

Commissioning Commenced/ Reserve Upgrade

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

SHARE INFORMATION

ASX Share Price: *A\$0.41*
Issued Shares: *248.2m*
Market Cap: *A\$101.8m*
Options unlisted: *46.2m*

FULLY DILUTED BASIS

Shares: *294.4m*
Cash on dilution: *A\$13.1m*

RESOURCES

Indicated: *0.95m ozs*
20.1mt
1.5g/t
Inferred: *0.48m ozs*
10.4mt
1.4g/t
Market Cap/oz: *A\$71/oz*

RESERVES

Probable: *0.40m ozs*
7.6mt
1.7g/t
Market Cap/oz: *A\$254/oz*

CONTACT DETAILS

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21 February 2007

By Electronic Lodgement

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

Crescent Gold Limited (ASX:CRE, TSX:CRA, FFT:CRE) is pleased to report that commissioning at its Laverton Gold Plant is now underway.

Milling

- Commissioning on low grade stockpiles has commenced.
- Plant operating team on site preparing for full production.
- Tanks successfully tested. "Wet section" pre commissioning completed.
- Plant expansion to 1.5mtpa on schedule for completion early April.
- Delivery of the last of the crusher components from Malaysia underway.
- Suitable Contract crusher identified for use in the interim if required.
- Mill girth gear repaired and operating satisfactorily. A spare has been purchased.

Mining

- Preproduction phase complete, ready for mining to commence.
- Sickle cleared and topsoil stripped. 100,000 BCMs of broken stock prepared for mining.
- Mining scheduled to commence as mobile crusher is commissioned.

Ore Feed

- Detailed RC Grade Control ("GC") drilling at Sickle completed for the first 25 metres of the Stage 1 pit (refer figure 1). This will be the first ore to the mill after commissioning.
- Results confirm the company's Ore Reserve estimates, interpretations and modelling parameters within acceptable limits.
- Low grade stockpile will be used for plant commissioning. This reduces cash outflow on crushing and mining during the process.

Exploration

- RC drilling continues along strike high grade at West Laverton (News Release - February 1, 2007), better results previously reported include **11m @ 45.4 g/t, 10m @ 7.7 g/t and 9m @ 7.0 g/t**.
- Assays pending for 15 holes that have intersected the target over a strike length of 500m.

Mineral Resource and Ore Reserves Statement

- Ore Reserves have increased to 400,000 ounces of gold. Work aimed at increasing this reserve estimate continues.
- Indicated Mineral Resource totals 20.1 million tonnes at 1.5 g/t Au containing 0.95m ozs of gold and an Inferred Mineral Resource of 10.4 million tonnes at 1.4 g/t Au containing 0.48m ozs (refer attached statement).

"This new reserve does not include Craiggie more, where high grades continue to be encountered" Mr Haythorpe said today.

An audio broadcast by Andrew Haythorpe regarding this announcement can be heard at <http://www.brr.com.au/event/CRE/845/19176/wmp/qc6y0sierd>

Further to this, a copy of an investor presentation to be given at various conferences within Australia, America, Canada and Europe during February and March can be found at the following link: <http://www.crescentgold.com/press/CREFeb2007.pdf>

ORE RESERVE STATEMENT

As at 12 February 2007, the total contained gold is 400,000 ounces. *In-situ* Ore Reserves (excluding stockpiles) at Laverton totals 6.4mt at 1.8 g/t for 374,000 ounces of gold.

The following table details the Company's Ore Reserves statement.

PROJECT	Probable Ore Reserve		
	Tonnes (kt)	Grade (g/t)	Ounces (oz)
Sickle	2,213	2.0	143,000
Fish	385	4.1	51,000
West Laverton	653	1.7	36,000
Others	3,173	1.4	144,000
TOTAL	6,424	1.8	374,000
Low Grade	1,160	0.7	26,000

Notes for Table:

- Gold grades are rounded to 1 decimal figure; both estimated tonnes and contained ounces are rounded to nearest 1000.
- West Laverton includes West Laverton and Mary Mac South deposits.
- Others includes Euro, Admiral hill, Grouse, Castaway, Lord Byron, Burtville and Bells deposits.
- Low Grade is historical surface stockpiled ore.

