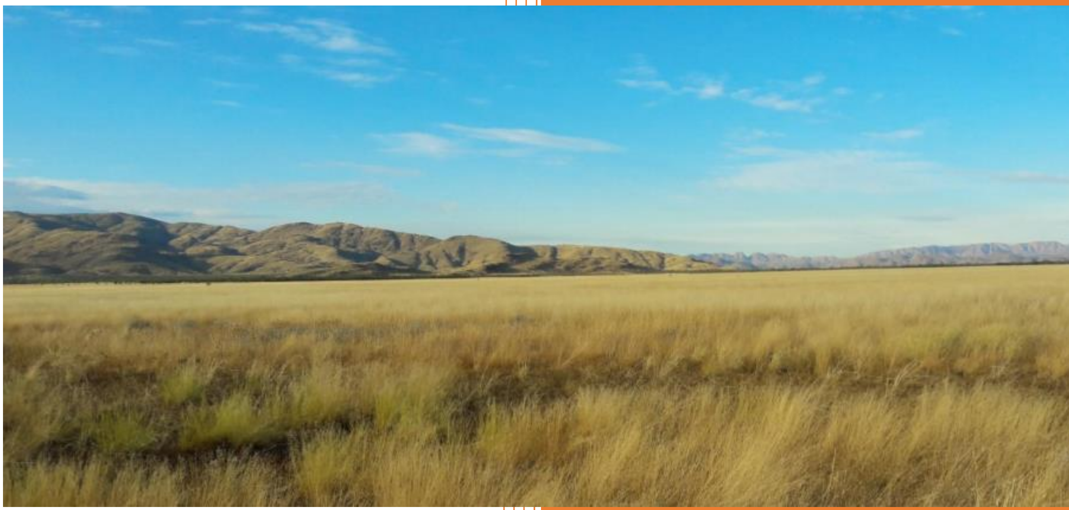
2019 CROSSLAND STRATEGIC METALS LIMITED ANNUAL REPORT



CUX Limited ABN 64 087 595 980 and its controlled entities.

Corporate Register

Company Secretary
Andrew Metcalf
Accosec & Associates
Level 2, 470 Collins Street.
Melbourne VIC 3000, AUSTRALIA

Registered Office
Level 2, 470 Collins Street.
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Banking
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71 Smith Street,
Darwin NT 0800, AUSTRALIA

Company Website
www.crosslandstrategic.com

Share Registry
Boardroom Pty Limited
Level 7, 207 Kent Street,
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Stock Exchange Listing
Australian Stock Exchange (ASX)
Website: www.asx.com.au

Accountants
A E Soliman & Associates
5B/8 Station Street,
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Email: info@aesoliman.com.au
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Australian Legal
HWL Ebsworth Lawyers
Level 14, Australia Square
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Fax: + 1300 369 656
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Auditor
RSM Australia Partners
Level 21, 55 Collins Street,
Melbourne VIC 3000, AUSTRALIA
Tel: +61 3 9286 8000
Fax: +61 3 9286 8199

Notice of Annual General Meeting
The details of the annual general meeting of Crossland Strategic Metals Limited are:
RSM Australia Partners
Level 21, 55 Collins Street,
Melbourne VIC 3000, AUSTRALIA

Board of Directors

Dato' Sia Hok Kiang, *Non-Executive Chairman*

Dato' 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. 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.

Eric Vesel, *Managing Director/Executive Director*

Mr Vesel, B.Eng.Min.Eng. MAusiMM, is a qualified Mining Engineer with 30 years professional experience in the mining industry. He is adept in a broad range of disciplines. His experience spans a range of technical, operations, management and corporate roles. He has worked for both small and large mining companies in Australia, Namibia, Papua New Guinea, Indonesia, CIS and Malaysia. He was formerly Chief Operating Officer for Avocet Mining PLC and has considerable international project experience. He has managed group operations including exploration projects (grassroots through to advanced), feasibility, mine development and operating mines. He also has extensive business evaluation and project acquisition skills. He is a mining consultant, business advisor and investor based in Kuala Lumpur. Eric is an active Council Member of the Malaysian Chamber of Mines.

Harun Halim Rasip, *Non-Executive Director*

Mr Halim Rasip, is our most recent member of the Board, he joined us on the 31 May 2017. Harun is a businessman who brings extensive financial and corporate governance experience to Crossland. He is a Fellow of the Institute of Chartered Accountants Australia and a member of the Malaysian Institute of Accountants. He was with Price Waterhouse in Perth, Australia and in Kuala Lumpur, Malaysia for 8 years where after he established Halim Rasip Holdings Sdn Bhd ("HRH") Group and served as its Chairman and Managing Director. HRH was responsible for the conceptualization, promotion, development, funding, construction of Lumut Port in the Straits of Malacca (comprising of Lumut Maritime Terminal and Lekir Bulk Terminal). Harun then served as CEO of Integrax Bhd. which had assumed control of Lumut Port in 2000-2001. Harun has also served as a member of the Executive Committee of the Federation of Public Listed Companies Bhd (FPLC) Malaysia in 2004-2010 and of its Technical & Regulatory Committee and Accounting Standards Sub-Committee 2003-2010, served as Chairman of Landmarks Bhd., a Non-Executive Independent Director of iCapital Biz Bhd. and as a Director of several other unlisted Companies in Malaysia. He is currently the President Director of P.T. Tanah Laut Tbk., a Company listed on Bursa Efek Indonesia.

Stan Wassylko, *Non-Executive Director*

Mr Stan Wassylko was appointed to the Board of Directors on 21 March 2016. Stan has extensive experience in the resources sector and has 46 years' experience in businesses servicing the sector, in logistics, shipping, infrastructure, project construction, contract management and marketing. His long and diverse experience will be valuable as Crossland steers the Charley Creek Project towards development.

Andrew Metcalfe, *Company Secretary*

Andrew brings over 20 years Company Secretarial, Governance and CFO experience from a range of ASX & TSX listed and unlisted Public Companies, Government and Not-for-Profit organisations across a broad industry base.

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Chairman's Review

As world demand for rare earth minerals continues to be strong, we expect this trend to intensify into the future. With an abundance of readily minable rare earths mineral sands at Charley Creek, extensive technical studies and a clear path to development, we remain optimistic about Crossland's future. In 2019, the media focused considerable attention on potential rare earth supply issues, their impact on our everyday life and new rare earth technology discoveries. Rare earths are being used to create new catalysts, coatings, stabilisers and generally enhancing materials providing unique properties for commercial use, which has raised public awareness of the attractiveness for astute investors. Crossland was not poised to take advantage of the investment boon in 2019; however, the rare earth supply hiatus will continue, as there are few known and readily mineable rare earth projects. Charley Creek's long gestation period is not a reflection of the project strength, more so the lack of funding to reach critical mass, as it takes time, money and expertise to establish a large-scale sustainable project. Fortunately, we have not missed the opportunity, rare earth technology and demand will increase with little hope of substitution. For strategic reasons, governments are seeking to accelerate the development of new projects and become involved in commercial matters. Most worthy of mention, the signing of a project agreement in November 2019 between Geoscience Australia and the United States Geological Survey (USGS) regarding the development of critical minerals. Australia's resource industry supports the development and export of rare earth minerals which will provide Crossland a strong platform to create value for the Company and its shareholders.

In 2019 we reported a significant exploration programme at Charley Creek, which was completed by May 2019. This provides much needed infill drilling information and bulk samples for metallurgical tests. In March 2020, we will commence process recovery tests using bulk samples generated from our drilling. This work is a positive step toward re-establishing our project resource estimate. After that we expect to update the Scoping Study by late 2020. In 2019, Crossland had to reduce our tenement position to reduce lease costs. With such rationalization, we were able to fund continued project work. Our Company activities for 2019 are further detailed in the Operational Report that follows.

Our promotion will remain low-key, at least until we complete our resource statement. We will inform the market progressively and more so as we achieve milestones significant to the Charley Creek project. Our immediate objective is to re-establish our business model that will provide the platform to raise funds for feasibility work. Our foundational work by way of studies and enquiries that we have built over the last few years will allow us to advance the next steps of project development. The Charley Creek project will be developed to incorporate extremely cost-effective systems and more importantly with minimal impact on the environment; two key ingredients for a viable and sustainable business.

We recognize that our ambitions can only be realised with additional funding. New investors would like to see debt levels reduced. Our Malaysian partner EMMCO Sdn. Bhd. and Australian partner AOS Pty. Ltd., gave assurance that until the 2020 AGM, any new funding from other parties would be invested in the project and not to be used to service loans. Our board and management team has worked hard to stretch finances and ensure we continue to meet our objective.

