

Quarterly Activities Report

June 2017

Highlights

- Binding Scheme Implementation Deed entered into between Crusader and AIM-listed Stratex International plc.
- Merger implies a total equity value of A\$54 million for Crusader, based on the A\$0.18 per share transaction value as at the signing of the Heads of Agreement
- The listing of Stratex CDIs on ASX will allow merged company to trade on both ASX & AIM at shareholders election
- Key licence (LP or Licença Previa) received from the State Government Environmental Authority- IDEMA for Borborema Gold Project
- Borborema Mineral Resource estimate and Ore Reserve updated to JORC 2012 compliance
 - Mineral Resource estimate of 68.6Mt @ 1.10 g/t containing 2.43Moz of Au
 - Ore Reserve of 42.4Mt @ 1.18 g/t containing 1.61Moz of Au

Corporate

On the 15th of June 2017, Crusader Resources Ltd (ASX:CAS) announced to the ASX that it has entered into a binding Scheme Implementation Deed (the "SID") with London AIM-listed Stratex International plc (AIM:STI) ("Stratex"). The SID is for Stratex to acquire Crusader in an all scrip transaction that will be effected by an Australian scheme of arrangement under the Corporations Act 2001 ("Transaction" or "Scheme"). This SID follows the signing of a non-binding Heads of Agreement as announced to the ASX on 18 May 2017.

Under the SID, each Crusader share will be exchanged for 6.60 common shares of Stratex ("Stratex Shares") or 6.60 Stratex Shares in the form of ASX-listed CHESS Depository Interests (CDIs) (in each case, on a pre-consolidation basis).

Key highlights of the transaction:

- As at 17 May 2017, the Scheme values Crusader shares at A\$0.18, a significant 56.5% premium to the last traded price
- The transaction implies a total equity value of A\$54 million for Crusader, based on the A\$0.18 per share transaction value as at the signing of the Heads of Agreement
- Immediately following the Proposed Transaction, Crusader shareholders will own approximately 81% of the enlarged company on a fully diluted basis
- Stratex's significant current cash balance and prospective exploration interests will be combined with Crusader's well regarded Borborema and Juruena projects, creating greater scale and asset diversity
- Potential for improved trading liquidity and capital markets access associated with the enhanced size of the combined group, listing in the London market and access to a wider range of investors, both institutional and retail

Board of Directors' Recommendations

The Scheme Implementation Deed has been unanimously recommended by the boards of directors of both Crusader and Stratex. The Crusader directors unanimously recommend that Crusader shareholders vote in favour of the Transaction in the absence of a superior proposal and subject to an Independent Expert concluding that the Transaction is in the best interests of Crusader shareholders. On the same basis, Crusader Directors intend to vote the Crusader shares they hold or control at the time of the Crusader shareholder meeting in favour of the Transaction.

Benefits to Crusader Shareholders

- A meaningful upfront premium to Crusader shareholders of 56.5% to the price at which Crusader shares last traded prior to the signing of the Heads of Agreement on 18 May 2017
- Improved trading liquidity and capital markets access associated with the enhanced size of the combined group and a listing on the London AIM market
- Exploration upside from Stratex's existing early stage African gold exploration assets
- Crusader shareholders will be able to choose transaction consideration in the form of CDIs listed on the ASX or Stratex Shares listed on the London AIM market

The deemed offer price of A\$0.18 per Crusader share represents:

- A premium of 56.5% over the closing price of Crusader Shares on 17 May 2017 of A\$0.115, the last trade day prior to announcing the Heads of Agreement;
- A premium of 65.6% over the 15 day VWAP of Crusader Shares as of market close on 17 May 2017 of A\$0.109; and
- A premium of 68.9% over the 30 day VWAP of Crusader Shares as of market close on 17 May 2017 of A\$0.107.

Subsequent to the quarter end, a draft Scheme Booklet setting out the terms of the Scheme, notice of Scheme Meeting, independent expert's report and the reasons for the Crusader directors' recommendation was submitted to ASIC for review in accordance with the requirements of the Corporations Act. The Company will provide updates to the market on the progress of the Scheme in due course.

