



**CRUSADER RESOURCES LIMITED
ACN 106 641 963**

NOTICE OF GENERAL MEETING

**A General Meeting of the Company will be held at Suite 1,
Level 1, 35 Havelock Street, West Perth WA 6005,
on Friday 2 February 2018 at 11:00am (AWST).**

The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9320 7500.

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice

CRUSADER RESOURCES LIMITED

ACN 106 641 963

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Crusader Resources Limited (**Company**) will be held at Suite 1, Level 1, 35 Havelock Street, West Perth WA 6005, on Friday, 2 February 2018 at 11:00am (AWST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form comprise part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations* 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders at 11:00am (AWST) on 31 January 2018.

Terms and abbreviations used in the Notice are defined in Schedule 1.

AGENDA

1. Resolution 1 - Ratification of issue of Placement Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 43,665,091 Shares at \$0.065 per Share, on the terms and conditions in the Explanatory Memorandum.

Voting Exclusion

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue and their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

2. Resolution 2 - Approval of issue of Shares to Stephen Copulos

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 6,153,846 Shares at \$0.065 per Share to Stephen Copulos (or his nominee), on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of this Resolution by Stephen Copulos or his nominees or their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3. Resolution 3 - Approval of issue of Shares to Marcus Engelbrecht

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 1,540,000 Shares at \$0.065 per Share to Marcus Engelbrecht (or his nominee), on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of this Resolution by Marcus Engelbrecht or his nominees or their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

4. Resolution 4 - Approval of issue of AIM Placement Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to that number of Shares that, when multiplied by the issue price, will raise up to \$20,000,000, on the terms and conditions in the Explanatory Memorandum.

Voting Exclusion

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of this Resolution by a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), and their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

5. Resolution 5 - Replacement of Constitution

To consider and, if thought fit, to pass as a special resolution the following:

"That for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the Chairman for identification purposes."

6. Resolution 6 - Election of Marcus Engelbrecht as a Director

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That pursuant to and in accordance with clause 13.4 of the Constitution and for all other purposes, Marcus Engelbrecht, a Director who was appointed on 20 November 2017, retires and being eligible, is elected as a Director."

7. Resolution 7 - Approval of issue of Performance Rights to Marcus Engelbrecht

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 17,622,977 Performance Rights to Marcus Engelbrecht (or his nominee) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of this Resolution by or on behalf of Marcus Engelbrecht or his nominee and their respective associates.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

BY ORDER OF THE BOARD

Andrew Beigel
Company Secretary and Chief Financial Officer
Dated: 3 January 2018

CRUSADER RESOURCES LIMITED

ACN 106 641 963

EXPLANATORY MEMORANDUM

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Suite 1, Level 1, 35 Havelock Street, West Perth WA 6005, on Friday, 2 February 2018 at 11:00am (AWST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Resolution 1 - Ratification of issue of Placement Shares
Section 4:	Resolutions 2 and 3 - Approval of issue of Shares to Stephen Copulos and Marcus Engelbrecht
Section 5:	Resolution 4 - Approval of issue of AIM Placement Shares
Section 6:	Resolution 5 - Replacement of Constitution
Section 7:	Resolution 6 - Election of Marcus Engelbrecht as a Director
Section 9:	Resolution 7 - Approval of issue of Performance Rights to Marcus Engelbrecht
Schedule 1:	Definitions
Schedule 2:	Terms and conditions of Performance Rights

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend

in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

3. Resolution 1 - Ratification of issue of Placement Shares

3.1 Background

On 20 December 2017, the Company announced that it was undertaking an equity raising comprised of a private placement of Shares to raise approximately \$3.34 million (before costs), by the issue of a total of 51,358,937 Shares at an issue price of \$0.065 per Share (**Placement**).

