

SNAPSHOT

Crusader has intersected more good gold grades at varying widths from its Juruena Gold Project in Brazil. Whilst the project has progressed slowly to date due to drilling and water issues, the program is now starting to come together with some clarity on the development path starting to become evident. In addition to the ongoing drill results, the Company has started metallurgical test work to examine ore treatment options, and will have a maiden resource for Querosene next quarter. Crusader has also indicated likely development scenarios for the deposits with Cretes & Dona Maria likely to be extracted via open pit, with Querosene an underground mine. Capixaba may be a combination of the two, though no assays have been returned to date. The focus remains on a subUS\$50M capex development capable of sub US\$500/oz C1 gold production. The results to date have enhanced our view of this possibility and we reiterate our Speculative Buy.

EVENT

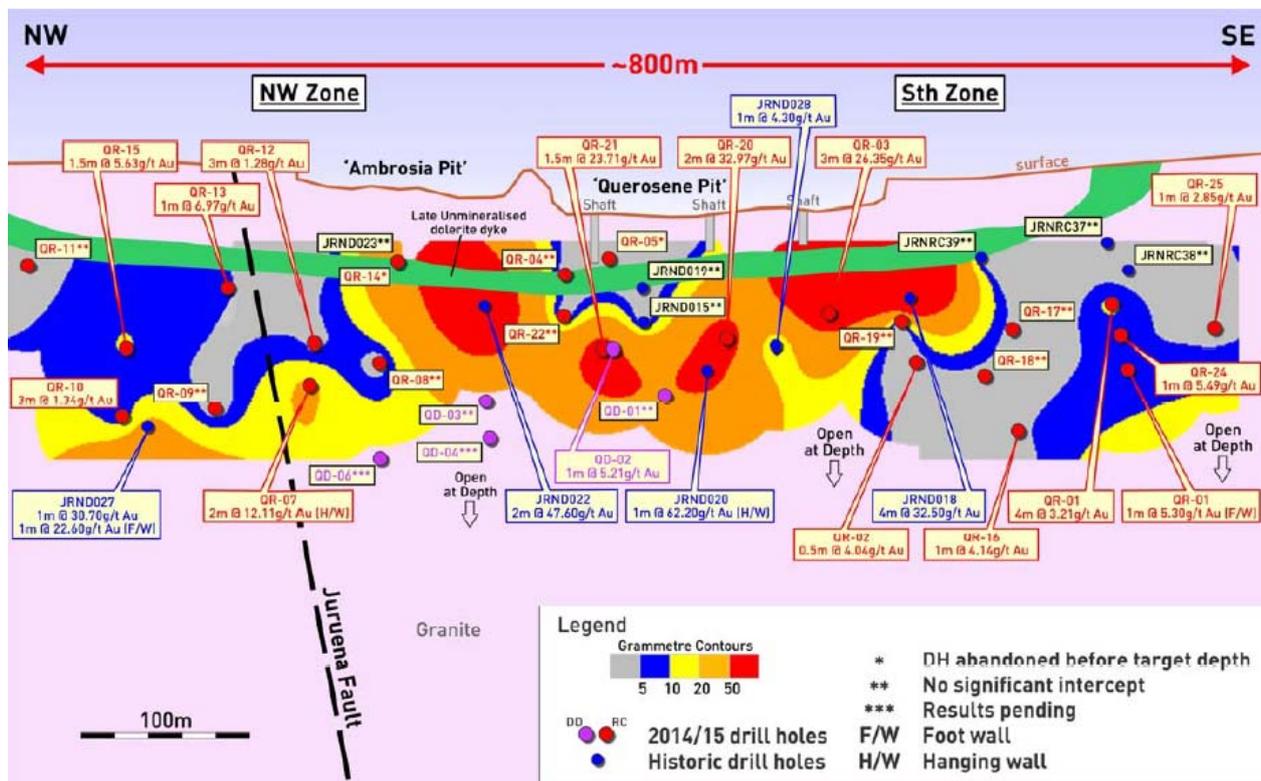
Crusader has released more drill results from its Juruena gold project in Brazil. The Company is testing four target areas in close proximity, with the results continuing to demonstrate the potential for a small-moderate scale high grade gold operation with ore sourced from a number of these target areas. Many samples remain in transit and await assaying, with results expected to continue over the coming weeks.

Querosene: Results are a mix of RC drilling and re-splitting previous diamond drill results. Better results include:

- 1m @ 5.2 g/t Au from 84m in QD-02
- 1m @ 7.0 g/t Au from 51m in QR-13 (re-split of comp. 4m @ 0.8 g/t)
- 0.5m @ 9.0 g/t Au from 56m in QR-15 (re-split of comp. 1.5m @ 0.06 g/t) (intersection now 1.5m @ 5.6g/t Au)
- 2m @ 33.0 g/t Au from 82m in QR-20 (re-split of comp. 8m @ 6.27 g/t)
- 1.5m @ 23.7 g/t Au from 84m incl. 1m @ 34.3 g/t Au from 84m in QR-21 (re-split of comp. 2m @ 17.6 g/t)

The results continue to highlight that the higher grades are concentrated in the central and southern portion of the shear zone, and extend further south than previously expected.

