



**CRUSADER RESOURCES LIMITED
ACN 106 641 963**

NOTICE OF GENERAL MEETING

A General Meeting of the Company will be held at Clarion Suites Gateway, 1 William Street, Melbourne, Victoria, on Thursday, 28 February 2019 at 2pm (AEDT)

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 Clarion Suites Gateway, 1 William Street, Melbourne, Victoria, on Thursday, 28 February 2019 at 2pm (AEDT) (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 26 February 2019 at 2pm (AEDT).

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

AGENDA

1. Resolution 1 - Approval to convert Notes

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 Notes to be convertible into Shares on the terms and conditions in the Explanatory Memorandum."

Voting exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Noteholders or an associate of the Noteholders.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a 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 Chairperson 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 to issue Interest 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 Shares in satisfaction of interest payable under the Note Agreements on the terms and conditions in the Explanatory Memorandum."

Voting exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Noteholders or an associate of the Noteholders.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a 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 Chairperson 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 Cancellation of the Shares from trading on AIM

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

“That the admission of the Company’s Shares to trading on AIM be cancelled in accordance with Rule 41 of the AIM Rules. The cancellation to take place on such date as the Directors of the Company shall agree with the London Stock Exchange, not being earlier than 8 March 2019.”

BY ORDER OF THE BOARD

Andrew Beigel
Company Secretary and Chief Financial Officer
Dated: 30 January 2019

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 Clarion Suites Gateway, 1 William Street, Melbourne, Victoria, on Thursday, 28 February 2019 at 2pm (AEDT).

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 - Approval to convert Notes
Section 4:	Resolution 2 - Approval to issue Interest Shares
Section 5:	Resolution 3 - Approval of Cancellation of the Shares from trading on AIM
Schedule 1:	Definitions
Schedule 2:	Summary of the material terms of the Notes
Schedule 3:	Terms of ASX waiver

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 - Approval to convert Notes

3.1 Background

As announced by the Company on 5 November 2018 and 27 December 2018, the Company has raised a total of \$1.4 million by the issue of 14 notes with a principal amount of \$100,000 each.

Nine of these notes (**Notes**) have been subscribed for by unrelated parties of the Company. Resolution 1 seeks Shareholder approval for the Notes to be convertible into Shares at a deemed issue price equal to the lower of:

- (a) \$0.01 per Share; and
- (b) the offer price per Share under the Company's proposed entitlement offer. To provide the required certainty to Shareholders, the Company has determined to set a floor price for this entitlement offer of \$0.005 per Share.

Resolution 2 seeks Shareholder approval for the payment of the interest on the Notes in the form of Shares.

If Resolutions 1 and 2 are not approved by the requisite majority of Shareholders by 28 February 2019, any Noteholder may, by notice in writing, require the Company to redeem all the Notes it holds. The Company must redeem the relevant Notes and accrued interest within five business days of receiving any such notice. The Company's obligations under the Note Agreements are secured. Accordingly, if the Company is unable to satisfy its repayment obligations, the Noteholders may seek to enforce their security over the Company and its assets, and the Company may become an externally-administered body corporate.

The remaining five notes on issue as at the date of this Notice have been subscribed for by entities controlled by Mr Stephen Copulos. As announced on 29 January 2019, the Company has entered into further binding agreements with an entity controlled by Mr Copulos, pursuant to which the subscriber agreed to subscribe for an additional 10 notes (for an additional subscription price of \$1 million). Settlement of the subscription and issue of the additional 10 notes is due to occur in the coming days. The notes issued (or to be issued) to the entities controlled by Mr Copulos are not currently secured, and are not the subject of the Resolutions. Mr Copulos and

his associates currently hold a relevant interest in 108,771,102 Shares, comprising 21.66% of the Shares on issue as at the date of this Notice. The Company intends on seeking Shareholder approval in the near future for the following:

- (a) the conversion of the notes into Shares, in accordance with item 7 of section 611 of the Corporations Act;
- (b) the payment of interest on the notes in the form of Shares, in accordance with item 7 of section 611 of the Corporations Act; and
- (c) the grant of security in respect of the notes in accordance with Listing Rule 10.1.

