



ABN 64 087 595 980

ANNUAL REPORT

2014

CORPORATE DIRECTORY

DIRECTORS

Robert L Richardson (Chairman)
Sia Hok Kiang (Non Executive Director)
Geoffrey S Eupene (Executive Director)
Peter W Walker (Non Executive Director)
Malcolm K Smartt (Finance Director)

COMPANY SECRETARY

Malcolm K Smartt

REGISTERED OFFICE

Suite 8, Raffles Plaza
1 Buffalo Court
Darwin ACT 0800
Telephone: (08) 8981 5911
Facsimile: (08) 8941 1364

AUDITORS

BDJ Partners Audit Pty Ltd

BANK

Westpac Banking Corporation

DARWIN EXPLORATION AND ADMINISTRATION OFFICE

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DARWIN NT 0800

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SHARE REGISTRY

Boardroom Pty Limited
Level 7, 207 Kent Street
Sydney NSW 2000

Phone – 1300 737 760

CHAIRMAN'S REVIEW

During most of 2014 Crossland has been in a stand-by position while negotiations proceeded for the purchase of Pancontinental's joint venture interest by a Malaysian consortium

Our main focus through that period has been the maintenance of our flagship Charley Creek Rare Earths (REE) project, meeting statutory requirements and controlling costs. We are now looking forward to the completion of due diligence by the Malaysian consortium, expected to be April 30th, and moving forward with them to advance the project.

In the meantime, the rare earths industry has not stood still and the importance of REE to 21st Century technological progress has only increased. There have been encouraging signs that China is committed to tighter control over Chinese REE production and that the tide may be turning for REE prices. With its large, and relatively easy to mine and process resource, Crossland and its partner could be well positioned to capitalise on future REE demand.

My colleagues in the Crossland team deserve much thanks and appreciation for maintaining the course through what has been a difficult and frustrating year. They know that we have a potentially very valuable project and are determined to do everything possible to secure its future as a long term producer of REE products.

Bob Richardson
Chairman

REVIEW OF OPERATIONS

The operations of the Company are described in detail in the quarterly operations reports to ASX. This annual report summarises the information contained in the quarterly reports and on the company's website, which is kept current with the most recent announcements and reports. This can be accessed at www.crosslandstrategic.com.

As announced to the Market on 16 January 2015, our current Joint Venture partner Pancontinental Uranium Corporation has signed an agreement to sell its 46% joint venture interest to a private Malaysian company held beneficially by a consortium of South East Asian investors. The relevant details and terms of this agreement were released by Pancontinental to the Canadian market, and attached to Crossland's release to the ASX on 15 January 2015.

Following completion of the Stage One Feasibility drilling in early 2014, progress on the Charley Creek Rare Earths Project has been stalled since early 2014, pending adequate funding and finalisation of the agreement between Pancontinental and the Malaysian consortium. During this period, the Charley Creek project has been on care and maintenance and all costs have been trimmed. Funds sufficient to maintain administration and key tenements have been raised through two placements of \$200,000 and \$400,000 to unrelated parties.

Crossland looks forward to the successful completion of due diligence by the Malaysian consortium, and to working with them to progress the project. Completion of the due diligence and completion of the agreement is required by end of April when more details will be provided and the market will be kept informed of the plans of the rejuvenated joint venture.

The list of Tenements is included at pages 58 and 59 of this report.



Geoff Eupene
Exploration Director

*The information in this report that relates to Exploration Targets, Exploration Results, or Mineral Resources is based on information compiled by **Geoffrey S Eupene FAusIMM CP**, a Competent Person who is 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, which is engaged by the Company. He has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration, and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 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 the report of the matters based on his information in the form and context in which it appears.*

Your Directors present their report on the consolidated entity consisting of Crossland Strategic Metals Limited and the entities it controlled at the end of, and during the year ended 31 December 2014

Directors Report

Directors

The following persons were Directors of Crossland Strategic Metals Limited during the whole of the financial year and up to the date of this report:

Robert L Richardson
Geoffrey S Eupene
Sia Hok Kiang
Peter W Walker
Malcolm K Smartt

Directors' qualifications and experience

Bob Richardson Non-Executive Chairman

Bob Richardson, B.Sc, B.E(Hons), MASEG, has 45 years experience in mineral exploration management, geophysics and exploration technology. During 15 years with the Peko- Wallsend Group as Chief Geophysicist and later Exploration Manager, he supervised all geophysical work carried out by Peko- Wallsend including during the Ranger uranium discovery period. During this period Bob and his team developed a leading-edge understanding of the application of geophysical methods to uranium exploration. He was co- founder and Managing Director of Austirex Aerial Surveys that became an international airborne geophysical contractor. Following his time with Peko-Wallsend he co- founded several exploration companies including Lachlan Resources NL in 1983, PlatSearch NL in 1986, and WPG Resources NL in 2005. He was Managing Director of PlatSearch until 2010 and a Director of WPG Resources until 2011.

Sia Hok Kiang, Non-Executive Director

Mr Sia is Managing Director of the successful Malaysian private mining company, Malaco Mining Sdn. Bhd. He is a graduate of the University of Malaya in Applied Geology, an economic geologist with more than 30 years world-wide experience. He is an active member of the Malaysian Geological Society and a Council Member of the Malaysian Chamber of Mines.

Mr Sia has a solid business reputation throughout Asia, with useful contacts in several Asian countries. He has extensive experience in bulk alluvial mining in Malaysia, including the extraction of the rare earth minerals xenotime and monazite as by- products of tin mining. Mr Sia's experience is very appropriate for Crossland's Charley Creek Alluvial Rare Earth Project, which is also based on the extraction of monazite and xenotime from alluvial material.

Geoff Eupene, Executive Director

Geoff Eupene, B.Sc(Hons), FAusIMM, CPGeo, is a Darwin- based geologist. Geoff spent the 1969 field season, his first after graduation from the University of Queensland, looking for uranium in the East Kimberley. In 1970 he joined Geopeko as they started their field work at Ranger. As Mine Geologist, he logged every hole drilled into the Ranger No. 1 ore body, interpreted the geology, and developed a resource estimate that agreed closely with the total material mined over the following decades.

In 1976, he headed the team that discovered the Ranger 68 deposit beneath the Magela floodplains. Geoff worked for Geopeko for over ten years before founding a consulting practice in Darwin in 1980. Eupene Exploration Enterprises Pty Ltd has provided advice and services to many uranium explorers, and assisted in the development of several other mining projects in the NT, including Mount Bonnie silver/ gold deposit, Tanami gold, Goodall gold, Rustlers Roost gold, and Woodcutters base metal projects. Geoff has also acquired a depth of experience in SE Asia.

Peter Walker Non-Executive Director

Peter Walker, B.Juris, LL.B, is a Darwin based lawyer who has practised in the resource industry for over 40 years. He has long experience with land access issues including the special situations that exist in the Northern Territory. Peter acted for Peko EZ (a joint venture between Peko-Wallsend Operations Limited and Electrolytic Zinc Company of Australasia Limited) on permitting matters for the Ranger project, and for Pancontinental Mining Limited, which discovered the Jabiluka deposit. He also assisted Uranerz Energy Corporation and Power Reactor and Nuclear Fuel Development Corporation (PNC), and other explorers and miners, with NT access and development matters. Peter has been a director of several companies including Australian Diamond Exploration NL, which discovered and developed the Merlin diamond mine.

Mal Smartt – Finance Director/ Company Secretary

Mal Smartt, BA (Accounting), Grad Dip Corporate Management, FCPA, FCIS, FCIM is a Corporate Consultant to listed and unlisted public companies. He is a qualified accountant and company secretary having had considerable experience in Directorial, Financial and Company Secretarial roles with a number of listed companies in the resource sector in Australia, South East Asia and Africa.

Principal activities

The principal activities of the consolidated entity are the exploration for rare earth elements (REE) and uranium in the Northern Territory and economic hard rock gold deposits. There has been no change in the principal activities during the year.

Results

The net result of operations after applicable income tax benefit of the consolidated entity for the year ended 31 December 2014 was a loss of \$1,572,959 (2013 – loss of \$1,952,504).

Dividends

No dividends were either paid or declared for the year (2013 – nil).

The Directors do not recommend the payment of a dividend in respect of the financial year ended 31 December 2014.

Review of operations

Information on the operation and financial position of the consolidated entity and its business strategies and prospects are set out in the review of operations.

Significant changes in the state of affairs

Crossland was advised by Pancontinental that they were unable to meet their commitments for the Charley Creek Feasibility Study program, due to an inability to raise funds in Canada. Currently this critical work is on hold pending identification of a secure source of funding for the Feasibility Study and exploration activities have been kept to a minimum.

There were no other significant changes in the state of affairs of the Group which occurred during the financial year.

Likely developments

The Company is hoping to identify precious and rare earth metals, uranium and base metal exploration and evaluation opportunities which are perceived to offer outstanding value. At this stage, it is not possible to postulate likely developments from any of these exploration activities. As the consolidated entity's areas of interest are at an early stage of exploration, it is not possible to postulate likely developments.

Matters subsequent to the end of the financial year

On 9 January 2015, the company advised that Pancontinental had agreed to sell their interest in the Joint Venture to a Malaysian consortium. This is subject to due diligence. As part of this agreement, the company has agreed to reduce Pancontinental's liability to the company by \$171,000.

On 19 January 2015 17,857,143 shares were issued at 0.7 of 1 cent raising \$125,000 to fund the company.

