

28<sup>th</sup> August 2012

Company Announcements Office  
Australian Securities Exchange Limited  
4<sup>th</sup> Floor  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

**400KG OF REE HEAVY MINERAL CONCENTRATE PRODUCED AT CHARLEY CREEK  
FOR FURTHER METALLURGICAL TESTWORK**

Approximately seven tonnes of alluvium from the Cattle Creek area at the Charley Creek Project has been extracted and processed by the Crossland field team to produce over 400kgs of first stage heavy mineral concentrate (HMC1).

This HMC1 sample has been forwarded to AML laboratories in Perth to use for ongoing metallurgical testwork. The current focus of this testwork is as follows:

- a) Refinement of the second stage of concentration using electrostatic and magnetic separation techniques to produce high grade mixtures of dominantly xenotime and monazite, with target TREO grades of over 50%.
- b) The xenotime / monazite concentrate will be utilised as follows:
  - Samples will be sent to REE producers that have requested samples for evaluation
  - Ongoing metallurgical test work designed by Crossland's consultants including leach tests to confirm our consultants' expectations that these concentrates are amenable to simple dissolution approaches, involving the two most common REE process routes, utilising sulphate and chloride leaches.

The overall objective of the metallurgical testwork program is to confirm at a laboratory scale that the Charley Creek ore can be processed from mining through to the production of saleable REE products, using well understood and low cost technology.

Shareholders will be advised as results of this important testwork come to hand



**Geoff Eupene**  
Exploration Director FAusIMM (CP)

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by **Geoffrey S Eupene CP**, a Fellow of the Australasian Institute of Mining and Metallurgy. He is a director of the Company and a full time employee of Eupene Exploration Enterprises Pty Ltd. He has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Geoffrey S Eupene has consented to the inclusion in this report of the matters based on this information in the form and context in which it appears.*