In due course, the Company will issue a separate notice of meeting, including an independent expert's report, in connection with the above matters.

3.2 Listing Rule 7.1

Listing Rule 7.1 provides, in summary, that without shareholder approval, 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.

The Notes have been issued as debt instruments. The Notes were not issued as Equity Securities, as they cannot be converted into Shares in the Company unless Shareholder approval is obtained. This Shareholder approval is sought pursuant to Resolution 1.

The effect of Resolution 1 will be to allow the Notes to be issued as Equity Securities without using the Company's placement capacity under Listing Rule 7.1.

3.3 Examples of conversion of the Notes

The conversion price of the Notes will be the lower of:

- (a) \$0.01 per Share; and
- (b) the offer price per share under the Company's proposed entitlement offer. To provide the required certainty to Shareholders, the Company has determined to set a floor price for this entitlement offer of \$0.005 per Share.

For illustrative purposes, a number of examples are contained below, which show the potential effect of the conversion of the Notes into Shares at a range of conversion prices. These examples are based on the following additional assumptions:

- (a) the Notes are all converted in full; and
- (b) no other Shares are issued.

Conversion Price	Number of Shares on issue as at date of Notice	Number of Shares issued on conversion	Dilution to Shareholders
\$0.01	502,150,521	90,000,000	15.20%
\$0.0075	502,150,521	120,000,000	19.29%
\$0.005	502,150,521	180,000,000	26.39%

As previously announced, the Company intends on completing a placement of 22.5 million Shares in the coming days, and subsequently undertaking an entitlement offer, and therefore anticipates that any dilution to Shareholders by the conversion of the Notes will be to a lesser extent than that specified above.

3.4 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the approval of the conversion of the Notes:

- (a) If Resolution 1 is approved, the Notes will become Equity Securities. The Notes will be convertible into a maximum of 180,000,000 Shares.
- (b) The Notes were issued on various dates between 6 November 2018 and 24 December 2018 as debt instruments. If Resolution 1 is approved, the Notes will be converted into Equity Securities for the purposes of the Listing Rules at the time of the approval being obtained (that is, the date of the Meeting).
- (c) The issue price of the Notes is \$100,000 each. Subject to the receipt of Shareholder approval the subject of Resolution 1, the Notes may be converted into Shares at a conversion price equal to the lower of
 - (i) \$0.01 per Share; and
 - (ii) the offer price per Share under the Company's proposed entitlement offer. To provide the required certainty to Shareholders, the Company has determined to set a floor price for this entitlement offer of \$0.005 per Share.
- (d) The Notes were issued to sophisticated or professional investors who are unrelated parties of the Company. Shares issued on conversion of the Notes will be issued to the Noteholders or their nominees.
- (e) The material terms of the Notes are summarised in Schedule 2. Shares issued on the conversion of the Notes 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 and rank equally in all respects with all other Shares on issue at the time.
- (f) Funds raised from the issue of the Notes are being used to provide the Company with general working capital. No further funds will be raised by the conversion of the Notes.

(g) As noted above, the Notes were issued on various dates between 6 November 2018 and 24 December 2018 and are debt instruments. The 'issue date' of the Notes as Equity Securities will be the date of the Meeting.

(h) A voting exclusion statement is included in the Notice.

3.5 Additional information

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

Resolution 1 is an ordinary resolution.

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

4. Resolution 2 - Approval to issue Interest Shares

4.1 Background

A summary of the Notes is in Section 3.1 above and Schedule 2.

It is a term of the Notes that interest is to accrue at 8% per annum, calculated daily until the earlier of the date that the relevant Note is converted or redeemed. Subject to the receipt of Shareholder approval (the subject of this Resolution 2), the interest is to be paid in Shares (**Interest Shares**).

