. and holds a number of non-executive roles in the finance and resources sectors.



Non-Executive Director

Mauricio Ferreira

More than 35 years in resources/ energy sectors. Highly educated and experienced manager. Ex Vale executive. Has been involved in the exploration and development of three Brazilian gold projects. Mauricio is a Brazilian national.



Non – Executive Director

John Evans

Experienced Director & Chartered Accountant. Over 15 years in private sector finance executive roles, including listed Companies. Currently Principal of a Business Broking & Corporate Advisory Practice. Chairman of Crusader's Audit & Remuneration Committees.



Non – Executive Director

Jim Rogers

Globally respected investment expert, fund manager and author. Co-founded the highly successful Quantum Fund Has written best-selling investment focused books.



Crusader Gold



EXPLORATION

Juruena Gold Project

- Maiden Resource – 234koz @ 5.6 g/t Au
- Potential for high-grade, low Capex projects
- 6,000m infill drilling program underway
- Scoping Study underway

DEVELOPMENT

Borborema Gold Project

- 1.61 Moz Au in Reserve
- 85,000m drilled
- Low cost mining environment
- Scoping Study optimisation underway

Juruena – Jewel of the Alta Floresta Gold Belt

Location - Alta Floresta Gold Belt - Central Brazil

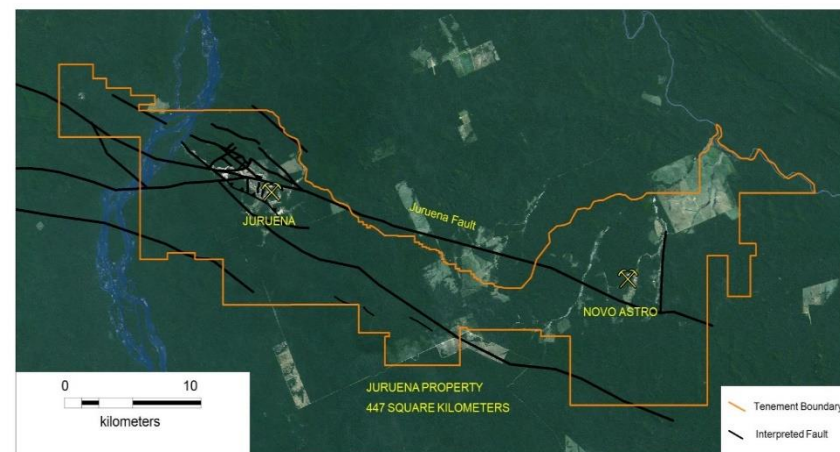
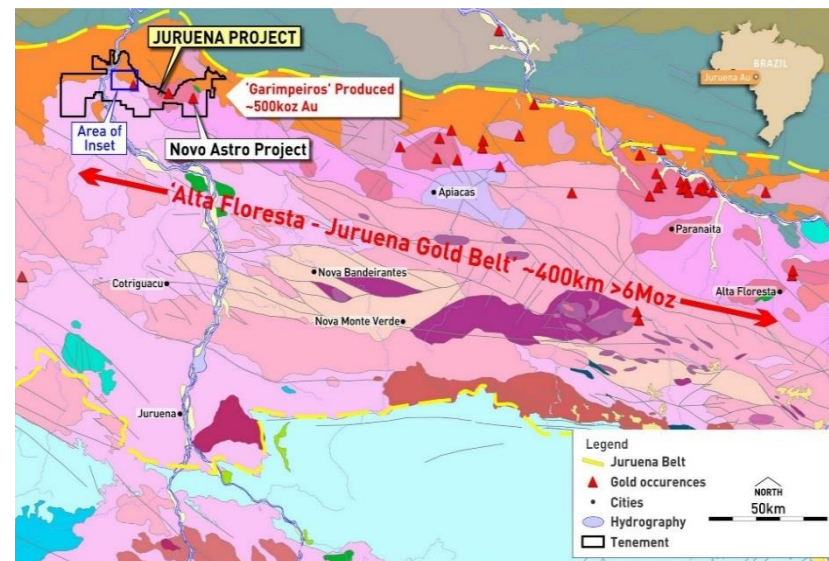
- Extensive granite/felsic volcanic belt stretching ~400km east-west with multiple intrusive & extrusive events identified
- 7Moz produced 1979-1997 from 40 documented gold discoveries (DNPM)

CAS controls 100% of 2 key areas- >500koz produced!

