27 October, 2011

QUARTERLY REPORT
FOR PERIOD ENDED 30 September, 2011

HIGHLIGHTS

- **Charley Creek Project, NT – Rare Earth Elements (REE)**

  Work has continued to focus upon the pilot Cockroach alluvial REE Resource and processing of alluvial samples from the large alluvial fans. A market release regarding the results of this work is imminent.

- **Chilling Project, NT**

  Aircore and diamond drilling targeting the base metal and uranium anomalies in the Buchanan 'window' was conducted during the quarter. Assaying has commenced and results will be advised when known.

- **Cash Position**

  The Company had cash balance circa $3.8 million at 30 September and circa $640k owing from Pancontinental.

CROSSLAND URANIUM MINES LIMITED
ABN 64 087 595 980
PHONE: (08) 89815911 FACSIMILE: (08) 89411364 EMAIL: geupene@crosslanduranium.com.au
ADDRESS: Unit 8, Raffles Plaza, 1 Buffalo Court, Darwin 0800, NT; GPO Box 2437, Darwin, 0801, NT.

OVERVIEW

EXPLORATION DETAIL

Charley Creek Project, NT (EL24281, EL 25230; EL25657, EL27283, EL27284, EL27338, EL27358, EL27359, EL28154, EL28155, EL28224, EL28225, EL28226, EL28434, ELa28500,ELa28795, ELa28796, ELa28866, ELa28875: Crossland 50%: Pancon50%)

At the Charley Creek Project, Crossland is targeting alluvial rare earth deposits; secondary targets include bedrock REE deposits, granite-related uranium; calcrete and redox- related palaeodrainage uranium targets; and layered mafic intrusive- related copper, nickel and platinoids. Charley Creek – Rare Earths

Work continued towards an initial resource estimate based on the Cockroach alluvial deposits within the Charley Creek Project and activity was increased on other resource targets in large alluvial fan deposits within the project area.

Test work to develop a flow sheet and costing for an alluvial mining project to produce REE-bearing heavy mineral concentrates and other heavy mineral products also commenced during the quarter. Crossland's metallurgical consultant developed a sample processing system to produce a range of concentrates based on size fraction, which will be used to characterise the REE mineralisation.

Bulk samples were collected from small test pits at Teapot / Cockroach East and Crawford / Cockroach. Processing of these samples has produced heavy mineral concentrates (HMC) and middlings for metallurgical test work to investigate processes for the production of pure mineral concentrates of the valuable heavy mineral phases.

Crossland now has to hand the assay results of 783 of 931 stream sediment samples from a program that has covered much of the Joint Venture's holdings of more than 5,500 square km in the Charley Creek Project. These 25kg (average) samples have been processed using the Company's in- field sample processing facility to recover heavy mineral concentrates. The concentrate samples have now been comprehensively assayed and selected samples have been subjected to detailed mineralogical studies.

This voluminous data permits several important conclusions to be drawn about the heavy minerals in the Charley Creek alluvials:

1. Eight key areas have been identified that show widespread and strongly anomalous REE in shallow alluvium, most with potential for very large alluvial tonnages. Work has already commenced on four of these, one of which covers the Cockroach alluvial deposits. The areas are shown in Figure 1.

