crusader

Crusader Resources Limited

ANNUAL REPORT

31 December 2018

www.crusaderresources.com

Contents to Annual Report

Corporate Information

This annual report covers both Crusader Resources Limited (the 'Company') and its subsidiaries (the 'Group'). The Group's functional and presentation currency is Australian dollars ($).

A description of the Group's operations and of its principal activities is included in the Review of Operations and Activities in the Directors' Report on pages 4 to 24. The Directors' Report is not part of the financial report.

Directors
Andrew Vickerman (Chairman) – appointed 16 April 2018, resigned 28 February 2019
Marcus Engelbrecht (Managing Director) – resigned 28 February 2019
John Evans (Non-executive Director)
Stephen Copulos (Chairman) – resigned 16 April 2018, re-appointed 28 February 2019
Mauricio Ferreira (Non-executive Director) – resigned 16 April 2018
Jim Rogers (Non-executive Director) – resigned 16 April 2018
Paul Stephen (Executive Director) – resigned 30 January 2019
Andrew Richards (Executive Director) – appointed 28 February 2019

Company Secretary
Andrew Beigel

Registered office and principal place of business
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Pilotis, Floresta, 30.110-012
Belo Horizonte – MG, Brazil
Telephone: +55 31 2515 0740

Auditors
Deloitte Touche Tohmatsu
Tower 2, Brookfield Place
123 St Georges Terrace Perth WA 6000
Telephone: +61 8 9365 7000
Facsimile: +61 8 9365 7001

Bankers
Bank of Western Australia Limited
Perth Business Banking Centre
50 William Street
Perth WA 6000

Share Registry (Australia)
Security Transfers Registrars Pty Ltd
770 Canning Highway
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Telephone: +61 8 9315 0933
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Solicitors
Bellanhouse
Level 19, Alluvion, 58 Mounts Bay Road
Perth WA 6000
Telephone: +61 8 6355 6888

ASX Code:
Ordinary shares - CAS

Chairman's Letter to Shareholders

Dear Shareholder,

As you are aware 2018 was a difficult year for Crusader Resources Ltd but I am pleased to say that subsequent to years end changes were put in place that will put the Company on a sound footing and able to take advantage of the significant potential that lies with the Borborema Gold project.

The Company's AIM listing was completed on 16 April, 2018 but failed to live up to its early promise and, in the latter part of the year when costs had to be reduced, was judged to be too expensive an exercise to continue. Therefore, the decision was made to relinquish the AIM listing and close the UK office. At the same time the Company attempted to realise of the value of the non-core projects within its portfolio.

Consequently, the Juruena gold project was put out in the market to invite expressions of interest. Subsequent to the end of the financial year a binding Term Sheet was entered into with Meteoric Resources Ltd (ASX:MEI) whereby 100% of the Juruena Project is to be purchased for A$3 million consisting of A$1 million cash, 50 million shares at a deemed price of $0.01 and an additional A$1.5 million worth of shares at the 5 day VWAP price in two equal tranches conditional (respectively) upon the JORC resource increasing to contain 400,000 oz gold and the Meteoric Board making a Decision to Mine.

Crusader believes the Juruena and Novo Astro Gold Prospects to be prospective however, the sale provides a cash injection to the Company and significantly reduces our expenditure commitments while allowing the Company to retain an interest in the upside potential through a significant shareholding in Meteoric.

Meanwhile on the project front, several advances were made during 2018 with respect to the Borborema Feasibility Studies.

Metallurgical testwork and process plant design continued with success as did test work on the proposed dry stacking of tailings to be used rather than a tailings dam facility. This was an objective of the project even before the recent issues in Brazil with tailings dam failures that will impact on any future approvals sought for new tailings dams in the country. The use of dry stacking for tailings avoids this issue and will conserve water used in the proposed mine.

Immediately following the end of the financial year there were several corporate changes to the company in terms of Board composition, establishment of a sound financial footing for the company and a renewed focus on the core project at Borborema. The former Company Chairman Mr Andrew Vickerman and Managing Director Mr Marcus Engelbrecht both resigned on 28 February, 2019. Subsequently, I was re-appointed as Chairman and Mr Andrew Richards was appointed as a part-time Executive Director.

I would like to thank all our shareholders for their ongoing support and hope you continue with us as we strive to deliver value. We expect 2019 to be a significant year for the Company as we advance Borborema Gold project towards production.

Yours sincerely

Stephen Copulos
Chairman

Directors' Report

The Directors of Crusader Resources Limited ("the Parent Entity" or "Crusader" or "the Company") and its controlled entities ("the consolidated entity" or "the Group") submit herewith the annual financial report of the Group for the year ended 31 December 2018 ("the period").

In order to comply with the provisions of the Corporations Act 2001 (Cth), the Directors report as follows:

Information about the Directors

The names and particulars of the Board of Directors ("the Board") of the Company during or since the end of the financial year are:

Mr Andrew Vickerman (Non-Executive Chairman) - Appointed 16 April 2018; Resigned 28 February 2019
Mr Vickerman is an economist with a PhD in Economics from Cambridge University. He is currently a member of the Board of Trafigura Pte Ltd, an independent commodity trading and logistics house, and a director of DNi Technologies Pty Ltd, an Australian business that has developed technology for processing nickel laterite deposits. Mr Vickerman spent almost 20 years with Rio Tinto, the last 10 years as a member of the Executive Committee with responsibility for Global Communications and External Relations. He has also worked as a development economist, academic and economic advisor to government for the World Bank and other international agencies.

Mr Vickerman was Chairman of the Remuneration Committee and a member of the Audit and Risk Committee.

Mr Stephen Copulos (Non-Executive Chairman)- Resigned 17 April 2018; Re-Appointed 28 February 2019
Mr Copulos has over 35 years of experience in a variety of businesses and investments in a wide range of industries, including manufacturing, mining, fast food, property development and hospitality. He has been the Managing Director of the Copulos Group of companies, a private investment group, since 1997. Mr Copulos is an active global investor who brings significant business acumen and greater diversity to the Board of Crusader. He has been a major shareholder of Crusader for many years and is aligned to improving shareholder returns.

Mr Copulos has over 20 years' experience as a company director of both listed and unlisted public companies. He is currently the non-executive chairman of Consolidated Zinc Limited and non-executive director of Restaurant Brands Limited in New Zealand and was a non-executive director of Black Rock Mining Limited until October 2017 and Collins Foods until October 2014.

Mr Marcus Engelbrecht (Managing Director) MAICD; H Compt - Resigned 28 February 2019
Mr Engelbrecht is a highly experienced resources industry executive, with previous roles including Managing Director and CEO of formerly AIM-quoted Archipelago Resources plc (2011-2013) and Chief Financial Officer of ASX and TSX listed OceanaGold Corporation. During his tenure at Archipelago Resources, Mr Engelbrecht took the company from construction to production, before it was ultimately acquired for approximately £340m. Mr Engelbrecht also spent 20 years at BHP Billiton, including as Chief Financial Officer of the group's Diamond and Specialty Products division. Mr Engelbrecht was the Managing Director of London AIM-listed Stratex International PLC from September 2016 to November 2017.

Mr Paul Stephen (Executive Director) B.Comm - Resigned 30 January 2019
Mr Stephen holds a Bachelor of Commerce from the University of Western Australia. He has more than 20 years of experience in the financial services industry, starting as a portfolio manager at Perpetual Trustees in 1992 and working subsequently as a Private Client Advisor with Porter Western and Macquarie Bank. Mr Stephen was a significant shareholder and Senior Client Advisor at Montagu Stockbrokers prior to their merger with Patersons Securities Ltd.

Mr Andrew Richards (Executive Director) B.Science (Hons) – Appointed 28 February 2019
Mr Richards is a geologist with over 30 years of experience in the international mining industry which included company management and project finance. He has worked at a senior level in both production and exploration over a wide variety of areas and commodities, and has also undertaken technical review, project audits and monitored project construction. He is a member of AUSIMM, AIG and SEG. Mr Richards has worked extensively with gold, base metals, rare earths and industrial minerals in Australasia, Asia, Africa and South America. He is and has been on the boards of several listed companies on ASX and AIM and was previously Managing Director and CEO of two ASX listed companies operating in China.

Directors' Report (continued)

Mr John Evans (Non-Executive Director) B.Comm (Hons), FCA, CPA, MAICD
Mr Evans holds a Commerce (Hons) degree from the University of Queensland, is a Fellow of Chartered Accountants Australia & New Zealand and is a member of both CPA Australia and the Australian Institute of Company Directors.

Mr Evans is currently the Principal of a Business Broking and Advisory practice, and advises a broad range of businesses, in both the SME sector and larger corporate clients, on matters such as strategic planning, marketing, governance, and financial analysis. Prior to this, Mr. Evans held a series of executive positions in Finance and General Management in Australian public company groups over a 15 year period, in industries including telecommunications, banking and insurance, superannuation and funds management, media, hospitality and property development.

He has held several other non-executive directorships in Australian public companies, and is also a director of several private companies, one not-for-profit organisation, and provides board consulting services to three other company groups.

Mr Evans is Chairman of the Audit and Risk Committee and a member of the Remuneration Committee.

Mr Mauricio Ferreira (Non-Executive Director) B.Sc – Resigned 16 April 2018
Mr Ferreira is a senior executive with more than 35 years of experience in the natural resources and energy sectors, including senior positions with Vale in the iron ore, gold, fertilizers, kaolin and energy sectors.

Mr Ferreira was a member of the Audit and Risk Committee.

Mr Jim Rogers (Non-Executive Director) – Resigned 16 April 2018
Mr Rogers is an author, financial commentator, globally respected investment expert and adventurer with degrees from Yale and Oxford. Mr Rogers co-founded the Quantum Fund, a global-investment partnership before retiring to manage his own portfolio.

Andrew Beigel (Company Secretary) B.Comm, CPA
Mr Beigel has more than 20 years of corporate experience across a range of industries and has held executive positions with other ASX listed companies in the resources sector. He has previously been involved in development and funding of projects and bankable feasibility studies. Mr Beigel is a member of CPA Australia.

Shares and options issued during the financial period
The Company issued 159,846,359 shares during the year at an average price of $0.055 per share.

The Company issued 93,000,121 options during the year as follows:

- 75,377,144 options exercisable at $0.055 with an expiry date of 31 May 2020,
- 17,622,977 options exercisable at $0.30 with an expiry date of 20 November 2022.

Directors' Report (continued)

Details of unissued shares under option at the date of this report are:

No. shares under option	Class of shares under option	Exercise price of option ($)	Expiry date of options
1,500,000[1]	ordinary	-	21-Jul-19
5,000,000	ordinary	0.195	23-Dec-19
5,000,000	ordinary	0.26	23-Dec-19
75,377,144	ordinary	0.055	31-May-20

The issuing entity for all ordinary shares under option is Crusader Resources Limited.

The holders of these options do not have the right, by virtue of the option, to participate in any share issue of the Company.

Interests in the shares and options of the Company and related bodies corporate
As at the date of this report, the interests of the Directors in the shares and options of Crusader Resources Limited are as follows:

Director	Number of ordinary shares	Number of unlisted options
S. Copulos	104,771,102	18,134,472
A. Vickerman[2]	1,665,709	832,854
P. Stephen	3,543,780	-
J. Evans	-	-
M. Engelbrecht[2]	2,721,354	590,677
M. Ferreira	-	-
J. Rogers [1]	206,000	-
A. Richards	-	-

(1) Resigned 16 April 2018

(2) Resigned 28 February 2019

Dividends
The Directors do not recommend that a dividend be paid. No dividend has been paid by the Company (2017: Nil).

Principal activities
The principal activity of the Group during the financial period was mineral exploration and evaluation in Brazil.

Functional currency
For the purposes of the financial statements, the results and financial position of the Group are expressed in Australian Dollars ("$"), which is the functional currency of the Group and the presentation currency of the financial statements.

Directors' Report (continued)

Operating and Financial Review

During the financial year the Company continued to progress the evaluation and development of its two key gold projects, Borborema and Juruena although expressions of interest in acquiring the Juruena project which comprises the Juruena and Novo Astro prospects were invited late in the year.

The Company had sold its Posse iron ore mine in 2017 and but only the first instalment of the schedule was made causing the Company to commence legal proceedings to recover the balance. The court ruled in our favour on 26 October, 2018 resulting in a revised schedule of payments totalling R$9.5 million (approximately A$3.5 million).

Borborema Gold Project, Rio Grande do Norte State, Brazil (CAS 100%)

Following the update of the Borborema Gold Project Mineral Resource and Reserves in July 2017 to comply with the 2012 version of the JORC code (ASX announcement 24 July 2017, the Borborema Ore Reserve was further reviewed using more current economic inputs as at 31 December 2017 and the updated statement was announced to the market on 6 March, 2018.

This update fully supports the previously reported ore reserve using more relevant economic inputs including commodity pricing, exchange rates and allowance for inflation as at 31 December 2017. This update was prepared in connection with the Dual Listing process as announced on 20 November 2017.

Detailed optimisation studies were undertaken by third party consultants on the Borborema Project estimated an NPV at an 8% discount of US$117.8M for a 2Mtpa CIL plant and showing greatly improved economics under a revised mine plan (ASX announcement 8 February, 2018). The results were encouraging and led to the Company identifying a number of key initiatives in connection with the Borborema Bankable Feasibility Study ("BFS") that needed to be progressed during 2018.

<u>Metallurgical Testing</u>

As part of the optimisation work, the Company announced on 9 May 2018 its review and recommissioning of metallurgical test work to support the processing flowsheet and finalise additional processing cost saving opportunities. Finalisation of the metallurgical test work and subsequent processing plant flowsheet design is a critical path item for the completion of the BFS for Borborema.

Metallurgical test work, conducted by ALS Laboratories in Perth, focused on a detailed metallurgical sampling program comprising eight large diameter PQ diamond holes for 1,200m (~6 tonnes). The holes are deemed representative of the larger ore body, both along strike and down dip, and reflected the various lithologies present at Borborema.

Initial composite formation, head assays and investigation into the distribution of mica in the Borborema ore body have been completed with 40 composites samples ranging in Au grade from 0.17 g/t – 7.95 g/t. This is in line with expectations and provides a comprehensive and reliable representation of the Borborema ore body.

In parallel, test work on dry stacking of tailings at Borborema is being progressed. Dry stacking of tailings delivers significant recycling of mine site water as well as removing the need for the construction of a tailings dam saving significant initial and sustaining capital.

Preliminary work on filtration of tailings has been completed with various manufacturers and prices estimated. A filter cake of tailings from Borborema ore achieved 18% moisture and confirmed that low moisture content in the filter cake is possible. The current program has been designed to finalise the filtration specifications needed to complete the costing of the dry stacked tailings facility at Borborema.

Following the identification of an opportunity to minimise the usage of grinding media via optimisation of the grinding circuit, Orway Mineral Consultants ("OMC") were engaged in August 2018 to assess operating cost criteria for the comminution circuit options. The following options were evaluated:

Directors' Report (continued)

Operating and Financial Review (continued)

- Single stage SAG (lowest capex option) recently shown to be capable of achieving the nominal 106µm grind
- A SAG/ball mill flowsheet (SAB)
- A multiple stage crush/ball mill flowsheet, as previously proposed in the Pre Feasibility Study
- A hybrid coarse fed ball mill/SAG which includes primary crushing, and open circuit secondary crushing feeding a high ball charge SAG mill

The comminution test work has indicated that the Project ore can achieve a 2.0 Mtpa throughput rate at grind sizes of 80% passing 106µm which would be sufficient to ensure targeted gold recoveries over 90%. The impact of the increased grind size on the power requirements are significant and are expected to have a positive impact on the 'all-in sustaining costs' of the project once in operation. (Refer ASX announcement of 5 November 2018).

Crusader confirmed that the optimisation work undertaken to date does not materially change any of the material assumptions and technical parameters underpinning the Company's previously announced mineral resource and ore reserve estimates.

Licensing

In 2017 the company received the Pre-Licence (Licença Previa or 'LP') for the Borborema Gold Project from the Rio Grande do Norte State Government Environmental Department (IDEMA). This critical licence approves the Environmental Impact Assessment for Borborema and follows submission of an updated project plan to the environmental authorities in 2016, which was developed in conjunction with IDEMA. The updated project plan proposed a reduced project footprint, use of dry stacked tailings (rather than tailings dams) and restricts the project infrastructure to the farm area owned by Crusader.

