

# QUARTERLY REPORT

## 31 December 2007

31 January 2008

By Electronic Lodgement

Company Announcements Office  
Australian Stock Exchange Limited  
2 The Esplanade  
PERTH WA 6000

ASX Code: *CRE*  
TSX Code: *CRA*  
FFT Code: *CRE5*

### SHARE INFORMATION

ASX Share Price: *A\$0.39*  
Issued Shares: *589.8m*  
Market Cap: *A\$230.0m*  
Options unlisted: *30.2m*

### FULLY DILUTED BASIS

Shares: *620.0m*

### RESOURCES

Indicated: *0.97m ozs*  
*21.3mt*  
*1.5g/t*  
Inferred: *0.49m ozs*  
*10.5mt*  
*1.4g/t*

### RESERVES

Probable: *0.40m ozs*  
*7.6mt*  
*1.7g/t*

### RESOURCE

Market Cap/oz: *A\$158/oz*  
EV / oz: *A\$99/oz*

### RESERVE

Market Cap/oz: *A\$582/oz*  
EV / oz: *A\$365/oz*

### CONTACT DETAILS

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### HIGHLIGHTS FOR THE QUARTER ENDED 31 DECEMBER 2007

- Commissioning of 1.5mtpa from August construction continues
- Increased operating efficiencies since assuming owner operator status for the Laverton Plant
- Removal of Flat Forward hedging
- Planned separate listing for Uranium West Pty Ltd continues
- Gold focus for Crescent
- Board Change
- Management Change
- Exploration success + visible gold in core
- Divestment of China assets
- Preliminary development of Fish project commences
- Corporate Head Office move



*Gold Pour – Laverton Gold Project*

Additional information related to the Company is available for review at [www.sedar.com](http://www.sedar.com) or on the Company's website at [www.crescentgold.com](http://www.crescentgold.com).

For further information please contact Roland Hill or Hayley Patton on: +61 8 6380 7100 in Australia.

**DATE OF REPORT – 31 December 2007**

This discussion and analysis of the results of operations should be read in conjunction with the audited financial statements and accompanying notes for the Company's year ended audited financials ended 30 June 2007 and Crescent's unaudited half yearly report for the period ended 31 December 2006. This discussion and analysis as of 31 January 2008 provides information on the operations of Crescent for the 3 months ended 31 December 2007.

The Company's reporting currency is in Australian dollars, unless otherwise stated.

**OVERVIEW**

The Laverton Gold Project (LGP) is currently in the final phase of commissioning of the 1.5mtpa expansion of the LGP mill following the completion of construction in August 2007.

Mining of the Sickie Pit (stages one and two) has been on budget since commencement of earthworks and the ramp up of the Mill will be ongoing until commercial levels of production are achieved.

On 15 October 2007 the Board agreed to the spin-out of the Company's 100% owned Uranium assets and interests held in Uranium West Pty Ltd into a separately listed vehicle.

Subsequent to the spin-out decision, the board accepted the resignation of Andrew Haythorpe as Managing Director of Crescent Gold allowing him to focus on the listing of Uranium West.

In parallel, the Board unanimously voted that Roland Hill be appointed Managing Director of Crescent Gold. He remains acting Chairman of the Company.

On 31 December 2007, Paul O'Conner, the LGP's inaugural Resident Manager resigned after 1.5 years of dedicated service. Crescent would like to thank him for his diligent and unerring service to the Company during his tenure. He was replaced by the projects alternate manager, Gus Phillips.

The Company is pleased that faster than anticipated transition to owner operator on the Laverton Gold Project Mill occurred.

The Laverton exploration strategy is gaining momentum and reaping results with good results coming from regional, near mine and in-pit drilling.

The Company divested its assets in China to an unlisted Australian company, Awati Pty Ltd, who are following a specialist China focused company.

**SUMMARY OF OVERALL PERFORMANCE****CORPORATE**

The Company is progressing with its stated strategy of transforming itself from a junior explorer into a producer and in so doing to further increase mine life at its Laverton Gold Project.

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The recent strategic alliance with Deutsche Bank AG has expanded the Company's long term vision in becoming a mid-tier gold producer through various channels of growth including expansion, mergers and/or acquisitions.

In addition, the strategic alliance with Deutsche Bank provides real links to access global capital markets and global platforms.

The Deutsche Bank placement of \$122.25m has created a unique position for Crescent amongst its peers in terms of balance sheet strength. The capital will enable the Company to accelerate its Laverton Gold Project and to seize value-adding acquisition opportunities as they arise.

Crescent continues to review numerous corporate opportunities that the Company sees as having synergistic qualities and characteristics to Crescent's core gold business with the mid to long term view of achieving its growth strategy.

In line with the Company's strategic core focus of gold, the Company announced on 15 October 2007 a proposed strategy to divest its holding of its 100% owned Uranium vehicle, Uranium West. The Board requested that Crescent management examine the divestment of Uranium West including potentially creating a separately listed vehicle via a pro-rata distribution of Uranium West shares to Crescent shareholders. As a result of this proposed strategy, Roland Hill has assumed the position of Managing Director and Acting Chairman and Andrew Haythorpe resigned from the Board of Crescent to progress Crescent's wholly owned subsidiary Uranium West on an "arms length" basis.

Crescent is scrutinizing different capital structures, ASX and TSX listing regulations, tax considerations and capitalisation options that are available to allow a successful spin-out and provide on-going support to Uranium West.

During the December quarter the Company concentrated on consolidating the commissioning of the LGP operations. During the quarter the Mill up-grade to 1.5mtpa was finalised (from the previous 1.0mtpa name plate capacity) and commercial production status is anticipated in the current quarter.

The three stage crusher was commissioned, however remedial work is still required in relation to optimal operational efficiencies on the crusher.

The company is pleased to have assumed owner operator status at the LGP following the completion of the 90 day notice period to terminate the OMMS agreement (Operations Maintenance Management Service Agreement) with Bemex Pty Ltd. Direct management of Company and contractor personnel has provided Crescent with greater operational flexibilities, cost control and long term Human Resources options with the commitment to the training and enhancing of skills of our employees.

## PROJECT OVERVIEW

The Laverton Gold Project extends over 1,000 km<sup>2</sup> of various mining, exploration and prospecting licenses.

Centered in the historic Laverton gold mining province, where over 28 million ounces of gold has been discovered thus far, Crescent's tenements are located close to several well known world class projects including Barrick Gold Ltd's Wallaby and AngloGold Ashanti's Sunrise Dam Project.

Owned and managed 100% by Crescent, the LGP hosts over 20 relatively untested exploration targets, of which Ore Reserve and Resource estimates are completed on nine – Sickie, Fish, Euro, Admiral Hill, West Laverton, Mary Mac South, Grouse, Castaway and Lord Byron.

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Current combined resources released by the Company on 12 February 2007, reports a NI 43-101 compliant Indicated Mineral Resource totaling 20.1 million tonnes at 1.5 grams per tonne for 953,000 ounces gold and an Inferred Mineral Resource of 10.4 million tonnes at 1.4 g/t gold totaling 479,000 ounces gold.

The LGP contains numerous exploration opportunities including extensions to existing open pit resources, high grade shoots with underground exploration potential and conceptual large scale targets similar to other major deposits in the region.

The current life of mine plan extends beyond 4 years based on current Probable Ore Reserve of 7.6 mt at 1.6 g/t totaling 400,000 ounces of gold – (February 12, 2007 Press Release). The Company continues to focus on increasing resources and reserves at Laverton by targeted and ranked exploration.

A major drilling programme was continued during the December 2007 quarter. This consisted of regional aircore, RC and Diamond drilling. The Company has a dynamic exploration strategy supported by aggressive drilling.

#### OFFICE MOVE

Crescent Gold Limited's head office moved premises at the end of the year. The new address and contact details with immediate effect are as follows:

Crescent Gold Limited  
Level 2, 40 Subiaco Square  
PO Box 436 Subiaco 6904  
Subiaco WA 6008

Telephone: +61 8 6380 7100  
Facsimile: +61 8 6380 7199  
Website: [www.crescentgold.com](http://www.crescentgold.com)  
Email: [info@crescentgold.com](mailto:info@crescentgold.com)

ABN: 49 087 360 996

#### DEVELOPMENT

##### Fish

The final statutory approvals for the development of the Fish Deposit were being finalised during the quarter with commencement of initial development plans expected by early February. At this point the contractor will mobilise to site and commence upgrading of the haul road.

