



Crossland Strategic Metals Limited

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ASX ANNOUNCEMENT

26th April 2018

QUARTERLY REPORT FOR PERIOD ENDED 31 MARCH 2018

CORPORATE

During the first (March) quarter of 2018, no new corporate activity is reportable. Crossland remains vigilant about keeping overhead costs down and conserving funds for project advancement. Independent technical studies are in progress. These studies are a necessary requirement to justify and support further substantial capital raising for the Pre-Feasibility Study. Both Atlas Offshore Services (AOS) and EMMCO, have provided interim financial support to fund this work.

PROJECT STUDY ACTIVITY

During the quarter, MSP (Perth) commenced work on the Scoping Study update. The study will be in two stages; firstly, to broadly establish the base case viability and secondly, to refine and report these findings. The study is expected to be completed in June/July.

Some delays were experienced in compiling and updating our geological database. Former Director, and competent person for our prior 2013 JORC resource estimate, Geoff Eupene, continued this work throughout the quarter. Resource modelling and re-estimation work will commence in April. A revised resource estimate is expected to be completed by the next (June) quarter.

About the Charley Creek (Mineral Sands) Project

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

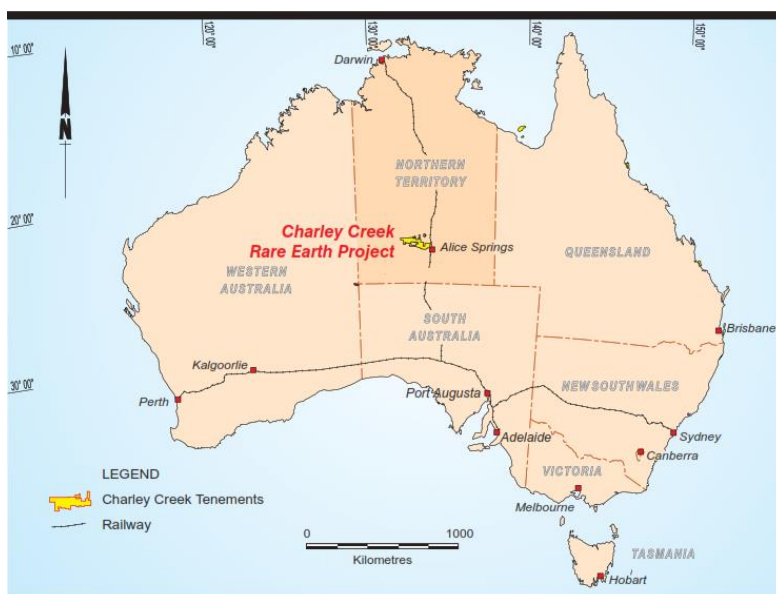


Figure 1 - Project Location

The Charley Creek project is well positioned to responsibly mine, extract and process rare earth minerals (monazite and xenotime) for many years to come.

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. The project boasts a list of strengths:

- favourable project location:
 - situated on private pastoral land, with single owner,
 - topography is flat to gentle sloping, dry with sparse vegetation,
 - good site access from the regional centre (Alice Springs), via partly sealed road (Tanami Road),
 - 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 with few local stakeholders,
- large holding of tenements (total area exceeding 2000 sq.km). A relatively small fraction of the tenement areas is drilled so far.
- potential for mining start-up site locations outside the Charley Creek area and multiple mining operations,
- the mineralisation, contained in alluvial fans, is 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 depth,
- low-cost mineral processing operations, using simple gravity separation processes (screening and spirals), yielding an exceptionally high-grade concentrate,
- dewatered tailings will be returned to the mining void, free of chemicals,

- no permanent tailings dams so the land can be quickly restored after mining,
- high ratio of high value heavy rare-earth minerals in the concentrate,
- multiple saleable products, with growing world-wide demand for rare-earth products and industrial minerals,
- mature development concept, with years of experience invested in understanding the project, extensive test work, studies and planning to ensure success,
- established Scoping Study, which is undergoing refinement, with near-term advancement toward a high standard Pre-Feasibility Study,
- relatively low project capital costs with long mine life potential.

Further information is available at our website www.crosslandstrategic.com.

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



Eric Vesel
CEO/Director
Crossland Strategic Metals Limited

Disclaimer

This ASX announcement (Announcement) has been prepared by Crossland Strategic Minerals Limited ("Crossland" or "the Company"). It should not be considered as an offer or invitation to subscribe for or purchase any securities in the Company or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in the Company will be entered into on the basis of this Announcement.

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

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

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

Crossland disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise. The words 'believe', 'expect', 'anticipate', 'indicate', 'contemplate', 'target', 'plan', 'intends', 'continue', 'budget', 'estimate', 'may', 'will', 'schedule' and similar expressions identify forward-looking statements.

All forward looking statements made in this announcement are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

CROSSLAND STRATEGIC METALS LIMITED

ABN

64 087 595 980

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(93)	(93)
(b) development		
(c) production		
(d) staff costs	(18)	(18)
(e) administration and corporate costs	(24)	(24)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Taxes paid/received		
1.7 Research and development refunds		
1.8 Other		
1.9 Net cash from / (used in) operating activities	(135)	(135)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	0	0

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings	59	59
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	59	59

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	94	94
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(135)	(135)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		
4.4	Net cash from / (used in) financing activities (item 3.10 above)	59	59
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	18	18

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	18	94
5.2 Call deposits	0	0
5.3 Bank overdrafts	0	0
5.4 Other (Term Deposits)	0	0
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	18	94

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	0
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	0
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
N/A	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	0
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	0
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
N/A	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	50	50
8.2 Credit standby arrangements	0	0
8.3 Other (please specify)	0	0
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
Total loan received on 9 th February of \$50,000 being a six-month term of a total facility of \$50,000 payable by 30 th June 2018, and interest charged at 15%pa. Loan was received from Emmco Mining Sdn Bhd.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	74
9.2 Development	65
9.3 Production	0
9.4 Staff costs	0
9.5 Administration and corporate costs	59
9.6 Other	227
9.7 Total estimated cash outflows	425

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Nil			

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Date: 26 April 2018

Print name: Tamer Soliman
A E Soliman & Associates
Designation: Company Accountant

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.