There were at the date of this report no other matters or circumstances which have arisen since 31 December 2014 that have significantly affected or may significantly affect:

- (i) the operations of the consolidated entity,
- (ii) the results of those operations, or
- (iii) the state of affairs of the consolidated entity in the financial year subsequent to 31 December 2014.

Directors' benefits

During the year no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the notes to the accounts) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Share options

Particulars of options granted over unissued shares:

	2014	2013
Total number of options granted by the Company over unissued ordinary shares	20,000,000	50,574,642
Options issued during the period (see note below)	5,000,000	15,000,000
Shares issued in the period as the result of the exercise of options	Nil	Nil
Options expired during the period	35,574,642	Nil

Full details of options on issue are shown in note 22.

Meetings of directors

Attendance at Directors' meetings during the year:

	Directors Meetings		Audit Committee Meetings	
	Eligible to attend	Attended	Eligible to attend	Attended
R Richardson	5	5	2	2
G S Eupene	5	5	-	-
H K Sia	5	4	-	-
P Walker	5	5	2	2
M Smartt	5	5	2	2

Environment

Crossland Strategic Metals Limited, through its subsidiaries, holds exploration tenements in Australia that are subject to various governmental statutes and guidelines for environmental impacts in relation to exploration activities. These provide for the satisfactory rehabilitation of the areas of exploration. There have been no known material breaches of the licence conditions.

Directors' and auditors' indemnification

The Company has not, either during or since the end of the financial period, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

During or since the financial period, the Company has not paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

Non-audit services

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or the Group are important.

Details of the amounts paid or payable to the auditor (BDJ Partners Audit Pty Limited) for non-audit services provided during the year are set out in Note 8.

The board of directors, in accordance with the advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not adversely affect the integrity and objectivity of the auditor,
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

During the year no fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms.

Auditors' independence declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 51.

Auditor

BDJ Partners Audit Pty Ltd holds office in accordance with section 327 of the Corporations Act 2001

Remuneration Report (Audited)

The remuneration report is set out under the following main headings:

- A. Principles used to determine the nature and amount of remuneration
- B. Service agreements
- C. Details of remuneration
- D. Share based compensation
- E. Additional information

The information provided under headings A- D includes remuneration disclosures that are required under Accounting Standard AASB 124 Related Party Disclosures. These disclosures have been transferred from the financial report and have been audited. The disclosures in Section E are additional disclosures required by the Corporations Act 2001 and the Corporations Regulations 2001 which have not been audited.

A. Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance, being the development of the Crossland Strategic Metals exploration tenements. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation;
- transparency; and
- capital management.

The Group has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design;
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracts and retains high calibre executives.

Alignment to programme participants' interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides a clear structure for earning rewards; and
- provides recognition for contribution.

The framework provides a mix of fixed and variable pay, and a blend of short and long term incentives. As executives gain seniority with the group, the balance of this mix shifts to a higher proportion of "at risk" rewards.

Non-executive directors

Fees and payments to non-executive directors reflect the demands, which are made on, and the responsibilities of, the directors. The Board reviews non-executive directors' fees and payments annually. The Board may from time to time seek the advice of independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to termination of his own remuneration.

Directors' fees

The current base remuneration was last reviewed with effect from 1 July 2007.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at \$200,000 per year in aggregate.

Executive pay

The executive pay and reward framework has four components:

- base pay and benefits;
- short-term performance incentives;
- long-term incentives through participation in Crossland Strategic Metals Ltd incentive shares, and
- other remuneration such as superannuation.

The combination of these comprises the executive's total remuneration.

Base pay

Structured as a total employment cost package, which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for senior executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases included in any senior executives' contracts.

1. Service Agreements

There are no service agreements in place.

2. Non-executive directors

Directors are entitled to remuneration out of the funds of the company but the remuneration of the non-executive Directors may not exceed in any year the amount fixed by the company in general meeting for that purpose. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at Board meetings and otherwise in the execution of their duties as Directors.

B. Details of remuneration

Details of the remuneration of the directors and the key management personnel (as defined in AASB 124 Related Party Disclosures) of Crossland Strategic Metals Ltd and the Crossland Strategic Metals Ltd Group are set out in the following tables.

The key management personnel of Crossland Strategic Metals Limited and the Group includes the directors.

Remuneration paid to key management personnel of Crossland Strategic Metals and of the Group

2014

	Short-term employee benefits			Post-employment benefits	Share-based payments	
Name	Salary	Directors' Fees	Consulting Fees	Superannuation	Options	Total
	\$	\$	\$	\$	\$	\$
<i>Non-executive directors</i>						
R Richardson	-	50,000	23,531	4,750	-	78,281
P Walker	-	35,000	10,000	3,325	-	48,325
Sia Hok Kiang	-	36,000	20,000	-	-	56,000
Sub-total non--executive directors	-	121,000	53,531	8,075	-	182,606
<i>Executive directors</i>						
G S Eupene	-	-	64,050	-	-	64,050
MK Smartt	132,000	-	-	12,540	-	144,540
Totals	132,000	121,000	117,581	20,615	-	391,196

Of the \$391,196 shown above only \$58,007 has been paid. The balance of \$333,189 forms part of the balance of trade and other payables as at 31 December 2014.

Director's fees and other amounts have been accrued and the Notice of Meeting for the 6 May 15 AGM details the debts and seeks shareholder approval. The balance (50%) will be paid only when funds allow.

2013

	Short-term employee benefits			Post-employment benefits	Share-based payments	
Name	Salary	Directors' Fees	Consulting Fees	Superannuation	Options	Total
	\$	\$	\$	\$	\$	\$
<i>Non-executive directors</i>						
R Cleary	-	5,538	-	-	-	5,538
R Richardson	-	50,000	47,250	4,563	-	101,813
P Walker	-	35,000	-	3,194	-	38,194
Sia Hok Kiang		14,429	-	-		14,429
Sub-total non--executive directors	-	104,967	47,250	7,757	-	159,974
<i>Executive directors</i>						
G S Eupene	-	-	226,500	-	-	226,500
MK Smartt	142,500	-	-	13,025	-	155,525
Totals	142,500	104,967	273,750	20,782	-	541,999

Share-based compensation

Options

Options are granted on the recommendation of the directors.

Options are granted for no consideration. Options are granted for a five year period, and are exercisable immediately after the vesting date.

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share.

The exercise price of options is based on the weighted average price at which the company's shares are traded on the Australian Stock Exchange during the five trading days immediately before the options are granted.

No options over ordinary shares in the company were provided as remuneration to each director of Crossland Strategic Metals Ltd and each of the key management personnel of the Group during the financial year.

Shares provided on exercise of remuneration options.

No ordinary shares in the company were provided as a result of the exercise of remuneration options to each director of Crossland Strategic Metals Ltd and other key management personnel of the Group.

Shares under option

Unissued ordinary shares of Crossland Strategic Metals Ltd under option at the date of this report are shown in Note 22.

Shares issued on the exercise of options

No ordinary shares of Crossland Strategic Metals Ltd were issued during the year ended 31 December 2014 on the exercise of options granted. No further shares have been issued since that date. No amounts are unpaid on any of the shares

Directors' interests in shares and options

The relevant interest of each Director in the share capital of the Company as at the date of this report is as follows:

2014	GS Eupene	M Smartt	Sia Hok Kiang	P Walker	R Richardson
Ordinary shares	9,258,492	1,450,000	40,000,000	2,874,899	1,349,889
Options	-	-	10,000,000	-	-
2013	G Eupene	M Smartt	Sia Hok Kiang	P Walker	R Richardson
Ordinary shares	9,258,492	1,450,000	40,000,000	2,874,899	1,349,889
Options	4,629,245	1,000,000	10,000,000	1,089,741	522,619

This report is made in accordance with a resolution of the Director.



Geoff Eupene, Director
Darwin, 27 March 2015

Crossland Strategic Metals Limited

Statement of Comprehensive Income ***for the year ended 31 December 2014***

Consolidated

	Note	2014 \$	2013 \$
Revenue	5	9,784	10,638
Expenses			
Administration costs		(191,058)	(270,434)
Borrowing Costs	6	(1,225)	(2,640)
Consultants' fees		(76,688)	(130,331)
Depreciation	6	(43,116)	(80,601)
Employment costs		(362,622)	(333,952)
Exploration expenditure written off	6	(802,414)	(1,336,671)
Impairment expense	13	(171,000)	-
Office rent	6	(72,029)	(82,182)
Share of associates losses	17	-	-
Other expenses from ordinary activities		(26,629)	(35,128)
Loss from ordinary activities before income tax expense		(1,736,997)	(2,261,301)
Income tax (expense) benefit	11	164,038	308,797
Net loss from ordinary activities after income tax expense		(1,572,959)	(1,952,504)
Other comprehensive income:			
Other comprehensive income for the year, before tax			
Income tax (expense) benefit		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to members of the parent entity	24	(1,572,959)	(1,952,504)
Basic and diluted loss per share (cents)	10	(0.68)	(1.12)

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

Crossland Strategic Metals Limited

Statement of Financial Position

at 31 December 2014

		<i>Consolidated</i>	
	Note	2014	2013
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	12	266,865	378,795
Trade and other receivables	13	182,362	428,429
Other current assets	14	5,508	15,849
TOTAL CURRENT ASSETS		454,735	823,073
NON-CURRENT ASSETS			
Receivables	15	87,892	116,738
Deferred exploration and evaluation expenditure	16	5,394,852	5,296,595
Investments in associates accounted for using the equity method	17	-	-
Plant and equipment	18	19,736	61,762
TOTAL NON-CURRENT ASSETS		5,502,480	5,475,095
TOTAL ASSETS		5,957,215	6,298,168
CURRENT LIABILITIES			
Trade and other payables	19	814,757	272,606
Provisions	20	29,219	14,213
TOTAL CURRENT LIABILITIES		843,976	286,819
NON-CURRENT LIABILITIES			
Provisions	20	28,772	53,923
TOTAL NON CURRENT LIABILITIES		28,772	53,923
TOTAL LIABILITIES		872,748	340,742
NET ASSETS		5,084,467	5,957,426
SHAREHOLDERS' EQUITY			
Issued capital	21	19,062,386	18,362,386
Share based payments reserve	23	343,790	343,790
Accumulated losses	24	(14,321,709)	(12,748,750)
TOTAL EQUITY		5,084,467	5,957,426

