



# Crossland Uranium Mines Limited

ABN 64 087 595 980

## Annual Report 2009



**DIRECTORS**

Robert A Cleary (Chairman)  
Geoffrey S Eupene (Executive Director)  
Patrick J D Elliott (Non Executive Director)  
Peter W Walker (Non Executive Director)  
Robert L Richardson (Non Executive Director)

**COMPANY SECRETARY**

Mal Smartt

**REGISTERED AND  
ADMINISTRATION OFFICE**

Level 3, 80 Arthur Street, North Sydney, NSW 2060  
Telephone: (02) 9957 3199  
Facsimile: (02) 9954 4011

**AUDITORS**

Barnes Dowell James

**BANK**

Westpac Banking Corporation

**Darwin Office**

Suite 8 Raffles Plaza  
1Buffalo Court  
DARWIN NT 0800

Phone – 61 8 8981 5911

Fax - 61 8 8941 1364

**Share Registry**

Registries Limited  
Level 7, 207 Kent Street  
Sydney NSW 2000

Phone – 1300 737 760

## CHAIRMAN'S LETTER

A long established and well respected nuclear industry commentator, Gene Clark of Trade Tech has forecast that the spot price for uranium oxide will stay in a band of US\$40 to US\$60/lb for at least the next two years, with a possible spike to US\$80/lb only in the event of some major disruption to supply.

World wide annual U3O8 primary production for 2009 was 54,000 t, against reactor consumption of some 67,500 t, with Kazakhstan increasing production in '09 by some 40% through commissioning and expanding their substantial insitu-leach resources to support that overall production figure. This imbalance immediately implies the need for additional primary production to make up the shortfall, especially when forecasters predict that by 2020-25 China's nuclear power plants will consume roughly half of present day production.

As a long term participant in the uranium industry I have heard these reasoned arguments for increased mine production for more than 20 years, so I am more aware than most that any sustained significant price increase due to competition for limited supply will bring in secondary supply sources, made economic by that new price umbrella. Whether that is re-work of tailings through idle enrichment plant capacity, blending down of weapons grade material or simply releasing of government stockpiles, the impact on price collapse is the same.

All of the above may appear somewhat irrelevant to shareholders in a uranium explorer yet to define a resource, but in fact it goes right to the exploration strategy that your directors have set for Crossland. To supply into the sort of market described above, there is no substitute for the grade of the resource, at a tonnage that provides the cost benefits of scale and a mine life sufficient to recover up-front costs as well as ride out the inevitable price cycles. From the initial selection of exploration leases, through the systematic overlaying layers of exploration techniques to selection of drill targets and elimination of non-responsive areas and acquisition of others, this over-riding understanding has been a major factor driving your board's decisions. A large low grade or small resource discovery or acquisition may seem exciting at the time, but experience has shown that those type of deposits need a number of special factors working for them to ever warrant development, let alone deliver good returns to shareholders. And all of that is before political, social and environmental factors are considered.

The joint venture deal with Canadian investors through Pancontinental Uranium as they earn their 50% equity has enabled the Crossland team to continue a strong field program in 2009 without immediate concerns about the ability to fund that work, and has enabled your board to approve the step up to a budgeted \$3.3 million in 2010 to drill targets refined over the previous exploration programs. I will leave it to the CEO in his report to explain why he is so excited about the work he has planned for this year.

Despite Geoff Eupene travelling to Burkina Faso and meeting with their Minister for Resources, progress has been frustratingly slow in granting of exploration applications, and now their new legislation setting much higher costs for uranium exploration will require us to re-evaluate our exploration there through the Crosscontinental Uranium JV. We are continuing to look for other uranium opportunities outside of Australia.

With our continuing focus on discovery of large, good grade deposits using the best available technology and a wealth of uranium exploration experience, your board continues to feel that we are on the right track to reward the ongoing support of our shareholders. Again, on behalf of your board I thank you for that ongoing support.

Bob Cleary  
Chairman  
10 March 2010

# Review of Operations

## INTRODUCTION

Crossland Uranium Mines Limited (ASX Code: CUX) was formed through the merger of Klondike Source Limited (KSL) and Crossland Mines Pty Ltd, on 31 May 2006. The company listed on ASX on 13 April, 2007.

There was a considerable improvement in market outlook and capital raising potential by year's end compared with the beginning of 2009, but these remain uncertain times. In response to this investment climate, Crossland rationalised its project portfolio, and focused even more clearly on its flagship projects at Charley Creek and Chilling and maintained vigorous programs on these projects. The more restrained market conditions in 2009 enabled consolidation of our team and more cost effective exploration than was possible during 2008. Good progress was made on some fronts, particularly our major projects, where the process of drill target definition is now advanced on several fronts, in preparation for drilling during 2010.

Crossland's and Pancon's experienced teams of uranium experts are seeing opportunities for diversification of our project portfolio, and are examining other opportunities which we believe could add value to the company cost-effectively.

The operations of the Company are described in considerable detail in the quarterly operations reports to ASX. This annual report summarises the information contained in the quarterly reports and on the company's website, which is kept current with the most recent announcements and reports. This can be accessed at <http://www.crosslanduranium.com.au>. Most of the company's announcements are accompanied by an interview on Boardroom Radio, which can be accessed from their website, from the Crossland website, or from links on many financial web sites. It is also possible to access all of the interviews as they are released by subscribing on the Boardroom Radio website.

## EXPLORATION

Crossland's exploration strategy is to pursue the discovery of major uranium deposits using the extensive uranium experience of its team, together with the adoption of modern exploration techniques, which should dramatically improve the likelihood of exploration success.

The flagship property in Crossland's portfolio is the Chilling Project, where Crossland hopes to find unconformity-related uranium deposits. Chilling covers over 1800km<sup>2</sup> on the western margin of the Pine Creek Orogen, a geological region that hosts the unconformity-related uranium deposits that have provided most of Australia's production to date. North Australia also contains world class deposits of diamonds (eg Argyle), base metals (eg Mount Isa-Cloncurry, McArthur River), and gold (eg Granites-Tanami, Tennant Creek).

Central Australia, centred on Alice Springs, is a region of emerging importance for radioactive minerals. The Pamela sandstone deposit is being evaluated by a joint venture of Cameco and Paladin, indicating that major uranium producers consider the region to be of importance. Crossland's other major project, Charley Creek, continues to gain in importance to the Company. The results of outcrop sampling so far have been outstanding, with elevated uranium values at surface over extensive areas. Work commenced early in 2010 to follow up on these results.

Our north-south spread of properties provides some insulation from the extreme seasonal conditions that affect early stages of exploration in North Australia, where wet season rains make the country inaccessible. Crossland has started its 2010 field program in the Central Australian desert at Charley Creek, and will move to Chilling after June, when the Top End has dried. As this report is being prepared, preparations are also under way to re-commence exploration at Kalabity in South Australia.

Since the Company's listing on ASX in April 2007, basic field data, particularly detailed airborne surveys, have been gathered on all uranium project areas. Targets have been selected from the surveys and ground checking of these commenced in 2008. This work and follow up continued in 2009, as outlined below for each project.

Crossland reduced its non-uranium targets to the Lake Woods Project, where an interesting geological setting with potential for diamonds and other mineralisation has been discovered by Crossland. This was drilled with assistance from an NT Government drilling subsidy in 2009. This drilling revealed a layered basic intrusive that had assimilated sediments, including evaporates, that it intruded. This intrusion may also be the source of microdiamonds that have been found in numbers in local drainages.

# Review of Operations

During 2010, the NT Government passed legislation to permit exploration and production of geothermal energy in the NT. Crossland has lodged a Geothermal Energy Exploration Permit application over an extensive area to the north of Alice Springs, coincident with some of its mineral exploration titles containing the Teapot Granite and correlatives. It is hoped that these very radioactive granites may at depth be a source of sufficient geothermal heat to be of interest as a power source for Alice Springs as well as any other industrial developments in the area, including those of our Joint Venture with Pancon.

Crossland does not propose to undertake any work for now on its KSL Yukon assets that remain in good standing, but are expiring with the passage of time. The future of those assets has been reviewed by experts in the Yukon, who have confirmed that they have little residual value.

Since listing Crossland has consolidated its dedicated staff, and purchased strategic assets necessary to explore effectively. We strive to deliver value for money to our shareholders, and look forward to major progress on our properties in 2010.

## ACTIVITY SUMMARY

### CHILLING PROJECT, NT

Crossland now holds eight granted Exploration Licenses, (EL22738, EL23682, EL24557, EL25076, EL25077, EL25078, EL27441, EL27525), along with two EL applications on Aboriginal Freehold Land in this district, which extends south-south west from the Rum Jungle Mineral Field at Batchelor, site of Australia's first major uranium mining project in the 1950s. Crossland has continuous coverage of over 130km of structures that extend from the Rum Jungle Field, in a setting which Crossland believes is favourable for unconformity-related uranium deposits, and an extension with newly granted titles over associated structures for another 100km. The unconformity deposit style accounts for all of Canada's newly mined uranium, as well as most of Australia's past production, including that from Australia's largest producer, Ranger. Apart from a geological setting with many of the features required for uranium mineralisation, the area has responded positively to previous uranium exploration, with several recorded occurrences within and around the Crossland holdings. Much of the area is covered in Middle Proterozoic sandstone of similar age to the Kombolgie Formation sandstone that caps the unconformity-related uranium deposits in the Alligator Rivers Region. Crossland notes that modern concepts of uranium exploration have not yet been systematically applied to this very interesting belt.

A detailed airborne geophysical survey was completed over the entire tenement block in late 2007, and from this some 43 priority anomalies were identified by our geophysicist. Work in 2008 involved ground checking and follow up of those in the northern half of the tenement belt with helicopter-supported reconnaissance examination to devise exploration procedures, followed by ground exploration, normally initially with backpack radiometric spectrometer, followed in some cases with air-core drilling. Crossland also participated in a regional airborne EM survey sponsored by Geoscience Australia. Crossland believes this survey may assist with targeting of drill holes to test the main unconformity-related uranium targets at Chilling, beneath the sandstone cover. It is believed that the method has revealed structures intersecting the unconformity that should provide good structural sites for uranium deposition.

Approximately half of the radiometric anomalies detected in the 2007 survey were in the southern half of the Chilling Block, and the majority of these fall on EL22783, known as Buchanan. This Exploration Licence was not granted until January 2009, and so became available for ground access in the dry season of 2009. After access was gained to this remote area, geological mapping confirmed the presence of a sequence of basal Lower Proterozoic rocks in the Buchanan Window similar to those in the Rum Jungle Embayment that host the Rum Jungle Uranium Field and associated base metal deposits. Ground radiometrics, as well as stream and soil geochemistry covered extensive areas of the Buchanan Window in 2009, revealing anomalies for uranium and base metals. An air core drill program followed, but the rig was not powerful enough to reach fresh bedrock through the deep oxidised zone. It will be necessary to reach fresh bedrock to determine primary grades of mineralisation. This will be done in 2010.

The Allia Creek Window, which contains the MEMA prospect, a vein zone in a persistent geological structure that hosts surface uranium and gold mineralisation, has been subjected to detailed radiometric and geochemical surveys in 2009. There remains more to do in this area. The structure has responded to the AEM survey referred to above, and it will be examined in detail in 2010 with the aim of selecting drill targets into the most promising targets along the structure.

# Review of Operations

The Mount Thomas EL24557 was acquired from Aldershot Resources in early 2008. This contains the March Fly Prospect, a zone of outcropping uranium mineralisation and anomaly that stretches over several hundred metres. The mineralisation had been tested by previous percussion drilling in the 1990s, with some resultant high grade intersections over narrow intervals, Crossland tested this zone with seven core holes and encountered quite continuous mineralisation that with further work could be converted to a modest Resource. A further four holes were completed at March Fly during 2009. The deposit shows similarities with the public available information on Thundelarra's Thunderball vein style deposit, 75km to the east. Crossland proposes to re examine several radiometric anomalies along the March Fly zone this year and to try to establish broader continuity of the mineralised structure.

## CHARLEY CREEK, NT

At the Charley Creek Project (EL 24281, EL 25230, EL27283, EL27284, EL27338, EL27358, EL27359) Crossland is looking at granite-related uranium and related minerals, with calcrete and Redox-related palaeo drainage uranium models, and layered mafic intrusive-related copper, nickel and platinoids as other targets.

The area includes the Teapot Granite, a radioactive intrusive complex which may shed uranium into the sediments that drain from it. Old exploration reports record that secondary uranium minerals and rock chip samples with up to 0.228%  $U_3O_8$  occur in fracture zones within the granite in the south west of EL25230. The presence of secondary uranium minerals indicates that uranium from this granite can dissolve and migrate in surface waters. The basic rocks of the Mount Hay Granulite lie below the extensive flats developed in the east of the area. Because vanadium is present in these basic rocks and vanadium can help to precipitate uranium as carnotite (uranium vanadate) from surficial waters, the buried channels within the alluvial flats in the area are considered to have potential for palaeochannel hosted uranium. Previous explorers reported elevated uranium values in bore water from the area.

The Mount Hay Granulite is also considered to be very prospective for styles of mineralisation associated with layered basic intrusives (normally copper, nickel and/or platinoids). This intrusive may be analogous to the Merensky Reef in South Africa and the Stillwater Complex in USA which contain major platinoid group metal deposits. The magnetic patterns as well as field observations indicate that it is present at relatively shallow depth beneath the broad alluvial flats of the exploration licenses. The area is being evaluated for both commodity types.

During 2007, an access agreement was concluded with CLC on behalf of Native Title Claimants. A sacred sites certificate was issued by the Aboriginal Areas Protection Authority to permit drilling of certain parts of the project area, as well as reconnaissance of the rest during 2008.

A Tempest Airborne EM survey covering the area prospective for uranium in drainage channels was completed, with useful results during August 2007. A detailed airborne magnetic and radiometric survey of the entire project area was completed in early 2008.

