



(a development stage company)

First Quarter Report

March 31, 2008

Crescent Resources Corp.
Three months ended March 31, 2008
Management's Discussion and Analysis

Form 51-102F1

Date

The following discussion is management's assessment and analysis of the results of operations and financial conditions ("MD&A") of Crescent Resources Corp. (the "Company" or "Crescent") and should be read in conjunction with the accompanying unaudited interim consolidated financial statements and related notes thereto for the three months ended March 31, 2008 and the most recent audited consolidated annual financial statements for the year ended December 31, 2007 which are also available at the SEDAR website at www.sedar.com.

The financial information in this MD&A is derived from the Company's financial statements prepared in accordance with Canadian generally accepted accounting principles and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The effective date of this report is May 23, 2008.

Overview

Crescent is a mineral exploration and development company with a defined growth strategy of adding value through discovery and rapid project advancement through exploration. Last fiscal year Crescent was focused on exploring and earning up to a 70% interest in the Oviedo uranium property located in Paraguay. In 2008 Crescent also plans to renew exploration of the Matupá gold project in Mato Grosso State, Brazil. Crescent can earn 100% of this project. These projects were acquired based on management's belief that they have the potential for further discovery and growth.

The Company's stock trades on Tier 2 of the TSX Venture Exchange under the trading symbol "CRC".

Qualified Person

All data, as disclosed in this MD&A have been verified by the Company's Qualified Person, Michael Hopley, President and Chief Executive Officer.

The Oviedo uranium project, Paraguay

On June 11, 2007 Crescent executed a definitive agreement with Coronel Oviedo Mining Company SA ("Coronel") whereby Crescent can earn up to a 70% interest in the Oviedo uranium property located in Paraguay (the "Property").

On February 12, 2008 the Company released results from 16 drill holes, totaling approximately 8,000 metres, on the Property. All of the holes that were completed intercepted uranium mineralization. Four of 16 new drill holes, and eight of the 29 holes drilled to date by Crescent on the Property intercepted uranium mineralization exceeding a grade/thickness factor of greater than 0.10 % metres eU3O8 similar to other uranium deposits currently being mined by in-situ recovery methods (*see Crescent Press Release November 15, 2007*). The results for holes TC-1014 through TC-1029 were determined by downhole radiometric logging equipment and are tabulated below.

DRILL HOLE	TO (metres)	FROM (metres)	THICKNESS (metres)	AVERAGE GRADE (%eU3O8)	G/T (%metres)	G/T (%feet)
TC-1014	242.88	245.28	2.40	0.039	0.092	0.302
TC-1015	235.80	243.08	7.28	0.023	0.164	0.538
TC-1016	237.40	238.39	1.00	0.026	0.026	0.090
TC-1017	235.90	240.29	4.39	0.023	0.099	0.325
TC-1018	239.79	243.48	3.69	0.025	0.091	0.298

and	250.16	254.45	4.29	0.018	0.077	0.252
TC-1019	240.04	243.03	2.99	0.028	0.083	0.272
and	250.81	253.90	3.09	0.029	0.091	0.298
TC-1020	240.49	242.78	2.29	0.047	0.108	0.354
and	252.66	255.95	3.29	0.039	0.130	0.426
TC-1021	243.18	247.17	3.99	0.044	0.174	0.571
TC-1022	244.38	246.67	2.29	0.031	0.071	0.233
TC-1023	237.20	241.29	4.09	0.063	0.254	0.833
TC-1024*	Abandoned					
TC-1025	243.48	244.58	1.10	0.026	0.029	0.095
TC-1026	244.28	247.07	2.79	0.034	0.095	0.310
TC-1027*	Abandoned					
TC-1028*	Abandoned					
TC-1029	167.82	168.82	0.90	0.028	0.025	0.082

NOTES:

1. Drill holes TC-1024, TC-1027 and TC-1028 were abandoned before completion.
2. Grade/Thickness factor % eU₃O₈ x thickness in metres. Grade/Thickness factors in metres exceeding 0.10% eU₃O₈ are shown in bold.
3. Grade/Thickness factor % eU₃O₈ x thickness in feet.

Drill holes TC-1014 through TC-1026 are spaced at approximately 15 to 50 metre intervals within an area approximately 60 metres by 75 metres within a larger 450 by 160 metres area drilled to date. Drill holes TC-1027 through TC-1029 are located on a new target zone approximately one kilometre east.

The style of uranium mineralization appears to be tabular and stratiform suggesting that uranium-rich intervals within the host sandstone are relatively uniform with widespread continuity. It is expected that further drilling may intersect local roll-fronts where uranium mineralization may have been remobilized and enriched. Depending on the physical characteristics of the host sandstone and results of metallurgical tests to be conducted, uranium may be recoverable by in-situ recovery methods.

On March 26, 2008 the Company filed on SEDAR at www.sedar.com a NI43-101 Technical Report on the Property completed by Scott Wilson RPA. The purpose of the report was to provide an independent assessment of the potential for uranium mineralization in the Property.

The Report states that the exploration targets on the Property are sandstone-hosted uranium deposits that bear similarities to the roll front-type uranium deposits of the Powder River Basin, Wyoming, in the United States. The Report notes that Crescent's objectives on the project are to confirm past results, outline economic uranium deposits and develop a uranium mine.

