



**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 Friday, 22 March 2019 at 2pm (AEST)

**The Directors recommend Shareholders
vote AGAINST all Resolutions**

This Notice and the accompanying Explanatory Memorandum 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 this Notice.

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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 Friday, 22 March 2019 at 2pm (AEST) (**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 Wednesday, 20 March 2019 at 2pm (AEST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Section 6 of the Explanatory Memorandum.

AGENDA

1. Resolution 1 - Appointment of Mr Brett Clark as a Director

To consider, and if thought fit, pass as an ordinary resolution the following:

"That pursuant to Article 10.2(c) of the Constitution of the Company, Mr Brett Clark, having consented to act, be elected a director of Crusader Resources Limited with effect from the end of the general meeting of Crusader Resources Limited at which this resolution is passed."

The Directors unanimously recommend that Shareholders vote **AGAINST** this Resolution

2. Resolution 2 - Appointment of Mr David Sanders as a Director

To consider, and if thought fit, pass as an ordinary resolution the following:

"That pursuant to Article 10.2(c) of the Constitution of the Company, Mr David Sanders, having consented to act, be elected a director of Crusader Resources Limited with effect from the end of the general meeting of Crusader Resources Limited at which this resolution is passed."

The Directors unanimously recommend that Shareholders vote **AGAINST** this Resolution

3. Resolution 3 - Appointment of Mr Carl Luttig as a Director

To consider, and if thought fit, pass as an ordinary resolution the following:

"That pursuant to Article 10.2(c) of the Constitution of the Company, Mr Carl Luttig, having consented to act, be elected a director of Crusader Resources Limited with effect from the end of the general meeting of Crusader Resources Limited at which this resolution is passed."

The Directors unanimously recommend that Shareholders vote **AGAINST** this Resolution

4. Resolution 4 - Removal of Mr Marcus Engelbrecht as a Director

To consider, and if thought fit, pass as an ordinary resolution the following:

"That pursuant to Article 10.3(h) of the Constitution of the Company, Mr Marcus Engelbrecht be removed as a director of Crusader Resources Limited with effect from the end of the general meeting of Crusader Resources Limited at which this resolution is passed."

The Directors unanimously recommend that Shareholders vote **AGAINST** this Resolution

5. Resolution 5 - Removal of Mr Andrew Vickerman as a Director

To consider, and if thought fit, pass as an ordinary resolution the following:

"That pursuant to Article 10.3(h) of the Constitution of the Company, Mr Andrew Vickerman be removed as a director of Crusader Resources Limited with effect from the end of the general meeting of Crusader Resources Limited at which this resolution is passed."

The Directors unanimously recommend that Shareholders vote **AGAINST** this Resolution

BY ORDER OF THE BOARD

Andrew Beigel
Company Secretary and Chief Financial Officer
Dated: 12 February 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 Friday, 22 March 2019 at 2pm (AEST).

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	Request for removal and election of Directors
Section 4	Directors' response to Request
Section 5	Resolutions
Section 6	Definitions
Schedule 1	Statement from Requisitioning Shareholders

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 this 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 set out in the Proxy Form. Returning the Proxy Form to the Company will not preclude a Shareholder from attending or (subject to the voting exclusions set out in the Notice) voting at the Meeting in person.

Please note that:

- (a) a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a Shareholder; and
- (c) a Shareholder 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. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 2pm AEST on Wednesday, 20 March 2019, being at least 48 hours before the Meeting.

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

The Chairperson of the Meeting intends to vote all undirected proxies AGAINST the Resolutions.

3. Request for removal and election of Directors

As announced on 29 January 2019, by notice to the Company dated 24 January 2019, Mr William Richard Brown, Vitor Pty Ltd, Chinetti Investments Pty Ltd and Parkwise Corporation Pty Ltd (together, **Requisitioning Shareholders**) requested the Directors call and arrange to hold a general meeting in accordance with section 249D of the Corporations Act (**Request**).

The Request seeks the appointment of Mr Brett Clark, Mr David Sanders and Mr Carl Luttig (together, **Nominee Directors**) as Directors of the Company and the removal of Mr Marcus Engelbrecht and Mr Andrew Vickerman as Directors of the Company.

