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INDEPENDENT TECHNICAL REPORT

on the

AUSTRALIAN MINERAL EXPLORATION ASSETS

held by

CRESCENT GOLD LTD

Effective Date of Report: 10th August 2007

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INDEPENDENT TECHNICAL REPORT

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EXECUTIVE SUMMARY

Lyndhurst Enterprises Pty Ltd (Lyndhurst) was requested by Crescent Gold Ltd (Crescent) to develop an updated NI 43-101 compliant technical report for the mineral exploration assets owned or held under joint venture agreements by Crescent in the Commonwealth of Australia.

These assets comprise mineral exploration tenements and agreements concerning 58 tenements and 3 tenement applications covering an area of 8,592km² within the States of Western Australia, South Australia, and the Northern Territory.

The principal metal commodity exploration emphasis is on gold in Western Australia (WA), gold-copper-uranium in South Australia (SA), and uranium in the Northern Territory (NT).

The spread of tenements in Australia is shown below in the Frontispiece.

Crescent Gold Ltd has been listed on the Australian Stock Exchange (ASX) since 1999, under the trading code CRE.

In February 2007 Crescent started trading on the TSX (code CRA); subsequently the company opened an office in Vancouver, British Columbia, Canada.

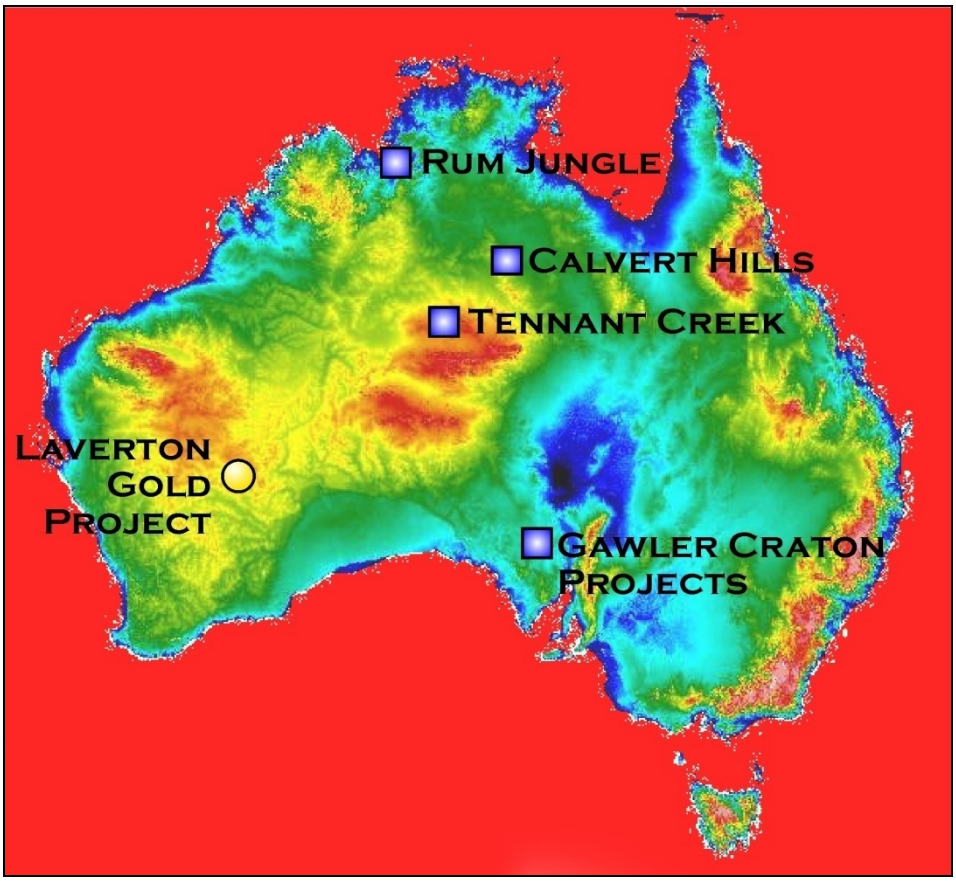
On the 21st March 2007 the company commenced gold production from low grade stockpiles at the Laverton gold operation; also on this date ore mining commenced from the Sickle deposit at Laverton.

On the 26th March Crescent announced a proposed strategic alliance with Deutsche Bank AG (DB) whereby the bank injects AUD122.25 million into Crescent Gold Ltd: this deal was approved by CRE shareholders on the 8th June 2007. The arrangement will see a private placement to DB of 321.7 million shares in CRE giving DB a voting interest in Crescent of 55.38% on an undiluted basis and expanding Crescent's ordinary shares on offer to 580.9 million.

Crescent's current resource base at Laverton in Western Australia consists of Indicated Resources of 21.3M tonnes at 1.4g/t Au containing 974,000oz plus Inferred Resources of 10.5M tonnes at 1.4g/t Au containing 486,000oz of gold. Within this JORC compliant resource are Probable Ore Reserves consisting of 7.6M tonnes at 1.7g/t Au for total contained ounces of 404,000oz of gold (including low grade stockpiles). This is the focus of current mining operations within the company.

The Laverton Gold Project (the location of which is shown below) has good potential to expand the currently defined mineral resource base by at least 300,000oz in Lyndhurst's opinion. The project contains numerous exploration opportunities including extensions to existing open pit resources, high grade underground targets, and conceptual large scale, bulk mining targets.

Overall the Laverton Greenstone Belt contains known gold endowment exceeding 28Moz of contained metal: major gold deposits include Granny Smith, Sunrise, and Wallaby gold mines, all discovered in the last twenty years. The potential for major discoveries under cover within the tenements held by Crescent at Laverton is considered by Lyndhurst to be good.



Frontispiece: Crescent Gold Ltd-Australian Projects.

Probably the biggest potential Crescent has to markedly increase its resource base are within the tenements and tenement applications held within the State of South Australia. These land holdings are within a long arcuate metallogenic corridor: the eastern margin of the Proterozoic aged Gawler Craton. This cratonic margin is now known to host one of the world's giant ore deposits: Olympic Dam (owned by BHP-Billiton Ltd).

The metallogenic arc containing major Iron Oxide-Copper-Gold-Uranium ("IOCG-U") deposits stretches for over 900km southeastwards from Prominent Hill (owned by Oxiana Ltd), through Olympic Dam, Carrapateena (Teck-Cominco and a private syndicate), and southwards down the Spencer Gulf to Moonta.

The total contained gold endowment in the Gawler Craton is estimated by Lyndhurst to be over 79M ounces (this estimate is heavily weighted by Olympic Dam with 72Moz).

The tenements into which Crescent Gold has negotiated farm-in agreements cover an area of 3,300km² within the Gawler Craton metallogenic arc. Lyndhurst considers the potential for significant ore deposit discovery, albeit under cover, to be good within these holdings.

Recent drilling successes by other companies at Punt Hill and Carrapateena, on the eastern margin of the Gawler Craton, together with the major expansion of mineral resources at Olympic Dam by BHP-Billiton, show this belt to be one of the world's great metallogenic (Fe-Cu-Au-U-REE) provinces; ranked in size and metal value with the Neoproterozoic aged Katangan Super-Group of central southern Africa (Cu-Co-U-Ag).

In the Northern Territory Crescent has farmed out the funding and management of most of its exploration properties. Crescent holds in it own right tenement applications at Calvert Hills. Through the joint venture agreements, which are in the name of a wholly owned subsidiary (Uranium West Pty Ltd), Crescent has exposure to potential discoveries of IOCG-U deposits, and replacement-style uranium deposits. At Rum Jungle and Tennant Creek, the exploration holdings are close to known uranium-base metal resources (Rum Jungle) and gold-copper-bismuth deposits (Tennant Creek) held by competitor companies.

1.0 INTRODUCTION

Lyndhurst Enterprises Pty Ltd was requested by Mr Andrew Haythorpe, Managing Director of Crescent Gold Ltd (listed on the Australian Stock Exchange under the code CRE; and on the Toronto Stock Exchange under the code CRA) to provide a Canadian National Instrument 43-101 compliant Independent Geological Report on the Australian mineral exploration assets held by Crescent directly and indirectly through joint venture arrangements.

To this end, the report is based mainly on in-house company exploration data, and where relevant, published exploration and mining data released by competitor companies, especially in South Australia. Limited field investigations have been carried out by Lyndhurst within the Crescent Gold Ltd operations at Laverton in Western Australia, and in the Northern Territory at Rum Jungle. The report was commenced on 1st July 2007 and completed on 10th August 2007.

The report is divided into three sections: firstly dealing with South Australia, which is at the present time undergoing a mining and exploration boom with major expansions at Olympic Dam; secondly with the Northern Territory where exploration for uranium is at a very high level of activity; and thirdly with Laverton in Western Australia where Crescent has commenced open-pit gold mining with ongoing gold resource development work (drilling).

1.1 Terms of Reference: Crescent Gold

Crescent Gold Ltd is the beneficial owner of the Western Australia exploration projects. Crescent is also the manager (but not the operator) of joint ventures in South Australia where Crescent or its controlled entity is farming in, and has negotiated farm-out agreements on certain tenements in the Northern Territory. Crescent is the owner on an unlisted Australian subsidiary: Uranium West Pty Ltd.

This report is based on information provided by the title holders, along with technical reports by consultants, associated contractors, previous tenement holders, and other relevant published and unpublished data for the area.

As required by the guidelines of National Instrument 43-101, and the JORC Code (JORC 2004), this report by Lyndhurst Enterprises Pty Ltd discusses technical aspects of the project and provides information on data interpretation and usage. Crescent Gold Ltd has acted as the primary auditor for aspects relating to data quality and, as such, they attest to the integrity of the data.

Lyndhurst has endeavoured, by making all reasonable enquiries, to confirm the authenticity and completeness of the technical data upon which this report is based.

The Lyndhurst consultant involved in the preparation this report is:

John Stockley B.Sc. (Hons), FAusIMM, AIG. Principal Consultant.

The principal of Lyndhurst, Mr John L. Stockley, involved in the preparation of this Independent Geological Report is considered to be a Qualified Person according to the requirements of the CIM and of NI 43-101, and by Appendix 5A of the ASX and the JORC Code.

He is a geologist with more than 30 years experience in mineral exploration and mining, and in this particular case, has sufficient previous experience in the style of mineralisation and deposit modelling to meet the prerequisite Competent Person definitions. He is a Fellow of the Australasian Institute of Mining and Metallurgy, a Chartered Professional (CP-Geo), a member of the Australian Institute of Geoscientists, and a Member of the Society of Economic Geologists.

Lyndhurst was incorporated in 1993 in response to the demand for Independent Geological Consultants. The company has focussed on providing quality of service, and as able to provide resource evaluation skills and reporting up to bankable feasibility stage; especially in offshore project locations.

1.2 Disclaimer

The opinions expressed in this report have been based on the information provided to Lyndhurst by Crescent Gold Ltd, its associates and staff, as well as various Government agencies including the Western Australian Department of Industry & Resources (DOIR) Geological Survey, and the South Australian Department of Minerals & Energy (SADME).

Lyndhurst has taken all due care in reviewing the information supplied, including a thorough review of all data held by Crescent Gold (and its 100% owned subsidiary Uranium West Pty Ltd), and field visits to the key project areas. Although Lyndhurst has compared important data that was supplied with expected values and assumptions, the accuracy of the results and conclusions of this review are related to the accuracy of the data supplied.

Lyndhurst has relied on this information and has no reason to suspect that any material facts have been withheld, or that a more detailed analysis will reveal additional material information. Lyndhurst does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them.

The author has not relied on reports, opinions or statements of legal of other experts who are not qualified persons for information concerning legal, environmental, political or other issues and factors relevant to this report.

2.0 SOUTH AUSTRALIA

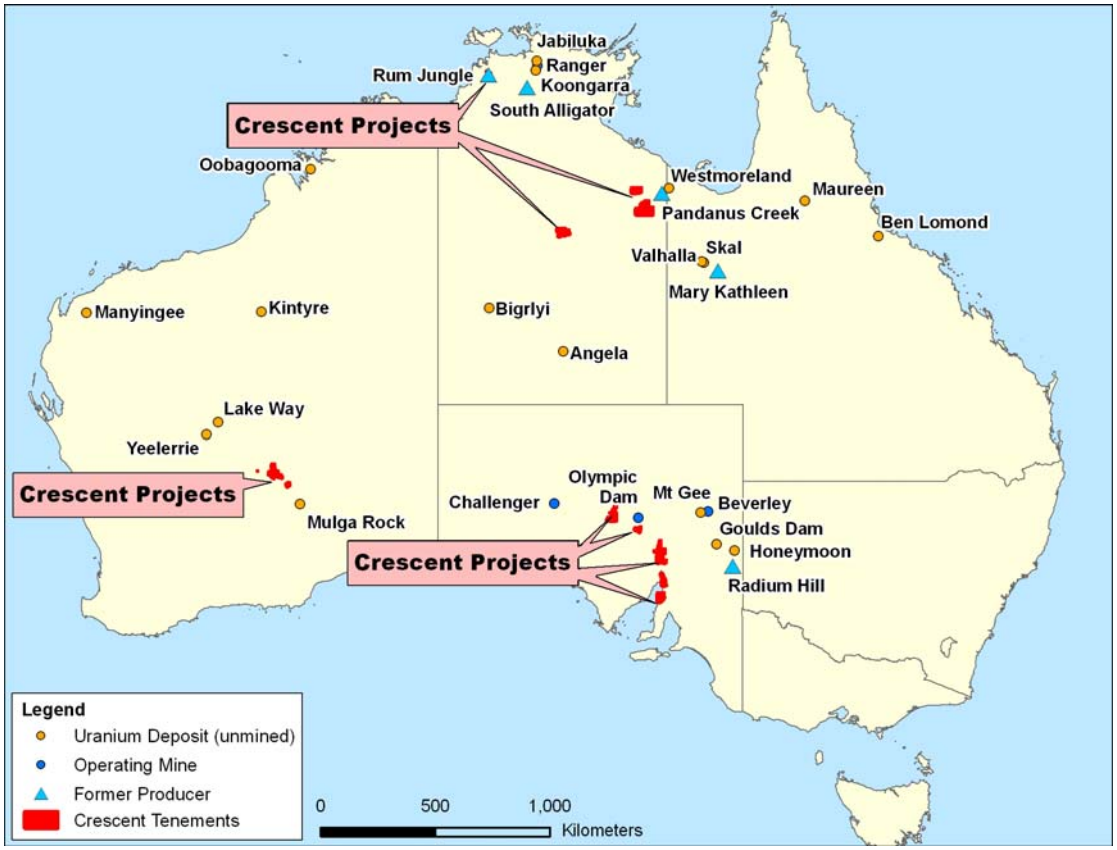


Figure 1
Crescent Gold Ltd Australian Projects.

South Australia is emerging as a world class metallogenic province with major copper-gold-uranium-silver production at Olympic Dam (BHP-Billiton) and significant gold production (>100,000oz per annum) at Challenger (Dominion Mining Ltd).

Current gold resources in granulite facies metamorphic rocks at Challenger, in the central part of the Gawler Craton (including past production of 363,000oz) stand at over 1.5Moz (Dominion Mining Ltd 2007) and the mine has been developed for over 600m vertically from surface. Mineral resources are open at depth below 1000m.

New gold & copper production from the Prominent Hill project (owned by Oxiana Ltd) is scheduled for early 2008, the top 100m of barren cover rocks is currently being stripped. A major copper-gold discovery at Carrapateena has been recently announced by Teck-Cominco Ltd.

The planned expansion of the Olympic Dam operations will make this ore body one of the largest gold-copper-uranium operations in the world, rivalling Bingham Canyon, Chuquicamata, Escondida & Grasberg in mining scale. Announced total resources at Olympic Dam are stated to be 4,430Mt @ 1.1% Cu, 0.4kg/t U_3O_8, 0.5g/t Au & 2.2g/t Ag (BHP-Billiton 2006).

2.1 Crescent Gold assets in South Australia

Crescent Gold Ltd and its 100% owned subsidiary Uranium West Pty Ltd (UW) have entered into Joint Ventures with Southern Gold Ltd (SAU) and Southern Uranium Ltd (SNU) over four tenements in South Australia:

EL3513:	**Torrens South (SAU)**
EL3515:	**Harris Crossing (SAU)**
EL3603:	**Oak Dam (SNU)**
EL3796:	**South Vivian (SNU)**

The four tenements were originally held by Southern Gold Ltd, which has recently spun off a new company: Southern Uranium Ltd. The Oak Dam licence (EL3603) and the South Vivian licence (EL3796) have been transferred to SNU as part of the setting up of the new company Southern Uranium Ltd.

Crescent has agreed to guarantee the obligations of the Uranium West Pty Ltd company (UW) under the terms of the JV agreement whilst UW remains a 100% owned entity of CRE.

Because the joint venture agreement covers all four tenements, the combined entities of SAU & SNU will be referred to as SAUL in the description of the terms given below:

Initial earn-in rights: provided that UW meets the Minimum Expenditure Commitment (AUD750K) during the First earn-in Period, UW may earn a 25% interest in each of the Tenements and the Joint Venture Property upon funding Exploration Costs on the tenements to a total of AUD1M.

Second earn-in Period: on and from the First earn-in date, UW and SAUL shall own the tenements and all other JV property as tenants in common in proportion to their respective Participating Interest which shall be:

UW:	**25%**	**total expenditure AUD1M**
SAUL:	**75%**	

Further earn-in rights of UW:

If UW elects to continue sole funding the JV costs, it may earn a further 25% (up to a total of 50%) interest in the Tenements and the JV property upon the completion of sole funding JV costs of AUD3M during the Second earn-in Period, which amount is in addition to all other amounts spent by UW in accordance with the agreement during the First earn-in Period.

UW:	**50%**	**total expenditure AUD4M**
SAUL:	**50%**	

SAUL may then contribute to the ongoing JV costs (in proportion to the participating interest); if SAUL does not contribute then Uranium West (CRE) may earn a further 25% (up to a total of 75%) interest in the JV upon

completion of sole funding JV costs of AUD3M during the Third Earn-In Period, in addition to all other amounts expended by UW.

On and from the Third Earn-In date, UW and SAUL shall own the tenements and all other JV property in proportion to their respective Participating Interest which, upon UW meeting the Third Earn-in Expenditure commitment shall be:

UW:	**75%**	**total expenditure AUD7M**
SAUL:	**25%**	

Uranium West shall for so long as it is earning an interest in the Joint Venture, be Manager; if after ceasing to sole fund exploration, UW holds a 50% or greater participating interest in the JV, it shall continue to be Manager.

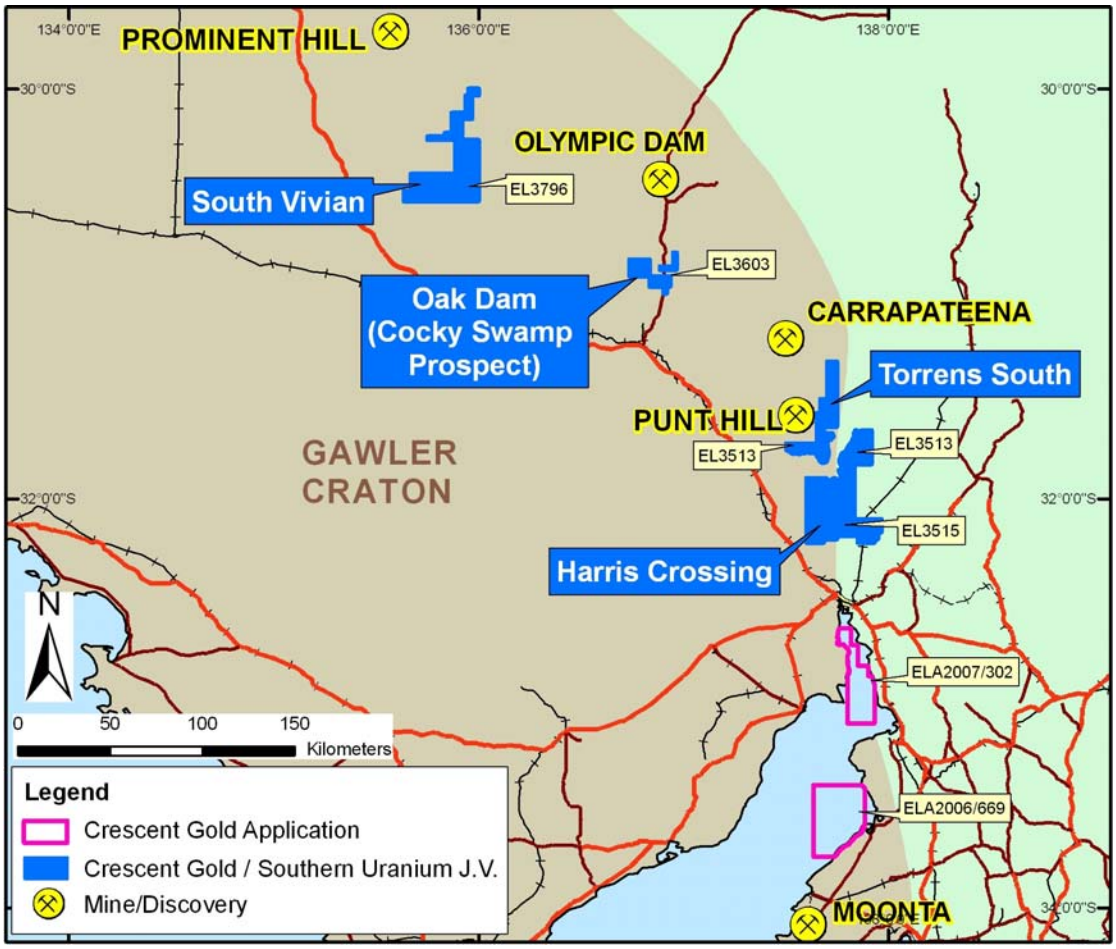


Figure 2
Crescent Gold tenements in South Australia

2.2 Geology

The total tenement area of the Joint Venture (granted tenements) is 2,030 km², stretching in an arc from south of the Oxiana-Minotaur Prominent Hill ore deposit, past Olympic Dam-Carrapateena-Punt Hill to the Spencer Gulf (Moonta): see Figure 2 above.

2.2.1 Lake Torrens Project

The **Lake Torrens project** (EL3513-Torrens South & EL 3515-Harris Crossing) covers a total area of 1494km² located on the eastern Gawler Craton, about 150km southeast of **Olympic Dam** (BHP-Billiton).

The project area is located about 50km SE of **Punt Hill** (Monax Mining Ltd) and 80km southeast of the recently announced **Carrapateena** discovery (Teck-Cominco).

Gawler Craton crystalline basement is covered by 600m to 1400m of flat-lying sedimentary strata: the Neoproterozoic Stuart Shelf series, and the Mesoproterozoic Pandurra Formation (red-beds). The basement geology has been interpreted from widely spaced deep drill hole data and deep sounding geophysical interpretations.

The oldest crystalline basement rocks are the Palaeoproterozoic pre- and syntectonic Donington Suite granitoid rocks, and the Wallaroo Group meta-sedimentary & meta-volcanic rocks. The Mesoproterozoic Gawler Range Volcanic Group overlie the older basement rocks in the southern portion of the Lake Torrens project area.

Onlapping the basement high, represented by the Torrens Dome, are Mesoproterozoic red beds of the Pandurra Formation: deposited unconformably on weathered basement in the Cariewerloo Basin.

2.2.2 Oak Dam Project

The **Oak Dam project** (EL3603-Oak Dam) which covers an area of 174km² located 50km south of **Olympic Dam** on the Stuart Shelf.

A prospect originally discovered by Western Mining Corporation Ltd (WMC) within the project area is known as **Cocky Swamp**, this prospect is located about 80km northwest of Teck-Cominco's **Carrapateena** discovery; and about 100km northwest of the **Punt Hill** discovery (Monax Mining Ltd).

Crystalline basement here is covered by more than 800m of flat lying younger strata the Neoproterozoic Stuart Shelf sedimentary rocks, and the Mesoproterozoic Pandurra Formation red beds. The basement geology has been interpreted from widely spaced drill hole data, and geophysical interpretations.

The oldest rocks of the crystalline basement are Archaean gneiss terrain of the Mulgathing Complex; interpreted Palaeoproterozoic rocks include the Hutchison Suite metamorphic terrain, Donington Suite granitoid rocks, and the Wallaroo Group meta-sedimentary and meta-volcanic rocks. Overlying these older rocks are Mesoproterozoic Gawler Range Volcanics. Hiltaba Suite fractionated granitoid rocks intrude the Gawler Range Volcanics and the underlying older basement. Onlapping the basement ridge (the Andamooka Dome) are Pandurra Formation red beds, deposited unconformably on weathered basement in the Cariewerloo Basin.

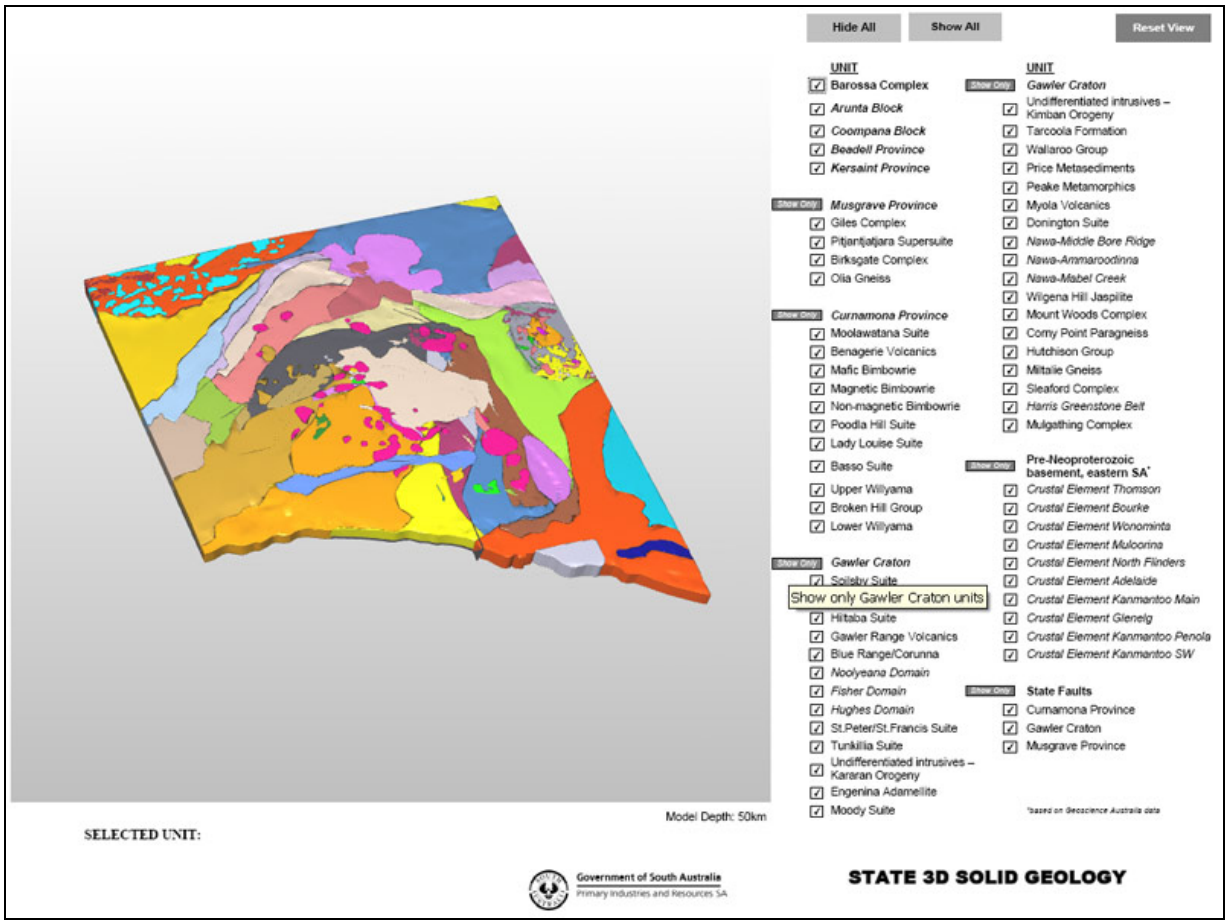
2.2.3 South Vivian Project

The **South Vivian project** (recently granted as EL3796) covers an area of 861km² in the central Gawler Craton, and is located 90km west of **Olympic Dam** (BHP-Billiton); and about 90km south of **Prominent Hill** (Oxiana Ltd)

The project covers the northern margin of the Gawler Range Volcanics, in a region where crystalline basement rocks are concealed by a thick sequence of Phanerozoic & Neoproterozoic to Mesoproterozoic sedimentary rocks ranging from 300m thick in the southwest of the area to more than 600m thick in the northern part of the project area.

The basement geology has been interpreted from widely spaced deep drill hole data and deep sounding geophysical interpretations, and is believed to consist of mainly Mesoproterozoic volcanic rocks which overlie Archaean gneiss. Overlying the crystalline basement are Pandurra Formation red beds. Mafic rocks of the Gairdner Dyke Swarm intrude the Pandurra Formation and underlying basement along NW-SE trends. The age of the Gairdner dykes is estimated to be 1070Ma.

2.3 Precambrian Geology of South Australia



Map courtesy of the PIRSA web site: www.pir.sa.gov.au

A summary of the Precambrian geology of South Australia (taken from Drexel et al, 1993) is given below

Major Precambrian geological provinces are the Gawler Craton in the centre of the state, the Musgrave Block and part of the Officer Basin in the northwest, the Coompana Block in the southwest, Curnamona Craton including the Willyama Inliers in the northeast, and the Adelaide Geosyncline in the eastern third of the state.

The Gawler Craton comprises the most diverse association of rock units: the late Archaean to early Palaeoproterozoic Sleaford and Mulgathing Complexes (~2700 to 2400Ma) form the basement in the western and northwestern portions, and include para- and orthogneisses with mafic to ultramafic (komatiite) intrusives and extrusives.

Palaeoproterozoic metasedimentary & metavolcanic successions, occurring mainly on the eastern Gawler Craton, include the Hutchison Group (~1900 to 1845Ma) with banded iron formations (BIF) hosting important iron ore deposits in the Middleback Range, and metamorphosed carbonate rocks hosting Zn-Pb-Ag mineralisation at Menninnie Dam. The rocks were multiply deformed and metamorphosed by various phases of the Kimblan Orogeny and intruded by syn-Kimblan granitoid rocks of the Lincoln Complex at ~1800 to 1700Ma.

Unconformably overlying the Palaeoproterozoic rocks are undeformed to gently folded Mesoproterozoic continental clastic sediments comprising the Labyrinth Formation (~1600Ma), Corunna Conglomerate, Blue Range Beds, and Pandurra Formation (~1420Ma), together with thick sheets of acid volcanic rocks of the Gawler Range Volcanics (~1592Ma). A-type Hiltaba Suite granitoid rocks at ~1585Ma are widespread on the Gawler Craton, particularly around the margins of the Gawler Range Volcanics.

Hiltaba Suite granites are associated with the giant Cu-Au-U-REE deposit at Olympic Dam, originally discovered by WMC, and now owned 100% by BHP-Billiton Ltd: Olympic Dam has ore reserves and mineral resources stated below:

Total inferred & measured resources of 4,430Mt at 1.1% Cu, 0.4kg/t U_3O_8, 0.5g/t Au and 2.2g/t Ag (BHP-Billiton 2006);

Total probable & proven reserves of 374Mt @ 2.1%Cu, 0.7kg/t U_3O_8, 0.8g/t Au and 4.5g/t Ag (BHP-Billiton 2006).

The Adelaide Geosyncline is a major, deeply subsident Neoproterozoic to Cambrian sedimentary basin which overlies Palaeoproterozoic to Mesoproterozoic basement. It has platformal extensions on the Gawler Craton (the Stuart Shelf), between the Gawler Craton and Musgrave Block (Officer Basin) and on the Curnamona Craton. At least three episodes of rifting are recorded in the Neoproterozoic (Adelaidean) succession. The Callana Group records initial subsidence, rifting with mafic volcanism, and evaporitic sedimentation in rift basins controlled by major crustal lineaments at ~802Ma (dating of a thin tuff unit).

Gawler Range Volcanics: at around 1590Ma the huge felsic volcanic complex (over 25,000km² of preserved outcrop) of the Gawler Range

Volcanics (GRV) was erupted onto the central Gawler Craton. The GRV can be divided into two groups: the lower and upper units. The lower unit of the GRV is gently to steeply tilted and contains dacite-rhyodacite-rhyolite flows, ignimbrite, and flows with thick interlayered sequences of basaltic lava; whereas the upper unit contains thick sheets of porphyritic, dacitic ignimbrite. The extensive Hiltaba Suite (1600 to 1585Ma) is comagmatic with the GRV and is dominated by felsic, A-type granite plutons (Castle 2007). Outcrop is most abundant in the central Gawler Craton particularly on the western and south-western margins of the GRV.

The Hiltaba Suite and the GRV are derived from partial melting and fractionation of crustal rocks (anorogenesis) and are the potential source rocks for gold-copper-uranium mineralisation within the Gawler Craton (Iron Oxide-Copper-Gold-Uranium deposits: the so-called IOCGU model).

The +900km crescent shaped belt of IOCG deposits, now known from discoveries since 1975 (Olympic Dam-see Laylor 1984; Prominent Hill in 2001-see Carter et al 2003) and recent drilling success (e.g. Punt Hill & Carrapateena), is one of the world's great metallogenic (Fe-Cu-Au-Ag-U-REE) provinces; ranked with the Zambian-Democratic Republic of Congo copper belt in the Katangan Super-Group of central southern Africa (Cu-Co-U-Ag province) in terms of contained metal value.

2.4 Iron-copper-gold deposits of the Gawler Craton

There is an extensive, crescent shaped zone extending over 900km along the eastern Gawler Craton containing large accumulations of iron oxide of hydrothermal origin (Castle, 2007): the most well known example is Olympic Dam, which contains significant volumes of hematite rich rock (the average iron grade of the Olympic Dam deposit is 26% Fe).

Other large iron-oxide accumulations include Acropolis, Emmie Bluff, and Oak Dam all lying under several hundred metres of younger cover.

Reports on the Prominent Hill Cu-Au deposit discuss a prominent gravity anomaly associated with the iron-rich rocks within the Gawler Range Volcanics.

2.4.1 Prominent Hill (Oxiana Ltd)

The Prominent Hill IOCG discovery made in October 2001 is one of the most significant mineral discoveries made in Australia during the last 10 years: the following background to the discovery of Prominent Hill is taken from Belperio et al (2003):

Minotaur Resources Ltd (now 100% owned by Oxiana Ltd) farmed in to the tenement located 150km northwest of Olympic Dam, on the southern edge of the Mt Woods Inlier, in mid-2001. A technical review of the project data revealed that earlier work had targeted magnetic anomalies, which resulted in broad drill intersections of sub-economic copper-gold mineralisation associated with magnetite breccia and skarn. Minotaur's target was Olympic

Dam-style hematite-rich copper-gold mineralisation, and initially six targets were selected for drilling: Prominent Hill was the fourth anomaly tested in an area where two drill holes (completed in 1991 and 1993 by Burmine Ltd) had intersected magnetite-rich skarn with anomalous copper, gold, fluorine and rare earth elements.

The area around Prominent Hill consists of open stoney plains with sandy ephemeral creeks and outwash plains. The discovery is located on the southern margin of the Palaeo- to Mesoproterozoic Mt Woods Inlier. Sparse outcrop occurs 25km northwest of Prominent Hill and consists of quartzofeldspathic gneiss, schist, quartzite, conglomerate and granite.

Because of extensive thick cover much of the current geological understanding of the area, particularly in regard to regional alteration systems & mineralisation, has been derived from deep exploration drilling.

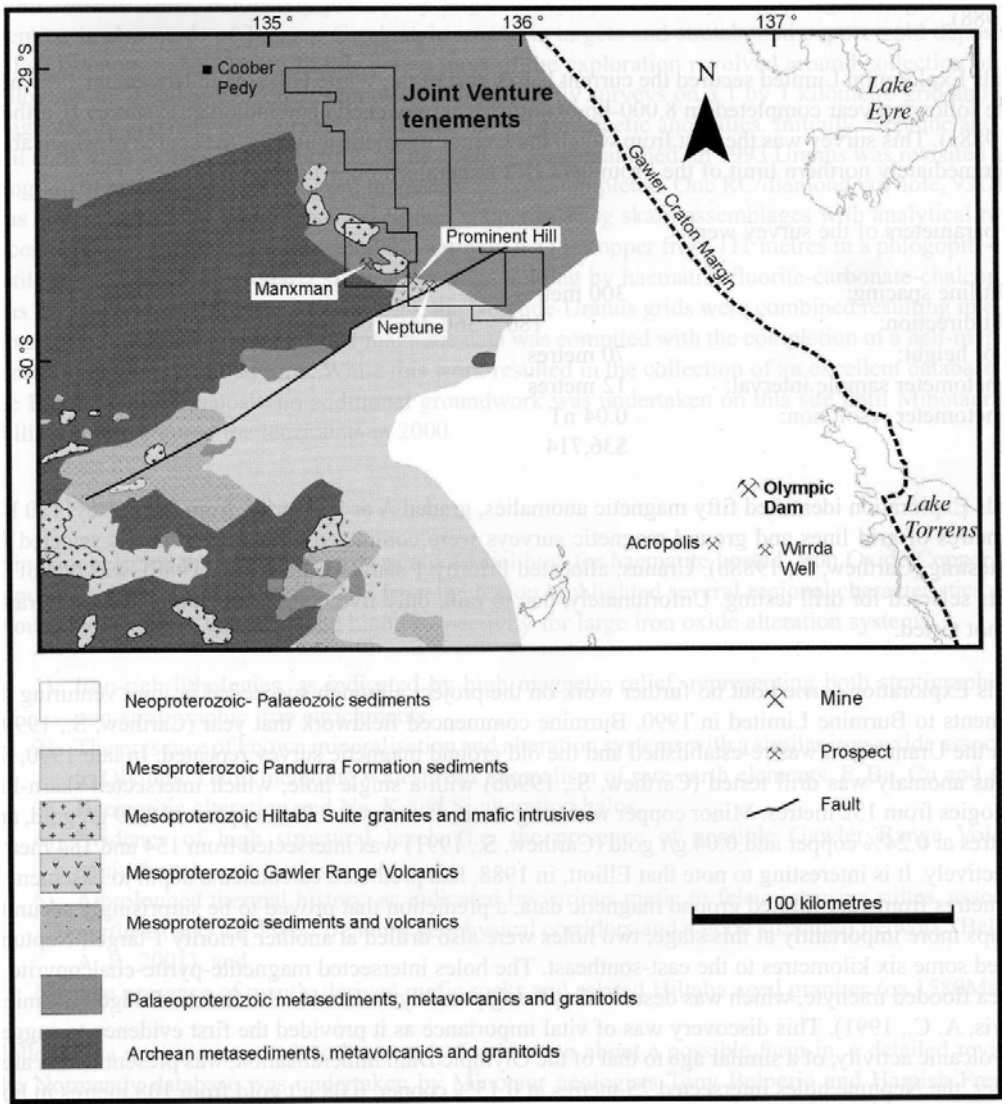


Figure 3
Location of Prominent Hill & interpretation of the geology of the NE Gawler Craton (from Carter, Belperio, & Freeman 2003).

Minotaur had selected the Mt Woods area as a potential host for hematite hosted IOCG deposits in 1999: compilation of regional data highlighted several regional characteristics of the Mt Woods Inlier indicated high prospectivity for large iron oxide alteration systems:

- Iron-rich lithologies with high magnetic relief, representing both stratigraphic and non-stratigraphic iron enrichments
- Presence of known mineralisation & alteration systems with a similar iron-oxide association to Olympic Dam (widespread anomalism of REE, F, Ba, Cu, & Au)
- Hematite alteration and sodium, potassium, silica alteration halos
- Evidence of high structural levels i.e. the presence of Gawler Range Volcanics-equivalents
- Prolonged thermal history, as indicated by mafic & felsic intrusive suites, associated NE & NW trending geophysical corridors; and
- Presence of mantle derived mafic rocks and Hiltaba suite granites at syntemporal age of ~1580Ma

Eleven drill targets were initially selected from the data review work: with particular focus to untested or partially tested gravity & accompanying magnetic features. Further refinement of the selected targets was achieved through reprocessing of the available geophysical data using 3-D inversion modelling: priority was given to those targets exhibiting related but spatially separated magnetic and gravity signatures. At Prominent Hill the 3-D modelling suggested the presence of separate sources for closely related magnetic and gravity anomalies, that the source of the gravity feature commenced below 300m, and that the existing old drill holes had not tested beyond 210m and had missed the peak amplitudes of both the magnetic and gravity anomalies.

The Prominent Hill anomaly (formerly known as Uranus) was the fourth of six targets selected for drilling: URAN 1 was aimed at testing to a depth of 450m the interpreted centre of a high frequency, non-magnetic, gravity anomaly (4-5mGal):

The hole resulted in two major intervals (upper interval measured 107m from 200m to 307m, and lower interval measured 152m from 429m to 581m) of copper-gold-uranium mineralisation being intersected with grades of 1.94% Cu, 0.65g/t Au & 39ppm U for the upper zone, and 1.1% Cu, 0.61g/t Au & 267ppm U for the lower zone (Carter, Belperio, and Freeman 2003. The lower intersection from 429 to 581m assayed 0.48% REE!

The following is taken from a Press Release to the Australian Stock Exchange (ASX) on 14th November 2001:

The vertical hole (DDH URAN 1) passed through 108m of younger sediments before intersecting a massive, hematite-supported breccia. Original rock textures are almost totally destroyed with siliceous, sericitic rock fragments varying from flour to clasts several centimetres in size. Hematite dominates both the matrix and the breccia clasts. The hole reached 450m in mineralised

hematite breccia at which point drilling was halted to await mineralogical assessment and analytical results.

Copper mineralisation: chalcocite occurs as disseminations and thin veins within the hematite matrix. Chalcocite is concentrated at about the -300m level. Traces of bornite, chalcopyrite, and some gold are visible in polished sections. The top 20m of the intersection in DDH URAN1 assayed 2.3g/t Au (from 107.8 to 128m)-supergene mineralisation (Minotaur, 2001).

The above discovery intersection resulted in the drill out of the resource by Minotaur and joint venture partner Oxiana Ltd, and subsequent commencement of mining by Oxiana Ltd in 2006 (Oxiana had farmed into the property in 2003 and then later took over MRL to become 100% owner).



Figure 4
Resource drilling under 100m of cover at Prominent Hill.
(photo taken from the Oxiana Ltd web site: www.oxiana.com.au)

2.4.1.1 Geology of the Prominent Hill discovery

Prominent Hill is part of a large, telescoped iron-oxide hydrothermal alteration system which is defined by the west-northwest Manxman-Joes Dam-Prominent Hill-Neptune mineralised trend: the area is characterised by intense iron metasomatism and regional alteration systems associated with the crustal-scale Gawler Range-Hiltaba volcano-intrusive event.

The Prominent Hill mineralisation is hosted by hematite-sedimentary rock breccias which have suffered strong sericite alteration and iron-silica overprinting. Breccias intrude an east-west striking, fault controlled sedimentary succession which is flanked to both the south and north by volcanic complexes (see map below – Figure 5).

Breccia-hosted mineralisation is mainly confined to a sequence of sandstone and siltstone which has acted as a brittle host during metal deposition. In section the mineralisation shows asymmetry with breccias developing over significantly greater vertical extent on the southern margin of the volcano-sedimentary rock package containing underlying mafic to intermediate volcanics (basalt-andesite with minor dacite), overlain by an upward fining sequence of sedimentary rocks (sandstone, greywacke, shale, and ferruginous dolomite). A schematic section of the mineralisation (from Carter et al 2003) is shown below as Figure 6.

The main host for the copper-gold breccia resource is the Prominent Hill shear zone which contains high grade, chalcocite dominant assemblages, and this zone has been defined over 800m strike length and to a depth of over 1000m.

The balance of the resource is hosted in a large hematite breccia complex which ranges from a higher grade chalcocite-dominant assemblage in the upper part, through a bornite-chalcopyrite transition zone, into a chalcopyrite dominant assemblage in the deepest part of the orebody tested to date. Gold mineralisation is coincident with copper.

The eastern gold-only resources are contained within hematite breccia and strong sericite alteration zones.

2.4.1.2 Mineral Resources at Prominent Hill

Oxiana Ltd announced go-ahead of mine development at Prominent Hill on 25/8/06 with an announcement to the Australian Stock Exchange (ASX): the project is on schedule to commence commercial production of copper-gold concentrates in the third quarter of 2008.

Stated mineral resources at Prominent Hill (Oxiana Ltd 2006) are:

Copper-gold breccia:	**118.7Mt at 1.3%Cu and 0.5g/t Au (contained metal 1.54Mt Cu & 1.87Moz Au)**
Eastern gold-only zone:	**22.5Mt @ 1.24g/t Au (contained metal 0.9Moz Au)**

Current mine inventory is stated to be 79.2Mt at 1.24% Cu and 0.58g/t Au (includes 68.2Mt of Reserves & 11.0Mt of Inferred Resources)-Oxiana Ltd release to the ASX dated 25/8/06.

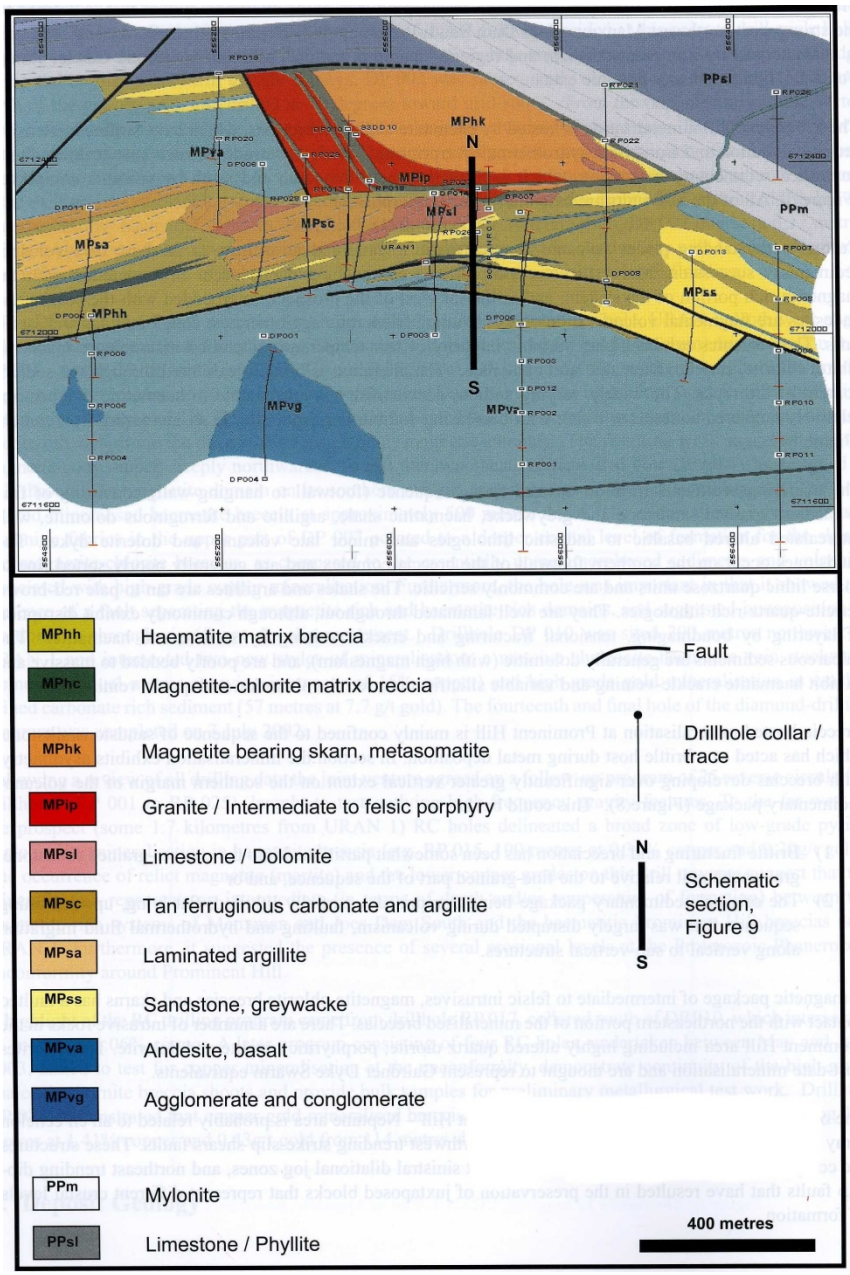


Figure 5
Geological interpretation of Prominent Hill
(at the unconformity surface); from Carter et al 2003.

2.4.1.3 Resource Potential at Prominent Hill

The deposit remains open to the west, east and at depth below 1000m. Potential for additional high-grade copper-gold mineralisation has been identified in the westerly plunge of the Prominent Hill shear zone. Potential for gold-only resources exists to the east, west and down plunge of the existing resource.

