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HIGH-GRADE GOLD HITS FROM JURUENA DRILLING INCL. 0.45m @ 335 g/t GOLD

Highlights

- High-grade gold hits from Juruena drilling, Querosene prospect includes:
  - **2.90m @ 75.02 g/t Au** from 112.80m in QD043 (including **0.45m @ 335 g/t Au**)
  - **1.40m @ 48.62 g/t Au** from 84.0m in QD039 (including **0.4m @ 87.96 g/t Au** and **0.64m @ 47.92 g/t Au)**
  - **1.47m @ 29.42 g/t Au** from 57.2m in QD028
  - **2.0m @ 11.09 g/t Au** from 113.9m in QD030 (including **1m @ 19.56 g/t Au**)
  - **1.02m @ 7.30 g/t Au** from 156.1m in hole QD027
- Results have encouraged Crusader to extend drilling program at Juruena to ~7,200m
- Juruena drilling continues, with assay results received and reported from the first 32 holes from the Querosene prospect
- Drilling at the Dona Maria prospect has been completed with assays pending
- New drilling programs for the Tomate and Mauro prospects now defined and underway - will target further advanced high-grade gold intercepts and potential resources. These will be the first holes drilled into these targets by Crusader

Brazil-focused, resource development company Crusader Resources (ASX: CAS) ("Crusader" or "the Company") is pleased to announce high-grade gold results from the resource-infill and expansion drilling program at its 100% owned high-grade Juruena Gold Project.

To date, 52 holes have been completed (for ~5,800m) out of a planned original total of 6,000m of which assay results have been received from the first 32 holes from the Querosene prospect. Drilling at the Dona Maria Resource has been completed with 15 holes drilled and assays now pending.

High-grade results received to date from Querosene have encouraged Crusader to extend the program to ~7,200m, with additional metres to be spread amongst the prospects.

The drill program initially targeted the Querosene and Dona Maria prospects, which are both open at depth and along strike. Also planned are initial holes at two new targets, Tomate and Mauro (see Figure 1 below).

Crusader is expecting 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.

Commenting on the drill program, Crusader Resources' Managing Director Rob Smakman said:

"*We are really pleased with the results received to date at Querosene and are encouraged by what we are seeing in the core at Dona Maria.*

"It's also very exciting to drill at both Tomate and Mauro. These are our next best targets at Juruena and successful drilling could allow additional resources to be estimated. We have long believed that Juruena is a district gold play and we feel the best way to demonstrate that concept is to continue expanding the drilled prospects.

"I look forward to updating shareholders with the next round of assay results once received."

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The Juruena Project ~400 km^2 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.