The interest is payable on the date that is six months after the date of issue of the Notes, and then the maturity date, which is 12 months after the date of issue of the Notes (unless redeemed or converted earlier).

4.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is in Section 3.2 above.

The effect of Resolution 2 will be to allow the issue of the Interest Shares to occur without using the Company's placement capacity under Listing Rule 7.1.

4.3 Examples of the Interest Shares

The deemed issue price for the Interest Shares will be equal to the higher of:

- (a) the volume weighted average price of Shares traded on ASX during the 30 days on which sales were recorded on ASX ending on the day before the relevant interest payment date; and
- (b) the lower of \$0.01 and the offer price under the Company's proposed entitlement offer. To provide the required certainty to Shareholders, the Company has determined to set a floor price for this entitlement offer of \$0.005 per Share.

Accordingly, the deemed issue price of the Interest Shares will be no lower than \$0.005 per Share.

For illustrative purposes, a number of examples are contained below, which show the potential effect of the issue of the Interest Shares at a range of deemed issue prices. These examples are based on the following additional assumptions:

- (a) interest accrues from the date of issue of the Notes until the relevant maturity date (that is, the maximum amount of interest accrues); and
- (b) no other Shares are issued.

Deemed issue price	Number of Interest Shares issued	Dilution to Shareholders
\$0.01	7,200,000	1.41%
\$0.0075	9,600,000	1.88%
\$0.005	14,400,000	2.79%

As previously announced, the Company intends on undertaking an entitlement offer in the coming weeks, and therefore anticipates that any dilution to Shareholders by the issue of the Interest Shares will be to a lesser extent than that specified above.

4.4 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the approval of the issue of the Interest Shares:

- (a) The maximum number of Shares that may be issued as Interest Shares is 14,400,000.
- (b) Half of the Interest Shares will be issued on the date that is six months after the date of issue of the relevant Note, and the remaining Interest Shares will be issued on the date that is 12 months after the date of issue of the relevant Note. The Interest Shares will therefore be issued no later than 24 December 2019.

The Company has sought and obtained from ASX a waiver of Listing Rule 7.3.2 to the extent necessary to permit the Interest Shares to be issued by no later than 24 December 2019. The conditions of the waiver are set out in Schedule 3.

- (c) The deemed issue price of the Interest Shares will be equal to the higher of:
 - (i) the volume weighted average price of Shares traded on ASX during the 30 days on which sales were recorded on ASX ending on the day before the relevant interest payment date; and
 - (ii) the lower of \$0.01 and the offer price under the Company's proposed entitlement offer. To provide the required certainty to Shareholders, the Company has determined to set a floor price for this entitlement offer of \$0.005 per Share.

Accordingly, the deemed issue price of the Interest Shares will be no lower than \$0.005 per Share.

- (d) The Interest Shares will be issued to the Noteholders or their nominees.
- (e) The Interest 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 and rank equally in all respects with all other Shares on issue at the time.
- (f) Funds raised from the issue of the Notes are being used to provide the Company with general working capital. No further funds will be raised by the issue of the Interest Shares.
- (g) The Interest Shares will be issued progressively in May and June 2019 and November and December 2019 (depending on the issue date of the relevant Note), or earlier if the Note is converted or redeemed prior to the 12-month maturity date of the Note.
- (h) A voting exclusion statement is included in the Notice.

4.5 Additional information

The Board recommends that Shareholders vote in favour of Resolution 2.

Resolution 2 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 2.

5. Resolution 3 - Approval of Cancellation of the Shares from trading on AIM

5.1 Background to the proposed Cancellation

In April 2018, the Company's shares were first admitted to trading on AIM (**Admission**). The Board believed that the Admission to AIM would provide an important platform to enable the Company to access a broader range of institutional investors to progress development of the Company's exploration assets in Brazil.

