



Crossland Uranium Mines Limited

ABN 64 087 595 980

Annual Report 2008



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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)

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CHAIRMAN'S LETTER

Again there has been a major shift in the exploration climate our people are working in, with the international credit crisis driving an almost total collapse in new exploration investment, and real concerns regarding the possible duration of lack of new funding coming into the industry. With this financial crisis has come a major collapse in almost all mineral commodity prices, which has placed a lot of doubt on the financial viability of many of the resources projects funded and commissioned in the last two years.

Uranium has not been quarantined from this, however it has fared better than most minerals during this time. In Crossland's last annual report to shareholders I noted that the spot price for uranium had fallen to US\$74/ lb, and the long term price to US\$90/ lb. These two indicators now sit at US\$44/ lb and US\$70/lb respectively, with good indications of holding at those levels before, as many industry experts forecast, again moving up to around the levels reported last year. This remains the strongest indication that primary uranium production is still well short of current consumption, but more importantly a long way short of the fuel demand that will be required by the additional reactors currently being constructed and approved around the world.

As reported to the market by our exploration director recently, the March Fly Prospect on our Chilling Project has delivered some encouraging results from the 7 hole drilling program, where from 275 samples assayed we obtained results ranging from 0.0125% U₃O₈ to 0.675%U₃O₈, with encouraging gold results also showing in a number of samples. These results were from drill core taken from surface to ~100m deep. Interpretation of these results will dictate the exploration program for March Fly and possibly other Chilling targets in the 2009 dry season exploration work. The Charley Creek project in Central Australia has also yielded some encouraging initial results which will be further tested this year once planned work approvals are in place.

Our Canadian Joint Venture partner (Pancontinental Uranium Corporation) has during the year funded exploration to a total of circa \$2.6 million and this has helped conserve cash for Crossland at this difficult time. In addition, Pancontinental continues to support off shore opportunities through the 50:50 subsidiary, Crosscontinental Uranium. There are a number of uranium-prospective areas applied for in Burkina Faso by our subsidiary company, and also we have entered into an agreement with Southern Cross Uranium to earn an interest in granted exploration tenements they hold also in Burkina Faso, which should be a very cost effective extension to our planned exploration work there once our tenements have been granted. Assurances given by senior bureaucrats with timing appear to be impacted by ever-changing government priorities. We continue to be encouraged that granting will occur, however timing uncertainty makes planning difficult.

As shareholders would be aware, Crossland has held a number of exploration leases which were targets for minerals other than uranium. These sit outside of the arrangement with Pancontinental Uranium, which is specific to uranium prospects. The Board continues to be on the lookout for value-adding opportunities. To this end we spent funds evaluating an early stage gold project in Sumatra, Indonesia, which showed indications of potentially high grade gold veins below basalt cover. Under a due diligence agreement additional exploration work was done on the Tiris project to allow the board to assess its suitability for Crossland; however this work didn't deliver our expectations and has recently been terminated.

The requirement to conserve cash to ensure shareholders' interests are protected for the long term, while at the same time building specific knowledge of structure and specific results vital to discovery of an economic ore body has presented your board with some unique challenges. We have moved from a situation of scarcity and over-pricing of the services vital to any exploration program to one where prices have fallen significantly, good people are now readily available and contractors are looking for work. The constraints of obtaining necessary Aboriginal approvals when exploring anywhere in Australia, and government approvals elsewhere to a timetable other than our own means that things don't happen quickly in uranium exploration, requiring a deal of patience to not become discouraged. Your board remains confident that we have the right combination of encouragement and constraints to get the desired outcomes for shareholders, and again thank you for your continued support.

Yours sincerely

Bob Cleary
Chairman
29 March 2008

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.

Along with the rest of the market, the price of Crossland's stock has suffered as a result of conditions that are beyond our control. Nonetheless, the fundamentals of the company remain sound. The company is adequately funded to conduct its planned programs, and has been expanding its human resource base as needs arise. For most of 2008, boom market conditions continued, and it was difficult to secure commitments from contractors to supply services, and when they were available it was on their terms and often these entailed extremely high costs. It was also difficult to find suitably qualified and experienced field staff for exploration requirements. There has been a marked turnaround in those conditions, and Crossland has been able to establish a strong core of capable professional personnel to enable us to handle most routine technical matters in-house, while there seems to be reasonable competition mounting for available drilling work which should translate into lower unit costs.

It is not possible to predict just how long the global financial crisis will cause difficulties in raising further funds for mineral exploration and development and Crossland and our Canadian partners, Pancontinental Uranium Corp (Pancon) have taken the view that there is a need to trim programs to help preserve funds until market conditions improve. Our strategy will be to intensify our technical programs on our flagship properties of Chilling and Charley Creek, where we believe we have the best chances of establishing resources, while trimming, postponing or in some cases terminating programs on other non-core projects.

Crossland's and Pancon's experienced teams of uranium experts, are seeing opportunities for diversification of our project portfolio with the downturn in the stock markets, and some of these hold attractions. Early in 2008, the Mount Thomas EL, which hosts the March Fly uranium deposit was purchased and incorporated into the Chilling project, which adjoins it. We had already gathered airborne data over this area, and the presence of an outcropping body of uranium mineralisation was attractive. Crossland also purchased an exploration licence in the West Kimberley from Thundelarra Minerals,

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 site, or from links on many financial web sites. It is also possible to subscribe to 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 backgrounds and experience of its team, together with the adaption 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 1800km² 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).

Review of Operations

Central Australia, that area of the Northern Territory centred on Alice Springs, is a region of emerging importance for radioactive minerals. The Pamela sandstone deposit attracted 38 expressions of interest when applications for exploration were invited by the NT Government in 2007. A joint venture of Cameco and Paladin was the successful applicant for that project, indicating that major uranium producers consider the region of importance. Crossland values this interest from major uranium producers. Their presence in the region will help to raise the profile of uranium development and its advantages for residents of the region, which should ultimately assist the infrastructure and approval processes that Crossland will need should our exploration continue to return positive results.

Our north- south spread of properties provides some insulation from the extreme seasonal conditions that affect the early stages of exploration in North Australia, when wet season rains leave the country inaccessible. In 2009, Crossland has started its field program in the Central Australian desert at Charley Creek, and will focus on Chilling after June, when the Top End has dried.

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 will continue in 2009 as outlined below for each project.

Crossland also has had several non- uranium projects in its portfolio that it sole- funds. The strategy is to pursue the non- uranium targets in its tenement portfolio until such time as they can be upgraded for a subsequent separate IPO spin-off or otherwise dealt to advantage. Most of these projects reached the stage where they were not returning conclusively positive results, and have been relinquished – as is noted in the Tenement Schedule.. Only the Lake Woods Project, where interesting geological settings with potential for mineralisation have been discovered by Crossland, will be retained for work in 2009. While Crossland's main focus will remain on uranium, Crossland also has considerable in- house expertise on precious metal deposits, particularly those in North Australia and South East Asia. Crossland examined one advanced gold/ silver opportunity at Tiris in Sumatra during the year, but the Board decided not to exercise the option. This project is held by a company in which our Exploration Director holds a minority interest. As such he played no part in the decisions either to enter or to withdraw from the option.