We thank you for your continued support and look forward to sharing the prosperous times ahead.

Best wishes,

Dato' Sia Hok Kiang
Chairman
Crossland Strategic Metals Limited

Review of Operations

Reporting

The operations of the Company have been described in detail in our quarterly operations reports to the ASX which are published on the Company's website, www.crosslandstrategic.com, which is being updated and kept current with the most recent announcements and reports.

Our Concept

Nature has done all the work at Charley Creek, breaking down host rock to liberate minerals (monazite/xenotime) containing rare earth and other industrial minerals. Sand mining on a large scale is very low cost, especially when coupled with efficient transport and high recovery gravity processing methods to produce an upgraded mineral concentrate. Our current operational concept is a high throughput strip-mining operation based on the average resource grade. Using a centralized semi-mobile processing facility, we can reduce bulk material transport costs. This also allows us to return depleted sand and co-dispose of benign refinery by-products back to the void. This means reclaiming as we progress.

Crossland believes the unique properties of the Charley Creek project are its strength. With continued momentum we will advance the project from the study stage to a substantial long-term supplier of the full spectrum of Lanthanide REE and yttrium from sustainable, low cost operations that benefit all stakeholders.

Activities

By mid-February 2019, air-core drilling commenced at Cattle Creek. The programme focused on resource delineation, seeking to define the resource potential of alluvial sources of rare earth elements. A total of 139 air-core holes were drilled, of which 105 holes were fully assayed. 34 infill and check drill holes were included in the programme, which provides added lithological information. Faced with budget constraints assaying these infill holes was deferred, however the assay results from these holes have negligible impact on our findings. Beyond the alluvial cover, varying thicknesses of saprolite, weathered meta-sediments and weathered basement rock were intersected. Drilling continued until the basement rock depth, which varies from 4m in the shallow eastern flank to over 60m at the western flank of the target area. A significant results report is pending after further geological review. Our resource consultants SRK Perth developed an interim resource model; however, we have several other requisites to complete before we can finalise the resource and release our findings. We recognize that our work programme is behind schedule, mainly due to additional metallurgical investigations, and the test work process was slower than expected due to the delays retrieving samples and logistics, backlogs at the test facilities, some deliberation of the work scope and fund limitations. Once we improve our funding position, we will finalise a process recovery overlay for the resource model. Using samples from the drill programme, preliminary metallurgical testing was completed in January 2020. Following this test, a bulk test sample metallurgical test programme is expected to commence in March 2020. Thereafter, Crossland would undertake an economic evaluation of the combined resource model and process recovery. These are necessary technical requirements to establish reasonable prospects for eventual economic extraction (RPEEE) for the updated JORC 2012 Resource Estimate.

Finance

Crossland committed to one new loan during the 2019 year with our Malaysian partner EMMCO Sdn. Bhd. (EMMCO) and Australian partner AOS Pty. Ltd. (AOS) and a further loan in February 2020 with EMMCO. Existing loans already in place were extended. Details of the terms of these facilities were announced on the ASX on the 22nd July 2019 and more recently updated on the 12th February 2020.

- On the 3rd February 2020, the Company accepted additional loan funding from EMMCO of AUD$50,000 with interest at 15% per annum with a maturity date of 3rd August 2020;
- On the 22nd July 2019, the Company announced details of a new loan and the roll-over of existing loans with EMMCO and AOS to the maturity dates of 4th April 2019, 1st November 2019 and 15th January 2020;
- On the 5th October 2018, the Company announced details of the roll-over of existing loans with EMMCO and AOS to the maturity date of 4th April 2019; and
- On the 31st July 2018, the Company announced details of loan facilities currently owed by the Company to Atlas Offshore Services Pty Ltd (AOS) who is not a shareholder of the Company as at the date of this announcement.

Both loan providers have agreed, by way of renewed Master Loan Agreements signed on the 3rd February 2020, to roll-over loans held by the Company with interest at 15% per annum to new maturity dates.

Review of Operations (continued)

Details of the renewed loan agreements with EMMCO, effective 5th October 2019, are tabled below:

Date of Original Loan	Principal AUD$	Flat Interest Rate per annum Or pro-rata thereof	Interest Applicable to Due Date AUD$	Due Date
2nd November 2017	131,466.54	15%	4,700.38	31st Dec. 2020
28th November 2017	65,116.35	15%	2,328.13	31st Dec. 2020
9th February 2018	63,360.51	15%	2,265.36	31st Dec. 2020
4th April 2018	310,396.11	15%	11,097.72	31st Dec. 2020
1st June 2018	233,269.58	15%	8,340.19	31st Dec. 2020
2nd Nov 2018	692,844.74	15%	16,799.11	31st Dec. 2020
15th July 2019	200,000.00	15%	13,890.41	31st Dec. 2020
Total Due	**803,609.09**		**28,731.78**	**31st Dec. 2020**
Total Due	**692,844.74**		**16,799.11**	**31st Dec. 2020**
Total Due	**200,000.00**		**13,890.41**	**31st Dec. 2020**

In addition to the above loans owed to EMMCO, the Company maintains an interest free creditor debt. Details of this debt is tabled as follows:

Date of Debt	Amount AUD$	Flat Interest Rate per annum Or pro-rata thereof
31st May 2017	55,601.27	0%
31st December 2017	123,706.09	0%
30th June 2018	35,007.71	0%
31st Dec 2018	1,455.48	0%
31st Dec 2019	5,040.79	0%
Total	**220,811.34**	

The total loan amount due to EMMCO per loan agreement is $1,976,687.

Details of the renewed loan agreements with AOS, effective 5th October 2019, are tabled below:

Date of Original Loan	Principal AUD$	Flat Interest Rate per annum Or pro-rata thereof	Interest Applicable to Due Date AUD$	Due Date
9th November 2016	523,519.22	15%	18,717.60	31st Dec. 2020
10th April 2017	497,104.45	15%	17,773.19	31st Dec. 2020
Total Due	**1,020,623.67**		**36,490.79**	**31st Dec. 2020**

The total loan amount due to AOS per loan agreement is $1,057,114.

Non-executive Director of the Company, Mr Stan Wassylko, is a related party being Director and Shareholder of AOS. Non-executive Director of the Company, Mr Harun Halim Rasip, is a related party being Director and Shareholder of EMMCO and AOS. EMMCO and AOS have provided written assurance to the Company that they will continue to support the Company and will not be required to make repayments, in part or in whole until the Company is in a position to repay the debt. The Company intends to convert most of its existing loans to debt equity instruments in Q2, 2020. At this stage, the Company is investigating its options regarding the conversions, mindful of ASX and ASIC requirements. A private placement for sophisticated investors is planned during the 1st half of 2020, this will reduce the need for loans necessary for the completion of Charley Creek project technical assessment work.

Tenements

Crossland's tenement holdings have been substantially reduced in 2019. The Company focused on the Charley Creek project tenements to conserve finances. Realistically, these have the capacity to sustain our project for several decades. Two leases were relinquished in the Hamilton Downs region, namely leases EL27359 and EL28155. Hamilton

Review of Operations (continued)

Downs lease EL27358 was reduced by 90%. Two further leases north of the Charley Creek project area were relinquished, namely EL28795 and EL28866.

A list of tenements, as at 31st December 2019, is included at page 52 of this report.

The market will be kept appraised of developments, as required under ASX Listing Rules and in accord with Continuous Disclosure requirements.

Eric Vesel
CEO and Director
Crossland Strategic Metals Limited

Directors Report

The directors of Crossland Strategic Metals Limited (the Company) submit herewith the annual financial report for the financial year ended 31st December 2019. To comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

The names and positions of the directors and Company secretary of the Company during or since the end of the financial year are:

Name	Position	Status
Dato' Sia Hok Kiang	Non-Executive Director	Current
Eric Vesel	Executive Director	Current
Stanislaw (Stan) Wassylko	Non-Executive Director	Current
Harun Halim Rasip	Non-Executive Director	Current
Andrew Metcalf	Company Secretary	Current

Principal Activities

The principal activities of the Consolidated Entity are the exploration for rare earth elements (REE) in the Northern Territory. There has been no change in the principal activities during the year.

Review of Operations

Information on the operation and financial position of the Consolidated Entity and its business strategies and prospects are set out in the review of operations. Results The results of the operations of the Consolidated Entity during the financial year were as follows:

	Consolidated	
	2019 $	2018 $
Net loss after income tax	(1,695,552)	(388,151)

The increase in net loss after income tax was mainly due to write-off of Exploration and Evaluation assets in 2019 for $1,010,325.