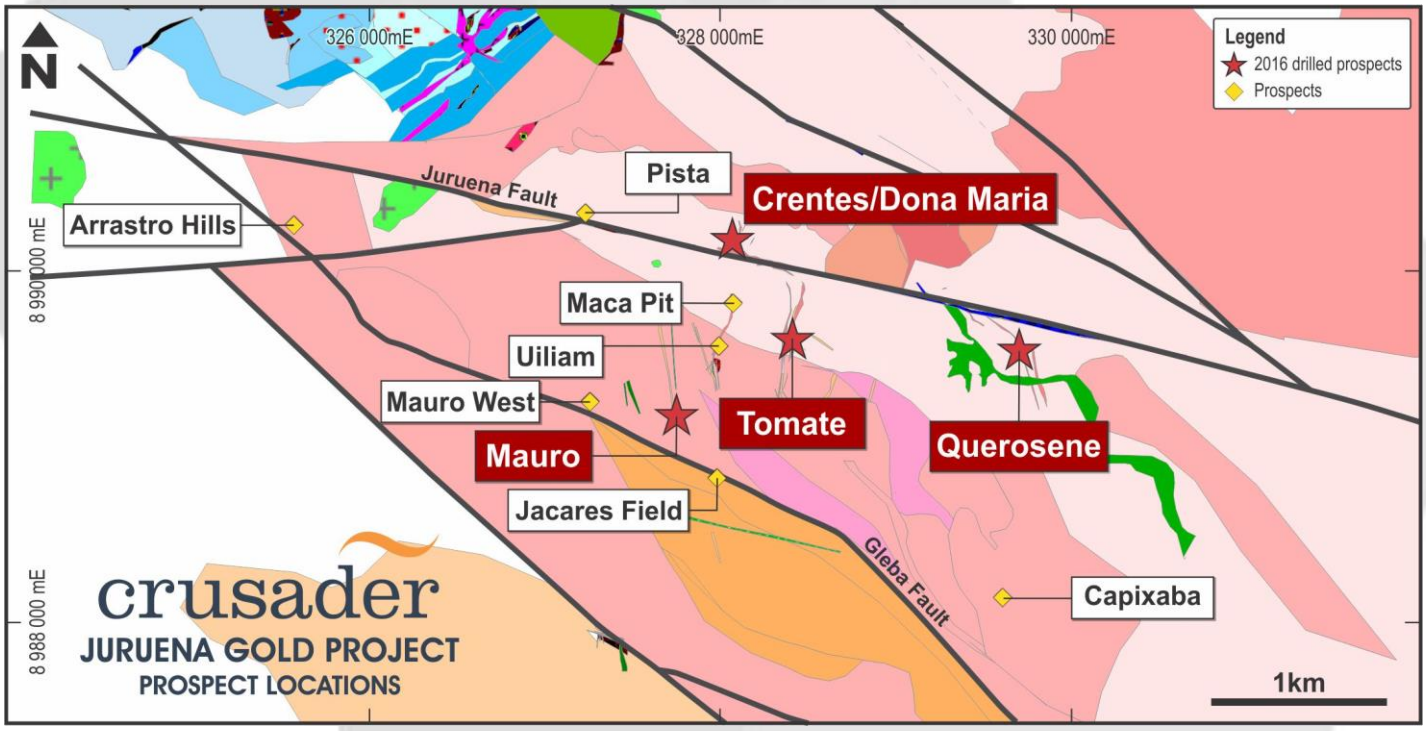

Figure 1: Juruena gold District with various prospects.

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 and 2016 drilling campaigns, due to consistent high-grade drilling results from previous explorers.

A full table of significant intercepts are included below in Table 1 with better results including:

- **1.02m @ 7.30 g/t Au** from 156.1m in hole QD027
- **1.47m @ 29.42 g/t Au** from 57.2m in QD028
- **2.0m @ 11.09 g/t Au** from 113.9m in QD030 (including **1m @ 19.56 g/t Au**)
- **1.40m @ 48.62 g/t Au** from 84.0m in QD039 (including **0.4m @ 87.96 g/t Au** and **0.64m @ 47.92 g/t Au**)
- **2.90m @ 75.02 g/t Au** from 112.80m in QD043 (including **0.45m @ 335.09 g/t Au**)

Higher grade results from the Querosene drilling to date have mainly come from the main zone of mineralisation (see Figure 2) and are very encouraging for the drill targeting aims of increasing resource confidence and extending resources.

Smaller sampling intervals (down to 30cm) were consistently chosen in order to closely define the mineralised zones and this has helped the overall understanding on the mineralisation controls of the prospect. Mineralisation is consistently associated with sheared zones of intense alteration (locally called 'hydrothermalite') and often adjacent to non-magnetic, dolerite dykes. Higher gold grades tend to be associated with fine-grained pyrite (not massive sulphide zones) within these hydrothermalites.

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Drilling at Querosene SE zone - a zone which appeared to have resource extension and open pit potential - has intercepted few strongly mineralised zones. The sheared and altered hydrothermalite zones were intercepted in most holes, however the grades were not anomalous enough to encourage additional drilling in this area.

Several holes from the main zone are still to complete the logging, sampling and assay process and these results will be released as they come to hand.

Results released today confirm and expand on the 2015 drill campaign 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). In 2015, independent consultants estimated a JORC compliant mineral resource of 263,500t at 12.3 g/t for 104,100oz Au (all inferred) at the Querosene prospect (see Figure 3 below).

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.