- Juruena** - closest to production
- 20,000 strong garimpeiro workforce -1980s
- Only 2 of initial 16 targets tested - 178koz > 12 g/t

Novo Astro – Garimpeiros (artisanal) mining centre

- 5km wide circular soil anomaly potentially multi-million-ounce intrusion related gold deposit
- Rock chips - 264 g/t Au and 101.7 g/t Au
- Alluvial gold mining active ~ 40 years by local Brazilian garimpeiros. (Ongoing today)
- Comparisons to + 10Moz targets



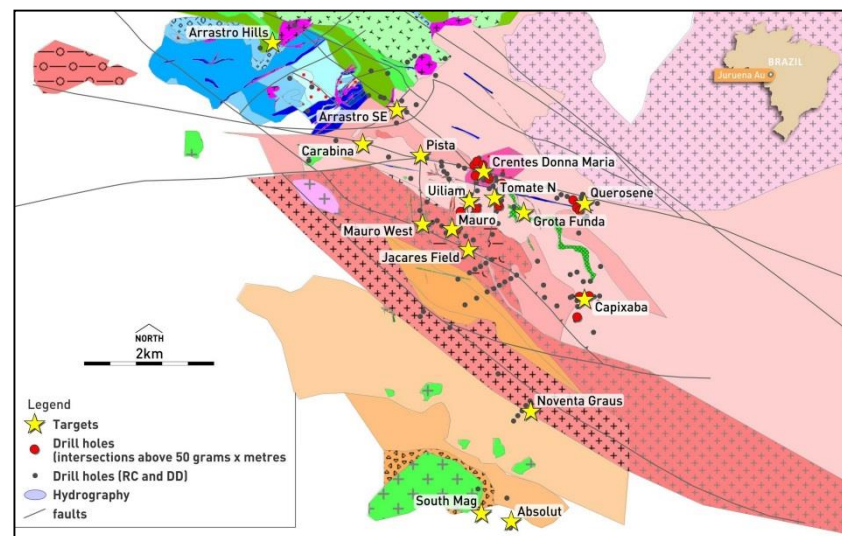
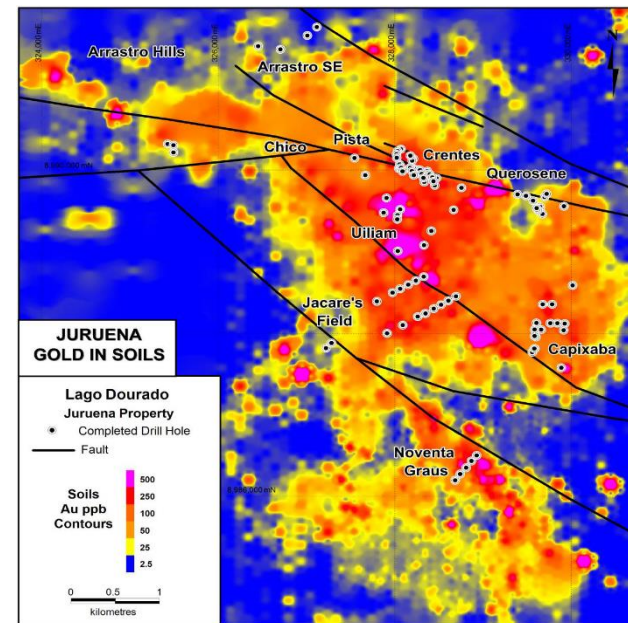
Juruena Project Evolution

- **Since 1980's:** Garimpeiros produced ~500koz - shallow workings
- **Pre-Crusader** - >USD\$25M spent
- **2014:** Crusader acquires 100%
- **2014 – 2015:** 10,000m diamond and RC drilling
 - RC: 7,749m; Diamond: 1,863m; Auger: 995m for 111 holes
 - Metallurgical testwork - Querosene & Dona Maria: > 90% recoveries for gold and silver using standard leaching
- **2015:** Maiden JORC Resource estimate calculated for 3 key prospects totaling **1.3Mt @ 5.6g/t for 234koz Au**
 - Querosene: 263,500t at 12.3 g/t for 104,100oz Au
 - Dona Maria: 196,300t @ 11.8 g/t for 74,700oz Au
 - Crentes: 846,450t @ 2.0 g/t for 55,100oz Au
- **2016:** Major events include:
 - 6,000m Infill drilling program – Q1
 - Scoping Study - H1
 - Ongoing exploration



Juruena Footprint

- Near-surface, high-grade gold mineralisation identified at Querosene and Dona Maria
- Juruena gold soil anomaly is 'giant', >8km long & 4km wide >50ppb
 - Size and style similar to Boddington (WA) and Las Cristinas (Venezuela)
 - Multi-element geochemistry completed on sampling, refined targeting using Cu, Ag, Bi, Mo, Fe trace elements
- Structurally controlled - regional mapping identified multiple untested controlling structures (e.g. Uiliam, Mauro, Tomate)



Querosene – 6m @ 52g/t Au



Capixaba – 9.55m @ 30.92g/t Au



Crentes – 5.8m @ 52g/t Au



Dona Maria - 6m @ 52g/t Au

First Pass Drilling – 2015 (10,000m) = Resource

- After reviewing existing core CAS targeted four near-surface gold veins
- Target was high-grade, close to surface ounces
- Allow for small, highly profitable start-up production-Scoping Study underway
- Cashflow to fund larger expansion