A copy of the Request was attached to the notice of initial substantial holder announced on 29 January 2019.

Pursuant to section 249D(1) of the Corporations Act, a general meeting is required to be called upon the request of a member with at least 5% of the votes that may be cast at a general meeting of the Company.

As at midnight on the date before the Request was given to the Company, the Requisitioning Shareholders held an aggregate of 25,464,178 Shares of the Company directly representing a voting power of 5.07% in the Company.

Accordingly, the Directors have called and arranged to hold this Meeting pursuant to the Request and in accordance with the provisions of section 249D(5) of the Corporations Act. Shareholders should note that all Resolutions contained in this Notice have been proposed pursuant to the Request and not by the Board.

4. Directors' response to Request

4.1 Overview

Your Directors the subject of removal resolutions - Mr Marcus Engelbrecht and Mr Andrew Vickerman - as well as Mr John Evans, who is not the subject of a removal resolution, are unanimously of the view that Shareholders should vote **AGAINST** each of the Resolutions.

The Board strongly considers that it is in the best interests of the Company as a whole to vote **AGAINST** the Resolutions for the following key reasons:

- (a) The current Board is in advanced discussions regarding a potential funding proposal from its major Shareholder. The Board understands that this funding proposal will not be completed if the Nominee Directors are appointed.
- (b) The Resolutions are in our view opportunistic and no funding proposal has been provided to the Company or Shareholders.
- (c) The Board is open to consideration of attractive corporate opportunities.
- (d) The Board members that the Requisitioning Shareholders are seeking to remove, have shown ongoing personal support for the Company by investing in capital raisings and deferring their payment entitlements.

These reasons are explained in further detail below.

Section 249P of the Corporations Act permits the Requisitioning Shareholders to submit a statement for circulation to Shareholders regarding the Resolutions and any other matter that may be properly considered at the Meeting. The Requisitioning Shareholders have provided the Company with a statement to be sent to Shareholders (**249P Statement**). A copy of the 249P Statement is annexed as Schedule 1.

The Requisitioning Shareholders make a variety of incorrect or unsubstantiated statements in their 249P Statement. We have addressed these below:

- No details were provided of how a 50% reduction in corporate overheads, with savings of over A\$1.5m, could be achieved.
- They have committed to undertake a maiden drilling programme at the early stage Novo Astro Gold exploration project with no indication as to how they might fund such a programme or what it would be expected to deliver. They are also silent as to the rationale as to why high risk early stage exploration will realise value in a market currently focussed on development projects.
- They suggest they could further optimise the Borborema Gold Project (Borborema) which would yield a 30% increase in NPV, without providing detail, and also that there had been a failure to advance the Company's projects and the Borborema Bankable Feasibility Study (BFS) in particular. As the Company has indicated, it has well advanced the work required to finalise the BFS at Borborema following extensive internal and external work including substantial metallurgical test-work. It is currently anticipating

completing an externally reviewed BFS within 5 months of receipt of funding. Further, the final permit required to commence construction is expected to be received in the next 2 months. The Board does not believe it commercially prudent at this stage to undertake any work other than finalisation of the Borborema Project BFS.

- With current funding constraints the Company chose not to focus on exploration at the Juruena Gold Project (Juruena), however current management were able to clean up the licensing situation and position the asset ready for sale or external investment where, as noted below, a number of interested parties had initiated discussions.
- The Requisitioning Shareholders state that the AIM listing resulted in exorbitant corporate expenditure and no new investors whereas over 60% of the nearly A\$10m raised since the appointment of the current management came from the UK. Further, as noted below, both Mr Vickerman and Mr Engelbrecht have deferred part or the majority of their employment entitlements. Management have also initiated significant cost cuts.

4.2 The current Board is in advanced discussions regarding a potential funding proposal from its major Shareholder. The Board understands that this funding proposal will not be completed if the Nominee Directors are appointed.

Background

On 1 October 2018, the Company announced that trading of its securities on the ASX and AIM 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 queries from ASX regarding its financial position.

The Directors had discussions with a number of providers of both debt and equity funding and have now successfully completed:

- (a) an investment round raising a total of \$2.4 million (before costs) by the issue of notes; and
- (b) a placement of 22.5 million shares raising \$225,000 (before costs),

(together, **Initial Fundraising**).