The Company is attempting to renegotiate and improve the terms of the agreement with Coronel and it is not known whether we will be successful. The results of this negotiation will determine the future of this Property for the Company.

Matupá gold project – Brazil

On May 4, 2005 the Company acquired an option to purchase 100% of the Matupá gold project. The property covers an area of approximately 6,000 hectares in northern Mato Grosso State, Brazil and has excellent infrastructure and a year round operating climate. It is located about 250 kilometres south of BrazMin's São Jorge exploration gold project (explored by Rio Tinto in the 1990's) and Brazauro Resources Tocantinzinho in the Tapajos District of Para State. Government records show that the northern

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Mato Grosso State area is estimated to have produced approximately 5 million ounces of gold between 1982 and 1995. The majority of this production was from shallow surface working by artisanal miners.

For 2008 the Company is planning a minimum 3,000 metre diamond drill program designed to follow up on previous drilling by Crescent, Western Mining and Rio Tinto.

Crescent has compiled all historical data and is building a three dimensional model to gain a better understanding of the geometry of the gold mineralized zone which will assist in the planning of the upcoming drilling program.

SERRINHA 2 ZONE:

In 1999, Rio Tinto conducted exploration activities on a small part of the property known as Serrinha 2 including 4,337 metres of diamond drilling. Based on these results Rio Tinto estimated the potential in the Serrinha 2 area as being 17 million tonnes at an average grade of 1.3 g/t gold containing approximately 700,000 ounces of gold. (*Note: This is an historical resource which is not NI 43-101 compliant and should not be relied upon.*)

Highlights of the drill results reported by Rio Tinto are as follows:

Drill hole	Interval (metres)	Gold in g/t
FSR-01	16.0	0.98
FSR-03	12.4	2.01
FSR-04	62.05	1.61
FSR-05	49.54	1.24
FSR-06	19.2	2.13
FSR-07	37.37	1.20
FSR-19	8.55	1.24
FSR-24	29.75	0.83

Note: The Rio Tinto assays are quoted from a report dated April 2000 and although they are considered relevant and reliable Crescent has not independently verified these assays.

Crescent acquired the project in 2005 and conducted an initial 4,000 metre diamond drill program in the spring of 2006 which yielded several significant gold intercepts confirming the potential for near surface gold deposits. Highlights of this work reported by Crescent are as follows:

SERRINHA 2 ZONE:

Diamond Drill Hole	From metres	To metres	Interval metres	Gold g/t
MAT-001	0	14.00	14.00	1.88
MAT-007	243.00	258.00	15.0	1.01
MAT-008	20.00	29.00	9.00	0.64
MAT-009	18.30	30.30	12.0	1.44
MAT-010	83.50	91.00	7.50	0.55
MAT-011	0.00	4.00	4.00	0.91
MAT-012	22.50	40.50	18.0	1.17

Due to some logistical difficulties related to the wet season many of the 2006 planned drill holes close to the most significant Rio Tinto holes in the Serrinha 2 area were not able to be drilled. The 2008 exploration and drill program will target these areas and others.

SERRINHA 1 ZONE:

The Serrinha 1 area is located approximately 2 kilometres northwest of Serrinha 2. In 2006 drill holes MAT-016, MAT-017 and MAT-018 were drilled at 75 metre spacings over a 150 metre strike length. This new area has been extensively mined at surface by artisanal (garimpo) miners but had not been previously drilled tested. The results listed below show that there is potential for a near surface zone of disseminated gold mineralization at Serrinha 1, particularly in drill hole MAT-016 which intersected 12 metres grading 1.04 g/t gold in the upper saprolite zone and 31.5 metres grading 1.04 g/t gold deeper in the primary mineralization.

Diamond Drill Hole	From metres	To metres	Interval metres	Gold g/t
MAT-016	0.00	12.00	12.00	1.04
and	39.80	71.30	31.5	1.04
MAT-017	0.00	4.00	4.00	1.27
and	113.00	126.50	13.50	0.88
MAT-018	0.00	4.00	4.00	0.78

FILAO de CAPIM ZONE:

MAT-024 and MAT-026 tested an area known as Filao de Capim, a different type of target on the Matupá property, gold bearing quartz veins associated with a mafic dyke underneath old garimpo workings located approximately 3 kilometres east of the Serrinha 2 area. These two holes returned narrower intervals of higher grade gold.

Diamond Drill Hole	From metres	To metres	Interval metres	Gold g/t
MAT-024	30.00	32.00	2.0	3.57
MAT-026	106.60	108.60	2.0	9.09

Large parts of the Matupá property are covered in artisanal open-pit mine workings and there are significant occurrences of disseminated gold mineralization in this historically productive district. In addition, previous work by major companies has resulted in large amounts of high-quality data including encouraging drill results and a historical resource estimate.

Under the terms of the agreement with the owners Crescent can earn a 100% interest in the Matupá property.

The Boulder Lake uranium project, Canada

On October 17, 2007 Crescent assigned all of its rights, title and interest in the Boulder Lake Property, Manitoba, to Longview Capital Partners Incorporated ("Longview"). Pursuant to the letter agreement Longview had the right to assign all the rights and interests to a "Newco" within 30 days. On the assignment of the Boulder Lake Property to Newco and Newco completing a qualifying transaction within a further 90-days Crescent will be issued 2,000,000 common shares of Newco. Crescent, Longview and the underlying owner are negotiating an extension to the assignment agreement however as a successful negotiation is not certain, and given Crescent continues to direct its exploration funds to the Matupá and Oviedo project Crescent has written this property down to zero at December 31, 2007.