Prospect Name	Resource Category	Lower cut-off	Metric Tonnes	Au (g/t)	Ounces
Dona Maria	Inferred	2.5 g/t	196,300	11.8	74,700
Querosene	Inferred	2.5 g/t	263,500	12.3	104,100
Sub-total high-grade ounces			459,800	12.1	178,800
Crentes	Inferred	1.0 g/t	846,450	2.0	55,100
Total Combined Inferred Resources			1,306,250	5.6	233,900

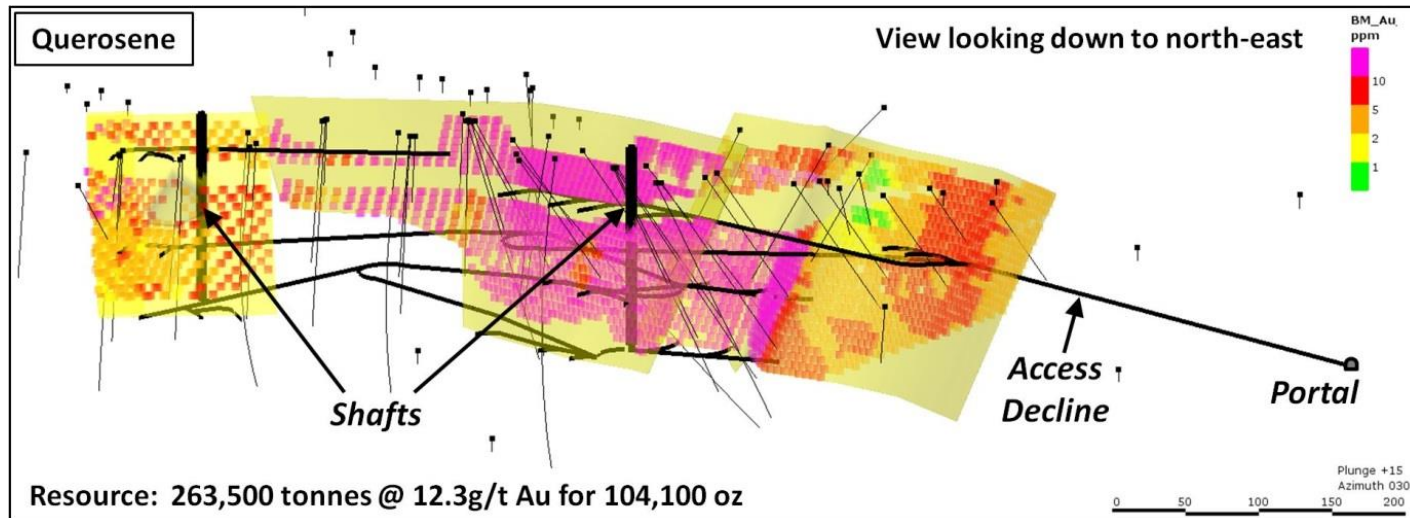
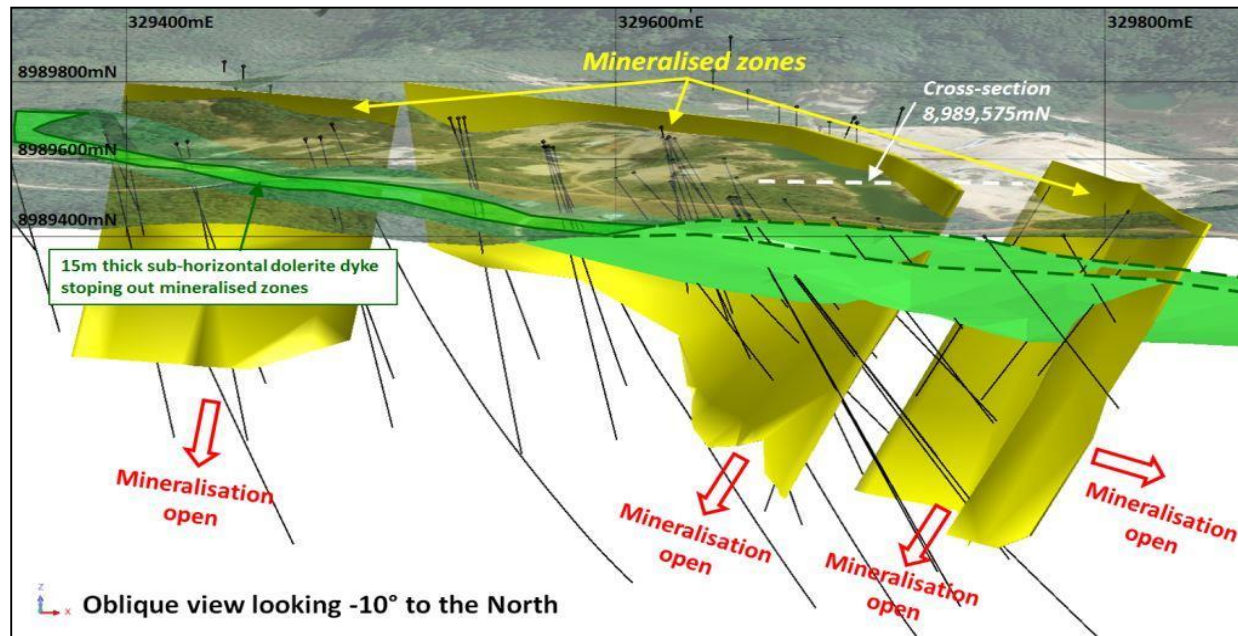
Note: Appropriate rounding applied. For further information, please see the section below: Summary of Resource Estimate and Reporting Criteria.