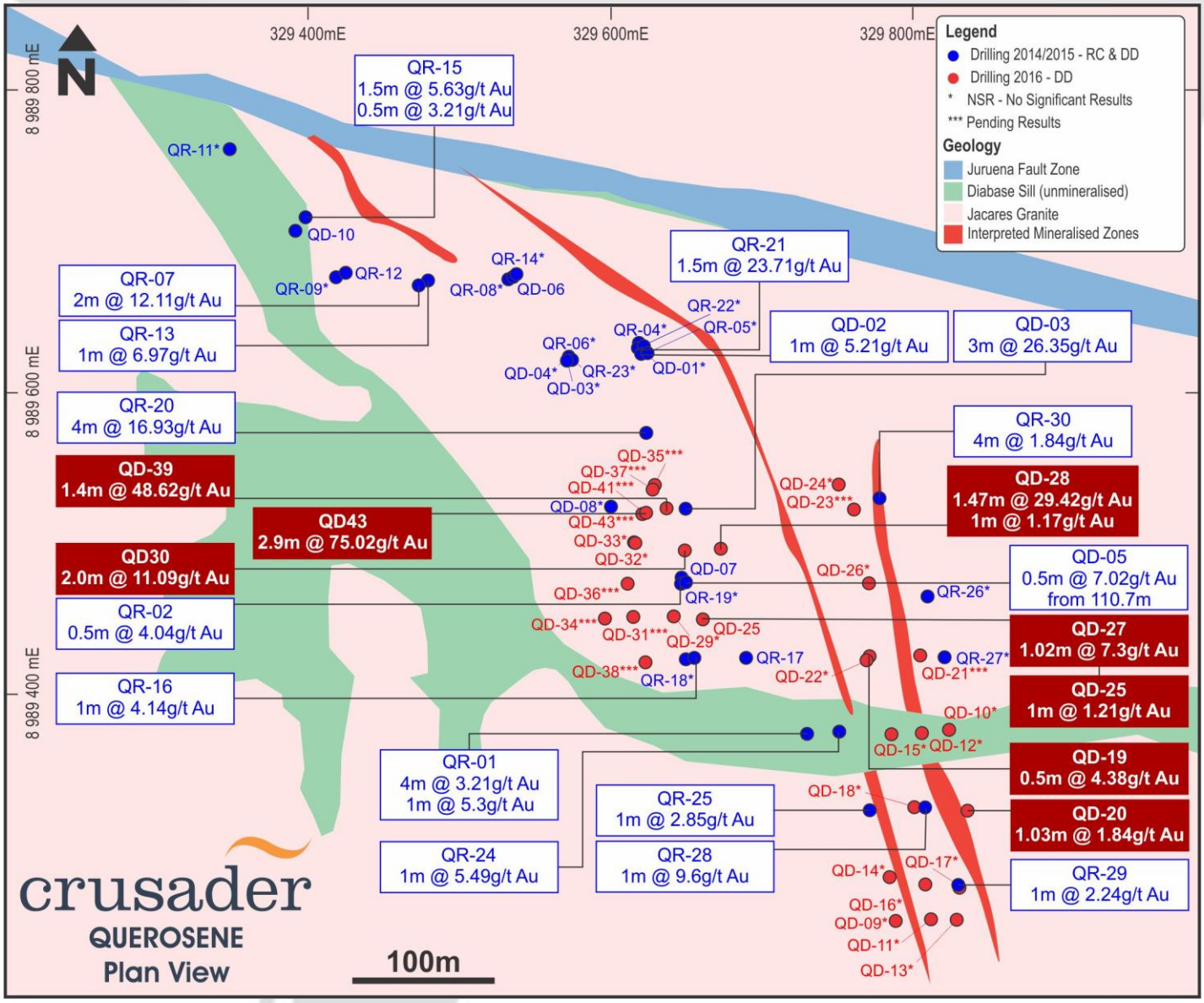

Figure 2: Drill plan of Querosene drilling with significant intercepts highlighted

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.

Figure 3: 2015 JORC compliant Mineral Resource Estimate for Juruena Gold project

Dona Maria Prospect

Dona Maria is located adjacent to the Crentes prospect, approximately 1 kilometre along the Juruena fault zone from Querosene (see Figure 1). 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.