The Placement is proposed to be undertaken as follows:

- (a) an aggregate of 43,665,091 Shares was issued on 27 and 28 December 2017, and 3 January 2018, to sophisticated and professional investors who are not related parties of the Company, under the Company's 15% placement capacity pursuant to Listing Rule 7.1 (**Placement Shares**);
- (b) 6,153,846 Shares are proposed to be issued to the Chairman of the Company, Stephen Copulos, on the same terms as the Placement Shares, subject to the receipt of prior Shareholder approval (the subject of Resolution 2); and
- (c) 1,540,000 Shares are proposed to be issued to the Managing Director of the Company, Marcus Engelbrecht, on the same terms as the Placement Shares, subject to the receipt of prior Shareholder approval (the subject of Resolution 3).

3.2 General

Resolution 1 seeks Shareholder approval for the ratification of the issue of the Placement Shares.

3.3 Listing Rule 7.4

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that

amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides an exception to Listing Rule 7.1. It provides that, where a company in general meeting ratifies the previous issue of Equity Securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1), those Equity Securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

The effect of Resolution 1 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

3.4 Specific information required by Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to Shareholders in relation to the issue of the Placement Shares:

- (a) A total of 43,665,091 Shares were issued as Placement Shares.
- (b) The Placement Shares were issued at an issue price of \$0.065 each.
- (c) The Placement Shares are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (d) The Placement Shares were issued to institutional and sophisticated or professional investors who are not related parties of the Company.
- (e) The Company intends to use the funds raised by the issue of the Placement Shares to fund its general working capital requirements, including costs associated with the proposed AIM Admission, as well as preliminary funding for the Company's bankable feasibility study for its Borborema gold project.
- (f) A voting exclusion statement is included in the Notice.

3.5 Additional information

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

Resolution 1 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

4. Resolutions 2 and 3 - Approval of issue of Shares to Stephen Copulos and Marcus Engelbrecht

4.1 General

Resolution 2 seeks Shareholder approval for the Chairman of the Company, Stephen Copulos, to participate in the Placement on the same terms as the other participants in the Placement.

Resolution 3 seeks Shareholder approval for the Managing Director of the Company, Marcus Engelbrecht, to participate in the Placement on the same terms as the other participants in the Placement.

4.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Messrs Copulos and Engelbrecht are related parties of the Company by virtue of their position as Directors.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Shares pursuant to Resolutions 2 and 3 because the Shares would be issued on the same terms as the Placement Shares issued pursuant to the Placement to non-related party participants. As such, the giving of the financial benefit is considered to be on arm's length terms.

4.3 Listing Rule 10.11

In accordance with Listing Rule 10.11, the Company must not issue Equity Securities to a related party of the Company unless it obtains Shareholder approval.

As noted above, Messrs Copulos and Engelbrecht are related parties of the Company by virtue of their positions as Directors.

The effect of passing Resolution 2 will be to allow the Company to issue up to 6,153,846 Shares to Mr Copulos (or his nominee) in accordance with Listing Rule 10.11.

The effect of passing Resolution 3 will be to allow the Company to issue up to 1,540,000 Shares to Mr Engelbrecht (or his nominee) in accordance with Listing Rule 10.11.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required.

4.4 Specific information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the issue of the Shares to Messrs Copulos and Engelbrecht (or their respective nominees):

- (a) The Shares are proposed to be issued to Stephen Copulos and Marcus Engelbrecht (or their respective nominees).
- (b) The maximum number of Shares to be issued is 7,693,846, comprised of the following:
 - (i) up to 6,153,846 Shares are to be issued to Stephen Copulos (or his nominee); and
 - (ii) up to 1,540,000 Shares are to be issued to Marcus Engelbrecht (or his nominee).
- (c) The Company intends to issue the Shares as soon as practicable after the date of the Meeting and in any event, no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules).
- (d) Messrs Copulos and Engelbrecht are Directors.
- (e) The issue price of the Shares will be \$0.065 per Share.
- (f) The Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (g) The Company intends to use the funds raised by the issue of the Shares to fund its general working capital requirements, including costs associated with the proposed AIM Admission, as well as preliminary funding for the Company's bankable feasibility study for its Borborema gold project.
- (h) A voting exclusion statement is included in the Notice.