2016 Diamond Drilling Campaign

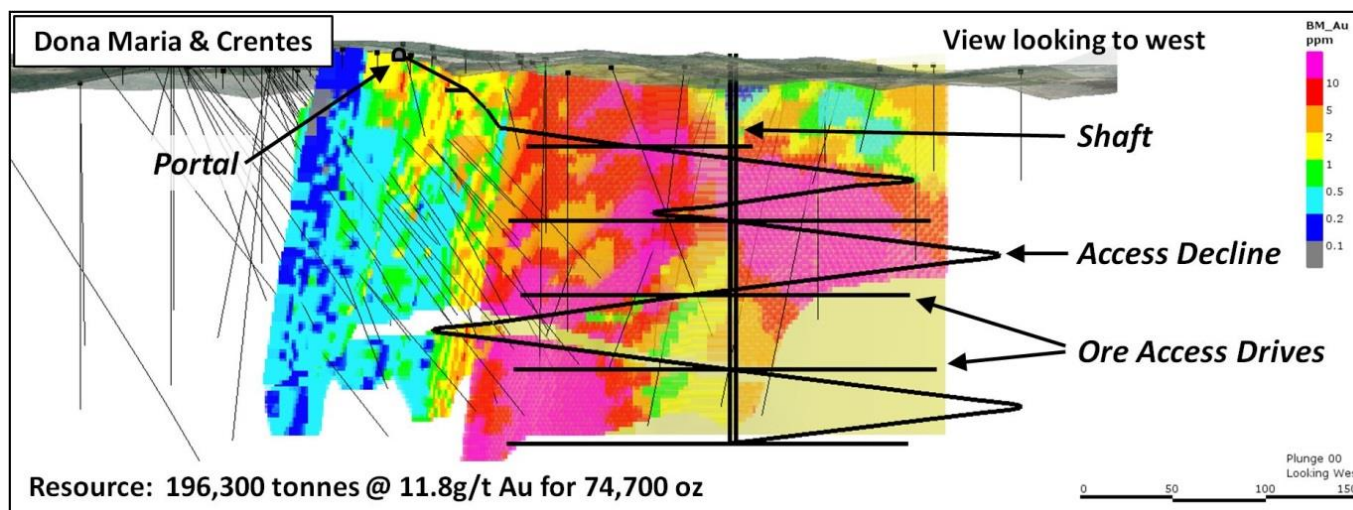
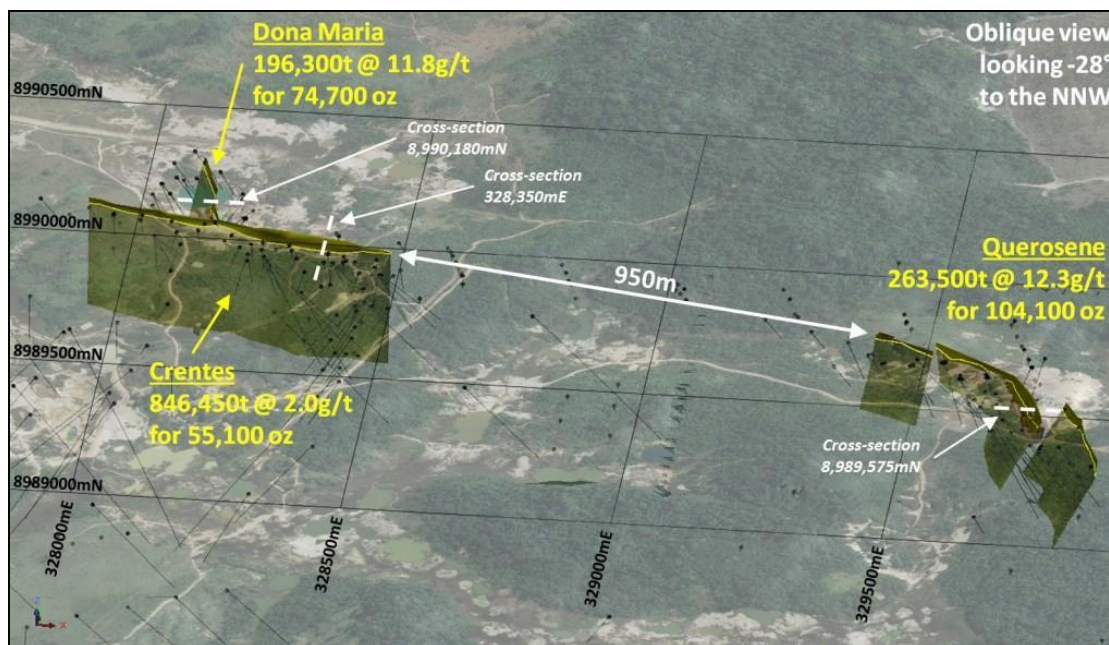
- Comprises a min 50 holes for approx. 6,000m over a period of up to 90 days
- Aim of the campaign is to:
 - Convert a high percentage of the current Inferred resources at Dona Maria and Querosene to the Indicated category
 - Seek to expand the size of the overall gold resources at Juruena
- The drill program will initially target the Querosene and Dona Maria prospects, which are both open at depth and along strike
- Initial holes at several new targets, including Tomate, Mauro and Uiliam are also planned