Results of Operations

Results of Operations for the three months ended March 31, 2008 and 2007

The Company incurred a loss for the three months ended March 31, 2008 of \$124,290 (2007: \$322,697) after reflecting interest income in both periods.

Total expenses for the three months ended March 31, 2008 amounted to \$128,869 (2007: \$346,958).

The more significant differences in comparing the two periods include:

Consulting fees:	\$95,917(2007: \$62,789) increase of \$33,128 Consulting fees for the three month period ending March 31, 2008 increased due to the hiring of a new employee in September 2007 and also an increase in fees paid to consultants.
Shareholder relations:	\$2,776 (2007: \$40,404) decrease of \$37,628 Shareholder relations for the three month period ended March 31, 2007 included a charge of \$31,251 fees for Kodiak International Inc. for public relations for the Company in Europe. The Kodiak contract was not renewed. The remainder of the expenses was the cost to disseminate press releases and the cost of presentation material for use at investor conferences.
Stock-based compensation:	\$4,887 (2007: \$214,979) decrease of \$210,092 The fair value of 200,000 stock options granted in the first quarter ending March 31, 2008 was \$24,434 of which \$4,887 was recognized in the net loss and \$19,547 was capitalized to mineral interests as were the corresponding consulting fees for the optionee.

Summary of Quarterly Results

	March 31 2008	Dec 31 2007	Sept 30 2007	June 30 2007	Mar 31 2007	Dec 31 2006	Sept 30 2006	June 30 2006
	\$	\$	\$	\$	\$	\$	\$	\$
Total revenues	-	-	-	-	-	-	-	-
Loss for period	(124,290)	(697,211)	(249,293)	(124,965)	(322,697)	(118,899)	(122,168)	(152,020)
Basic and diluted loss per share	(0.00)	(0.03)	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)

The Company is an exploration company. At this time any issues of seasonality or market fluctuations have no impact. The Company currently defers its mineral interest acquisition and exploration costs. The Company expenses its project investigation and general and administration costs and these amounts are included in the loss for each quarter. The Company's treasury determines the levels of exploration.

Liquidity

Historically the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. There can be no assurance of continued access to any equity funding.

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The Company began the 2008 year with cash of \$877,990. Cash inflows for the period included the remaining net proceeds of \$232,665 from a non-brokered private placement that closed on January 14, 2008. Cash expended on operations in the period, net of working capital changes was \$90,118. The Company incurred \$251,980 cash costs net of a prepayments to contractors on deferred exploration of its mineral properties. The Company ended at March 31, 2008 with cash of \$768,557.

The Company has two active mineral properties and as it conducts exploration work programs it intends to raise additional equity funds for those expenditures.

There can be no assurance, however, that such financing will be available to the Company or, if it is, that it will be available on terms acceptable to the Company and will be sufficient to fund cash needs until the Company acquires an operating business or achieves positive cash flow. If the Company is unable to obtain the financing necessary to support its operations, it may be unable to continue as a going concern. The Company currently has no commitments for any credit facilities such as revolving credit agreements or lines of credit that could provide additional working capital. The Company has no long term debt, capital lease obligations, operating leases or any other long term obligations.

Capital Resources

On January 14, 2008 the Company completed a non-brokered private placement financing consisting of 3,758,000 units sold at a price of \$0.25 per unit for gross proceeds of \$939,500 for which the Company had received share subscriptions of \$677,000 as at December 31, 2007. Each unit comprised one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.35 per share until January 13, 2010. The Company issued 52,500 units to finders in connection with this financing on the same terms as the private placement and paid \$24,375 cash. The Company recorded a deferred cost consisting of \$1,365 listing fees for the first issue of shares at December 31, 2007 that was charged to share issuance cost on January 14, 2008 when the shares were issued.

The Company's commitments for material capital expenditures as of March 31, 2008 relating to the Company's mineral properties are described in Note 5 of the Financial Statements.

As at the date of this MD&A, other than as described herein and in the Financial Statements the Company has no other arrangement for sources of financing.

Transactions with Related Parties

The following amounts were paid or accrued to directors, officers or companies controlled by directors and officers of the company for services provided:

Related party	Three months ended March 31, 2008	Three months ended March 31, 2007	Services provided to the Company
Michael Hopley	\$24,000	\$24,000	Geological consulting services
524124 B.C. Ltd. a company controlled by Don Halliday, Director and Vice President Corporate Development	\$24,000	\$24,000	Investor relations and corporate development consulting services

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Related party	Three months ended March 31, 2008	Three months ended March 31, 2007	Services provided to the Company
Golden Oak Corporate Services Ltd., a company controlled by Doris Meyer, Chief Financial Officer and Corporate Secretary	\$15,000	\$9,000	Bookkeeping, accounting, financial reporting, corporate compliance and administrative services
Sunridge Gold Corp. a company with common directors and officers	\$14,918	\$10,446	Shared office rent and support costs

The Company's arrangements with its directors and officers require not more than 90 days notice of cancellation.