A Project Manager (Registered Manager) for the satellite mine commences with the company on February the 9<sup>th</sup> with the commencement of mining scheduled in the fourth quarter

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## OPERATIONS



### Mining - Sickle

Mining continued with the Sickle phase 1 pit during the quarter and the commencement of Sickle phase 2.

Mining of the respective pits continued with Stage 1 being developed from 470mRL to 447.5mRL and Stage 2 from 492.5mRL to 480mRL.

All production targets against budget were exceeded with several days lost to inclement weather and an extended break taken of the Christmas period by the mining contractor.

Throughout the reporting period several items of equipment were upgraded by the contractor, Minepower, enhancing the overall availability and flexibility of the mobile fleet.

### Mining Statistics

Mining	Unit	October	November	December	Total
Ore Mined	BCM	33,364	41,379	26,087	<b>100,830</b>
Waste Mined	BCM	591,045	566,245	330,215	<b>1,487,505</b>
Total Mined	BCM	624,409	607,624	356,302	<b>1,588,335</b>
Ore Mined	t	75,021	104,650	50,400	<b>230,071</b>
Ore Grade Mined	g/t	1.65	1.93	2.13	<b>1.88</b>
Ore Hauled	t	99,887	81,530	64,999	<b>246,416</b>

### Ore Road Haulage

Road haulage from Sickle pit to the mill accelerated during the quarter with the introduction of a second triple road train working double shift. Haulage operations centred on maintaining stockpile levels at the crusher ROM pad on an as required basis to match milling rates.

During the quarter the second ball mill commenced commissioning, hence crusher ROM stockpile levels were initially increased with road haulage then managed depending on mill throughput and grade requirements using direct mined ore and existing Sickle pit stockpiles.

### Processing

Gold production for the quarter totalled 13,577 fine ozs against 9,248 ozs for the previous quarter, an increase of 32%.

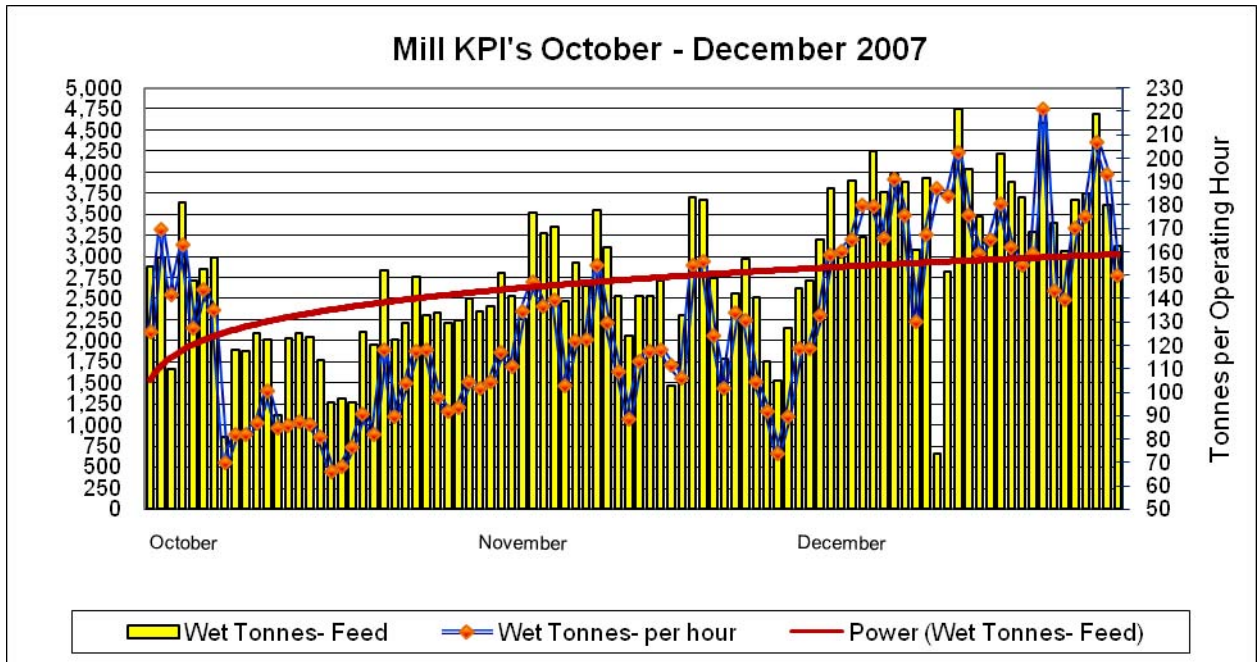
The plant performance during the period continued an upward trend in gold production with slight improvements on most Key Performance Indicators (KPI).



Table 1 – Production KPI

Processing	Unit	October	November	December	Total Dec Quarter	Total Sep Quarter	Difference
Dry Tonnes Milled	t	100,148	90,670	93,491	284,309	230,517	19%
Dry Tonnes Milled	tph	148	163	136	149	128	14%
Reconciled Leach Feed Grade	g/t	1.49	1.79	1.85	1.70	1.42	16.5%
Recovery	%	90.3	90.25	91.94	90.82	91.9	-1.2%
Fine Gold Poured	g	153,044	132,224	137,018	422,286	287,645	32%
Fine Gold Poured	oz	4,920	4,251	4,405	13,577	9,248	32%
Gold Produced	g	132,212	143,522	146,816	422,550	299,713	29%
Gold Produced	oz	4,251	4,614	4,720	13,585	9,636	29%

The below table clearly demonstrates improvements relating to mill throughput and this trend will continue through maximising crusher availability and product feed size.



As can be seen above, the milling rates maintained a positive upward trend throughout the quarter as commissioning progressed with a pronounced jump as the second ball mill was placed on line and commissioning commenced.

**Construction**

Construction activities for the quarter were highlight by:

- The 1.5mtpa milling upgrade and associated transfer pumps were completed in August.
- On going plant improvement program to increase productivity and efficiencies.
- On going crushing circuit commissioning and works continues.

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## Plant Development and Upgrades

### *Leach Tanks*

The leach tank structural supports were installed and both tanks came online throughout the reporting period. Subsequent test work on the leaching kinetics suggests final leaching is in the second leach tank.

Modifying the third leach tank to an adsorption tank provides the opportunity to increase the residence time in the tanks. The design and fabrication of screen supports will commence during the start of the current quarter.

### *Gravity Circuit*

The installation of preliminary pipework and associated infrastructure for the gravity circuit was completed by the end of December with commissioning of the circuit scheduled for February 2008.

### *Scats Handling*

A preliminary study has commenced on the viability of installing a closed circuit pebble crusher on the discharge of the primary ball mill. As the scat is of critical size to grind, the reintroduction of scats to the mill necessitates a reduction in throughput to minimise the powerdraw. A closed circuit would eliminate this issue along with minimising rehandling costs.

### *Adsorption Tanks*

Throughout the quarter, each of the tanks suffered premature failure of the top agitator blades. Discussions with the supplier failed to identify a reason for the failure and as such new blade supports were fabricated and sent to site for installation. This will commence in January 2008.