Following Admission, the Company's working capital position was however, adversely affected by, inter alia, additional costs and fees incurred in relation to the Admission, the non-payment by the purchaser of the Posse iron ore mine of the deferred consideration payments and additional consultants' fees. The impact of these adverse effects was such that the Company needed to raise additional funding earlier than anticipated, and the Company announced on 14 September 2018 in its interim results for the six months ended 30 June 2018, that notwithstanding the fact that the Directors were pursuing a number of both debt and equity funding options, should the Directors not be successful in raising sufficient additional funding prior to 30 September 2018, there would be a material uncertainty whether the Company would be able to continue as a going concern.

On 1 October 2018, the Company announced that trading of its securities on AIM and the ASX had been suspended pending clarification of the Company's financial position, to enable it to consider various proposed capital raising initiatives to provide working capital and to progress the feasibility study of its Brazilian Borborema Gold Project. The suspension on ASX is also pending a response by the Company to ASX regarding its financial position.

The Directors had discussions with a number of providers of both debt and equity funding and has undertaken an investment round raising a total of \$2.4 million by the issue of notes, with \$1.5 million of this amount having been subscribed for by entities controlled by Stephen Copulos (**Copulos Group**), the Company's largest Shareholder. The Company has also entered into binding agreements with Australian-based investors for an equity subscription of 22.5 million Shares at an issue price of A\$0.01 each, to raise \$225,000, which is due to settle in the coming days. Refer to the Company's announcements of 5 November 2018, 27 December 2018 and 29 January 2019 for further details.

The Company continues to require further funding and the Board had always intended to follow the note issue with a pro rata entitlement issue to eligible shareholders (**Entitlement Issue**). The expectation was that the Entitlement Issue would be undertaken in conjunction with the continued trading on the both the ASX and AIM given the Board's continuing commitment to maintaining both listings.

The Company continues to be in advanced discussions with Stephen Copulos regarding a potential partial underwriting of the Entitlement Offer by the Copulos Group and other potential providers of funding, including the parties who submitted a notice under section 249D of the Corporations Act requesting the directors to convene a meeting of the members of the Company. While there is potential interest from investors in funding the Company going forwards, this interest is from parties based in Australia and who have expressed no interest in the Company maintaining the listing of its shares on AIM.

The Board has taken into consideration the Company's ongoing funding requirement to continue as a going concern, its need to raise substantial further funds to progress the Company's projects together with the costs associated with maintaining the AIM listing and the availability of alternatives.

Accordingly, the Board has regrettably concluded that it would be in the best interests of the Company and Shareholders as a whole if the admission of the Company's Shares to trading on AIM were now to be cancelled and a special resolution is to be proposed therefore at the General Meeting to approve the AIM Cancellation. The quotation of the Company's shares on ASX will be maintained and as set out below, investors who have bought their shares on AIM will be able to trade in the Company's shares on the ASX.

5.2 Effect of the AIM Cancellation on Shareholders

Once the AIM Cancellation has taken place, the effects of the AIM Cancellation would be as follows:

- (a) there will no longer be a formal market mechanism for Shareholders to trade in the Shares on AIM and no price will be publicly quoted for the Shares on AIM. However, the Shares will remain quoted on ASX and as and when the current suspension from trading on ASX is lifted, Shareholders will still be able to trade their Shares on ASX;

- (b) the Company will cease to have a nominated adviser, although the Company will retain brokers and financial advisers in Australia as and when required;
- (c) the AIM Rules will no longer apply to the Company and levels of corporate governance and transparency will no longer be dictated by those rules. Shareholders will no longer be afforded the protections given by the AIM Rules, such as the requirement to be notified of certain events, including substantial transactions, financing transactions, related party transactions and fundamental changes in the Company’s business, including certain acquisitions and disposals. However, the Company would still be required to comply with the specific corporate governance requirements for companies admitted to trading on ASX and the under the Corporations Act, and Shareholders will be required to vote on certain matters as provided in the ASX Listing Rules and the Corporations Act.

