



James Wilson /Morgans /AU

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To:
cc:
Subject RESEARCH NOTE: Crusader Resources (CAS) - High grade drilling results from Juruena look positive - Maintain Add, PT \$0.38ps.

Sent by: Morgans/Morgans/AU

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Research Note

Crusader Resources (CAS)

▶ Market Cap: \$25m	▶ FY14 PE: -
▶ Share price: A\$0.18	▶ FY14 EV/EBITDA: -
▶ Price Target: A\$0.38	▶ FY14 Yield: -

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What happened

CAS has announced a set of drill results at its Juruena project in Brazil. Drilling continued at the Querosene prospect with some great high grade numbers, and first results from Crentes and Donna Maria prospects show broad zones of gold mineralisation.

- **Overall:** Drill results at Querosene continue to build the picture. Its high grade and value upside will be determined if it can all hang together which CAS is aiming to do with infill drilling at the moment.
- **Early results from Crentes and Donna Maria look great**, with broad zones and reasonably high grade. We think if all these programs can come together there's a very strong chance that CAS could develop a small stand-alone operation off the back of these programs.
- It's all backed up by cashflow from their existing Posse mine, and we think the story could add a cheap secondary gold production front down the track.

Maintain Add, PT \$0.38ps.

The main drill program at Querosene continues to return high grade narrow intercepts. Highlights include:

Querosene Results:

- 2m @ 32.97g/t Au from 82m in QR-20
- 1.5m @ 23.71g/t Au from 84m in QR-21
- 1m @ 6.97g/t Au from 51m in QR-13.

Some of the above results were more detailed samples within previously announced intercepts, but the results confirm that significant high grade near surface material is available. Strike remains open along to the south and at depth.

CAS has re-deployed their RC back to Querosene recently to follow up further interesting high grade zones.

Donna Maria & Crentes prospects

Two small drill programs were also conducted at Donna Maria and Crentes - about 2km from Querosene. First results from both programs are shown below:

Crentes prospect results

First results from Crentes has been recieved. Results show broader zones but with more moderate grade (not a bad thing).

Best results included:

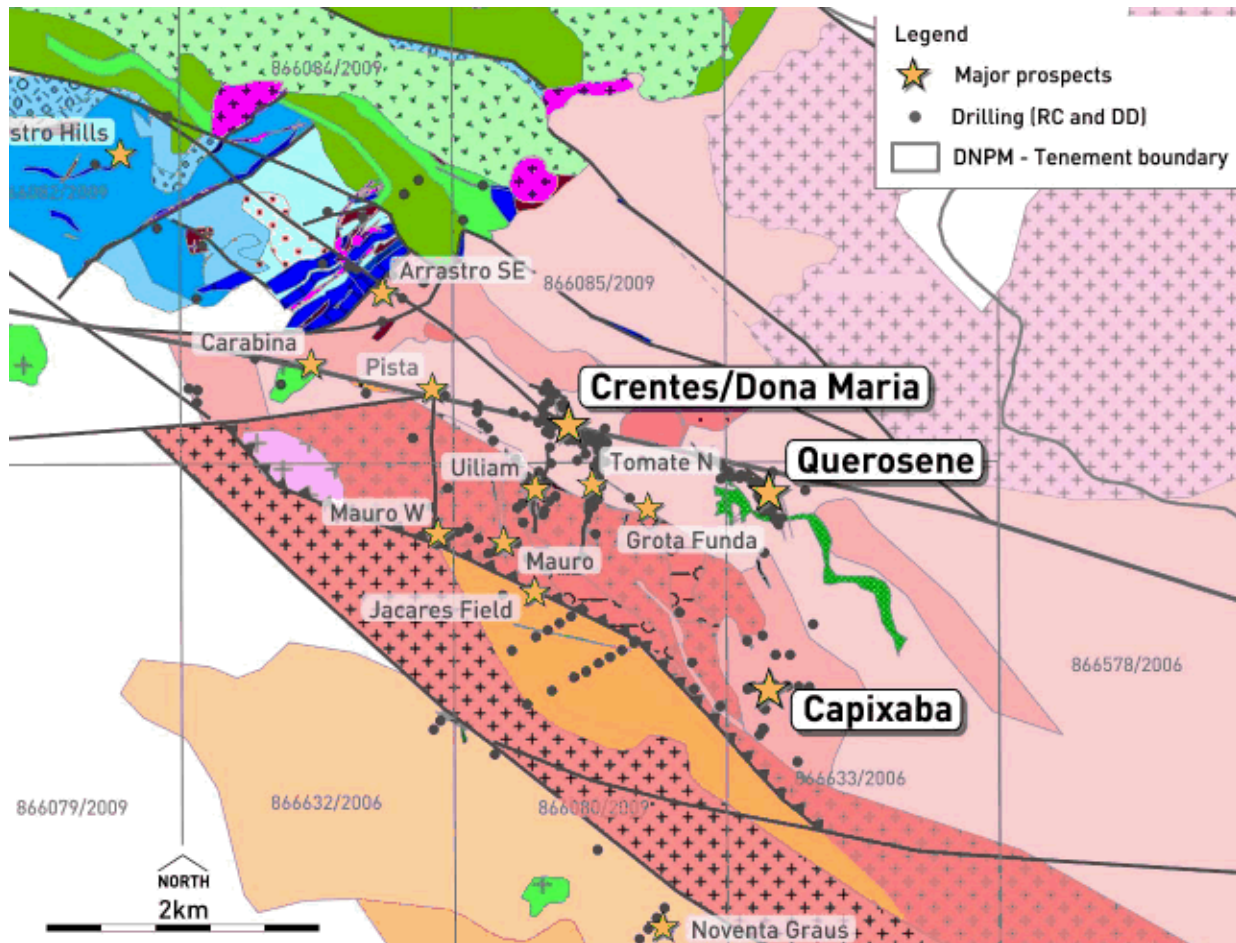
1m @ 20.6g/t Au (CR-05), 12m @ 3.71g/t Au (CR-07) and 16m @ 3.11g/t Au (CR-08)

We view these results as a key positive...broader zones makes for cheaper more efficient mining than high grade narrow deposits.

Donna Maria prospect results

First results from Donna Maria were also received as part of a short 9 hole program. Best results included 16m @ 1.54g/t Au and 1m @ 6.52g/t Au. Early intercepts look promising.

Fig 1 Projects location map - Juruena Projects



Disclosure

Morgans corporate acted as Joint Lead Manager by Crusader Resources Limited and will receive fees for acting in this capacity. An Analyst, or a member of the family of an analyst involved in the preparation of this report may hold shares in Crusader Resources.

Regards

James Wilson

Resources Analyst

Level 3 Suite 4, 1292 Hay Street West Perth WA 6005

Email: james.wilson@morgans.com.au

Direct: 08 6160 8707

morgans.com.au | [Facebook](#) | [Twitter](#) | [LinkedIn](#)

Morgans Financial Limited | ABN 49 010 669 726 | AFSL 235410

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