



*ABN 64 087 595 980*

## **Half Yearly Report**

**30 June 2014**

**DIRECTORS**

Bob Richardson (Chairman)  
Sia Hok Kiang  
Geoffrey S Eupene  
Peter W Walker  
Malcolm K Smartt

**SECRETARY**

Malcolm K Smartt

**REGISTERED OFFICE**

Level 3, 80 Arthur Street, North Sydney, NSW 2060

**ADMINISTRATION OFFICE**

1 Buffalo Court, DARWIN, NT, 0800  
Telephone: (08) 8981 5911  
Facsimile: (08) 8941 1364

**POSTAL ADDRESS**

PO Box 2437, DARWIN, NT, 0801

**AUDITORS**

BDJ Partners Audit Pty Limited

**BANKERS**

Westpac Banking Corporation

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2013 and any public announcement made by Crossland Uranium Mines and Crossland Strategic Metals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

# ***Director's Report***

Your Directors present their report on the consolidated entity consisting of Crossland Strategic Metals Limited (formerly Crossland Uranium Mines Ltd) and the entities it controlled at the end of, or during the six months ended 30 June 2014.

## **Directors**

The following persons were directors of Crossland Strategic Metals Limited (formerly Crossland Uranium Mines Ltd) during the whole of the financial period and up to the date of this report unless otherwise stated:

Bob Richardson (Chairman)  
Geoffrey Eupene  
Peter Walker  
Malcolm Smartt  
Sia Hok Kiang

## **Review of operations**

### **CHARLEY CREEK**

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

#### ***Charley Creek – Rare Earths***

The Charley Creek project is on care and maintenance awaiting additional funds to move the project forward. All costs have been trimmed and currently there are no full time technical staff. The company's assets at Charley Creek remain secure with a full time maintenance crew on site.

#### ***Charley Creek – Uranium***

No uranium- related exploration work was undertaken at Charley Creek.

### **CHILLING PROJECT**

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

The Joint Venture has decided to focus on the Charley Creek REO Project and is seeking other investors to pursue the drill targets that Crossland has developed at Chilling.

### **KALABITY**

The Kalabity title has been surrendered.

# ***Director's Report***

## **LAKE WOODS, NT**

***At Lake Woods, NT, previous exploration, as well as that by Crossland, has identified a cluster of rare micro- diamonds that are considered to indicate a local source. The area has potential for other commodities. This area is not included in the Joint Venture with Panconoz Pty Ltd ("Pancon").***

A joint venture for this project was executed on 1 November 2013. The incoming party has been granted 90% of the tenement and has committed to spend \$105,000 in the first 12 months and Crossland has a 10% interest free carried to a Decision to Mine. At Decision to Mine, CUX must elect to participate in further expenditure with its 10% interest, or withdraw from the Joint Venture with no further interest.

Results of a detailed airborne magnetic and radiometric survey completed in December 2013 were received during the period and interpretation has identified several targets for ground evaluation.

## **GYPSUM CLIFFS, SA.**

***Crossland has identified potential concentrations of high value heavy minerals on drainages into Lake Eyre. This project is not included in the Joint Venture with Pancon.***

An initial reconnaissance produced encouraging results including potentially valuable heavy mineral concentrates. Budgetary constraints has forced a reduction in the size of the tenement package, but one EL has been retained that seems to hold good prospects for accumulation of heavy minerals. Crossland is seeking external funding to continue the development of the concept.



