

QUARTERLY REPORT

30 September 2008

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

SHARE INFORMATION

ASX Share Price: *A\$0.075*

Issued Shares: *590.8m*

Market Cap: *A\$44.3m*

Unlisted options
and convertible
notes: *49.3m*

FULLY DILUTED BASIS

Shares: *640.1m*

CONTACT DETAILS

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28 October 2008

By Electronic Lodgement

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HIGHLIGHTS FOR THE QUARTER ENDED 30 September 2008

- The Company announced that it has agreed to provide a \$4m working capital finance facility to South Australian-based mineral sands miner, Australian Zircon NL. Further, the Company advised that Australian Zircon and Crescent Gold have also agreed to enter into negotiations and due diligence processes regarding possible corporate opportunities involving the two companies, including a potential merger.
- The Company closed out all of its forward gold sales, gold puts and gold call contracts for a net gain of A\$850,000 22 July 2008.
- On 16 September 2008, the Company issued 15,100,000 Employee and Director options under the Employee Option Plan.
- On 7 July, the Board announced the temporary suspension of mining and milling operations at the Company's Laverton Gold Project in Western Australia to remedy on-going design and operational inefficiencies of the plant. A development team has been appointed to review the Laverton Gold Project and recommendations will be given to management for the most efficient utilisation of this asset.
- An agreement was signed with Minepower, the Company's mining contractor at Laverton, in relation to the early termination of the mining agreement associated with the temporary suspension of the Laverton operations. This agreement covered all claims and liabilities of Minepower against the Company, whereby Crescent paid Minepower \$4.2 million.

Additional information related to the Company is available for review at www.sedar.com or on the Company's website at www.crescentgold.com.

For further information please contact Roland Hill or Claire Balls in Australia on +61 8 6380 7100.

OVERVIEW

As previously announced, the Company temporarily suspended its Laverton gold operations during the quarter.

The suspension will allow Crescent to take a step back to reassess the operational processing and development options that are available to the Company. This assessment will focus on efforts to maximize the project economics and plan remedial works to the plant that were impossible to undertake whilst the mill was in operation.

DEVELOPMENT**1 Geological Due Diligence**

Geological due diligence has been completed for the Euro, Craiggie more, Mary Mac, Mary Mac South, West Laverton, Castaway, and Admiral Hill deposits within the Laverton project area. In addition, two new development targets have been created, Craiggie more North and Mary Mac North, following a re-interpretation of the geometry and mineralisation of the Craiggie more line of lode BIF, supported by surface mapping.

Geological due diligence activities have focused on integrating both surface mapping with section interpretations, and the migration of Datamine and Micromine datasets into the Surpac environment. In addition, geological due diligence has involved a major data validation program focused on downhole data integrity for assay, lithology and weathering information, collar survey validation, and the conversion of a large amount of missing analogue data to a digital format.

Geological due diligence has indicated that the mineralisation in all of these deposits remains open at depth and along strike; for the most part in both directions. Development drilling programs (Section 2) have been designed to test these targets.

Preliminary geological assessments have also been carried out on the Ida H, Grouse, Fish and Lord Byron deposits in lieu of a full re-evaluation. The Ida H assessment was undertaken to determine the viability of a small open pit mine development for the cost effective rehabilitation of the Ida H Heap Leach residues. The Jasper Hills deposits (Lord Byron and Fish) are currently undergoing a full re-evaluation.

2. Drilling

Both reverse circulation and diamond drillhole Stage 1 (First Pass) development drilling programs have been designed and implemented for the Euro, Craiggie more, Mary Mac, Mary Mac South, West Laverton, Castaway, and Admiral Hill deposits. These drilling programs have been designed loosely around the A\$1000/ounce optimisation grade shell and utilise the expected mining and treatment costs for the 2008-2009 financial year.

The drilling programs have been designed to infill existing drill patterns to a 25 m x 25 m pattern, sufficient for detailed mine planning. In addition, where geological and/or structural conditions have indicated a reasonable likelihood of grade continuity, the drilling programs have included drillholes designed to extend known mineralisation along strike and/or down plunge. This aspect of the drilling program has been designed in successive 25 m 'step outs' along strike and 25 m 'step outs' at depth. Where economic grade continuity is established from this drilling, further drillholes will be planned, at a 25 m spacing, until the resource contained within the A\$1000/ounce optimised pit shell cannot be extended further. Where geological and/or mineralisation models indicate a degree of uncertainty, a small number of drillholes reverse circulation and/or diamond have been designed to close the known resources and/or test further continuity and provide materials for metallurgical test work.