Disclosure of Outstanding Share Data

The Company's has unlimited authorized common shares and issued and outstanding share capital at the date of this MD&A is:

	Common Shares Issued and Outstanding	Common Share Purchase Warrants	Common Share Purchase Options
Balance March 31, 2008 and May 23, 2008	30,666,097	1,905,250	2,870,000

Additional Disclosure for Venture Issuers without Significant Revenue

The components of deferred exploration costs are described in Note 5 to the financial statements for the three months ended March 31, 2008.

Changes in Accounting Policy and Presentation

On January 1, 2008, the Company adopted the following provisions of the Canadian Institute of Chartered Accountants ("CICA") Handbook Sections. There was no material impact on the Company's financial condition or operating results as a result of the adoption of these new standards:

(a) Section 3862 – Financial Instruments – Disclosures, which replaces Section 3861 and provides expanded disclosure requirements that provide additional detail by financial asset and liability categories (see Note 3 of the Financial Statements).

(b) Section 3863 – Financial Instruments – Presentation, to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows (see Note 3 of the Financial Statements).

(c) Section 1535 – Capital Disclosures, which establishes standards for disclosing information about an entity's capital and how it is managed (see Note 8 of the Financial Statements). Under this standard, the Company will be required to disclose the following:

- qualitative information about its objectives, policies and processes for managing capital;
- summary quantitative data about what it manages as capital;

- whether during the period it complied with any externally imposed capital requirement to which it is subject; and
- when the Company has not complied with such externally imposed capital requirements, the consequences of such non-compliance.

(d) Section 1400 – General Standards of Financial Statement Presentation, to include requirements for management to assess and disclose an entity's ability to continue as a going concern (see Note 1 of the Financial Statements).

Forward-Looking Statements

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address future exploration activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploration successes, and continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual result or developments may differ materially from those projected in the forward-looking statements.

Risks

Mineral exploration is subject to a high degree of risk, which a combination of experience, knowledge, and careful evaluation may fail to overcome. Exploration activities seldom result in the discovery of a commercially viable mineral resource. Exploration activities are also expensive. The Company will therefore require additional financing to carry on its business and such financing may not be available when it is needed.

Disclosure and Internal Controls and Procedures

Management is responsible for establishing and maintaining disclosure controls and procedures for the Company. Based on an evaluation of the Company's disclosure controls and procedures as of the end of the period covered by this MD&A, management believes such controls and procedures are effective in providing reasonable assurance that material items requiring disclosure are identified and reported in a timely manner.

The Chief Executive Officer and Chief Financial Officer have designed the internal controls over financial reporting, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Management has not identified any material uncorrected weaknesses in internal controls during the course of the preparation of these interim financial statements.

Corporate Governance

Management of the Company is responsible for the preparation and presentation of the financial statements and notes thereto, MD&A and other information contained in this interim report. Additionally, it is

Management's responsibility to ensure the Company complies with the laws and regulations applicable to its activities.

The Company's management is held accountable to the Board of Directors ("Directors"), each member of which is elected annually by the shareholders of the Company. The Directors are responsible for reviewing and approving the annual audited financial statements and MD&A. Responsibility for the review and approval of the Company's unaudited interim consolidated financial statements and MD&A is delegated by the Directors to the Audit Committee, which is comprised of three directors, two of whom are independent of management. Additionally, the Audit Committee pre-approves audit and non-audit services provided by the Company's auditors.

The auditors are appointed annually by the shareholders to conduct an audit of the financial statements in accordance with generally accepted auditing standards. The external auditors have complete access to the Audit Committee to discuss the audit, financial reporting and related matters resulting from the annual audit as well as assist the members of the Audit Committee in discharging their corporate governance responsibilities.

Other Information

Additional information relating to the Company is available for viewing on SEDAR at www.sedar.com and at the Company's web site www.crescentresourcescorp.com.



Interim Consolidated Financial Statements
(unaudited and prepared by Management)

March 31, 2008

Notice to Reader

These interim financial statements of Crescent Resources Corp. have been prepared by management and approved by the Audit Committee on behalf of the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these interim financial statements, notes to financial statements and the related quarterly Management Discussion and Analysis.

CRESCENT RESOURCES CORP.
Interim Consolidated Balance Sheets

	March 31, 2008	December 31, 2007
	(unaudited)	
ASSETS		
Current assets		
Cash	\$ 768,557	\$ 877,990
Amounts receivable	30,227	24,995
Prepaid expenses	5,873	11,216
Advances to contractors	162,745	302,346
	<u>967,402</u>	1,216,547
Equipment (note 4)	9,654	10,505
Mineral interests (note 5)	6,226,557	5,789,436
Deferred cost	-	1,365
	<u>\$ 7,203,613</u>	<u>\$ 7,017,853</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 136,211	\$ 81,895
SHAREHOLDERS' EQUITY		
Share capital (note 6)	17,290,600	16,382,300
Contributed surplus (note 6)	806,298	781,864
Share subscriptions received in advance (note 6)	-	677,000
Deficit	(11,029,496)	(10,905,206)
	<u>7,067,402</u>	6,935,958
	<u>\$ 7,203,613</u>	<u>\$ 7,017,853</u>

Nature and Continuation of Operations (note 1)
Subsequent Events (note 5)

Approved by the Board of Directors:

“Michael Hopley”
Director

“Ross McDonald”
Director

The accompanying notes form an integral part of these consolidated financial statements