Significant Changes in The State of Affairs

There was no significant change in the state of affairs of the Consolidated Entity and parent entity other than that referred to in the financial statements or notes thereto.

Post Balance Date Events

The terms of both EMMCO and Atlas loans were renegotiated in February 2020. The loans which were originally due in April 2020 now have a repayment date of December 2020. There were at the date of this report no other matters or circumstances which have arisen since 31st December 2019 that have significantly affected or may significantly affect:

(i) the operations of the Consolidated Entity,
(ii) the results of those operations, or
(iii) the state of affairs of the Consolidated Entity in the financial year subsequent to 31st December 2019.

Future Developments

The Company hopes to develop future rare earth metals extraction opportunities and assess opportunities which are perceived to offer outstanding value. At this stage, the Company will resume studies and tests to determine the optimum applications of technology and resources needed to realise the Charley Creek REE Project.

Directors Report (continued)

Directors' Benefits

During the year no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the notes to the accounts) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a Company in which he has a substantial financial interest.

Environmental Regulations

Crossland Strategic Metals Limited, through its subsidiaries, holds exploration tenements in Australia that are subject to various governmental statutes and guidelines for environmental impacts in relation to exploration activities. These provide for the satisfactory rehabilitation of the areas of exploration.

There have been no known material breaches of the licence conditions.

Dividends

No dividends have been paid or declared since the start of the financial year. The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2019.

Share Options

Particulars of options granted over unissued shares:

	2019	2018
Total number of options granted by the Company over unissued ordinary shares	**Nil**	Nil
Options issued during the year (see note below)	**50,000,000**	Nil
Shares issued in the year as the result of the exercise of options	**Nil**	Nil
Options expired during the year	**Nil**	Nil

Full details of options on issue are shown in Note 19.

Indemnification of Officers

The Company has not indemnified the directors and executives of the Company for costs incurred in their capacity as a director or executive for which they may be held personally liable, except where there's a lack of good faith.

During or since the financial period, the Company has not paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

Indemnification of Auditors

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceeds on Behalf of the Company

No person has appeared to the Court under Section 237 of the *Corporation Act 2001* for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Directors Report (continued)

Directors' Meetings

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director (while they were a director).

	Board of Directors		Audit Committee	
	Held	Attend	Held	Attend
H K Sia	4	4	-	-
E Vesel	4	4	4	4
S Wassylko	4	4	2	2
H H Rasip	4	4	2	2

Auditor

RSM Australia Partners holds office in accordance with section 327 of the *Corporations Act 2001*.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Consolidated Entity are important.

Details of the amounts paid or payable to the auditor (RSM Australia Partners) for non-audit services provided during the year are set out in Note 25.

During the year no fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms.

Auditors' independence declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 15.

Remuneration Report (Audited)

The remuneration report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration
B. Service agreements
C. Details of remuneration
D. Share based compensation

A. Principles used to determine the nature and amount of remuneration

The objective of the Consolidated Entity's executive reward framework is to ensure reward for performance, being the development of the Crossland Strategic Metals exploration tenements. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders and conforms with market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;

Directors Report (continued)

Remuneration Report (Audited) (continued)

A. Principles used to determine the nature and amount of remuneration (continued)

- acceptability to shareholders;
- performance linkage / alignment of executive compensation;
- transparency; and
- capital management.

The Consolidated Entity has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organization.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design;
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value;
- and attracts and retains high calibre executives.

Alignment to programme executives' interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides a clear structure for earning rewards; and
- provides recognition for contribution.

The framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives. As executives gain seniority with the Consolidated Entity, the balance of this mix shifts to a higher proportion of ''at risk'' rewards.

Non-executive directors

Fees and payments to non-executive directors reflect the demands, which are made on, and the responsibilities of, the directors. The Board reviews non-executive directors' fees and payments annually. The Board may from time to time seek the advice of independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration.

Directors' fees

No Directors fees were awarded for the period of 2019.

Directors are entitled to remuneration out of the funds of the Company, but the remuneration of the non-executive Directors may not exceed in any year the amount fixed by the Company in general meeting for that purpose. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at Board meetings and otherwise in the execution of their duties as Directors.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at $200,000 per year in aggregate.

Directors Report (continued)

Directors' fees (continued)

For the 2019 year, the Board of Directors decided on a moratorium regarding Directors Fees until the Company's financial position improves.

Executive pay

The executive pays and reward framework has four components:

- base pay and benefits;
- short-term performance incentives;
- long-term incentives through participation in Crossland Strategic Metals Limited incentive shares, and
- other remuneration such as superannuation.

Base pay

Structured as a total employment cost package, which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for senior executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases included in any senior executives' contracts.

B. Service agreements

There are no service agreements in place.

C. Details of remuneration

Details of the remuneration of the directors and the key management personnel (as defined in AASB 124 Related Party Disclosures) of Crossland Strategic Metals Limited and the Crossland Strategic Metals Limited Consolidated Entity are set out in the table below.

The key management personnel of Crossland Strategic Metals Limited and the Consolidated Entity includes the Directors. Remuneration paid to key management personnel of Crossland Strategic Metals and of the Consolidated Entity is reported in the following table:

2019	Short-term employee benefits			Post-employment benefits		Share-based payments	
Director/ Name	Salary $	Directors' Fees $	Consulting Fees $	Superannuation $	Long Service Leave Payments Accrued $	Options $	Total $
Non-Executive Directors							
H K Sia	-	-	-	-	-	-	-
H H Rasip	-	-	-	-	-	-	-
S Wassylko	-	-	-	-	-	-	-
Executive Directors							
E Vesel	-	-	-	-	-	160,000	160,000
Totals	**-**	**-**	**-**	**-**	**-**	**160,000**	**160,000**

There was no remuneration paid to directors in the 2018 financial year.

Directors Report (continued)

D. Share-based compensation

Options

Options are granted on the recommendation of the Directors. Options are granted for no consideration. Options are granted for a five-year period and are exercisable immediately after the vesting date. Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share. The exercise price of options is based on the weighted average price at which the Company's shares are traded on the Australian Stock Exchange during the five trading days immediately before the options are granted.

Shareholder approval was received for the issue to Mr Eric Vesel of 50,000,000 options, with an exercise price of $0.005 (0.5 cents) per share, expiring 60 months from date of issue (Options). These options were issued at the AGM on 31st May 2019, as an incentive for Mr Vesel to continue providing support and invest in the future of the Company.

No other options over ordinary shares in the Company were provided as remuneration to each director of Crossland Strategic Metals Limited and each of the key management personnel of the Consolidated Entity during the financial year.

Shares provided on exercise of remuneration options

No ordinary shares in the Company were provided as a result of the exercise of remuneration options to each director of Crossland Strategic Metals Limited and other key management personnel of the Consolidated Entity.

Shares issued on the exercise of options

No ordinary shares of Crossland Strategic Metals were issued during the year ended 31 December 2019 on the exercise of options granted. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Eric Vesel	50,000,000	31/05/2019	31/05/2019	31/05/2024	$0.005	$0.003

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the company. The number of options granted was determined having regard to the satisfaction of performance measures and weightings. Options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options than on their potential exercise.

Directors Report (continued)

Directors' interests in shares and options

The relevant interest of each Director in the share capital of the Company as at the date of this report is as follows:

2019	H.K Sia	E. Vesel	S. Wassylko	H.H. Rasip
Ordinary Shares	53,157,817	Nil	622	557,554,961
Options	Nil	50,000,000	Nil	Nil

2018	H.K Sia	E. Vesel	S. Wassylko	H.H. Rasip
Ordinary Shares	53,157,817	Nil	622	557,554,961
Options	Nil	Nil	Nil	Nil

This report is made in accordance with a resolution of the Directors.