## EXPLORATION HIGHLIGHTS

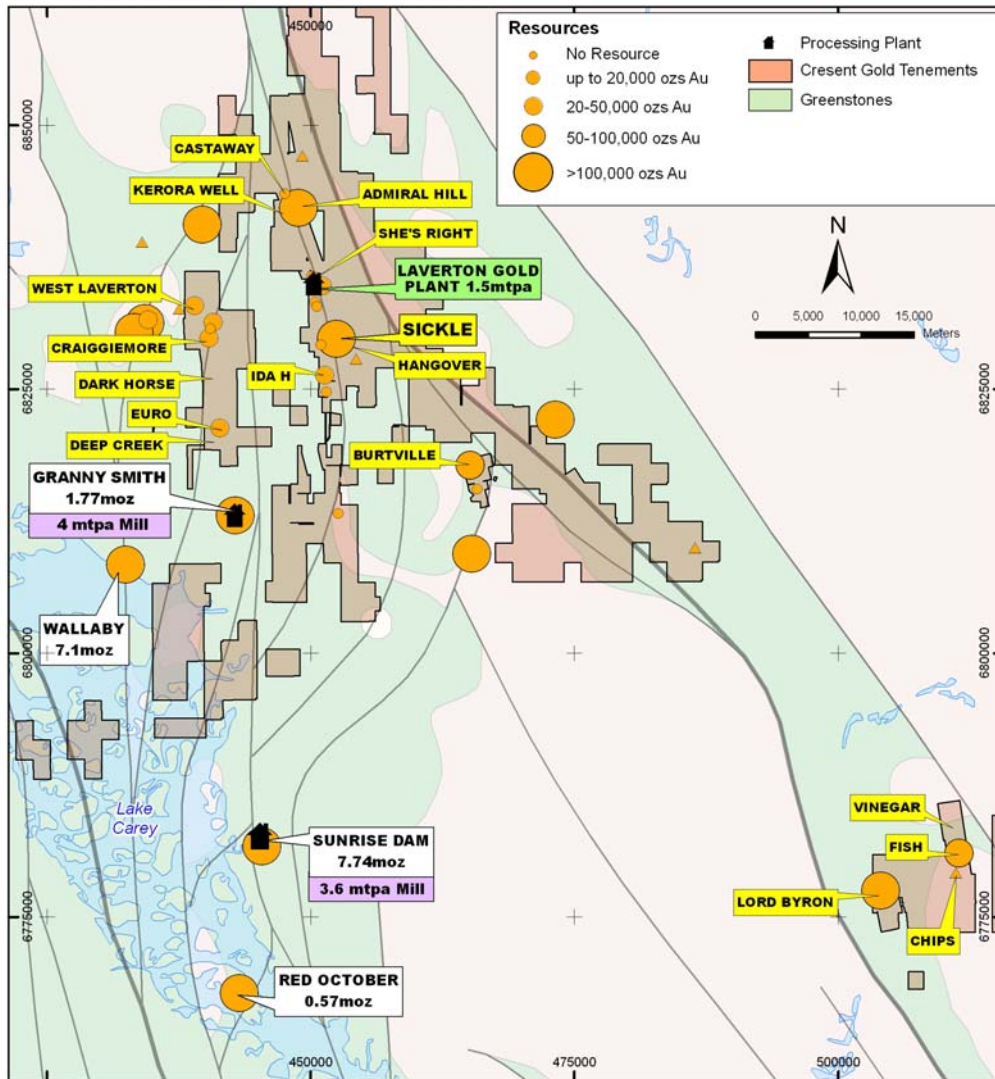
- Visible gold intersected in core hole at Bells prospect.
- Continued drilling at the Dark Horse prospect defines a contiguous mineralised zone in highly altered and mineralised ironstone lithologies with grades averaging over 2ppm Au.
- Sickle deposit – core drilling below the pit intersects wide massive sulphide zones and strong alteration/deformation.
- Sturt Joint Venture signed with a private syndicate -an exciting uranium project covering a large area in the Lake Eyre basin of SA. This will be an major project for Uranium West.

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**LAVERTON GOLD PROJECT - EXPLORATION**

Crescent is actively exploring a highly prospective tenement package covering over 1,000km<sup>2</sup> within the Laverton Greenstone Belt of Western Australia. The Laverton Greenstone Belt has a rich endowment of gold with past, current and known gold resources exceeding 28Moz. The Company believes that the exploration upside within the Laverton Greenstone Belt for additional discoveries of orogenic-style, Archaean lode type gold deposits remains excellent.

**Regional Exploration -- Laverton**



**Crescents Laverton Tenements**

**Central Laverton Project**

**Sickle Mine**

A five hole diamond drilling program was undertaken at the Sickle mine late in the quarter intersecting mineralisation below the current ore reserves. The program was designed to identify controls on known (from RC drilling) West Lode mineralisation related to the Sickle Shear, by twinning three holes in the north of the deposit; identify controls on mineralisation central to the pit ie shear hosted vs pyritic lode; and to identify structural control on the Sickle East shear in order to better constrain the mineralisation.

SKD001 intersected 70m of a suite of massive to stockwork sulphides to approximately 157m, whilst the remainder of the hole was dominated by black shale. Three other holes

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were drilled at Sickle (SKD002 – 004) and were targeting the Western Shear. Logging is complete with cutting and assaying in progress. Analysis is pending.

Geological consultant John Standing from Jigsaw Geoscience completed detailed structural/alteration mapping of the Sickle stage 1 and 2 pits, as part of an ongoing mapping exercise.

#### **Bells Prospect**

Visible gold was intersected in diamond hole BED003 at 172.45m where a 20cm wide laminated quartz vein displayed significant visible gold. BED003 was drilled to twin a good intersection in BERC013 to gather geological and structural information for better understanding of the Bells mineralisation. A quartz veined, silica and pyrite altered zone within a large sediment package was intersected and corresponded to the intercept in BERC013. Logging is complete with cutting and assaying in progress.

A seven hole RC drilling program was undertaken to test for gaps in and down dip extensions to known mineralisation during October.

#### **Central Laverton**

Regional AC drilling re-commenced on the Central Laverton Project this month with 56 holes drilled for 2999m extending to the north of the Great Central Rd and infilling anomalous areas from the previous program. Results are awaited.

#### **West Laverton Project**

#### **Dark Horse Prospect**

A 4 diamond hole program for 426m of RC precollar and 163m of NQ tail was completed during the quarter. The drilling at Dark Horse was designed to twin high grade intercepts in recent RC drilling and to test down plunge and along strike of mineralisation.

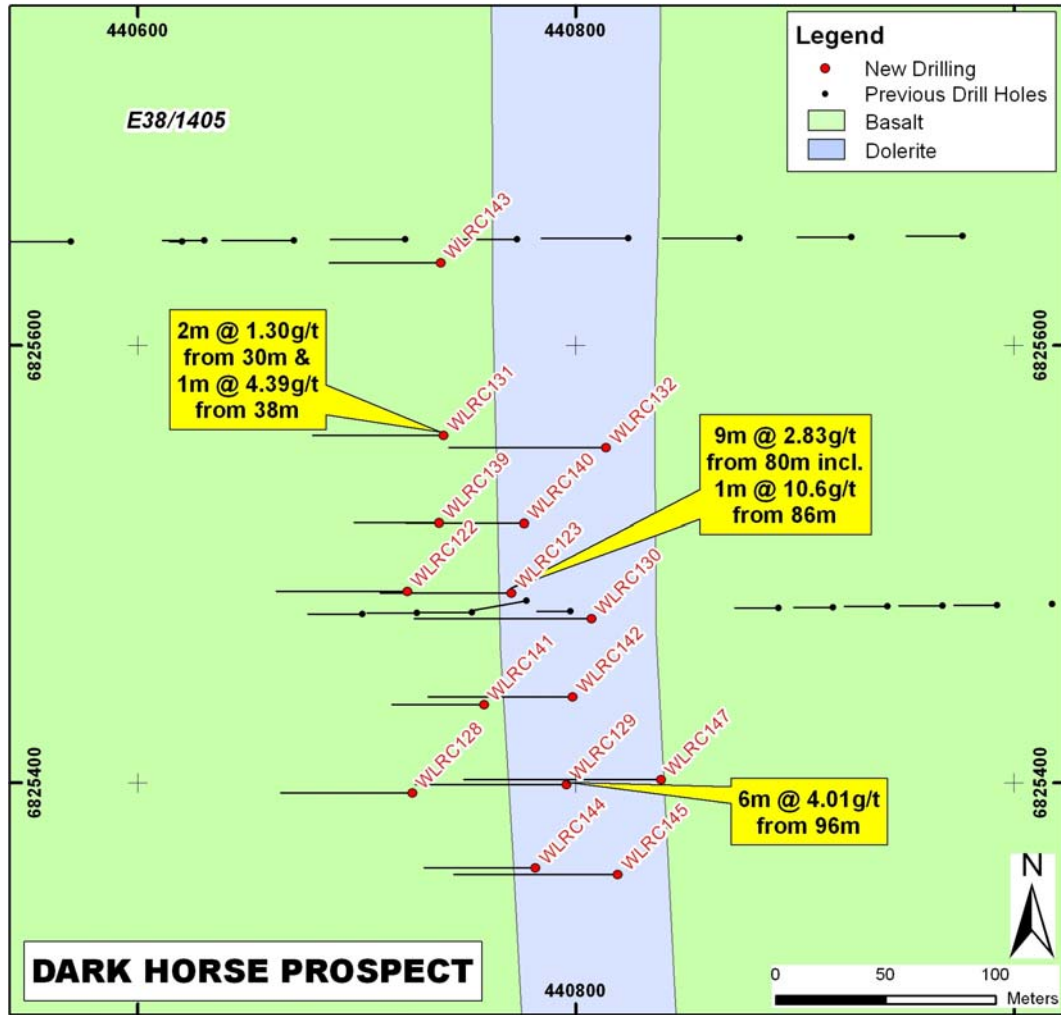
WLD013 is dominated by carbonate-ankerite-chlorite altered basalt exhibiting a well developed foliation, and up to 10% disseminated to euhedral pyrite. A felsic porphyry intrusion occurs from 107.53m to 111.70m, and is also carbonate and pyrite altered. Two zones of shearing and ferruginisation within the basalt are visible between 106.00m to 107.20m and also between 113.49m to 115.00m. These goossanous zones display a boxwork structure. The other holes are yet to be logged.

