

26 July, 2010

**QUARTERLY REPORT  
FOR PERIOD ENDED 30 June, 2010**

**HIGHLIGHTS**

- **Charley Creek (EL24281, EL 25230 EL27283, EL27284, EL27338, EL27358, EL27359)**

Clearance and approval matters have been satisfactorily resolved. Drilling will start at the Cockroach Dam Prospect in the last week of July and the market will be updated on progress.

- **Chilling Project (EL22738, EL23682, EL24557, EL25076, EL25077 and EL25078; ELa27440, EL27441, ELa27442, EL27525)**

An aircore and RC drill program of over 3,000m, and diamond core drilling of 1,400m is being planned to test various opportunities at Chilling in 2010

- **Kalabity (EL3297, SA):** earning 60% minimum from PlatSearch NL and Eaglehawk Geological Prospecting Pty Ltd –

Costeaming and drilling conducted during the quarter has indicated potential for significant quantities of carnotite mineralization in gypsiferous/ferruginous zones. Metallurgical testing on composite samples of this mineralized material from the trench sampling will be commissioned to determine the way forward.

- **Lake Woods, NT (EL23687, EL24520, EL25631, EL27317, EL27318)-**

The subsidised drilling has been completed and in line with the current focus on Charley Creek and other uranium projects, the Company is seeking a joint venture partner.

- **Pancontinental Funding** - As per the terms of the Joint Venture, the Company has been reimbursed circa \$405,000 from Pancontinental

- **Cash Position** – As at 30 June is circa \$3.23 million, with some \$1.01 million still due from Pancontinental.

**CROSSLAND URANIUM MINES LIMITED**  
**ABN 64 087 595 980**

**PHONE:** (02) 9957 3199 **FACSIMILE:** (02) 9954 4011 **EMAIL:** [cux@crosslanduranium.com.au](mailto:cux@crosslanduranium.com.au)  
**ADDRESS:** Level 10, 80 Arthur St, North Sydney, 2060, NSW, AUSTRALIA

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## OVERVIEW

Important progress has been achieved in Crossland's Charley Creek Project, where our extensive preparations are soon to be tested by diamond core drilling. This has been achieved despite delays due to unseasonal rains. The weather has now cleared, and all permitting has been satisfactorily resolved. Drilling will start at the Cockroach Dam prospect at Charley Creek in the last week of July.

## EXPLORATION DETAIL

Charley Creek Project, NT (EL24281, EL 25230; EL27283, EL27284, EL27338, EL27358, EL27359)

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

Field crews continued work at Charley Creek during the quarter, with gamma spectrometer surveys at Cockroach Dam prospect with up to five instruments in use, geological mapping and petrographic studies of the Cockroach Dam prospect area, and anomaly follow- up over a broader area of Charley Creek.

On May 26, a large meeting of interested Aboriginal groups was organised by CLC under the terms of an existing Exploration Deed between CLC and Crossland, to examine the Company's work plans for the next phase of exploration, particularly drilling at the Cockroach Dam Prospect, but also broader activities over the entire 4,000 square km area of the Charley Creek Project. The meeting was addressed by Crossland staff and consultants. Field inspections of the areas of proposed activities were also conducted. The upshot of this has been a very positive response from the Traditional Owners. An application was also lodged to vary the terms of the existing AAPA Certificate to permit drilling and associated activities such as access roads, and trenching, and this varied AAPA Certificate, dated 18 June 2010, is now in hand. The CLC clearance certificate covering a broader program is expected to be received imminently. An announcement to that effect was issued to the market on 1 July.

At the time of writing this report, earthmoving equipment was on site to prepare drill access, and the rig was on site awaiting completion of access. Slight delays have been encountered due to record rainfall in the district, but this has cleared and the ground is drying out. Crossland will inform the market once drilling has started.

The market is reminded of Crossland's long- stated policy of only announcing assays of elemental uranium, not radiometric estimates. This means there will be a lag of some weeks, usually about four weeks, from drilling to announcement of results.

The initial program of diamond core drilling at Cockroach Dam will investigate both the Cockroach East and Cockroach Dam prospect areas. Initial drilling will be at Cockroach East for reasons of access. The more radioactive Cockroach Dam area will be drilled after Cockroach East. This initial phase of drilling is expected to involve around 10 holes to 150m deep.