The design for the 2.0Mtpa processing plant required for the Installation Licence (Licença de Instalação or 'LI') was subsequently finalised in November 2018 by Ausenco do Brasil Engenharia Ltda ("Ausenco").

Working closely with IDEMA Brazil to ensure that the permitting process was completed efficiently, the Company submitted the final application for the Installation Licence for the Borborema Gold Project in November 2018.

The Company has been advised by IDEMA that the approval of the Installation Licence would typically be provided within three to four months subsequent to submission and is expected to be received well in advance of completion of the BFS. The Company has already been granted an environmental licence and therefore, once the installation permit has been received, the Company will have received the main permits required to commence construction of the Borborema Mine.

The Borborema Project is mineable as an open pit, with initial metallurgical test work returning recoveries of 93%-96%. The project, which is 100% owned by Crusader, has existing on-site facilities with excellent infrastructure including a water permit, a sealed highway directly to the project area with230kV power lines adjacent and is near the historic mining town of Currais Novos (~20km) with available skilled labour.

Post the December 2018 year end, the company announced the following initiatives to the ASX on 5 March 2019 designed to bringing the Borborema Gold Project into production in a shorter timeframe:

- Reviews have commenced of the current JORC resource model that contains an estimated 2.43M oz gold at an average grade of 1.1 g/t Au with a view to defining a higher grade component in the upper 120m of the mineralisation that will support an initial Stage 1 open pit operation targeting a throughput of approximately 2.0Mtpa. The resource comprises 51Mt @ 1.14 g/t Au in Measured and Indicated categories and 17.6Mt @ 1.00 g/t Au classified as Inferred. The Company is not aware of any new information or data that has materially affected the Mineral Resource since it was announced on 24 July 2017.
- Processing routes and design plans are being reviewed with a view to simplifying operations and reducing both the initial construction capital and ongoing operational costs.

Directors' Report (continued)

Operating and Financial Review (continued)

Table 1: Borborema Gold Project Mineral Resource (JORC 2012 code)

Borborema Gold Project (July 2017) Mineral Resource Estimate by Multiple Indicator Kriging (MIK)				
Category	**Cut-off grade**	**Tonnes (Mt)**	**Grade (Au g/t)**	**Contained Gold (Moz)**
Measured	0.40	9.8	1.09	0.34
	0.50	**8.2**	**1.22**	**0.32**
	0.60	6.8	1.35	0.30
Indicated	0.40	53.1	0.99	1.70
	0.50	**42.8**	**1.12**	**1.55**
	0.60	34.8	1.26	1.41
Total Measured + Indicated	0.40	62.9	1.01	2.04
	0.50	**51.0**	**1.14**	**1.87**
	0.60	41.7	1.27	1.70
Inferred	0.40	23.2	0.87	0.65
	0.50	**17.6**	**1.00**	**0.57**
	0.60	13.6	1.14	0.49
Total Mineral Resource	0.40	86.1	0.97	2.69
	0.50	**68.6**	**1.10**	**2.43**
	0.60	55.2	1.24	2.20

Mineral Resource table, reported at various cut-offs. Parent Block 25mE x 25mN x 5mRL.
Selective Mining Unit 5mE x 6.25mN x 2.5mRL. Note, appropriate rounding has been applied, subtotals may not equal total figures

Table 2: Borborema Gold Project Ore Reserve (JORC 2012 code)

Borborema Gold Project (March 2018) Maiden Ore Reserve				
Category		**Tonnes (Mt)**	**Grade (Au g/t)**	**Mineable Gold (koz)**
Proven	Oxide	0.65	0.80	17
	Fresh	7.26	1.25	292
Probable	Oxide	1.68	0.70	38
	Fresh	32.82	1.20	1,260
Total		**42.41**	**1.18**	**1,610 (1.61 Moz)**

Ore Reserve estimate for the Borborema Gold Project.
Reported at a 0.4 g/t cut-off for oxide and 0.5g/t cut-off for fresh material. The cut-off grades have been based on the latest costs, gold price of US$1301/oz. Note, appropriate rounding has been applied, subtotals may not equal total figures.

Directors' Report (continued)

Operating and Financial Review (continued)

Juruena Gold Project, Mato Grosso State, Brazil (CAS 100%)

Crusader's Juruena Project represents 24 tenements over 770km^2 and has returned some of the highest gold results across the Alta Floresta gold belt, with diamond drilling delivering several extremely high-grade intercepts, including two in excess of 1,000 g/t. (See ASX announcement from 22 December 2016 for details of all relevant intercepts).

Juruena has returned excellent results from the efforts of the Company's geological team and defined an extensively mineralised fault/shear system with a high-grade component (up to 12 g/t Au) and suggestions that this is a part of a high level porphyry style system.

The current indicated resource at Juruena has an average grade >18 g/t with the 2018 program focused on developing a larger scale resource.

Table 3: JORC (2012) compliant mineral resource estimate for Juruena Project, December 2016.

Prospect Name	Resource Category	Lower cut-off applied	Metric Tonnes	Resource Gold Grade (g/t)	Ounces of Gold
Dona Maria	Indicated	2.5 g/t cutoff	67,800	13.7	29,800
	Inferred		148,500	12.2	58,200
	sub-total		**216,300**	**12.7**	**88,000**
Querosene	Indicated	2.5 g/t cutoff	31,200	28.4	28,500
	Inferred		188,700	14.7	89,300
	sub-total		**219,900**	**16.7**	**117,800**
Total Indicated			**99,000**	**18.3**	**58,300**
Total Inferred			**337,200**	**13.6**	**147,500**
Total high-grade ounces			**436,200**	**14.7**	**205,800**
Crentes	Inferred	1.0 g/t cutoff	846,450	2.0	55,100
Total Combined			**1,282,650**	**6.3**	**260,900**

Note: *Appropriate rounding applied. Table includes updated mineral resource estimates for Querosene and Dona Maria. Crentes remains the same as per the 2015 resource estimate. (For further information, please refer to the ASX announcements dated 29 September 2015 and 22 December 2016).*

An exploration drilling campaign was conducted at five previously un-drilled prospects within the Juruena Gold project area in the first half of 2018. This exploration programme focused on several new targets identified in line with the main trend in the Juruena Project region, using smaller drilling rigs suitable for operation during the wet season. (See ASX announcement of 8 June 2018).

The programme represented approximately 250m of diamond drilling across 5 holes with an average depth of 50m. Significant results received included:

- 0.7m @ 12.22 g/t Au from 29m in JRND-071 at the Daniel target
- 1.57m @ 3.17 g/t Au from 37m in JRND-072 at the Izau III target
- 3.03m @ 0.60 g/t Au from 23.5m in JRND-073 at the Panelas target

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Directors' Report (continued)

Operating and Financial Review (continued)

On 5 November 2018 the Company announced it was pursuing the potential of a farm-in transaction for the Juruena Gold Project in light of Crusader's return to its core focus of developing Borborema. The Company has received initial expressions of interest with regard to third parties interested in partnering with Crusader in developing its 100% owned Juruena Gold Project ("Juruena") in the state of Mato Grosso in Brazil .

Subsequently, the Company announced on 20 March, 2019 that it had entered into a binding Terms Sheet with Australian listed company Meteoric Resources Ltd (ASX:MEI) for the purchase of the Juruena project which includes the Juruena and Nova Astro prospects.

Under the terms of the sale, Meteoric will pay cash and MEI shares, comprised of the following:

- A$1,000,000 cash at settlement.
- A$500,000 of MEI shares, comprised of 50,000,000 shares at a deemed issue price of 1c each at settlement (subject to voluntary escrow for a period of 12 months from the date of issue).
- A$750,000 of MEI shares at an issue price equal to a 5-day VWAP upon defining a mineral resource estimate in accordance with the JORC Code, at Juruena and/or Novo Astro containing at least 400,000 oz gold.
- A$750,000 of MEI shares at an issue price equal to a 5-day VWAP upon the Board of Meteoric approving a decision to mine at Juruena and/or Novo Astro, pursuant to a granted mining licence.

Crusader believes the Juruena and Novo Astro Gold Prospects to be prospective however, the sale provides a cash injection to the Company and significantly reduces our expenditure commitments while allowing the Company to retain an interest in the upside potential through a significant shareholding in Meteoric.

Posse Iron Ore Mine, Minas Gerais, Brazil

On 30 October 2018, the Company announced the successful conclusion of legal proceedings against Inter Invest B.P. S/A via SPV CNS Empreendimentos Em Transportes E Minerios Eireli (CNS) with regards to unpaid instalments on the sale agreement to divest Crusader's 100% interest in the Posse Iron Ore Mine ("Posse").

Under the agreement CNS is required to make monthly payments of between R$0.2m (approx. US$0.05m) and R$0.25m (approx. US$0.06m) between November 2018 and March 2019. This will then be followed by 8 monthly payments of approximately R$1m (approx. US$270,000) between April 2019 and November 2019.

In case of non-payment, the debt will return to the value of the current enforcement action being approximately R$14.5m (US$4.0m).

Successful conclusion to Posse mine environmental claim

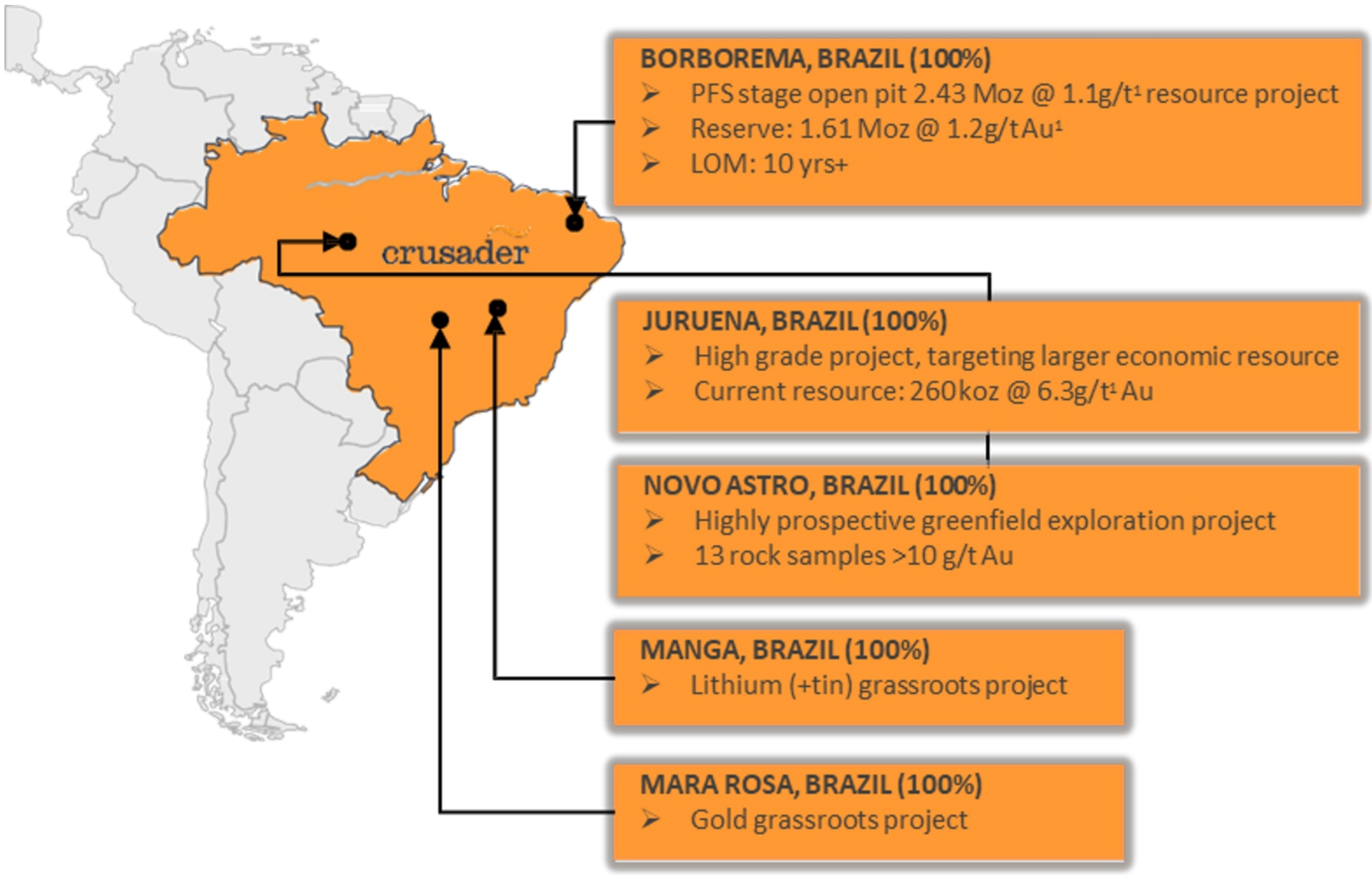
In relation to the previously owned Posse mine and an environmental claim by the Public Ministry, the Company has now concluded an agreement to resolve the matter. The Company has agreed to pay R$0.04m in 3 instalments and undertake some environmental work estimated to cost R$0.02m. This now concludes the matter (see ASX announcement dated 30 October 2018).

Corporate

During the year the Group raised $5,730,232 (before costs) through the issue of 159,846,359 ordinary shares.

Operating results for the period

The Group's operating loss after income tax for the period was $14,106,714 (December 2017: loss of $4,881,024). The Group's basic loss per share for the year from continuing and discontinuing operations was 3.14 cents (December 2017: loss per share of 1.62 cents).



Location of Crusader's Projects

The historic open pit at Crusader's flagship Borborema Gold Project

Directors' Report (continued)

Operating and Financial Review (continued)

Liquidity and Capital Resources
The Consolidated Statement of Cash Flows illustrates that there was a decrease in cash and cash equivalents in the year ended 31 December 2018 of $2,065,057 before foreign exchanges impacts (December 2017: increase of $1,152,021). The cash decrease was largely a result of payments for exploration and mine operations and general overheads exceeding funds received from borrowings and capital raisings.

Risk management
The Group takes a proactive approach to risk management. The Audit and Risk Committee is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Group's objectives and activities are aligned with the risks and opportunities identified by the Board.

Significant changes in the state of affairs
The state of affairs of the Group was not affected by any significant changes during the financial period not otherwise stated in the report.

Environmental regulation and performance
The Group's activities are subject to environmental regulations under Brazil federal and state legislation. However, the Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group.

Significant events after the balance date
Following balance date the Company announced its proposed Rights Issue to raise $4.2 million (before costs) would be offered on the basis of two new shares for every three shares held at an issue price of $0.01 per share with a 1 for 3 Option exercisable at $0.02, expiring 2 years after the date of issue. The Rights issue has been underwritten to $3.5 million by the Copulos Group ($2.5 million) and Pinnacle Corporate Finance ($1 million). Funds raised from the Rights issue will be used to compete the Borborema BFS and general working capital.

On 29 January 2019 the Company:

- executed an agreement with the Copulos Group to issue additional Convertible Notes totalling $1 million, on the same terms as Notes issues in November 2018, and
- issued 22,500,000 shares to sophisticated investors to raise $225,000 (before costs).

On 28 February 2019 the Company appointed Mr Stephen Copulos as Non-Executive Chairman and Mr Andrew Richards as a part-time Executive Director. These appointments coincided with the resignations of UK based Chairman, Mr Andrew Vickerman and Managing Director, Mr Marcus Engelbrecht, following the passing of a resolution by shareholders for the cancellation of the AIM listing at a General Meeting held on 28 February 2019. The cancellation was completed on 8 March 2019.

On March 2019 the Company announced the issue of shares 90,220,281 for the conversion of Convertible notes with a face value of $900,000, plus accrued interest at the issue price of $0.01 per share.
On 20 March 2019 the Company executed a binding term sheet with Meteoric Resources Ltd for the sale of Juruena Gold Project. Under the terms of the sale, Meteoric will pay cash and Meteroric shares, comprised of the following:

- A$1,000,000 cash at settlement.
- A$500,000 of MEI shares, comprised of 50,000,000 shares at a deemed issue price of 1c each at settlement (subject to voluntary escrow for a period of 12 months from the date of issue).
- A$750,000 of MEI shares at an issue price equal to a 5-day VWAP upon defining a mineral resource estimate in accordance with the JORC Code, at Juruena and/or Novo Astro containing at least 400,000 oz gold.

