

30 July, 2008

QUARTERLY REPORT FOR PERIOD ENDED 30 JUNE, 2008

HIGHLIGHTS

- **Chilling Project (EL(a)22738, EL23682, EL24557, EL25076, EL25077 and EL25078):** – reconnaissance of radiometric anomalies has been completed and drilling will commence in late July / early August.
- **Charley Creek (EL24281, EL 25230):** – An air core drilling program of 4434m in 126 holes was completed to define the channels indicated by airborne EM surveys. Follow up of the results of the detailed airborne radiometric survey also commenced. All assays are awaited.
- **Crossland Creek (E80/3143, E80/3303, E80/3854):**- An airborne survey of E80/3854 is planned; field work will commence in August with a drilling program planned during the Dry Season.
- **Kalabity (EL3297, SA):** earning 60% minimum from PlatSearch NL and Eaglehawk Geological Prospecting Pty Ltd) – Assay results are still awaited for the auger drilling completed in the March Quarter.
- **Crosscontinental Joint Venture:-** Crosscontinental has entered into an interest earning Joint Venture with Southern Cross Exploration/ Longreach Oil NL over two granted exploration permits for uranium in Burkina Faso. A visit to Burkina Faso by the Exploration Director helped to confirm Crosscontinental's intent to mount a significant uranium exploration effort in this previously under explored West African nation.
- **Funding position:-** The formal Joint Venture agreement between Crossland and Pancontinental was finalised and executed during the quarter. As per the terms of the Joint Venture, the Company has been reimbursed circa \$214,000 with a balance outstanding thus keeping a cash balance well in excess of \$5 million with amounts still owing from Pancontinental. In addition, Pancontinental have agreed to pay in excess of \$400,000 for its share of overheads and to recognise the joint venture use of Crossland equipment – this amount is expected before the end of July. A monthly share of overheads and equipment rentals have been agreed for the future.

EXPLORATION DETAIL

Chilling Project, NT (EL(a)22738, EL23682, EL24557, 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 helicopter- assisted reconnaissance of anomalies revealed in Crossland's detailed airborne survey of the Project Area was completed early in the quarter. A strategy for follow-up of each anomaly was developed on the spot and is being implemented in the current quarter. A diamond drill program is scheduled in late July / early August. It is planned that the rig will be utilized by Crossland on its Top End projects for the remainder of the Dry Season. Further delays have been encountered in the conclusion of an agreement with Native Title Claimants on EL (a) 22738.

Charley Creek Project, NT (EL24281, EL 25230)

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

A first- phase program of 126 air core holes for 4434m of drilling was completed between 18 April and 9 May 2008. The holes ranged in depth from 3m to 129m. Most holes reached fresh basement. A total of 1218 samples were collected, with selection for sampling based mainly on down- hole probe radiometric results, as well as samples of basement. Almost all holes were probed, either at the time of drilling or a few days later. All holes were backfilled upon completion of probing. The holes were drilled at 200m spacing on two lines across the wide alluvial flats at Charley Creek, and were designed to provide calibration to the airborne EM survey completed last year. Interpretation of results will be completed when all assay results are to hand, which is expected in the current quarter.

After the first phase of air core drilling was complete, reconnaissance of anomalies revealed in Crossland's detailed airborne radiometric survey completed in January was commenced. There are strong uranium channel sources from outcropping bedrock in the Teapot Granite, and secondary uranium minerals, particularly a yellow mineral that is probably autunite $\text{Ca}(\text{UO}_2)_2(\text{PO}_4)_2 \cdot 10\text{H}_2\text{O}$, are visible in places. Some 40 outcrop samples have been collected and submitted for analysis so far. The reconnaissance has been suspended while available personnel are allocated to the Top End projects. More work is required on the Charley Creek targets, and this will proceed as personnel are available.

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.

As yet, only partial assay results are available from the extensive auger drilling program completed in the March Quarter. The full results should be available shortly.

Crossland Creek, West Kimberley, Western Australia (E80/3143; E80/3303; E80/3854)

At Crossland Creek, Crossland has been targeting uranium and copper in an unconformity related situation at the base of the Kimberley Basin succession.

A detailed airborne survey of the newly- acquired area, E80/3854 is being planned. Field work will commence at Crossland Creek in mid August.

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.

Field work to follow up on the airborne EM survey completed by Crossland in 2007 will commence in the September quarter. A senior geologist and field hand have been engaged for this work.

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.

Crossland plans more drilling at Western Creek when a drill and geologist are available, before the end of 2008.

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.

The Mount Darling Exploration Licence has been adequately tested for the targets we had hoped for as well as for other leads that were developed during field programs. Therefore it has been decided not to renew the Licence when it expires in August.

Crosscontinental Joint Venture

Crossland and our joint venture partner, Pancon, have formed the jointly- owned company, Crosscontinental Uranium Ltd to explore for uranium outside Australia. Crosscontinental has evaluated several potential ventures during the quarter, and has entered into a venture with Southern Cross Exploration and Longreach Oil to expand its interests in Burkina Faso. The number and quality of opportunities on offer to Crosscontinental appears to be increasing.

Burkina Faso, West Africa (various applications)

Crossland's Exploration Director, Geoff Eupene visited Burkina Faso in June and had meetings with Government with the intention of clarifying the status of Crosscontinental's substantial application portfolio in Burkina Faso. As well as overflying the newly- acquired SXX joint venture areas in the north east of the country, he located and appraised several of the applications and anomalous areas interpreted from public data by Crosscontinental's geophysicist. The site examinations and meetings confirmed that Crosscontinental should continue its interest in Burkina Faso. It is expected that Crosscontinental's applications will be processed shortly. Arrangements are in place to complete an airborne geophysical survey of granted titles later this year. During the period an amount of circa \$101 thousand was repaid to Crossland for prior expenditure and then a cash call was made on Crossland for \$300 thousand. Exploration for the quarter in Crosscontinental totalled circa \$280 thousand and the cash balance of \$160 thousand being 50% of the cash in Crosscontinental at 30 June 2008 is included in Crossland cash this period.

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.*