

Crossland Uranium Mines Limited

ABN 64 087 595 980

Half Yearly Report
30 June 2010

DIRECTORS

Robert A Cleary (Chairman)
Geoffrey S Eupene
Peter W Walker
Robert L Richardson
Patrick J D Elliott

SECRETARY

Mal Smartt

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AUDITORS

Barnes Dowell James

BANKERS

Westpac Banking Corporation

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2009 and any public announcements made by Crossland Uranium Mines Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

DIRECTOR'S REPORT

Your Directors present their report on the consolidated entity consisting of Crossland Uranium Mines Limited and the entities it controlled at the end of, or during the six months ended 30 June 2010.

Directors

The following persons were directors of Crossland Uranium Mines Limited during the whole of the financial period and up to the date of this report unless otherwise stated:

Robert A Cleary (Chairman)
Geoffrey S Eupene
Peter W Walker
Robert L Richardson
Patrick J D Elliott

Review of operations

CURRENT EXPLORATION OVERVIEW

Real progress has been achieved in Crossland's Charley Creek Project, where our long preparations are currently being tested. Late rains held up the start of field work at Chilling, and, though there was a lot achieved at Charley Creek, there were delays there also with rains and a sacred site clearance issue. All permitting has been satisfactorily resolved and as announced, drilling has started at Cockroach Dam. There has been considerable earthmoving to create roads for drilling and general access.

At the time of signing this report, Pancontinental have achieved their expenditure of \$8,000,000 and have earned 50% of the Chilling, Charley Creek and Kalabity projects. Crossland has had a very active period based around intensification of exploration of its core projects. Crossland's team is continually reviewing other opportunities that emerge, some of which might offer considerable potential. Crossland's exploration strategy is to pursue the discovery of major uranium deposits, primarily across Northern Australia, utilising the considerable combined experience of the Board and management. This, together with the use of modern exploration techniques should improve the likelihood of exploration success.

Announcements have been made to the market and there will be updates whenever required for full disclosure.

CHARLEY CREEK

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

Field crews continued work at Charley Creek during the past 6 months, 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.

DIRECTOR'S REPORT

Earthmoving equipment has since prepared drill access, and diamond core drilling has commenced. Slight delays have been encountered due to record and ongoing rainfall in the district. Crossland informed the market of the commencement of drilling on 27 July.

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 test both the Cockroach East and Cockroach Central prospect areas. Initial drilling will be at Cockroach East for reasons of access. The more radioactive Cockroach Central 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. On 4 August, Crossland announced that it had entered into a Joint Venture with Western Desert Resources Ltd on their Clough's Dam Licence, EL25657. This will form part of an additional airborne geophysical survey when weather conditions are suitable.

On 3 August, Crossland announced that it had purchased a company holding a package of exploration licences to the north- west of Charley Creek from Global Geoscience Ltd. This package will be known as the Bloodwood/ Highland Rocks Project. The area is believed to be prospective for uranium, gold, and base metals.

CHILLING PROJECT

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, and 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. At the time of writing, access tracks are being cleared; however delays in sacred sites clearances and rig availability are emerging as potential concerns for the program.

KALABITY

(Earning 60% in Joint Venture with Platsearch NL and Eaglehawk Geological Prospecting

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.

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 Kalabity has so far consisted of 93 shallow air core drill holes totaling 2,325 meters of drilling, plus a programme 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.

Crossland has now completed earn- in of its 60% interest.

DIRECTOR'S REPORT

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

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.

CROSSCONTINENTAL JOINT VENTURE

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. There is no cost to Crosscontinental during this waiting period and there is optimism for successful approvals.



Geoffrey Eupene

Director

14 September 2010

STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2010

		Consolidated	
	Note	2010 \$	2009 \$
Revenue from ordinary activities	2	81,175	206,803
Administration costs		(33,001)	(43,006)
Consultants fees		(45,550)	(64,848)
Depreciation		(55,477)	(45,214)
Employment Costs		(54,172)	(59,939)
Exploration Costs Written off		(37,757)	(503,269)
Interest paid		(52)	-
Office rent		(36,869)	(36,095)
Share of associates losses		(24,761)	-
Other expenses from ordinary activities		(59,273)	(32,709)
Loss from ordinary activities before income tax expense		(265,737)	(578,277)
Income tax expense	3	87,518	-
Net loss from ordinary activities after income tax expense	7	(178,219)	(578,277)
Other comprehensive income			
Other comprehensive income before income tax expense		-	-
Income tax expense		-	-
Other comprehensive income for the period		-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		(178,219)	(578,277)
Total comprehensive income attributable to members of Crossland Uranium Mines Limited		(178,219)	(578,277)
Basic and diluted loss per share (cents)	5	(0.15)	(0.50)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