2. The dominant REE- bearing mineral is Monazite.

3. The bulk of the critical and valuable Heavy REE is present as a separate mineral phase, Xenotime.

4. All three valuable minerals in the heavy mineral concentrates are generally well liberated.

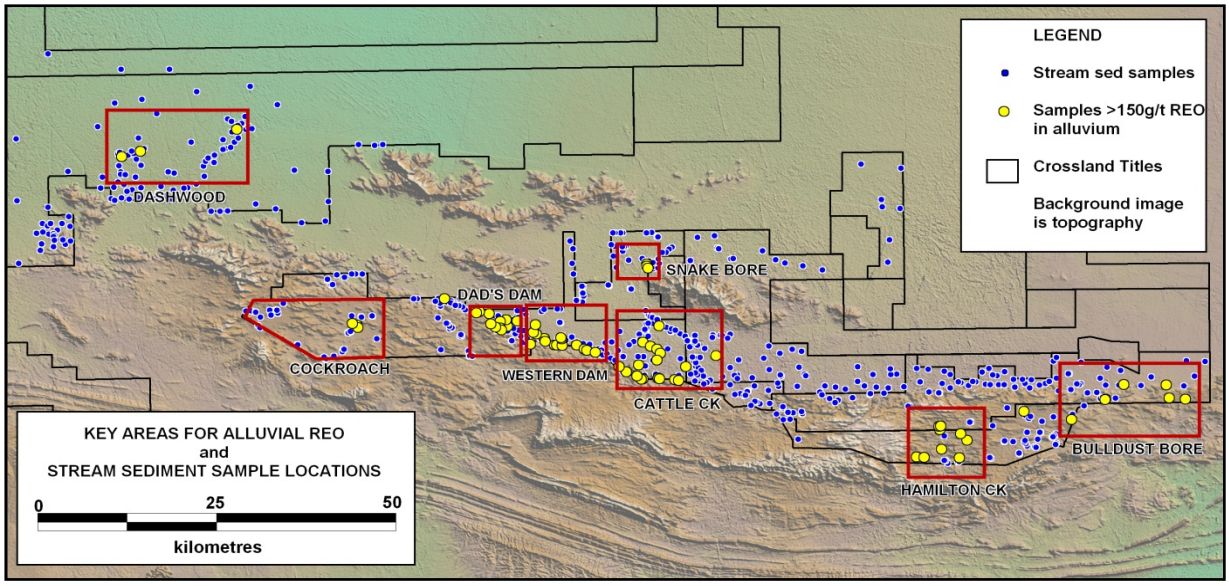
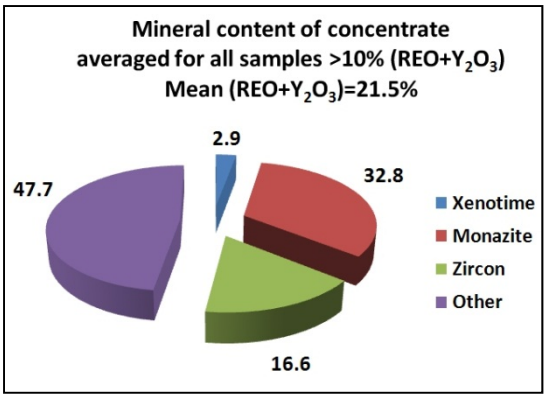


Figure 1 – Shows locations of stream sediment samples, Samples >150g/t REO and Key Areas for further work

As an example, Figures 2 and 3 show results from a key prospect area, Cattle Creek.
Subject to the results of further sampling, drilling, and processing currently in progress to define resources, the outlook for a significant alluvial mining and processing operation at Charley Creek to produce high-grade REE concentrates is favourable, for the following reasons:

1. The alluvial material is shallow, and with nil to low overburden. Extraction would use low cost techniques of mining, processing and rehabilitation that are routine in the minerals sands industry. The Charley Creek alluvial sands appear to be well suited to these processes.



2. Crossland anticipates being able to produce concentrates of Monazite (which contains Light and medium REE); Xenotime (which contains the critical and valuable Heavy REE and Yttrium); Zircon, and possibly other heavy minerals, at relatively low cost using familiar technology developed over many decades particularly in the Australian beach sand mining industry. Metallurgical test work to evaluate process routes are under way.

The value added processing of products from concentrates will be the subject of studies that will commence soon after an initial resource has been defined. The advantage of working with high grade near- monomineralic concentrates of the REE bearing minerals with relatively well understood REE extractive processes rather than lower grade concentrates with unusual mineralogy may be important in substantially lowering process development time and capital costs.

