

DIRECTORS

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

SECRETARY

Mal Smartt

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AUDITORS

Barnes Dowell James

BANKERS

Westpac Banking Corporation

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2006 and any public announcement made by Crossland Uranium Mines Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

DIRECTOR'S REPORT

Your Directors present their report on the consolidated entity consisting of Crossland Uranium Mines Limited and the entity it controlled at the end of, or during the six months ended 30 June 2007.

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 unless otherwise stated:

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

Review of operations

EXPLORATION STRATEGY

Crossland's exploration strategy is to pursue the discovery of major uranium deposits, primarily across Northern Australia, utilising the experience of Geoff Eupene, Bob Richardson and Bob Cleary. Their combined 80+ years of experience, together with the use of modern exploration techniques should improve the likelihood of exploration success.

The region of Northern Australia known as the Pine Creek Orogen hosts excellent identified deposits of uranium, such as Ranger, Jabiluka, Nabarlek, Koongarra, and Rum Jungle. The region has a global reputation for large, high grade uranium deposits, perhaps matched only by the Athabasca Basin of Canada. 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).

Crossland has been accumulating its North Australian exploration portfolio since 2002, and commenced exploration in 2003. Crossland is in a strong position to work these efficiently from its operations base in Darwin.

CHILLING PROJECT

Targeting Alligator Rivers type large, high grade unconformity- related uranium orebodies as well as base metal targets.

Access has been possible since early June and access routes have been inspected and prospect scale mapping, sampling, and radiometric surveys of three known uranium prospects in the project area have commenced. A detailed airborne radiometric and magnetic survey should be completed in the near future.

Negotiations to secure an access agreement with Native Title claimants are progressing.

CHARLIE CREEK

Targeting calcrete and redox- related uranium targets, as well as uranium- enriched phases of the Teapot Granite. The area is also considered prospective for copper/ nickel/ platinoid deposits.

Previous uranium explorers reported numerous radiometric anomalies and rock chip samples up 0.228% U_3O_8 . A detailed airborne radiometric survey commenced, a base camp was established, a sacred sites survey was completed (report awaited), and planning for an additional airborne EM survey was completed. Results of all these programs should be received before the end of September and follow- up work will commence.

KALABITY

(Earning 60% in Joint Venture with Platsearch NL and Eaglehawk Geological Prospecting)

Targeting granite- related uranium deposits and iron oxide copper gold deposits in the Curnamona Craton.

A clearance survey was conducted by the Adnyamathanha People, Native Title Claimants although at the date of this report no results have yet been received from the survey or the meeting.

A detailed airborne magnetic and radiometric survey was completed of the entire licence area. The results have been received and these have been used to plan the next phase of geochemical sampling and radiometric prospecting at Kalabity.

DIRECTOR'S REPORT

OFFICER BASIN

Targeting redox style uranium deposits within probable palaeo-drainage channels identified in work by geologists from PIRSA, South Australia.

Crossland, jointly with PlatSearch NL, applied for around 2875km² in four EL applications. Should the titles be granted, Crossland's interest will be offered to the joint venture with Centram Exploration Ltd. The applications cover a total of around 90km length of two major Neogene palaeo-channels that drained the Musgrave Block. Previous exploration in the region has encountered anomalous radioactivity in other settings, but these particular channels have not previously been tested.

CROSSLAND CREEK, WEST KIMBERLEY

Targeting diamonds and copper in an alteration zone over several kilometres in length and several hundred metres wide which has elevated copper, gold and platinum values.

A detailed airborne geophysical survey will be completed in the next three months, followed by ground follow-up and drilling of defined targets.

WESTERN CREEK, NT

Targeting Diamonds.

Additional auger drilling of drainage was completed in late 2006. The results indicated that the source of previously identified chromites is further upstream in the main channel rather than in the tributaries tested to date. Follow up drilling is planned during the dry season.

LAKE WOODS

Targeting diamonds

An extensive airborne electromagnetic (AEM) survey will be completed during the current quarter. We expect this to produce targets for drill-testing.