No results are available as yet from the drilling at Dona Maria. A total of 15 holes for 1,930m have been completed to date and results will be presented as they come to hand.

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.

Tomate Gold Prospect

The Tomate gold prospect is located approximately 500m to the south of the eastern end of Crentes (see Figure 1). It is a north-south oriented prospect with minimal (yet significant) historical drilling, significant rock chip results and recent garimpeiro activity (see Figure 4).

Crusader is planning on testing the high grade potential of the Tomate prospect with several drill holes which will be positioned under the garimpo working and along strike to the north where several historical drillholes have intercepted significant gold intervals, including;

- **1.64m @ 20.4 g/t Au** from 128.2m and **1.36m @9.03 g/t Au** from 134.3m in JRND050 (located directly below the garimpeiro workings)
- **8m @ 2.15 g/t Au** from 23m and **14m@ 6.7 g/t Au** gold from 41m in hole JRNRC032 (located ~250m along strike to the NNE from the main garimpeiro workings)
- **4m@ 1.13 g/t Au** from 41m and **1m@ 2.53 g/t Au** from 53m and **1m @ 2.25 g/t Au** from 79m in hole JRNRC085 (located ~250m along strike to the N from the main garimpeiro workings)

Crusader and past explorer's field geologists have sampled within the exposed Tomate structure within the garimpeiro working and recovered several very high grade results. Of the 25 samples collected to date, 11 of the samples returned values > 1g/t gold (and up to 100 g/t gold in rock chip samples).

