ANNUAL REPORT EL 24866
RUM JUNGLE NT

Reporting Period
15th March 2006 - 14th March 2007

For Crescent Gold Limited
May 2007

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Summary

Project Name:	Rum Jungle
Report Title:	Annual Report - EL 24866 Reporting Period: 15th March 2006 to 14th March 2007
Author:	Kas De Luca
Tenement Holders:	Uranium West Limited
Tenement Number:	EL 24866
Work Completed:	Assessment for Uranium (and other commodities) potential Detailed Aeromagnetic/radiometrics survey

1.0 Introduction

EL 24866 forms part of a project in the Rum Jungle district of the Northern Territory which Crescent Gold Ltd. (Crescent), through its wholly owned subsidiary Uranium West Ltd. (Uranium West), is currently exploring for uranium.

EL 24866 is one of several tenements assessed for uranium and other commodities by Crescent during 2006. The tenement currently forms part of a Joint Venture Heads of Agreement with Rum Jungle Uranium Pty. Ltd. (Rum Jungle Uranium - operators), who have recently conducted a detailed airborne aeromagnetics and radiometrics survey over the area.

2.0 Location and Access

EL 24866 is located within the Northern Territory's Rum Jungle Mineral Field, which is situated some 70km south of Darwin. Access to the project area is by sealed highways from Darwin to the small town of Batchelor, population 650; thence via a series of sealed and reasonably well maintained gravel roads (Figure 1).

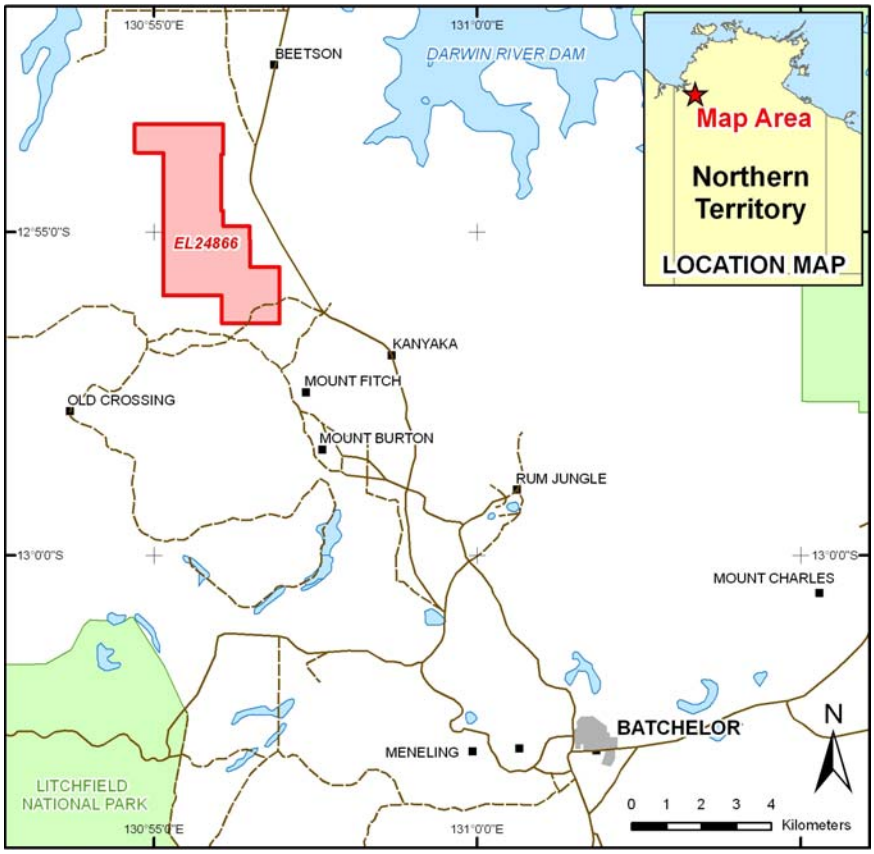

Figure 1 Location of EL 24866

The area experiences 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 temperature is 30°C and the minimum is 19°C. The area comprises rolling topography and in places contains dissected lowlands. Vegetation consists of open forest and woodlands dominated by species of Eucalypt, Livistonia and Pandanus.

3.0 Tenure

EL 24866 was granted on 15th March 2006 and has an annual expenditure commitment totaling $16,000. The tenement covers an area of 8 sub-blocks.

In October 2006 Crescent Gold exercised its Option with Finching Pty. Ltd. and Mundena Holdings Pty. Ltd. to purchase several leases in the Northern Territory for a cost of $550,000. The granted leases, including EL 24866, were transferred into a 100% controlled subsidiary, Uranium West Pty. Ltd.