JOINT VENTURE CENTRAM / CROSSLAND

Crossland's Joint Venture with Centram Exploration Limited, became unconditional in June, as Centram was elevated to Tier 2 TSX-V status on the Toronto Stock Exchange. Centram has funds to reimburse expenditures on our uranium exploration from February 2007 and fund all future exploration.

GLOBAL URANIUM EXPLORATION

Crossland and Centram have also established Crosscontinental Uranium Limited and will each contribute \$2million as start up capital. Crosscontinental Uranium Limited will explore for uranium outside Australia. Crosscontinental has established a subsidiary in Burkina Faso and has established a ground position there as its first foray into international exploration. There are a number of exploration applications in the system and the Company has an option over two granted leases. Several other opportunities are under consideration as international uranium exploration projects, and evaluation of these is under way.

Robert A Cleary

Director

Sydney

13 September 2007

INCOME STATEMENT

For the six months ended 30 June 2007

| | | Consolidated | |
|---|------|------------------|-----------|
| | Note | 2007 | 2006 |
| | | \$ | \$ |
| Revenue from ordinary activities | 2 | 114,577 | 17,359 |
| Exchange Rate Gains (Losses) | | - | - |
| Administration costs | | (198,044) | (50,797) |
| Consultants fees (See note below) | | (237,631) | (7,323) |
| Office rent | | (9,598) | (13,284) |
| Depreciation | | (10,197) | (753) |
| Employment Costs | | (95,099) | - |
| Exploration property write off | | - | (19,813) |
| Exploration costs expensed | | - | (26,233) |
| Legal Costs (See note below) | | (44,317) | - |
| Marketing costs | | (57,711) | - |
| Other expenses from ordinary activities | | (26,788) | (11,904) |
| Loss from ordinary activities before income tax expense | | (564,808) | (112,748) |
| Income tax expense | 3 | - | - |
| Net loss from ordinary activities after income tax expense | 7 | (564,808) | (112,748) |
| Basic and diluted loss per share (cents) | 5 | (0.57) | (0.30) |

Note – Consultants fees were in the main Corporate advice on the move from National Stock Exchange (NSX) to ASX and the writing the prospectus and legal fees were related to the move from the NSX to the ASX and the Prospectus.

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

BALANCE SHEET

As at 30 June 2007

| | Consolidated | |
|--------------------------------------|------------------|------------------|
| Note | 30.6.2007 | 31.12.2006 |
| | \$ | \$ |
| CURRENT ASSETS | | |
| Cash | 6,441,204 | 1,711,463 |
| Receivables | 126,327 | 42,459 |
| TOTAL CURRENT ASSETS | 6,567,531 | 1,753,922 |
| NON-CURRENT ASSETS | | |
| Receivables | 12,500 | 12,500 |
| Exploration properties | 1,703,743 | 1,416,005 |
| Plant and equipment | 205,476 | 25,164 |
| TOTAL NON-CURRENT ASSETS | 1,921,719 | 1,453,669 |
| TOTAL ASSETS | 8,489,250 | 3,207,591 |
| CURRENT LIABILITIES | | |
| Payables | 82,252 | 232,461 |
| Provisions | 23,750 | 15,000 |
| TOTAL CURRENT LIABILITIES | 106,002 | 247,461 |
| NON-CURRENT LIABILITIES | | |
| TOTAL NON-CURRENT LIABILITIES | - | - |
| TOTAL LIABILITIES | 106,002 | 247,461 |
| NET ASSETS | 8,383,248 | 2,960,130 |
| SHAREHOLDERS' EQUITY | | |
| Contributed equity | 6 11,669,340 | 5,680,340 |
| Foreign Currency Translation Reserve | (35,397) | (34,323) |
| Share Based Payments Expense Reserve | 70,935 | 70,935 |
| Accumulated losses | 7 (3,321,630) | (2,756,822) |
| TOTAL EQUITY | 8,383,248 | 2,960,130 |