4.5 Additional information

The Board (excluding Mr Copulos) recommends that Shareholders vote in favour of Resolution 2.

The Board (excluding Mr Engelbrecht) recommends that Shareholders vote in favour of Resolution 3.

Resolutions 2 and 3 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolutions 2 and 3.

5. Resolution 4 - Approval of issue of AIM Placement Shares

5.1 Background

On 20 November 2017, the Company announced its intention to establish a secondary listing of the Company's Shares on AIM. The Board considers that the AIM listing process will provide the Company with the best opportunity to raise new funds through accessing new equity markets and broadening its shareholder base.

The Company intends to conduct a capital raising in connection with the AIM Admission, by way of a placement of Shares to raise between \$15 million and \$20 million (before costs) (**AIM Placement Shares**).

The participants in the AIM Placement are intended to be sophisticated and professional or institutional investors in the United Kingdom and in Australia identified by the Company and its corporate and financial advisors, namely, Hannam & Partners (Advisory) LLP, ANZ Corporate Advisory and Patersons Securities Limited (together, **Advisers**).

5.2 General

Resolution 4 seeks Shareholder approval for the issue of the AIM Placement Shares.

5.3 Listing Rule 7.1

A summary of Listing Rule 7.1 is in Section 3.3 above.

The effect of Resolution 4 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.4 Specific information required by Listing Rule 7.3

Listing Rule 7.3 requires that the following information be provided to Shareholders in relation to the issue of the AIM Placement Shares:

- (a) The maximum number of Shares to be issued as AIM Placement Shares is that number which, when multiplied by the issue price, equals \$20,000,000.
- (b) The Shares will be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Shares will occur on the same date, being the date of AIM Admission.
- (c) The issue price will be not less than 80% of the VWAP for Shares calculated over the five days on which sales in the Shares are recorded before the day on which the Admission Document is signed.

- (d) The AIM Placement Shares will be issued to institutional and sophisticated or professional investors who are not related parties of the Company, and who are identified by the Company and its Advisers.
- (e) The AIM Placement Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (f) The Company intends to use the funds raised by the issue of the Placement Shares for the following purposes:

Item	Minimum raising (A\$15m)	Maximum raising (A\$20m)
Completion of Borborema Bankable Feasibility Study	\$4m	\$4m
Front end engineering and design, technical owners team and associated pre-development costs	\$3m	\$3m
Exploration at Juruena and Nova Astro gold projects	\$2m	\$5m
Repayment of debt	\$3m	\$3m
Working capital and expenses of the offer	\$3m	\$5m
TOTAL	\$15m	\$20m

- (g) The AIM Admission Shares will be issued on or about the date of AIM Admission.
- (h) A voting exclusion statement is included in the Notice.

5.5 Examples of potential dilution

The exact number of AIM Placement Shares to be issued will depend on:

- (a) the total amount raised pursuant to the AIM Placement (to be between \$15 million and \$20 million); and
- (b) the issue price (to be not less than 80% of the VWAP of the Shares calculated over the 5 trading days on which sales of Shares were recorded prior to the date of signing the AIM Admission Document).

As the number of AIM Placement Shares to be issued is not known as at the date of this Notice, and will not be known as at the date of the Meeting, below are worked examples of the number of AIM Placement Shares that may be issued under Resolution 4 based on a range of issue prices between:

- (c) \$0.0544, being a 20% discount to the lowest Share price over the 12 month period up to 2 January 2018 (\$0.068); and
- (d) \$0.1080, being a 20% discount to the highest Share price over the 12 month period up to 2 January 2018 (\$0.135).

Assumed issue price	Maximum number of Shares which the Company could issue (rounded up to the nearest whole number) pursuant to the Resolution	Shares on issue prior to the issue*	Enlarged number of Shares on issue assuming the Company issued the maximum amount pursuant to the Resolution	Dilution effect on existing Shareholders
\$0.0544	367,647,059	352,459,546	720,106,605	51.05%
\$0.0723	276,625,173	352,459,546	629,084,719	43.97%
\$0.0901	221,975,583	352,459,546	574,435,129	38.64%
\$0.1080	185,185,185	352,459,546	537,644,731	34.44%

* Note: Assumes all Shares the subject of Resolutions 2 and 3 are issued and that no other Shares are issued.

