Crossland Uranium Mines Limited

ABN 64 087 595 980

Annual Report 2006

Crossland Uranium Mines Limited

ABN 64 087 595 980

DIRECTORS
Robert A Cleary (Chairman)
Geoffrey S Eupene (Executive Director)
Patrick J D Elliott (Non Executive Director)
Peter W Walker (Non Executive Director)
Robert L Richardson (Non Executive Director)

COMPANY SECRETARY
Mal Smartt

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ADMINISTRATION OFFICE
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AUDITORS
Barnes Dowell James

BANK
Westpac Banking Corporation

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Chairman's Letter

Following the shareholders' vote to acquire Crossland Mines Pty Ltd and change the focus of the Company to uranium exploration in Australia under the name of Crossland Uranium Mines Limited, there has been renewed investor interest in the company, as witnessed by the gains in share price to date on the Newcastle Stock Exchange under our new listing code CUX.

The Company has acquired additional exploration tenements prospective for uranium through its Joint Venture Agreement with PlatSearch NL on the Kalabity properties in South Australia. This strategic acquisition for the Company will allow our exploration team to be in action at times when the northern wet season makes exploration activity there inappropriate or impossible due to access.

Most of the applications made for ground to consolidate our holdings around our initial exploration tenements in the NT have also been granted, allowing us to design comprehensive work programs at our flagship Chilling prospect for the coming dry season.

In December your Company raised an additional $1.69M through the issue of 9.934 million shares at a price of 17 cents to sophisticated and professional investors. This was done in order to provide sufficient working capital to give the Board time to consider ways of maximising shareholder value as we take the Company forward. Plans were also announced for listing of Crossland Uranium on the Australian Stock Exchange early in the new year, in order to provide our shareholders with a greater exposure for your Company.

In December your chairman presented Crossland Uranium to the Sydney Mining Club, and received an enthusiastic reception.

I look forward to 2007 with great enthusiasm, as we bring the considerable expertise of our people into sharp focus on the very prospective ground that the Company has managed to acquire.

Yours sincerely

Robert A Cleary
Chairman

29 March 2007

REVIEW OF OPERATIONS

INTRODUCTION

Crossland Uranium Mines Limited (Stock Exchange Code: CUX) was formed through the merger of Klondike Source Limited (KSL) and Crossland Mines Pty Ltd at the last AGM of the company, on 31 May 2006.

Since the AGM, there have been many changes for the Company. At the AGM, resolutions were passed that were directed towards listing Crossland on ASX. That goal is now very close.

A great deal of effort has gone into ensuring the success of the transition from NSX to ASX, and it has not by any measure been a straightforward process. Nonetheless, Crossland has become actively traded on NSX, and our trading price has risen from $0.035, on very thin trade at the time of the merger, to many multiples of that price, on substantial volumes, on some recent trading days. Directors hope that this activity will continue once ASX listing is achieved, in order to justify these efforts.

The operations of the Company are described in considerable detail in the recent Prospectus. As that document is still current, the reader requiring greater detail than is presented here may seek it from the prospectus. The company's website has also been developed into a valuable information resource, and is kept current with the most recent announcements and reports. This can be accessed at http://www.crosslanduranium.com.au .

EXPLORATION

Crossland's exploration strategy is to pursue the discovery of major uranium deposits using the extensive uranium backgrounds and experience in North Australia of Geoff Eupene, Bob Richardson and Bob Cleary. Their combined 80+ years experience, together with the use of modern exploration techniques should dramatically improve the likelihood of exploration success.

The key rationale for pursuing uranium exploration in Northern Australia is that the region is particularly prospective – i.e. the geology is favourable. The region, known as the Pine Creek Orogen, hosts excellent deposits of uranium, such as Ranger, Jabiluka, Nabarlek, Koongarra, and Rum Jungle, for which it has a global reputation. North Australia also contains world class deposits of diamonds (eg Argyle), base metals (eg Mount Isa-Cloncurry, McArthur River), and gold (eg Granites-Tanami, Tennant Creek).

Crossland started accumulating its exploration portfolio in 2002 and commenced exploration in 2003. Crossland is actively negotiating towards additional agreements, and acquisition of more projects prospective for uranium, such as the agreement entered on Kalabity in South Australia with PlatSearch and Eaglehawk. Shareholders should expect further agreements between CUX and other exploration groups.

The exploration of CUX's non-uranium targets saw more expenditure during the year, for practical and tenement maintenance reasons as is outlined below. Systematic field work on the uranium projects will commence in April 2007. The CUX strategy is to pursue the non-uranium targets that are identified on its tenement portfolio until such time as they can be upgraded for a subsequent separate IPO spin-off or otherwise dealt to advantage.

CUX does not propose to undertake any work for now on its KSL Yukon assets, which remain in good standing. The future of those assets will be reviewed as local activity and conditions change.

Activity on the CUX tenement package continued after the merger, with personnel engaged practically full time in field and review work as detailed below. A scintillometer was purchased, and a down hole logger and associated hardware and software were delivered early in the New Year and configured for field work.

ACTIVITY SUMMARY

CHILLING PROJECT, NT

CUX holds four granted Exploration Licenses, (EL23682, and ELs25076, 25077, and 25078) in this district, which extends south-south west from the Rum Jungle Mineral Field at Batchelor, site of Australia's first major uranium mining project in the 1950s. Only EL22738 now remains to be granted, as a different native title negotiation regime applies to this EL. An Access Agreement which will cover the whole of the exploration phase of the project is expected to be concluded by April 2007.

A detailed airborne geophysical survey will proceed when the total area is granted and suitable weather conditions prevail. In anticipation, this major survey will be booked for about August 2007. A compilation of all previous work into a Geographic Information System (GIS), and planning of the airborne survey and other field work is in progress. The project area will remain largely inaccessible until May or June if there is a normal wet season in the Top End.

CUX has continuous coverage of over 100 km of structures that extend from the Rum Jungle Field, in a setting which CUX believes is favourable for unconformity-related uranium deposits. This deposit style accounts for all of Canada's newly mined uranium, as well as most of Australia's past production, including that from Australia's largest producer, Ranger. Apart from a geological setting with many of the features required for uranium mineralisation, the area has responded positively to previous uranium exploration, with several recorded occurrences within and around the CUX holdings. Much of the area is covered in Middle Proterozoic sandstone of similar age to the Kombolgie Formation sandstone that caps the unconformity related uranium deposits in the Alligator Rivers Region. CUX notes that modern concepts of uranium exploration have not yet been exhaustively applied to this very interesting belt.

At the Soldiers Creek prospect, previous explorers sampled numerous uraniferous hematite and hematite quartz veins in fracture zones in granites. 11 rock chips assayed over 500 ppm (0.05%) U with a maximum of (0.395%) U_3O_8. This highlights the presence of U mineralisation in the project area.

There are also base metal, gold and tin targets in the project area.

Charley Creek, NT

At the Charley Creek Project (EL 24281 and EL 25230) CUX is targeting calcrete and Redox-related palaeo drainage uranium targets: with granite-related uranium, and layered mafic intrusive-related copper, nickel and platinoids as other targets.

Literature research and field reconnaissance has shown that the uranium potential of the project area is high. The area includes the Teapot Granite, a quite radioactive intrusive complex which may shed uranium into the sediments that drain from it. The reconnaissance work confirmed the widespread high radioactivity of some phases of the granite. Old exploration reports record that secondary uranium minerals and rock chip samples up 0.228% U_3O_8 occur in fracture zones within the granite in the south west of EL25230. The presence of secondary uranium minerals indicates that uranium from this granite can dissolve and migrate in surface waters. The basic rocks of the Mount Hay Granulite lie below the drainage channels of surface waters. Vanadium present in these basic rocks can help to precipitate uranium as carnotite (uranium vanadate) from surficial waters, so the setting seems to have potential for this to occur in the buried channels within the alluvial flats. Previous explorers reported elevated uranium values in bore water from the area.

The Charley Creek area is also considered to be very prospective for styles of mineralisation associated with layered basic intrusives (normally copper, nickel and/or platinoids). The Mount Hay layered ultramafic intrusive is present in the area. This intrusive may be analogous to the Merensky Reef in South Africa and the Stillwater Complex in USA which contain major platinoid group metal deposits. The magnetic patterns as well as field observations indicate that it is present at relatively shallow depth beneath the broad alluvial flats of the exploration licenses. The area is being evaluated for both commodity types. The project area warrants a systematic exploration program. Compilation of a GIS of project data has been commenced in advance of field activity.

It was hoped that further reconnaissance could be completed before the end of the year time ran out. The area has since received heavy rain and it may not be possible to commence exploration there until around April 2007. In the meantime, access agreements are being negotiated with CLC to allow commencement of detailed ground work, and a Sacred Sites certificate will be sought. A detailed airborne geophysical survey of Crossland's holdings is planned for the dry season.

In late 2006, the NT Government announced that a number of mining reserves would be revoked simultaneously to allow for EL applications, which were to be lodged on 7 December 2006. The most obviously promising of the reserves for uranium was that on the southern outskirts of Alice Springs, containing drilled uranium resources known as the Angela and Pamela deposits. Crossland concluded that the level of interest from major uranium players would be such that our resources would be stretched and diverted from our other priorities if we were to pursue this. This proved to be correct, and 37 valid applications were received for the most prospective area, including some from major industry players. The release also spawned a claim pegging attempt which has delayed the processing of the applications for the area.

Crossland's current strategy is to consolidate the projects that it now has. In line with this strategy, Crossland did apply for EL25777, covering 968 km^2, over a large former reserve area that immediately adjoins our existing Charley Creek holdings. While there are also multiple (9) applicants for this area, CUX's existing presence in the area, credible exploration concepts, adequate financial and technical resources, and long-term local commitment will, we hope, lead to serious consideration of our application.

REVIEW OF OPERATIONS

KALABITY, SOUTH AUSTRALIA.

