

## ASX ANNOUNCEMENT

31<sup>st</sup> July 2018

Registered Office: Level 2, 470 Little Collins St.,  
Melbourne, VIC 3000  
Mail: PO Box 783, Berwick VIC 3806  
Phone: +61 3 9867 7199  
Fax: +61 3 9867 8587  
Email: [asxcux@gmail.com](mailto:asxcux@gmail.com)  
Web: [www.crosslandstrategic.com](http://www.crosslandstrategic.com)

## QUARTERLY REPORT FOR PERIOD ENDED 30 JUNE 2018

### CORPORATE

During the second quarter (ending June 2018), no new corporate activity is reportable. Crossland remains vigilant about keeping overhead costs down and conserving funds for project advancement. The postal address for Crossland (and subsidiaries) has been changed to: PO Box 783, Berwick VIC 3806.

### FINANCE

Crossland committed to several new loan facilities during the quarter. On 4<sup>th</sup> of April a loan of \$250,000 was received from EMMCO Mining Sdn. Bhd., a Malaysian Incorporated Company (EMMCO), payable by the 4<sup>th</sup> of October 2018 with interest charged at a rate of 15% per annum pro-rata. On the 1<sup>st</sup> of June 2018, a further loan of \$190,140.75 (plus \$2,000 for fees) has been entered with EMMCO. These funds were used to settle Stamp Duty owed to the Northern Territory Revenue Office for the acquisition of prior joint venture partner Essential Mining Resources Pty. Ltd. on the 7<sup>th</sup> of June 2017. This loan also matures on the 4<sup>th</sup> of October 2018, with interest payable at a rate of 15% per annum pro-rata.

To date, the total of Crossland unsecured loans from EMMCO amount to \$ 642,140.75. The interest accrued on loans maturing on 4<sup>th</sup> of October will be \$53,860.18. Upon maturity, EMMCO has agreed to roll forward the loans and interest repayment for a further six-month term on the same terms as the existing loan agreement.

On 24<sup>th</sup> of July 2018, EMMCO granted a further loan of \$250,000. The loan facility, planned for disbursement in August, will be used to finance quarter 3 operating expenses. The terms of the loan will be announced in August, upon executing the formal loan agreement.

On the 30<sup>th</sup> of June 2018, the following unsecured loans to Atlas Offshore Services Pty Ltd. (AOS) expired and were rolled forward to the due date of 4<sup>th</sup> of October 2018 under the same loan agreement terms:

Loan 1: 9<sup>th</sup> of November 2016 for amount of \$350,000 with accrued interest of \$86,157.57.

Loan 2: 10<sup>th</sup> of April 2017 for amount of \$350,000 with accrued interest of \$64,150.89.

The total of unsecured loans including accrued interest rolled forward from AOS is \$850,308.22 with additional interest of \$33,546.41 payable at expiry. For administrative simplicity, the due dates were rolled forward to 4<sup>th</sup> of October to coincide with EMMCO expiry dates.

The Company plans to settle the loans through an intended capital raising planned upon completion of the drilling programme, as explained below.

Director Harun Halim Rasip is a Director of EMMCO Mining Sdn. Bhd.

Director Stan Wassylko is a Director of Atlas Offshore Services Pty Ltd.

### **PROJECT DEVELOPMENT STRATEGY**

Crossland's project development strategy remains focused on updating the Charley Creek Scoping Study, as a necessary step for further funding of the project pre-feasibility study. Two significant work programmes emerged during our Stage 1 Scoping Study review:

1. Crossland will undertake an infill drilling programme at Cattle Creek. This information is a necessary requirement to re-establish a 2012 JORC compliant resource. Details of this programme is discussed further below.
2. Additional refinery product test-work is required to provide greater confidence in our refining process, product yields and specification. Large scale laboratory test-work, involving bulk material processing, is required to obtain sufficient concentrate for refinery test work. This work also serves to provide metallurgical and engineering "proof of concept" for several of the concentration processes, normally these tests are completed during the pre-feasibility stage. At this juncture, Crossland is making enquiries to determine details of this work. It is envisaged that the work programme will be underway this year, budget permitting.