The above table is for illustrative purposes only and that the actual issue price may differ. This will result in the maximum number of Shares to be issued and the dilution percentage to also differ.

The examples in the table assume that the maximum amount of \$20 million is raised and that no Options are exercised or other Shares are issued.

5.6 Additional information

The Board unanimously recommends that Shareholders vote in favour of Resolution 4.

Resolution 4 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 4.

6. Resolution 5 - Replacement of Constitution

6.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 5 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**).

The Company's current Constitution was adopted in 2008. Since then, there have been a number of changes to the Corporations Act and the Listing Rules. There have also been significant developments in corporate governance principles and general corporate and commercial practice for ASX listed entities. As a result the Board proposes that the Company adopt the Proposed Constitution which reflects these changes to the legislation and current market practice.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- (a) updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer);
- (b) expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution; and
- (c) including references to the rules which would apply to the Company following its proposed admission to AIM, as well as ASX.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Memorandum, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website (www.crusaderresources.com) or at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

A copy of the proposed Constitution is available for Shareholders to review and will be available at the Meeting. It will be marked by the Chair at the Meeting in order to identify it as the Constitution approved by Shareholders.

6.2 Summary of material proposed changes

(a) Notification of interests in shares provisions

The Company is seeking to have its Shares admitted to trading on AIM.

A consequence of this is that Shareholders are obliged to comply (where necessary) with the notification and disclosure requirements set out in Chapter 5 of the Disclosure and Transparency Rules published by the Financial Conduct Authority (DTR) as if the Company were a public company incorporated in, and whose principal place of business was in, the UK.

The notification requirements operate in a similar manner to the substantial shareholder notice provisions of the Corporations Act. The primary difference is the minimum threshold is 3% under the DTR compared to 5% under the Corporations Act.

The Company also has the right to issue a disclosure notice to a person to obtain further information on their interest in securities of the Company. These provisions operate in a similar manner to the beneficial tracing notice provisions contained in the Corporations Act.

A person in default of a disclosure notice issued by the Company may be served with a direction notice that the shares in relation to which the default occurred (**default shares**) shall not be entitled to vote at a meeting

of Shareholders and, where those default shares represent at least 0.25% of the total number of issued shares, payment on those default shares (i.e. dividends, return of capital) may be suspended and no transfer will be registered except an approved transfer (i.e. acceptance of a takeover offer, on a recognised investment exchange or otherwise approved by the Board).

(b) Other amendments relating to AIM

As the Company is seeking to have its Shares admitted to trading on AIM, the Proposed Constitution contains provisions to ensure compliance with the AIM Rules and the settlement rules of CREST (being the electronic settlement system in the United Kingdom operated by Euroclear UK & Ireland Limited, which enables Shareholders to hold Shares in uncertificated form and transfer Shares electronically).

(c) Board decisions

The existing Constitution provides that written resolutions of the Board must be signed by all Directors eligible to vote on the resolution. The Proposed Constitution provides that such written resolution need not be signed by any Director who has been granted a leave of absence. This is intended to address practical difficulties which arise when Directors are unavailable (for example due to health reasons or travel commitments).

(d) Dividends

The Proposed Constitution includes a number of changes to broaden the methods by which the Company may pay dividends to Shareholders. Most of these changes have been made to reflect amendments to the Corporations Act which mean companies are no longer restricted to paying dividends out of profits (the existing Constitution still contains this restriction).

Given that there may be future amendments to the Corporations Act regulating when a company may pay a dividend, the wording in the Proposed Constitution gives the Board the flexibility to determine that the Company pay a dividend provided that such determination complies with the Corporations Act.

The Proposed Constitution provides that Directors may declare or determine that a dividend is payable and fix the amount, time and method of payment. The existing Constitution only provides for a declaration of a dividend. This amendment reflects changes to the Corporations Act which now allows for dividends to be determined or declared.