Follow up of these results commenced in April 2008, with an initial air core drilling programme to test the alluvial flats and the channels there that have been indicated in the EM data. The drilling program was quite successful with 126 holes completed to depths of up to 129m. Almost all holes reached basement lithologies. While this work was intended mainly to check the usefulness of the airborne EM in locating channels and to calibrate this, the results obtained have indicated zones suggesting the presence of uranium bearing channels that require further drill evaluation. Approval to undertake this work remained outstanding at year end, and is now expected early in 2010.

Reconnaissance of several zones of anomalous radioactivity revealed in the Teapot Granite by the detailed airborne survey commenced in mid 2008, and the market was advised of initial results in a release of August 24, 2008. This resulted in a decision to undertake a ground spectrometer survey over around 40km<sup>2</sup> of the Teapot Granite terrain. This work extended throughout 2009, and is continuing during 2010.

Rock chip sampling of the radiometric anomalies has produced strongly anomalous results, with a maximum value of 4,550ppmU, and an average of all 186 outcrop samples collected of 373ppmU or 439ppm  $U_3O_8$ . Crossland regards these results as outstanding, while recognizing the need to confirm their extent with drilling. Efforts are being made to expedite drilling approvals.

An extensive field program is planned for Charley Creek in 2010, on the original holdings as well as the five additional ELs.

# Review of Operations

## KALABITY, SOUTH AUSTRALIA.

At Kalabity, Crossland has entered an agreement with PlatSearch NL and Eaglehawk Geological Prospecting Pty Ltd to earn a majority interest in EL3297. The area contains the KR4 uranium occurrence, and previous work has identified widespread elevated values of uranium and other metals.

The Kalabity project contains an example of granite- related davidite uranium mineralisation similar to Radium Hill at KR4, and it also has received considerable past exploration that has produced numerous leads for follow- up. There are targets for several styles of deposits, including the iron oxide copper gold (IOCG) style that has examples such as Olympic Dam and Prominent Hill in similar geological terrain in SA.

A detailed airborne radiometric and magnetic survey was completed soon after the company listed on ASX. This revealed 13 radioactive anomalies considered worth ground checking. All of these were ground checked, and several were tested with auger drill holes to bedrock. An intensive grid was completed over the KR4 occurrence. One of the anomalies responded very positively to follow- up, and this has been named the Tabita Prospect. A further program of detailed auger drilling to bedrock was completed over Tabita in early 2008. This drilling resulted in more detailed knowledge of the anomalous zone, which presently covers an approximately 600m north-south by 300m east- west, while its boundaries remain open. Results for uranium have been up to 235ppmU, with 15 auger holes having bottom-hole samples of over 100ppm. The uranium bearing mineral is probably carnotite, since these samples also contain high vanadium. The Tabita Prospect warrants more work, but that was postponed for 2009. It will recommence in early 2010.

## CROSSLAND CREEK, WEST KIMBERLEY.

A careful examination of anomalies produced by an airborne survey of the GibbSouth EL was completed with disappointing results. Given the high costs of holding title in the Kimberley it was decided to withdraw completely, and all titles in the Kimberley have been surrendered.

## LAKE WOODS, NT

At Lake Woods, NT (EL23687, EL24520, EL25631, EL23717, EL23718) Crossland is exploring for diamonds, as well as examining geological settings that may be prospective for nickel and base metal deposits. During 2007, Crossland completed a Tempest Airborne EM survey of the central part of the project area. In 2008, several lines of air core holes were completed to sample bedrock over areas that were selected by regional mapping by a senior field geologist. Some intriguing results were obtained, including the identification of previously unrecorded intrusive rock types. In 2009, a subsidy from NT Government allowed drilling of three core holes to test this. A detailed report is in preparation on this setting, which remains an interesting setting for various mineral deposit models.

## CROSSCONTINENTAL URANIUM LIMITED

Under the terms of Crossland's Joint Venture with Pancon, Crosscontinental Uranium Limited, a 50:50 owned unlisted Canadian public company, has been established to explore for uranium outside Australia. Based on a familiarity with local conditions and what we believe is excellent untested prospectivity, Crosscontinental has applied for several permits for uranium exploration in the West African nation of Burkina Faso. Progress with these applications has been slow, as the Government of Burkina Faso has announced that it wished to develop a policy with respect to uranium mining before processing the applications. We believe that this process is proceeding and expect that the applications will be granted soon. This will involve a substantial commitment when the titles are granted.

In addition, Crosscontinental has entered a joint venture with Southern Cross Exploration NL and Longreach Oil NL on a package of two titles in north- east Burkina Faso called the Oursi Project. Crosscontinental has earned a 35% interest in the titles, which permit uranium exploration, by completing an airborne geophysical survey. This identified some interesting uranium anomalies. These were ground checked and sampled. Work on the properties would continue once other titles were granted in Burkina Faso.

Crosscontinental is currently evaluating other opportunities to expand into Africa and elsewhere.



**Geoff Eupene**  
Exploration Director

# DIRECTORS' REPORT

## REMUNERATION REPORT (AUDITED)

Your Directors present their report on the consolidated entity consisting of Crossland Uranium Mines Limited and the entities it controlled at the end of, and during the year ended 31 December 2009.

### Directors

The following persons were Directors of Crossland Uranium Mines Limited during the whole of the financial year and up to the date of this report:

Robert A Cleary  
Patrick J D Elliott  
Geoffrey S Eupene  
Peter W Walker  
Robert L Richardson

### Directors' qualifications and experience

#### **Bob Cleary, *Non – Executive Chairman***

Bob Cleary, B. Sc(tech) Chem Eng., graduated as a Chemical Engineer from the University of NSW, and soon afterwards began working in the chemical and petrochemical manufacturing industries in Sydney, Melbourne and New Zealand. In the mid 1980's, Bob was enticed across to the mining industry, joining ERA as Operations Manager at Ranger. He was promoted to General Manager Operations several years later, trimming the Ranger operation to sustain profitable operations despite record low uranium prices. After a four year stint in Western Australia, evaluating investment opportunities for North Ltd in nickel and iron ore, Bob rejoined the ERA team as Deputy Chief Executive, and was promoted to Chief Executive in mid 1999, a position he held through the takeover of North Ltd. in 2000 until early 2004 when he decided to cease full time employment. Bob is also a director of Natasa Mining Ltd., to which company he also provides consulting services.

#### **Patrick J D Elliott, *Non-Executive Director***

Pat Elliott, MBA (Mineral Economics) (Macquarie University); B Comm (University of NSW); ASA; MAICD, is a company director specialising in the resources sector with 39 years experience in investment and corporate management. His early career was at Consolidated Gold Fields Australia Limited and covered investment analysis and management, minerals marketing (copper, tin, rutile and zircon). He went into investment banking and became Head of Corporate Finance for Morgan Grenfell Australia Limited. Pat subsequently became Managing Director of Natcorp Investments Ltd which owned a number of manufacturing businesses. After its takeover he became an active early stage venture capital investor with an emphasis on resources. Pat is Chairman of ASX-listed companies: Argonaut Resources NL, Australia Oriental Minerals NL, Platsearch NL and MIL Resources Limited, in the latter of which he is also Managing Director. He is also a director of Global Geoscience Limited and a number of privately owned companies.

#### **Geoff Eupene, *Executive Director***

Geoff Eupene, B.Sc(Hons), FAusIMM, CPGeo, is a Darwin- based geologist. Geoff spent the 1969 field season, his first after graduation from the University of Queensland, looking for uranium in the East Kimberley. In 1970 he joined Geopeko as they started their field work at Ranger. As Mine Geologist, he logged every hole drilled into the Ranger No. 1 orebody, interpreted the geology, and developed a resource estimate that agreed closely with the total material mined over the following decades. In 1976, he headed the team that discovered the Ranger 68 deposit beneath the Magela floodplains. Geoff worked for Geopeko for over ten years before founding a consulting practice in Darwin in 1980. Eupene Exploration Enterprises Pty Ltd has provided advice and services to many uranium explorers, and assisted in the development of several other mining projects in the NT, including Mount Bonnie silver/ gold deposit, Tanami gold, Goodall gold, Rustlers Roost gold, and Woodcutters base metal projects. Geoff has also acquired a depth of experience in SE Asia.

# DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

## **Bob Richardson *Non-Executive Director***

Bob Richardson, B.Sc, B.E(Hons), MAusIMM, MASEG, has 41 years experience in mineral exploration management, geophysics and exploration technology. During 15 years with the Peko- Wallsend Group as Chief Geophysicist and later Exploration Manager, he supervised all geophysical work carried out by Peko-Wallsend in the Alligator Rivers Uranium Province during the Ranger discovery and resource development period. During this period Bob and his team developed a leading- edge understanding of the application of geophysical methods to uranium exploration. He was co- founder and Managing Director of Austirex Aerial Surveys that became an international airborne geophysical contractor. He co- founded Lachlan Resources NL in 1983, and is currently a non- executive Director of Western Plains Resources Ltd and PlatSearch NL.

## **Peter Walker *Non-Executive Director***

Peter Walker, B.Juris, LL.B, FAICD, is a Darwin based lawyer who has practised in the resource industry for over 30 years. He has long experience with land access issues including the special situations that exist in the Northern Territory. Peter acted for Peko EZ (a joint venture between Peko-Wallsend Operations Limited and Electrolytic Zinc Company of Australasia Limited) on permitting matters for the Ranger project, and for Pancontinental Mining Limited. He also assisted Uranerz Energy Corporation and Power Reactor and Nuclear Fuel Development Corporation (PNC), and other explorers and miners, with NT access and development matters. Peter has been a director of several companies including Australian Diamond Exploration NL, which discovered and developed the Merlin diamond mine.

## **Company Secretary**

### **Mal Smartt**

Mal Smartt, BA (Accounting), Grad Dip Corporate Management, FCPA, FCIS, FCIM is a Corporate Consultant to listed and unlisted public companies. He is a qualified accountant and company secretary having had considerable experience in Directorial, Financial and Company Secretarial roles with a number of listed companies in the resource sector in Australia, South East Asia and Africa.

## **Principal activities**

The principal activity of the consolidated entity is the exploration for uranium in the Northern Territory and economic hardrock gold deposits. There has been no change in the principal activities during the year.

## **Results**

The net result of operations after applicable income tax expense of the consolidated entity for the year ended 31 December 2009 was a loss of \$952,161 (2008 – loss of \$1,062,403).

## **Dividends**

No dividends were either paid or declared for the year (2008 – nil).

The Directors do not recommend the payment of a dividend in respect of the financial year ended 31 December 2009.

## **Review of operations**

Information on the operation and financial position of the consolidated entity and its business strategies and prospects are set out in the review of operations.

## **Significant changes in the state of affairs**

# DIRECTORS' REPORT

## REMUNERATION REPORT (AUDITED)

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

### Matters subsequent to the end of the financial year

At the date of this report there were no matters or circumstances which have arisen since 31 December 2009 that have significantly affected or may significantly affect:

- i) the operations of the consolidated entity,
  - ii) the results of those operations, or
  - iii) the state of affairs of the consolidated entity
- in the financial year subsequent to 31 December 2009.

### Likely developments

The Company is hoping to identify precious metals, uranium and base metal exploration and evaluation opportunities which are perceived to offer outstanding value. At this stage, it is not possible to postulate likely developments from any of these exploration activities. As the consolidated entity's areas of interest are at an early stage of exploration, it is not possible to postulate likely developments.

### Directors' benefits

During the year no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the notes to the accounts) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

### Share options

#### *Particulars of options granted over unissued shares:*

	<b>2009</b>	2008
Total number of options granted by the Company over unissued ordinary shares	<b>3,500,000</b>	7,820,000
Options issued during the period (see note below)	<b>2,300,000</b>	Nil
Shares issued in the period as the result of the exercise of options	<b>Nil</b>	Nil
Options expired during the period	<b>6,620,000</b>	Nil

Note : - In 2009 2,300,000 options were issued although they have not been allocated to any particular persons.

Full details of options on issue are shown in note 22.

# DIRECTORS' REPORT

## REMUNERATION REPORT (AUDITED)

### Meetings of directors

Attendance at Directors' meetings during the year:

	Eligible to attend	Attended
Patrick J D Elliott	6	6
G S Eupene	6	6
R Richardson	6	5
P Walker	6	5
R Cleary	6	6

The Audit Committee, comprising Directors Messrs Richardson, Walker and Smartt, which met once during the year, was set up to review the Company's financial systems, accounting policies and annual financial statements.

### Environment

Crossland Uranium Mines Limited, through its subsidiaries, holds exploration tenements in Australia and the Yukon Territory of Canada, that are subject to various governmental statutes and guidelines for environmental impacts in relation to exploration activities. These provide for the satisfactory rehabilitation of the areas of exploration. There have been no material known breaches of the licence conditions.

### Directors' and auditors' indemnification

The Company has not, either during or since the end of the financial period, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

During or since the financial period, the Company has not paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

### Non-audit services

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or the Group are important.

Details of the amounts paid or payable to the auditor (Barnes Dowell James) for audit and non-audit services provided during the year are set out below.

The board of directors has considered the position and, in accordance with the advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor,
- none of the services undermine the general principles relating to auditor independence as set out in Professional Statement F1, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

# DIRECTORS' REPORT

## REMUNERATION REPORT (AUDITED)

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated	
	2009	2008
	\$	\$
<b>Assurance services</b>		
Audit services		
Barnes Dowell James Australian firm:		
Audit and review of financial reports and other audit work under the <i>Corporations Act 2001</i>	25,741	11,500
Total remuneration for assurance services	<u>25,741</u>	<u>11,500</u>

### ***Auditors' independence declaration***

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 57.

### ***Auditor***

Barnes Dowell James holds office in accordance with section 327 of the Corporations Act 2001.

The remuneration report is set out under the following main headings:

- A) Principles used to determine the nature and amount of remuneration
- B) Service agreements
- C) Details of remuneration
- D) Share-based compensation
- E) Additional information

The information provided under headings A-D includes remuneration disclosures that are required under Accounting Standard AASB 124 Related Party Disclosures. These disclosures have been transferred from the financial report and have been audited. The disclosures in Section E are additional disclosures required by the Corporations Act 2001 and the Corporations Regulations 2001 which have not been audited.

