Operator: Crossland Strategic Metals Ltd

Charley Creek

Arunta Region

Partial Relinquishment Report for EL 28434 for the period 28 July 2011 to 6 February 2020

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

Paul Melville
March 2020

Summary

The subject tenement originally consisted of 125 sub-blocks when granted on 28 July 2011 to Crossland Nickel Pty Ltd and Panconoz Pty Ltd. The latter entity was purchased by Essential Mining Resources Pty Ltd. (EMR) in 2016. Crossland holds a 56.28% and EMR 43.72% ownership of the licence. Both companies are wholly owned by Crossland Strategic Metals Limited (Crossland).

This Report deals with the 47 sub-blocks voluntarily surrendered by Crossland on the 3rd February 2020. The only on-ground activity on the relinquished area was Aircore drilling in 2012.

Much of the area surrendered consists of the Mount Hay Granulite Complex. Mount Hay and adjacent areas were declared by the Central Land Council (CLC) as 'No-Go'. In addition the Hamilton Downs Homestead and associated infrastructure are located in the surrendered area.

Bibliographic Data

Report Title	Partial Relinquishment Report for EL 28434 for the period 28 July 2011 to 6 February 2020
Author	Paul Melville
Project Name	Charley Creek
Tenement Number	EL 28434
Tenement Holders	Crossland Nickel Pty Ltd and Essential Mining Resources Pty Ltd
Operator	Crossland Strategic Metals
Limited Commodities	Rare Earth Elements
Tectonic Unit	Arunta Region
1:250 000 MapSheet	Hermannsburg (SF53-13) Alice Springs (SF53-14)
1:100 000 MapSheet	MacDonnell Ranges 5550, Anburla 5551
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Appendix 1 Aircore Drill Hole data (Attached Text Files)

1 Introduction

Exploration Licence 28434 is centred approximately 53 kilometres west northwest of Alice Springs. See **Figure 1** for location. The licence is traversed by the sealed Tanami Highway; access either side of the highway is by station tracks and fence lines.

As of March 31 2020, the tenement is one of six (6) licences that currently comprise Crossland's Charley Creek project. The primary target is Rare Earth Elements (REE).

This report deals with the 47 sub-blocks that were voluntarily surrendered by Crossland in February 2020.



Figure 1 Google Earth image showing regional location of EL 28434 prior to reduction

2 Tenure Details

EL 28434 was granted to Crossland Nickel Pty Ltd and Panconoz Pty Ltd. (Panconoz) on 28 July 2011 for a period of six years. On grant, the licence comprised 125 sub-blocks, an area of approximately 381 km^2. In early 2016, EMR became the new JV partner, acquiring the share of Panconoz, a wholly owned subsidiary of Pancontinental Uranium Corporation of Canada.

Following renewal of the licence in July 2018, a Penalty Cancellation of 31 sub-blocks was imposed by DPIR for two consecutive years of underspend. This reduced the tenement to 94 sub-blocks, an area of 286.5 km^2. A further reduction of 43 sub-blocks was made in July 2019 leaving 51 sub-blocks, the area remaining prior to this reduction. See Figures 2 and 3 for the surrendered and retained portions of the licence.