		Consolidated	
	Note	30.6.2010	31.12.2009
		\$	\$
CURRENT ASSETS			
Cash		3,237,280	3,733,593
Receivables		1,031,695	584,761
Other Current Assets		14,434	14,434
TOTAL CURRENT ASSETS		4,283,409	4,332,788
NON-CURRENT ASSETS			
Receivables		50,206	54,615
Exploration properties		1,981,303	1,974,639
Plant and equipment		222,243	256,251
TOTAL NON-CURRENT ASSETS		2,253,752	2,285,505
TOTAL ASSETS		6,537,161	6,618,293
CURRENT LIABILITIES			
Payables		152,484	78,158
Provisions		70,700	47,939
TOTAL CURRENT LIABILITIES		223,184	126,097
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		223,184	126,097
NET ASSETS		6,313,977	6,492,196
SHAREHOLDERS' EQUITY			
Contributed equity	6	12,113,951	12,113,951
Foreign Currency Translation Reserve		(59,433)	(59,433)
Share Based Payments Expense Reserve		227,472	227,472
Accumulated losses	7	(5,968,013)	(5,789,794)
TOTAL EQUITY		6,313,977	6,492,196

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2010

	CONSOLIDATED	
	2010	2009
	\$	\$
Total equity at the beginning of the year	6,492,196	7,436,870
Comprehensive income (loss) for the half-year, net of tax	(178,219)	(578,277)
	6,313,977	6,858,593
Transactions with equity holders in their capacity as equity holders	-	-
Total equity at the end of the year	6,313,977	6,858,593

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

For the six months ended 30 June 2010

	Consolidated	
	2010	2009
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payment to suppliers (inclusive of GST)	(515,372)	(200,340)
Interest received	78,653	73,077
Interest paid	(52)	-
Other income	1,940	130,793
NET CASH (OUTFLOWS) FROM OPERATING ACTIVITIES	(434,831)	3,530
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditure on mining interests (exploration)	(1,243,989)	(819,172)
Reimbursement of exploration expenditures	1,199,568	930,660
Payments for security deposits	-	(23,790)
Refunds of security deposits	4,409	-
Payments for property, plant and equipment	(21,470)	(43,334)
Proceeds of sale of property, plant and equipment	-	3,900
NET CASH INFLOWS / (OUTFLOWS) FROM INVESTING ACTIVITIES	(61,482)	48,264
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	-
Share Issue Costs	-	-
NET CASH INFLOWS FROM FINANCING ACTIVITIES	-	-
NET INCREASE / (DECREASE) IN CASH HELD	(496,313)	51,794
Cash at the beginning of the financial half year	3,733,593	4,240,150
CASH AT THE END OF THE FINANCIAL HALF YEAR	3,237,280	4,291,944

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 30 June 2010 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134 Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the on the latest annual financial statements of Crossland Uranium Mines Limited and its controlled entities (the Group). As such it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2009 together with any public announcement made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

2. REVENUE

	Consolidated	
	2010	2009
	\$	\$
Revenue from outside operating activities		
Interest received	78,653	73,078
Gain on disposal non current assets	-	451
Foreign exchange gains	582	2,481
Other income	1,940	130,793
Total revenue	81,175	206,803

3. INCOME TAX

Loss from ordinary activities before income tax expense	(265,737)	(578,277)
Income tax calculated @ 30% (2009 – 30%)	(79,721)	(173,483)
Future income tax benefits not brought to account in respect of current year	79,721	173,483
R&D Tax Offset Rebate received	87,518	-
Income tax attributable to operating loss	87,518	-

NOTES TO THE FINANCIAL STATEMENTS

30 June 2010

4. FINANCIAL REPORTING BY SEGMENT

The group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and allocating resources. The group is managed primarily on the basis of exploration for uranium in Australia. Operating segments are therefore determined on the same basis.

	Exploration \$	Total \$
Six months ended 30.06.2010		
Revenue		
Interest revenue	78,653	78,653
Total segment revenue	78,653	78,653
Segment net profit before tax	(154,967)	(154,967)
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>		
Amounts not included in segment result but reviewed by the Board:		
— depreciation and amortisation		(55,477)
— equity-accounted profits of associates		(24,761)
Unallocated items:		
— corporate charges		(33,001)
— interest paid		(52)
— other		2,521
Net profit before tax from continuing operations		(265,737)
Six months ended 30.06.2009		
Revenue		
Interest revenue	73,078	73,078
Total segment revenue	73,078	73,078
Segment net profit before tax	(623,782)	(623,782)
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>		
Amounts not included in segment result but reviewed by the Board:		
— depreciation and amortisation		(45,214)
Unallocated items:		
— corporate charges		(43,006)
— other		133,725
Net profit before tax from continuing operations		(578,277)
Segment Assets		
Opening balance 31 December 2009	6,618,293	6,618,293
Additions	66,359	66,359
Disposals	(147,491)	(147,491)
Closing balance 30 June 2010	6,537,161	6,537,161

NOTES TO THE FINANCIAL STATEMENTS

30 June 2010

5. EARNINGS PER SHARE

	2010	2009
Basic and diluted		
Weighted average number or shares used in basic and diluted earnings per share	<u>115,480,270</u>	<u>115,480,270</u>
Basic and diluted earning per share (cents per share)	<u>(0.15)</u>	<u>(0.50)</u>