The Company intends to follow the Initial Fundraising with a pro rata entitlement issue to eligible shareholders (**Entitlement Issue**).

The Company has also been undertaking a strategy of implementing cost reductions. This has included a reduction in the size of the Company's executive team, as well as the proposed cancellation of the Company's shares from trading on AIM (subject to the receipt of Shareholder approval being sought at the general meeting to be held on 28 February 2019). Please refer to the Company's notice of general meeting announced on 30 January 2019 for further details regarding the proposed AIM cancellation.

With the Initial Fundraising now having completed and the cost reduction strategies having been actioned, the Board considers that on the successful completion of the Entitlement Issue, it will be in a position to address the uncertainties noted by the Company's auditor as the basis for its disclaimed opinion, and adequately respond to the queries raised by ASX, such that its Shares will be reinstated to quotation on ASX.

Copulos Group Proposal

The Board considers that resolving the current funding issues and the successful completion of the Entitlement Issue is integral to maintaining the solvency of the Company and ultimately being reinstated to quotation on ASX.

As announced on 29 January 2019, the current Board is in advanced discussions with the Company's largest Shareholder, the Copulos Group, for a potential partial underwriting of A\$3 million of the Entitlement Issue (**Proposal**). The current Board understands that this proposal will not be completed if the Resolutions are passed such that the Board majority is constituted by the nominees of the Requisitioning Shareholders.

The Board cautions that the terms of the Proposal remain incomplete, and that there is no certainty that an agreement will be reached. However, the discussions are progressing well and it is anticipated that an agreement will be reached shortly after the date of this Notice.

The Company's intention to undertake the Entitlement Issue was first announced on 5 November 2018. Since this time, the Board has been actively seeking potential underwriters for the Entitlement Issue. The Company has also been exploring a range of capital-raising alternatives over a number of months. The Board considers that the Entitlement Issue and the Proposal (although not complete), are materially superior to any other capital raising alternative that have been offered by any other parties at this time.

4.3 The Resolutions are in our view opportunistic and no funding proposal has been provided to the Company or Shareholders.

With the Requisitioning Shareholders holding only approximately 5.07% of the Company's Shares, as at midnight on the date before the request was given to the Company, their action is in our view opportunistic, and their request for three of four seats on the Board is out of all proportion to their holding and contrary to principles of good corporate governance.

The Requisitioning Shareholders have provided the Company with a statement pursuant to section 249P of the Corporations Act, which is included in Schedule 1 of this Notice (**Statement**).

The Statement states that the Requisitioning Shareholders believe that the Nominee Directors will, amongst other things, minimise the funding required to remove the ASX imposed suspension and recommence trading.

The Statement does not provide any details as to where such funding will be sourced from nor of the details of the cost savings they intend to implement. As noted above, the Proposal from the Copulos Group will not be completed if the Nominee Directors are appointed. Accordingly, the Board considers that approving the

Resolutions without any details of the proposed funding seriously risks the Company's solvency.

The current Board considers that the Entitlement Issue, while at a discounted price, is the most realistic strategy for raising the funds required to put the Company in a position where it can adequately address ASX's queries with a view to being reinstated to trading.

The Board also does not intend on raising any funds over and above what it considers to be reasonably necessary to maintain its solvency and ultimately be reinstated to quotation on ASX.

Accordingly, the Board considers that the Resolutions are opportunistic and risks the future solvency of the Company and the good standing of its projects, and that the interests of the Company and its Shareholders as a whole are best served by voting **AGAINST** the Resolutions.

4.4 The Board is open to consideration of attractive corporate opportunities.

The Company announced on 5 November 2018 that it is pursuing the potential of a farm-in transaction in respect of the Juruena Gold Project in light of the Company's core focus of developing Borborema. The Company has already received initial expressions of interest with regard to third parties interested in partnering with Crusader in developing its 100% owned Juruena Gold Project in the state of Mato Grosso in Brazil.

The Board remains committed to progressing value realisation proposals for Juruena and would welcome any alternative proposals in respect of its other projects or at a corporate level should such proposals be provided on terms that the Board considers reflects the value of the underlying assets.

