

Crusader Enters Into Sale Agreement for Posse Iron Ore Mine

Crusader Resources Limited (“Crusader” or the “Company”) is pleased to announce that it has signed a conditional sale agreement to divest its 100% interest in the Posse Iron Ore Mine (“Posse”). This asset sale is part of Crusader’s strategic decision to focus on the development of its advanced gold assets and the Company’s progression to becoming a mid-tier gold producer as part of the merger with London AIM Listed Stratex International plc (LON:STI). The merger process is continuing and the Company will provide further updates in due course.

The Posse Mine and its one million tonne per annum processing plant will be transferred to Inter Invest B.P. S/A (“Inter Invest”). Inter Invest are looking to build an iron ore business and have the capital to invest in the ongoing development and extraction of the significant itabirite ore present at Posse.

Commenting on the sale agreement, Crusader’s Managing Director Rob Smakman said:

“We are very pleased to realise value for Posse that will help us focus on our goal to becoming a gold producer in Brazil. As at 31 December 2016, Crusader had impaired the carrying value of Posse on its balance sheet to nil. However, Posse will be a cornerstone asset for Inter Invest’s new iron ore business, who are seeking to deploy the capital required in order to beneficiate the remaining itabirite resources.”

“Posse has been an outstanding asset for Crusader. The operation has not only been a profitable mine since entering production in 2013, it has allowed our team the unique opportunity to take a project from a single rock sample, through mapping, drilling, engineering studies, licensing and eventually building and operating the mine. All of this value was achieved with an excellent local team during a time which has seen both highs and lows in Brazil’s domestic market for iron ore. In this respect, Posse has been a very rewarding asset.”

“I would especially like to thank our staff who have operated at Posse with safety and professionalism. At Posse, we operated for over 4 years with only a single LTI in that time -achieving a run of > 1,000 days operating without an LTI between 2013 and 2016.”

Management of the mine will transition to Inter Invest over the coming months. Crusader understands that it is Inter Invest’s intention to retain the existing Posse employees and continue with the operation’s various current active contracts. Inter Invest has accepted liability for past and future environmental issues including the ultimate closure costs and rehabilitation management.

Key Terms

The sale price of R\$8.005M (~A\$3.2M¹) will be paid over a 17 month period. The sale is conditional on Crusader receiving the first payment of R\$1.0M (~A\$400k) on or before 10 August 2017. Remaining funds will be received in 15 equal monthly payments of R\$467k (~A\$187k) commencing 60 days from the effective date of the sale agreement (1 August 2017). The sale contract is also conditional on transfer of the Posse mineral tenements by the Brazilian Mines Department (DNPM) to Inter Invest, which Crusader believes should be a standard procedure.

¹ Based on an exchange rate of BRL:AUD of 2.5:1

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About Crusader

Crusader Resources Limited (ASX:CAS) is a minerals exploration and mining 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 three key assets:

Juruena Gold

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.

Borborema Gold

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 km² 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 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.

Competent Person Statement

The information in this announcement that relates to the Mineral Resource estimate for the Borborema Gold 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.

The information in this announcement that relates to the Ore Reserve estimate for the Borborema Gold Project was first reported in accordance with ASX Listing Rule 5.9 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 Ore Reserve estimate continue to apply and have not materially changed.

The information in this announcement that relates to the Mineral Resource estimate for the Juruena Gold 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.