Uranium West Pty. Ltd. then entered into a Joint Venture Heads of Agreement with Rum Jungle Uranium Pty. Ltd. on two of its project areas, Rum Jungle and Tennant Creek, including EL 24866. Rum Jungle Uranium Pty. Ltd. has the right to earn a 25% stake by spending $200,000 before the end of 2007 and a total of 50% by spending a further $400,000 by the end of 2008.

Table 1 Project Tenement Details

Tenement Number	Project Name	Owner	Area (BL)	Expenditure	Date Granted
EL24866	Rum Jungle	Uranium West Ltd	8 sub-blocks	$16,000	15 March 2006

4.0 Geology

4.1 Regional Geology

The oldest rocks of the Rum Jungle Mineral Field are schists 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.

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 ranged 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 Golsec Formation unconformably overlies the Mt Partridge Formation, and consists of siltstone, sandstone and hematite-quartz breccia. The Golsec Formation occurs principally around the Waterhouse Dome.

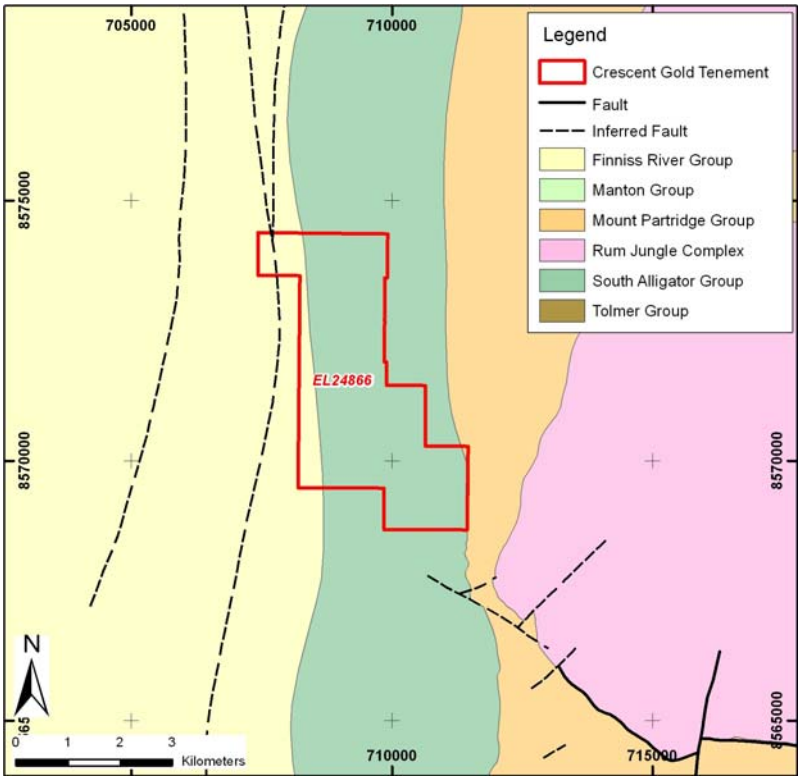

Figure 2 Geology interpretation of the project area.

4.2 District Geology

EL 24866 occurs exclusively over northerly trending Palaeoproterozoic sediments and volcaniclastics with 10-15% bedrock outcrop. The western half of the tenement contains several outcrops of the Burrell Creek Formation (Finniss River Group). A minor exposure of South Alligator Group quartzose schist occurs in the central part of the tenement. This is interpreted to continue under cover to the eastern boundary of the tenement as part of an extensive north-south trending sequence. A small outcrop of Whites Formation (Mount Partridge Group) occurs on the southeast boundary of the tenement. This is similarly interpreted to extend to the north and south. Two outcrops of Zamu Dolerite (Proterozoic) represent a north-south trending dyke or sill in the eastern half of the tenement. Broad geological interpretation of the project area is shown in Figure 2.

5.0 Exploration Activity

5.1 Assessment for Uranium (and other commodities) Potential

During 2006 Uranium West engaged geological consultants Ravensgate Pty Ltd (Ravensgate) to conduct a geological assessment of the economic potential of its tenure in the northern Territory, concentrating on Uranium potential (Ravensgate 2006). This work included EL 24866.

Ravensgate identified the main target style for uranium mineralisation within the tenure as Proterozoic unconformity-related, where deposits occur proximal to unconformities, generally between fractured, brecciated uranium enriched basement rocks and overlying porous sediments. Several occurrences of this type-mineralisation lie near to the project area (Dysons (U), Whites (U-Cu-Co), Intermediate (Cu-Co) and Browns (Pb-Cu-Co-Ni-Zn) deposits).