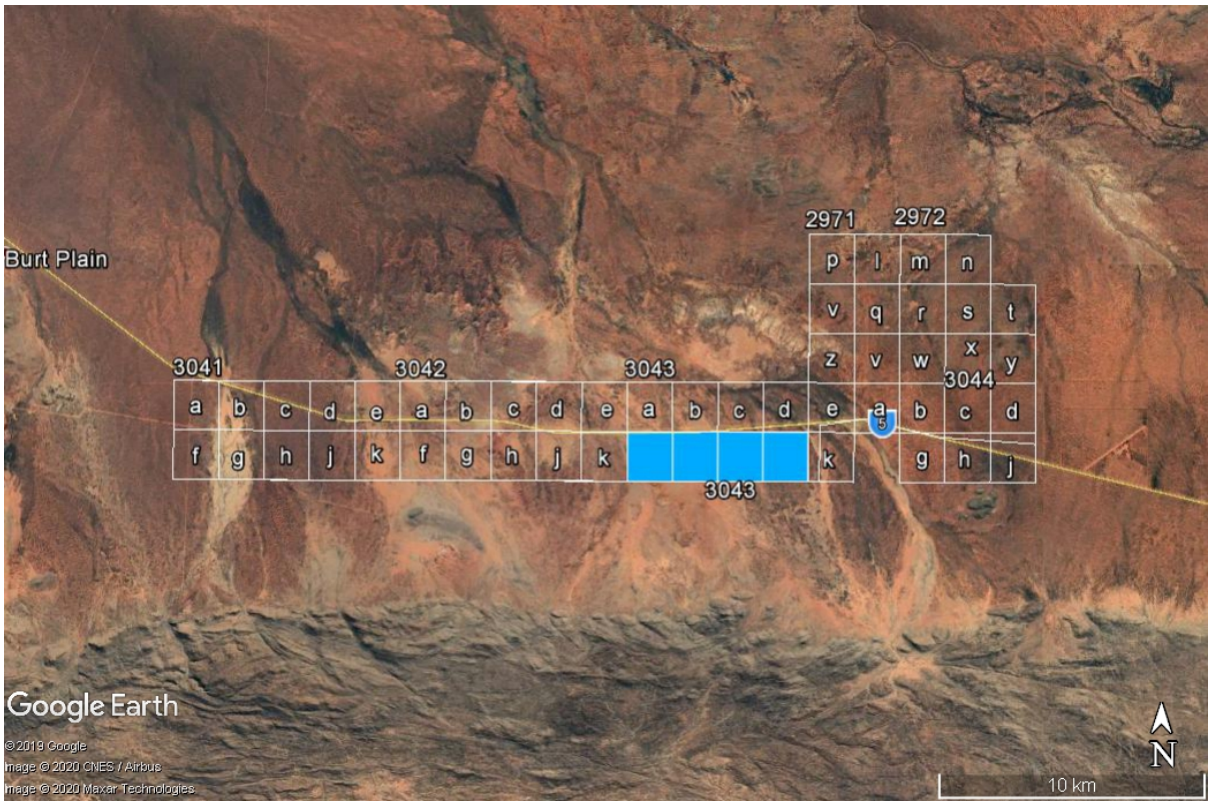

Figure 2. Google Earth image illustrating blocks surrendered and area retained (solid)

3 Geology

The surrendered parts of EL 28434 cover a laterally extensive series of alluvial outwash channels including those of Hamilton Creek. No outcrop was noted.

4 Previous Exploration

Historical regional exploration activities were undertaken by Conzinc Rio Tinto Australia Exploration (CRAE) for sedimentary uranium targets on the Burt Plain and for Nickel-Copper-PGE in the 1970's and in the mid-late 1990's respectively.

CRAE explored the Anburla Anorthosite of the Mt Hay Complex in 1997 for mafic intrusive-hosted nickel-copper and platinum group elements (ELs 9565 and 9566). They completed detailed airborne magnetics-radiometrics and GeoTEM surveys over their holdings, which extended for 100km to the east of the Stuart Highway. In the Mount Hay environs, follow-up ground geophysics, geochemistry and two Reverse Circulation drillholes (immediately west of the Hamilton Downs homestead) on the most prominent anomalies/targets was also completed but did not produce results to warrant any further work.

5 Work Completed by Crossland

Eighteen Aircore holes were drilled by Crossland in 2012. See **Figure 3** for location of the holes and attached **Appendix 1** for data relating to the drilling.

In the following years, no further on-ground exploration activities were carried out. The surrendered area was included within the 2012-2013 project-wide preliminary Environmental Impact Statement surveys carried out by GHD Consultants Darwin and Perth.

The drillhole data from 2012 was incorporated into a detailed review of project-wide Aircore drilling in 2014. The review and subsequent recalculation of the grade and tonnage of the REE resource was required to produce an updated JORC compliant document. This was completed and released to the ASX in 2014 for the purpose of attracting further investment in the project. The review was also required as part of updating the on-going Scoping Studies and other works concerned with the economics of the project. Further Resource assessment work was completed in 2018-2019.



Figure 3. Aircore locations

6 Conclusions

The surrendered ground may have some potential for the occurrence of alluvial REE concentrations. Following the 2012 drilling and assessment of the results from that program, the grade of REE was considered too low to be incorporated into the calculations. Much of the area where there is some potential is located southwards in the adjacent tenement.

The reduction was considered necessary as part of the company's deaccession of land at Charley Creek so that resources can be concentrated in areas of greater potential.

7 References

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