ANNUAL REPORT EL24835
TENNANT CREEK NT

Reporting Period

Crescent Gold Limited
September 2007
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(Submitted electronically as separate files)
Summary

Project Name: Tennant Creek

Report Title: Annual Report - EL 24835
   Reporting Period: 16th August 2006 to 15th August 2007

Author: Kas De Luca

Tenement Holders: Uranium West Limited

Tenement Number: EL24835

Work Completed: Assessment for Uranium (and other commodities) potential
   Detailed Aeromagnetic/radiometrics survey
1.0 Introduction

EL24835 forms part of a project in the Tennant Creek 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.

EL24835 is one of several tenements assessed for uranium and other commodities by Crescent during 2006. The tenement currently forms part of a Joint Venture with Rum Jungle Uranium Pty. Ltd. (Rum Jungle Uranium - operators), who have recently commenced exploration in the project area.

2.0 Location and Access

The Tennant Creek Project including EL24835 is located some 60km northwest of the town of Tennant Creek in central Northern Territory (Figure 1). The area has a long mining history for Cu-Au deposits (IOCG), with several existing and recently closed mining operations nearby (eg Warrego Mine).

Figure 1 Location of EL24835
The project area is easily accessed to the north via the Stuart Highway, or alternatively 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, and 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, with the average maximum temperatures below 30°C. In contrast to this, temperatures in September through to April exceed 30°C on average and peak in the mid 40°Cs.

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

3.0 Tenure

EL24835 was granted on 16th August 2006 and has an annual expenditure commitment totaling $46,000. The tenement covers an area of 309 sub-blocks.

In October 2006 Crescent Gold exercised its Option with Finching Pty. Ltd. and Mundena Holdings Pty. Ltd. to purchase several mineral tenements in the Northern Territory for a cost of $550,000. The granted tenements, including EL24835, were transferred into a 100% controlled subsidiary of Crescent gold, Uranium West Pty. Ltd. (Uranium West).

Uranium West then entered into a Joint Venture Heads of Agreement with Rum Jungle Uranium Pty. Ltd. (Rum Jungle Uranium) on two of its project areas, Rum Jungle and Tennant Creek, including EL24835. The JV was signed off on 21 August 2007 with Rum Jungle Uranium as managers. They have the right to earn a 25% stake in the projects 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. The final stage of the agreement allows Rum Jungle Uranium to contribute a further AUD$500,000 to earn an additional 25% interest resulting in 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.

Project Tenement Details

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<tr>
<th>Tenement Number</th>
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<td>Tennant Creek</td>
<td>Uranium West Ltd</td>
<td>309 sub-blocks</td>
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4.0 Geology

4.1 Regional Geology
The Tennant Creek region comprises the NW-SE oriented Palaeoproterozoic Tennant Region which is subdivided into three provinces. The central area contains the Warramunga Province (Tennant Creek Inlier), a basement inlier comprising volcanioclastics, volcanic rocks and flysch sediments. Granites (Devils Suite, Treasure Suite and Tennant Creek Supersuite) intrude this complex which was deformed during the Barramundi/Tennant Orogeny at ~1855 Ma and again at ~1820 Ma during the Murchison Event. The latter is considered the mineralizing event which saw the Warramunga Province endowed with some five million ounces of gold as FeOx-Cu-Au (IOCG) deposits associated with hydrothermal accumulations of ironstone; these deposits comprise the Tennant Goldfield.

The Palaeoproterozoic Davenport Province bounds and overlies the Warramunga Province to the south. This province comprises shallow marine sediments and volcanics of the North Australian Platform Cover that are weakly metamorphosed to greenschist facies. Mineral occurrences of tungsten, molybdenum, gold, copper, uranium and nickel are known, however exploration efforts in the province are considered minor. The Warramunga Province is bounded and overlain to the north by the Tomkinson Creek Province; possibly equivalent to the southern Davenport Province. This is an unmetamorphosed and weakly to moderately deformed Palaeo- to Mesoproterozoic sedimentary succession comprising predominantly shallow marine sandstone, dolostone and shale with minor basalt. It also forms part of the North Australian Platform Cover. Significant stratiform manganese mineralization occurs within this sequence at Bootu Creek.

Extensive Cainozoic alluvial and surficial deposits blanket much of the Palaeozoic and Pre-Cambrian.

4.2 District Geology
The surface geology in the northern part of EL24835 is predominantly Cainozoic sand, sandy soil, colluvium and scree (~60-70%). Palaeozoic rocks are restricted to several outcrops of Cambrian limestone of the Georgina/Wiso Basin in the northwest of the tenement. EL24835 contains several small outcrops of late Palaeoproterozoic Warrego Granite which is interpreted to continue over a significant area beneath thin cover (Figure 2). The granite intrudes Warramunga Group, Ooradidgee Group (Tomkinson Creek Province) and Cambrian basinal sequences to the west.
5.0 Exploration Activity

5.1 Geological Assessment for Uranium (and other commodities)
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 EL24835.