Results were returned for the Dark Horse drilling with encouraging intercepts indicating a shallowly south plunging lode with an average 3.5 g/t Au hosted primarily within a Banded Iron Formation. Significant intercepts from the September drilling are tabled below.

WLRC	139	3m @ 2.20 g/t Au from 22m
		2m @ 3.76 g/t Au from 27m
WLRC	142	2m @ 1.24g/t from 84m
		4m @ 5.36g/t from 107m
WLRC	144	4m @ 2.63g/t Au from 97m
WLRC	145	8m @ 3.81g/t Au from 131m

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Drill hole locations – Dark Horse prospect, West Laverton project



**East Laverton Project**

Regional AC drilling re-commenced on the East Laverton Project with 14 holes for 767m drilled testing Crescent Gold tenements where there has been only limited historical drilling. Results are pending.

**South Laverton Project**

A regional AC drilling program was completed over the South Laverton Project area with 98 holes for 4927m testing possible targets below extensive cover where there has been only limited historical drilling. This project group includes the Lilly Pond Well mineralisation delineated by previous explorers. A large sediment package and intermediate volcanic rocks dominate the basement lithologies intersected. Results are pending.

**Jasper Hills Project**

**Gilt Key Prospect**

An 8 hole RC program was drilled at the Gilt Key prospect south of the Lord Byron deposit during November to test historical drilling and extensions to known mineralisation. The gold mineralisation is posted within the sedimentary iron formation with several intersections of greater than 3 ppm Au. This drilling has adequately tested potential and no further work is planned at Gilt Key.

Best results for the program were:

JHRC	005	2m @ 1.31g/t Au from 54m
JHRC	006	2m @ 1.71g/t Au from 77m

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***Fish Deposit***

Aircore drilling for the sterilisation of the Fish waste dump and camp area was completed in December. A total of 35 holes were drilled for a total of 581m.

**Tenements**

CRE has been granted Exploration Licence E38/1867 and Mining Lease M38/1042 during the quarter. M38/1042 (19Ha) covers a disused pit in the Mt Barnicoat area which will be used for a tailing storage facility. E38/1867 is a reversion tenement effectively replacing a number of Crescent Gold tenements.

**NICKEL*****Eastern Ultramafic Prospect***

After a long period of inactivity caused by unexpected delays in the tenement reversion process, with the granting of E38/1867 exploration for nickel in the Eastern ultramafic belt at Laverton was able to recommence.

2 RC holes and one diamond hole were immediately drilled to test the EUS-1 geophysical target defined by both moving loop electromagnetic surveys and fixed loop electromagnetic surveys. A highly pyritic zone was intersected between 86 and 109m in ELRC005.

ELD001 intersected a 12.18m-wide, sulphide-rich, strongly muscovite-carbonate altered shear zone in dolerite from 302.48m to 314.66m. The intersection is thought to be located ~200m down-dip of the >20m-wide, near-surface shear zone intersections seen in ELRC005 & ELRC006. A dolerite-hosted shear zone (330 strike, steeply east dipping) appears to be controlled by a competency contrast between ultramafic rock to the west (the Eastern Ultramafic Belt) & dolerite to the east. Together the dolerite & ultramafic rocks are thought to represent the end members of an east-facing differentiated ultramafic/mafic sill. The transitional contact between the two lithologies is seen at the bottom of ELD001 & ELRC006.

Results for ELRC005 & ELRC006 were received, with no significant nickel grades and no significant gold anomalism recorded.

A downhole electromagnetic (DHEM) survey in ELRC005 indicated the geophysical anomaly may not have been properly explained by the barren massive sulphides intersected. Preliminary interpretation by the geophysical consultant (Southern Geoscience) stated: "There is a partially defined, late time anomaly developing towards the end of the hole. The negative late time axial (Z) component response is consistent with a good conductor off the end of the hole. The X component data indicates that the source may be below the hole. The Y component response is not sufficiently well developed to provide an indication if the conductor is centred to the north or south of the hole. There is no convincing response from the sulphidic alteration zone intersected between 86 and 109m down hole. This clearly indicates that the sulphide zone is at best only weakly conductive.

**URANIUM WEST – EXPLORATION****Exploration - South Australia**

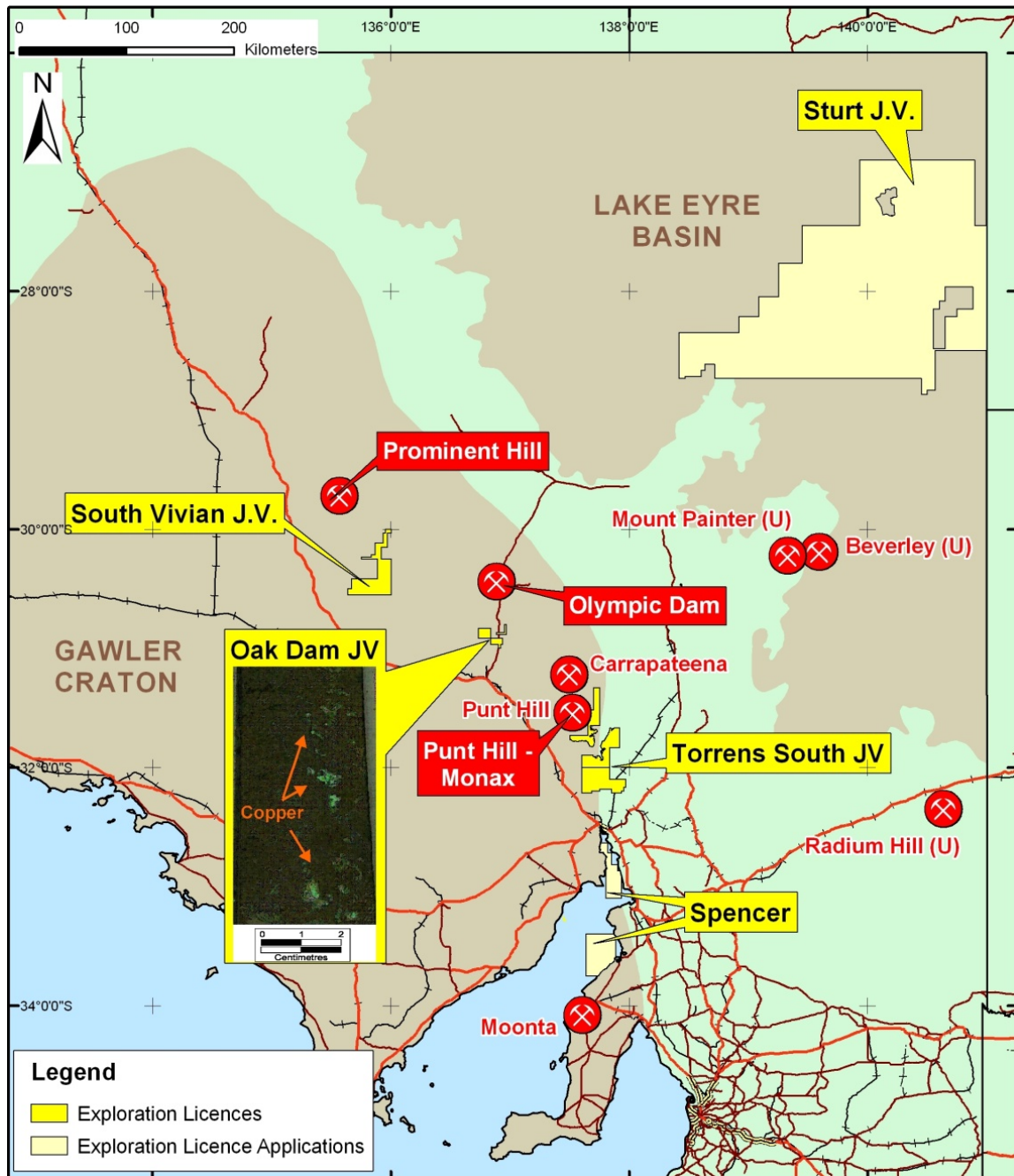
Crescent is exploring for uranium resources in South Australia and the Northern Territory, both are uranium-producing and exploration regions of global significance. All tenements, joint ventures and exploration activities are conducted under Uranium West Pty Ltd, a 100% subsidiary of Crescent Gold Limited.