Directors' Report (continued)

Significant events after the balance date (continued)

- A$750,000 of MEI shares at an issue price equal to a 5-day VWAP upon the Board of Meteoric approving a decision to mine at Juruena and/or Novo Astro, pursuant to a granted mining licence.

Completion of the sale remains subject to and conditional on:

- The provision of information and assistance required to lodge certain mining licence applications;
- the receipt of any necessary regulatory approvals in Brazil or change of control approvals
- no breach of any warranties given by Crusader in relation to the assets being sold up to and including the date of completion; and
- if required, the receipt of Crusader and Meteoric shareholder approval.

On 3 April 2019 the Company executed a loan agreement with the Copulos Group for an additional $750k in funding. Interest and fees on the loan will be charged at 5% per month (30 days) and the loan is repayable in full upon the completion of the Rights issue.

Future developments
The Group will continue to focus on mineral exploration and development opportunities.

Indemnification and insurance of officers and auditors
During the financial year, the Group indemnified each of the Directors against all liabilities incurred by them as Directors of the Company (and subsidiary companies) and all legal expenses incurred by them as Directors of the Company (and subsidiary companies).

The indemnification is subject to various specific exclusions and limitations.

The Company provided Directors' and Officers' liability insurance during the year.

The Company did not provide any insurance or indemnification for the auditors of the Group.

Remuneration Report (audited)

This remuneration report outlines the Director and Executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 (Cth) and its regulations. For the purposes of this report, Key Management Personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Parent Company.

Directors and Key Management Personnel
The following persons acted as Directors and/or Key Management Personnel of the Group during or since the end of the financial year.

Mr S. Copulos	Chairman (Non-Executive) – resigned 17 April 2018, re-appointed 28 February 2019
Mr A. Vickerman	Chairman (Non-Executive) – appointed 16 April 2018, resigned 28 February 2019
Mr M. Engelbrecht	Managing Director – resigned 28 February 2019
Mr P. Stephen	Director (Executive) – resigned 30 January 2019
Mr A. Richards	Director (Executive) – appointed 28 February 2019
Mr J. Evans	Director (Non-Executive)
Mr M. Ferreira	Director (Non-Executive) – resigned 16 April 2018
Mr J Rogers	Director (Non-Executive) – resigned 16 April 2018
Mr A. Beigel	Chief Financial Officer and Company Secretary
Mr J. Nery	Country Manager

Directors' Report (continued)

Remuneration Report – audited (continued)

Remuneration policy

The remuneration policy of the Group is to ensure that remuneration packages of Directors and other Key Management Personnel properly reflect the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating Directors and other Key Management Personnel of the Group. As part of the remuneration policy the Group issues incentive options to Directors and other Key Management Personnel. Apart from Non-Executive Directors, these options may require achieving specific performance targets as a condition of vesting.

The aggregate sum available for remuneration of Non-Executive Directors is currently $460,000 per annum as approved at a General Meeting of shareholders on 19 May 2016.

The tables below set out summary information about the Group's earnings and movements in shareholder wealth for the five most recent financial periods ending 31 December 2018:

	31 Dec 2018 $	31 Dec 2017 $	31 Dec 2016 $	31 Dec 2015 $	31 Dec 2014 $
Revenue (1)	-	1,622,246	6,179,204	7,316,149	16,942,835
Net loss before tax (1)(2)	14,106,714	4,919,210	8,340,951	7,018,064	1,743,940
Net loss after tax (1)(2)	14,106,714	4,881,024	8,584,038	7,315,075	2,441,986

	31 Dec 2018 cents	31 Dec 2017 cents	31 Dec 2016 cents	31 Dec 2015 cents	31 Dec 2014 cents
Share price at start of period	7.1	11.5	12.5	22.0	30.0
Share price at end of period	2.0	7.1	11.5	12.5	22.0
Interim dividend	-	-	-	-	-
Final dividend	-	-	-	-	-
Basic loss per share (1) (2)	3.14	1.62	3.78	4.69	1.83
Diluted loss per share (1) (2)	3.14	1.62	3.78	4.69	1.83

(1) From continuing and discontinued operations

(2) Restated for change in accounting policy

Bonuses and share-based payments granted as compensation for the current financial year

The Company received approval for the introduction of an employee share option scheme (the Plan) in 2008. The plan was last re-approved at a meeting of shareholders on 12 May 2017, the details of which are set out below. In the event of any inconsistency between the terms of the Plan and the summary set out below, the terms of the Plan will prevail.

1. The Options can only be issued to Employees or Officers of the Company and its subsidiaries.
2. Each Option entitles the holder, on exercise, to one fully paid ordinary Share in the Company.
3. Shares issued on exercise of Options will rank equally with other fully paid ordinary Shares of the Company.
4. The exercise price and expiry date for the Options will be as determined by the Board (in its discretion) on or before the date of issue.
5. The maximum number of Options that can be issued under the Plan is not to be in excess of 5% of the total number of Shares on issue.
6. An Option may only be exercised after that Option has vested, after any conditions associated with the exercise of the Option are satisfied and before its expiry date. The Board may determine the vesting period (if any). On the grant of an Option the Board may, in its absolute discretion, impose other conditions on the exercise of an Option.
7. An Option will lapse upon the first to occur of its expiry date, the holder acting fraudulently or dishonestly in relation to the Company or related entities, or on certain conditions associated with a party acquiring a 90% interest in the Shares of the Company.

Directors' Report (continued)

Remuneration Report – audited (continued)

8. Upon an Optionholder ceasing to be a Director, employee or officer of the Company and its subsidiaries, whether by termination or otherwise, the Optionholder has 45 days from the day of termination, or otherwise, to exercise their Options before their Options lapse.
9. If the Company enters into a scheme of arrangement, a takeover bid is made for the Company's Shares, or a party acquires a sufficient interest in the Company to enable them to replace the Board (or the Board forms the view that one of those events is likely to occur), then the Board may declare an Option to be free of any conditions of exercise. Options which are so declared may be exercised at any time on or before they lapse.
10. Options may not be transferred other than in cases where the Options have vested, are within six months of the expiry date of the Options, and the Options are transferred to an Associate of the Optionholder. Quotation of Options on the ASX will not be sought. However, the Company will apply to the ASX for official quotation of Shares issued on the exercise of Options.
11. There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the options. However, the Company will ensure that the record date for determining entitlements to any such issue will be at least six ASX Business Days after the issue is announced.
12. If the Company makes an issue of Shares to Shareholders by way of capitalisation of profits or reserves ("Bonus Issue"), each Optionholder holding any Options which have not expired at the time of the Record Date for determining entitlements to the Bonus Issue shall be entitled to have issued to him upon exercise of any of those Options the number of Shares which would have been issued under the Bonus Issue ("Bonus Shares") to a person registered as holding the same number of Shares as that number of Shares to which the Optionholder may subscribe pursuant to the exercise of those Options immediately before the Record Date determining entitlements under the Bonus Issue (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise).
13. In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any Options, the number of Options to which each Option holder is entitled, or the exercise price of his or her Options, or both, or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the ASX Listing Rules.

As at end of the financial year, the following share-based payments were in existence and had been issued as compensation:

Options series	Grant date	Exercise Price $	Expiry date	Grant date fair value $	Vesting date
45. Issued 30 May 2018[1]	30-May-2018	0.30	30-Nov-2022	0.0089	30-Nov-2022
46. Issued 30 May 2018[1]	30-May-2018	0.30	30-Nov-2022	0.0089	30-Nov-2022
47. Issued 30 May 2018[1]	30-May-2018	0.30	30-Nov-2022	0.0089	30-Nov-2022

(1) Where the recipient employee ceases service with the Group prior to vesting date, under item 8 of the Plan, they have 45 days from the date of cessation of services to exercise their options before their options are deemed to have lapsed.

Key terms of employment contracts

Marcus Engelbrecht (resigned 28 February 2019) was contracted as the Managing Director of the Group.

Remuneration was as follows:

- salary package of US$360,000 per annum inclusive of base salary, superannuation contributions, taxes and non cash benefits
- 20 days' annual leave per annum and statutory long service leave entitlements
- 6 months' notice period

Directors' Report (continued)

Remuneration Report – audited (continued)

Paul Stephen (resigned 30 January 2019) was engaged as an Executive Director.
Remuneration was as follows:

- gross base salary of $350,000 per annum plus statutory superannuation
- 20 days' annual leave per annum and statutory long service leave entitlements
- 3 months' notice period

Andrew Richards (appointed 28 February 2019) is engaged as a part time Executive Director.
Remuneration is as follows:

- gross base salary of $50,000 per annum plus statutory superannuation
- sign-on fee of 5,000,000 shares issued for no cash subscription at a deemed issue price of $0.01 per share (subject to shareholder approval)
- 20 days' annual leave per annum and statutory long service leave entitlements
- 3 months' notice period

Andrew Beigel is employed as the Chief Financial Officer and Company Secretary.
Remuneration is as follows:

- gross base salary of $170,000 per annum plus statutory superannuation
- 20 days' annual leave per annum and statutory long service leave entitlements
- 3 months' notice period

Julio Nery is engaged as Country Manager.
Remuneration is as follows:

- Gross salary BRL659,828 per annum
- 20 days' annum leave per annum
- 3 months' notice period

Directors' Report (continued)

Remuneration Report – audited (continued)

Remuneration of Directors and Key Management Personnel for the year ended 31 December 2018 and comparatives are shown over the next two pages:

Remuneration of Directors and Key Management Personnel for the year ended 31 December 2018:

	Short-term employee benefits			Post emp. benefits	Share-based payments		Value of options as proportion of remuneration	Proportion of remuneration performance related
	Salary & Fees	Other benefits	Cash bonus	Super-annuation	Options	Total		
	$	$	$	$	$	$	%	%
Directors								
S. Copulos[1]								
1 January to 17 April 2018	35,667	-	-	-	-	**35,667**	0%	0%
A. Vickerman[2]								
16 April 2018 to 31 Dec 2018	84,767	-	-	-	-	**84,767**	0%	0%
P. Stephen								
12 months to 31 Dec 2018	350,000	-	-	19,657	-	**369,657**	0%	0%
J. Evans[3]								
12 months to 31 Dec 2018	60,833	-	-	2,890	-	**63,723**	0%	0%
M. Ferreira[4]								
1 January to 16 April 2018	21,288	-	-	-	-	**21,288**	0%	0%
J. Rogers[5]								
1 January to 16 April 2018	17,667	-	-	-	-	**17,677**	0%	0%
M. Engelbrecht								
12 months to 31 Dec 2018	481,348	-	-	-	20,625	**501,973**	4%	4%
Total Directors								
12 months to 31 Dec 2018	**1,051,569**	**-**	**-**	**22,547**	**20,625**	**1,094,741**	**2%**	**2%**
Key Management Personnel								
A. Beigel								
12 months to 31 Dec 2018	176,538	-	-	16,771	-	**193,309**	0%	0%
J. Nery								
12 months to 31 Dec 2018	241,695	-	-	-	-	**241,695**	0%	0%
Total Key Management Personnel								
12 months to 31 Dec 2018	**418,233**	**-**	**-**	**16,771**	**-**	**435,004**	**0%**	**0%**
Total Directors and Key Management Personnel								
12 months to 31 Dec 2018	**1,469,802**	**-**	**-**	**39,318**	**20,625**	**1,529,745**	**1%**	**1%**

(1) Mr S. Copulos resigned 17 April 2018.
(2) Mr A. Vickerman was appointed 16 April 2018.
(3) Options issued to Non-Executive Directors have service conditions only.
(4) Mr M. Ferreira resigned 16 April 2018.
(5) Mr J. Rogers resigned 16 April 2018.

Directors' Report (continued)

Remuneration Report – audited (continued)

Remuneration of Directors and Key Management Personnel for the year ended 31 December 2017:

	Short-term employee benefits			Post emp. benefits	Share-based payments		Value of options as proportion of remuneration	Proportion of remuneration performance related
	Salary & Fees	Other benefits	Cash bonus	Super-annuation	Options	Total		
	$	$	$	$	$	**$**	%	%
Directors								
S. Copulos[1]								
12 months to 31 Dec 2017	120,000	-	-	-	-	**120,000**	0%	0%
R. Smakman[2 4]								
1 January to 20 Nov 2017	580,285	32,073	-	-	9,898	**622,256**	2%	2%
P. Stephen								
12 months to 31 Dec 2017	350,000	-	-	18,783	4,949	**373,732**	1%	1%
J. Evans[1]								
12 months to 31 Dec 2017	60,000	-	-	2,850	-	**62,850**	0%	0%
M. Ferreira[1]								
12 months to 31 Dec 2017	60,000	-	-	-	-	**60,000**	0%	0%
J. Rogers								
12 months to 31 Dec 2017	60,000	-	-	-	-	**60,000**	0%	0%
M. Engelbrecht[3]								
20 Nov 2017 to 31 Dec 2017	52,287	-	-	-	-	**52,287**	0%	0%
Total Directors								
12 months to 31 Dec 2017	**1,282,572**	**32,073**	**-**	**21,633**	**14,847**	**1,351,126**	**1%**	**1%**
Key Management Personnel								
A. Beigel								
12 months to 31 Dec 2017	170,000	-	-	16,150	1,562	**187,712**	1%	1%
J. Nery								
12 months to 31 Dec 2017	264,364	-	-	-	-	**264,364**	0%	0%
Total Key Management Personnel								
12 months to 31 Dec 2017	**434,364**	**-**	**-**	**16,150**	**1,562**	**452,076**	**0%**	**0%**
Total Directors and Key Management Personnel								
12 months to 31 Dec 2017	**1,716,936**	**32,073**	**-**	**37,783**	**16,409**	**1,803,201**	**1%**	**1%**

(1) Options issued to Non-Executive Directors have service conditions only.
(2) Mr R. Smakman resigned 20 November 2017.
(3) Mr M. Engelbrecht was appointed 20 November 2017.
(4) Included in Mr Smakman's Salary & Fees is a termination payment of $205,285 (comprising annual leave, long service leave and payment in lieu).

Directors' Report (continued)

Remuneration Report – audited (continued)

Compensation options granted and vested during the period (consolidated)
No compensation options issued to Directors and Key Management Personnel "KMP" vested during the year ended 31 December 2018.

Compensation options issued to Directors and Key Management Personnel "KMP" that vested during the year ended 31 December 2017 are shown below:

Directors and Key Management Personnel	Granted Options	Vested Number During Period	Grant Date	Value per Option at Grant Date	Exercise Price	First Exercise Date	Last Exercise Date
R. Smakman	-	333,334	14 Aug 14	$0.1440	$0.5200	14 Aug 17	14 Aug 18
P. Stephen	-	166,666	14 Aug 14	$0.1440	$0.5200	14 Aug 17	14 Aug 18
A. Beigel	-	75,000	14 Aug 14	$0.1010	$0.5200	14 Aug 17	14 Aug 18
Total	**-**	**575,000**					

Directors' Report (continued)

Remuneration Report – audited (continued)

Shares issued on Exercise of Compensation Options

During the year, no Directors or Key Management Personnel exercised options that were granted to them as part of their compensation (2017: nil).

Value of options issued to Key Management Personnel

During the current financial period there were 17,622,977 options granted (2017: nil) to Directors and Key Management Personnel related to share-based payments compensation. No options granted to Directors or Key Management Personnel were exercised during the year. Details of options granted to Directors or Key Management Personnel as part of remuneration which lapsed during the year are included in the table below. In the prior year 5,074,583 options lapsed and no options were forfeited.