**Geoffrey Eupene**

CEO/ Exploration Director

29th August 2014

# Statement of Comprehensive Income

For the six months ended 30 June 2014

		Consolidated	
	Note	2014 \$	2013 \$
<b>Revenue from ordinary activities</b>	2	<b>9,749</b>	5,445
Administration costs		(91,515)	(143,307)
Borrowing costs		(33)	(315)
Consultants fees		(49,563)	(87,309)
Depreciation		(28,746)	(45,998)
Employment Costs		(168,862)	(163,307)
Exploration Costs Written off		(200,400)	(36,852)
Office rent		(39,270)	(46,697)
Share of associates losses		-	-
Other expenses from ordinary activities		(19,865)	(24,880)
Loss from ordinary activities before income tax expense		(588,505)	(543,220)
Income tax benefit (expense)	3	164,038	308,797
<b>Net loss from ordinary activities after income tax expense</b>	5	<b>(424,467)</b>	(234,423)
<b>Other comprehensive income</b>			
Other comprehensive income before income tax expense		-	-
Foreign exchange gain on translation of overseas subsidiary		-	-
Income tax expense		-	-
<b>Other comprehensive income for the period</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>		<b>(424,467)</b>	(234,423)
<b>Total comprehensive income attributable to members of Crossland Uranium Mines Limited</b>		<b>(424,467)</b>	(234,423)
Basic and diluted loss per share (cents)	7	(0.19)	(0.14)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

# Statement of Financial Position

As at 30 June 2014

		Consolidated	
	Note	30.6.2014 \$	31.12.2013 \$
<b>CURRENT ASSETS</b>			
Cash		133,795	378,795
Receivables		347,884	428,429
Other Current Assets		8,341	15,849
<b>TOTAL CURRENT ASSETS</b>		<b>490,020</b>	<b>823,073</b>
<b>NON-CURRENT ASSETS</b>			
Receivables		107,515	116,738
Exploration properties		5,483,747	5,296,595
Plant and equipment		33,016	61,762
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,624,278</b>	<b>5,475,095</b>
<b>TOTAL ASSETS</b>		<b>6,114,298</b>	<b>6,298,168</b>
<b>CURRENT LIABILITIES</b>			
Payables		328,853	286,819
<b>TOTAL CURRENT LIABILITIES</b>		<b>328,853</b>	<b>286,819</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions		52,486	53,923
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>52,486</b>	<b>53,923</b>
<b>TOTAL LIABILITIES</b>		<b>381,339</b>	<b>340,742</b>
<b>NET ASSETS</b>		<b>5,732,959</b>	<b>5,957,426</b>
<b>SHAREHOLDERS' EQUITY</b>			
Contributed equity	4	18,562,386	18,362,386
Share Based Payments Expense Reserve		343,790	343,790
Accumulated losses	5	(13,173,217)	(12,748,750)
<b>TOTAL EQUITY</b>		<b>5,732,959</b>	<b>5,957,426</b>

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

# Statement of Changes in Equity

For the six months ended 30 June 2014

Consolidated Group	Note	Ordinary Share Capital \$	Accumulated Losses \$	Share Based Payments Reserve \$	Total \$
<b>Balance at 1 January 2013</b>		16,851,191	(10,796,246)	337,136	6,392,081
<b>Comprehensive income</b>					
Loss for the period		-	(234,423)	-	(234,423)
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income for the half year</b>		-	(234,423)	-	(234,423)
<b>Transactions with owners, in their capacity as owners, and other transfers</b>					
Shares issued during the period		300,000	-	-	300,000
Share issue costs		5,195	-	-	5,195
Options issued during the period		-	-	6,654	6,654
<b>Total transactions with owners and other transfers</b>		305,195	-	6,654	311,849
<b>Balance at 30 June 2013</b>		17,156,386	(11,030,669)	343,790	6,469,507
<b>Balance at 1 January 2014</b>		18,362,386	(12,748,750)	343,790	5,957,426
<b>Comprehensive income</b>					
Loss for the period		-	(424,467)	-	(424,467)
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income for the half year</b>		-	(424,467)	-	(424,467)
<b>Transactions with owners, in their capacity as owners, and other transfers</b>					
Shares issued during the period		200,000	-	-	200,000
Share issue costs		-	-	-	-
<b>Total transactions with owners and other transfers</b>		200,000	-	-	200,000
<b>Balance at 30 June 2014</b>		18,562,386	(13,173,217)	343,790	5,732,959

The above statement of changes in equity should be read in conjunction with the accompanying notes.