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In South Australia, the Company is actively exploring for iron oxide copper-gold-uranium (IOCGU) style deposits in the Olympic Dam region. In the Northern Territory exploration is targeting high-grade unconformity uranium deposits, roll front uranium deposits and palaeo-channel deposits.

**Sturt Joint Venture**

Crescent has secured the right to earn up to a 50% interest in the Sturt Joint Venture in South Australia from TC Development Corporation Pty Ltd (TCDC) through its wholly owned subsidiary, Uranium West Pty Ltd. Exploration focused on Uranium on the JV area tenements (see map below).



Under the JV Agreement, Uranium West will have the right to earn into the Sturt Project by a staged spending programme of \$4.0m a year for four years. This will entitle Uranium West to earn 12.5% of the Project per year.

There are encouraging similarities between the geology in the Sturt Joint Venture area and the Chu-Saryu and Syrdarya successions in Kazakhstan. The Kazakh sands host more than 1,330,000 tonnes of contained and produced U<sub>3</sub>O<sub>8</sub>.

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The JV group has already identified several down-hole gamma anomalies from preceding drilling activity suggesting close proximity to the potential roll front targets. The anomalies are planned to be tested initially with air core drilling commencing March 2008, subject to all permits and approvals being in place.

The JV group have met with Minister for Mineral Resources (SA), the Hon. Paul Holloway and with senior members of his staff in the office of Minerals and Energy and the JV group were impressed by the commitment and support to the project.

#### **Gawler Craton Joint Venture (GCJV) – South Australia**

Crescent, through its wholly owned subsidiary, Uranium West Pty Ltd (Uranium West), is farming into four IOCGU (Iron Oxide-Copper-Gold-Uranium) tenements in South Australia. EL 3513 and EL 3515 are held by Southern Gold Ltd (Southern Gold or SAU), while EL3606 and EL 3796 are held by related company Southern Uranium Ltd (Southern Uranium or SNU).

Expenditure on the Gawler Craton Joint Venture exceeded \$1 million during the quarter enabling the company to pass the first earn in stage and entitling Crescent to a 25% equity share of the JV tenements. Under the terms of the JV, Uranium West can earn 50% total by spending a further A\$3m by 31/12/2008.

#### **Torrens South Project (EL 3513 & EL 3515) - JV Operators - Southern Gold**

The project consists of two tenements (EL3513 and EL 3515) encompassing 1,500 square kilometres located on the eastern margin of the Gawler Craton within Olympic IOCGU Province, host to the world-class Olympic Dam deposit, Prominent Hill and recently discovered Carrapateena prospect and including recent IOCGU discoveries at Punt Hill (Figure 1). During the quarter, the joint venture drilled 3 IOCGU targets. Site clearances of the high priority targets on the north west side of Lake Torrens, adjacent to Punt Hill discoveries, had not been completed in time for inclusion in this first drilling program.

The drilling during the quarter comprised 3 holes (LTDD001, 2, 2A and 3) for 3135m drilled at  $-90^{\circ}$  (Figure 1). Drill hole **LTDD001** (Target 3B "Magnate") was completed to 1020m and was designed to test a 2km long and 1km wide, NNW trending, NE-dipping  $\sim 2$ mgal positive gravity anomaly. The drill hole was terminated in Adelaidean (?) cover sequence having tested both the shallower and deeper gravity sources. RC/diamond hole **LTDD002A** (Target 5A "TSAR") was completed to 997m and targeted a conspicuous 'bullseye' gravity anomaly that lies within a gravity low (Hiltaba Granite) for IOCGU-style mineralisation. The hole was terminated in Beda Volcanics because of the extraneous thickness of this unit drilled ( $>400$ m thick). Past exploration indicates that the thickness of the Beda Volcanics is generally  $<300$ m thick and that 'Target 5a' may represent a plug or 'raft/fault' block of unknown thickness. RC/diamond hole **LTDD003** (Target 6A-2 "Mogul") was drilled to 1118m to test the presence of economic Iron Oxide Copper-Gold Uranium (IOCGU) mineralisation associated with a prominent NNW-trending 3.8km long gravity ridge. The hole was terminated in Beda Volcanics ( $>350$ m thick) and with drilling reaching the limits of mining economic viability.

Despite the current drill program failing to intersect basement rock, the potential to discover economic IOCGU mineralising associated with the Gawler Range Volcanics remains high for both EL's. Within EL3513, there remain four priority 1 (purple circles), one priority 2 (blue circles) and two priority 3 (green circles) targets to be drill tested. In addition, three lower order priority targets (yellow circles) located within EL3515 require further investigation by the joint venture (Figure 1 below).

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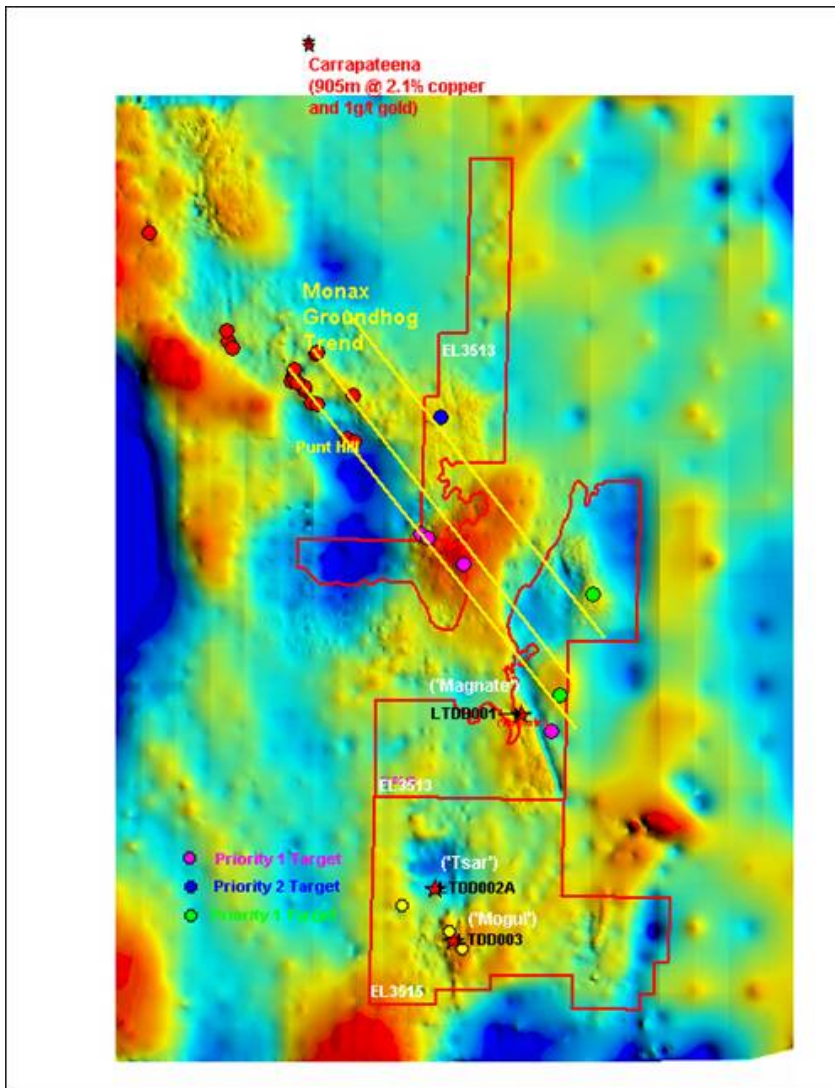


Figure 1: Residual gravity image showing drill locations and other priority gravity targets, Torrens South project, South Australia.

#### Oak Dam Project (EL3603) - JV Operators - Southern Uranium

Southern Uranium has had discussions with the Director of the Woomera Testing Facility, Resources Minister Paul Holloway and Paul Heithersay but no relaxation of access restrictions during the quarter. The JV group are aiming for drill access to the tenements early in 2008 to test the Cocky Swamp geophysical targets.

#### South Vivian Project: - (EL3796) - JV Operators - Southern Uranium

A gravity survey has been commissioned to cover the northern part of the tenement.

#### SA - Spencer Project

ELA 2007/302 and ELA 2006/669 - 100% Uranium West

No activity this quarter.