### **A) Principles used to determine the nature and amount of remuneration**

The objective of the Group's executive reward framework is to ensure reward for performance, being the development of the Crossland Uranium Mines exploration tenements. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation;
- transparency; and
- capital management.

The Group has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

# DIRECTORS' REPORT

## REMUNERATION REPORT (AUDITED)

Alignment to shareholders' interests:

- has economic profit as a core component of plan design;
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracts and retains high calibre executives.

Alignment to programme participants' interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides a clear structure for earning rewards; and
- provides recognition for contribution.

The framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives. As executives gain seniority with the group, the balance of this mix shifts to a higher proportion of "at risk" rewards.

### *Non-executive directors*

Fees and payments to non-executive directors reflect the demands, which are made on, and the responsibilities of, the directors. The Board reviews non-executive directors' fees and payments annually. The Board may from time to time seek the advice of independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration.

### *Directors' fees*

The current base remuneration was last reviewed with effect from 1 July 2007.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at \$200,000 per year in aggregate.

### *Executive pay*

The executive pay and reward framework has four components:

- base pay and benefits;
- short-term performance incentives;
- long-term incentives through participation in Crossland Uranium Mines Ltd incentive shares, and
- other remuneration such as superannuation.

The combination of these comprises the executive's total remuneration.

# DIRECTORS' REPORT

## REMUNERATION REPORT (AUDITED)

### *Base pay*

Structured as a total employment cost package, which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for senior executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases included in any senior executives' contracts.

### **B) Service agreements**

#### **(i) Mr Geoff Eupene - Managing Director**

A Consultancy Agreement dated 30 October 2008 has been entered into between the company and Eupene Exploration Enterprises Pty Ltd (a company controlled by Mr Eupene) to provide exploration services to the company for a period of two years commencing 1 June 2008 and extended for a further two years to 1 June 2012 at a base rate of \$10,500 per month.

#### **(ii) Non-executive directors**

Directors are entitled to remuneration out of the funds of the company but the remuneration of the non-executive Directors may not exceed in any year the amount fixed by the company in general meeting for that purpose. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at Board meetings and otherwise in the execution of their duties as Directors.

#### *Service agreements summary*

Director	Start Date	Term of Agreement	Fees payable 2008 \$	Notice period for termination (months)		Redundancy payment
				Company	Employee	
G S Eupene	1 June 2008	4 years	Minimum of \$10,500 per month	3	3	Nil

### **C) Details of remuneration**

#### Amounts of remuneration

Details of the remuneration of the directors and the key management personnel (as defined in AASB 124 Related Party Disclosures) of Crossland Uranium Mines Ltd and the Crossland Uranium Mines Ltd Group are set out in the following tables.

# DIRECTORS' REPORT

## REMUNERATION REPORT (AUDITED)

The key management personnel of Crossland Uranium Mines Limited and the Group includes the directors:

### *Remuneration paid to key management personnel of Crossland Uranium Mines and of the Group*

Name	Short-term employee benefits		Post-employment benefits	Share-based payment	Total	
	Salary	Directors' Fees	Consulting Fees	Superannuation		Options
	\$	\$	\$	\$	\$	
<b>2009</b>						
<i>Non-executive directors</i>						
P J D Elliott	-	36,000	-	-	-	36,000
R Cleary	-	50,000	-	-	-	50,000
R Richardson	-	35,000	9,448	-	-	44,448
P Walker	-	35,000	-	3,150	-	38,150
<b>Sub-total non-executive directors</b>	<b>-</b>	<b>156,000</b>	<b>9,448</b>	<b>3,150</b>	<b>-</b>	<b>168,598</b>
<i>Executive directors</i>						
G S Eupene	-	-	271,800	-	-	271,800
<b>Totals</b>	<b>-</b>	<b>156,000</b>	<b>281,248</b>	<b>3,150</b>	<b>-</b>	<b>440,398</b>
<b>2008</b>						
<i>Non-executive directors</i>						
P J D Elliott	-	36,000	-	-	-	36,000
R Cleary	-	50,000	-	-	-	50,000
R Richardson	-	35,000	37,440	-	-	72,440
P Walker	-	35,000	4,843	3,150	-	42,993
<b>Sub-total non-executive directors</b>	<b>-</b>	<b>156,000</b>	<b>42,283</b>	<b>3,150</b>	<b>-</b>	<b>201,433</b>
<i>Executive directors</i>						
G S Eupene	-	-	255,056	-	-	255,056
<b>Totals</b>	<b>-</b>	<b>156,000</b>	<b>297,339</b>	<b>3,150</b>	<b>-</b>	<b>456,489</b>

## D) Share-based compensation

### *Options*

Options are granted on the recommendation of the directors.

Options are granted for no consideration. Options are granted for a five year period, and are exercisable immediately after the vesting date.

Options granted carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share.

The exercise price of options is based on the weighted average price at which the company's shares are traded on the Australian Stock Exchange during the five trading days immediately before the options are granted.

No options over ordinary shares in the company were provided as remuneration to each director of Crossland

# DIRECTORS' REPORT

## REMUNERATION REPORT (AUDITED)

Uranium Mines Ltd and each of the key management personnel of the Group during the financial year.

### *Shares provided on exercise of remuneration options.*

No ordinary shares in the company were provided as a result of the exercise of remuneration options to each director of Crossland Uranium Mines Ltd and other key management personnel of the Group.

### *Shares under option*

Unissued ordinary shares of Crossland Uranium Mines Ltd under option at the date of this report are shown in Note 22.

### *Shares issued on the exercise of options*

No ordinary shares of Crossland Uranium Mines Ltd were issued during the year ended 31 December 2009 on the exercise of options granted. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

### **Directors' interests in shares and options**

The relevant interest of each Director in the share capital of the Company as at the date of this report is as follows:

<b>2009</b>		<b>G S Eupene</b>	<b>P J D Elliott</b>	<b>R A Cleary</b>	<b>P W Walker</b>	<b>R L Richardson</b>
<b>Ordinary shares</b>		9,201,350	4,359,065	5,892,326	2,846,148	766,666
<b>Options</b>		-	-	-	-	-
<b>Unissued incentive shares</b>		3,000,000	333,334	2,000,000	333,334	333,334

<b>2008</b>		<b>G S Eupene</b>	<b>P J D Elliott</b>	<b>R A Cleary</b>	<b>P W Walker</b>	<b>R L Richardson</b>
<b>Ordinary shares</b>		9,201,350	4,359,065	5,892,326	2,846,148	766,666
<b>Options</b>						
<b>Exercise price</b>	<b>Expiry date</b>					
20 cents per share	20.04.2009	-	600,000	-	-	-
23 cents per share	30.04.2009	1,480,000	290,000	880,000	1,010,000	-
<b>Unissued incentive shares</b>		3,000,000	333,334	2,000,000	333,334	333,334

This report is made in accordance with a resolution of the Directors.



Geoff Eupene  
Director

Sydney, 30 March 2010

# STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 31 December 2009

	Note	Consolidated		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>Revenue</b>	4	<b>269,412</b>	579,240	<b>269,412</b>	579,240
<b>Expenses</b>					
Administration costs		(37,034)	(12,390)	(34,440)	(1,662)
Consultants' fees		(93,044)	(176,202)	(93,044)	(176,202)
Depreciation	5	(99,188)	(68,546)	(97,238)	(66,525)
Employment costs		(111,964)	(352,780)	(111,964)	(352,780)
Exploration property written off	5	(686,100)	(847,833)	(15,464)	(739,159)
Interest	5	-	(6,166)	-	(6,166)
Office rent	5	(76,613)	(45,058)	(76,613)	(46,966)
Share of associates losses	16	(32,598)	(60)	-	-
Other expenses from ordinary activities		(85,032)	(42,608)	(76,174)	(42,411)
<b>Loss from ordinary activities before income tax expense</b>		<b>(952,161)</b>	(972,403)	<b>(235,525)</b>	(852,631)
Income tax (expense) benefit		-	-	-	-
<b>Net loss from ordinary activities after income tax expense</b>	24	<b>(952,161)</b>	(972,403)	<b>(235,525)</b>	(852,631)
<b>Other comprehensive income after income tax:</b>					
Exchange differences on translating foreign controlled entities	5	-	-	(105,328)	(10,009)
Impairment loss recognised in respect of loans to and investments in subsidiaries		-	-	(586,355)	(299,910)
Option investment written off	5	-	(90,000)	-	-
<b>Other comprehensive income for the year, before tax</b>		-	(90,000)	<b>(691,683)</b>	(309,919)
Income tax (expense) benefit		-	-	-	-
<b>Other comprehensive income for the year, net of tax</b>		-	(90,000)	<b>(691,683)</b>	(309,919)
<b>Total comprehensive income for the year attributable to members of the parent entity</b>		<b>(952,161)</b>	(1,062,403)	<b>(927,208)</b>	(1,162,550)
Basic and diluted loss per share (cents)	10	<b>(0.82)</b>	(0.92)		

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

# STATEMENTS OF FINANCIAL POSITION

at 31 December 2009

	Note	Consolidated		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	11	3,733,593	4,240,150	3,732,282	4,238,600
Trade and other receivables	12	584,761	744,940	589,170	732,021
Other current assets	13	14,434	-	14,434	-
<b>TOTAL CURRENT ASSETS</b>		<b>4,332,788</b>	<b>4,985,090</b>	<b>4,335,886</b>	<b>4,970,621</b>
<b>NON-CURRENT ASSETS</b>					
Receivables	14	54,615	30,100	824,730	1,187,041
Deferred exploration and evaluation expenditure	15	1,974,639	2,292,231	43,909	-
Investments	16	-	-	1,158,971	1,159,886
Investments in associates accounted for using the equity method	17	-	-	-	-
Plant and equipment	18	256,251	263,511	253,687	258,997
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,285,505</b>	<b>2,585,842</b>	<b>2,281,297</b>	<b>2,605,924</b>
<b>TOTAL ASSETS</b>		<b>6,618,293</b>	<b>7,570,932</b>	<b>6,617,183</b>	<b>7,576,545</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	19	78,158	110,312	77,386	109,540
Provisions	20	47,939	23,750	15,000	15,000
<b>TOTAL CURRENT LIABILITIES</b>		<b>126,097</b>	<b>134,062</b>	<b>92,386</b>	<b>124,540</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>126,097</b>	<b>134,062</b>	<b>92,386</b>	<b>124,540</b>
<b>NET ASSETS</b>		<b>6,492,196</b>	<b>7,436,870</b>	<b>6,524,797</b>	<b>7,452,005</b>
<b>SHAREHOLDERS' EQUITY</b>					
Issued capital	21	12,113,951	12,113,951	12,113,951	12,113,951
Foreign currency translation reserve	23	(59,433)	(66,920)	-	-
Share based payments reserve	24	227,472	227,472	227,472	227,472
Accumulated losses	25	(5,789,794)	(4,837,633)	(5,816,626)	(4,889,418)
<b>TOTAL EQUITY</b>		<b>6,492,196</b>	<b>7,436,870</b>	<b>6,524,797</b>	<b>7,452,005</b>

The above statements of financial position should be read in conjunction with the accompanying notes.

# STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2009

Consolidated	Issued Capital	Accumulated Losses	Foreign Currency Reserve	Share Based Payments Reserve	Total Equity
	\$	\$	\$	\$	\$
<b>At 1 January 2008</b>	12,113,951	(3,775,230)	(31,127)	227,472	8,535,066
Loss for the period	-	(1,062,403)	-	-	(1,062,403)
Reserves for foreign currency translation	-	-	(35,793)	-	(35,793)
<b>At 31 December 2008</b>	<b>12,113,951</b>	<b>(4,837,633)</b>	<b>(66,920)</b>	<b>227,472</b>	<b>7,436,870</b>
Loss for the period	-	(952,161)	-	-	(952,161)
Reserves for foreign currency translation	-	-	7,487	-	7,487
<b>At 31 December 2009</b>	<b>12,113,951</b>	<b>(5,789,794)</b>	<b>(59,433)</b>	<b>227,472</b>	<b>6,492,196</b>

Parent	Issued Capital	Accumulated Losses	Foreign Currency Reserve	Share Based Payments Reserve	Total Equity
	\$	\$	\$	\$	\$
<b>At 1 January 2008</b>	12,113,951	(3,726,868)	-	227,472	8,614,555
Loss for the period	-	(1,162,500)	-	-	(1,162,500)
<b>At 31 December 2008</b>	<b>12,113,951</b>	<b>(4,889,418)</b>	<b>-</b>	<b>227,472</b>	<b>7,452,005</b>
Loss for the period	-	(927,208)	-	-	(927,208)
<b>At 31 December 2009</b>	<b>12,113,951</b>	<b>(5,816,626)</b>	<b>-</b>	<b>227,472</b>	<b>6,524,797</b>

The above statements of changes in equity should be read in conjunction with the accompanying notes.

# STATEMENTS OF CASH FLOWS

for the year ended 31 December 2009

	Note	Consolidated		Parent Entity	
		2009 \$	2008 \$	2009 \$	2008 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Payment to suppliers (inclusive of GST)		(161,933)	(863,491)	(166,826)	(812,423)
Interest received		138,619	353,666	138,619	353,666
Interest paid		-	(53)	-	(53)
<b>NET CASH INFLOWS (OUTFLOWS) FROM OPERATING ACTIVITIES</b>	33(b)	<b>(23,314)</b>	<b>(509,878)</b>	<b>(28,207)</b>	<b>(458,810)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Expenditure on plant and equipment		(99,990)	(127,383)	(99,990)	(127,383)
Expenditure on mining interests (exploration)		(2,549,233)	(3,323,975)	(59,373)	(777,693)
Cash calls received from exploration JV parties		2,180,725	2,010,590	-	100,072
Payments for investments in other companies		-	(60)	-	(60)
Payments for security deposits		(24,515)	(8,100)	(24,515)	(8,100)
Proceeds from disposal of assets		9,770	298	9,770	298
Loans repaid by (advanced to) controlled entity		-	-	(304,003)	(666,060)
<b>NET CASH INFLOWS / (OUTFLOWS) FROM INVESTING ACTIVITIES</b>		<b>(483,243)</b>	<b>(1,448,630)</b>	<b>(478,111)</b>	<b>(1,478,926)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from issue of shares		-	-	-	-
Share issue costs		-	-	-	-
<b>NET CASH INFLOWS / (OUTFLOWS) FROM FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE / (DECREASE) IN CASH HELD</b>					
		<b>(506,557)</b>	<b>(1,958,508)</b>	<b>(506,318)</b>	<b>(1,937,736)</b>
Cash and cash equivalents at the beginning of the financial year		4,240,150	6,198,658	4,238,600	6,176,336
<b>Cash and cash equivalents at the end of the financial year</b>	33(a)	<b>3,733,593</b>	<b>4,240,150</b>	<b>3,732,282</b>	<b>4,238,600</b>

The above statements of cash flows should be read in conjunction with the accompanying notes.