At Kalabity, CUX has entered an agreement with PlatSearch NL and Eaglehawk Geological Prospecting Pty Ltd to earn a majority interest in EL3297. The area contains the KR4 uranium occurrence, and previous work has identified widespread elevated values of uranium and other metals.

CUX entered an interest-earning agreement on the Kalabity project with PlatSearch (PTS) and Eaglehawk early in September 2006, and this was the subject of simultaneous announcements by CUX and PTS. The agreement was conditional upon CUX achieving ASX listing by 31 January 2007. When it became apparent that this condition could not be fulfilled, the agreement was modified to extend the listing date to 31 May 2007. Other minor amendments to the agreement are also anticipated, but these will not change the essence of the agreement as announced.

Crossland is pleased to have acquired an agreement on the Kalabity project. Not only does it contain an example of granite-related davidite uranium mineralisation similar to Radium Hill at KR4, but it also has received considerable past exploration that has produced numerous leads for follow-up. There are targets for several styles of deposits, including the iron oxide copper gold (IOCG) style that has examples such as Olympic Dam and Prominent Hill in similar geological terrain in SA.

The Kalabity project also provides additional north-south geographic spread to the Crossland Portfolio. This is important for operational planning, as it should permit field work to continue while the wet season limits access to our other projects, particularly to the Chilling project in the Top End. CUX also regards the attitude of the SA government to uranium mining as friendly. CUX does not propose to explore for uranium in jurisdictions that proclaim opposition to mining the commodity.

Before field work can commence, it is necessary to comply with the requirements of the SA Mining Act regarding Native Title access agreements, heritage surveys, and notice to Landholders. These processes are in train and it is hoped to commence on-ground exploration some time in the June quarter, 2007. This will consist of follow-up calcrete sampling around existing promising results as a first pass. The sampling will be augmented by down-hole probing of holes using the new down-hole logger mounted on an all terrain vehicle. A detailed airborne radiometric survey is also planned for the winter months.

CROSSLAND CREEK, WEST KIMBERLEY.

At Crossland Creek, West Kimberley (E80/3143 and E80/3303) CUX is targeting diamonds, and copper and associated metals related to a discrete magnetic anomaly.

The most promising target that has emerged in the Crossland Creek Project is a large alteration zone and associated magnetic anomaly in King Leopold Sandstone and Carson Volcanics. Work conducted by CUX over the past few years is focussing upon the definition of this large prospective zone in preparation for drill-testing, as resources have permitted. Grid soil sampling and ground magnetics has been completed over a skeleton grid. Elevated values of platinum, copper and gold were returned from some soil samples, which confirms the extension of the alteration zone over several kilometres length and several hundred metres wide. These elevated values in soil are generally supported by the stream sediments and rock chip samples, which have been taken from some of the limited outcrops of what appears to be widespread but poorly exposed veining and alteration. Values of up to 989ppm Cu were recorded from rock chip sampling.

More traverses, and a detailed airborne survey, are required to fully define the structure and depth of the source and these will be scheduled for the 2007 dry season. It is hoped to develop drill targets for testing later in the dry season.

WESTERN CREEK, NT

At Western Creek, NT (EL 23684; ELA25605 and ELA25607) CUX has identified diamond targets.

The Western Creek Target is 80km south west of Larrimah, in what is mapped as the middle of the Cambrian Daly Basin, which is also overlain by the Cretaceous Dunmarra Basin. The area is poorly drained, and there is limited rock exposure. Sampling of sub-outcropping breccias has returned curious geochemical results, but the primary target commodity is diamonds. The near absence of stream channels has made it impossible to obtain surface gravel samples for diamond exploration.

In the September quarter, a gravel sample from auger drilling was found to contain four chromite grains which, based on morphology and microprobe chemistry, are interpreted by our consultants, Global Diamond Exploration Services Pty Ltd, to be derived from kimberlites. No microdiamonds were observed in these samples.

During the December quarter, a further auger drilling was completed on three lines. Eight gravel samples have been submitted for heavy mineral examination. In addition 123 auger samples and 7 rock chip samples were submitted for analysis. Results of heavy mineral examination are awaited, while geochemical results from the auger holes showed a maximum gold value of 55ppb. The positive chromite results will be traced to a source in 2007.

SYLVESTER, NT

At Sylvester, Barkly Tablelands, NT (EL23683, EL23685) CUX is targeting diamonds.

Two lines of auger drilling were completed and results were received. These did not indicate heavy minerals of interest. Further work on the area will consist of airborne geophysical surveys to attempt identification of channels and potential kimberlitic or lamprolitic intrusives.

OLD YARD, NT

The Old Yard Target was taken up for its copper-nickel-platinoid potential. Reconnaissance was undertaken during the December Quarter. The geological setting of the area is in Antrim Plateau Volcanics overlying the sediments of the Victoria Basin. Several small copper occurrences are recorded from Antrim Plateau Volcanics in the vicinity. The previous exploration in the area has been studied and reconnaissance results have been received. These have yet to be fully analysed, but there are contrasts in values of the elements of interest in the reconnaissance stream sediments and rock chip sampling. The heavy mineral samples contained four indeterminate chromite grains.

The geochemical results will be interpreted and a follow up program devised in the March quarter.

BAINES, NT

Reconnaissance exploration of the Baines area has been completed in a helicopter-supported intensive program. The area is believed to be prospective mainly for diamonds, with some copper/ nickel potential associated with a possible flood basalt vent. The heavy mineral results are awaited, while the stream sediment geochemical scans had some mild character. Results will be evaluated in the March quarter of 2007.

TRIPOD, NW QLD

During the December quarter, the titles were surrendered and refunds of security deposits were received.

PLANNED ACTIVITIES FOR 2007

Ongoing exploration plans will cover the projects discussed below. Capital purchases planned include the setup of the newly acquired down-hole logger for field use, purchase of a GPS-controlled gamma ray spectrometer, as well as three additional scintillometers.

KALABITY, SA

- Finalise access agreements and heritage surveys;
- Commence follow-up calcrete sampling program.
- Plan and schedule detailed airborne geophysical survey.
- Follow up as required

CHILLING, NT

- Compilation of GIS containing all project information;
- Finalisation of planning of airborne geophysical survey for the dry season and commit to schedule; and
- Conclusion of native title access agreement via Northern Land Council.
- Obtain AAPA Sacred Sites Certificate.
- Liaison with stakeholders regarding 2007 field program.
- Mine Management Plan

CHARLEY CREEK, NT

- Compilation of GIS containing all project information;
- Finalisation of planning of airborne geophysical survey for the dry season and commit to schedule;
- Conclusion of native title access agreement via Central Land Council.
- Obtain AAPA Sacred Sites Certificate
- Liaison with stakeholders regarding 2007 field program
- Field reconnaissance if weather conditions permit.
- Mine Management Plan for field work
- Auger drilling along fence lines.

CROSSLAND CREEK, WA

- Interpretation of soil sample results;
- Plan and implement airborne geophysical survey.

WESTERN CREEK, NT

- Receive heavy mineral results; interpret along with geochemical results;
  Develop proposals for 2007 field season;
  Statutory report.

SYLVESTER, NT

- Plan airborne geophysical survey for 2007 dry season

OLD YARD, NT

- Interpret results, report, and plan 2007 field activities.

BAINES, NT

- Follow up results as appropriate when heavy mineral results are received.

LAKE WOODS, NT

- Plan and book airborne EM survey

KSL YUKON

There has been no field work on the KSL Yukon titles and a review is under way to determine the best use of the assets.

CORPORATE

Preparations are progressing for a major share issue to accompany listing of the Company on ASX. The prospectus for the issue was approaching completion at the close of the year. The CEO and Directors of Crossland were heavily involved in prospectus preparation and matters associated with the proposed major financing during the quarter. The Board accepted advice to complete a placement to sophisticated investors in early December, and 9.934 million shares were issued at $0.17 per share at that time. This was in order to have sufficient liquidity to continue field operations so as to allow listing in the New Year rather than during the holiday season. Shareholders ratified this placement, and as well gave their approval to issue up to 30 million additional shares at an issue price of more than $0.20 per share by way of prospectus, at a General Meeting held on 18 January 2007. This opens the way for the issue to proceed. The Chairman made a presentation to the Sydney Mining Club Lunch on 7 December 2006, and this was well received by investors. The presentation is available on the company's website, on the NSX website with the company's other announcements, and also with voice on the Sydney Mining Club website.

Investors and the industry have shown keen interest in the development of Crossland, and the company has been presented with several opportunities to secure additional exploration projects, as well as offers of participation in the Company's projects. The company announced a major Joint Venture with Centram Exploration Ltd of Toronto on 13 February 2007, and a prospectus for issue of 22.8 million shares for $0.25 per share was lodged on 14 February 2007.

WEBSITE

The website has been substantially rebuilt and is being expanded as time permits. The prospectus is available for download via the website

Geoff Eupene
Exploration Director

*The review of exploration activities and results contained in this report are based on information compiled by **Geoffrey S Eupene CP,** a Fellow of the Australasian Institute of Mining and Metallurgy. He is a director of the Company and a full time employee of Eupene Exploration Enterprises Pty Ltd. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Geoffrey S Eupene has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

Directors' Report

Your Directors present their report on the consolidated entity consisting of Crossland Uranium Mines Limited and the entities it controlled at the end of, and during the year ended 31 December 2006.

Directors

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

Patrick J D Elliott

Appointed 31 May 2006

Geoffrey S Eupene
Robert A Cleary
Peter W Walker
Robert L Richardson

Resigned 31 May 2006

Colin M Thomas
Raymond J Soper
Robert G Adamson (Alternate Director for C M Thomas)

Directors' qualifications and experience

Patrick J D Elliott, Non-Executive Chairman

Pat Elliott, MBA (Mineral Economics) (Macquarie University); B Comm (University of NSW); ASA; MAICD, is a company director specialising in the resources sector with 35 years experience in investment and corporate management. His early career was at Consolidated Gold Fields Australia Limited and covered investment analysis and management, minerals marketing (copper, tin, rutile and zircon). He went into investment banking and became Head of Corporate Finance for Morgan Grenfell Australia Limited. Pat subsequently became Managing Director of Natcorp Investments Ltd which owned a number of manufacturing businesses. After its takeover he became an active early stage venture capital investor with an emphasis on resources. Pat is Chairman of ASX-listed companies: Argonaut Resources NL, Australia Oriental Minerals NL, and Magnesium International Limited, in the latter of which he is also Managing Director. He is also a director of a number of privately owned companies.