An area mapped as Teapot Granite on a portion of EL27283 west of Mount Zeil was covered by an airborne radiometric survey early in July.

Chilling Project, NT (EL22738, EL23682, EL24557, EL25076, EL25077 and EL25078:  
EL(a)27440, EL27441, EL(a)27442), EL27525

***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. Other target commodities exist, such as gold, tin, copper, and cobalt. Other uranium deposit styles are also possible.***

A late finish to the wet season has delayed the commencement of field work at Chilling, which commenced shortly after the end of the Quarter. Extensive compilation of past work will assist planning of the 2010 season. An aircore and RC drill program of over 3,000m, and diamond core drilling of 1,400m is planned to test various opportunities at Chilling in 2010.

Kalability, South Australia (EL4461)

***At Kalability, Crossland's interest is through an agreement with PlatSearch NL and Eaglehawk Geological Prospecting Pty Ltd to earn a majority share in EL4461 (Formerly EL3297). Previous work has identified widespread elevated values of uranium and other metals. Recent work by Crossland has identified an anomalous zone which has been named the Tabita Prospect.***

Crossland has completed an exploration program to follow up anomalous U and Cu values obtained from previous results at the Tabita Prospect. The 2010 program at Kalability has so far consisted of 93 shallow air core drill holes totaling 2,325 meters of drilling, plus a program of trenching. Upon completion of each drill hole, it was probed using a radiometric probe to determine sampling intervals. A total of 381 samples were collected and submitted for analysis.

Excavator trenching commenced on 10 May 2010. A total of seven costeans, three meters deep, for a combined 434 meters length were excavated. 419x 1m samples were collected from the trenches, and sent to the laboratory for preparation and processing. Each sample underwent a coarse crushing. The samples were then split using a riffle splitter. One half of each sample was then pulverized and sent for chemical analysis, while the other half of each sample has been retained for further metallurgical testing.

## **Results**

### **Drilling**

Anomalous uranium values peaked at 250ppmU, with two samples >200ppm. There were 10 samples >800ppmV peaking at 940ppm. Anomalous copper values peaked at 435ppmCu with two samples >400ppm.

### **Trenching**

Results from trenching were more positive than drilling. Anomalous uranium values peaked at 1010ppm with 45 samples returning >200ppmU. 5 samples returned >800ppmV peaking at 1304ppm. There were two copper values >400ppm (412 and 417ppm). Gypsum was found in abundance within the shallow subsurface.

There is some tonnage potential in the gypsiferous / ferruginous zones that are carrying the carnotite mineralisation, and the control on their distribution can be cheaply established with excavator trenching. A program of metallurgical testing will be commissioned to determine if there might be a means to physically separate gypsum, thereby upgrading the uranium- vanadium enriched ferruginous material. Metallurgical testing of the concept will be performed on composite samples of mineralized material from the trench sampling.

Lake Woods, NT (EL23687, EL24520, EL25631, EL27317, EL27318)

***At Lake Woods NT, Crossland has identified an outcropping alkali basalt sill intruded around 1300 Million years ago that has unusual properties that may indicate that the area has potential for commodities such as nickel copper and platinoids. This area is not included in the Joint Venture with Pancon.***

Crossland completed its reporting obligations to the NT Geological Survey related to the subsidised drill program, and has decided to seek an incoming investor to shoulder some of the expenses involved in testing the exploration concept, as Crossland focuses on its core projects at Charley Creek and Chilling.

## New Projects

Crossland continues to examine opportunities to expand its project portfolio, and expects to bring negotiations to a conclusion on new acquisitions soon. These will capitalise on Crossland's emerging positions and knowledge derived from operating experience on its existing projects.

## Burkina Faso, West Africa

### 1. Oursi Joint Venture

***Crosscontinental has entered an interest-earning Joint Venture with Southern Cross Exploration NL and Longreach Oil NL.***

There is no activity to report.

### 2. Applications by Crosscontinental Burkina SA and related parties

The progress with the additional applications lodged on behalf of Crosscontinental is slow and it is difficult to allocate a priority to work on these at present.

### Geoff Eupene

Exploration Director

*The review of exploration activities and results contained in this report are based on information compiled by **Geoffrey S Eupene**, 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.*