(e) Minimum Shareholding

Clause 3 of the current Constitution outlines how the Company can manage shareholdings which represent an "unmarketable parcel" of shares, being a shareholding that is less than \$500 based on the closing price of the Company's Shares on ASX as at the relevant time.

The Proposed Constitution provides various updates to be in line with the requirements for dealing with "unmarketable parcels" outlined in the

Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is required to give notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company.

Schedule 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

(f) Fee for registration of off-market transfers

The existing Constitution provides that no fee may be charged on the registration of a transfer of Shares or other securities.

On 24 January 2011, ASX amended Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to as "off-market transfers".

The Proposed Constitution expressly enables the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

(g) Appointment of proxies

The Proposed Constitution provides for the chairperson to determine the validity of an instrument appointing a proxy, attorney or representative, and that an instrument appointing a proxy may be valid even if it only contains some of the information required.

(h) Proportional takeover provisions

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

The information required by section 648G of the Corporations Act is set out below.

(i) Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market

bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

(ii) Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

(iii) Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

(iv) Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (A) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (B) assisting in preventing Shareholders from being locked in as a minority;
- (C) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (D) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (A) proportional takeover bids may be discouraged;

- (B) lost opportunity to sell a portion of their Shares at a premium; and
 - (C) the likelihood of a proportional takeover bid succeeding may be reduced.
- (v) Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 5.

6.3 Additional information

The Board unanimously recommends that Shareholders vote in favour of Resolution 5.

Resolution 5 is a special resolution and therefore at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 5 for it to be passed

The Chairman intends to exercise all available proxies in favour of Resolution 5.

7. Resolution 6 - Election of Marcus Engelbrecht as a Director

7.1 General

In accordance with clause 13.4 of the Constitution, any Director appointed to fill a casual vacancy or as an addition to the Board holds office only until the next following general meeting, and is then eligible for election by Shareholders.

Marcus Engelbrecht was appointed as the Managing Director of the Company with effect from 20 November 2017. Accordingly, Mr Engelbrecht now retires and seeks election as a Director by Shareholders in accordance with clause 13.4 of the Constitution.

Mr Engelbrecht is a highly experienced resources industry executive, with previous roles including Managing Director and Chief Executive Officer of formally 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 most recently the Managing Director of Stratex International plc and has strong familiarity with Crusader's assets.

7.2 Additional information

The Board (excluding Mr Engelbrecht) recommends that Shareholders vote in favour of Resolution 6.

Resolution 6 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 6.

8. Resolution 7 - Approval to issue Performance Rights to Marcus Engelbrecht

8.1 General

As part of the remuneration package for the Company's new Managing Director, Marcus Engelbrecht, the Company agreed to issue Mr Engelbrecht (or his nominee) such number of Performance Rights as comprises 5% of the Shares then on issue, subject to the receipt of prior Shareholder approval.

Resolution 7 seeks Shareholder approval for the issue of these Performance Rights.

8.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Performance Rights constitutes giving a financial benefit and Mr Engelbrecht is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Engelbrecht) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Performance Rights because the grant of Performance Rights was agreed on an arm's length basis prior to Mr Engelbrecht joining the Board, and is considered by the Board to constitute reasonable remuneration.

8.3 Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

Approval pursuant to Listing Rule 7.1 is not required to issue the Performance Rights as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the

Performance Rights will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

8.4 Specific information required by Listing Rule 10.13

Listing Rule 10.13 requires that the following information be provided to Shareholders in relation to the issue of the Performance Rights:

- (a) The Performance Rights are proposed to be issued to Marcus Engelbrecht or his nominee. Mr Engelbrecht is a related party of the Company by virtue of his position as a Director.
- (b) The maximum number of Performance Rights to be issued is 17,622,977.
- (c) The Performance Rights will be issued no later than one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that the Performance Rights will be issued on one date.
- (d) The Performance Rights will have an issue price of nil and no funds will be raised from their issue.
- (e) The terms and conditions of the Performance Rights are in Schedule 2.
- (f) A voting exclusion statement is included in the Notice.