Crossland does not propose to undertake any work for now on its KSL Yukon assets, which remain in good standing. The future of those assets is being reviewed by experts in the Yukon at present.

Crossland since listing has expanded its dedicated staff, and purchased strategic assets necessary to explore effectively. We will strive to deliver value for money to our shareholders in these increasingly difficult times.

ACTIVITY SUMMARY

CHILLING PROJECT, NT

CUX now holds six granted Exploration Licenses, (EL22783, EL23682, EL24557, EL25076, 25077, and 25078) 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. CUX has continuous coverage of over 100km of structures that extend from the Rum Jungle Field, in a setting which CUX believes is favourable for unconformity-related uranium deposits. This 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 CUX 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. CUX 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. In addition, Crossland committed to participate in a regional airborne EM survey sponsored by Geoscience Australia. Crossland believes this may assist substantially with targeting of drill holes to test the main unconformity- related targets at Chilling, which are uranium deposits beneath the sandstone cover. It is hoped that the method will reveal structures that intersect the unconformity that should provide good structural sites for uranium deposition. The survey has been delayed, but preliminary results should be available during 2009.

Review of Operations

Fully half of the radiometric anomalies were in the southern half of the Chilling Block, and the majority of these fell on EL22783. This Exploration Licence was not granted until January 2009, and so has only just become available for ground access. Over 20 anomalies remain to be checked in this zone, including the T2 anomaly, another area of outcropping uranium mineralisation.

The Mount Thomas EL24557 was acquired from Aldershot Resources in early 2008. This contained 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 is likely to be converted to a modest Resource. Initial results of this drilling were announced to the market in January 2009. Further precious metal assays are awaited before the total results are assessed. It may become attractive to pursue a modest resource at March Fly further in the future, but the Joint Venture feels that priority for 2009 should be given to the follow-up of anomalies in the south of the project area. The project area will remain largely inaccessible until May or June if there is a normal wet season in the Top End. There are also base metal, gold and tin targets within the area.

CHARLEY CREEK, NT

At the Charley Creek Project (EL 24281 and EL 25230) CUX is looking at granite-related uranium, with calcrete and Redox-related palaeo drainage uranium models, and layered mafic intrusive-related copper, nickel and platinum 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 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. Vanadium present in these basic rocks can help to precipitate uranium as carnotite (uranium vanadate) from surficial waters, so the setting seems to have potential for this to occur in the buried channels within the alluvial flats. 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 platinum). This intrusive may be analogous to the Merensky Reef in South Africa and the Stillwater Complex in USA which contain major platinum 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. This may be undertaken later in 2009.

Follow-up reconnaissance of several zones of anomalous radioactivity revealed in the Teapot Granite by the detailed airborne survey has commenced, and the market was advised of initial results in a release of August 24, 2008. This work has re-commenced and will be completed during 2009. Detailed geological mapping and further rock sampling, assaying and petrography will be undertaken in the Cockroach Dam area, one of the prospects identified, to develop targets for drilling.

Review of Operations

KALABITY, SOUTH AUSTRALIA.

At Kalabity, CUX 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 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 will be postponed in the current climate.

CROSSLAND CREEK, WEST KIMBERLEY.

Early in 2008, an agreement to purchase an additional title Gibb South, E80/3854, was reached with Thundelarra Minerals. This area lies near to the original Crossland Creek holdings. During 2008, this area was covered with a detailed airborne geophysical survey that revealed several anomalies worthy of follow- up. This work will be undertaken early in the Kimberley dry season. Further work will depend on the indications from follow up. No other work is planned at Crossland Creek during 2009.

WESTERN CREEK, NT

At Western Creek, NT (EL 23684; ELA25605 and ELA25607) CUX has identified diamond targets.

Further air core drilling of channels obtained alluvial materials for heavy mineral studies during 2008. The streams had originally yielded 4 chomites determined to have compositions similar to that expected of kimberlitic chromites. The extensive sampling in 2008 failed to recover more chromites, but one microdiamond was found. This is considered to be insufficiently positive evidence to warrant persistence at Western Creek despite an interesting geological setting, and the titles have now been surrendered or withdrawn.

LAKE WOODS, NT

At Lake Woods, NT (EL23687, EL24520, EL25631) 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. The significance of this is being evaluated and may form the basis of an application to the NT Government for a drilling assistance subsidy.

SYLVESTER, NT

At Sylvester, Barkly Tablelands, NT (EL23683, EL23685) CUX is targeting diamonds. No work could be scheduled at Sylvester in 2008, and the areas have been surrendered surrendered.

Review of Operations

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. The Exploration Director visited Burkina Faso and many of the application areas in 2008, and was encouraged by both the potential, and the stability of the nation. 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 in due course. 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 which is 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 will be ground checked at a convenient time. This may be combined with follow up of surveys on other titles if they are granted and airborne surveys can be completed in time.

PLANNED ACTIVITIES FOR 2009

With the current shakeout in the junior exploration sector, Crossland is well placed to expand through acquisition and merger with other entities that do not have the fortunate cash position with cost effective burn rate that the company currently enjoys. Crossland and Crosscontinental are continually evaluating projects that might match our investment criteria.

KALABITY, SA

- No action for 2009; holding until 2010.

CHILLING, NT

- Ground checking of around 20 anomalous zones in the southern part of Chilling
- Participate in large scale regional AEM survey sponsored by Geoscience Australia.
- Follow up geological mapping and surface sampling
- Drilling of targets to emerge from 2009 field program

CHARLEY CREEK, NT

- Continue ground based follow up of anomalies from airborne geophysical survey, particularly around Cockroach Dam
- Geological mapping and sampling of anomalous zones; estimation of distribution of mineralization at surface.
- Prepare proposal for further test work.
- Further drill testing of channels revealed from Tempest AEM survey

LAKE WOODS, NT

- Prepare proposal for drilling subsidy; execute program if successful.

BURKINA FASO

Monitor developments on title granting with government; airborne surveys and additional follow- up as appropriate.

KSL YUKON

There has been no field work on the KSL Yukon titles, and a review is under way to determine the best use of the assets.



Geoff Eupene
Exploration Director

DIRECTORS' REPORT

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 2008.

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 38 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 No1 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

Bob Richardson *Non-Executive Director*

Bob s, B.Sc, B.E(Hons), MAusIMM, MASEG, has 40 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, Eastern Iron Limited 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 2008 was a loss of \$1,062,403 (2007 – loss of \$1,018,409).

Dividends

No dividends were either paid or declared for the year (2007 – nil).