Recommendations for exploration from Ravensgate included geological mapping in order to identify the unconformity between the Mt Partridge group and the Rum Jungle Complex, if it exists within EL 24866.

A second study by Southern Geoscience Pty. Ltd. (Southern Geoscience) a geophysical consulting group was commissioned later in the year, with geophysics as a focus (Southern Geoscience 2006). Open-file government geological and geophysical data were compiled and assessed for geological setting, mineralization potential and quality of existing geophysical data. The primary aim of this assessment was to evaluate the uranium prospectivity of the area, identify potential targets and provide exploration recommendations. Evaluation of the polymetallic/base metal potential was a secondary objective.

Government airborne magnetic and radiometric surveys across the tenement comprise 200 m line spaced data. Regional gravity stations are sparsely located along regional roads and traverses at 200-500 m station spacings. Landsat and SRTM digital elevation data are also available. The extent of outcropping bedrock and residual cover is sufficient for the airborne radiometrics to be representative of the bedrock from a mapping point of view.

No specific targets were delineated during the study. Four potential mineralization styles however were recognized and areas of interest within the tenement outlined. The eastern half of EL 24866 was considered moderately to strongly prospective for unconformity-related and epigenetic uranium and stratabound-stratiform polymetallic/base metal mineralization. The western half of EL-24866 is moderately prospective for vein/lode type uranium mineralization. Recommendations from this study were that these areas should be flown with high-resolution airborne magnetics and radiometrics.

5.2 Detailed Aeromagnetics and Radiometrics Survey

A fixed wing detailed aeromagnetic/radiomagnetic survey was completed by UTS over several of the Rum Jungle tenements during February-March 2007, including EL 24866. The survey was designed to detail selected areas within the project that are highly prospective for possible uranium mineralization.

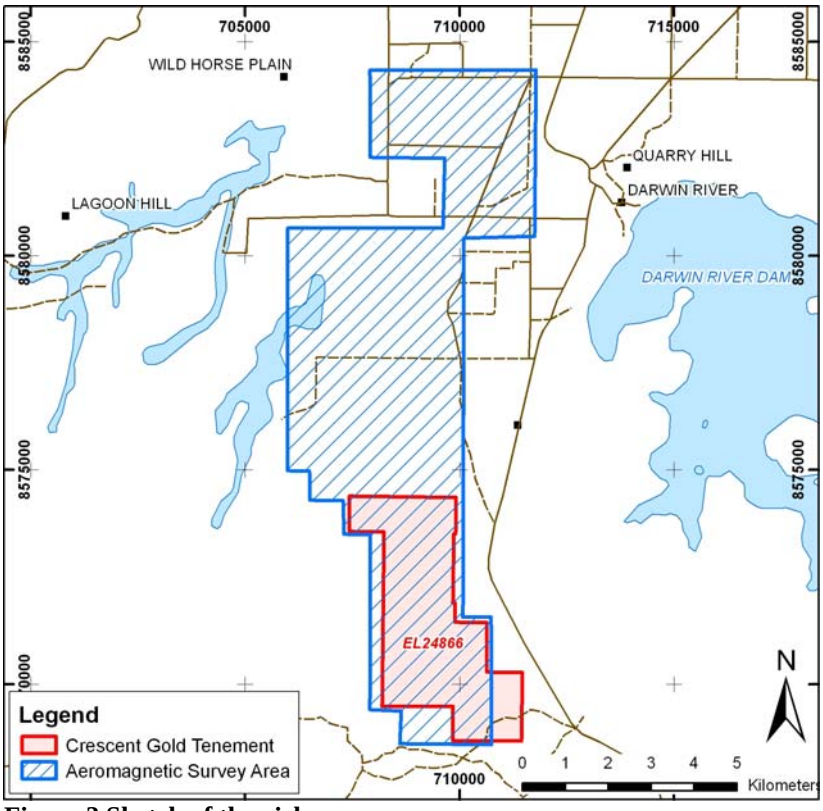

Figure 3 Sketch of the airborne survey coverage

The survey was flown over the greater part of EL24866 at 100m line spacings, with 40m sensor height and a line direction of 090°-270°. Magnetics, radiometrics and DTM data were collected.

Initial assessment of the survey clearly marks the intrusive Zamu dolerite striking north-south through the centre of the tenement with numerous discreet uranium anomalies paralleling the eastern license margin. Processing and detailed interpretation was not completed by the end of the anniversary period, but is now underway.