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

STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2007

| | CONSOLIDATED | |
|--|------------------|-----------|
| | 2007 | 2006 |
| | \$ | \$ |
| Total equity at the beginning of the year | 2,960,130 | 586,443 |
| Current year expenses recognised directly in equity | | |
| Net expenses recognised directly in equity | (1,074) | 1,363 |
| Loss for the half-year | (564,808) | (112,748) |
| Total recognised income and expense for the half-year | (565,882) | (111,385) |
| Transactions with equity holders in their capacity as equity holders | | |
| Contributions of equity, net of transaction costs | 5,989,000 | 1,215,271 |
| Total equity at the end of the year | 8,383,248 | 1,690,329 |
| Total recognised income and expense for the half-year is attributable to member of Crossland Uranium Mines Ltd | (564,808) | (112,748) |

CASH FLOW STATEMENT

For the six months ended 30 June 2007

| | Consolidated | |
|--|------------------|-----------------|
| | 2007 | 2006 |
| | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Payment to suppliers (inclusive of GST) | (895,589) | (67,667) |
| Interest received | 114,577 | 17,359 |
| NET CASH (OUTFLOWS) FROM OPERATING ACTIVITIES | (781,012) | (50,308) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Expenditure on mining interests (exploration) | (287,738) | (26,233) |
| Payments for property, plant and equipment | (190,509) | - |
| NET CASH INFLOWS / (OUTFLOWS) FROM INVESTING ACTIVITIES | (478,247) | (26,233) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of shares | 6,250,724 | - |
| Share Issue Costs | (261,724) | - |
| NET CASH INFLOWS FROM FINANCING ACTIVITIES | 5,989,000 | - |
| NET INCREASE / (DECREASE) IN CASH HELD | 4,729,741 | (76,541) |
| Cash at the beginning of the financial half year | 1,711,463 | 762,387 |
| CASH AT THE END OF THE FINANCIAL HALF YEAR | 6,441,204 | 685,846 |

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Framework

The half-year consolidated financial report is a general purpose financial report which has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting, the recognition and measurement requirements of applicable AASB Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the economic entity of Crossland Uranium Mines Limited and its controlled entities. Crossland Uranium Mines Limited is a listed public company, incorporated and domiciled in Australia.

The financial report has been prepared on the basis of historical cost and, except where stated, does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets

The financial report has been prepared on a going concern basis, which presumes the realisation of assets and discharge of liabilities in the normal course of business for the foreseeable future. The directors confirm, on an ongoing basis, that the company and the economic entity continue to meet this criteria.

The interim financial report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2003 and any public announcement made by Crossland Uranium Mines Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The Company has adopted relevant new pronouncements with no material impact.

2. REVENUE

| | Consolidated | |
|--|----------------|---------------|
| | 2007 | 2006 |
| | \$ | \$ |
| Revenue from outside operating activities | | |
| Interest received | <u>114,577</u> | <u>17,359</u> |
| Total revenue | <u>114,577</u> | <u>17,359</u> |

3. INCOME TAX

| | | |
|--|------------------|------------------|
| Loss from ordinary activities before income tax expense | <u>(564,808)</u> | <u>(112,748)</u> |
| Income tax calculated @ 30% (2006 – 30%) | <u>(169,442)</u> | <u>(33,824)</u> |
| Future income tax benefits not brought to account in respect of current year | <u>169,442</u> | <u>33,824</u> |
| Income tax attributable to operating loss | <u>-</u> | <u>-</u> |

NOTES TO THE FINANCIAL STATEMENTS

30 June 2007

4. FINANCIAL REPORTING BY SEGMENT

The consolidated entity operates predominantly in the one industry and in one geographical area, namely mineral exploration and evaluation.

5. EARNINGS PER SHARE

| | 2007 | 2006 |
|--|-------------------|-------------------|
| Basic and diluted | | |
| Weighted average number or shares used in basic and diluted earnings per share | <u>98,603,187</u> | <u>37,354,809</u> |
| Basic and diluted earning per share (cents per share) | <u>(0.57)</u> | <u>(0.30)</u> |

6. SHARE CAPITAL

| | Consolidated | |
|---|---------------------------|-------------------|
| | 2007 | 2006 |
| | \$ | \$ |
| Issued Capital | | |
| 113,566,202 fully paid ordinary shares (2006 – 66,226,942) | 12,305,266 | 4,365,761 |
| Less share issue costs | <u>(635,926)</u> | <u>(142,978)</u> |
| | <u>11,669,340</u> | <u>4,222,783</u> |
| Movement in issued capital | Number | \$ |
| Shares on issue 1 January 2006 | 76,160,942 | 6,054,542 |
| Issued pursuant to IPO | 22,680,000 | 5,670,040 |
| Issued pursuant to exercise of options | 2,725,260 | 580,685 |
| Issued as directors incentive shares | 12,000,000 | - |
| Less share issue costs | | <u>(635,927)</u> |
| Shares on issue 30 June 2006 | <u>113,566,202</u> | <u>11,669,340</u> |

The 2006 Annual General Meeting passed resolutions which proposed to issue and allot 18 million Incentive Shares to directors or their nominated Associates.

