Operator: Crossland Strategic Metals Ltd

Charley Creek - Amburla East

Arunta Region
Partial Cancellation Report for EL 28795 for the period 12 December 2011 to 21 November 2015

Tenement Holders: Crossland Nickel Pty Ltd and Essential Mining Resources Pty Ltd

Paul Melville
3 March 2016
Summary

EL 28975 was granted to Crossland Nickel Pty Ltd (Crossland) and Panconoz Pty Ltd (Panconoz) on 12 December 2011 for a period of 6 years. The interests of Panconoz were acquired by Essential Mining Resources Pty Ltd (EMR) in late 2015; EMR is now joint venturing with Crossland.

The subject licence is one of 21 tenements that comprise the Charley Creek Rare Earth Element (REE) Project. Due to an underspend of the licence’s exploration expenditure covenant, NTDME have penalised the company and cancelled one (1) sub-block. No on-ground work has been carried out within the cancelled block for the period covered by this report.
Bibliographic Data

Report Title                  Partial Cancellation Report for EL 28795 for the period 14 December 2011 to 21 November 2015
Author                       Paul Melville
Project Name                 Charley Creek – Amburla East
Tenement Number              EL 28795
Tenement Holder              Crossland Nickel Pty Ltd (56.28%), Essential Mining Resources Pty Ltd (43.72%)
Operator                     Crossland Strategic Metals Limited
Commodities                  Rare Earth Elements
Tectonic unit                Arunta Region
1:250 000 MapSheet           Hermannsburg (SF53-13)
1:100 000 MapSheet           Anburla
Keywords                     Arunta Region, Charley Creek, Uranium, REE

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Figure 1 Map illustrating location of EL 28795 and cancelled block
1 Introduction

Exploration Licence (EL) 28795 Amburla East, originally comprising 16 blocks or 50.44 km² in area, is located approximately 70 kilometres northwest of Alice Springs, just north of the Tanami Road and Tropic of Capricorn. The tenement lies entirely within the Anburla 1:100,000 and Hermannsburg SF53-13 1:250,000 map sheets. The location is illustrated in Figure 1. Access to the licence is via the sealed Tanami Highway then station tracks.

EL 28795 is one of twenty one (21) licences that currently comprise Crossland’s Charley Creek Project. In recent years the primary target has been REE.

This report relates to one sub-block that was cancelled by NTDME under Section 105 (1) (b) of the act. The cancellation was necessitated due to a shortfall over two years in the required exploration expenditure within the subject tenement.

2 Tenure Details

EL 28795 was originally granted to Crossland Nickel Pty Ltd and Panconoz Pty Ltd on 12 December 2011 for a period of six years. The licence comprised 16 sub-blocks, an area of approximately 50 square kilometres. Crossland Nickel Pty Ltd is a wholly owned subsidiary of Crossland Strategic Metals Limited (formerly Crossland Uranium Mines Ltd ). The interests of Panconoz were acquired by EMR in late 2015. EMR is now Crosslands joint venture partner in the Charley Creek project.

On 28 March 2014, Crossland received a Partial Cancellation Notice from NTDME. Five (5) sub-blocks were subsequently surrendered as listed below:

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Further to the above, Crossland received another cancellation notice on the 21st November 2015. This was issued due to two consecutive years of underspend on the licence. Details of the cancelled block are as follows:
The tenement now consists of 10 blocks; an area of 34.48 km². See Figure 1 for location of surrendered block.

3 Regional Geology

The majority of the Charley Creek Project licences are located within the Hermannsburg 1:250,000 scale geological map sheet (SF 53-13) including all of EL 28975.

The project area lies within the Central Province of the Arunta Block on the southern margin of the North Australian Craton. The southern margin of this block is marked by a high strain zone, the
Redbank Thrust Zone, which contains several mapped units. Most of the Central Province is granulite facies metamorphic grade with some retrograde zones of amphibolite facies. The oldest rocks are dated as Lower Proterozoic.

Much of the plains country to the north of the ranges is composed of Quaternary, and to a lesser degree Tertiary sediments. The Tertiary sediments have been described as sands, clays, siltstone and conglomerate with some lignitic horizons. The Quaternary sediments are characterised by shallow alluvial fans of coarse gravels, sandy ephemeral creek deposits, sand and clay with a surficial covering of aeolian silts and sand with minor calcrete and carbonate deposits. The degree of cover formed by these sediments varies regionally.

The majority of EL 28795 is mapped as undifferentiated Quaternary and Tertiary units except for a small portion along the western boundary mapped as Quaternary alluvial silt and sand.

For more detailed information on the local and regional geology the reader is referred to previous Crossland technical reports.

4 Previous Exploration

Historical exploration activities were undertaken by Conzinc Rio Tinto Australia Exploration (CRAE) for sedimentary uranium targets in the 1970s and nickel, copper and PGE in the mid to late 1990’s. Several junior companies also explored the area for its sedimentary uranium potential.

Esso Australia Limited explored the Teapot Granite in 1977 for uranium following an airborne radiometric survey.

There has been no historical work recorded within the subject block.

5 Exploration Rationale and Work Completed

Initially, Crossland entered the region to explore for nickel-copper within the Mount Hay complex.

The recognition that the Teapot Granite had an anomalously high radiometric background caused a shift in exploration strategy. Due to the high uranium content of the granite, it was considered an ideal source rock for the formation of sedimentary uranium deposits. Crossland proposed that this mass of ‘hot’ granite could potentially supply sufficient uranium to form these types of deposits in the plains to the north of the foothills. Therefore, the underlying alluvial fans and buried paleochannels were considered prospective targets for calcrete-hosted uranium and “redox” zone-related concentrations respectively.

Crossland acquired several tenements north of the MacDonnell Ranges with the intention to explore for these types of sedimentary-hosted uranium deposits. Following the discovery of anomalous REE in aircore drillhole samples, the emphasis shifted again from uranium to alluvial-
hosted concentrations of REE. The subject tenement has the potential to host both uranium and REE styles of mineralisation.

There have been no exploration activities carried out by Crossland within the subject cancelled block.

6 References

Buskas, M. Annual Report for EL 28795 for the period 12 December 2012 to 11 December 2013. Crossland Uranium Mines Limited


Melville P.M. Partial Cancellation Report for EL 28795 for the period 12 December 2011 to 11 June 2014. Crossland Strategic Metals Limited