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 No1 orebody, 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.

Bob Cleary, *Chairman of the Board*

Bob Cleary, B. Sc(tech) Chem Eng., graduated as a Chemical Engineer from the University of NSW, and soon afterwards began working in the chemical and petrochemical manufacturing industries in Sydney, Melbourne and New Zealand. In the mid 1980's, Bob was enticed across to the mining industry, joining ERA as Operations Manager at Ranger. He was promoted to General Manager Operations several years later, trimming the Ranger operation to sustain profitable operations despite record low uranium prices. After a four year stint in Western Australia, evaluating investment opportunities for North Ltd in nickel and iron ore, Bob rejoined the ERA team as Deputy Chief Executive, and was promoted to Chief Executive in mid 1999, a position he held through the takeover of North Ltd in 2000 until early 2004 when he decided to cease full time employment. Bob is also a director of Investika Ltd, Toledo Mining Corp. plc and is Chairman of UMC Energy plc, to which companies he also provides consulting services.

Bob Richardson

Bob Richardson, B.Sc, BE(Hons), MAusIMM, MASEG, has 40 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 in the Alligator Rivers Uranium Province during the Ranger discovery and resource development 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. He co-founded Lachlan Resources NL in 1983, and is currently a non-executive Director of Western Plains Resources Ltd and Managing Director of PlatSearch NL.

Peter Walker

Peter Walker, B.Juris, Ll.B, FAICD, is a Darwin based lawyer who has practised in the resource industry for over 30 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. 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.

Colin M Thomas (resigned 31 May 2006)

Raymond J Soper (resigned 31 May 2006)

Robert G Adamson (resigned 31 May 2006)

Principal activities

The principal activity of the consolidated entity is the exploration for uranium in the Northern Territory and economic hardrock gold deposits. The exploration for uranium commenced during the year after the company acquired Crossland Mines Pty Ltd.

Results

The net result of operations after applicable income tax expense of the consolidated entity for the year ended 31 December 2006 was a loss of $278,961 (2005 – loss of $606,233).

Dividends

No dividends were either paid or declared for the year (2005 – nil).

The Directors do not recommend the payment of a dividend in respect of the financial year ended 31 December 2006.

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

The parent company acquired all of the issued capital of Crossland Mines Pty Ltd. There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

ASX listing

The company has issued a prospectus for listing on ASX. The proposed listing date is 13 April 2007.

Centram Joint Venture

Crossland Uranium Mines Limited ("Crossland"), and Centram Exploration Ltd ("Centram"), an issuer listed on the

NEX Board of the TSX Venture Exchange (Canada) have signed a letter of agreement establishing a joint venture focused on the exploration for and development of uranium properties in Australia and world-wide. The main parameters of the joint venture agreement are as follows:

a) Crossland will contribute its existing uranium property interests to the joint venture;
b) To earn its 50% joint venture interest, Centram must contribute A$8 million over four years to approved programs under the joint venture with a minimum expenditure of A$4 million in the first two years before the agreement can be terminated;
c) Crossland will be the operator of the joint venture and report to a management committee of four persons consisting of two representatives from each company;
d) Uranium properties acquired after the date of the signing of the joint venture will be added to the joint venture;
e) Crossland and Centram will establish and fund, on an equal basis with an initial contribution of $2 million each, a holding company to acquire uranium properties outside Australia; and
f) Two nominees of Crossland will be added to the Centram board.

At the date of this report there were no other matters or circumstances which have arisen since 31 December 2006 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 2006.

Likely developments

The Company is hoping to identify uranium and other 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.

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:

There are 15,325,100 options granted by the Company over unissued ordinary shares. No shares have been issued in the period as the result of the exercise of options. Full details of options on issue are shown in note 18.

REMUNERATION REPORT

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

A) Principles used to determine the nature and amount of remuneration
B) Details of remuneration
C) Service agreements
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 Uranium Mines 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 complimentary 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 program 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 determination of his own remuneration.

Directors' fees

The current base remuneration was last reviewed with effect from 1 July 2006.

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 Uranium Mines Limited 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.

B) Details of remuneration

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

The key management personnel of Crossland Uranium Mines and the Group includes the directors:

Remuneration paid to key management personnel of Crossland Uranium Mines and of the Group

2006	**Short-term employee benefits**			**Post-employment benefits**	**Share-based payment**	
Name	**Salary** $	**Directors' Fees** $	**Consulting Fees** $	**Superannuation** $	**Options** $	**Total** $
Non-executive directors						
P J D Elliott	-	5,000	-	450	-	5,450
R Cleary	-	5,000	-	450	-	5,450
R Richardson	-	5,000	10,400	450	-	15,850
P Walker	-	5,000	-	450	-	5,450
R J Soper	-	-	-	-	-	-
Sub-total non-executive directors	**-**	**20,000**	**10,400**	**1,800**	**-**	**32,200**
Executive directors						
G S Eupene	-	-	70,000	-	-	70,000
C M Thomas	-	-	9,574	-	-	9,574
Totals	**-**	**20,000**	**89,974**	**1,800**	**-**	**111,774**

2005	Short-term employee benefits			Post-employment benefits	Share-based payment	
Name	Cash salary and fees $	Directors' Fees $	Consulting Fees $	Superannuation $	Options $	Total $
Non-executive directors						
P J D Elliott	-	10,000	-	-	-	10,000
R J Soper	-	10,000	-	-	-	10,000
Sub-total non-executive directors	-	20,000	-	-	-	20,000
Executive directors						
C M Thomas	-	-	15,000	-	-	15,000
Totals	**-**	**20,000**	**15,000**	**-**	**-**	**35,000**
Executive officer's remuneration						
R G Adamson	-	-	21,859	-	-	21,859

C) Service agreements (audited)

(i) Mr Geoff Eupene - Managing Director

A Consultancy Agreement dated 30 October 2006 has been entered into between the company and Eupene Exploration Enterprises Pty Ltd (a company controlled by Mr Eupene) to provide exploration services to the company for a period of two years commencing 1 June 2006 at a base rate of $10,000 per month in the first year and $10,500 per month in the second year.

(ii) 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.

Service agreements summary

	Start Date	Term of Agreement	Fees payable 2006 $	Notice period for termination (months)		Redundancy payment
Director				**Company**	**Employee**	
G S Eupene	1 June 2006	2 years	$10,000 per month in year 1 and $10,500 per month in year 2	3	3	Nil

D) Share-based compensation (audited)

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 Uranium Mines 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 Uranium Mines Limited and other key management personnel of the Group.

Shares under option

Unissued ordinary shares of Crossland Uranium Mines Limited 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 Uranium Mines Limited were issued during the year ended 31 December 2006 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:

2006		**G S Eupene**	**P J D Elliott**	**R A Cleary**	**P W Walker**	**R L Richardson**
Ordinary shares		3,201,350	3,692,399	1,892,326	2,179,482	-
Options						
Exercise price	**Expiry date**					
20 cents per share	31.12.2007	-	2,195,000	-	-	-
23 cents per share	31.12.2007	1,481,603	287,388	875,779	1,008,677	-
25 cents per share	31.12.2007	-	1,250,000	-	-	-
20 cents per share	20.04.2009	-	600,000	-	-	-
Unissued incentive shares		9,000,000	1,000,000	6,000,000	1,000,000	1,000,000

2005		**P J D Elliott**	**C M Thomas**	**R J Soper**	**R G Adamson**
Ordinary shares		2,500,000	1,750,050	1,117,540	296,750
Options					
Exercise price	**Expiry date**				
20 cents per share	31.12.2007	2,195,000	875,000	450,000	125,000
25 cents per share	31.12.2007	1,250,000	2,195,000	2,195,000	200,000
30 cents per share	31.12.2007	-	800,000	800,000	-
20 cents per share	20.04.2009	600,000	-	-	400,000

Meetings of directors

Attendance at Directors' meetings during the year:

	Eligible to attend	Attended
Patrick J D Elliott	10	4
Appointed 31 May 2006		
G S Eupene	8	8
R Richardson	8	8
P Walker	8	8
R Cleary	8	7
Resigned 31 May 2006		
Colin M Thomas	2	2
Raymond J Soper	2	2

The Audit Committee comprised Directors Messrs Soper and Elliott, which met once during the year. Mr Richardson has since been appointed to fill the vacancy after Mr Soper's resignation. The Audit Committee currently consists of Messrs Richardson, Walker and Cleary.

The Committee was set up to review the Company's financial systems, accounting policies and annual financial statements.

Environment

Crossland Uranium Mines Limited, through its subsidiaries, holds exploration tenements in Australia and the Yukon Territory of Canada, 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 material known 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 (Barnes Dowell James) for audit and non-audit services provided during the year are set out below.

The board of directors has considered the position and, 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 impact the impartiality and objectivity of the auditor,
- none of the services undermine the general principles relating to auditor independence as set out in Professional Statement F1, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

Directors' Report

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated	
	2006	2005
	$	$
Assurance services		
Audit services		
Barnes Dowell James Australian firm:		
Audit and review of financial reports and other audit work under the *Corporations Act 2001*	**17,150**	9,750
Total remuneration for assurance services	**17,150**	9,750

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 43.

Auditor

Barnes Dowell James holds office in accordance with section 327 of the Corporations Act 2001.