Eric Vesel
Director
Kuala Lumpur, 17th March 2020

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Crossland Strategic Metals Limited for the year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

J S CROALL
Partner

Dated: 17 March 2020
Melbourne, Victoria

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT
To the Members of Crossland Strategic Metals Limited

Opinion

We have audited the financial report of Crossland Strategic Metals Limited. (the Company) and its subsidiaries (the Consolidated Entity), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2019 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to Note 1 to the financial statements which indicates that the Consolidated Entity incurred a loss of $1,065,108 and reported negative operating cash flows of $151,520 for the year ended 31 December 2019. As at 31 December 2019 the Consolidated Entity had net current liabilities of $3,033,606. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the Consolidated Entity's ability to continue as a going concern.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
Impairment of Exploration Assets Refer to Note 14 in the Consolidated Financial Statements	
The Consolidated Entity has capitalised exploration and evaluation expenditure, with a carrying value of $4.2m as at 31 December 2019. Under AASB 6 Exploration for and Evaluation of Mineral Resources, the Consolidated Entity is required to test the exploration and evaluation asset for impairment when facts and circumstances suggest that the carrying amount may exceed the recoverable amount. We determined this to be a key audit matter due to the significant management judgment involved in assessing the carrying value of the asset.	Our audit procedures in relation to the carrying value of exploration and evaluation expenditure included: • obtaining evidence that the Consolidated Entity has valid rights to explore in the specific areas of interest; • enquiring with management and reviewing the basis on which they have determined that the exploration and evaluation of mineral resources has not yet reached the stage where it can be concluded that no commercially viable quantities of mineral resources exists; • enquiring with management and reviewing budgets and plans to determine that the Consolidated Entity will incur substantive expenditure on further exploration and evaluation of mineral resources in the specific areas of interest; • reviewing whether management has received sufficient data to conclude that the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale; and • performing detailed testing on a sample basis on exploration costs that occurred in the period to ensure that they meet the capitalisation criteria under AASB 6.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 31 December 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Consolidated Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar2.pdf.

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included the directors' report for the year ended 31 December 2019.

In our opinion, the Remuneration Report of Crossland Strategic Metals Limited for the year ended 31 December 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM AUSTRALIA PARTNERS

J S CROALL
Partner

Dated: 17 March 2020
Melbourne, Victoria

Directors' Declaration

CROSSLAND STRATEGIC METALS LIMITED AND CONTROLLED ENTITIES

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2019 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by Section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made to Section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Board of Directors

Harun Halim Rasip,

Kuala Lumpur, 17^{h} March 2020

Statement of Consolidated Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2019

	Note	Consolidated 31 Dec 2019 $	31 Dec 2018 $
Revenue from continuing operations	5	**1,692**	5,831
Expenses			
Administration expenses		**(128,493)**	(165,024)
Borrowing costs	6	**(362,183)**	(217,123)
Consultant fees		**-**	(7,000)
Depreciation and amortisation expense	6	**(4,156)**	(785)
Employee benefit expenses		**(177,476)**	-
Exploration expenditure written off	6	**(1,010,325)**	-
Occupancy expenses	6	**(817)**	-
Other expenses		**(12,134)**	(19,763)
Reversal of employee benefits		**-**	15,713
Superannuation payable	6	**(1,660)**	-
Loss before income tax benefit		**(1,695,552)**	(388,151)
Income tax benefit	7	**-**	-
Net loss after related income tax benefit		**(1,695,552)**	(388,151)
Total comprehensive income for the period		**(1,695,552)**	(388,151)
Total comprehensive loss attributable to Members of Crossland Strategic Metals Limited		**(1,695,552)**	(388,151)
		Cents	**Cents**
Basic earnings per share	8	**(0.00168)**	(0.00038)
Diluted earnings per share	8	**(0.00168)**	(0.00038)

The above statement of consolidated profit and loss and other comprehensive income should be read in conjunction with the accompanying notes

Statement of Consolidated Financial Position

As at 31 December 2019

	Note	Consolidated 31 Dec 2019 $	31 Dec 2018 $
Assets			
Current Assets			
Cash and cash equivalents	9	**22,771**	526,531
Trade and other receivables	10	**46,859**	40,790
Other current assets	11	**9,511**	9,511
Total current assets		**79,141**	576,832
Non-current assets			
Trade and other payables	12	**27,900**	36,829
Plant and equipment	13	**18,266**	4,776
Exploration expenditure	14	**4,232,741**	4,687,767
Total non-current assets		**4,278,907**	4,729,372
Total Assets		**4,358,048**	5,306,204
Liabilities			
Current Liabilities			
Trade and other payables	15	**79,926**	66,488
Interest bearing liabilities	16	**3,032,820**	2,458,862
Total current liabilities		**3,112,746**	2,525,350
Non-current Liabilities			
Provisions	17	**20,000**	20,000
Total non-current liabilities		**20,000**	20,000
Total Liabilities		**3,132,746**	2,545,350
Net Assets		**1,225,302**	2,760,854
Equity			
Share capital	18	**22,972,145**	22,972,145
Reserves	20	**160,000**	343,790
Accumulated losses		**(21,906,843)**	(20,555,081)
Total Equity		**1,225,302**	2,760,854

The above statement of consolidated financial position should be read in conjunction with the accompanying notes.

Statement of Consolidated Changes in Equity

For the year ended 31 December 2019

	Equity	Reserve	Accumulated Losses	Total Equity
Consolidated				
Balance 1 January 2019	**22,972,145**	**343,790**	**(20,555,081)**	**2,760,854**
Loss after income tax expense for the year	**-**	**-**	**(1,695,552)**	**(1,695,552)**
Other comprehensive income for the year, net of tax	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**22,972,145**	**343,790**	**(22,250,633)**	**1,065,302**
Transactions with owners in the capacity as owners:				
• Share-based payments	**-**	**160,000**	**-**	**160,000**
• Transfer of expired options	**-**	**(343,790)**	**343,790**	**-**
Balance at 31 December 2019	**22,972,145**	**160,000**	**(21,906,843)**	**1,225,302**

	Equity	Reserve	Accumulated Losses	Total Equity
Consolidated				
Balance 1 January 2018	22,972,145	343,790	(20,166,929)	3,149,006
Loss after income tax expense for the year	-	-	(388,152)	(388,152)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	22,972,145	343,790	(20,555,081)	2,760,854
Transactions with owners in the capacity as owners:				
• Share-based payments	-	-	-	-
• Transfer of expired options	-	-	-	-
Balance at 31 December 2018	22,972,145	343,790	(20,555,081)	2,760,854

The above statement of consolidated financial position should be read in conjunction with the accompanying notes.

Statement of Consolidated Cash Flows

For the year ended 31 December 2019

	Note	Consolidated 31 Dec 2019 $	31 Dec 2018 $
Cash flows from operating activities			
Receipts from customers		**1,692**	5,739
GST recovered from ATO		**(2,091)**	(3,260)
Payments to suppliers and employees (inc. GST)		**(151,121)**	(330,078)
Net cash used in operating activities	28	**(151,520)**	(327,599)
Cash flows from investing activities			
Purchase of E&E assets		**(555,298)**	(282,984)
Purchase of PPE		**(17,646)**	(1,995)
Sales of non-financial assets		**8,929**	3,677
Net cash used in investing activities		**(564,015)**	(281,302)
Cash flows from financing activities			
Loans received from directors and related parties		**211,775**	1,042,000
Net cash from financing activities		**211,775**	1,042,000
Net (decrease)/increase in cash and cash equivalents		**(503,760)**	433,098
Cash and cash equivalents at the beginning of the financial period		**526,531**	93,433
Effects of exchange rate changes on cash and cash equivalents		**-**	-
Cash and cash equivalents at the end of the financial period		**22,771**	526,531

The above statement of consolidated financial position should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1. Summary of accounting policies

Statement of compliance

These consolidated financial statements and Notes represent those Crossland Strategic Metals Limited and its Controlled Entities (the "Consolidated Entity"). Crossland Strategic Metals Limited is a for profit Company limited by shares, incorporated and domiciled in Australia.

The separate financial statements of the parent entity, Crossland Strategic Metals Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial statements were authorised for issue on 17th March 2020 by the directors of the Company.

Significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes the Consolidated Entity consisting of Crossland Strategic Metals Limited and its subsidiaries.

Accounting policies are selected and applied in a manner which ensures that the resultant financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions and other events is reported.

The Consolidated Entity has adopted relevant new and revised accounting standards and pronouncements with no material impact.

New or amended Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated Entity.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Consolidated Entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Notes to the Consolidated Financial Statements (continued)

1. Summary of accounting policies (continued)

Going concern

The financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Consolidated Entity recorded a net loss of $1,695,552 for the year ended 31st December 2019 and the Consolidated Entity 's position as at 31st December 2019 was as follows:

- The Consolidated Entity had negative operating cash flows of $151,520 for the year ended 31st December 2019;
- The Consolidated Entity had net current liabilities at 31st December 2019 of $3,033,605; and
- The Consolidated Entity 's main activity is exploration and as such it does not have a source of income, rather it is reliant on debt and / or equity raisings to fund its activities.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Consolidated Entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the Consolidated Entity will be able to continue as a going concern, after consideration of the following factors:

- As at 31st December 2019 the Consolidated Entity owed $3,033,802 to related parties. The directors of the related parties have agreed to defer settlement of repayment of their loan balances for at least a period of 12 months from the date of this report and have provided an undertaking that they will further support the Consolidated Entity 's short term working capital requirements; and
- The Company will also consider additional capital raising activities through the issue of new share capital to supplement the advances received from related parties.