Table 1. Stage 1 (First Pass) Development Drilling Programs

Deposit	RC Drillholes	Metre	HQ Drillholes	Metre
Euro	19	2130	8	460
Craiggiemore	13	1800	5	310
Mary Mac South	14	1940	7	630
Craiggiemore North	3	325		
West Laverton	11	1256	4	280
Admiral Hill	56 (17)	3000	1	50
Castaway	32	2470	2	165
Total	165	12,921	27	1895

3. Metallurgy

The Euro Cyanide Amenity test work program was designed by Maunsell Engineering and was based on using RC chips only due to diamond core not being available for test work. The program was undertaken by Ammtec Limited and is now complete. Very positive results were obtained with a theoretical gold recovery of 96.15% after 24 hours, at a grind size of p80 90 μm and with up to 40% gravity gold recovery under laboratory conditions.

Comminution and Cyanide Amenity tests have also been designed for Admiral Hill, Bells, Castaway, Craiggiemore, Euro, Grouse, Mary Mac South, Sickle and West Laverton. The specific comminution tests required for SAG Mill evaluation and modelling were determined after consultation with Crescent's metallurgic consultants. Processing consultants also provided input and review of the metallurgical test program.

The metallurgical tests planned for each deposit have been selectively chosen based on geology (eg. Hard BIF, soft oxide, transitional and fresh ores), known historical data from earlier testing, predominant ore type and/or majority of contained ounces within an optimised A\$1000 pit shell. Craiggiemore was selected as a representation of the hard BIF with 'full' comminution test work and Sickle oxide ore to represent the soft oxides with 'basic' testing. The remainder of the pits will have the bare minimum completed to obtain variability data.

Full Cyanide Amenity tests are planned for Admiral Hill (due to the possible presence of CN-sol-Cu) and Craiggiemore (due to the large quantity of contained iron). CIP Tails, Size by Size and Diagnostic Testing will be performed if triggered by a high CIP tail grade at the optimum grind size. The other deposits will have a basic cyanide test program performed.

Sickle and West Laverton ores will be split between Oxide, Transitional and Fresh to obtain knowledge of the metallurgical performance of each. This will allow assessment for economical treatment within the current processing plant. A second stage of more detailed chemical testing may be required for some ores in the program dependant on the results obtained in the first stage.

4. Government Permitting

All Government Permits for development of the Euro mine have been completed and approved by Western Australia's Department of Industry and Resources (DoIR).

Permitting for development of the Fish deposit has also been completed and only submitting the Mine Proposal bond is required in order to develop this deposit in the near future.

Permitting for the Admiral Hill, West Laverton and Craiggie more deposits have been assigned the highest priority for completion in light of their contained tonnages and ounces. Similarly, permitting for the Grouse deposit has been assigned a high priority due to a commitment to DoIR to initiate investigations for the rehabilitation of the aboveground tailings storage facility.

LAVERTON GOLD PROJECT - EXPLORATION

Crescent continues to explore its highly prospective tenement package covering more than 1,000km² within the Laverton Greenstone Belt of Western Australia, with direct exploration expenditure totalling \$372,825 for the September quarter.

Mineral Resource & Ore Reserve Statement

A review of the Ore Reserves and Mineral Resources of Crescent Gold's Laverton Gold Project (LGP) has been undertaken resulting in a revised set of estimates that were announced with the release of the 30 June 2008 Annual Report. The global Ore Reserves for the LGP have been estimated to be at 3.1 mt @ 1.9 g/t Au for 190,000oz contained gold in 10 deposits. The global Mineral Resources for the LGP have been estimated to be 24 mt @ 1.4 g/t Au for 1,100,000oz contained gold in 16 deposits. Resources are inclusive of the Ore Reserve (not additional to the Reserves). These Reserves and Resources have been classified according to the JORC Code (2004) as summarised in Table 1. All numbers are rounded to 2 significant figures, which appropriately reflect the accuracy of the estimates.