The Directors do not recommend the payment of a dividend in respect of the financial year ended 31 December 2008.

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

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

DIRECTORS' REPORT

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 2008 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 2008.

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:

There are 7,820,000 (2007 – 7,820,000) options granted by the Company over unissued ordinary shares.

No (2007 4,639,328) shares have been issued in the period as the result of the exercise of options.

No (2007 Nil) options expired during the period.

No (2007 Nil) options were granted during the period.

Full details of options on issue are shown in note 21.

REMUNERATION REPORT

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

- A) Principles used to determine the nature and amount of remuneration
- B) Details of remuneration
- C) Service agreements
- 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.

DIRECTORS' REPORT

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

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.

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.

DIRECTORS' REPORT

B) 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.

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

2008						
Name	Short-term employee benefits			Post-employment benefits	Share-based payment	Total
	Salary \$	Directors' Fees \$	Consulting Fees \$	Superannuation \$	Options \$	
<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
Sub-total non-executive directors	-	156,000	42,283	3,150	-	201,433
<i>Executive directors</i>						
G S Eupene	-	-	255,056	-	-	255,056
Totals	-	156,000	297,339	3,150	-	456,489
2007						
Name	Short-term employee benefits			Post-employment benefits	Share-based payment	Total
	Salary \$	Directors' Fees \$	Consulting Fees \$	Superannuation \$	Options \$	
<i>Non-executive directors</i>						
P J D Elliott	-	26,166	-	2,355	8,961	37,482
R Cleary	-	29,166	-	2,625	27,193	59,984
R Richardson	-	26,166	17,585	2,355	-	46,106
P Walker	-	26,166	-	2,355	31,210	59,731
Sub-total non-executive directors	-	107,664	17,585	9,690	67,364	202,303
<i>Executive directors</i>						
G S Eupene	-	-	236,734	-	45,733	282,467
Totals	-	107,664	254,319	9,690	113,097	484,770

C) Service agreements (audited)

(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 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' REPORT

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	2 years	Minimum of \$10,500 per month	3	3	Nil

D) Share-based compensation (audited)

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 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 21.

Shares issued on the exercise of options

No ordinary shares of Crossland Uranium Mines Ltd were issued during the year ended 31 December 2008 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' REPORT

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:

2008		G S Eupene	P J D Elliott	R A Cleary	P W Walker	R L Richardson
Ordinary shares		9,201,350	4,359,065	5,892,326	2,846,148	766,666
Options						
Exercise price	Expiry date					
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	-
Unissued incentive shares		3,000,000	333,334	2,000,000	333,334	333,334

2007		G S Eupene	P J D Elliott	R A Cleary	P W Walker	R L Richardson
Ordinary shares		9,201,350	4,359,065	5,892,326	2,846,148	766,666
Options						
Exercise price	Expiry date					
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	-
Unissued incentive shares		3,000,000	333,334	2,000,000	333,334	333,334

Meetings of directors

Attendance at Directors' meetings during the year:

	Eligible to attend	Attended
Patrick J D Elliott	9	7
G S Eupene	9	9
R Richardson	9	9
P Walker	9	9
R Cleary	9	9

The Audit Committee comprised Directors Messrs Richardson, Walker and Smartt, which met once during the year.

The Committee 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' REPORT

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.

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	
	2008	2007
	\$	\$
Assurance services		
Audit services		
Barnes Dowell James Australian firm:		
Audit and review of financial reports and other audit work under the <i>Corporations Act 2001</i>	11,500	21,950
Total remuneration for assurance services	<u>11,500</u>	<u>21,950</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 47.

Auditor

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

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



Geoff Eupene
Director

Sydney, 30 March 2009

INCOME STATEMENTS

for the year ended 31 December 2008

	Note	Consolidated		Parent Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
Revenue	4	579,240	309,024	579,240	375,581
Administration costs		(12,390)	(583,419)	(1,662)	(572,232)
Consultants' fees		(176,202)	(157,268)	(176,202)	(107,522)
Depreciation	5	(68,546)	(43,180)	(66,525)	(41,108)
Diminution of loans to controlled entity	5	-	-	(299,910)	(137,303)
Employment costs		(352,780)	(409,143)	(352,780)	(410,511)
Exploration property written off	5	(847,833)	-	(739,159)	-
Foreign exchange losses	5	-	-	(10,009)	-
Interest	5	(6,166)	-	(6,166)	-
Office rent	5	(45,058)	(19,445)	(46,966)	(20,075)
Option investment written off	5	(90,000)	-	-	-
Share of associates losses	16	(60)	-	-	-
Other expenses from ordinary activities		(42,608)	(114,978)	(42,411)	(102,042)
Loss from ordinary activities before income tax expense		(1,062,403)	(1,018,409)	(1,162,550)	(1,015,212)
Income tax (expense) benefit		-	-	-	-
Net loss from ordinary activities after income tax expense	24	(1,062,403)	(1,018,409)	(1,162,550)	(1,015,212)
Basic and diluted loss per share (cents)	10	(0.92)	(1.03)		

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

BALANCE SHEETS

at 31 December 2008

	Note	Consolidated		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	11	4,240,150	6,198,658	4,238,600	6,176,336
Trade and other receivables	12	744,940	303,571	732,021	291,383
TOTAL CURRENT ASSETS		4,985,090	6,502,229	4,970,621	6,467,719
NON-CURRENT ASSETS					
Receivables	13	30,100	22,000	1,187,041	822,800
Deferred exploration and evaluation expenditure	14	2,292,231	1,827,079	-	61,538
Investments	15	-	90,000	1,159,886	1,159,826
Investments in associates accounted for using the equity method	16	-	-	-	-
Plant and equipment	17	263,511	210,093	258,997	203,288
TOTAL NON-CURRENT ASSETS		2,585,842	2,149,172	2,605,924	2,247,452
TOTAL ASSETS		7,570,932	8,651,401	7,576,545	8,715,171
CURRENT LIABILITIES					
Trade and other payables	18	110,312	92,585	109,540	85,616
Provisions	19	23,750	23,750	15,000	15,000
TOTAL CURRENT LIABILITIES		134,062	116,335	124,540	100,616
TOTAL NON-CURRENT LIABILITIES		-	-	-	-
TOTAL LIABILITIES		134,062	116,335	124,540	100,616
NET ASSETS		7,436,870	8,535,066	7,452,005	8,614,555
SHAREHOLDERS' EQUITY					
Issued capital	20	12,113,951	12,113,951	12,113,951	12,113,951
Foreign currency translation reserve	22	(66,920)	(31,127)	-	-
Option expense reserve	23	227,472	227,472	227,472	227,472
Accumulated losses	24	(4,837,633)	(3,775,230)	(4,889,418)	(3,726,868)
TOTAL EQUITY		7,436,870	8,535,066	7,452,005	8,614,555

