

31st July 2017

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

Dear Sir/Madam,

QUARTERLY REPORT FOR PERIOD ENDED 30 JUNE 2017

CORPORATE

Following the Extraordinary General Meeting on 31st May 2017, the Company announced on the 2nd June 2017 the transfer of shares marking the completion of the Sale and Purchase Agreement with former Joint Venture Partners, Essential Mining Resources (EMR). Crossland has gained 100% control of the Charley Creek project and other tenements, with EMR's shareholders now being shareholders of the Company. With merged interests, many Company debts with the former JV partners are cleared and the project equity structure simplified. This result clears a path for financiers and investors to participate in the Charley Creek project.

On the 2nd June 2017, the Company announced a number of organisational changes:

Firstly, we would like to welcome a new member to the Board, Mr Harun Halim Rasip. Harun comes to Crossland from Essential Mining Resources our former JV partners. He brings a wealth of corporate, financial and business strength to the group. We look forward to working with Harun and trust his support for the years ahead.

In addition, our longest serving Board member and one of the company founders, Geoff Eupene, resigned from the Board. He leaves a remarkable legacy. We all wish to thank Geoff for his dedication and contribution to the Company. We wish Geoff well in his future pursuits.

On the 1st June 2017, the Board appointed a new Company Secretary, Mr Andrew Metcalfe. Andrew brings over 20 years Company Secretarial, Governance and CFO experience for a range of ASX & TSX listed and unlisted Public Companies, Government and Not-for-Profit organisations across a broad industry base. Andrew is based in Melbourne.

We wish to thank our outgoing Company Secretary, Mr. Grahame Clegg, for his support and hard work.

Work on Crossland's new website nears completion and should be online during the 3rd quarter.

ADMINISTRATION RATIONALISATION

During April, our site facilities at Milton Park (NT) were finally decommissioned and placed into on-site storage. In the future, further site development activity will be supported with mobile facilities at the job site and/or from Alice Springs.

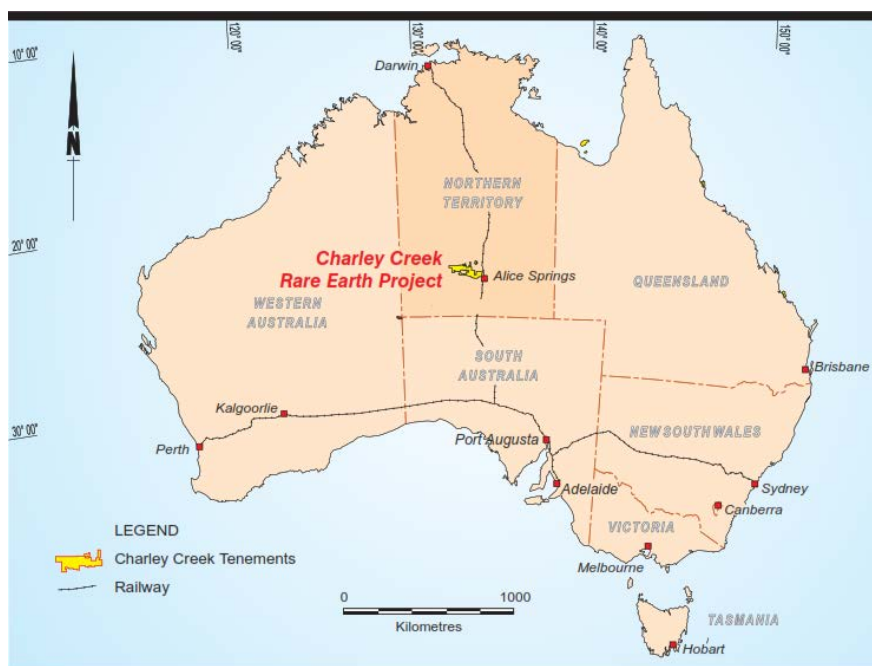
PROJECT STUDY ACTIVITY

During the June quarter, study work continued, with our team's investigations focusing on the mining process. The Company approached several major reputable manufacturers of mine loading equipment and in-pit conveying systems to acquire technical information, budget capital and life cycle costings for their equipment. We have also pursued further similar enquiries with "dozer-trap" suppliers. We continued our discussions with vibrating screen manufacturers regarding large sized screens for our proposed pre-screening facilities. We are confident that up-dating these important operational areas will provide significant improvements to the project in terms of operational cost through economies of scale and efficiency.

The Company Directors continue to re-assess various project development plans and the funding requirements for each plan.

About the Charley Creek (Mineral Sands) Project

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



The future operation will seek to responsibly mine, extract and process rare earth minerals (monazite and xenotime). Our target product will be a high purity rare earth oxide/hydroxide suitable for export to downstream high-purity product refiners with by-products of industrial zircon and ilmenite. With substantial tenements and abundant mineral potential, the project has a bright future, as highlighted below:

- ☐ favourable project location:
 - tenements are situated on remote pastoral land,
 - topography is flat/gentle, dry with sparse vegetation.
 - good site access from the regional centre (Alice Springs), via partly sealed road (Tanami Road),
 - practical proximity to critical resources (water, gas, Alice Springs service providers & suppliers),
 - few excluded areas. No potential issues of the development site encroaching on, or conflicting with, excluded areas,
 - positive community support,
 - few local stakeholders,
- ☐ large holding of tenements (area totalling 3,443 sq.km). A relatively small fraction of the tenement areas is drilled so far. There is potential for mining start-up site locations outside the Charley Creek area or multiple mining operations.
- ☐ the mineralisation, contained in alluvial fans, is considered to be of relatively consistent mineral distribution, an ideal situation for bulk low-cost mining,
- ☐ excellent conditions for low-cost mining; negligible overburden, high productivity "free-dig" conditions and shallow pits,
- ☐ low-cost mineral processing operations are planned using simple gravity separation processes (screening and spirals) yielding a small % of the tonnage as concentrate. Tailings will be returned immediately to the mining operation free of chemicals,
- ☐ no permanent tailings dams or waste dumps. The land can be quickly restored after mining,
- ☐ rare-earth minerals have a high ratio of high value heavy rare-earth minerals,
- ☐ multiple saleable products, with growing world-wide demand for rare-earth products and industrial minerals,
- ☐ mature development concept with years invested in project test work, studies and planning to ensure success,
- ☐ established Scoping Study, which is undergoing refinement, with near-term advancement toward a high standard Pre-Feasibility Study,
- ☐ compared to peers, low project capital cost and long mine life expected.

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

A handwritten signature in black ink, appearing to read 'Eric Vesel', with a stylized, flowing script.

Eric Vesel,
CEO/ Executive Director.