Table 1 - LGP Reserves and Resources

JORC Code Category	Tonnes x 1,000	Grade g/t Au	Contained Oz Au	Number Deposits
Proven Ore Reserves	70	1.6	4,000	1
Probable Ore Reserves	3,000	1.9	190,000	10
Combined Ore Reserves	3,100	1.9	190,000	10
Measured Mineral Resources	210	1.7	12,000	2
Indicated Mineral Resources	15,000	1.4	670,000	13
Inferred Mineral Resources	8,900	1.4	410,000	15
Combined Mineral Resources	24,000	1.4	1,100,000	16

Notes for Table:

- Mineral Resources are inclusive of Ore Reserves.
- Figures have been rounded to 2 significant figures.
- Abbreviations used: Au = gold, g/t = grams per tonne, Oz = Troy ounces.
- Ore Reserves include stockpiles totalling 700,000 tonnes at 0.9 g/t Au
- A gold price of AUS\$850 was used for estimating Reserves.

Deposits with Ore Reserves are Admiral Hill, Bells, Castaway, Euro, Fish, Grouse, Lord Byron, Mary Mac South, Sickle and West Laverton. Deposits with Mineral Resources are the above 10 plus Barnicoat, Black Label, Burtville, Craiggie more, Ida H and Lily Pond Well.

Figure 1 illustrates the categories in which a reduction of Ore Reserves has occurred. Production of gold from the Sickle pit accounted for 64,000oz of reserve depletion. Geological reinterpretation of the Sickle deposit, together with application of a higher cut-off grade, removed 43,000oz. Application of high cut-off grades on the remaining nine deposits reduced Reserves by 29,000oz, including Burtville which was rendered uneconomic by application of higher mining dilution factors and therefore removed from the inventory. Consideration of metallurgical problems associated with elevated concentrations of copper necessitated the removal of 50,000oz from the Admiral Hill Probable Reserve. Stockpile movements accounted for 9000oz of Reserve depletion.