CRESCENT RESOURCES CORP.**Interim Consolidated Statements of Operations, Comprehensive Loss and Deficit****For the three months ended March 31, 2008**

(unaudited)

	Three months ended March 31, 2008	Three months ended March 31, 2007
General expenses		
Amortization	\$ 762	\$ -
Consulting fees	95,917	62,789
Directors fees	2,250	-
Foreign exchange (gain) loss	(7,635)	7,247
Office and general	5,805	6,775
Professional fees	10,485	3,169
Regulatory and filing fees	2,794	4,502
Rent	10,828	6,481
Shareholder relations	2,776	40,404
Stock-based compensation	4,887	214,979
Travel	-	612
Loss before other items	<u>128,869</u>	346,958
Other items		
Interest income	4,579	24,261
Loss and comprehensive loss for the period	<u>(124,290)</u>	(322,697)
Deficit, beginning of period	<u>(10,905,206)</u>	(9,511,040)
Deficit, end of period	<u>\$ (11,029,496)</u>	<u>\$ (9,833,737)</u>
Basic and diluted loss per share	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>
Weighted average number of shares outstanding	<u>29,368,015</u>	<u>25,673,223</u>

The accompanying notes form an integral part of these consolidated financial statements

CRESCENT RESOURCES CORP.
Interim Consolidated Statements of Cash Flows
For the three months ended March 31, 2008
(unaudited)

	Three months ended March 31, 2008	Three months ended March 31, 2007
Cash provided from (used for)		
Operating activities		
Loss for the period	\$ (124,290)	\$ (322,697)
Items not involving cash:		
Amortization	762	-
Stock-based compensation	4,887	214,979
	<u>(118,641)</u>	<u>(107,718)</u>
Changes in non-cash working capital balances:		
Amounts receivable	(5,232)	9,280
Prepaid expense	5,343	34,331
Accounts payable and accrued liabilities	28,412	(9,008)
	<u>(90,118)</u>	<u>(73,115)</u>
Investing activities		
Advances to contractors	139,601	-
Mineral interests	(391,581)	(127,877)
	<u>(251,980)</u>	<u>(127,877)</u>
Financing activities		
Shares issued	262,500	-
Share issuance costs	(29,835)	(615)
	<u>232,665</u>	<u>(615)</u>
Decrease in cash	(109,433)	(201,607)
Cash, beginning of period	877,990	4,865,679
Cash, end of period	\$ 768,557	\$ 4,664,072
Supplementary cash flow:		
Shares issued for mineral interest	\$ -	\$ 23,000
Accounts payable and accrued liabilities included in mineral interests	25,904	4,250
Amortization included in mineral interests	89	609
Fair value of units issued for finders' fee	13,125	-
Stock-based compensation included in mineral interests	19,547	19,544

The accompanying notes form an integral part of these consolidated financial statements

CRESCENT RESOURCES CORP.
Notes to the Consolidated Financial Statements
For the three months ended March 31, 2008
(a development stage company)
(Unaudited – prepared by Management)

1. Nature and Continuance of Operations

Crescent Resources Corp. (the “Company”) is in the business of acquiring and exploring mineral properties in Brazil, Paraguay and Canada and has not yet determined whether its properties contain ore reserves that are economically recoverable.

The Company has not generated any revenue since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. As at March 31, 2008, the Company has working capital of \$831,191. The Company does not expect its current capital resources will be sufficient to carry its exploration plans and operations through its current fiscal year. The continuation of the Company as a going concern is dependent upon the ability of the Company to obtain necessary equity financing to continue operations and to determine the existence, discovery and successful exploitation of economically recoverable reserves in its resource properties, confirmation of the Company’s interests in the underlying properties, and the attainment of profitable operations.

The Company will periodically have to raise additional funds to continue operations and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

2. Significant Accounting Policies

These interim consolidated financial statements for the Company have been prepared in accordance with generally accepted accounting principles in Canada. They do not include all of the information and disclosures required by Canadian GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. The interim consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements including the notes thereto for the year ended December 31, 2007 which may be found on www.sedar.com.

Changes in accounting policies

On January 1, 2008, the Company adopted the following provisions of the Canadian Institute of Chartered Accountants (“CICA”) Handbook Sections. There was no material impact on the Company’s financial condition or operating results as a result of the adoption of these new standards:

(a) Section 3862 – Financial Instruments – Disclosures, which replaces Section 3861 and provides expanded disclosure requirements that provide additional detail by financial asset and liability categories (see Note 3).

(b) Section 3863 – Financial Instruments – Presentation, to enhance financial statement users’ understanding of the significance of financial instruments to an entity’s financial position, performance and cash flows (see Note 3).

(c) Section 1535 – Capital Disclosures, which establishes standards for disclosing information about an entity’s capital and how it is managed (see Note 8). Under this standard, the Company will be required to disclose the following:

- qualitative information about its objectives, policies and processes for managing capital;
- summary quantitative data about what it manages as capital;
- whether during the period it complied with any externally imposed capital requirement to which it is subject; and

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(a development stage company)
(Unaudited – prepared by Management)

2. Significant Accounting Policies – continued

- when the Company has not complied with such externally imposed capital requirements, the consequences of such non-compliance.

(d) Section 1400 – General Standards of Financial Statement Presentation, to include requirements for management to assess and disclose an entity's ability to continue as a going concern (see Note 1).