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

Geoff Eupene
Director

Sydney
29 March 2007

INCOME STATEMENTS

for the year ended 31 December 2006

	Note	Consolidated		Parent Entity	
		2006	2005	**2006**	2005
		$	$	**$**	$
Revenue	4	**30,814**	40,022	**30,546**	37,388
Administration costs		**(147,120)**	(68,803)	**(139,201)**	(70,759)
Borrowing cost	5	**-**	(1,185)	**-**	(1,185)
Consultants' fees		**(58,966)**	(46,567)	**(26,264)**	(36,859)
Depreciation	5	**(1,841)**	(1,703)	**(1,054)**	(1,050)
Diminution of loans to controlled entity	5	**-**	-	**61,801**	(371,175)
Directors' fees		**(25,444)**	(20,000)	**(25,444)**	(20,000)
Exploration property provision	5	**-**	750,000	**-**	-
Exploration property written off	5	**(25,449)**	(1,203,211)	**-**	(164,281)
Foreign exchange gains (losses)	5	**-**	-	**(83,158)**	66,002
Minesite rehabilitation provision		**-**	(15,000)	**-**	(15,000)
Office rent	5	**(24,438)**	(26,568)	**(26,106)**	(26,568)
Other expenses from ordinary activities		**(26,517)**	(17,247)	**(10,772)**	(16,889)
Loss from ordinary activities before income tax expense		**(278,961)**	(610,262)	**(219,652)**	(620,376)
Income tax (expense) benefit		**-**	4,029	**-**	-
Net loss from ordinary activities after income tax expense	24	**(278,961)**	(606,233)	**(219,652)**	(620,376)
Basic and diluted loss per share (cents)	10	**(0.54)**	(1.92)		

The above income statements should be read in conjunction with the accompanying notes.

Balance Sheets

at 31 December 2006

	Note	Consolidated		Parent Entity	
		2006	2005	**2006**	2005
		$	$	**$**	$
CURRENT ASSETS					
Cash and cash equivalents	11	**1,711,463**	747,280	**1,666,920**	716,316
Trade and other receivables	12	**42,459**	28,230	**35,736**	22,730
TOTAL CURRENT ASSETS		**1,753,922**	775,510	**1,702,656**	739,046
NON-CURRENT ASSETS					
Receivables	13	**12,500**	-	**393,788**	54,394
Deferred exploration and evaluation expenditure	14	**1,416,005**	19,813	**-**	-
Investments	15	**-**	-	**1,159,826**	855
Plant and equipment	16	**25,164**	3,439	**24,128**	1,530
TOTAL NON-CURRENT ASSETS		**1,453,669**	23,252	**1,577,742**	56,779
TOTAL ASSETS		**3,207,591**	798,762	**3,280,398**	795,825
CURRENT LIABILITIES					
Trade and other payables	17	**232,461**	195,646	**225,779**	192,709
Other current financial liabilities	18	**-**	1,673	**-**	1,673
Provisions	19	**15,000**	15,000	**15,000**	15,000
TOTAL CURRENT LIABILITIES		**247,461**	212,319	**240,779**	209,382
TOTAL NON-CURRENT LIABILITIES		**-**	-	**-**	-
TOTAL LIABILITIES		**247,461**	212,319	**240,779**	209,382
NET ASSETS		**2,960,130**	586,443	**3,039,619**	586,443
SHAREHOLDERS' EQUITY					
Issued capital	20	**5,680,340**	3,007,512	**5,680,340**	3,007,512
Foreign currency translation reserve	22	**(34,323)**	(14,143)	**-**	-
Option expense reserve	23	**70,935**	70,935	**70,935**	70,935
Accumulated losses	24	**(2,756,822)**	(2,477,861)	**(2,711,656)**	(2,492,004)
TOTAL EQUITY		**2,960,130**	586,443	**3,039,619**	586,443

The above balance sheets should be read in conjunction with the accompanying notes.

Statements of Changes in Equity

for the year ended 31 December 2006

	Consolidated		Parent Entity	
	2006	2005	**2006**	2005
	$	$	**$**	$
Total equity at the beginning of the year	**586,443**	1,206,825	**586,443**	1,206,825
Current year expenses recognised directly in equity:				
Net expenses recognised directly in equity	**(20,180)**	(14,143)	**-**	-
Loss for the year	**(278,961)**	(606,233)	**(219,652)**	(620,376)
Total recognised income and expense for the year	**(299,141)**	(620,376)	**(219,652)**	(620,376)
Transactions with equity holders in their capacity as equity holders				
Contributions of equity, net of transaction costs	**2,672,828**	(6)	**2,672,828**	(6)
Total equity at the end of the year	**2,960,130**	586,443	**3,039,619**	586,443

Total recognised income and expense for the year is attributable to members of Crossland Uranium Mines Limited	**(299,141)**	(620,376)	**(219,652)**	(620,376)

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

CASH FLOW STATEMENTS

for the year ended 31 December 2006

	Note	Consolidated 2006 $	Consolidated 2005 $	Parent Entity 2006 $	Parent Entity 2005 $
CASH FLOWS FROM OPERATING ACTIVITIES					
Payment to suppliers (inclusive of GST)		**(203,440)**	(113,149)	**(235,829)**	(47,008)
Interest received		**30,814**	39,658	**30,516**	37,388
Interest paid		**-**	(1,185)	**-**	(1,185)
Corporate taxes received		**-**	134,614	**-**	-
NET CASH INFLOWS (OUTFLOWS) FROM OPERATING ACTIVITIES	32b	**(172,626)**	59,938	**(205,313)**	(10,805)
CASH FLOWS FROM INVESTING ACTIVITIES					
Expenditure on plant and equipment		**(24,046)**	(140)	**(24,046)**	(140)
Expenditure on mining interests (exploration)		**(296,701)**	(19,441)	**-**	-
Proceeds from sale of assets		**-**	8,966	**-**	-
Loans repaid by (advanced to) controlled entity		**-**	-	**(277,593)**	41,776
NET CASH INFLOWS / (OUTFLOWS) FROM INVESTING ACTIVITIES		**(320,747)**	(10,615)	**(301,639)**	41,636
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		**1,688,780**	-	**1,688,780**	-
Repayment of borrowing		**-**	(32,000)	**-**	(32,000)
Share issue costs		**(231,224)**	(6)	**(231,224)**	(6)
NET CASH INFLOWS / (OUTFLOWS) FROM FINANCING ACTIVITIES		**1,457,556**	(32,006)	**1,457,556**	(32,006)
NET INCREASE / (DECREASE) IN CASH HELD		**964,183**	17,317	**950,604**	(1,175)
Cash and cash equivalents at the beginning of the financial year		**747,280**	729,963	**716,316**	717,491
Cash and cash equivalents at the end of the financial year	32a	**1,711,463**	747,280	**1,666,920**	716,316

The above cash flow statements should be read in conjunction with the accompanying notes.

Contents of the notes to the financial statements

1. SUMMARY OF 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 separate financial statements for Crossland Uranium Mines Limited as an individual entity and the consolidated entity consisting of Crossland Uranium Mines Limited and its subsidiaries.

Basis of preparation

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRSs), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Compliance with IFRSs

Australian Accounting Standards include AIFRSs. Compliance with AIFRSs ensures that the consolidated financial statements and notes of Crossland Uranium Mines Limited comply with International Financial Reporting Standards (IFRSs). The parent entity financial statements and notes also comply with IFRSs except that it has elected to apply the relief provided to parent entities in respect of certain disclosure requirements contained in AASB 132 Financial Instruments: Presentation and Disclosure.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, certain classes of property, plant and equipment and investment property.

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

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) 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.

(d) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(e) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Each area of interest is limited to a size related to known or probable mineral resource capable of supporting a mining operation.

Exploration expenditure for each area of interest, other than that acquired from the purchase of another mining company, is written off as incurred, except that it is carried forward provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Exploration expenditure which no longer satisfies the above policy is written off. When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off firstly against any existing provision for that expenditure, with any remaining balance being charged to earnings. The provision against exploration expenditure is reversed when recoupment out of revenue to be derived from the relevant area of interest/mineral resource or from the sale of that area of interest, is assured and the asset is transferred to another class or sold.
Expenditure is not carried forward in respect of any area of interest/mineral resource unless the Company's rights of tenure to that area of interest are current.

(f) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(g) 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 Uranium Mines Limited'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.

(h) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority it is recognised as part of the cost of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

The net amount of GST recoverable from, or payable to, the taxation authorities is included as part of other receivables or other payables.

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.

(i) Impairment of assets

The carrying amounts of the consolidated entity's assets, other than deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

(i) Calculation of recoverable amount

The recoverable amount of assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

Tax consolidation

The company and all its wholly-owned Australian resident entities have not entered into a tax consolidated group under Australian taxation law.

(k) Joint ventures

Interests in joint ventures are brought to account by including in the respective classifications, the share of individual assets employed, and liabilities and expenses incurred.

(l) Leases

Operating lease payments, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased items, are included in the determination of the operating profit in equal instalments over the lease term.

(m) Loss per share

(i) Basic loss per share

Basic earnings 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 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.

(n) Plant and equipment

All assets acquired including plant and equipment and intangibles other than goodwill are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. When equity instruments are issued as consideration, their market price at the date of acquisition is used as fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity subject to the extent of proceeds received, otherwise expensed.

Where settlement of any part of cash consideration is deferred, the amounts payable are recorded at their present value, discounted at the rate applicable to the Company if a similar borrowing were obtained from an independent financier under comparable terms and conditions.

Expenditure, including that on internally generated assets other than research and development costs, is only recognised as an asset when the entity controls future economic benefits as a result of the costs incurred, it is probable that those future economic benefits will eventuate, and the costs can be measured reliably. Costs attributable to feasibility and alternative approach assessments are expensed as 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

(o) Principles of consolidation

(i) Controlled entities

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Crossland Uranium Mines Ltd (“company’’ or “parent entity’’) as at 31 December 2006 and the results of all subsidiaries for the year then ended. Crossland Uranium Mines Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Crossland Uranium Mines Limited.

(ii) Joint ventures

A joint venture is either an entity or operation that is jointly controlled by the Consolidated Entity.

