



28 October 2013

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

Dear Sir/Madam

QUARTERLY REPORT FOR PERIOD ENDED 30 SEPTEMBER 2013

HIGHLIGHTS

Fund Raising

- During the quarter funds of circa \$1.2 million was secured and the new substantial shareholder Mr Sia Hok Kiang was appointed a Director. Details are provided below.

Charley Creek REE Project.

- Work has focused on optimizing the project parameters, with particular focus on lowering of operating costs. These in turn impact upon the scope of the Feasibility Study.
- A work programme for the detailed feasibility drilling at the Charley Creek Project has been designed. Applications for all regulatory approvals required for this drilling have been submitted to the NT Department of Mines and Energy.
- Crosslands COO Tony Chamberlain, and a Pancontinental representative, visited potential REE product off-takers in Europe and East Asia during the quarter to introduce the Charley Creek project and investigate product requirements.

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EXPLORATION DETAIL

Charley Creek Project, NT - EL24281, EL 25230; EL25657, EL27283, EL27284, EL27338, EL27358, EL27359, EL28154, EL28155, EL28224, EL28225, EL28226, EL28434, ELA28500, EL28795, EL28796, EL28866, EL28875, EL28964, EL28965 and ELA29789 : Crossland 55%: Pancontinental 45%

At the Charley Creek Project, Crossland is targeting alluvial rare earth deposits; secondary targets include bedrock REE deposits, granite-related uranium; calcrete and redox-related palaeodrainage uranium targets; and layered mafic intrusive-related copper, nickel and platinoids.

Following the release of the Charley Creek Alluvial REE Scoping Study on 15th April 2013, Crossland has focused on optimizing the project parameters, with particular focus on lowering of operating costs. These in turn impact upon the scope of the Feasibility Study. It is believed that these costs can be reduced below those determined in the Scoping Study by a variety of means, including:

- Including the value of by-product heavy minerals
- Streamlining of materials handling
- Identification of higher grade starter pit localities
- Increases in process recoveries
- Savings on refinery reagents

It is anticipated that savings in operating costs of at least 30% can be achieved by addressing these matters.

A drill program intended to identify higher grade areas for commencement of mining was announced on 1st October. This programme is intended to identify zones where higher-grade starter pit Reserves can be defined for the initial years of production from the Project.

In addition to rare earth mineral analysis and test work, this programme will also include analysis of all potentially saleable Valuable Heavy Minerals (VHM's), including ilmenite, rutile and zircon, which were not factored into the initial Scoping Study completed in April 2013. Earlier test work confirmed the presence of by-product VHM's and that they can be successfully concentrated,

Samples generated from this will be processed to study recovery and value of other heavy mineral byproducts of monazite and xenotime production. These will include zircon and ilmenite. The funding arrangements put in place with HK Rare Earths Sdn Bhd will be sufficient to cover the cost of these activities.

Drilling will commence as soon as all regulatory approvals have been obtained. The application process for this drilling commenced in March 2013 and is expected to be completed by NT Department of Mines and Energy shortly. Drilling will be conducted within areas that have already been cleared in cooperation with local Aboriginal Native Title holders and their representative bodies.

The programme will consist of 200 aircore holes drilling to an average depth of approximately 20 metres, and will be conducted in two stages of 100 holes each. Analytical results of drill samples from the first stage drilling and the contents of heavy mineral concentrates are expected to be available three months after commencement.

Crossland's COO Tony Chamberlain and a Pancontinental representative visited potential REE product off-takers in Europe and East Asia during the quarter to introduce the Charley Creek project and investigate product requirements. The visits generated considerable interest, particularly in the potential for very long term supply of the full spectrum of REE that will result from development of the Charley Creek project.

Chilling Project, NT - EL22738, EL24557, EL25076, EL25077 and 28433. Crossland 55%: Pancontinental 45%

At the Chilling Project, Crossland's primary targets are unconformity-related uranium deposits, the deposit style that hosts most of the world's high grade uranium. Other target commodities exist, such as base metals, gold, tin, and cobalt. Other uranium deposit styles are also possible.

Crossland continues to search for a JV partner or purchaser for this project which has several drill-ready targets. The title package has potential for unconformity style uranium deposits, base metals, gold, and tin mineralization.

Mount Stafford, NT - EL28492; ELA29660, ELA29661, ELA29662 and ELA29758. Crossland 55%: Pancontinental 45%

The Mount Stafford Project covers a setting conducive for REE, uranium and gold deposits. The licence is situated approximately 83 km northwest of Nolans Bore, the advanced rare earth deposit owned by Arafura Resources.

No field work was undertaken during the quarter. A meeting with Traditional owners was attended to seek access to adjoining areas with potential for REE mineralisation.

Lake Woods, NT – SEL28198 and SEL28199: Crossland 100%

At Lake Woods, Crossland has identified an outcropping alkali basaltic sill intruded around 1,300 million years ago. The intrusion has unusual properties that may indicate the potential for commodities such as nickel, copper and platinum as well as diamonds. This area is not included in the Joint Venture with Pancontinental.

Negotiations with a potential purchaser of this project have commenced.

Gypsum Cliffs, SA – ELA 2012/00130, ELA 2012/00133 and ELA2012/00134. Crossland 100%

At Gypsum Cliffs, Crossland is targeting alluvial mineral sands deposits incorporating rare metal credits.

The Exploration Licence package has been granted. Crossland is seeking a funding partner for this project.

FUNDING DETAIL

Mr Sia Hok Kiang was appointed to the Crossland Board on 6 August 2013 and his Malaysian Company, HK Rare Earths Sdn Bhd (HKRE) was issued 40 million shares and 10 million options for consideration of circa \$1.2 million. The options have a strike price of 10 cents and expire on 30 June 2015. As at the date of this report all funds have been banked and cleared and HKRE hold 19.87% of the capital.

Mr Sia is Managing Director of the successful Malaysian private mining company, Malaco Mining Sdn. Bhd. He is a graduate of the University of Malaya in Applied Geology, an economic geologist with more than 30 years world-wide experience. He is an active member of the Malaysian Geological Society and a Council Member of the Malaysian Chamber of Mines.

Mr Sia has a solid business reputation throughout Asia, with useful contacts in several Asian countries. He has extensive experience in bulk alluvial mining in Malaysia, including the extraction of the rare earth minerals xenotime and monazite as by-products of tin mining. Crossland believes that Mr Sia's experience is very appropriate for Crossland's Charley Creek Alluvial Rare Earth Project, which is also based on the extraction of monazite and xenotime from alluvial material, and he will assist Crossland to develop this project and deliver early cash flow.



Geoff Eupene FAusIMM CP,
Exploration Director

*The information in this report 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.*