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Stratex International Plc

("Stratex" or the "Company")

Borborema Review and Posse Sale Update

Stratex, the AIM-quoted gold and exploration company, is pleased to announce that it has completed an extensive due diligence review into Crusader Resources Limited's ("Crusader") Borborema project ("Borborema") in Brazil. Stratex has identified potential optimisation opportunities which are expected to yield material economic gains and lower upfront capital spend. It is Stratex's intention to reflect these optimisation opportunities in the planned Bankable Feasibility Study ("BFS") on Borborema.

The optimisation work to date has highlighted *inter alia* the following opportunities:

- Capex expected to be reduced from the current estimate of US\$120m to <US\$100m as a result of:
 - a shift to using mining contractors;
 - a smaller footprint than previously anticipated with significant reduction on infrastructure spend;
 - accessing electricity from on-site rather than remote power lines;
 - re-basing to the current average exchange rate;
 - a more benign equipment supply and pricing environment; and
 - lower grinding capacity requirements as a result of positive metallurgy testing results.
- Revision of the mining schedule, prioritising easily identifiable and consistent higher grade core.
- Drilling and blasting efficiency improvements.
- Metallurgical testing results present an opportunity to substantially reduce grinding volumes and mill throughput by diorite flotation of silica material.
- Expansion drilling of footwall for resource extensions is expected to define additional low-cost reserve ounces.

Subject to successful completion of the BFS, Crusader currently expects final construction permitting within 9-12 months post closing of the transaction, with decision to mine expected thereafter.

In addition, Stratex is pleased to report that the conditional sale of the Posse Iron Ore mine ("Posse") in Brazil (announcement dated 2 August 2017) is progressing as planned, with Crusader having received the first payment of R\$1.0 million (approximately US\$0.32 million). The remainder of the R\$8 million (approximately US\$2.57 million) consideration is due to be received in 15 equal monthly payments commencing 31 October 2017.

Marcus Engelbrecht, CEO of Stratex, said: *"The successful sale of Posse by the Crusader management and receipt of the first payment tranche is the first step toward refocussing on development of their gold assets.*

The fundamental value proposition for both Stratex and Crusader shareholders in the proposed merger between the two companies is the underlying and unrealised value inherent in these gold assets, and in particular in Borborema. The ongoing optimisation work that is being done has repeatedly demonstrated opportunities to lower operating costs and initial capital spend to construct the project and provides further value uplift.”

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Borborema Gold Project

The Borborema Gold Project is located 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 plus freehold title to the property over the main prospect area. The project benefits from existing on-site facilities and excellent infrastructure and proximity to major cities.

On 24th July 2017, Crusader reported an updated 2012 JORC-compliant, Measured, Indicated and Inferred Resource of 2.43Moz @ 1.10 g/t Au, comprising a Proven and Probable Ore Reserve of 1.61Moz @ 1.18 g/t Au (0.4 & 0.5 g/t cut-offs for oxide & fresh ore). The Mineral Resource remains open in all directions.

Notes to Editors:

Since listing in 2006, Stratex has discovered more than 2.2 million ounces of gold and 7.09 million ounces of silver, as well as 186,000 tonnes of copper. The Company owns 15% of a copper-gold project at feasibility stage and an exciting exploration project in Senegal. The Company also has significant interests in Goldstone Resources Ltd, Thani Stratex Resources Ltd and Tembo Gold Corp. for their exploration projects in Ghana, Djibouti and Egypt, and Tanzania respectively.

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014.

This information is provided by RNS
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