ANNUAL REPORT EL 24847
CALVERT HILLS NT

Reporting Period
6th April 2006 - 5th April 2007

For Crescent Gold Limited
May 2007
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Summary

Project Name: Calvert Hills

Report Title: Annual Report - EL 24847
Reporting Period: 6th April 2006 to 5th April 2007

Author: Kas De Luca

Tenement Holders: Uranium West Limited

Tenement Nos.: EL 24847

Work Completed: Assessment for Uranium (and other commodities)
Detailed Aeromagnetic/Radiometrics Survey
1.0 Introduction
EL 24847 forms part of a project in the Calvert Hills district of the Northern Territory which Crescent Gold Ltd. (Crescent), through its wholly owned subsidiary Uranium West Ltd, is currently exploring for uranium.

EL 24847 is one of several tenements assessed for uranium (and other commodities) by Crescent during 2006.

2.0 Location and Access
EL 24847 is located within the Calvert Hills area of the Northern Territory's, some 100km west of the Northern Territory-Queensland border. The Project is located 300km north west of Mt. Isa and 100km south of the Gulf of Carpentaria. A location map is presented below as Figure 1.

Mt. Isa is the largest town in the area having a population of over 20,000 people, and is a major mining centre. It has daily flights to Brisbane and is serviced by major sealed roads and rail. Access to the 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.

Figure 1 Location of EL 24847
The tenement is 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 lasts from November to April each year. Travel along unsealed roads and tracks may be difficult during this time since watercourses are ephemeral. Temperatures range from an average of 36°C in summer to milder conditions in the winter months.

3.0 Tenure

EL 24847 was granted on 6th April 2006 and has an annual expenditure commitment totaling $48,000. The tenement covers an area of 411 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 24847, were transferred into a 100% controlled subsidiary Uranium West Pty. Ltd.

Project Tenement Details

<table>
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<tr>
<th>Tenement Number</th>
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<td>Uranium West Ltd</td>
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4.0 Geology

4.1 Regional Geology

The Calvert Hills - Westmoreland region covers the southeastern section of the Proterozoic McArthur Basin and the northwestern section of the Proterozoic Mt Isa ‘Geosyncline’. The east-west striking Lower Proterozoic Murphy Inlier effectively separates these two major Proterozoic basins or domains. Away from the inlier, the sub-cropping Proterozoic sediments are generally weakly deformed and shallow dipping. However, the regional magnetics and gravity data suggest the possibility of a complex depositional history and likely thick mid Proterozoic sequence development, particularly south of the Murphy Inlier.

Shallow dipping Cambrian siltstone-carbonate dominated sediments ± volcanics of the Georgina Basin unconformably overlie the Proterozoic to the south and west of the Murphy Inlier. The Cambrian sequence to the north of the inlier is mostly represented by the Lower Cambrian Bukalara Sandstone. Widespread, flat lying Mesozoic
arenaceous sediments overlie both the Proterozoic and Cambrian sequences. These are a thin, marine sequences deposited on the “Northern Territory Shelf”. Extensive Cainozoic alluvial and surficial deposits blanket much of the Phanerozoic and Pre-Cambrian. Broad geological interpretation of the project area is shown in Figure 2.

4.2 District Geology

The majority of EL 24847 is covered by a veneer of unconsolidated Cainozoic soils, sands and laterite, and thus surface outcrop is limited. Middle Proterozoic siltstone and sandstone of the Mullera Formation (South Nicholson Basin) outcrop in the south, and a small outcrop of the Benmara Beds in the north of the license is the only expression of the Murphy Inlier sequence within the tenement bounds.

To the immediate east of the tenement schist and gneissic rocks belonging to the Murphy Metamorphics do outcrop. To the south and east, the geology comprises siltstones, shales, sandstones, glauconitic sandstones and mudstones of the South Nicholson Group and dolomites, dolomitic sandstones and arkoses of the older Tawallah Group.
5.0 Exploration Activity

5.1 Geological Assessment for Uranium (and other commodities)
During 2006 Uranium West engaged geological consultants Ravensgate Pty Ltd to conduct a geological assessment of the economic potential of its tenure in the northern Territory, concentrating on Uranium potential (Ravensgate 2006).

Ravensgate identified one target area within the northern portion of the tenement where a window of older rocks (Murphy Metamorphics and Nicholson Granite) protrude through the cover sequence, and outcrops of Benmarra Beds sediments have been noted. The latter are considered time equivalents of the Westmoreland Conglomerate and potentially host for unconformity or paleochannel uranium.

