

ASX ANNOUNCEMENT
ASX: CUX

29th January 2020

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QUARTERLY ACTIVITIES REPORT
FOR PERIOD ENDED 31 DECEMBER 2019

CORPORATE

The Company's focus remains on the development of the Charley Creek rare earth project located in central Northern Territory, Australia. During the fourth quarter (period ending 31 December 2019), no new corporate activity is reportable.

FINANCE

Crossland Strategic Metals Limited ('Crossland', or 'the Company') continues to closely monitor and manage available funds and ensure adequate financial coverage for creditors and forth-coming expense commitments.

No new loans were secured, and no loan funds were drawn down during the December quarter. The Company continues to investigate all available finance options, mindful of ASX and ASIC requirements. To reduce debt levels the Company intends to convert existing loans (and accrued interest) into equity, the target date for a shareholder meeting and debt conversion is April 2020. Such a measure shall reduce the interest burden on the Company. Both Atlas Offshore Services Pty Ltd. (AOS) and EMMCO Mining Sdn. Bhd. (EMMCO), a Malaysian incorporated company, continue to offer financial support for the Company's operational expenditures and current project study activity commitments as needed. AOS and EMMCO are companies associated with Directors of Crossland.

PROJECT DEVELOPMENT STRATEGY

Crossland's project development strategy remains focused on re-establishing the Stage 2 Charley Creek Resource and Scoping Study, as requisite for further funding of the project pre-feasibility study. The Company is working toward completing the following programmes:

1. Establish a computerized orebody model, using data from the March 2019 drilling programme,
2. Using samples from the March 2019 drilling programme, complete mineralogical and metallurgical test work, as the basis of a mineral process recovery overlay for the orebody model and provide indicative mineral concentrate yields and product quality data. These are necessary technical

requirements to establish reasonable prospects for eventual economic extraction (RPEEE) for the updated JORC 2012 Resource Estimate.

3. Using bulk material samples from the March 2019 drilling programme, undertake large scale laboratory test-work to obtain sufficient concentrate for refinery test work. This work also serves to provide metallurgical and engineering “proof of concept” for several of the concentration processes; normally these tests are completed during the pre-feasibility stage. Using concentrates from the “proof of concept testing”, additional refinery product test-work will follow to provide greater confidence in the rare-earth refining process, product yields and specification.

By completing the described work programmes, Crossland can update the Stage 2 Scoping Study which is a necessary pre-requisite for JORC code reporting standards. This study will make it possible for Crossland to seek new equity funds at higher market value. The total budgeted cost of the process/refinery test work programmes and the Stage 2 Scoping Study update are estimated to be \$750,000 to \$1M.

PROJECT ACTIVITY

In September 2019, the Company dispatched samples representing each of the major mineralised material types encountered during drilling. A total of 110kg of samples were dispatched from the project site to the process testing laboratories in Queensland. Mineral deportment by particle size and tabling tests is complete. Further diagnostic tests are required; however, work is delayed by limited funds.

Resource industry consultants, SRK Consultants Perth, are engaged as competent persons to undertake resource estimation and reporting of mineral resources to JORC standards. Resource model development is on hold, as SRK awaits additional element assay data from the drilling programme.

As a requirement of the resource reporting process, the Company is preparing information to establish reasonable prospects for eventual economic extraction. Reporting of an updated resource model is expected in early 2020.

Further funding is required to commence “proof of concept” plant test work, which is also necessary to complete the Stage 2 Scoping Study.

RELEASE OF TENEMENTS

The Company is progressively paring down its tenement holdings to focus on the Charley Creek project tenements and conserve finances. During the December quarter, Crossland released the following tenements;

TITLE	LICENCE NAME	GRANT DATE	AREA (sq. km)
EL28155	Hamilton Downs South	02/02/2011	31.38
EL28866	Everard	12/11/2011	15.75

Further information about the Company is available at our website www.crosslandstrategic.com.

The market will be kept apprised of developments, as required under ASX Listing Rules and in accord with continuous disclosure requirements.



Eric Vesel,
CEO/ Executive Director.

Crossland Strategic Metals Limited

Approved for release by the Board of Crossland

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About the Charley Creek (Mineral Sands) Project

Crossland continues to develop its flagship Charley Creek project and surrounding tenements. The project, located 110km W-NW of Alice Springs NT Australia, is an alluvial sand mining development, currently at the study stage, refer Figure 1 below.