# Statement of Cash Flows

For the six months ended 30 June 2014

	Consolidated	
	2014	2013
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payment to suppliers (inclusive of GST)	(290,430)	(539,299)
Interest received	3,901	5,445
Other income	5,848	-
Interest paid	(33)	(315)
R&D Tax offset rebate received	164,038	308,797
<b>NET CASH (OUTFLOWS) FROM OPERATING ACTIVITIES</b>	<b>(116,676)</b>	<b>(225,372)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Expenditure on mining interests (exploration)	(387,547)	(1,041,104)
Reimbursement of exploration expenditures	50,000	437,144
Refunds of security deposits	9,223	14,725
<b>NET CASH INFLOWS / (OUTFLOWS) FROM INVESTING ACTIVITIES</b>	<b>(328,324)</b>	<b>(589,235)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	200,000	300,000
Share Issue Costs	-	5,195
<b>NET CASH INFLOWS FROM FINANCING ACTIVITIES</b>	<b>200,000</b>	<b>305,195</b>
<b>NET (DECREASE) / INCREASE IN CASH HELD</b>	<b>(245,000)</b>	<b>(509,412)</b>
Cash at the beginning of the financial half year	378,795	1,085,639
<b>CASH AT THE END OF THE FINANCIAL HALF YEAR</b>	<b>133,795</b>	<b>576,227</b>

The above statement of cash flows should be read in conjunction with the accompanying notes.



# Notes to the Financial Statements

30 June 2014

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 30 June 2014 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134 Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the on the latest annual financial statements of Crossland Strategic Metals Limited (formerly Crossland Uranium Mines Ltd) and its controlled entities (the Group). As such it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2013 together with any public announcement made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

### Going concern basis

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

	2014	2013
	\$	\$
Net loss for half-year	<b>(424,467)</b>	(234,423)
Negative cash flows from operations for the half-year	<b>(116,676)</b>	(225,372)
Net assets as at 30 June	<b>5,732,959</b>	6,469,507
Cash balances as at 30 June	<b>133,795</b>	576,227

The directors believe that the company will have sufficient working capital to meet its minimum project development and administrative expenses in the twelve months following the date of signing of the financial report.

The directors are investigating options to raise additional funds to allow the company to pursue its project opportunities and reduce its working capital requirements with the intent that the consolidated group continues as a going concern.

# ***Notes to the Financial Statements***

***30 June 2014***

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **New Accounting Standards for Application in Future Periods**

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

***Operative date 1 January 2017 with an application date for the group of 1 January 2017.***

***AASB 9: Financial Instruments (December 2010) and AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]***

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:
  - (a) the objective of the entity's business model for managing the financial assets; and
  - (b) the characteristics of the contractual cash flows.
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The Group has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

No other new or proposed accounting standards or interpretations are expected to have a material impact on the Group.

# Notes to the Financial Statements

30 June 2014

## 2. REVENUE

	Consolidated	
	2014	2013
	\$	\$
Revenue from outside operating activities		
Interest received	3,901	5,445
Other income	5,848	-
Total revenue	9,749	5,445

## 3. INCOME TAX

Loss from ordinary activities before income tax expense	(588,505)	(543,220)
Income tax expense calculated @ 30% (2013 – 30%)	(176,552)	(162,966)
Future income tax benefits not brought to account in respect of current year	176,552	162,966
R&D Tax Offset Rebate received or receivable	164,038	308,797
Income tax benefit attributable to operating loss	164,038	308,797

## 4. SHARE CAPITAL

### Issued Capital

227,629,043 fully paid ordinary shares ( 2013 – 167,629,043)	19,431,434	18,025,434
Less share issue costs	(869,048)	(869,048)
	18,562,386	17,156,386

### Movement in issued capital

		\$
Shares on issue 1 January 2014	18,362,386	16,851,191
Placement	200,000	300,000
Less share issue costs	-	5,195
Shares on issue 30 June 2014	18,562,386	17,156,386

## 5. ACCUMULATED LOSSES

	Consolidated	
	2014	2013
	\$	\$
Accumulated losses at the beginning of the half year	12,748,750	10,796,246
Net loss for the six months	424,467	234,423
Retained losses at the end of the half year	13,173,217	11,030,669

**30 June 2014**

The group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and allocating resources. The group is managed primarily on the basis of exploration for rare earths, uranium and base metals in Australia. Operating segments are therefore determined on the same basis