By completing the work programmes above, Crossland can update the Stage 2 Scoping Study. With this study in hand, the potential of the Charley Creek project can be independently substantiated, thereby allowing Crossland to confidently raise funds at significantly higher market value. The cost of these programmes and the Stage 2 Scoping Study update are estimated to be \$750,000 to \$1M.

Both AOS and EMMCO, have offered financial support for operational expenditures and current Project Study Activity commitments until year end. Funding will be progressively secured through further loans to reduce shareholder dilution. In time, Crossland may need to consider shares issues or convertible instruments to manage debt levels. AOS and EMMCO are companies associated with Directors of Crossland.

### **PROJECT STUDY ACTIVITY**

During the quarter, MSP Perth continued work on the Stage 1 Scoping Study update. The update incorporates several changes to the 2013 Scoping Study project and will reflect current project pricing. Our objective is to assess the viability of the revised base case, with the view to recommend further studies required to improve project

economics and reduce risks. The study, for internal use, is expected to be completed in July.

SRK Consulting (Perth) has completed a review of the Charley Creek project drilling, geological database and the 2013 resource model, with the view to update the estimate in accord with JORC 2012 compliance requirements. SRK recommend a further in-fill drilling programme. The programme will focus on the likely mine start up site, namely Cattle Creek. Drilling is needed to improve drill coverage, check prior drilling and focus on developing a potentially higher-grade area. Planning for this drill programme is nearing completion. Drilling is expected to commence during the 3<sup>rd</sup> quarter 2018.

Further information is available at our website [www.crosslandstrategic.com](http://www.crosslandstrategic.com).

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



Eric Vesel,  
CEO/ Executive Director.  
**Crossland Strategic Metals Limited**

### 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.

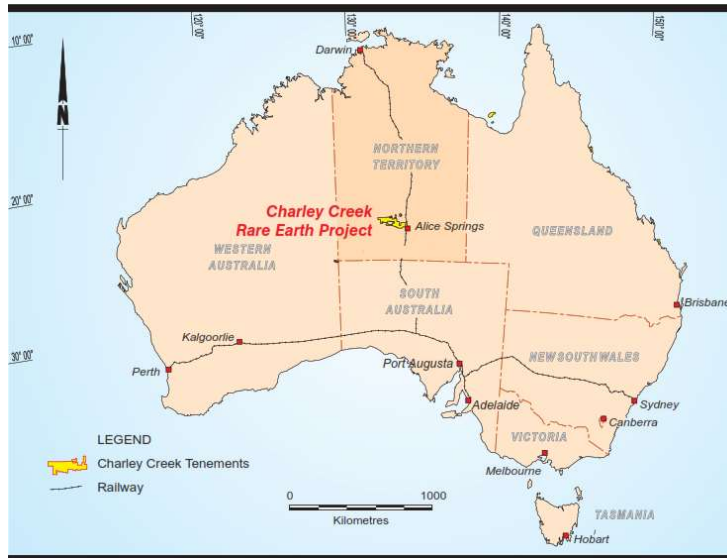


Figure 1 - Project Location

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 products are 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), with practical proximity to critical resources (water, gas, service providers & suppliers),
  - few excluded areas. No potential issues of the development site encroaching on, or conflicting with, excluded areas,
  - positive community support with few local stakeholders,
- large holding of tenements (total area exceeding 2000 sq.km), with 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, 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, using simple gravity separation processes (screening and spirals), yielding an exceptionally high-grade concentrate,
- de-watered tailings will be returned to the mining void, free of chemicals,
- no permanent tailings dams so the land can be quickly restored after mining,

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

## Disclaimer

This ASX announcement (Announcement) has been prepared by Crossland Strategic Metals 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.