



24 May 2019

Dear Shareholder

Notice to Eligible Shareholders of Non-Renounceable Entitlement Offer

We write to you as the registered holder of shares in Crusader Resources Limited (ASX: CAS) (**CAS** or the **Company**). As advised in the ASX announcement on 20 March 2019 and 23 May 2019, the Company is undertaking a non-renounceable pro-rata offer to eligible shareholders on the basis of two new Shares for every three Shares held at 5:00pm (WST) on Tuesday, 28 May 2019 (**Record Date**) at an issue price of \$0.01 per Share, with one Attaching Option (exercisable at \$0.02 each on or before 30 June 2022) for every three new Shares subscribed for (**Entitlement Offer**).

Pursuant to the Entitlement Offer, on the assumption that no Options are exercised before the Record Date, the Company anticipates issuing up to approximately 411,247,201 Shares (**New Shares**). In the event that all the Options are exercised before the Record Date, the Company anticipates issuing up to approximately 468,165,297 Shares.

The Entitlement Offer is available to all CAS shareholders (**Shareholders**) registered on the Record Date whose registered address is in Australia, New Zealand or the United Kingdom (**Eligible Shareholders**). The Entitlement Offer is not being extended to any Shareholders with addresses outside these jurisdictions.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue. Attaching Options will be exercisable at \$0.02 each on or before 30 June 2022, are intended to be quoted and will otherwise be issued on the terms and conditions set out in the Prospectus.

Prospectus

Details of the Entitlement Offer are contained in the Prospectus. The Prospectus can be accessed from the ASX and CAS websites, www.asx.com.au and <http://www.crusaderresources.com/> respectively.

A copy of the Prospectus is intended to be sent to Eligible Shareholders on 31 May 2019.

Purpose of the Entitlement Offer

Subject to the satisfactory completion of the Entitlement Offer, funds raised are intended to be used primarily for the Borborema Project DFS, exploration and holding costs for the Borborema Project and repayment of short term loans to entities associated with Chairman, Mr Stephen Copulos. The funds raised will also contribute to the costs of the Entitlement Offer and provide additional working capital.

Indicative Timetable

The New Shares and Attaching Options will be offered in accordance with the following indicative timetable:

Event	Date
Lodgement of Prospectus with ASIC and ASX Lodgement of Appendix 3B with ASX Notice of Entitlement Offer sent to Optionholders	Thursday, 23 May 2019
Notice of Entitlement Offer sent to Shareholders	Friday, 24 May 2019
Shares quoted on an “Ex” basis*	Monday, 27 May 2019
Record Date for determining Entitlements	Tuesday, 28 May 2019
Prospectus and Application Form despatched to Eligible Shareholders	Friday, 31 May 2019
Last day to extend the Entitlement Offer closing date	Monday, 17 June 2019
Closing Date (5pm WST)	Thursday, 20 June 2019
Notification of Shortfall	Tuesday, 25 June 2019
Anticipated date for issue of New Shares and Attaching Options	Thursday, 27 June 2019
Commencement of New Shares and Attaching Options trading on an ordinary settlement basis	Wednesday, 10 July 2019

*As the Company’s securities are presently suspended from trading on ASX there will be no trading of Shares on an ex basis

All dates are indicative only and subject to change without prior written notice. Any extension of the Closing Date will have a consequential effect on the date of issue of the New Shares and Attaching Options.

Shortfall

The Company reserves the right, subject to any restrictions imposed by the Corporations Act and the Listing Rules, to issue New Shares not subscribed for under the Entitlement Offer (**Shortfall Shares**) in accordance with the allocation policy set out in the Prospectus (**Shortfall Offer**). Eligible Shareholders who subscribe for their full entitlement may participate in the Shortfall Offer by following the instructions on their Entitlement and Acceptance Form. Attaching Options will also be issued on the same terms as the Entitlement Offer.

Effect on Capital Structure

The indicative capital structure of the Company on completion of the Entitlement Offer, assuming only the Securities pursuant to the Entitlement Offer and options to the underwriters are issued, is set out below:

	Partially Underwritten (\$3.5m) Shares	Partially Underwritten (\$3.5m) Options	Fully subscribed Shares	Fully subscribed Options
Balance at the date of this Prospectus	616,870,802	85,377,144 ²	616,870,802	85,377,144
Maximum number of Securities to be issued under the Offers ¹	350,000,000	116,666,667	411,247,201	137,082,400
Underwriter Options ³		42,000,000		42,000,000
TOTAL⁴	966,870,802	244,043,811	1,028,118,003	264,459,544

Notes:

1. The actual number of Shares and Attaching Options to be issued will be subject to rounding.
2. Existing unquoted Options on issue comprise:
 - (a) 5,000,000 exercisable at \$0.195 each and expiring 23 December 2019;
 - (b) 5,000,000 exercisable at \$0.26 each and expiring 23 December 2019;
 - (c) 75,377,144 exercisable at \$0.055 each and expiring 31 May 2020.
3. The Company has agreed to issue the Underwriters an aggregate of 42,000,000 Underwriter Options exercisable at \$0.02 each on or before 30 June 2022, as partial consideration for the services provided in connection with the Entitlement Offer.
4. In addition to the Shares and Options, subject to Shareholder approval at the Annual General Meeting, the Company will have on issue 15 Copulos Group Notes (which can convert to a maximum of 150,000,000 Shares, together with the issue of 12,000,000 Interest Shares).

The Directors of CAS urge you to read the Prospectus carefully and seek advice from your financial adviser if you have any queries. This notice is to inform you of the Entitlement Offer. You are not required to do anything in respect to this letter.

For all enquiries concerning the Prospectus, please contact the Company Secretary Mr Andrew Beigel at Andrew.Beigel@crusaderresources.com. For all general shareholder enquiries, please contact Security Transfer Australia Pty Ltd on 1300 992 916 (within Australia) or +61 8 9315 0933 (outside Australia).

Yours sincerely

Andrew Richards
Executive Director