Figure 1 Changes to Ore Reserves 2007 to 2008

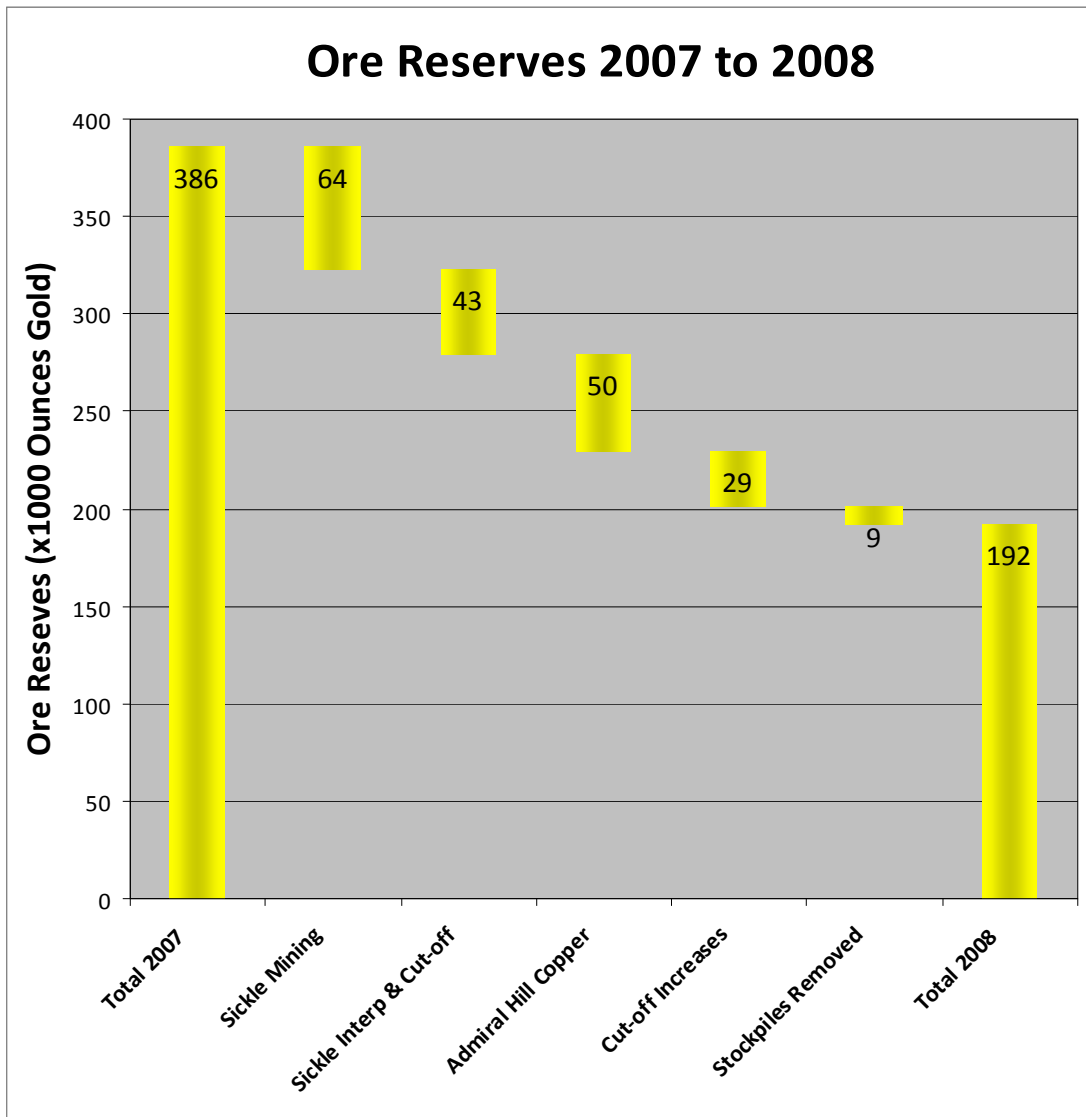
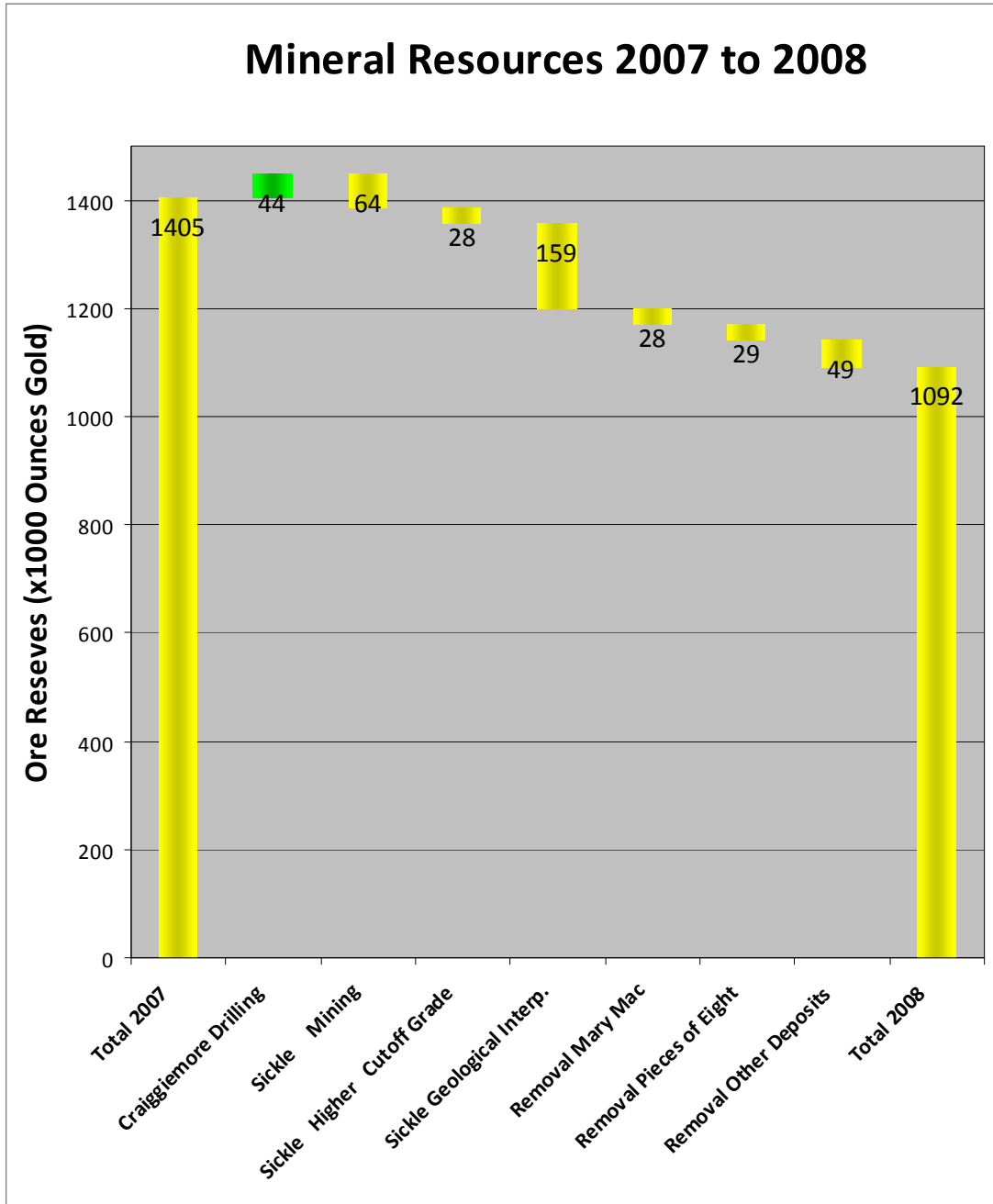