Deep drilling below the current proposed open pit base has intersected copper-gold mineralisation at depths greater than 1000m below surface:

Hole D276: 28m @ 2.1% Cu & 0.6g/t Au from 992m to 1020m;
17m @ 1.8% Cu & 0.6g/t Au from 1027m to 1044m; &
135m @ 1.5% Cu & 1.0g/t Au from 1386m to 1521m

this mineralisation occurs mainly as a chalcocite-bornite assemblage;

Hole D277: **62m & 1.4% Cu & 0.8g/t Au from 1059m to 1121m-**

this mineralisation occurs mainly as a bornite-chalcopyrite assemblage.

These results indicate that the copper-gold system extends at least twice as far as previously outlined, with copper-gold mineralisation intersected up to 500m below the planned open pit.

Mineralisation is open at depth and along strike of the intersections quoted above (Oxiana Ltd release to the ASX dated 16/1/07).

Recent announcements to the ASX (on 2nd August 2007 and on 6th August 2007) indicate significant success at depth from deep diamond drilling:

Hole D279: **230m @ 0.53%Cu & 0.45g/t Au within which was a section assaying 54m @ 1.25% Cu & 1.1g/t Au.**

The results from this drilling at around 1,200m below surface has led Oxiana to initiate feasibility studies on bulk underground mining with resultant significant increase to the planned life of mine plan (predicted to beyond 2017).

See Oxiana Ltd web site: www.oxiana.com.au and the ASX announcement dated 23rd August 2007.

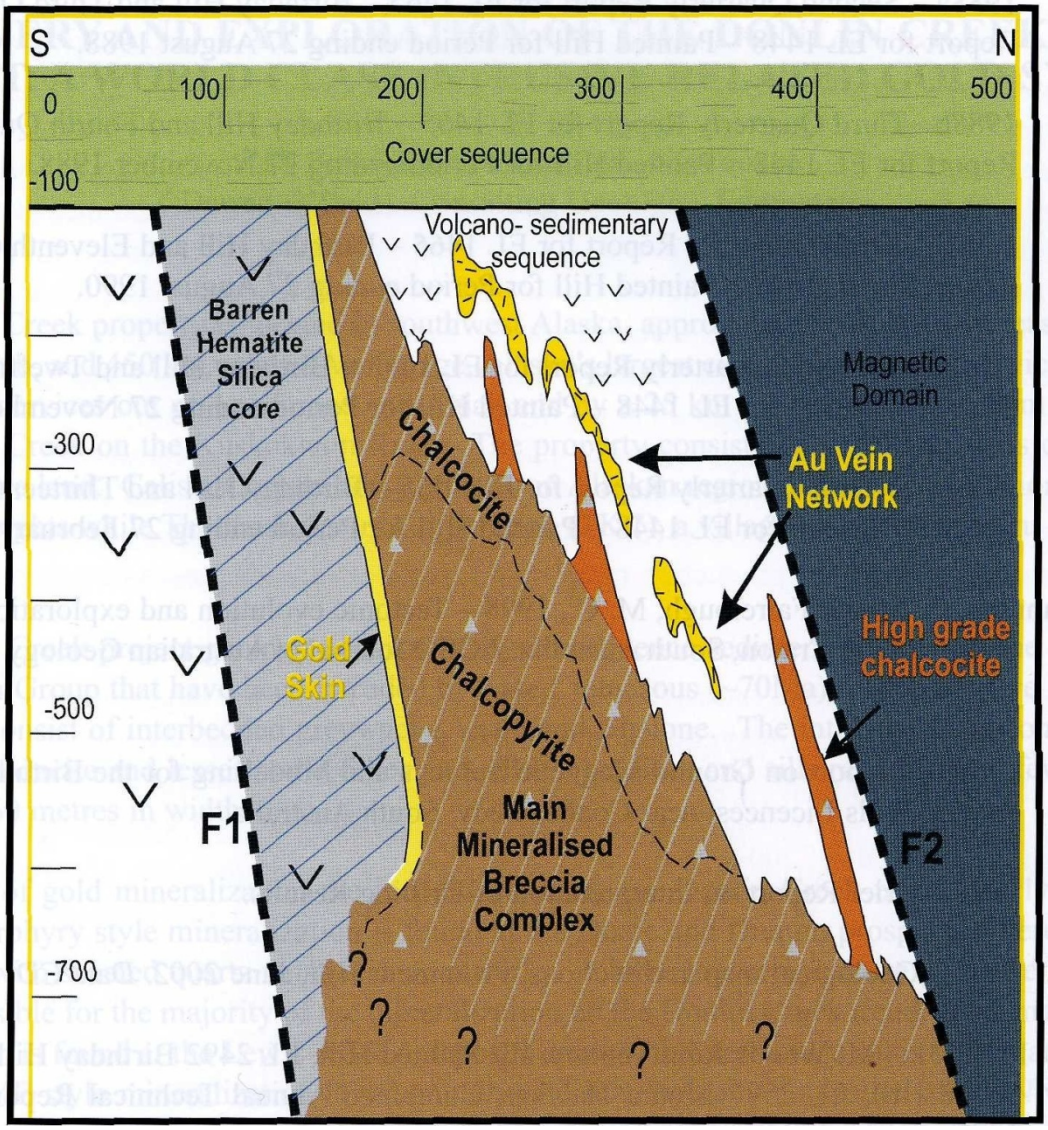


Figure 6
Schematic cross section (looking west) of the Prominent Hill geological model and mineralisation styles (from Carter et al 2003).

2.4.2 Punt Hill (Monax Mining Ltd)

The Punt Hill area is located about 150km southeast of Olympic Dam and is a recently announced IOCG discovery by Monax Mining Ltd (ASX code MOX): regional, scout diamond drilling (10 holes) during 2006 identified a number of IOCG alteration zones within the tenement EL3457 (located immediately northwest of the Crescent-Southern Gold JV Torrens South project area).

A number of broad low grade copper-gold intersections in the Groundhog, Woodchuck & Whistlepig drill holes indicate potential for major IOCG mineralisation:

Drillhole WPDD1	intersected 60m @ 0.13% Cu from 788 to 848m;
Drillhole WDDD1	intersected 18m @ 0.42% REE from 648 to 666m; also intersected 70m @ 0.41% Cu from 683 to 753m including 28m at 0.82% Cu and 10g/t Ag;
Drillhole GHDD1	intersected 126m @ 0.40% Cu from 837 to 963m including 14m @ 0.70% Cu, and 14m @ 1.00% Cu, 0.25g/t Au, & 4.5g/t Ag

(Monax Mining Ltd quarterly report to the ASX dated 31/1/07)



Figure 7
Hematite-bornite mineralisation at Punt Hill.
photo taken from Monax Mining web site:
www.monaxmining.com.au

These results confirm the presence of an extensive IOCG-style alteration system over a strike length of 3600m; the holes were designed to test a major gravity anomaly over 8.5km long and up to 2km wide.

A drilling update released to the ASX on 28/3/07 states that drilling at Prairie Dog on the northwestern end of the major gravity feature that extends for over 10km, parallel to the gravity anomaly at Groundhog-Woodchuck-Whistlepig:

drill hole PDDD1 intersected 195m of highly altered basement rocks from 749m: dominant alteration assemblage consisted of siderite-hematite-chlorite-carbonate & fluorite with zones of disseminated pyrite, chalcopyriote & bornite (Monax Mining 2007).

Assays from the above drilling show several low grade zones: 28m @ 0.12% Cu from 754 to 782m; 11m @ 0.22% Cu from 811 to 821m; 12m @ 0.55% Cu from 888 to 900m; and 13m @ 0.33% Cu from 985 to 997m.

A follow up hole PDDD2 was drilled west of PDDD1 to test interpreted dense basement rocks: basement was intersected at 832m in brecciated, hematitic Gawler Range Volcanics to 860m; the hole then passed through breccia with hematite-carbonate-fluorite alteration with bornite-steely hematite veins from 876m to 883m, and then into disseminated pyrite-chalcopyrite mineralisation to the end of the hole at 1116m (Monax Mining release to the ASX dated 7/6/07).

Further drilling at Groundhog (GHDD4-located 200m southeast of GHDD1) was completed in June 2007 and the following information was released to the ASX on 19/6/07:

Basement in GHDD4 was intersected at 675m in GRV showing hematite-chlorite alteration in meta-sedimentary rocks from 740 to 977m; the hole ended in granite at 994.5m. Mineralisation in GHDD4 consisted of chalcopyrite-pyrite with minor bornite from 840m to 935m. No results are available at this time.

In summary, to date Monax Mining has confirmed the presence of two, potentially large, low grade copper systems immediately along strike from the Crescent JV ground at **Torrens South**. The IOCG mineralisation is associated with large, strike extensive gravity anomalies within a northeast-southwest trending corridor which extends southeastwards into the Crescent JV area:

Crescent Gold have announced to the ASX the progress of exploration work at the **Torrens South JV project:** detailed gravity surveys and data interpretation are nearing completion; detailed gravity follow-up work is underway; and preparations are in progress for the commencement of deep diamond drilling in the second half of 2007 (ASX release dated 8/6/07).

2.4.3 Carrapateena (Teck Cominco Australia Pty Ltd)

The Uranium West (UW)/SAUL Joint Venture target area number 1 is located about 50km south-southeast of Teck-Cominco/RMG Services Pty Ltd Carrapateena discovery: **reportedly 905m @ 2.1% Cu & 1g/t Au;** subsequently Teck-Cominco has announced the commencement of a 55,000m drill program in 2007 at Carrapateena.

Information on the discovery at Carrapateena is scant: in the Teck- Cominco first quarter report (dated 23/4/07) it states that within the 905m intersection are higher grade zones: **191m @ 3% Cu & 0.9g/t Au; and 95m @ 3.3% Cu & 0.6g/t Au.** Several drill holes 100m to the north, east, and southeast contain

“visual copper mineralisation---assays are pending---metallurgical testwork and resource modelling are underway”.

Earlier reporting by Teck Cominco in late 2006 has stated drill intersections at Carrapateena as being: 836m @ 0.9% Cu & 0.5g/t Au, and in another hole 303m @ 1% Cu & 0.6g/t Au.

The Carrapateena discovery is open at depth (i.e. drilling stopped in mineralisation).

2.4.3.1 Exploration History of Carrapateena

The following exploration history is taken from Fairclough (2005) soon after the discovery of Olympic Dam, Carpentaria Exploration & Seltrust drilled two holes on a gravity high at Salt Ck, 100km to the southeast and adjacent to Carrapateena.

SASC 04 was completed at 1200m and intersected hematite-sericite Donington Suite rocks from 520m to the end of hole at 1200m. Preservation of this core at the State government department Primary Industries & Resources South Australia (PIRSA) provided information for later explorers: RMG Services Pty Ltd was granted an exploration licence in 1996 over the Carrapateena area and in 2003-2004, a joint venture between MIM Exploration Pty Ltd, Terramin Australia Ltd, & RMG Services carried out gravity surveys to confirm the Carra-East gravity anomaly. MIM completed six 5km lines of 3D IP MIMDAS (proprietary method) over the anomaly. MIMDAS anomalies were indicated at the northern end of two lines, and MIM concluded that the anomalies were unexplained and of interest. Corporate issues related to the takeover of MIM by Xstrata led to the withdrawal of MIM from the project. Terramin also subsequently withdrew.

Consultants to RMG noted many geophysical similarities to Olympic Dam: broadly coincident gravity & aeromagnetic anomalies. Techniques utilised in the discovery of Prominent Hill by Minotaur Exploration in 2001, such as 3D geological inversion of geophysical data proved as equally encouraging and illuminating at Carrapateena, and revealed similarities to the known deposits.

A slight offset between gravity (~4mgal) peaks & magnetic peaks was apparent, possibly reflecting hematite-magnetite zonation in the hydrothermal system (as at Prominent Hill).

In February 2005, RMG originally proposed four holes to be jointly funded by PIRSA, later reduced to two holes; to test firstly the aeromagnetic & gravity anomalies, and secondly the MIMDAS anomaly. The proposed second hole was drilled first (CAR001) commencing in March 2005 with a RC precollar to 240m that terminated within cover sequence shale; the diamond tail intersected a broad zone of basaltic rocks, but no significant mineralisation, and was completed at 571m. Steely hematite and crackle breccias were logged.

CAR002, drilled vertically several hundred metres south of CAR001, had a precollar to 299m, also within younger shale, and the diamond tail was completed in June 2005 to a depth of 654m. The hole intersected a sequence of variable intensity hematite alteration, sulphide development & brecciation over the 185m basement interval to the end of hole.

The altered zone consisted of an upper zone of bornite-rich breccias, bornite stringers & minor chalcocite near the top of the zone (~476m to 549m), a central zone of more gneissic & granitic material, and a lower zone of dominant chalcopyrite (607 to 654m). The mineralised zone consisted of a fine to medium grained milled breccia, with colloform banded sulphidic veins, in highly altered material containing ultramafic clasts-possibly a diatreme breccia.

Overall the hole assayed 178.2m @ 1.83% Cu, 0.64g/t Au, 0.21% Ce & 0.13% La. From 476m to 549m: an **intersection of 73m @ 2.89% Cu & 0.4g/t Au** was obtained.

The Carrapateena discovery confirmed that ore grade intersections exist along the regional strike in both directions from Olympic Dam, and that IOCG mineralisation is persistent for several hundred kilometres within this part of the Gawler Craton.

As Fairclough states: “the eastern margin of the Gawler Craton remains highly prospective for further discoveries, as do other parts of South Australia affected by the large scale, early Mesoproterozoic thermal event.”

2.5 Olympic Dam (BHP-Billiton)

Two of the Crescent Gold joint venture projects (South Vivian and Oak Dam/Cocky Swamp) are within a 100km distance from the giant Olympic Dam IOCGU deposit which has an announced **total resource of 4,430Mt at 1.1% Cu, 0.4kg/t U3O8, 0.5g/t Au and 2.2g/t Ag** (BHP-Billiton 2006);

Stated ore reserves at Olympic Dam total 374Mt @ 2.1% Cu, 0.7kg/t U3O8, 0.8g/t Au and 4.5g/t Ag (BHP-Billiton 2006).

The above resource statement (BHP-Billiton 2006) is based on the results of 249 diamond holes for a total of 191,513m of drilling. The vast increase in the resource size has initiated the study into the feasibility of the Olympic Dam expansion project which will take the current underground operation into open pit production with the ultimate pit size being as big as Escondida in Chile (BHP-Billiton, 2007).

It is worthwhile to put down a short summary of the discovery history of this giant deposit: the following is taken from BHP-Billiton’s web site:

During the 1970’s Western Mining Corporation (WMC) established a project generation team which had targeted South Australia for giant, sediment-hosted (Zambian Copperbelt-style) copper deposits derived from mafic (basaltic) basement. This project team was led by Mr David O’Connor. The

Stuart Shelf was selected as it was crossed by major crustal lineaments and regional gravity and magnetic data indicated that there may be significant volumes of mafic volcanic rocks.

In June 1975 an exploration drilling program commenced over the two main coincident magnetic-gravity anomalies selected by the team for drill testing: Olympic Dam and Acropolis, at Roxby Downs Station.

RD1 drilled through 335m of flat-lying Proterozoic & Cambrian sedimentary rocks before passing through an unconformity and then into hematite-altered basement rocks. The WMC model (for leachable copper extracted from the mafic volcanic source rocks) supposed that the copper mineralisation be in the overlying sedimentary sequence, but the drill intersection showed fine grained hypogene chalcocite in the basement:

RD1 assayed 38m @ 1.05% Cu.

Subsequent drilling at Roxby Downs by WMC resulted in “discovery hole”:

RD10 intersecting 170m @ 2.12% Cu & 0.58kg/t U3O8!

Following underground development into the orebody circa 1985-1987, it became apparent that the mineralisation was not strata-bound, and that it was hosted in a highly variable magmatic-hydrothermal breccia complex that displays multiple brecciation, diatreme intrusions, mafic to ultramafic dyke intrusions, along with interpreted gravity collapse of high level volcanic edifice material. This discovery established the class of Iron Oxide Copper Gold (Uranium) IOCG deposits, now known to occur throughout the world (e.g. Candelaria in Chile, Kiruna in northern Sweden, and Ernest Henry in north Queensland), genetically related to metal enriched, anorogenic granitic intrusions and upper-mantle thermal plumes.

The giant Olympic Dam deposit is closely related in time and space with the Hiltaba Suite of granitic rocks dated at ~1590Ma, and more specifically the fractionated and oxidised Roxby Downs subsuite at 1588Ma (BHP-Billiton 2007).

The main lithologies at Olympic Dam comprise a continuum of breccias starting with inchoate granite breccia outside the margins of the breccia pipe complex, then into granite clasts set in subordinate hematite matrix, progressing into the centre with milled clasts and rock flour all hematite altered set in a hematite matrix. The principal gangue minerals are hematite, sericite & quartz, with minor siderite, chlorite, fluorite, and barite.

The dominant sulphide minerals are chalcopyrite, bornite, chalcocite and pyrite. Minor sulphides include carrolite, cobaltite, galena, sphalerite and molybdenite. Other minerals include native copper, electrum, Ag-, Hg-, Pb-, Bi-selenides & tellurides. The trace Ni and Co contents, together with the presence of mineralised ultramafic dykes may indicate an upper mantle source for the metals emplaced into the upper levels of the diatreme breccias at Olympic Dam

The uranium at Olympic Dam occurs mainly as pitchblende co-existing with copper sulphides ±fluorite±barite; rare uraninite euhedra, minor amounts of granular coffinite in close association with pitchblende, or rarely brannerite with trace amounts of uranium in zircon, monazite, florencite & bastinite. Rare uraninite euhedra occur as inclusion trails in copper sulphides.

A detailed account of the geology and ore genesis of Olympic Dam is given in The Geology of South Australia, Vol.1 Bulletin 54 of the South Australian Geological Survey; Drexel, J.F., Preiss, W.V., & Parker, A.J. 1993.

An earlier, detailed account of the Olympic Dam deposit is given in the Geology of the Mineral Deposits of Australia and PNG, 1990 (ed. Hughes, F.E., see Reeve, J.S., Cross, K.C., Smith, R.N., & Oreskes, N. pages 1009 to 1035.

A good summary of the ore deposit formation history at Olympic Dam is as follows: mafic and felsic magmas invaded the active hydrothermal system, producing phreatomagmatic explosions (steam-magma reactions) and localised diatreme eruptions. The system appears to have repeatedly vented at the surface, creating a composite, nested eruption/collapse crater (maar volcano). The resulting epiclastic rocks, consisting of reworked hydrothermal eruption breccias & GRV volcaniclastics, accumulated in the crater complex, and were subsequently incorporated into the underlying breccias by collapse and subsidence.

The crater and associated ejecta blankets were eroded prior to the deposition of the Tregolana Shale, but small and large scale remnants are preserved within the sub-crater breccias.

2.6 Global Gold Endowment in the Gawler Craton

The Gawler Craton of South Australia now ranks as one of the great gold provinces of Australia; rivalling the Eastern Gold Fields of the Yilgarn Craton (Western Australia) in total known endowment:

Ore Deposit	**Contained gold within Proven & Probable Reserves and Indicated & Inferred Resources**	**Source of Information**
Olympic Dam	71.22Moz*	BHP-Billiton, 2006
Challenger	1.96Moz	Dominion Mining, 2007
Prominent Hill	2.77Moz	Oxiana Ltd, 2007

** this figure does not take into account past gold production; whereas the Challenger endowment includes past production (Dominion Mining Ltd, 2007).*

Total contained gold= 75.955Moz*

2.7 Crescent Gold Ltd Exploration Program in South Australia

Crescent Gold Ltd, through its 100% owned subsidiary Uranium West Pty Ltd, has an approved exploration budget of AUD$1.91M to meet the expenditure commitments on the South Australian joint venture tenements in year 2007 and on into mid-year 2008 (i.e. a 12 month budget through to the end of June 2008).

This budget will be allocated to carry out the work programs on the joint venture tenements: the expenditure will cover the cost of carrying out drill testing of the geophysical anomalies generated by Southern Gold Ltd & Southern Uranium Ltd on behalf of the joint venture.

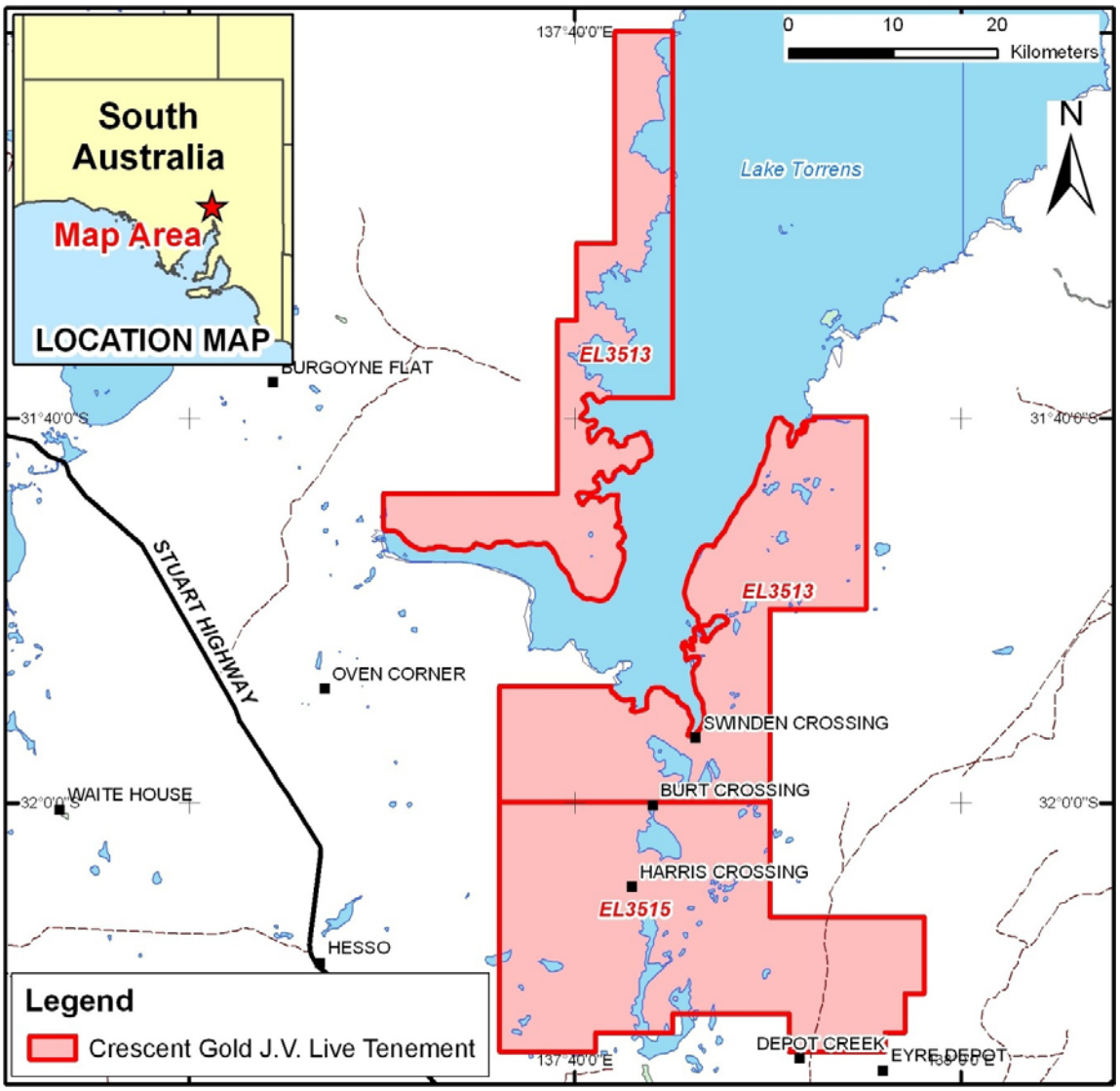


Figure 8
Torrens South tenement location plan

2.7.1 South Torrens Project: EL3513 (Torrens South) and EL3515 (Harris Crossing)

The South Torrens project (see Figure 8 above) holds potential for uranium deposits associated with IOCG-style mineralisation. The project area lies on the margin of the GRV in a zone that contains shallow, sub-volcanic igneous intrusions related to the Hiltaba Suite felsic magmas & IOCG-Uranium mineralisation at Olympic Dam & Carrapateena.

Depth to basement appears to be deep in places (i.e. >500m) but previous drilling into the Neoproterozoic Beda Volcanics in drill hole YAD2 indicates the possibility of shallower fault-bounded up-lifted blocks in the basement terrain.

Existing gravity data shows several anomalies with potential IOCG-Uranium targets which warrant follow-up work comprising detailed gravity surveys: see Hawke (2007).

The Torrens South area may also have potential for unconformity-related roll front uranium deposits at the base of the Pandurra Formation.

2.7.1.1 Previous Exploration History

Mineral exploration carried out since 1963 has focussed on copper-gold & uranium (as IOCG deposits) and uranium in secondary roll front deposits.

WMC explored for Olympic Dam style IOCG-Uranium and for unconformity-related uranium deposits from 1977 to 1981. WMC's leases were located mainly to the north and west of the project. WMC defined and gridded coincident magnetic & gravity anomalies, followed by drill testing of the gravity features. The drilling in the vicinity of the South Torrens project area was limited to two holes: NHD1 & WHD1.

NHD1 was located 15km northwest of the South Torrens area, and was planned to test the stratigraphy and extent of the Beda Volcanics: the drill hole did not intersect the Beda Volcanics; the hole drilled through sericite-hematite altered granitic gneiss (Palaeoproterozoic basement) at a depth of 504m.

Drill hole WHD1 was sited 12km west of the South Torrens area and was planned to test one of two elongate magnetic anomalies at Whittata Hill. WHD1 intersected metamorphosed Palaeoproterozoic meta-sedimentary rocks and meta-volcanics from 632 to 684m: the magnetic anomaly remained unexplained.

Delhi Petroleum Pty Ltd (Delhi) and joint venture partners explored for Olympic Dam-style deposits from 1977 to 1987: Delhi carried out aeromagnetic and radiometric surveys, high resolution seismic reflection surveys, and gravity surveys. Delhi also drilled eleven deep diamond holes, from which they reported trace amounts of Cu, Pb, Zn, & U in basement rocks beneath a thick sequence of Stuart Shelf Adelaidean strata. Hole BDH3 intersected GRV rocks from 1391 to 1406m; SLT 103 intersected GRV from

616 to 750m; and hole SLT 107 intersected GRV from 809 to 1099m. Delhi's work also included regional litho-geochemical studies of basement igneous rocks; and thermoluminescence work on Pandurra Formation drill core aimed at identifying the passage of U-bearing solutions.

The South Australian Department of Minerals & Energy (SADME) made a geophysical interpretation of Delhi's lease area south of Lake Torrens in 1981. SADME interpreted the presence of a shallow horst block of gneissic southeast of Lake Torrens, but concluded that the Shelf's sedimentary sequence was over 1,600m deep. Dehli Hole YAD1 ended at 656m in Neoproterozoic sedimentary rocks at 656m, which did not substantiate the shallow horst interpretation. However YAD 2 reached Beda Volcnaics at only 175m depth, compared to 775m depth to the Beda in SLT 104, 10km to the west: showing that there is probably significant vertical displacement of Stuart Shelf strata in this area.

Oilmin NL explored for Olympic Dam-style deposits on the Harris Crossing tenement in 1978-79. Oilmin investigated a subtle regional gravity high, carrying out detailed gravity, as well as ground magnetics, radiometrics and track etch surveys. Oilmin defined the peak of the anomaly as being centred two km northwest of Baker Dam but considered the target did not warrant drilling.

Mount Isa Mines Ltd (MIM) explored for Olympic Dam-style deposits on the Harris Crossing tenement from 1983 to 1986. MIM further investigated the gravity anomaly at Baker Dam, undertaking gravity and magnetic surveys, which did not replicate the anomaly two kilometres northwest of Baker Dam. However, MIM identified another, north-northwest trending, steep-sided, three milligal gravity anomaly, a few kilometres east of Baker Dam. This anomaly had no magnetic response.

Diamond drill hole SABD 1, drilled by MIM to test the predicted gravity source between 300 and 500 metres, was terminated in Beda Volcanics at 803 metres, without intersecting the source of the gravity high.

Mara Pty Ltd (Mara) explored for IOCG-Uranium deposits adjacent to southeast Lake Torrens, from 2001 to 2002. Mara reviewed available magnetic data and identified several anomalous features, which they followed up with detailed gravity surveys. Mara found most of the magnetic features were linear, dyke-like bodies. Although they interpreted several to be of possible volcanic origin, they selected no drilling targets.

Avoca Resources Ltd (Avoca) targeted Olympic Dam style-IOCG deposits, from 2002 to 2004. South of Lake Torrens, in the Harris Crossing tenement, Avoca identified several gold and copper anomalies in the partial leach samples. However, Avoca considered the interpreted basement depth of more than 500 metres too deep to warrant drilling.

In mid 2006, **Southern Gold Ltd** conducted a gravity survey, collecting 1,156 readings on a 1 km x 1 km grid covering about 1,000 square kilometres. The processed and imaged data indicate a continuation of the southeasterly

trending Groundhog gravity feature from the adjacent Punt Hill exploration licence, which is being drilled by Monax Mining Ltd.

2.7.1.2 Proposed Exploration Program: EL3513 & EL3515

Once initial geophysical modelling and assessment are complete, Southern Gold Ltd (as operator of the joint venture) will conduct detailed, infill gravity surveys of the anomalies to define drill target depths and locations.

Southern Gold Ltd also plans to undertake a detailed aeromagnetic interpretation to identify IOCG-Uranium targets that may have been brought to shallower depths on fault-bounded structural highs, like the one intersected in the past by drill hole YAD 2.

In detail, the work will be carried out as following:

2.7.1.2.1 Additional gravity surveys

The acquisition of additional gravity data by the joint venture partners is recommended to help better define gravity anomalies associated with Targets 4, 5 and 6.

- Infill 250m gravity over the Target 4 gravity anomaly and the small gravity target to the east of Target 3.

- Collection of new 1x1 km gravity over the gravity low (Hiltaba Granite) in the Target 5 area. Collection of these data is recommended to replace historic data, some of which is of suspect quality.

- Infill 250m gravity over Target 5 and hematite alteration targets to the south of the interpreted Hiltaba Granite (5A & 5B).

- Infill 250m gravity over Target 6 to replace the three historic surveys which appear to have some leveling problems.

- Following the collection of this new data, remodeling of the gravity to refine the target depths will be carried out.

2.7.1.2.2 Drilling

A summary of the drilling targets discussed in this report is presented in Table 2. These targets have also been assessed with a priority in light of the results of the modelling, particularly with regard to the estimated depth to the stratigraphic target - Gawler Range Volcanics. In this table the “Model depth” refers to the modeled depth of the density source for the primary gravity anomaly. Where this source has been interpreted to be the Beda Volcanics, a nominal 300m has been added to give a target depth for the GRV.

Table 1: List of revised drilling targets-South Torrens

Priority	Name	Approx Hole Depth	Model depth	GRV depth	Area	Line	Point *	GDA East	GDA North
1	Target G5	900	300-400m	700m	1	2	4400	751220	6487110
1	Target 3	800	150m	450-(1400)m	3	1	2200	762570	6466100
1	Target 4a	600	300m	300m (?)	4	3	6000	766270	6464160
1	Target 5	800	400-500m	400-500m	5	1	8600	751800	6452400
1	Target 1	1000	300-500m	600-800m	1	6	5800	756170	6483500
2	Target 2	1000	850m	850m	2	2	5900	771090	6480000
2	Target 4	1000	1000-1200m	1000-1200m	4	1	7300	767340	6468390
2	Target 6	1000	850-900m	850-900m	6	1	4000	756000	6437170
3	Target G6	1000		800m	1	UBC		752070	6493040
3	Target G7	1000		800m	1	UBC		753520	6500520
?	Target 5A pending add. grav		200-300m	200-300m	5	2	3200	753600	6447000
?	Target 5B pending add. grav		200m	200m	5	2	1200	753600	6445000

Five priority 1 targets are selected as:

- Target G5, targeting GRV at 700m depth along strike from Monax Mining's Groundhog mineralisation.
- Target 3, testing for shallow GRV basement beneath Beda Volcanics drilled at 175m depth in Yadlamalka 2.
- Target 4A, a shallow linear anomaly to the east of the Target 3 trend which represent hematite alteration.
- Target 5, which may represent a localised hematite alteration halo surrounding an interpreted Hiltaba Granite.
- Target 1, targeting high amplitude anomaly with GRV at 600-800m depth along strike from Monax Mining's Groundhog mineralisation.

A further three priority 2 targets are selected where the GRV target is interpreted at a depth between 800 and 1000m. 5A and 5B are also of significant interest and may be proposed for drilling once these targets have been refined by newly acquired data.

The above recommendations are taken from Biggins (2007).

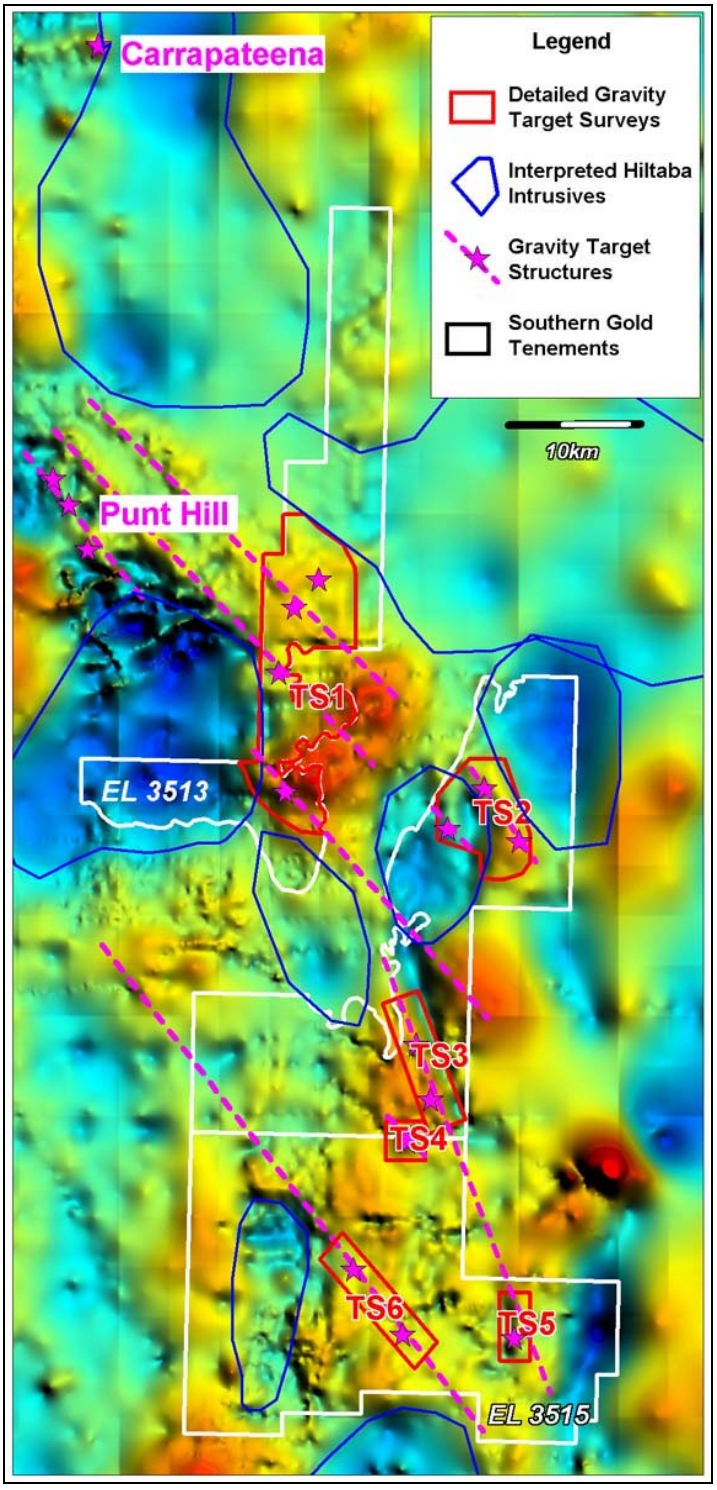


Figure 9
Torrens South project area: summary geophysical map (from Hawke 2007).

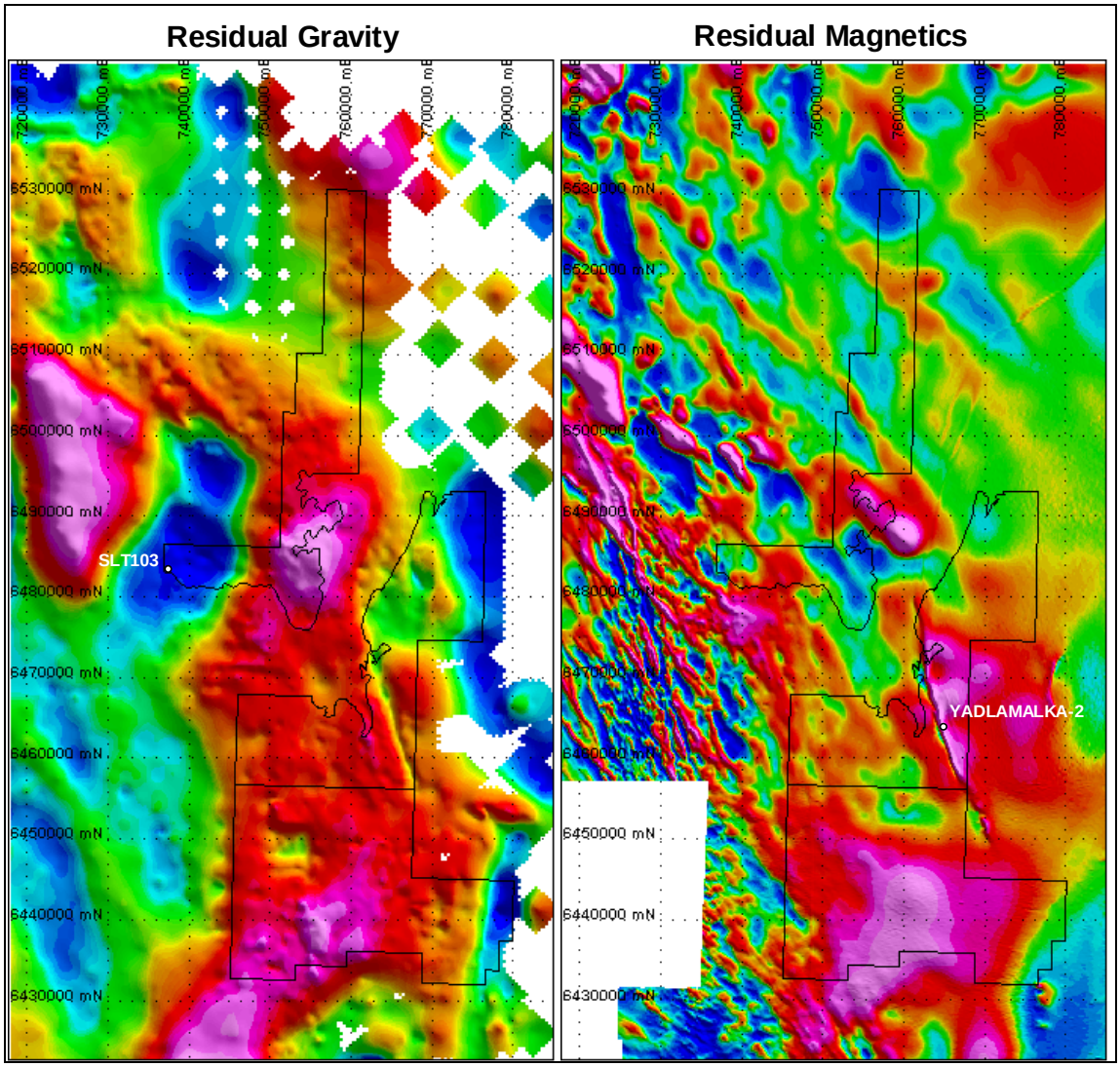


Figure 10
The residual gravity (LHS) and residual magnetics over the Torrens South project area: the tenement boundaries are shown by the black outlines (from Hawke 2007).

The simple interpretation of the above data is that the broad arc of high gravity data response covering the bulk of the project area represents a thick raft of dense Gawler Range Volcanics (GRV); whilst the gravity lows represent Hiltaba Suite granitoid bodies.

This interpretation model has been shown to be an oversimplification by Delhi's hole SLT103 located near the centre of one of the large gravity lows on the western margin of the Lake Torrens tenement: the hole failed to intersect granite but did hit GRV at a depth of 616m-shallower than most other holes nearby (Hawke 2007).

Torrens South Target Areas

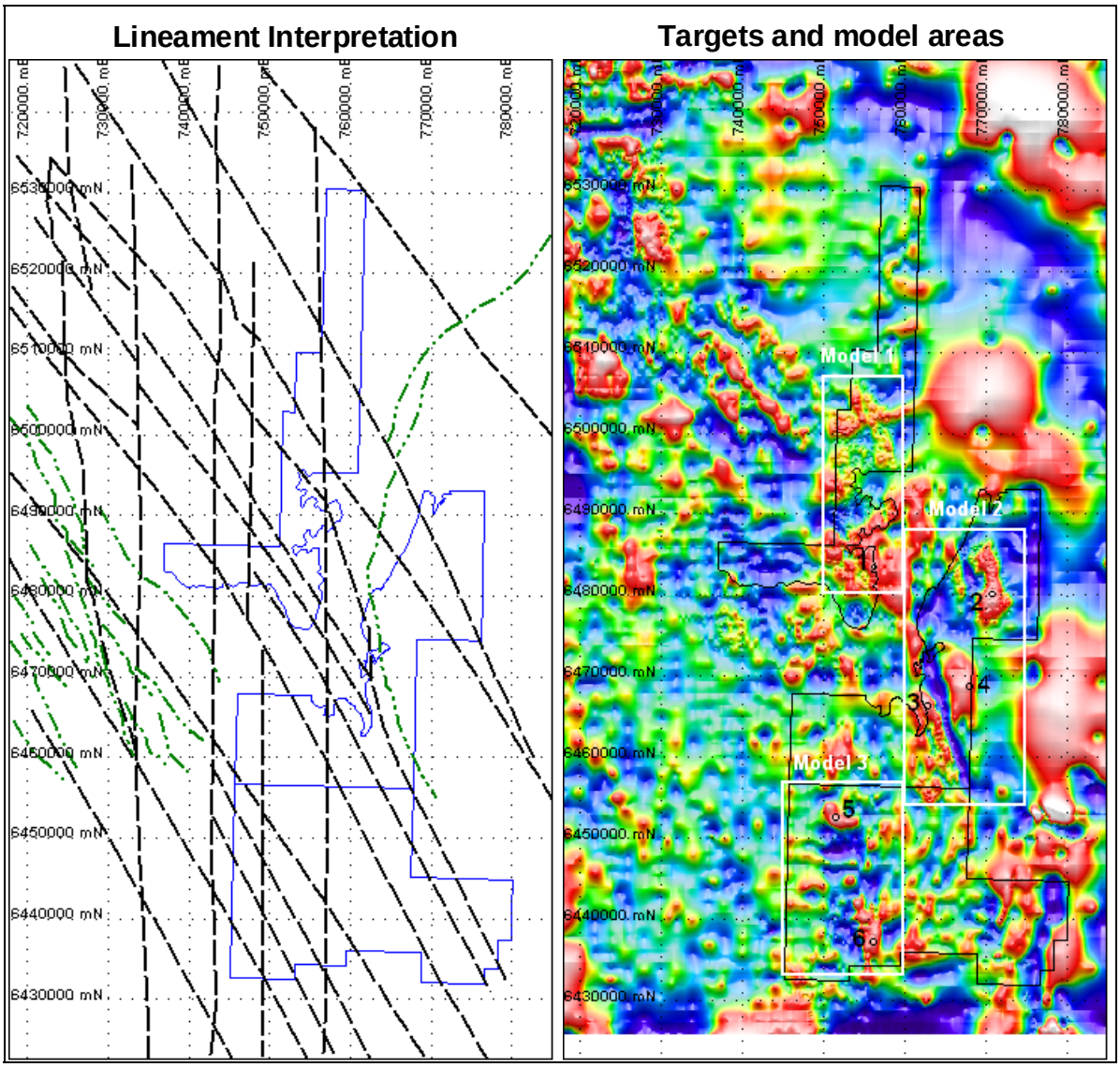


Figure 11
Summary lineament interpretation map (black = faults, green = dykes), targets and the location of UBC model areas (from Hawke 2007).

Target 1 represents the apex of a regional 7 mGal gravity high, and coincides with a residual gravity anomaly of about 1.2 mGal amplitude. The feature is along strike from Punt Hill's mineralised Groundhog gravity trend. Gawler Range Volcanics were intersected at a depth of 1380m in the nearest historic drill hole SLT101, located 2.5 km to the northwest.

2.7.1.3 Comparison of Torrens South with Carrapateena

For comparison, residual magnetic and gravity images over Teck-Cominco's **Carrapateena** prospect from the available data are shown below in Figure 12. The mineralisation coincides with a roughly circular, 750m diameter magnetic anomaly of 11nT amplitude adjacent to a broader magnetic high. It is assumed that the magnetic anomaly is directly related to the hematitic breccia associated with the mineralisation.

The available gravity data over **Carrapateena** is spaced on a 500m by 1000m grid. A gravity high over the deposit is interpolated from four stations of lower gravity value that surround it. As such, the actual size and amplitude of the peak gravity response is poorly defined from these data. Additional (confidential) gravity data was collected on a 400m by 400m grid over Carrapateena by MIM Exploration in 2003 (Vella and Cawood, 2006). These data define a 2 mGal anomaly coincident with the magnetic anomaly.

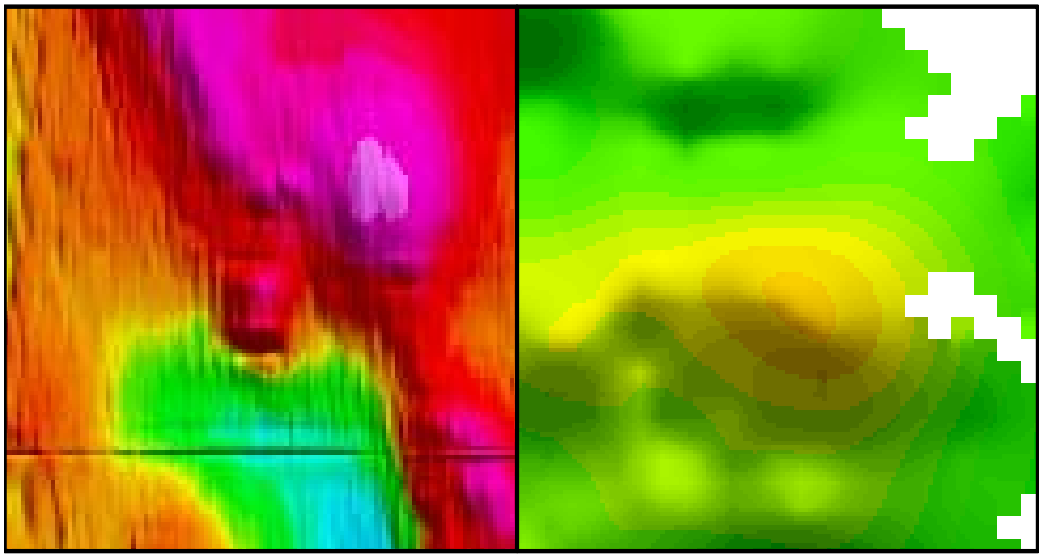


Figure12
Magnetic 1st VD (left) and Bouguer gravity (right) images over the Carrapateena prospect-width of view is about 6km.

In addition to the potential field data, six lines of IP and resistivity data were also collected by MIM Exploration using a pole-dipole configurations and a 200 m dipole spacing (Vella and Cawood, 2006). Interpretation of the resistivity data identified a deep (~400-500 m) conductive feature roughly coincident, or slightly to the north of, the coincident gravity and magnetic anomalies. The IP data was considered ambiguous, with a number of unexpected chargeable sources identified at shallower depths (within the cover sequence): from Hawke 2007.

2.7.1.4 Inversion and Forward Modelling of Geophysical Data

Inversion modelling was carried out on three blocks of data (location shown in Figure 12: RHS) using the “mag3D” inversion algorithm developed by the University of British Columbia (Li and Oldenberg, 1996). The first vertical derivative of the gravity data was used as the data input, with the direction of the inducing magnetic field assumed to be vertical. While this process will not provide meaningful units, it is only out by a linear scaling factor and is recommended as a valid method of inverting gravity data by the authors of the code (Li and Oldenburg, 1998).

Input for the inversion models was the compilation of gravity data gridded to a 400m cell size. The model mesh was made of voxels of 400m by 400m by 100m and default inversion parameters were used. This grid cell size was

chosen partly for expedience in processing time but also to help smooth out some of the minor levelling busts between different surveys which are blown out by pre-processing of the data to a first vertical derivative.

