

## Termination of proposed merger with Stratex

Brazil-focused exploration and mining company Crusader Resources Limited (ASX: CAS) (**Crusader**) provides shareholders with an update regarding its proposed merger with Stratex International plc (**Stratex**).

### Termination of Scheme Implementation Deed

As disclosed in Crusader's request for voluntary suspension dated 2 November 2017, at the general meeting requisitioned by certain shareholders of Stratex, a resolution was passed proposing that the merger with Crusader be terminated. Crusader has now received written notice from Stratex advising that as a result of the outcome of its general meeting, the Stratex Board wishes to terminate the merger.

Taking advice from its legal advisors, Crusader has issued a formal notice of termination to Stratex, pursuant to the terms of the Scheme Implementation Deed (**SID**). Crusader has also been advised that it will not be under an obligation to repay amounts advanced by Stratex pursuant to the short-term funding arrangement, for a period of six months from when repayment is sought by Stratex.

### Project Advancement

Crusader and its shareholders remain the 100% owners of the company's flagship Borborema and Juruena Gold Projects in Brazil. Since discussions with Stratex were first initiated, there have been significant advancements on the Company's assets. The Crusader board believes these developments materially enhance shareholder value. Highlights include;

- Sale of the Pose Iron Ore Project – Announced 2 August 2017.
  - AUD\$ 3.2M in staged payments provide significant working capital and allows Crusader to focus on development of its core gold assets.
- Approval of key environmental permit for the Borborema Gold Project – Announced 28 April 2017.
  - Licença Prévia or LP, approved following extensive consultation with Environmental Agency and the Ministerio Publico (Public Ministry).
  - Borborema is the only significant (>1Moz) gold development project in Brazil, with a clearly licensed development pathway.
- Updated Borborema Mineral Resource Estimate and Ore Reserve statements to comply with JORC 2012 - Announced 24 July 2017.
  - 2.43Moz in Measured, Indicated and Inferred Resources and 1.6Moz in Proven and Probable Ore Reserves — (See tables 1 & 2 below).
- At the Juruena Gold Project, independent consultants have highlighted the exploration potential for a high-grade, significant scale, gold district.
  - With gold grades up to 2,000 g/t in drilling, review of the Juruena Project has highlighted the exploration upside of the project and its potential to host multiple large mineral resources.

- The Juruena Project's potential has been validated recently by a major international mining company applying for > 2 million hectares of mineral title adjacent to the Juruena Project.
- Improvement in equity and gold markets, including significant corporate activity in the Brazilian gold markets helping to refocus market attention to Crusader's assets.

## Review

Crusader had been restricted from evaluating alternative corporate, asset level and funding opportunities due to the exclusivity clauses contained in the SID. Following termination of the SID, these exclusivity provisions are no longer in place, allowing Crusader's Board to openly and immediately consider previously received and new approaches from third parties. Crusader will work with its advisors to develop a path forward that best achieves value for its shareholders and will provide updates to the market as appropriate.

Borborema Gold Project Mineral Resource 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
	<b>0.50</b>	<b>8.2</b>	<b>1.22</b>	<b>0.32</b>
	0.60	6.8	1.35	0.30
Indicated	0.40	53.1	0.99	1.70
	<b>0.50</b>	<b>42.8</b>	<b>1.12</b>	<b>1.55</b>
	0.60	34.8	1.26	1.41
Total Measured + Indicated	0.40	62.9	1.01	2.04
	<b>0.50</b>	<b>51.0</b>	<b>1.14</b>	<b>1.87</b>
	0.60	41.7	1.27	1.70
Inferred	0.40	23.2	0.87	0.65
	<b>0.50</b>	<b>17.6</b>	<b>1.00</b>	<b>0.57</b>
	0.60	13.6	1.14	0.49
Total Mineral Resource	0.40	86.1	0.97	2.69
	<b>0.50</b>	<b>68.6</b>	<b>1.10</b>	<b>2.43</b>
	0.60	55.2	1.24	2.20

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

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

Borborema Gold Project - Ore Reserve				
Category		Tonnes (Mt)	Grade (Au g/t)	Gold to Mill (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
<b>Total</b>		<b>42.41</b>	<b>1.18</b>	<b>1,610 (1.61 Moz)</b>

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

**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 throughput costs, gold price of US\$1210/oz.

Note, appropriate rounding has been applied, subtotals may not equal total figures.

**Competent Person Statement**

The information in the report to which this statement is attached that relates to Exploration Targets and Exploration Results is based on information compiled by Mr. Robert Smakman, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr. Smakman is a full-time employee of the company.

The information in the report to which this statement is attached that relates to Mineral Resources is based on information compiled by Mr. Lauritz Barnes, Mr. Aidan Platel and Mr. Brett Gossage, Competent Persons who are Members of The Australasian Institute of Mining and Metallurgy. Mr. Barnes is employed by Trepanier Pty Ltd, Mr. Platel is employed by Platel Consulting Pty Ltd and Mr. Gossage is employed by EGRM Consulting Pty Ltd and all are independent consultants to the company.

The information in the report to which this statement is attached that relates to Ore Reserves is based on information compiled by Mr. Linton Kirk, Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr. Kirk is employed by Kirk Mining Consultants Pty Ltd and is an independent consultant to the company.

Mr. Smakman, Mr. Barnes, Mr. Platel, Mr. Gossage and Mr. Kirk all have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Smakman, Mr. Barnes, Mr. Platel, Mr. Gossage and Mr. Kirk consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to Mineral Resources and Ore Reserves in respect of the Borborema Project was reported by the Company in its ASX announcement released on 24 July 2017. The Company confirms that it is not aware of any new information or data that materially affects the Borborema Project reserve and resource estimate, and that all material assumptions and technical parameters underpinning those estimates continue to apply and have not materially changed.

The information in this announcement that relates to Exploration Results in respect of the Juruena Gold Project was reported by the Company in ASX announcements released on the 5<sup>th</sup> and 21<sup>st</sup> of September 2016. The Company confirms that it is not aware of any new information or data that materially affects the Juruena Gold Project exploration results, and that all material assumptions and technical parameters underpinning those estimates continue to apply and have not materially changed.

**For further information, please contact:**

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**About Crusader**

Crusader Resources Limited (ASX:CAS) is a minerals exploration and development company listed on the Australian Securities Exchange. Its major focus is Brazil; a country Crusader believes is vastly underexplored and which offers high potential for the discovery of world class mineral deposits.

Crusader has two key Gold Assets;

**Borborema Gold Project**

The Borborema Gold Project is in the Seridó area of the Borborema province in north-eastern Brazil. It is 100% owned by Crusader and consists of three mining leases covering a total area of 29 km<sup>2</sup> including freehold title over the main prospect area.

The Borborema Gold Project benefits from a favourable taxation regime, existing on-site facilities and excellent infrastructure such as buildings, grid power, water, sealed roads and is close to major cities and regional centres. The project's Ore Reserve includes Proven and Probable Ore Reserves of 1.61Moz of mineable gold from 42.4Mt @ 1.18g/t (0.4 & 0.5g/t cut-offs for oxide & fresh).

The measured, indicated and inferred Mineral Resource Estimate of 2.43Moz @ 1.10g/t gold, remains open in all directions.

**Juruena Gold Project**

The Juruena Gold Project is located in the highly prospective Juruena-Alta Floresta Gold Belt, which stretches east-west for >400km and has historically produced more than 7Moz of gold from 40 known gold deposits.

The Juruena Project has been worked extensively by artisanal miners (garimpeiros) since the 1980s, producing ~500koz in that time. Historically there is a database of more than 30,000 meters of drilling and extensive geological data.