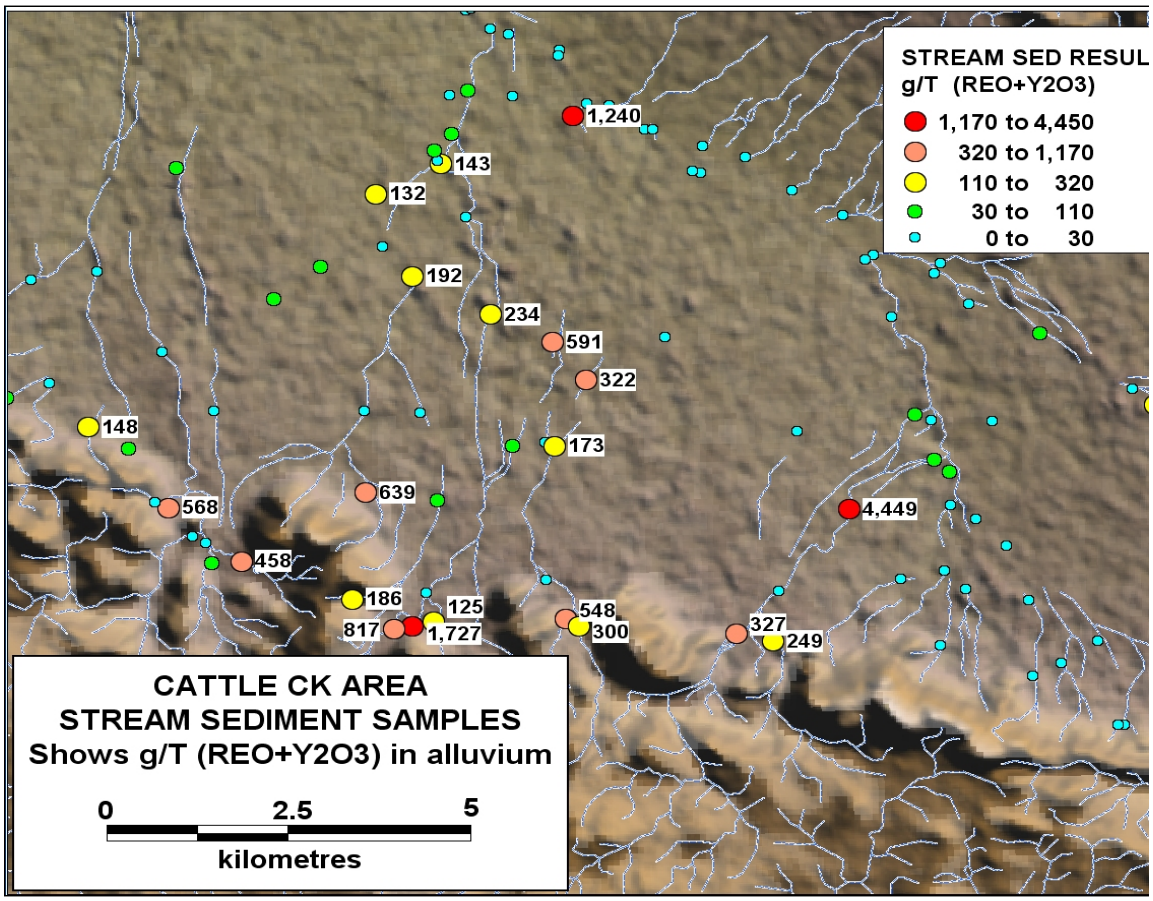


Figure 2 – Shows locations of stream sediment samples for Cattle Ck area with anomalous grades of Total Rare Earth Oxides plus Yttrium Oxide(TREO+Y_2O_3) in alluvium highlighted

During the period, Crossland undertook the following investigations -

1. At the Cockroach prospect, a pilot study that will test the methodology for determining a resource estimate for an alluvial REE deposit is almost complete. An initial alluvial resource estimate based on the Cockroach alluvial deposits will be finalised by end October. The study has utilised sampling at 1303 points at 400m by 100m centres by auger drilling or shallow pitting to bedrock. This pattern has been infilled in areas where the alluvium extended beyond the maximum depth capability of the auger drill with 564 aircore holes drilled on a more closely spaced grid. Samples from both these programs are being processed and assayed to produce an initial alluvial resource estimate for the project, and all assays have been received at the time of writing, with the Resource models in compilation.