4.5 The Board members that the Requisitioning Shareholders are seeking to remove, have shown ongoing personal support for the Company by investing in capital raisings and deferring their payment entitlements.

The Requisitioning Shareholders are seeking to remove the Chairman, Andrew Vickerman, and the Managing Director, Marcus Engelbrecht.

Each of Mr Vickerman and Mr Engelbrecht have demonstrated ongoing personal support for the Company.

Mr Vickerman participated in the Company's April 2018 capital raise and, in addition, his Directors' fees have been deferred since July 2018. Similarly, Mr Engelbrecht participated in both the December 2017 and April 2018 capital raises and had, as at end January 2019, not received any payments under his employment contract since joining the Company in November 2017.

5. Resolutions

5.1 Resolution 1 - Appointment of Mr Brett Clark as a Director

The Request requisitioned a general meeting to propose a resolution to appoint Mr Brett Clark as a Director.

In accordance with the requirements of the Company's Constitution and the Corporations Act, the Company has convened the Meeting to allow Shareholders to vote on the appointment of Mr Brett Clark as a Director.

Details regarding the experience, background and ability of Mr Brett Clark were not provided to the Company.

Recommendation: The Directors recommend that you **VOTE AGAINST** this Resolution.

Resolution 1 is an ordinary resolution.

The Chairperson intends to exercise all available proxies against this Resolution.

5.2 Resolution 2 - Appointment of Mr David Sanders as a Director

The Request requisitioned a general meeting to propose a resolution to appoint Mr David Sanders as a Director.

In accordance with the requirements of the Company's Constitution and the Corporations Act, the Company has convened the Meeting to allow Shareholders to vote on the appointment of Mr David Sanders as a Director.

Details regarding the experience, background and ability of Mr David Sanders were not provided to the Company.

Recommendation: The Directors recommend that you **VOTE AGAINST** this Resolution.

Resolution 2 is an ordinary resolution.

The Chairperson intends to exercise all available proxies against this Resolution.

5.3 Resolution 3 - Appointment of Mr Carl Luttig as a Director

The Request requisitioned a general meeting to propose a resolution to appoint Mr Carl Luttig as a Director.

In accordance with the requirements of the Company's Constitution and the Corporations Act, the Company has convened the Meeting to allow Shareholders to vote on the appointment of Mr Carl Luttig as a Director.

Details regarding the experience, background and ability of Mr Carl Luttig were not provided to the Company.

Recommendation: The Directors recommend that you **VOTE AGAINST** this Resolution.

Resolution 2 is an ordinary resolution.

The Chairperson intends to exercise all available proxies against this Resolution.

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5.4 Resolution 4 - Removal of Mr Marcus Engelbrecht as a Director

The Request requisitioned a general meeting to propose a resolution to remove Mr Marcus Engelbrecht as a Director.

In accordance with the requirements of the Company's Constitution and the Corporations Act, the Company has convened the Meeting to allow Shareholders to vote on the removal of Mr Marcus Engelbrecht as a Director.

The Company has provided the following information to assist Shareholders.

Mr Marcus Engelbrecht - Managing Director

Marcus has nearly 33 years' experience in the global mining industry including at Board level and as managing director of a London-listed company. Marcus had various roles at BHP, including Chief Financial Officer of the group's Diamond and Speciality Products division. In 2009 he joined OceanaGold, an ASX/NZX/TSX listed gold producer as Chief Financial Officer also acting, in part, as CEO. Between 2011 and 2013, Marcus was Managing Director and CEO of Archipelago Resources plc, formerly an AIM-quoted, gold producer in Indonesia. Marcus was Chief Executive Officer of Stratex International plc between September 2016 and November 2017, joining Crusader shortly after the proposed merger between Stratex International plc and Crusader (announced on 18 May 2017) was terminated. Marcus also currently serves as a non-executive Director of Xanadu Mines, an ASX-listed exploration company.

Recommendation: The Directors (other than Mr Marcus Engelbrecht, who declines to make a recommendation on this Resolution) recommend that you **VOTE AGAINST** this Resolution.

Resolution 4 is an ordinary resolution.

The Chairperson intends to exercise all available proxies against this Resolution.

5.5 Resolution 5 - Removal of Mr Andrew Vickerman as a Director

The Request requisitioned a general meeting to propose a resolution to remove Mr Andrew Vickerman as a Director.