3. Financial Instruments

All financial instruments are recorded initially at estimated fair value on the balance sheet and classified into one of five categories: held for trading, held to maturity, available for sale, loans and receivables and other liabilities

Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, amounts receivable, advances to contractors and accounts payable and accrued liabilities.

The fair values of cash, amounts receivable, advances to contractors and accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments.

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit Risk

The Company's only exposure to credit risk is on its bank accounts. Bank accounts are with a Canadian Schedule 1 bank with a \$20 million counterparty credit limit.

Liquidity Risk

The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in business accounts which are available on demand.

Market Risk

The only significant market risk exposure to which the Company is exposed is interest rate risk. The Company's bank account earns interest income at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to short-term rates.

Exchange Risk

As at March 31, 2008 the majority of the Company's cash was held in Canada in Canadian dollars. The Company's significant operations are carried out in Paraguay and Brazil. As a result a portion of the Company's cash, amounts receivable, advances to contractors and accounts payable and accrued liabilities are denominated in United States Dollars, the Paraguayan Guarani and the Brazilian Real and are therefore subject to fluctuation in exchange rates.

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4. Equipment

	March 31, 2008		December 31, 2007	
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and equipment	\$ 4,846	\$ 969	\$ 3,877	\$ 4,119
Field equipment	12,182	6,405	5,777	6,386
	<u>\$ 17,028</u>	<u>\$ 7,374</u>	<u>\$ 9,654</u>	<u>\$ 10,505</u>

5. Mineral Interests

	Acquisition costs	Exploration costs	For the three months ended March 31, 2008	For the three months ended March 31, 2007
Brazil				
Matupa prospect				
Amortization	\$ -	89	\$ 89	\$ 89
Field support	-	17	17	1,643
Geological consulting	-	(1,955)	(1,955)	-
	-	(1,849)	(1,849)	1,732
Balance, beginning of period	512,226	1,057,980	1,570,206	1,508,986
Balance, end of period	<u>512,226</u>	<u>1,056,131</u>	<u>1,568,357</u>	<u>1,510,718</u>
Canada				
Boulder Lake prospect				
Acquisition and tenure	-	-	-	23,000
Amortization	-	-	-	520
	-	-	-	23,520
Balance, beginning of period	-	-	-	145,533
Balance, end of period	<u>-</u>	<u>-</u>	<u>-</u>	<u>169,053</u>
Paraguay				
Oviedo prospect				
Unexpended cash advances	-	-	-	12,254
Camp and field costs	-	20,252	20,252	1,651
Drilling	-	170,609	170,609	-
Geological consulting	-	162,348	162,348	66,822
Ground transport	-	-	-	2,941
Legal fees	-	24,600	24,600	55,362
Operator fees	-	34,476	34,476	3,860
Paraguay IVA	-	-	-	4,246
Travel	-	26,685	26,685	2,892
	-	438,970	438,970	150,028
Balance, beginning of period	940,828	3,278,402	4,219,230	157,752
Balance, end of period	<u>940,828</u>	<u>3,717,372</u>	<u>4,658,200</u>	<u>307,780</u>
Mineral Interests				
Change in period	-	437,121	437,121	175,280
Balance, beginning of period	1,453,054	1,057,980	5,789,436	1,812,271
Balance, end of period	<u>\$ 1,453,054</u>	<u>\$ 1,495,101</u>	<u>\$ 6,226,557</u>	<u>\$ 1,987,551</u>

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5. Mineral Interests – continued

Matupa gold project, Brazil

Aurora Gold Corporation (“Aurora”) had an option to purchase the Matupa gold project located in northern Mato Grosso State, Brazil by an agreement dated February 14, 2005 with Mineracao Bom Futuro Ltda. (the “Aurora Purchase Agreement”). In 2005, the Company paid Aurora US\$100,000 and issued 355,000 common shares to assume Aurora’s position and assume the obligations of the Aurora Purchase Agreement.

The Company must now complete the following payment schedule to Mineracao Bom Futuro Ltda (the “Vendor”):

			Payment in US dollars
1	on signing	Contract legalized May 5, 2005 (paid)	\$ 20,000
2	four month anniversary	September 5, 2005 (paid)	50,000
3	nine month anniversary	February 5, 2006 (paid)	80,000
4	eighteen month anniversary	November 5, 2006 (as amended and paid)	50,000
5	thirty month anniversary	November 5, 2007 (as amended and paid)	50,000
6	forty-two month anniversary	November 5, 2008	800,000
7	fifty-four month anniversary	November 5, 2009	1,000,000
8	sixty-six month anniversary	November 5, 2010	1,300,000
Total			\$ 3,350,000

The Vendor retained a 2.25% net smelter return royalty and will be entitled to minimum advance royalty payments of US\$240,000 per year beginning in the year following the sixty-sixth month anniversary of the agreement. The Aurora Purchase Agreement can be terminated at any time after a thirty-day notice is given.