Selected profiles of data were also forward modelled using Modelvision as a method of independently assessing the inversion results. Input gravity, topography (and magnetic) data were extracted as profiles from the total field grids of the data.

In the vicinity of Target 1, a total of six parallel lines of data were extracted for modelling, separated by a spacing of approximately 500m or 1000m (Figure 13). A regional gravity field was assigned by fitting a user-constrained 4th order polynomial surface to all of the lines of data. One single model was created to fit all of these lines of data:

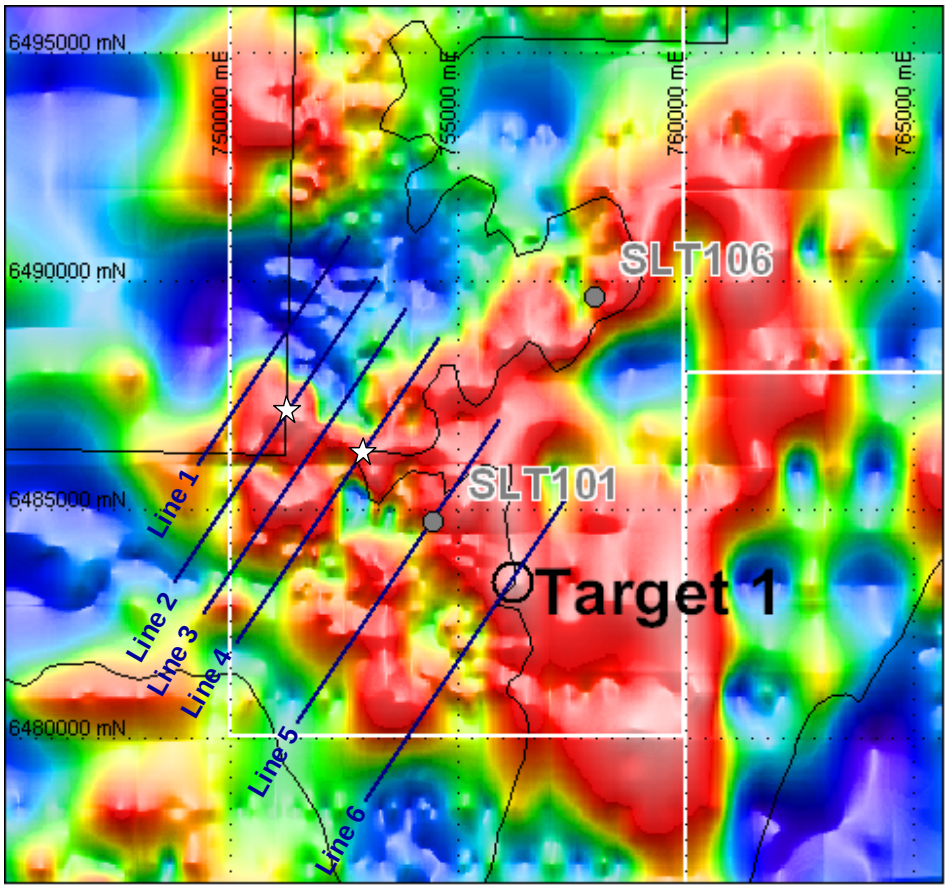


Figure 13
location of modelled sections over the Target 1 area overlain on a 1500m gravity residual image. Preferred drill collars are shown as white stars (from Hawke 2007).

On the one section where there is drilling information available (Line 5), the modelled density source from both Modelvision and the University of British Columbia (UBC) inversion correlates with the intersection of Beda Volcanics.

Modelled depths of the source of the Target 1 anomaly (Line 6) are not consistent between the Modelvision and UBC code, with Modelvision returning a shallower result (possibly due to problems with assigning the

regional, or errors in the derivative input to UBC). Assuming the density source is due to the Beda Volcanics, the Gawler Range Volcanic target might be expected to be intersected at a depth of somewhere between 600m (Modelvision) and 1300m (UBC). Preferred drilling targets in this area have been selected where both the Modelvision and UBC models predict a shallow density source. These are located on Lines 2 & 4, as shown in Figure 5. The target depth for both of these sites is estimated to be approximately 700m (400m to Beda Volcanics, plus an additional 300m to reach the GRV).

In order to be able to quickly assess the results of the UBC inversions over the three modelled areas, contours of the iso-surface value of 0.01 inversion units were created at depths of 400, 600 and 800m. While a firm correlation between these contours and the depth to any particular stratigraphic horizon is yet to be established, it provides a simple visual tool to provide a relative ranking on the expected depth to the selected targets (Hawke 2007)

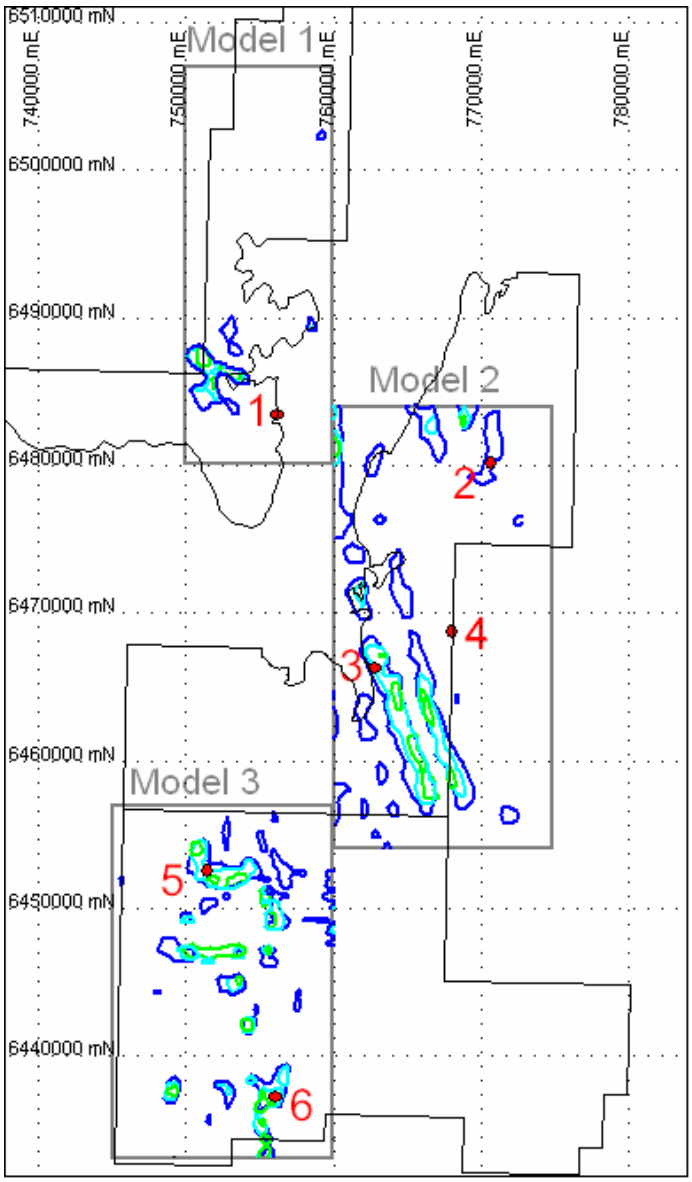


Figure 14
Iso-surface contours of UBC modelling results to simulate various depth to density source: Beda Volcanics? Green=400m;

cyan=600m; Blue=800m

From this data Hawke has interpreted that Targets 3, 5 & 6 are ranked most likely to intersect a shallow GRV target at possible depth of 700m.

Hawke suggests that Target 2 might reach the GRV at a depth of 1100m; and that Target 4 is unlikely to intersect the GRV with a drill hole less than 1300m deep.

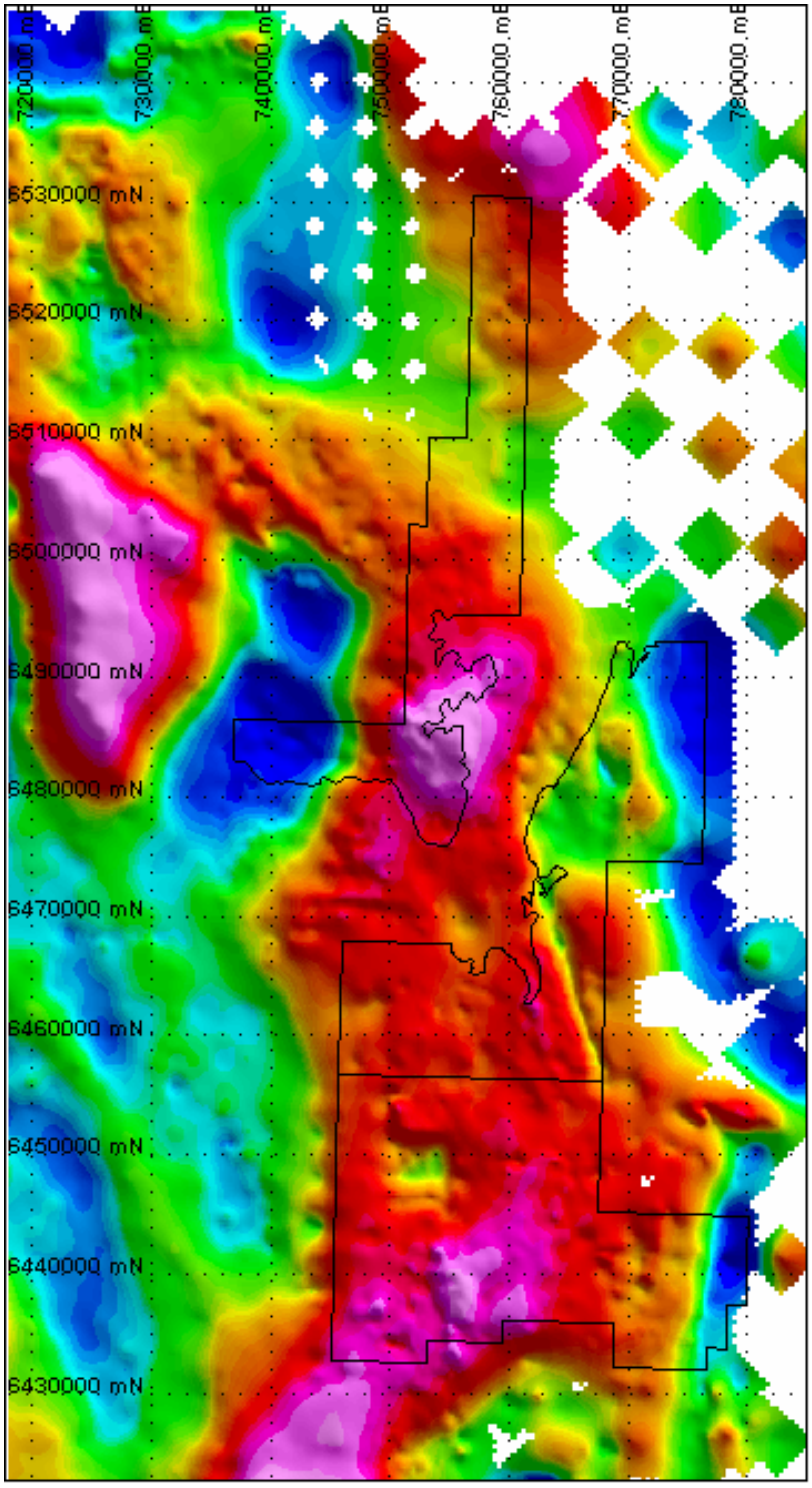


Figure 15
Torrens South residual terrain corrected gravity (from Hawke 2007).

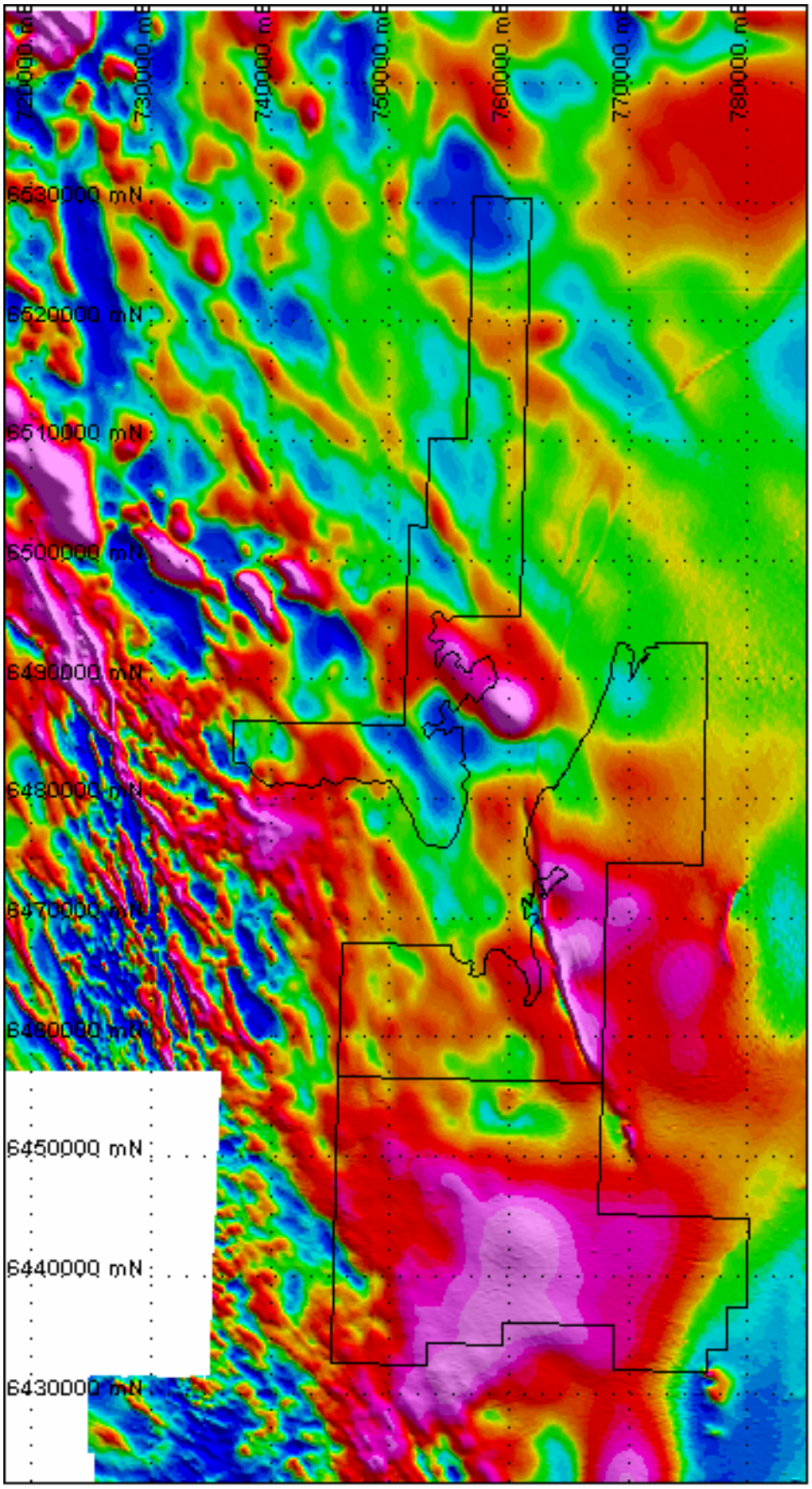


Figure 16
Torrens South residual total magnetic intensity
(grid range 535nT-from -135nT to 400nT (from Hawke 2007).

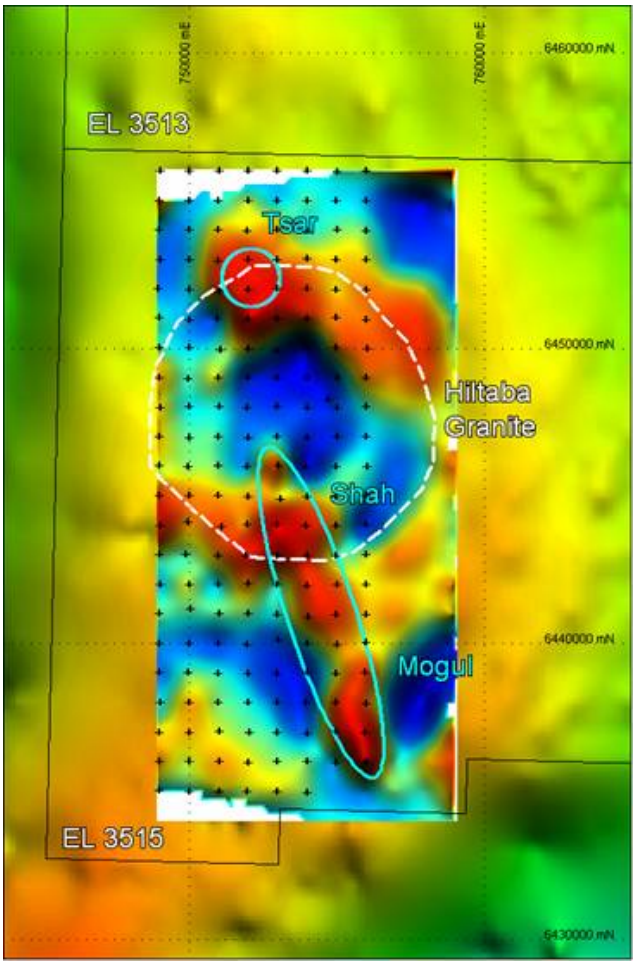


Figure 17
Hiltaba Granite ring feature within Torrens South EL3515



Figure 18
The collar position of the proposed drill hole into Target 3 (renamed Magnate-see Biggins 2007).

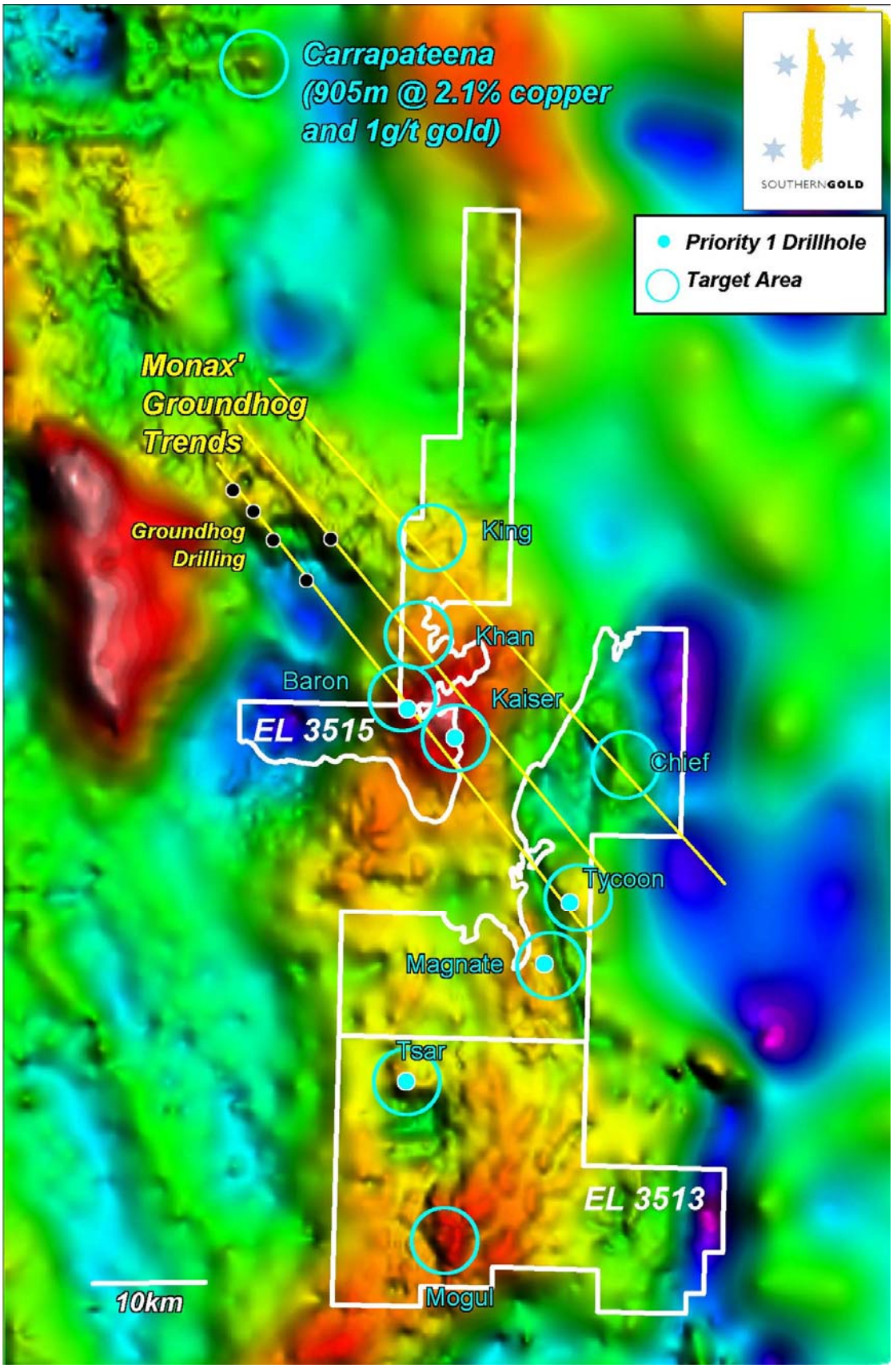


Figure 19
The drill hole position (Target 3-renamed Magnate) within EL3515

2.7.2 Oak Dam Project: EL 3603

The licence area covers 174km², and is located about 50km south of Olympic Dam; the project contains the prospect known as Cocky Swamp.

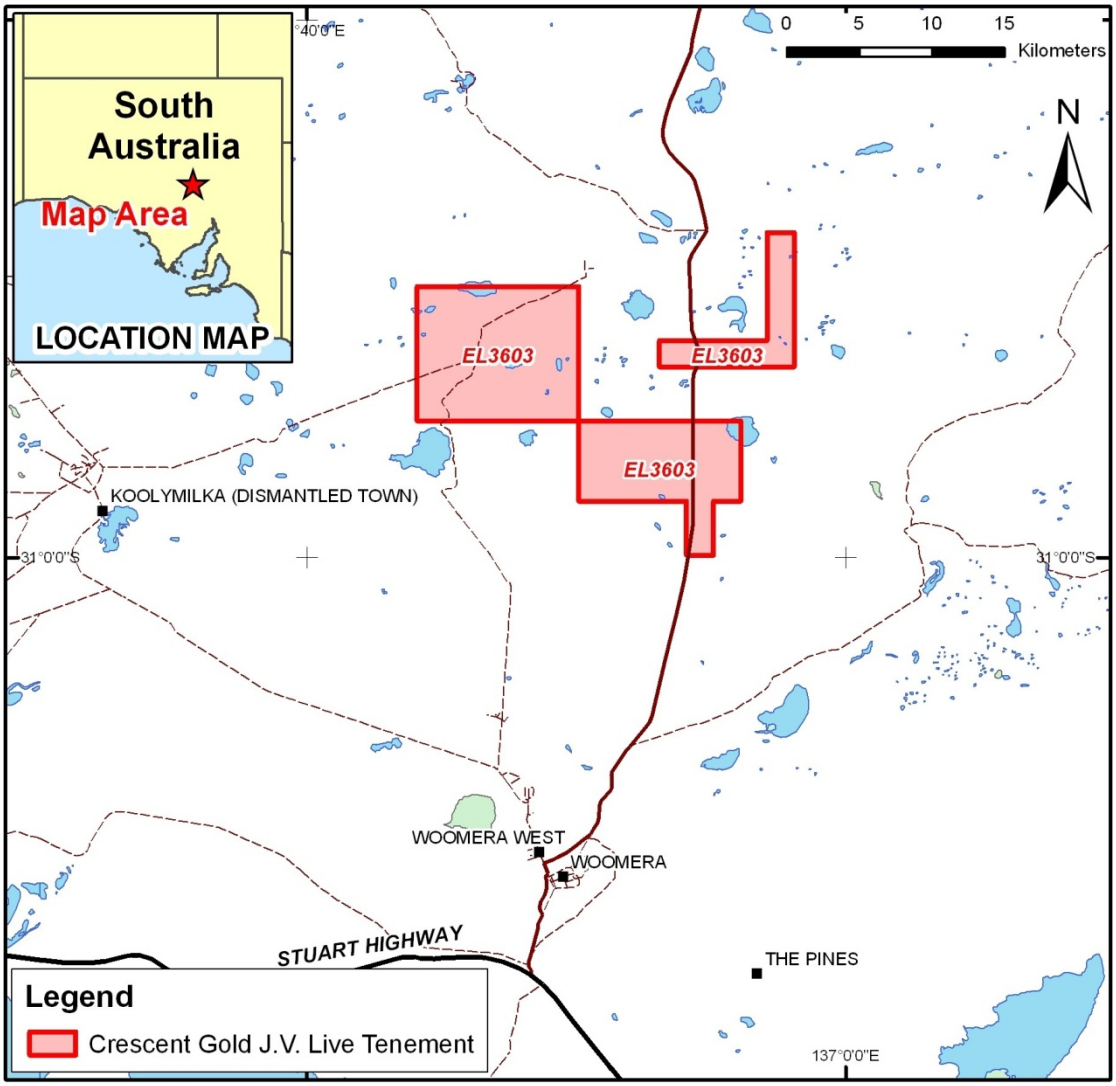


Figure 20
Location of the Oak Dam Project.

Oak Dam holds potential for uranium-copper-gold deposits associated with IOCG-style mineralisation. The project lies on the margin of the Gawler Range Volcanics in a zone that occupied a shallow, sub-volcanic igneous environment during the time of Hiltaba Suite intrusion & emplacement with related IOCG-Uranium mineralisation (as at Olympic Dam and Carrapateena).

Oak Dam may also have potential for unconformity related uranium deposits associated with the unconformity at the base of the Pandurra Formation, although depths could be considered excessive.

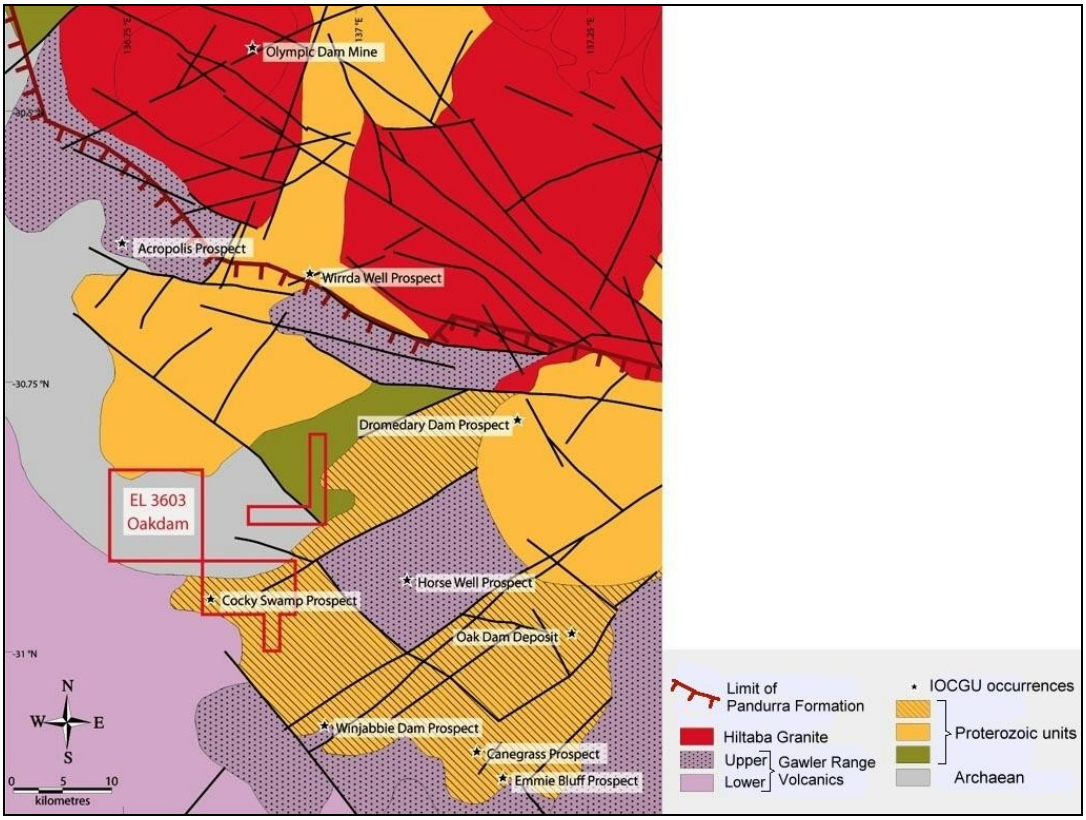


Figure 21
Location map and regional geology at Oak Dam.

2.7.2.1 Previous Uranium Exploration

Exploration in the Oak Dam project region since 1966 has targeted IOCG-Uranium and unconformity-style uranium deposits, as well as other commodities.

Western Mining Corporation Ltd (WMC) explored for IOCG-Uranium and unconformity uranium deposits from 1976 to 1981, with the primary target being Olympic Dam style IOCG-Uranium.

Within the Oak Dam project area, WMC drilled hole CSD 1 at **Cocky Swamp Dam**, in 1980. The hole was sited to test a 2km wide, 2mGal gravity anomaly coinciding with an east-west trending 500nT magnetic anomaly lying on the edge of the Arcoona gravity structure. CSD 1 intersected low grade copper sulphide mineralisation in iron-oxide-altered sediments and possible volcanics at depths of between 898m and 980m. Pyrite and chalcopyrite dominated the sulphide minerals, occurring as disseminations and aggregates, as well as in magnetite-rich veins. The best intercept returned **2 metres @ 1.05% Cu**. Basement lies beneath 865 metres of Neoproterozoic and Mesoproterozoic sediments.

Seltrust Mining Corporation Ltd (Seltrust) and Mount Isa Mines Ltd (MIM) explored mainly to the northwest, west and southwest of the project, between 1977 and 1986. The target was base metals, including Olympic Dam style IOCG-Uranium deposits. No specific targets were investigated in the project area.

2.7.2.2 Proposed Exploration Program

The Uranium West/SAUL joint venture will investigate two gravity anomalies indicated by existing, relatively wide spaced surveys.

Following detailed gravity surveys, these anomalies will be evaluated as potential drill targets. The joint venture will also examine the **Cocky Swamp** prospect in more detail, seeking to identify additional targets within the substantial hematite alteration zone indicated by WMC hole CSD 1.

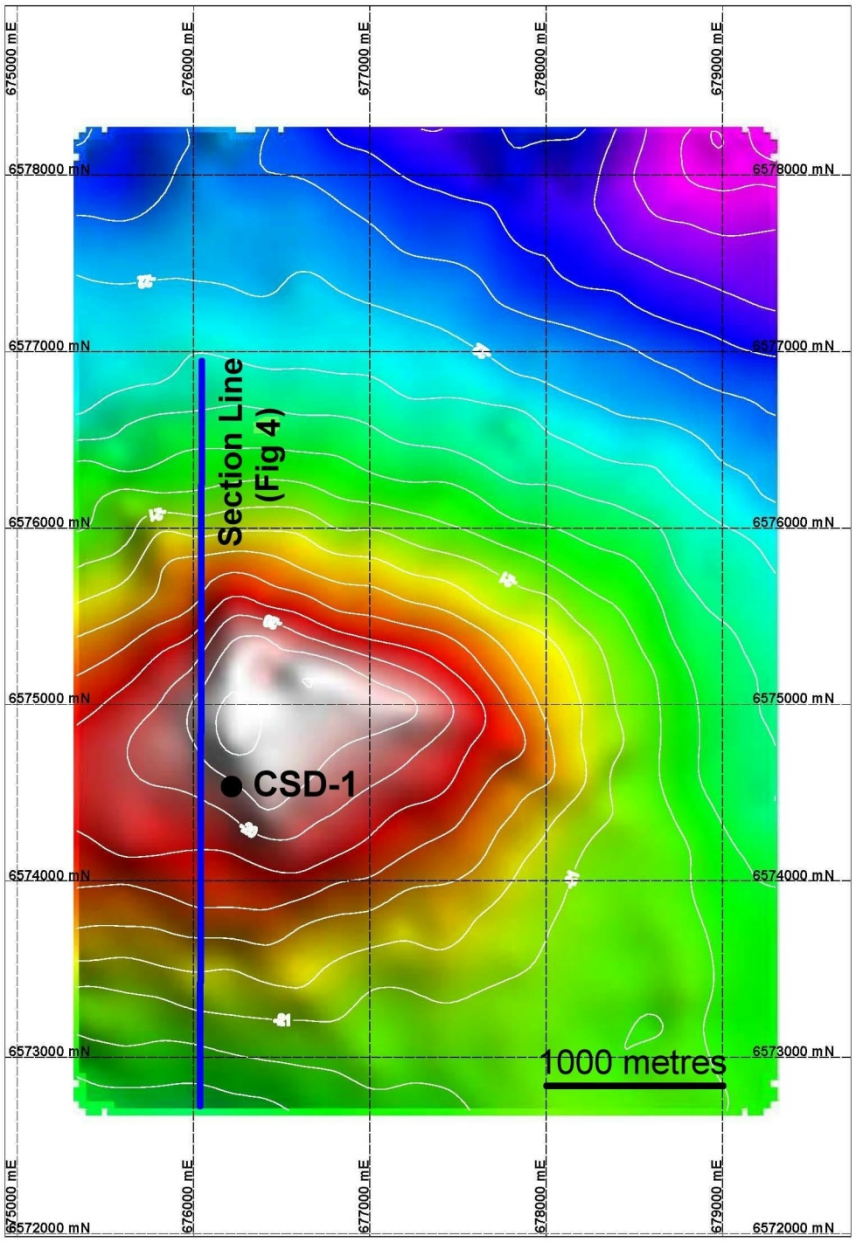


Figure 22
Cocky Swamp gravity anomaly with position of drill hole CSD 1.

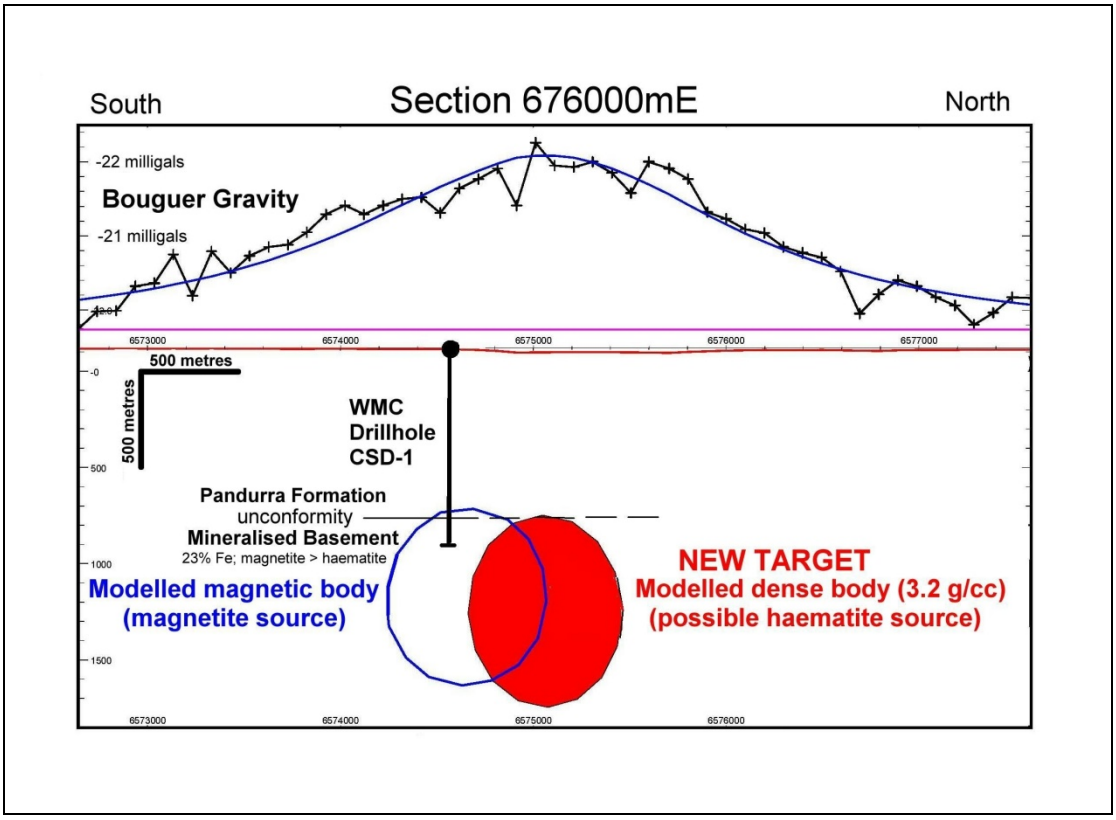


Figure 23
Schematic section through CSD 1; interpreted position of Uranium West/SAUL JV target IOCG-U deposit at Oak Dam.

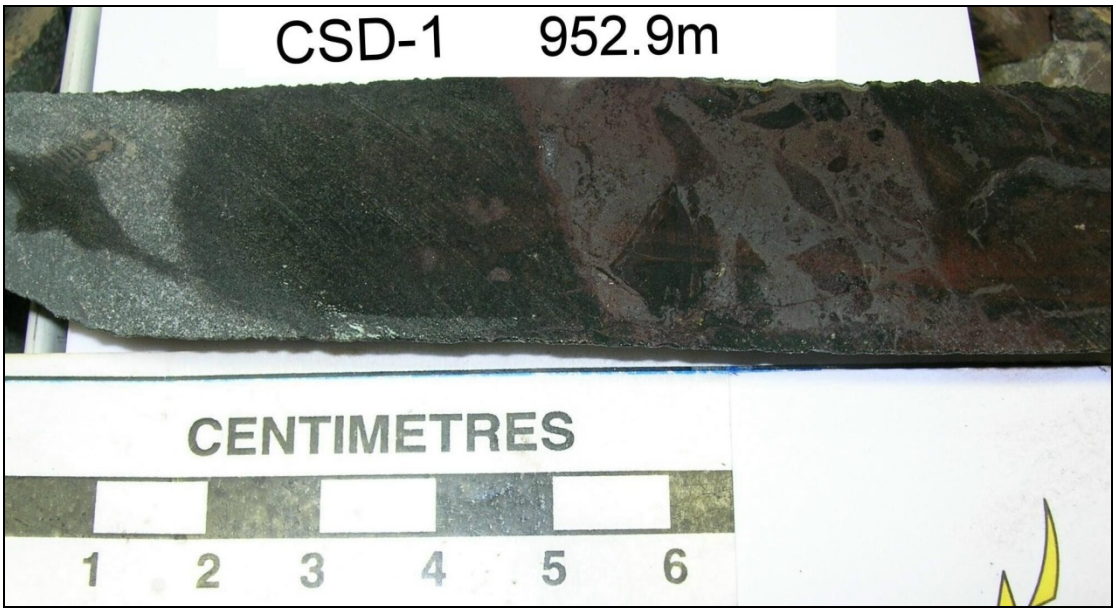


Figure 24
Hematite matrix breccia in hole CSD 1.



Figure 25
Secondary copper oxidising out of chalcopyrite-bornite mineralisation at Cocky Swamp.

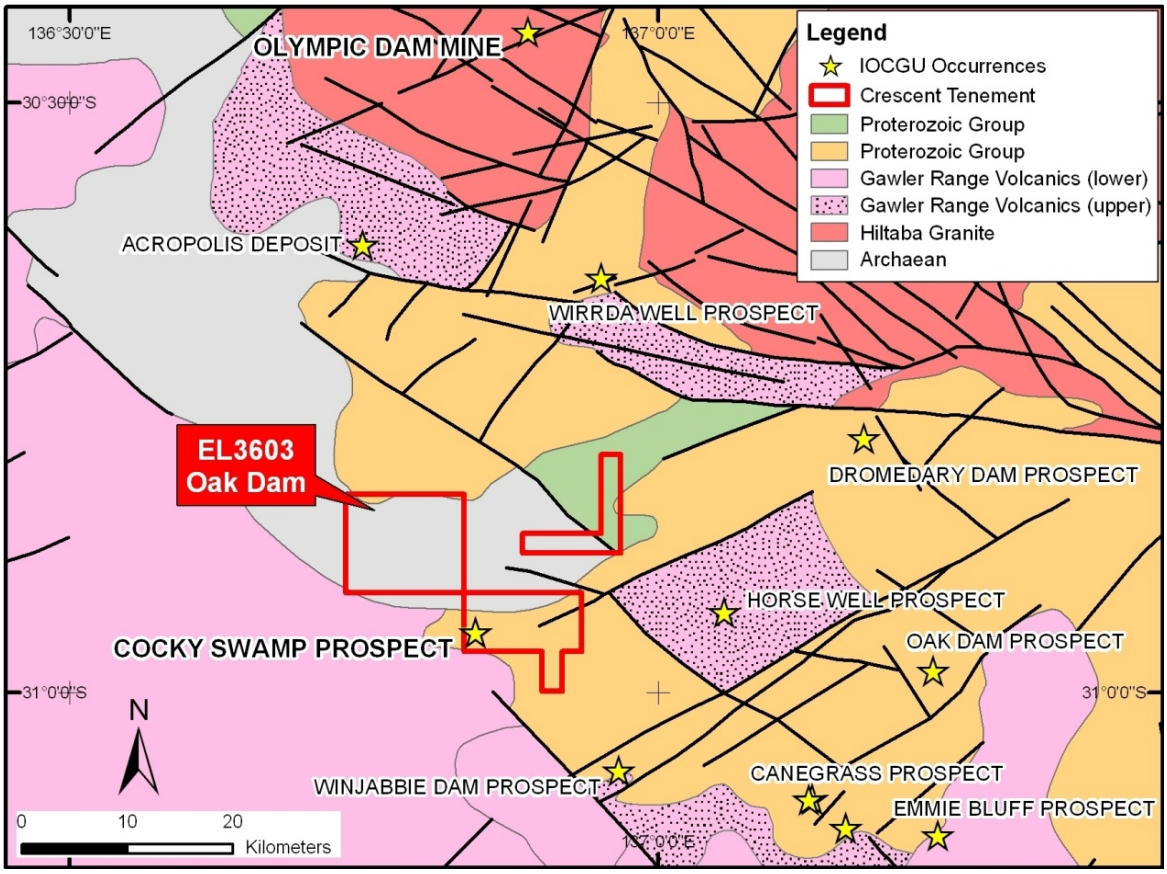


Figure 26
Setting of Oak Dam-Cocky Swamp target area in relation to Olympic Dam, Prominent Hill & Carrapateena, South Australia.

2.7.3 South Vivian Project EL3796

This tenement was granted on 12th June 2007 to Sunthe Uranium Pty Ltd for a term of one year. Ownership will be transferred to Southern Uranium: this entity will be the operator under the terms of the UW/SAUL joint venture agreement.

2.7.3.1 Uranium Exploration Potential

The South Vivian project has potential for uranium associated with Olympic Dam style IOCG-U deposits and for unconformity-related uranium deposits, of the type seen in the Athabasca Basin in Canada or the Alligator Rivers region in the Northern Territory.

The project straddles the northern margin of the Gawler Range Volcanics. The zone beneath and marginal to these volcanics was a shallow, high level igneous environment during the Mesoproterozoic Hiltaba thermal event at 1588Ma; and is grossly similar to the geological setting at the Olympic Dam IOCG-Uranium deposit, which lies 90 kilometres to the east.

There may also be potential for basement unconformity related uranium mineralisation. The Gawler Range Volcanics and co-magmatic Hiltaba Suite intrusives are enriched in uranium, providing a potential primary source from which uranium could be leached during weathering. Redbeds of the overlying Pandurra Formation provide an oxidising environment in which uranium could be transported in solution, to accumulate in suitable reducing trap sites related to the unconformity or intersecting fault zones.

2.7.3.2 Previous Uranium Exploration

Since 1966, explorers in the South Vivian region have targeted uranium as well as other commodities. Several companies searched for Olympic Dam style IOCG-Uranium deposits and one company targeted sedimentary uranium.

Dampier Mining Company Ltd (Dampier) explored the northern part of the project area for sedimentary uranium in 1973-74. Dampier drilled four stratigraphic holes, one of which is in the South Vivian tenement. The holes intersected Permian marine shales.

Carpentaria Exploration Company Pty Ltd (CEC) explored for Olympic Dam style IOCG and Mt Gunson style stratabound copper, between 1978 and 1980. CEC investigated geophysical anomalies in the regional data, following up with gravity and ground magnetic surveys. In the Mt Paisley region, which included the northern part of the project area, CEC drilled one percussion drill hole, which was abandoned at 152 metres in probable Permian clay and concluded that a very thick Adelaidean sequence covered basement. In the Mt Eba region, which included the centre of the project area, CEC drilled three percussion holes to a depth of 400 metres each, without reaching basement. In the Bon Bon region, which covered an area mostly south-west of the project, CEC drilled four holes averaging 200 metres deep, three of which intersected Pandurra Formation overlying Gawler Range Volcanics basement. These holes lie 20 to 30 kilometres south-west of the project area.

From 1980 to 1986, Esso Exploration and Production Australia Inc. (Esso) explored a region including the northern part of the project area, targeting Olympic Dam style IOCG deposits. Work included gravity and ground magnetic surveys, and EM depth probing. Esso pre-collared and cored two diamond holes to the west of the project to depths of 617 m and 860 m. Hole DP 2, located 9 km west of the project, intersected Pandurra Formation from 204 m to end-of-hole at 806 m. DP 1, located only 4 km north of DP 2, hit Archaean basement at only 166 m, indicating the presence of a major fault, marking the northwest edge of the Cariewerloo Basin.

The Shell Company of Australia Ltd (Shell) explored a region covering the centre of the project from 1981 to 1983, targeting Olympic Dam style IOCG deposits. Work included gravity and ground magnetic surveys and the drilling of one hole. Hole RL 1, sited 6 km east of the project, intersected Pandurra Formation intruded by Gairdner Dykes from 238 m to end of hole at 674 m. Shell concluded that the target gravity anomaly was probably due to the Gairdner Dykes.

Coombedown Resources NL (Coombedown) explored a region including the southern project area, from 1997 to 2000, targeting IOCG-Uranium deposits. Coombedown interpreted existing geophysical and drilling data and concluded that the interpreted features of interest represented a variety of sources. These included BIF, ultramafic rocks, iron-rich granitic breccias and Gairdner Dykes crossing Gawler Range Volcanics or Hiltaba Suite rocks. Coombedown identified six targets, keeping four in retained tenure.

Goldstream Mining NL (Goldstream) explored for Olympic Dam style IOCG deposits in a region surrounding the northern part of the project area, from 2000 to 2005. After extensive re-interpretation and evaluation of existing geophysical data, Goldstream concluded that the area contains no significant geophysical features likely to reflect potential IOCG targets.

2.7.3.3 Proposed Exploration Program at South Vivian

No previous drilling has been carried out in the area. The Crescent Gold-Southern Uranium Ltd joint venture will conduct detailed gravity surveys over selected anomalies defined by interpretation of existing regional geophysical data, followed by deep diamond drilling of priority targets. This work is planned for 2008 and is covered by the existing exploration budget.

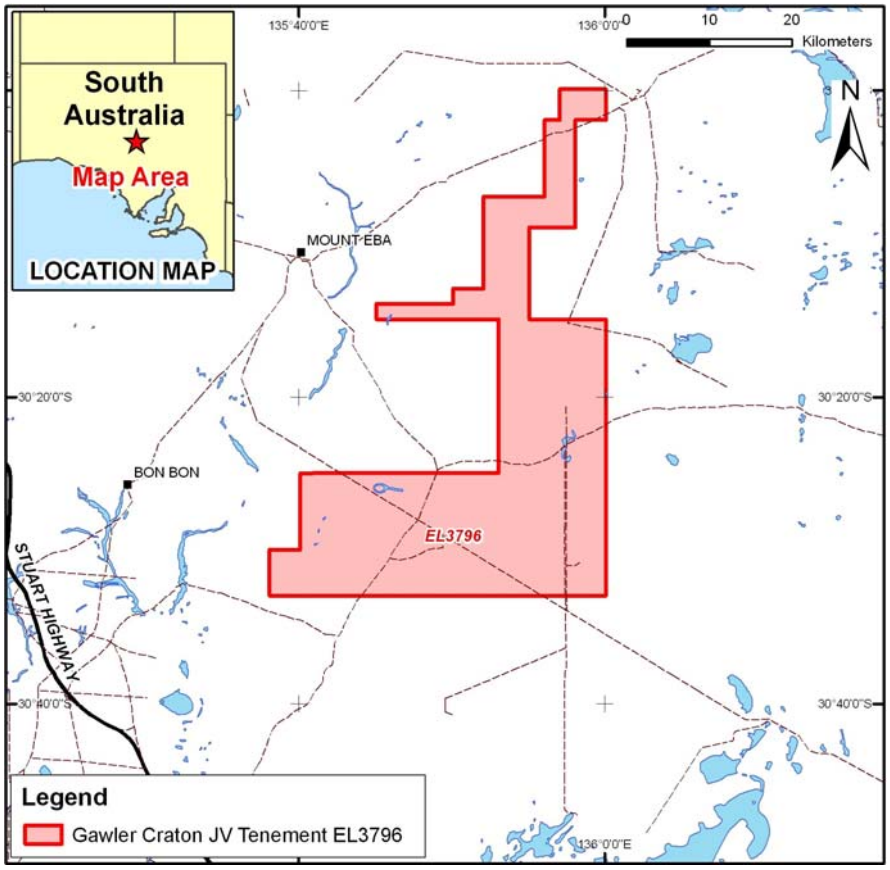


Figure 27
Location of the South Vivian project area.