First Production Decline Planned - Querosene



2nd Production Asset - Dona Maria ~ 1km



Borborema Overview

- Large, wholly owned, open-pittable gold discovery by Crusader, 68.6mt @ 1.10g/t Au for 2.43Moz contained gold
- Low discovery cost of US\$9.50/oz provides significant leverage for Crusader shareholders to various value realisation options
- JORC reserve 42mt @ 1.20g/t released 2012 comprises 2 ore lens', shallow lens contains the bulk of the reserve (26mt @ 1.14 g/t Au for 970koz)
- Development potential for Borborema has continued to benefit from the recent triple effects of:
 - Improving commodity price (USD gold price improved \$115 or 10% in January 2016)
 - Weakening currency (Brazilian Real (BRL) has dropped ~20% against the USD in line with the AUD, as a result, BRL gold price is approaching all-time highs)
 - Lower fuel costs (oil price drop of >50% over the last 6 months)
- Exploration potential remains with ore body open and grades increasing at depth

Infrastructure & Regulatory Advantages

- All project locations are not created equal
 - Borborema has significant advantages over comparable grade projects
- High level of existing support infrastructure
 - Bitumen highway BR226, 140km from city (and port) of Natal to mine gate
 - Power lines traverse Crusader's tenements (expected power cost 7c/kWh)
 - 25km from mining town of Currais Novos
- Conducive regulatory environment
 - Sudene tax concessions¹ may be available – overall tax rate of 15.25%
 - Low government mineral royalties² - currently 1%
- Efficient logistics and power infrastructure significantly reduce project development and execution risk

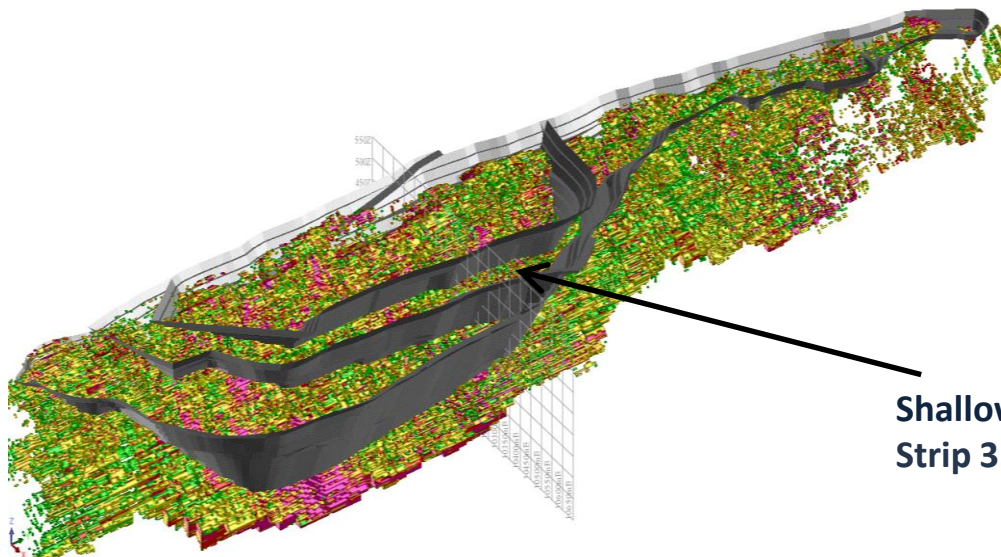


¹A federal government economic stimulus scheme, called Sudene, provides significant benefits for businesses operating in the north east of Brazil, including Rio Grande do Norte. The scheme was introduced to boost economic activity in a relatively impoverished area of Brazil. Company tax rates are reduced from 34% to 15.25% for a period of 10 years. Other benefits include reduction in the rates of taxes such as goods and services taxes, sales taxes and import duties.