8.5 Additional information

The Board (excluding Mr Engelbrecht) recommends that Shareholders vote in favour of Resolution 7.

Resolution 7 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 7.

Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

Advisers has the meaning given in Section 5.1.

AIM Admission Document means the admission document to be published by the Company in accordance with the AIM Rules seeking admission of the Shares to trading on AIM (in the form of depositary interests).

AIM Admission means the admission of Shares to the official list of AIM, in the form of depositary interests.

AIM means the market of that name operated by London Stock Exchange.

AIM Rules means the AIM Rules for Companies and guidance notes as published by the London Stock Exchange from time to time.

ASIC means the Australian Securities and Investments Commission.

ASX means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

AWST means Western Standard Time being the time in Perth, Western Australia.

Board means the board of Directors.

Chairman means the person appointed to chair the Meeting of the Company convened by the Notice.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means Crusader Resources Limited (ACN 106 641 963).

Constitution means the constitution of the Company as at the date of the Meeting.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Equity Security has the same meaning as in the Listing Rules and **Equity Securities** has the corresponding meaning.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means this notice of General Meeting.

Performance Right means a performance right issued on the terms and conditions in Schedule 2.

Placement Shares has the meaning given in Section 3.1.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution referred to in the Notice.

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Schedule 2 - Terms and Conditions of Performance Rights

The following terms and conditions apply to the Performance Rights:

1. Entitlement

Subject to the terms and conditions set out below, each Performance Right, once vested, entitles the holder, on exercise, to the issue of one fully paid ordinary share in the capital of the Company (**Share**).

2. Vesting Conditions

Subject to these terms and conditions, the vesting of a Performance Right is conditional on:

- (a) the Company having a Market Capitalisation for 10 consecutive days on which Shares are traded on ASX, of at least \$150 million (**Vesting Condition**); and
- (b) the Vesting Condition being satisfied on or before 20 November 2022; and
- (c) the holder remaining employed by the Company at the time the Vesting condition is satisfied.

For the purposes of this clause, "Market Capitalisation" means the number of Shares then on issue, multiplied by the daily volume weighted average price of Shares traded on ASX.

3. Change of Control

Upon:

- (a) a takeover bid under Chapter 6 of the Corporations Act having:
 - (i) been made in respect of the Company;
 - (ii) received acceptances for not less than 50.1% of the Company's shares on issue; and
 - (iii) been declared unconditional by the bidder; or
- (b) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

then, to the extent the Performance Rights have not vested due to satisfaction of the Vesting Condition, the Performance Rights automatically vest to that number of Shares which when issued together with all Shares issued under any other class of Performance Rights then on issue, is equal to the lesser of one Share per Performance Right and 10% of the total Shares on issue in the Company at that time. Performance Rights that are not vested and converted into Shares will continue to be held by the holder on the same terms and conditions.

4. Expiry of Performance Rights

A Performance Right will lapse upon the earlier to occur of:

- (a) the Vesting Condition becoming incapable of satisfaction due to the cessation of the holder's employment with the Company;
- (b) the Vesting Condition not being satisfied on or before 20 November 2022.

5. Shares Issued on Exercise

Shares issued on the exercise of a Performance Rights rank equally with the then Shares of the Company.

6. No cash consideration

The Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the issue of Shares after vesting.

7. Timing of issue of Shares

(a) As soon as practicable after the vesting of a Performance Right, the Company shall give written notice of the vesting to the holder.

(b) Within 15 business days after the later of the following:

- (i) vesting of a Performance Right; and
- (ii) excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceasing to be excluded information,

the Company will:

- (iii) issue the Shares pursuant to the exercise of the Performance Rights;
- (iv) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (v) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Performance Rights.

8. Quotation

(a) The Company will not apply for quotation of the Performance Rights on ASX.

(b) Application will be made by the Company to ASX, on the business day the Shares are issued, for quotation of the Shares issued upon the exercise of the Performance Rights.