2.8 South Australian Exploration Licence applications

Crescent Gold Ltd (100% owner of the unlisted company Uranium West Pty Ltd) has lodged applications for two exploration tenements which are predominantly under the waters of Spencer Gulf: Spencer North (ELA2007/302) and Spencer South (ELA2006/669): see the South Australian tenement map (Figure 25) and the Spencer Gulf location map below (Figure 26).

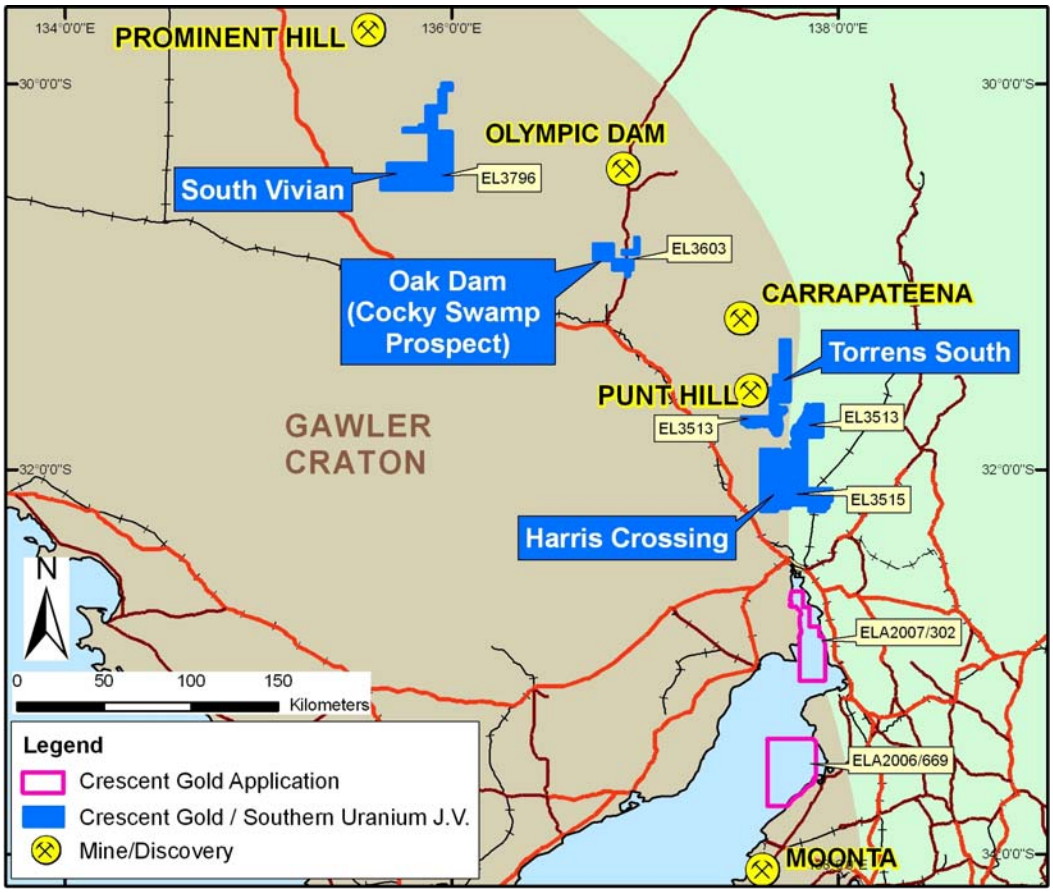


Figure 28
South Australian tenement map.

2.8.1 Location and Access

The tenements are located on the eastern shore and head of Spencer Gulf, about 180km north of Adelaide. Access is by sealed road to Port Broughton and Port Augusta. Main land use in the area is farming (sheep & cattle). The tenements are predominantly under marine waters. The southern part of EL(A) 2006/669 extends onto tidal flats and coastal dunes.

2.8.2 Previous Exploration

Systematic exploration for IOCG-U deposits has taken place in the Port Broughton area since ~1988/89 when percussion drilling was carried out by Uranerz Australasia Pty Ltd. In 1992 the tenement “Katinka” was taken up as EL1731 by prospectors Jim Allender and Keith Fisher, and then subsequently farmed out to Australian Consolidated Minerals (ACM), then onto Normandy

Poseidon Ltd via the takeover of ACM. Normandy withdrew in 1992, and the Katinka tenement held by Allender and Fisher was farmed out to Mining Project Investors (MPI) in August 1992 under the name Fodina Minerals.

Phelps Dodge Australasia Inc farmed in on EL1731 in August 1995. From 1991 to mid-1996 a total of $1.172M had been spent on mineral exploration at Port Broughton-Katinka. The original EL1731 expired on 14th July 1996, and a new application over the same area was lodged with SADME on 27th April 1996.

Chaku (1994 & 1995) summarised the previous work and a brief summary is given below:

- Pre-1992: St Joe-Jododex-Uranerz carry out an airborne magnetic survey (carried out by Aerodata: the work defined a large aeromagnetic anomaly largely within Spencer Gulf); Chaku (1995) summarises thus: the southern tail of the aeromagnetic anomaly extends onshore in an area previously tested by Uranerz in 1988-89. Uranerz drill tested a coincident magnetic-gravity anomaly and defined anomalous Cu-Au-REE mineralisation with assays up to 9m @ 1.15g/t Au & 2m @ 0.68% Cu in altered “syenite”.
- 1992: Homestake assay 75 core samples for gold-no significant results;
- 1993: MPI drill hole KT 1 (subsequently renamed KD1) is drilled on land: targeted on the Katinka aeromagnetic-gravity anomaly; the hole hit basement below cover sediments at 167m; then drilled on with HQ core from 167m to 195m; then drilled on with NQ2 to 437.3m where the hole was terminated. MPI carried out radiometric & magnetic susceptibility measurements every 1m down hole from 167m. MPI assayed the core hole for Au (fire assay) & U (XRF); also did detailed petrology studies on the drill core.

KD1 intersected Wandearah Metasiltstone from 167m to 200m down hole. The Windorah Metasiltstone is part of the Walleroo Group within the Gawler Craton terrane, and consists of undifferentiated metasedimentary rocks, felsic & mafic volcanic, dated at 1765 to 1741Ma (i.e. older than the Hiltaba Suite at 1585Ma).

The hole then went into breccia from 204m to 346m, then into a fault zone at 346 to 383m, then passed through breccia, conglomerate, and volcanic agglomerate from 383m to 437m (EOH). The best uranium assay was 88ppm U at the basement/cover sediments contact: in siltstone with fine grained magnetite-biotite-calc-silicate (?scapolite) alteration. Previous petrology by Uranerz in 1987 had indicated abundant albitized cherty siltstone with scapolite, barite, apatite & sphene traces. Petrology by Ian Pontifex had indicated “alteration above 204m is largely red hematite-feldspar-biotite-magnetite assemblages” with similarity to the Corella Formation at Cloncurry, Qld (another Australian IOCG-U province hosting large tonnage high grade deposits such as Starra at Selwyn & Ernest Henry near Cloncurry). At 261m Pontifex noted “endoskarn with albite-amphibole-calcite & trace sphene-apatite-zircon”

Interpretation of the aeromagnetic data by Barrett (1993) stated that the "depth to source" was ~250m, and a hole collared on 758625E 6272960N was recommended.

- KD2 was drilled in 1994: this hole intersected Mesoproterozoic sandstone overlying altered acid & mafic volcanics with strong sodic alteration: adularia-chlorite-calcite was noted in crackle breccia, with primary hematite; again similarities were noted with Cloncurry-style "red rock" (Corella Formation). This hole was drilled 4km north of KD1 on tidal mud flats: the hole hit bedrock at 143m and then was drilled onto final depth of 516m;
- Au (by fire assay), Cu Pb Zn Ag Fe K Na Ca Al were determined by ICP-AES methods, and La Ce Nd U determined by ICP-MS method;
- The hole ended in "basal albitised mafics and breccia"; alteration studies showed hydrous alteration in crackle breccia and Pontifex stated that the hole "may be closer to the volcanic centre than KD1;
- Both holes showed anomalous Cu, Zn, La, Ce & U (especially in KD1);
- At 498.8m in KD2 the alteration consisted of chlorite-albite in crackle breccia, with trace chalcopyrite and moderate hematite development.

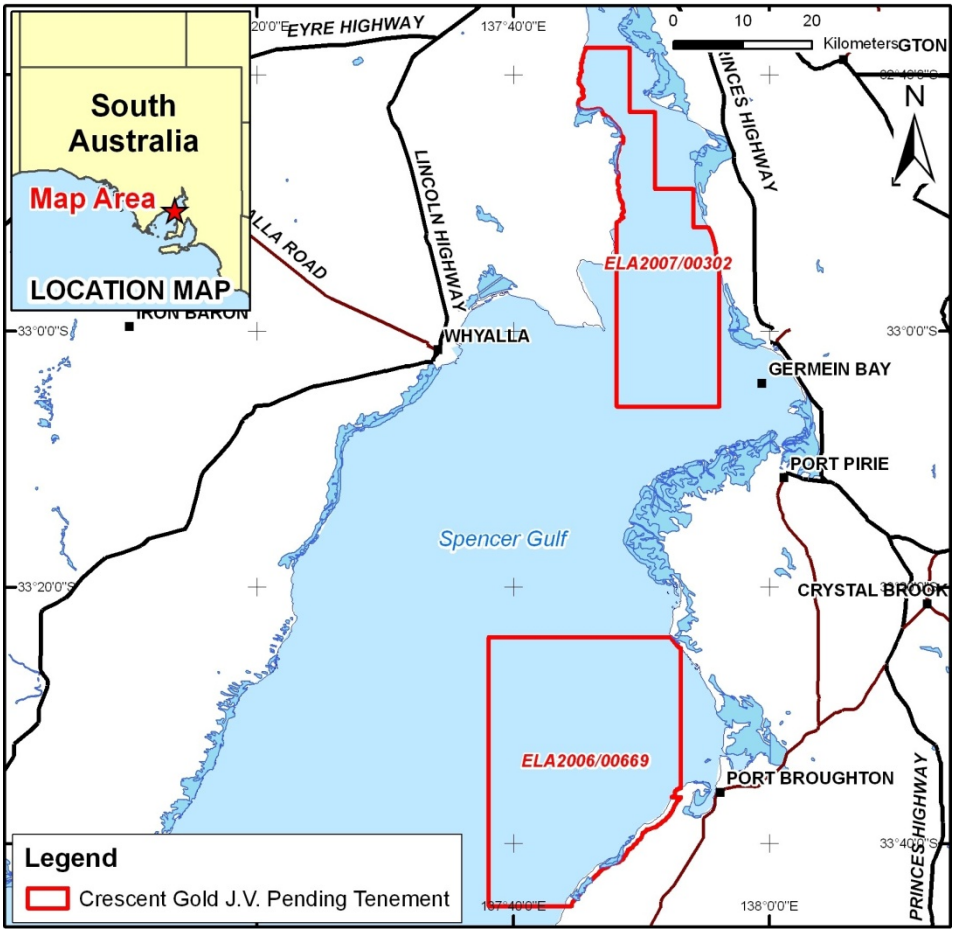


Figure 29
Spencer Gulf tenement applications location plan.

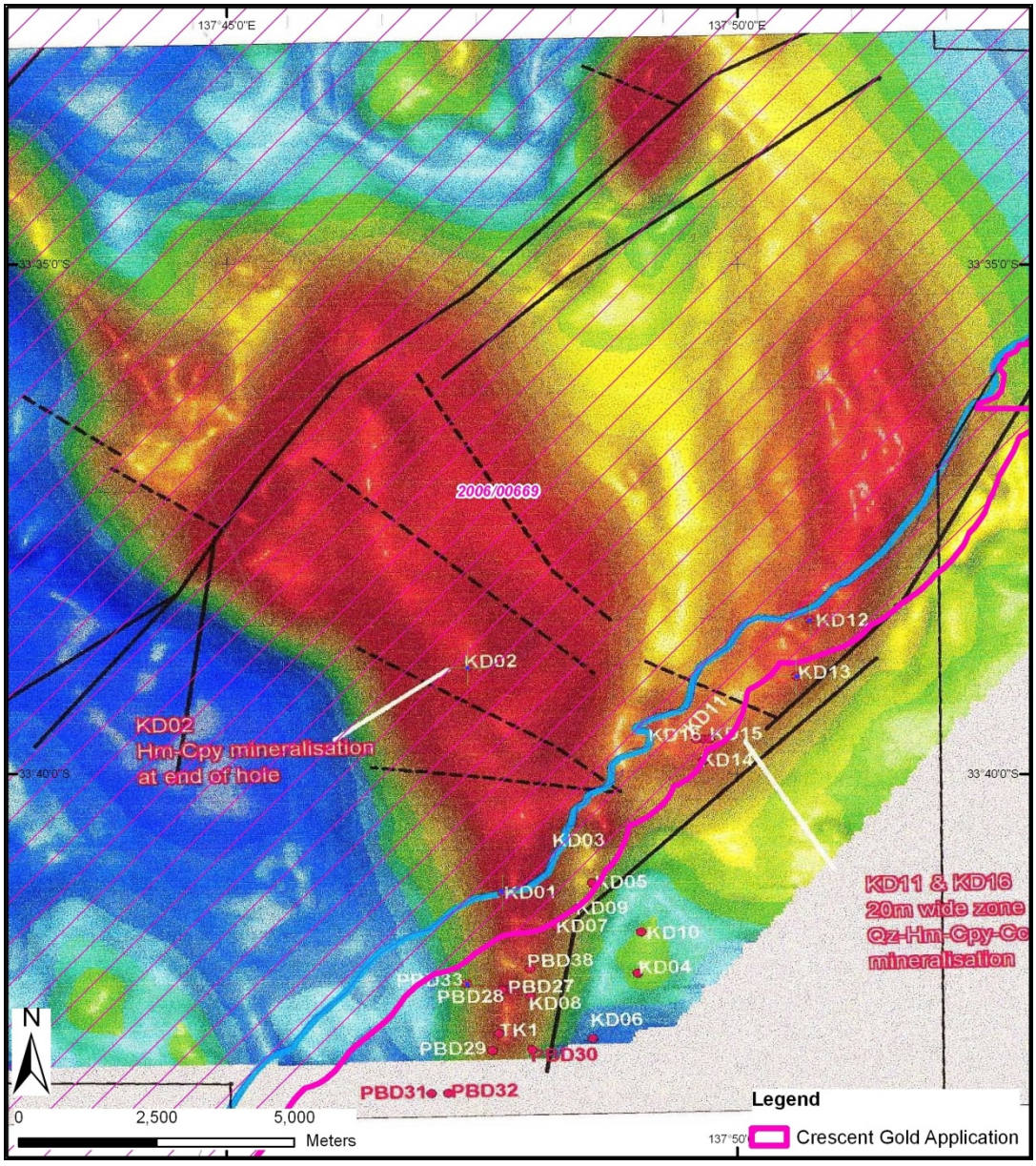


Figure 30
EL1731 Katinka aeromagnetic anomaly with drill hole locations (from Chaku 1995).

- Phelps Dodge (Rutherford 1996) carried out image processing of the TMI data and vertical derivative results defined offshore targets. Onshore drill exploration at Katinka, targeting high-middle & low-magntiude magnetic anomalies, magnetic depletion zones & gravity features in the search for copper & gold mineralised systems with low magnetite, high sulphide or hematite content. Only the targets which were located on freehold land were drilled. The targets located on vacant Crown land, such as the gravity high immediately west of KD1, were not drilled due to impending changes to the South Australian Mining Act, and the South Australian Native Title Act (Rutherford, 1996).
- A total of 14 BQ diamond holes (KD3 to KD16) were drilled for 1782.2m of core and 1632.6m of mud drilling. Also Phelps Dodge completed 46.5 line km of gridding & ground magnetics prior to the drill program.

Down-hole SIROTEM surveys were completed in seven holes but no off-hole conductors were noted. Soil sampling was carried out over mineralisation detected in drill holes KD11 & KD16: the samples were analysed using Wamtech's Mobile Metal Ion (MMI) selective digest techniques. No significant anomalies were recorded above the mineralisation.

- Results from all of the drilling (up to KD16) were summarised by Rutherford (1996): KD1, KD3, KD5, KD7 drilled into high to middle amplitude magnetic anomalies and encountered magnetite-rich zones within hydrothermal breccias and metasomatic replacement bodies with hornblende-actinolite-hedenbergite-magnetite-calcite-albite (or K-feldspar-red rock alteration) assemblages with trace sphene, apatite, and late stage epidote. Pyrite with minor chalcopyrite (1 to 10% total sulphide) occurs as veins & disseminations throughout the metasomatite (skarn), and appears to replace magnetite & chlorite altered calcsilicate minerals. Apatite generally occurs as inclusions in pyrite. Broad magnetite rich zones within the skarn are characterised by low grade copper mineralisation (500 to 1000ppm Cu), associated with elevated molybdenum (20-50ppm), cobalt (150ppm), nickel (300-500ppm), lanthanum (1000-4000ppm), & arsenic (50-80ppm).
- Drilling of broad, low-magnitude magnetic anomalies (KD4 & KD10) intersected weak calcsilicate-albite-magnetite veined & altered metasedimentary rocks intruded by pink-red magnetite bearing granite.
- Drilling the zones of magnetic depletion adjacent to the high to middle magnitude magnetic anomalies (KD8, KD9) intersected intense red-rock (albite or K-feldspar) altered metasedimentary rocks with minor calcsilicate veining.
- Drilling high-magnitude, vertical derivative anomalies underlain by a broad regional TMI high (KD11, KD12, KD14, KD16) intersected weak magnetite-albite altered sedimentary rock intruded by calcsilicate-albite-magnetite veins & breccia. KD11 & KD16 (located 100m west of KD11) intersected a 45º west dipping zone about 20m thick of partially oxidised, quartz-hematite-pyrite-chalcocite-covellite-carbonate veining and brecciation. This zone cross-cuts and overprints the early, high temperature calcsilicate-albite-magnetite veins & breccia (Rutherford 1996).
- In KD11: the intensity of the pyrite-chalcopyrite-hematite-chalcocite-bornite mineralisation (and copper grades) is greatest in the vein wallrocks & breccia fragments. Sulphides & hematite replace the early magnetite-calcsilicate minerals. A zone of pervasive carbonate alteration together with weak hematite, strong chlorite alteration and possible K-feldspar potassic alteration of early albite occurs over 100m below the mineralised interval.
- **KD11 intersected 3.5m @ 1.79%Cu, 0.022% U_3O_8 & 0.2%P from 169.5m to 173m** (Rutherford, 1996)**.**
- KD16 drilled to the west of KD11, intersected strongly oxidised & gossanous hematitic veins & breccias from 169m to 177.6m. Core recovery was poor (50-80%) with <30% recovery in saprolitic rock further up hole. The locations of KD16 & KD 11 are shown below:

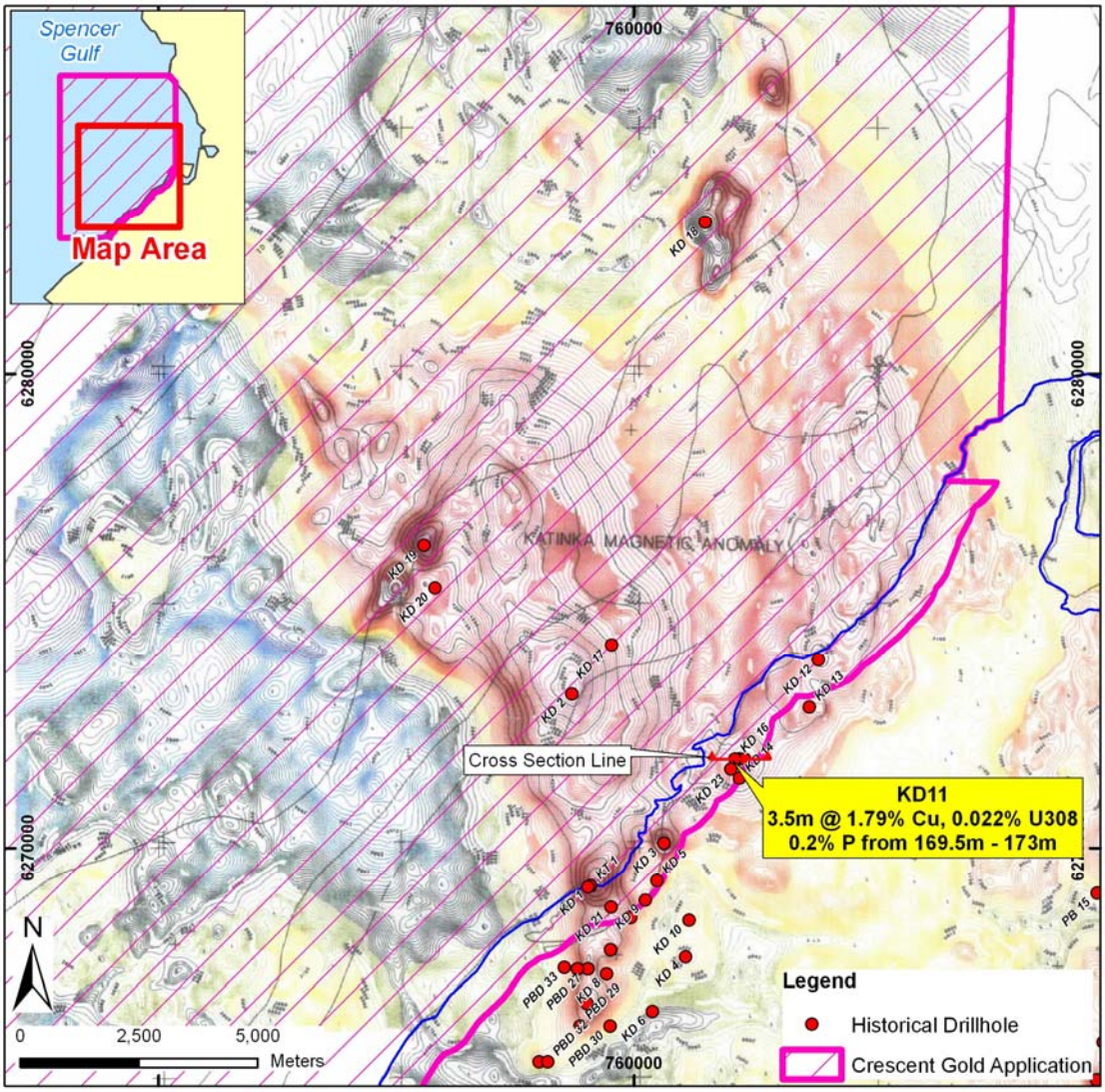


Figure 31
aeromagnetic contours and drill hole locations-Katinka
(from Rutherford 1996).

- The Phelps Dodge joint venture on Katinka continued on into 1997: Rutherford (1997) states that the onshore drill results and the magnetic imagery suggest that the Fe-enriched hydrothermal alteration is centred offshore and is focussed along a major northwest trending structure (see Figure 28 above). Two drill holes: KD18 & KD19; were targeted at extreme magnetic highs along and adjacent to the regional structure; and two hoes: KD17 & KD20; were targeted on large areas of possible magnetite-destructive alteration. A total of four holes for 1,524m were drilled: 677.4m of rotary mud drilling & 846.3m of NQ core drilling was completed. The total cost of the drill program was $437,456.
- The results of the program did not enhance the overall prospectivity of the project area. KD17 did not intersect significant mineralisation. KD18 which targeted the highest magnitude magnetic anomaly in the licence area intersected strongly oxidised basement rocks from 114m to 141m. A large epithermal textured quartz-adularia vein zone with patchy chlorite-smectite & bladed hematite cut by siderite-

pyrite-marcasite-chalcopyrite was intersected from 141m to 242m, and from 349.9m to 382.6m. The vein showed Ag &Mn enrichment along the brecciated margins. Calcsilicate & magnetite-rich hydrothermal breccia was intersected from 242m to 310m. The calcsilicate-magnetite alteration & breccia are cross cut by the epithermal veins, and overprinted by retrograde chlorite-quartz-calcite-hematite alteration. The zone contained elevated Cu with anomalous Co, Ni, Mo, As, Zn & Mn within the breccia. Unusual banded calcsilicate-quartz-magnetite rocks interpreted by Rutherford as Banded Iron Formation and hematitic shale replaced by metasomatic magnetite were intersected from 342m to 350m and from 390m to 391,5m.

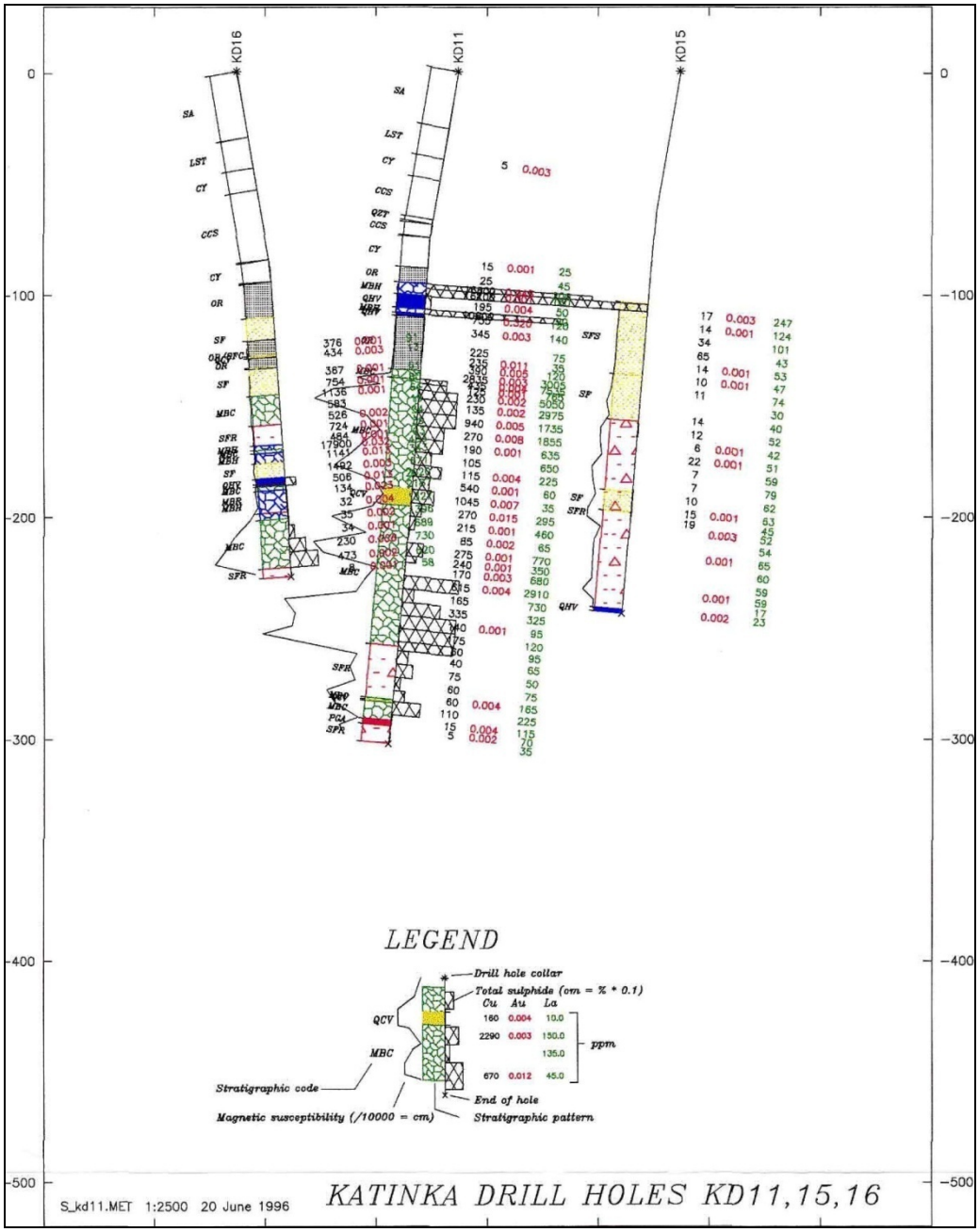


Figure 32
Section looking north through KD16, KD11 & KD15 at Katinka.

Drillhole KD19 targeted the second largest high-magntiude magnetic anomaly within the Katinka licence area, located along the major northwest trending structure. Weathered magnetite-hematite ironstone and limonitic clay was intersected from 93 to 174m during rotary mud drilling of the precollar. Fresh to weakly oxidised veins of massive magnetite-hematite were intersected from 174 to 176.6m & from 194 to 201m. The veins are hosted within felsic volcanics from 210 to 318.8m, and a fine grained dolerite from 201 to 210m & from 218.8 to 320.7m. All rocks within this zone have undergone variable red K-feldspar & albite veining and pervasive alteration.

The magnetite-rich veins contain 1-15% sulphide with variable allanite, calcite, quartz & minor actinolite. K-feldspar & patchy bladed hematite & chlorite replace biotite-sphene-sericite-apatite assemblages. The predominant sulphide is pyrite (90%) with chalcopyrite (10%). Traces of bornite & covellite occur. Chalcopyrite occurs as inclusions in magnetite and enclosed pyrite and hematite blades.

Magnetite rich veins in KD19 contain anomalous Cu levels ranging from 500-1000ppm with values up to 1.12% Cu, 0.2ppm Au from 223.0m to 225.5m; and 2.61% Cu, 0.37ppm Au from 240.05m to 240.25m.

Drill hole KD20 did not intersect any significant mineralisation. Rutherford (1997) went onto state: “offshore drilling at Katinka has identified a large vein zone with epithermal textures in KD18, and magnetite-hematite veins associated Cu mineralisation, K-spar alteration, and elevated levels of Au, Co, Ni, Zn, Mo, Ag, & U: both located along and adjacent to a regional scale discordant structure”.

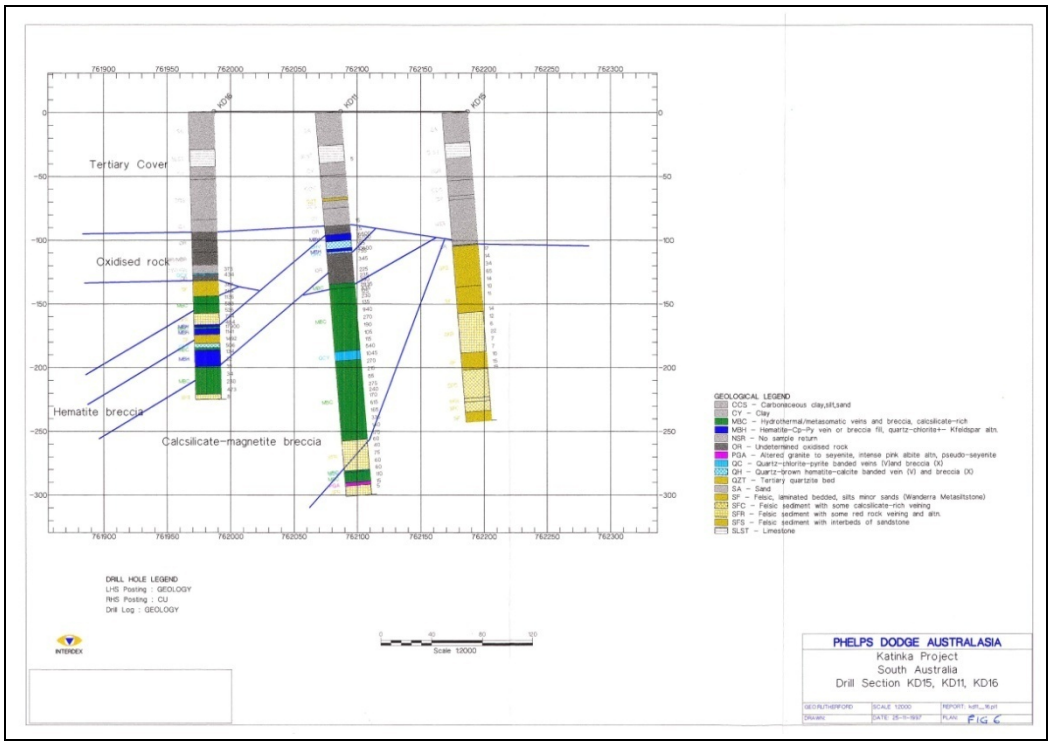


Figure 33
Geological interpretation through holes KD16, KD11 & KD15 (from Rutherford, 1997).

Further work by Phelps Dodge in 1998 (see Rutherford, 1998) on the new EL2199 (granted to Fodina Minerals Pty Ltd on 20th September 1996 under the new South Australian Mining Act) which replaced EL1731 (five year term of which expired on 14th July 1996) consisted of detailed gravity surveys surrounding the anomalous holes KD1 & KD11, and drilling of three additional diamond holes for 989.5m.

A total of 555 gravity stations were read, on a 200m by 50m grid covering 9.15km. This new data was merged with the previous gravity data. New drill holes KD21 & KD22 targeted zones of anomalous gravity and magnetics proximal to KD1, while KD23 targeted the southern strike extension of mineralisation encountered in KD11 & KD16. KD21 & KD22 were located in vacant Crown land along the coast.

Rutherford (1998) goes into the detail of the results obtained from the additional drilling, essentially KD21 intersected a narrow zone (from 148.8 to 149.2m) assaying 1.62% Cu, 0.78%Ni, 0.22% Co & 0.23%As. The host rock for this mineralisation was mainly calcsilicate breccia.

The second hole, KD22 was designed to test a high gravity anomaly located 50m west of KD1. The hole hit basement at 151.3m and was terminated at 359.5m in altered & brecciated quartzite. No significant mineralisation was recorded. The third hole, KD23 was drilled to test the southern strike extension of mineralisation encountered in KD11 & KD16. The hole was drilled about 200m south of KD16, and hit basement at 96.7m. At 230m the rod string snapped and the hole was abandoned. No further drilling was done; and by the end of 1998 Phelps Dodge had withdrawn from the joint venture.

2.8.3 Regional Geology

The Port Broughton area covers a coincident regional-scale magnetic & gravity anomaly which straddles the western shore line of the York Peninsular and eastern Spencer Gulf. Basement Gawler Craton rocks in the area are covered by 60 to 160m of unconsolidated quaternary Tertiary sediments. The underlying basement consists of Palaeoproterozoic (1750-1763Ma) Wandearah Metasedimentary rocks intruded by Moonta Porphyry-aged mafic dykes, and at least two phases of granitic magma belonging to the prospective Hiltaba Suite.

Alteration withing the basement rocks consists of variable proportions of actinolite-clinopyroxene-albite-K feldspar-magnetite-calcite with some allanite, apatite, scapolite, sphene & late-stage epidote occur as hydrothermal veins, breccia matric fill, and skarn bodies in metasedimentary rocks adjacent to Hiltaba Granite intrusions.

In the opinion of Lyndhurst, the area has geological, alteration, and mineral assemblage similarities to major IOCG-U systems elsewhere in South Australia (e.g. Olympic Dam & Prominent Hill) and in Queensland (e.g. Ernest Henry and Selwyn).

2.8.4. Proposed Exploration

The proposed exploration program at Spencer Gulf will consist of a detailed assessment of the past exploration data, and acquisition of detailed helicopter-borne aeromagnetic data over the project areas: flown at 40m line spacing. This will enable targeting of areas for detailed gravity surveys (on a ship mounted platform) and possible ship-mounted deep diamond drilling. Given the costs of drilling in such a location (20m of water then up to 160m of unconsolidated cover sediments) a preliminary budget of at least $850,000 is estimated by Lyndhurst to enable Crescent Gold to carry out this program (which includes 3000m of core drilling).

3.0 Northern Territory assets held by Crescent Gold Ltd

The Northern Territory contains major gold resources (Pine Creek, Cosmo Howley, Tanami-Granites, and at Tennant Creek) and contains major uranium production centres at Ranger (owned by Energy Resources Ltd) with numerous undeveloped uranium resources e.g. Narbalek, Koongarra, Coronation Hill, Bigrlyi (Energy Metals Ltd) and Mt Fitch-Rum Jungle area (Compass Resources NL). The Crescent tenement interests are all within known gold-base metal-uranium production or resource centres: Rum Jungle, Calvert Hills (Westmoreland), and Tennant Creek.

3.1 Summary

Australia is one of the world's largest uranium producers, and accounts for about one fifth of world production. Australia contains 30% of known uranium resources (UIC, 2006). Australia's uranium is exported solely for the purpose of electricity production, and is supplied under strict arrangements to ensure that it is not used for nuclear weaponry.

In the last 5 years (to the end of June 2005), Australia exported about 46,000t of U_3O_8 to eleven countries, with a market value of $AUD 2.1 billion dollars (UIC, 2006). As seen in Figure 31 below, it is estimated that the demand for uranium exceeds the present day supply. As an energy source, nuclear power supplies 16% of the worlds electricity needs (WNA, 2006).

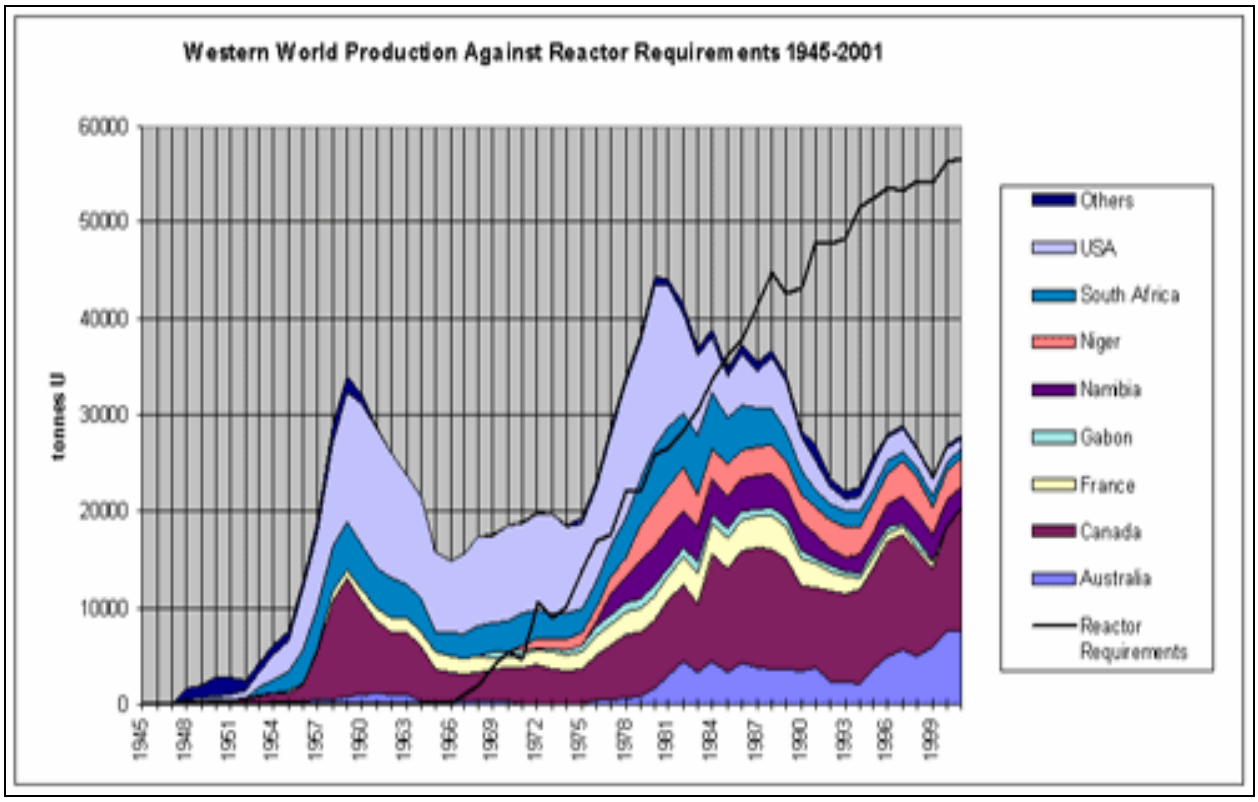


Figure 34
Western World uranium Production vs. Demand (1945-2001)

The majority of uranium deposits in Australia were discovered prior to 1980. In 1983, the introduction of the then Labor Governments “Three Mines Policy” limited the development of uranium deposits to those currently operating (Olympic Dam, Ranger and Narbalek) and effectively curtailed further exploration and development in Australia. The “Three Mines Policy” was abolished in 1996, but exploration for uranium remained negligible due to low prices. With recent rises in the uranium price, the intensity of exploration has increased in Australia: see Figures 32 & 33 below.

The Crescent Gold tenements in the Northern Territory (and South Australia for that matter) are located in States of the Commonwealth that permit and enable uranium exploration and mine development. Export permits for uranium yellowcake are issued by the Government of the Commonwealth of Australia. Crescent Gold is not exploring for uranium deposits in states such as Western Australia, where State Government policy under the current Labor government prohibits the development of mines for uranium production.

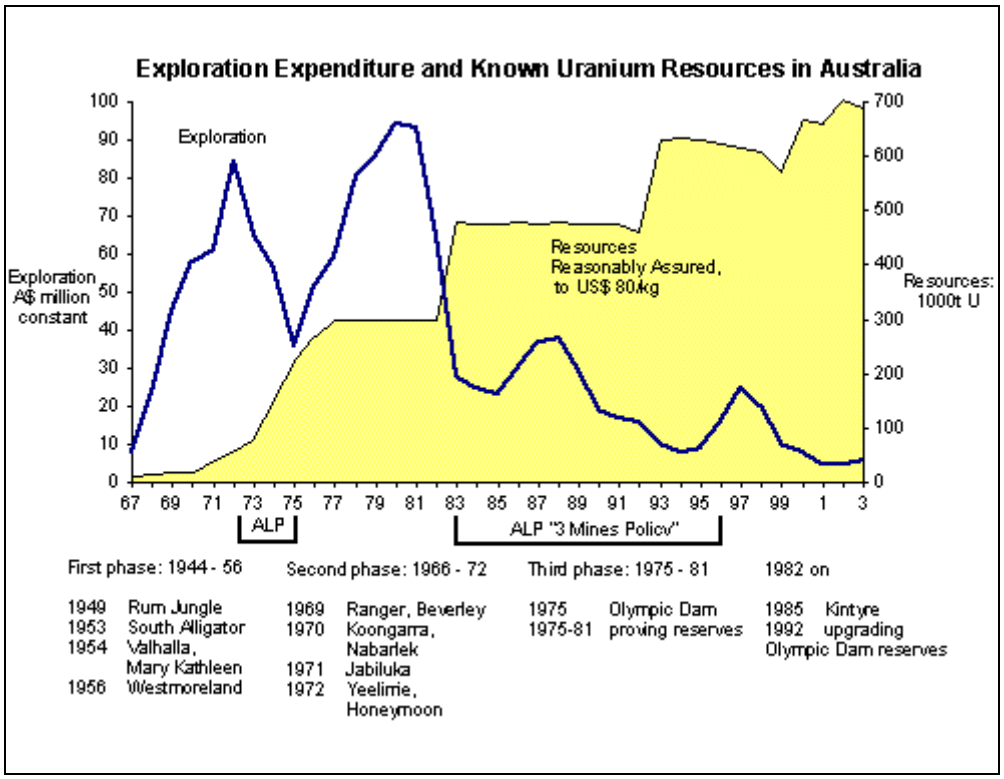


Figure 35
Exploration expenditure and uranium resources in Australia (McKay & Miezitis, Geoscience Australia 2001)

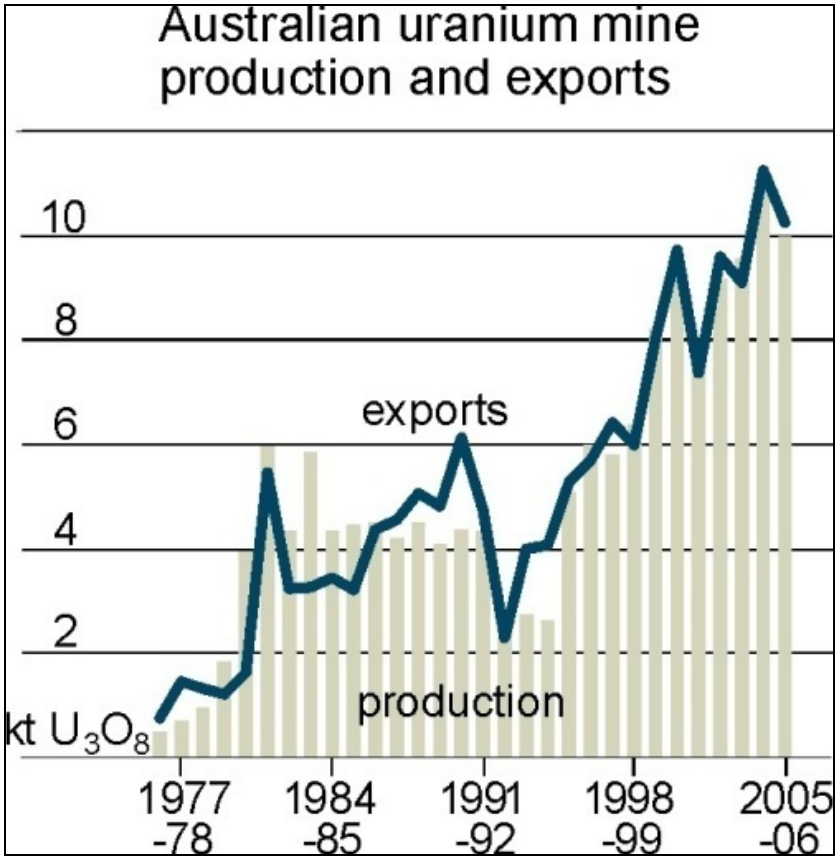


Figure 36
Australian mine production & exports from 1977 to 2006 (from ABARE, 2006).

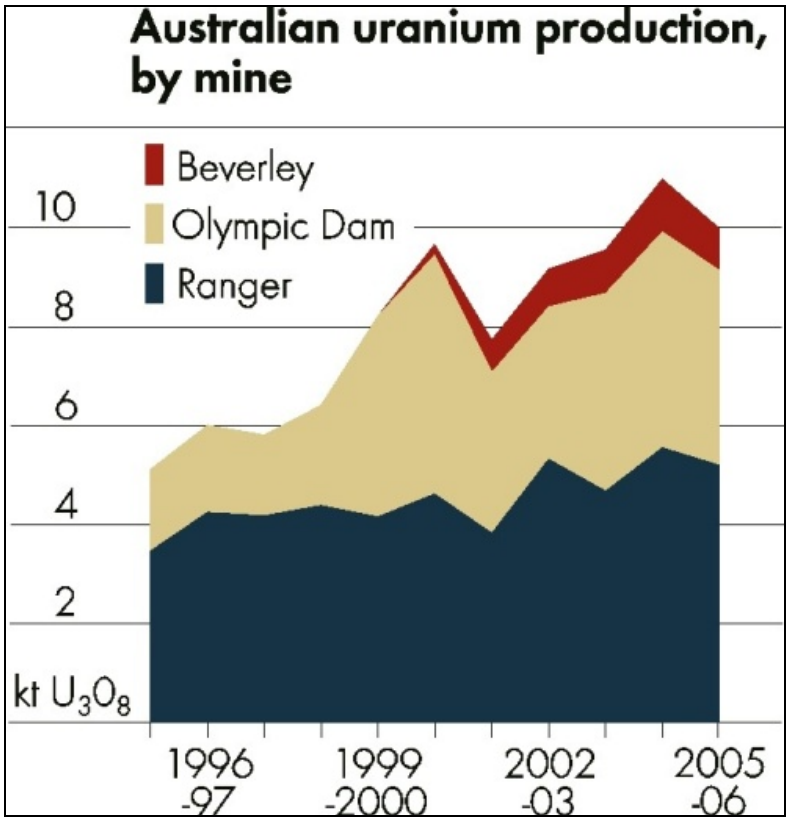


Figure 37
Australian uranium production by mine (ABARE, 2006).

Uranium West Pty Ltd (which is a 100% owned subsidiary of Crescent Gold Ltd) currently has an equity interests in three projects, Calvert Hills, Tennant Creek and Rum Jungle in the Northern Territory of Australia.

These project areas are considered prospective primarily for uranium mineralisation, but have potential for other styles of mineralisation including Iron Oxide Copper Gold (IOCG) and sedimentary-exhalative (SEDEX) base metal mineralisation.