The above balance sheets should be read in conjunction with the accompanying notes.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2008

Consolidated	Issued Capital	Accumulated Losses	Foreign Currency Reserve	Option Expense Reserve	Total Equity
	\$	\$	\$	\$	\$
At 1 July 2006	5,680,340	(2,756,821)	(34,323)	70,935	2,960,131
Loss for the period	-	(1,018,409)	-	-	(1,018,409)
Issue of share capital	6,433,611	-	-	-	6,433,611
Reserves for share based payments	-	-	-	156,537	156,537
Reserves for foreign currency translation	-	-	3,196	-	3,196
At 30 June 2007	12,113,951	(3,775,230)	(31,127)	227,472	8,535,066
Loss for the period	-	(1,062,403)	-	-	(1,062,403)
Issue of share capital	-	-	-	-	-
Reserves for share based payments	-	-	-	-	-
Reserves for foreign currency translation	-	-	(35,793)	-	(35,793)
At 30 June 2008	12,113,951	(4,837,633)	(66,920)	227,472	7,436,870

Parent	Issued Capital	Accumulated Losses	Foreign Currency Reserve	Option Expense Reserve	Total Equity
	\$	\$	\$	\$	\$
At 1 July 2006	5,680,340	(2,711,656)	-	70,935	3,039,619
Loss for the period	-	(1,015,212)	-	-	(1,015,212)
Issue of share capital	6,433,611	-	-	-	6,433,611
Reserves for share based payments	-	-	-	156,537	156,537
At 30 June 2007	12,113,951	(3,726,868)	-	227,472	8,614,555
Loss for the period	-	(1,162,550)	-	-	(1,162,550)
Issue of share capital	-	-	-	-	-
Reserves for share based payments	-	-	-	-	-
At 30 June 2008	12,113,951	(4,889,418)	-	227,472	7,452,005

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

CASH FLOW STATEMENTS

for the year ended 31 December 2008

	Note	Consolidated		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Payment to suppliers (inclusive of GST)		(863,491)	(1,521,617)	(812,423)	(1,380,051)
Interest received		353,666	309,024	353,666	303,978
Interest paid		(53)	-	(53)	-
NET CASH INFLOWS (OUTFLOWS) FROM OPERATING ACTIVITIES	32(b)	(509,878)	(1,212,593)	(458,810)	(1,076,073)
CASH FLOWS FROM INVESTING ACTIVITIES					
Expenditure on plant and equipment		(127,383)	(228,276)	(127,383)	(220,268)
Expenditure on mining interests (exploration)		(3,323,975)	(1,087,276)	(777,693)	(152,281)
Cash calls received from exploration JV parties		2,010,590	671,729	100,072	90,743
Payments for investments in other companies		(60)	(90,000)	(60)	-
Payments for security deposits		(8,100)	-	(8,100)	-
Proceeds from disposal of assets		298	-	298	-
Loans repaid by (advanced to) controlled entity		-	-	(666,060)	(566,316)
NET CASH INFLOWS / (OUTFLOWS) FROM INVESTING ACTIVITIES		(1,448,630)	(733,823)	(1,478,926)	(848,122)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		-	6,677,085	-	6,677,085
Share issue costs		-	(243,474)	-	(243,474)
NET CASH INFLOWS / (OUTFLOWS) FROM FINANCING ACTIVITIES		-	6,433,611	-	6,433,611
NET INCREASE / (DECREASE) IN CASH HELD					
		(1,958,508)	4,487,195	(1,937,736)	4,509,416
Cash and cash equivalents at the beginning of the financial year		6,198,658	1,711,463	6,176,336	1,666,920
Cash and cash equivalents at the end of the financial year	32(a)	4,240,150	6,198,658	4,238,600	6,176,336

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

Contents of the notes to the financial statements

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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 2008

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 sheet 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 2008

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 balance sheet date, 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 balance sheet date.

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.

(m) Loss per share

(i) *Basic loss per share*

Basic earnings 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 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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

(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.

(p) Provisions

A provision is recognised in the balance sheet 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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

Certain new accounting standards and UIG interpretations have been published that are not mandatory for 31 December 2008 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 8 Operating Segments

AASB 8 is applicable to annual reporting periods beginning on or after 1 January 2009. The standard specifies how an entity should report information about its operating segments in annual and interim financial reports. Application of the standard will not affect any of the amounts recognised in the financial statements but may impact the type of information disclosed in relation to the Group's operating segments.

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 balance sheet 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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.

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	
	2008 \$	2007 \$	2008 \$	2007 \$
Interest received	353,666	309,024	353,666	303,978
Past period recoveries	225,574	-	225,574	-
Foreign exchange gains	-	-	-	71,603
Total revenue from continuing operations	579,240	309,024	579,240	375,581

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

5. OPERATING LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
The operating loss from ordinary activities before income tax expense has been determined after charging the following expenses:				
Depreciation	68,546	43,180	66,525	41,108
Diminution of loan to controlled entity (written back)	-	-	299,910	137,303
Employee entitlements	9,250	10,608	9,250	10,608
Exploration property written off	847,833	-	739,159	-
Foreign exchange losses	-	-	10,009	-
Interest paid	6,166	-	6,166	-
Investment option written off	90,000	-	-	-
Loss on disposal of assets	5,107	-	4,851	-
Office rent	45,058	19,445	46,966	20,075
Option expense	-	156,537	-	156,537
Superannuation	34,727	13,485	34,727	13,485

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	
	2008	2007	2008	2007
	\$	\$	\$	\$
Short-term employee benefits	453,339	361,983	453,339	361,983
Post-employment benefits	3,150	9,690	3,150	9,690
Share-based payments	-	113,097	-	113,097
	456,489	484,770	456,489	484,770

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

6. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

(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

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

2008	G S Eupene	P J D Elliott	R A Cleary	P W Walker	R L Richardson
Ordinary shares	9,201,350	4,359,065	5,892,326	2,846,148	666,666
Options					
Exercise price	Expiry date				
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
Unissued incentive shares		3,000,000	333,334	2,000,000	333,334

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
Options						
<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 2008

6. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

2007		G S Eupene	P J D Elliott	RA Cleary	P W Walker	RL Richardson
Ordinary shares		9,201,350	4,359,065	5,892,326	2,846,148	666,666
Options						
Exercise price	Expiry date					
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	-
Unissued incentive shares		3,000,000	333,334	2,000,000	333,334	333,334

2007		Granted during the year on acquisition of Crossland Mines Pty Ltd	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
Name	Balance at the start of the year					
Options						
<i>Directors of Crossland Uranium Mines Ltd</i>						
Geoffrey S Eupene	1,481,603	1,480,000	-	(1,481,603)	1,480,000	1,480,000
Patrick J D Elliott	2,137,388	890,000	-	(2,137,388)	890,000	890,000
Robert A Cleary	875,779	880,000	-	(875,779)	880,000	880,000
Peter W Walker	1,008,677	1,010,000	-	(1,008,677)	1,010,000	1,010,000
Robert L Richardson	-	-	-	-	-	-

(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.