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

Crossland Strategic Metals Limited

Statement of Changes in Equity

for the year ended 31 December 2014

Consolidated	Issued Capital	Accumulated Losses	Share Based Payments Reserve	Total Equity
	\$	\$	\$	\$
At 1 January 2013	16,851,191	(10,796,246)	337,136	6,392,081
Loss for the period	-	(1,952,504)	-	(1,952,504)
Shares issued (net of costs)	1,511,195	-	-	1,511,195
Option issued (Rights Issue)	-	-	6,654	6,654
Other comprehensive income	-	-	-	-
At 31 December 2013	18,362,386	(12,748,750)	343,790	5,957,426
Loss for the period	-	(1,572,959)	-	(1,572,959)
Shares issued (net of costs)	700,000	-	-	700,000
Other comprehensive income	-	-	-	-
At 31 December 2014	19,062,386	(14,321,709)	343,790	5,084,467

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

Crossland Strategic Metals Limited

Statement of Cash Flows

for the year ended 31 December 2014

	Note	Consolidated	
		2014	2013
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payment to suppliers (inclusive of GST)		(236,612)	(1,217,702)
Interest received		9,784	9,209
Interest paid		(1,225)	(2,640)
Other income		-	1,429
R & D Tax Offset Rebate received		164,038	308,797
NET CASH INFLOWS (OUTFLOWS) FROM OPERATING ACTIVITIES	32(b)	(64,015)	(900,907)
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditure on plant and equipment		(1,090)	(7,141)
Expenditure on mining interests (exploration)		(900,671)	(2,179,311)
Cash calls received from exploration JV parties		-	867,170
Refunds of (payments for) security deposits		28,846	2,150
NET CASH (OUTFLOWS) FROM INVESTING ACTIVITIES		(872,915)	(1,317,132)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		700,000	1,506,000
Share issue costs		-	5,195
Proceeds from loans from shareholders		125,000	-
NET CASH INFLOWS FROM FINANCING ACTIVITIES		825,000	1,511,195
NET (DECREASE) IN CASH HELD		(111,930)	(706,844)
Cash and cash equivalents at the beginning of the financial year		378,795	1,085,639
Cash and cash equivalents at the end of the financial year	32(a)	266,865	378,795

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

Crossland Strategic Metals Limited

Notes to the Financial Statements

for the year ended 31 December 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements and notes represent those Crossland Strategic Metals Limited and its Controlled Entities (the “consolidated group” or “group”).

The separate financial statements of the parent entity, Crossland Strategic Metals Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial statements were authorised for issue on 27 March 2015 by the directors of the company.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going concern basis

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

	2014	2013
	\$	\$
Net loss for year	(1,572,959)	(1, 952,504)
Negative cash flows from operations for the year	(64,015)	(900,907)
Net assets as at 31 December	5,084,467	5,957,426
Cash balances as at 31 December	266,865	378,795

The directors believe that the group will have sufficient working capital to meet its minimum project development and administrative expenses in the twelve months following the date of signing of the financial report.

On 19 January 2015, 17,857,143 shares were issued at .7 of 1 cent raising \$125,000 to fund the continuing operations of the group and Pancontinental are due to pay its reduced debt of circa \$164,000 within the next three months. Until further significant funding is received the group's operations have been reduced to a minimum.

The directors are investigating options to raise additional funds to allow the group to pursue its project opportunities beyond the minimum expenditure required with the intent that the consolidated group continues as a going concern.

If all of these options are unsuccessful, this may indicate that there is a material uncertainty that may cast significant doubt on the group's ability to continue as a going concern.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes the consolidated entity consisting of Crossland Strategic Metals Ltd and its subsidiaries.

Accounting policies are selected and applied in a manner which ensures that the resultant financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions and other events is reported.

The Company has adopted relevant new and revised accounting standards and pronouncements with no material impact.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

a) Borrowings

Loans are recorded at an amount equal to the net proceeds received. Interest expense is recognised on an accruals basis.

b) Borrowing costs

Borrowing costs are expensed as incurred.

c) Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

d) Cash and cash equivalents

Cash and cash equivalents comprises cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the consolidated entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

e) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

f) Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

g) Exploration and evaluation expenditure

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

h) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

i) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management.

(v) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

j) Foreign currency translation

i. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Crossland Strategic Metals Ltd's functional and presentation currency.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

k) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authorities is classified as operating cash flows.

l) Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- (i) the consideration transferred;
- (ii) any non-controlling interest; and
- (iii) the acquisition date fair value of any previously held equity interest over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value remeasurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (*full goodwill method*) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (*proportionate interest method*). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interests is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

m) Impairment of assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property*,

Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

n) Income tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

o) Investments in Associates

Associates are companies in which the Group has significant influence through holding, directly or indirectly, 20% or more of the voting power of the Group. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate company. In addition, the Group's share of the profit or loss of the associate company is included in the Group's profit or loss.

The carrying amount of the investment includes goodwill relating to the associate. Any discount on acquisition, whereby the Group's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

Details of the Group's investments in associates are provided in Note 17.

p) Joint ventures

The Group's share of the assets, liabilities, revenue and expenses of jointly controlled operations have been included in the appropriate line items of the consolidated financial statements. Details of the Group's interests are provided in Note 27.

The Group's interests in joint venture entities are recorded using the equity method of accounting (refer to Note 1(o) for details) in the consolidated financial statements.

Where the Group contributes assets to the joint venture or if the Group purchases assets from the joint venture, only the portion of the gain or loss that is not attributable to the Group's share of the joint venture shall be recognised. The Group recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

q) Loss per share

(i) Basic loss per share

Basic earnings (loss) per share is calculated by dividing the loss attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted loss per share

Diluted earnings (loss) per share adjusts the figures used in the determination of basic loss per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

r) Plant and equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(m) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and

subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred

Depreciation is provided on a straight line basis on all plant and equipment at rates calculated to write off the cost, less estimated residual value at the end of the useful lives of the assets, over those estimated useful lives.

The following estimated useful lives are used in the calculation of depreciation.

Plant and equipment	5-8 years
Motor Vehicles	5 years

s) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of of the parent Crossland Strategic Metals Ltd and all of its subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and has the ability affect those returns through its power over the entity. A list of the subsidiaries is contained in Note 28 to the financial statements.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

t) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

u) Revenue recognition

Interest revenue is recognised using the effective interest method.

v) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

w) Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(m) for further discussion on the determination of impairment losses.

x) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

New accounting standards for application in future periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods.

The Group has decided against early adoption of these standards.

A discussion of those future requirements and their impact on the Group follows

Operative date 1 January 2015 with an application date for the group of 1 January 2015.

AASB	Summary	Impact on group
AASB 9: Financial Instruments and AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9	The changes made to accounting requirements include: - simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value; - simplifying the requirements for embedded derivatives; - removing the tainting rules associated with held-to-maturity assets; - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost; - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and - reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on the objective of the entity's business model for managing the financial assets and the characteristics of the contractual cash flows.	These Standards are applicable retrospectively and amend the classification and measurement of financial assets. The Group has not yet determined potential impact on the financial statements.

Operative date 1 January 2016 with an application date for the group of 1 January 2016.

AASB	Summary	Impact on group
AASB 2014-3: <i>Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations</i>	This Standard amends AASB 11: <i>Joint Arrangements</i> to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: <i>Business Combinations</i> , to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations	Since adoption of this Standard would impact only acquisition of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Group's financial statements.

The Group does not anticipate the early adoption of any of the above reporting requirements.

2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks; market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

(i) Credit risk

There is negligible credit risk on financial assets of the consolidated entity since there is no exposure to individual customers or countries and the economic entity's exposure is limited to the amount of cash, short term deposits and receivables which have been recognised in the statement of financial position and is minimised by using recognised financial intermediaries as counterparties.

(ii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed finance facilities.

(iii) Cash flow and fair value interest rate risk

The Group has interest-bearing assets, however the Group's income and operating cash flows are not materially exposed to changes in market interest rates.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Income taxes

The Group is subject to income taxes in Australia and Canada. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made

Exploration and evaluation expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at \$5,394,852

4. PARENT COMPANY FINANCIAL INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Accounting Standards.

	2014	2013
	\$	\$
<u>STATEMENT OF FINANCIAL POSITION</u>		
ASSETS		
Current assets	453,937	815,167
Non-current assets	6,639,165	5,458,917
TOTAL ASSETS	7,093,102	6,274,084
LIABILITIES		
Current liabilities	828,976	269,258
Non Current Liabilities	20,022	45,173
TOTAL LIABILITIES	848,998	314,430
NET ASSETS	6,244,104	5,959,654
EQUITY		
Issued capital	19,062,386	18,362,386
Accumulated losses	(13,162,072)	(12,746,522)
Share based payments reserve	343,790	343,790
TOTAL EQUITY	6,244,104	5,959,694
<u>STATEMENT OF COMPREHENSIVE INCOME</u>		
Total loss	(415,551)	(3,501,073)
TOTAL COMPREHENSIVE INCOME (LOSS)	(415,551)	(3,501,073)

Guarantees

Crossland Strategic Metals Ltd has not entered into any guarantees, in the current financial period, in relation to the debts of any of its subsidiaries.