# NOTES TO THE FINANCIAL STATEMENTS

*for the year ended 31 December 2009*

## Contents of the notes to the financial statements

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# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for Crossland Uranium Mines Ltd as an individual entity and the consolidated entity consisting of Crossland Uranium Mines Ltd and its subsidiaries.

### **Basis of preparation**

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRSs), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

### **Compliance with IFRSs**

Australian Accounting Standards include AIFRSs. Compliance with AIFRSs ensures that the consolidated financial statements and notes of Crossland Uranium Mines Ltd comply with International Financial Reporting Standards (IFRSs). The parent entity financial statements and notes also comply with IFRSs except that it has elected to apply the relief provided to parent entities in respect of certain disclosure requirements contained in AASB 132 Financial Instruments: Presentation and Disclosure.

### *Historical cost convention*

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, certain classes of property, plant and equipment and investment property.

### *Critical accounting estimates*

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

### **Changes to accounting policies**

#### **Adoption of New and Revised Accounting Standards**

During the current year the Group adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of Geopacific Resources NL.

#### ***AASB 8: Operating Segments***

In February 2007 the Australian Accounting Standards Board issued AASB 8 which replaced AASB 114: Segment Reporting. As a result, some of the required operating segment disclosures have changed with the addition of a possible impact on the impairment testing of goodwill allocated to the cash generating units (CGUs) of the entity. Below is an overview of the key changes and the impact on the Group's financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *Measurement impact*

Identification and measurement of segments — AASB 8 requires the ‘management approach’ to the identification measurement and disclosure of operating segments. The ‘management approach’ requires that operating segments be identified on the basis of internal reports that are regularly reviewed by the entity’s chief operating decision maker, for the purpose of allocating resources and assessing performance. This could also include the identification of operating segments which sell primarily or exclusively to other internal operating segments. Under AASB 114, segments were identified by business and geographical areas, and only segments deriving revenue from external sources were considered.

The adoption of the ‘management approach’ to segment reporting has resulted in the identification of reportable segments consistent with the prior year.

Under AASB 8, operating segments are determined based on management reports using the ‘management approach’, whereas under AASB 114 financial results of such segments were recognised and measured in accordance with Australian Accounting Standards. This has not resulted in any changes to the presentation of segment results.

### *Impairment testing of the segment’s goodwill*

AASB 136: Impairment of Assets, paragraph 80 requires that goodwill acquired in a business combination shall be allocated to each of the acquirer’s CGUs, or group of CGUs that are expected to benefit from the synergies of the combination. Each cash generating unit (CGU) which the goodwill is allocated to must represent the lowest level within the entity at which goodwill is monitored, however it cannot be larger than an operating segment. Therefore, due to the changes in the identification of segments, there is a risk that goodwill previously allocated to a CGU which was part of a larger segment could now be allocated across multiple segments if a segment had to be split as a result of changes to AASB 8.

Management have considered the requirements of AASB 136 and determined the implementation of AASB 8 has not impacted the CGUs of each operating segment.

### *Disclosure impact*

AASB 8 requires a number of additional quantitative and qualitative disclosures, not previously required under AASB 114, where such information is utilised by the chief operating decision maker. This information is now disclosed as part of the financial statements.

### ***AASB 101: Presentation of Financial Statements***

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Group’s financial statements.

### *Disclosure impact*

Terminology changes — the revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity — the revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income — the revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Group's financial statements now contain a statement of comprehensive income.

Other comprehensive income — The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

### Significant accounting policies

Accounting policies are selected and applied in a manner which ensures that the resultant financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions and other events is reported.

The Company has adopted relevant new and revised accounting standards and pronouncements with no material impact.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

#### (a) Borrowings

Loans are recorded at an amount equal to the net proceeds received. Interest expense is recognised on an accruals basis.

#### (b) Borrowing costs

Borrowing costs are expensed as incurred.

#### (c) Cash and cash equivalents

Cash and cash equivalents comprises cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the consolidated entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

#### (d) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### (e) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Each area of interest is limited to a size related to known or probable mineral resource capable of supporting a mining operation.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (e) Exploration and evaluation expenditure (continued)

Exploration expenditure for each area of interest, other than that acquired from the purchase of another mining company, is written off as incurred, except that it is carried forward provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Exploration expenditure which no longer satisfies the above policy is written off. When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off firstly against any existing provision for that expenditure, with any remaining balance being charged to earnings. The provision against exploration expenditure is reversed when recoupment out of revenue to be derived from the relevant area of interest/mineral resource or from the sale of that area of interest, is assured and the asset is transferred to another class or sold.

Expenditure is not carried forward in respect of any area of interest/mineral resource unless the Company's rights of tenure to that area of interest are current.

### (f) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

### (g) Foreign currency translation

#### (i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Crossland Uranium Mines Ltd's functional and presentation currency.

#### (ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (h) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority it is recognised as part of the cost of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authorities is included as part of other receivables or other payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authorities is classified as operating cash flows.

### (i) Impairment of assets

The carrying amounts of the consolidated entity's assets, other than deferred tax assets, are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

#### (i) Calculation of recoverable amount

The recoverable amount of assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

#### (ii) Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (j) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the end of the financial year, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the financial year.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### *Tax consolidation*

The company and all its wholly-owned Australian resident entities have not entered into a tax consolidated group under Australian taxation law.

### (k) Joint ventures

#### (i) *Joint ventures*

A joint venture is either an entity or operation that is jointly controlled by the Consolidated Entity.

#### (ii) *Joint venture operation*

The Consolidated Entity's interest in unincorporated joint ventures is brought to account by including its proportionate share of the joint venture's assets, liabilities and expenses and the Consolidated Entity's revenue from the sale of its share of output on a line-by-line basis, from the date joint control commences to the date joint control ceases.

#### (iii) *Joint venture entity*

The Consolidated Entity's interest in incorporated joint ventures entities is brought to account using the equity method of accounting where the consolidated entity has significant influence over the operations of that entity from the date joint control commences to the date joint control ceases.

### (l) Leases

Operating lease payments, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased items, are included in the determination of the operating profit in equal instalments over the lease term.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (m) Loss per share

#### (i) Basic loss per share

Basic earnings (loss) per share is calculated by dividing the loss attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

#### (ii) Diluted loss per share

Diluted earnings (loss) per share adjusts the figures used in the determination of basic loss per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### (n) Plant and equipment

All assets acquired including plant and equipment and intangibles other than goodwill are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. When equity instruments are issued as consideration, their market price at the date of acquisition is used as fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity subject to the extent of proceeds received, otherwise expensed.

Where settlement of any part of cash consideration is deferred, the amounts payable are recorded at their present value, discounted at the rate applicable to the Company if a similar borrowing were obtained from an independent financier under comparable terms and conditions.

Expenditure, including that on internally generated assets other than research and development costs, is only recognised as an asset when the entity controls future economic benefits as a result of the costs incurred, it is probable that those future economic benefits will eventuate, and the costs can be measured reliably. Costs attributable to feasibility and alternative approach assessments are expensed as incurred.

Depreciation is provided on a straight line basis on all plant and equipment at rates calculated to write off the cost, less estimated residual value at the end of the useful lives of the assets, over those estimated useful lives.

The following estimated useful lives are used in the calculation of depreciation.

Plant and equipment	5 – 8 years
Motor Vehicles	5 years

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (o) Principles of consolidation

#### (i) *Controlled entities*

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Crossland Uranium Mines Ltd ('company' or 'parent entity') as at 31 December 2008 and the results of all subsidiaries for the year then ended. Crossland Uranium Mines Ltd and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated.

Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Crossland Uranium Mines Ltd.

#### (ii) *Transactions eliminated on consolidation*

Unrealised gains and losses and inter-entity balances resulting from transactions with or between Controlled Entities are eliminated in full on consolidation.

Unrealised gains resulting from transactions with joint ventures are eliminated to the extent of the Consolidated Entity's interest.

Unrealised gains relating to joint venture entities are eliminated against the carrying amount of the investment.

Unrealised losses are eliminated in the same way as unrealised gains, unless they evidence a recoverable amount impairment.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (p) Provisions

A provision is recognised in the statement of financial position when the consolidated entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

### (q) Revenue recognition

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of GST.

### (r) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

### (s) Site restoration

In accordance with the consolidated entity's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land is recognised when the land is contaminated.

### (t) Trade and other receivables

Trade and other receivables are recorded at amounts due less any allowance for doubtful debts.

### (u) Trade and other creditors

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

## New accounting standards and UIG interpretations for application in future periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

### *Applicable for annual reporting periods commencing from 1 July 2009.*

- *AASB 1: First-time Adoption of Australian Accounting Standards*

The structure of this standard has been amended for ease of use, and as it applies only to first time adoption of Australian Equivalents to International Financial Reporting Standards, it is not expected to impact the Group.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### New accounting standards and UIG interpretations for application in future periods (continued)

- *AASB 3: Business Combinations, AASB 127: Consolidated and Separate Financial Statements, AASB 2008-3: Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107] and AASB 2008-11: Amendments to Australian Accounting Standard — Business Combinations Among Not-for-Profit Entities [AASB 3]*

These standards are applicable prospectively and will therefore only affect relevant transactions and consolidations occurring after the date of application. As such, the Group is unable to determine any potential impact on the financial statements.

The following changes to accounting requirements are included below:

- acquisition costs incurred in a business combination will no longer be included as part of the cost of the business combination, but will be expensed (unless the cost relates to issuing debt or equity securities);
  - contingent considerations will be measured at fair value at the acquisition date and may only be provisionally accounted for up to 12 months after the acquisition date. Any subsequent changes in the fair value of contingent considerations does not affect the cost of the business combination or goodwill;
  - in a step acquisition where control is obtained, previous ownership interests are to be remeasured at their fair value and the resulting gain/loss is recognised in the income statement/equity as applicable;
  - there shall be no gain or loss from transactions affecting a parent's ownership interest in a subsidiary with all transactions required to be accounted for as equity transactions (this will not represent a change to the Group's policy);
  - dividends declared out of pre-acquisition profits will no longer be deducted from the cost of an investment but will be recognised as income;
  - impairment of investments in subsidiaries, joint ventures and associates shall be considered when a dividend is paid by the respective investee;
  - where there is, in substance, no change to group interests, parent entities inserted above existing groups shall measure the cost of their investments at the carrying amount of their share of the equity items shown in the statement of financial position of the original parent at the date of reorganisation; and
  - entities now have an accounting policy choice when measuring non-controlling interests. Non-controlling interests can be measured at either the proportionate share of net assets acquired or at the fair value of the non-controlling interest.
- *AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (applicable for annual reporting periods commencing from 1 January 2009) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project.*

These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Group.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### New accounting standards and UIG interpretations for application in future periods (continued)

- *AASB 2008–8: Amendments to Australian Accounting Standards — Eligible Hedged Items [AASB 139]*  
This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation as a hedged item should be applied in particular situations and is not expected to materially affect the Group.
- *AASB 2008–13: Amendments to Australian Accounting Standards arising from AASB Interpretation 17 — Distributions of Non-cash Assets to Owners [AASB 5 & AASB 110]*  
This amendment requires that non-current assets held for distribution to owners be measured at the lower of carrying value and fair value less costs to distribute. This amendment is not expected to impact the Group as the Group does not distribute non-cash assets.
- *AASB 2009–7: Amendments to Australian Accounting Standards [AASB 5, 7, 107, 112, 136 & 139 and Interpretation 17]* .  
This standard reflects editorial changes made to a number of accounting standards by the IASB. No changes are expected to materially affect the Group.
- *AASB Interpretation 17: Distributions of Non-cash Assets to Owners*  
This guidance applies prospectively only and clarifies that non-cash dividends payable should be measured at the fair value of the net assets to be distributed where the difference between the fair value and the carrying value of the assets is recognised in profit or loss. This Interpretation is not expected to impact the Group.
- *AASB Interpretation 18: Transfers of Assets from Customers*  
This guidance applies prospectively to entities that receive transfers of assets, such as plant and equipment, from their customers so that these customers can be connected to a network and provided with access to a supply of goods or services. The Interpretation outlines the appropriate accounting treatment in respect of such transfers and it is not expected to impact the Group.

### *Applicable for annual reporting periods commencing from 1 January 2010.*

- *AASB 2009–4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009–5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]*  
These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Group.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### New accounting standards and UIG interpretations for application in future periods (continued)

- *AASB 2009–8: Amendments to Australian Accounting Standards — Group Cash-settled Share-based Payment Transactions [AASB 2].*

These amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence, these two Interpretations are superseded by the amendments. These amendments are not expected to impact the Group.

The Group does not anticipate the early adoption of any of the above reporting requirements.

## 2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks; market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

### (i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the consolidated entity's functional currency.

### (ii) Credit risk

There is negligible credit risk on financial assets of the consolidated entity since there is no exposure to individual customers or countries and the economic entity's exposure is limited to the amount of cash, short term deposits and receivables which have been recognised in the statement of financial position and is minimised by using recognised financial intermediaries as counterparties.