Options holdings of Directors and Key Management Personnel ("KMP")

	Balance at 1 Jan 18	Granted as remuneration	Options lapsed	Options forfeited	Net Other Changes	Balance at 31 Dec 18	Not vested and not exercisable at 31 Dec 18	Vested and exercisable at 31 Dec 18	Options vested during the period
Directors									
S. Copulos	500,000	-	(500,000)	-	18,134,472	18,134,472	-	18,134,472	18,134,472
A. Vickerman	-	-	-	-	832,854	832,854	-	832,854	832,854
P. Stephen	500,000	-	(500,000)	-	-	-	-	-	-
J. Evans	330,000	-	(330,000)	-	-	-	-	-	-
J. Rogers [1.]	3,000,000	-	-	(3,000,000)		-	-	-	-
M. Engelbrecht	-	17,622,977	-	-	590,677	18,213,654	17,622,977	590,677	590,677
M. Ferreira	330,000	-	(330,000)	-	-	-	-	-	-
KMP									
A. Beigel	225,000	-	(225,000)	-	-	-	-	-	-
J. Nery	-	-	-	-	-	-	-	-	-
Total	**4,885,000**	**17,622,977**	**(1,885,000)**	**(3,000,000)**	**19,558,003**	**37,180,980**	**17,622,977**	**19,558,003**	**19,558,003**

	Balance at 1 Jan 17	Granted as remuneration	Options lapsed	Options exercised	Net Other Changes	Balance at 31 Dec 17	Not vested and not exercisable at 31 Dec 17	Vested and exercisable at 31 Dec 17	Options vested during the period
Directors									
S. Copulos	3,083,333	-	(2,583,333)	-	-	500,000	-	500,000	-
R. Smakman [2.]	2,116,667	-	(1,116,667)	-	-	1,000,000	-	1,000,000	333,334
P. Stephen	1,008,333	-	(508,333)	-	-	500,000	-	500,000	166,666
J. Evans	660,000	-	(330,000)	-	-	330,000	-	330,000	-
J. Rogers	3,000,000	-	-			3,000,000	-	3,000,000	-
M. Engelbrecht	-	-	-	-	-	-	-	-	-
M. Ferreira	660,000	-	(330,000)	-	-	330,000	-	330,000	-
KMP									
A. Beigel	431,250	-	(206,250)	-	-	225,000	-	225,000	75,000
J. Nery	-	-	-	-	-	-	-	-	-
Total	**10,959,583**	**-**	**(5,074,583)**	**-**	**-**	**5,885,000**	**-**	**5,885,000**	**575,000**

(1) Mr J. Rogers resigned 16 April 2018.

(2) Mr R. Smakman resigned 20 November 2017.

Directors' Report (continued)

Remuneration Report – audited (continued)

Share holdings of Directors and Key Management Personnel ("KMP")

	Balance at 1 Jan 18	Shares issued on exercise of options	Shares Purchased	Net Other Changes	Shares Sold	Balance at 31 Dec 18
Directors						
S. Copulos[1]	62,348,312	-	42,422,790	-	-	104,771,102
A. Vickerman[2]	-	-	1,665,709	-	-	1,665,709
M. Engelbrecht	-	-	2,721,354	-	-	2,721,354
P. Stephen	3,543,780	-	-	-	-	3,543,780
J. Evans	-	-	-	-	-	-
M. Ferreira[3]	-	-	-	-	-	-
J.Rogers[4]	206,000	-	-	-	-	206,000
KMP						
A. Beigel	308,458	-	-	-	-	308,458
J. Nery	-	-	-	-	-	-
Total	**66,406,550**	**-**	**46,809,853**	**-**	**-**	**113,216,403**

	Balance at 1 Jan 17	Shares issued on exercise of options	Shares Purchased	Net Other Changes	Shares Sold	Balance at 31 Dec 17
Directors						
S. Copulos[1]	62,348,312	-	-	-	-	62,348,312
R. Smakman[5]	3,619,688	-	-	-	-	3,619,688
M. Engelbrecht	-	-	-	-	-	-
P. Stephen	3,543,780	-	-	-	-	3,543,780
J. Evans	-	-	-	-	-	-
M. Ferreira[3]	-	-	-	-	-	-
J.Rogers[4]	206,000	-	-	-	-	206,000
KMP						
A. Beigel	308,458	-	-	-	-	308,458
J. Nery	-	-	-	-	-	-
Total	**70,026,238**	**-**	**-**	**-**	**-**	**70,026,238**

(1) Mr S. Copulos resigned 17 April 2018.
(2) Mr A. Vickerman was appointed 16 April 2018.
(3) Mr M. Ferreira resigned 16 April 2018.
(4) Mr J. Rogers resigned 16 April 2018.
(5) Mr R. Smakman resigned 20 November 2017.

Convertible note holdings of Directors and Key Management Personnel
Effective 15 November 2018 and 20 December 2018 the Company executed $500,000 of convertible debt facility agreements (with interest of 8% per annum, payable half yearly, and maturity dates of 15 November 2019 and 20 December 2019) with related parties of Mr Stephen Copulos. Conversion of part or all of the funds loaned will be at the lower of $0.01 per share and the terms offered by Crusader at the most recent capital raising prior to the conversion date.

Loans to Directors and Key Management Personnel
There were no loans to any Directors or Key Management Personnel during the year (2017: nil).

Specific transactions with Directors and Key Management Personnel
There were no transactions with any Directors or Key Management Personnel that were more favourable than those available, or which might reasonably be expected to be available, to non-related parties on an arm's length basis.

This ends the audited Remuneration Report.

Directors' Report (continued)

Directors' benefits

No Director of the Company has received, or become entitled to receive, any benefit because of a contract that the Director, or a firm of which the Director is a member, or an entity in which the Director has substantial financial interest, made with the Company, or with an entity that the Company controlled, or with a body corporate that was related to the Company, other than the benefits included in the aggregate amount of emoluments received, or due and receivable, by the Directors and disclosed in Note 8 to the Financial Statements.

Corporate governance

In recognising the need for high standards of corporate behaviour and accountability, the Directors support and have substantially adhered to the best practice recommendations set by the ASX Corporate Governance Council.

The Company's corporate governance policies are all available on the Company's website at www.crusaderresources.com

Committee memberships

The Company maintains an Audit and Risk Committee and a Remuneration Committee which consist of the following Directors:

Audit and Risk Committee	Remuneration Committee
J. Evans (Chairman)	A. Vickerman (Chairman)
A. Vickerman	J. Evans
P. Stephen	P. Stephen

Meetings of Directors

The number of Directors' meetings held during the financial year and the numbers of meetings attended by each Director were:

	Directors' meetings		Remuneration Committee meetings[1]		Audit and Risk Committee meetings	
Directors	**Eligible**	**Attended**	**Eligible**	**Attended**	**Eligible**	**Attended**
S. Copulos	2	2	-	-	1	1
A. Vickerman	9	9	-	-	2	2
P. Stephen	11	11	-	-	-	-
J. Evans	11	11	-	-	3	3
M. Ferreira	2	0	-	-	-	-
J.Rogers	2	1	-	-	-	-
M. Engelbrecht	11	11	-	-	-	-

(1) During the period the full Board attended to remuneration issues

Auditor's independence

The auditor's independence declaration for the financial year ended 31 December 2018 has been received and is to be found on page 72.

Directors' Report (continued)

Non-audit services
No non-audit services were provided by the entity's auditor, Deloitte Touche Tomatsu, and no fees were paid or are payable to Deloitte Touch Tohmatsu for non-audit services for the financial year ended 31 December 2018.

This report is signed in accordance with a resolution of the directors made pursuant to Section 298(2) of the Corporations Act 2001.

On behalf of the directors

Andrew. Richards
Executive Director
Perth
3 April 2019

Competent Person Statement

Borborema mineral resource estimate
The information in this report that relates to the mineral resource estimate for the Borborema Project was first reported in accordance with ASX Listing Rule 5.8 on 24 July 2017. Crusader confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 24 July 2017 and that all material assumptions and technical parameters underpinning the Mineral Resource estimate continue to apply and have not materially changed.

Borborema ore reserve estimate
The information in this report that relates to the Ore Reserve estimate for the Borborema Project was first reported in accordance with ASX Listing Rule 5.9 on 6 March 2018. Crusader confirms that it is not aware of any new information or data that materially affects the information included in the announcement 6 March 2018 and that all material assumptions and technical parameters underpinning the Ore Reserve estimate continue to apply and have not materially changed.

Juruena mineral resource estimate
The information in this report that relates to the Mineral Resource estimate for the Juruena Project was first reported in accordance with ASX Listing Rule 5.8 on 22 December 2016. Crusader confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 22 December 2016 and that all material assumptions and technical parameters underpinning the Mineral Resource estimate continue to apply and have not materially changed.

Exploration results
The information in this report relating to exploration results for the Borborema Project, Juruena Project and Novo Astro Project is based on and fairly represents information and supporting information compiled by Mr Robert Smakman. Mr Smakman is the former Managing Director of the Company. Mr Smakman is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Smakman has consented to the form and context in which the exploration results and supporting information are presented in this announcement.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	Consolidated	
		Dec 2018 $	Dec 2017 $
Continuing operations			
Mineral Revenue		-	-
Cost of Sales		-	-
Gross Profit		-	-
Other income	3	160,744	366,690
Administration		(1,141,143)	(1,294,659)
Corporate expenses	3	(4,464,440)	(2,533,415)
Finance costs	3	(469,994)	(424,384)
Depreciation and amortisation	3	(31,331)	(93,841)
Exploration and evaluation	3	(49,501)	(149,542)
Unrealised foreign exchange (loss)/gain		(103,535)	(48,689)
Other expenses from ordinary activities		(20,625)	(131,160)
Loss before income tax		**(6,119,825)**	**(4,309,000)**
Income tax (expense)/benefit	5	-	-
Net loss from continuing operations		**(6,119,825)**	**(4,309,000)**
Discontinued Operations			
Net profit/(loss) from discontinued operations	23	(7,986,889)	(572,024)
Net loss for the year		**(14,106,714)**	**(4,881,024)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		(908,638)	(1,227,153)
Net fair value (loss) on available-for-sale assets taken to equity		-	(3,000)
Other comprehensive (loss)/income for the year, net of income tax		**(908,638)**	**(1,230,153)**
Total comprehensive loss for the year attributable to owners of the parent		**(15,015,352)**	**(6,111,177)**
Loss per share from continuing operations			
Basic (cents per share)	17	(1.35)	(1.43)
Diluted (cents per share)	17	(1.35)	(1.43)
Loss per share from continuing and discontinued operations			
Basic (cents per share)	17	(3.14)	(1.62)
Diluted (cents per share)	17	(3.14)	(1.62)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	Consolidated Dec 2018 $	Dec 2017 $
Current Assets			
Cash and cash equivalents	24(a)	432,228	2,632,054
Trade and other receivables	10	88,428	157,855
Inventories		-	1,617
Other current assets		239,798	364,771
Assets classified as held for sale	23	1,535,587	-
Total Current Assets		**2,296,041**	**3,156,297**
Non-Current Assets			
Other financial assets		-	145,661
Exploration and evaluation assets	11	19,325,779	27,955,110
Property, plant and equipment	12	113,713	202,527
Total Non-Current Assets		**19,439,492**	**28,303,298**
Total Assets		**21,735,533**	**31,459,595**
Current Liabilities			
Trade and other payables	13	1,850,411	3,305,113
Borrowings	4	1,247,859	2,925,631
Liabilities directly associated with assets classified as held for sale	23	35,587	2,925,631
Total Current Liabilities		**3,133,857**	**6,230,744**
Non-Current Liabilities			
Trade and other payables	13	660,775	698,301
Total Non-Current Liabilities		**660,775**	**698,301**
Total Liabilities		**3,794,632**	**6,929,045**
Net Assets		**17,940,901**	**24,530,550**
Equity			
Total equity attributable to equity holders of the Company			
Issued capital	14	86,352,263	78,681,768
Reserves	15	9,547,702	9,701,130
Retained earnings	16	(77,959,064)	(63,852,350)
Total Equity		**17,940,901**	**24,530,550**

The above Consolidated Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR 31 DECEMBER 2018

Consolidated	Attributable to equity holders of the parent						
			Reserves				
	Issued Capital	Retained Earnings	Foreign Currency Translation Reserve	Share Based Payments Reserve	Investment Revaluation Reserve	Other Reserve	Total Equity
	$	$	$	$	$	$	$
At 1 January 2018	**78,681,768**	**(63,869,350)**	**(671,535)**	**10,223,297**	**17,000**	**149,369**	**24,530,550**
Adjustment on change in accounting policy as a result of adopting AASB9[1]		17,000			(17,000)		-
At 1 January 2018 (restated)	**78,681,768**	**(63,852,350)**	**(671,535)**	**10,223,297**	-	**149,369**	**24,530,550**
Other comprehensive loss for the year	-	-	(908,638)	-	-	-	**(908,638)**
Loss for the year	-	(14,106,714)	-	-	-	-	**(14,106,714)**
Total comprehensive loss for the year	**-**	**(14,106,714)**	**(908,638)**	**-**	**-**	**-**	**(15,015,352)**
Shares issued	8,893,103	-	-	-	-	-	**8,893,104**
Share issued upon exercise of options	-	-	-	-	-	-	**-**
Share issue costs	(1,222,608)	-	-	-	-	-	**(1,222,608)**
Conversion of Convertible Note	-	-	-	-	-	(149,369)	**(149,369)**
Issuance of Convertible Note						157,728	**157,728**
Share Based Payments	-	-	-	746,850	-		**746,850**
At 31 December 2018	**86,352,263**	**(77,959,064)**	**(1,580,173)**	**10,970,147**	**-**	**157,728**	**17,940,901**

The above Consolidated Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements.

(1) See Note 2 for details of the restatement as a result of a change in accounting policy

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR 31 DECEMBER 2018 (CONTINUED)

Consolidated	Attributable to equity holders of the parent						
			Reserves				
	Issued Capital	Retained Earnings	Foreign Currency Translation Reserve	Share Based Payments Reserve	Investment Revaluation Reserve	Other Reserve	Total Equity
	$	$	$	$	$	$	$
At 1 January 2017	**75,820,161**	**(58,988,326)**	**555,617**	**10,206,888**	**20,000**	**-**	**27,614,340**
Other comprehensive loss for the year	-	-	(1,227,153)	-	(3,000)	-	**(1,230,153)**
Loss for the year	-	(4,881,024)	-	-	-	-	**(4,881,024)**
Total comprehensive loss for the year	**-**	**(4,881,024)**	**(1,227,153)**	**-**	**(3,000)**	**-**	**(6,111,177)**
Shares issued	2,938,231	-	-	-	-	-	**2,938,231**
Share issue costs	(76,624)	-	-	-	-	-	**(76,624)**
Issuance of Convertible Note	-	-	-	-	-	149,369	**149,369**
Share Based Payments	-	-	-	16,409	-	-	**16,409**
At 31 December 2017	**78,681,768**	**(63,869,350)**	**(671,536)**	**10,223,297**	**17,000**	**149,369**	**24,530,550**

The above Consolidated Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	Consolidated	
		Dec 2018 $	**Dec 2017 $**
Cash flows from operating activities			
Receipts from customers		-	2,028,846
Payments to suppliers and employees		(5,079,809)	(5,691,037)
Finance Costs		(123,945)	-
Income taxes paid		-	-
Net cash (used in) operating activities	24(b)	**(5,203,754)**	**(3,662,191)**
Cash flows from investing activities			
Interest received		10,827	16,148
Receipts for disposal of property, plant and equipment		146,989	522,524
Payment for exploration and evaluation		(2,090,196)	(1,586,067)
Proceeds from sale of equity investments		7,839	-
Proceeds from term deposit maturity		121,661	-
Net cash used in investing activities		**(1,802,880)**	**(1,047,395)**
Cash flows from financing activities			
Proceeds from issues of equity securities		5,730,232	2,938,231
Costs of issuing securities	14	(688,655)	(76,624)
Proceeds from borrowings		1,400,000	3,000,000
Repayment of borrowings		(1,500,000)	-
Net cash provided by financing activities		**4,941,577**	**5,861,607**
Net increase/(decrease) in cash and cash equivalents		(2,065,057)	1,152,021
Cash and cash equivalents at the beginning of the financial year		2,632,054	1,560,782
Effect of exchange rate fluctuations on cash held in foreign currencies		(134,769)	(80,749)
Cash and cash equivalents at the end of the financial year	24(a)	**432,228**	**2,632,054**

The above Consolidated Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements.