A comparison of the ongoing requirements of the ASX Listing Rules, which the Company will continue to be subject to, and the AIM Rules, which will cease to apply should the Cancellation be approved and become effective, is set out further below:

Under the Listing Rules	Under the AIM Rules
<p>Continuous disclosure - a company must immediately disclose all materially price-sensitive information to ASX, subject to carve-outs for certain categories of confidential information. ASX can require the company to respond to market or media speculation to correct a false market. As part of its continuous disclosure obligations, a company may be required to disclose a material difference between its actual financial position or performance and any guidance it has released to the market or between its actual position or performance and market expectations.</p>	<p>Continuous disclosure - AIM Rule 11 requires that a company must disclose without delay (to a regulatory information service (“RIS”) approved by the Financial Conduct Authority), any new developments which are not public knowledge which, if made public, would be likely to lead to a significant movement in the price of its AIM securities. By way of an example, this may include matters concerning a change in:</p> <ul style="list-style-type: none"> • its financial condition; • its sphere of activity; • the performance of its business; or • its expectation of its performance. <p>In addition an AIM Company is subject to Market Abuse Regulations pursuant to which the Company is required to disclose without delay information of a precise nature, which has not been made public and which, if it were made public, would be likely to have a significant effect on the price of its AIM securities unless immediate disclosure is likely to prejudice the Company’s legitimate interests; delay is not likely to mislead the public; confidentiality can be maintained; and</p>

Under the Listing Rules	Under the AIM Rules
	immediate disclosure is not otherwise required by AIM Rule 11.
<p>Notification of certain events - a company must notify ASX of certain events such as changes of officers, the material terms of key officers' employment (and any variations to these terms), new issues of securities, and changes in directors' interests in securities in the company.</p>	<p>Notification of certain events - a company must notify a RIS of certain events such as changes of officers, changes to the company's nominated adviser or broker, new issues of securities, decisions to make any payment in respect of securities, changes to the company's name, registered office or accounting reference date and any material change between its actual trading performance or financial condition and any profit forecast, estimate or projection made public on its behalf.</p>
<p>Re-election of directors - at least one director of a company must stand for re-election at each annual general meeting, and each director (other than the managing director) must stand for re-election at least every three years.</p>	<p>Re-election of directors - there are no provisions in the AIM Rules governing the period for which a director may serve.</p>
<p>Release of financial reports - a mining exploration company must provide ASX with annual report documents no later than three months following the end of the financial year; and half-yearly financial documents within 75 days of the end of the relevant reporting period.</p>	<p>Release of financial reports - a company must provide the RIS with half-yearly financial documents within three months of the end of the relevant reporting period and must publish and send to its shareholders annual audited accounts within six months of the end of the relevant financial year.</p>
<p>Issue of securities - shareholder approval is required for the issue of securities in excess of 15% of a company's capital in any 12-month period. A number of exceptions apply, such as where securities are issued under incentive plans which have received shareholder approval within the previous three years, and pro rata offers of securities to shareholders.</p>	<p>Issue of securities - the AIM Rules do not provide for specific circumstances where shareholder approval is required for the issue of additional securities.</p>
<p>Substantial holdings - any person who begins or ceases to hold 5% of voting rights attached to a company's securities, or any person who already holds at least 5% and whose holding increases or decreases by 1%, must notify the company and ASX. This is a requirement under the Corporations</p>	<p>Substantial holdings - a company is required to make a notification in respect of any person who begins or ceases to hold 3% of voting rights attached to the company's securities, or any person who already holds at least 3% and whose holding increases or decreases by 1%.</p>

