

**Stock:** Crusader Resources (CAS)  
**Recommendation:** SPECULATIVE BUY  
**Current Price:** \$1.10

**EVENT:** Further drilling results at Borborema

Crusader Resources has released results from 23 diamond holes (6,231m) at Borborema, aimed at testing the depth extent of the mineralisation. Better results include (downhole width):

- 9m @ 4.1g/t Au from 271m and 13m @ 1.8g/t from 283m
- 35m @ 1.8g/t Au from 267m
- 28m @ 1.3g/t Au from 274m
- 35m @ 1.6g/t Au from 263m

Drilling is ongoing at Borborema with 5 rigs (3 Diamond and 2 RC).

## IMPACT

Positive.

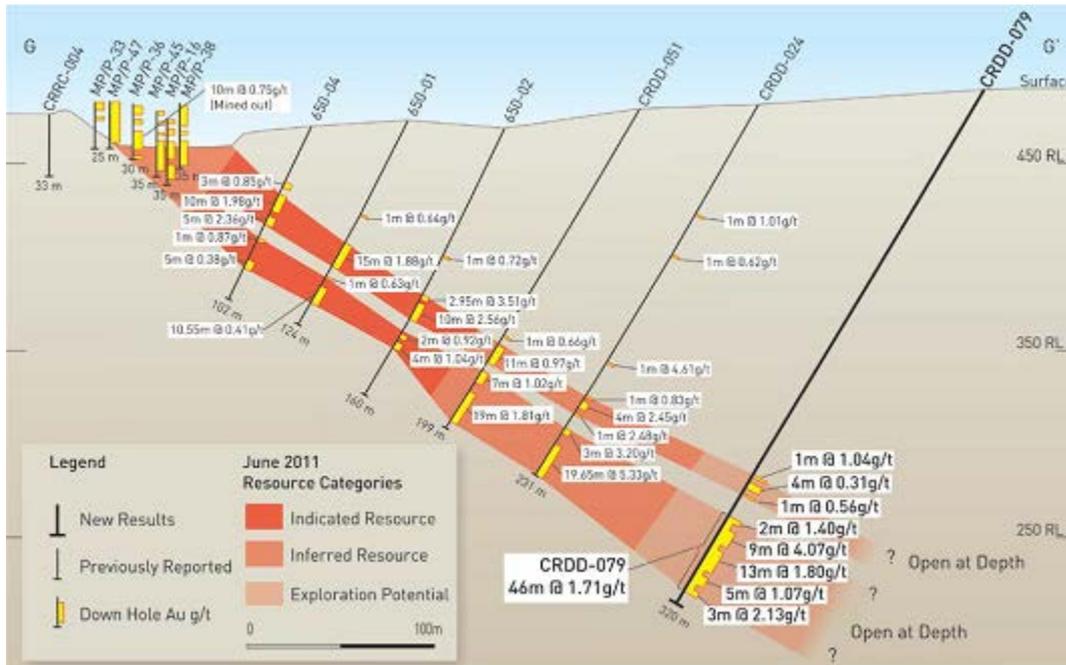
Drilling has increased the depth extent of the mineralisation at Borborema, and confirmed the grade and width of the mineralisation. Notably, 100% of the holes returned significant intercepts.

The results are expected to add ounces to an already substantial 1.9Moz Resource. CAS has an exploration target of 0.5 to 0.75Moz @ 1.2 – 1.8g/t at Borborema, and Argonaut believes that CAS is on track to achieve its target based on the existing drilling results.

The mineralisation at Borborema remains open along strike and at depth.

An interim Resource upgrade is due mid November. The updated Resource is expected to feed into pit optimization studies which will form part of a Feasibility Study.

Figure 1: Cross section showing the width and continuity of the mineralisation



Source: CAS

## COMMENT

CAS is managed by an experienced, in country team. The PFS has outlined a base case production scenario, with scope for mine life and production expansion driven by exploration success at Borborema and the under-explored 1300km<sup>2</sup> regional tenement package.

Argonaut's maintains its Spec Buy recommendation with a valuation of \$2.10 per share.

## SPECULATIVE BUY

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- No assistance has been provided by CAS in writing this report.
- This report was produced by Patrick Chang an employee of Argonaut Securities Pty Limited. Patrick is CFA charter pending and has tertiary qualifications in geology.