Contingent liabilities

At 31 December 2014, Crossland Strategic Metals Ltd had no contingent liabilities.

Contractual commitments

At 31 December 2014, Crossland Strategic Metals Ltd had not entered into any contractual commitments for the acquisition of property, plant and equipment.

5. REVENUE

	Consolidated	
	2014	2013
	\$	\$
Interest received	9,784	9,209
Other income	-	1,429
Total revenue from continuing operations	9,784	10,638

6. OPERATING LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE

	Consolidated	
	2014	2013
	\$	\$
The operating loss from ordinary activities before income tax expense has been determined after charging the following expenses:		
Depreciation	43,116	80,601
Employee entitlements	(10,145)	(10,822)
Exploration expenditure written off	802,414	1,336,671
Interest paid	1,225	2,640
Office rent	72,029	82,182
Share based remuneration	-	6,654
Superannuation	29,044	31,218

7. KEY MANAGEMENT PERSONNEL DISCLOSURES

a) Directors

The following persons were Directors of Crossland Strategic Metals Limited during the whole of the financial year and up to the date of this report unless otherwise stated:

Geoffrey S Eupene
Peter W Walker
Robert L Richardson
Malcolm K Smartt
Sia Hok Kiang

b) Other key management personnel

All directors are identified as key management personnel under AASB 124 "Related Party Disclosures".

There are no other staff that meet the definition of key management personnel.

c) Key management personnel compensation

	Consolidated	
	2014	2013
Short-term employee benefits	370,581	521,217
Post-employment benefits	20,615	20,782
Share-based payments	-	-
	391,196	541,999

The Company has taken advantage of the relief provided by the Corporations Regulations and has transferred the detailed remuneration disclosures to the Directors' report. The relevant information can be found in sections A-D of the remuneration report included in the Directors report.

d) Equity instrument disclosures relating to key management personnel

(i) Options provided as remuneration and shares issued on exercise of such options

No options were provided as remuneration and no shares were issued on the exercise of such options.

(ii) Option holdings

As detailed below as at 31 December 2014.

The relevant interest of each Director in options of the Company as at the date of this report is as follows:

2014						
Name	Balance at the start of the year	Granted during the year	Exercised during the year	Other changes during the year (lapsed)	Balance at the end of the year	Vested and exercisable at the end of the year
Options						
Directors of Crossland Strategic Metals Ltd						
Geoffrey S Eupene	4,629,245	-	-	-4,629,245	-	-
Sia Hok Kiang	10,000,000	-	-	-	-	10,000,000
Peter W Walker	1,089,741	-	-	-1,089,741	-	-
Robert L Richardson	522,619	-	-	-522,619	-	-
Malcolm K Smartt	1,200,000	-	-	-1,200,000	-	-

2013						
Name	Balance at the start of the year	Granted during the year	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Directors of Crossland Strategic Metals Ltd						
Geoffrey S Eupene	4,629,245	-	-	-	-	4,629,245
Sia Hok Kiang	-	10,000,000	-	-	-	10,000,000
Peter W Walker	1,089,741	-	-	-	-	1,089,741
Robert L Richardson	522,619	-	-	-	-	522,619
Malcolm K Smartt	1,200,000	-	-	-	-	1,200,000

iii) Share holdings

The numbers of shares in the company held at the end of the financial year by each Director of the Company and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

Ordinary shares				
Directors of Crossland Strategic Metals Ltd				
2014				
Name	Balance at the start of the year	Received during the year as incentive shares	Other changes during the year	Balance at the end of the year
Geoffrey S Eupene	9,258,492	-	-	9,258,492
Sia Hok Kiang	40,000,000	-	-	40,000,000
Peter W Walker	2,874,899	-	-	2,874,899
Robert L Richardson	1,349,889	-	-	1,349,889
Malcolm K Smartt	1,450,000	-	-	1,450,000
2013				
Geoffrey S Eupene	9,258,492	-	-	9,258,492
Sia Hok Kiang	-	-	40,000,000	40,000,000
Peter W Walker	2,874,899	-	-	2,874,899
Robert L Richardson	1,045,238	-	304,651	1,349,889
Malcolm K Smartt	1,000,000	-	450,000	1,450,000

Note – 40 million shares were taken as a placement at circa 3 cents per share before Mr Sia was appointed a Director.

8. REMUNERATION OF AUDITORS

	Consolidated	
	2014	2013
	\$	\$
Fees paid to BDJ Partners Audit Pty Ltd during the year	35,000	54,000
Audit of the Company's accounts	-	-
Other services	-	-
	<u>35,000</u>	<u>54,000</u>

9. FINANCIAL REPORTING BY SEGMENTS

Identification of reportable segments

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 determining the allocation of resources.

The group is managed primarily on the basis of exploration in Australia. Operating segments are therefore determined on the same basis.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions

An internally determined transfer price is set for all inter-segment sales. This price is reset quarterly and is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Corporate charges are allocated to reporting segments based on the segments overall proportion of revenue generation within the Group. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives majority economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- impairment of assets and other non-recurring items of revenue or expense;
- income tax expense;
- deferred tax assets and liabilities;
- current tax liabilities;
- other financial liabilities;
- intangible assets

	<i>Exploration Australia</i>	<i>Total</i>	<i>Exploration Australia</i>	<i>Total</i>
	2014	2014	2013	2013
	\$	\$	\$	\$
Segment performance				
Interest received	9,784	9,784	9,209	9,209
Other income	-	-	1,429	1,429
Total revenue from continuing operations	9,784	9,784	10,638	10,638
Segment net loss from continuing operations before tax	(1,502,823)	(1,502,823)	(1,872,439)	(1,872,439)
Reconciliation of segment result to group net profit/loss before tax:				
Amounts not included in segment result but reviewed by the Board:				
— administration charges		(191,058)		(308,261)
— depreciation and amortisation		(43,116)		(80,601)
Net loss before tax from continuing operations		(1,736,997)		(2,261,301)
	<i>Exploration Australia</i>	<i>Total</i>	<i>Exploration Australia</i>	<i>Total</i>
	2014	2014	2013	2013
	\$	\$	\$	\$
Segment Assets				
Reconciliation of segment assets to group assets:				
Unallocated assets		-		-
Group assets		5,957,215		6,298,168
Segment Liabilities	872,748	872,748	340,742	340,742
Reconciliation of segment liabilities to group liabilities:				
Unallocated liabilities		-		-
Group liabilities		872,748		340,742

10. LOSS PER SHARE

	2014 Cents	2013 Cents
(a) Basic and diluted loss per share		
Loss attributable to the ordinary equity holders of the Company	(0.68)	(1.12)
(b) Reconciliation of loss used in calculating loss per share	2014	2013
<i>Basic and diluted loss per share</i>	\$	\$
Loss attributable to the ordinary equity holders of the Company used in calculating basic and diluted loss per share	(1,572,959)	(1,952,504)
(c) Weighted average number of shares used as the denominator	2014	2013
<i>Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share.</i>	Number	Number
<i>The options on issue as stated in note 22 have not been taken into account for dilution purposes as they are not considered to be dilutive due to the exercise prices being in excess of the current share price.</i>	231,503,798	174,376,988

11. TAXATION

	Consolidated	
	2014	2013
	\$	\$
The prima facie income tax expense on pre-tax accounting profit reconciles to the income tax expense in the financial statements as follows:		
Loss from ordinary activities	(1,736,997)	(2,261,301)
Income tax expense calculated at 30% of operating loss	521,099	678,390
Deferred tax amounts not recognised	(521,099)	(678,390)
R & D Tax Offset Rebate received	164,038	308,797
Income tax expense (benefit)	164,038	308,797
Other comprehensive income	-	-
Income tax expense calculated at 30% of other comprehensive income	-	-
Deferred tax amounts not recognised	-	-
Income tax expense (benefit)	-	-
Deferred tax assets		
Not brought to account calculated at 30%		
Revenue tax losses	5,998,822	5,798,616
Capital tax losses	257	257
Temporary differences	361,687	314,083
Total	6,360,766	6,112,956

The taxation benefits of revenue tax losses and temporary differences not brought to account will only be obtained if:

- the company and the consolidated entity derive further assessable income of a nature and of an amount sufficient to enable the benefit from the deductions to be realised;
- the company and the consolidated entity continue to comply with the conditions for deductibility imposed by the law; and
- no changes in tax legislation adversely affect the company's and the consolidated entity's ability in realising the benefit from the deductions.

12. CASH AND CASH EQUIVALENTS

	Consolidated	
	2014	2013
	\$	\$
Cash at bank and on hand	266,865	109,835
Deposits at call	-	268,960
	<u>266,865</u>	<u>378,795</u>

The carrying amounts of the Group's cash and cash equivalents are a reasonable approximation of their fair values.

13. TRADE AND OTHER RECEIVABLES

Amounts receivable from joint venture parties	335,000	385,000
Less provision for doubtful debts	(171,000)	-
	<u>164,000</u>	<u>385,000</u>
GST debtor	13,691	16,156
Other receivables	4,672	27,273
	<u>182,363</u>	<u>428,429</u>

The carrying amounts of the Group's trade and other receivables are a reasonable approximation of their fair values.

14. OTHER CURRENT ASSETS

Prepayments	5,508	15,849
	<u>5,508</u>	<u>15,849</u>

The carrying amounts of the Group's other current assets are a reasonable approximation of their fair values.

