

Third Element Metals – JV Restructure

Crusader Resources Limited (“Crusader” or the “Company”) (ASX:CAS) wishes to advise it (together with its related entities) has entered into Deed of Termination and Restructure with Lepidico Ltd (together with its related entities) (**Lepidico**) (ASX:LPD) in respect of the Third Element Metals (**TEM**) joint venture (**JV Restructure**).

Crusader and Lepidico formally established the TEM joint venture in April 2016, for the pursuit of lithium opportunities in Brazil, commencing with Crusader's 100% owned Magna project. The joint venture, which was on a 50/50 basis, was established for the purposes of:

- (a) exploring for lithium and other minerals on Crusader's Manga Lithium project and any other tenements acquired by Lepidico in Brazil and other agreed jurisdictions (**Territory**);
- (b) mining and processing minerals extracted from tenements in the Territory using the L-Max® technology, to which TEM would hold exclusive rights in the Territory (**Technology**); and
- (c) sub-licensing the Technology to third parties for use in the Territory.

As a result of the JV Restructure, Crusader will become the sole shareholder of TEM.

TEM is the holder of the Manga Lithium project. TEM has also submitted an application for an exploration licence (**Gaia**) in the Guarda area of in north-east Portugal. The area the subject of the exploration licence application is adjacent to the Alvarrões lepidolite mine owned and operated by Grupo Mota, located near the city of Guarda.

Upon successful granting of the licence, Crusader intends to, through TEM, conduct an exploration program focussed on potential extensions of the Alvarrões lepidolite mine.

Under the terms of the JV Restructure:

- (a) Crusader/TEM is required to progress the Gaia application described above and maintain any such licence granted in good standing;
- (b) Crusader/TEM is required to provide Lepidico with 30 days' written notice of any intention to transfer, dispose of or otherwise deal with or relinquish the Gaia application and any such licence granted;
- (c) Lepidico granted TEM a conditional licence to use its Technology in relation to TEM's operations in Brazil and Portugal. Such licence includes a royalty of 2% on the gross sales value of all products from such operations; and
- (d) if TEM constructs a plant using the Technology in Portugal, Lepidico agrees to supply to TEM any and all concentrate produced by Lepidico from the Mota Project or other specified ground in the vicinity on reasonable commercial terms to be agreed at the time.

The Parties acknowledge and agree that nothing in this Deed prevents or restricts TEM and Crusader from transferring, disposing or otherwise dealing with the Manga Project in any way.

Crusader must not, without Lepidico's prior written consent, directly or indirectly, alone or in concert with any other party, with a view to developing a commercial interest therein of any kind approach Grupo Mota in relation to the Mota Project.

Commenting on the Deed of Termination for Third Element Metals, Crusader Executive Director Paul Stephen said:

“The decision to terminate the joint venture with Lepidico was an amicable one, which reflects the recent changing of focus for Crusader Resources.

“Within the past year Crusader has unearthed some spectacular gold results at the Juruena Gold Project and significantly advanced the pathway to development for the Borborema Gold Project.

“In addition, the Company has been in a stronger position to increase its focus on precious metals following the execution of the binding Scheme Implementation Deed with Stratex International (AIM:STI). Stratex has been highly supportive of Crusader’s ongoing Brazilian exploration activities.

“TEM remains committed to the evaluation and development of Lithium opportunities across Brazil and Portugal and will continue to work with Lepidico in the development of the L-Max® processing technology.”

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About Crusader

Crusader Resources Limited (ASX:CAS) is a minerals exploration and mining company listed on the Australian Securities Exchange. Its major focus is Brazil; a country Crusader believes is vastly underexplored and which offers high potential for the discovery of world class mineral deposits. Crusader has three key assets:

Juruena Gold

The Juruena Gold Project is located in the highly prospective Juruena-Alta Floresta Gold Belt, which stretches east-west for >400km and has historically produced more than 7Moz of gold from 40 known gold deposits.

The Juruena Project has been worked extensively by artisanal miners (garimpeiros) since the 1980s, producing ~500koz in that time. Historically there is a database of more than 30,000 meters of drilling and extensive geological data.

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. The project had an indicated and inferred Mineral Resource estimate of 36Mt @ 43.5% Fe when mining 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 Ore Reserve 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.

About Stratex International Plc

Focused on the exploration and development of gold and high-value base-metal deposits, AIM-quoted Stratex International is active in Turkey and Senegal and has strategic interests in East Africa and Ghana. Since listing in 2006, Stratex has discovered more than 2.2Moz of gold and 7.09Moz of silver.

The Company has a successful record in forming joint venture partnerships with both local private companies and major international mining companies, including Antofagasta, Centerra and Teck in Turkey, and Thani Ashanti in East Africa. The Company has also attracted an impressive line-up of cornerstone investors, namely AngloGold Ashanti, Teck and BlackRock Investment Management.