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# ***Notes to the Financial Statements***

***30 June 2014***

## **7. EARNINGS PER SHARE**

<b>Basic and diluted</b>	<b>2014</b>	<b>2013</b>
Weighted average number of shares used in basic and diluted earnings per share	<b>218,347,275</b>	164,259,180
<b>Basic and diluted earning per share (cents per share)</b>	<b>(0.19)</b>	(0.14)

## **8. CONTINGENT LIABILITIES**

There are no contingent liabilities which have arisen since the end of the previous financial year

## **9. SUBSEQUENT EVENTS**

The Market was advised on 18 July that a sophisticated investor had taken a placement of 20 million shares at 1 cent raising \$200,000.

All ASX releases can be viewed at [www.crosslandstrategic.com](http://www.crosslandstrategic.com)

There were no other matters or circumstances which have arisen since 30 June 2014 that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in the financial years subsequent to 30 June 2014.

## ***DIRECTOR'S DECLARATION***

The directors declare that the financial statements and notes set out on pages 5 to 13

- (a) comply with Accounting standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the company's and consolidated entity's financial position as at 30 June 2014 and of their performance, as represented by the results of their operations and their cash flows, for the six months ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- (b) 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 by the chief executive officer and chief financial officer required by section 295A.

This declaration is made in accordance with a resolution of the directors.

Dated at Sydney this 29th day of August 2014

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Bob Richardson', written in a cursive style.

R L Richardson  
Chairman

## directors

C H Barnes FCA  
A J Dowell CA  
S Dadich CA

## north sydney office

Level 13, 122 Arthur St  
North Sydney NSW 2060

## manly office

Level 5, 22 Central Ave  
Manly National Building  
Manly NSW 2095

## all correspondence

PO Box 1664  
North Sydney NSW 2059

t 02 9956 8500

f 02 9929 7428

e bdj@bdj.com.au

[www.bdj.com.au](http://www.bdj.com.au)

## Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Crossland Strategic Metals Limited and Controlled Entities

I declare that, to the best of my knowledge and belief during the half-year ended 30 June 2014 there have been:

- a. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

BDJ Partners Audit Pty Limited



.....  
Anthony J Dowell  
Director

27 August 2014

## directors

C H Barnes FCA  
A J Dowell CA  
S Dadich CA

## north sydney office

Level 13, 122 Arthur St  
North Sydney NSW 2060

## manly office

Level 5, 22 Central Ave  
Manly National Building  
Manly NSW 2095

## all correspondence

PO Box 1664  
North Sydney NSW 2059

t 02 9956 8500

f 02 9929 7428

e [bdj@bdj.com.au](mailto:bdj@bdj.com.au)

[www.bdj.com.au](http://www.bdj.com.au)

## Independent Auditor's Review Report

To the members of Crossland Strategic Metals Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Crossland Strategic Metals Limited and controlled entities ("the consolidated entity"), which comprises the condensed consolidated statement of financial position as at 30 June 2014, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the Crossland Uranium Mines Limited ("the company") are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of the consolidated entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.





## directors

C H Barnes FCA  
A J Dowell CA  
S Dadich CA

## north sydney office

Level 13, 122 Arthur St  
North Sydney NSW 2060

## manly office

Level 5, 22 Central Ave  
Manly National Building  
Manly NSW 2095

## all correspondence

PO Box 1664  
North Sydney NSW 2059

t 02 9956 8500

f 02 9929 7428

e [bdj@bdj.com.au](mailto:bdj@bdj.com.au)

[www.bdj.com.au](http://www.bdj.com.au)

## Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. 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.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the consolidated entity is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

## Going Concern

Without modifying our conclusion, we draw attention to Note 1 "Going concern basis" which states that the directors are investigating options to raise additional funds and reduce the working capital requirements of the business. Should these measures be unsuccessful, it would indicate a material uncertainty which may cast doubt about the consolidated entity's ability to continue as a going concern and the consolidated entity's ability to pay its debts as and when they fall due.

BDJ Partners Audit Pty Limited



.....  
Anthony J Dowell  
Director

29 August 2014