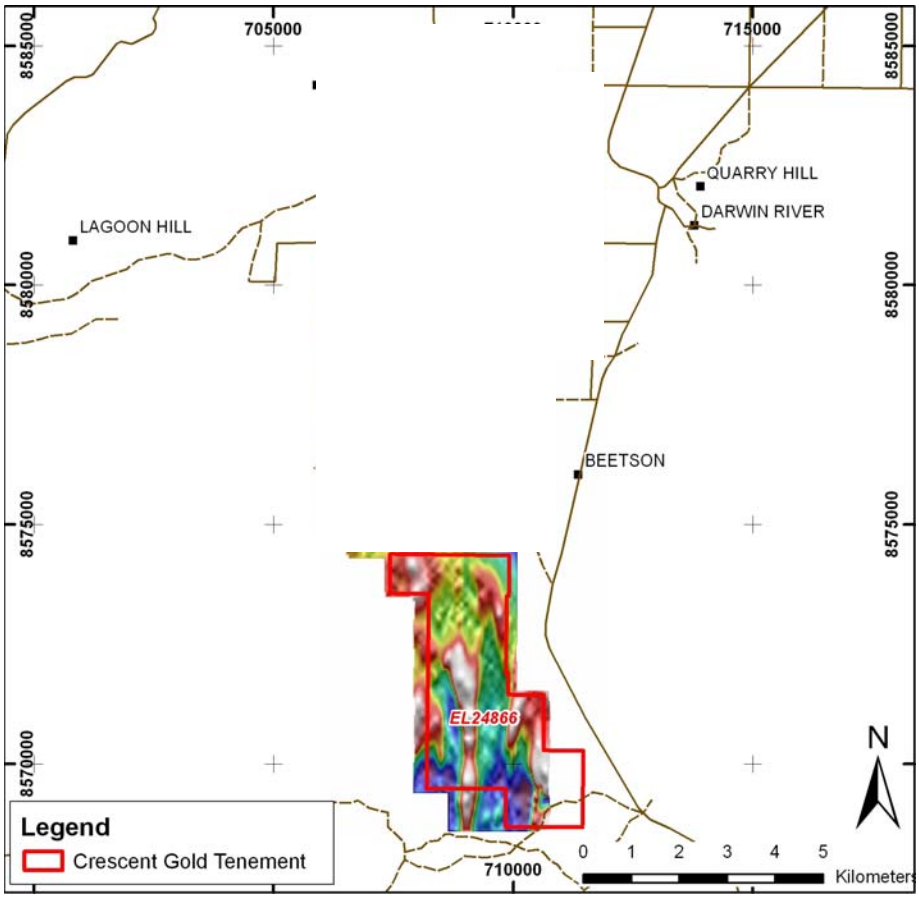

Figure 4 Preliminary aeromagnetic image generated from first pass processing.

6.0 Annual Expenditure

Total annual expenditure for EL 24866 for the period of 15th March 2006 – 14th March 2007 is $26,129. Supporting cost figures are detailed as Appendix I.

7.0 Proposed Year 2 Work Program

Rum Jungle Uranium will be operators for EL 24866 in the 2007-2008 anniversary period. The proposed exploration program for the tenement, with estimated annual expenditure is as follows:

Process magnetic & radiometric images	$10,000
Ground reconnaissance	$6,000
Geological mapping	$10,000
Grid preparation	$10,000
RAB/Air Core drilling – 3000m	$90,000
Assays	$6,000
Report preparation	$6,000
Overheads	$12,000
TOTAL	**$150,000**

Bibliography

Lally, J.H., (2002). Stratigraphy, structure and mineralisation, Rum Jungle Mineral Field, Northern Territory. Northern Territory Geological Survey, Record 2002-005.

Ravensgate Pty. Ltd. (2006) Technical Report on the Mineral Exploration Tenements in Australia held by Western Uranium, Internal Crescent Report.

Southern Geoscience Ltd (2006) Rum Jungle - Assessment of Uranium Mineralization Potential and Geophysical Targeting, Internal Crescent Report.

Appendix 1 – Cost estimates for EL 24866 exploration program.

COST CENTRE		**EL24866**
Travel & Accommodation		**$769.27**
Project management		**$2,481.57**
Geological - Consulting		**$4,379.89**
Geophysical Consulting		**$3,289.81**
Geophysical Survey - Air		**$12,833.44**
Geophysical Data Proc & Interp		
	Sub Total	**$23,753.98**
Administration & Overheads		**$2,375.40**
	TOTAL	**$26,129.37**