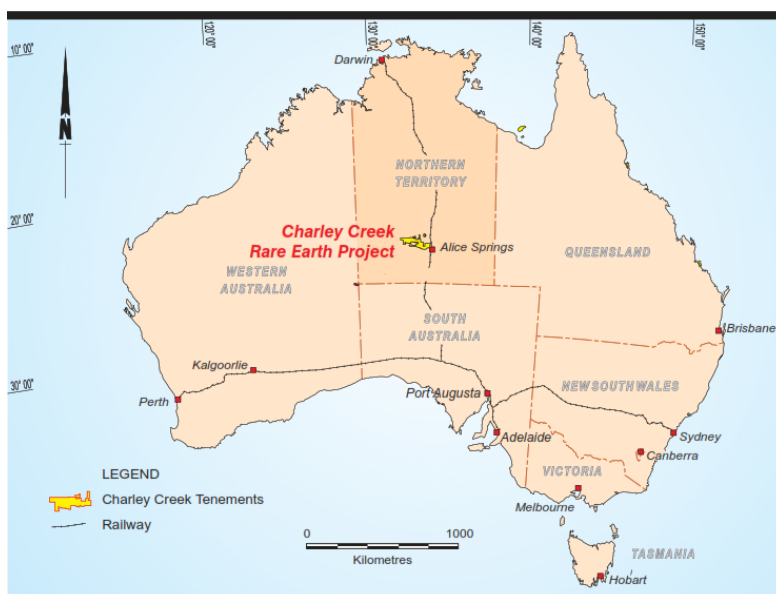


Figure 1 - Project Location

The Charley Creek project is well positioned for responsible mine development, allowing the extraction and processing of rare earth minerals (monazite and xenotime) for many years to come. Our target products are high purity rare earth oxide/hydroxide, suitable for export to downstream high-purity product refiners, with potential for by-products of industrial zircon and ilmenite. The project boasts a list of strengths:

- favourable project location:
 - situated on private pastoral land, with single owner,
 - topography is flat to gentle sloping, dry with sparse vegetation,
 - good site access from the regional centre (Alice Springs), via partly sealed road (Tanami Road), with practical proximity to critical resources (water, gas, service providers & suppliers),
 - few excluded areas. No potential issues of the development site encroaching on, or conflicting with, excluded areas,
 - positive community support with few local stakeholders,
- large holding of tenements, with a relatively small fraction of the tenement areas is drilled so far.
- potential for multiple mining operations start-up sites,
- mineralization contained in alluvial fans is of relatively consistent mineral distribution, an ideal situation for bulk low-cost mining,
- excellent conditions for low-cost mining; with negligible overburden, high productivity “free-dig” conditions and shallow depth,
- low-cost mineral processing, using simple gravity separation processes (screening and spirals), yielding an exceptionally high-grade concentrate,
- de-watered tailings will be returned to the mining void, free of chemicals,
- no permanent tailings dams are planned so the land can be quickly restored

- after mining,
- high ratio of high-value heavy rare-earth minerals in the concentrate,
 - multiple saleable products, with growing world-wide demand for rare-earth products and industrial minerals,
 - mature development concept, with years of experience invested in understanding the project, extensive test work, studies and planning to ensure success,
 - established Scoping Study, which is undergoing refinement, with near-term advancement toward a high standard Pre-Feasibility Study,
 - relatively low project capital costs with long mine-life potential.

Disclaimer

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This Announcement contains summary information about Crossland, its subsidiaries and their activities, which is current as at the date of this Announcement. The information in this Announcement is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Crossland.

By its very nature exploration for minerals is a high-risk business and is not suitable for certain investors. Crossland's securities are speculative. Potential investors should consult their stockbroker or financial advisor. There are many risks, both specific to Crossland and of a general nature which may affect the future operating and financial performance of Crossland and the value of an investment in Crossland including but not limited to economic conditions, stock market fluctuations, commodity price movements, regional infrastructure constraints, timing of approvals from relevant authorities, regulatory risks, operational risks and reliance on key personnel.

Certain statements contained in this announcement, including information as to the future financial or operating performance of Crossland and its projects, are forward-looking statements that: may include, among other things, statements regarding targets, estimates and assumptions in respect of mineral reserves and mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions; are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Crossland, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; and, involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.

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All forward-looking statements made in this announcement are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not guarantee of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein. No verification: although all reasonable care has been undertaken to ensure that the facts and opinions given in this Announcement are accurate, the information provided in this Announcement has not been independently verified.