### (iii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed finance facilities.

### (iv) Cash flow and fair value interest rate risk

The Group has interest-bearing assets, however the Group's income and operating cash flows are not materially exposed to changes in market interest rates.

## 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

### Income taxes

The Group is subject to income taxes in Australia and Canada. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

## 4. REVENUE

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
Interest received	<b>138,619</b>	353,666	<b>138,619</b>	353,666
Past period recoveries	<b>130,793</b>	225,574	<b>130,793</b>	225,574
Foreign exchange gains	-	-	-	-
<b>Total revenue from continuing operations</b>	<b>269,412</b>	<b>579,240</b>	<b>269,412</b>	<b>579,240</b>

## 5. OPERATING LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
The operating loss from ordinary activities before income tax expense has been determined after charging the following expenses:				
Depreciation	<b>99,188</b>	68,546	<b>97,238</b>	66,525
Diminution of investment in controlled entity	-	-	<b>915</b>	-
Diminution of loan to controlled entity	-	-	<b>585,500</b>	299,910
Employee entitlements	<b>816</b>	9,250	<b>816</b>	9,250
Exploration property written off	<b>683,875</b>	847,833	<b>13,239</b>	739,159
Foreign exchange losses	-	-	<b>105,328</b>	10,009
Interest paid	-	6,166	-	6,166
Investment option written off	-	90,000	-	-
Loss on disposal of assets	<b>518</b>	5,107	<b>518</b>	4,851
Office rent	<b>76,613</b>	45,058	<b>76,613</b>	46,966
Superannuation	<b>15,695</b>	34,727	<b>15,695</b>	34,727

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 6. KEY MANAGEMENT PERSONNEL DISCLOSURES

### (a) Directors

The following persons were Directors of Crossland Uranium Mines Limited during the whole of the financial year and up to the date of this report:

Patrick J D Elliott  
Geoffrey S Eupene  
Robert A Cleary  
Peter W Walker  
Robert L Richardson

### (b) Other key management personnel

All directors are identified as key management personnel under AASB 124 “Related Party Disclosures”.

There are no other staff that meet the definition of key management personnel.

### (c) Key management personnel compensation

	Consolidated		Parent entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
Short-term employee benefits	437,248	453,339	437,248	453,339
Post-employment benefits	3,150	3,150	3,150	3,150
Share-based payments	-	-	-	-
	<b>440,398</b>	456,489	<b>440,398</b>	456,489

The Company has taken advantage of the relief provided by the Corporations Regulations and has transferred the detailed remuneration disclosures to the Directors’ report. The relevant information can be found in sections A-C of the remuneration report included in the Directors report.

### (d) Equity instrument disclosures relating to key management personnel

#### (i) Options provided as remuneration and shares issued on exercise of such options

No options were provided as remuneration and no shares were issued on the exercise of such options.

#### (ii) Option holdings

There were no options held by any Director at 31 December 2009.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 6. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

The relevant interest of each Director in options of the Company as at the date of this report is as follows:

2009						
Name	Balance at the start of the year	Granted during the year	Exercised during the year	Lapsed during the year	Balance at the end of the year	Vested and exercisable at the end of the year
<b>Options</b>						
<i>Directors of Crossland Uranium Mines Ltd</i>						
Geoffrey S Eupene	1,480,000	-	-	(1,480,000)	-	-
Patrick J D Elliott	890,000	-	-	(890,000)	-	-
Robert A Cleary	880,000	-	-	(880,000)	-	-
Peter W Walker	1,010,000	-	-	(1,010,000)	-	-
Robert L Richardson	-	-	-	-	-	-

2008						
Name	Balance at the start of the year	Granted during the year	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
<b>Options</b>						
<i>Directors of Crossland Uranium Mines Ltd</i>						
Geoffrey S Eupene	1,480,000	-	-	-	1,480,000	1,480,000
Patrick J D Elliott	890,000	-	-	-	890,000	890,000
Robert A Cleary	880,000	-	-	-	880,000	880,000
Peter W Walker	1,010,000	-	-	-	1,010,000	1,010,000
Robert L Richardson	-	-	-	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 6. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

### (iii) Share holdings

The numbers of shares in the company held at the end of the financial year by each Director of the Company and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

<b>Ordinary shares</b>				
<i>Directors of Crossland Uranium Mines Ltd</i>				
<b>2009</b>	<b>Balance at the start of the year</b>	<b>Received during the year as incentive shares</b>	<b>Other changes during the year</b>	<b>Balance at the end of the year</b>
<b>Name</b>				
Geoffrey S Eupene	9,201,350	-	-	9,201,350
Patrick J D Elliott	4,359,065	-	-	4,359,065
Robert A Cleary	5,892,326	-	-	5,892,326
Peter W Walker	2,846,148	-	-	2,846,148
Robert L Richardson	766,666	-	-	766,666
<b>2008</b>				
Geoffrey S Eupene	9,201,350	-	-	9,201,350
Patrick J D Elliott	4,359,065	-	-	4,359,065
Robert A Cleary	5,892,326	-	-	5,892,326
Peter W Walker	2,846,148	-	-	2,846,148
Robert L Richardson	766,666	-	-	766,666

### (iv) Incentive Share holdings

The numbers of incentive shares in the company unallotted but able to be issued on satisfaction of certain criteria at the end of the financial year by each Director of the Company and other key management personnel of the Group, including their personally related parties, are set out below. There were no incentive shares allotted during the reporting period as compensation.

<b>Incentive shares</b>				
<i>Directors of Crossland Uranium Mines Ltd</i>				
<b>2009</b>	<b>Balance at the start of the year</b>	<b>Received during the year</b>	<b>Allotted during the year</b>	<b>Balance at the end of the year</b>
<b>Name</b>				
Geoffrey S Eupene	3,000,000	-	-	3,000,000
Patrick J D Elliott	333,334	-	-	333,334
Robert A Cleary	2,000,000	-	-	2,000,000
Peter W Walker	333,334	-	-	333,334
Robert L Richardson	333,334	-	-	333,334
<b>2008</b>				
Geoffrey S Eupene	3,000,000	-	-	3,000,000
Patrick J D Elliott	333,334	-	-	333,334
Robert A Cleary	2,000,000	-	-	2,000,000
Peter W Walker	333,334	-	-	333,334
Robert L Richardson	333,334	-	-	333,334

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 7. REMUNERATION OF AUDITORS

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
Total amounts receivable by the auditors of the Company for:				
Audit of the Company's accounts	25,741	11,500	25,741	11,500
Other services		-		-
	<u>25,741</u>	<u>11,500</u>	<u>25,741</u>	<u>11,500</u>

## 8. FINANCIAL REPORTING BY SEGMENTS

The consolidated entity operates predominantly in the one industry being mineral exploration in two geographical areas of Australia and Canada.

Geographical	2009		2008	
	\$	\$	\$	\$
<i>Segment Revenues</i>				
Australia	269,412	579,539		
Canada	-	-		
Consolidated	<u>269,412</u>	<u>579,539</u>		
<i>Segment Results</i>				
Australia	(1,064,987)	(1,039,237)		
Canada	112,826	(23,166)		
Profit from ordinary activities	(952,161)	(1,062,403)		
Income tax expense	-	-		
Net loss	<u>(952,161)</u>	<u>(1,062,403)</u>		
<b>Segment Assets and Liabilities</b>	<b>Assets</b>		<b>Liabilities</b>	
	2009	2008	2009	2008
	\$	\$	\$	\$
Australia	6,618,293	8,699,093	126,097	134,062
Canada	-	-	1,015,347	1,128,161
Intersegment	(1,015,347)	(1,128,161)	(1,015,347)	(1,128,161)
Consolidated	<u>5,602,946</u>	<u>7,570,932</u>	<u>126,097</u>	<u>134,062</u>
<i>Other Financial Information</i>	2009		2008	
<i>Depreciation</i>	\$		\$	
Australia	99,188		68,481	
Canada	-		65	
Consolidated	<u>99,188</u>		<u>68,546</u>	

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 9. LOSS PER SHARE

<b>Basic and diluted</b>	<b>2009</b>	<b>2008</b>
Weighted average number or shares used in basic and diluted loss per share	<b>115,480,270</b>	115,480,270
<b>Basic and diluted loss per share (cents per share)</b>	<b>(0.82)</b>	(0.92)

## 10. TAXATION

The prima facie income tax expense on pre-tax accounting profit reconciles to the income tax expense in the financial statements as follows:

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Loss from ordinary activities	<b>(952,161)</b>	<b>(1,062,403)</b>	<b>(927,208)</b>	(1,162,550)
Income tax expense calculated at 30% of operating loss	<b>285,648</b>	318,721	<b>278,162</b>	348,765
Deferred tax amounts not recognised	<b>(285,648)</b>	(318,721)	<b>(278,162)</b>	(348,765)
Income tax expense (benefit)	<b>-</b>	-	<b>-</b>	-
Deferred tax assets				
Not brought to account calculated at 30%				
Revenue tax losses	<b>1,740,625</b>	1,254,763	<b>1,037,276</b>	927,244
Capital tax losses	<b>27,000</b>	27,000	-	-
Temporary differences	<b>85,547</b>	120,429	<b>698,736</b>	545,701
<b>Total</b>	<b>1,853,172</b>	1,402,192	<b>1,736,012</b>	1,472,945

The taxation benefits of revenue tax losses and temporary differences not brought to account will only be obtained if:

- the company and the consolidated entity derive further assessable income of a nature and of an amount sufficient to enable the benefit from the deductions to be realised;
- the company and the consolidated entity continue to comply with the conditions for deductibility imposed by the law; and
- no changes in tax legislation adversely affect the company's and the consolidated entity's ability in realising the benefit from the deductions.

## 11. CASH AND CASH EQUIVALENTS

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	<b>148,465</b>	128,955	<b>147,155</b>	127,405
Deposits at call	<b>2,085,128</b>	501,684	<b>2,085,128</b>	501,684
Bank bills	<b>1,500,000</b>	3,609,511	<b>1,500,000</b>	3,609,511
	<b>3,733,593</b>	4,240,150	<b>3,732,282</b>	4,238,600
	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 12. TRADE AND OTHER RECEIVABLES

Other receivables	11,172	23,044	7,172	19,044
GST debtor	62,675	129,163	62,675	120,244
Joint venture cash calls receivable	510,914	592,733	510,914	592,733
Amounts receivable from joint venture	-	-	8,409	-
	<b>584,761</b>	<b>744,940</b>	<b>589,170</b>	<b>732,021</b>

## 13. OTHER ASSETS

Prepayments	14,434	-	14,434	-
	<b>14,434</b>	<b>-</b>	<b>14,434</b>	<b>-</b>

## 14. RECEIVABLES – NON-CURRENT

Security deposit	54,615	30,100	42,115	17,600
Loan to controlled entities	-	-	2,825,721	2,627,046
Less provision for diminution	-	-	(2,043,106)	(1,457,605)
	<b>54,615</b>	<b>30,100</b>	<b>824,730</b>	<b>1,187,041</b>

## 15. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

Deferred exploration costs	1,974,639	2,292,231	43,909	-
Deferred exploration costs brought forward	2,292,231	1,827,079	-	61,538
Expenditure incurred during the year	2,549,233	3,323,575	59,373	777,693
Amounts received from Joint venture participants	(2,180,725)	(2,010,590)	-	(100,072)
Exploration expenditure written off	(686,100)	(847,833)	(15,464)	(739,159)
Deferred exploration costs carried forward	<b>1,974,639</b>	<b>2,292,231</b>	<b>43,909</b>	<b>-</b>

The above amounts represent costs incurred on exploration areas of interest which have been carried forward as an asset in accordance with the accounting policy set out in note 1. The ultimate recoupment of deferred exploration and evaluation expenditure carried forward in respect of an area of interest is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying value. Amortisation, in respect of the relevant area of interest, is not charged until a mining operation has commenced.

## 16. INVESTMENTS

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
Investment in controlled entities	-	-	1,159,826	1,159,826
Less provision for diminution in value	-	-	(855)	-
Investment in associated entities	-	-	-	60
	<b>-</b>	<b>-</b>	<b>1,158,971</b>	<b>1,159,886</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 17. INVESTMENT IN ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD

### (a) Details of associate:

Name of Associate	Principal Activities	Ownership interest		Carrying amount	
		2009	2008	2009	2008
		%	%	\$	\$
Crosscontinental Limited	General Exploration and evaluation	50	50	-	-

### (b) Share of reserves attributable to associates:

Share of associates' profits taken up in the consolidated financial statements		
Operating profit (loss) before tax	(3,849)	(60)
Income tax expense	-	-
Net operating profit after income tax as shown in the Statement of Comprehensive Income	(3,849)	(60)
Retained earnings at beginning of period	(28,749)	-
Retained earnings at end of period	<u>(32,598)</u>	<u>(60)</u>

### (c) Movement in equity accounted investment

Carrying amount of investment at beginning of financial year	-	-
Share of associates' current year losses after tax (refer (b))	(3,849)	(60)
Share of associates' prior year losses after tax not previously recognised	(28,749)	-
Acquisition of investment	-	60
Amounts due from joint venture	8,409	-
Carrying amount of investment (provision for associates losses) at end of financial year	<u>(24,189)</u>	<u>-</u>

### Summary of financial position of associated entity:

Current assets	239,396	355,180
Current liabilities	(645,326)	(787,657)
Non-current assets	340,834	364,431
Net liabilities	<u>(65,096)</u>	<u>(68,046)</u>

## 18. PLANT AND EQUIPMENT

### Plant and equipment

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
Cost	284,460	191,273	276,659	183,471
Accumulated depreciation	(126,522)	(70,158)	(121,285)	(66,870)
	<u>157,938</u>	<u>121,115</u>	<u>155,374</u>	<u>116,601</u>
Motor vehicles				
Cost	175,887	184,808	175,887	184,808
Accumulated depreciation	(77,574)	(42,412)	(77,574)	(42,412)
	<u>98,313</u>	<u>142,396</u>	<u>98,313</u>	<u>142,396</u>
Total Plant and equipment	<u>256,251</u>	<u>263,511</u>	<u>253,687</u>	<u>258,997</u>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 18. PLANT AND EQUIPMENT (CONTINUED)

Reconciliations of the carrying amount of each class of plant and equipment at the beginning and end of the current financial year are set out below.