2008				
Name	Balance at the start of the year	Received during the year as incentive shares	Other changes during the year	Balance at the end of the year
Ordinary shares				
<i>Directors of Crossland Uranium Mines Ltd</i>				
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	666,666	-	-	666,666

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

6. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

2007				
Name	Balance at the start of the year	Received during the year on acquisition of Crossland Mines Pty Ltd	Other changes during the year	Balance at the end of the year
Ordinary shares				
<i>Directors of Crossland Uranium Mines Ltd</i>				
Geoffrey S Eupene	3,201,350	6,000,000	-	9,201,350
Patrick J D Elliott	3,692,399	666,666	-	4,359,065
Robert A Cleary	1,892,326	4,000,000	-	5,892,326
Peter W Walker	2,179,482	666,666	-	2,846,148
Robert L Richardson	-	666,666	-	666,666

(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.

2008				
Name	Balance at the start of the year	Received during the year	Allotted during the year	Balance at the end of the year
Ordinary shares				
<i>Directors of Crossland Uranium Mines Ltd</i>				
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

2007				
Name	Balance at the start of the year	Received during the year	Allotted during the year	Balance at the end of the year
Ordinary shares				
<i>Directors of Crossland Uranium Mines Ltd</i>				
Geoffrey S Eupene	9,000,000	-	(6,000,000)	3,000,000
Patrick J D Elliott	1,000,000	-	(666,666)	333,334
Robert A Cleary	6,000,000	-	(4,000,000)	2,000,000
Peter W Walker	1,000,000	-	(666,666)	333,334
Robert L Richardson	1,000,000	-	(666,666)	333,334

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

7. REMUNERATION OF AUDITORS	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Total amounts receivable by the auditors of the Company for:				
Audit of the Company's accounts	11,500	21,950	11,500	21,950
Other services	-	-	-	-
	<u>11,500</u>	<u>21,950</u>	<u>11,500</u>	<u>21,950</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	2008	2007
<i>Segment Revenues</i>	\$	\$
Australia	579,539	309,024
Canada	-	-
Consolidated	<u>579,539</u>	<u>309,024</u>
 <i>Segment Results</i>		
Australia	(1,039,237)	(948,203)
Canada	(23,166)	(70,206)
Profit from ordinary activities	(1,062,403)	(1,018,409)
Income tax expense	-	-
Net loss	<u>(1,062,403)</u>	<u>(1,018,409)</u>

Segment Assets and Liabilities

	Assets		2008
	2008	2007	
	\$	\$	\$
Australia	8,699,093	9,688,976	134,062
Canada	-	89,597	1,128,161
Intersegment	(1,128,161)	(1,127,172)	(1,128,161)
Consolidated	<u>7,570,932</u>	<u>8,651,401</u>	<u>134,062</u>

<i>Other Financial Information</i>	2008	2007
	\$	\$
Depreciation		
Australia	68,481	42,440
Canada	65	740
Consolidated	<u>68,546</u>	<u>43,180</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

9. TAXATION

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

	Consolidated		Parent Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
Loss from ordinary activities	<u>(1,062,403)</u>	<u>(1,018,409)</u>	<u>(1,162,550)</u>	<u>(1,015,212)</u>
Income tax expense calculated at 30% of operating loss	318,721	305,523	348,765	304,564
Deferred tax amounts not recognised	<u>(318,721)</u>	<u>(305,523)</u>	<u>(348,765)</u>	<u>(304,564)</u>
Income tax expense (benefit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred tax assets				
Not brought to account calculated at 30%				
Revenue tax losses	1,254,763	837,566	927,244	654,930
Capital tax losses	27,000	-	-	-
Temporary differences	<u>120,429</u>	<u>136,455</u>	<u>545,701</u>	<u>484,037</u>
Total	<u>1,402,192</u>	<u>974,021</u>	<u>1,472,945</u>	<u>1,138,967</u>

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

- (i) 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;
- (ii) the company and the consolidated entity continue to comply with the conditions for deductibility imposed by the law; and
- (iii) no changes in tax legislation adversely affect the company's and the consolidated entity's ability in realising the benefit from the deductions.

10. LOSS PER SHARE

	2008	2007
Basic and diluted		
Weighted average number or shares used in basic and diluted earnings per share	<u>115,480,270</u>	<u>99,162,172</u>
Basic and diluted loss per share (cents per share)	<u>(0.92)</u>	<u>(1.03)</u>

11. CASH AND CASH EQUIVALENTS

	Consolidated		Parent Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
Cash at bank	128,955	1,202,432	127,405	1,180,110
Deposits at call	501,684	613,755	501,684	613,755
Bank bills	<u>3,609,511</u>	<u>4,382,471</u>	<u>3,609,511</u>	<u>4,382,471</u>
	<u>4,240,150</u>	<u>6,198,658</u>	<u>4,238,600</u>	<u>6,176,336</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

	Consolidated		Parent Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
12. TRADE AND OTHER RECEIVABLES				
Other receivables	23,044	12,099	19,044	8,871
GST debtor	129,163	43,502	120,244	34,542
Joint venture cash calls receivable	592,733	247,970	592,733	247,970
	<u>744,940</u>	<u>303,571</u>	<u>732,021</u>	<u>291,383</u>
13. RECEIVABLES – NON-CURRENT				
Security deposit	30,100	22,000	17,600	9,500
Loan to controlled entities	-	-	2,627,046	1,971,908
Less provision for diminution	-	-	(1,457,605)	(1,158,608)
	<u>30,100</u>	<u>22,000</u>	<u>1,187,041</u>	<u>822,800</u>
14. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE				
Deferred exploration costs	2,292,231	1,827,079	-	61,538
	<u>2,292,231</u>	<u>1,827,079</u>	<u>-</u>	<u>61,538</u>
Deferred exploration costs brought forward	1,827,079	1,416,005	61,538	-
Expenditure incurred during the year	3,323,575	1,078,330	777,693	152,281
Amounts received from Joint venture participants	(2,010,590)	(671,729)	(100,072)	(90,743)
Exploration expenditure written off	(847,833)	-	(739,159)	-
Exchange rate fluctuation	-	4,473	-	-
Deferred exploration costs carried forward	<u>2,292,231</u>	<u>1,827,079</u>	<u>-</u>	<u>61,538</u>

The above amounts represent costs of exploration areas of interest 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 in respect of an area of interest carried forward 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.

