



Stock: Crusader Resources (CAS)
Recommendation: SPECULATIVE BUY
Current Price: \$0.88

EVENT: Borborema delivering more high grade results

Crusader Resources (CAS) released additional drilling results from Borborema. Better results include (downhole widths):

- 27m @ 8.5g/t from 278m
- 26m @ 3.2g/t from 301m
- 26m @ 2.7g/t from 294m

Drilling is ongoing at Borborema with 4 diamond rigs. The program aims to lift the Resource categories, as required by the BFS. The program is scheduled to conclude in the coming weeks and results will be included in an updated Resource, due June Q.

First pass RC drilling at Remora, a near mine anomaly has identified gold mineralisation. Drilling is ongoing at Remora and other near mine anomalies.

The RC rigs are also doing a sterilisation drilling program at the proposed plant, waste and tailings sites. The program is expected to conclude in May.

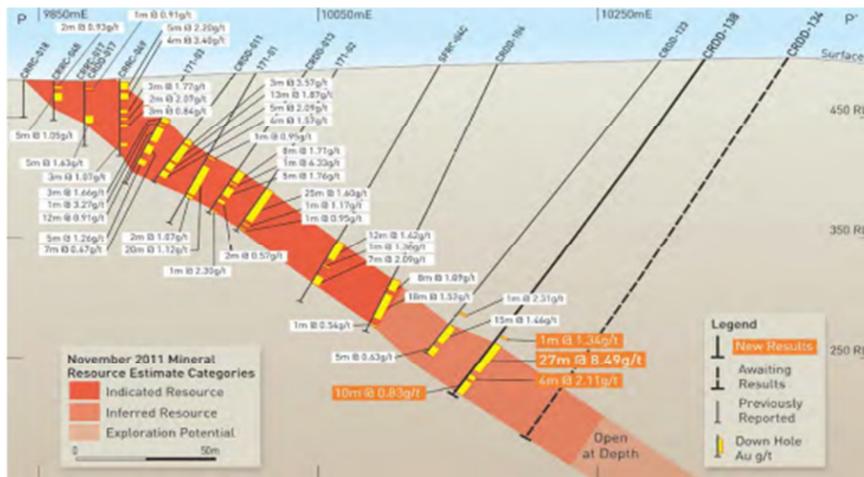
IMPACT

Positive.

The drilling results, particularly in the Central Zone, continues to demonstrate the continuity of the mineralisation.

The intersection of 27m @ 8.5g/t is the best encountered at Borborema so far, and highlights the underground potential.

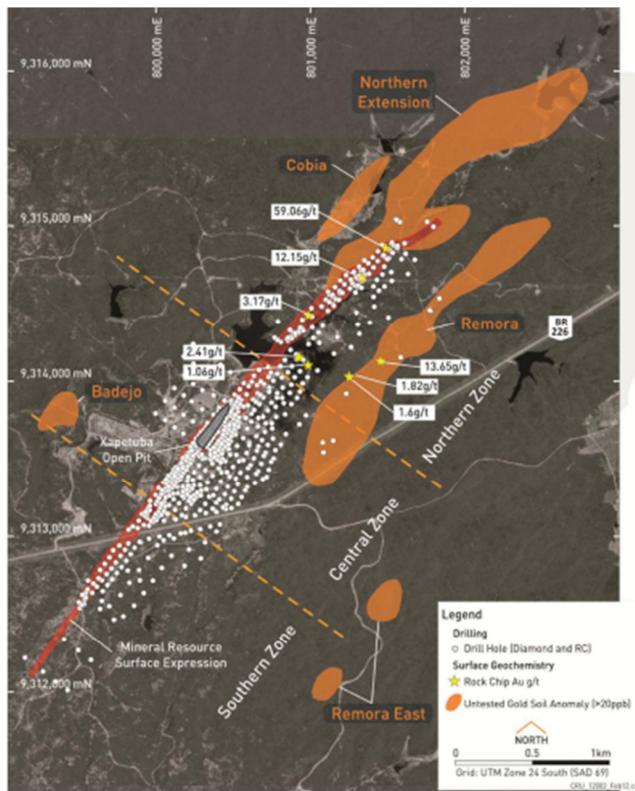
Figure 1: Boreborema cross section



Source: CAS

The initial drilling results from Remora are encouraging. While not of economic width at present, the results highlight the effectiveness of the soil sampling program. CAS has commenced a near mining RC program testing several targets including Cobia, Badejo and the Northern Extension.

Figure 2: Boreborema plan view showing near mine anomalies being tested



Source: CAS

Next steps for CAS include:

- June Q – Drilling results from Borborema and near mine targets, Resource update
- September Q – Potential BFS results
- Reinvigorated regional exploration effort
- Potential advancement of Posse Iron Ore permitting

COMMENT

CAS has consolidated an impressive 3,500km² tenement package along the prospective Borborema Shear Corridor since the project acquisition. With the in-fill drilling program at Borborema near conclusion, Argonaut expects more focus on the near mine and regional exploration efforts.

Despite the advanced nature of Borborema, the stock is trading at a significant discount (\$0.88) to Argonaut's valuation of \$2.01.

SPECULATIVE BUY