²The current rate of government royalty is 1% of sales revenue. There is also a 0.5% royalty payable to the landowners. Note that Crusader owns a number of farms in the immediate area including the one that covers the central part of the ore body.

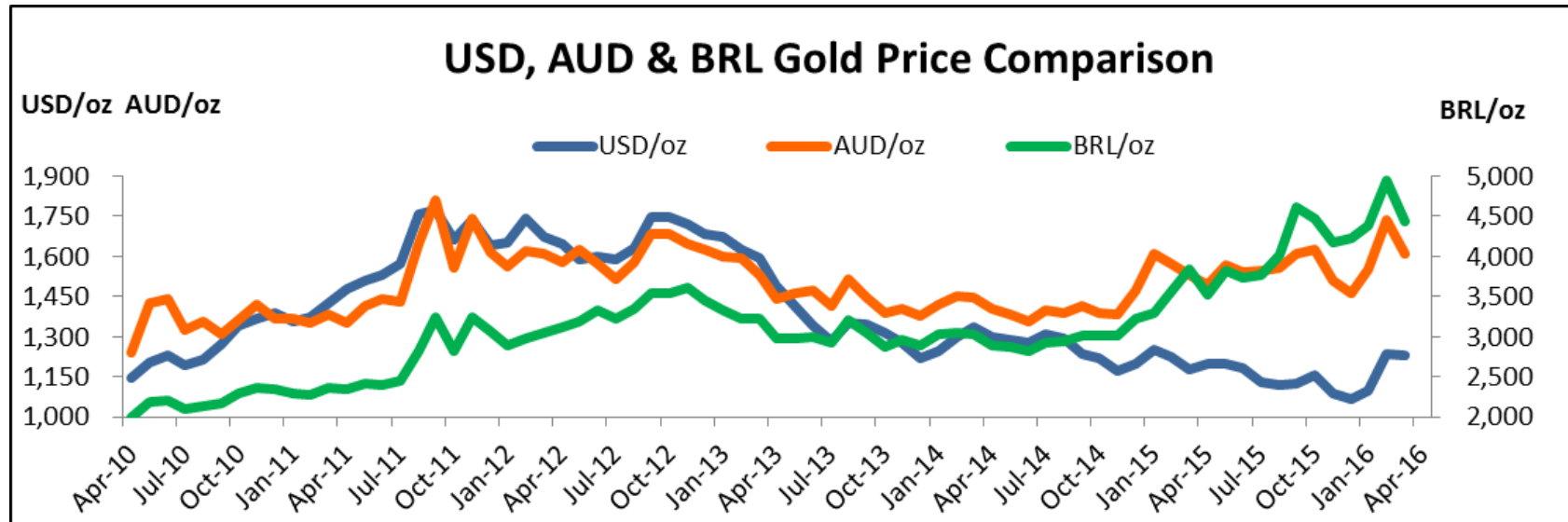
Borborema – Development

- Development strategy now focussed on shallow lens with a strip ratio of $\sim 3.3:1$
 - Significant capital and operating cost savings through reduced footprint and material movements
- Drilling completed to support metallurgical optimisation test work
- Smaller pit- can allow scheduling to delay road relocation and stockpile optimisation
- Optimised development study expected to be completed early 2016



**Shallow lens only pit – Up to 20Mt @ 1.2 g/t,
Strip 3.3:1 – 800 koz**

Brazil Gold – The Right Economics!



- Commenced preliminary discussions with potential financing partners to provide a debt facility to develop Juruena
- Final firm agreement likely to be linked to the completion of the Scoping Study and new resource statement scheduled for 1st half 2016
- Weakening Brazilian currency continues to have a positive effect on the economics of gold production in Brazil
- Fast-track Juruena development to take advantage of this favourable commodity environment