Accordingly, the Directors believe that the Consolidated Entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Consolidated Entity does not continue as a going concern.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in Note 4.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Crossland Strategic Metals Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Notes to the Consolidated Financial Statements (continued)

1. Summary of accounting policies (continued)

Foreign currency translation (continued)

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

The following significant accounting policies have been adopted in the preparation and presentation of the financial reports:

a) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

b) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Notes to the Consolidated Financial Statements (continued)

1. Summary of accounting policies (continued)

d) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Crossland Strategic Metals Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

e) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

f) Exploration for and evaluation of mineral resources

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community

Notes to the Consolidated Financial Statements (continued)

1. Summary of accounting policies (continued)

f) Exploration for and evaluation of mineral resources (continued)

expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

g) Functional and presentation currency

Items included in the financial statements of each of the Consolidated Entity's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Crossland Strategic Metals Limited's functional and presentation currency.

h) Goods and service tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authorities is classified as operating cash flows.

i) Impairment of assets

At the end of each reporting period, the Consolidated Entity assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*).

Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

j) Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

Notes to the Consolidated Financial Statements (continued)

1. Summary of accounting policies (continued)

j) Income tax (continued)

- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Crossland Strategic Metals Limited (the 'Company') and its wholly owned Australian subsidiaries have formed an income tax Consolidated Entity under the tax consolidation regime. The Company and each subsidiary in the tax Consolidated Entity continue to account for their own current and deferred tax amounts. The tax Consolidated Entity has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax Consolidated Entity.

In addition to its own current and deferred tax amounts, the Company also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax Consolidated Entity.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax Consolidated Entity. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax Consolidated Entity member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the Company.

k) Plant and equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(i) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Notes to the Consolidated Financial Statements (continued)

1. Summary of accounting policies (continued)

k) Plant and equipment (continued)

The cost of fixed assets constructed within the Consolidated Entity includes the cost of materials, direct labor, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation is provided on a straight-line basis on all plant and equipment at rates calculated to write off the cost, less estimated residual value at the end of the useful lives of the assets, over those estimated useful lives.

The following estimated useful lives are used in the calculation of depreciation.

Plant and equipment	5-8 years
Motor vehicles	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated Entity. Gains and losses between the carrying amount and the disposal proceeds are taken to the profit or loss. Any revaluation surplus reserve relating to the item disposed of its transferred directly to retained profits.

l) Principles of consolidation

The consolidated financial statements incorporate all the assets, liabilities and results of the parent, Crossland Strategic Metals Limited, and all of its subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability affect those returns through its power over the entity. A list of the subsidiaries is contained in Note 21 to the financial statements.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Consolidated Entity from the date on which control is obtained by the Consolidated Entity. The consolidation of a subsidiary is discontinued from the date that control ceases. InterCompany transactions, balances and unrealised gains or losses on transactions between Consolidated Entity entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Consolidated Entity.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Consolidated Entity are presented as "non-controlling interests". The Consolidated Entity initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

m) Provisions

Provisions are recognised when the Consolidated Entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

Notes to the Consolidated Financial Statements (continued)

1. Summary of accounting policies (continued)

m) Provisions (continued)

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

n) Revenue recognition

The Consolidated Entity recognises revenue as follows:

Interest income

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income

Other revenue is recognised when it is received or when the right to receive payment is established. All revenue is stated net of the amount of goods and services tax.

o) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Consolidated Entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been consolidated entities based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

p) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

q) Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

2. Financial risk management

The Consolidated Entity's activities expose it to a variety of financial risks; market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Consolidated Entity's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated Entity.

a) Credit risk

Credit risk arises from the potential failure of counterparties to meet their obligations under the respective contracts at maturity. There is negligible credit risk on financial assets of the Consolidated Entity since there is limited exposure to individual customers and the economic entity's exposure is limited to the amount of cash, short-term deposits and receivables which have been recognised in the balance sheet. The parent entity

Notes to the Consolidated Financial Statements (continued)

2. Financial risk management (continued)

a) Credit risk (continued)

has exposure to credit risk in the amount's receivable from subsidiaries, but this is limited as these amounts have been fully provided for.

b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed finance facilities.

c) Cash flow and fair value interest rate risk

As the Consolidated Entity has no significant interest-bearing assets, the Consolidated Entity's income and operating cash flows are not materially exposed to changes in market interest rates.
The Consolidated Entity has no interest rate risk as its loans are at fixed rates.

3. Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Consolidated Entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The following critical estimates and judgements have been made in respect of the following items:

a) Income taxes

The Consolidated Entity is subject to income taxes in Australia. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Consolidated Entity recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

b) Exploration and evaluation expenditure

The Consolidated Entity capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at $4,232,741.

c) Rehabilitation provision

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The Consolidated Entity's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Consolidated Entity recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

Notes to the Consolidated Financial Statements (continued)

3. Critical accounting estimates and judgements (continued)

d) Estimation of useful lives of assets

The Consolidated Entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

4. Parent company information

The following information has been extracted from the books and records of the parent Company and has been prepared in accordance with Accounting Standards.

	2019	2018
STATEMENT OF FINANCIAL POSITION	$	$
ASSETS		
Current assets	**43,250**	544,623
Non-current assets	**8,889,152**	8,322,198
TOTAL ASSETS	**8,932,402**	8,866,821
LIABILITIES		
Current liabilities	**3,057,145**	2,469,750
Non-current liabilities	**15,000**	15,000
TOTAL LIABILITIES	**3,072,145**	2,484,750
NET ASSETS	**5,860,257**	6,382,071
EQUITY		
Issued capital	**22,972,145**	22,972,145
Share based payments reserve	**160,000**	343,790
Accumulated losses	**(17,271,888)**	(16,933,864)
TOTAL EQUITY	**5,860,257**	6,382,071
	-	-
STATEMENT OF COMPREHENSIVE INCOME		
Total loss	**(681,815)**	(382,399)
TOTAL COMPREHENSIVE INCOME (LOSS)	**(681,815)**	(382,399)

Guarantees

Crossland Strategic Metals Limited has not entered any guarantees, in the current financial period, in relation to the debts of any of its subsidiaries.

Contingent liabilities

At 31 December 2019, Crossland Strategic Metals Limited had no contingent liabilities.

Contractual commitments

At 31 December 2019, Crossland Strategic Metals Limited had not entered into any contractual commitments for the acquisition of property, plant and equipment.

Notes to the Consolidated Financial Statements (continued)

5. Revenue

	Consolidated 2019 $	Consolidated 2018 $
Other income		
Interest - other entities	**1,692**	1,870
Other income	**-**	3,961
	1,692	5,831

6. Loss from ordinary activities

Loss from ordinary activities before income tax includes the following items of expense:

	Consolidated 2019 $	Consolidated 2018 $
Expenses		
Depreciation	**4,156**	785
Exploration expenditure written off	**1,010,325**	-
Interest paid	**362,183**	217,123
Office rent	**817**	-
Superannuation	**1,660**	-
	1,379,141	**217,908**

7. Income tax

(a) The prima facie income tax benefit on pre-tax accounting loss reconciles to the income tax benefit in the financial statements as follows:

	Consolidated 2019 $	Consolidated 2018 $
Loss for year before income tax benefit	**(1,695,552)**	(388,151)
Income tax benefit calculated at 27.5%	**(466,277)**	(106,741)
Temporary differences and tax losses not recognised	**466,277**	106,741
Other permanent differences		
- Non-deductible expenses	**-**	-
Income tax benefit attributable to loss	**-**	-

(b) Tax losses

	Consolidated 2019 $	Consolidated 2018 $
Unused tax losses for which no deferred tax has been recognised	**(13,418,706)**	(12,710,369)

Notes to the Consolidated Financial Statements (continued)

8. Loss per share

	Consolidated	
	2019 Cents	2018 Cents
(a) Basic and diluted loss per share		
Loss attributable to the ordinary equity holders of the Company	(0.00168)	(0.00038)
	2019 $	2018 $
(b) Reconciliation of loss used in calculating loss per share		
Basic and diluted loss per share		
Loss attributable to the ordinary equity holders of the Company used in calculating basic and diluted loss per share	(1,695,552)	(388,151)
	2019 Number	2018 Number
(c) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share.	1,011,646,449	1,011,646,449

Excluded from the calculation of diluted loss per share are the 50,000,000 options because of their anti-diluted impact.