(iii) Joint venture operation

The Consolidated Entity's interest in unincorporated joint ventures is brought to account by including its proportionate share of the joint venture's assets, liabilities and expenses and the Consolidated Entity's revenue from the sale of its share of output on a line-by-line basis, from the date joint control commences to the date joint control ceases.

(iv) Transactions eliminated on consolidation

Unrealised gains and losses and inter-entity balances resulting from transactions with or between Controlled Entities are eliminated in full on consolidation. Unrealised gains resulting from transactions with joint ventures are eliminated to the extent of the Consolidated Entity's interest. Unrealised gains relating to joint venture entities are eliminated against the carrying amount of the investment. Unrealised losses are eliminated in the same way as unrealised gains, unless they evidence a recoverable amount impairment.

(p) Provisions

A provision is recognised in the balance sheet when the consolidated entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(q) Revenue recognition

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of GST.

(r) 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.

(s) Site restoration

In accordance with the consolidated entity's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land is recognised when the land is contaminated.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(t) Trade and other receivables

Trade and other receivables are recorded at amounts due less any allowance for doubtful debts.

(u) Trade and other creditors

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

New accounting standards and UIG interpretations

Certain new accounting standards and UIG interpretations have been published that are not mandatory for 31 December 2006 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below.

(i) UIG 4 Determining whether an Asset Contains a Lease

UIG 4 is applicable to annual periods beginning on or after 1 January 2006. The Group has not elected to adopt UIG 4 early. It will apply UIG 4 in its 2007 financial statements and the UIG 4 transition provisions. The Group will therefore apply UIG 4 on the basis of facts and circumstances that existed as of 1 January 2006. Implementation of UIG 4 is not expected to change the accounting for any of the Group's current arrangements.

(ii) UIG 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

The Group does not have interests in decommissioning, restoration and environmental rehabilitation funds. This interpretation will not affect the Group's financial statements.

(iii) AASB 2005-9 Amendments to Australian Accounting Standards [AASB 4, AASB 1023, AASB 139 & AASB 132]

AASB 2005-9 is applicable to annual reporting periods beginning on or after 1 January 2006. The amendments relate to the accounting for financial guarantee contracts. The Group does not have any financial guarantee contracts. This standard will not affect the Group's financial statements.

AASB 7 and AASB 2005-10 are applicable to annual reporting periods beginning on or after 1 January 2007. The Group has not adopted the standards early. Application of the standards will not affect any of the amounts recognised in the financial statements, but may impact the type of information disclosed in relation to the Group's financial instruments.

(iv) UIG 6 Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment

UIG 6 is applicable to annual reporting periods beginning on or after 1 December 2006. The Group has not sold any electronic or electrical equipment on the European market and has not incurred any associated liabilities. This interpretation will not affect the Group's financial statements.

(v) AASB 2005-6 Amendments to Australian Accounting Standards [AASB 121]

AASB 2005-6 is applicable to annual reporting periods ending on or after 31 December 2006. The amendment relates to monetary items that form part of a reporting entity's net investment in a foreign operation. It removes the requirement that such monetary items had to be denominated either in the functional currency of the reporting entity or the foreign operation. Crossland Uranium Mines Limited does not have any monetary items forming part of a net investment in a foreign operation. The amendment to AASB 121 will therefore have no impact on the Group's financial statements.

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 program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the consolidated entity's functional currency.

(ii) 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 balance sheet and is minimised by using recognised financial intermediaries as counterparties.

(iii) Liquidity risk

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

(iv) Cash flow and fair value interest rate risk

The Group has minimal 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 judgements 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 judgement 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.

4. REVENUE

	Consolidated		Parent Entity	
	2006	2005	**2006**	2005
	$	$	**$**	$
Interest received	**30,814**	39,660	**30,546**	37,388
Foreign exchange gains	**-**	-	**-**	66,002
Gain on sale of assets	**-**	362	**-**	-

5. OPERATING LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE

	Consolidated		Parent Entity	
	2006	2005	**2006**	2005
	$	$	**$**	$
The operating loss from ordinary activities before income tax expense has been determined after charging the following expenses:				
Borrowing costs	**-**	1,185	**-**	1,185
Depreciation	**1,841**	1,703	**1,054**	1,050
Diminution of loan to controlled entity (written back)	**-**	-	**(61,801)**	371,175
Exploration property provision (written back)	**-**	(750,000)	**-**	-
Exploration property written off	**25,449**	1,203,211	**-**	164,281
Loss on sale of assets	**394**	-	**394**	-
Office rent	**24,438**	26,568	**26,108**	26,568

6. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Directors

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

Patrick J D Elliott

Appointed 31 May 2006
Geoffrey S Eupene
Robert A Cleary
Peter W Walker
Robert L Richardson

Resigned 31 May 2006
Colin M Thomas
Raymond J Soper
Robert G Adamson (Alternate Director for C M Thomas)

(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		**Parent entity**	
	2006	2005	**2006**	2005
	$	$	**$**	$
Short-term employee benefits	**109,974**	35,000	**109,974**	35,000
Post-employment benefits	**1,800**	-	**1,800**	-
Share-based payments	**-**	-	**-**	-
	111,774	35,000	**111,774**	35,000

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-C of the remuneration report included in the Directors report.

6. KEY MANAGEMENT PERSONNEL DISCLOSURES *continued*

(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

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

2006		**G S Eupene**	**P J D Elliott**	**R A Cleary**	**P W Walker**	**R L Richardson**
Ordinary shares		3,201,350	3,692,399	1,892,326	2,179,482	-
Options						
Exercise price	**Expiry date**					
20 cents per share	31.12.2007	-	2,195,000	-	-	-
23 cents per share	31.12.2007	1,481,603	287,388	875,779	1,008,677	-
25 cents per share	31.12.2007	-	1,250,000	-	-	-
20 cents per share	20.04.2009	-	600,000	-	-	-
Unissued incentive shares		9,000,000	1,000,000	6,000,000	1,000,000	1,000,000

2006 **Name**	**Balance at the start of the year**	**Granted during the year on acquisition of Crossland Mines Pty Ltd**	**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 Uranium Mines Limited						
Geoffrey S Eupene	-	1,481,603	-	-	1,481,603	1,481,603
Patrick J D Elliott	1,850,000	287,388	-	-	2,137,388	2,137,388
Robert A Cleary	-	875,779	-	-	875,779	875,779
Peter W Walker	-	1,008,677	-	-	1,008,677	1,008,677
Robert L Richardson	-	-	-	-	-	-

No options are vested and unexercisable at the end of the year.

2005 **Name**	**Balance at the start of the year**	**Granted during the year as compensation**	**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 Uranium Mines Limited						
Patrick J D Elliott	1,850,000	-	-	-	-	1,850,000
Colin M Thomas	-	-	-	-	-	-
Raymond J Soper	-	-	-	-	-	-

6. KEY MANAGEMENT PERSONNEL DISCLOSURES *continued*

(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.

2006 Name	Balance at the start of the year	Received during the year on acquisition of Crossland Mines Pty Ltd	Other changes during the year	Balance at the end of the year
Ordinary shares				
Directors of Crossland Uranium Mines Limited				
Geoffrey S Eupene	-	3,201,350	-	3,201,350
Patrick J D Elliott	2,500,000	620,969	571,430	3,692,399
Robert A Cleary	-	1,892,326	-	1,892,326
Peter W Walker	-	2,179,482	-	2,179,482
Robert L Richardson	-	-	-	-

2005 Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Ordinary shares				
Directors of Crossland Uranium Mines Limited				
Patrick J D Elliott	2,500,000	-	-	2,500,000
Colin M Thomas	1,750,000	-	-	1,750,000
Raymond J Soper	1,117,490	-	-	1,117,490

(iv) Incentive Share holdings

The numbers of incentive shares in the company unallotted but able to be issued on satisfaction of certain criteria 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 incentive shares allotted during the reporting period as compensation.

2006 Name	Balance at the start of the year	Received during the year	Allotted during the year	Balance at the end of the year
Ordinary shares				
Directors of Crossland Uranium Mines Limited				
Geoffrey S Eupene	-	9,000,000	-	9,000,000
Patrick J D Elliott	-	1,000,000	-	1,000,000
Robert A Cleary	-	6,000,000	-	6,000,000
Peter W Walker	-	1,000,000	-	1,000,000
Robert L Richardson	-	1,000,000	-	1,000,000

2005 Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Ordinary shares				
Directors of Crossland Uranium Mines Limited				
Patrick J D Elliott	-	-	-	-
Colin M Thomas	-	-	-	-
Raymond J Soper	-	-	-	-

7. REMUNERATION OF AUDITORS

	Consolidated		Parent Entity	
	2006	2005	**2006**	2005
	$	$	**$**	$
Total amounts receivable by the auditors of the Company for:				
Audit of the Company's accounts	**17,150**	9,750	**17,150**	9,750
Other services	**-**	-	**-**	-
	17,150	9,750	**17,150**	9,750

8. FINANCIAL REPORTING BY SEGMENTS

The consolidated entity operates predominantly in the one industry being mineral exploration in two geographical areas of Australia and Canada.