Posse Iron – Overview

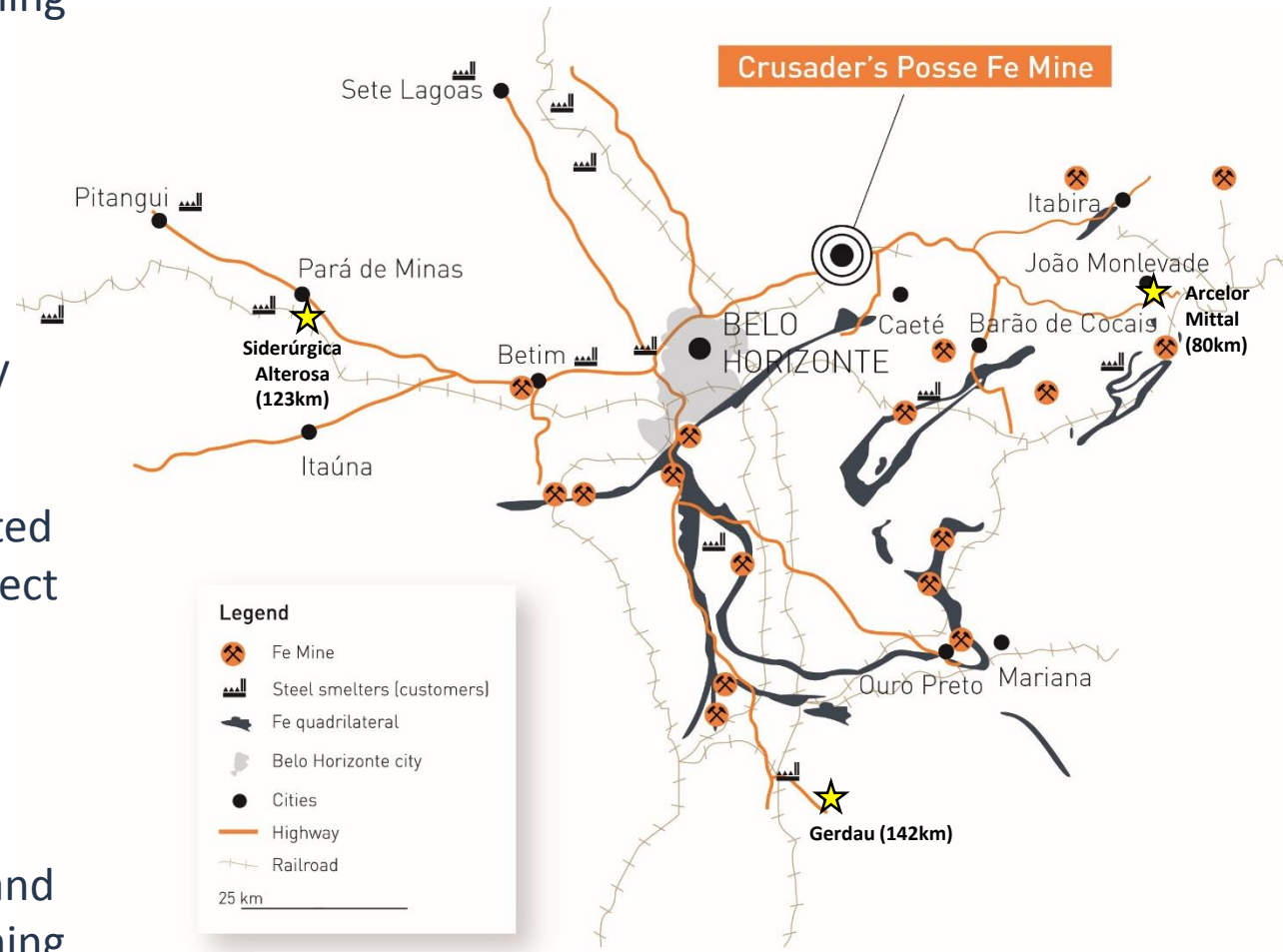
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- 100% Crusader owned
- Heart of Brazilian iron industry
- High value product mix
- **Producing multiple products:**
 - Coarse lump - High and low Fe (+19mm -32mm)
 - Fine lump - HTT and HTT1 (+6.35mm -19mm)
 - Fines - (-6.35mm)

Close to Infrastructure & Customers

- Belo Horizonte, Brazil's mining heart – **"The Iron Quadrilateral"**
- Highway network to the mine gate
- All products transported by road
- Pig iron and larger, integrated smelters surround the project
- Bulk open-pit mining
- Low strip ratio
- Free digging (no blasting) and simple crushing and screening of the ore



Third Element Metals



- 50:50 JV between Crusader and Lepidico based in Perth, Western Australia
- Exclusive rights to L-Max[®] technology in Brazil for exploring lithium
- Crusader contributes Manga project
- Lepidico contributes exclusive rights to L-Max[®] lithium extraction technology