9. Cash and cash equivalents

	Consolidated	
	2019 $	2018 $
Cash at bank and on hand	**22,771**	**526,531**

10. Trade and other receivables

	Consolidated	
	2019 $	2018 $
GST receivable	**9,404**	7,312
Other debtors	**37,455**	33,478
	46,859	40,790

11. Other current assets

	Consolidated	
	2019 $	2018 $
Prepayments	**9,511**	9,511

Notes to the Consolidated Financial Statements (continued)

12. Other non-current assets

	Consolidated 2019 $	Consolidated 2018 $
Security deposits	**27,900**	36,829

13. Plant and equipment

	Consolidated 2019 $	Consolidated 2018 $
Plant & Equipment	**414,873**	407,727
Less accumulated depreciation	**(409,432)**	(407,727)
Net Plant & Equipment	**5,441**	-
Motor Vehicles	**-**	-
Less accumulated depreciation	**-**	-
Net Motor Vehicles	**-**	-
Buildings	**16,334**	5,834
Less accumulated depreciation	**(3,509)**	(1,058)
Total Plant & Equipment	**12,825**	4,776
	18,266	4,776

Reconciliations of the carrying amount of each class of plant and equipment at the beginning and end of the current financial year are set out below:

	Plant & Equipment $	Motor Vehicles $	Total $
Gross Carrying Amount			
Balance at 31 December 2018	**413,560**	**280,691**	**694,251**
Additions	**17,646**	**-**	**17,646**
Balance at 31 December 2019	**431,206**	**280,691**	**711,897**
Accumulated Depreciation			
Balance at 31 December 2018	**408,784**	**280,691**	**689,475**
Depreciation Expense	**4,156**	**-**	**4,156**
	412,940	**280,691**	**693,631**
Net Book Value			
Balance at 31 December 2018	4,776	-	4,776
		-	
Balance at 31 December 2019	**18,266**	**-**	**18,266**

	Consolidated 2019 $	Consolidated 2018 $
Aggregate depreciation allocation during the year:		
- Plant and equipment	**4,156**	785
	4,156	785

Notes to the Consolidated Financial Statements (continued)

14. Deferred exploration and evaluation expenditure

	Consolidated	
	2019 $	2018 $
Deferred exploration expenditure	**4,232,741**	4,687,767
Movement		
Balance at 1 January	**4,687,767**	4,404,783
Additions	**555,299**	282,984
Amounts written off	**(1,010,325)**	-
Balance at 31 December	**4,232,741**	4,687,767

The ultimate recoupment of deferred exploration and evaluation expenditure carried forward in respect of an area of interest is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying value.

The Company has actively reduced tenement holding by relinquishing tenements in 2019, to focus on the most likely project start-up area and conserve funds. As a result, the following tabled tenements, some of which have had costs accumulated for over a decade, were relinquished in late 2019 and early 2020.

Tenements	Date Granted	Status
EL27359	17/11/2009	Relinquished
EL28155	02/02/2011	Relinquished
EL28795	12/12/2011	Relinquished
EL28866	21/02/2012	Relinquished
EL28224	08/03/2011	Relinquished
EL28226	08/03/2011	Relinquished
EL29853	15/08/2013	Relinquished
EL30058	23/04/2014	Relinquished

15. Current trade and other payables

	Consolidated	
	2019 $	2018 $
Unsecured:		
• Trade payables	**30,782**	8,664
• Other payables and accruals	**25,820**	34,500
• GST payable	**23,324**	23,324
	79,926	66,488

16. Current interest-bearing payables

	Consolidated	
	2019 $	2018 $
Loans from associates of directors	**3,033,802**	2,466,577
Other payables	**(982)**	(7,715)
	3,032,820	2,458,862

Notes to the Consolidated Financial Statements (continued)

17. Provisions

	Consolidated	
	2019 $	2018 $
Non-current provisions		
Site Restoration	**20,000**	20,000
	20,000	20,000

Provision for site restoration

A provision has been recognised for the costs to be incurred for the restoration of the sites used for exploration of minerals. It is anticipated that the sites will require restoration within 10 years. The carrying amounts of the Consolidated Entity's current and non-current provisions are a reasonable approximation of their fair values.

18. Equity – issued capital

	2019 Shares	2018 Shares	2019 $	2018 $
Ordinary Shares - Fully Paid	1,011,646,449	1,011,646,449	22,972,145	22,972,145

Movements in share capital

	Date	Shares	Issued Price	$
Balance at beginning of financial year		1,011,646,449	-	22,972,145
Balance at end of financial year		**1,011,646,449**		**22,972,145**

Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Consolidated Entity in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back. Capital risk management The Consolidated Entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

Notes to the Consolidated Financial Statements (continued)

19. Options

At the AGM held on 31st May 2019, the Consolidated Entity approved the issue of 50,000,000 options to the CEO exercisable at $0.005 each on or before the date that is 60 months from the issue date of the options. The options were issued for long term services to the Company. These have been valued at $0.003c using the following assumptions, and vest immediately:

- Volatility: 75%
- Risk free rate: 1.16%
- Share price: $0.006

The total expense recognised for the financial year ending 31 December 2019 was $160,000.

20. Reserves

	Consolidated	
	2019	**2018**
	$	**$**
Share based payments reserve	**160,000**	343,790
	160,000	343,790
Share based payments reserve		
Balance at beginning of financial year	**343,790**	343,790
Value of options expensed during year	**160,000**	-
Transfer of expired options	**(343,790)**	-
Balance at end of financial year	**160,000**	343,790

Nature and purpose of reserve

The share-based payments reserve records the value of options issued to employees, consultants and Directors, as part of the remuneration for their services.

21. Particulars relating to controlled entities

	Country of Incorporation	Ownership Interest 2019 %	Ownership Interest 2018 %
Crossland Diamonds Pty Ltd	Australia	100	100
Crossland Mines Pty Ltd	Australia	100	100
Crossland Nickel Pty Ltd	Australia	100	100
Paradigm Mexico Pty Ltd	Australia	100	100
Essential Mining Resources Pty Ltd	Australia	100	100

Notes to the Consolidated Financial Statements (continued)

22. Commitments for expenditure

(a) Exploration tenement expenditure requirements

In order to maintain the Consolidated Entity's tenements in good standing condition with Australian mining authorities, the Consolidated Entity will be required to incur exploration expenditure under the terms of each claim.

	Consolidated	
	2019	**2018**
	$	**$**
Payable not later than one year	**586,225**	585,915
Payable later than one year, but not later than two	**116,870**	585,915
	703,095	1,171,830

It is likely that variations to the terms of the current and future tenement holdings, the granting of new tenements and changes in tenement areas at renewal or expiry, will change the expenditure commitment to the Consolidated Entity from time to time.

If funds are not available to meet the required expenditure on a tenement the relevant Australian mining authority would be contacted to negotiate a reduction of the expenditure. Should the negotiations not be satisfactory then the Consolidated Entity would withdraw from the tenement.

(b) Operating lease commitments

Operating leases relate to the rental of the Milton park homestead and outbuildings. The Consolidated Entity does not have an option to purchase the leased asset at the expiry of the lease period, and it is cancellable at any time. Therefore, no adjustments required under AASB16.

23. Key management personnel disclosure

(a) The directors of Crossland Strategic Metals Limited during the year were:

- Sia Hok Kiang (Chairman)
- Eric Vesel (Executive Director)
- Stanislaw (Stan) Wassylko (Non-Executive Director)
- Harun Halim Rasip (Non-Executive Director)

(b) Other key management personnel

All directors are identified as key management personnel under AASB 124 "Related Party Disclosures".

There are no other staff that meet the definition of key management personnel.

(c) Key management personnel compensation

There was no fee paid or payable to any key management personnel in the year.