9. Transferability of Performance Rights

The Performance Rights are not transferable, except with the prior written approval of the Company.

10. Participation in New Issues

There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of unvested Performance Rights.

11. Adjustment for Bonus Issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the number of Shares which must be issued on the vesting of a Performance Right will be increased by the number of Shares which the holder would have received if the Performance Right had vested before the record date for the bonus issue.

12. Adjustment for Entitlements Issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue, to which paragraph 11 will apply) there will be no adjustment to the number of Shares which will be issued upon the vesting of a Performance Right.

13. Adjustments for Reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the holders of Performance Rights will be varied in accordance with the Listing Rules.

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Crusader Resources Limited
ACN 106 641 963
PROXY FORM
Shareholder Details

Name:

Address:

Contact Telephone No:

Contact Name (if different from above):

Appointment of Proxy

I/We being a shareholder/s of Crusader Resources Limited and entitled to attend and vote hereby appoint the following proxy/proxies to attend and act on my/our behalf and to vote in accordance with my/our following directions at the General Meeting of Crusader Resources Limited to be held at Suite 1, Level 1, 35 Havelock Street, West Perth WA 6005, on Friday, 2 February 2018 commencing at 11:00am AWST and at any adjournment of that meeting.

The Chairman
of the meeting

(mark with an 'X')

IMPORTANT:

If the Chairman of the meeting is your proxy, or if appointed your proxy by default and you do **not** wish to direct him/her how to vote on any of these resolutions, you must mark this box with an "X". By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy on those resolutions (for which you have not given a direction) even if he/she has an interest in the outcome of the resolution and that votes cast by him/her, other than as proxy holder, will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote on any of these resolutions, the Chairman of the meeting will not cast your votes on the resolutions (for which you have not given a direction) on a show of hands or on a poll. The Chairman of the meeting intends to vote undirected proxies in favour of each resolution.

OR

If the person you are appointing as your proxy is someone other than the Chairman of the meeting:
Write the name of that person in the box below.

 %

You must specify the % of your votes that you authorise your proxy to exercise if:

If you hold 2 or more Shares in Crusader Resources Limited, you may appoint a second proxy:
Write the name of your second proxy in the box below.

 %

- (a) you have only appointed 1 proxy and do not want him/her to exercise all of your votes; or
- (b) if you have appointed 2 proxies under this proxy form.

If you do not name a proxy or your named proxy fails to attend the meeting, the Chairman of the meeting will be appointed as your proxy to attend and act on your behalf and to vote in accordance with the following directions at the General Meeting of Crusader Resources Limited to be held at Suite 1, Level 1, 35 Havelock Street, West Perth WA 6005, on Friday, 2 February 2018 commencing at 11:00am AWST and at any adjournment of that meeting.

Voting directions to your proxy - Please mark only one of the boxes with an "X" for each resolution to indicate your directions.

General Business

		For	Against	Abstain ¹
Resolution 1	Ratification of issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of issue of Shares to Stephen Copulos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of issue of Shares to Marcus Engelbrecht	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of issue of AIM Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Election of Marcus Engelbrecht as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of issue of Performance Rights to Marcus Engelbrecht	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

¹ If you mark the "Abstain" box with an "x" for a particular resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll.

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented

Individual or Shareholder 1

**Sole Director and
Sole Company Secretary**

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

How to complete this Proxy Form

1 Your Name and Address

Please print your name and address as it appears on your holding statement and the Company's share register. If Shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the Company.

3 Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy please write the name of that person.

To appoint a second proxy you must state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If the Proxy Form does not specify a percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the shareholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission.

6 Lodgment of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below no later than 48 hours before the commencement of the meeting i.e. no later than 11-00am AWST on Wednesday, 31 January 2018. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Hand Deliveries: Level 1
35 Havelock Street
WEST PERTH WA 6005

Postal address: PO Box 692
WEST PERTH WA 6872

Facsimile: (08) 9320 7501 if faxed from within Australia or +61 8 9320 7501 if faxed from outside Australia