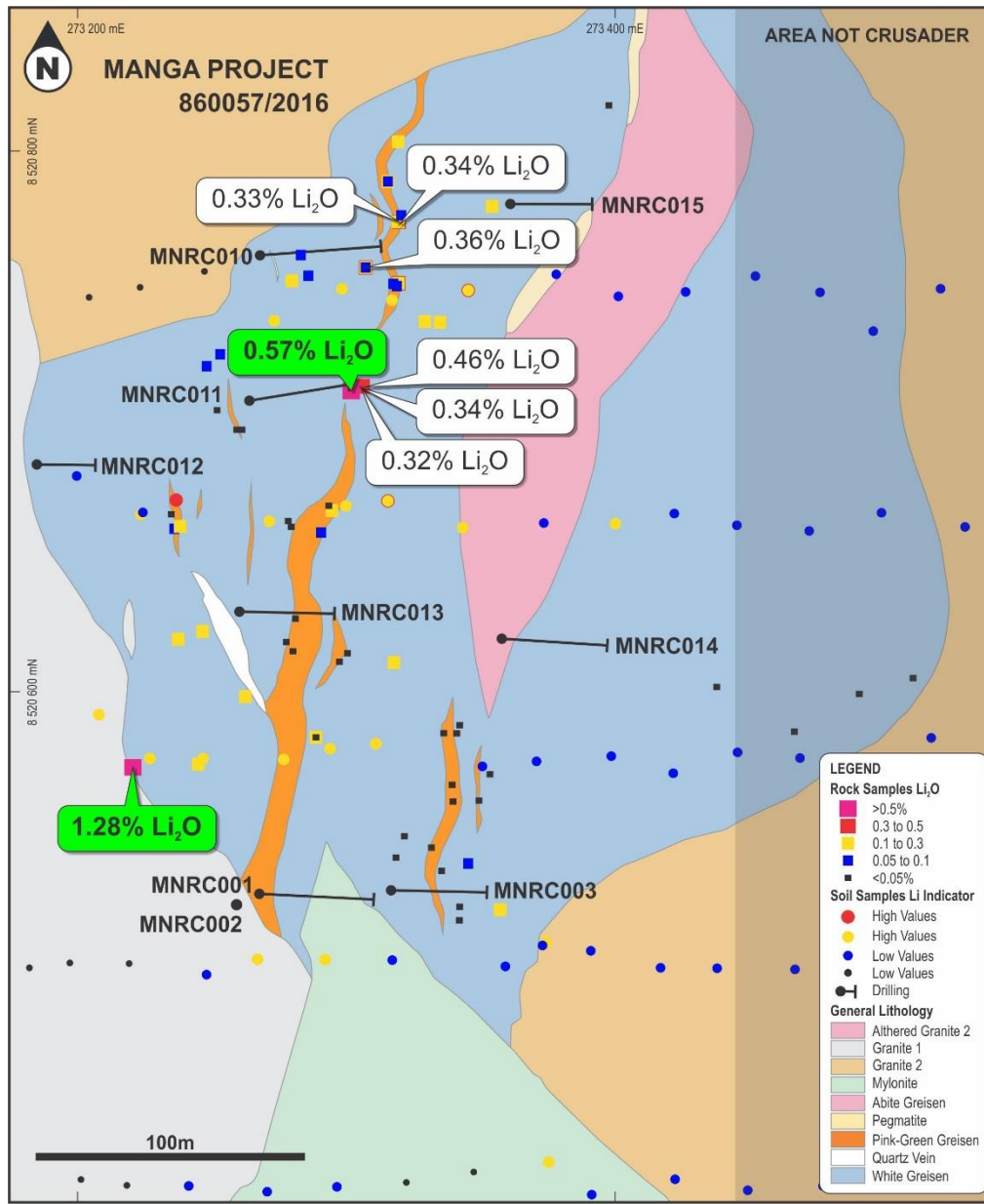
The Manga Li, Sn, In Project

- Manga is a greisen hosted prospect, located in the NE of central Brazil
- Manga highly prospective for lithium extraction
 - Rock chip samples returned up to 1.8% Li_2O within zinnwaldite-rich greisen zone
 - Academic research returned assays of up to 3.6% Li_2O zinnwaldite and 2.3% Li_2O muscovite
 - Extensive database of geological information
- Strong Infrastructure and roads
 - Highways from the Brazilian capital (300km)
- Crusader well established in Brazil



- Lepidico Ltd is a public unlisted company based In Perth, Western Australia
- Formed to commercialise the patented “L-Max” technology, the company has evolved to now be an exploration and project development company with the specific purpose of bringing lithium projects into production
- Lepidico’s L-Max technology targets lithium rich micas, a forgotten ore of lithium, but the company now has a wider brief to exploit all lithium ores
- Lepidico is led by metallurgist and resources industry veteran Gary Johnson, the Managing Director of Strategic Metallurgy

Manga - Geology and Sampling



Crusader Resources – In Summary



- **Gold assets provide strong upside potential:**
 - **Juruena:** Exceptional high-grade potential
 - 6,000m drilling program underway – 2 rigs
 - Scoping Study due 1st Half of 2016
 - **Borborema:** Significant option on the current gold price
- **Posse is a high quality, strategic asset:**
 - High quality product, low cash costs
 - Located in vicinity of our customers
- **Lithium JV formed with Lepidico to explore for Brazilian projects**
- **Well funded to move to the next stage of its gold projects**
- **Highly experienced board and management**

Contact Information



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