

28 January, 2008

**QUARTERLY REPORT  
FOR PERIOD ENDED 31 DECEMBER, 2007**

**HIGHLIGHTS**

- **Cash position** - As per the terms of the Joint Venture with Pancontinental Uranium Corp, the Company has been reimbursed circa \$600k with more to be paid thus keeping a cash balance in excess of \$6 million.
- **Chilling Project (EL(a)22738, EL23682, EL25076, EL25077 and EL25078)** –airborne geophysical survey reveals additional targets for ground evaluation
- **Charley Creek (EL24281, EL 25230)** – results awaited from the recently completed airborne magnetic and radiometric survey; airborne EM survey reveals channels for drill testing
- **Crossland Creek (E80/3143; E80/3303)** – the recent airborne survey reveals potential unconformity- related setting for uranium on the Kimberley Basin unconformity.
- **Kalabity (EL3297, SA: earning 60% minimum from PlatSearch NL and Eaglehawk Geological Prospecting Pty Ltd)** – assays reveal precious metal leads; preparations in hand for a February start to trenching and auger drilling at Tabita Prospect.

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## EXPLORATION DETAIL

### Chilling Project, NT (EL(a)22738, EL23682, EL25076, EL25077 and EL25078)

***At the Chilling Project, Crossland's primary targets are unconformity – related uranium deposits, the deposit style that hosts most of the world's high grade uranium.***

A detailed airborne radiometric and magnetic survey was completed over the entire project area on 100m and 200m spacings. The first pass of interpretation of the results has identified around sixteen new anomalies that demand ground checking, but could not be checked by Crossland before the onset of the wet season in the Top End of the NT. Checking will continue when the current unstable weather conditions stabilise.

In addition, extensive ground surveys utilising an ATV- mounted gamma ray spectrometer covered a broad area around the MEMA prospect. Channel sampling of the MEMA prospect and other anomalies detected by ground work or previous exploration continued. The basics of a camp were stowed on site to allow early commencement of activities as weather conditions settle.

### Charley Creek Project, NT (EL24281, EL 25230)

***At the Charley Creek Project, Crossland is targeting calcrete and redox- related palaeo drainage uranium targets, with granite-related uranium, and layered mafic intrusive- related copper, nickel and platinumoids as secondary targets.***

The detailed airborne radiometric and magnetic survey of Charley Creek was almost complete by the end of the year, and has since been completed. The final processed data will be delivered imminently and the anomalies requiring follow up will be identified as soon as the results arrive.

It is expected that field work including follow up of radiometric anomalies will get under way in March, while drill- testing of channels detected in the Tempest airborne survey will follow later in the dry season.

### Kalabity, South Australia (EL3297)

***At Kalabity, Crossland's interest is through an agreement with PlatSearch NL and Eaglehawk Geological Prospecting Pty Ltd to earn a majority share in EL3297. Previous work has identified widespread elevated values of uranium and other metals. Recent work by Crossland has identified a new anomalous zone which has been named the Tabita Prospect.***

Additional precious metal analyses have been received on a sub- set of the samples collected last quarter. Gold values ranged from <1ppb to 33ppb, Platinum values ranged from <5ppb to 10ppb, and Palladium values ranged from <1ppb to 134ppb. Preparations are on track to commence a program of trenching, and auger drilling at the Tabita Prospect, and at a site along the Kalabity Fault, in late February. Results should start to become available from this work by late March.

**Crossland Creek, West Kimberley, Western Australia (E80/3143; E80/3303)**

*At Crossland Creek, Crossland has been targeting diamonds, and copper and associated metals related to a discrete magnetic anomaly.*

During the quarter, a detailed airborne magnetic and radiometric survey of the entire holding was completed. The results revealed a strong correlation between previously known uranium radiometrics and a linear magnetic feature that appeared to terminate in the discrete magnetic anomaly that was previously being investigated as a copper prospect. It is possible that the uranium anomalies represent leakage from a deposit on the Lower Proterozoic unconformity at the base of the Kimberley Basin sediments, which is estimated to lie less than 200m below surface at the site of the discrete magnetic feature. The project has been offered to Pancontinental Uranium Corp for inclusion in the Uranium Joint Venture with Crossland, and an answer is expected from Pancontinental shortly on this. Follow up work are will start as soon as access is possible. It is anticipated that this work will involve ground checking of the radiometrics, and drilling to target the magnetic features. Preparations will be made to allow this to commence as soon as possible in the dry season.

**Lake Woods, NT (EL23687, EL24520, EL25631)**

*At Lake Woods, NT, previous exploration, as well as that by Crossland, has identified an anomalous cluster of rare micro- diamonds that are considered to indicate a local source. The area has potential for other commodities. This area is not included in the Joint Venture with Pancon.*

The Tempest AEM survey completed late in the previous quarter was processed and interpreted. Drilling to follow up on the survey will start around August 2008.

**Western Creek, NT (EL 23684; ELA25605 and ELA25607)**

*At Western Creek, NT Crossland has identified diamond targets. This area is not included in the Joint Venture with Pancon.*

Auger drilling across subtle drainage channels that contained four kimberlitic chromites in sampling last year was extended during the quarter. Samples were being processed at the end of the quarter. It is expected that more drilling will follow next season.

**Mount Darling, South Australia (EL3228)**

*At Mount Darling (EL3228), near the NT border in northern South Australia, Crossland is targeting copper/ nickel mineralisation. This area is not included in the Joint Venture with Pancon.*

A 500m auger drilling program, partly funded by a subsidy from the South Australian Government under the PACE scheme, was completed during the quarter. Values obtained were subdued.

## CROSSCONTINENTAL JOINT VENTURE

Crossland and its partner, Pancontinental Uranium Corp (Pancon), have established Crosscontinental Uranium Ltd, a public unlisted Canadian company to which each party will initially contribute \$2 million to explore for uranium globally outside Australia. Crosscontinental is monitoring several opportunities to become involved in uranium projects, in various nations.

### **Burkina Faso, West Africa (various applications)**

Crosscontinental has established a local subsidiary in Burkina Faso and has made application for an extensive package of titles in its own name and through option agreements with local applicants. We are advised by our local consultants that the Government of Burkina Faso has developed a procedure for assessing applications for uranium exploration titles, and that there is progress towards grant of titles. As soon as the situation is actionable, Crosscontinental will commence field activity. In the meantime, the extensive available data are being reviewed and collated.

## PLANNED ACTIVITIES

### **Kalabity, SA**

- A trenching and drilling program will commence in late February and continue through March.

### **Chilling, NT**

- Helicopter- based follow- up of prime anomaly targets generated by airborne geophysical survey.
- Conclusion of native title access agreement via Northern Land Council for the Buchanan EL application, and acquisition of Sacred Sites Certificate from Aboriginal Areas Protection Authority.
- Additional follow up of results as weather and ground conditions permit.

### **Charley Creek, NT**

- Finish interpretation of the airborne geophysical survey results;
- Ground follow- up of radiometric survey,
- Prepare for drilling program

### **Crossland Creek, WA**

- Prepare for dry season field program

### **Crosscontinental Joint Venture**

- Await grant of titles in Burkina Faso before commencing ground exploration ; conduct preparatory work as appropriate.

### **Geoff Eupene**

Exploration Director

*The review of exploration activities and results contained in this report are based on information compiled by **Geoffrey S Eupene CP**, a Fellow of the Australasian Institute of Mining and Metallurgy. He is a director of the Company and a full time employee of Eupene Exploration Enterprises Pty Ltd. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Geoffrey S Eupene has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.*