2. Test work to develop a flowsheet and costing for an alluvial mining project to produce REE-bearing heavy mineral concentrates and other heavy mineral products commenced. Follow- up studies based on value adding to these concentrates will begin once sufficient heavy mineral concentrate is produced.

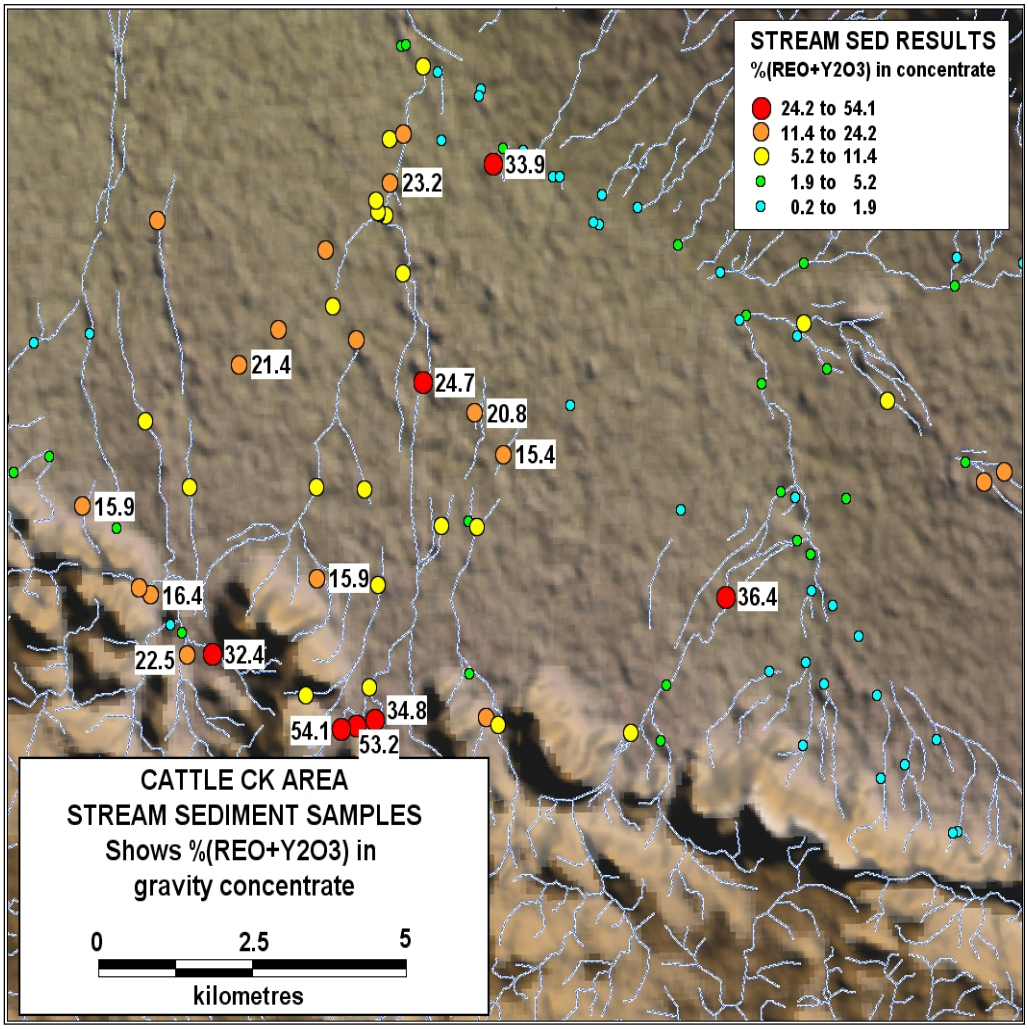


Figure 3 – Shows locations of stream sediment samples for Cattle Ck area with anomalous Total Rare Earth Oxides plus Yttrium Oxide(TREO+Y_2O_3) in heavy mineral concentrate highlighted

Charley Creek – Uranium

No uranium- related work was undertaken at Charley Creek apart from rehabilitation of drill sites from last season's drilling program at Cockroach and Cockroach East.

Chilling Project, NT (EL22738, EL23682, EL24557, EL25076, EL25077 and EL25078:, EL27441, EL27525, ELa28433: Crossland 50%: Pancon50%)

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 base metals, gold, tin, and cobalt. Other uranium deposit styles are also possible.

All exploration activities for the quarter have been confined to EL 22738, Buchanan. The majority of the work has concentrated on both Aircore and Diamond Drilling programs, which have been testing the potential of the 'Buchanan Window' sedimentary sequence for base metals and uranium.

By the end of September, the Aircore drilling had been completed and Diamond drilling was continuing. Assay results will be reported when received. The sediments of the "Buchanan Window" are deeply weathered, while the granite basement has shown intense alteration where it has been encountered in drilling. At least two separate phases of granite are present, and one of these may represent remobilised Archaean Basement. Drilling is continuing to the north deeper into the sediments in order to encounter the anomalous horizons below the depth of weathering.

Other exploration activities in progress within the areas of interest are detailed radiometric (spectrometer) traversing and stream sediment sampling. These activities are a continuation of the 2010 programme, which is aimed at a gaining a full radiometric and geochemical coverage of the Buchanan window.

