CROSSLAND
Uranium Mines Limited

10 April 2007

Australian Securities Exchange
Adelaide SA

Dear Sir / Madam

DIRECTOR OPTION SCHEME – BACKGROUND AND CONDITIONS

At the 2006 Annual General Meeting shareholders passed a resolution 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 (defined below), 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 Crossland shares quoted by the ASX for a period of 30 consecutive days occurring prior to the abovementioned anniversary date, is equal to or above $0.27 (the "Minimum Price"). For the purpose 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 ASX Public Offering; and

(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 its ownership of a JORC-compliant resource that contains no less than 10,000 tonnes of U_3O_8 or equivalent of another mineral with an in-ground gross value of no less than US$500,000,000.

("Acquisition Completion Date" is 26 June 2006, being the date the Company acquired Crossland Mines Pty Limited)

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 forgo any further right or entitlement to any of those Incentive Shares.

The beneficiaries of the Incentive Shares are the five Directors, and details are shown in Section 14.8 of the Prospectus which deals with interests of Directors in the Company's securities.

Once issued, Official Quotation of those Shares will be sought on the ASX and the Incentive Shares will have the same rights and terms as other Shares in the Company, details of which are set out in Section 14.6 of a Prospectus dated 15 February 2007 and on the Company website, www.crosslanduranium.com.au.

Yours sincerely

Mal Smartt
Company Secretary

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