Under the Listing Rules	Under the AIM Rules
Act that applies to holdings in companies listed on ASX.	
Transactions with related parties - shareholder approval is generally required for the acquisition or disposal of significant assets from related parties (including directors) or persons holding over 10% of a company's shares. It is also generally required for the issue of securities to related parties (including directors), and for the acquisition of securities by directors under an employee incentive scheme.	Transactions with related parties - a company must notify the RIS of any transaction with a related party (which includes directors) which exceeds 5% in any of the 'class tests' set out in the AIM Rules. The directors must also provide a statement that (with the exception of any director who is involved in the transaction as a related party), its directors consider, having consulted with its nominated adviser, that the terms of the transaction are fair and reasonable in so far as its shareholders are concerned.
Significant transactions - a company must notify ASX of any significant change to the nature or scale of its activities, and ASX may require shareholder approval for such a transaction. In addition, a company must not dispose of its main undertaking without obtaining shareholder approval.	Substantial transactions - a company must notify the RIS of any substantial transaction which exceeds 10% in any of the 'class tests' set out in the AIM Rules. The company must seek shareholder approval for and notify the RIS of any substantial transaction which exceeds 100% in any such tests.

5.3 Process for Cancellation

Rule 41 of the AIM Rules requires an AIM company that wishes to cancel admission of its securities to trading on AIM to notify such intended cancellation to Shareholders and separately to inform the London Stock Exchange of its preferred cancellation date. Rule 41 also requires that, unless the London Stock Exchange otherwise agrees, the Cancellation must be conditional upon the consent of not less than 75% of votes cast by the Shareholders, given in a general meeting. Subject to the Cancellation Resolution being passed by the requisite majority at the General Meeting, it is anticipated that trading in the Ordinary Shares on AIM will cease at close of business on 7 March 2019 with Cancellation taking effect at 7.00 a.m. on 8 March 2019.

The expected timetable of principal events is set out further below:

Notice provided to the London Stock Exchange to notify it of the proposed Cancellation	30 January 2019
Publication of this Document	30 January 2019
Latest time and date for receipt of Forms of Proxy in respect of the General Meeting	2pm AEDT on 26 February 2019
General Meeting	2pm AEDT on 28 February 2019 (Note 2)

Notes

1. *References to times in this Document are to London time unless otherwise stated.*
2. *If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement on an RNS (and posted on the Company's website at www.crusaderresources.com) in accordance with the Company's Constitution.*
3. *Assumes Resolution 3 is passed by the appropriate majority at the General Meeting.*

Upon the Cancellation becoming effective, Beaumont Cornish Limited will cease to be Nominated Adviser to the Company and the Company will no longer be required to comply with the AIM Rules.

5.4 Additional information

Accordingly, the Board recommends that Shareholders vote in favour of Resolution 3.

Resolution 3 is a special resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 3.

Schedule 1 - Definitions

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

\$ means Australian Dollars.

AEDT means Australian Eastern Daylight Time, being the time in Melbourne, Victoria.

AIM Cancellation or **Cancellation** means the proposed cancellation of admission of the Shares from trading on AIM.

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

AIM Rules means the AIM Rules For Companies, whose securities are admitted to trading on AIM, 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.

Board means the board of Directors.

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

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

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

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.

FCA means the Financial Conduct Authority.

Interest Shares has the meaning given in Section 4.1.

Listing Rules means the listing rules of ASX.

London Stock Exchange means the London Stock Exchange PLC.

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

Nominated Adviser means Beaumont Cornish Limited, the Company's Nominated Adviser in accordance with the AIM Rules.

Note Agreements mean the secured note agreements entered into between the Company and the various Noteholders, as summarised in Section 3.1 and Schedule 2.

Note has the meaning given in Section 3.1.

Noteholder means the holder of a Note.

Notice means this notice of General Meeting.