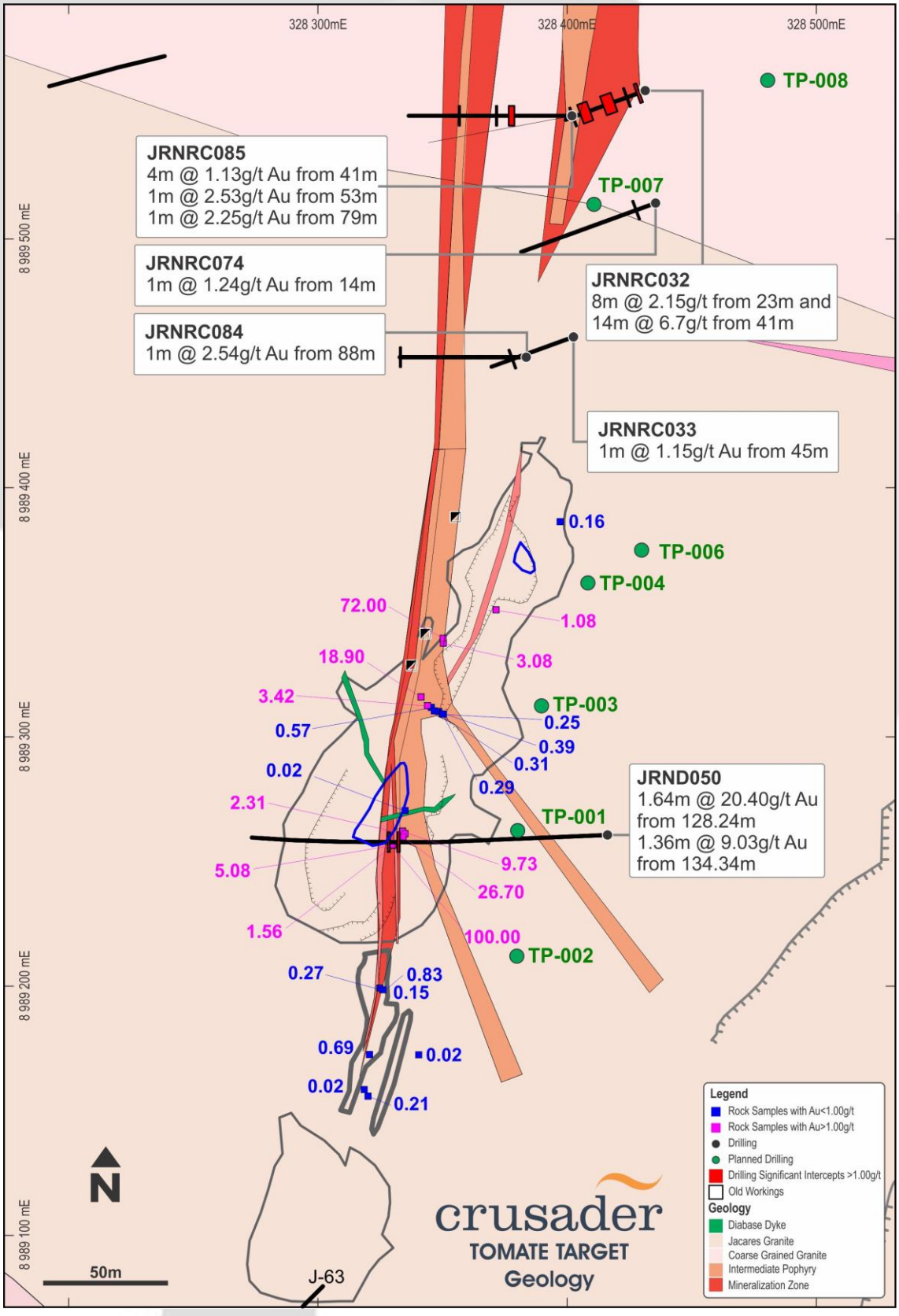

Figure 4: Tomate gold prospect with surface rock chip results, garimpo outline, historical and planned drilling locations

Mauro Gold Prospect

Mauro is a gold prospect approximately 750m to the SW of Crentes and Dona Maria (see Figure 1). The area around Mauro has been extensively disturbed by previous garimpeiro activity, making traditional soil sampling techniques unusable.

Hand-held auger drilling however has the capacity to penetrate the disturbed surface in order to collect samples of in-situ, uncontaminated material. A 1km long, north-south trending auger anomaly (maximum downhole values above 0.3 g/t gold) has been defined by previous and Crusader-managed auger drilling and this will be the target for several holes into the Mauro zone.

Previously at Mauro, wide spaced RC drilling intercepted anomalous gold values in shallow oxidised material. However, interpretation of these diffused mineralised zones was difficult without the results from the auger drilling.

Hole ID	Easting (m)	Northing (m)	RL	Azimuth	Dip	From (m)	To (m)	Interval (m)	Au g/t	Zone	Comments
QD-09/2016	329788	8989251	241	90.00	-60	NSR				SE	
QD-10/2016	329824	8989377	242	90.00	-60	NSR				SE	
QD-11/2016	329812	8989252	242	90.00	-60	NSR				SE	
QD-12/2016	329806	8989375	246	90.00	-60	NSR				SE	
QD-13/2016	329830	8989252	247	90.00	-60	NSR				SE	
QD-14/2016	329784	8989280	246	90.00	-60	NSR				SE	(intercepted 1m@ 0.6 g/t from 30.80m)
QD-15/2016	329786	8989374	246	90.00	-60	NSR				SE	(intercepted 0.65m@ 0.83 g/t from 54.20m and 1m@ 0.94 g/t from 57.80m)
QD-16/2016	329808	8989275	247	90.00	-60	NSR				SE	(intercepted 0.34m@ 0.86 g/t from 71.00m)
QD-17/2016	329831	8989273	246	90.00	-60	NSR				SE	
QD-18/2016	329802	8989326	246	90.00	-60	NSR				SE	
QD-19/2016	329771	8989426	244	90.00	-60	52.50	53.00	0.50	4.38	SE	
QD-20/2016	329836	8989324	247	90.00	-60	16.10	17.13	1.03	1.84	SE	
QD-22/2016	329769	8989424	243	90.00	-73	NSR				SE	(intercepted 1m@ 0.54 g/t from 49.10m and 0.45m@ 0.84 g/t from 62.55m)
QD-24/2016	329750	8989540	241	90.00	-79	NSR				SE	
QD-25/2016	329661	8989450	246	90.00	-56	148.00	149.00	1.00	1.21	SE	
QD-26/2016	329771	8989474	243	90.00	-82	NSR				SE	
QD-27/2016	329661	8989450	246	90.00	-60	156.08	157.10	1.02	7.30	SE	
QD-28/2016	329673	8989497	248	90.00	-72	57.18	58.65	1.47	29.42	Main	
						154.95	155.95	1.00	1.17	SE	
QD-29/2016	329642	8989452	248	90.00	-65	NSR				Main	
QD-30/2016	329649	8989496	240	90.00	-68	113.90	115.90	2.00	11.09	Main	inc. 113.9-114.9, 1m, 19.559 Au ppm
QD-32/2016	329616	8989501	243	90.00	-63	NSR				Main	
QD-33/2016	329616	8989501	243	90.00	-74	NSR				Main	
QD-39/2016	329637	8989524	238	90.00	-60	84.00	85.40	1.40	48.62	Main	inc. 84-84.4, 0.4m, 87.957 Au ppm/84.76-85.4, 0.64m, 47.918 Au ppm
QD-40/2016	329662	8989906	234	205.00	-55	NSR					
QD-42/2016	329622	8990053	235	205.00	-55	NSR					
QD-43/2016	329621	8989520	240	90.00	-72	112.80	115.70	2.90	75.02	Main	inc. 112.8-113.25, 0.45m, 58.916 Au ppm/113.25-113.7, 0.45m, 335.091 Au ppm/114.5-115.7, 1.2m, 30.356 Au ppm