### Consolidated 2009

	Plant & equipment	Motor Vehicles	Total
Carrying amount at 1 January 2009	121,115	142,396	263,511
Additions	94,960	5,030	99,990
Depreciation	(58,138)	(41,050)	(99,188)
Disposals	-	(8,062)	(8,062)
Carrying amount at 31 December 2009	<u>157,937</u>	<u>98,314</u>	<u>256,251</u>

### Consolidated 2008

Carrying amount at 1 January 2008	136,606	73,487	210,093
Additions	35,415	91,968	127,383
Depreciation	(45,487)	(23,059)	(68,546)
Disposals	(5,419)	-	(5,419)
Carrying amount at 31 December 2008	<u>121,115</u>	<u>142,396</u>	<u>263,511</u>

### Parent 2009

Carrying amount at 1 January 2009	116,601	142,396	258,997
Additions	94,960	5,030	99,990
Depreciation	(56,188)	(41,050)	(97,238)
Disposals	-	(8,062)	(8,062)
Carrying amount at 31 December 2009	<u>155,373</u>	<u>98,314</u>	<u>253,687</u>

### Parent 2008

Carrying amount at 1 January 2008	129,801	73,487	203,288
Additions	35,415	91,968	127,383
Depreciation	(43,466)	(23,059)	(66,525)
Disposals	(5,149)	-	(5,149)
Carrying amount at 31 December 2008	<u>116,601</u>	<u>142,396</u>	<u>258,997</u>

Consolidated		Parent Entity	
2009	2008	2009	2008
\$	\$	\$	\$

## 19. TRADE AND OTHER PAYABLES

Trade creditors and accruals	57,484	90,454	56,712	89,682
Annual leave entitlements	20,674	19,858	20,674	19,858
	<u>78,158</u>	<u>110,312</u>	<u>77,386</u>	<u>109,540</u>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
<b>20. CURRENT PROVISIONS</b>				
Site rehabilitation	23,750	23,750	15,000	15,000
Provision for associates losses	24,189	-	-	-
	<u>47,939</u>	<u>23,750</u>	<u>15,000</u>	<u>15,000</u>

## 21. CONTRIBUTED EQUITY

Issued Capital				
115,480,270 fully paid ordinary shares (2008 –115,480,270)	12,731,627	12,731,627	12,731,627	12,731,627
6,000,002 incentive shares (2008 –6,000,002)	-	-	-	-
Less share issue costs	(617,676)	(617,676)	(617,676)	(617,676)
	<u>12,113,951</u>	<u>12,113,951</u>	<u>12,113,951</u>	<u>12,113,951</u>

### *Movements in Issued Capital*

Balance as at 1 January 2009	12,113,951	12,113,951	12,113,951	12,113,951
Issues during period:	-	-	-	-
Less share issue costs	-	-	-	-
Balance as at 31 December 2009	<u>12,113,951</u>	<u>12,113,951</u>	<u>12,113,951</u>	<u>12,113,951</u>

## 22. OPTIONS

Expiry Date	Exercise Price	Issued 1 Jan 09	Granted	Exercised	Lapsed	Issued 31 Dec 09
30 Apr 09	0.20	650,000	-	-	650,000	-
20 Apr 09	0.23	600,000	-	-	600,000	-
30 Apr 09	0.23	5,370,000	-	-	5,370,000	-
31 Mar 12	0.50	1,200,000	-	-	-	1,200,000
31 Dec 12	0.20	-	2,300,000	-	-	2,300,000
		<u>7,820,000</u>	<u>2,300,000</u>	<u>-</u>	<u>6,620,000</u>	<u>3,500,000</u>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 23. FOREIGN CURRENCY TRANSLATION RESERVE

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
Balance at the beginning of the financial year	(66,920)	(31,127)	-	-
Exchange gains transferred to reserve	7,487	(35,793)	-	-
Balance at the end of the financial year	<u>(59,433)</u>	<u>(66,920)</u>	<u>-</u>	<u>-</u>

### *Nature and purpose of reserve*

The Foreign Currency Translation Reserve records unrealised exchange gains and losses during the year.

## 24. SHARE BASED PAYMENTS RESERVE

Balance at the beginning of the financial year	227,472	227,472	227,472	227,472
Share based payments transferred to reserve	-	-	-	-
Balance at the end of the financial year	<u>227,472</u>	<u>227,472</u>	<u>227,472</u>	<u>227,472</u>

### *Nature and purpose of reserve*

The share based payments reserve records the value of options issued to employees and Directors which have been taken to expenses.

## 25. ACCUMULATED LOSSES

Accumulated losses at the beginning of the financial year	(4,837,633)	(3,775,230)	(4,889,418)	(3,726,868)
Net loss for the year	<u>(952,161)</u>	<u>(1,062,403)</u>	<u>(927,208)</u>	<u>(1,162,550)</u>
Accumulated losses at the end of the financial year	<u>(5,789,794)</u>	<u>(4,837,633)</u>	<u>(5,816,626)</u>	<u>(4,889,418)</u>

## 26. CONTINGENT LIABILITIES

### *Director's Service Contract*

Mr G Eupene has a contract which expires on 1 June 2012 under which he is paid a minimum of \$10,500 per month for 12 days work. The contingent liability represents amounts payable during the remainder of the contract.

	304,500	189,000	304,500	189,000
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There are no other contingent liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 27. COMMITMENTS

### Exploration Tenement Expenditure Requirements

In order to maintain the consolidated entity's tenements in good standing with Canadian mining authorities, the Company will be required to incur exploration expenditure under the terms of each claim.

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
Payable not later than one year	<b>811,000</b>	811,000	-	-
Payable later than one year, but not later than two years	-	-	-	-
	<b>811,000</b>	811,000	-	-

It is likely that variations to the terms of the current and future tenement holdings, the granting of new tenements and changes in tenement areas at renewal or expiry, will change the expenditure commitment to the consolidated entity from time to time.

### Operating lease commitments

Operating leases relate to storage facilities. The consolidated entity does not have an option to purchase the leased asset at the expiry of the lease period.

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
Payable not later than one year	<b>43,960</b>	43,960	<b>43,960</b>	43,960
Payable later than one year, but not later than two years	<b>117,227</b>	161,187	<b>117,227</b>	161,187
	<b>161,187</b>	205,147	<b>161,187</b>	205,147

## 28. JOINT VENTURES

The Group is engaged in the following exploration joint ventures, whose principal activities are exploration for uranium.

	2009	2008
	%	%
Klondike Joint Venture	Nil	56
Pancontinental Joint Venture	Pancontinental earning 50% interest	Pancontinental earning 50% interest
	2009	2008
Interests were shown in the statement of financial position as Exploration and evaluation expenditure	\$	\$
	<b>242,747</b>	478,391
Total non-current assets	<b>242,747</b>	478,391

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 29. PARTICULARS RELATING TO CONTROLLED ENTITIES

Company	Country of Incorporation and Operation	Percentage of Equity Held	
		2009	2008
Crossland Diamonds Pty Ltd	Australia	100%	100%
Crossland Mines Pty Ltd	Australia	100%	100%
Crossland Nickel Pty Ltd	Australia	100%	100%
KSL Exploration (Yukon) Ltd	Canada	100%	100%

## 30. RELATED PARTY DISCLOSURES

### (a) Directors

The names of each person holding the position of director of Crossland Uranium Mines Ltd during the financial year were:

Patrick J D Elliott  
 Geoffrey S Eupene  
 Robert A Cleary  
 Robert L Richardson  
 Peter W Walker

### (b) Directors interests

Interests in the shares and options of the Company held by current directors and their director-related entities are shown in note 6.

### (c) Associates of directors

Directors fees were paid to the following associates of directors:

Director	Associated company
RA Cleary	Accomplishments Pty Ltd
PJD Elliott	Panstyn Investments Pty Ltd
RL Richardson	Geo Tangent Pty Ltd

### (d) Transactions with associates of directors

	2009	2008
	\$	\$
Legal fees paid to Peter Walker Project Lawyer a business that Mr Walker is the principal.. These fees were paid on normal commercial terms.	563	11,037
Eupene Exploration Enterprises (EEE), a Company in which Mr Eupene is a Director and shareholder, is utilised to provide geochemistry and geophysical services in relation to Crossland Tenements. Fees paid are on normal commercial terms.		
Consulting geologists	203,950	54,215
Equipment hire	4,340	22,275
Vehicle hire	1,400	1,110
Geo Tangent Pty Ltd, a Company in which Mr Richardson is a Director and shareholder, is utilised to conduct exploration on Crossland Tenements. Fees paid are on normal commercial terms.	14,688	-

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 30. RELATED PARTY DISCLOSURES (CONTINUED)

### (e) Joint Ventures

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$	\$		\$
Amounts receivable from joint venture parties at balance date	<b>510,914</b>	592,733	<b>510,914</b>	592,733

## 31. EVENTS OCCURRING AFTER THE END OF THE FINANCIAL YEAR

There were at the date of this report no matters or circumstances which have arisen since 31 December 2009 that have significantly affected or may significantly affect:

- i) the operations of the consolidated entity,
  - ii) the results of those operations, or
  - iii) the state of affairs of the consolidated entity
- in the financial year subsequent to 31 December 2009.

## 32. FINANCIAL INSTRUMENTS DISCLOSURES

### (a) Capital

The Group considers its capital to comprise its ordinary share capital and accumulated retained earnings.

In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and distributions. In order to achieve this objective, the Group seeks to maintain a gearing ratio that balances risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through altering its dividend policy, new share issues, or reduction of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

It is the Group's policy to maintain its gearing ratio within the range of 0-25% (2007: 0-25%). The Group's gearing ratio at the end of the financial year is shown below:

	Consolidated	
	2009	2008
	\$	\$
Cash and cash equivalents	<b>3,733,593</b>	4,240,150
Net debt	<b>3,733,593</b>	4,240,150
Share capital	<b>12,113,951</b>	12,113,951
Reserves	<b>168,039</b>	160,552
Accumulated losses	<b>(5,789,794)</b>	(4,837,633)
Total capital	<b>6,492,196</b>	7,436,870
Gearing ratio	-	-

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 32. FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

### (b) *Financial instrument risk exposure and management*

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them.

Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

### (c) *Principal financial instruments*

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- other receivables;
- cash at bank;
- trade and other payables.

### (d) *General objectives, policies and processes*

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and has the responsibility for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

#### (i) *Credit risk*

Credit risk arises principally from the Group's trade receivables and investments in corporate bonds. It is the risk that the counterparty fails to discharge its obligation in respect of the instrument.

##### *Other receivables*

Other receivables comprise GST receivable.

The maximum exposure to credit risk at balance date is as follows :

	Consolidated		Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
Security Deposits	54,615	30,100	42,115	17,600
Other receivables	11,172	23,044	7,172	19,044
GST receivables	62,675	129,163	62,675	120,244
Joint venture cash calls receivable	510,914	592,733	510,914	592,733
Loan to controlled entities	-	-	2,825,721	2,627,046
	<u>639,376</u>	<u>775,040</u>	<u>3448,597</u>	<u>3,376,667</u>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 32. FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

### (ii) Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days.

The Board receives cash flow projections on a quarterly basis as well as information regarding cash balances. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows. Trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations such as property, plant, equipment and investments in working capital (e.g., trade receivables). These assets are considered in the Group's overall liquidity risk.

	Carrying Amount \$	Contractual Cash flows \$	< 6 mths \$	6- 12 mths \$	1-3 years \$	> 3 years \$
<b>Maturity Analysis - Consolidated - 2009</b>						
<i>Financial Liabilities</i>						
Trade Creditors	57,484	57,484	57,484	-	-	-
<b>TOTAL</b>	<b>57,484</b>	<b>57,484</b>	<b>57,484</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Maturity Analysis - Consolidated - 2008</b>						
<i>Financial Liabilities</i>						
Trade Creditors	90,454	90,454	90,454	-	-	-
<b>TOTAL</b>	<b>90,454</b>	<b>90,454</b>	<b>90,454</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Maturity Analysis - Parent - 2009</b>						
<i>Financial Liabilities</i>						
Trade Creditors	134,928	134,928	134,928	-	-	-
<b>TOTAL</b>	<b>134,928</b>	<b>134,928</b>	<b>134,928</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Maturity Analysis - Parent - 2008</b>						
<i>Financial Liabilities</i>						
Trade Creditors	40,447	40,447	40,447	-	-	-
<b>TOTAL</b>	<b>40,447</b>	<b>40,447</b>	<b>40,447</b>	<b>-</b>	<b>-</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 32. FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

### (iii) Market risk

Market risk does not arise as the Group does not use interest bearing, tradable and foreign currency financial instruments.

### (iv) Interest rate risk

- (a) The Company receives interest on its cash balance and at balance date was exposed to a floating weighted average interest rate on cash balances of 3.05% (2007 – 5.05%). As surplus funds become available, they are deposited in its cash management account and are exposed to receiving a floating rate, which varies according to the amount of funds deposited. All other financial assets are non-interest bearing.
- (b) Net fair value of financial assets and liabilities: the net fair value of cash and cash equivalents and non-interest bearing financial assets and financial liabilities approximates their carrying value.
- (c) The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table:

	Notes	Floating interest rate	Fixed interest maturing in:			Non-interest bearing	Total
			1 year or less	over 1 to 5 years	more than 5 years		
<b>2009</b>		\$	\$	\$	\$	\$	
<b>Financial assets</b>							
Cash	11	3,733,593	-	-	-	-	3,733,593
Receivables - Current	12	-	-	-	-	584,761	584,761
Receivables – Non Current	14	-	-	-	-	54,615	54,615
		<u>3,733,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>639,376</u>	<u>4,372,969</u>
Weighted average interest rate		1.72%					
<b>Financial liabilities</b>							
Payables	19	-	-	-	-	57,484	57,484
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,484</u>	<u>57,484</u>
Weighted average interest rate							
Net financial assets (liabilities)		<u>3,733,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>590,810</u>	<u>4,324,403</u>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 32. FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

	Notes	Floating interest rate	Fixed interest maturing in:			Non-interest bearing	Total
			1 year or less	over 1 to 5 years	more than 5 years		
<b>2008</b>		\$	\$	\$	\$	\$	\$
<b>Financial assets</b>							
Cash	11	4,240,150	-	-	-	-	4,240,150
Receivables - Current	12	-	-	-	-	744,940	744,940
Receivables – Non Current	13	-	-	-	-	30,100	30,100
		<u>4,240,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>775,040</u>	<u>5,015,190</u>
Weighted average interest rate		4.45%					
<b>Financial liabilities</b>							
Payables	18	-	-	-	-	90,454	90,454
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,454</u>	<u>90,454</u>
Weighted average interest rate		-					
Net financial assets (liabilities)		<u>4,240,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>684,586</u>	<u>4,924,736</u>

The following sensitivity analysis is based on the interest rate risk exposure in existence at the year end. The analysis assumes all other variables remain constant.