<table>
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<tr>
<th>Tenement</th>
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<td>7991500</td>
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The criteria for targeting used by Ravensgate include identification of a northeast trending structure and proximal northeast trending regional uranium radiometric anomaly. First pass regional exploration of geochemical sampling and better geophysical coverage was recommended by Ravensgate, leading to refinement of known targets as well as identification of others.

Ravensgate also suggested that the area has potential for IOCG style mineralisation as well as sedex base metal deposits. A large, buried magnetic feature in the adjacent tenement application to the east (also Uranium West 100%) may represent an IOCG system, whilst previous exploration has discovered Pb-Zn-Ag anomalism in felsic volcanics and sediments to the south east of the project area.

5.2 Geophysical Assessment for Uranium (and other commodities)
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 gold and polymetallic/base metal potential was a secondary objective.

Southern Geoscience noted that the existing geophysical data across the tenement includes 250-400 m spaced airborne magnetics and radiometrics. Regional gravity stations are located at approximately 10 km spacings. Coarse Landsat and SRTM digital elevation data are also available. Pre-Cainozoic outcrop is limited to approximately 20% of the tenement area, greatly limiting the effectiveness of airborne radiometric surveys.
as a means of detecting anomalous radiogenic zones within the prospecting Phanerozoic and Precambrian bedrock.

Southern Geoscience consider the tenement area to be moderately prospective for unconformity-related Westmoreland type and sandstone-hosted (‘roll-front’) type uranium mineralisation and identified one priority target areas. They also state that regionally, epigenetic-hydrothermal uranium mineralisation related to intrusive and volcanic rocks, variants on the IOCG model, and stratabound-stratiform base metal mineralisation could also occur.

Target B1 is interpreted as a Westmoreland Conglomerate-Murphy Metamorphics hosted and/or unconformity-related target in an area where these prospective units outcrop or subcrop (Figure 3). Southern Geoscience then recommends a high resolution (50m or 100m line spacing) airborne magnetic-radiometric survey across the target to improve on the existing data. Additional work would then need to involve geological mapping and ground radiometric measurements across discrete uranium anomalies identified from the airborne data.

Figure 3 Target Map Sketch after Southern Geoscience 2006
5.3 Detailed Aeromagnetics and Radiometrics Survey
A fixed wing detailed aeromagnetic/radiomagnetic survey was completed by Fugro over EL24847 during November-December 2006, based on the above recommendation from Southern Geoscience (Figure 4).

![Figure 4 Airborne Survey Coverage](image)

Survey specs are as follow:
- Flight line spacing: 100m
- Tie line spacing: 1000m
- Line directions: Calvert Hills: 90°-270°
- Flying height: 40m
- Magnetics reading interval: 0.1 seconds (~7m along line)
- Spectrometer reading interval: 1 second (~70m along line)

Processing and detailed interpretation was not completed by the end of the anniversary period, but is now underway. Preliminary images of aeromagnetics and radiometrics are shown in Figure 5.
Figure 5 Preliminary images generated from first pass processing – (a) aeromagnetics and (b) radiometrics.
6.0 Annual Expenditure

Total annual expenditure for EL24847 for the period of 6\textsuperscript{th} April 2006 – 5\textsuperscript{th} April 2007 is $88,888. Supporting cost figures are detailed in Appendix I.

7.0 Proposed Year 2 Work Program

Crescent Gold Limited through their wholly owned subsidiary Uranium West will be operators for EL 24847 in the 2007-2008 anniversary period. The proposed exploration program for the tenement, with estimated annual expenditure of $51,000, is as follows:

Targets - Westmoreland style unconformity uranium, paleochannel uranium, IOCGU-type mineralisation.

1. Reassess recent detailed airborne magnetics/radiometrics for prospective structures and/or dykes ($10,000).
2. Field reconnaissance, mapping and sampling – 2 geologists and back up, based out of Perth Western Australia ($25,000).
3. Assays ($5,000).
4. Report preparation ($6,000).
5. Overheads ($5,000).

An assessment of the Tempest airborne electromagnetics system will also be conducted, with the aim of mapping reduced facies in the Benmarra Beds. Follow up drilling will also be considered if relevant targets are developed from the above programme.

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Bibliography


Appendix 1 – Cost estimates for EL 24847 exploration program.

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