(d) Equity instrument disclosures relating to key management personnel

i. Shareholding

The numbers of shares in the Company held at the end of the financial year by each Director of the consolidated entities and other key management personnel of the Consolidated Entity, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

Notes to the Consolidated Financial Statements (continued)

23. Key management personnel disclosure (continued)

(d) Equity instrument disclosures relating to key management personnel (continued)

Ordinary Shares

Directors of Crossland Strategic Metals Limited

2019 Name	Balance at the start of the year	Received during the year as incentive shares	Other changes during the year	Balance at the end of the year
Sia Hok Kiang	53,151,817	-	-	53,151,817
Stanislaw Wassylko	622	-	-	622
Eric Vesel	-	-	-	-
Harun Halim Rasip	557,554,961	-	-	557,554,961

2018 Name	Balance at the start of the year	Received during the year as incentive shares	Other changes during the year	Balance at the end of the year
Sia Hok Kiang	53,151,817	-	-	53,151,817
Stanislaw Wassylko	622	-	-	622
Eric Vesel	-	-	-	-
Harun Halim Rasip	557,554,961	-	-	557,554,961

ii. Options provided as remunerations and shares issued on exercise of such options

Please refer to Note 19 for details of options issued in the period.

24. Related party disclosures

(a) Directors

The directors of Crossland Strategic Metals Limited during the year were:

- Sia Hok Kiang (Chairman)
- Eric Vesel (Executive Director)
- Stanislaw (Stan) Wassylko (Non-Executive Director)
- Harun Halim Rasip (Non-Executive Director)

Company Secretary

- Andrew Metcalf (Company Secretary)

(b) Remuneration of directors and key management personnel

Details of remuneration of directors are disclosed in Note 23 to the financial statements.

At 31 December 2019 there were no key management personnel other than directors.

(c) Directors interests

Interests in the shares and options of the Consolidated Entity held by current directors and their director related entities are shown in Note 23.

Notes to the Consolidated Financial Statements (continued)

24. Related party disclosures (continued)

(d) Associates of directors

No Director Fees were paid to Directors for 2019

Directors	Associated Company
Sia Hok Kiang	HK Rare Earth Sdn Bhd
S Wassylko	Altas Offshore Services Pty Limited
Harun Halim Rassip	EMMCO Mining Sdn Bhd
	Essential Mining Resources Pty Limited

(e) Loans from associates of directors as at 31 December

	Consolidated	
	2019 $	2018 $
Atlas Offshore Services Pty Ltd (Stanislaw Wassylko) (15% interest per annum)	1,057,114	915,455
EMMCO Mining Sdn Bhd (Harun Halim Rasip) (15% interest per annum)	1,976,687	1,551,122

(f) Interest accrued on Loans from associates of directors as at 31 December

Atlas Offshore Services Pty Ltd (Stanislaw Wassylko) *	357,114	215,887
EMMCO Mining Sdn Bhd (Harun Halim Rasip) *	313,735	93,210
	670,849	309,097

(g) Additional loans received from directors and associates as at 31 December

EMMCO Mining Sdn Bhd (Harun Halim Rasip) *	200,000	1,092,000
	200,000	1,092,000

*All transactions were made on normal commercial terms and conditions and at market rate.

25. Auditors remuneration

	Consolidated	
	2019 $	2018 $
Remuneration of RSM Australia Partners for:		
Audit and review of financial report	**35,000**	29,000
Total auditors' remuneration	**35,000**	29,000

Notes to the Consolidated Financial Statements (continued)

26. Financial instrument disclosure

(a) Capital management

The Consolidated Entity considers its capital to comprise its ordinary share capital and accumulated retained earnings.

In managing its capital, the Consolidated Entity's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and distributions. In order to achieve this objective, the Consolidated Entity seeks to maintain a gearing ratio that balances risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Consolidated Entity to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through altering its dividend policy, new share issues, or reduction of debt, the Consolidated Entity considers not only its short-term position but also its long-term operational and strategic objectives.

It is the Consolidated Entity's policy to maintain its gearing ratio within the range of 0-25%. The Consolidated Entity's gearing ratio at the end of the financial year is shown below

	Consolidated	
	2019 $	2018 $
Cash and cash equivalents	**22,771**	526,531
Loans	**(3,032,820)**	(2,458,862)
Net debt	**(3,010,049)**	(1,932,331)
Share capital	**22,972,145**	22,972,145
Reserves	**160,000**	343,790
Accumulated losses	**(21,906,844)**	(20,555,081)
Total capital	**1,225,301**	2,760,854
Gearing ratio	**245.66%**	69.99%

(b) Financial instrument risk exposure and management

In common with all other businesses, the Consolidated Entity is exposed to risks that arise from its use of financial instruments. This note describes the Consolidated Entity's objectives, policies and processes for managing those risks and the methods used to measure them.

Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Consolidated Entity's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(c) Principal financial instruments

The principal financial instruments used by the Consolidated Entity, from which financial instrument risk arises, are as follows:

- other receivables;
- cash at bank;
- trade and other payables; and
- loans.

Notes to the Consolidated Financial Statements (continued)

26. Financial instrument disclosure (continued)

(d) General objectives, policies and processes

The Board has overall responsibility for the determination of the Consolidated Entity's risk management objectives and policies and has the responsibility for designing and operating processes that ensure the effective implementation of the objectives and policies to the Consolidated Entity's finance function. The Board receives monthly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the board is to set policies that seek to reduce risk as far as possible without unduly affecting the Consolidated Entity's competitiveness and flexibility. Further details regarding these policies are set out below:

i. Credit risk

Credit risk arises principally from the Consolidated Entity's trade receivables and investments in corporate bonds. It is the risk that the counterparty fails to discharge its obligation in respect of the instrument.

Other receivables

Other receivables comprise GST receivable.

The maximum exposure to credit risk at balance date is as follows:

	Consolidated	
	2019 $	2018 $
Deposits	**27,900**	36,829
Other receivables	**37,455**	33,478
GST receivables	**9,404**	7,312
	74,759	77,619

ii. Liquidity risk

Liquidity risk arises from the Consolidated Entity's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Consolidated Entity will encounter difficulty in meeting its financial obligations as they fall due.

The Consolidated Entity's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected to meet expected requirements for a period of at least 45 days. The Board receives cash flow projections in a monthly basis as well as information regarding cash balances. At the balance sheet date, these projections indicated that the Consolidated Entity expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The Board noted the intention of directors and other related parties not to require payment for the next twelve months or until a capital raising of sufficient funds is made.
The Consolidated Entity does not have any financing facilities in place and does not have a bank overdraft.

Notes to the Consolidated Financial Statements (continued)

26. Financial instrument disclosure (continued)

iii. ***Liquidity risk (continued)***

Maturity analysis of financial assets and liability based on contractual obligations.

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows. Trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations such as property, plant, equipment and investments in working capital (e.g., trade receivables). These assets are considered in the Consolidated Entity's overall liquidity risk.

Maturity Analysis - Consolidated	Weighted Average	Carrying Amount	Contractual Cash Flows			
2019	Interest Rate		1 Year or Less	Between 1 and 2 Years	Between 2 and 5 years	Remaining Contractual Maturities
	%	$	$	$	$	$
Financial Liabilities						
Trade payables	**0.00**	**30,782**	**30,782**	**-**	**-**	**-**
Other payables and accruals	**0.00**	**49,144**	**-**	**-**	**-**	**49,144**
Loans	**15.00**	**3,032,820**	**-**	**-**	**-**	**3,032,820**
TOTAL		**3,112,746**	**30,782**	**-**	**-**	**3,081,964**
2018						
Financial liabilities						
Trade payables	0.00	8,665	8,665	-	-	-
Other payables and accruals	0.00	57,824	-	-	-	57,824
Loans	15.00	2,458,862	-	-	-	2,458,862
TOTAL		2,525,351	8,665	-	-	2,516,686

iv. Market risk

Market risk does not arise as the Consolidated Entity does not use interest bearing, tradable and foreign currency financial instruments.

v. Interest rate risk

a. The Company receives interest on its cash balance and at balance date was exposed to a floating weighted average interest rate on cash balances of 1.00% (2017 – 1.00%). As surplus funds become available, they are deposited in its cash management account and are exposed to receiving a floating rate, which varies according to the amount of funds deposited. All other financial assets are non-interest bearing.

b. Net fair value of financial assets and liabilities: the net fair value of cash and cash equivalents and non-interest-bearing financial assets and financial liabilities approximates their carrying value.

c. The Consolidated Entity’s exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table:

Notes to the Consolidated Financial Statements (continued)

26. Financial instrument disclosure (continued)

v. Interest rate risk (continued)

Sensitivity Analysis **Consolidated**

	Carrying amount	+1% interest rate	-1% interest rate
Consolidated - 2019		Profit & Loss	Profit & Loss
Cash at bank	**22,771**	**228**	**(228)**
	22,771	**228**	**(228)**
Tax charge of 27.5%		**(63)**	**63**
Post tax profit increase / (decrease)		**165**	**(165)**

	Carrying amount	+1% interest rate	-1% interest rate
Consolidated - 2018		Profit & Loss	Profit & Loss
Cash at bank	526,531	5,265	(5,265)
	526,531	5,265	(5,265)
Tax charge of 27.5%		(1,448)	1,448
Post tax profit increase / (decrease)		3,818	(3,818)

(e) Currency risk

The Consolidated Entity's policy is, where possible, to allow Consolidated Entity entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where Consolidated Entity entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them) cash already denominated in that currency will, where possible, be transferred from elsewhere within the Consolidated Entity.