#### Webling Bay

Uranium West have reached agreement with Destiny Stone, the holders of EL 3922 (Webling Bay) in South Australia to farm into the tenement. Joint Venture documentation of the formal agreement has been completed, which has been sent to Destiny Stone for comment. An initial \$5,000 option payment has been made to Destiny Stone. Uranium West can earn an 85% interest in EL 3922 for expenditure of \$200,000 over 2 years.

## Exploration - Northern Territory

### Calvert Hills Project

EL24847 and ELA 24846 - 100% Uranium West

No activity this quarter.

### Rum Jungle

Rum Jungle EL24866 and EL24898; Tennant Creek EL 24834 and EL24835

Project operators Rum Jungle Uranium listed on the ASX on 21 November 2007 oversubscribed - raising \$12M.

### Tennant Creek / Short Range

Exploration at Tennant Creek (EL24835) during the quarter has supported the hypothesis of a significant IOCGU style mineralized system.

A detailed ground gravity survey was completed by Fugro ground geophysical crews during the quarter. Numerous, well defined gravity anomalies with sharp gradient cut-offs along prominent, corridor-like structures, aligned east-west were defined at Short Range. A discrete gravity target was defined some 30 km east, three km south of the Phillip Creek Station homestead. Some of these targets have been selected for drill testing to depths beyond 200 meters and a Mine Management Plan for necessary ground disturbance and implementation of drilling, lodged with the Northern Territory Department of Mines and Energy was approved at the end of the quarter.

11 RC holes had been completed for a total 1978 meters drilled with some holes exceeding 200 meters depth. Five of the holes were completed at Phillip Creek, the other six at Short Range. The drill samples have been forwarded to the assay laboratory in Pine Creek where they will be split into four metre composite samples, involving approximately 490 assays for preliminary analyses for copper, gold and uranium. At Phillip Creek, three of the holes intersected weakly mineralized quartz diorite to diorite igneous rocks intruding into sheared and haematitic Warramunga rocks (which host all the known IOCG mines at Tennant Creek).

6 RC holes were drilled at Short Range to depths in excess of 200m into two distinct gravity gradient anomalies. PCRC 008 drilled into altered skarn and black chloritic granitoid at 40m. It continued in black chlorite/hematite rich diorite to 103m and thence through skarn to EOH of 204m. A drill intersection of intense chlorite/haematite alteration greater than 63m thickness was intersected. The remaining holes are yet to be logged.

### Rum Jungle

A systematic air core drill programme to determine bedrock geology over EL24866 was conducted during the quarter. Drill access along 800m spaced east-west drill lines was prepared with drill holes spaced 100m apart along the lines. A total of 84 holes were completed with depths to bed rock up to 60m. Composite 4m assay spits have been forwarded to the Pine Creek assay facility for analyses for gold and uranium. An intercalated sequence of graphitic and carbonaceous shales and tuff was encountered in most holes, with occasional intercepts of acid intrusives. Abundant quartz veining was common throughout.

### Southern Uranium JV

(Calvert Hills EL24837 and Rum Jungle EL24867)

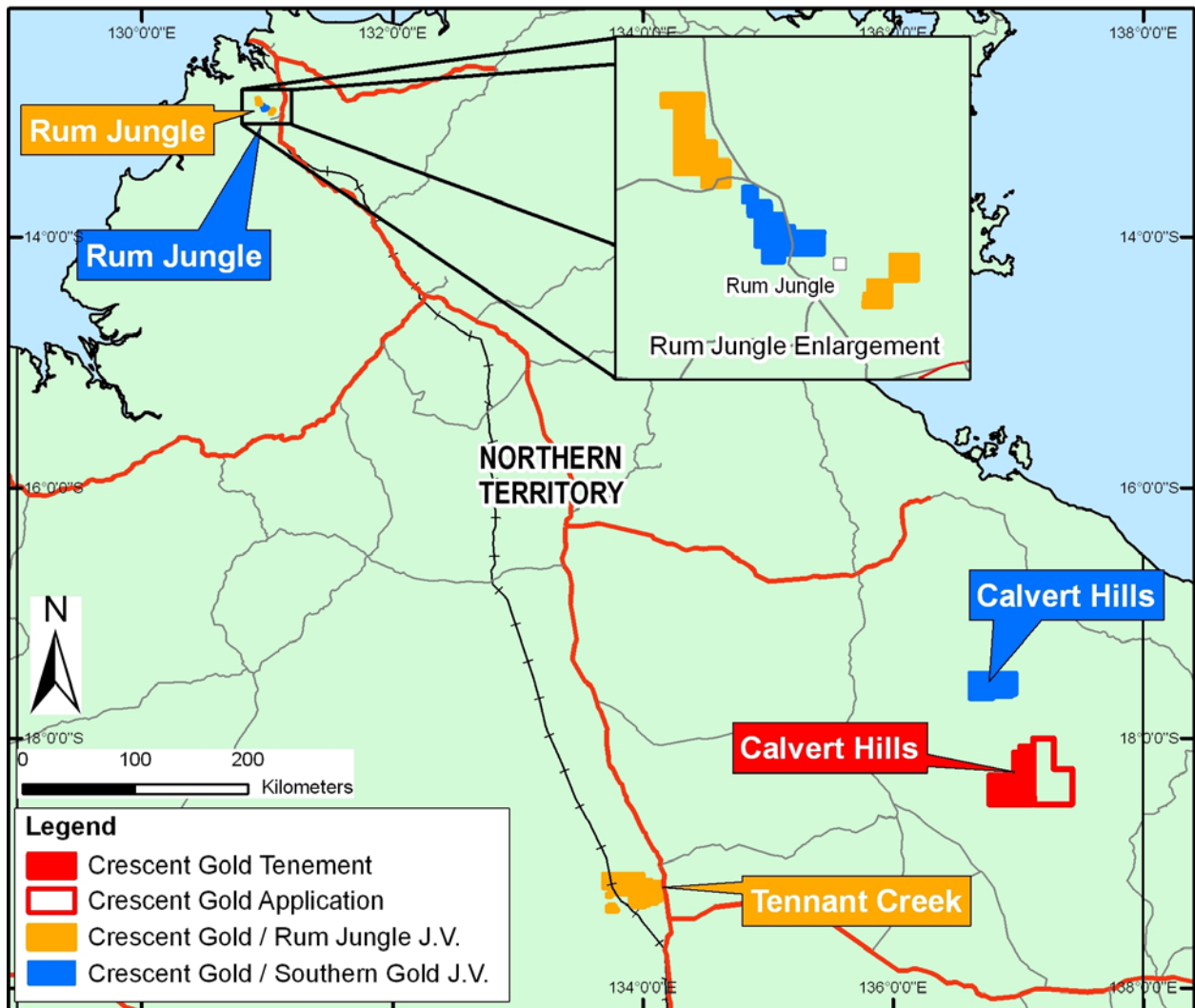
A draft Exploration Joint Venture Agreement has been received from Southern Uranium for consideration by Uranium West. Southern Uranium had a mapping and sampling crew at Rum Jungle for two weeks in November. The Fugro AEM survey was scheduled for Calvert Hills in December but was postponed.

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**Summary of Uranium West Tenements and Joint Ventures**

Project	Exploration License	Partners	Area km <sup>2</sup>
Rum Jungle	EL 24867	SAU	10
Calvert Hills	EL 24837	SAU	819
Rum Jungle	EL 24866	RUM	12
	EL 24898	RUM	5
Tennant Creek	EL 24835	RUM	999
	EL 24834	RUM	36
Calvert Hills	ELA 24846	100% UW	1,506
	EL 24847	100% UW	1,336
Gawler Craton	EL 3513 (Torrens South)	SAU	860
	EL 3515 (Harris Crossing)	SAU	634
	EL 3603 (Oak Dam)	SAU	174
	ELA 324/06 (South Vivian)	SAU	861
Spencer	ELA 2006/669	100% UW	795
	ELA 2007/302	100% UW	475

**Crescent Gold Uranium Projects in the Northern Territory**



**RESULTS OF OPERATION**

During the three months ended 31 December 2007 the Company incurred a net cash outflow of \$6,313,000 compared to a net cash outflow of \$13,111,000 for the same period in 2006. The net cash outflow is primarily due to final stages of commissioning of

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the Laverton Plant.

During the quarter the Company realised revenue of \$11,006,000 against payments for production activities of \$12,466,000. Revenue was reduced due to maintenance on Plant and the crushing circuit.