Table 1: Significant Intercepts- Querosene Prospect– Juruena Gold Project

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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.

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Juruena Gold Project JORC Code, 2012 Edition

Section 1. Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code Explanation	Commentary
Sampling Techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	• Diamond drill samples: Diamond drilling of gold prospects using an industry standard wireline drill rig. Core size was typically HQ, although some areas were drilled at NQ size.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• Diamond drill sample: diamond core was split in half lengthways and sampled typically at 1m intervals, although sampling was to geological boundaries and hence sample length ranged from 0.3 - 1.4m. Samples were placed in high density plastic sample bags and immediately sealed shut with cable ties. Half core was retained on site in Juruena for future reference.
	• *Aspects of the determination of mineralisation that are Material to the Public Report.*	• Sample mass varied according to the sample length, typically mass varied between 1-6kg. Samples were sent for analysis at an independent lab and gold was determined via 50g fire assay. All efforts were made to ensure sample contamination was minimised and that all samples could be deemed representative of the interval that they originated from. Based on statistical analysis of field duplicates, there is no evidence to suggest samples are not representative.
	• *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Crusader's current procedures are in line with industry standards, however samples in excess of 100g/t gold were re-assayed using a different lower detection limit (10ppb vs 5ppb)
	•	•

Section 1 - continued

Criteria	JORC Code Explanation	Commentary
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• Diamond drill-holes of HQ and NQ diameter. Down-hole surveys were routinely completed for the diamond drill-holes, with approximately half of the drill holes oriented using a modern core orienting apparatus. Drilling was standard tube (not triple tube)
		• Drill-hole inclinations ranged from -55 degrees to -82 degrees and oriented on various azimuths depending on the geological formation.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Diamond core recovery by measuring the length of core recovered compared to the length drill run. Drill recoveries were considered as good with over 90% of the drill runs > 90% recovery.
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• Care when drilling broken ground, dispensing with the core into the trays and working closely with the contractors to ensure sample recoveries remained consistent.
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Gold mineralisation does not apparently correlate to zones of low sample recovery; sample bias due to poor sample recovery is therefore not believed to be an issue.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• All drill-holes have been geologically and geotechnically logged in detail, and the data stored in a digital database. Information collected in logging is considered appropriate for future studies
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• Logging of diamond drill-core is a combination of qualitative and quantitative and recorded lithology, mineralogy, mineralisation, structure, weathering and colour. Core photographs also exist for all drill-holes.
	• *The total length and percentage of the relevant intersections logged.*	• Logged data exists for 100% of the holes drilled.