Querosene Long Section

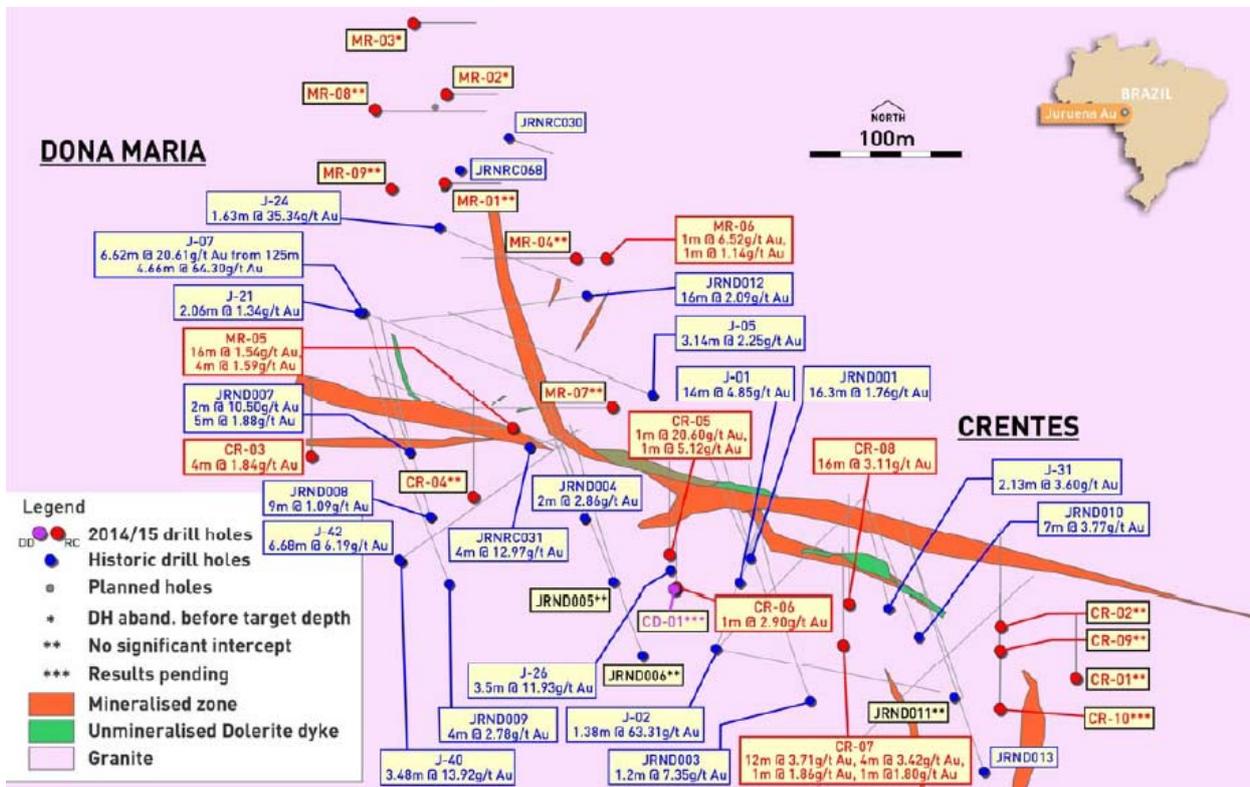


Maiden Querosene Resource: On completion of the drilling and assay results, Crusader is planning to undertake a maiden resource estimate for Querosene. This is expected to be completed by mid-late July 2015.

Crentes: Drilling at Crentes has also returned good grades, with varying widths. Better results include:

- 1m @ 20.6 g/t Au from 49m & 1m @ 5.1 g/t Au from 62m in CR-05,
- 12m @ 3.7 g/t Au from 68m & 4m @ 3.4 g/t Au from 87m in CR-07, and
- 16m @ 3.1 g/t Au from 32m in CR-08

The mineralisation at Crentes is broader and has a different mineralisation signature relative to the other Jurueña prospects. In particular, the near-surface portion of the mineralisation is oxidised and may lead to a different approach to development



Dona Maria: The Dona Maria mineralisation plays away from the main Crentes trend toward the NNW. Flooded garimpo workings have made drill access difficult during the wet season, resulting in delays in the planned drilling. Better results received to date include:

- 16m @ 1.5 g/t Au from 4m & 4m @ 1.6 g/t Au from 80m in MR-B05
- 1m @ 6.5 g/t Au from 126m in MR-B06

Capixaba Prospect: 16 RC holes have been completed to date, though results are yet to be received. Capixaba contains a series of mineralised quartz veins which have historically been mined by garimpos. Historic drilling has returned a number of +50g/t intercepts.

Drilling ongoing, Met test work started: Drilling is continuing at Querosene with follow-up RC, and diamond drilling at Dona Maria. Metallurgical test work has commenced with c.50kg of samples being analysed for gravity and cyanide leaching recoveries at different grind sizes. The test work should give an insight into the preferred treatment method for the Querosene ore, with results due in 4-6 weeks.

PROGRAM 1 - JURUEÑA DRILLING AND ASSAYING							
Prospect	Target	Activity	Planned		Actual		Complete
			Holes	Metres	Holes	Metres	
Querosene	Narrow High Grade Underground	Drilling	37	4,700	32	4,204	
		Assaying	37	4,700	28	3,525	
Crentes	Shallow Open-pit	Drilling	15	1,650	11	1,292	
		Assaying	15	1,650	9	972	
Dona Maria	Shallow Open-pit	Drilling	11	1,250	9	989	
		Assaying	11	1,250	9	989	
Capixaba	Open-pit and High Grade Underground	Drilling	17	1,730	16	1,611	
		Assaying	17	1,730	-	-	

INVESTMENT THESIS

Juruena gold exploration continues to deliver good results and we expect the maiden Querosene resource and met test work to give a good insight into the viability of the project. We see the gold exploration as the main value driver for the company due to the sizable fall in iron ore price impacting Posse, cost reductions and lack of production details notwithstanding.

We have a Jun-16 Price Target of 44cps, with the most upside likely to come from Juruena and its development potential. We maintain our Speculative Buy.

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