Combined, the project areas cover 4736 km^2 and comprise seven granted Exploration Licences, and one Exploration Licence Application. A project location map is presented as Figures 35 & 36 below.

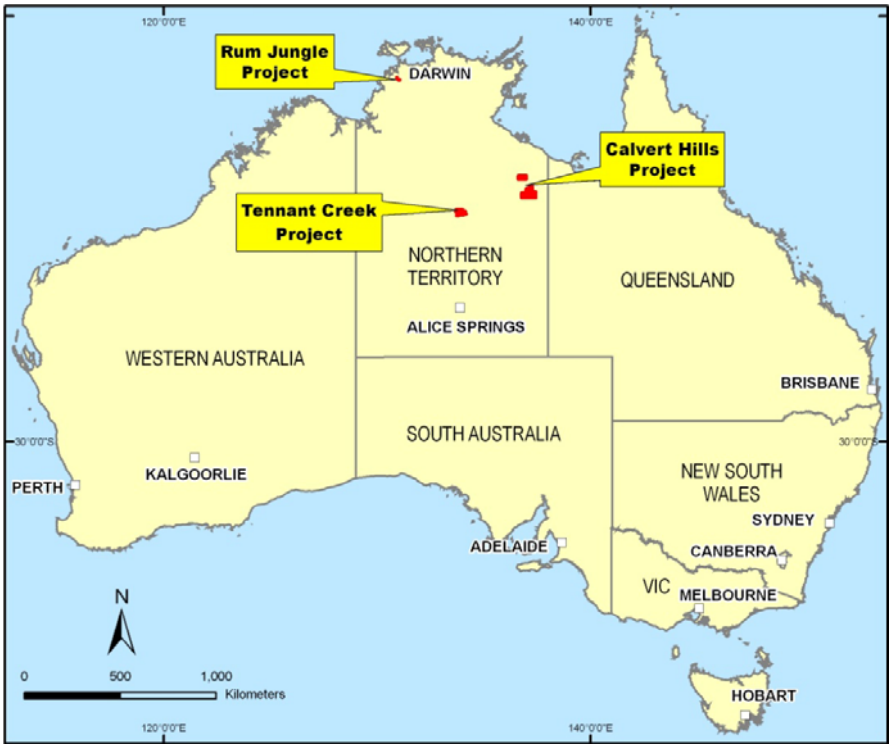


Figure 38
Project Location Map: Northern Territory

The first project area: the **Rum Jungle Project** is located 75km south of Darwin in the Northern Territory, within the Rum Jungle Uranium Field.

Uranium was first discovered in 1949 by a prospector, and in the following years a number of deposits were discovered and mined. The Rum Jungle plant was closed in 1971 after producing over 4,700t of U_3O_8.

The three granted Exploration Licences (EL24866, EL24867 & EL24847), with a total area of 27km^2, are located in a region known as the 'Embayment Area' where the majority of economic deposits have been discovered to date. The area is highly prospective for Proterozoic aged unconformity-style uranium mineralisation (Australian Atomic Energy Commission, 1957).

The second project area: the **Calvert Hills Project** is located 100km west of the Queensland border, in the eastern Northern Territory. The area is prospective for Proterozoic aged unconformity-related uranium mineralisation, of which numerous examples exist some 40km north and east in an area known as the **Westmoreland Uranium Field**.

Some previous work has been done in the project area, comprising two granted licences (EL24837 & EL24847) and one application (ELA 24846), exploring specifically for uranium, although the general area has been explored extensively for diamonds and to a lesser degree for base metals. Total area of the Calvert Hills project is 3671km^2.

The third project area, the **Tennant Creek Project**, comprising two granted Exploration Licences (EL24834 & EL24835) for a total area of 1037 km^2, is located 60km northwest of the town of Tennant Creek in central Northern Territory.
The area has a long mining history for Cu-Au-Bi deposits, with several existing and recently closed mining operations nearby (eg the old Peko Wallsend owned **Warrego-Juno-Gecko** mines).

Although there is a known association between Cu-Au-Bi mineralisation and anomalous levels of uranium, exploration for uranium in the area has been minimal, and the area is seen as prospective for sandstone-hosted unconformity-related channel style deposits in Tertiary sequences that overlie uranium anomalous source rocks (granites, felsic volcanics) The southern portion of the project is also seen as prospective for IOCG±U mineralisation. A number of Cu-Au prospects have been discovered close to the project area by previous explorers.

Lyndhurst has reviewed all data supplied by Uranium West: this has involved the collation, compilation and interpretation of all open file reports, public domain geophysics, remote sensing data and Government water bore data. Much of the data was compiled by Thorne (2006).

Various target styles for uranium and other commodities have been developed and integrated to provide exploration models. Preliminary budgets have also been prepared to allow Uranium West to conduct effective first pass exploration within the project areas. All values quotes are in $AUD unless otherwise stated.

TABLE 2 TENEMENT SCHEDULE: Northern Territory

Tenement	Registered Holder/ Applicant	Shares/ Ownership	Status	Grant Date/ Application Date	Expiry Date	Area
EL 24834 Tennant Ck South	Uranium West Pty Ltd	100%	Granted	4 April 2006	3 April 2012	11 sub-blocks (35.65 sq km)
EL 24835 Tennant Ck North	Uranium West Pty Ltd	100%	Granted	16 August 2006	15 August 2012	309 sub-blocks (1002 sq km)
EL 24837 Calvert Hills North	Uranium West Pty Ltd	100%	Granted	6 April 2006	5 April 2012	251 sub-blocks (821.6 sq km)
ELA 24846 Calvert Hills	Finching Pty Ltd & Mundena Holdings Pty Ltd	50% each	Application	15 August 2005	N/A	473 sub-blocks (1509 sq km)
EL 24847 Calvert Hills West	Uranium West Pty Ltd	100%	Granted	6 April 2006	5 April 2012	411 sub-blocks (1340 sq km)
EL 24866 Rum Jungle West	Uranium West Pty Ltd	100%	Granted	15 March 2006	14 March 2012	8 sub-blocks (10.93 sq km)
EL24867 Rum Jungle Central	Uranium West Pty Ltd	100%	Granted	15 March 2006	14 March 2012	10 sub-blocks (9.7 sq km)
EL24898 Rum Jungle East	Uranium West Pty Ltd	100%	Granted	15 March 2006	14 March 2012	7 sub-blocks (4.98 sq km)

Key: ELA = Exploration Licence Application; EL = Exploration Licence

3.2 Terms of Reference: Uranium West and Crescent Gold

Lyndhurst Enterprises Pty Ltd of Western Australia, Australia, was contracted by Crescent Gold Ltd, 100% owner of Uranium West Holdings Ltd (registered in the Province of British Columbia) and 100% owner of Uranium West Pty Ltd (registered in the State of Western Australia), to author a report to evaluate and provide recommendations for exploration on the Calvert Hills, Tennant Creek and Rum Jungle Projects in the Northern Territory of Australia.

This report satisfies Canada's national Instrument 43-101 Standards of Disclosure of Mineral projects.

At the request of the company, Lyndhurst compiled this report to:

- Review the exploration portfolio of the Company with respect to previous exploration, exploration potential and exploration strategy;
- Review budgets proposed by the company for the first two years;
- Review the proposed exploration activities to determine if they meet statutory requirements;
- Review the proposed exploration geological models that the company intends to use on it projects;
- Other factors that Lyndhurst thought were important.

Lyndhurst has not been requested to provide an Independent Evaluation.

This report is based on a large volume of data provided by Crescent Gold to Lyndhurst. Access was also made available to relevant personnel to enable proper assessment of the Company's exploration tenure and philosophies.

Crescent Gold has warranted to Lyndhurst that full disclosure has been made of all material information and that, to the best of their knowledge and understanding, such information is complete and accurate. Readers of this report must appreciate that there is an inherent risk of error in the acquisition, interpretation and processing of geological and geophysical data, and Lyndhurst takes no responsibility for such errors.

Lyndhurst's consultant for this report was Mr John L. Stockley, who was also responsible for the geological interpretation. The author relied heavily on the work of Mr Lyle Thorne, a previous consultant to Crescent Gold Ltd. Mr Thorne is regarded by Lyndhurst as a Competent Person.

Independent additional material was also acquired by Lyndhurst, and the list of references provided at the end of this report presents the sources consulted. This material was used to expand the information provided by Crescent Gold and where appropriate, confirm assumptions made by Crescent Gold.

Two weeks was spent on data collection and analysis in preparation of this report. An additional three days were spent in the Northern Territory examining the key areas of the projects-namely the Rum Jungle area.

Appraisal of all of the information mentioned above forms the basis of this report. The views and assumptions expressed are those of Lyndhurst. When conclusions and interpretations credited specifically to other parties are discussed in this report, then these are not views that are necessarily expressed by Lyndhurst.

3.2.1. Disclaimer

The opinions expressed in this report have been based on the information provided to Lyndhurst by Crescent Gold, its associates and staff, as well as various Government agencies including the Northern Territory Geological Survey. Lyndhurst has taken all due care in reviewing the information supplied, including a thorough review of all data held by Crescent Gold, and a field visit to the key project area. Although Lyndhurst has compared important data that was supplied with expected values and assumptions, the accuracy of the results and conclusions of this review are related to the accuracy of the data supplied. Lyndhurst has relied on this information and has no reason to suspect that any material facts have been withheld, or that a more detailed analysis will reveal additional material information. Lyndhurst does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them.

The author has not relied on reports, opinions or statements of legal of other experts who are not qualified persons for information concerning legal, environmental, political or other issues and factors relevant to this report.

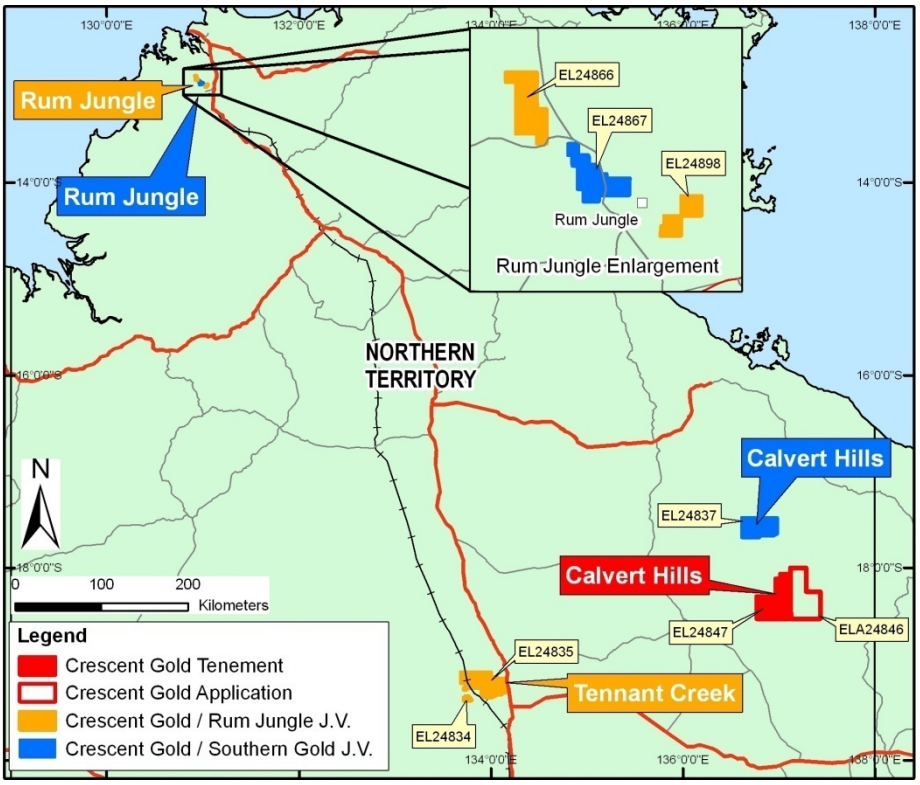


Figure 39
Crescent Gold (Uranium West) tenement areas in the Northern Territory of Australia.

3.2.2 Northern Territory Joint Venture Arrangements

Various joint venture arrangements between Uranium West Pty Ltd and other parties exist concerning the exploration tenements in the Northern Territory:

- The Southern Gold Ltd (SAU) joint venture over EL24837 at Calvert Hills & EL24867 at Rum Jungle (initiated on 21/12/06; and
- The Rum Jungle Uranium Pty Ltd (RJU) joint venture over EL24866 & EL24898 at Rum Jungle, and EL 24834 & EL24835 at Tennant Ck.
- A royalty of $1.00 per tonne of ore mined exists under an agreement between Crescent Gold Ltd and Mundena Holdings Pty Ltd & Finching Pty Ltd (the original vendors to CRE of the NT tenements) which covers all of the Northern Territory tenements.

3.2.2.1 Southern Gold Ltd Joint Ventures

Southern Gold Ltd (SAU) has the right to earn a 50% interest in **EL24867 Rum Jungle** by sole funding exploration for a total cost of AUD$600,000 by the end of June 2008. Uranium West can elect to match expenditure and maintain its interest at 50%.

If Uranium West does not contribute at this point, then SAU shall have the right to earn an additional 25% interest in EL24867 by spending a minimum of AUD$400,000 on exploration by the end of December 2008. If UW elects not to contribute and eventually dilutes to 10% interest then UW can convert to a free carried interest until decision to mine. SAU has the right to buy the UW free carried interest at any time for $35M. SAU is the manager of the joint venture during the earn-in period.

Regarding **EL24837 Calvert Hills**, SAU has the right to earn a 50% interest by sole funding exploration for a total cost of AUD$600,000 by the end of June 2008. Uranium West can elect to match expenditure and maintain its interest at 50%.

SAU can earn an additional 25% interest in EL24837 by spending a minimum of AUD$400,000 on exploration by the end of December 2008. If UW elects not to contribute and eventually dilutes to 10% interest then UW can convert to a free carried interest until decision to mine. SAU has the right to buy the UW free carried interest at any time for $35M. SAU is the manager of the joint venture during the earn-in period.

The minimum commitment by SAU on both the joint venture tenements listed above is to spend $100,000 by the end of June 2007, although according to Crescent Gold (the 100% owner of Uranium West) the timing on this part of the agreement has been deferred.

NB. Southern Gold Ltd has assigned all its rights to Southern Uranium: the agreement with Crescent's consent to the dealings is with the lawyers (N. Leggo, 2007 pers com).

3.2.2.2 Rum Jungle Uranium Joint Venture

Rum Jungle Uranium Pty Ltd (RJU) has entered into a joint venture with Uranium West Pty Ltd concerning four exploration licences: EL24866 & EL24898 at Rum Jungle, and EL 24834 & EL24835 at Tennant Ck. The initial interests of the two parties are Uranium West 100% and RJU 0%.

Stage 1 of the joint venture allows RJU to spend AUD$200,000 on exploration within the tenements to earn a 25% interest (at this point the parties interests are thus UW 75% & RJU 25%); by the end of 2007.

Stage 2 of the joint venture allows RJU to spend an additional AUD$400,000 to earn through to a 50% interest (thus the parties interests are UW 50% & RJU 50%);

Stage 3 of the joint venture allows RJU to contribute a further AUD$500,000 on exploration costs to earn an additional 25% interest resulting in RJU having a 75% interest in the joint venture and UW holding a 25% interest.

Total expenditure by Rum Jungle on the four tenements is thus $1.1M to earn through to a 75% interest in the joint venture.

Rum Jungle can withdraw from all or any of the joint venture tenements (as long as minimum expenditure obligations under the NT Mining Act or the terms & conditions of the granted tenements have been met) and 100% interest in the tenements reverts back to Uranium West. The manager of the Joint Venture is RJU throughout all stages of the agreement as long as RJU retains a 50% or more interest in the joint venture.

3.3 Rum Jungle

The Rum Jungle Mineral Field is located 75km south of Darwin in the Northern Territory, and comprises three Exploration Licences covering a total area of 27 km^2. A list of tenements is provided in Table 3.

Table 3 Rum Jungle – Tenement Details

Tenement	Project	Size (km2)	Annual Commitment	Comments
NT				
EL24866	Rum Jungle	12.3	$16,000	Granted
EL24867	Rum Jungle	9.7	$20,000	Granted
EL24898	Rum Jungle	4.98	$10,000	Granted
Sub-Total		27	$32,000	

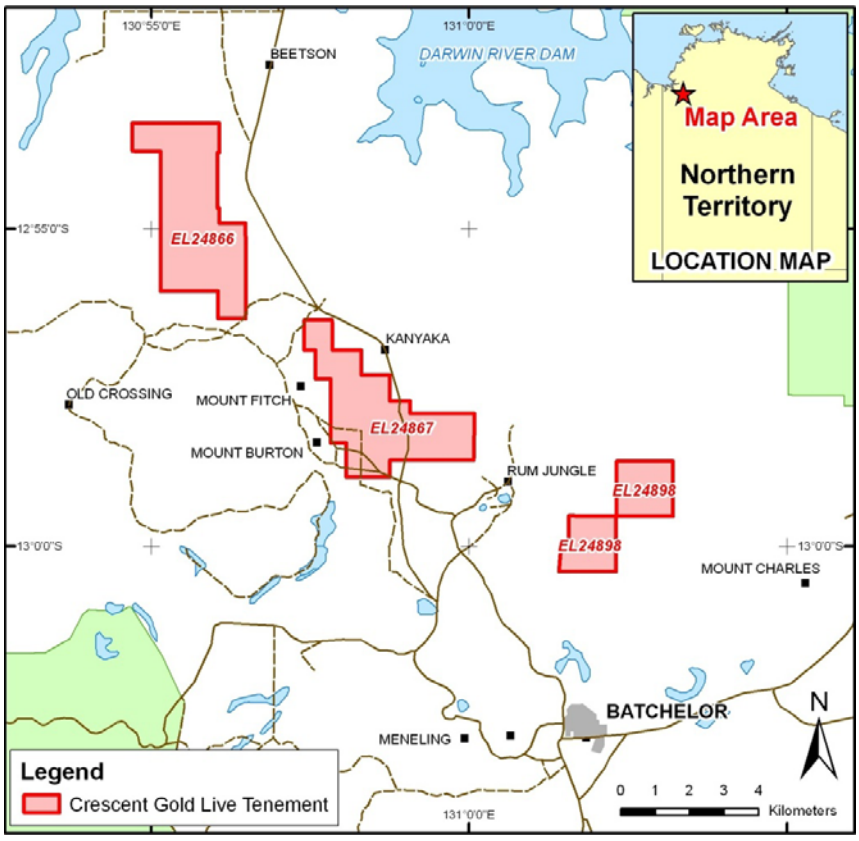


Figure 40
Tenement Location Plan-Rum Jungle.

3.3.1 History

The Rum Jungle Mineral Field was the first area where uranium was discovered and processed. In 1869, an unidentified green mineral was located by the Surveyor General of South Australia, G.W. Goyder and thought to be copper oxide. In 1949, following the initiative by the Federal Government to encourage the discovery of uranium deposits, a local prospector re-discovered the same site and sent samples to Darwin where they were confirmed as Torbenite. A team of BMR Geologists were sent to evaluate the site, and the prospector, Jack White was subsequently given the $50,000 reward for his discovery. By 1953, exploration work including mapping, radiometric surveys and drilling had located many anomalies in the area, and mining commenced in 1954. Uranium produced by the processing plant at Rum Jungle was initially sold to the UK-US Combined Development Agency under a fixed contract (1953-1962). After the contract had expired, ore was stockpiled for later sale on the open market. The Rum Jungle plant was decommissioned in 1971, having produced a total of 4,700t of U_3O_8 (Compass Resources NL 2007).

3.3.2 Access, Climate, Local Resources, Infrastructure & Physiography

The Rum Jungle Mineral Field is located 80km south of Darwin, the capital of the Northern Territory.

Road access from Darwin to the small town of Batchelor (population, 650), proximal to the project, is provided by the sealed Stuart Highway. Access to the tenements is then by a series of sealed and maintained gravel roads.
Several mineral deposits are currently undergoing feasibility studies, targeting commodities including uranium, copper, zinc, cobalt and silver (see Compass Resources NL).

The area experiences a monsoonal climate with a wet season from October to April. Most rain falls between December and March, with an annual rainfall of 1600mm. Temperatures are highest in November and December when the mean temperature is 34°C, and minimum is 27 °C. The coolest month is July when the average maximum temperature is 30 °C, and the minimum is 19 °C.

The area comprises rolling topography with low hills and river valleys, and in places contains dissected lowlands with black soils. Vegetation consists of open forest and woodlands, dominated by species of *Eucalypt*, *Livingstonia* and *Pandanus*.

3.3.3 Geological Setting

3.3.3.1 Regional Geology: Pine Creek Inlier

The Pine Creek Inlier is the major mineral province of the Northern Territory, covering about 66,000km² between Darwin and Katherine from latitude 11º 40'S to 14º50'S and longitude 130ºE to 133ºE. The region contains Archaean

and Palaeoproterozoic rocks surrounded by subhorizontal strata of several sedimentary basins ranging in age from Mesoproterozoic to Mesozoic. The region is notable as one of the world's largest and richest uranium provinces, containing the Alligator Rivers, Rum Jungle, and South Alligator Valley uranium fields.

Significant uranium deposits occur in the Rum Jungle mineral field: they are mainly stratabound in partly carbonaceous metasedimentary rocks ranging from low to medium metamorphic grade, as disseminated to stratified uraninite deposits. Stratigraphic hosts to the deposits are the Whites Formation at Rum Jungle: this unit is low in the geosynclinal sequence (Mt Partridge Group), close to the granitic basement, and locally the lowest carbonaceous unit (Needham & De Ross, 1990).

The oldest rocks of the Rum Jungle Mineral Field are schist and ironstones of the Stanley Metamorphics, which were intruded by various granitic phases of the **Rum Jungle Complex** around 2530Ma (Lally, 2002). These rocks are exposed in two structural domes (Rum Jungle and the Waterhouse Domes), and are unconformably overlain by a sedimentary succession comprising the Manton, Mount Partridge, South Alligator and Finniss River groups of the Pine Creek Orogen. Dolerite and gabbro sills of the Zamu Dolerite intrude these sediments. The Rum Jungle Complex is variably enriched in uranium.

Multiple folding and faulting events affected the rocks from 1880 to 1770 Ma. Early northwest orientated thrusts were overprinted by tight to isoclinal north trending folds. Metamorphism was to upper greenschist facies. Open folding and faulting of the area is believed to be a distant expression of granitic emplacement to the southeast and to the east, and was followed by retrograde metamorphism to lower greenschist facies accompanied by regional-scale, northwest trending strike-slip faulting.

The **Mt Partridge Group**, up to 5000m thick, consists of sandstone, siltstone, arkose, shale, conglomerate, quartzite, carbonaceous shale & siltstone, dolomite, magnesite & minor interbedded volcanics. The Rum Jungle uranium-polymetallic deposits are invariably located close to carbonate rocks of the Coomalie Dolomite; this unit underlies the Whites Formation.

The **Coomalie Dolomite** is about 300m thick, and is composed of magnesite, dolomite, and some interbeds of metapelite & medium to coarse-grained actinolite-rich calcareous para-amphibolite. The carbonate rocks contain domal, stratiform, & conical stromatolites. Silicification of the Coomalie Dolomite is widespread although locally patchy. In mineralised areas collapse breccias occur within the dolomite.

Overlying and in places interfingering with the Coomalie Dolomite, the **Whites Formation** is between 300 to 500m thick, and consists of fine grained, pyritic calcareous and/or carbonaceous argillite with minor quartzite, calcarenite, and calcareous para-amphibolite. Rare massive stromatolites occur. The Whites Formation is mainly exposed in mine open cuts: SEM-probing of the carbonates show mainly recrystallised dolomite containing minor magnesite

veins. The magnesite has probably been derived by remobilisation from the underlying Coomalie Dolomite (Crick, 1987).

Unconformably overlying the rocks of the Mt Partridge Group are Koolpin Formation shale & siltstone (carbonaceous) and siliciclastic Gerowie Tuff volcanics and fine grained sedimentary rocks (up to 500m thick).

3.3.3.2 District Geology

The project lies within an area known as the 'Embayment Area' within the Rum Jungle Mineral Field.

This area contains the Dysons (U), Whites (U-Cu-Co), Intermediate (Cu-Co) and Browns (Pb-Cu-Co-Ni-Zn) deposits, all of which occur in the Whites Formation, close to the unconformable contact with the Coomalie Dolomite of the Mt. Partridge Group.

The major uranium deposits are detailed below in Table 4:

Table 4 Summary of uranium deposits – Rum Jungle Field (Lally 2002)

Deposit	Size
Whites	390,000t @ 0.27% U_3O_8 295,000t @ 2.8% Cu, 0.3% Co
Dysons	157,000t @ 0.34% U_3O_8
Rum Jungle Sth	660,000t @ 0.43% U_3O_8
Mt Burton	6000t @ 0.21% U_3O_8, 1% Cu
Mt Fitch	1.3Mt @ 0.6% Cu, , 0.2% Co, 0.2% Ni, 0.04% U_3O_8

Significant polymetallic mineral production from the Rum Jungle Field includes 364 tonnes of silver, 1,885 tonnes of copper, 71,000 tonnes of lead, 144,000 tonnes of zinc, and 4,700tonnes of U_3O_8 (Needham & De Ross 1990).

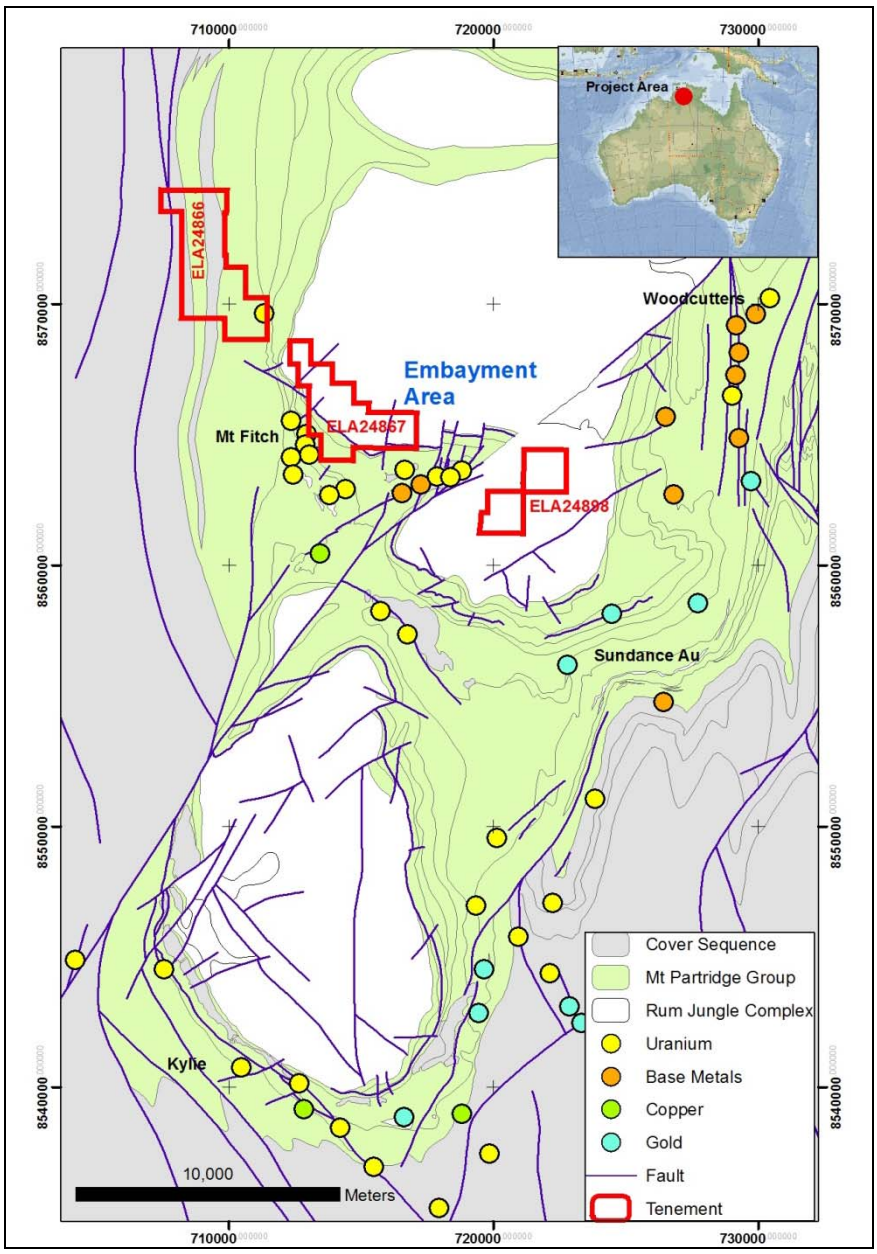


Figure 41
Rum Jungle Project- Geology and Tenement Locations.

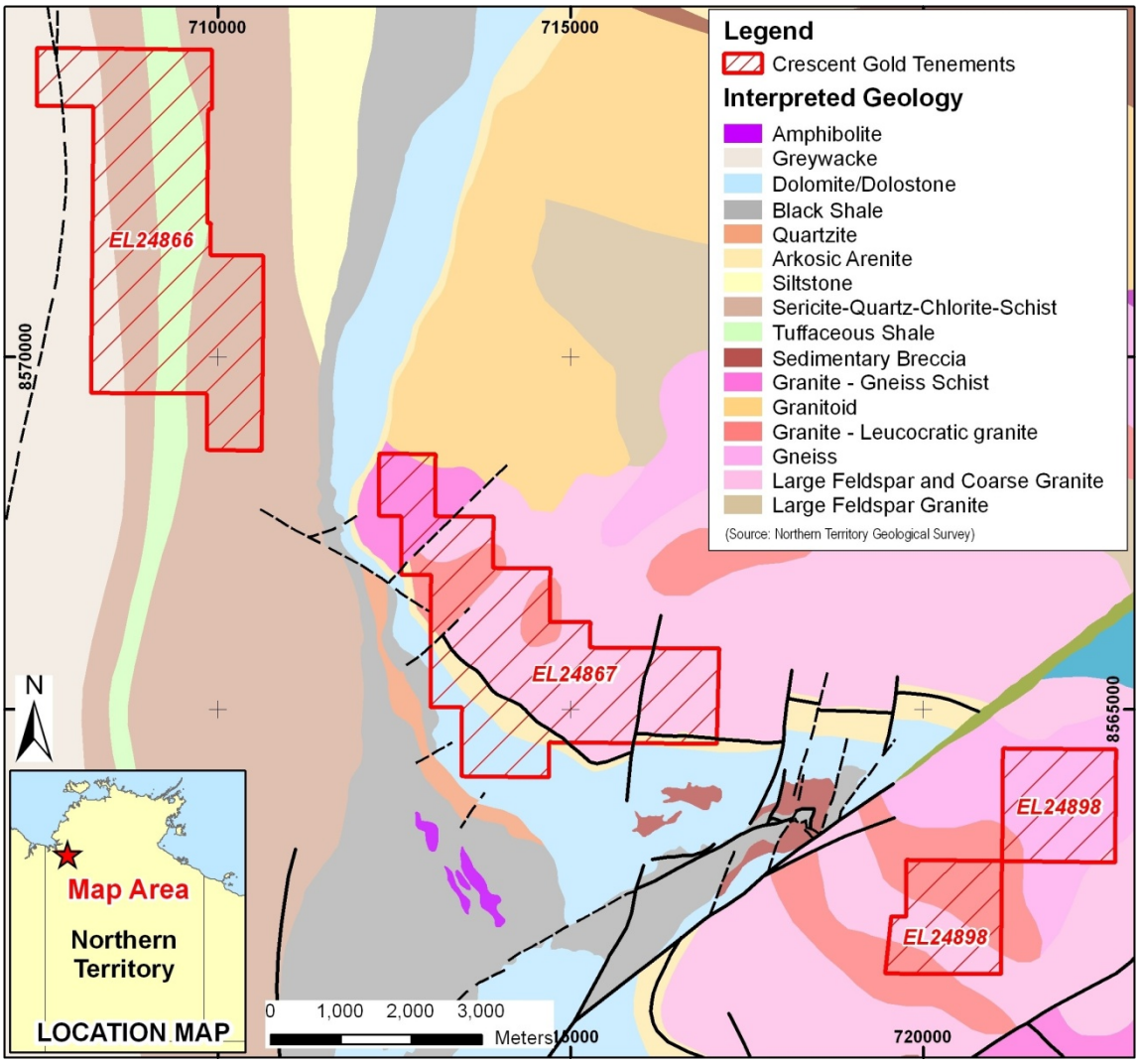


Figure 42
Geology of the Embayment Area, Rum Jungle.

3.3.4 Deposit Types

The uranium deposits at Rum Jungle may be classified as Proterozoic unconformity-related type.

These deposits occur proximal to unconformities, generally between fractured, brecciated uranium-enriched basement rocks and overlying porous or reactive sediments, for Rum Jungle the factors are summarised below:

- Spatial association with the unconformity between basement granite & the overlying Coomalie Dolomite and Whites Formation,
- Fault and shear controlled,
- Hosted in shallow plunging, synclinal folds
- Alteration pattern dominated by chlorite, with hematite and pyrite.
- Uranium-only to polymetallic metallogenic signature. Potential regional zonation, from west to east.

Uranium minerals present in these types of deposits are usually pitchblende and uraninite.

Proterozoic unconformity-related deposits include some of the largest and richest uranium deposits known, examples of which are found worldwide, but notably in Canada (e.g.: Cigar Lake, Key Lake, McArthur River) and in Australia (e.g.: Alligator Rivers: Ranger 1).

In Australia, unconformity-related deposits represent a major portion of known uranium mineralisation. The Rum Jungle deposits bear some similarities with Zambian stratiform copper-uranium-cobalt deposits of Neoproterozoic age: mainly in their proximity to basement granitoids, and ore control by carbonaceous shales, arkose and dolomitic rocks e.g. Nchanga at Chingola.

3.3.5 Mineralisation

Uranium and polymetallic base metal mineralisation occurs in Mount Partridge Group sedimentary rocks around the margins of the Archaean basement domes, and is both stratigraphically and structurally controlled. The Mt Partridge Group comprises the Palaeoproterozoic Crater Formation, overlain by Coomalie Dolmite and the Whites Formation. Uranium, cobalt, nickel, copper, lead & zinc mineralisation occurs at the basal contact of the Whites Formation (Needham & De Ross 1990) along thrusts developed above the Archaean Rum Jungle Complex.

The three tenements are located within a region known as the **Embayment Area:** the Embayment Area contains the Dysons (U), Whites (U-Cu-Co), Mt Burton (Cu-U), Intermediate (Cu-Co) and Browns (Pb-Cu-Co-Ni-Zn) deposits, all of which occur in the Whites Formation, close to the contact with the Coomalie Dolomite. Mineralisation is roughly parallel to the stratigraphic contact on the northwest limb of a gently southwest-plunging syncline. No examples of this style of mineralisation are known to occur in the project areas.



Figure 43
Gossanous Coomalie Dolomite at Mt Fitch
(not on Uranium West ground).



Figure 44
Supergene copper-uranium mineralisation at Mt Burton (Embayment Area).



Figure 45
Secondary magnesite developed within Whites Formation at Mt Burton (not on Uranium West ground)

3.3.6 Previous Exploration

Federal government incentives in the 1940s aimed at stimulating uranium search led to the discovery at Rum Jungle in 1949 (Needham & De Ross, 1990).

The most intense phase of exploration in the Rum Jungle area occurred during the 1950's. By 1953, exploration work including mapping, radiometric surveys and drilling had located many anomalies in the area, and mining commenced in 1954. Uranium produced by the processing plant at Rum Jungle was initially sold to the UK-US Combined Development Agency under a fixed contract (1953-1962). After the contract had expired, ore was stockpiled for later sale on the open market. The Rum Jungle plant was decommissioned in 1971, having produced a total of 3530t if U_3O_8. (Lally, 2002).



Figure 46: Uranium-bearing stockpiles at Mt Burton (not the property of Crescent Gold Ltd).

Significant silver-lead-zinc mineralisation was discovered at Woodcutters in 1964-this was found during systematic geochemical prospecting for uranium along a favourable stratigraphic contact in the Rum Jungle area. The major deposits of the Alligator Rivers uranium field: Jabiluka 1 & Jabiluka 2, Ranger 1, Koongarra, and Nabarlek were discovered during the period from 1968 to 1972 (e.g. Ranger: Peko-Wallsend Ltd and Electrolytic Zinc Corp).

Exploration in the Rum Jungle area until recently has largely focused on other commodities including gold and base metals. In some cases, uranium was analysed as part of a suite of elements, although it was not the primary focus. Companies such as CRA (Marmount, 1972, French, 1974) continued exploration in the early 1970's. There was a second phase of exploration for

uranium during the early 1980's, with companies such as Occidental Minerals Corporation of Australia (Swingler,1980) and International Mining Corporation (Shywolup, 1980, 1982, Birch, 1983) completing regional reconnaissance exploration programmes in the Rum Jungle area. No significant discoveries were located.

Recently, Compass Resources Ltd has commenced exploration for further uranium mineralisation within their leases overlying much of the Embayment Area. Detailed information about the Compass work at Rum Jungle can be gained from the web site: www.compassnl.com.au

Compass announced a global resource at Mt Fitch (at 0.225kg/tonne cut-off) of 18.3Mt @ 0.36kg/t of U_3O_8-based on pre-2007 drill data (Compass Resources NL 2007). Significant copper, lead, zinc, nickel, cobalt & silver mineralisation has been intersected by recent drilling at the Browns prospect by Compass:

- Hole 07BE01: 10m @ 6.61% Cu, 0.46% Co, 0.33% Ni, 165g/t Ag & 1.7kg/t U_3O_8 ; from 138 to 148m
- Hole 07BE04: 3m @ 2.25% Cu, 0.10% Co, 0.09%Ni, & 4.95kg/t U_3O_8 ; from 132 to 135m; and
- from 141 to 156m: 15m @ 5.79% Cu, 0.17% Co, 0.21% Ni & 203g/t Ag.

These holes are located between the historic Intermediate copper mine, and Whites uranium-copper mine (Compass Resources 2007).

3.3.7 Planned Exploration

It is proposed that detailed soil sampling, ground magnetics, together with geological & structural mapping be carried out in the areas, so that targets may be defined along the prospective Coomalie Dolomite-Whites Formation unconformity, and favourable faults & shears. Consideration should be given to carrying out systematic airborne electromagnetic surveys over the tenement areas aimed at targeting conductive bodies occurring down dip on the unconformity between the Archaean Rum Jungle Complex and overlying Mt Partridge Group meta-sedimentary rocks (Coomalie Dolomite). Later drill testing would then need to be carried out.

A proposed first phase exploration budget is presented below in Table 4.

Table 5 Proposed Exploration – Rum Jungle (Thorne, 2006)

	Activity	**Amount**	**Cost ($AUD)**
EL24866	Soil sampling, mapping, ground magnetics, airborne geophysics	400 line km of TEM	$122,000
	Geochemistry		$30,000
EL24867	Soil sampling & mapping		$30,000
EL24898	Soil sampling & mapping		$30,000
		TOTAL	**$212,000**

3.3.8 Data Verification

The project area at Rum Jungle was visited by John L. Stockley of Lyndhurst Enterprises Pty Ltd together with Mr Neal Leggo from Crescent Gold Ltd as part of the project review for the preparation of this report. The details of history, previous exploration, and the planned program at Rum Jungle were in part taken from Thorne (2006).

3.4 Calvert Hills Project

The Calvert Hills Project is located 100km west of the Northern Territory-Queensland border in northern Australia, and comprises two granted Exploration Licences and one Exploration Licence Application, covering a total area of 3,671 km^2. A location map is presented below as Figure 44:

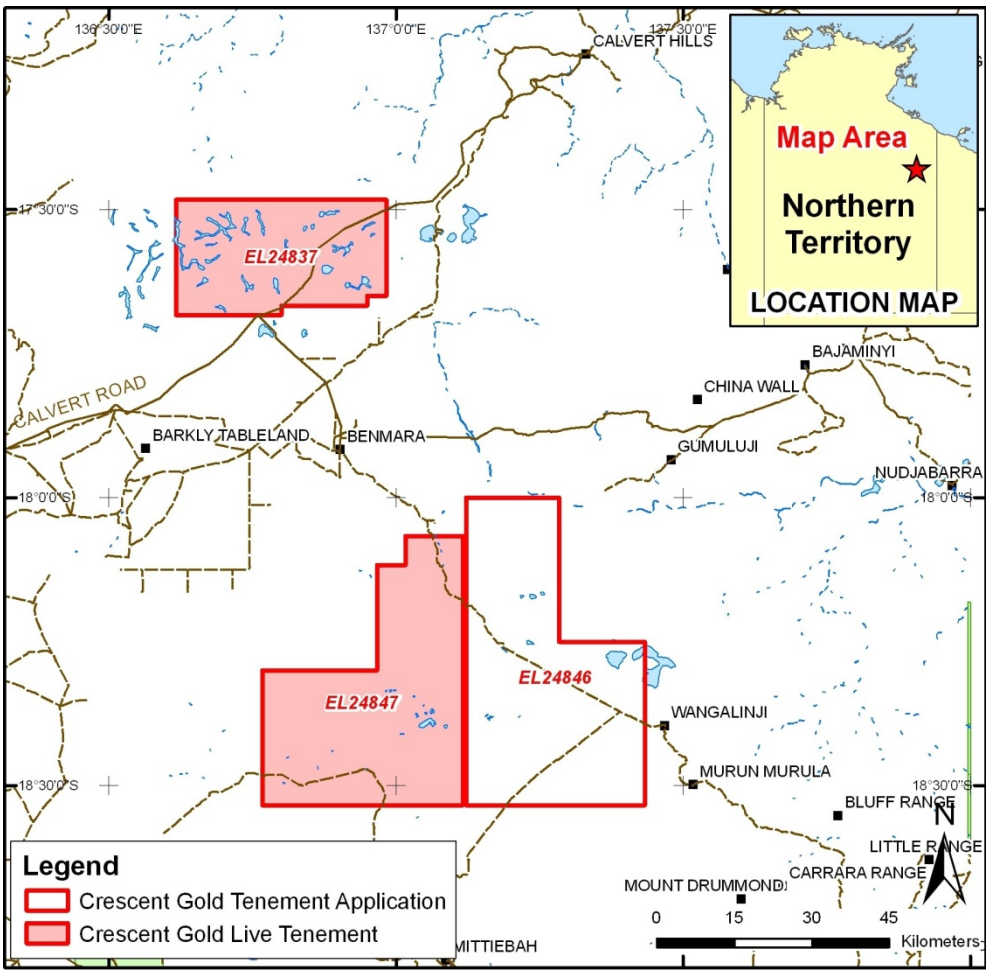


Figure 47
Calvert Hills Project – Location Map

Table 6 Calvert Hills – Tenement Details

Tenement	Project	Size (km2)	Annual Commitment	Comments
NT				
EL 24837	Calvert Hills	822	$39,000	Granted
ELA24846	Calvert Hills	1509	$70,000	Application
EL 24847	Calvert Hills	1340	$48,000	Granted
Sub-Total		**3671**	**$157,000**	

3.4.1 History

The region in which the Calvert Hills Project lies was probably initially visited by prospectors in the late 1800's, after the discovery of minor base metal deposits to the south. Other commodities including copper were also discovered shortly after. Exploration for uranium commenced after the end of World War 2, when, after requests by the British and United States Governments, the Australian Federal Government offered incentives to encourage exploration for uranium. The search was also aided by the collection of airborne radiometrics by the Bureau of Mineral Resources (BMR) in the 1950's.

Most of the main uranium occurrences were discovered in the Westmoreland Uranium Field during this time. Mount Isa Mines (MIM) explored a large ground holding in the 1950's, straddling the Northern Territory-Queensland border. This work led to the discovery of, amongst others, the Redtree deposit, which is one of the largest examples of uranium mineralisation in the Westmoreland Uranium Field.

MIM relinquished the ground soon after due to its remote location. The Redtree area was further explored from 1967-69 by over 12000m of drilling. This work indicated that the mineralisation was continuous to depths of over 130m below surface, with a strike length of 4.8km. The average width of the mineralisation was 9.5m, with grades averaging 0.2% U_3O_8. (Rheinberger, 1998).

In all, a total of 53 uranium occurrences are known, 35 of which occur in the Northern Territory, the others being in western Qld.

3.4.2 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Project is located 300km north west of Mt. Isa and 100km south of the Gulf of Carpentaria in Northern Australia. Mt. Isa is the largest town in the area having a population of over 20,000 people, and is a major mining and pastoral centre. It has daily flights to Brisbane and is serviced by sealed roads and rail. Access to the Calvert Hills project area is via the sealed Cape Development and Burke Development Roads, then via a network of pastoral roads and tracks. These tracks become impassable during times of heavy rainfall during the wet season.

The tenements are located in remote, sparsely populated hilly country. Topographical features range from open woodlands in broad valleys containing ephemeral drainages to low rocky hills. Vegetation is dominated by open woodland *Eucalyptus sp* and grasses.

Average rainfall is variable but can be as high as 800mm per year during the wet season, which generally lasts from November to April each year. Travel along unsealed roads and tracks may be difficult during this time. Temperatures range from an average of 36^{O}C in summer to milder conditions in the winter months with minimum temperatures ~15ºC.

Although the project area occurs within an area where watercourses are ephemeral, large artesian water resources are known to exist.

3.4.3 Geological Setting

3.4.3.1 Regional Geology

The tenements held by Uranium West are located on the Calvert Hills (SE53-4) and Mt. Drummond (SE54-5) 1:250,000 scale maps. The regional geology is presented further below as Figure 45.

The oldest rocks in the area are Proterozoic (~1875 Ma) sedimentary rocks, meta-volcanics and intrusive rocks of the Murphy Inlier, which separates the McArthur River Basin from the Mount Isa Inlier. Lithologies of the Murphy Inlier comprise schistose meta-sediments of the Murphy Metamorphics, felsic volcanics belonging to the Cliffdale Volcanics, and the Nicholson Granite Intrusive Suite. The Cliffdale Volcanics contain over a 4km thickness of ignimbrite, rhyolite, and felsic tuffaceous rocks, and conformably overlie the Murphy Metamorphics.

Both the Cliffdale Volcanics and the Nicholson Granite are co-magmatic. Age dating for both units has been determined to be 1850 Ma. Granitoids of the Nicholson Granite range from predominantly I-type to A-type, and consist of white to pink, porphyritic monzogranite to granodiorite. Accessory minerals include magnetite, hornblende, fluorite, apatite and zircon.

Studies conducted by Budd et al (2001) state the Cu-Au potential for the suite as a whole to be moderate, however this analysis was completed on a limited number of samples.

Unconformably overlying the Nicholson Suite are sedimentary rocks belonging to the Tawallah Group. At the base of this sequence is the Westmoreland Conglomerate, a series of pebble conglomerates and coarse grained sandstone. These are conformably overlain by the Siegal Volcanics, a package of extrusive felsic volcanics and volcanoclastics. Other units that comprise the Tawallah Group include the McDermott Formation, Sly Creek Sandstone, the Aquarium Formation and the Settlement Creek Volcanics. An age of ~1700 Ma has been determined for the Tawallah Group.

A major tectonic event deformed the Murphy Inlier between 1620Ma and 1550 Ma, with two major phases of deformation recognized. This event is responsible for periods of thrusting, folding and mafic dyke emplacement. A third, mainly ductile deformational event is also recognized around 1480 Ma.

Sediments of the South Nicholson Group were deposited prior to 1200 Ma, and unconformably overlie the Tawallah Group. Lithologies of this group consist of marly sediments, siltstones and sandstones, and are believed to have been deposits in shallow marine conditions.

A series of younger sequences including Cambrian sedimentary and volcanic rocks as well as Tertiary to Holocene soil, laterite, colluvium and alluvium overlie the sequence.

3.4.3.2 District Geology: Northern EL 24837

The major part of EL24837 is covered by Cainozoic soils, unconsolidated sands and laterite, and thus surface outcrop is limited. However, within the central portion, quartz-sandstone, feldspathic sandstone and conglomerate of the Westmoreland Conglomerate (Tawallah Group) protrude through the cover.

To the immediate southeast, porphyritic, medium to coarse grained biotite grantite belonging to the Nicholson Granite and muscovite-hematite schist and gneissic rocks of the Murphy Metamorphics crop out. A number of minor occurrences (Type E) of uranium occur in this area.

Regional aeromagnetic surveys show two dominant structural orientations, namely north easterly and north westerly. The age relationships are not clear at present.