During the three months ended 31 December 2007 the Company incurred \$3,873,000 in exploration and development costs, compared to \$12,223,000 for the same period in 2006.

Administration costs were \$1,413,000 during the quarter ended 31 December 2007 compared to \$651,000 for the same period in 2006.

Other / Investing activities during the quarter includes exercise and or close out of hedge contracts giving net cash inflows \$578,000 to the company.

### CRITICAL ACCOUNTING ESTIMATES

As of 30 June 2007 the Company evaluated its standing as a Designated Foreign Issuer as is defined by National Instrument 71-102 and determined that the Company continues to be classified as a Designated Foreign Issuer at the time of filing of this report. This evaluation was performed by the Managing Director and the Chief Financial Officer with the assistance of other Company personnel to the extent necessary and appropriate.

On 18 October 2006 the Company announced the completion of a equity placement where 17 million shares of the Company were issued to a Canadian entity. The effect of this transaction was to take the Company past the 10% threshold for a designated foreign issuer pursuant to National Instrument 71-102.

On 18 June 2007 the Company announced the completion of a equity placement where 321,710,526 shares of the company were issued to Deutsche Bank AG at a price of \$0.38 thus increasing the total number of outstanding shares to 580,891,238.

Upon completion of the Deutsche Bank placement the Company re-evaluated its Canadian shareholder base to determine whether the company continued to exceed the 10% threshold for a designated foreign issuer. This re-evaluation resulted in Crescent being re-classified as a designated foreign issuer pursuant to National Instrument 71-102.

The Company continues to review its reporting requirements as a Designated Foreign Issuer and as required in NI 71-102, the Company continues to disclose and report its financial statements in accordance with the Australian Corporations Regulations 2001 and Accounting Standards AASB 134 "Interim Financial Reporting" and will do so for the remaining financial year.

A detailed description of the Company's accounting policies is disclosed in the Significant Accounting Policies note of the Company's Annual Financial Report for the year ended 30 June 2007 and Half Yearly report dated 31 December 2006.

### CHANGES IN ACCOUNTING POLICIES

The company adopted new polices that are related to the change in the status from an explorer to gold producer. These polices include preproduction and deferred waste, additionally the Company has for the first time taken up deferred tax assets in relation to tax losses carried forward.

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Full disclosure of the Company's Significant Accounting Policies is made at note 2 in the Annual Financial Report 2007 which was announced the ASX/TSX on 28 September 2007.

## DERIVATIVE INSTRUMENTS

On 23 March 2006 the Company announced the right, but not the obligation, to sell 100,000 ounces of gold at \$750/oz until March 2008. The purchase was funded with a \$3.75m loan at 7.75% pa from Investec (formerly Rothschild).

On 18 October 2006, the Company announced that it had;

- Adjusted the floor price on the Company's right to sell 100,000 ounces of gold at \$750/oz to 90,000 oz at \$850/oz (Gold Puts).
- Finalised the A\$25 million project finance comprising A\$20 million gold loan (25,478 ounces at A\$785/oz) and A\$5 million cash loan.
- Sold forward 100,000 oz at \$860/oz, less than 30% of Laverton reserves at the time.
- Purchased an oil price cap at US\$71.55 for US\$635,000. This protects the Company's operating costs from an oil price spike over the next 2 years.
- Repaid the A\$3.75m loan to Investec.

After delivery of gold produced against hedges and the sale or closing of surplus hedges the Company's hedge position as at 31 December 2007 was as follows:

The mark to market on Crescent's hedge book as at 31 December 2007 was:-

A\$(11,601,667) Sold Gold Forwards	76575 oz @ \$860 Jan 07 to Oct 09
A\$ 542,361 Bought Put Options	49250 oz @ \$850 Jan 07 to Oct 09
A\$ 1,322,516 Bought Diesel Fuel Caps	56200 bbl @ \$71.55US Jan 07 to Dec 08

Total: (9,736,790) out of the money to Crescent.

On 9 and 10 January 2008 the Company closed out 15300 oz of Sold Gold Forwards with a strike price \$860 for contracts relating to January to June 2008.

On the 11 January 2008 the Company bought 61275 oz Call Options @ strike price of \$860 between the months July 2008 and October 2009 to match the remaining Sold Gold Forwards. The effect of this was to create a synthetic Put Option @ \$860.

As at 12 January 2008 the Company has no exposure to committed gold hedging contracts and maintains downside protection of 49250 oz @ \$850 strike price and 61275 oz @ \$860 strike price.

## TRANSACTIONS WITH RELATED PARTIES

Nil

## PAYMENTS TO DIRECTORS

Executive Directors of the Company combined received payments totaling \$107,666 and Non-Executive Directors combined received \$23,025 for the three months ended 31 December 2007.

The Company is now served by a Board of Non-Independent and Independent Directors,

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to which the Managing Director and Chief Financial Officer report.

- Roland Hill – Managing Director and Acting Chairman
- Robert S Angus – Non Executive Director
- Dave Keough – Non Executive Director
- Geoff Stanley – Non Executive Director
- Renatto G Barbieri – Non Executive (Nominee) Director
- Martin Belvisi – Non Executive (Nominee) Director
- Jose Garcia Esteban – Non Executive (Nominee) Director
- Franco Cavallini – Non Executive (Nominee) Director
- Julian Tambyrajah – Chief Financial Officer & Company Secretary

## SUMMARY OF QUARTERLY RESULTS

The table below sets out the quarterly cash flows for the past eight quarters:

	2007				2006			
	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	Mar-31
	\$A '000	\$A '000	\$A '000	\$A '000	\$A '000	\$A '000	\$A '000	\$A '000
Income from Securities and Convertible Notes	-	(171)	122,259	6,341	9,351	-	2,253	402
Revenue	11,006	9,233	8,276	202	-	-	-	-
Other Income	1,656	1,738	321	216	349	135	150	159
Production	(12,466)	(16,354)	(9,618)	-	-	-	-	-
Exploration and Development	(3,873)	(3,196)	(6,207)	(10,879)	(12,223)	(2,075)	(1,542)	(1,185)
Administration	(1,413)	(426)	(1,879)	(753)	(651)	(618)	(535)	(642)
Other Operating Expenses	(645)	(480)	(336)	648	(1,642)	(72)	(160)	(128)
Other / Investing Expenses	(578)	2,359	(3,279)	(1,275)	(17,927)	(22)	(86)	(388)
Net Increase (Decrease)	(6313)	(7,297)	109,537	(5,500)	13,111	(2,652)	80	(1,782)
Net Gain (Loss) per Share A\$	(0.0107)	(0.0125)	0.189	(0.021)	0.053	(0.012)	0.0004	(0.009)

Costs incurred in the 31 December 2007 quarter relate predominately to production as the expansion and refurbishment has been completed and the Laverton Gold Project nears Commercial Production. Cash inflows for the Company came from gold sale proceeds from the Laverton Gold Project. Other income includes interest from cash assets and receipts from product sales and related debtors.

The Company did not report quarterly financial statements as its continued status was as a Designated Foreign Issuer (which is exempt) for reporting purposes in Canada and was also not required pursuant to Australian reporting requirements.

Exploration costs incurred during the quarter related to tenements surrounding the Laverton Gold Project and JV expenditure for Uranium West Pty Ltd.

## LIQUIDITY & CAPITAL RESOURCES

The Company's cash on hand and funds on deposit as at 31 December 2007 was \$107,647,000 a increase compared to \$8,770,000 for the three months ended 30 September 2006. The increase in cash is attributed to the Deutsche Bank AG placement of \$122.25m completed on 18 June 2007.

The Company's principal source of cash during the three months ended 31 December 2007 was from gold sales, the exercise of options, exercise or close out of put options, gold deliveries into forward contracts in addition to cash used from the Deutsche Bank

placement received on 18 June 2007. In the three months ended 31 December 2007 the Company received other income of \$1,656,000 from interest compared to \$349,000 for the same period last year due primarily to the higher volume of funds on deposit.

The Company poured its first gold from the Laverton Gold Project in March 2007. Gold sales reported for the three months ended 31 December 2007 total \$11,006,000.

During the quarter the Company used net cash of \$3,873,000 for exploration and development activities with spending on the Laverton Gold Project, exploration in the Laverton region and on the Northern Territory and South Australian Uranium and IOCG tenements and joint ventures.

## COMMITMENTS AND CONTRACTUAL OBLIGATIONS

On 18 October 2006, the Company announced the completion of a \$25 million Project Loan Facility to fund the development of its Laverton Gold Project.