Figure 2 illustrates the categories in which changes to Mineral Resources have occurred. An updated resource estimate of the Craggiemore deposit added 44,000oz, mining at Sickle accounted for 64,000oz of Mineral Resource depletion, and reinterpretation and higher resource cut-off grade at Sickle removed 187,000oz. A number of deposits were removed from the mineral resource inventory accounting for the remaining 106,000oz.

Figure 2 Changes to Mineral Resources 2007 to 2008



The information in this report that relates to **gold** Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Neal Leggo, who is a Member of the Australian Institute of Geoscientists. Neal Leggo 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. Neal Leggo is employed by Crescent Gold Limited.

NICKEL

Crescent is in advanced stages of negotiations with a potential partner to form a joint venture to fund exploration for nickel on the Company's Laverton tenements in Western Australia. This follows a data review process by 5 nickel explorers active in the district. Crescent anticipates forming a joint venture in the near future.

URANIUM EXPLORATION

Crescent is actively exploring for uranium resources in South Australia and the Northern Territory. All tenements, joint ventures and exploration activities are conducted under Uranium West Limited, a 100% subsidiary of Crescent Gold Limited.

In South Australia, the Company is actively exploring for roll-front style uranium deposits in the Moomba region and 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.

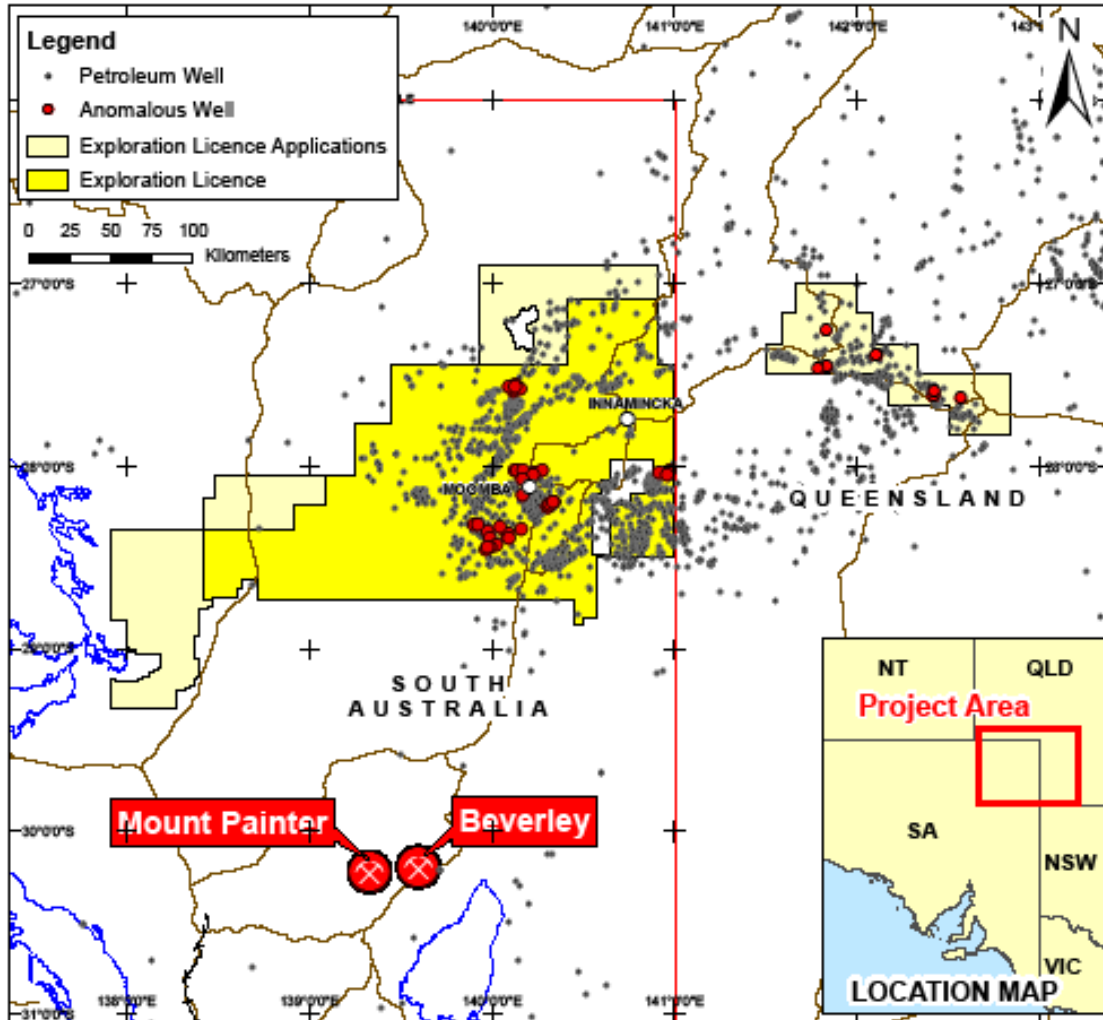
Exploration - South Australia**Sturt Joint Venture - Uranium**