Ravensgate identified potential for sandstone-hosted, unconformity-related paleochannel uranium mineralisation in Tertiary sediments that overlie or are proximal to the Warrego Granite and other source rocks within EL24835. A number of uranium-dominant radiometric anomalies were identified in close proximity to interpreted paleochannels, which were recommended as the basis for initial exploration (Figure 3).
In the late 1970’s to early 1980’s CRAE (Dunn, 1983) completed exploration for uranium in the area targeting the uraniferous Warrego Granite. Water analysis returned a peak assay result of 1.6% U from drill holes located at Anomaly 12A (Figure 4) which straddles the southern boundary of EL24835. 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, and reported anomalous uranium with a best intercept of 1.1m @ 280ppm U3O8. Follow up 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 chloritised biotite and that the high concentration of uranium in the ground waters 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.
Finally Ravensgate remarked that 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. They identified an area in the south of EL24835 (TC-09) as prospective for IOCG mineralisation.

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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 polymetallic/base metal potential was a secondary objective. (Appendix 2 – Report by Southern Geoscience Consultants)

Southern Geoscience considered the tenement area moderately prospective for epigenetic (intrusion-related) and re-mobilised, sandstone-hosted (roll-front) type uranium mineralization. However they went on to note that the deformational history in the region is considered to have eliminated the potential for direct analogues to the Arnhem Land unconformity-related mineralization. Southern Geoscience also noted that the geological setting for characteristic Tennant Creek Au ± Cu (IOCG) mineralization does not occur within the tenement areas.

Existing airborne geophysical data across the tenement consists of 200 m spaced magnetics and radiometrics with minor coverage at 80 m. A possible 400 m southward shift in the uranium channel radiometrics has been recognised in the open-file data and should be treated with caution. Regional gravity stations are located at a maximum spacing of four kilometres. Landsat and SRTM digital elevation data are also available.

Eight prospective zone types were identified from the study (see Appendix 2 – Report by Southern Geoscience Consultants). Type A zones are moderate roll-front or surficial target areas within Cainozoic cover. Target zone C encompasses the previously explored Anomaly 12A area at the northern margin of the Warrego Granite. Type D zones are anomalous uranium responses within areas of outcropping Warrego Granite. Zone E is a strong uranium anomaly within Cainozoic sediments occurring to the immediate east of the tenure. Target zones B and F-H are all weak to moderate anomalies associated with outcropping bedrock.

Recommendations from this study were that the tenement should be flown with high-resolution airborne magnetics and radiometrics, given the proportion of outcropping bedrock and anomalous uranium data.

5.3 Aeromagnetic/radiometric Survey

A small portion of EL24835 was included as part of a fixed wing detailed aeromagnetic/radiomagnetic survey, conducted by UTS during February-March 2007. The survey was designed to detail selected areas within the project that are highly prospective for possible uranium mineralization. The survey was flown at 100m line spacings, with 40m sensor height and a line direction of 000°-180°. Magnetics, radiometrics and DTM data were collected.

The image in Figure 5 shows the portion of the tenement surveyed. Several images were developed for use in future geological assessment.
5.4 Field Assessment
A 7-day field visit was conducted to the tenement as part of a Project assessment in May 2007. Minor sampling was conducted as well as carrying out ground identification to check airborne radiometric anomalies with a scintillometer. Assays of rock chips recorded up to 60ppm UO$_2$ from the laterites exposed in cuttings alongside the railway line.

6.0 Annual Expenditure
Total annual expenditure for EL 24835 for the period of 16$^{th}$ August 2006 – 15$^{th}$ August 2007 is $49,401. Supporting cost figures are detailed as Appendix 1.

7.0 Proposed Year 2 Work Program
Rum Jungle Uranium will be operators for EL24835 in the 2007-2008 anniversary period. The proposed exploration program for the tenement, with estimated minimum annual expenditure is as follows:
Ground Gravity survey $25,000
Additional Aeromagnetic and radiometrics $47,000
Petrology and analysis of existing cores $3,000
Nick Lockett imagery interpretation $20,000
Geological and field living $25,000

TOTAL $120,000

Bibliography


Appendix 1

Cost estimates for EL 24835 exploration program for Year 1.

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Appendix 2

Crescent Gold Ltd
TENNANT CREEK
Assessment of Uranium Mineralization Potential
and Geophysical Targeting
December 2006

A. MORRELL, B. CRAVEN

SOUTHERN GEO SCIENCE CONSULTANTS

SGC Report No. 1691

PROJECT NAME          TENNANT CREEK
CLIENT                CRESCENT GOLD LTD
COUNTRY               AUSTRALIA
PROVINCE / STATE      NT
METHOD KEYWORDS       AEROMAGNETICS; AIRBORNE RADIOMETRICS
COMMODITY             URANIUM
1:100 000 MAP SHEET    SHORT RANGE (5659); FLYNN (5759)
1:250 000 MAP SHEET    TENNANT CREEK (SE 53-14)

[note: full report submitted in electronic format]