Exploration work is also planned in EL 25076 within the Allia Granite Window, and around the adjacent Fletchers Gully gold field. These areas are immediately northwest of the boundary with EL 22738.

Mount Stafford, NT (EL28492; Crossland 50%: Pancon50%)

The Mount Stafford Project covers a setting conducive for REE, uranium and gold deposits. The licence is situated approximately 83 km northwest of Nolans Bore, the world class rare earth deposit owned by Arafura Resources.

Initial exploration activities in the form of a regional stream sediment survey was commenced in mid August. To date 265 samples have been collected.

Bloodwood, NT (EL27373: Crossland 50%: Pancon50%)

The Bloodwood Project was acquired to follow up favourable previous exploration for uranium, gold and base metals.

Highland Rocks, NT (ELa's27374, 27375, 27571, 27572; Crossland 50%: Pancon50%)

The Highland Rocks Project covers a setting conducive for uranium and gold deposits extending onto Aboriginal Freehold land near the Bloodwood Project.

Crossland is awaiting news from Central Land Council on timing of a meeting with Traditional Owners to discuss an access agreement on these applications.

Kalabity, South Australia (EL4461: Crossland 30%: Pancon30%)

At Kalabity, 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 a new anomalous zone which has been named the Tabita Prospect.

A report on metallurgical test work commissioned by the Company's consultant is to hand. This demonstrates that physical upgrading of the raw mineralisation is possible, but whether this is enough to justify continuing resource assessment work requires more information. As a first step, the consultant has recommended mineralogical studies.

Lake Woods, NT (EL23687, EL24520, EL27317, EL27318, SELa28198, SELa28199: Crossland 100%)

At Lake Woods NT, Crossland has identified an outcropping alkali basalt sill intruded around 1,300Million 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.

The title consolidation process is well advanced. Crossland will seek a partner to advance this project.

New Projects

Crossland continues to examine opportunities to expand its project portfolio.

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.*