Crescent is actively exploring a significant new uranium province in Central Australia. The Sturt Joint Venture project area, which covers the shallow sediments of the Lake Eyre Basin, has a range of geological features which make it a very attractive exploration play. The exploration concept is new and there has been no previous uranium exploration in the area, yet historic petroleum wells give strong indications for uranium mineralisation.

Crescent is earning to a 50% interest of the Sturt project from TC Development Corporation Pty Ltd for the expenditure of A\$16m over four years. The project comprises 29 exploration licences covering 27,887 km² in South Australia, plus applications covering 9,941 km² in South Australia and 4,880 km² in Queensland.

The Sturt JV commenced an extensive shallow rotary mud drilling program in the quarter; a total of 9,258 metres in 53 holes was drilled and gamma logged at the Big Lake and Moomba prospects. The early drilling has been very successful in replicating and verifying the high gamma responses recorded in historic petroleum well gamma logs. Of the 53 holes drilled, 12 have recorded significant gamma anomalies. The drilling has also been successful in determining the nature and characteristics of the sediments exhibiting anomalous gamma response, and in identifying widespread groundwater transported uraniferous mineralisation in both the localities tested to date. The geological environment of the mineralisation is consistent with typical sandstone hosted roll-front mineralisation styles. Due to normal delays in receiving analytical results, no uranium assays are available for reporting at this stage. A detailed geological report will be prepared as soon as sufficient assays are available.

The early and positive technical findings from this first stage drilling, and the consistency of these findings with the exploration model are considered very encouraging. The program is continuing into the current December quarter to test more of the highly prospective targets at other localities within the very substantial tenement holdings. uranium mineralisation.



The information in this report that relates to Exploration Results at the Sturt Uranium Project, is based on information compiled by Mr Tony Mason, who is a Member of the Australasian Institute of Mining and Metallurgy and registered in the field of uranium reporting and resource estimation. Tony Mason 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". Tony Mason consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Tony Mason is an independent consultant.

SA - Spencer Project

Crescent is exploring EL 3922 (Webling Bay) in South Australia in joint venture with Destiny Stone, earning an 85% interest for expenditure of \$200,000 over two years. Review of previous exploration data and a preliminary field trip by Crescent geologists has identified a number of opportunities to discover IOCG gold copper mineralisation.

Gawler Craton Joint Venture – South Australia

Crescent is farming-in to four IOCGU tenements in South Australia held by Southern Gold Ltd and Southern Uranium Ltd. Current equity is 25% of the tenements. Under the terms of the JV, this increases to 50% by spending a further A\$3m. No data acquisition activities were undertaken during the quarter. Joint venture partners continued to assess the results of drilling and geophysical programs undertaken in previous quarters.