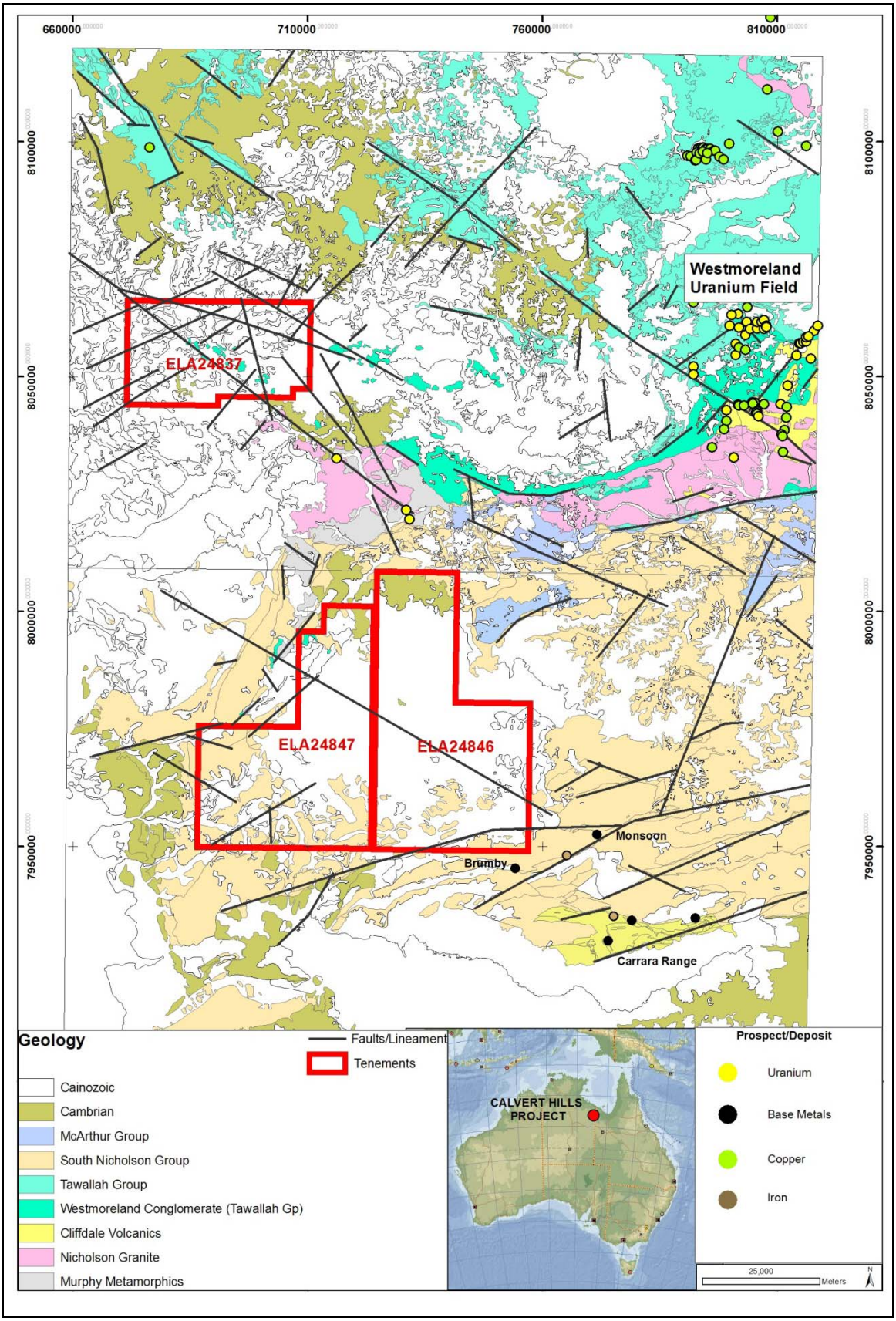


Figure 48
Regional Geology – Calvert Hills Project.

3.4.3.3 Southern Tenements: EL 24846 & EL(A)24847

The majority of the area within these tenements is covered by a veneer of unconsolidated sand and soil. To the immediate east of ELA24847 are schist and gneissic rocks belonging to the Murphy Metamorphics.

To the south and east, the geology comprises siltstone, shale, sandstone, glauconitic sandstone and mudstone of the South Nicholson Group, together with dolomite, dolomitic sandstone and arkose of the older Tawallah Group.

Approximately 25km south east of EL24846 are the Cararra Range volcanics, a sequence comprising rhyolite, felsic tuff, volcanic agglomerate, with minor basalt and thin sediment beds.

3.4.4 Deposit Types

3.4.4.1 Uranium Mineralisation

In the Westmoreland Uranium Field, uranium mineralisation has a spatial association with the unconformity between the Westmoreland Conglomerate and the underlying Cliffdale Volcanics. The occurrences share characteristics in common with both Proterozoic unconformity-related and sandstone-hosted uranium deposits.

Proterozoic unconformity-related deposits, as the name suggests, have a spatial association to major unconformities. This style of deposit includes some of the highest grade and largest deposits in the world, principally within two areas, the Alligator River region in the Northern Territory (e.g.: Ranger) and the Athabasca Basin in Canada (e.g.: McArthur River & Cigar Lake). Common ore minerals are pitchblende and uranite.

Deposits can occur above, within or below the unconformity, and have a distinctive geochemical signature depending upon host lithology. Underlying rocks are generally deformed and fractured, whilst rock types above the unconformity are usually undeformed. A schematic diagram is presented below in Figure 46:

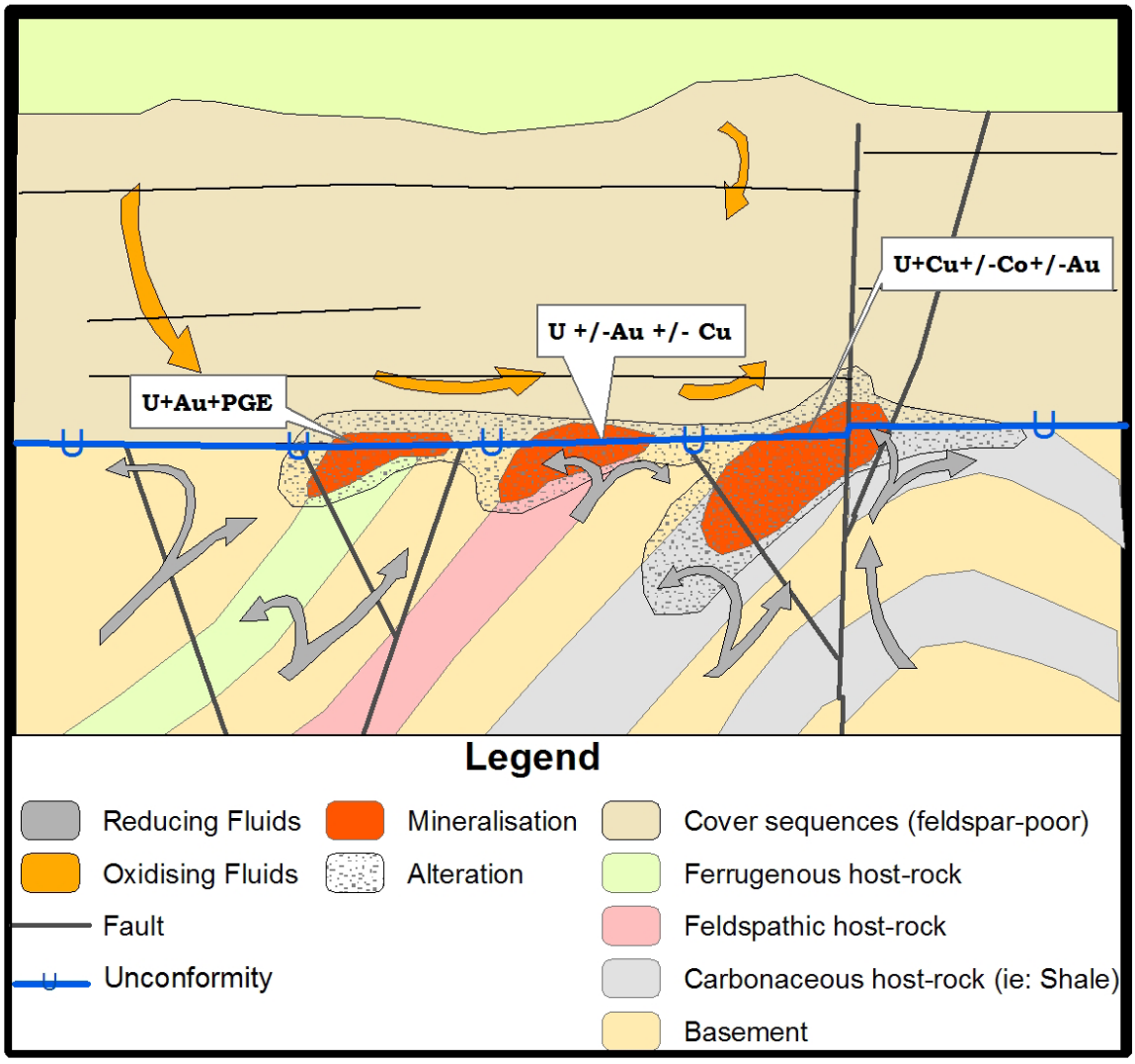


Figure 49
Proterozoic unconformity model for uranium mineralisation (modified from Mernagh, 1998).

Sandstone-hosted uranium mineralisation occurs in sandstone or other porous units in palaeochannels that overlie or are proximal to uranium-enriched source rocks. Uranium is weathered out of the source rocks, and re-deposited in favourable beds, generally at a redox boundary in the channel.

Porous sandy units or units containing minor carbonaceous matter are often mineralized.

Globally, sandstone-hosted palaeochannel deposits contain a large portion of known uranium resources. Deposits may contain up to 50,000t U_3O_8, although generally at low grades.

Examples of this style of deposit in Australia include the Beverly deposit in South Australia. At the Beverly deposit, uranium mineralisation forms lenticular zones in uncemented, weakly consolidated sands and clays of the Cainozoic Namba Formation (Callen and Tedford, 1976).

A resource of 12Mt @ 0.18% U_3O_8 for 21,000t was calculated by Heathgate Resources Ltd in their Environmental Impact Statement (Heathgate, 1998), although this was downgraded by Heathgate prior to mining to 16,300t. The deposit is mined using In-situ Leaching (ISL) technology.

3.4.4.2 Iron Oxide Copper-Gold (IOCG) Mineralisation

The term IOCG mineralisation encompasses a broad spectrum of deposits. However, all share certain features as summarised below (Barton & Johnson, 2004, Hitzman, et al 1992);

- Extensive alkali-dominate alteration;
- Association with porphyritic, fractionated, generally I-type to A-type granites, generally in an intracratonic setting;
- Voluminous hydrothermal magnetite +/- hematite ('ironstone'), although not all accumulations of iron oxide contain economic Cu-Au mineralisation;
- Distinctive suite of elements including; U, Co, Ag, REE, F, Ba and P;
- Strong structural control: e.g. pull apart structures;
- Presence of intermediate to felsic volcanics that were emplaced at the same time as the mineralisation: often as diatremes.

Host rocks can vary from the wall rock granites themselves (eg: Olympic Dam, South Australia), to felsic volcanics (Ernest Henry, Queensland; Candelaria, Chile), clastic sediments (Tennant Creek deposits, NT) to Banded Iron Formation (Selwyn-Starra, NW Queensland). Deposits of this type are known from the Archaean through to the Paleaozoic.

Mineralisation is usually in the form of chalcopyrite and bornite which occur within or proximal to accumulations of magnetite or hematite, depending upon the depth of formation.

Mineralisation occurs in breccia zones, as replacement fill and as disseminations, but all have an apparent structural control. The size of deposit can range from 0.5-15Mt (e.g. Warrego, 6.95 Mt @ 6.6 g/t Au, 2% Cu, Tennant Creek, NT), to hundreds of million tonnes (Ernest Henry 167Mt @ 1.1% Cu, 0.5g/t Au, Queensland) to the giant Olympic Dam deposit in South Australia (4.7Bt @ 1.5% Cu, 0.5g/t Au, 0.6 kg/t U_3O_8, 3.5 g/t Ag)

A schematic diagram showing a genetic model for the formation of IOCG deposits is presented below as Figure 47:

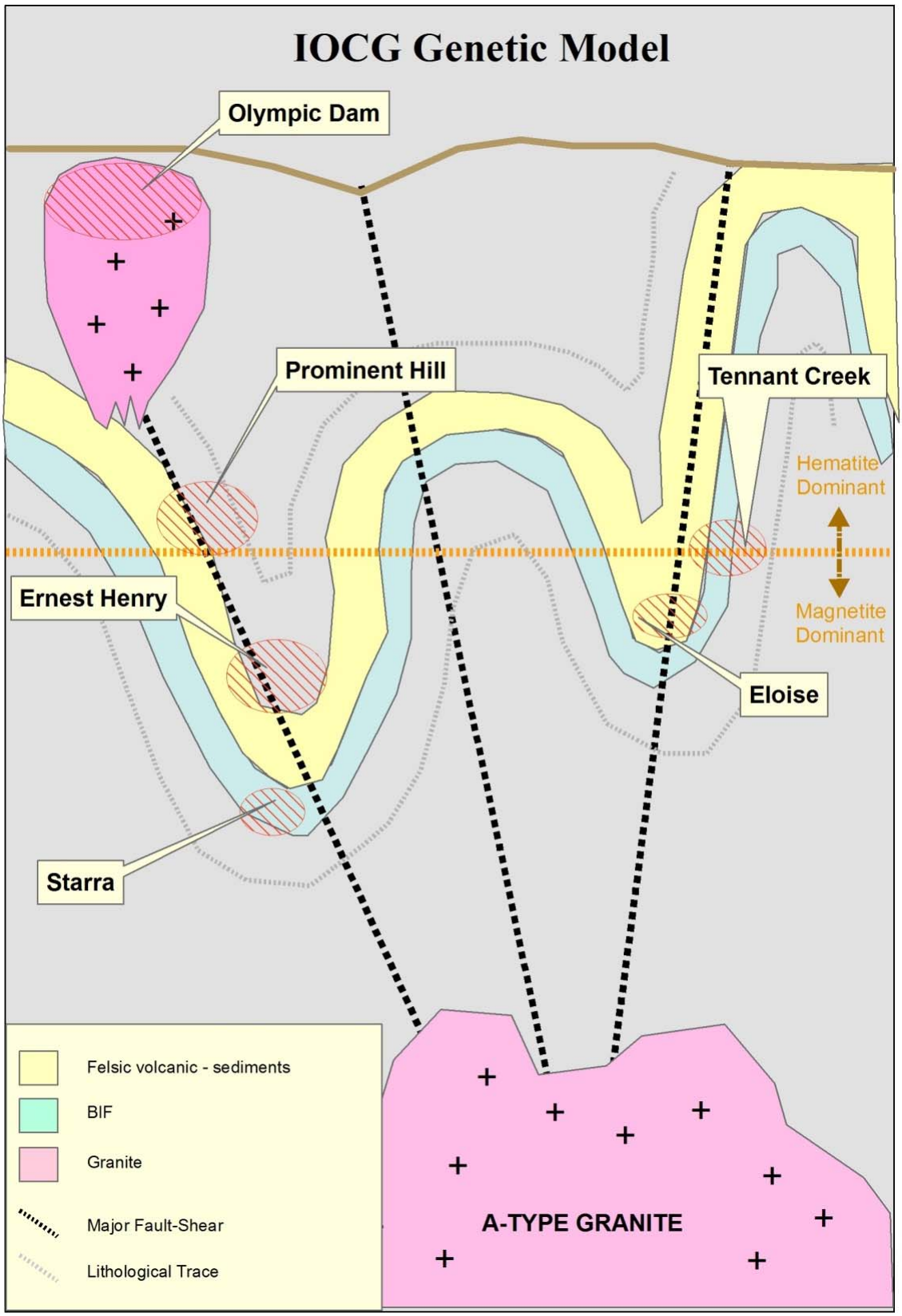


Figure 50
Simplified IOCG Genetic Model, showing examples of deposits relative to depth of formation.

3.4.4.3 Sedimentary exhalative (SEDEX) deposits

SEDEX deposits generally occur as fine grained sediment-hosted Pb-Zn-Ag deposits of mid-Proterozoic age which may or may not be exhalative, and which are best developed in the Mount Isa Inlier -Mcarthur Basin region of northern Australia (Derrick, 2000). Recent work in the Mt Isa - McArthur River area has led to the development of regional characteristics that are considered important to the formation of large base metal deposits (Derrick, 1996). These are;

- Rifting
- Growth faulting
- Third order, pyritic and carbonaceous sedimentary basins,
- Feldspar-rich basement source rocks.

These deposits are generally large, their average size is about 100Mt at grades of +10% Pb+Zn, and Ag credits range from 35g/t at Century to 150g/t at Mt. Isa (Derrick, 1996). Common minerals are galena, sphalerite, with lesser chalcopyrite and pyrite.

Most settings are intracontinental rifts or rifted margins, and deposits are best developed in the youngest sedimentary basins overlying older rift-sag cyclic sequences. Dolomitic siltstones and shelf carbonates are common regional host lithologies, but generation of reduced facies (pyritic shales) through re-activated movement on growth faults (orthogonal to basin axis) is a key factor (Derrick, 1996).

3.4.4.4 Other deposits: Kuroko-style

Although outside the project area, the Proterozoic Carrara Range volcanics are prospective for Noranda-Kuroko style volcanogenic massive sulphide Cu-Pb-Zn deposits. These types of deposits are associated with felsic volcanism in an andesite dominated succession, locally associated with fine grained marine sediments. Deposits of this style generally have a structural control. Ore horizons may grade laterally into cherts or exhalatives, and consist of massive to disseminated sulphide lenses which can be tens of metres thick and hundreds of metres long (Cox and Singer, 1986). Average deposit size is 1.5Mt containing 1.3% Cu, 1.9% Pb, 2% Zn, 0.1 g/t Au and 13 g/t Ag (Cox and Singer, 1986). Common minerals are galena, sphalerite, with lesser chalcopyrite and pyrite.

3.4.5 Mineralisation

3.4.5.1 Uranium Mineralisation

Uranium deposits within the Murphy Inlier are characterised as small to moderate tonnage, low- moderate grade deposits, with contained U_3O_8 ranging from 3000-12000t at grades of 0.1% to 0.2% U_3O_8. The deposits of the area have been classified into 5 styles (Types A to E) by Ahmad (1987).

These are summarised below:

Type A

- Contact with Cliffdale Volcanics thrust over Westmoreland Conglomerate (Type A1), or contact of Seigal Volcanics conformably overlying Westmoreland Conglomerate (Type A2).

Mineralisation is thin (1-2m). At Redrock (Type A1), patchy U anomalism extends for several kilometres within hematite breccia in a major fault. For Type A2, mineralisation is commonly associated with a red-brown ferruginous siltstone near the contact. Most are surfical patchy concentrations, with the exception being the El Hussen prospect. Here, poddy, discontinuous U mineralisation occurs in NW trending fault zones in Cliffdale Volcanics, which lies parallel to the Westmoreland Conglomerate contact.

Type B

- Proximal to contact between mafic dykes (vertical dip, impermeable) and Westmoreland Conglomerate.

Although not as common as Type A, this style of mineralisation contains the largest known deposits known in the Murphy Inlier, occurring as sub-horizontal to sub-vertical lenses in Westmoreland Conglomerate near mafic dykes. The dykes are up to 20m wide, and are arranged in en echelon style along three NE trending structures, the Westmoreland, Redtree and El Nashfa dyke zones. Although these dykes also cut granite and Cliffdale Volcanics, no U mineralisation is found at these sites.

The largest (unexploited) deposit, Redtree, has an Inferred Resource of 10.2Mt @ 0.12% U_3O_8 (Rheinberger, et al. 1998). Mineralisation is associated with quartz-sericite+/-hematite alteration. Gold occurs occassionally and the grades are highly erratic.

Type C

- Within altered Cliffdale Volcanics where Westmoreland Conglomerate has been weathered away.

Mineralisation is controlled by faults, and alteration consists of sericite-quartz-epidote. Copper and lead may also occur with the U mineralisation.
The Eva deposit, the only significant example of this type, was selectively mined in the late 1950's at grades of 7% U_3O_8 (300t), although the current resource is calculated at 56,000t @ 0.56% U_3O_8 (Ahmad, 1987).

Type D

- Hosted in fractures within the Siegal Volcanics, up to 200m above the Westmoreland Conglomerate.

Generally small, fracture related occurrences characterised by surficial concentrations.

Type E

- Within Murphy Metamorphic rocks.

Small, fracture related occurrences. There is a possible northwest structural control to the mineralisation.

No examples of uranium mineralisation are known to occur within the Crescent project area, although previous exploration has been minimal.

3.4.5.2 Iron Oxide Copper-Gold (IOCG) Mineralisation

Potential also exists for IOCG mineralisation in the area, primarily in the southern two tenements. However, no examples of this style of mineralisation are known in the area, and the targeting is considered conceptual. The attributes listed below are considered regional indicators of the area's prospectivity;

- Proterozoic Basin/Inlier (~1800 Ma) containing first cycle felsic volcanics, chemical and clastic sediments;
- Proterozoic terrain with some A-type and I-type, fractionated, porphyritic granites. Academic work (Budd, et al, 2001) studying the geochemistry of the Nicholson Granite suggests that, based on a limited sample population, the potential for Cu-Au mineralisation is moderate, and that high grade, small tonnage deposits (ie: Eloise, Starra) are more likely than Olympic Dam giants.
- Large, discordant buried magnetic feature, identified from broad scale regional magnetics (possibly an IOCG-U system located in the southern portion of ELA24846: see Figure 42). This feature sits on edge of a major regional gravity ridge;
- Presence of U+/- Cu-Au mineralisation in hematite breccia and fault controlled hematite alteration zones.

It is interpreted by Lyndhurst that the IOCG-U targets would lie under younger cover sequences. However, the presence of Murphy Metamorphics outcropping through Tawallah Group sediments to the north of the southern tenements suggests faulting may have produced up-thrown blocks, and that the total depth of cover may not be excessive.

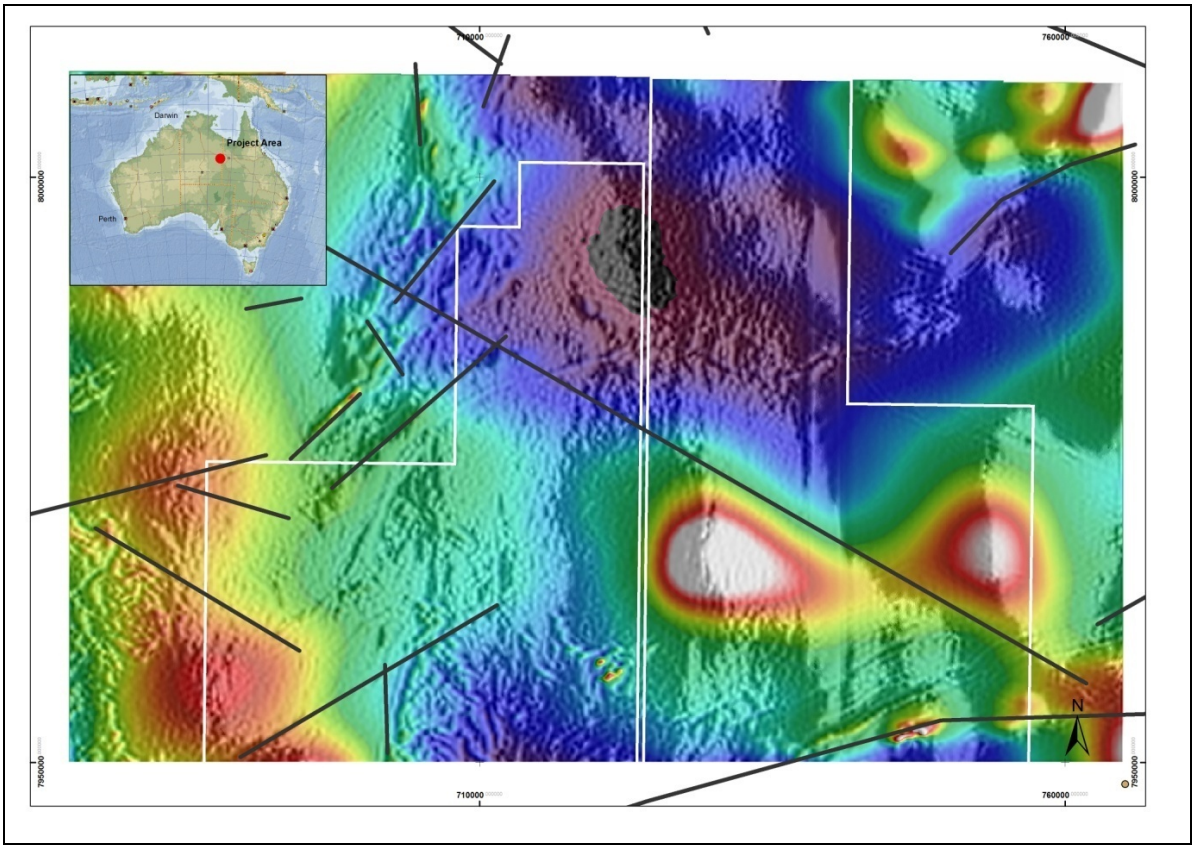


Figure 51
Large aeromagnetic feature within the Southern tenements.

3.4.5.3 Sedimentary exhalative SEDEX

Two examples of potentially SEDEX-style base metal mineralisation, Monsoon and Brumby, occur just outside the project. Conzinc Rio Tinto Australia (CRA-Walker, 2001) discovered Pb-Zn-Ag anomalism in shallow RAB drilling (93 holes for 2000m) discontinuously over some 25km of strike, initially outlined by soil sampling.

Two prospects, the Monsoon and Brumby Prospects, were tested with infill RAB drilling. This work produced numerous intersections of broad, low level Pb-Zn+/-Ag anomalism in ferruginous and partly silicified carbonaceous siltstone and sandy siltstone. All samples were collected as 3m composites. Geophysical surveys were completed, the results of which did not provide enough encouragement to continue. A location map is presented as Figure 37.

No examples of this type of mineralisation are known to occur within the project area, although there does not appear to have been any previous exploration conducted over the favourable lithologies.

Within the felsic volcanics of the Carrara Range, outside the project area, CRAE in 1995 completed 65 RAB and 7 RC holes testing Pb-Zn geochemical anomalies and Geotem EM anomalies (Broadbent, 1995). The prospects are shown in Figure 49 below:

A number of significant intersections were returned, but it was considered that they were not worthy of further work. Better results were:

CAR001 (RC) – 16m @ 0.6% Pb from 26m
CAR002 (RC) – 14m @ 0.5% Pb from 42m
CAR003 (RC) – 36m @ 0.1% Pb (12m to EOH).

No examples of this type of mineralisation are known to occur within the project area.

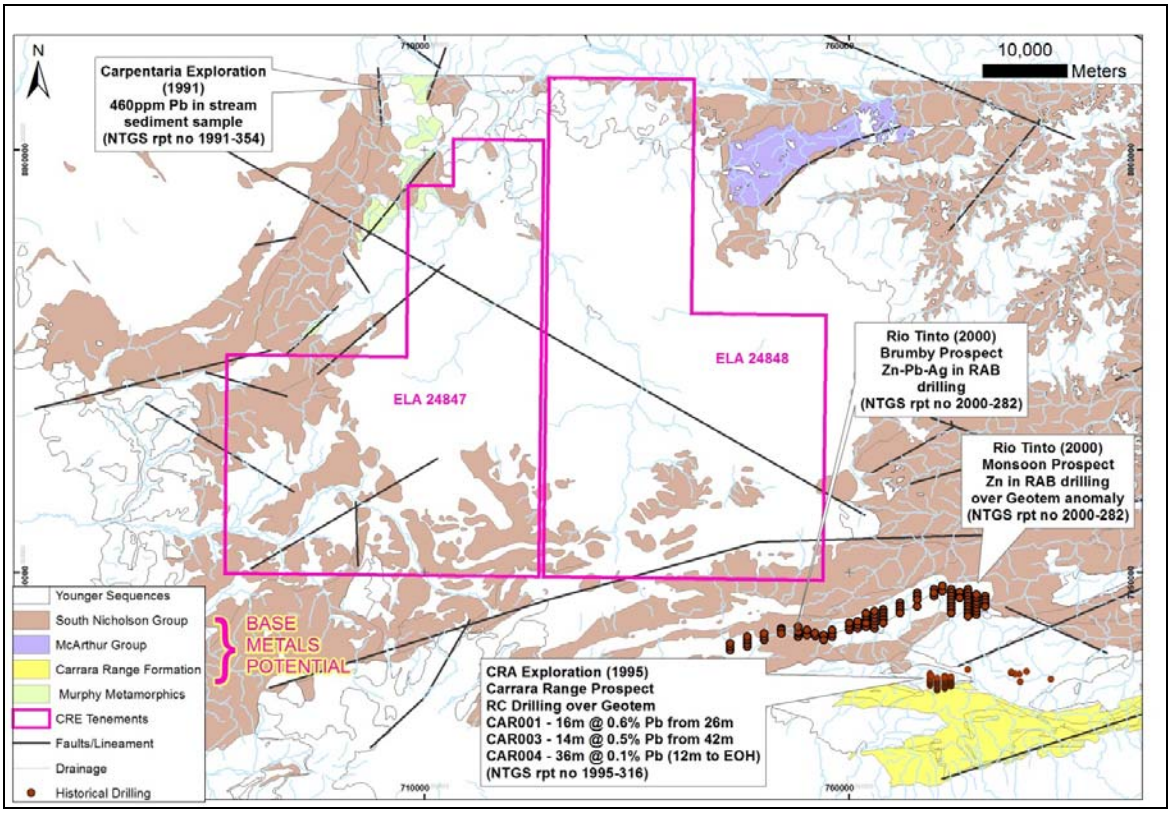


Figure 52
Base Metal exploration activities – southern tenements.

3.4.6 Previous Exploration

Little if any exploration for uranium has been completed on the Northern Territory side of the Murphy Inlier since the early 1980's. Afmeco completed a drilling programme in 1981 in the NE portion of ELA24837, and undertook limited reconnaissance prospecting on the Mount Drummond sheet (Beerbaum, 1982). Several small occurrences of uranium mineralisation were discovered, and five percussion holes for 811.6m was completed, however, results were considered disappointing and the ground relinquished.

The unconformity between the Westmoreland Conglomerate and the Cliffdale Volcanics was intersected at 120m depth in ELA24837, although no uranium anomalism was intersected. Laramide Resources Ltd (TSX: LAM), are currently aggressively exploring for uranium in the Westmoreland Uranium field, both on their own ground and in JV with Arafura Resources Ltd, using detailed airborne geophysics.

The area has been sampled for diamonds by various companies, and numerous indicator anomalies, mainly Cr-spinel and pyrope garnet occur within the greater area, together with some microdiamonds. No kimberlitic source rocks have been discovered. Lyndhurst has not investigated the results of this work as it is beyond the scope of this report.

In the southern portion of the project area on the Mt. Drummond sheet, various companies have explored the area for Pb-Zn mineralisation in the Mt Drummond sheet, with several prospects discovered, and some drilled. This work has been discussed above

3.4.7 Planned Exploration

A number of target areas have been identified from regional geophysics and geology within the project area. Note that this is only a brief review and these priority targets would be refined from better exploration data, including detailed geophysics and structural and geological mapping.

Type B targets (see Figure 50 below) were selected as the primary hard rock focus because:

- They contain the largest tonnages (eg: Redtree 10Mt @ 0.12% U_3O_8);
- Have a proximal association with NE trending faults and dykes, which may be located under cover using geophysics; and
- Commonly contain gold credits.

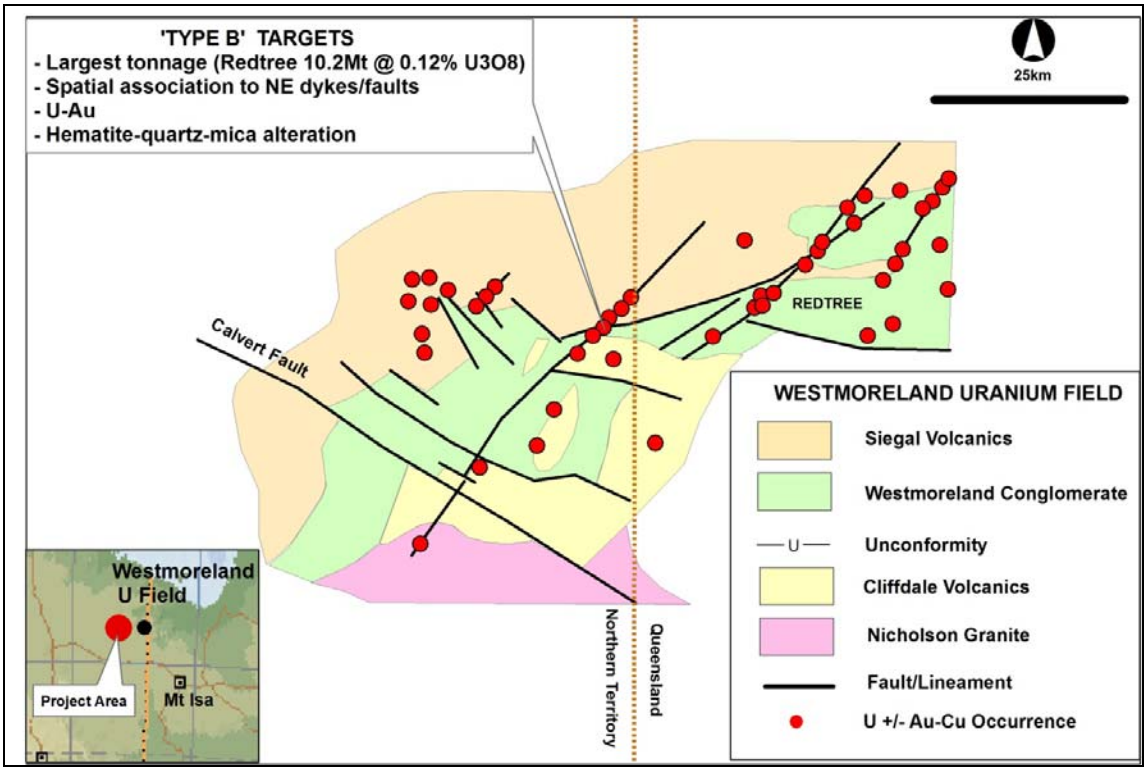


Figure 53
Type B uranium mineralisation – Calvert Hills

The potential for unconformity-related sandstone-hosted palaeochannel uranium mineralisation was also considered, and target areas selected. It is possible that valid exploration targets of this type may exist in the Tertiary sequences that overlie other styles/types of U mineralisation (which may have limited hard rock potential).

From this preliminary review, Lyndhurst interprets that the northern licence, EL24837, would appear the most prospective for **Type B uranium mineralisation**, as the target lithologies are known to sub-crop in the area closer to the northeast trending lineaments.

Four target areas (Areas 1, 2, 5 & 6) have been selected, as summarised below in Table 6, based on the presence of favourable structure and lithology as well as the presence of anomalous uranium (from broad-spaced regional radiometric survey data).

Within the southern portion of the project, two areas have been selected (Area 3 & 4). Unfortunately, the regional magnetic dataset for the southern two tenements is poor, and with better geophysics and better control on stratigraphy from regional mapping, more prospective areas may be identified.

The majority of the southern area is covered by a sequence of clastic sedimentary rocks. However, there does appear to be a window where older rocks (Murphy Metamorphics and Nicholson Granite) protrude through the cover sequence in the northern part of EL24846 and ELA24847, and outcrops of Benmarra Beds sediments have been noted. These are considered time equivalents of the Westmoreland Conglomerate.

Area 3 covers the western part of this area, which also contains a northeast trending structure and proximal northeast trending regional U radiometric anomaly. Area 4 covers a weak regional U anomaly that might be associated with Tertiary unconformity-related palaeochannel mineralisation.

Table 7 Calvert Hills Uranium Target Summary

	Area	Centroid E	Centroid N	Favourable Structure	Favourable lithology	Radiometric anomalies
EL24837	1	696600	8048600	Yes	Yes	No
EL24837	2	676700	8064000	Yes	Yes	Weak U Patchy Th No K
EL24847	3	713000	7991500	Yes	Yes	Mod U, Th No K
EL24846	4	738000	7987500	Yes	No	Mod U Weak Th No K
EL24837	5	696900	8057900	Yes	Yes	Weak U,Th No K
EL24837	6	684100	8054600	Yes	Yes	Weak-Mod U No Th, K

It is recommended that each area be verified on the ground, as the source of the radiometric anomalies may be explained from surface observations.

All targets identified are of a regional, grassroots nature, and thus the proposed work reflects this. It is envisaged that Year 1 would be spent completing regional work and firming up targets, primarily through field verification and more detailed geophysics (aeromagnetics, radiometrics & detailed gravity surveys) in the southern licences and geochemical sampling over identified targets in all three tenements. A total of $365,000 would be required to complete the initial phase of field work prior to any drilling.

Table 8 Proposed Exploration* – Calvert Hills (U targets); Thorne 2007.

Activity	Comments	Cost ($AUD)
Detailed aeromagnetic & Radiometric surveys	Complete detailed survey over tenement area. 100m LS as a minimum.	$250,000
Interpretation and target selection		$15,000
Mapping – Regional Geochemistry	Soil sampling, stream sampling etc	$100,000
Drilling	RC – 3000m	$350,000
	TOTAL	**$715,000**

* this program has not been approved by Crescent Gold or the Joint Venture partner at this stage.

A separate budget has been supplied for IOCG-U and base metal exploration, although the geophysics recommended in Table 7 would also provide crucial information for base metal and IOCG exploration. A proposed budget is provided below in Table 8:

Table 9 Exploration* – Calvert Hills (BM and IOCG targets); Thorne 2007.

Activity	Comments	Cost ($AUD)
IOCG	Detailed gravity over southern magnetic features. First pass ~250-500m spacing	$150,000
	Modelling, infill gravity, target definition	$50,000
	Drilling (RC), 1000m	$100,000
	Total	**$300,000**
Base Metals	Basin/structural analysis.	$15,000
	Mapping, geochemistry	$100,000
	Drilling (RAB-RC)	$150,000
	Ground EM	$100,000
	Total	$365,000
	TOTAL	**$665,000**

* this program has not been approved by Crescent Gold or the Joint Venture partner at this stage.

Any exploration for IOCG-U mineralisation would be dependant upon geophysics, and as it is interpreted that targets would be buried beneath younger cover sequences, initial testing of these would be by drilling.

Regional targeting of potential base metal areas is planned through a detailed interpretation of structure and stratigraphy to allow identification of potential late basin settings. These areas would firstly be tested by geochemistry and geological mapping to refine prospect areas, flowed by ground based EM and drilling.

3.5 Tennant Creek Project

3.5.1 Property Description Location

The Tennant Creek Project is located 60km northwest of the town of Tennant Creek in central Northern Territory, and comprises two Exploration Licences covering a total area of 1037 km^2.

A list of tenements is provided as Table 9, with a location map shown as Figure 51:

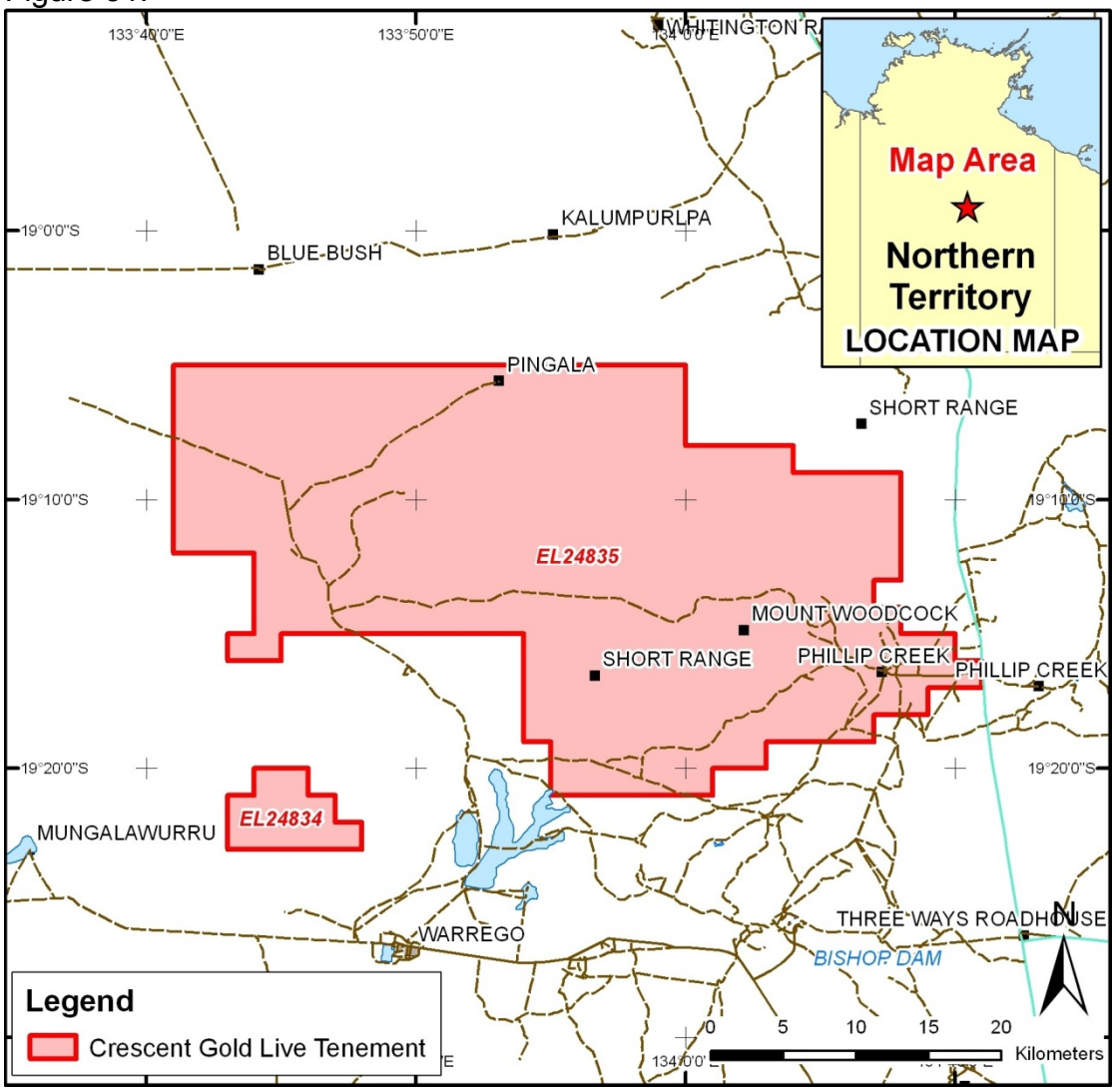


Figure 54
Location Map – Tennant Creek

Table 10 Tennant Creek – Tenement Details

Tenement	Project	Size (km2)	Annual Commitment	Comments
NT				
EL24834	Tennant Ck	35.6	$13,000	Granted
EL28835	Tennant Ck	1002	$46,000	Granted
Total		**1037.6**	**$59,000**	

3.5.2 History

Gold was first discovered in the Tennant Creek region in 1874, although the majority of deposits were found in the 1930's. Prior to World War 2, a total of 113 mines were operating in the area (Ivanac, 1954), although this had dropped to 8 by 1952.

Copper was first mined from the district in the 1950's; both copper and gold mineralisation are associated with distinctive ironstone (magnetite-hematite) bodies of hydrothermal origin. These deposits are also highly enriched in bismuth.

The BMR (Bureau of Mineral Resources) flew airborne magnetics in the mid-1950's over the Tennant Creek Region, which combined with more detailed surveys flown in the 1960's resulted in the discovery of most of the magnetite-associated deposits. The deposits range from a few tens of tonnes to 15 Mt, and the deposits have been classified in the Iron Oxide Copper Gold (IOCG) class of mineralisation (Davidson & Large, 1998).

In 1996, the Northern Territory Department of Mines funded a detailed airborne radiometric survey over selected deposits in the Tennant creek area. There is an association between Au and U in the area, and it was hoped the uranium could be used as a pathfinder for future exploration.

Uranium exploration in the area has been limited, with the only known major campaign completed by CRA in the early 1980's. This is discussed in more detail below.

3.5.3 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The project area is well accessed via a sealed road from the town of Tennant Creek to the Warrego Mine, then by a series of pastoral road and tracks. Tennant Creek has a population of over 3800 people, and is located 500km north of Alice Springs and 790km south of Darwin. The area is traversed by the Stuart Highway, the Adelaide-Darwin railway and gas pipeline. The town services several mine sites in the region.

The months of May to August are the coolest months in Tennant Creek. In these months the average maximum temperatures are below 30°C. In contrast to this, September through to April, exceed 30°C for the average maximum temperatures. The coldest month is July, with temperatures range

on average from 12.2°C to 24.5°C. The hottest month is December when the average maximum temperature is 37.3°C. The highest temperature recorded in Tennant creek was 44.7°C and this occurred in December.

Average rainfall in the area is approximately 400mm.

Main vegetation types comprise *Eucalyptus sp* and *Acacia sp* shrublands. The Short Range extends in an east-west direction in the northern portion of the project. Low lying rocky hills dominate the area.

3.5.4 Geological Setting

3.5.4.1 Regional Geology

The Tennant Creek area contains Palaeoproterozoic sedimentary and volcanic successions of the Tennant Creek Inlier (Flynn Group) and younger Tomkinson Creek Group, separated by a major unconformity. The Flynn Group is characterised by a package of subaerial felsic volcanics and associated volcanoclastic and clastic rocks, whilst the Tomkinson Group comprises sandstones with minor volcanics and carbonates. These have been deformed and metamorphosed by at least three major tectonic events.

A number of deformational events are recognized. The first, occurred around 1860 Ma and is known as the Barramundi Orogeny (Lally, 2004),whilst the second deformational event, known as the Murchison tectonic event (Lally, 2004), is considered responsible for the Cu-Au-Bi mineralisation in the Tennant Creek area.

The Tennant Creek Inlier hosts numerous small to moderate tonnage IOCG style deposits, which range from gold-rich to copper-rich. All have an association with hydrothermal accumulations of iron stones, although the magmatic source of the mineralising fluids has not been totally resolved. Observations from the various mines in the area suggest that the copper-gold mineralisation post dates the ironstones (ie: ironstones are the host rock), which is supported by academic work that separates the age of the ironstone and copper-gold by ~30 Ma (ironstones, 1850 Ma, mineralisation 1820 Ma, Lally, 2004).

3.5.4.2 District Geology

In 2001, the Tennant Creek area was re-mapped by the Northern Territory Geological Survey. The Uranium West tenements lie on the Short Range (5659) 1:100,000 Map sheet.

Three major Paleoproterozoic sedimentary and volcano-sedimentary sequences have been observed on the Short Range sheet, and include the Warramunga Formation, Flynn Group and Tomkinson Creek Group: see Figure 52 below.

Both the Warramunga and Tomkinson Creek Groups are sedimentary rock dominated, whilst the Flynn Group contains predominantly sub-aerial felsic volcanic rocks, tuffaceous rocks and associated volcanoclastic rocks.

Intrusive rocks include granitoids of the Tennant Creek Supersuite, Treasure Suite and Devils Suite, as defined by Wyborn et al (1998).

Intrusives belonging to the Tennant Creek Supersuite post date the Warramunga Formation and are syntectonic with the earliest deformational event. Unnamed porphyritic intrusives and dolerites of the Treasure Suite were intruded prior to the deposition of the Tomkinson Creek Group, and are essentially associated with the second recognized deformational event.
A series of sedimentary rocks including sandstone, with lesser carbonate rocks and volcanics comprise the Tomkinson Creek Group. The Warrego Granite is considered to be a member of the Devils Suite (1720Ma).

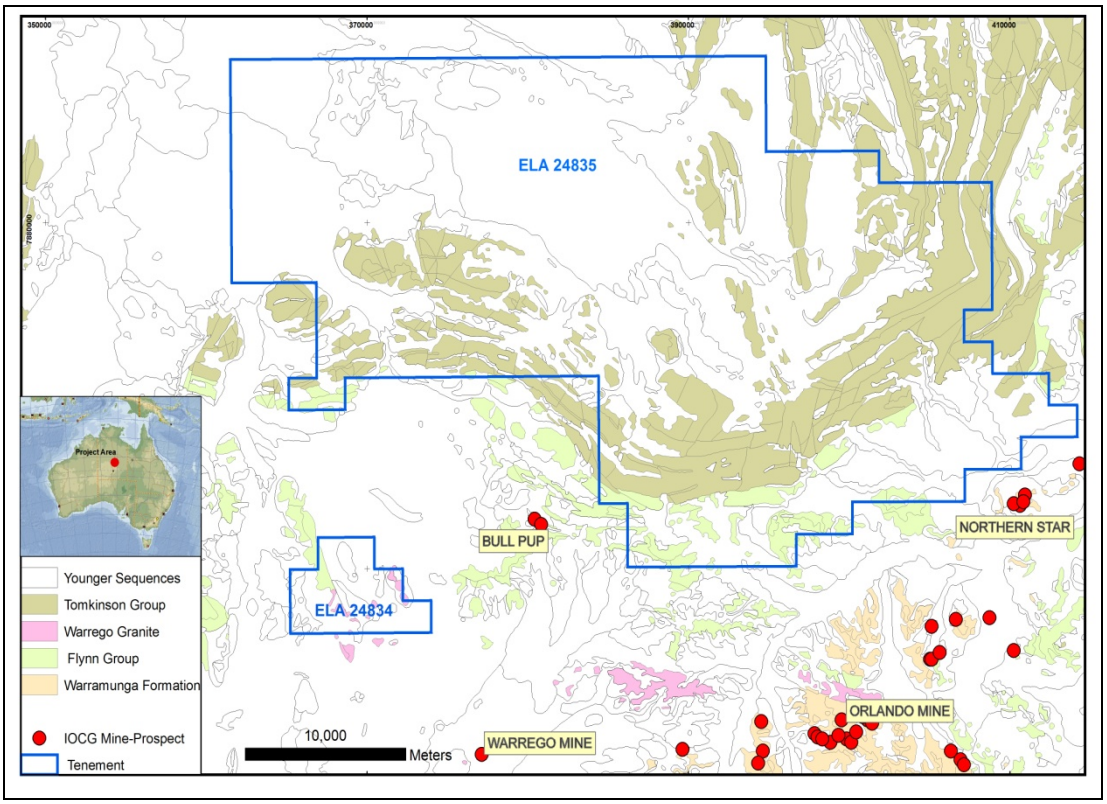


Figure 55
Tennant Creek Project – District Geology Map.