Geographical
Segment Revenues

	2006	2005
	$	$
Australia	**30,546**	37,388
Canada	**268**	2,634
Consolidated	**30,814**	40,022

Segment Results	**2006**	2005
	$	$
Australia	**(265,317)**	(582,840)
Canada	**(13,644)**	(27,422)
Profit from ordinary activities	**(278,961)**	(610,262)
Income tax expense	**-**	(4,029)
Net profit	**(278,961)**	(606,233)

Segment Assets and Liabilities	Assets		Liabilities	
	2006	2005	**2006**	2005
	$	$	**$**	$
Australia	**4,175,255**	1,828,370	**244,741**	209,382
Canada	**86,326**	107,891	**1,056,710**	1,140,436
Intersegment	**(1,053,990)**	(1,137,499)	**(1,053,990)**	(1,137,499)
Consolidated	**3,207,591**	798,762	**247,461**	212,319

Other Financial Information

Depreciation Expenses	**2006**	2005
	$	$
Australia	**1,054**	1,050
Canada	**787**	653
Consolidated	**1,841**	1,703
Acquisitions of Businesses		
Australia	**1,158,972**	-
Canada	**-**	-
Consolidated	**1,158,972**	-

9. TAXATION

The prima facie income tax expense on pre-tax accounting profit reconciles to the income tax expense in the financial statements as follows:

	Consolidated		Parent Entity	
	2006	2005	**2006**	2005
	$	$	**$**	$
Loss from ordinary activities	**(278,961)**	(610,262)	**(219,652)**	(620,376)
Income tax expense calculated at 30% of operating loss	**83,688**	183,079	**65,896**	186,113
Deferred tax amounts not recognised	**(83,688)**	(183,079)	**(65,896)**	(186,113)
Income tax refund received	**-**	4,029	**-**	-
Income tax expense (benefit)	**-**	4,029	**-**	-
Deferred tax assets				
Not brought to account calculated at 30%				
Revenue tax losses	**661,816**	322,299	**406,491**	322,299
Temporary differences	**77,710**	363,560	**372,413**	363,560
Total	**739,526**	685,859	**778,904**	685,859

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

(i) 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;
(ii) the company and the consolidated entity continue to comply with the conditions for deductibility imposed by the law; and
(iii) no changes in tax legislation adversely affect the company's and the consolidated entity's ability in realising the benefit from the deductions.

10 . LOSS PER SHARE

Basic and diluted	**2006**	2005
Weighted average number or shares used in basic and diluted earnings per share	**51,943,851**	31,504,900
Basic and diluted loss per share (cents per share)	**(0.54)**	(1.92)

11. CASH AND CASH EQUIVALENTS

	Consolidated		Parent Entity	
	2006	2005	**2006**	2005
	$	$	**$**	$
Cash at bank	**98,642**	84,276	**54,099**	53,312
Deposits at call	**1,612,821**	33,004	**1,612,821**	33,004
Bank bills	**-**	630,000	**-**	630,000
	1,711,463	747,280	**1,666,920**	716,316

	Consolidated		Parent Entity	
	2006	2005	**2006**	2005
	$	$	**$**	$
12. TRADE AND OTHER RECEIVABLES				
Security deposit	**-**	20,000	**-**	20,000
Corporate taxes receivable	**-**	4,376	**-**	-
GST debtor	**42,459**	3,720	**35,736**	2,596
Interest receivable	**-**	134	**-**	134
	42,459	28,230	**35,736**	22,730
13. RECEIVABLES – NON-CURRENT				
Security deposit	**12,500**	-	**-**	-
Loan to controlled entities	**-**	-	**1,415,092**	1,137,499
Less provision for diminution	**-**	-	**(1,021,304)**	(1,083,105)
	12,500	-	**393,788**	54,394
14. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE				
Deferred exploration costs	**1,416,005**	19,813	**-**	-
Less provision for diminution	**-**	-	**-**	-
	1,416,005	19,813	**-**	-
Deferred exploration costs brought forward	**19,813**	448,190	**-**	164,281
Expenditure incurred during the year	**296,701**	19,441	**-**	-
Acquired on acquisition of controlled entity	**1,144,754**	-	**-**	-
Provision for diminution written back	**-**	750,000	**-**	-
Exploration expenditure written off	**(25,449)**	(1,203,211)	**-**	(164,281)
Exchange rate fluctuation	**(19,714)**	5,393	**-**	-
Deferred exploration costs carried forward	**1,416,005**	19,813	**-**	-

The above amounts represent costs of exploration areas of interest 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 in respect of an area of interest carried forward 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.

15. INVESTMENTS				
Investment in controlled entities	**-**	-	**1,159,826**	855
16. PLANT AND EQUIPMENT				
Plant and equipment				
Cost	**29,175**	8,209	**26,223**	5,022
Accumulated depreciation	**(4,011)**	(4,770)	**(2,097)**	(3,492)
	25,164	3,439	**24,126**	1,530

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.

16. PLANT AND EQUIPMENT *continued*	Consolidated		Parent Entity	
	2006	2005	**2006**	2005
	$	$	**$**	$
Carrying amount at 1 January 2005	**3,439**	13,605	**1,530**	2,440
Additions	**24,046**	140	**24,046**	140
Depreciation	**(1,841)**	(1,703)	**(1,054)**	(1,050)
Disposals	**(480)**	(8,603)	**(396)**	-
Carrying amount at 31 December 2005	**25,164**	3,439	**24,126**	1,530
17. TRADE AND OTHER PAYABLES				
Trade creditors and accruals	**232,461**	195,646	**225,779**	192,709
18. OTHER CURRENT FINANCIAL LIABILITIES				
Unearned interest	**-**	1,673	**-**	1,673
19. CURRENT PROVISIONS				
Site rehabilitation	**15,000**	15,000	**15,000**	15,000
20. SHARE CAPITAL				
Issued Capital				
79,160,942 fully paid ordinary shares (2005 –31,504,900)	**6,054,542**	3,150,490	**6,054,542**	3,150,490
Less share issue costs	**(374,202)**	(142,978)	**(374,202)**	(142,978)
	5,680,340	3,007,512	**5,680,340**	3,007,512
Movements in Issued Capital				
Balance as at 1 January	**3,007,512**	3,007,518	**3,007,512**	3,007,518
Issues during period:				
9,934,000 shares issued in a placement	**1,688,780**	-	**1,688,780**	-
33,113,471 shares issued to acquire Crossland Mines Pty Ltd	**1,158,972**	-	**1,158,972**	-
1,608,571 shares issued in lieu of payment for services rendered	**56,300**	-	**6,300**	-
Less share issue costs	**(231,224)**	(6)	**(231,224)**	(6)
Balance as at 31 December	**5,680,340**	3,007,512	**5,680,340**	3,007,512

21. OPTIONS

Expiry Date	Exercise Price	Issued 1 January 06	Granted	Exercised	Lapsed	Issued 31 December 06
31 Dec 07	0.20	6,487,500	-	-	-	6,487,500
31 Dec 07	0.23	-	15,325,100	-	-	15,325,100
31 Dec 07	0.25	5,987,600	-	-	(500,000)	5,487,600
31 Dec 07	0.30	1,600,000	-	-	-	1,600,000
20 Apr 09	0.20	1,250,000	-	-	-	1,250,000
		15,325,100	15,325,100	-	(500,000)	30,150,200

22. FOREIGN CURRENCY TRANSLATION RESERVE

	Consolidated		Parent Entity	
	2006	2005	**2006**	2005
	$	$	**$**	$
Balance at the beginning of the financial year	**(14,143)**	-	**-**	-
Exchange gains transferred to reserve	**(20,180)**	(14,143)	**-**	-
Balance at the end of the financial year	**(34,323)**	(14,143)	**-**	-

Nature and purpose of reserve

The Foreign Currency Translation Reserve records unrealised exchange gains and losses during the year.

23. OPTION EXPENSE RESERVE

Balance at the beginning of the financial year	**70,935**	70,935	**70,935**	70,935
Option expense transferred to reserve	**-**	-	**-**	-
Balance at the end of the financial year	**70,935**	70,935	**70,935**	70,935

Nature and purpose of reserve

The option expense 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	**(2,477,861)**	(1,871,628)	**(2,492,004)**	(1,871,628)
Net loss for the year	**(278,961)**	(606,233)	**(219,652)**	(620,376)
Retained losses at the end of the financial year	**(2,756,822)**	(2,477,861)	**(2,711,656)**	(2,492,004)

25. CONTINGENT LIABILITIES

Mr C M Thomas was a director and has a significant financial interest in RobSearch Australia Pty Limited, a company that provides geological and administration services to the Company. A portion of costs were deferred and are payable to RobSearch when the Company completes a successful IPO or equivalent raising to raise a minimum of $2.5 million or a like amount is spent by way of expenditure by joint venture partners of the Company's exploration properties. Services provided by RobSearch were under normal commercial terms and conditions.

Deferred amount at balance date	**126,894**	119,675	**126,894**	119,675

26. COMMITMENTS

(a) Exploration Tenement Expenditure Requirements

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

Payable not later than one year	**1,127,000**	21,557	**-**	-
Payable later than one year, but not later than two years	**-**	28,815	**-**	-
	1,127,000	50,372	**-**	-

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.

26. COMMITMENTS *continued*

(b) Capital Expenditure

Commitment to pay balance of invoice on equipment ordered from USA.

	Consolidated		Parent Entity	
	2006	2005	**2006**	2005
	$	$	**$**	$
	17,983	-	**17,983**	-

27. JOINT VENTURES

The consolidated entity continues exploration in the Klondike Joint Venture (which it manages) with Klondike Star Limited (Star). The consolidated entity has earned a 56% participating interest in the joint venture and can earn additional interest by contributing expenditure in the event Star elects dilution.

28. DETAILS OF CONTROLLED ENTITIES

Company	Country of Incorporation and Operation	Percentage of Equity Held	
		2006	2005
KSL Exploration (Yukon) Ltd	Canada	**100%**	100%
Crossland Mines Pty Ltd	Australia	**100%**	-
Crossland Diamonds Pty Ltd	Australia	**100%**	-
Crossland Nickel Pty Ltd	Australia	**100%**	-

29. RELATED PARTY DISCLOSURES

(a) Directors

The names of each person holding the position of director of Crossland Uranium Mines Limited during the financial year were:

Patrick J D Elliott

Appointed 31 May 2006
Geoffrey S Eupene
Robert A Cleary
Peter W Walker
Robert L Richardson

Resigned 31 May 2006
Colin M Thomas
Raymond J Soper
Robert G Adamson (Alternate Director for C M Thomas)

(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 6.