	Consolidated		Parent Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
Investment in other entities – options – at cost	-	90,000	-	-
Investment in controlled entities	-	-	1,159,826	1,159,826
Investment in associated entities	-	-	60	-
	<u>-</u>	<u>90,000</u>	<u>1,159,886</u>	<u>1,159,826</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

16. INVESTMENT IN ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD

(a) Details of associate:

Name of Associate	Principal Activities	Ownership interest		Carrying amount	
		2008 %	2007 %	2008 \$	2007 \$
Crosscontinental Limited	General Exploration and evaluation	50	-	-	-

(b) Share of reserves attributable to associates:

Share of associates' profits taken up in the consolidated financial statements		
Operating profit (loss) before tax	(60)	-
Income tax expense	-	-
Net operating profit after income tax as shown in the Statement of Financial Performance	(60)	-
Retained earnings at beginning of period	-	-
Retained earnings at end of period	(60)	-

(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))	(60)	-
Acquisition of investment	60	-
Carrying amount of investment at end of financial year	-	-

Summary of financial position of associated entity:

Current assets	355,180	-
Current liabilities	(787,657)	-
Non-current assets	364,431	-
Net liabilities	(68,046)	-

	Consolidated		Parent Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
17. PLANT AND EQUIPMENT				
Plant and equipment				
Cost	376,080	257,451	368,279	246,490
Accumulated depreciation	(112,570)	(47,358)	(109,282)	(43,202)
	<u>263,511</u>	<u>210,093</u>	<u>258,997</u>	<u>203,288</u>

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.

Carrying amount at 1 January 2007	210,093	25,164	203,288	24,128
Additions	127,383	228,276	127,383	220,266
Depreciation	(68,546)	(43,347)	(66,525)	(41,106)
Disposals	(5,419)	-	(5,149)	-
Carrying amount at 31 December 2007	<u>263,511</u>	<u>210,093</u>	<u>258,997</u>	<u>203,288</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
18. TRADE AND OTHER PAYABLES				
Trade creditors and accruals	90,454	81,977	89,682	75,008
Annual leave entitlements	19,858	10,608	19,858	10,608
	110,312	92,585	109,540	85,616

19. CURRENT PROVISIONS

Site rehabilitation	23,750	23,750	15,000	15,000
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20. CONTRIBUTED EQUITY

Issued Capital

115,480,270 fully paid ordinary shares (2007 – 115,480,270)	12,731,627	12,731,627	12,731,627	12,731,627
6,000,002 incentive shares (2007 – 6,000,002)	-	-	-	-
Less share issue costs	(617,676)	(617,676)	(617,676)	(617,676)
	12,113,951	12,113,951	12,113,951	12,113,951

Movements in Issued Capital

Balance as at 1 January	12,113,951	5,680,340	12,113,951	5,680,340
Issues during period:				
22,680,000 shares issued pursuant to prospectus	-	5,679,040	-	5,679,040
4,639,328 shares issued on exercise of options	-	998,045	-	998,045
Less share issue costs	-	(243,474)	-	(243,474)
Balance as at 31 December	12,113,951	12,113,951	12,113,951	12,113,951

21. OPTIONS

Expiry Date	Exercise Price	Issued			Lapsed	Issued
		1 January 2008	Granted	Exercised		31 December 2008
20 April 2009	0.20	650,000	-	-	-	650,000
20 April 2009	0.23	600,000	-	-	-	600,000
30 April 2009	0.23	5,370,000	-	-	-	5,370,000
31 March 2012	0.50	1,200,000	-	-	-	1,200,000
		7,820,000	-	-	-	7,820,000

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

22. FOREIGN CURRENCY TRANSLATION RESERVE

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Balance at the beginning of the financial year	(31,127)	(34,323)	-	-
Exchange gains transferred to reserve	(35,793)	3,196	-	-
Balance at the end of the financial year	(66,920)	(31,127)	-	-

Nature and purpose of reserve

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

23. OPTION EXPENSE RESERVE

Balance at the beginning of the financial year	227,472	70,935	227,472	70,935
Option expense transferred to reserve	-	156,537	-	156,537
Balance at the end of the financial year	227,472	227,472	227,472	227,472

Nature and purpose of reserve

The option expense reserve records the value of options issued to employees and Directors which have been taken to expenses.

24. ACCUMULATED LOSSES

Accumulated losses at the beginning of the financial year	(3,775,230)	(2,756,821)	(3,726,868)	(2,711,656)
Net loss for the year	(1,062,403)	(1,018,409)	(1,162,550)	(1,015,212)
Accumulated losses at the end of the financial year	(4,837,633)	(3,775,230)	(4,889,418)	(3,726,868)

25. CONTINGENT LIABILITIES

Director's Service Contract

Mr G Eupene has a contract which expires in June 2010 where he is paid a minimum of \$10,500 per month for 12 days work. The amount for the remainder of the contract is \$189,000 (2007 - \$63,000).

There are no other contingent liabilities.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

26. 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	
	2008	2007	2008	2007
	\$	\$	\$	\$
Payable not later than one year	811,000	1,462,000	-	-
Payable later than one year, but not later than two years	-	-	-	-
	811,000	1,462,000	-	-

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.

27. JOINT VENTURES

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

	2008	2007
	%	%
Klondike Joint Venture	56	56
Pancontinental Joint Venture	Pancontinental earning 50% interest	Pancontinental earning 50% interest
	2008	2007
Interests were shown in the balance sheet as	\$	\$
Exploration and evaluation expenditure	478,391	189,487
Total non-current assets	478,391	189,487

28. PARTICULARS RELATING TO CONTROLLED ENTITIES

Company	Country of Incorporation and Operation	Percentage of Equity Held	
		2008	2007
KSL Exploration (Yukon) Ltd	Canada	100%	100%
Crossland Mines Pty Ltd	Australia	100%	100%
Crossland Diamonds Pty Ltd	Australia	100%	100%
Crossland Nickel Pty Ltd	Australia	100%	100%

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

29. 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	Peter W Walker
Robert L Richardson	

(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

	2008	2007
	\$	\$
Legal fees paid to Peter Walker Project Lawyer a business that Mr Walker is the principal.. These fees were paid on normal commercial terms.	11,037	1,929
Eupene Exploration Enterprises (EEE), a Company in which Mr Eupene is a Director and shareholder, is utilised to conduct exploration on Crossland Tenements. Fees paid are on normal commercial terms.		
Consulting geologists	54,215	65,025
Vehicle hire	1,110	7,986
Equipment hire	22,275	5,736

(d) Joint Ventures

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Amounts receivable from joint venture parties at balance date	592,733	247,970	592,733	247,970

30. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There were at the date of this report no matters or circumstances which have arisen since 31 December 2008 that have significantly affected or may significantly affect:

- the operations of the consolidated entity,
 - the results of those operations, or
 - the state of affairs of the consolidated entity
- in the financial year subsequent to 31 December 2008.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

31. 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 balance sheet date is shown below:

	Consolidated	
	2008	2007
	\$	\$
Cash and cash equivalents	4,240,150	6,198,658
Net debt	4,240,150	6,198,658
Share capital	12,113,951	12,113,951
Reserves	160,552	196,345
Accumulated losses	(4,837,633)	(3,775,230)
Total capital	7,436,870	8,535,066
Gearing ratio	-	-

(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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

31. FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

(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.

