

## ASX ANOUNCEMENT

30<sup>th</sup> April 2019

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## QUARTERLY REPORT FOR PERIOD ENDED 31 MARCH 2019

### CORPORATE

During the first quarter (period ending March 2019), no new corporate activity is reportable.

The Annual General Meeting of Shareholders of Crossland Strategic Metals Limited ("CUX" or the "Company") is scheduled to be held at 11.00 am AEST on Friday 31st May 2019 at the office of RSM Australia Partners located at Level 21, 55 Collins St., Melbourne VIC 3000. A Notice to Shareholders has been issued by the Company.

### FINANCE

The Company continues to closely control available funds and ensures adequate financial coverage for creditors and forth-coming expense commitments.

The Company is investigating all available finance options, mindful of ASX and ASIC requirements. To reduce our levels of debt, the Company intends to convert existing loans to convertible equity notes, subject to shareholder approval. Both Atlas Offshore Services Pty Ltd. (AOS) and EMMCO Mining Sdn. Bhd. a Malaysian incorporated company (EMMCO), have and continue to offer financial support for operational expenditures and current project study commitments as needed. Unless capital is raised through an equity issue, funding will be progressively secured through further loans to limit shareholder dilution. AOS and EMMCO are companies associated with Directors of Crossland.

### PROJECT DEVELOPMENT STRATEGY

Crossland's project development strategy remains focused on updating the Charley Creek Scoping Study, as a necessary step to secure further funding for the project pre-feasibility study. Two significant work programmes are required:

1. Crossland completed an infill drilling programme at Cattle Creek in March. Drill data from this programme will be used to re-establish a resource model that meets with JORC 2012 resource reporting requirements.
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.

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 the process/refinery test work programmes and the Stage 2 Scoping Study update are estimated to be \$750,000 to \$1M.

### PROJECT ACTIVITY

By early March, a significant drilling programme was completed. The programme, located over sections of the Cattle Creek Resource area, included a total of 139 vertical NQ air-core holes for a total of 3,675 metres. Drilling was consistently spaced over an area of 10 sq.km, the target area for future mining operations.

Throughout March, our technical team logged drill cuttings and prepared collected samples for assay analysis and metallurgical testing. Sample preparation work was completed by mid-April and samples submitted for assay testing. SRK Consultants (Perth) visited site to observe drilling operations, observe sampling protocols and logging procedures. SRK will act as competent persons to undertake resource estimation and reporting of mineral resources for the Cattle Creek work programme. An updated resource model is expected to be complete by August 2019.

Further funding is required for metallurgical test work, which is also necessary to complete our Scoping Study.

On receipt of assay results, we look forward to sharing our findings as we progress our work at Charley Creek.

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

The market will be kept appraised of developments, as required under ASX Listing Rules and in accordance 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.

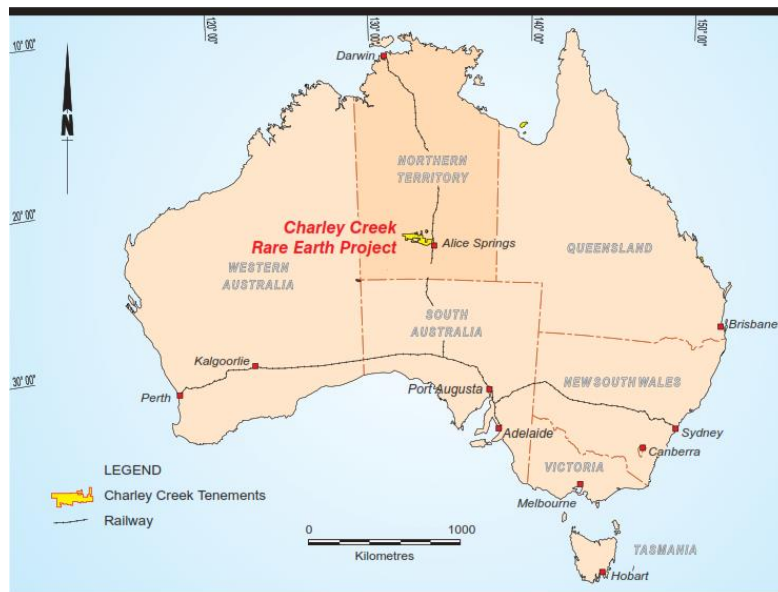


Figure 1 - Project Location

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 are planned 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.