(c) Associates of directors

Mr C M Thomas is a director and has a significant financial interest in RobSearch Pty Limited, a company that provides geological and administration services to the Company. A portion of costs has been deferred and is payable to RobSearch when the Company completes a successful IPO or equivalent raising to raise a minimum of $2.5 million or a like amount is spent by way of expenditure by joint venture partners of the Company's exploration properties. Services provided by RobSearch were under normal commercial terms and conditions.

29. RELATED PARTY DISCLOSURES *continued*

	Consolidated		Parent Entity	
	2006	2005	**2006**	2005
	$	$	**$**	$
Amounts paid during year	**2,355**	9,375	**2,355**	9,375
Amounts deferred during year	**7,220**	5,625	**7,220**	5,625
Deferred amount at balance date	**126,894**	119,675	**126,894**	119,675

30. SUBSEQUENT EVENTS

ASX listing

The company has issued a prospectus for listing on ASX. The proposed listing date is 13 April 2007.

Centram Joint Venture

Crossland Uranium Mines Limited ("Crossland"), and Centram Exploration Ltd ("Centram"), an issuer listed on the NEX Board of the TSX Venture Exchange (Canada) have signed a letter agreement establishing a joint venture focused on the exploration for and development of uranium properties in Australia and world-wide. The main parameters of the joint venture agreement are as follows:

(a) Crossland will contribute its existing uranium property interests to the joint venture;
(b) To earn its 50% joint venture interest, Centram must contribute A$8 million over four years to approved programs under the joint venture with a minimum expenditure of A$4 million in the first two years before the agreement can be terminated;
(c) Crossland will be the operator of the joint venture and report to a management committee of four persons consisting of two representatives from each company;
(d) Uranium properties acquired after the date of the signing of the joint venture will be added to the joint venture;
(e) Crossland and Centram will establish and fund, on an equal basis with an initial contribution of $2 million each, a holding company to acquire uranium properties outside Australia; and
(f) Two nominees of Crossland will be added to the Centram board.

There were at the date of this report no other matters or circumstances which have arisen since 31 December 2006 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 2006.

31. FINANCIAL INSTRUMENTS

(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 5.05% (2005 – 4.75%). 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:

31. FINANCIAL INSTRUMENTS *continued*

	Notes	Floating interest rate	Fixed interest maturing in: 1 year or less	over 1 to 5 years	more than 5 years	Non-interest bearing	Total
2006		$	$	$	$	$	$
Financial assets							
Cash	11	1,711,463	-	-	-	-	1,711,463
Receivables - Current	12	-	-	-	-	42,459	42,459
Receivables – Non Current	13	-	-	-	-	12,500	12,500
		1,711,463	-	-	-	54,959	1,766,422
Weighted average interest rate		5. 5%					
Financial liabilities							
Payables	17	-	-	-	-	232,461	232,461
		-	-	-	-	232,461	232,461
Weighted average interest rate		-					
Net financial assets (liabilities)		1,711,463	-	-	-	(177,502)	1,533,961

2005	Notes	Floating interest rate	Fixed interest maturing in: 1 year or less	over 1 to 5 years	more than 5 years	Non-interest bearing	Total
		$	$	$	$	$	$
Financial assets							
Cash	11	117,280	630,000	-	-	-	747,280
Receivables	12	-	-	-	-	28,230	28,230
		117,280	630,000	-	-	28,230	775,510
Weighted average interest rate		3.25%					
Financial liabilities							
Payable	17	-	-	-	-	195,646	195,646
		-	-	-	-	195,646	195,646
Weighted average interest rate		-					
Net financial assets (liabilities)		117,280	630,000	-	-	(167,416)	579,864

32. RECONCILIATION OF LOSS FROM ORDINARY ACTIVITIES AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITES

	Consolidated		Parent Entity	
	2006 **$**	2005 $	**2006** **$**	2005 $
(a) Cash on hand comprises:				
Cash and cash equivalents	**1,711,463**	747,280	**1,666,920**	716,316

(b) Reconciliation of loss from ordinary activities after income tax to net cash outflows from operating activities as follows:

	Consolidated 2006 $	Consolidated 2005 $	Parent Entity 2006 $	Parent Entity 2005 $
Operating (loss) after income tax	**(278,961)**	(606,233)	**(219,652)**	(620,376)
Depreciation	**1,841**	1,703	**1,054**	1,050
Loss (Gain) on sale of assets	**394)**	(362)	**394**	-
Provision for exploration properties	**-**	(750,000)	**-**	-
Exploration properties written off	**25,449**	1,203,211	**-**	164,281
Diminution of loans to controlled entity	**-**	-	**(61,801)**	371,175
Option expense	**-**	-	**-**	-
Provision for minesite rehabilitation	**-**	15,000	**-**	15,000
Unrealised foreign exchange loss	**-**	(19,884)	**-**	-
Change in operating assets and liabilities:				
- Decrease / (Increase) in receivables	**(14,229)**	52,478	**(13,006)**	22,365
- Increase / (Decrease) in accounts payable	**92,880**	33,440	**87,698**	35,700
- Decrease / (Increase) in Corporate taxes receivable	**-**	130,585	**-**	-
Net cash inflow (outflow) from operating activities	**(172,626)**	59,938	**(205,313)**	(10,805)

(c) Non cash transactions as follows:

	Consolidated 2006 $	Consolidated 2005 $	Parent Entity 2006 $	Parent Entity 2005 $
Acquisition of Crossland Mines Pty Ltd for shares	**1,158,972**	-	**1,158,972**	-
Payment of directors consulting fees and consultancy fees by share issue	**56,300**	-	**56,300**	-

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 16 to 39, are in accordance with the Corporation Act 2001 and:
   (a) comply with Accounting standards and the Corporations Regulations 2001; and
   (b) give a true and fair view of the financial position as at 31 December 2006 and of their performance for the year ended on that date of the Company and economic entity.

2. the Chief Executive Officer and Chief Finance Officer have each declared that:
   (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporation Act 2001;
   (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
   (c) 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 SYDNEY this 29th day of March 2007
On behalf of the Board

Geoff Eupene
Director

INDEPENDENT AUDIT REPORT

To the members of Crossland Uranium Mines Limited

Scope

We have audited the financial report of Crossland Uranium Mines Limited for the financial year ended 31 December, 2006 as set out on pages 16 to 40. The financial report includes the consolidated financial statements 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. The company directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amount and other disclosures in the financial report, and the evaluation of accounting policies and significant estimates. These procedures have been undertaken to form an opinion whether in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company and the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration attached to this report has not changed as at the date of providing our audit opinion.

Audit Opinion

In our opinion, the financial report of Crossland Uranium Mines Limited is in accordance with:

a) the Corporations Act 2001, including;
   i. giving a true and fair view of the company and consolidated entity's financial position as at 31 December 2006 and of their performance for the year ended on that date; and
   ii. complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

b) other mandatory professional reporting requirements in Australia.

....

A.J. DOWELL
Partner
29 March, 2007

BARNES DOWELL JAMES
Chartered Accountants
Level 13, 122 Arthur Street
NORTH SYDNEY NSW 2060

BARNES DOWELL JAMES

CHARTERED ACCOUNTANTS

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AJD:KG

28 March, 2007

The Directors
Crossland Uranium Mines Limited
Level 10, 80 Arthur Street
NORTH SYDNEY NSW 2060

Dear Sirs,

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF CROSSLAND URANIUM MINES LIMITED

In relation to our audit of the financial report of Crossland Uranium Mines Limited for the financial year ended 31 December, 2006, to the best of our knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Yours faithfully
BARNES DOWELL JAMES

....
A.J. DOWELL
Partner

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Shareholder Information

Information relating to shareholders at 26 March 2007

Substantial Shareholders	Number of Shares	%
Excess Pty Limited	7,144,376	9.38
Gaden Nominees Pty Ltd	7,096,224	9.32

Distribution of Shareholders - Analysis of Holdings as at 26 March 2007

Security Classes	Holdings Ranges	Holders	Total Units	%
Fully Paid Ordinary	1 - 1,000	4	591	0.01
	1,001 - 5,000	6	19,458	0.03
	5,001 - 10,000	23	212,007	0.28
	10,001 - 100,000	228	10,753,778	14.12
	100,001 and over	99	65,175,108	85.58
	Totals	**360**	**76,160,942**	**100.00**

As at 26 March 2007 there were 4 shareholders with an unmarketable share parcel of less than 909 shares at the prevailing share price of 55 cents.

Top 20 Holdings as at 26 March 2007

Holder Name	Balance at	%
Excess Pty Limited	7,144,376	9.38
Gaden Nominees Pty Ltd	7,096,224	9.32
Panstyn Investments Pty Ltd	3,692,399	4.85
Eupene Nominees Pty Limited	3,201,350	4.20
Mr Peter Michael Nicholson	2,235,310	2.93
Mr Peter William Walker	2,179,482	2.86
Mr Graham Donald Carman	2,068,067	2.72
ACN 108 884 779 Pty Ltd	1,892,326	2.49
Poduta Pty Ltd	1,750,000	2.30
Phillian Pty Limited	1,407,865	1.85
Yandal Investments Pty Ltd	1,000,000	1.31
Baron Nominees Pty Ltd	1,000,000	1.31
Australian Heritage Group Pty Ltd	1,000,000	1.31
Mr Brett Whalen	1,000,000	1.31
Ipseity Pty Ltd	967,490	1.27
Rogo Investments Pty Limited	869,287	1.14
Mr Andrew Hewitt	850,000	1.12
Mr Alan McDonald Brown	801,873	1.05
K Biggs Enterprises Pty Limited	797,500	1.05
Henley Park Estate Pty Ltd	762,000	1.00
Total of top 20 holders	**41,715,549**	**54.77**
Other holdings	**34,445,393**	**45.23**
Total Issued Capital	**76,160,942**	**100.00**

Note that these statistics do not take into account the effect of the share placement which was finalised on 23 March 2007.

SHAREHOLDER INFORMATION

Restricted Securities

As a condition of admitting the company to the Official List, the ASX is expected to classify certain securities held prior to the date of the prospectus as escrowed securities. Prior to official quotation it will be necessary for holders of such shares to enter into restriction agreements with the company. The effect of the restriction agreements will be that the restricted securities cannot be dealt with for a period as determined by the ASX.