In accordance with the requirements of the Company's Constitution and the Corporations Act, the Company has convened the Meeting to allow Shareholders to vote on the removal of Mr Andrew Vickerman as a Director.

The Company has provided the following information to assist Shareholders.

Mr Andrew Vickerman - Non-Executive Chairman

Andrew is currently a member of the Board of Trafigura Pte Ltd an independent commodity trading and logistics house, and chairman of Direct Nickel Holdings UK Limited, a business that has developed technology for processing nickel laterite deposits. Mr Vickerman was a non-executive director at Petropavlovsk PLC, a London listed mining company with assets in Russia, between October 2015 and June 2017. Prior to the above appointments, Mr Vickerman spent almost 20 years with Rio Tinto, the last 10 years as a member of the Operations and Executive Committees with responsibility for global communications and external relations.

In the mid-90s he spent four years as Finance Director of Lihir Gold and led the U\$750 million financing of the Lihir Gold project. An economist by background he has previously worked for The World Bank and other international agencies

Recommendation: The Directors (other than Mr Vickerman, who declines to make a recommendation on this Resolution) recommend that you **VOTE AGAINST** this Resolution.

Resolution 5 is an ordinary resolution.

The Chairperson intends to exercise all available proxies against this Resolution.

6. Definitions

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

\$ means Australian Dollars.

AEST means Australian Eastern Standard Time, being the time in Melbourne, Victoria.

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

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Board means the board of Directors.

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

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

Director means a director of the Company.

Entitlement Issue has the meaning given in Section 4.2.

Explanatory Memorandum means this explanatory memorandum attached to the Notice.

Initial Fundraising has the meaning given in Section 4.2.

London Stock Exchange means the London Stock Exchange PLC.

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

Nominee Directors has the meaning given in Section 3.

Notice means the notice of general meeting.

Proposal has the meaning given in Section 4.2.

Proxy Form means the proxy form attached to the Notice.

Request has the meaning given in Section 3.

Requisitioning Shareholders has the meaning given in Section 3.

Resolution means a resolution contained in the Notice.

Section means a section of this Explanatory Memorandum.

Shareholder means a shareholder of the Company.

Schedule 1 - Statement from Requisitioning Shareholders

On 1 October 2018 Crusader Resources Limited was subject to an **exchange enforced suspension** from trading on the Australian Stock Exchange (ASX). This action has had a **materially negative effect on all shareholders and must be addressed to ensure the future of the Company.**

The current Chairman and Managing Director along with their London based advisory teams **should take responsibility for the destruction of shareholder value leading up to the enforced suspension as well as the unexplained delays in meeting the ASX requirements for lifting the suspension and must be held to account.**

We have called this meeting to achieve:

1. Removal of underperforming Directors.
2. Re-instatement of Crusader to trading on the ASX.
3. Minimisation of dilution to existing shareholders by reducing working capital requirements for relisting whilst still progressing the company's projects.

Our proposed new Board is committed to delivering:

1. **Up to 50% reduction in corporate overhead costs estimated to save shareholders more than \$1,500,000 annually.**
2. Maiden Drilling program at the Novo Astro Gold project.
3. Low cost re-optimisation of the Borborema Gold Project targeting a 30% or greater increase in NPV.

A vote for the new Board members will ensure that experienced Brazilian based gold professionals manage the company's projects. The incoming Board has commitments from Brazilian based operators to begin working immediately on reducing the cost of operations in Brazil whilst fast-tracking project development.

The current Managing Director Marcus Engelbrecht became involved with Crusader in May 2017 as part of a proposed corporate transaction and was appointed Managing Director on 20 November 2017. The current Chairman Andrew Vickerman was appointed on 18th April 2018.

The Company's share price has fallen from 12cps in May 2017 to 5.5cps in April 2018 and the Company is now proposing a rights issue at a price as low as 0.5cps. The Company has also recently placed shares at 1cps, representing a fall in market capitalisation from \$35M to just over \$5M - the destruction of nearly \$30M in shareholder value and 91% share price fall.

Over this period the Company also issued more than 200,000,000 new shares, incurred short term debt greater than \$1,400,000 and is now proposing to issue up to an additional 500,000,000 shares.