The Consolidated Entity's exposure to foreign currency risk is nil.

(f) Sovereign risk

Country or sovereign risk relates to the likelihood that changes in the business environment will occur that reduce the profitability of doing business in a country. These changes can adversely affect operating profits as well as the value of assets. Types of country risk include:

- *Political changes*

  Governments may change economic policies. Changes in the ruling party in Australia (brought about by elections, coups or wars) may results in major policy changes. This could result in expropriation of the Consolidated Entity's exploration leases, inability to repatriate future profits, higher taxes, higher tariffs and import costs

- *Macroeconomics mismanagement*

  The Australian government may pursue unsound monetary and fiscal policies which may lead to inflation, higher interest rates, recession and hard currency shortage.

  The Consolidated Entity has maintained a working policy of keeping all relevant Government offices informed and updated on activities to allow clear avenues of communication with Government authorities and an understanding of any policy changes and any affects that they may have on the Consolidated Entity's work.

Notes to the Consolidated Financial Statements (continued)

26. Financial instrument disclosure (continued)

(g) Accounting policies

i. Financial assets

The Consolidated Entity's financial assets fall into the categories discussed below, with the allocation depending to an extent on the purpose for which the asset was acquired. The Consolidated Entity does not use derivative financial instruments in economic hedges of currency or interest rate risk. The Consolidated Entity has not classified any of its financial assets as held to maturity.

Unless otherwise indicated, the carrying amounts of the Consolidated Entity's financial assets are a reasonable approximation of their fair values.

ii. Other receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the sale of assets and GST receivable. They are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue and subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. The effect of discounting on these financial instruments is not considered to be material.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Consolidated Entity will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

iii. Financial liabilities

The Consolidated Entity classifies its financial liabilities as measured at amortised cost. The Consolidated Entity does not use derivative financial instruments in economic hedges of currency or interest rate risk.

Unless otherwise indicated, the carrying amounts of the Consolidated Entity's financial liabilities are a reasonable approximation of their fair values.

These financial liabilities include trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

iv. Share capital

Financial instruments issued by the Consolidated Entity are treated as equity only to the extent that they do not meet the definition of a financial liability. The Consolidated Entity's ordinary shares are classified as equity instruments.

For the purposes of these disclosures, the Consolidated Entity considers its capital to comprise its ordinary share capital and accumulated retained earnings. Neither the available for sale reserve nor the translation reserve is considered as capital. There have been no changes in what the Consolidated Entity considers to be capital since the previous period.
The Consolidated Entity is not subject to any externally imposed capital requirements.

Notes to the Consolidated Financial Statements (continued)

27. Operating segments

Identification of reportable operating segments

The Consolidated Entity is organised into one operating segment, being mining and exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

28. Reconciliation of loss after income tax to net cash from operating activities

	Consolidated	
	2019	**2018**
	$	**$**

Reconciliation of loss from ordinary activities after income tax to net cash outflows from operating activities as follows:

Operating (loss) after income tax	**(1,695,552)**	(388,151)
Depreciation	**4,156**	785
Exploration expenditure written off	**1,010,325**	-
Share based payment	**160,000**	-
Change in operating assets and liabilities:		
- Increase in interest payable	**362,183**	217,123
- Decrease/ (increase) in receivables	**(3,977)**	3,869
- Decrease in other assets	**(2,091)**	(3,260)
- Decrease / (increase) in accounts payable	**13,436**	(162,229)
- Increase in provisions	**-**	(1,713)
- Other	**-**	5,976
Net cash outflow from operating activities	**(151,520)**	(327,600)

29. Events after the reporting period

The terms of both EMMCO and Atlas loans were renegotiated in February 2020. The loans which were originally due in April 2020 now have a repayment date of December 2020. No other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Crossland Strategic Metals Limited Shareholder Information

The shareholder information set out below was applicable as at 31st December 2019

A. Distribution of Ordinary Shareholders – Analysis of Holdings

Class of equity security

	Number of shareholders	Number of shares	Percentage
1 - 1,000	72	33,846	0.003%
1,001 - 5,000	170	556,718	0.055%
5,001 - 10,000	182	1,563,606	0.155%
10,001 - 100,000	459	18,479,412	1.827%
100,001 and over	229	991,012,867	97.96%
	1,112	1,011,646,449	100%

B. Top 20 Holdings of Ordinary Shares (CUX)

	Ordinary shares number held	Percentage of issued shares
Emmco Mining SDN BHD	557,554,961	55.11%
Asia Infra Partners Ltd	57,571,428	5.69%
HK Tin SDN BHD	53,151,817	5.25%
Asia One Corp Ltd	50,000,000	4.94%
Amburla Nominees Pty Limited	23,277,735	2.30%
Hock Hee Sia	20,000,000	1.98%
Mr Geoffrey Samuel Eupene	15,371,226	1.52%
Mr Chris Connellan	15,000,000	1.48%
Mr Roderick James Trigwell	12,485,714	1.23%
Mr Robert Lewis Richardson & Ms Susanne Brint	10,000,000	0.99%
Bond Street Custodian Limited	9,972,705	0.99%
Mr Malcom Keith Smartt & Ms Janice Leonie Smartt	9,000,000	0.89%
Mr Bruce Jazie Ozimek	8,035,879	0.79%
Garden Nominees Pty Ltd	7,124,795	0.70%
Diah(NT) Pty Ltd	6,666,667	0.66%
Eupene Nominees Pty Ltd	6,028,571	0.60%
M & K Korkidas Pty Limited	5,997,402	0.59%
Excess Pty Limited	5,458,447	0.54%
ACN 108 884 779 Pty Limited	3,892,326	0.38%
Madisons Pty Ltd	3,700,000	0.37%
	880,289,673	87.00%
Other shareholders	86,668,583	8.57%
Total securities of top 100 holdings	966,958,256	95.83%
Total of securities	1,011,646,449	
Total amount of securities not listed	44,688,193	

C. Substantial Shareholders

	Number of shares held	Shareholding percentage
Emmco Mining SDN BHD	557,554,961	55.11%
Asia Infra Partners Ltd	57,571,428	5.69%
HK Tin SDN BHD	53,151,817	5.25%

D. Voting Rights

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options

There are no voting rights attached to the options.

Schedule 1 Tenements at 31st December 2019

The Consolidated Entity held the following tenements at 31st December 2019:

Project Area: Charley Creek Project Group 1
Tenements held by Crossland Nickel Pty Ltd

Tenements	Name / Location	Status	Date Granted	Renewal Date	AREA (Sub-block)	AREA (km²)
EL 24281	Charley Creek	Current	07/02/2005	06/02/2020	37	116.6
EL 25230	Cockroach Dam	Current	09/11/2006	08/11/2019	102	289
EL 27358	Hamilton Downs	Current	17/11/2009	16/11/2019	8	25.17
EL 28224*	Hamilton North 2	Current	08/03/2011	07/03/2021	15	47.25
EL 28226*	Hamilton North 3	Current	08/03/2011	07/03/2021	22	69.34
EL 31947	Coughs Dam	Current	29/01/2019	28/01/2025	58	172.75

Project Area: Charley Creek Project Group2
Tenements held by Crossland Nickel Pty Ltd 56.28% / Essential Mining Resources Pty Ltd 43.72%

Tenements	Name / Location	Status	Date Granted	Renewal Date	AREA (Sub-block)	AREA (km²)
EL 28434	Hamilton Homestead	Current	28//07/2011	27/07/2019	51	154.1
EL 29789	Mulga Bore	Current	25/07/2013	24/07/2021	4	12.61
EL 29853*	Bond Springs	Current	15/08/2013	14/08/2021	32	100.83
EL 30058*	Milton Park	Current	23/04/2014	22/04/2020	106	334.3

* Tenements relinquished in 2020.