15. RECEIVABLES – NON-CURRENT

Security deposits	87,892	116,738
	<u>87,892</u>	<u>116,738</u>

The carrying amounts of the Group's non-current receivables are a reasonable approximation of their fair values.

16. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

Deferred exploration costs	5,394,852	5,296,595
Deferred exploration costs brought forward	5,296,595	5,321,126
Expenditure incurred during the year	900,671	2,179,310
Amounts received from Joint venture participants	-	(867,170)
	(	
Exploration expenditure written off	802,414)	(1,336,671)
Deferred exploration costs carried forward	<u>5,394,852</u>	<u>5,296,595</u>

The above amounts represent costs incurred on exploration areas of interest which have been carried forward as an asset in accordance with the accounting policy set out in note 1.

The ultimate recoupment of deferred exploration and evaluation expenditure carried forward in respect of an area of interest is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying value.

Amortisation, in respect of the relevant area of interest, is not charged until a mining operation has commenced.

The carrying amounts of the Group's deferred exploration and evaluation expenditure are a reasonable approximation of their fair values.

17. INVESTMENT IN ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD

(a) Details of associate:

Name of Associate	Principal Activities	Ownership interest		Carrying amount	
		2014 %	2013 %	2014 \$	2013 \$
Crosscontinental Limited	General Exploration and evaluation	56.28	50	-	-

(b) Share of reserves attributable to associates:

Share of associates' profits taken up in the consolidated financial statements

Operating profit (loss) before tax	(642)	(10,759)
Income tax expense	-	-
Net operating profit after income tax as shown in the Statement of Comprehensive Income	(642)	(10,759)
Retained earnings at beginning of period	-	-
Share of associates losses no longer recognised	642	10,759
Retained earnings at end of period	-	-

(c) Movement in equity accounted investment

Carrying amount of investment at beginning of financial year	-	-
Share of associates' current year losses after tax (refer (b))	(642)	(10,759)
Share of associates losses no longer recognised	642	10,759
Amounts due from joint venture	-	-
Carrying amount of investment (provision for associates losses) at end of financial year	-	-
Summary of financial position of associated entity:		
Current assets	2,276	16,289
Current liabilities	(555,705)	(568,575)
Non-current assets	-	-
Net liabilities	(553,429)	(552,286)

The carrying amounts of the Group's investment in associates accounted for using the equity method are a reasonable approximation of their fair values.

18. PLANT & EQUIPMENT

	Consolidated	
	2014	2013
	\$	\$
Plant and equipment		
Cost	407,727	406,637
Accumulated depreciation	(389,630)	(362,435)
	18,097	44,202
Motor vehicles		
Cost	280,691	280,691
Accumulated depreciation	(279,052)	(263,131)
	1,639	17,560
Total Plant and equipment	19,736	61,762

Reconciliations of the carrying amount of each class of plant and equipment at the beginning and end of the current financial year are set out below.

Consolidated 2014

	Plant & equipment	Motor Vehicles	Total
Carrying amount at 1 January 2014	44,202	17,560	61,762
Additions	1,090	-	1,090
Depreciation	(27,195)	(15,921)	(43,116)
Disposals	-	-	-
Carrying amount at 31 December 2014	18,097	1,639	19,736

Consolidated 2013

Carrying amount at 1 January 2013	81,730	53,492	135,222
Additions	7,141	-	7,141
Depreciation	(44,669)	(35,932)	(80,601)
Disposals	-	-	-
Carrying amount at 31 December 2013	44,202	17,560	61,762

The carrying amounts of the Group's plant and equipment are a reasonable approximation of their fair values.

Consolidated	
2014	2013
\$	\$

19. TRADE AND OTHER PAYABLES

Trade creditors and accruals	689,757	272,606
Shareholder loans	125,000	-
	814,757	272,606

The carrying amounts of the Group's trade and other payables are a reasonable approximation of their fair values.

	Consolidated	
	2014	2013
	\$	\$
20. PROVISIONS		
CURRENT PROVISIONS		
Annual leave entitlements	8,268	14,213
Long Service Leave	20,951	-
	29,219	14,213
NON CURRENT PROVISIONS		
Site rehabilitation	23,750	23,750
Long Service Leave	5,022	30,173
	28,772	53,293

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been discussed in Note 1(r).

Provision for Site Restoration

A provision has been recognised for the costs to be incurred for the restoration of the sites used for exploration of minerals. It is anticipated that the sites will require restoration within 10 years. A discount rate adjusted to reflect the risk inherent in the mining operation has been applied.

The carrying amounts of the Group's current and non-current provisions are a reasonable approximation of their fair values.

21. CONTRIBUTED EQUITY

Issued Capital

281,914,757 fully paid ordinary shares (2013 – 207,629,043)	19,644,137	18,944,137
Options Rights Issue	287,297	287,297
Less share issue costs	(869,048)	(869,048)
	19,062,386	18,362,386

Movements in Issued Capital	Number		
Balance as at 1 January 2014	207,629,043	18,362,386	16,851,191
Issues during period:			
Placements	74,285,714	700,000	1,506,000
Options Rights Issue		-	-
Less share issue costs		-	5,195
Balance as at 31 December 2014	281,914,757	19,062,386	18,362,386

The carrying amounts of the Group's contributed equity are a reasonable approximation of their fair values.

22. OPTIONS

Expiry Date	Exercise Price	Issued 1 Jan 14	Granted	Exercised	Lapsed	Issued 31 Dec 14
30 Nov 14	0.15	35,574,642	-	-	(35,574,642)	-
30 Jun 15	0.10	15,000,000	-	-	-	15,000,000
30 Jun 15	0.05	-	5,000,000			5,000,000
		50,574,642	5,000,000	-	(35,574,642)	20,000,000

23. SHARE BASED PAYMENTS RESERVE

	Consolidated	
	2014	2013
	\$	\$
Balance at the beginning of the financial year	343,790	337,136
Share based payments transferred to reserve	-	6,834
Balance at the end of the financial year	343,790	343,790

Nature and purpose of reserve

The share based payments reserve records the value of options issued to employees and Directors which have been taken to expenses.

24. ACCUMULATED LOSSES

Accumulated losses at the beginning of the financial year	(12,748,750)	(10,796,246)
Net loss for the year	(1,572,959)	(1,952,504)
Accumulated losses at the end of the financial year	(14,321,709)	(12,748,750)

25. CONTINGENT LIABILITIES

There are no contingent liabilities.

26. COMMITMENTS

Exploration Tenement Expenditure Requirements

In order to maintain the consolidated entity's tenements in good standing with Australian mining authorities, the Company will be required to incur exploration expenditure under the terms of each claim.

	Consolidated	
	2014	2013
	\$	\$
Payable not later than one year	425,500	2,667,000
Payable later than one year, but not later than two years	-	-
	425,500	2,667,000

It is likely that variations to the terms of the current and future tenement holdings, the granting of new tenements and changes in tenement areas at renewal or expiry, will change the expenditure commitment to the consolidated entity from time to time.

If funds are not available to meet the required expenditure on a tenement the relevant Australian mining authority would be contacted to negotiate a reduction of the expenditure. Should the negotiations not be satisfactory then the company would withdraw from the tenement.

Operating lease commitments

Operating leases relate to the rental of the Milton park homestead and outbuildings. The consolidated entity does not have an option to purchase the leased asset at the expiry of the lease period.

	Consolidated	
	2014	2013
	\$	\$
Payable not later than one year	52,000	-
Payable later than one year, but not later than two years	60,000	-
	112,000	-

27. JOINT VENTURES

The Group is engaged in the following exploration joint ventures, whose principal activities are exploration for uranium and rare earth elements.

	2014	2013
	%	%
Pancontinental Joint Venture	56.28%	55.63%
	2014	2013
	\$	\$
Interests were shown in the statement of financial position as		
Exploration and evaluation expenditure	5,389,908	5,161,407
Amounts receivable from joint venture parties	164,000	385,000
Total non-current assets	5,553,908	5,546,407

Results were shown in the statement of comprehensive income as

Exploration and evaluation expenditure written off	761,849	1,336,671
Impairment of amounts receivable from joint venture parties	171,000	-
Total loss attributable to joint venture	932,849	1,336,671

28. PARTICULARS RELATING TO CONTROLLED ENTITIES

Company	Country of Incorporation and Operation	Percentage of Equity Held	
		2014	2013
Crossland Diamonds Pty Ltd	Australia	100%	100%
Crossland Mines Pty Ltd	Australia	100%	100%
Crossland Nickel Pty Ltd	Australia	100%	100%
Paradigm Mexico Pty Ltd	Australia	100%	100%

29. RELATED PARTY DISCLOSURES

(a) Directors

The names of each person holding the position of director of Crossland Strategic Metals Ltd during the financial year were:

Geoffrey S Eupene
Peter W Walker
Robert L Richardson
Malcolm K Smartt
Sia Hok Kiang

(b) Directors interests

Interests in the shares and options of the Company held by current directors and their director-related entities are shown in note 7.

