

24 October, 2008

QUARTERLY REPORT
FOR PERIOD ENDED 30 SEPTEMBER, 2008

HIGHLIGHTS

- **Chilling Project (NT EL(a)22738, EL23682, EL24557, EL25076, EL25077 and EL25078):** –A diamond drill has been at work at Chilling since mid- August. Several holes will test the Mount Thomas structure where high uranium grades have been intersected in previous exploration.
- **Charley Creek (NT EL24281, EL 25230):** –The market was informed of significant uranium assay results from the Cockroach Dam area in late August. Follow up is planned for early 2009.
- **Crossland Creek (WA E80/3143, E80/3303, E80/3854):-** A detailed airborne geophysical survey of E80/3854 has revealed several uranium anomalies that will be ground checked in November.
- **Kalabity (SA EL3297):** earning 60% minimum from PlatSearch NL and Eaglehawk Geological Prospecting Pty Ltd :- Assays from an auger drilling programme completed in March were received, and these contain results at the Tabita Prospect that warrant follow- up. This will proceed in early 2009.
- **Crosscontinental Joint Venture:-** A detailed airborne geophysical survey of the Oursi project area in Burkina Faso will be commenced in October.
- **Funding position:-** At the end of the Quarter, Crossland had cash of \$5.134 million. As per the terms of the Joint Venture with Pancon, the Company has been reimbursed circa \$302k during the quarter.

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.

Diamond drilling commenced in the Chilling Project on August 14. Up to the end of the Quarter, some 683m had been completed, with drilling of CHDD04, the fourth hole of the program, under way. Drilling will continue for as long as possible before the wet season sets in, (expected mid- late November on present indications). A further four holes should be completed by then. Drilling in the 2008 field season is concentrated on the Mount Thomas/ Marchfly prospect, where high grade intersections have been obtained in previous exploration.

The Marchfly structure can be traced in geology and as a radiometric anomaly over a strike length of approximately 600m, and there is potential to delineate a modest resource. While all core has been scanned radiometrically and all holes probed with Crossland's gamma ray logger, it is Crossland's policy to announce chemical uranium grades rather than radiometric estimates. Zones of radiometric activity and indications of other types of mineralisation have been selected for sampling and this work is in progress. All core samples from Mount Thomas will be submitted in a batch at the conclusion of the drilling programme, and results should be received before the end of the year.

Ground follow up of more than 40 uranium radiometric anomalies revealed in Crossland's detailed airborne geophysical survey completed in 2007 is in progress. This utilises ground gamma spectrometer surveys. It is planned to drill lines of air core holes across the more accessible of these anomalies during 2008.

Delays have been experienced with the major airborne electromagnetic survey sponsored by Geoscience Australia, to which Crossland has subscribed for detailed infill within the Chilling Project area. It is still possible that the survey data will be gathered this year. Crossland hopes to obtain this information to help with planning of drill holes through the sandstone cover to test for major unconformity- style deposits which is our main target in the Chilling Project.

It is anticipated that the Native Title Agreement relating to EL(a)22738 will be completed in the current quarter.

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.

Results from samples collected from the air core holes drilled last quarter have been received. The compilation of the results with other drill hole data for interpretation and planning of the next phase of exploration has been suspended while all field personnel concentrate on Crossland's properties in the North of Australia, where the field season is limited by a wet season that will commence soon.

Results were received from 37 outcrop samples from the Cockroach Dam prospect in the Teapot Granite. These results were reported to the ASX on August 28. These results are reproduced below. Crossland believes that the frequency of high values of uranium in outcrop samples is unusual and encouraging. The results warrant follow up work, which would involve drilling to test beneath outcrop. Additional permits are required from NT Government agencies to authorise drilling. Applications for relevant permits are either lodged or in preparation. It is hoped that diamond drilling below some of the areas of outcrop can commence during the summer months. In addition to this work, additional radiometric anomalies from the airborne survey remain to be ground- checked in The Teapot Granite. The Cockroach Dam Prospect is on land utilised for pastoral lease 120km to the north- west of Alice Springs.

Table of results from outcrop sampling of the Teapot Granite at the Cockroach Dam Prospect.

Sample ID	Uranium (ppm)*
315651	120
315652	49.9
315653	46.6
315654	316
315655	520
315656	13.9
315657	310
315658	161
315659	560
315660	820
315661	123
315662	680
315663	500
315664	720
315665	90.8
315666	196
315667	139.5
315668	710
315669	388

Sample ID	Uranium (ppm)*
315670	273
315671	191
315672	438
315673	640
315674	350
315675	274
315676	450
315677	83.7
315678	258
315679	174.5
315680	580
315681	1660
315682	21.9
315683	79.9
315684	165.5
315685	2530
315686	2210
315687	680

** 1ppm is 1 gram per tonne, and one pound is 453.6 grams. The conversion factor from uranium to U₃O₈ is 1.179.*

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.

Results from the auger drilling program completed in March 2008 have been received. These have not yet been fully interpreted due to pressures of field activity in North Australia. However, results from the Tabita Prospect show that four drill sites returned bottom hole samples of over 200ppmU, with a highest of 235ppmU. Fifteen sites returned bottom hole values of over 100ppmU. The country at Tabita is on an elevated area between streams, but the soils there carry gypsum and the uranium mineral present may be a vanadate, such as carnotite. Further work is warranted to see if values increase at depth or laterally from the areas so far evaluated at Tabita. This is scheduled for early 2009 using a more powerful air core rig.

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 setting at the base of the Kimberley Basin succession.

With the change of government in WA following the September 6 election, there has been a change in State Government policy towards uranium mining. Crossland will now take a more aggressive approach to exploration of its uranium exploration projects in the Kimberley.

In the past quarter, Crossland has concentrated exploration activity at Chilling, so the field work planned for Crossland Creek has been delayed until the current quarter. A detailed airborne geophysical survey of E80/3854 was completed during July, and results have been received. These reveal several anomalies in uranium channel data that warrant ground follow up, and this will be undertaken in the current quarter.

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.

Regional geological reconnaissance, specifically intended to interpret the airborne EM results obtained in 2007, was completed. A stratigraphic drilling programme will be undertaken in the current quarter to sample zones of interest.

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.

An air core drill programme to confirm the presence of kimberlitic chromites and search for their provenance will proceed in the current quarter.

New Projects

Crossland is examining several opportunities to expand and diversify its project portfolio. Crossland has been offered the opportunity by related parties to participate in a gold/ silver project on a current 7th Generation Contract of Work in the Lebong Gold District in South Sumatra, Indonesia. Crossland is examining this opportunity. This and some other opportunities are for commodities other than uranium that would not fall into the joint venture with Pancon. Crossland remains committed to pursuing uranium projects as a first priority, but has consistently maintained an open approach to other commodities which fall within its expertise and capability.

Crosscontinental Joint Venture: Burkina Faso, West Africa

The Crosscontinental Joint Venture with Pancon has entered into a joint venture on the Oursi Project in north east Burkina Faso with Southern Cross Exploration NL and Longreach Oil NL. Arrangements are in hand to complete a detailed airborne magnetic and radiometric survey of the project area in the current quarter. Crosscontinental has other applications for exploration permits in Burkina Faso which are not yet determined, pending finalisation of Government policies on uranium mining. There was no notable progress on this in the quarter.

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 these matters in the form and context in which they appear.*