### Sensitivity Analysis

	Carrying amount	Consolidated		Carrying amount	Parent	
		+1% interest rate Profit & Loss	-1% interest rate Profit & Loss		+1% interest rate Profit & Loss	-1% interest rate Profit & Loss
<b>2009</b>						
Cash assets	3,733,593	37,335	(37,335)	3,732,282	37,323	(37,323)
	<u>3,733,593</u>	<u>37,335</u>	<u>(37,335)</u>	<u>3,732,282</u>	<u>37,323</u>	<u>(37,323)</u>
Tax charge of 30%		(11,200)	11,200		(11,197)	11,197
Post tax profit increase / (decrease)		<u>26,135</u>	<u>(26,135)</u>		<u>26,126</u>	<u>(26,126)</u>
<b>2008</b>						
Cash assets	4,240,150	42,402	(42,402)	4,238,600	42,386	(42,386)
	<u>4,240,150</u>	<u>42,402</u>	<u>(42,402)</u>	<u>4,238,600</u>	<u>42,386</u>	<u>(42,386)</u>
Tax charge of 30%		(12,721)	12,721		(12,716)	12,716
Post tax profit increase / (decrease)		<u>29,681</u>	<u>(29,681)</u>		<u>29,670</u>	<u>(29,670)</u>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 32. FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

### (v) *Currency risk*

The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency (AUD) with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them) cash already denominated in that currency will, where possible, be transferred from elsewhere in the Group.

The Group's exposure to foreign currency risk is as follows:

	Consolidated		Parent	
	2009 \$CAD	2008 \$CAD	2009 \$CAD	2008 \$CAD
Cash at bank	11,247	11,247	11,247	11,247
Intercompany loans	-	-	951,617	951,617
Net Exposure	<u>11,247</u>	<u>11,247</u>	<u>962,864</u>	<u>962,864</u>

The following sensitivity analysis is based on the foreign currency risk exposures in existence at the year end. The below analysis assumes all other variables remain constant.

Sensitivity Analysis	Consolidated			Parent		
	Carrying amount \$CAD	+10% CAD /AUD Profit & Loss AUD\$	-10% CAD/AUD Profit & Loss AUD\$	Carrying amount \$CAD	+10% CAD/AUD Profit & Loss AUD\$	-10% CAD /AUD Profit & Loss AUD\$
<b>2009</b>						
Cash at bank	11,247	1,200	(1,200)	11,247	1,200	(1,200)
Intercompany loans	-	-	-	951,617	101,428	(101,428)
	<u>11,247</u>	<u>1,200</u>	<u>(1,200)</u>	<u>962,864</u>	<u>102,628</u>	<u>(102,628)</u>
Tax charge of 30%		(360)	360		(30,788)	30,788
Post tax profit increase / (decrease)		<u>840</u>	<u>(840)</u>		<u>71,840</u>	<u>(71,840)</u>
<b>2008</b>						
Cash at bank	11,247	1,200	(1,200)	11,247	1,200	(1,200)
Intercompany loans	-	-	-	951,617	101,428	(101,428)
	<u>11,247</u>	<u>1,200</u>	<u>(1,200)</u>	<u>962,864</u>	<u>102,628</u>	<u>(102,628)</u>
Tax charge of 30%		(360)	360		(30,788)	30,788
Post tax profit increase / (decrease)		<u>840</u>	<u>(840)</u>		<u>71,840</u>	<u>(71,840)</u>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 32. FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

### (vi) *Sovereign risk*

Country or sovereign risk relates to the likelihood that changes in the business environment will occur that reduce the profitability of doing business in a country. These changes can adversely affect operating profits as well as the value of assets. Types of country risk include;

**Political changes.** Governments may change economic policies. Changes in the ruling party in Australia or Canada (brought about by elections, coups or wars) may result in major policy changes. This could result in expropriation of the Group's exploration leases, inability to repatriate future profits, higher taxes, higher tariffs and import costs, elimination of FDI incentives, domestic ownership requirements and local content requirements.

**Macroeconomic mismanagement.** The Australian and Canadian governments may pursue unsound monetary and fiscal policies which may lead to inflation, higher interest rates, recession and hard currency shortage.

Other types of country risk include war and labour unrest which could result in higher costs and work stoppages.

The Group has maintained a working policy of keeping all relevant Government offices informed and updated on activities to allow clear avenues of communication with Government authorities and an understanding of any policy changes and any affects that they may have on the Group's work.

### (e) **Accounting policies**

#### (i) *Financial assets*

The Group's financial assets fall into the categories discussed below, with the allocation depending to an extent on the purpose for which the asset was acquired. The Group does not use derivative financial instruments in economic hedges of currency or interest rate risk. The Group has not classified any of its financial assets as held to maturity.

Unless otherwise indicated, the carrying amounts of the Group's financial assets are a reasonable approximation of their fair values.

#### *Other receivables*

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the sale of assets and GST receivable. They are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue and subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The effect of discounting on these financial instruments is not considered to be material.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 32. FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

### (e) Accounting policies (continued)

#### *Available for sale*

Non-derivative financial assets not included in the above categories are classified as available for sale. They are carried at fair value with changes in fair value recognised directly in the available for sale reserve. Where there is a significant or prolonged decline in the fair value of an available for sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously charged to equity, is recognised in the income statement. Purchases and sales of available for sale financial assets are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the available for sale reserve. On sale, the amount held in the available for sale reserve associated with that asset is removed from equity and recognised in the income statement. Interest on corporate bonds classified as available for sale is calculated using the effective interest method and is recognised in finance income in the income statement.

#### (ii) *Financial liabilities*

The Group classifies its financial liabilities as measured at amortised cost. The Group does not use derivative financial instruments in economic hedges of currency or interest rate risk.

Unless otherwise indicated, the carrying amounts of the Groups financial liabilities are a reasonable approximation of their fair values.

These financial liabilities include trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

#### (iii) *Share capital*

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Groups ordinary shares are classified as equity instruments.

For the purposes of these disclosures, the Group considers its capital to comprise its ordinary share capital, and accumulated retained earnings. Neither the available for sale reserve nor the translation reserve is considered as capital. There have been no changes in what the Group considers to be capital since the previous period.

The Group is not subject to any externally imposed capital requirements.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

## 33. NOTES TO THE STATEMENTS OF CASH FLOWS

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
(a) Cash on hand comprises:				
Cash at bank and on hand	<b>148,465</b>	128,955	<b>147,154</b>	127,405
Deposits at call	<b>2,085,128</b>	501,684	<b>2,085,128</b>	501,684
Bank bills	<b>1,500,000</b>	3,609,511	<b>1,500,000</b>	3,609,511
	<b>3,733,593</b>	4,240,150	<b>3,732,282</b>	4,238,600
(b) Reconciliation of loss from ordinary activities after income tax to net cash outflows from operating activities as follows:				
Operating (loss) after income tax	<b>(952,161)</b>	(1,062,403)	<b>(927,208)</b>	(1,162,550)
Depreciation	<b>99,187</b>	68,546	<b>97,238</b>	66,525
Diminution of investments in controlled entity	-	-	<b>915</b>	-
Diminution of loans to controlled entity	-	-	<b>585,500</b>	299,910
Exploration properties written off	<b>683,875</b>	847,833	<b>13,239</b>	739,159
Loss (Gain) on disposal of assets	<b>518</b>	5,108	<b>518</b>	4,851
Option investment written off	-	90,000	-	-
Provision for annual leave entitlements	<b>816</b>	9,250	<b>816</b>	9,250
Share of associates loss	<b>32,598</b>	-	-	-
Unrealised exchange loss	-	-	<b>105,328</b>	10,009
Change in operating assets and liabilities:				
- Decrease / (Increase) in receivables	<b>159,257</b>	(476,689)	<b>142,851</b>	(440,638)
- Decrease / (Increase) in other assets	<b>(14,434)</b>	-	<b>(14,434)</b>	-
- Increase / (Decrease) in accounts payable	<b>(32,970)</b>	8,477	<b>(32,970)</b>	14,674
Net cash inflow (outflow) from operating activities	<b>(23,314)</b>	(509,878)	<b>(28,207)</b>	(458,810)

# DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 14 to 52, are in accordance with the Corporation Act 2001 and:
  - (a) comply with Accounting standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 31 December 2009 and of their performance for the year ended on that date of the Company and economic entity.
2. the Chief Executive Officer and Chief Finance Officer have each declared that:
  - (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporation Act 2001;
  - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
  - (c) the financial statements and notes for the financial year give a true and fair view.
3. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Dated at Sydney this 30<sup>th</sup> day of March 2010  
On behalf of the Board



Geoff Eupene  
Director

# AUDITORS' REPORT

## BARNES DOWELL JAMES

CHARTERED ACCOUNTANTS

**Partners**

C H Barnes FCA  
A J Dowell CA  
M W James CA  
B Kolevski (Affiliate ICAA)  
M Galouzis CA

**Associate**

M A Nakkan CA

**North Sydney**

Level 13, 122 Arthur St  
North Sydney NSW 2060

**Manly**

Level 5, 22 Central Ave  
Manly National Building  
Manly NSW 2095

**Correspondence**

PO Box 1664  
North Sydney NSW 2059

**Telephone**

(02) 9956 8500

**Facsimile**

(02) 9929 7428

**Email:**

bdj@bdj.com.au

### Independent Auditor's Report to the Members

#### Scope

We have audited the accompanying Financial Report of Crossland Uranium Mines ("the Company"), including the Financial Statements of the Company and the Controlled Entities (the Consolidated Entity), comprising the Balance Sheet as at 31 December 2009, and the Income Statement, Statement of Changes in Equity and Cash Flow statement for the period then ended, a Summary of Significant Accounting Policies, other explanatory Notes and the Directors' Declaration.

#### Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the Financial Report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), International Financial Reporting Standards, and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Report that is free of material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Report to the Members of the Company based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the Financial Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Report in order to design audit

# AUDITORS' REPORT

## BARNES DOWELL JAMES

CHARTERED ACCOUNTANTS

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procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the Financial Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Independence**

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm the independence declaration required by the Corporations Act 2001 previously provided to the Directors of the Company would be in the same terms if provided as at the date of this Auditor's report.

### **Auditor's Opinion**

In our opinion, the Financial Report of the Company and the Consolidated Entity is in accordance with the Corporations Act 2001, including;

- a. Giving a true and fair view of the Company's and Consolidated Entity's financial position as at 31 December 2009 and of their financial performance for the year then ended; and
- b. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- c. The Financial Report complies with International Financial Reporting Standards as disclosed in Note 1.

### **Report on the Remuneration Report**

We have audited the Remuneration Report included in the Directors Report for the year. The Directors are responsible for the preparation and presentation of the Remuneration Report in accordance with the Australian Auditing Standards. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards as described above.

# AUDITORS' REPORT

## BARNES DOWELL JAMES

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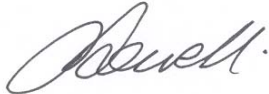
CHARTERED ACCOUNTANTS

### Auditor's Opinion

In our opinion the Remuneration Report complied with the relevant Australian Accounting Standards.

BARNES DOWELL JAMES

BARNES DOWELL JAMES  
Chartered Accountants



.....  
Anthony J Dowell  
Partner

30 March 2010

# AUDITORS' INDEPENDENCE DECLARATION

## BARNES DOWELL JAMES

CHARTERED ACCOUNTANTS

**Partners**

C H Barnes FCA  
A J Dowell CA  
M W James CA  
B Kolevski (Affiliate ICAA)  
M Galouzis CA

**Associate**

M A Nakkan CA

**North Sydney**

Level 13, 122 Arthur St  
North Sydney NSW 2060

**Manly**

Level 5, 22 Central Ave  
Manly National Building  
Manly NSW 2095

**Correspondence**

PO Box 1664  
North Sydney NSW 2059

**Telephone**

(02) 9956 8500

**Facsimile**

(02) 9929 7428

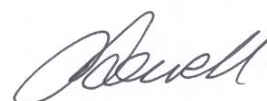
**Email:**

bdj@bdj.com.au

### AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF CROSSLAND URANIUM MINES LIMITED

I declare that, to the best of my knowledge and beliefs, during the year ended 31 December, 2009 there have been:

- a. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review and
- b. no contraventions of any applicable code of professional conduct in relation to the review.



BARNES DOWELL JAMES  
13/122 Arthur Street  
NORTH SYDNEY NSW 2060

.....  
Anthony Dowell  
1 February, 2010

# SHAREHOLDER INFORMATION

Information relating to shareholders at 29 March 2010

<b>Substantial Shareholders</b>	<b>Number of Shares</b>	<b>%</b>
Eupene Nominees Pty Limited	9,201,350	7.968
Gaden Nominees Pty Ltd	7,096,224	6.145

## **Distribution of Shareholders - Analysis of Holdings as at 29 March 2010**

<b>Security Classes</b>	<b>Holdings Ranges</b>	<b> Holders</b>	<b>Total Units</b>	<b>%</b>
Fully Paid Ordinary	1 - 1,000	41	32,213	0.028
	1,001 - 5,000	240	780,000	0.675
	5,001 - 10,000	251	2,200,900	1.906
	10,001 - 100,000	646	25,242,539	22.119
	100,001 and over	139	86,924,618	75.272
<b>Totals</b>		<b>1393</b>	<b>115,480,270</b>	<b>100.000</b>

As at 29 March 2010 there were 221 shareholders with an unmarketable share parcel of less than 5,376 shares at the prevailing share price of 9.3 cents.