3.5.5 Deposit Types

3.5.5.1 Uranium Deposits

Some minor, sub-economic uranium mineralisation occurs in the region, associated with iron-rich shales of the Warramunga Formation (eg: Northern Star; Mernagh et al, 1998). These have been classified as examples of Proterozoic unconformity-related mineralisation (Wall and Valencia, 1990).

However, the project is also considered prospective for unconformity related palaeochannel (sandstone) hosted mineralisation.

Uranium mineralisation occurs in palaeochannels that overlie or are proximal to uranium-enriched source rocks. Uranium is weathered out of the source rocks, and re-deposited in favourable beds, generally at a redox boundary within the channel. Porous sandy units or units containing some carbonaceous matter are often mineralized. Globally, sandstone-hosted palaeochannel deposits contain a large portion of known uranium resources. Deposits may contain up to 50,000t U_3O_8, although generally at low grades (Dahlkamp, 1993). A simplified genetic model is shown below in Figure 53:

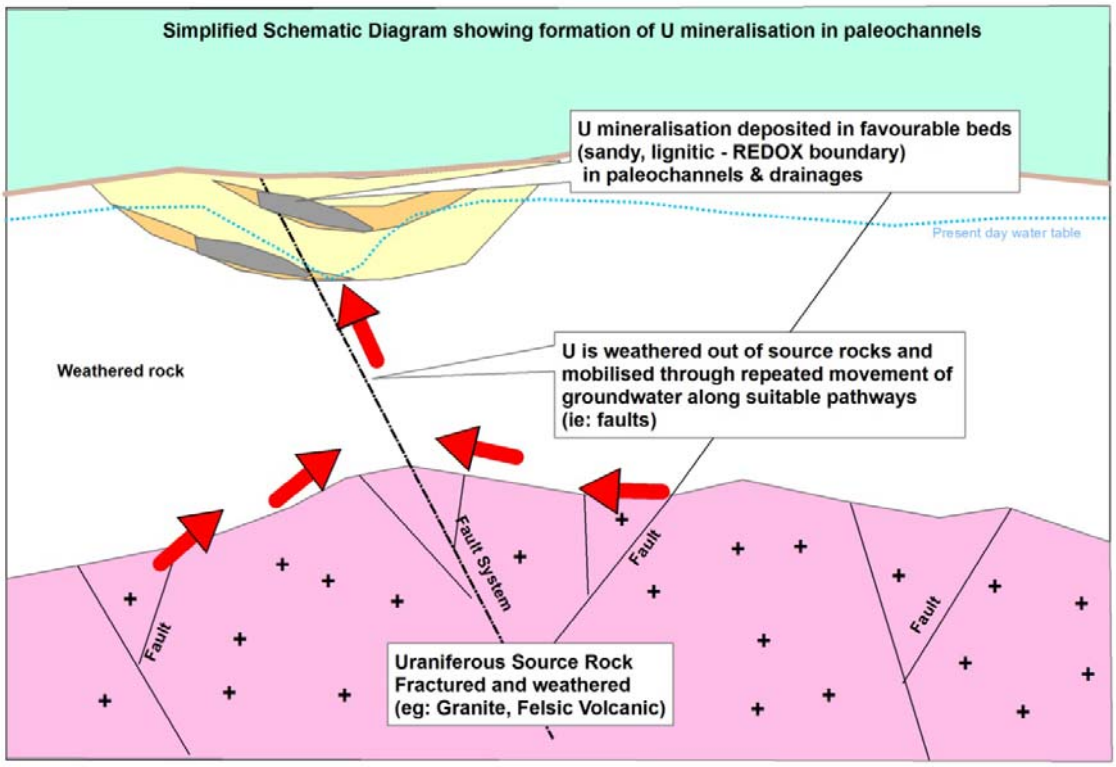


Figure 56
Sandstone-hosted unconformity-related (paleochannel) uranium deposits – genetic model.

Examples of this style of deposit in Australia include the **Beverly** deposit in South Australia. At the Beverly deposit, uranium mineralisation forms lenticular zones in uncemented, weakly consolidated sands and clays of the Cainozoic **Namba Formation** (Callen and Tedford, 1976).

A resource of 12Mt @ 0.18% U_3O_8 for 21,000t was calculated by Heathgate Resources Ltd in their Environmental Impact Statement (Heathgate, 1998), although this was downgraded by Heathgate prior to mining to 16,300t of U_3O_8 The deposit is mined via In-situ leaching methods (ISL).

3.5.5.2 IOCG Deposits

The term IOCG mineralisation encompasses a broad spectrum of deposits. However, all share certain features as summarised below (Barton & Johnson, 2004, Hitzman, et al 1992);

- Extensive alkali-dominate alteration,
- Association with porphyritic, fractionated, generally I-type to A-type granites, generally in an intracratonic setting,
- Volumous hydrothermal magnetite +/- hematite ('ironstone'). Not all accumulations of iron contain economic Cu-Au mineralisation.
- Distinctive suite of elements including; U, Co, Ag, REE and P)
- Strong structural control,
- Presence of intermediate to felsic volcanics that were emplaced at the same time as the mineralisation.

Host rocks can vary from the granitoids themselves (eg: Olympic Dam, South Australia), to felsic volcanics (Ernest Henry, Queensland; Candelaria, Argentina), sediments (Tennant Creek deposits, Northern Territory) to Banded Iron Formations (Selwyn, Queensland). Deposits of this type are known from the Archaean through to the Paleaozoic.

Mineralisation is usually in the form of chalcopyrite and bornite which occur within or proximal to accumulations of magnetite or hematite, depending upon the depth of formation. Mineralisation occurs in breccia zones, as replacement and as disseminations, but all have an apparent structural control. The size of deposit can range from 0.5-15Mt (Warrego, 6.95 Mt @ 6.6 g/t Au, 2% Cu, Tennant Creek; Wedekind. et al., 1989), to hundreds of million tonnes (Ernest Henry 167Mt @ 1.1% Cu, 0.5g/t Au, Queensland; Craske, 1995) to the giant Olympic Dam deposit in South Australia with total inferred and measured resources of 4,430Mt at 1.1% Cu, 0.4kg/t U_3O_8, 0.5g/t Au and 2.2g/t Ag (BHP-Billiton 2006);

3.5.6 Mineralisation

Although uranium is a known geochemical associate of the Cu-Au-Bi mineralisation in the Tennant Creek area, no potentially economic occurrences are known to exist within the Uranium West project area. This may be more of a reflection of the levels of past exploration rather than an indicator of the areas potential.

The Cu-Au-Bi +/- U deposits of the Tennant Creek area have been classified in the Iron Oxide Copper Gold (IOCG) class of mineralisation (Davidson & Large, 1998), due to their association with massive magnetite-quartz or hematite-quartz bodies.

Deposits range in size from a few tonnes to over 5Mt e.g. Warrego-Juno.

Over 650 ironstone bodies are known in the Inlier, although only 25% contained any ore grade Cu, Au or Bi, many of which were only very minor in size, and only 100 of these have been mined in any way (Skirrow R G 2000).

The individual ore bodies are irregular, but overall ellipsoidal in shape and generally pipe like, with near vertical and near horizontal long axes, the latter trending east-west. The principal primary gangue minerals are magnetite, quartz, chlorite, talc, hematite, dolomite, sericite, jasper, pyrite and pyrrhotite.

The most common ore minerals are chalcopyrite, native gold, native bismuth and bismuth sulphosalts, with lesser bornite, galena, sphalerite, cobalt, uraninite and scheelite. The deposits exhibit a spectrum of mineralogical associations, with the end members being more reduced and oxidised respectively (Skirrow R G, et al 2002). Two main hydrothermal stages are recognised in the field. These are an early iron oxide phase producing magnetite-hematite-chlorite-quartz epigenetic ironstones during the 1860 Ma Barramundi Orogeny, localised in dilational zones generated during the D1 reverse shearing and folding, and concentrated by hematitic shale seals in shears, faults and fold closures.

Gold-copper-bismuth mineralisation followed during D2 at or before 1830-1825 Ma and overprinted the pre-existing ironstones where favourable D1 structures were re-activated. There are nine significant deposits in the Tennant Creek area, which vary significantly from small high grade Au-dominated (eg: Juno, 0.45Mt @ 56.1g/t Au, Wedekind. et al., 1989) to larger deposits with variable to high Cu:Au ratios (eg: Warrego, 6.95 Mt @ 6.6 g/t Au, 2% Cu, Wedekind. et al., 1989). To date the Tennant Creek gold field has produced more than 160 tonnes of gold, 240 000 tonnes of copper and 5000 tonnes of bismuth metal.

3.5.7 Previous Exploration

In the late 1970's to early 1980's, CRAE (Dunn, 1983) completed exploration for uranium at the Short Range Project. The target was the uraniferous Warrego Granite.

Over the duration of the program, exploration included airborne radiometric and aeromagnetic surveys, geochemistry, percussion drilling and sampling of water that had seeped into drill holes. This latter work returned a peak assay result of 1.6% U from drill holes located at Anomaly 12A which straddles the southern boundary of EL24835.

Infill drilling returned further anomalous results from water samples collected, as shown below in Figure 54. Two diamond drill holes were drilled into the granite at Anomaly 12A. This drilling intersected fine to coarse grained granite, with late fractures filled with hematite. Some anomalous uranium was intersected, with a best intercept of 1.1m @ 280ppm U_3O_8.

In all, a total of 65 shallow percussion drill holes, and 2 diamond core holes (for a total of 345m) were completed.

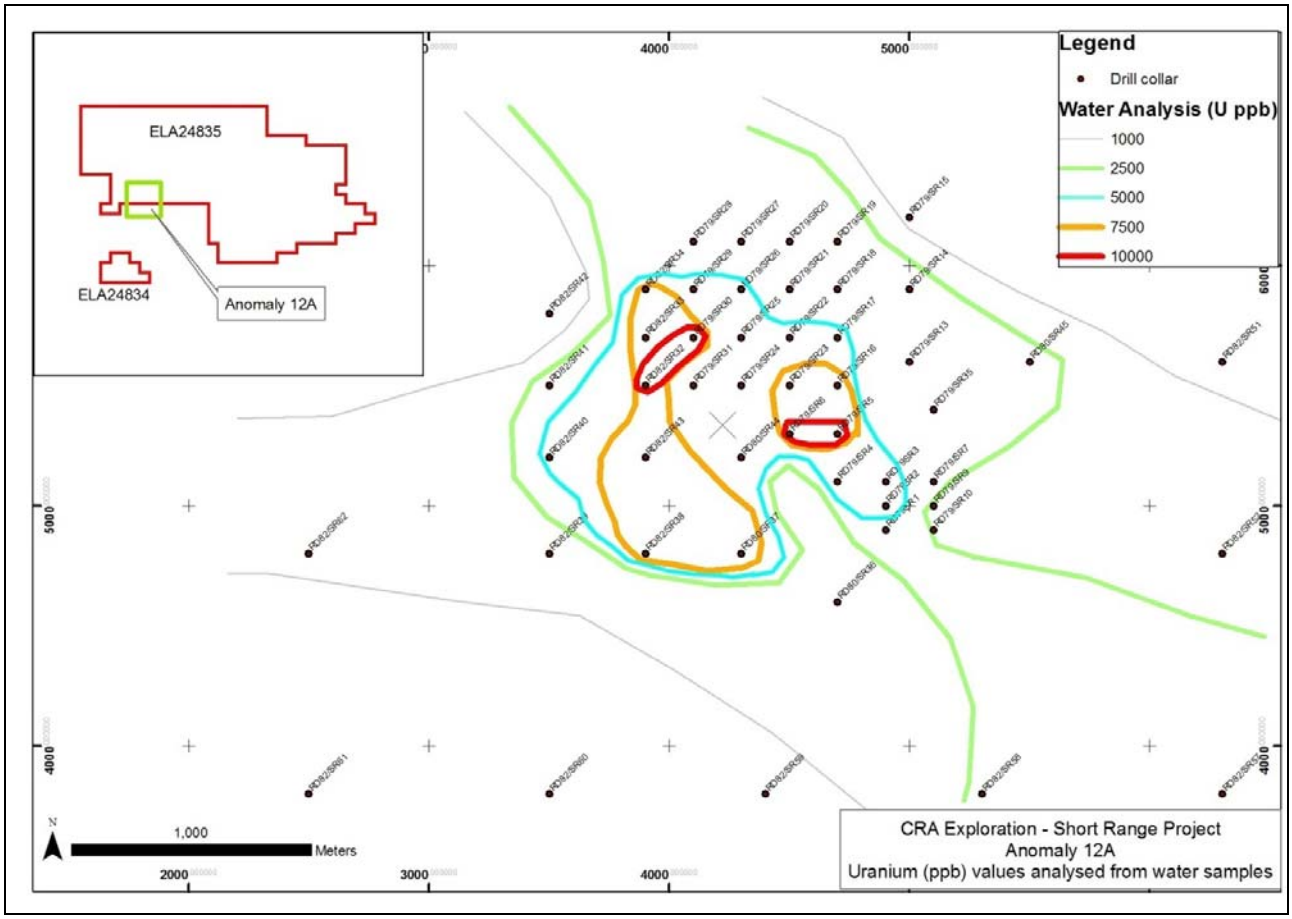


Figure 57
Uranium (ppb) values analysed from water samples – Anomaly 12A.

A number of samples were sent to the CSIRO for disequilibrium analysis, to determine the significance of the anomalous water samples. This electron-microprobe and fission-track work on granite samples from a drill hole near the centre of the anomaly, showed that uranium was mainly associated with chloritized biotite, and that the high concentration of uranium in the ground waters at Short Range were considered a result of natural leaching of the granite host rocks.

As a definitive source for the uranium in hard rock was not discovered, the project was relinquished. No exploration was undertaken exploring for sandstone-hosted, unconformity related mineralisation at this time.

The surrounding area has also been targeted for IOCG mineralisation. From 1995-1997, Normandy-PosGold (Mouchet, 1996; Clifford, 1997) completed soil sampling, shallow drilling and limited RC drilling at prospects located to the north of ELA24834. Soil sampling delineated a number of Au-Cu-Bi anomalies which were drill tested, however, results were disappointing and the ground relinquished.

Approximately 10km east, Delta Gold (Collis, 1996) discovered several IOCG prospects/anomalies identified from soil sampling. However, drilling did not upgrade the areas and the ground was relinquished.

3.5.8 Planned Exploration

Potential exists for sandstone-hosted unconformity-related and palaeochannel-hosted uranium mineralisation in Tertiary sediments that overlie or are proximal to the Warrego Granite/other source rocks.

A number of uranium-dominant radiometric anomalies lie close to interpreted palaeochannel positions, and these would form the basis for initial exploration.

A list is provided in Table 10, with locations shown in Figures 55 & 56:

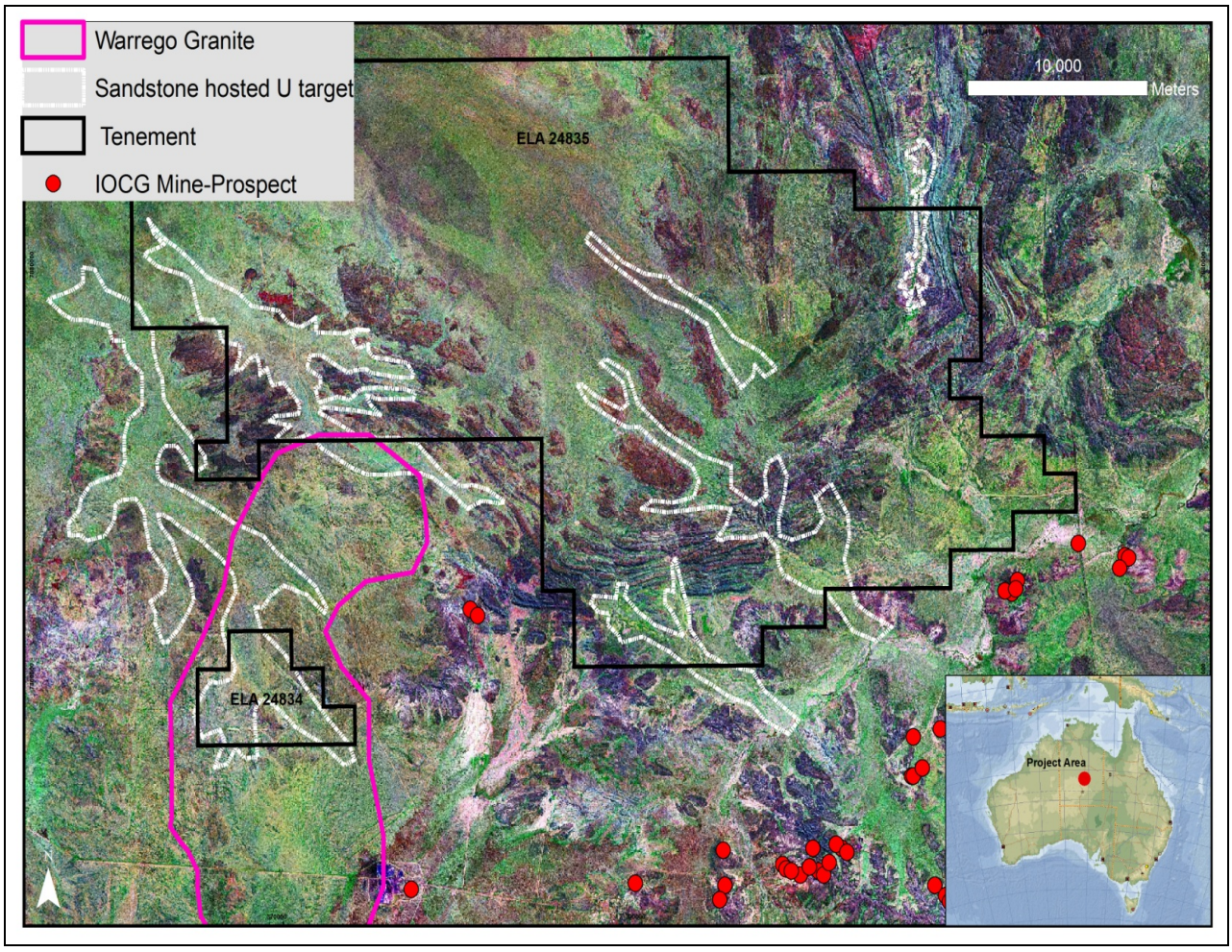


Figure 58
Tennant Creek Project – Paleochannels identified from Landsat TM (742) Imagery.

Table 11 Tennant Creek – Regional Exploration Targets (from Thorne, 2007).

Licence	Centroid E	Centroid N	Comments	Priority
ELA24834	373300	7857100	TC-01. Moderate U (radiometric) anomaly to Nth, just outside the ELA. Overlies Warrego Granite, proximal to sandstone-hosted unconformity-related paleochannel target. Associated strong Th anomaly, no K	Low-Mod
ELA24834	368800	7857300	TC-02. Mod-high U-Th-K (radiometric) anomaly overlying Warrego Granite and sandstone-hosted unconformity-related paleochannel target. Suggests outcropping granite nearby	Mod
ELA24835	366750	7869850	TC-03. High U (radiometric) anomaly. Source uncertain	Low-Mod
ELA24835	378460	7873900	TC-04. High U-Th (radiometric) anomaly. Source uncertain. Weak K	Low-Mod
ELA24835	405390	7878500	TC-05. High U-Th (radiometric) anomaly sandstone-hosted unconformity-related paleochannel target .K anomaly offset to east	Mod-High
ELA24835	390370	7874200	TC-06. Mod-High U-Th (radiometric) anomaly. Source uncertain. Weak K.	Mod
ELA24835	394800	7882800	TC-07. Mod-High U-Th (radiometric) anomaly. Source uncertain. Very weak K.	Low-Mod
ELA24835	397000	7878900	TC-08. Isolated spot High U-Th (radiometric) anomaly. Source uncertain.	Mod-High
ELA24835	389850	786350	TC-09 -Potential IOCG Target	Mod-High

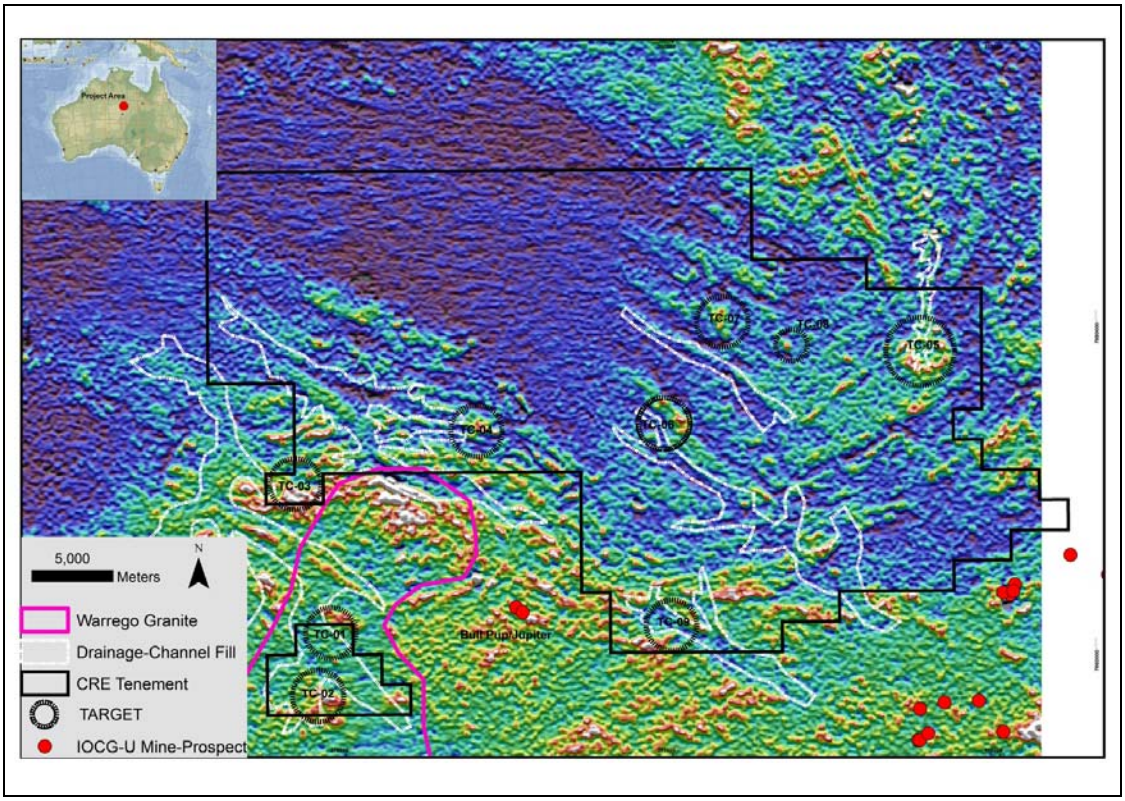


Figure 59
Tennant Creek Project – Sandstone-hosted uranium targets. Correlation of paleochannels overlain on U signal radiometrics.

As has been previously stated, the Tennant Creek area is a known IOCG Province, and thus potential exists for this type of mineralisation to occur within the project area where Flynn Group sediments are known or are interpreted to occur.

An area in the south of EL24835 (see Table 10, TC-09) is seen as prospective for IOCG mineralisation. Within the Western Uranium tenement area, concealed Flynn Group sedimentary & volcanic rocks lie along strike from known Cu-Au-Bi prospects (Bull Pup and Jupiter). This cover may have hindered previous surficial exploration. Regional geophysics is too coarse to allow accurate identification of magnetic anomalies, and no detailed gravity exists.

3.5.9 Budget

Initial exploration for sandstone-hosted unconformity-related palaeochannel uranium mineralisation would consist of further mapping to better define the palaeochannels. This would then be compared to the radiometric data. Processing of Landsat data may be useful in this regard. Any priority targets would be verified in the field and tested by surficial sampling if applicable. Airborne EM or ground based gravity may be required to locate buried palaeochannels, and this has been successfully used by other companies when exploring for this style of U mineralisation, and could refine initial drilling targets.
It is proposed that $AUD 285,000 would be required to complete first pass exploration within Tennant Creek. A component of reconnaissance Aircore drilling has been incorporated, which could increase dependent upon results. Details are shown below in Table 11:

Table 12 Proposed Exploration* – Tennant Creek (uranium targets); from Thorne, 2007.

	Amount	Cost ($AUD)
Mapping/Consultants		$30,000
Geochemistry		$15,000
Airborne EM, (or ground gravity)		$150,000
Aircore drilling	3000m	$90,000
	TOTAL	$ 285,000

* this program has not been approved by Crescent Gold or the Joint Venture partner at this stage.

It is estimated that an additional $180,000 would be required to explore for IOCG mineralisation in the southern portion of EL24835, and would entail detailed mapping, gravity/ground magnetics and drill testing.

4. 0 Western Australia

4.1 Laverton Gold Assets

The Laverton gold assets owned by Crescent Gold Ltd occur within a tenement package covering over 1,200km², centred on the productive Laverton district where past, current and known gold resources exceed 28Moz (e.g. Mt Morgans, Lancefield, Granny Smith, Wallaby, Sunrise Dam, and Red October).

Combined gold resources stated in Ravensgate's NI 43-101 compliant Laverton Gold Project report (dated 11th June 2007) include an Indicated Mineral Resource totalling 21.3Mt @ 1.4g/t Au for 975,000oz, and an Inferred Mineral Resource of 10.5Mt @ 1.4g/t Au for 486,000oz of contained gold.

The Probable Ore Reserve (as at January 2007), both JORC and NI43-101 compliant, contains 7.65Mt at 1.7g/t Au for 404,000oz of gold. The current life of mine plan extends beyond 5 years based on the above Probable Ore Reserve (Ravensgate 2007). Crescent Gold intends to focus on increasing reserves at Laverton by targeting known extensions of identified economic targets. The current drilling strategy aims to continue converting selected inferred mineral resources into indicated mineral resources with a focus of allowing additional probable reserve conversion to increase the mine life.

The above resource and reserve figures were quoted to the ASX on 27th July, 2007 by Crescent Gold Ltd. Currently at Laverton, annualised gold production is ~60,000oz.

4.1.1 Regional Geology

The Crescent Gold Ltd Laverton gold assets are located 250km northeast of Kalgoorlie within the Laverton Greenstone Belt (LGB) of the North Eastern Gold Fields of the Archaean Yilgarn Craton of Western Australia. Hallberg (1985) presented a stratigraphic framework for the area based on two conformable stratigraphic associations:

Association 1-the basal stratigraphic association comprising basalt with three ultramafic & banded iron formation (BIF) units intruded by gabbro & dolerite dykes and sills, overlain by conglomerate and turbiditic rocks;

Association 2-conformably overlies Association 1, and comprises andesite & andesitic volcaniclastic sedimentary rocks overlain by basalt & ultramafic rocks.

Hallberg recognised two litho-tectonic zones and two geological sectors in the Leonora-Laverton region: the Keith-Kilkenny Tectonic Zone in the Leonora area, the Murrin-Margaret "sector" in the centre of the region, and the Laverton Tectonic Zone & Merolia "sector" in the east.

In the last twenty years or so, considerable new work including mapping, drilling, geochemistry, geophysics & geochronology, together with integration of wider studies of the Eastern Goldfields has significantly advanced the understanding of the LGB since Jack Hallberg's work.

Standing (2006) states that the tectono-stratigraphic evolution of the LGB involves amalgamation of structural relics of sedimentary basins & continental fragments in the Burtville Terrane to the east, prior to their accretion to the Kurnalpi Terrane to the west. The Burtville Terrane records sedimentation & volcanism in a continental setting between ~2758Ma and ~2717Ma. The Kurnalpi Terrane is dominated by 2715-2700Ma andesitic volcaniclastic rocks with erosional remnants of <2675Ma siliciclastic sequences. Neither volcaniclastic nor siliciclastic sequences preserve evidence for sediment derived from the Burtville Terrane, implying that accretion occurred after 2665Ma.

Uplift of the Margaret Dome, a granite-gneiss cored batholith in the LGB, is interpreted to have been the main cause for rapid deposition & burial of conglomerate and turbidite sequences in the Lake Carey basin to the south. The Wallaby & Mt Lucky conglomerate sequences were deposited unconformably on folded strata.

A switch from submarine canyon deposits to deep-water turbiditic rocks with time suggests extension & basin formation was initially driven by the uplift of the dome. However basin development switched to a flexural phase with increasing sediment load & ongoing uplift to the north. Standing (2006) states that the ~2663Ma maximum depositional age for the Granny Smith sequence indicates that active sedimentation may have been occurring contemporaneous with collisional orogeny.
The collisional orogeny comprises four main episodes of compressive deformation starting after either ~2675Ma or 2665Ma, and ending at ~2650Ma. D_1 involved development of N-S upright to inclined km-scale folds & axial planar foliation, and inversion of pre-collisional extensional faults as reverse faults during east-west directed compression. D_2 involved reactivation of D_1 reverse faults as transcurrent faults & development of NW-SE directed km-scale folds with associated axial planar foliation that overprints the early N-S foliation. D_2 occurred under a NE-SW directed compressive stress field. To the west, the Celia Fault records D^2 as its first deformation; the Celia Fault records its second deformation episode (regional D_3) as a sinistral reactivation of the fault zone, and locally influenced lode-gold development. D_3 occurred during WNW-ESE directed maximum compression. The final compressive event (D_4) involved overprinting of the D_3 shear fabric by conjugate arrays of kink bands in the Celia Fault Zone during a clockwise rotation of the compressive stress filed into a NNW-SSE orientation.

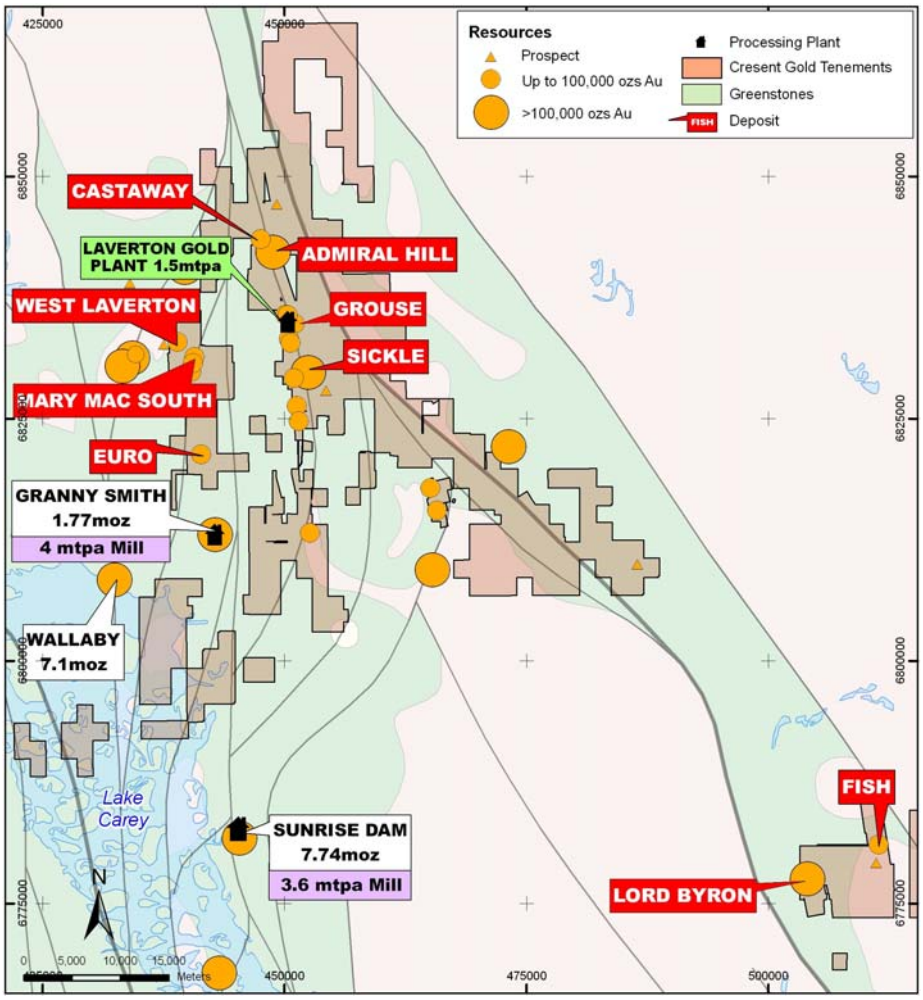


Figure 60
Crescent Gold Ltd tenements and resources at Laverton

4.1.2 Mineral Deposits in the Laverton Greenstone Belt

The Laverton Greenstone Belt (LGB) is one of the best gold endowed Archaean greenstone belts within the Yilgarn Craton of Western Australia. Major gold production has occurred since ~1893 at Mt Morgans to the west of Laverton with historical production of over 1.2Moz of gold. Since the mid 1980s significant discoveries have been made within the LGB at Granny Smith (Teck-Delta Gold NL); Sunrise Dam (Delta Gold NL); and Wallaby/Just in Time (Placer Exploration Ltd-Delta Gold-Homestake Gold). South of Granny Smith, the Red October deposit was found under cover in Lake Carey (Sons of Gwalia Ltd). Overall the LGB endowment amounts to at least 21.21Moz. Listed below are the main production centres:

- Mt Morgans (BIF-mafic volcanics-felsic porphyry hosted) 1.2Moz gold;
- Granny Smith (Granodiorite-syenite-intermediate volcanics) 2.54Moz;
- Sunrise (BIF-intermediate & mafic volcanics-conglomerate-syenite hosted) 7.74Moz (Fitton, 2003);
- Wallaby (mafic & intermediate conglomerate, syenite, granodiorite) 7.11Moz; quarterly production 149,000oz (Anglo Gold, 2007);
- Red October (BIF-mafic volcanics) 0.38Moz (Fitton, 2003);

- Crescent Gold resources at Laverton (saprolite, BIF, felsic & mafic volcanics): 1.46Moz (Ravensgate, 2007); and
- Lancefield (BIF, high-Mg basalt): 3.78Moz (Fitton, 2003).

Total contained gold within the LGB is estimated to be at least 22.21Moz.

It is beyond the scope of this report to describe the geology, ore controls, production histories and resource upside of the Laverton Greenstone Belt; good descriptions of the exploration case histories are given in Nielsen & Currie, 1999 (Wallaby); Gellatly et al, 1995 (Sunrise Dam); and there is voluminous literature available on the Archaean, greenstone-hosted, orogenic-style gold deposits of Western Australia. Detailed descriptions of the district geology are given in Hallberg (1980).

Suffice to say: the Crescent Gold assets at Laverton sit within a very richly endowed gold province; which also hosts major komatiite-hosted nickel sulphide deposits (Mt Windarra), calcrete-hosted uranium deposits e.g. Thatchers Soak (owned by Uranex), and large carbonatite REE deposits (Mt Weld near Granny Smith).

In this writer's opinion the exploration upside within the Laverton Greenstone Belt for additional discoveries of orogenic-style, Archaean greenstone-hosted gold deposits remains excellent.

4.1.3 Gold Resources

A detailed review and assessment of the Crescent Gold Ltd ore reserves and mineral resources at the Laverton Gold Project is given in the **Independent Technical Report by Ravensgate (2007);** the descriptions given below are given as a background to the potential resource upside outside of the demarcated reserves and resources estimated by Ravensgate.

Listed below are the Ore Reserves and Mineral Resources stated by Ravensgate:

Table 13 Laverton Probable Ore Reserves

PROJECT	Probable Ore Reserve		
	Tonnes (kt)	Grade (g/t)	Ounces (oz)
Sickle	**2,213**	**2.0**	**143,010**
Fish	**385**	**4.1**	**51,000**
West Laverton	**515**	**1.7**	**28,150**
Others	**3,373**	**1.4**	**156,200**
TOTAL	**6,486**	**1.8**	**378,360**
Low Grade	**1,162**	**0.7**	**26,000**

Table 14 Laverton Inferred and Indicated Resources

Project	Indicated			Inferred		
	Tonnes (kt)	Grade (g/t)	Ounces	Tonnes (kt)	Grade (g/t)	Ounces
Sickle	**6,543**	**1.7**	**361,300**	**2,421**	**1.3**	**104,400**
Fish	**500**	**4.2**	**67,000**	**160**	**3.7**	**20,000**
West Laverton	**2,116**	**1.8**	**124,000**	**1,355**	**2.4**	**104,900**
Others	**12,098**	**1.1**	**422,100**	**6,608**	**1.2**	**256,630**
TOTAL RESOURCES	**21,257**	**1.5**	**974,400**	**10,544**	**1.4**	**485,930**
Low Grade Stockpiles	**1,217**	**0.7**	**28,000**			

Source: Independent Technical Report on the Laverton Gold Projects, by Ravensgate (2007). Probable Ore Reserves are dated as of January 2007.

4.1.3.1 Sickle

The Sickle deposit contains a probable ore reserve of 2.21Mt @ 2.0g/t Au containing 143,000oz of gold (Ravensgate, 2007). This reserve is within an indicated resource, at 1.0g/t Au cut-off, of 6.54Mt @ 1.7g/t Au containing 361,300oz of gold. In addition there is an inferred resource of 2.42Mt @ 1.3g/t Au containing 104,400oz of gold (Ravensgate, 2007).

Located 5km south of the Barnicoat mill , the Sickle deposit lies under residual, cemented lateritic gravel (some of which is mineralised), within lateritic saprolite and lower saprolite, oxidised BIF, and mafic schist along the western margin of the Barnicoat Shear. The ultimate pit design will measure 900m north-south, 400m west-east, to a depth of 90m.

Main ore controls are tightly folded and attenuated BIF limbs, plunging southwards in felsic and mafic volcanic rocks. Saprolite is developed to at least 25m depth (depleted in gold) with an overlying enriched zone (up to 4g/t Au) in residual laterite and hardpan. Ravensgate (2007) state that oxidation extends to 80-100m below surface, and partial oxidation can extend to 160m along the main sulphide zones.

According to Ravensgate (2007) the main ore controls at Sickle are two 10-30m wide zones of massive to semi-massive pyrite, concordant with the Archaean stratigraphy. These zones can be traced for over 600m along strike. Gold mineralisation is mainly associated with quartz veins and oxidised sulphides within the 600m long zone.

The local geology at Sickle consists of steeply dipping (to the east-northeast) interbedded carbonaceous fine grained sedimentary rocks and sandstone-arkose beds. Structural mapping indicates that the sulphidic sequence is on the east limb of a west-verging, upright anticline. The fold plunges at 30º to the SSE, and is consistent with folds mapped 3km to the SSE (Ravensgate, 2007).

The upper sulphide zone consists almost entirely of pyrite with minor silica. Pyrite is both framboidal (early) and as sulphide replacement along bedding.

The lower sulphide zone is also pyrite rich and contains up to 5% arsenopyrite. The lower zone contains a well developed sub-vertical shear fabric, with extensive sericite-ankerite alteration. The footwall of the lower zone is marked by graphitic shale with up to 10% arsenopyrite. Below this graphitic zone, there is a sheared and brecciated rhyolite porphyry sill which also contains arsenopyrite.

The zone between the two sulphide-rich bodies consists of variably altered sericite-ankerite rich rocks, with alteration closely related to quartz-sulphide stockworks. The veins contain pyrite and pyrrhotite, and cut across the deformation fabric as a brittle vein array.



Figure 61
Crescent Gold mining operations at the 100% owned Sickle deposit (photo taken by John Stockley on 17/7/07); view looking east.



Figure 62
Saprolite ore and oxide BIF exposed in the pit floor at Sickle (photo taken by John Stockley on 17/7/07), view looking south).

4.1.3.2 Fish

The **Fish** deposit is located 98km south of the Barnicoat mill, in the Jasper Hills area. At a cut-off of 1.0g/t Au, Fish contains a measured and indicated resource of 500,000t @ 3.7g/t Au (Ravensgate, 2007) together with an inferred resource of 160,000t @ 4.1g/t Au. Total contained gold within these resources is 87,000oz.

Within the above resource, Ravensgate state a probable ore reserve of 385,000 tonnes at a grade of 4.1g/t Au, containing 51,000oz of gold.

The proposed pit at Fish will measure 450m by 350m in area. The local geology at Fish comprises folded cherty BIF, and amphibolite grade mafic volcanics. The Archaean greenstone stratigraphy dips steeply westwards, and is intruded by shallow dipping granite and pegmatite sills. The gold mineralisation at Fish pre-dates the granitoid intrusions.

Basement rocks are covered by a thin veneer of residual soils and calcrete; along strike to the south the cover thickness increases, residual soil, calcrete and cemented gravely laterite give a good geochemical response for low level gold geochemistry. Crescent Gold are currently exploring in this area (RC drilling to a vertical depth of ~100m). Gold mineralisation in this area is associated with sheared and folded BIF, surrounded by mafic amphibolite.

4.1.3.3 Admiral Hill

The Admiral Hill deposits contain low grade indicated and inferred resources totalling (at 0.5g/t Au cut-off) 9.172Mt @ 0.8g/t Au for 248,000oz of contained gold (Ravensgate, 2007).

At a cut-off of 1.0g/t Au the total indicated and inferred resource at Admiral Hill is 1.856Mt @ 1.8g/t Au for 110,000oz of contained gold. The bulk of the indicated resource is mainly contained within deeply oxidised felsic schist and sheared meta-sedimentary rocks which occasionally report anomalous copper mineralisation e.g. 15m @ 0.57% Cu (Fitton 2003).

The geology at Admiral Hill consists of sheared, isoclinally folded felsic volcaniclastics, schist, cherty BIF with deep weathering resulting in well developed upper & lower saprolite zones.

Strong shallow angle rodding occurs throughout the deposit area indicating the high tectonic strain within this part of the Barnicoat Shear Zone.



Figure 63
Sheared and boudinaged cherty BIF at Admiral Hill.

4.1.3.4 Burtville-Merolia

Crescent Gold has indicated resources of 210,000t @ 2.1 g/t Au & inferred resources of 1.06Mt @ 1.7g/t Au for total contained 72,000oz of gold at Burtville. The main host rock for this resource is quartz veined, altered granodiorite, and saprolite: see Figure 63 below.



Figure 64
The Boomerang mine area at Burtville-Merolia.

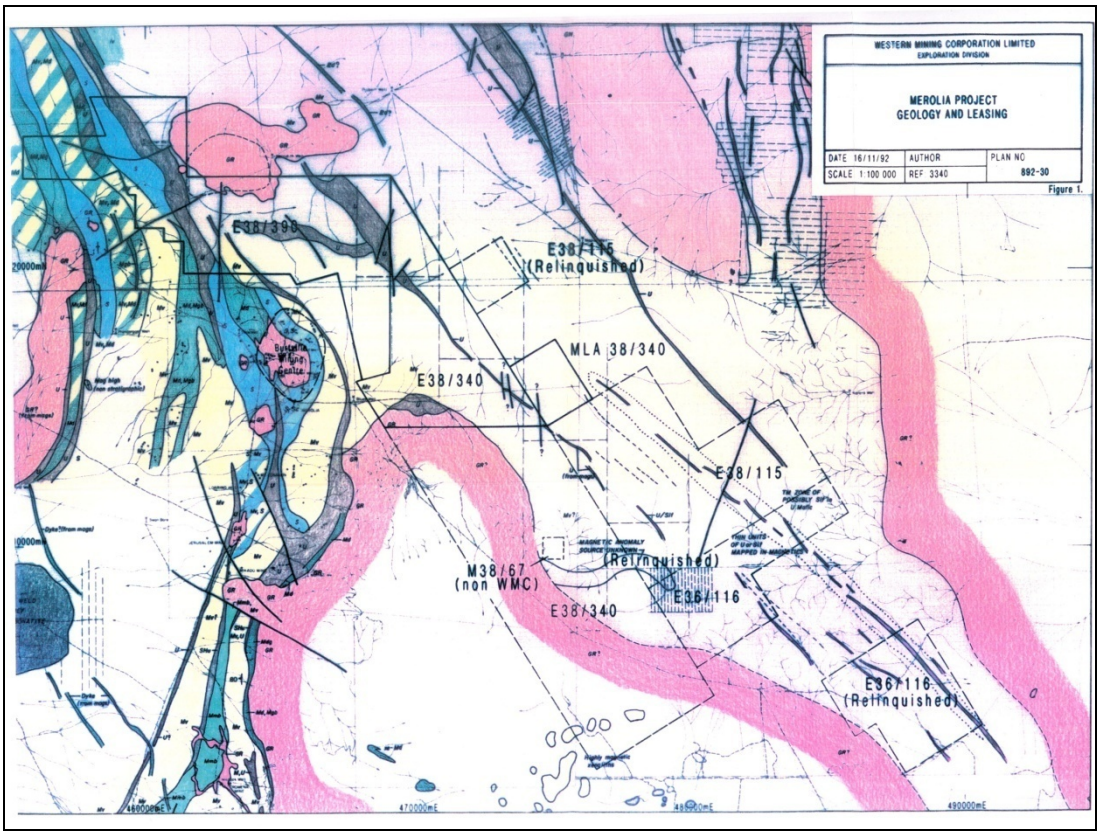


Figure 65
Historical geological sketch map of the Burtville area, southeast of Laverton (old WMC data, 1997; Stockley collection).



Figure 66
Looking east along axis of the Burtville open pit in saprolitic granodiorite (mined circa 1998 by Sons of Gwalia).

Sons of Gwalia mined the Burtville deposits from 1989 to 1998 and produced 1.53Mt @ 1.4g/t Au for 64,138oz of gold (Fitton 2003); previously high grade production mainly from the Boomerang mine area produced 35,880oz of gold.

Potential economic gold resources exist to the east of the open pit in an arcuate zone extending southwards around the margin of the granodiorite: this ground is within the Burtville-Merolia joint venture agreement (MJV) in which Crescent holds a 75.5% interest.

As Ravensgate (2007) state: granite-hosted gold deposits at Laverton have a poor reconciliation history when mining occurs within fresh rock. This is due to a combination of very high rock strength (leading to dilution during blasting), and over-estimation of resource block grades.

In Lyndhurst's opinion, gold targets closer to the Laverton mill warrant an increased level of exploration compared to the Burtville-Merolia targets.



Figure 67
Sheared and boudinaged, quartz-pyrite veined granodiorite ore at Burtville.

4.1.3.5 Lord Byron

The Lord Byron deposit contains, at a cut-off grade of 0.5g/t Au, an indicated resource of 3.19Mt @ 1.0g/t Au, together with an inferred resource of 1.98Mt @ 0.9g/t Au. Total contained gold within these resources amount to 162,000oz (Ravensgate, 2007). Within the indicated resource at Lord Byron, Ravensgate state a probable ore reserve of 293,000t @ 1.8g/t Au (16,580oz).

The low grade Lord Byron mineralisation is hosted by laterite and deeply oxidised BIF and amphibolite, intruded by granite sills. The deposit is located about 100km south of the Laverton mill.

Some potential exists to add onto the resource base at Lord Byron, but it is not considered a high priority given the long haulage distance back to the Laverton mill. Consideration is being given to develop a heap leach system at Lord Byron to process the low grade resources, which could significantly improve the economics at Lord Byron by removing the high cost of ore haulage back to Laverton.



Figure 68
Calcrete cap rock at the Fish deposit, Jasper Hills

4.1.3.6 West Laverton

The West Laverton area is located about 10km west of the Laverton mill, and contains indicated & inferred gold resources at **Craiggiemore, Mary Mac & Euro:**

Historically **Craiggiemore** has produced 49,160oz of gold from 139,000 tonnes at a grade of 11g/t Au. Fitton (2003) states a resource of 407,000t @ 2.62g/t Au for 34,000oz of gold but this figure has yet to be confirmed by Crescent Gold.
Moderate size gold reserves and resources exist at **Mary Mac South** located 1km north of Craiggiemore:

Ravensgate (2007) state a Probable Ore Reserve of 138,000t @ 1.7g/t Au (7,500oz) and at a 1.0g/t cut-off: an indicated resource of 460,000t @ 1.9g/t Au; and an inferred resource of 140,000t @ 2.1g/t Au (total contained gold 36,900oz) at Mary Mac South. The ore reserve is contained within the indicated resource.