6. SHARE CAPITAL

	Consolidated	
	2010	2009
	\$	\$
Issued Capital		
115,480,270 fully paid ordinary shares (2009 – 115,480,270)	12,731,627	12,731,627
Less share issue costs	<u>(617,676)</u>	<u>(617,676)</u>
	<u>12,113,951</u>	<u>12,113,951</u>
Movement in issued capital	Number	\$
Shares on issue 1 January 2010	115,480,270	12,113,951
Less share issue costs		<u>-</u>
Shares on issue 30 June 2010	<u>115,480,270</u>	<u>12,113,951</u>

7. ACCUMULATED LOSSES

	Consolidated	
	2010	2009
	\$	\$
Accumulated losses at the beginning of the half year	5,789,794	4,837,633
Net loss for the six months	<u>178,219</u>	<u>578,277</u>
Retained losses at the end of the half year	<u>5,968,013</u>	<u>5,415,910</u>

8. CONTINGENT LIABILITIES

There are no contingent liabilities which have arisen since the end of the previous financial year

NOTES TO THE FINANCIAL STATEMENTS

30 June 2010

9. SUBSEQUENT EVENTS

Acquisition of subsidiary

On 1 July 2010, the Group acquired 100% of the issued capital of Paradigm Mexico Pty Ltd, an explorer for minerals and holder of mineral exploration tenements, for a purchase consideration of \$30,000.

The acquisition is part of the Group's overall strategy to expand its exploration activities.

Through acquiring 100% of the issued capital of Paradigm Mexico Pty Ltd, the Group has obtained control of the company.

The purchase was satisfied by the payment of \$30,000.

	Acquiree's Carrying Amount	Fair Value
	\$	\$
Purchase consideration:		
— cash		30,000
Less:		
Cash	2	2
Deferred cost of mineral tenements	28,966	29,998
Identifiable assets acquired and liabilities assumed	28,968	30,000
Goodwill		Nil
Purchase consideration settled in cash		30,000
Cash outflow on acquisition		30,000

Issue of options

On 15 July 2010, the company issued 5,750,000 options over unissued shares at an exercise price of 15 cents with an expiry date of 30 June 2013.

There were at the date of this report no other matters or circumstances which have arisen since 30 June 2010 that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in the financial years subsequent to 30 June 2010.

DIRECTOR'S DECLARATION

The directors declare that the financial statements and notes set out on pages 3 to 13

- (a) comply with Accounting standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) give a true and fair view of and consolidated entity's financial position as at 30 June 2010 and of their performance, as represented by the results of their operations and their cash flows, for the six months ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A.

This declaration is made in accordance with a resolution of the directors.

Dated at Sydney this 14th day of September 2010

On behalf of the Board

A handwritten signature in black ink, appearing to be 'RA Cleary', written over a horizontal line.

RA Cleary
Chairman

BARNES DOWELL JAMES

CHARTERED ACCOUNTANTS

Partners

C H Barnes FCA
A J Dowell CA
B Kolevski (Affiliate ICAA)
M Galouzis CA

Associate

M A Nakkan CA

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF CROSSLAND URANIUM MINES LIMITED

I declare that, to the best of my knowledge and beliefs, during the half year ended 30 June, 2010 there have been:

- a. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

BARNES DOWELL JAMES
13/122 Arthur Street
NORTH SYDNEY NSW 2060

.....
Anthony Dowell
25 August 2010



BARNES DOWELL JAMES

CHARTERED ACCOUNTANTS

Partners
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A J Dowell CA
M W James CA
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INDEPENDENT REVIEW REPORT

To the members of Crossland Uranium Mines Limited

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of comprehensive income, statement of cash flows, statement of changes in equity and accompanying notes to the financial statements for Crossland Uranium Mines Limited during the half year, and the directors' declaration for the company, for the half-year ended 30 June, 2010.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the entity, and that complies with Accounting Standard AASB 134 "Interim Financial Reporting", in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review of the financial report in order to make a statement about it to the members of the company, and in order for the company to lodge the financial report with the Australian Stock Exchange and the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the *Corporations Act 2001*, Accounting Standard AASB 134 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia, so as to present a view which is consistent with our understanding of the entity's financial position, and of its performance as represented by the results of its operations and cash flows.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.



BARNES DOWELL JAMES

CHARTERED ACCOUNTANTS

Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Crossland Uranium Mines Limited during the half-year is not in accordance with:

- (a) The *Corporations Act 2001*, including
 - (i) giving a true and fair view of the financial position of the entity at 30 June, 2010 and of its performance for the half-year ended on that date; and
 - (ii) Complying with Accounting Standards AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and:
- (b) other mandatory financial reporting requirements in Australia.

BARNES DOWELL JAMES
Chartered Accountants

.....
Anthony Dowell
Partner
September, 2010