Options on issue including holders of more than 20%

Expiry Date	Exercise Price $	Number of Holders	Total Issued	Holders of more than 20%	
31/12/07	0.20	16	6,487,500	P J D Elliott	33.83%
31/12/07	0.25	10	5,987,600	R J Soper	36.97%
				C M Thomas	36.97%
31/12/07	0.30	2	1,600,000	R J Soper	50.00%
				C M Thomas	50.00%
20/04/09	0.20	5	1,250,000	P J D Elliott	46.15%
				R G Adamson	30.77%

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.

Five-year summary of performance Table (Consolidated)

		2002	**2003**	**2004**	**2005**	**2006**
Gross Revenue	$	2,222	866	45,640	40,022	30,814
Net profit/(loss) before tax	$	(195,04)	(381,307)	(906,244)	(610,262)	(278,961)
Total assets	$	595,418	855,434	1,402,704	798,762	3,207,591
Total liabilities	$	127,571	349,412	195,879	212,319	247,461
Shareholders' funds	$	467,847	536,022	1,206,825	586,443	2,960,130
Earnings per share (loss)	Cents	(1.63)	(3.14)	(2.80)	(1.92)	(0.54)

The 2004 to 2006 figures have been prepared under AIFRS.
The Company has not paid any dividends in the period.

Corporate Governance

Statement of Corporate Governance

The Directors of CUX are responsible to the Shareholders for the performance of the Company in both the short and the longer term and seek to balance these sometimes competing objectives in the best interests of the Company as a whole. Their principal focus is to enhance the interests of the Shareholders and ensure that the Company, including its controlled entity, is properly managed. The Board draws on relevant best practice principles, particularly those issued by the ASX Corporate Governance Council in March 2005. At a number of meetings, the Board examined the CUX corporate governance practices compared to the 10 best practice principles proposed by the ASX Corporate Governance Council. While CUX will align itself with the principles proposed by ASX, it is mindful that there are some instances where compliance is not practicable for a company of CUX's current small size.

The following comments set out the Company's position relative to each of the 10 principles contained in the ASX Corporate Governance Council's report.

Principle 1: The Company has not yet formalised and disclosed the functions reserved to the Board and those delegated to management.

Principle 2: The Company complies with most of the recommendations within this area; however, the Chairman is not independent as he is a substantial shareholder but he is separate from the Chief Executive Officer. The Company does not have a Board nomination committee.

Principle 3: The Company does not have a formal code of conduct, again reflecting the Company's size and the close interaction of individuals throughout the organisation.

Principle 4: The Audit Committee consists of Messrs Richardson, Walker and Cleary. These Directors have applicable expertise and skills for this Committee. This structure does not meet the ASX's guidance regarding independence, in that it should have a majority of independent directors and have at least three members.

Principle 5: Whilst the Company does not have formal written policies regarding disclosure, it uses strong informal systems underpinned by experienced individuals.

Principle 6: Whilst the Company does not have a communications strategy to promote effective communication with shareholders, as it believes this is excessive for small companies, the Company does communicate regularly with shareholders via its website.

Principle 7: The Company is a small exploration company and does not believe that there is significant need for formal policies on risk oversight and management of risk.

Principle 8: 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.

Principle 9: Directors believe that the size of the Company makes individual salary and contractor negotiation more appropriate than formal written remuneration policies.

Principle 10: Due to the Company's size and relative level of operational activity which makes legal compliance a less onerous task than with larger companies, the Company does not have a formal code of conduct to guide compliance with legal and other obligations.

Functions of the board

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.

The Board of Directors

In recognition of the importance of independent views and the Board's role in supervising the activities of management, the Chairman will be a Non-Executive Director. The Board will continuously review its performance and mix of skills to ensure they are appropriate to allow the Board to maximise its effectiveness and contribution to the Company.
The Board meets throughout the year and expects to have a minimum of six meetings per year.

Conflict of interests

The Directors, either as employees of, or consultants to, the Company or through controlled entities connected with them, may provide services to the Company. In accordance with accepted corporate governance practice, the Directors concerned have declared their interests in those transactions to the Company and took no part in decisions relating to them.

Independent professional advice

Directors have the right, in connection with their duties and responsibilities to the Company, to seek independent professional advice at the Company's expense. Prior written approval of the Chairman is required, but this will not be unreasonably withheld.

Committees

The Directors have established an Audit Committee, which is comprised of Messrs Richardson, Walker and Cleary. 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.

Securities trading and trading windows policy

Directors, employees and key consultants must consult with the Chairman or an Executive Director or the Chief Executive Officer before dealing in Shares of the Company. Purchases or sales in the Company Shares by Directors, employees and key consultants may not be carried out other than in the "window", the window being the period commencing one day following and ending ten days following the date of an announcement of the Company leading, in the opinion of the Board, to an informed market. However, Directors, employees and key consultants are prohibited from buying or selling CUX shares at any time while exploration drilling is being carried out or if they are aware of price sensitive information that has not been made public.

Shareholder communication

The Directors are keen to ensure that all Shareholders are kept fully informed. All announcements will be available on the Company's web site (www.klondikesource.com.au) after release to NSX.

Community relations in the Yukon

The Company will respect the legitimate rights and titles of the native people and the concerns of the local communities who are likely to be interested in or affected by the Crossland Uranium Mines Project. The Canadian Government and the indigenous people of the region have formally agreed as to which area are native lands (Settlement Lands) and which are not. All of the tenements in which CUX has an interest fall outside any Settlement Lands and consequently the Directors do not anticipate any native title concerns. The Company seeks to work constructively and in consultation with interested groups in accordance with Yukon and Canadian law.

Dividend policy

Any determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon the availability of distributable earnings, the operating results and financial condition of CUX, future capital requirements, general business and financial conditions and other factors considered relevant by the Directors. No assurances in relation to the payment of future dividends, or the franking credits attached to such dividends, can be given to Shareholders.

Tenement Schedule

SCHEDULE 1 – TENEMENTS

Project Area	Tenement	Name / Location	Status	Date Granted	Renewal Date	Area (sq km) (unless otherwise specified)	Registered Holder / Applicant
Baines Project	EL 23686	Baines (NT)	Granted/ Current	13/2/04	12/2/10	114 sub-blocks	Crossland Diamonds Pty Ltd
Chilling Project	EL 23682	Chilling (NT)	Granted/ Current	18/9/03	17/9/09	48 sub-blocks	Crossland Diamonds Pty Ltd
Chilling Project	EL 25076	Chilling 2 (NT)	Granted/ Current	18/9/06	17/9/12	189 sub-blocks	Crossland Mines Pty Ltd
Chilling Project	EL 25078	Chilling 3 (NT)	Granted/ Current	18/9/06	17/9/12	73 sub-blocks	Crossland Mines Pty Ltd
Chilling Project	EL 25077	Chilling 4 (NT)	Granted/ Current	9/11/06	08/11/12	99 sub-blocks	Crossland Mines Pty Ltd
Chilling Project	ELA 22738	Buchanan (NT)	Application	N/A	N/A	162 sub-blocks	Buchanan Exploration Pty Ltd
Lake Woods Project	EL 23687	Lake Woods (NT)	Granted/ Current	11/6/03	10/6/09	32 sub-blocks	Crossland Diamonds Pty Ltd
Lake Woods Project	EL 24520	Lake Woods Extension (NT)	Granted/ Current	3/10/05	2/10/11	165 sub-blocks	Crossland Diamonds Pty Ltd
Lake Woods Project	ELA 25631	Lake Woods East (NT)	Application	N/A	N/A	500 sub-blocks	Crossland Mines Pty Ltd
Sylvester Project	EL 23683	Sylvester – Lower (NT)	Granted/ Current	11/6/03	10/6/09	55 sub-blocks	Crossland Diamonds Pty Ltd

Tenement Schedule

Project Area	Tenement	Name / Location	Status	Date Granted	Renewal Date	Area (sq km) (unless otherwise specified)	Registered Holder / Applicant
Western Creek Project	EL 23684	Western Creek	Granted/	11/6/03	10/6/09	14 sub-blocks	Crossland Diamonds Pty Ltd
Western Creek Project	ELA 25605	Western Creek South (NT)	Application	N/A	N/A	500 sub-blocks	Crossland Mines Pty Ltd
Western Creek Project	ELA 25607	Western Creek West (NT)	Application	N/A	N/A	450 sub-blocks	Crossland Mines Pty Ltd
Oldyard Project	EL 24279	Oldyard (NT)	Granted/ Current	7/2/05	6/2/11	42 sub-blocks	Crossland Nickel Pty Ltd
Charley Creek Project	EL 24281	Charley Creek (NT)	Granted/ Current	7/2/05	6/2/11	63 sub-blocks	Crossland Nickel Pty Ltd
Charley Creek Project	EL 25230	Charley Creek South (NT)	Granted/ Current	9/11/06	08/11/12	178 sub-blocks	Asian Minerals Pty Ltd
Crossland Creek Project	EL 80/3143	Crossland (WA)	Granted/ Current	15/4/04	14/4/09	210 km^2 (70 blocks)	Crossland Mines Pty Ltd
Crossland Creek Project	EL 80/3303	Crosslands Extension (WA)	Granted/ Current	27/6/05	26/6/10	210 km^2 (70 blocks)	Crossland Mines Pty Ltd
Crossland Creek Project	ELA 04/1443	Mt Hann (WA)	Application	N/A	N/A	99 km^2(33 blocks)	Crossland Nickel Pty Ltd
Kalabity Project	EL 3297	Kalabity (SA)	Granted/ Current	18/1/05	17/1/07	148 km^2	PlatSearch NL
Mt Darling	EL 3228	Mt Darling (SA)	Granted/ Current	3/8/04	2/8/06	166 km^2	Crossland Nickel Pty Ltd

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