Notes to the Annual Financial Statements

1. GENERAL INFORMATION

Crusader Resources Limited ("the Parent Entity" or "Crusader" or "the Company") is a listed public company incorporated in Australia and operating in Australia and Brazil. The address of the Company's registered office and principal place of business is Level 9, 190 St Georges Terrace, Perth, Western Australia. The Consolidated Financial Statements of the Company as at, and for the financial year ended 31 December 2018 comprise those of the Company and its subsidiaries (together referred to as the "the Consolidated Entity" or "the Group"). The Group is involved primarily in the mineral exploration industry.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

For the purpose of preparing the Consolidated Financial Statements, the Company is a "for profit" entity. The Financial Report is a General Purpose Financial Report which has been prepared in accordance with Accounting Standards (including Interpretations) and the Corporations Act 2001 (Cth). Accounting Standards include Australian Accounting Standards. Compliance with the Australian Accounting Standards ensures the Consolidated Financial Report of the Group complies with International Financial Reporting Standards ("IFRSs").

(b) Basis of preparation

The Financial Report has also been prepared on an accruals basis and historical cost basis, except for available-for-sale investments which have been measured at fair value. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars unless otherwise noted.

The Financial Statements were approved by the Board of Directors on 2 April 2019.

Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group incurred a loss of $14,106,714, which was inclusive of a $7,986,889 non-cash impairment charge (2017: loss $4,881,024) and experienced net cash outflows from operating and investing activities of $7,006,634 (2017: outflow of $4,709,586) for the year ended 31 December 2018. As at this date, the Group had a net current liability position of $837,816 (31 December 2017: net current liabilities of $3,074,445). Cash and cash equivalents totalled $432,228 as at 31 December 2018 (31 December 2017: $2,632,054).

The Directors of the Company are committed to progressing the Borborema project Bankable Feasibility Study ('BFS') and a number of significant changes have been actioned within the Company during and subsequent to the end of the year to get Crusader back on track, including;

- appointment of new Directors to refocus on bringing Borborema into production and realising value from non-core assets over the short-term;
- cancellation of the AIM listing and closure of the UK office, expected to realise savings of approximately $0.9 million per annum;
- aggressive cost reduction programs including reduced exploration spend on non-core projects, reductions to office and personnel costs in Australia and Brazil, and reduced Director remuneration, which is expected to realise further savings of approximately $0.9 million per annum;
- issued convertible notes as previously disclosed;

Notes to the Annual Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of preparation (continued)

Going concern (continued)

- undertaking an active program to locate a buyer for the Juruena Gold project; and
- taking other necessary steps to achieve re-quotation of Crusader securities on the ASX as soon as possible.

On the basis the Borborema BFS proceeds as currently planned, the Group's cash flow forecast to 31 March 2020 indicates the Group requires $6,600,000 of additional funding over this time. Should the Group elect to defer discretionary spending on the BFS, this minimum funding level reduces to $4,500,000.

On 5 March 2019, the Group announced a non-renounceable pro rata entitlement offer ('rights issue') to raise approximately $4,200,000 (before costs), with $3,500,000 currently under binding conditional underwriting agreements. The rights issue is expected to complete during the first half of May 2019.

On 20 March 2019, the Group announced that it entered into a binding conditional term sheet with Meteoric Resources Limited ('MEI') for the purchase of the Group's 100% owned Juruena Gold Project which comprises the Juruena and Nova Astro prospects. The purchase consideration at Completion, which is expected to occur during April 2019, includes $1,000,000 in cash.

On 3 April 2019, $750,000 has been paid to the Company in the form of a loan agreement. This loan between Eyeon No 2 Pty Ltd (related to Mr Stephen Copulos) and the Group is repayable within two days of the completion of the rights issue noted above and interest is charged at 5% per month. The funds received under the loan agreement will ensure that the Group has sufficient working capital through to the completion of the planned rights issue and/or the sale of the Juruena Gold Project over the next six weeks.

If the rights issue does not complete, or fails to raise the expected funds, and/or the sale of non-core assets does not realise sufficient additional cash inflows, the Group may need to raise additional funding through debt and/or equity, to meet the Group's stated objectives.

The Directors are confident that the Group will be successful in achieving the matters noted above and the year-end financial report has therefore been prepared on the going concern basis. The Directors have reviewed the Group's overall position and outlook in respect of the matters identified above and are of the opinion that there are reasonable grounds to believe that the operational and financial plans in place are achievable and accordingly the Group will be able to continue as a going concern and meet its obligations as and when they fall due.

Should the Directors not be successful in achieving the matters set out above, there is a material uncertainty whether the Group will be able to continue as a going concern and therefore whether it will be able to realise its assets and extinguish its liabilities in the normal course of business. The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Notes to the Annual Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Basis of consolidation

The Consolidated Financial Statements incorporate the Financial Statements of the Company and the entities controlled by the Company (its subsidiaries). Subsidiaries are entities controlled by the Group. Control exists when the Group has power over the investee, is exposed to, or has right to, variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

In preparing the Consolidated Financial Statements, all inter-company balances and transactions, income and expenses, profit and losses resulting from intra-group transactions have been eliminated in full.

(d) Foreign currency

The individual Financial Statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the Consolidated Financial Statements, the results and financial position of each entity are expressed in Australian dollars, which is the functional currency of Crusader Resources Limited and the presentation currency for the Consolidated Financial Statements. The functional currencies of

Crusader do Brasil Mineração Ltda, Cascar Mineração Ltda, Crusader do Nordeste Mineração Ltda, Lago Dourado Mineração Ltda and Juruena Mineração Ltda are Brazilian Real (BRLs).

In preparing the Financial Statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on monetary items receivable from, or payable to, a foreign operation, for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the Foreign Currency Translation Reserve and recognised in profit or loss on disposal of the net investment.

On consolidation, the assets and liabilities of the Group's foreign operations are translated into Australian dollars at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in Other Comprehensive Income and accumulated in equity.

(e) Financial Instruments

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

Classification

- those to be measured subsequently at fair value (either through OCI, or through profit or loss); and
- those to be measured at amortised cost.

Notes to the Annual Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial Instruments (continued)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transactions costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity Instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Notes to the Annual Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial Instruments (continued)

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Also refer to note 2(u) for details in relation to the impact of the new policies adopted effective 1 January 2018.

(f) Cash and cash equivalents

Cash comprises cash balances and at call deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

(g) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(h) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is calculated on a straight line basis so as to write off the net cost, or other revalued amount, of each asset over its estimated useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method, are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The estimated useful lives for plant and equipment range from 1 to 40 years, as below:

Category	Life (years)		Depreciation Rate	
	Min	Max	Min	Max
Buildings	25	40	2.5%	4.0%
Computers	2	4	25.0%	50.0%
Furniture	5	10	10.0%	20.0%
Plant	5	15	6.7%	20.0%
Software	1	2	50.0%	100.0%
Vehicles	2	5	20.0%	50.0%

Notes to the Annual Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs of disposal. Any impairment loss on a disposal group is allocated to the assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

(j) Determination of Fair Value

The fair values of assets designated as held for sale are determined with reference to an external valuation, market demand and costs of disposal.

(k) Discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

(l) Impairment of other tangible and intangible assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there are any indications that those assets have suffered an impairment loss. If any such indications exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the Cash-Generating Unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual Cash-Generating Units. Otherwise they are allocated to the smallest group of Cash-Generating Units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives, and intangible assets not yet available for use, are tested for impairment annually and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or Cash-Generating Unit) is estimated to be less than its carrying amount, the carrying amount of the asset (Cash-Generating Unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset (Cash-Generating Unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (Cash-Generating Unit) in prior years.

Notes to the Annual Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of other tangible and intangible assets (continued)

A reversal of an impairment loss is recognised immediately in profit and loss unless the relevant asset is carried at fair value, in which case the reversal of the impairment is treated as a revaluation increase.

(m) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, and long service, leave when it is probable that settlement will be required, and they are capable of being measured reliably.

Liabilities recognised in respect of short term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date.

Contributions to defined contribution superannuation plans are expensed when employees have rendered service entitling them to the contributions.

(n) Share-based payment transactions

Equity-settled share based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of an appropriate options pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. Further details of how the fair value of equity settled share transactions has been determined can be found in Note 7.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

(o) Revenue recognition

The Group expect to primarily generate revenue from the sale of gold.

Revenue from the sale of these goods is recognised when control over the inventory has transferred to the customer.

Control is generally considered to have passed when:

- physical possession and inventory risk is transferred (including via a third-party transport provider arranged by the refinery);
- payment terms for the sale of goods can be clearly identified through the sale of metal credits received or receivable for the transfer of control of the asset;
- the Group can determine with sufficient accuracy the metal content of the goods delivered; and
- the refiner has no practical ability to reject the product where it is within contractually specified limits.

Notes to the Annual Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Revenue recognition (continued)

Where economic inflows arise from other by-products, for example from the presence of other valuable metals, these amounts are credited to the costs of producing the primary products to the extent the amounts generated are not considered significant.

Also refer to note 2(u) for details in relation to the impact of the new policies adopted effective 1 January 2018.

(p) Income tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit, or tax loss, for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred income tax is provided on all temporary differences that exist at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- where the deferred income tax liability arises from the initial recognition of goodwill, or of an asset, or liability, in a transaction that is not a business combination, and, at the time of the transaction, affects neither the accounting profit nor taxable loss; and

- in respect of taxable temporary differences, associated with investments in subsidiaries, associates and interests in joint ventures and the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences that exist at each reporting date, the carry forward amount of all unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward amount of any unused tax credits and any unused tax losses, can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, in which case deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future, and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date, and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all, or part of, the deferred tax assets to be utilised.

Unrecognised deferred income tax assets are re-assessed at each reporting date and reduced to the extent that it has become probable that future taxable profit will allow all, or part of, the deferred tax credit to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Notes to the Annual Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Income tax (continued)

Current and deferred tax assets and liabilities are recognised as items of income or expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(q) Goods and services tax

Revenues, expenses, and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset, or as part of the expense item as applicable.

Receivables and payables are recognised inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated Statement of Financial Position. Cash flows are included in the

Consolidated Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the relevant taxation authority.

(r) Exploration and evaluation expenditure

Expenditure incurred in the acquisition of rights to explore is capitalised and recognised as an exploration and evaluation asset.

Exploration costs are then capitalised to the extent that they are expected to be recouped through the successful development of a relevant area of interest or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

(s) Mine development properties

The Group will make a decision to proceed with mine development once the commercial and technical viability has been confirmed. This will usually be supported by the completion of a full feasibility study. Costs are accumulated for each identifiable area of interest under development or in production. The accumulated costs are amortised over the life of the mine on the unit of production basis, once production has commenced.

(t) Impact of standards issued but not yet applied by the entity

The new leasing standard, effective 1 January 2019, replaces AASB 117 Leases and requires that:

- All leases are ‘capitalised’ by recognising the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment.
- A financial liability is recognised representing obligations to make future lease payments.

The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The standard will affect primarily the accounting for the Group’s operating leases. As at 31 December 2018, the Group had non-cancellable operating lease commitments of $0.07 million which are due to expire in 2019.

Notes to the Annual Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Impact of standards issued but not yet applied by the entity (continued)

The Company is currently finalising its assessment of the effects of applying the new standard on the Group's financial statements. Management note that no material impact is expected.

(u) Impact of accounting policies applied from 1 January 2018

AASB 9 Financial Instruments

On 1 January 2018 (the date of initial application of AASB 9), the Group's management has assessed which business models apply to the financial assets held by the Group. The main effects resulting from this is the reclassification from Available-for-sale and held-to maturity to Fair value through profit or loss (FVTPL).

As at 1 January 2018, investments in listed equity securities of $24,000 (previously classified as available-for-sale) and held-to-maturity investments of $121,661 were reclassified to financial assets at FVTPL (derecognised as at 31 December 2018).

These do not meet the AASB 9 criteria for classification at amortised cost, because their cash flows do not represent solely payments of principal and interest.

When adopting AASB 9, the Group has applied for transitional relief and elected not to restate prior periods. Rather, differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in opening retained earnings as of 1 January 2018. Related fair value gains of $17,000 were transferred from reserve to retained earnings on 1 January 2018. This has been disclosed in the statement of changes in equity for the year ended 31 December 2018. There is no further significant impact under AASB 9.

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue and AASB 111 Construction Contracts and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

The standard permits either a full retrospective or a modified retrospective approach for the adoption. It applies to annual reporting periods commencing on or after 1 January 2018. The core principle of AASB 15 is that it requires identification of discrete performance obligations within a transaction and associated transaction price allocation to these obligations. Revenue is recognised upon satisfaction of these performance obligations, which occur when control of goods or services is transferred, rather than on transfer of risks or rewards. Revenue received for a contract that includes a variable amount is subject to revised conditions for recognition, whereby it must be highly probable that no significant reversal of the variable component may occur when the uncertainties around its measurement are removed.

There is no material impact to profit or loss or net assets on the adoption of this new standard in the current or comparative years.

AASB 16 Leases

The Group has no material leases extending greater than 12 months, as a result no material impact is expected with the adoption of AASB 16 Leases.

Notes to the Annual Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Critical accounting judgements and key sources of uncertainty

The following are the critical judgements that the Group has made in the process of applying the Group's accounting policies and that have the most significant effects on the amounts recognised in the Financial Statements. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period of revision, and future periods if the revision effects both current and future periods.

Capitalised exploration expenditure

The Group reviews the carrying value of all capitalised exploration expenditure assets for impairment at the end of each annual reporting period, and where the Group believes an asset has been impaired, the adjustment to fair value is recorded through profit or loss. The ultimate recoupment of these costs is dependent on the successful commercialisation of the project, or through sale to a third party, for at least the carrying value of the project.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with Directors, Senior Executives, other staff and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using an appropriate options pricing model, which takes account of factors including the option exercise price, the current value and volatility of the underlying share price, the risk free interest rate, expected dividends on the underlying share, and the expected life of the option.

Deferred consideration – sale of Posse Iron Ore Mine

The Group considered the fair value of the deferred consideration in relation to the sale of the Posse Iron Ore Mine at the date of sale, concluding that the fair value of this deferred consideration receivable was $nil at this date. The fair value was determined with consideration to uncertainty with respect to the timing of receipt of payments and recoverability based on credit risk.

Deferred consideration – sale of Juruena Gold Project

The Group considered the fair value of the deferred consideration in relation to the sale of the Juruena Gold Project in the measurement of Assets held for sale at the lower of cost and fair value less cost to sell, concluding that the fair value of this deferred consideration receivable was $nil. The fair value was determined with consideration to uncertainty with respect to the timing of receipt of payments and recoverability based on credit risk and conditions associated with the payment.

Notes to the Annual Financial Statements

	Consolidated Dec 2018 $	Consolidated Dec 2017 $
3. Revenue and Expenses		
Revenue – other income		
Rental and administrative services income	27,167	52,616
Other income (1)	-	250,000
Profit on disposal of asset	122,730	64,771
Interest revenue	10,847	26,126
	160,744	**393,513**

(1) Other Income relates to the break fee associated with Stratex International Plc's termination of the scheme implementation deal effective 6 November 2017.

	Dec 2018 $	Dec 2017 $
Expenses		
Corporate expenses:		
Office rental	187,745	247,636
Staff costs	1,302,870	783,659
Director fees	198,933	240,000
Professional fees	2,058,263	809,991
Marketing and media costs	278,667	199,010
Other corporate expenses	437,961	548,773
Cost allocation to subsidiaries	-	(295,654)
	4,464,440	**2,533,415**
Finance costs:		
Interest	294,821	349,384
Debt issuance costs	175,173	75,000
	469,994	**424,384**
Depreciation and amortisation	**31,331**	**106,775**
Exploration and evaluation:		
Other exploration (refer note 11)	49,501	149,542
	49,501	**149,542**
Employee expenses:		
Salaries and wages	2,093,448	2,157,737
Defined contribution plan	153,747	257,653
Other employee benefits	278,233	492,619
Equity-settled share-based payments (refer Note 7)	20,625	16,409
Annual Leave	124,328	203,526
	2,670,381	**3,127,944**

Employee expenses are included in Administration, Corporate Expenses, Exploration & Evaluation expenses and Discontinued Operations in the Statement of Profit or Loss.

Notes to the Annual Financial Statements

4. Borrowings secured at amortised cost

	Consolidated	
	Dec 2018 $	**Dec 2017 $**
<u>Borrowings – secured at amortised cost</u>		
Current		
Convertible Notes	1,247,859	2,925,631
Total Current Borrowings	**1,247,859**	**2,925,631**

Convertible Note

Effective November and December 2018 the Company executed $1,400,000 of convertible debt facility agreements with interest of 8% per annum, payable half yearly, which mature in 12 months. Conversion of part or all of the funds loaned will be at the lower of $0.01 per share and the terms offered by Crusader at the most recent capital raising prior to the conversion date.

