27 April, 2012

QUARTERLY REPORT
FOR PERIOD ENDED 31 March, 2012

HIGHLIGHTS

- An experienced advisor with deep rare earths industry experience has been engaged to assist with advancement of the ***Charley Creek REE*** **project.**
- A detailed report that examines possible processing flowsheets for the ***Charley creek REE project*** has been prepared by Crossland's metallurgical consultant. The report provides valuable guidance for Crossland directors and management.
- New regional stream sediment results at ***Charley Creek*** confirm widespread indications of xenotime, a mineral enriched in valuable Heavy Rare Earth Elements (HREE). The results TREO in alluvium up to 5,778ppm total rare earth oxides (TREO) and HREO/TREO ratios as high as 69.5%
- Assay results from a diamond core drilling program at the Buchanan prospect in the ***Chilling Project*** were received and compiled during the period. The results show widespread anomalism at significant levels in a range of metals including uranium (up to 356ppm), lead (up to 6.3%), zinc, copper and nickel and interpretation of the geology confirms that the area has potential for unconformity related uranium mineralisation.
- Pancontinental did not contribute to the ***Crosslands/Pancontinental Joint Venture*** during the period and Crossland now holds circa 56% of the joint venture projects.

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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 55.65%: Pancon 44.35%*

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.

Rare Earths

As advised on 20th March, Mr Alistair Stephens was appointed as an advisor during the period and his strong commercial and technical skills and his special experience in the REE minerals industry will be of great value to Crossland as it proceeds through the development of its alluvial REE project at Charley Creek in the Northern Territory.

Crossland has engaged a highly qualified metallurgical consultant to guide studies of processing options that may be applicable to the Charley Creek project. The consultant has provided a detailed review on the chemistry and process fundamentals for uranium and rare earths, and is supervising heavy mineral separation flowsheet development under way at Allied Mineral Laboratories in Perth.

The review presents a series of preliminary flowsheets covering from run-of-mine ore through to refining of a monazite/xenotime concentrate and production of LREE and HREE products.

The report concludes with a series of recommendations for further resource development, metallurgical testwork, environmental studies, plant requirements and flowsheet development and provides valuable guidance to Crossland management directors for the work program currently in progress at Charley Creek.

Analyses of 931 regional stream sediment samples have identified the presence of high concentrations of HREE in alluvial deposits at Charley Creek. The results include 0.6% TREO in alluvium***** (5,778ppm total rare earth oxides or TREO). Within these samples the HREO/TREO ratio is as high as 69.5% .

Of the total 931 samples, 199 samples (or 21%) had a HREO/TREO ratio greater than 20%. This ratio of HREO is high when compared to most rare earth deposits.

The results provide focus and guidance to identify areas where further exploration and drilling could delineate high HREE material. Previous mineralogical studies have shown that Xenotime is the HREE host mineral in the Charley Creek Project area. Xenotime is highly enriched in high-value heavy rare earths and Yttrium. Refer figure 1.

The HREO/TREO ratio at Charley Creek is important because it is the heavy rare earth elements, particularly Terbium, Dysprosium and Yttrium that are in critical short supply. Charley Creek could be a valuable resource of these strategically vital high-value minerals.

The technique of stream sediment sampling with heavy mineral concentrate is an effective exploration technique to identify the source of REE within the tenements. This provides a focus for further exploration programs and resource identification.

Surface alluvial mineral deposits have an advantage because they are easy and cheap to explore by shallow drilling. They are also cost effective in mining.

Crossland's extensive drilling programs have defined alluvium from 3m up to 32m thick from surface, in the Dad's Dam, Western Dam and Cattle Creek areas. These returned average HREO/TREO ratios of about 17% by weight. The new stream sediment results suggest that higher ratios of HREO could be expected in the large alluvial deposits to the east of Cattle Creek.

Highly anomalous HREO results from stream samples in the south of the alluvial areas (see Fig.1) indicate the potential for hard rock mineralisation and warrant follow up for hard rock xenotime occurrences.

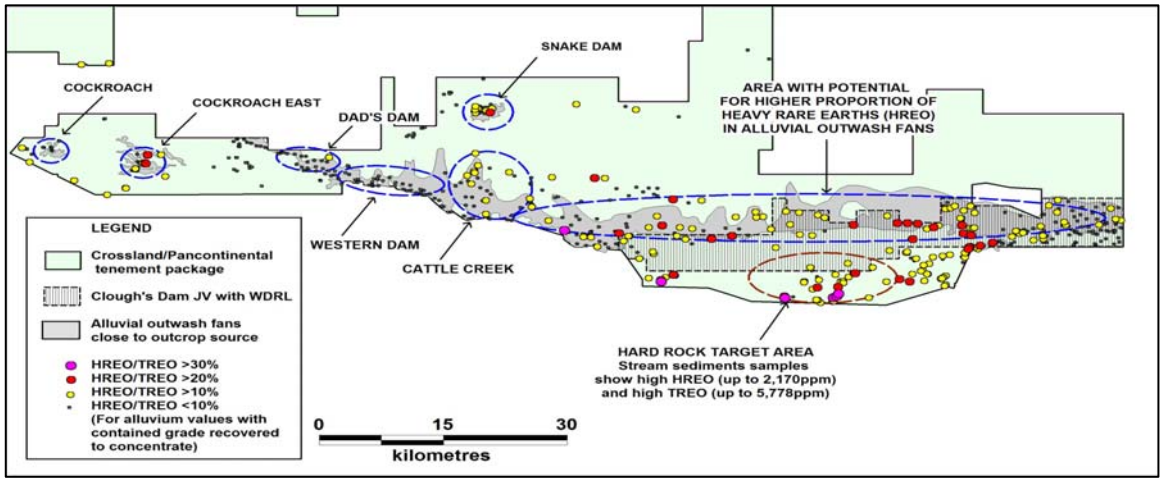

Figure 1

** Stream sediment samples averaging around 20kg are processed in the field to produce heavy mineral concentrates, and it is these concentrates that are assayed. The grades quoted in this report are therefore the back-calculated grades of alluvium based on the contained grades recovered to concentrate. This gives some measure of recoverable grades of REE in the alluvium sampled. The grades of the heavy mineral concentrates produced are much higher than the back- calculated recovered grades of alluvium quoted herein.*

Uranium

No uranium- related work was undertaken at Charley Creek.