The \$25 million project finance comprises \$20 million gold loan (25,478 ounces borrowed at \$785/oz) and \$5 million cash loan.

Proceeds of the loan were used, in the first instance, to provide insurance against market risks for the project, namely gold price (revenue risk) and oil price (cost risk).

The floor price (puts) was raised to \$850/oz on 90,000 oz, protecting \$76.5m of revenue (previously \$750/oz on 100,000 oz for \$75m) at a cost of \$4m.

Pursuant to the financing arrangement with Investec the Company sold forward 100,000 oz at \$860/oz, protecting a further \$86m of revenue.

An oil price cap at US\$71.55 per barrel was purchased for US\$635,000. This protects the operating costs of the Project (approximately 20%) from an oil price spike over the next 2 years.

The Company had originally hedged 190,000 oz of production protected out of total reserves of 400,000 oz. The delivery commitment is 100,000 oz, less than 30% of total reserves. All other production can be sold at spot prices or delivered against Put Options at \$850/oz.

After delivery of gold produced against hedges and the sale or closing of surplus hedges the Company's hedge position as at 31 December 2007 is as follows:

A\$(11,601,667) Sold Gold Forwards	76575 oz @ \$860 Jan 07 to Oct 09
A\$ 542,361 Bought Put Options	49250 oz @ \$850 Jan 07 to Oct 09
A\$ 1,322,516 Bought Diesel Fuel Caps	56200 bbl @ \$71.55US Jan 07 to Dec 08

The Company restructured its abovementioned hedge book in early January (refer Derivative Instruments).

The result by 12 January 2008 was that the Company had no exposure to committed gold hedging contracts and maintains downside protection of 49250 oz @ \$850 strike price and 61275 oz @ \$860 strike price.

The Company has the following major contracts in place to operate the Laverton Gold Project:

- Contract mining, drill and blast and road haulage – MINEPOWER
- Catering and Camp - Topic Caterers



**OFF-BALANCE SHEET ARRANGEMENTS**

The Company's off-balance sheet arrangements after the hedge restructure in early January were the Sold Gold Forwards of 61275 oz @ \$860 which have been deemed a physical gold contract and as such do not meet the requirements for disclosure on balance sheet as a derivative.

**OUTSTANDING SHARE DATA**

At the beginning of the quarter (1 October 2007) the Company had 581,978,789 shares outstanding which includes a major placement with Deutsche Bank of 321,710,526 ordinary shares on 18 June 2007.

On 2 November 2007 500,000 ordinary shares were issued related to the exercise of options @ \$0.30 and expiring on 30 November 2007.

On 12 November 2007 1,250,000 employee options with an exercise price of \$0.30, expiring on 30 November 2007 were exercised. Also on that day 750,000 options with an exercise price of \$0.30 and expiring on 30 November 2007 were exercised.

On 26 November 2007 the Company issued employee options of 975,000 @ \$0.40 and 250,000 @ \$0.35 expiring on 30 November 2010

On 29 November 2007 5,000,000 ordinary shares were issued related to the exercise of 4,000,000 options @ \$0.40 expiring 31 December 2007 and 1,000,000 options @ \$0.30 expiring 30 November 2007.

On 30 November 2007 250,000 ordinary shares were issue related to the exercise of employee options @ \$0.30 expiring on 30 November 2007.

As at 31 December 2007 the Company had 589,728,789 shares on issue.

**FORWARD LOOKING STATEMENT**

This discussion and analysis contains certain forward-looking statements. These include statements about our expectations, beliefs, intentions or strategies for the future, and are indicated by words such as "budget", "anticipate", "intent", "believe", "estimate", "forecast", "expect", and similar words. While all forward-looking statements reflect our current views with respect to future events, they are subject to certain risks and uncertainties. Actual results may differ materially from those projected in these statements for a number of factors, including those which are described in the Corporation's periodic filings with securities regulatory authorities. We base our forward-looking statements on information currently available to us and we do not assume any obligation to update or revise them, except in accordance with applicable securities laws, readers should not place undue reliance on forward-looking statements.

Regards

**Crescent Gold Limited**



**Roland Hill**  
**Managing Director &**  
**Acting Chairman**

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*"The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Neal Leggo, who is a Member of The Australian Institute of Geoscientists. Neal Leggo is an employee of Crescent Gold Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and a "Qualified Person" under Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects. Neal Leggo consents to the inclusion in the report of the matters based on his information in the form and context in which it appears."*

*In accordance with the requirements of Canadian National Instrument 43-101 further information on the geology and mineralising setting can be found within the "Independent Technical Report on the Laverton Gold Project Western Australia" which is available on SEDAR ([www.sedar.com](http://www.sedar.com)) or the company's website [www.crescentgold.com](http://www.crescentgold.com).*

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# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

**Crescent Gold Limited**

ABN

**49 087 360 996**

Quarter ended ("current quarter")

**31 December 2007**

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	11,006	20,240
1.2 Payments for (a) exploration and evaluation	(2,349)	(4,073)
(b) development	(1,524)	(2,996)
(c) production	(12,466)	(28,820)
(d) administration	(1,413)	(1,839)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1,658	3,391
1.5 Interest and other costs of finance paid	(645)	(1,125)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	(2)	2
<b>Net Operating Cash Flows</b>	<b>(5,735)</b>	<b>(15,220)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects	-	-
(b)option contracts	-	-
(c) other fixed assets	(71)	(146)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)option contracts	-	6,600
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – payments for cost of gold	2,542	(6678)
<b>Net investing cash flows</b>	<b>2,613</b>	<b>(244)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(8,348)</b>	<b>(15,444)</b>

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**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(8,348)	(15,444)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	2,821	2,821
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(756)	(756)
1.18	Dividends paid	-	-
1.19	Other – repayment of lease liabilities	(30)	(59)
	Other – share issue costs	-	(172)
	<b>Net financing cash flows</b>	<b>2,035</b>	<b>1,834</b>
	<b>Net increase (decrease) in cash held</b>	<b>(6,313)</b>	<b>(13,610)</b>
1.20	Cash at beginning of quarter/year to date	113,960	121,257
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>107,647</b>	<b>107,647</b>

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	
	Executive Director	108
	Non-Executive Directors	23
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

None necessary

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not applicable.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not applicable.

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### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	186	24,814
3.2 Credit standby arrangements	Nil	Nil

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,812
4.2 Development	245
<b>Total</b>	<b>2,057</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	107,647	113,960
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>107,647</b>	<b>113,960</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E38/1216	Jubilee Well JV	100%	Nil
	M38/0978	Reversion – Napier Well	100%	Nil
	M38/0979	Reversion – Napier Well	100%	Nil
	M38/0981	Reversion – Napier Well	100%	Nil
	M38/1217	Reversion – Napier Well	100%	Nil
	M38/1218	Reversion – Napier Well	100%	Nil
	M38/1219	Reversion – Napier Well	100%	Nil
	M38/1220	Reversion – Napier Well	100%	Nil
	M38/1222	Reversion – Napier Well	100%	Nil
6.2 Interests in mining tenements acquired or increased	E38/1349	Burtville	Nil	100%
	M38/1042	Cock of the North	Nil	100%
	E38/1867	Reversion – Napier Well	Nil	100%

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>	Nil	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil	-	-	-
7.3 <b>+Ordinary securities</b>	589,728,789	589,728,789	Fully paid	Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	7,750,000 Nil	7,750,000 Nil	30 cents	30 cents
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	12,500,000	12,500,000	40 cents	40 cents
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil Nil	Nil Nil	- -	- -
7.7 <b>Options</b> <i>(description and conversion factor)</i>	27,875,000	Nil	-	-
7.8 Issued during quarter	1,275,000	-	-	-
7.9 Exercised during quarter	7,800,000	-	-	-
7.10 Expired during quarter	Nil	-	-	-
7.11 <b>Debentures</b> <i>(totals only)</i>	Nil	-		
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	Nil	-		

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ITEM 7.7 DETAILS OF OPTIONS ON ISSUE

Total Number	Number Quoted	Exercise price \$	Expiry date
4,000,000		0.40	27/09/2009
10,000,000		0.40	31/12/2007
10,000,000		0.20	02/08/2008
2,400,000		0.40	30/11/2008
250,000		0.35	30/11/2008
975,000		0.40	30/11/2010
250,000		0.35	30/11/2010
<b>27,875,000</b>	-		

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  ..... Date: 31 January 2008  
(Company Secretary)

Print name: Julian Tambyrajah

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