(c) Associates of directors

Directors fees were paid to the following associates of directors:

Director	Associated company
GS Eupene	Eupene Exploration Enterprises Pty Ltd
RL Richardson	GeoTangent Pty Ltd
Sia Hok Kiang	HK Rare Earth Sdn Bhd

(d) Transactions with associates of directors

	2014 \$	2013 \$
Eupene Exploration Enterprises (EEE), a Company in which Mr Eupene is a Director and shareholder, is utilised to provide geophysical and geological services in relation to Crossland Tenements. Fees paid are on normal commercial terms.		
Consulting geologists	64,050	226,500
Equipment hire	-	1,800
Rent	16,081	-
Software Maintenance	3,900	-
GeoTangent Pty Ltd, a Company in which Mr Richardson is a Director and shareholder, is utilised to conduct geophysical and exploration on Crossland Tenements. Fees paid are on normal commercial terms.	23,531	47,250

(e) Outstanding balances owed to associates of directors as at 31 December

	Consolidated	
	2014	2013
	\$	\$
Eupene Exploration Enterprises Pty Ltd	71,460	29,760
GeoTangent Pty Ltd	34,702	13,561
HK Rare Earth Sdn Bhd	-	-

(f) Joint Ventures

	Consolidated	
	2014	2013
	\$	\$
Amounts receivable from joint venture parties at balance date	335,000	385,000
Less provision for doubtful debts	(171,000)	-
	<u>164,000</u>	<u>385,000</u>

30. EVENTS OCCURRING AFTER THE END OF THE FINANCIAL YEAR

On 9 January 2015, the company advised that Pancontinental had agreed to sell their interest in the Joint Venture to a Malaysian consortium. This is subject to due diligence. As part of this agreement, the company has agreed to reduce Pancontinental's liability to the company by \$171,000.

On 19 January 2015 17,857,143 shares were issued at 0.7 of 1 cent raising \$125,000 to fund the company.

There were at the date of this report no other matters or circumstances which have arisen since 31 December 2014 that have significantly affected or may significantly affect:

- (i) the operations of the consolidated entity,
 - (ii) the results of those operations, or
 - (iii) the state of affairs of the consolidated entity
- in the financial year subsequent to 31 December 2014.

31. FINANCIAL INSTRUMENTS DISCLOSURES

(a) Capital

The Group considers its capital to comprise its ordinary share capital and accumulated retained earnings.

In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and distributions. In order to achieve this objective, the Group seeks to maintain a gearing ratio that balances risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through altering its dividend policy, new share issues, or reduction of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

It is the Group's policy to maintain its gearing ratio within the range of 0-25% (2012: 0-25%). The Group's gearing ratio at the end of the financial year is shown below:

	Consolidated	
	2014	2013
	\$	\$
Cash and cash equivalents	266,865	378,795
Net debt	266,865	378,795
Share capital	19,062,386	18,362,386
Reserves	343,790	343,790
Accumulated losses	(14,321,709)	(12,748,750)
Total capital	5,084,467	5,957,426
Gearing ratio	-	-

(b) *Financial instrument risk exposure and management*

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them.

Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(c) *Principal financial instruments*

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- other receivables;
- cash at bank;
- trade and other payables.

(d) *General objectives, policies and processes*

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and has the responsibility for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

(i) *Credit risk*

Credit risk arises principally from the Group's trade receivables and investments in corporate bonds. It is the risk that the counterparty fails to discharge its obligation in respect of the instrument.

Other receivables

Other receivables comprise GST receivable.

The maximum exposure to credit risk at balance date is as follows

	Consolidated	
	2014	2013
	\$	\$
Security Deposits	87,892	116,738
Amounts receivable from joint venture parties	164,000	385,000
Other receivables	4,762	27,273
GST receivables	13,391	16,156
	270,045	545,167

(ii) Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days.

The Board receives cash flow projections on a quarterly basis as well as information regarding cash balances. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows. Trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations such as property, plant, equipment and investments in working capital (e.g., trade receivables). These assets are considered in the Group's overall liquidity risk.

	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$	\$	\$	\$	\$	\$
Maturity Analysis - Consolidated – 2014						
<i>Financial Liabilities</i>						
Trade Creditors	240,483	240,483	164,649	67,047	8,787	-
TOTAL	240,483	240,483		67,047	8,787	-
			164,649			

Maturity Analysis - Consolidated – 2013

Financial Liabilities

Trade Creditors	141,243	141,243	141,243	-	-	-
TOTAL	141,243	141,243	141,243	-	-	-

Market risk

Market risk does not arise as the Group does not use interest bearing, tradable and foreign currency financial instruments.

(iv) Interest rate risk

- (a) The Company receives interest on its cash balance and at balance date was exposed to a floating weighted average interest rate on cash balances of 3.05% (2009 – 3.05%). As surplus funds become available, they are deposited in its cash management account and are exposed to receiving a floating rate, which varies according to the amount of funds deposited. All other financial assets are non-interest bearing.
- (b) Net fair value of financial assets and liabilities: the net fair value of cash and cash equivalents and non-interest bearing financial assets and financial liabilities approximates their carrying value.
- (c) The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table:

	Notes	Floating interest rate	Fixed interest maturing in:			Non-interest bearing	Total
			1 year or less	over 1 to 5 years	more than 5 years		
		\$	\$	\$	\$	\$	\$
2014							
Financial assets							
Cash	12	266,865	-	-	-	-	266,865
Receivables - Current	13	-	-	-	-	182,363	182,363
Receivables – Non Current	15	-	-	-	-	87,892	87,892
		<u>266,865</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>270,255</u>	<u>537,120</u>
Weighted average interest rate		2.25%					
Financial liabilities							
Payables	19	-	-	-	-	814,797	814,797
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>814,797</u>	<u>814,797</u>
Weighted average interest rate							
Net financial assets (liabilities)		<u>266,865</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(541,502)</u>	<u>(277,637)</u>

	Notes	Floating interest rate	Fixed interest maturing in:			Non-interest bearing	Total
			1 year or less	over 1 to 5 years	more than 5 years		
		\$	\$	\$	\$	\$	\$
2013							
Financial assets							
Cash	12	378,795	-	-	-	-	378,795
Receivables - Current	13	-	-	-	-	428,429	428,429
Receivables – Non Current	15	-	-	-	-	116,738	116,738
		<u>378,795</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>545,167</u>	<u>923,962</u>
Weighted average interest rate		2.40%					
Financial liabilities							
Payables	19	-	-	-	-	286,819	286,819
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>286,819</u>	<u>286,819</u>
Weighted average interest rate		-					
Net financial assets (liabilities)		<u>378,795</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>258,348</u>	<u>637,143</u>

Sensitivity Analysis

		Consolidated	
		+1% interest rate	-1% interest rate
2014	Carrying amount	Profit & Loss	Profit & Loss
Cash assets	266,865	2,667	(2,667)
	266,865	2,667	(2,667)
Tax charge of 30%		(800)	800
Post tax profit increase / (decrease)		1,867	(1,867)
2013			
Cash assets	378,795	3,788	(3,788)
	378,795	3,788	(3,788)
Tax charge of 30%		(1,136)	1,136
Post tax profit increase / (decrease)		2,652	(2,652)

(v) Currency risk

The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency (AUD) with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them) cash already denominated in that currency will, where possible, be transferred from elsewhere in the Group

The Group's exposure to foreign currency risk is as follows:

	Consolidated	
	2014 \$CAD	2013 \$CAD
Cash at bank	-	11,270
Net Exposure	-	11,270

The following sensitivity analysis is based on the foreign currency risk exposures in existence at the year end. The below analysis assumes all other variables remain constant.

Sensitivity Analysis

	Consolidated		
	Carrying amount	+10% CAD /AUD Profit & Loss	-10% CAD/AUD Profit & Loss
2014	\$CAD	AUD\$	AUD\$
Cash at bank	-	-	-
	-	-	-
Tax charge of 30%		-	-
Post tax profit increase / (decrease)		-	-
2013			
Cash at bank	11,270	1,190	(1,190)
	11,270	1,190	(1,190)
Tax charge of 30%		(357)	357
Post tax profit increase / (decrease)		833	(833)

(vi) Sovereign risk

Country or sovereign risk relates to the likelihood that changes in the business environment will occur that reduce the profitability of doing business in a country. These changes can adversely affect operating profits as well as the value of assets. Types of country risk include;

Political changes.

Governments may change economic policies. Changes in the ruling party in Australia (brought about by elections, coups or wars) may result in major policy changes. This could result in expropriation of the Group's exploration leases, inability to repatriate future profits, higher taxes, higher tariffs and import costs, elimination of FDI incentives, domestic ownership requirements and local content requirements.

Macroeconomic mismanagement.

The Australian government may pursue unsound monetary and fiscal policies which may lead to inflation, higher interest rates, recession and hard currency shortage.

Other types of country risk include war and labour unrest which could result in higher costs and work stoppages.

The Group has maintained a working policy of keeping all relevant Government offices informed and updated on activities to allow clear avenues of communication with Government authorities and an understanding of any policy changes and any affects that they may have on the Group's work.

(e) Accounting policies

(i) Financial assets

The Group's financial assets fall into the categories discussed below, with the allocation depending to an extent on the purpose for which the asset was acquired. The Group does not use derivative financial instruments in economic hedges of currency or interest rate risk. The Group has not classified any of its financial assets as held to maturity.

Unless otherwise indicated, the carrying amounts of the Group's financial assets are a reasonable approximation of their fair values.

Other receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the sale of assets and GST receivable. They are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue and subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. The effect of discounting on these financial instruments is not considered to be material.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Available for sale

Non-derivative financial assets not included in the above categories are classified as available for sale. They are carried at fair value with changes in fair value recognised directly in the available for sale reserve. Where there is a significant or prolonged decline in the fair value of an available for sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously charged to equity, is recognised in the income statement. Purchases and sales of available for sale financial assets are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the available for sale reserve. On sale, the amount held in the available for sale reserve associated with that asset is removed from equity and recognised in the income statement. Interest on corporate bonds classified as available for sale is calculated using the effective interest method and is recognised in finance income in the income statement.