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

As part of the process to complete the merger transaction with Stratex, and in compliance with Australian Securities Exchange (ASX) and Australian Securities and Investments Commission (ASIC) requirements to apply for a dual listing of the merged entity through the issuance of CHES Depositary Interests (CDI), Crusader reported (together with its independent consultants Trepanier, Platel Consulting, EGRM Consulting Pty Ltd and Kirk Mining Consultants) an updated Borborema Mineral Resource and Ore Reserve to comply with the 2012 version of the JORC code (ASX Announcement 24 July 2017).

The Mineral Resource was previously reported in July of 2012 and the Ore Reserve in November 2012 under the 2004 version of the JORC code. There is no difference in the numbers between the versions (see Tables 1 and 2 below), however the current version has additional background information and disclosure around the Mineral Resource and current explanations and discussion for the Ore Reserve. (Please see ASX announcement of the 24th of July 2017).

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

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
	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 - 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
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 throughput costs, gold price of US\$1210/oz. Note, appropriate rounding has been applied, subtotals may not equal total figures.

Additional metallurgical sampling for the Borborema Project has been put on hold until the Scheme with Stratex is completed.

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

Crusader has advanced the Juruena Project significantly over the past few months working with Stratex and their consultants to assess the various development options for the project. The Stratex merger will see additional funding made available to the Juruena Project with the potential to significantly increase the overall scale and value of the project. This work is ongoing and further updates will be made available as the merger completes.

Posse Iron Ore Mine – Minas Gerais, Brazil (100% Crusader)

Over the quarter Crusader continued its commitment to focusing on its gold assets. The Company has actively engaged with several parties looking for a beneficial way to realise value for Posse. Operations continued on a single shift basis over the period.

Sales receipts for the June quarter were \$1.1M.

Average production costs were \$17.54/t, compared to \$16.50/t for the March 2017 quarter (see Figure 7 below). These costs were in line with expectations given the reduced production for the quarter.

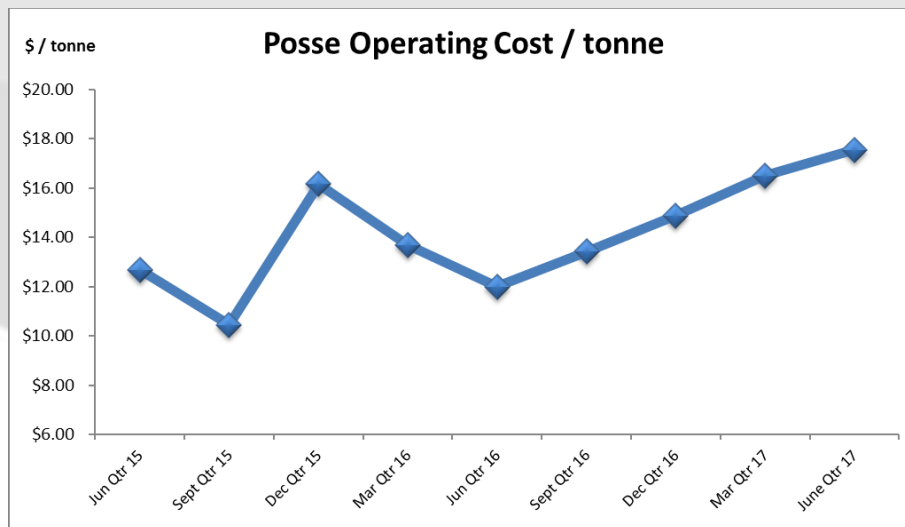


Figure 7: Operating costs at Posse Iron Ore Mine, Brazil

Health & Safety

There were no lost time accidents recorded at any of the Company's projects during the quarter.

For further information, please contact:

Mr. Rob Smakman
Managing Director, Brazil
 Office (Brazil): +55 31 2515 0740
 Email: rob@crusaderdobrasil.com

Mr. Paul Stephen
Executive Director, Australia
 Office (Aus): +61 8 9320 7500
 Email: paul@crusaderresources.com

Mr. David Tasker
National Director, Investor Relations
 Professional Public Relations
 Tel: +61 433 112 936
 Email: David.tasker@ppr.com.au

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.

Posse Iron Ore

The Posse Iron Ore Mine is located 30km from Belo Horizonte, a city acknowledged as the mining capital of Brazil and the capital of Minas Gerais state. Mining on the Posse Iron Ore Project began in March 2013. Posse is currently selling DSO into the domestic market. With an experienced mining workforce amongst a population of over 2.5 million people, the infrastructure and access to the domestic steel market around the Posse Project is excellent.

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.