Salaries for the UK Board are at the extreme upper quantum for a junior mining company. Marcus Engelbrecht's remuneration is approximately \$500,000pa in guaranteed payments with additional short-term bonus payments available and the **non-executive** chairman is paid \$120,000pa.

Clearly unsustainable expenses for a junior mining company have been incurred. The secondment of decision making to third party advisors is unsustainable with Crusader's corporate expenditure over the UK listing period alone in excess of \$5,000,000.

The reasons for calling a shareholders meeting are as follows:

1. Unsustainable costs and corporate overheads with management displaying inability to control a small company structure.

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- a. Exorbitant expenditure on consultants including the appointment of multiple brokers and advisors to the Company. These advisors have neither generated buying activity nor introduced any new major investors to the current register.
 - b. UK based management come from a large company background and lack the correct skills to operate without substantial and expensive support.
2. Failure to develop a reasonable knowledge of the Company's expenditures & liabilities.
 - a. Marcus Engelbrecht has spent only 3 days in Brazil since being appointed approximately 15 months ago.
 - b. ASX enforced suspension of the company due to avoidable delays in executing funding options.
 3. Failure to advance projects - Lack of tangible advancement on core assets.
 - a. Borborema BFS not commissioned.
 - b. No meaningful exploration at Jurueña.

Crusader promoted to the market that the BFS study would be delivered in 2018. As an engineering firm has not been engaged to complete a BFS this was an impossible promise to fulfil damaging the Company's credibility.
 4. No ability to maintain share market performance displaying a lack of understanding of small company market dynamics.
 - a. No share market support despite continuing to pay brokers monthly mandated fees.
 - b. Failure to address negative market commentary and press as displayed by SP Angel articles that have been circulated globally deterring investors from considering the Company.
 - c. Negligible volume trading on the AIM market.
 5. Poor execution of the AIM listing.
 - a. Failure to deliver on prospectus representations specifically cost cutting commitments in Brazil.
 - b. It is our view that assumptions regarding cost reductions were indiscriminate with insufficient care taken to determine whether the proposed cuts were realistic or able to be practically delivered.
 - c. Capital Markets are now unwilling to support the UK listing and cost structure.

New Strategy

The Shareholders represented in the Section 249D notice believe the proposed Directors are the right "can do" people to implement their plan to relist the Company on the ASX and reduce the monthly burn rate allowing for a smaller and less dilutionary capital raising to satisfy the listing requirements.

1. Reduce all costs associated with the AIM listing.
2. Reduce Brazil cost immediately through:
 - a. "Boots on the ground" approach to cost cutting.
 - b. Generate positive news flow on the projects at minimal cost (the lowest cost value accretive action)

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- i. Optimisation of the Borborema Gold Project rather than expensive BFS.
 - ii. Complete a maiden drill program at Novo Astro.
 3. Minimise the funding required to remove the ASX imposed suspension and recommence trading.
 4. **DO NOT issue \$4,000,000 worth of shares whilst the Company is distressed.** The new directors will do everything to avoid issuing any unnecessary stock at such distressed prices.
 5. The new Board will review all proposals previously presented to the company to assist with the exploration and development of the two existing gold projects and consider all commercially reasonable offers.
 6. **The new Board will meet with all major stakeholders and endeavour to bring all parties together in support of a defined united strategy.**

CRUSADER RESOURCES LIMITED

ACN: 106 641 963

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190 ST GEORGES TERRACE
PERTH WA 6000
AUSTRALIA

SHARE REGISTRY:
Security Transfer Australia Pty Ltd

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«Company_code» «Sequence_number»

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

Code:

Holder Number:

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.

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 AEST on Friday 22 March 2019 at Clarion Suites Gateway, 1 William Street, Melbourne, Victoria 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 AGAINST 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	For	Against	Abstain*
1. Appointment of Mr Brett Clark as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Appointment of Mr David Sanders as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Appointment of Mr Carl Luttig as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Removal of Mr Marcus Engelbrecht as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Removal of Mr Andrew Vickerman as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director & Sole Company Secretary	Director	Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 2:00pm AEST on Wednesday 20 March 2019.



My/Our contact details in case of enquiries are:

Name:

Number:

()

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

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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.



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