Section 1 - continued

Criteria	JORC Code Explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.*	• Diamond drill-core was cut in half lengthways on site using a diamond saw; for duplicate samples quarter-core was used.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• Sample preparation was undertaken by SGS-Geosol Laboratories ("SGS") in Brazil. SGS used industry standard methods (dry – crush – split – pulverise) which are considered appropriate for the style of mineralisation intersected in the drill-holes. The sample preparation method used by SGS-Geosol laboratories is presented in the following section.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• Standards (certified reference material), blanks and duplicates were inserted into the sample stream at the rate of 1:25, 1:25 and 1:40 samples, respectively for the sample batches of generally 50 samples.
	• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second- half sampling.*	• The same side from each sample cut were routinely sampled. Field duplicates were completed using quarter core.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Sample lengths varied as determined by geological factors- this is considered appropriate for the grain size of the mineralisation.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• SGS were used by Crusader for all analyses.
		• The samples were assayed for Au by Fire Assay of 50g aliquots followed by Atomic Absorption Spectroscopy (AAS), a technique designed to report total gold. This technique has a lower detection limit of 5ppb. samples reporting above 100,000ppb were re-assayed from pulps using a Fire Assay 50 g charge and AAS finish with a 10ppb lower detection limit.
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• NA

Section 1 - continued

Criteria	JORC Code Explanation	Commentary
Quality of assay data and laboratory tests (continued)	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The coarse and pulp sample rejects from the preparation and analytical laboratories were retained and stored at the laboratory, allowing for re-assaying in the future if required. All pulps and coarse rejects will be returned to Crusader and stored indefinitely. • Standard Quality Control procedures were adopted by Crusader including field duplicates (1 every 40 samples), blanks (1 every 25 samples) and standards (1 every 25 samples). Field duplicates are defined as quarter core samples for the diamond core.
	•	• Routine analysis of the results of the Blanks, Standards and Duplicates are carried out and any variation away from pre-determined limits are discussed with the lab. Any issues not resolved to Crusaders satisfaction are re-analysed on a batch basis. No external check laboratory assays have been completed on these samples.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• Significant intercepts were generated by Crusader personnel and verified by Rob Smakman, the qualified person for this release.
	• *The use of twinned holes.*	• No holes were drilled in this campaign
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• All drill-hole data are recorded in Microsoft Excel spreadsheets and then stored in a digital database (Microsoft Access). Only Crusader's database administrator has the capacity to enter or change data. Standardised geological codes and checks have been employed to ensure standardised geological logging and required observations performed. The database is stored on a central server which is backed up weekly. Work procedures exist for all actions concerning data management.
	• *Discuss any adjustment to assay data.*	• No adjustments or calibrations were made to any assay data.

Section 1 - continued

Criteria	JORC Code Explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	• Collar surveys have been performed using handheld GPS with accuracy to ~10m. Once all drilling is complete a licensed surveyor will be used with DGPS to re-survey the hole collars to acceptable accuracy. All drill-holes have been checked spatially in 3D and all obvious errors addressed.
	• *Specification of the grid system used.*	• The grid system used for all data types, was in a UTM projection, Zone 21 Southern Hemisphere and datum South American 1969. No local grids are used.
	• *Quality and adequacy of topographic control.*	• Topographic control in the area is basic. The topographic surface was sourced from digital satellite imagery (Aster). Further surveying work is planned prior to future resource estimation work.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	• The drilling carried out is on a variable grid, depending on the targeting stage of the drilling. Grid spacing varies from 25m x 25m to approximate 50m x 50m grid, both horizontally and vertically (in the plane of the mineralised structure, which is sub-vertical).
	• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*	• Sample spacing is considered sufficient for possible future resource estimation.
	• *Whether sample compositing has been applied.*	no compositing has been applied
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• Mineralised structures were targeted and planned to be intersected so that minimal sample bias would occur. All structures were planned to be intersected as perpendicular as possible and to pass through the entire structure. Mineralised structures had relatively sharp contacts and all material was sampled together i.e. the structure and the hangingwall / footwall.
	• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Where ever possible all drill holes were oriented to intersect the intended structure perpendicular to the strike and approximately 40 degrees to the dip of the mineralised zone. The mineralised structures are visible from within the artisanal miners' workings which allowed drill holes to be oriented to minimise introducing a sample bias. None of the reported significant intersections are a result of intentional sample bias.