## **Top 20 Holdings as at 26 March 2010**

<b>Holder Name</b>	<b>Balance at</b>	<b>%</b>
Gaden Nominees Pty Ltd (Gaden Family A/C)	7,096,224	6.145
ANZ Nominees Limited (Cash Income A/C)	6,598,700	5.714
Eupene Nominees Pty Ltd (Eupene Family Super A/C)	6,000,000	5.196
Excess Pty Ltd (N J Walker A/C)	5,429,876	4.702
Mr Robert A Cleary	4,000,000	3.464
Panstyn Investments Pty Ltd	3,692,399	3.197
Eupene Nominees Pty Ltd	3,201,350	2.772
Mr Arnold Olschyna	3,020,000	2.615
Kale Capital Corporation Ltd	2,815,541	2.438
Mr Peter William Walker	2,179,482	1.887
Mr Peter Michael Nicholson	1,916,590	1.660
ACN 108 884 779 Pty Ltd (Cleary Family Super Fund A/C)	1,892,326	1.639
Phillian Pty Ltd (Austen Family Trust No 1)	1,609,433	1.394
Budberth Pty Ltd <Ipseity S/F A/C>	1,300,000	1.126
Mr Arnold Olschyna	1,245,556	1.079
Bestfield Limited	1,120,920	0.971
Mr Athol Geoffrey James	1,055,000	0.914
Ganra Pty Ltd <The Flannery Family A/C>	1,002,431	0.868
Mrs Suzaner Simha Szekely & Ms Rachel Szekely & Mr Daniel Ruben Szekely <Szekely Super Fund A/C>	975,000	0.866
Mr Andrew Hewitt	1,000,000	0.844
<b>Total of top 20 holders</b>	<b>57,150,828</b>	<b>49.490</b>
<b>Total Issued Capital</b>	<b>115,480,270</b>	<b>100.00</b>

# SHAREHOLDER INFORMATION

## **Restricted Securities**

There are no restricted securities.

## **Options on issue including holders of more than 20%**

There are no individual holders of any class of options with 20% or more.

## **Voting Rights**

There are no restrictions on voting rights. On a show of hands every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote. Where a member holds shares which are not fully paid, the number of votes to which that member is entitled on a poll in respect of those part paid shares shall be that fraction of one vote which the amount paid up bears to the total issued price thereof. Option holders have no voting rights until the options are exercised.

The Company has not paid any dividends in the period.

# CORPORATE GOVERNANCE

## Statement of Corporate Governance

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 31 December 2009.

### Board Composition

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report and their term of office are detailed in the directors' report.

The names of independent directors of the company are:

Patrick JD Elliott

Robert L Richardson

Peter Walker

When determining whether a non-executive director is independent the director must not fail any of the following materiality thresholds:

- less than 10% of company shares are held by the director and any entity or individual directly or indirectly associated with the director;
- no sales are made to or purchases made from any entity or individual directly or indirectly associated with the director; and
- none of the directors' income or the income of an individual or entity directly or indirectly associated with the director is derived from a contract with any member of the economic entity other than income derived as a director of the entity.

Independent directors have the right to seek independent professional advice in the furtherance of their duties as directors at the company's expense. Written approval must be obtained from the chair prior to incurring any expense on behalf of the company.

The company does not have a formally constituted nomination committee.

### Ethical Standards

The Board acknowledges and emphasises the importance of all directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.

Directors and employees are required to:

- act honestly and in good faith;
- exercise due care and diligence in fulfilling the functions of office;
- avoid conflicts and make full disclosure of any possible conflict of interest;
- comply with the law;
- encourage the reporting and investigating of unlawful and unethical behaviour; and
- comply with the share trading policy outlined in the Code of Conduct.

Directors are obliged to be independent in judgment and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.

### Trading Policy

Directors, employees and key consultants must consult with the Chairman or an Executive Director or the Chief Executive Officer before dealing in Shares of the Company. Purchases or sales in the Company Shares by Directors, employees and key consultants may not be carried out other than in the "window", the window being the period commencing one day following and ending ten days following the date of an announcement of the Company leading, in the opinion of the Board, to an informed market. However, Directors, employees and key consultants are prohibited from buying or selling CUX shares at any time while exploration drilling is being carried out or if they are aware of price sensitive information that has not been made public.

# CORPORATE GOVERNANCE

## **Audit Committee**

The Directors have established an Audit Committee, which is comprised of Messrs RL Richardson, RA Cleary and PW Walker, all of whom are Non-Executive Directors and Mr MK Smarrt, the company secretary. The Audit Committee will have direct access to management and will meet periodically with the external auditors to assess and review internal controls and the Company's statutory reporting. Its activities will assist in ensuring the independence of the external Auditors and provide ready access to the full Board.

## **Performance Evaluation**

There has been no formal performance evaluation of the Board during the past financial year, although its composition is reviewed at a Board meeting at least annually.

## **Board Roles and Responsibilities**

The Board is first and foremost accountable to provide value to its shareholders through delivery of timely and balanced disclosures.

The Board is ultimately responsible for ensuring its actions are in accordance with key corporate governance principles.

The functions of the Board include:

- review and approval of corporate strategies, the annual budget and financial and business plans;
- overseeing and monitoring organisational performance and the achievement of the Company's strategic goals and objectives thereby advancing the interests of the Shareholders and stakeholders;
- monitoring financial performance including approval of the annual and half-year financial reports and liaison with the Company's auditor;
- appointment of and assessment of, the Chief Executive Officer and the members of the senior management and technical teams;
- ensuring that there are effective management processes in place and approving major corporate initiatives;
- enhancing and protecting the reputation of the Company;
- ensuring the significant risks facing the Company and its controlled entity have been identified;
- appropriate and adequate control, monitoring and reporting mechanisms are in place;
- otherwise monitoring and reviewing the Company's controls and systems including those concerned with occupational health and safety and environment and human resource matters, so as to ensure compliance with laws and the highest ethical standards; and
- ensuring that the Shareholders are appropriately informed of the progress of the Company.

## **Community relations in the Yukon**

The Company will respect the legitimate rights and titles of the native people and the concerns of the local communities who are likely to be interested in or affected by the Crossland Uranium Mines Project. The Canadian Government and the indigenous people of the region have formally agreed as to which area are native lands (Settlement Lands) and which are not. All of the tenements in which CUX has an interest fall outside any Settlement Lands and consequently the Directors do not anticipate any native title concerns. The Company seeks to work constructively and in consultation with interested groups in accordance with Yukon and Canadian law.

## **Shareholder Rights**

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the constitution and receipt of annual and interim financial statements. Shareholders are strongly encouraged to attend and participate in the Annual General Meetings of Crossland Uranium Mines Ltd, to lodge questions to be responded by the Board and/or the CEO, and are able

# CORPORATE GOVERNANCE

to appoint proxies.

The Directors are keen to ensure that all Shareholders are kept fully informed. All announcements will be available on the Company's web site <http://www.crosslanduranium.com.au> after release to ASX.

## **Risk Management**

The Board considers identification and management of key risks associated with the business as vital to maximise shareholder wealth. An assessment of the business's risk profile is undertaken on a regular basis and is reviewed by the Board, covering all aspects of the business from the operational level through to strategic level risks. The CEO has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The effectiveness of these controls is monitored and reviewed regularly.

## **Remuneration Policies**

The remuneration policy sets the terms and conditions for the key management personnel. All executives receive a base salary, superannuation and retirement benefits. The Board reviews executive packages annually by reference to company performance and executive performance. The policy is designed to attract the highest calibre executives and reward them for performance which results in long-term growth in shareholder value.

Executives are also entitled to participate in the employee share and option arrangements.

The amount of remuneration for all key management personnel for the company are detailed in the directors report under the heading Key Management Personnel Compensation. All remuneration paid to executives is valued at the cost to the company and expensed. Shares given to executives are valued as the difference between the market price of those shares and the amount paid by the executive. Options are valued using the Black-Scholes methodology.

The Board expects that the remuneration structure implemented will result in the company being able to attract and retain the best executives to run the consolidated group. It will also provide executives with the necessary incentives to work to grow long-term shareholder value.

The payment of bonuses, options and other incentive payments are reviewed by the Board as part of the review of executive remuneration and a recommendation is put to the Board for approval.

## **Remuneration Committee**

The company does not have a formally constituted remuneration committee.

**SCHEDULE 1 – TENEMENTS CURRENT**

<b>PROJECT AREA</b>	<b>TENEMENT</b>	<b>Name / Location</b>	<b>STATUS</b>	<b>Date Granted</b>	<b>Renewal Date</b>	<b>Area (sq km) (unless otherwise specified)</b>	<b>Registered Holder / Applicant</b>
Chilling Project	EL 23682	Chilling (NT)	Granted/Current	18/9/03	17/09/11	79.9 24 sub-blocks	Crossland Mines Pty Ltd
Chilling Project	EL 25076	Allia (NT)	Granted/Current	18/09/06	17/09/12	630 189 sub-blocks	Crossland Mines Pty Ltd
Chilling Project	EL 25078	Tipperary (NT)	Granted/Current	18/09/06	17/09/12	216.2 73 sub-blocks	Crossland Mines Pty Ltd
Chilling Project	EL 25077	Litchfield (NT)	Granted/Current	09/11/06	08/11/12	155.4 49 sub-blocks	Crossland Mines Pty Ltd
Chilling Project	EL 24557	Mt Thomas (NT)	Granted/Current	07/12/05	06/12/11	66.8 20sub-blocks	Crossland Mines Pty Ltd
Chilling Project	EL 22738	Buchanan (NT)	Granted/Current	15/01/09	14/01/15	539.3 162 sub-blocks	Crossland Mines Pty Ltd
Lake Woods Project	EL 23687	Lake Woods (NT)	Granted/Current	11/6/03	10/06/11	52.27 16 sub-blocks	Crossland Diamonds Pty Ltd
Lake Woods Project	EL 24520	Lake Woods Extension (NT)	Granted/Current	3/10/05	02/10/11	356.4 109 sub-blocks	Crossland Diamonds Pty Ltd
Lake Woods Project	EL 25631	Lake Woods East (NT)	Granted/Current	10/08/07	09/08/13	1,633 500 sub-blocks	Crossland Diamonds Pty Ltd
Charley Creek Project	EL 24281	Charley Creek (NT)	Granted/Current	07/02/05	06/02/11	129.2 41 sub-blocks	Crossland Nickel Pty Ltd
Charley Creek Project	EL 25230	Cockroach Dam (NT)	Granted/Current	09/11/06	08/11/12	504.3 178 sub-blocks	Crossland Nickel Pty Ltd
Charley Creek Project	EL27283	Mt Chapple (NT)	Granted/Current	17/11/09	16/11/15	1,561 500 sub-blocks	Crossland Nickel Pty Ltd
Charley Creek Project	EL27284	Mt Chapple North (NT)	Granted/Current	17/11/09	16/11/15	983.7 313 sub-blocks	Crossland Nickel Pty Ltd
Lake Woods Project	EL 27317	(NT)	Granted/Current	09/11/09	08/11/15	26.13 8 sub-blocks	Crossland Diamonds Pty Ltd
Lake Woods Project	EL 27318	(NT)	Granted/Current	09/11/09	08/11/15	3.27 1 sub-block	Crossland Diamonds Pty Ltd
Charley Creek Project	EL27338	Aileron (NT)	Granted/Current	24/12/09	23/12/15	256.3 81sub-blocks	Crossland Nickel Pty Ltd

**SCHEDULE 1 – TENEMENTS CURRENT (CONTINUED)**

<i>PROJECT AREA</i>	<i>TENEMENT</i>	<i>Name / Location</i>	<i>STATUS</i>	<i>Date Granted</i>	<i>Renewal Date</i>	<i>Area (sq km) (unless otherwise specified)</i>	<i>Registered Holder / Applicant</i>
Charley Creek Project	EL27358	Hamilton Downs (NT)	Granted/ Current	17/11/09	16/11/15	412.7 131 sub-blocks	Crossland Nickel Pty Ltd
Charley Creek Project	EL27359	Hamilton Downs North (NT)	Granted/ Current	17/11/09	16/11/15	123 39 sub-blocks	Crossland Nickel Pty Ltd
Collai Project	EL27440 A	Collai East (NT)	Application	App Date 10/07/09	NA	793.1 240sub-blocks	Crossland Mines Pty Ltd
Collai Project	EL27441	Collai (NT)	Granted/ Current	24/12/09	23/12/15	169.7 54sub-blocks	Crossland Mines Pty Ltd
Collai Project	EL27442 A	Collai West (NT)	Application	App Date 10/07/09	NA	514.6 158sub-blocks	Crossland Mines Pty Ltd
Collai Project	EL27525	Flora (NT)	Granted/ Current	05/03/10	04/03/16	1,046 319sub-blocks	Crossland Mines Pty Ltd
Geothermal Project	GEP 27831A	(NT)	Application	App Date 01/12/09	NA	6,201 1972 sub-blocks	Crossland Diamonds Pty Ltd
Kalabity Project	EL 3297	Kalabity (SA)	Renewal app/	18/1/10	17/1/15	148 km <sup>2</sup>	Platsearch NL



**Crossland Uranium Mines Limited**

Level 10, 80 Arthur Street, North Sydney, NSW 2060

Telephone: 02 – 9957 3199

Facsimile: 02 – 9954 4011

Email: [info@crosslanduranium.com.au](mailto:info@crosslanduranium.com.au)

Website: [www.crosslanduranium.com.au](http://www.crosslanduranium.com.au)