Mount Stafford, NT - *EL28492; Crossland 55.65%: Pancon 44.35%*

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.

Stream sediment sample analyses were received during the quarter. Accurate interpretation of the results have yet to be undertaken.

Bloodwood, NT - *EL27373: Crossland 55.65%: Pancon 44.35%*

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

Following receipt of the geochemical analyses, the Bloodwood licence was reduced by the required 50%. The combined results of the orientation stream sediment and rock-chip sampling programme indicates that follow-up exploration work is warranted in the remaining area. This area includes the historical uranium anomalies and some base metal prospects.

Best rock chip result was from quartz vein dump material at the Wilsons Find copper-tungsten prospect. The sample returned 1.64% Cu, 85 ppm U, 310 W and 124 Sn.

Highland Rocks, NT - *ELa's27374, 27375, 27571, 27572; Crossland 55.65%: Pancon 44.35%*

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

To date there has been no indication from the Central Land Council of any decision made by the Traditional Owners in relation to 'Consent to Negotiate' on the licence package.

Chilling Project, NT - *EL22738, EL24557, EL25076, EL25077, EL25078 and 28433. Crossland 55.65%: Pancon 44.35%*

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.

Assay results for a diamond core drilling program at Buchanan were received and compiled during the period. Geological logging of core has been completed and the results interpreted. The drilling program consisted of ten widely spaced holes for a total of 2,291 metres. The object of the drilling was twofold: to test at depth the geochemical anomalies initially defined by Crossland's two aircore drilling programs, and secondly, to provide a detailed picture of the stratigraphy. Interpretation of this data has provided a geological model for the area of interest and therefore a better understanding of its potential for base metal and uranium mineralisation.

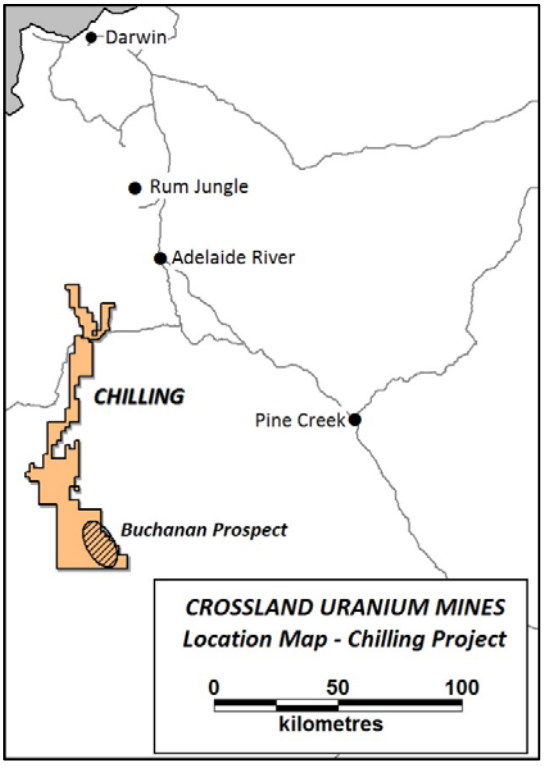

Figure 2

148 one metre core samples were submitted for analysis. The results show widespread anomalism at significant levels in a range of metals including uranium, lead, zinc, copper and nickel. Eleven samples showed >1,000 ppm in copper and/or zinc and/or lead. The highest lead value was 6.3% over one metre. One sample of oxidised breccia returned 356 ppm uranium. Due to the high isolated value the sample pulp was reanalysed and returned 331 ppm U, however Pb-Isotope data from the re-analysis showed that the U was in disequilibrium. A re-sampling of the drill core from this interval returned an assay of 1.92 ppm U.

Follow up assaying of 28 core samples has been completed with nine samples returning values >1,000ppm in copper and/or zinc and/or lead. An additional 125 samples were collected to provide Crossland with a complete geochemical profile of the different stratigraphic units within the weathered horizon.

Geological mapping of the drill core has established a clear understanding of the rock types present and the stratigraphic succession of the basinal structure at Buchanan. Interpretation of this data has generated some new ideas and future targets to explore. Of significance is the diverse geology, the presence of widespread metal anomalism with associated mineralisation and the favourable lithologic and structural settings. The combination of these features provide an ideal environment to host economic mineral deposits, such as unconformity style uranium or vein/stratabound base metal mineralisation. Future work will be aimed at developing further drilling targets to test these concepts.

Kalabity, SA - *EL4461: Crossland 33.39%: Pancon 26.61%*

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.

Crossland and their JV partners have lodged an application with the Division of Minerals and Energy Resources for renewal of the licence.

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 as well as diamonds This area is not included in the Joint Venture with Pancon.

Crossland is continuing in its attempt to secure a partner to advance the project.

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 styles 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 this information in the form and context in which it appears.*