The Incentive Shares will only be issued and allotted under the following conditions:

- (1) one third in number of the Incentive Shares will be issued and allotted when and if, on or prior to the second anniversary of the Acquisition Completion Date, there occurs or has occurred:
 - (a) the completion of the ASX Public Offering; and
 - (b) the commencement of Official Quotation of the Company's securities on the ASX;
- (2) one third in number of the Incentive Shares will be issued and allotted when and if, on or prior to the fourth anniversary of the Acquisition Completion Date, the average closing price of CUX Shares quoted by the ASX for a period of 30 consecutive days occurring prior to the abovementioned anniversary date, is equal to above \$0.27 (the "Minimum Price"). For the purposes of determining the satisfaction of this condition, the Minimum Price will be adjusted to take into account any capital raisings by, or reconstructions of the capital of, the Company that occur after the completion of the Public Offering; and

NOTES TO THE FINANCIAL STATEMENTS

30 June 2007

6. SHARE CAPITAL (CONTINUED)

- (3) one third in number of the Incentive Shares will be issued and allotted when and if, on or before the fifth anniversary of the Acquisition Completion Date, the Company establishes to the satisfaction of the Board of Directors its ownership of a JORC compliant resource that contains no less than 10,000 tonnes of U308 or equivalent of another mineral with an in-ground gross value of no less than US\$500,000,000.

In the event that a director ceases to be a Director prior to the issue and allotment to him of any of the abovementioned Incentive Shares, in accordance with the abovementioned conditions, he will thereupon forego any further right or entitlement to any of those Incentive Shares.

At 30 June 2007 12,000,000 incentive shares had been allotted following the attainment of the performance conditions contained in tranche (a) and tranche (b) above.

7. ACCUMULATED LOSSES

| | Consolidated | |
|--|------------------|-----------|
| | 2007 | 2006 |
| | \$ | \$ |
| Accumulated losses at the beginning of the half year | 2,756,822 | 2,477,861 |
| Net loss for the six months | <u>564,808</u> | 112,748 |
| Retained losses at the end of the half year | <u>3,321,630</u> | 2,590,609 |

8. CONTINGENT LIABILITIES

There are no contingent liabilities.

9. SUBSEQUENT EVENTS

There were at the date of this report no matters or circumstances which have arisen since 30 June 2006 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 years subsequent to 30 June 2007.

DIRECTOR'S DECLARATION

The directors declare that the financial statements and notes set out on pages 3 to 8

- (a) comply with Accounting standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 and of their performance, as represented by the results of their operations and their cash flows, for the six months ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A.

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

Dated at SYDNEY this 13th day of September 2007

On behalf of the Board

RA Cleary
Chairman

INDEPENDENT AUDIT REVIEW REPORT

To the members of Crossland Uranium Mines Limited

SCOPE

We have reviewed the financial reports of Crossland Uranium Mines Limited for the half-year ended 30 June, 2007 as set out on pages 3 to 8. The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half year. The company's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 134: **Interim Financial Reporting** and other mandatory professional reporting requirements and statutory requirements, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investment Commission / Australian Stock Exchange.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to enquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Crossland Uranium Mines Limited is not in accordance with:

- (a) the Corporations Act (2001), including:
- (i) giving a true and fair view of the company's financial position at 30 June, 2007 and of its performance for the half year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134: **Interim Financial Reporting** and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.



Barnes Dowell James
Chartered Accountants

Anthony Dowell
Partner

Dated this day of 2007

Crossland Uranium Mines Limited

ABN 64 087 595 980

Half Yearly Report
30 June 2007