

23 January 2014

Company Announcements Office  
Australian Stock Exchange Limited  
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20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

**CHARLEY CREEK REE PROJECT**  
**FEASIBILITY DRILL PROGRAM UPDATE**

- **Stage 1 feasibility drilling program completed**
- **Ongoing work will be delayed due to Joint Venture partner ceasing contributions**

Crossland Strategic Metals Ltd (Crossland) has a joint venture with the Canadian company Pancontinental Uranium Ltd (Crossland 55%: Pancontinental 45%) over several of its properties, including the flagship Charley Creek Alluvial Rare Earth Project. Stage 1 of the feasibility drill program to identify and then delineate starter pit resources with higher grades of REE has been under way since late 2013.

Air core drilling for Stage 1 has now been completed. This consisted of 148 holes for 2,071 metres of drilling. The samples are being prepared and submitted for assay. The first batch of samples was lodged at the assay lab prior to the Christmas- New Year break.

The aim of the drill program is to replace the Exploration Target used in financial modelling in Crossland's 2013 Scoping Study with defined Resources. Sensitivity analyses in the Scoping Study demonstrated that the project value will benefit from increases in average grade.

This drilling programme should identify sites where optimal start-up pits could be located within Crossland's large holdings of alluvial REE potential. Identification of such optimal locations is the next step in the advancement of the project and is necessary so that other sections of the Feasibility Study can proceed to establish the full value of the Charley Creek Project.

Crossland's Joint Venture partner has recently advised they will cease contributing and suffer further dilution of their current 45% interest in the JV and the Charley Creek Project. In addition, some \$350k remains due to Crossland from exploration activities carried for Pancontinental on assurance that payment would be made. Crossland is seeking repayment of this debt.

Crossland has already submitted several hundred samples for assay, and will continue the work intended to identify higher grades for potential start-up pits, but will reduce the rate of expenditure and scope of works as it sole funds this critical work. Efforts are being made to obtain commitments from more stable funding sources. A second phase of infill drilling was planned for Q2, which would provide infill drilling of the targets that respond positively to the first round of drilling. This second phase of drilling will proceed when additional funding is secured.

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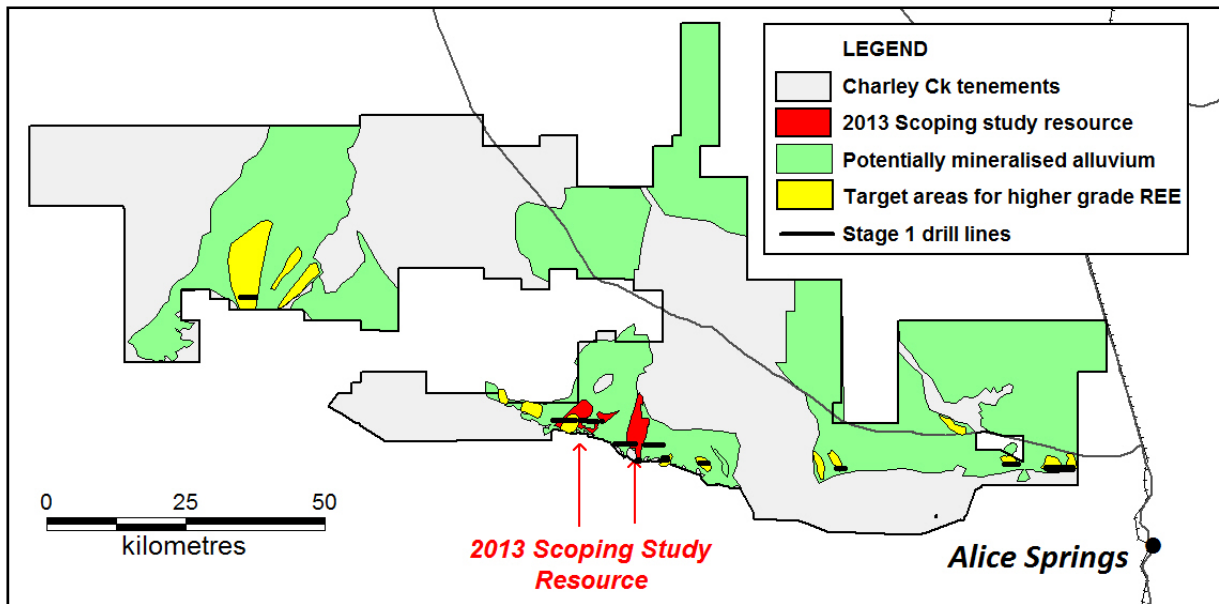


Figure 1. Target high grade REE zones (yellow) with Stage 1 drill lines.

Yours sincerely

Geoff Eupene  
Exploration Director

*The information in this release that relates to Exploration Targets, Exploration Results, or Mineral Resources is based on information compiled by Geoffrey S Eupene FAusIMM CP, a Competent Person who is 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, which is engaged by the Company. He has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration, and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 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 the report of the matters based on his information in the form and context in which it appears.*