

ASX ANNOUNCEMENT

31st January 2019

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QUARTERLY REPORT FOR PERIOD ENDED 31 DECEMBER 2018

CORPORATE

During the fourth quarter (period ending December 2018), no new corporate activity is reportable.

The Company has upgraded its mail exchange and advises of contact changes:

For emails regarding accounts and finance matters, please email to:

accounts@crosslandstrategic.com

For all other matters, please email to:

contact@crosslandstrategic.com

These emails will replace our prior email contact asxcux@gmail.com

FINANCE

The treasury funds secured in October 2018 by way of a \$600,000 loan extension from EMMCO Sdn. Bhd. a Malaysian Incorporated Company (EMMCO), primarily allocated to undertake a planned 5,000 metre drilling programme at Cattle Creek, remain available for purpose. The Company was unable to commence proposed drilling activities due to a delay obtaining the Sacred Site Clearance Certificate for the Cattle Creek area.

A private placement capital raising is also planned during the 1st half of 2019 which will reduce the need for loans necessary for the completion of Charley Creek project technical assessment work. The Company intends to convert a majority of its existing loans to debt equity instruments before the capital raising. At this stage, the Company is investigating its options, mindful of ASX and ASIC requirements.

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. As mentioned in the September quarter activity report, two significant work programmes are planned:

1. Crossland will undertake an infill drilling programme at Cattle Creek. This information is a necessary requirement to re-establish a 2012 JORC complaint

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.

The delayed drilling programme is now expected to commence in early March 2019, pending the receipt of Sacred Site Clearance Certificate from the Central Land Council. Historically in 2011, the Company obtained a similar Certificate and drilled in this area. An extension to the proposed drilling area has slowed the process. The Company anticipates approval, as no issues have been identified thus far.

By completing the described work programmes, 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 Atlas Offshore Services Pty Ltd. (AOS) and EMMCO, have offered financial support for operational expenditures and current Project Study Activity commitments as needed. Unless capital is raised through equity issue, funding will be progressively secured through further loans to reduce shareholder dilution. In time, Crossland must issue additional shares or convertible instruments to manage debt levels. AOS and EMMCO are companies associated with Directors of Crossland.

PROJECT STUDY ACTIVITY

During the quarter, Crossland focused on planning and organising resources necessary for the forth coming drilling programme and technical work thereafter.

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/ 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.

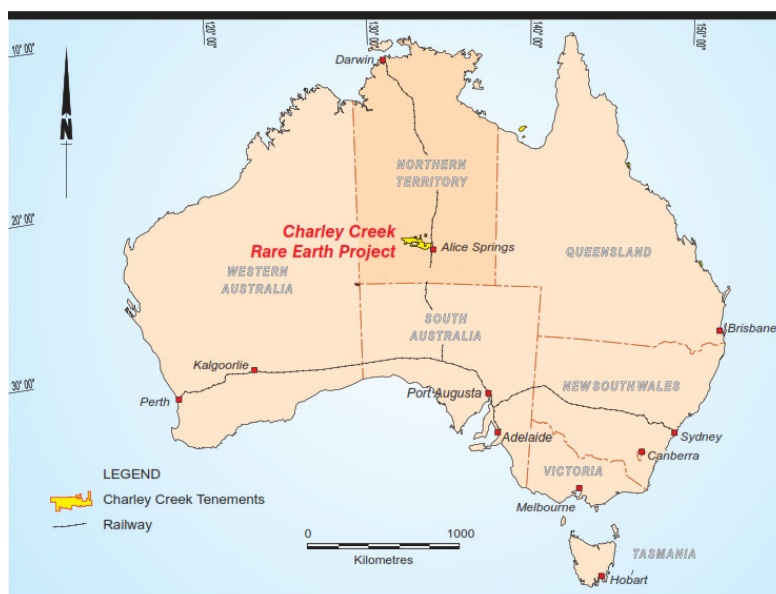


Figure 1 - Project Location

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

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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.