5. Income tax

		Dec 2018 $	Dec 2017 $
a)	The components of tax expense comprise		
	Current tax	-	-
	Deferred tax	-	-
b)	The prima facie tax benefit on loss from continuing operations before income tax is recognised to the income tax as follows:	(6,119,825)	(4,319,677)
	Prima facie tax benefit on loss from ordinary activities at 27.5% (December 2017 27.5%)	(1,682,952)	(1,187,911)
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
	Entertainment	1,120	1,193
	Fines	342	5,916
	Foreign Losses	(82,394)	82,594
		(1,763,884)	**(1,098,208)**
	Movement in unrecognised temporary differences	133,878	56,343
	Tax effect of change in tax rate	-	11,141
	Tax effect of current year tax losses for which no deferred tax asset has been recognised	1,630,006	1,030,724
	Income tax expense	**-**	**-**

Notes to the Annual Financial Statements

5. Income Tax (continued)

	Consolidated	
	Dec 2018 $	**Dec 2017 $**
c) The following deferred tax balances have not been recognised (at relevant tax rates):		
Investments	13,750	34,650
Accrued expenses	167,126	112,040
Capitalised expenses	684,453	642,788
Capitalised tenement acquisition costs	138,996	-
Entity establishment costs	442,361	-
Borrowing costs	-	9,030
Provision for expenses	48,634	42,894
Capital raising costs	580,705	414,135
Carry forward revenue tax losses	10,671,186	9,784,202
Carry forward capital tax losses	2,373,565	2,348,226
Carry forward foreign tax losses	7,246,864	6,732,604
	22,367,640	**20,120,569**
Deferred tax liabilities (at relevant tax rates)		
Prepaid expenses	5,133	461
Accrued interest income	279	303
Capitalised tenement acquisition costs	-	-
	5,412	**764**
Net deferred tax asset not recognised	**22,362,228**	**20,119,805**

The current taxation legislation in Brazil enables tax to be paid under one of the following ways:

1. Income tax is payable at 3% of gross revenue
2. Income tax is payable at 34% of net profit.

During the year ended 31 December 2018, the group has decided to pay tax on 34% of net profit as this is the cheaper option.

The net deferred tax asset and liability has not been brought to account as it is unlikely that they will be utilised unless the company generates sufficient revenue to utilise them.

Notes to the Annual Financial Statements

6. Financial Risk Management

Overview

The Group has exposure to the following risks from their use of financial instruments:

- Capital risk
- Credit risk
- Foreign exchange risk
- Interest rate risk
- Equity risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Senior Executives monitor and mitigate the financial risks relating to the operations of the Group through regular reviews of the risks.

Categories of financial instruments

	Consolidated	
	Dec 2018 $	**Dec 2017 $**
Financial assets		
Cash and cash equivalents	432,228	2,632,054
Loans and receivables	88,428	157,855
Financial assets at fair value through profit or loss	-	145,661
	520,656	**2,935,570**
Financial liabilities		
Trade and other payables	1,371,660	2,656,408
Borrowings	1,247,859	2,925,631
	2,619,519	**5,582,039**

Capital risk management

The Group manages its capital as a going concern while maximising the return to shareholders through the optimisation of its capital employed.

The capital structure of the Group consists of cash and cash equivalents, debt funding and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated loss as disclosed in Notes 14, 15 and 16 respectively. None of the Group's entities is subject to externally imposed capital requirements.

Notes to the Annual Financial Statements

6. Financial Risk Management (continued)

Credit risk management
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

Investments
The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating.

Trade and other receivables
The Group operates in the mining sector and is exposed to credit risk in relation to trade receivables arising from the sale of mineral products.

Where appropriate, the group has established an allowance for impairment that represents incurred losses in respect of other receivables and payments. The main components of this allowance are a specific loss component that relates to individually significant exposures.

The below table shows the distribution of receivables from the Group at the end of the period before any provision for expected credit losses. Refer to Note 10 for further information.

Customer	Dec 2018 $	%	Dec 2017 $	%
Siderurgica Noroeste Ltda	111,633	39.9	118,170	39.6
Siderbras Siderurgica Brasileira Ltda	109,547	39.1	115,962	39.2
CNS Empreendimentos Em Transportes e Minerios	36,969	13.2	-	-
Other	21,708	7.8	63,828	21.2
	279,857	**100**	**297,960**	**100**

Exposure to credit risk
The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Carrying Amount	
	Dec 2018 $	**Dec 2017 $**
Cash and cash equivalents	432,228	2,632,054
Loans and receivables	88,428	157,855
Other	-	145,661

Liquidity risk management
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate cash by continuously monitoring forecast and actual cash flows.

Notes to the Annual Financial Statements

6. Financial Risk Management (continued)

Liquidity risk management (continued)

Typically, the Group ensures it has sufficient cash on demand to meet expected operational expenses for a period of ninety days. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market risk management

The Group's activities expose it primarily to financial risks such as foreign exchange rates, interest rates and equity prices which will affect the Group's income and the value of its holdings of financial instruments. The objective of market risk management is to mitigate and control market risk exposures within acceptable parameters, while optimizing shareholder return.

Foreign currency risk management

The Group is exposed to foreign currency risk from investments and borrowings held in a currency other than the Group's functional currency. The Group's exposure to foreign currency risk relates to financial instruments held in Brazilian Reals. At the reporting date the holdings were as follows:

	Consolidated	
	Dec 2018 $	**Dec 2017 $**
Financial assets		
Cash and cash equivalents	75,122	82,381
Loans and receivables	25,059	27,847
	100,181	**110,228**
Financial liabilities		
Trade and other payables	265,426	1,172,209
Provisions	974,284	1,199,155
Borrowings	-	-
	1,239,710	**2,371,364**

Foreign currency sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to foreign exchange risks at the end of the reporting period:

If the AUD/BRL exchange rate had been 10% higher/lower net profit for the year ended 31 December 2018 would have increased/decreased by $113,065 (year ended 31 December 2017: increased/decreased by $343,631).

Notes to the Annual Financial Statements

6. Financial Risk Management (continued)

The following tables detail the Group's remaining contractual maturity for its non-derivative financial instruments:

Dec 2018 Consolidated	Weighted Average Interest Rate	Variable Interest Rate	Fixed Interest Rate *Maturity less than 1 year*	Fixed Interest Rate *Maturity 1-5 years*	Non-interest Bearing	Total
	%	$	$	$	$	$
Financial Assets						
Cash and cash equivalents	1.02%	432,228	-	-	-	**432,228**
Trade and other receivables	-	-	-	-	88,428	**88,428**
		432,228	**-**	**-**	**88,428**	**520,656**
Financial Liabilities						
Convertible debt	8.0%	-	(1,247,859)	-	-	**(1,247,859)**
Trade and other payables	-	-	-	-	(1,371,660)	**(1,371,660)**
	-	**-**	**(1,247,859)**	**-**	**(1,371,660)**	**(2,619,519)**
Net financial assets/(liabilities)	-	**432,228**	**(1,247,859)**	**-**	**(1,283,232)**	**(2,098,863)**

Notes to the Annual Financial Statements

6. Financial Risk Management (continued)

Dec 2017 Consolidated	Weighted Average Interest Rate	Variable Interest Rate	Fixed Interest Rate *Maturity less than 1 year*	Fixed Interest Rate *Maturity 1-5 years*	Non-interest Bearing	Total
	%	$	$	$	$	$
Financial Assets						
Cash and cash equivalents	3.33%	2,632,054	-	-	-	**2,632,054**
Trade and other receivables	-	-	-	-	157,855	**157,855**
Deposits	2.43%	-	-	121,661	-	**121,661**
Listed investments at market value	-	-	-	-	24,000	**24,000**
		2,632,054	**-**	**121,661**	**181,855**	**2,935,570**
Financial Liabilities						
Finance lease liabilities		-	-	-	-	**-**
Loan payable	-	-	-		-	**-**
Convertible debt	12%	-	(2,925,631)	-	-	**(2,925,631)**
Trade and other payables	-	-	-	-	(3,305,112)	**(3,305,112)**
	-	**-**	**(2,925,631)**	**-**	**(3,305,112)**	**(6,230,743)**
Net financial assets/(liabilities)	-	**2,632,054**	**(2,925,631)**	**121,661**	**(3,123,258)**	**(3,295,173)**

Fair values at amortised costs

The carrying value of the Group's financial assets and liabilities are equal to their respective net fair values.

Fair values of financial instruments – valuation techniques and assumptions

The fair values of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

The fair value of other financial assets and liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

Notes to the Annual Financial Statements

7. Share-based payments

The expense recognised in profit or loss in relation to share-based payments is disclosed in Note 3.

The following share based payments were made during the period:

Share options issued expense	20,625
Borrowing costs	208,923
Capital raising costs	517,302
Total	**746,850**

The following table illustrates the number and Weighted Average Exercise Prices (WAEPs) of, and movements in, share options issued during the period:

	Dec 2018 No.	**Dec 2018 WAEP**	**Dec 2017 No.**	**Dec 2017 WAEP**
Outstanding at the beginning of the period	33,022,808	0.30	53,318,889	0.41
Granted during the period	93,000,121	0.10	-	-
Forfeited during the period	-		-	
Lapsed during the period	(21,522,808)	0.37	(20,296,081)	0.26
Reversal of lapsed options	-	-	-	-
Exercised during the period	-	-	-	-
Outstanding at the end of the period	**104,500,121**	**0.11**	**33,022,808**	**0.30**
Exercisable at the end of the period	86,877,144	0.07	23,035,000	0.29

The following share options were in existence during or at the end of the current financial period:

Options series	**Grant date**	**Vesting date**	**Expiry date**	**Exercise price $**	**Grant date fair value $**
Live at end of period					
Issued 30 Jun 2014	30-Jun-14	30-Jun-14	30-Jun-18	0.4100	0.2036
Issued 14 Aug 2014 (1)	14-Aug-14	14-Aug-15	14-Aug-18	0.5200	0.1140
Issued 14 Aug 2014 (2)	14-Aug-14	14-Aug-15	14-Aug-18	0.5200	0.0600
Issued 14 Aug 2014	14-Aug-14	14-Aug-16	14-Aug-18	0.5200	0.1300
Issued 14 Aug 2014	14-Aug-14	14-Aug-17	14-Aug-18	0.5200	0.1440
Issued 14 Aug 2014	14-Aug-14	14-Aug-15	14-Aug-18	0.5200	0.0762
Issued 14 Aug 2014	14-Aug-14	14-Aug-16	14-Aug-18	0.5200	0.0891
Issued 14 Aug 2014	14-Aug-14	14-Aug-17	14-Aug-18	0.5200	0.1010
Issued 14 Aug 2014	14-Aug-14	14-Aug-14	14-Aug-18	0.5200	0.1144
Issued 20 Aug 2014	20-Aug-14	20-Aug-14	20-Aug-18	0.4100	0.2410
Issued 31 Dec 2014	31-Dec-14	31-Dec-14	31-Dec-18	0.2860	0.1094
Issued 22 July 2014 (3)	22-Jul-14	22-Jul-14	21-Jul-19	-	-
Issued 17 June 2016	19-May-16	19-May-16	19-May-23	0.1500	0.0823
Issued 17 June 2016	19-May-16	19-May-16	19-May-23	0.2000	0.0783
Issued 17 June 2016	19-May-16	19-May-16	19-May-23	0.3000	0.0722
Issued 23 Dec 2016	23-Dec-16	23-Dec-16	23-Dec-19	0.2000	0.0366

Notes to the Annual Financial Statements

7. Share-based payments (continued)

Options series	Grant date	Vesting date	Expiry date	Exercise price $	Grant date fair value $
Live at end of period					
Issued 23 Dec 2016	23-Dec-16	23-Dec-16	23-Dec-19	0.2600	0.0429
Issued 30 May 2018	30-May-18	30-May-18	31-May-20	0.0550	0.0060
Issued 30 May 2018(4)	30-May-18	30-May-18	31-May-20	0.0550	0.0060
Issued 30 May 2018 (5)	30-May-18	20-Nov-22	20-Nov-22	0.3000	0.0089

(1) These options were issued on the same basis as those of the same tranche, aside from specific performance and vesting conditions which have been agreed with each individual and are directly related to their roles.
(2) These options were issued on the same basis as those of the same tranche, aside from specific performance and vesting conditions which have been agreed with each individual and are directly related to their roles.
(3) These options vest based on specific performance conditions attached to the acquisition of the Juruena area of interest.
(4) These options were issued on conversion of the Convertible Note held at 31 December 2017 and have been treated as borrowing costs.
(5) These options vest based on specific performance conditions attached to the Borborema area of interest.

The weighted average remaining contractual life for the share options outstanding at 31 December 2018 is 1.78 years (December 2017: 1.59 years).

The range of exercise prices for options outstanding at the end of the period was $0.06 - $0.30 (December 2017: $0.15 - $0.52).

The weighted average fair value of options granted during the period was $0.01 (December 2017: $nil).

The fair value of the equity-settled share options granted under the option plan is estimated as at the date of grant using an appropriate options pricing model, taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used in relation to the options that were issued during the financial year ended 31 December 2018 and 31 December 2017.

		Granted 2018	Granted 2018	Granted 2017
		$0.055 Options	$0.30 Options	
Dividend yield	%	-	-	-
Expected volatility	%	100%	79%	-
Risk-free interest rate	%	2.05%	2.31%	-
Expected life	Years	2.0	4.48	-
Exercise price	$	0.055	0.30	-
Share price at grant date	$	0.035	0.035	-

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that will occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurements of fair value.

No share options were exercised during the year (2017: nil).

Notes to the Annual Financial Statements

7. Share-based payments (continued)

Employee share option plan

The Company received approval for the introduction of an employee share option scheme (the Plan) in 2008. The plan was last re-approved at a meeting of shareholders on 12 May 2017, the details of which are set out below. In the event of any inconsistency between the terms of the Plan and the summary set out below, the terms of the Plan will prevail.

1. The options can only be issued to Employees or Officers of the Company and its subsidiaries.
2. Each Option entitles the holder, on exercise, to one fully paid ordinary share in the Company.
3. Shares issued on exercise of Options will rank equally with other fully paid ordinary shares of the Company.
4. The exercise price and expiry date for the options will be as determined by the Board (in its discretion) on or before the date of issue.
5. The maximum number of options that can be issued under the Plan is not to be in excess of 5% of the total number of Shares on issue.
6. An option may only be exercised after that option has vested, after any conditions associated with the exercise of the option are satisfied and before its expiry date. The Board may determine the vesting period (if any). On the grant of an option the Board may, in its absolute discretion, impose other conditions on the exercise of an option.
7. An Option will lapse upon the first to occur of its expiry date; the holder acting fraudulently or dishonestly in relation to the Company or on certain conditions associated with a party acquiring a 90% interest in the Shares of the Company.
8. Upon an Optionholder ceasing to be a Director, employee or officer of the Company, whether by termination or otherwise, the Optionholder has 45 days from the day of termination, or otherwise, to exercise their Options before their Options lapse.
9. If the Company enters into a scheme of arrangement, a takeover bid is made for the Company's Shares, or a party acquires a sufficient interest in the Company to enable them to replace the Board (or the Board forms the view that one of those events is likely to occur), then the Board may declare an option to be free of any conditions of exercise. Options which are so declared may be exercised at any time on or before they lapse.
10. Options may not be transferred other than in cases where the Options have vested, are within six (6) months of the expiry date of the Options, and the Options are transferred to an Associate of the Optionholder. Quotation of options on the ASX will not be sought. However, the Company will apply to the ASX for official quotation of Shares issued on the exercise of options.
11. There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the options. However, the Company will ensure that the record date for determining entitlements to any such issue will be at least 6 ASX Business Days after the issue is announced.
12. If the Company makes an issue of Shares to Shareholders by way of capitalisation of profits or reserves ("Bonus Issue"), each Optionholder holding any Options which have not expired at the time of the record date for determining entitlements to the Bonus Issue shall be entitled to have issued to him upon exercise of any of those Options the number of Shares which would have been issued under the Bonus Issue ("Bonus Shares") to a person registered as holding the same number of Shares as that number of Shares to which the Optionholder may subscribe pursuant to the exercise of those Options immediately before the record date determining entitlements under the Bonus Issue (in addition to the shares which he or she is otherwise entitled to have issued to him or her upon such exercise).

