

Crossland Uranium keeps it simple with minimal technical Difficulties and low Overhead

✘ Crossland Uranium ('Crossland', ASX: CUX) has published the results of its scoping study for its Charley Creek rare earths project in the Northern Territory. The highlights are lower than expected capital costs and point to strong economics. The operating cost is estimated at about AUD\$ 2 billion for the life of the mine with some AUD\$ 3 billion in sales from rare earths. The Project's main advantages are its proven sand extraction mining method and large deposit with the potential for further expansion. Crossland is developing the Charley Creek REE project with its joint venture partner Pancontinental Uranium Corporation (TSX.V: PUC). The two companies have accumulated considerable experience in REE and uranium mining and they are pursuing other joint projects in Australia and Africa as well.

Crossland believes it can reach commercial stage quickly and efficiently using reliable and frequently used technology, targeting a production rate of some 7,000 tonnes of total rare earths (TREO) a year. Crossland says its ore is richer in heavy rare earths (HREE -17%) than Mount Weld. Crossland's targeted deposits are monazite and xenotime, which can be processed using common acids. The project is banking on a low relative low cost and large scale potential with a wide spectrum of products including a good suite of heavy rare earths, including neodymium, dysprosium, terbium, yttrium and europium. The study predicts revenues of over AUD\$ 20 billion over a projected 20 years period. Perhaps the most remarkable aspect is the mine's construction cost estimate at AUD\$ 156 million... MSP Engineering, which prepared the Study, has estimated that with such economics, the project would return its capital expenses just two and a half years after the start

of production.

Crossland also plans to sell the uranium that will be separated from the ore, marketing it as yellowcake. Energy Resources of Australia (ERA) predicts that uranium demand in the mid and long term will increase considerably and that uranium will have a crucial role in meeting Australia's energy needs – not to mention China's plans to more than double the percentage of energy derived from nuclear sources before the next decade. Uranium production has been encouraged in Australia in the past few months, with the governments of the Northern Territory, New South Wales and Queensland overturning the existing bans of the exploitation of uranium deposits. Moreover, Australia's Prime Minister Gillard has even targeted specific uranium markets, such as India, suggesting the federal government has adopted a very practical approach on uranium and nuclear energy. Presumably, such decisions also herald a new impetus for increasing the share of energy produced from nuclear sources in Australia itself.

The project is being billed as being very cost efficient because of its alluvial, rather than hard rock, basis and because the ore presents a much higher than average percentage (17%) of heavy rare earths (HREE) when compared to other rare earth projects in Australia (Mount Weld for example) and beyond. Rare earth processing is very complex and companies can draw significant advantage from identifying resources that lend themselves to the simplest methods possible. Each resource is unique. Crossland's alluvial deposit has an elegant simplicity about it.

The monazite and xenotime ores being extracted at Charley Creek present well known and accessible processing characteristics and Crossland is confident that the minerals "are easily dissolvable in common acids, making them preferred feedstock with well-established, low-cost and low-risk processing options for high-quality REO production". Hard rock mining is expensive and requires considerable investment.

Crossland presents investors with a low overhead – confirmed by the scoping study – project, featuring moderate technical difficulty and manageable environmental concerns.

Charley Creek presents an indicated resource of 387 million tons, of which 114,000 tons are REO's while the inferred resource is 418 million tons, containing 121,000 t of rare-earth oxide. Crossland has also addressed environmental concerns, assuring that its alluvial tailings would be returned directly to excavation sites for rehabilitation.