(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 balance sheet date, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

(iii) *Market risk*

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

31. FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

(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		
2008		\$	\$	\$	\$	\$	
Financial assets							
Cash	11	4,240,150	-	-	-	-	4,240,150
Receivables - Current	12	-	-	-	-	744,940	744,940
Receivables – Non Current	13	-	-	-	-	30,100	30,100
		4,240,150	-	-	-	775,040	5,015,190
Weighted average interest rate		4.45%					
Financial liabilities							
Payables	18	-	-	-	-	90,454	90,454
		-	-	-	-	90,454	90,454
Weighted average interest rate		-					
Net financial assets (liabilities)		4,240,150	-	-	-	684,586	4,924,736

	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		
2007		\$	\$	\$	\$	\$	
Financial assets							
Cash	11	6,198,658	-	-	-	-	6,198,658
Receivables - Current	12	-	-	-	-	303,571	303,571
Receivables – Non Current	13	-	-	-	-	22,000	22,000
		6,198,658	-	-	-	325,571	6,524,229
Weighted average interest rate		5.95%					
Financial liabilities							
Payables	18	-	-	-	-	92,585	92,585
		-	-	-	-	92,585	92,585
Weighted average interest rate		-					
Net financial assets (liabilities)		6,198,658	-	-	-	232,986	6,431,644

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

31. 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

31. FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

(e) Accounting policies (continued)

(i) *Financial assets (continued)*

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.

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 2008

32. RECONCILIATION OF LOSS FROM ORDINARY ACTIVITIES AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Consolidated		Parent Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
(a) Cash on hand comprises:				
Cash and cash equivalents	<u>4,240,150</u>	<u>6,198,658</u>	<u>4,238,600</u>	<u>6,176,336</u>
(b) Reconciliation of loss from ordinary activities after income tax to net cash outflows from operating activities as follows:				
Operating (loss) after income tax	(1,062,403)	(1,018,409)	(1,162,550)	(1,015,212)
Depreciation	68,546	43,348	66,525	41,108
Loss (Gain) on disposal of assets	5,108	-	4,851	-
Exploration properties written off	847,833	-	739,159	-
Diminution of loans to controlled entity	-	-	299,910	137,304
Option expense	-	156,537	-	156,537
Option investment written off	90,000	-	-	-
Provision for minesite rehabilitation	-	8,750	-	-
Provision for annual leave entitlements	9,250	-	9,250	-
Unrealised exchange loss	-	-	10,009	-
Change in operating assets and liabilities:				
- Decrease / (Increase) in receivables	(476,689)	(261,112)	(440,638)	(255,647)
- Increase / (Decrease) in accounts payable	8,477	(141,707)	14,100	(140,163)
Net cash inflow (outflow) from operating activities	<u>(509,878)</u>	<u>(1,212,593)</u>	<u>(458,810)</u>	<u>(1,076,073)</u>

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 14 to 43, 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 2008 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 30th day of March 2009
On behalf of the Board



Geoff Eupene
Director

AUDITORS' INDEPENDENCE DECLARATION

BARNES DOWELL JAMES Incorporating P J Hennessy & Co

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

Consultant
P J Hennessy FCA

North Sydney
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Manly
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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 2008, 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

AUDITORS' INDEPENDENCE DECLARATION

free from material misstatement.

BARNES DOWELL JAMES Incorporating P J Hennessy & Co

CHARTERED ACCOUNTANTS

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 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 2008 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.

AUDITORS' INDEPENDENCE DECLARATION

BARNES DOWELL JAMES Incorporating P J Hennessy & Co

CHARTERED ACCOUNTANTS

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.

Auditor's Opinion

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

BARNES DOWELL JAMES
Chartered Accountants



.....
Anthony J Dowell
Partner

30 March 2009

AUDITORS' INDEPENDENCE DECLARATION

BARNES DOWELL JAMES Incorporating P J Hennessy & Co

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 Nakkam CA

Consultant
P J Hennessy FCA

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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, 2008 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
.....
13/122 Arthur Street
Dowell
NORTH SYDNEY NSW 2060
2009

DOWELL

JAMES

Anthony
30 March,

AUDITORS' INDEPENDENCE DECLARATION

SHAREHOLDER INFORMATION

Information relating to shareholders at 26 March 2009

Substantial Shareholders	Number of Shares	%
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 2009

Security Classes	Holdings Ranges	 Holders	Total Units	%
Fully Paid Ordinary	1 - 1,000	40	30,983	0.027
	1,001 - 5,000	264	871,367	0.755
	5,001 - 10,000	278	2,426,033	2.101
	10,001 - 100,000	678	25,014,224	21.661
	100,001 and over	133	87,137,663	75.457
Totals		1393	115,480,270	100.000

As at 26 March 2009 there were 221 shareholders with an unmarketable share parcel of less than 4,167 shares at the prevailing share price of 4 cents.

Top 20 Holdings as at 26 March 2009

Holder Name	Balance at	%
Gaden Nominees Pty Ltd (Gaden Family A/C)	7,096,224	6.145
Eupene Nominees Pty Ltd (Eupene Family Super A/C)	6,000,000	5.196
ANZ Nominees Limited (Cash Income A/C)	5,508,900	4.770
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
Kale Capital Corporation Ltd	3,415,541	2.958
Eupene Nominees Pty Ltd	3,201,350	2.772
Mr Arnold Olschyna	3,020,000	2.615
Mr Peter William Walker	2,179,482	1.887
Mr Peter Michael Nicholson	2,028,090	1.756
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
HSBC Custody Nominees (Australia) Limited	1,324,525	1.147
Bestfield Limited	1,120,920	0.971
K Biggs Enterprises Pty Ltd	1,107,500	0.959
Mr Graham Donald Carman	1,057,435	0.916
Ipeity Pty Ltd	1,000,006	0.866
Ganra Pty Ltd (The Flannery Family A/C)	1,000,000	0.866
Bellite Pty Ltd (Meyer Family A/C)	1,000,000	0.866
Total of top 20 holders	56,684,007	49.085
Other holdings	58,796,263	50.915
Total Issued Capital	115,480,270	100.00

SHAREHOLDER INFORMATION

Restricted Securities

All Directors holdings except the options expiring on 30 April 2009 are restricted until 13 April 2009.