Notes to the Annual Financial Statements

7. Share-based payments (continued)

Employee share option plan (continued)

13. In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any options, the number of options to which each option holder is entitled, or the exercise price of his or her options, or both, or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the ASX Listing Rules.

8. Key management personnel

Details of Key Management Personnel during the financial year:

Mr. A. Vickerman	Chairman (Non-Executive) – appointed 16 April 2018
Mr. S. Copulos	Chairman (Non-Executive) – resigned 16 April 2018
Mr. M. Engelbrecht	Managing Director
Mr. P. Stephen	Executive Director
Mr. J. Evans	Director (Non-Executive)
Mr. M. Ferreira	Director (Non-Executive) – resigned 16 April 2018
Mr. J. Rogers	Director (Non-Executive) – resigned 16 April 2018
Mr. A. Beigel	Chief Financial Officer / Company Secretary
Mr. J. Nery	Manager – Iron Ore, Licensing and Compliance

The aggregate compensation provided to Directors and Key Management Personnel of the company and the group is set out below:

	Consolidated	
	Dec 2018 $	**Dec 2017 $**
Short-term employee benefits	1,516,718	1,766,803
Post-employment benefits	39,318	37,783
Share-based payments	20,625	16,409
	1,576,661	**1,820,995**

Further details relating to the compensation of Directors and Key Management Personnel are included within the Directors' Report.

	Consolidated	
9. Auditors' Remuneration	**Dec 2018 $**	**Dec 2017 $**
Audit of the Parent Entity		
Audit or review of financial report	87,000	93,991
Tax services related to Stratex scheme of arrangement	-	31,279
Auditors of overseas entities		
Audit or review of financial report	39,000	34,794
	126,000	**160,064**

The auditor of the Group is Deloitte Touche Tohmatsu.

Notes to the Annual Financial Statements

	Consolidated	
10. Trade and other receivables	**Dec 2018 $**	**Dec 2017 $**
Current		
Trade receivables	279,857	297,960
Less provision for doubtful debts	(262,177)	(277,533)
Other receivables	70,748	137,427
	88,428	**157,855**

Other receivables are non-interest bearing and consist of rent receivable due within 30 days, GST credits receivable from the Australian Taxation Office, and accrued interest receivable.

All receivables are collected within commercial terms. Trade receivables disclosed above include amounts that are past due at the end of the reporting period for which the Group has recognised an allowance for doubtful debts on the basis the amounts may not be recoverable.

An analysis of trade receivables by customer is disclosed in Note 6.

11. Exploration and evaluation assets

Costs brought forward	27,955,110	28,091,173
Expenditure incurred during the period	1,763,314	1,630,749
Amounts expensed	(49,501)	(149,542)
Impairment of Juruena asset on transfer to held for sale	(7,963,715)	-
Effect of exchange rates	(2,379,429)	(1,617,270)
Costs carried forward	**19,325,779**	**27,955,110**

The Group has exploration and evaluation assets relating to the Borborema project which includes three mining leases covering a total area of 29km^2 including freehold title over the main prospect area, held in the Seridó area of the Borborema province in north-eastern Brazil, and the Juruena project an area of 400km^2 of exploration licences and applications in the Mato Grosso state, Brazil. Recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest.

Expenditure incurred in the acquisition of rights to explore is capitalised and recognised as an exploration and evaluation asset.

Exploration costs are capitalised to the extent that they are expected to be recouped through the successful development of a relevant area of interest or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

With the exception of Juruena which was reclassified to held for sale at year end, each remaining area of interest was assessed for impairment triggers in accordance with the requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources* as at 31 December 2018, with no impairment triggers identified.

Notes to the Annual Financial Statements

	Consolidated	
	Dec 2018	**Dec 2017**
12. Property, plant and equipment	**$**	**$**
Balance at the beginning of the period		
Cost	2,106,621	2,123,560
Accumulated depreciation	(1,904,094)	(1,814,492)
Carrying amount at beginning of period	**202,527**	**309,068**
Additions	5,204	-
Disposals	(10,171)	(39,058)
Depreciation	(42,257)	(89,602)
Assets included in a disposal group classified as held for sale	(33,791)	-
Effect of foreign exchange	(7,800)	22,119
Carrying amount at the end of the period	**113,713**	**202,527**

13. Trade and other payables

Current		
Trade payables and accruals	1,120,751	1,942,607
Annual leave and other benefits	259,140	894,425
Payroll and associated taxes	239,513	260,697
Other payables	231,007	207,384
	1,850,411	**3,305,113**
Non current		
Other payables	660,775	698,301
	660,775	**698,301**
Total Current and non current Trade and other payables	**2,511,186**	**4,003,413**

Trade payables are non-interest bearing and are normally settled on 30 day terms.

14. Issued capital	**No.**	**$**
Ordinary shares issued and fully paid		
At 31 December 2017	342,304,162	78,681,768
At 31 December 2018	502,150,521	86,567,565

Fully paid ordinary shares carry one vote per share and the right to receive dividends.

Notes to the Annual Financial Statements

14. Issued capital (continued)

Fully paid ordinary share capital	Dec 2018		Dec 2017	
	No.	$	No.	$
Balance at the start of the financial period	342,304,162	78,681,768	299,100,609	75,820,161
Shares issued for cash	102,619,608	5,730,232	43,203,553	2,938,231
Share based payments	57,226,751	3,162,871	-	-
Capital raising costs	-	(1,222,608)	-	(76,624)
Balance at the end of the financial period	**502,150,521**	**86,352,263**	**342,304,162**	**78,681,768**

15. Reserves

Nature and purpose of reserves

The Share Based Payment Reserve is used to recognise the fair value of options and performance shares issued.

The Foreign Currency Translation Reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

The convertible note reserve represents the equity component (conversion rights) on the issue of unsecured convertible notes.

Notes to the Annual Financial Statements

15. Reserves (continued)

Nature and purpose of reserves (continued)

	Consolidated Dec 2018 $	Consolidated Dec 2017 $
Reserves		
Share based payment reserve	10,970,147	10,223,294
Foreign currency translation reserve	(1,580,173)	(671,535)
Investment revaluation reserve	-	17,000
Other reserve	157,728	149,361
	9,547,702	**9,718,128**
Foreign currency translation reserve		
Balance at the beginning of the financial period	(671,535)	555,620
Currency translation differences arising during the period	(908,638)	(1,227,155)
Balance at the end of the financial period	**(1,580,173)**	**(671,535)**
Share based payments reserve		
Balance at the beginning of the financial period	10,223,297	10,206,888
Option and performance shares expense	746,850	16,409
Balance at the end of the financial period	**10,970,147**	**10,223,297**
Investments revaluation reserve		
Balance at the beginning of the financial period	17,000	20,000
Unrealised gain/(loss) on available for sale investment	(17,000)	(3,000)
Balance at the end of the financial period	**-**	**17,000**
Convertible Note Reserve		
Balance at the beginning of the financial period	149,369	-
Conversion of convertible note	(149,369)	-
Issuance of convertible note	157,728	149,369
Balance at the end of the financial period	**157,728**	**149,369**

Notes to the Annual Financial Statements

	Consolidated	
	Dec 2018 $	Dec 2017 $
16. Retained earnings		
Movements in accumulated losses were as follows:		
Balance at the beginning of the financial year	(63,869,350)	(58,988,326)
Adjustment on change in accounting policy	17,000	-
Net loss for the year	(14,106,714)	(4,881,024)
Balance at the end of the financial year	**(77,959,064)**	**(63,869,350)**

17. Loss per share

Basic and diluted loss per share amounts are calculated by dividing net loss for the period attributable to equity holders of the parent, by the weighted average number of ordinary shares outstanding during the period.

The following reflects the income and share data used in the basic and diluted loss per share computations:

	$	$
Net loss from continuing operations attributable to ordinary equity holders of the parent	(6,119,825)	(4,309,000)
Net loss from continuing and discontinued operations to ordinary equity holders of the parent	(14,106,714)	(4,881,024)
	No.	**No.**
The weighted average number of ordinary shares on issue during the financial period used in the calculation of basic and diluted loss per share	449,126,834	301,302,282

There are no shares to be issued under the exercise of 104,500,121 options currently outstanding which are considered to be dilutive. The diluted earnings per share is therefore the same as basic earnings per share.

18. Commitments

In order to maintain current rights of tenure to the exploration tenements, the Group is required to meet the minimum expenditure commitments as specified by the relevant Government authorities. These obligations are subject to renegotiations when application for a mining lease is made and at other times. The obligations will be met from normal working capital of the Group. The minimum exploration tenement commitments will be reduced should the Group enter into a joint venture on the tenements or extinguished should the tenement be abandoned should the Group decide that the project is not commercial.

The Group has certain minimum obligations in pursuance of the terms and conditions of mineral tenement licences in the forthcoming year. Whilst these obligations are capable of being varied from time to time, in order to maintain current rights of tenure to all mining tenements, and assuming all applications are granted, the Group will be required to outlay in 2019 approximately $92,160 (2018: $95,173). These costs are expected to be fulfilled in the normal course of operations.

Notes to the Annual Financial Statements

19. Operating lease arrangements

The Group as a lessee

The Group has two lease agreements for office rental, one for the corporate head office in Australia, and one for the administrative office in Brazil.

The Group has no other operating lease commitments.

	Consolidated	
	Dec 2018 $	**Dec 2017 $**
Operating lease commitments:		
Not later than 1 year	64,515	58,111
Later than 1 year but not later than 5 years	34	25,167
Later than 5 years	-	-
	65,549	**83,278**

The Group as a Lessor
The Group has no operating lease receivables.

Operating lease receivables:	**$**	**$**
Not later than 1 year	-	13,260
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
	-	**13,260**

Notes to the Annual Financial Statements

20. Related party transactions

(a) Equity interests in related parties

Details of the percentage of ordinary shares held in each of the subsidiaries are disclosed in Note 24.

(b) Transactions with Directors and Key Management Personnel

Details of Director and Key Management Personnel compensation are disclosed in Note 8.

The following transactions occurred with related parties:

Nature of transaction	Nature of relationship	Total value of transactions for the year ended 31 December 2018	Amount of outstanding balance as at 31 December 2018
Office space and corporate services provided, including marketing/promotion and I.T. services to Consolidated Zinc Ltd.	Non-executive director in common.	$34,884	-
Provision of corporate services to Black Rock Mining Ltd.	Non-executive chairman in common.	$6,000	-

21. Controlled entities

	Country of Incorporation	Principal Activity	Ownership Interest	
			Dec 2018	Dec 2017
Parent entity				
Crusader Resources Ltd	Australia	Mining Investment		
Controlled entities				
Brazil Minerals Pty Ltd	Australia	Mining Investment	100%	100%
Atomico Pty Ltd	Australia	Mining Investment	100%	100%
Batman Minerals Pty Ltd	Australia	Mining Investment	100%	100%
Cascar Resources Pty Ltd	Australia	Mining Investment	100%	100%
Crusader do Brasil Mineração Ltda	Brazil	Mining and Mineral exploration	100%	100%
Cascar do Brasil Mineração Ltda	Brazil	Mineral exploration	100%	100%
Crusader do Nordeste Mineração Ltda	Brazil	Mineral exploration	100%	100%
Lago Dourado Mineração Ltda	Brazil	Mineral exploration	100%	100%
Juruena Mineração Ltda	Brazil	Mineral exploration	100%	100%
Crusader Amazon Mineração Ltda	Brazil	Mineral exploration	100%	100%
Sunny Skies	BVI	Mineral Investment	100%	100%

Notes to the Annual Financial Statements

22. Segment reporting

The Group's reportable segments under AASB 8 are as follows:

- Mineral Exploration – Gold
- Mineral Exploration – Corporate/Unallocated

Mineral Exploration – Corporate/Unallocated is the aggregation of the Group's other operating segments that are not separately reportable. Included within this, are operating segments for the Group's activities in the exploration for other mineral resources, and expenditure which cannot be allocated to any one mineral resource.

The following table presents the revenue and results analysed by mineral resource for the twelve months ended 31 December 2018 and 31 December 2017. This is the Group's primary basis of segmentation.

Dec-2018	**Gold**	**Corporate/ Unallocated**	**Total**
	$	**$**	**$**
Revenue	-	-	**-**
Cost of sales	-	-	**-**
Gross Profit	**-**	**-**	**-**
Other revenue	-	160,744	**160,744**
Exploration and evaluation	-	(49,501)	**(49,501)**
Depreciation and amortisation	(10,378)	(20,953)	**(31,331)**
Finance costs	-	(469,994)	**(469,994)**
Unrealised foreign exchange loss	-	(103,535)	**(103,535)**
Central administration costs	**-**	(5,605,583)	**(5,605,583)**
Other expenses from ordinary activities	**-**	(20,625)	**(20,625)**
Segment Result	**(10,378)**	**(6,109,447)**	**(6,119,825)**

Dec-2017	**Gold**	**Corporate/ Unallocated**	**Total**
	$	**$**	**$**
Revenue	-	-	-
Cost of sales	-	-	-
Gross Profit	**-**	**-**	-
Other revenue	37,949	328,742	**366,691**
Exploration and evaluation	-	(149,542)	**(149,542)**
Depreciation and amortisation	(30,475)	(63,366)	**(93,841)**
Finance costs	-	(424,384)	**(424,384)**
Unrealised foreign exchange loss	-	(48,690)	**(48,690)**
Central administration costs	**-**	(3,828,074)	**(3,828,074)**
Other expenses from ordinary activities	**-**	(131,160)	**(131,160)**
Segment Result	**7,474**	**(4,316,474)**	**(4,309,000)**

Notes to the Annual Financial Statements

22. Segment reporting (continued)

Segment loss represents the mining, mineral exploration and evaluation activities undertaken by each segment without allocation of central administration costs, interest income, rental income and unrealised foreign exchange gains and losses.

Dec-2018	**Gold**	**Corporate/ Unallocated**	**Total**
	$	**$**	**$**
Current assets	149,933	610,521	**760,454**
Non-current assets	19,399,689	39,803	**19,439,492**
Assets classified as held for sale	1,535,587		**1,535,587**
Total Assets	**21,085,209**	**650,324**	**21,735,533**
Current liabilities	304,818	2,793,452	**3,098,270**
Non-current liabilities	-	660,775	**660,775**
Liabilities directly associated with assets classified as held for sale	35,587	-	**35,587**
Total Liabilities	**340,405**	**3,454,227**	**3,794,632**
Net Assets / (Net Liabilities)	**20,744,804**	**(2,803,903)**	**17,940,901**

Dec-2017	**Gold**	**Corporate/ Unallocated**	**Total**
	$	**$**	**$**
Current assets	167,783	2,988,514	**3,156,297**
Non-current assets	28,091,804	211,494	**28,303,298**
Total Assets	**28,259,587**	**3,200,008**	**31,459,595**
Current liabilities	496,422	5,734,322	**6,230,744**
Non-current liabilities	-	698,301	**698,301**
Total Liabilities	**496,422**	**6,432,623**	**6,929,045**
Net Assets / (Net Liabilities)	**27,763,165**	**(3,232,615)**	**24,530,550**

Geographical Information

The Group operates in two geographical areas being Australia (country of domicile) and Brazil.

All Australian expenditure relates to corporate and administrative activities and is included within the unallocated segment above. All external sales within iron ore segment relate to the Brazilian geographic segment.

The table below shows the carrying balances of non-current assets per segment as at 31 December 2018.

Dec-2018	**Gold**	**Corporate/ Unallocated**	**Total**
	$	**$**	**$**
Other financial assets	-	-	**-**
Exploration and expenditure	19,325,779	-	**19,325,779**
Property, plant and equipment	73,910	39,803	**113,713**
Total non-current assets	**19,399,689**	**39,803**	**19,439,492**

Notes to the Annual Financial Statements

22. Segment reporting (continued)

The table below shows the carrying balances of non-current assets per segment as at 31 December 2017.