Boulder Lake uranium property, Canada

On May 18, 2005, the Company entered into a mineral license purchase agreement with W.S. Ferreira Ltd. (“Ferreira”) to purchase 100% of three mineral exploration licenses covering 21,875 hectares in northwest Manitoba. Pursuant to the definitive mineral license purchase agreement to retain the option to purchase the property the Company must pay, or relinquish the property, to Ferreira:

		Cash Payments	Common Shares of the Company
1	on execution	May 18, 2005 (paid) \$ 10,000	75,000
2	two year anniversary	May 18, 2007 (paid) 33,333	100,000
3	three year anniversary	May 18, 2008 33,333	100,000
4	four year anniversary	May 18, 2009 33,334	200,000
Total		\$ 110,000	475,000

To retain the option to purchase the property the Company must complete expenditures totaling \$1,000,000 over the four year period with expenditures of \$250,000 on or before each of the second and third year anniversaries of the closing date and \$500,000 before the four year anniversary of the closing date. On January 10, 2007, the Company and Ferreira agreed to extend the time to complete its \$250,000 expenditure requirement from May 18, 2007 to October 31, 2007 in consideration of the issue of 50,000 common shares. On January 19, 2007, the Company issued Ferreira 50,000 shares at a fair value of \$31,000.

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5. Mineral Interests – continued

On May 22, 2007, the Company paid Ferreira \$33,333 and issued 100,000 shares at a fair value of \$45,000 to satisfy the two year anniversary obligation.

Ferreira retained a 2% net smelter return royalty. The Company has the option to purchase half of the royalty for \$1,000,000.

On October 17, 2007, the Company assigned all of its rights, title and interest in the Boulder Lake Property to Longview Capital Partners Incorporated (“Longview”). Under the terms of the agreement Longview has the right to assign all the rights and interests to a “Newco” within 30 days. On the assignment of the Boulder Lake Property to Newco and Newco completing a qualifying transaction within a further 90 days, the Company will be issued 2,000,000 common shares of Newco. The Company, Longview and Ferreira are negotiating an extension to the assignment agreement as the assignment to Newco did not take place within 30 days. It is not known whether the negotiations will be successful. The Company considers the value of the Boulder Lake property to be impaired given the Company has not explored the property in any significant way and is directing its exploration funding towards the Oviedo and Matupa properties and the Company has written the Boulder Lake property to \$nil at December 31, 2007.

Oviedo uranium property, Paraguay

On November 1, 2006, the Company entered into a letter agreement with Coronel Oviedo Mining Company SA (“Coronel”), a Paraguay corporation, which sets out the terms of an agreement whereby the Company has an option to earn up to a 70% interest in the Oviedo uranium property (the “Property”) in Paraguay. The Company has the option to earn an initial undivided 50% interest in the Property by (a) funding an aggregate of US\$5,000,000 of expenditures on the Property within a period of three years and (b) making an aggregate of US\$750,000 in cash payments and issuing an aggregate of 3,500,000 common shares to Coronel within two years (the “Option”). The effective date relates to the date from which Coronel has received regulatory acceptance of the Coronel application for the Property and the parties have entered into a formal agreement (the “Effective Date”). The Exploration Permits were issued to Coronel on May 16, 2007 and on June 8, 2007 the Company issued the first tranche of 800,000 common shares at a fair value of \$360,000.

Pursuant to the Option to earn a 50% interest in the Property the Company must complete following:

	Cash to Coronel (US dollars)	Common Shares to Coronel	Expenditures on Property (US dollars)
1 November 1, 2006 (paid)	\$ 25,000	-	\$ -
2 May 16, 2007 (paid)	175,000	800,000	-
3 May 16, 2008	250,000	1,200,000	2,000,000
4 May 16, 2009	300,000	1,500,000	2,500,000
5 May 16, 2010	-	-	500,000
Total	\$ 750,000	3,500,000	\$ 5,000,000

In addition to the above, on or before May 16, 2010, the Company is required to fund an additional US\$2,500,000 in exploration expenditures and property maintenance costs in order to maintain its 50% interest in the Property, provided that the Company has the option of extending the deadline for funding these expenditures to May 16, 2011 by paying US\$500,000 in cash or shares on or before May 16, 2010. In the event the Company fails to satisfy its funding obligation, the Company shall lose its 50% interest.

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5. Mineral Interests – continued

The Company has the exclusive additional right and option at the Company’s sole discretion to acquire a further 20% interest in the Property (the “Additional Option”) for an aggregate interest of 70% by funding or completing a pre-feasibility study on the Property on or before May 16, 2011 (the “Company Option Period”), provided the Company has the option of extending the deadline for funding the pre-feasibility study to May 16, 2012 by paying US\$500,000 in cash or shares to Coronel on or before May 16, 2011.

If the Company earns an initial 50% interest in the Property but does not exercise the Additional Option by completing the pre-feasibility study within the Company Option Period then the Company will have acquired a 50% interest in the Property.

Following the exercise by the Company of its option to earn a 50% interest in the Property or its Additional Option to earn a 70% interest, the Company and Coronel shall form a joint venture for further exploration and development of the Property.

Finder’s Fee

On June 8, 2007 the Company paid a finder’s fee pursuant to a finder’s fee agreement dated August 11, 2006 for this acquisition in a combination of \$60,000 cash and 211,818 common shares at a fair value of \$95,318.

On May 16, 2008 the Company did not pay the US\$250,000 cash or issue the 1,200,000 common shares due to Coronel. The Company and Coronel are negotiating an amendment to the November 1, 2006 agreement on the Property and it is not known if these negotiations will be successful.