Exploration - Northern Territory

Rum Jungle Uranium Joint Venture

Rum Jungle Uranium Ltd (RJU) is farming-in to four NT tenements and is the project operator. The joint venture allows RJU to spend \$1,100,000 on exploration within the tenements to earn a 75% interest in all four tenements. A report on exploration activities is provided in the September quarterly report of Rum Jungle Uranium Proprietary Ltd.

Southern Uranium Joint Venture

Southern Uranium is sole funding exploration spending of A\$600,000 to earn a 50% interest in each of two Crescent tenements (Calvert Hills EL24837 and Rum Jungle EL24867). A report on exploration activities is provided in the September quarterly report of Southern Uranium Ltd.

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RESULTS OF OPERATION

During the three months ended 30 September 2008, Crescent incurred a net cash outflow of \$20.6m compared to a net cash outflow of \$7.3m for the same period in 2007. The latest net cash outflow is primarily due to the costs associated with the temporary suspension of the Laverton Gold Project during the quarter, and the placement of the \$4m loan to Australian Zircon NL. The September 07 quarter outflow is attributed to the start-up of production at Laverton Gold operations.

During the three months ended 30 September 2008, the Company incurred \$2.6m in exploration and development costs, compared to \$3.2m for the same period in 2007.

Administration costs were \$2.3m during the quarter ended 30 September 2008 compared to \$0.4m for the same period in 2007.

Other investing and financing activities during the quarter included the loan to Australian Zircon NL of \$4.0m.

CHANGES IN ACCOUNTING POLICIES

Full disclosure of the Company's Significant Accounting Policies is made in Note 3 of the Annual Financial Report 2008 which was announced to the ASX/TSX on 30 September 2008.

DERIVATIVE INSTRUMENTS

The Company's Sold Gold forwards, Bought Call options and Bought Put options were settled in July for a net cash inflow of \$850,000. The only remaining derivative is the Bought Diesel Fuel Caps.

The mark to market on Crescent's hedge book as at 30 September 2008 was:-

A\$ 442,000 Bought Diesel Fuel Caps 10,952bbl @ \$71.55US Oct 08 to Dec 08 in the money to Crescent.

TRANSACTIONS WITH RELATED PARTIES

During the quarter, a company associated with Non-Executive Director, Mr David Keough, was engaged to provide consulting technical services to the Company on an ad-hoc part time basis at \$1,000 per day.

PAYMENTS TO DIRECTORS

Executive and Non Executive Directors of the Company combined received payments totalling \$62,000 for the three months ended 30 September 2008.

The Company is now served by a Board of Non-Independent and Independent Directors, to which the Managing Director and Chief Financial Officer report.

- Roland Hill – Managing Director and Acting Chairman
- Mark Tory – Chief Financial Officer & Company Secretary
- David Keough – Non Executive Director
- Geoff Stanley – Non Executive Director
- Jose Garcia Esteban – Non Executive (Nominee) Director
- Franco Cavallini – Non Executive (Nominee) Director
- Simon Grenfell – Non Executive (Nominee) Director

SUMMARY OF QUARTERLY RESULTS

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

	<u>30-Sep</u> <u>2008</u> \$A '000	<u>30-Jun</u> <u>2008</u> \$A '000	<u>31-Mar</u> <u>2008</u> \$A '000	<u>31-Dec</u> <u>2007</u> \$A '000	<u>30-Sep</u> <u>2007</u> \$A '000	<u>30-Jun</u> <u>2007</u> \$A '000	<u>31-Mar</u> <u>2007</u> \$A '000	<u>31-Dec</u> <u>2006</u> \$A '000
Income from Securities and Convertible Notes	-	-	-	-	(171)	122,259	6,341	9,351
Revenue	6,066	15,302	16,889	11,006	9,233	8,276	202	-
Other Income	951	1,701	1,811	1,656	1,738	321	216	349
Production	(13,369)	(25,164)	(17,383)	(12,466)	(16,354)	(9,618)	-	-
Exploration and Development	(2,617)	(3,088)	(1,450)	(3,873)	(3,196)	(6,207)	(10,879)	(12,223)
Administration	(2,340)	(1,829)	(716)	(1,413)	(426)	(1,879)	(753)	(651)
Other Operating Expenses	(4,401)	0	(431)	(665)	(480)	(336)	648	(1,642)
Other / Investing & Finance Exp	(4,883)	(23,777)	(19,886)	(558)	2,359	(3,279)	(1,275)	(17,927)
Net Increase (Decrease)	(20,593)	(36,855)	(21,166)	(6,313)	(7,297)	109,537	(5,500)	13,111
Net Gain (Loss) per Share A\$	(0.0349)	(0.0624)	(0.0358)	(0.0107)	(0.0125)	0.1890	(0.0210)	0.0530

Working

Shares	590,762	590,654
Loss per share	(0.0349)	(0.0624)

Costs incurred in the 30 September 2008 quarter relate predominately to the temporary suspension of the Laverton Gold Project. Cash inflows for the Company came from gold sale proceeds from the Laverton Gold Project prior to suspension. Other income includes interest from cash assets.