Dec-2017	Gold	Corporate/ Unallocated	Total
	$	$	$
Other financial assets	-	145,661	**145,661**
Exploration and expenditure	27,955,110	-	**27,955,110**
Property, plant and equipment	136,694	65,833	**202,527**
Total non-current assets	**28,091,804**	**211,494**	**28,303,298**

23. Discontinued Operations

As previously announced to the ASX, the Group commenced a process to look at value realisation options in relation to the Juruena gold project. Subsequently, the Group announced on 20 March 2019 that a legally binding conditional Term Sheet with Meteoric Resources Ltd (ASX:MEI) for the purchase of its 100% owned Juruena Gold Project which comprises the Juruena and Nova Astro prospects was executed.

The sales process is at an advanced stage and is expected to complete within 12 months of the reporting date.

The financial performance and cash flow information presented are for the period ended 31 December 2018 and year ended 31 December 2017.

	Consolidated	
	31 Dec 2018 $	**31 Dec 2017 $**
Mineral Revenue	-	-
Cost of Sales - direct	-	-
Gross Profit	-	-
Other income	-	26,823
Depreciation and amortisation	(11,130)	(12,934)
Other expenses from ordinary activities	(12,044)	(24,566)
Impairment of non current assets	(7,963,715)	-
Loss before income tax	(7,986,889)	(10,677)
Income tax expense	-	-
Loss from discontinued operations	(7,986,889)	(10,677)

Notes to the Annual Financial Statements

23. Discontinued Operations (continued)

	Consolidated 31 Dec 2018 $	31 Dec 2017 $
Net cash outflow from operating activities	(12,044)	2,257
Net cash outflow from investing activities	(995,545)	(1,169,200)
Net cash outflow from financing activities	-	-
Net cash outflow from disposal group	(1,007,589)	(1,166,943)

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 31 December 2018:

Assets classified as held for sale	
Property, plant and equipment	33,791
Exploration and evaluation asset	1,501,796
Total assets of disposal group held for sale	**1,535,587**
Liabilities directly associated with assets classified as held for sale	
Provisions	35,587
Total liabilities of disposal group held for sale	**35,587**

Notes to the Annual Financial Statements

24. Notes to the statement of cash flows

	Consolidated	
	Dec 2018	Dec 2017
(a) Reconciliation of cash and cash equivalents	**$**	**$**
For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents comprise the following:		
Cash at bank	**432,228**	**2,632,054**

	Dec 2018 $	Dec 2017 $
(b) Reconciliation of net loss after tax to net cash flows from operating activities		
Net loss	**(14,106,714)**	**(4,881,024)**
Adjustments for:		
Depreciation and amortisation	31,331	118,378
Impairment of available-for-sale financial assets	-	3,000
Inventory write down	-	177,960
Impairment of assets	7,963,715	-
Finance costs	151,954	75,000
Share-based payments	1,088,411	16,409
Disposal of assets	24,646	(64,771)
Unrealised exchange (gains)/losses	892,382	(383,196)
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Trade and other receivables	69,427	277,853
Inventory	1,617	227,483
Other current assets	124,974	17,969
Increase/(decrease) in liabilities:		
Trade and other payables	(1,284,748)	1,198,639
Provisions	(169,954)	(505,807)
Cash generated/(used) in operating activities	**(5,203,754)**	**(3,722,108)**

Notes to the Annual Financial Statements

25. Parent Entity

The following table presents the information regarding the parent entity for the year ended 31 December 2018 and the year ended 31 December 2017.

	Dec 2018 $	Dec 2017 $
Financial position		
Assets		
Current assets	464,266	2,728,396
Non-current assets	19,995,970	21,554,789
Total assets	**20,460,236**	**24,283,185**
Liabilities		
Current liabilities	2,519,334	4,667,491
Non-current liabilities	-	-
Total liabilities	**17,940,902**	**4,667,491**
Equity		
Issued capital	86,567,567	78,681,770
Retained earnings	(79,539,238)	(69,345,932)
Reserves		
Option premium reserve	10,970,147	10,223,297
Investment revaluation reserve	-	17,000
Other reserve	157,728	39,559
Total equity	**17,940,902**	**19,615,694**
Financial performance		
Loss for the period	(10,210,306)	(2,950,026)
Other comprehensive income	-	(3,000)
Total comprehensive income	**(10,210,306)**	**(2,953,026)**

Contingent liabilities of the parent entity
Other than as disclosed at Note 28, the Parent entity is not aware of any other contingent liabilities at the date of this report (2017: nil).

26. Non-cash transactions

During the year, the Group did not enter into any non-cash financing or investing transactions other than as disclosed elsewhere in the financial report.

27. Subsequent events

Following balance date the Company announced its proposed Rights Issue to raise $4.2 million (before costs) would be offered on the basis of two new shares for every three shares held at an issue price of $0.01 per share with a 1 for 3 Option exercisable at $0.02, expiring 2 years after the date of issue. The Rights issue has been underwritten to $3.5 million by the Copulos Group ($2.5 million) and Pinnacle Corporate Finance ($1 million). Funds raised from the Rights issue will be used to compete the Borborema BFS and general working capital.

Notes to the Annual Financial Statements

27. Subsequent events (continued)

On 29 January 2019 the Company:

- executed an agreement with the Copulos Group to issue additional Convertible Notes totalling $1 million, on the same terms as Notes issues in November 2018, and
- issued 22,500,000 shares to sophisticated investors to raise $225,000 (before costs).

On 1 March 2019 the Company announced the appointment of Mr Stephen Copulos as Non-Executive Chairman and Mr Andrew Richards as a part-time Executive Director. These appointments coincided with the resignations of UK based Chairman, Mr Andrew Vickerman and Managing Director, Mr Marcus Engelbrecht, following the passing of a resolution by shareholders for the cancellation of the AIM listing at a General Meeting held on 28 February 2019. The cancellation was completed on 8 March 2019.

On 15 March 2019 the Company announced the issue of shares 90,220,281 for the conversion of Convertible notes with a face value of $900,000, plus accrued interest at the issue price of $0.01 per share.
On 20 March 2019 the Company executed a binding term sheet with Meteoric Resources Ltd for the sale of Juruena Gold Project. Under the terms of the sale, Meteoric will pay cash and Meteroric shares, comprised of the following:

- A$1,000,000 cash at settlement.
- A$500,000 of MEI shares, comprised of 50,000,000 shares at a deemed issue price of 1c each at settlement (subject to voluntary escrow for a period of 12 months from the date of issue).
- A$750,000 of MEI shares at an issue price equal to a 5-day VWAP upon defining a mineral resource estimate in accordance with the JORC Code, at Juruena and/or Novo Astro containing at least 400,000 oz gold.
- A$750,000 of MEI shares at an issue price equal to a 5-day VWAP upon the Board of Meteoric approving a decision to mine at Juruena and/or Novo Astro, pursuant to a granted mining licence.

Completion of the sale remains subject to and conditional on:

- The provision of information and assistance required to lodge certain mining licence applications;
- the receipt of any necessary regulatory approvals in Brazil or change of control approvals
- no breach of any warranties given by Crusader in relation to the assets being sold up to and including the date of completion; and
- if required, the receipt of Crusader and Meteoric shareholder approval.

On 3 April 2019 the Company executed a loan agreement with the Copulos Group for an additional $750k in funding. Interest and fees on the loan will be charged at 5% per month (30 days) and the loan is repayable in full upon the completion of the Rights issue.

28. Contingent assets and liabilities

The Group is not aware of any contingent liabilities which existed as at the end of the financial period or that have arisen as at the date of this report.

At the date of this report a contingent asset existed in relation to deferred consideration from the sale of the Posse Iron Ore Mine. A total of BRL 8,600,000 ($3,140,247) remains outstanding.

DIRECTORS' DECLARATION

1. The Directors declare that:

   (a) in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

   (b) in the Directors' opinion the attached Financial Statements and Notes thereto are in accordance with the Corporations Act 2001 (Cth), including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Consolidated entity;

   (c) in the Directors' opinion, the Financial Statements and Notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board as stated in Note 2(a); and

   (d) the Directors have been given the declarations required by s.295A of the Corporations Act 2001 (Cth).

Signed in accordance with a resolution of the Directors made pursuant to s295(5) of the Corporations Act 2001 (Cth).

On behalf of the Directors

Andrew Richards
Executive Director

Perth
3 April 2019

Deloitte Touche Tohmatsu
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Independent Auditor's Report
to the members of Crusader Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Crusader Resources Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of $14,106,714 and had a net cash outflow from operating activities of $5,203,754 during the year ended 31 December 2018, and as of that date the Group's current liabilities exceeded its current assets by $837,816. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect to this matter.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

<table>
<tr><th>Key Audit Matter</th><th>How the scope of our audit responded to the Key Audit Matter</th></tr>
<tr><td>

Exploration and Evaluation Assets and Expenditure

As at 31 December 2018 the carrying value of exploration and evaluation assets totalled $19,325,779 as disclosed in Note 11. The Group's accounting policy in respect of exploration and evaluation expenditure is outlined in Note 2.

Significant judgement is required by management including:

- Determining whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment,
- Whether the particular areas of interest meet the recognition conditions for an asset; and
- Which elements of exploration and evaluation expenditures qualify for capitalisation for each area of interest.

</td><td>

Our audit procedures included, but were not limited to:

- Assessing, with the support of the component audit team in Brazil, whether the rights to tenure of the areas of interest remained current at balance date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future;
- Holding discussions with the directors and management as to the status of ongoing exploration programmes for the areas of interest, as well as assessing if there was evidence that a decision had been made to discontinue activities in any specific areas of interest;
- Assessing evidence of the Group's future intention for the areas of interest, including reviewing future budgeted expenditure and related work programmes;
- Evaluating whether exploration activities for the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;
- Evaluating the classification and measurement of the Juruena exploration and evaluation assets to ensure compliance with the requirements of relevant accounting standards; and
- Testing on a sample basis, exploration and evaluation expenditure incurred during the year.

We also assessed the appropriateness of the disclosures in Note 11 to the financial statements.

</td></tr>
</table>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 23 of the Directors' Report for the year ended 31 December 2018.

In our opinion, the Remuneration Report of Crusader Resources Limited, for the year ended 31 December 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

D K Andrews
Partner
Chartered Accountants
Perth, 3 April 2019

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The Board of Directors
Crusader Resources Limited
Level 9, 190 St Georges Terrace
Perth WA 6000
Australia

3 April 2019

Dear Board Members

Crusader Resources Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Crusader Resources Limited.

As lead audit partner for the audit of the financial statements of Crusader Resources Limited for the financial year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

D K Andrews
Partner
Chartered Accountant

ADDITIONAL ASX INFORMATION

The additional information dated 29 March 2019 is required by the ASX Limited Listing Rules and is not disclosed elsewhere in this report.

Distribution of Shareholders

	Numbers
1 - 1,000	110
1,001 – 5,000	145
5,001 – 10,000	165
10,001 – 100,000	478
100,001 and over	298
TOTAL	**1,196**

There were 580 holders of less than marketable parcel of ordinary shares.

Twenty Largest Shareholders

Shareholder	Number of Shares	Percentage
WESTPARK OPERATIONS PL	74,015,381	12.00%
COPULOS SUPER PL	41,280,103	6.69%
HSBC CUSTODY NOM AUST LTD	40,066,834	6.50%
EYEON INV PL	37,807,405	6.13%
PARKWISE CORP	32,076,923	5.20%
FARJOY PL	30,197,338	4.90%
CITICORP NOM PL	28,081,533	4.55%
CHRIKIM PL	20,549,795	3.33%
SUPERMAX PL	14,868,718	2.41%
SALTHOUSE MATTHEW J	12,907,450	2.09%
CONSTANTINOU EQUITIES PL	12,500,000	2.03%
SPACETIME PL	11,463,914	1.86%
BNP PARIBAS NOM PL	10,696,583	1.73%
PAUL CONSTANTINOU SUPER F	10,190,685	1.65%
J P MORGAN NOM AUST LTD	8,394,340	1.36%
AUST & NEW ZEALAND BANKIN	7,882,368	1.28%
GUTHRIE CAD/GIS SOFTWARE	7,000,000	1.13%
BNP PARIBAS NOM PL	6,738,475	1.09%
GUTHRIE CAD/GIS SOFTWARE	6,530,698	1.06%
RETZOS EXECUTIVE PL	5,865,528	0.95%
	419,114,071	**67.94%**

Substantial Shareholders

Shareholder	Number of Shares
Copulos Group	110,871,102
Westpark Operations PL	74,015,381
Parkwise Corp	32,076,923

Unquoted Options

At 29 March 2019, the following unquoted options were on issue:

Grant Date	Number on Issue	Exercise Price	Expiry Date	No. of Holders
25 January 2017	5,000,000	$0.195	23 December 2019	2
25 January 2017	5,000,000	$0.26	23 December 2019	2
30 May 2018	75,377,144	$0.055	31 May 2020	62

Unquoted Option holdings greater than 20% in any class

Option Holder	Exercise Price	Expiry Date	Number
Zenix Nominees Pty Ltd	$0.195	23 December 2019	2,500,000
Melshare Nominees Pty Ltd	$0.195	23 December 2019	2,500,000
Zenix Nominees Pty Ltd	$0.26	23 December 2019	2,500,000
Melshare Nominees Pty Ltd	$0.26	23 December 2019	2,500,000
Eyeon Investments Pty Ltd	$0.055	31 May 2020	18,134,472

Voting Rights

The voting rights attaching to each class of securities are set our below:

a) Ordinary Shares: On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each shares shall have one vote.

b) Options: No voting rights

On-market buy back

There is currently no on-market buy back program for any of the Company’s securities.

Stock Exchange Listing

Crusader Resources Limited’s ordinary shares are quoted on ASX Limited. The home exchange is Perth.

Schedule of Mining Tenements

Location	Description	Ownership
Borborema	805.049/1977	100%
Borborema	840.149/1980	100%
Borborema	840.152/1980	100%
Borborema	948.262/2014	100%
Espinharas	846.128/2005	100%
Espinharas	846.134/2005	100%
Espinharas	846.136/2005	100%
Espinharas	846.140/2005	100%
Espinharas	846.208/2012	100%
Espinharas	846.209/2012	100%
Espinharas	846.210/2012	100%
Juruena	866.079/2009	100%
Juruena	866.081/2009	100%
Juruena	866.082/2009	100%
Juruena	866.084/2009	100%
Juruena	866.778/2006	100%
Juruena	866.531/2015	100%
Juruena	866.532/2015	100%
Juruena	866.533/2015	100%
Juruena	866.534/2015	100%
Juruena	866.535/2015	100%
Juruena	866.537/2015	100%
Juruena	866.538/2015	100%
Juruena	866.085/2009	100%
Juruena	866.080/2009	100%
Juruena	866.086/2009	100%
Juruena	866.247/2011	100%
Juruena	866.578/2006	100%
Juruena	866.105/2013	100%
Juruena	866.934/2012	100%
Juruena	866.632/2006	100%
Juruena	866.633/2006	100%
Juruena	866.294/2013	100%
Juruena	866.513/2013	100%
Juruena - Novo Astro	867.246/2005	100%
Manga	860.057/2016	100%
Mara Rosa	860.957/2012	100%
Mara Rosa	860.958/2012	100%
Mara Rosa	860.959/2012	100%

Location	Description	Ownership
Seridó	846.158/2011	100%
Seridó	846.227/2011	100%
Seridó	846.502/2011	100%
Seridó	846.503/2011	100%
Seridó	846.504/2011	100%
Seridó	846.505/2011	100%
Seridó	848.011/2015	100%
Seridó	846.130/2012	100%
Seridó	846.131/2012	100%
Seridó	846.313/2012	100%
Seridó	846.316/2012	100%
Seridó	846.506/2011	100%
Seridó	846.604/2011	100%
Seridó	846.635/2011	100%
Seridó	846.637/2011	100%
Seridó	846.638/2011	100%
Seridó	846.639/2011	100%
Seridó	846.640/2011	100%
Seridó	846.643/2011	100%
Seridó	846.644/2011	100%
Seridó	846.651/2011	100%
Seridó	846.654/2011	100%
Seridó	848.281/2014	100%
Seridó	848.055/2015	100%
Seridó	848.208/2016	100%
Seridó	848.093/2013	100%
Seridó	848.007/2015	100%
Seridó	846.124/2018	100%
Seridó	848.804/2011	100%

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