(ii) Financial liabilities

The Group classifies its financial liabilities as measured at amortised cost. The Group does not use derivative financial instruments in economic hedges of currency or interest rate risk.

Unless otherwise indicated, the carrying amounts of the Groups financial liabilities are a reasonable approximation of their fair values.

These financial liabilities include trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method

(iii) Share capital

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Groups ordinary shares are classified as equity instruments.

For the purposes of these disclosures, the Group considers its capital to comprise its ordinary share capital, and accumulated retained earnings. Neither the available for sale reserve nor the translation reserve is considered as capital. There have been no changes in what the Group considers to be capital since the previous period.

The Group is not subject to any externally imposed capital requirements

32. NOTES TO THE STATEMENTS OF CASH FLOWS

	Consolidated	
	2014	2013
	\$	\$
(a) Cash on hand comprises:		
Cash at bank and on hand	266,865	109,835
Deposits at call	-	268,960
	266,865	378,795
(b) Reconciliation of loss from ordinary activities after income tax to net cash outflows from operating activities as follows:		
Operating (loss) after income tax	(1,572,959)	(1,952,504)
Depreciation	43,116	80,601
Exploration expenditure written off	802,414	1,336,671
Provision for leave entitlements	(10,145)	(10,882)
Share of associates loss	-	-
Share based payments expense	-	6,654
Provision for doubtful debts	171,000	-
Change in operating assets and liabilities:		
- Decrease / (Increase) in receivables	75,067	(326,880)
- Decrease / (Increase) in other assets	10,341	3,615
- Increase / (Decrease) in accounts payable	417,151	(38,182)
Net cash inflow (outflow) from operating activities	(64,015)	(900,907)

Crossland Strategic Metals Limited

Directors' Declaration

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 11 to 47, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - (b) give a true and fair view of the financial position as at 31 December 2014 and of the financial performance for the year ended on that date of the company and consolidated group; and
2. the Chief Executive Officer and Chief Finance Officer have each declared that:
 - (c) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporation Act 2001;
 - (d) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (e) the financial statements and notes for the financial year give a true and fair view.
3. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Dated at Darwin this 27th day of March 2015
On behalf of the Board



Geoff Eupene
Director

Independent Auditor's Report

To the members of Crossland Strategic Metals Limited

Report on the Financial Report

We have audited the accompanying financial report of Crossland Strategic Metals Limited, which comprises the consolidated statement of financial position as at 31 December 2014, consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Crossland Strategic Metals Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Crossland Strategic Metals Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's and the consolidated entity's financial positions as at 31 December 2014 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the consolidated financial statements and notes also comply with *International Financial Reporting Standards* as disclosed in Note 1.

Going Concern

We draw attention to Note 1 to the financial statements which states that the directors are investigating options raise additional funds and have reduced the working capital requirements of the business. Should these measures be unsuccessful, it would indicate a material uncertainty which may cast doubt about the consolidated entity's ability to continue as a going concern and the consolidated entity's ability to pay its debts as and when they fall due.

Our opinion is not qualified in respect of this matter.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDJ Partners Audit Pty Limited



Anthony J Dowell

27 March 2015



Liability limited by a scheme approved under Professional Standards Legislation.
Please refer to the website for our standard terms of engagement.

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Auditor's Independence Declaration

To the directors of Crossland Strategic Metals Limited

As lead auditor for the audit of Crossland Strategic Metals Limited for the year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

BDJ Partners Audit Pty Limited



Anthony J Dowell

Director

23 March 2015

Shareholder Information

Information relating to shareholders at 26 March 2015

Substantial Shareholders

	<i>Number of Shares</i>	<i>%</i>
Asia Infra Partners Limited	40,000,000	13.343
HK Rare Earth Sdn Bhd	40,000,000	13.343
Asia One Corp Ltd	25,000,000	8.340
Hock Hee Sia	20,000,000	6.672

Distribution of Ordinary Shareholders -Analysis of Holdings as at 26 March 2015

Security Classes	Holdings Ranges	Holders	Total Units	%
Fully Paid Ordinary	1 - 1,000	62	30,605	0.010
	1,001 - 5,000	184	602,798	0.201
	5,001 - 10,000	199	1,706,614	0.569
	10,001 - 100,000	551	21,721,175	7.246
	100,001>	237	275,710,708	91.974
	Totals	1,233	207,629,043	100.00

Top 20 Holdings of Ordinary Shares (CUX) as at 26 March 2015

Holder Name	Shares	%
ASIA INFRA PARTNERS LTD	40,000,000	13.343
HK TIN SDN BHD	40,000,000	13.343
ASIA ONE CORP LTD	25,000,000	8.340
HOCK HEE SIA	20,000,000	6.672
RODERICK JAMES TRIGWELL	7,142,857	2.383
GADEN NOMINEES PTY LTD <GADEN FAMILY A/C>	7,124,795	2.377
MR CHRIS CONNELLAN <C A CONNELLAN S/F A/C>	6,722,500	2.243
DIAH(NT) PTY LTD <AIRPORT HOTEL A/C>	6,666,667	2.224
EUPENE NOMINEES PTY LTD <EUPENE FAMILY SUPER A/C>	6,028,571	2.011
EXCESS PTY LIMITED <N J WALKER A/C>	5,458,447	1.821
ACN 108 884 779 PTY LTD <CLEARY FAMILY SUPER FUND A/C>	3,892,326	1.298
EUPENE NOMINEES PTY LIMITED	3,229,921	1.077
KALE CAPITAL CORPORATION LTD	2,915,541	0.973
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,540,000	0.847
M & K KORKIDAS PTY LTD <M&K KORKIDAS P/L S/FUND A/C>	2,362,802	0.788
MR GEORGE MICHAEL PALMER	2,245,000	0.749
MR PETER WILLIAM WALKER	2,179,482	0.727
MR ARVID JOHN BUSKAS	2,028,571	0.677
MR ROBERT A CLEARY	2,000,000	0.667
ROSENTHAL HOLDINGS PTY LTD <PETER S ROSENTHAL FAMILY A/C>	2,000,000	0.667
	189,537,480	63.227
Total Shares on Issue	299,771,900	

Unmarketable Parcels - As at 26 March 2015 there were 825 shareholders with an unmarketable share parcel of less than 50,000 shares at the prevailing share price of 1.0 cents.

Restricted Securities - There are no restricted securities.

Voting Rights

There are no restrictions on voting rights. On a show of hands every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote. Where a member holds shares which are not fully paid, the number of votes to which that member is entitled on a poll in respect of those part paid shares shall be that fraction of one vote which the amount paid up bears to the total issued price thereof. Option holders have no voting rights until the options are exercised.

Dividends - The Company has not paid any dividends in the period

Corporate Governance

Statement of Corporate Governance

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 31 December 2013.

Board Composition

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report and their term of office are detailed in the directors' report.

The names of independent directors of the company are:

Sia Hok Kiang
Malcolm Smartt
Robert L Richardson
Peter Walker

When determining whether a non-executive director is independent the director must not fail any of the following materiality thresholds:

- less than 10% of company shares are held by the director and any entity or individual directly or indirectly associated with the director;
- no sales are made to or purchases made from any entity or individual directly or indirectly associated with the director; and
- none of the directors' income or the income of an individual or entity directly or indirectly associated with the director is derived from a contract with any member of the economic entity other than income derived as a director of the entity.

Independent directors have the right to seek independent professional advice in the furtherance of their duties as directors at the company's expense. Written approval must be obtained from the chair prior to incurring any expense on behalf of the company.

The company does not have a formally constituted nomination committee.

Ethical Standards

The Board acknowledges and emphasises the importance of all directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.

Directors and employees are required to:

- act honestly and in good faith;
- exercise due care and diligence in fulfilling the functions of office;
- avoid conflicts and make full disclosure of any possible conflict of interest;
- comply with the law;
- encourage the reporting and investigating of unlawful and unethical behaviour; and
- comply with the share trading policy outlined in the Code of Conduct.

Directors are obliged to be independent in judgment and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.

Trading Policy

Directors, employees and associates must not engage in short term trading of Company Shares and should not enter into any form of trading or dealing, or procure others to do so, under the following circumstances:

- 1) if they are in possession of information which is not generally available (inside information) being information which, if it were known and available might cause a reasonable person to expect that the value of the Company and /or its shares to be affected;
- 2) during periods other than the nominated Trading Windows defined below

- 3) at all other times their intention to trade has been notified to, and approved by, the responsible person in accordance with this Policy.

In the course of carrying out their duties, directors and employees often possess information which may be regarded as inside information either specifically under terms of the Corporations Code, or more generally by informed and ethical persons. By way of guidance such information could include, but would not be limited to:

- financial information of any type such as changes in operating forecasts, adjustments in capital or capital structure, borrowings, liquidity or cash flow circumstances
- information about material acquisitions or divestments by the Company
- changes to the Board, Management or Auditors
- regulatory decisions or significant litigation likely to affect the Company

Directors, employees and their associates may not trade or deal in Company Shares except in accordance with the preceding paragraphs and only during **Trading Window periods** being those periods beginning 24 hours after lodgment of the Company's half year and annual profit announcements, and concluding on the date for closing of books for the next reporting period.

Except for the Trading Window periods described in the preceding paragraph, all other times are considered to be "Closed Periods" in terms of Australian Stock Exchange Listing Rule 12.12.1 being those periods when Directors, employees and their associates are generally prohibited from trading in the Company's securities.