6. Share Capital

Authorized: An unlimited number of common shares without par value.

a) Issued and outstanding:

	Shares	Value	Contributed Surplus
Balance at December 31, 2007	26,855,597	\$ 16,382,300	\$ 781,864
Change during period:			
Private placement ⁽¹⁾	3,758,000	939,500	-
Shares and warrants issued for finders' fee ⁽¹⁾	52,500	13,125	-
Stock-based compensation	-	-	24,434
Share issue costs	-	(44,325)	-
Balance at March 31, 2008	30,666,097	\$ 17,290,600	\$ 806,298

(1) On January 14, 2008, the Company completed a non-brokered private placement financing consisting of 3,758,000 units at a price of \$0.25 per unit for gross proceeds of \$939,500 for which the Company had received share subscriptions of \$677,000 as at December 31, 2007. Each unit comprised one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.35 per share until January 13, 2010. The Company issued 52,500 units to finders in connection

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6. Share Capital – continued

with this financing on the same terms as the private placement and paid the finders' \$24,375 cash and incurred listing fees of \$6,825.

b) The continuity for share purchase warrants is as follows:

Expiry date	Exercise price	Balance, December 31, 2007	Issued	Exercised	Expired	Balance, March 31, 2008
January 13, 2010	\$ 0.35	-	1,905,250	-	-	1,905,250
		-	1,905,250	-	-	1,905,250
Balance at March 31, 2008						
	\$	-	\$ 0.35	\$ -	\$ -	\$ 0.35

c) The Company has a shareholder approved “rolling” stock option plan (the “Plan”) in compliance with the TSX Venture Exchange’s policies. Under the Plan the maximum number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding common shares at the time of granting. The exercise price of each stock option shall not be less than the market price of the Company’s stock at the date of grant.

All except 75,000 stock options are exercisable at March 31, 2008. The continuity for stock options is as follows:

Expiry date	Exercise price	Balance, December 31, 2007	Granted	Exercised	Expired	Balance, March 31, 2008
August 9, 2010	\$ 0.39	805,000	-	-	-	805,000
September 28, 2010	\$ 0.55	650,000	-	-	-	650,000
May 23, 2011	\$ 0.55	15,000	-	-	-	15,000
November 14, 2011	\$ 0.50	100,000	-	-	-	100,000
February 21, 2012	\$ 0.55	900,000	-	-	-	900,000
September 12, 2012	\$ 0.42	200,000	-	-	-	200,000
January 2, 2013	\$ 0.28	-	200,000	-	-	200,000
		2,670,000	200,000	-	-	2,870,000
Weighted average exercise price						
	\$	0.49	\$ 0.28	\$ -	\$ -	\$ 0.46

d) Stock based compensation

During the three month period ended March 31, 2008, the Company granted 200,000 stock options and based on the estimated fair value at the grant dates, recorded stock-based compensation for the vesting portion of the stock options of \$24,434, of which \$4,887 was recognized in the statement of operations and \$19,547 was capitalized to mineral interests with the offsetting credit to contributed surplus (2007 - \$234,523).

The fair value of each option grant was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

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6. Share Capital – continued

Weighted average assumptions:	2008	2007
Expected life in years	5	2
Annualized volatility	87%	85%
Expected dividend yield	none	none
Risk free interest rate	3.52%	3.97%
Fair value of options granted	\$0.20	\$0.26

7. Related Parties

Unless disclosed elsewhere, related party transactions are as follows:

	For the three months ended	
	March 31, 2008	March 31, 2007
	\$	\$
i) consulting fees to an officer and director	24,000	24,000
ii) consulting fees for public relations to an officer and director	24,000	24,000
iii) fees for corporate and financial compliance services to an officer	15,000	9,000
iv) shared office costs to a company managed by common directors and officers	14,918	10,446

Included in accounts payable and accrued liabilities are amounts owed to related parties at March 31, 2008 of \$11,019 (March 31, 2007: \$5,138) which were paid shortly after March 31.

All of the above noted transactions have been in the normal course of operations and, in management's opinion, undertaken with the same terms and conditions as transactions with unrelated parties.

8. Management of Capital

The Company manages its cash, common shares, stock options and warrants as capital (see Note 6). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company does not have any externally imposed capital requirements to which it is subject.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

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8. Management of Capital – continued

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account.

The Company does not expect its current capital resources will be sufficient to carry its exploration plans and operations through its current operating period and will attempt to raise additional capital through an equity transaction.

9. Commitments

During 2004, for consideration of US\$5,000, the Company entered into a finder's fee agreement with an individual to assist the Company in acquiring certain mineral claims in Utah, USA. If successful, the Company will issue 250,000 common shares over a period of 3 years from the date of acquisition.

The Company is obligated to make cash payments, issue shares and incur exploration expenditures in connection with mineral interest agreements as disclosed in note 4.

10. Segmented Disclosures

The Company operates in a single segment, being mineral resource exploration and development. All interest revenue for the three month period ended March 31, 2008 and 2007 was derived in Canada. Capital expenditures made during the three month period ended March 31, 2008 and 2007 are disclosed in note 4 and 5. Other geographic information is as follows:

	Canada	Brazil	Paraguay	Total
	\$	\$	\$	\$
March 31, 2008				
Loss for the period	125,922	5,808	(7,440)	124,290
Capital assets	8,557	1,569,454	4,658,200	6,236,211
March 31, 2007				
Loss for the period	318,780	3,917	-	322,697
Capital assets	175,813	1,512,171	307,780	1,995,764