



30th October 2016

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

Dear Sir/Madam

QUARTERLY REPORT FOR PERIOD ENDED 30 SEPTEMBER 2016

The Market was advised on 1 December 2015 that Pancontinental Uranium Corporation ("PUC") had received shareholder approval and that the sale of its 43.72% interest in the Joint Venture with Crossland Strategic Metals Ltd was final.

Our new Joint Venture Partner is Essential Mining Resources Pty Ltd. ("EMR"). EMR is a private Australian-based company which is 100% owned by EMMCO Mining Sdn Bhd, a private Malaysian company.

The partners have identified a series of studies that are vital to optimising the Charley Creek Alluvial Rare Earth Project workflow and operating costs, which we believe, will enhance the project economics and place Charley Creek Project in an exciting competitive position.

These studies can initially be implemented using existing facilities and manpower, on existing sample stocks, at minimal cost, and commenced in the previous Quarter.

Assays from 341 samples, including reference materials and duplicates, from resource extension drilling conducted in 2013, but not assayed at the time due to funding constraints, were received on 16th September, and processing and interpretation of these results, which will lead to a revised JORC compliant Resource Statement for the Charley Creek Project is under way.

Additionally, around 200kg of representative Charley Creek Alluvial material has been submitted to IHC Robbins Metallurgical Pty Ltd ("IHC Robbins") in Brisbane to obtain further particle size distributions and heavy mineral deportment data needed to investigate pre-concentration process options. This 'sighter test work' is needed to evaluate the effectiveness of screening and Up Current Classifiers, and to optimise the use of MG12 Spiral Separators in producing heavy mineral concentrates. Assays were received from the various products of these tests on 28th October.

CROSSLAND STRATEGIC METALS LIMITED

ABN 64 087 595 980

PHONE: +61 8 89815911 **FACSIMILE:** +61 8 89411364 **EMAIL:** admin@crosslandstrategic.com


ADDRESS: Unit 33, Raffles Plaza, 1 Buffalo Court, Darwin 0800, NT; GPO Box 2437, Darwin, 0801, NT, AUSTRALIA

Other test work included sedimentation tests needed to design a water recycling system. IHC Robbins is expected to complete a report on the results of the test work in coming days. The motive of the studies is to identify pre-concentration methods that employ low cost techniques to separate gangue at the mining site to produce higher-grade feed for spiral concentrators, thereby enhancing the operating cost economics and reducing the size of the plant. This study will provide significant insight into the amenability of these processes. Other project scope implications are to determine mine production throughput and the size of pre-concentration circuit if the test work is successful.

Crossland has advised the market of the partners' intentions to merge EMR's interests in their joint venture into Crossland, so that Crossland will once more control 100% of the Charley Creek Project. EMMCO, EMR's parent, advanced a loan to fund the studies referred to above and to cover operating expenses of the Company pending the conclusion of the acquisition. Crossland has been assured that support will continue until matters are finalised. Preparation of a Notice of EGM to seek Shareholder approval of the transactions required is currently awaiting regulatory approvals of submitted documents.

The Charley Creek base at Milton Park Homestead remained continuously manned and rehabilitation and environmental studies were conducted throughout the Quarter.

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



Eric Vesel,
CEO/ Executive Director.

*The information in this report that relates to Exploration Targets, Exploration Results, or Mineral Resources is based on information compiled by **Geoffrey S Eupene FAusIMM CP**, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy. He is a director of the Company and a full time employee of Eupene Exploration Enterprises Pty Ltd, which is engaged by the Company. He has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration, and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). Geoffrey S Eupene has consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.*