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 - Material terms and conditions of Notes

Face Value	\$100,000 per Note
Maturity	The maturity date is 12 months after the date of the relevant Note Agreement.
Redemption	<p>Any unconverted Notes are to be redeemed by the Company on the maturity date.</p> <p>If an “event of default” occurs (as described below), the Noteholder may require the immediate redemption of the Notes.</p> <p>If the shareholder approval the subject of Resolutions 1 and 2 are not passed by the requisite majority of Shareholders by 28 February 2019, the Noteholder may require the Notes to be redeemed within 5 business days of the provision of written notice.</p>
Conversion	Subject to the receipt of Shareholder approval, a Noteholder may convert their Shares at any time during the period commencing on the date of the Shareholder approval, and ending 10 business days before the maturity date.
Interest	<p>Interest accrues at a rate of 8% per annum, commencing from the date of issue.</p> <p>The interest is to be paid in two tranches:</p> <ul style="list-style-type: none"> • the first interest payment date is 6 months after the issue date of the Note; and • the second interest payment date is the maturity date, however if any Notes are converted or redeemed, the interest is to be calculated up to the date of such conversion or redemption and paid at the same time. <p>The interest is to be paid by the issue of Shares, at a deemed issue price equal to the higher of:</p> <ul style="list-style-type: none"> • the volume weighted average price of Shares traded on ASX during the 30 days on which sales were recorded on ASX ending on the day before the relevant interest payment date; and • the lower of \$0.01 and the offer price under the Company’s proposed entitlement offer. To provide the required certainty to Shareholders, the Company has determined to set a floor price for this entitlement offer of \$0.005 per Share. <p>Any overdue amounts will incur additional interest at a rate of 15% per annum.</p>
Security	The Notes are secured.

Representations and warranties	<p>The Company has provided the Noteholders with customary representations and warranties.</p>
Events of default	<p>The Convertible Note Agreement includes typical events of default, including, amongst other things, the following (in summary):</p> <ul style="list-style-type: none"> • (failure to pay) the Company fails to pay or repay any part of the outstanding moneys under the relevant Note Agreement when due and payable by it and the amount remains unpaid for 5 business days (or such longer period agreed) after the failure to pay; • (failure to perform) the Company fails to perform any other material undertaking or obligation of it under the relevant Note Agreement and, if the failure is capable of remedy, it continues unremedied for 5 business days (or such longer period agreed) after the failure to comply; • (misrepresentation) any representation or warranty of the Company is or becomes incorrect or misleading in any material respect and, if the circumstances causing it to be incorrect or misleading are capable of remedy, it remains incorrect or misleading in any respect 5 business days (or such longer period agreed) after being or becoming incorrect or misleading; • (security interest) any security interest is enforced, or becomes capable of being enforced, against an asset of the Company group; • (judgment) a judgment in an amount exceeding \$500,000 (or its equivalent in any other currency or currencies) is obtained against a member of the Company group and is not set aside or satisfied within 10 business days; • (execution) a distress, attachment, execution or other process of a Government Agency is issued against, levied or entered upon an asset of the Company group in an amount exceeding \$500,000 (or its equivalent in any other currency or currencies) and is not set aside or satisfied within 10 business days; • (controller) any of the following occur: <ul style="list-style-type: none"> ○ a controller (as defined in the Corporations Act) is appointed, or any steps are taken to appoint a controller; or ○ a resolution to appoint a controller is passed, or any steps are taken to pass a resolution to appoint a controller, <p>to a material member of the Company group or over a material asset of the Company group;</p> • (winding up) any of the following occur:

	<ul style="list-style-type: none"> ○ any shareholder or director either calls or threatens to call any meeting for the purpose of considering or passing any resolution; ○ an application is made; ○ an order is made; or ○ a resolution is passed or any steps are taken to pass a resolution, <p>for the winding up of a material member of the Company group;</p> <ul style="list-style-type: none"> • (administration) any of the following occur: <ul style="list-style-type: none"> ○ an administrator is appointed, or any steps are taken to appoint an administrator; or ○ a resolution to appoint an administrator is passed, or any steps are taken to pass a resolution to appoint an administrator, ○ to a material member of the Company group; • (insolvency) a material member of the Company group is: <ul style="list-style-type: none"> ○ unable to pay its debts when they are due; or ○ presumed to be insolvent under the Corporations Act; • (arrangements) a material member of the Company group enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, any of its creditors; or • (unenforceability) <ul style="list-style-type: none"> ○ a provision of this document is illegal, void, voidable or unenforceable; ○ any person becomes entitled to terminate, repudiate, rescind or avoid any provision of this document; or ○ the execution, delivery or performance of this document by the Issuer breaches or results in a contravention of any law.
Quotation	The Notes will not be quoted on the ASX.
Transferability	The Noteholder may transfer the Notes, subject to the prior written consent of the Company.

Schedule 3 - Terms of ASX waiver

1. Based solely on the information provided, ASX Limited (“ASX”) grants Crusader Resources Limited (the “Company”) a waiver from Listing Rule 7.3.2 to allow the Company’s notice of annual general meeting (“Notice”) seeking shareholder approval for the issue of up to 14,400,000 shares (“Interest Shares”) in consideration for the payment of interest of 8% per annum on convertible notes issued by the Company (“Convertible Notes”) due to unrelated parties (“Noteholders”), not to state that the date by which the Company will issue the Interest Shares will be no later than 3 months after the date of the Meeting on the following conditions.
 - (a) The Interest Shares must be issued to the Noteholders no later than 24 December 2019.
 - (b) For any annual reporting period during which any of the Interest Shares have been issued or any of them remain to be issued, the Company’s annual report sets out in detail the number of Interest Shares issued during the reporting period, the number of Interest Shares that remain to be issued and the basis on which the Interest Shares may be issued.
 - (c) In any half year or quarterly report for a period during which any of the Interest Shares have been issued or remain to be issued, the Company must include a summary statement of the number of Interest Shares issued during the reporting period, and the number of Interest Shares that remain to be issued and the basis on which the Interest Shares may be issued.
 - (d) The terms of the waiver are disclosed in the Notice.
 - (e) The Notice contains a summary of the material terms of the Convertible Notes.
2. ASX has considered Listing Rule 7.3.2 only and makes no statement as to the Company’s compliance with other Listing Rules.

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CRUSADER RESOURCES LIMITED

ACN: 106 641 963

REGISTERED OFFICE:

LEVEL 9
190 ST GEORGES TERRACE
PERTH WA 6000
AUSTRALIA

SHARE REGISTRY:

Security Transfer Australia Pty Ltd

All Correspondence to:

PO BOX 52
Collins Street West VIC 8007
Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000

T: 1300 992 916 F: +61 8 9315 2233

E: registrar@securitytransfer.com.au

W: www.securitytransfer.com.au

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«EFT_REFERENCE_NUMBER»

«Company_code» «Sequence_number»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

Code:

CAS

Holder Number:

«HOLDER_NUM

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**VOTE
ONLINE**

Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«Online_Prox

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the General Meeting of the Company to be held at 2:00pm AEDT on Thursday 28 February 2019 at Clarion Suites Gateway, 1 William Street, Melbourne, VIC, 3000 and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions.

In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION

1. Approval to convert Notes

For

Against

Abstain*

2. Approval to issue Interest Shares

3. Approval of delisting of Company from AIM

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

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

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 2:00pm AEDT on Tuesday 26 February 2019.

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CASPX1280219

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My/Our contact details in case of enquiries are:

Name:

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Number:

(

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)

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1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

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

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

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

Joint Holding: where the holding is in more than one name, all of the Shareholders must 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 may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Australia Pty Ltd

Online	www.securitytransfer.com.au
Postal Address	PO BOX 52 Collins Street West VIC 8007
Street Address	Suite 913, Exchange Tower 530 Little Collins Street Melbourne VIC 3000
Telephone	1300 992 916
Facsimile	+61 8 9315 2233
Email	registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