Section 1 - continued

Criteria	JORC Code Explanation	Commentary
Sample security	• *The measures taken to ensure sample security.*	• No sample security issues were raised or noted by Crusader during the transportation of the samples from the project site to the preparatory laboratory. All samples were sealed with double cable ties in strong high density plastic bags, two sample ID tags were placed in different locations inside the sample bags, all sample bags were clearly marked on the outside with permanent marker pen. All sample bags were checked off the dispatch list before being placed into a heavy duty and highly durable sacks for transportation to the laboratory. A packing list (confirming the number of sacks for transport) was received from the freight company transporting the sample bags to their destination. Upon receipt at the laboratory, samples were checked in and the list of received samples immediately sent back to the company´s database administrator as a security check that all samples were received and all were fully intact and not opened.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No external audits were commissioned by Crusader. The sampling techniques and data were reviewed by the Competent Persons as part of previous Mineral Resource estimation processes and were found to be of industry standard.

Section 2. Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	• Results reported are from a single exploration tenement, 866.080/2009, 100% owned by a wholly owned subsidiary of Crusader, Lago Dourado Mineração Ltda. There is an existing 1% net smelter return payable to a previous owner. There are two garimpo mining licences within the tenement package, allowing the garimpeiros to legally work under certain restrictions. The Querosene tenement is not subject to any native title interests, no known historical sites, wilderness or national park, but is located within the border zone around a national park. Within this border zone further conditions may be required to gain an operating licence. Cattle grazing and legal timber felling are the two primary industries and land uses for the area.

Section 2 - continued

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status (continued)	• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The tenement is in good standing and there are no material impediments to operating in the area.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Garimpeiros first discovered the mineralised areas around Juruena in the 1970's. Garimpeiros have been active in the region since, recovering gold from alluvial, colluvial and some oxidised rock. The area has been explored on and off from the mid 1990's through to the present, with the majority of drilling taking place over the last four to five years. Madison Minerals Ltd first explored and carried out some drilling evaluation of the Juruena core area in 1995/1996. The drill information of Madison would not be useable in a JORC compliant mineral resource estimate, however Crusader considers the information relevant from an exploration perspective and will use these results to guide future exploration work. Lago Dourado Minerals drill tested several anomalies and zones from 2010 to 2013. All work undertaken by Lago Dourado Minerals was performed to a JORC compliant standard and the data generated is considered sufficient to be used for a JORC compliant mineral resource estimate, should further results confirm continuity, grade and geological interpretation in the future.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Juruena mineralisation is considered to have resulted from magmatic activity (intrusions and fluids) which could be sourced from a gold rich source rock and concentrated along structural zones. The mineralisation is hosted by Paleoproterozoic volcanic and granitoid rocks of varying composition. The host rocks are found within the Juruena-Rondonia block of the Amazon Craton.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level - elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth*	• All information is included in the Table of Significant intercepts where all drill holes are recorded.

Section 2 - continued

Criteria	JORC Code Explanation	Commentary
Drill hole Information (continued)	o *hole length.*	•
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• All information is included.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and / or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	• Significant intercepts were calculated using a 1ppm lower cut-off, no upper cut, and up to 2m of consecutive dilution. Sample intervals which were not equal to 1m were weight averaged.
	• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	• No metal equivalent values considered.
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between Mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.*	• As far as practically possible and with the geological interpretation available, the drill targets were tested with the aim of intersecting the interpreted mineralised structure as perpendicular as possible to the strike. All positive holes to date intersected the mineralisation at approximately 40 degrees to the dip, which will cause a slight overstatement of the actual intercept width.
	• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	• Results are reported as downhole widths, in most cases, true width is approximately 80% of down-hole length.
	• *If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'downhole length, true width not known').*	

Section 2 - continued

Criteria	JORC Code Explanation	Commentary
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• See included Figure(s)
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Results from all holes in the current program for which assays have been received are reported. Holes without significant intercepts are also included in the report tables.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Historical exploration data has been presented previously and includes soil sampling, auger drilling, geophysical surveys, geological mapping and interpretation.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Future exploration will continue to target the already identified mineralised areas. Additional drilling has been completed and results are expected to be reported when they are received and interpreted. • See attached figures