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 30 September 2008 was \$29.0m.

The Company's principal source of cash during the three months ended 30 September 2008 was from gold sales and cash used from the Deutsche Bank placement received on 18 June 2007.

In the three months ended 30 September 2008, the Company received other income of \$1.0m from interest compared to \$321,000 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 30 September 2008 total \$6.1m.

During the quarter, the Company used net cash of \$2.6m 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.

OUTSTANDING SHARE DATA

At the beginning of the quarter (1 July 2008) the Company had 590,654,148 ordinary shares outstanding.

As at 30 September 2008, the Company had 590,762,443 ordinary 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

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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) or the company’s website www.crescentgold.com.

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")

30 September 2008

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	6,066	6,066
1.2	Payments for		
	(a) exploration and evaluation	(2,617)	(2,617)
	(b) development	-	-
	(c) production	(13,369)	(13,369)
	(d) administration	(2,341)	(2,341)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	951	951
1.5	Interest and other costs of finance paid	(200)	(200)
1.6	Income taxes paid	-	-
1.7	Other – mining contractor early termination payment	(4,200)	(4,200)
	Net Operating Cash Flows	(15,710)	(15,710)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a)prospects	-	-
	(b)option contracts	-	-
	(c) other fixed assets	(200)	(200)
1.9	Proceeds from sale of:		
	(a)prospects	-	-
	(b)option contracts	850	850
	(c)other fixed assets	-	-
1.10	Loans to other entities	(4,000)	(4,000)
1.11	Loans repaid by other entities	-	-
1.12	Other – payments for cost of gold	-	-
	Net investing cash flows	(3,350)	(3,350)
1.13	Total operating and investing cash flows (carried forward)	(19,060)	(19,060)

1.13	Total operating and investing cash flows (brought forward)	(19,060)	(19,060)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – repayment of lease liabilities	(1,533)	(1,533)
	Other – share issue costs	-	-
	Net financing cash flows	(1,533)	(1,533)
	Net increase (decrease) in cash held	(20,593)	(20,593)
1.20	Cash at beginning of quarter/year to date	49,626	49,626
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	29,033	29,033

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
1.2	Aggregate amount of payments to the parties included in item 1.2	
3	Executive Director	-
	Non-Executive Directors	62
1.2	Aggregate amount of loans to the parties included in item 1.10	-
4		

1.2 Explanation necessary for an understanding of the transactions
5

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.

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	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,400,000
4.2 Development	1,900,000
Total	4,300,000

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	29,033	49,626
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other	-	-
Total: cash at end of quarter (item 1.22)	29,033	49,626

Changes in interests in mining tenements

	Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil		
6.2	Interests in mining tenements acquired or increased	Nil		

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 Preference securities (description)	Nil	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil	-	-	-
7.3 +Ordinary securities	590,762,443	590,762,443	Fully paid	Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	108,295 Nil	108,295 Nil	40 cents	40 cents
7.5 +Convertible debt securities (description)	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 Options (description and conversion factor)	24,275,000	Nil	-	-
7.8 Issued during quarter	15,100,000	-	13 cents	Nil
7.9 Exercised during quarter	Nil	-	-	-
7.10 Expired during quarter	Nil	-	-	-
7.11 Debentures (totals only)	Nil	-		
7.12 Unsecured notes (totals only)	Nil	-		

ITEM 7.7 DETAILS OF OPTIONS ON ISSUE

Total Number	Number Quoted	Exercise price \$	Expiry date
4,000,000		0.40	27/09/2009
2,050,000		0.40	30/11/2008
250,000		0.35	30/11/2008
1,125,000		0.40	30/11/2010
250,000		0.35	30/11/2010
1,500,000		0.31	26/05/2011
15,100,000		0.13	01/03/2010
24,275,000	-		

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: 29 October 2008
 (Director /-Company Secretary)

Print name: Roland Hill

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