Options on issue including holders of more than 20%

Expiry Date	Exercise Price \$	Number of Holders	Total Issued	Holders of more than 20%
30 Apr 09	0.23	11	5,700,000	G Eupene 25.97%
20 Apr 09	0.20	5	1,250,000	P J D Elliott 46.15% R G Adamson 30.77%

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

The Directors of CUX are responsible to the Shareholders for the performance of the Company in both the short and the longer term and seek to balance these sometimes competing objectives in the best interests of the Company as a whole. Their principal focus is to enhance the interests of the Shareholders and ensure that the Company, including its controlled entity, is properly managed. The Board draws on relevant best practice principles, particularly those issued by the ASX Corporate Governance Council in March 2006. At a number of meetings, the Board examined the CUX corporate governance practices compared to the 10 best practice principles proposed by the ASX Corporate Governance Council. While CUX will align itself with the principles proposed by ASX, it is mindful that there are some instances where compliance is not practicable for a company of CUX's current small size.

The following comments set out the Company's position relative to each of the 10 principles contained in the ASX Corporate Governance Council's report.

Principle 1: The Company has not yet formalised and disclosed the functions reserved to the Board and those delegated to management.

Principle 2: The Company complies with most of the recommendations within this area; however, the Chairman is not independent as he is a substantial shareholder but he is separate from the Chief Executive Officer. The Company does not have a Board nomination committee.

Principle 3: The Company does not have a formal code of conduct, again reflecting the Company's size and the close interaction of individuals throughout the organisation.

Principle 4: The Audit Committee consists of the Non-Executive Directors, Messrs Elliott and Soper. These Directors have applicable expertise and skills for this Committee. This structure does not meet the ASX's guidance regarding independence, in that it should have a majority of independent directors and have at least three members.

Principle 5: Whilst the Company does not have formal written policies regarding disclosure, it uses strong informal systems underpinned by experienced individuals.

Principle 6: Whilst the Company does not have a communications strategy to promote effective communication with shareholders, as it believes this is excessive for small companies, the Company does communicate regularly with shareholders via its website.

Principle 7: The Company is a small exploration company and does not believe that there is significant need for formal policies on risk oversight and management of risk.

Principle 8: 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.

Principle 9: Directors believe that the size of the Company makes individual salary and contractor negotiation more appropriate than formal written remuneration policies.

Principle 10: Due to the Company's size and relative level of operational activity which makes legal compliance a less onerous task than with larger companies, the Company does not have a formal code of conduct to guide compliance with legal and other obligations.

Functions of the board

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;

CORPORATE GOVERNANCE

- 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.

The Board of Directors

In recognition of the importance of independent views and the Board's role in supervising the activities of management, the Chairman will be a Non-Executive Director. The Board will continuously review its performance and mix of skills to ensure they are appropriate to allow the Board to maximise its effectiveness and contribution to the Company.

The Board meets throughout the year and expects to have a minimum of six meetings per year.

Conflict of interests

The Directors, either as employees of, or consultants to, the Company or through controlled entities connected with them, may provide services to the Company. In accordance with accepted corporate governance practice, the Directors concerned have declared their interests in those transactions to the Company and took no part in decisions relating to them.

Independent professional advice

Directors have the right, in connection with their duties and responsibilities to the Company, to seek independent professional advice at the Company's expense. Prior written approval of the Chairman is required, but this will not be unreasonably withheld.

Committees

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 Smartt, 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.

Securities trading and trading windows 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.

Shareholder communication

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 NSX.

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.

Dividend policy

Any determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon the availability of distributable earnings, the operating results and financial condition of CUX, future capital requirements, general business and financial conditions and other factors considered relevant by the Directors. No assurances in relation to the payment of future dividends, or the franking credits attached to such dividends, can be given to Shareholders.

TENEMENT SCHEDULE

SCHEDULE 1 – TENEMENTS

<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>
Chilling Project	EL 23682	Chilling (NT)	Granted/Current	18/09/03	17/09/09	24 sub-blocks	Crossland Mines Pty Ltd
Chilling Project	EL 25076	Chilling 2 (NT)	Granted/Current	18/9/06	17/09/12	189 sub-blocks	Crossland Mines Pty Ltd
Chilling Project	EL 25078	Chilling 3 (NT)	Granted/Current	18/09/06	17/09/12	73 sub-blocks	Crossland Mines Pty Ltd
Chilling Project	EL 25077	Chilling 4 (NT)	Granted/Current	09/11/06	08/11/12	99 sub-blocks	Crossland Mines Pty Ltd
Chilling Project	EL 24557	Chilling 4 (NT)	Granted/Current	07/12/05	06/12/11	20 sub-blocks	Crossland Mines Pty Ltd
Chilling Project	EL 22738	Buchanan (NT)	Granted/Current	15/01/09	14/01/15	162 sub-blocks	Crossland Mines Pty Ltd
Lake Woods Project	EL 23687	Lake Woods (NT)	Granted/Current	11/06/03	10/06/09	16 sub-blocks	Crossland Diamonds Pty Ltd
Lake Woods Project	EL 24520	Lake Woods Extension (NT)	Granted/Current	3/10/05	02/10/11	165 sub-blocks	Crossland Diamonds Pty Ltd
Lake Woods Project	EL 25631	Lake Woods East (NT)	Granted/Current	10/08/07	09/08/13	500 sub-blocks	Crossland Diamonds Pty Ltd
Sylvester Project	EL 23683	Sylvester – Lower (NT)	Surrendered 23/03/09			55 sub-blocks	Crossland Diamonds Pty Ltd
Sylvester Project	EL 23685	Sylvester – Lower (NT)	Surrendered 23/03/09			46 sub-blocks	Crossland Diamonds Pty Ltd

TENEMENT SCHEDULE

<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>
Western Creek Project	EL 23684	Western Creek (NT)	Surrendered 23/03/09			14 sub-blocks	Crossland Diamonds Pty Ltd
Western Creek Project	EL 25605	Western Creek South (NT)	Surrendered 23/03/09			500 sub-blocks	Crossland Diamonds Pty Ltd
Western Creek Project	EL 25607	Western Creek West (NT)	Surrendered 23/03/09			450 sub-blocks	Crossland Diamonds Pty Ltd
Charley Creek Project	EL 24281	Charley Creek (NT)	Granted/ Current	7/2/05	6/2/11	63 sub-blocks	Crossland Nickel Pty Ltd
Charley Creek Project	EL 25230	Charley Creek South (NT)	Granted/Current	9/11/06	08/11/12	178 sub-blocks	Crossland Nickel Pty Ltd
Crossland Creek Project	EL 80/3143	Crossland (WA)	Forfeited 26/01/09	15/4/04	14/4/09	50 km ² (17 blocks)	Crossland Mines Pty Ltd
Crossland Creek Project	EL 80/3303	Crosslands Extension(WA)	Granted/ Current	27/6/05	26/6/10	105km ² (35 blocks)	Crossland Mines Pty Ltd
Crossland Creek Project	ELA 04/1443	Mt Hann (WA)	Application	N/A	N/A	99 km ² (33 blocks)	Crossland Nickel Pty Ltd
Kalabity Project	EL 3297	Kalabity (SA)	Renewal app/	18/1/05	17/1/10	148 km ²	Platsearch NL



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