To the south of Mary Mac, at Euro the Ravensgate work has confirmed an indicated resource of 645,800 tonnes at a grade of 1.70g/t Au containing 35,368oz of gold. The mineralisation at Euro is contained within BIF and sheared mafic volcanics along the sheared contact with felsic schist and metasedimentary rocks: the Crawford Shear.

Within the above resource estimate at Euro is a Probable Ore Reserve of 431,000t @ 1.6g/t Au for 22,840 contained ounces of gold.

The large Granny Smith operation (2.3Moz of production-Fitton 2003) is located 10km south of Euro. Crescent Gold Ltd has no interest in this operation.

The 3km long zone from **Enniskellen** (previous production of 270,000t @ 3g/t Au for 26,000oz Sons Of Gwalia 1998) to the south of **Craiggiemore** has good potential to host a large, low grade "super-pit" style of deposit containing >110,000oz of gold.

The 4km long zone from Euro back towards the north (BIF, mafic volcanics, high-Mg basalt, dolerite & gabbro sills) also has good potential to contain additional resources in excess of 100,000oz.

4.2 Potential Gold Resources at Laverton

In the opinion of Lyndhurst there is good potential to add on at least 300,000oz of low grade (1 to 2g/t) gold resources at both West Laverton and to the east within the Barnicoat Shear, all within 15km of the Laverton mill.

This increase in the known inferred to indicated resource base at Laverton would need to be quantified by at least an additional 10,000m of RC drilling within the next 12 months (through to the end of July 2008). The cost of this drilling, including assays & geology, is of the order of at least $1M.

4.2.1 West Laverton

The West Laverton block of tenements, all within 30km radius of the Laverton Gold plant has good potential to host at least an additonal 200,000oz on top of the existing inferred & indicated resource base defined by Crescent Gold; the main targets for additional gold resources are the high strain zones north of the Euro deposit (170,000t @ 1.3g/t Au-Fitton 2003); and the extensive mineralised area around Mary Mac which produced 12,440oz from 45,000t at a grade of 8.6g/t Au (Fitton, 2003) and Craiggiemore which produced 34,320oz from 407,000t at a grade of 2.62g/t Au (Fitton, 2003).

4.2.2 East Laverton (Barnicoat Trend)

The East Laverton-Barnicoat area comprises the 15km long block of ground to the east of Laverton from Ida H (which has produced 180,050oz from 280,000t of ore @ 20.0g/t Au) to Admiral Hill. Gold mineralisation is hosted within the north to northeast trending Barnicoat Shear with mafic rocks & BIF (Barnicoat Dome) to the west, and sheared felsic rocks to the east.

In the opinion of Lyndhurst there is good potential in the East Laverton position to host an additional +100,000oz of gold, especially around the Ida H pit area and to the south towards **Lily Pond Well** (3m @ 5.7g/t Au in old drilling-Fitton 2003).

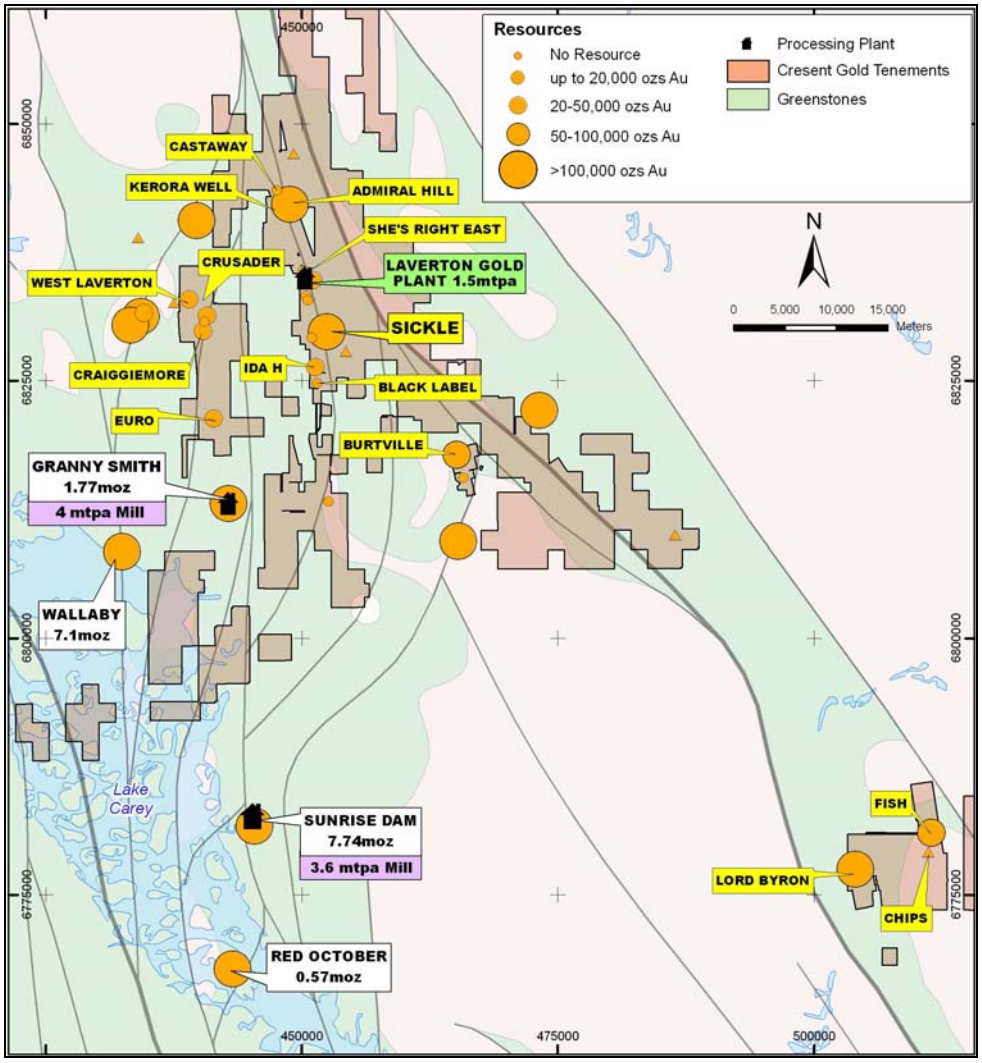


Figure 69
The Laverton tenements held by Crescent Gold Ltd

4.3 Budget for Laverton Exploration

Table 15 Laverton Exploration Budget from July 2007 to June 2008 (Leggo, 2007)

Allocation	Amount AUD$	Comments
Tenement costs	396,000	45 tenements
Project Generation	60,000	gold only
Exploration Programs	3,594,000	$2.16M for RC drilling
Total amount	$4,940,000	

The current exploration budget is summarised above as Table 12. This budget is considered adequate for the aims of the proposed Laverton work program to the end of June 2008.

Crescent Gold are considering a significant increase to the budget to allow conversion of gold resources currently within the inferred resource category, and to allow an expansion of the amount of exploration drilling to enable additional gold resource discovery.

This increased amount of drilling, of the order of at least 10,000m of reverse circulation (RC) drilling, is considered warranted by Lyndhurst given the high prospectivity of the Laverton Greenstone Belt, and the ramp-up of efficient CIP milling of low-grade ores at Laverton. Annualised gold production is planned by Crescent to reach 90,000oz.

The targets for the drilling recommended above are given below in Figures 67 & 68 (from Fairall, 2007):

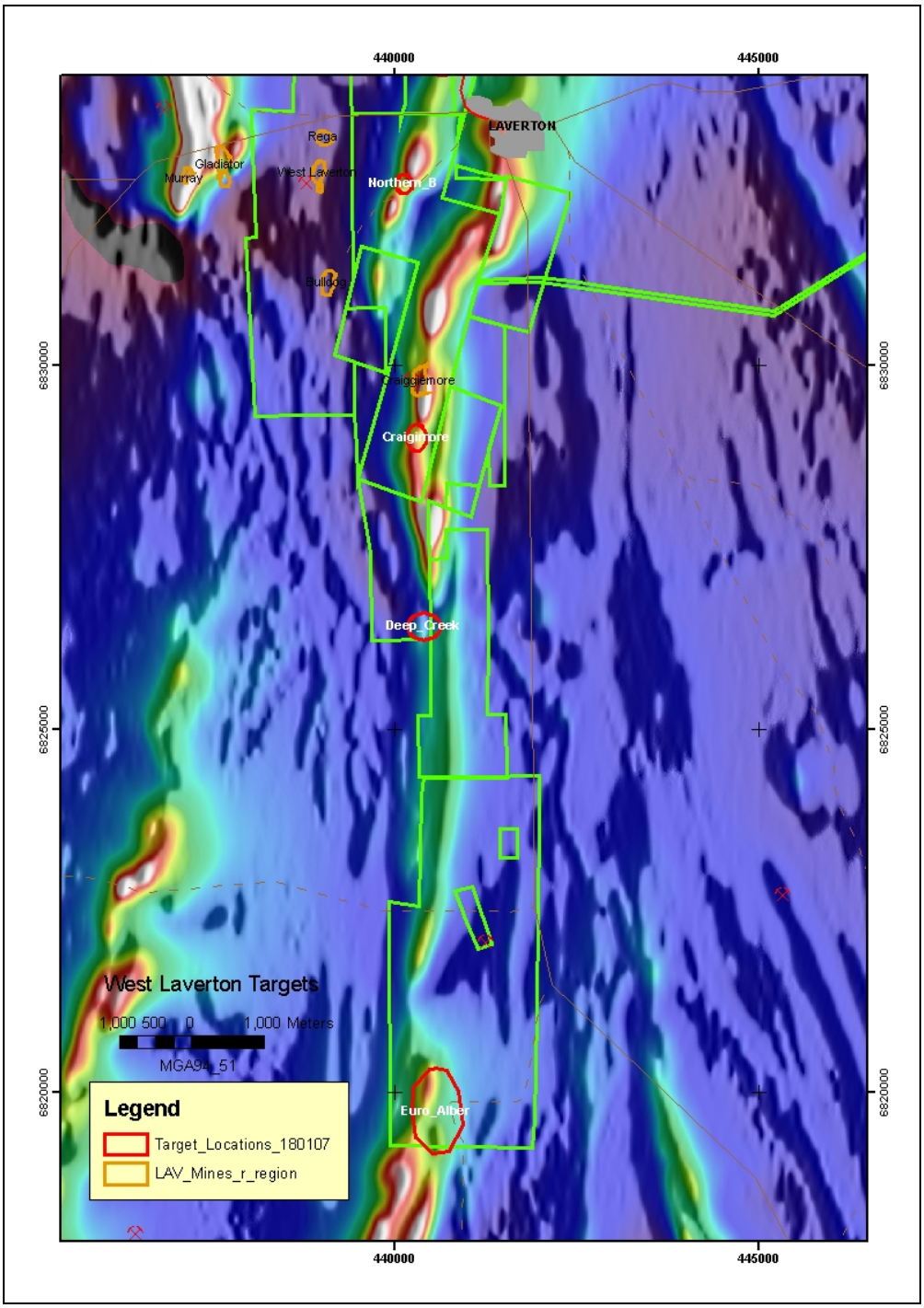


Figure 70
West Laverton Targets draped on the Tenements and Total Magnetic Intensity (TMI).

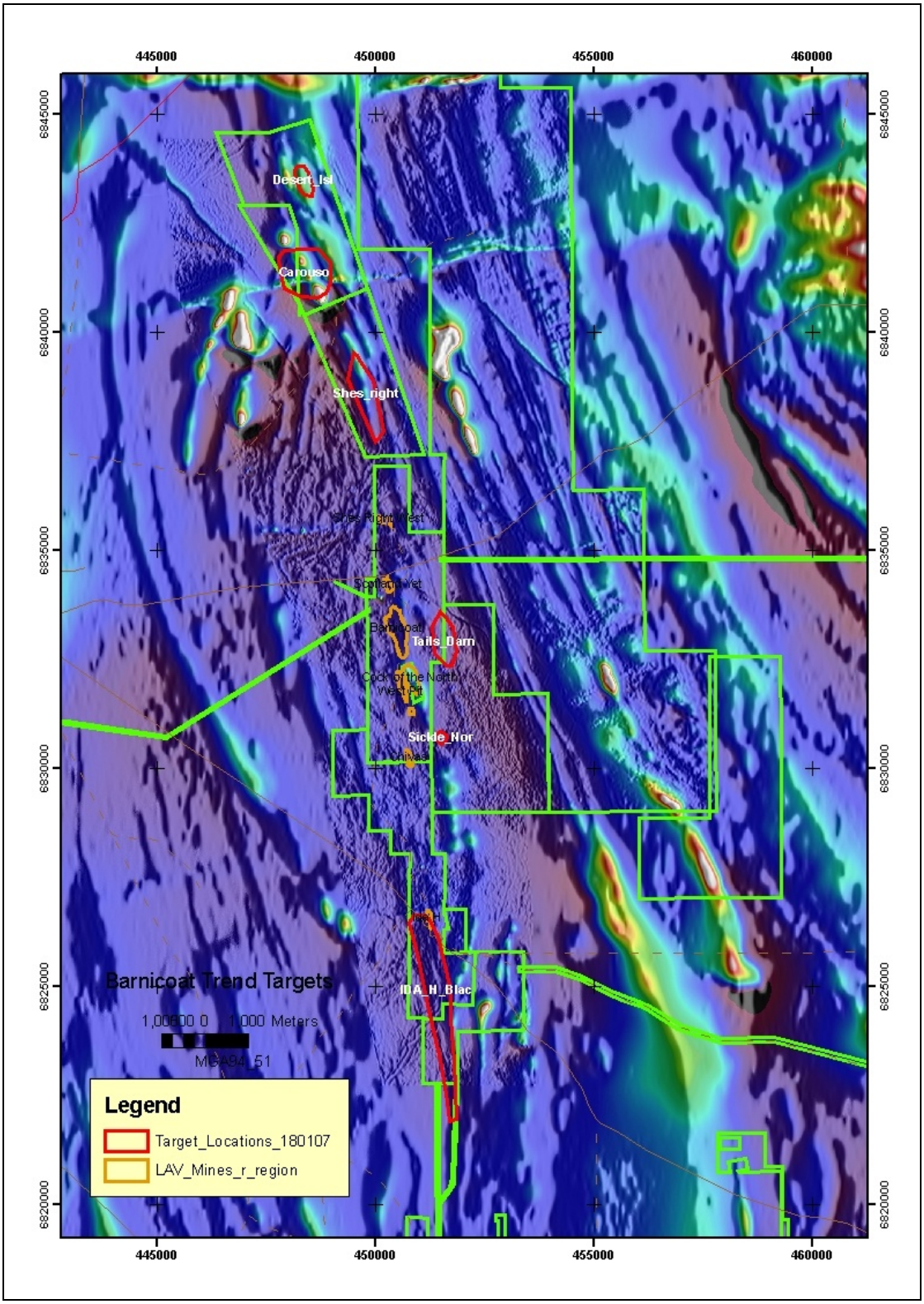


Figure 71
Barnicoat Trend Targets draped on the Tenements and Total Magnetic Intensity (TMI).

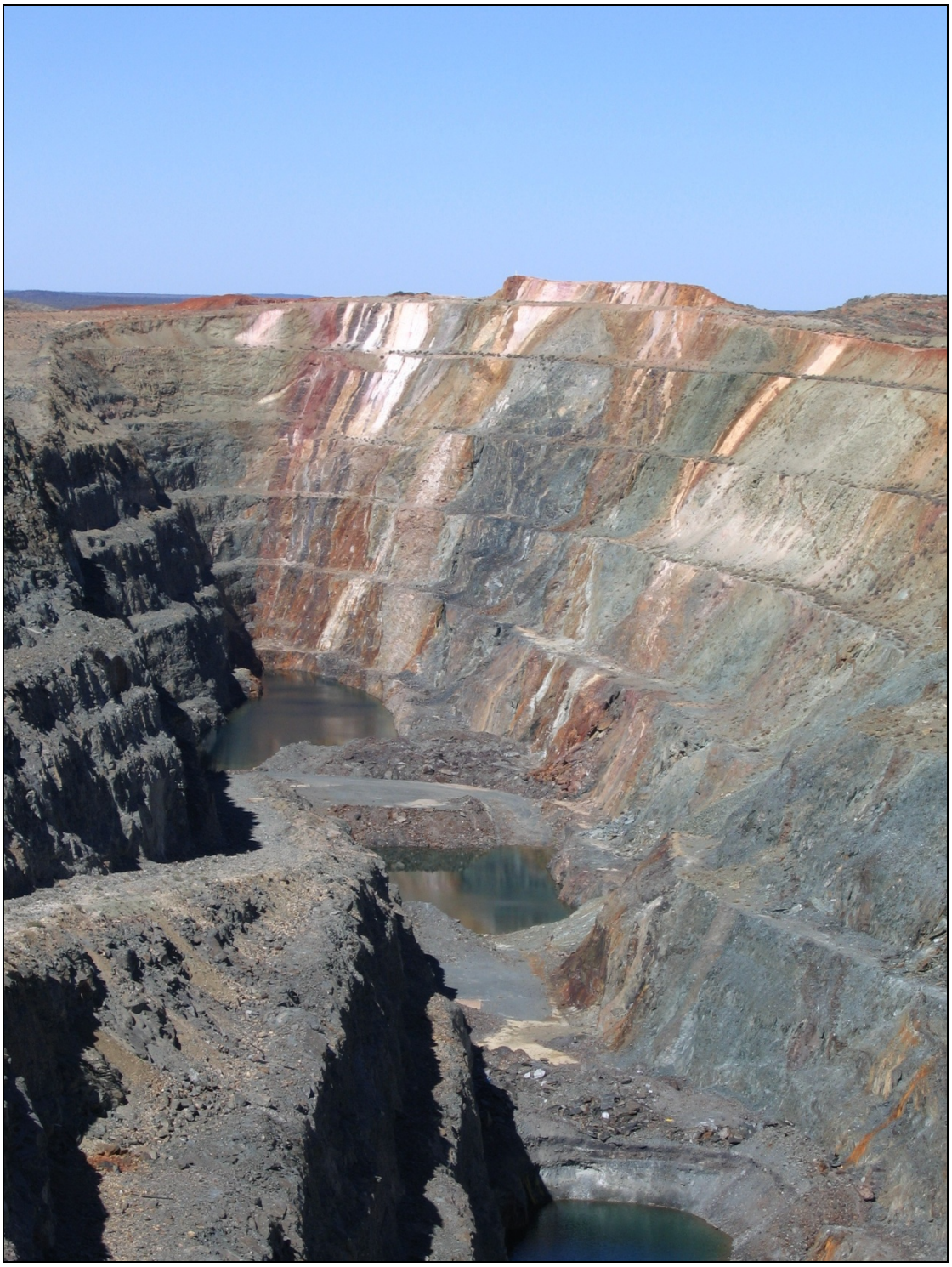


Figure 72
the +950,000oz gold producer Westralia at Mt Morgans
(not held by Crescent Gold Ltd); view looking south

4.4 Laverton Nickel Potential

No documented nickel assets exist within the Crescent Gold tenements at Laverton, although significant nickel production has occurred at Mt Windara 30km to the northwest of the Laverton gold mill.

4.4.1 Mt Windarra

Mt Windarra is a komatiite-hosted nickel sulphide deposit which was mined by WMC from 1970 to 1978. The ultramafic and mafic rocks are located in a narrow, northwest striking greenstone belt with the Erlistoun Batholith (granite) to the west and the Windarra Monzogranite to the east (Fitton 2003).

The nickel deposit was discovered in 1969 by prospector Mr K. G. Shirley who was prospecting aeromagnetic anomalies and associated ultramafic rocks in the Laverton area for a small, listed exploration company: Poseidon.

The discovery at Mt Windarra was of small gossan outcrops amongst BIF scree material: a sample of the gossan assayed 0.16% Ni, 0.19% Cu, 1326ppb Pd & 37ppb Ir. Nickel sulphides were encountered during percussion drilling of A Shoot in September 1969, and the presence of a second shoot (B Shoot) to the south was indicated. The subsequent share boom "The Nickel Boom" sent Poseidon's shares from $1.15 to $280 (Marston, 1984).

When diamond drilling to test the A shoot at depth began in December 1969, percussion drilling of the contact zone northwards also commenced. This resulted in the discovery of D & E shoots. The blind DEO (Deeper Eastern Shoot) and F shoots were discovered by diamond drilling in late 1970. The last shoot to be found, G shoot was also blind and was outlined by diamond drilling in 1977. Work on establishing a decline mine complex began in May 1971, and production commenced in September 1974 based on mine reserves of 5.6Mt averaging 1.93% Ni for contained 108,000 tonnes of metal.

At this stage the combined project (Mt Windarra & South Windarra) was owned 50% by WMC and 50% by Poseidon. Production by sub-level open stoping, shrink stoping, and cut & fill methods proceeded until the end of June 1978.

In 1975, the first full year of production, bad ground conditions severely limited the actual production. Financial losses forced Poseidon into receivership in October 1976, and eventually this company's half share in the project was purchased by Shell in August 1977. The project received another setback in Nov 1977 when mining operations in A shoot were curtailed by the failure of a mass blast in an open stope. By the time of closure in mid-1978, remaining ore reserves were 5.638Mt at 1.38% Ni (89,080 tonnes of nickel metal) at a 1% Ni cut-off (Marston, 1984).

Shown below is a location plan-Figure 70 of Mt Windarra and South Windarra (from Marston, 1984):

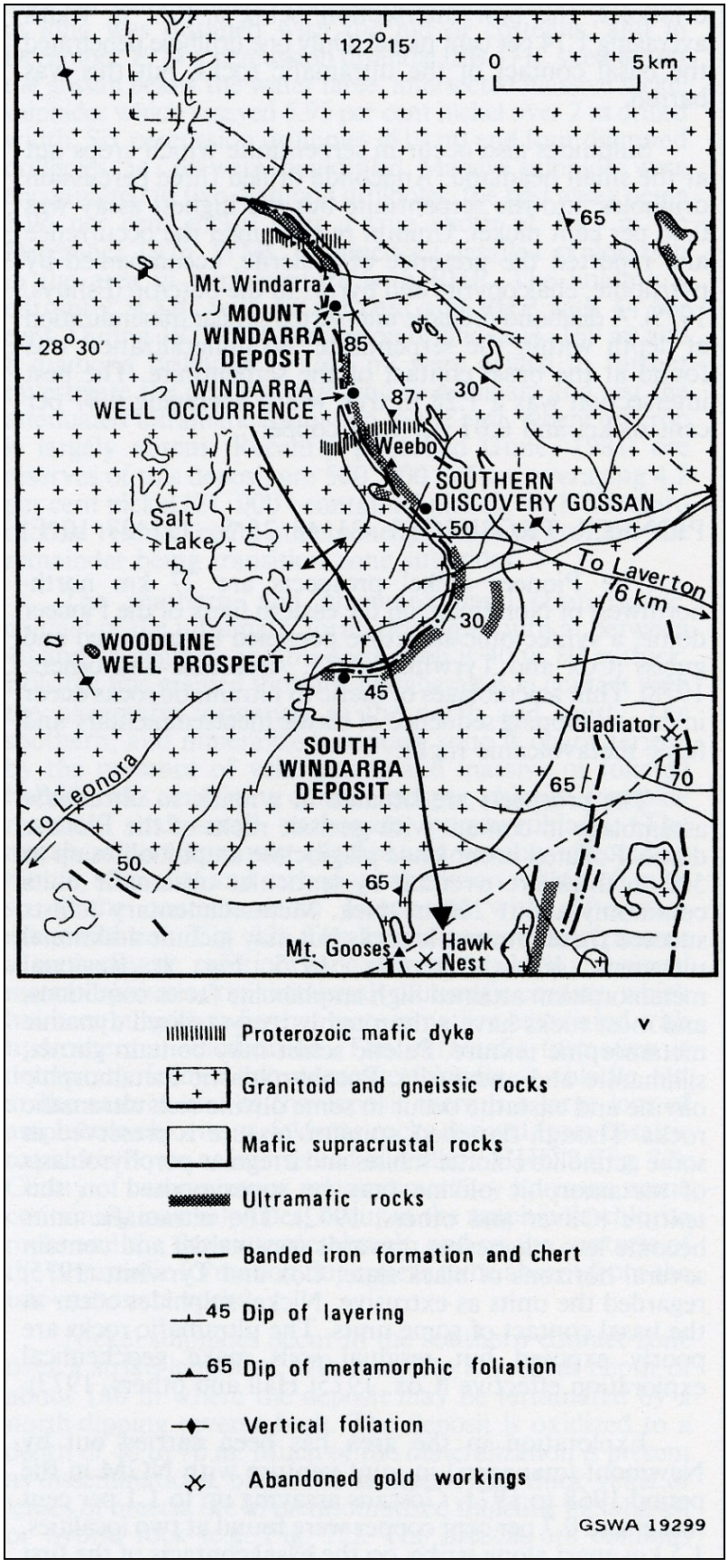


Figure 73
Location plan & simplified geology of the Mt Windarra-South Windarra region.

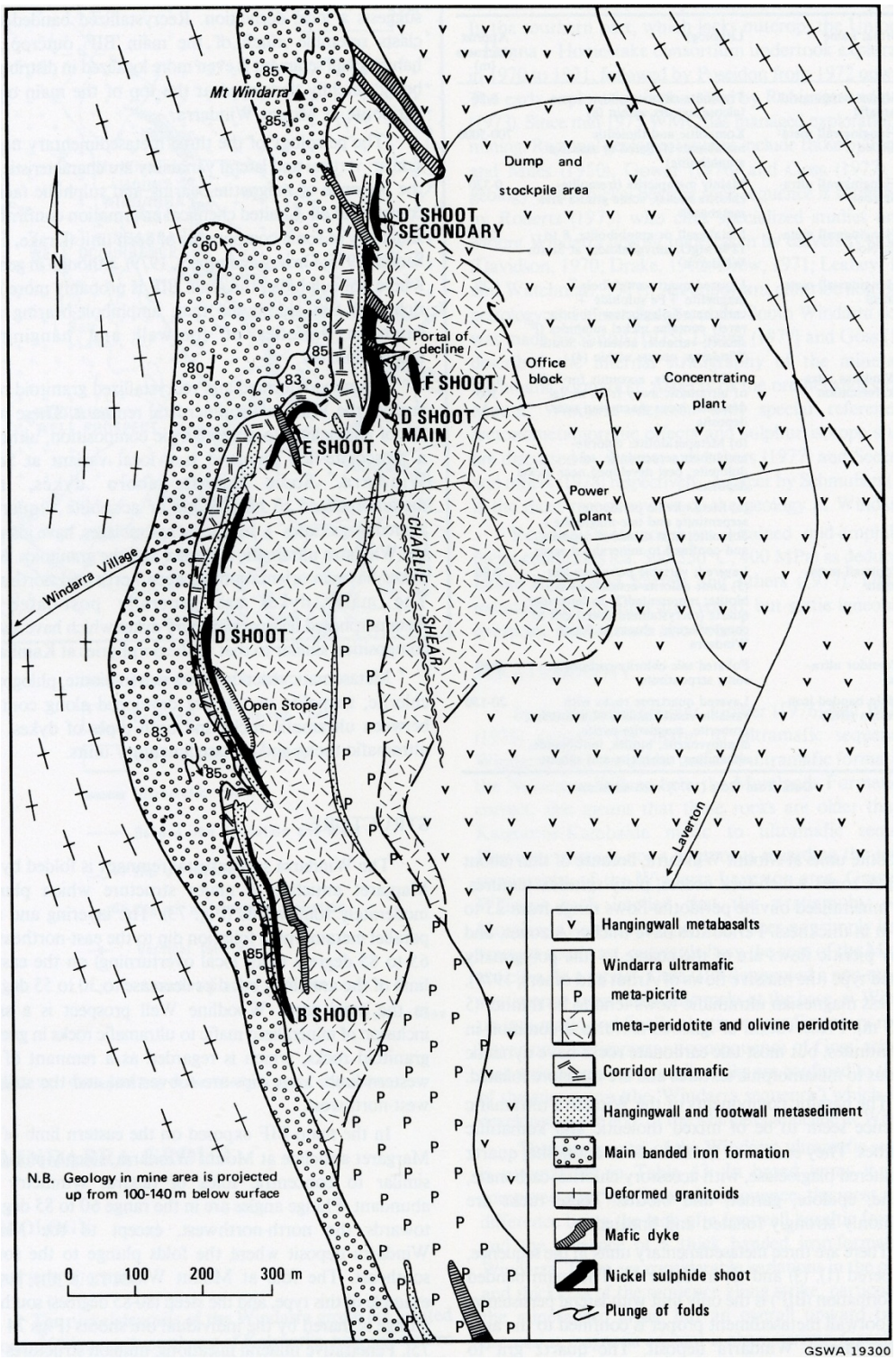


Figure 74
Geological plan of the Mt Windarra mine area.

The nickel deposits of the Windarra group are isolated from all other deposits in the Norseman-Wiluna belt, which are found in the western half of the belt. The deposits occur in an arcuate remnant of mafic to ultramafic rocks to the northwest of Laverton. The nickeliferous ultramafic rocks are confined to the base of the Windarra sequence which is only developed in the core of the Margaret anticline at Windarra. This group of rocks does not occur further to the east within the Crescent Gold tenements at Laverton.

4.4.2 South Windarra

The South Windarra deposit was discovered in 1970 by drilling under 30m of alluvial cover, and in Feb 1971 nickel sulphides averaging 1.3% Ni over a true width of 13.7m were encountered (Marston 1984). In June 1973 drill indicated mineable ore reserves to a depth of 174m were stated as 3.2Mt @ 1.94% Ni for 62,080 tonnes of contained nickel (using a 1% Ni cut-off).

Following the removal of ~6M cubic metres of alluvial overburden and oxidized rock, open cut mining of the western, higher grade portion of the deposit began in late 1974. Production reached a peak of 700,600t of ore in 1975, but declined to 562,000t in 1977. Production ceased by February 1978. Remaining demonstrated sulphide resources to a depth of 174m were estimated by WMC to be 2.56Mt @ 1.03% Ni for 26,830t of contained nickel metal using a cut-off of 0.5% Ni (Marston 1984).

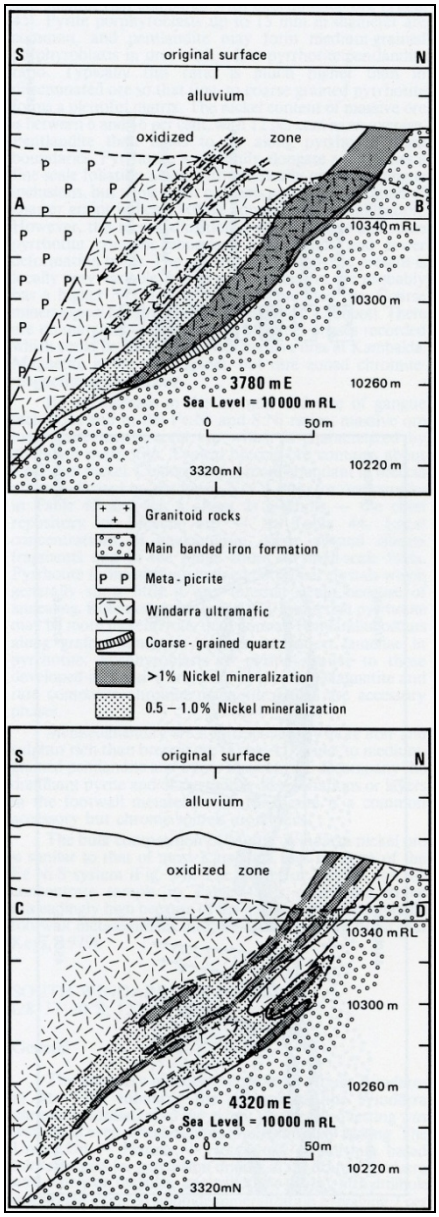


Figure 75
Cross sections through the South Windarra deposit (Marston 1984).

4.5 Nickel potential within the Laverton tenements

Some potential for buried komatiite-hosted and gabbroid-hosted nickel deposits may exist within the tenement (and tenement applications) area east and south of the Laverton mill:

- in the Lilly Pond Gabbro Complex 15km south-east of Ida H;
- within the Jubilee Komatiite sequence which strikes northwards into the eastern part of the Burtville tenements; and within
- the Meredith Well Layered Complex (peridotite-granophyre) 5km northeast of Burtville;
- the large Diorite Hill layered complex (peridotite-granophyre) 20km east of the Laverton mill (this ground is not held by Crescent Gold).

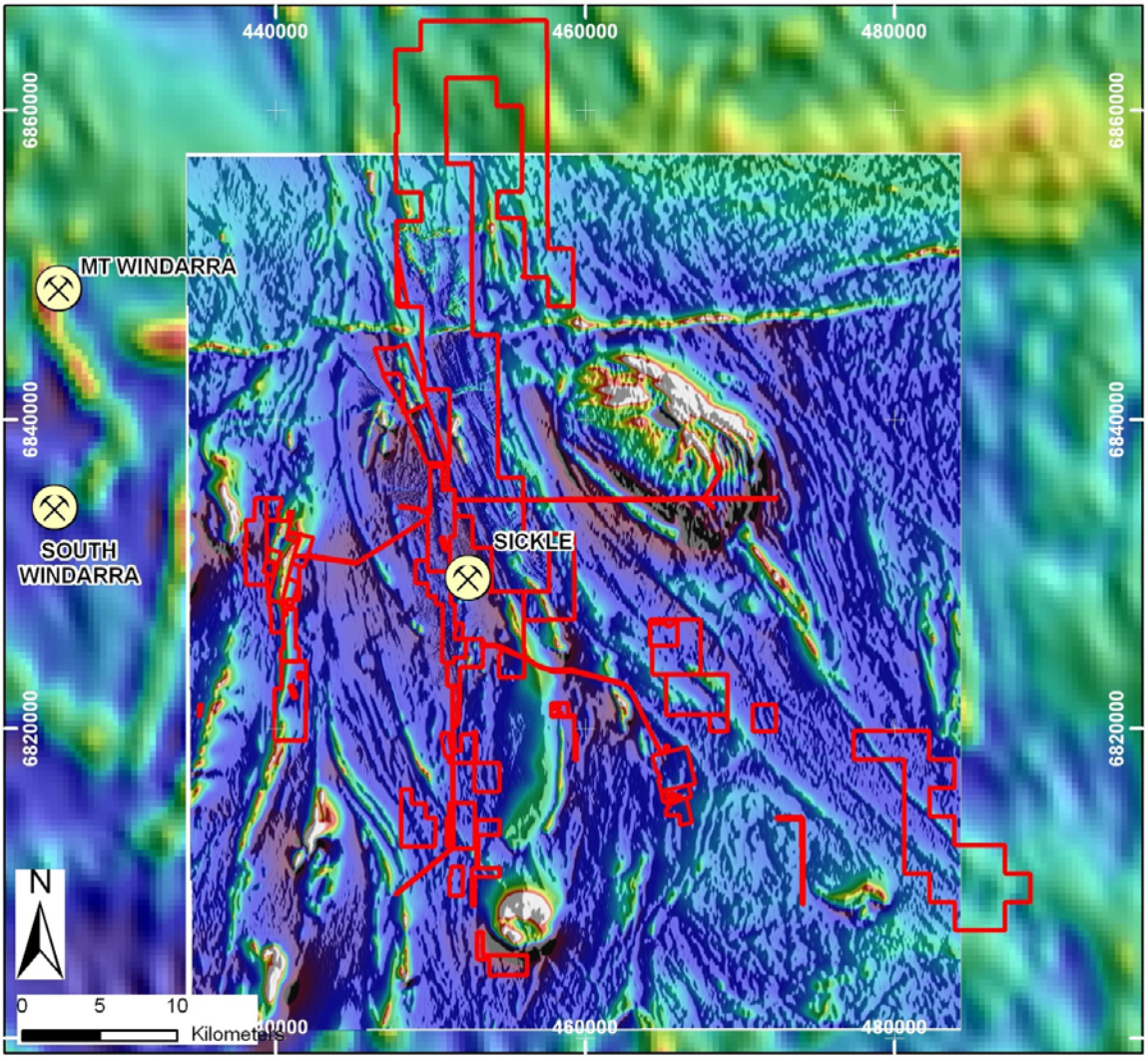


Figure 76
Aeromagnetic image of the Laverton area; showing Mt Windarra to the northwest of Sickle, and the Mt Weld Carbonatite Complex to the south of Sickle. The Crescent Gold tenements are marked in red.

Open-file exploration data should be acquired together with detailed aeromagnetic data and interpretation to aid in the review of the nickel sulphide potential within this part of the Crescent Gold tenement position.

A detailed review of the nickel potential within the tenements held by Crescent Gold Ltd was conducted by CSA Australia Ltd (Burke, 2007): this report emphasised the potential for nickel sulphide mineralisation within thin komatiite flows (the "Eastern Ultramafic Belt") in the tenements held by CRE 4km northeast of Burtville. Three TEM targets are located along the 9km strike length basal contact of the west dipping Archaean komatiite unit. These targets have not yet been drill tested, but limited drilling of another TEM target to the north intersected 12m @ 0.24% Ni in oxidised ultramafic rocks (Burke, 2007).

4.6 Uranium Potential within the Laverton tenements

There are no known uranium resources within the Crescent Gold Ltd ground position at Laverton, although some potential for calcrete-hosted Yeerlirrie-style carnotite deposits may exist within basal parts of the valley calcretes south of Laverton in the Jasper Hills area: weathering of granitic rocks in the Mt Dennis area may have sourced uraniferous ground-waters into Tertiary alkaline basins (calcrete) with resultant deposition of uranium-vanadium phosphate minerals.

Palaeochannel, calcrete-hosted uranium deposits are documented north of Laverton at Thatchers Soak on the Duketon 1:250,000 scale sheet (SG 51-14): these are held by ASX listed company Uranex (ASX code URX)

www.uranex.com.au

The Thatcher Soak deposits are located at Grid Reference 6899500mN 554500mE: the calcrete-hosted deposits strike northwards for over 1.5km with peak down-hole values of >0.1% U_3O_8 equivalent (measured by calibrated total count radiometric probe); as shallow to flat dipping sheets up to 5m thick, within 10m of the calcrete surface (Edwards, 2007). No resource figures are available for the Thatchers Soak deposits.

It is recommended that detailed assessment of the public domain airborne radiometric data covering the Laverton and Edjudina sheets be carried out to ascertain possible calcrete-hosted uranium targets within the Tertiary-Holocene internal lake systems south of Laverton.

Figures 74 & 75 given below (1:250,000 sheet Laverton public domain radiometric data) indicate that potential hot source rocks (uranium-thorium-potassium enriched granitoids) exist east & north of Sickle, and to the southeast of Burtville:

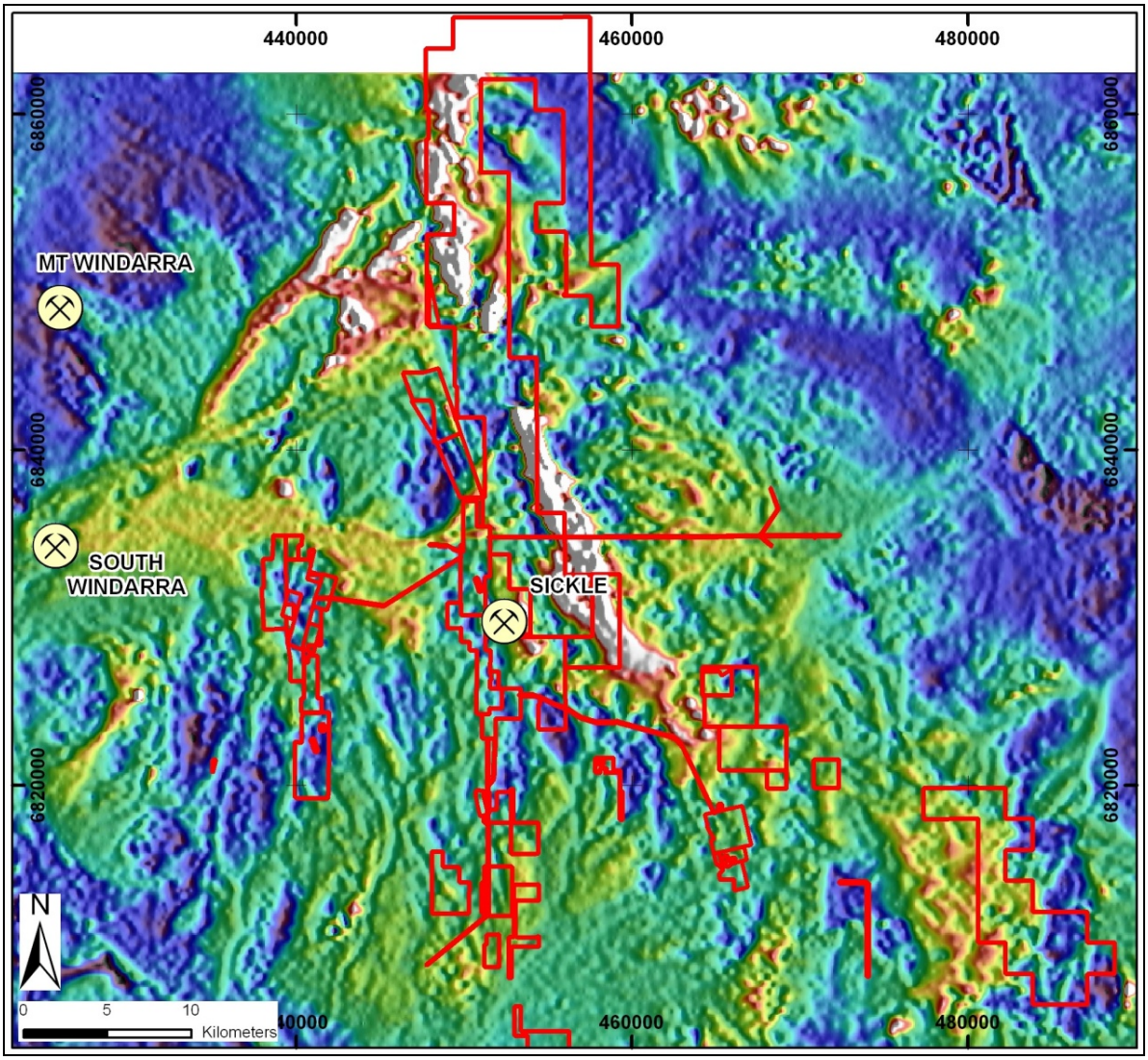


Figure 77
Total count radiometric data covering the Laverton tenements.

Ground checking and reconnaissance air-core drilling of potential target areas (e.g. around Admiral Hill north of Sickle; and the Jasper Hills valley calcrete zones south of Merolia) could be carried out within the existing budget constraints at Laverton.

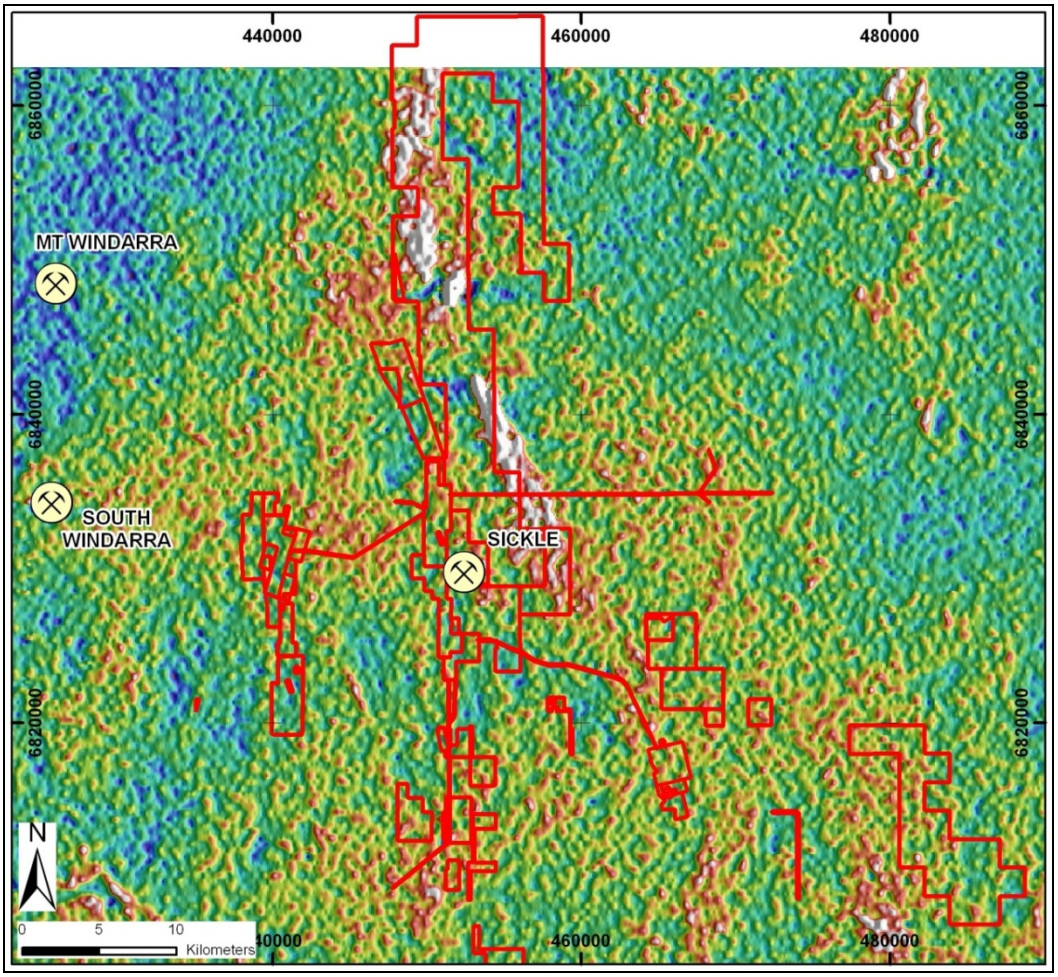


Figure 78
Uranium channel radiometric data covering the Laverton tenements.

The linear body shown in white above (east of Sickle) is the Hanns Camp Syenite (Fairall, 2007) which is a sheared, gneissic, K-spar porphyritic syenite sill striking south-southeastwards for over 25km towards Burtville. Potential valley or channel calcrete-hosted uranium deposits could exist east (down-drainage) of this feature, and would need to be followed up by ground radiometrics and sampling.

4.7 Copper-Zinc-Silver Potential at Laverton

The massive sulphide horizons described at Sickle (Ravensgate, 2007) and the presence of anomalous copper values (and zinc) at Admiral Hill, hosted by felsic schist and Fe-Si rich exhalative rocks (BIF & cherty sediments) indicate that there is potential at Laverton for Volcanogenic Massive Sulphide (VMS) deposits. Major, large tonnage, high grade VMS copper-zinc deposits have been discovered further to the west in the Yilgarn Province (e.g. Golden Grove-Gossan Hill, and at Jaguar-Teutonic Bore) and are now in production (Oxiana Ltd; and Jabiru Metals Ltd respectively). Crescent Gold holds potential VMS-style mineralisation within the eastern block of tenements, along the Barnicoat Shear-Admiral Hill zone: all available base metal assay data should be assessed, using the geological model of potential exhalative horizons along mafic footwall/felsic hangingwall contacts.

5.0 Overall Exploration Budget for Crescent Gold Ltd within Australia

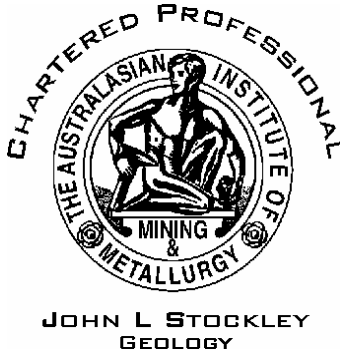
Tabled below is a summary of the overall exploration budget committed to by the Board of Crescent Gold Ltd within Australia for the year ending June 2008.

Table 12 Exploration Budget Summary (from Leggo, 2007)

Allocation	Amount AUD$	Comments
WA Tenement costs	396,000	45 tenements
WA Project Generation	60,000	
WA Exploration Programs	3,594,000	$2.16M for RC drilling
NT exploration overheads	14,000	7 JV tenements
NT Tenements	7,000	
NT Exploration Programs	47,000	
SA exploration overheads	16,000	4 JV tenements
SA Exploration Programs	90,000	
SA Joint Venture allocations	1,910,000	Deep diamond drilling
Capital items	107,000	Vehicles
Total Australian Budget	**$7,024,000**	**to the end of June '08**

This budget which covers 57 tenements spread across three states: Western Australia (WA); South Australia (SA); and the Northern Territory (NT) is considered by Lyndhurst to be a fair and reasonable estimation of the total costs of the planned exploration activities to be carried out on the tenements up until the end of June 2008.

An additional budget amount of at least $1M is being considered by Crescent Gold as a requirement for expansion of planned drilling activities at Laverton. Lyndhurst agrees with the proposed increase in the drilling budget.



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