Before dealing in Company Shares, an intention to trade must be discussed with and approved

in the case of Directors, by the Chairman

in the case of the Chairman by an independent director

in the case of all other employees by a Director

In addition, Directors are obliged to inform the Company Secretary of any dealing in Company Shares in the form required by the Corporations Act.

Employees who wish to trade outside the Trading Windows must obtain prior approval of the Board which may, under exceptional circumstances, consider applications for exemption from compliance with this Policy. The Board will exercise its unfettered discretion in deliberating the merits of each case and consent will generally be provided only in cases of clear financial hardship.

In the context of this Policy, associates of employees include the spouse, partner, members of employee's, spouse's or partner's immediate families together with any third parties or entities controlled by the employee or such associates including family trusts and personal superannuation schemes

Audit Committee

The Directors have established an Audit Committee, which is comprised of Messrs RL Richardson, RA Cleary and PW Walker, all of whom are Non-Executive Directors and Mr MK Smartt, the company secretary. The Audit Committee will have direct access to management and will meet periodically with the external auditors to assess and review internal controls and the Company's statutory reporting. Its activities will assist in ensuring the independence of the external Auditors and provide ready access to the full Board.

Performance Evaluation

There has been no formal performance evaluation of the Board during the past financial year, although its composition is reviewed at a Board meeting at least annually.

Board Roles and Responsibilities

The Board is first and foremost accountable to provide value to its shareholders through delivery of timely and balanced disclosures.

The Board is ultimately responsible for ensuring its actions are in accordance with key corporate governance principles.

The functions of the Board include:

- review and approval of corporate strategies, the annual budget and financial and business plans;
- overseeing and monitoring organisational performance and the achievement of the Company's strategic goals and objectives thereby advancing the interests of the Shareholders and stakeholders;
- monitoring financial performance including approval of the annual and half-year financial reports and liaison with the Company's auditor;
- appointment of and assessment of, the Chief Executive Officer and the members of the senior management and technical teams;
- ensuring that there are effective management processes in place and approving major corporate initiatives;
- enhancing and protecting the reputation of the Company;
- ensuring the significant risks facing the Company and its controlled entity have been identified;
- appropriate and adequate control, monitoring and reporting mechanisms are in place;
- otherwise monitoring and reviewing the Company's controls and systems including those concerned with occupational health and safety and environment and human resource matters, so as to ensure compliance with laws and the highest ethical standards; and
- ensuring that the Shareholders are appropriately informed of the progress of the Company.

Diversity Policy

The Company believes that the promotion of gender diversity on boards, in senior management and within the organisation generally:

- broadens the pool for recruitment of high quality directors and employees;
- is likely to support employee retention;
- through the inclusion of different perspectives, is likely to encourage greater innovation;

and

- is socially and economically responsible governance practice.

Given the present size of the Company, there are no plans to establish measurable objectives for achieving further gender diversity at this time. The need for establishing and assessing measurable objectives for achieving gender diversity will be re-assessed as the size of the Company increases.

Proportion of Women Employees -

	2014	Percentage
Women on the Board	0	0%
Women in Senior Management Role	0	0%
Women Employees	2	66%

Shareholder Rights

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the constitution and receipt of annual and interim financial statements. Shareholders are strongly encouraged to attend and participate in the Annual General Meetings of Crossland Strategic Metals Ltd, to lodge questions to be responded by the Board and/or the CEO, and are able to appoint proxies.

The Directors are keen to ensure that all Shareholders are kept fully informed. All announcements will be available on the Company's web site <http://www.crosslanduranium.com.au> after release to ASX.

Risk Management

The Board considers identification and management of key risks associated with the business as vital to maximise shareholder wealth. An assessment of the business's risk profile is undertaken on a regular basis and is reviewed by the Board, covering all aspects of the business from the operational level through to strategic level risks. The CEO has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The effectiveness of these controls is monitored and reviewed regularly.

Remuneration Policies

The remuneration policy sets the terms and conditions for the key management personnel. All executives receive a base salary, superannuation and retirement benefits. The Board reviews executive packages annually by reference to company performance and executive performance. The policy is designed to attract the highest calibre executives and reward them for performance which results in long-term growth in shareholder value.

Executives are also entitled to participate in the employee share and option arrangements.

The amount of remuneration for all key management personnel for the company are detailed in the directors report under the heading Key Management Personnel Compensation. All remuneration paid to executives is valued at the cost to the company and expensed. Shares given to executives are valued as the difference between the market price of those shares and the amount paid by the executive. Options are valued using the Black-Scholes methodology.

The Board expects that the remuneration structure implemented will result in the company being able to attract and retain the best executives to run the consolidated group. It will also provide executives with the necessary incentives to work to grow long-term shareholder value.

The payment of bonuses, options and other incentive payments are reviewed by the Board as part of the review of executive remuneration and a recommendation is put to the Board for approval.

Remuneration Committee

The company does not have a formally constituted remuneration committee

SCHEDULE 1 – TENEMENTS CURRENT

Project Area: Charlie Creek Project Group 2

Tenements held by Crossland Nickel Pty Ltd 50%/ Panconoz Pty Ltd 50%

Tenement	Name / Location	Status	Date Granted	Renewal date	AREA (Sub-blocks)	AREA (Km2)
EL 28434	Hamilton Homestead	Current	26/07/11	27/07/17	125	381.1
EL 28795	Amburla SE	Current	14/12/11	13/12/17	11	34.65
EL 28796	Amburla North	Current	14/12/11	13/12/17	81	255.1
EL 28866	Everard	Current	21/02/12	20/02/18	11	34.7
EL 28964	Mount Harris	Current	26/07/12	25/07/18	249	788.62
EL 28965	Mount Harris N	Current	26/07/12	25/07/18	31	98.0
EL 29853	Bond Springs	Current	15/08/13	14/08/19	133	419.3

Project Area: Charlie Creek Project Group 1 & EPA

Tenements held by Crossland Nickel Pty Ltd

Tenement	Name / Location	Status	Date Granted	Renewal date	AREA (Sub-blocks)	AREA (Km2)
EL 24281	Charley Creek (NT)	Current	07/02/05	06/02/15	41	129.2
EL 25230	Cockroach Dam (NT)	Current	09/11/06	08/11/14	178	504.3
EL 27283	Mt Chapple (NT)	Current	17/11/09	16/11/15	500	1,561
EL 27284	Mt Chapple North (NT)	Current	17/11/09	16/11/15	249	781.7
EL 27358	Hamilton Downs (NT)	Current	17/11/09	16/11/15	95	299.2
EL 27359	Hamilton Downs North (NT)	Current	17/11/09	16/11/15	39	123
EL 28154	Hamilton South1	Current	20/04/11	19/04/17	76	191.47
EL 28155	Hamilton South 2	Current	02/02/11	01/02/17	14	32.7
EL 28224	Hamilton North 2	Current	8/03/11	07/03/17	16	50.4
EL 28226	Hamilton North 3	Current	08/03/11	07/03/17	39	122.9
EL 30486	Mallee Bore	Application	N/A	N/A	30	94.6
EL 30487	Clark Creek	Application	N/A	N/A	107	337.3

Project Area: Charlie Creek Project

Tenements held by WDR Base Metals Pty Ltd

Tenement	Name / Location	Status	Date Granted	Renewal date	AREA (Sub-blocks)	AREA (Km2)
EL 25657	Cloughs Dam (NT)	Current	30/08/07	29/08/15	130	396.7

Project Area: Chilling Project

Tenements held by Crossland Mines Pty Ltd

Tenement	Name / Location	Status	Date Granted	Renewal date	AREA (Sub-blocks)	AREA (Km2)
EL 24557	Mount Thomas	Current	07/12/05	06/12/15	20	66.76
EL 25077	Litchfield	Current	09/11/06	08/11/15	24	79.3
EL 5279	McGraths Hill	Current	21/06/13	20/06/15	249	740

Project Area: Lake Woods Project

Tenements held by Crossland Diamonds Pty Ltd

Tenement	Name / Location	Status	Date Granted	Renewal date	AREA (Sub-blocks)	AREA (Km2)
EL 28199	Lake Woods	Current	29/04/11	28/04/15	130	396.7
EL 30181	Diamond Hard	Application	N/A	N/A	130	396.7

Project Area: Mount Stafford / Charlie Creek Projects

Tenements held by Crossland Nickel Pty Ltd 55%/ Panconoz Pty Ltd 45%

Tenement	Name / Location	Status	Date Granted	Renewal date	AREA (Sub-blocks)	AREA (Km2)
EL 29758	Leichhardt	Granted	25/07/13	24/07/19	210	652.2
EL 30058	Milton Park	Current	23/04/14	22/04/20	106	334.3
EL 28492	Mount Stafford	Current	28/07/11	27/07/17	271	847.9
EL 29789	Mulga Bore	Current	25/07/13	24/07/19	14	44.1

Project Area: Mount Stafford Project

Tenements held by Crossland Nickel Pty Ltd

Tenement	Name / Location	Status	Date Granted	Renewal date	AREA (Sub-blocks)	AREA (Km2)
EL 29660	Ennungan North	Application	N/A	N/A	115	365.9

Project Area: Arunta Project

Tenements held by Paradigm Mexico Pty Ltd

Tenement	Name / Location	Status	Date Granted	Renewal date	AREA (Sub-blocks)	AREA (Km2)
EL 27374	Highland Rocks1	Application	N/A	N/A	59	185.8
EL 27375	Highland Rocks2	Application	N/A	N/A	118	371.6
EL 27571	Highland Rocks3	Application	N/A	N/A	340	1070.7
EL 27572	Highland Rocks4	Application	N/A	N/A	330	1039.2



REGISTERED OFFICE

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