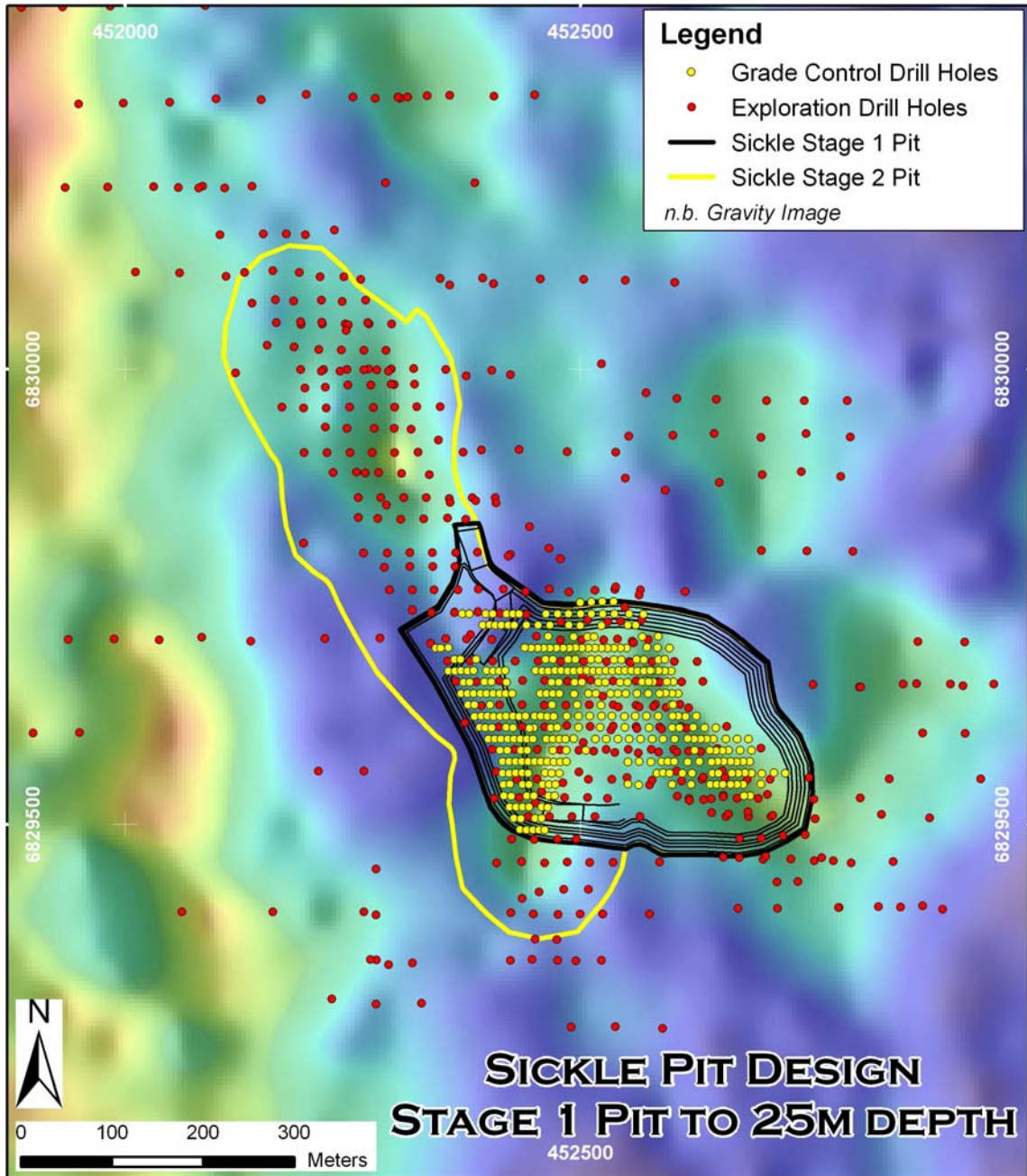
Definitions;

- Ore reserves - Reserves are classified as Probable.
- Reserve ounces - Net of mine dilution and ore loss

Pit designs based on:

- A\$850/oz spot price,
- State Royalty applied at 2.5% and Native Title Royalty of A\$1.60/oz.
- 1.5mtpa mill capacity.

Figure 1 – Stage 1 design at Sickle



MINERAL RESOURCE STATEMENT

As at 12 February 2007, the Indicated Mineral Resource at Laverton totals 20.1 million tonnes at 1.5 g/t Au containing 0.95m ozs of gold and an Inferred Mineral Resource of 10.4 million tonnes at 1.4 g/t Au containing 0.48m ozs, detailed as follows;

Project	Indicated			Inferred		
	Tonnes (kt)	Grade (g/t)	Ounces	Tonnes (kt)	Grade (g/t)	Ounces
Sickle	6,543	1.7	362,000	2,421	1.3	104,000
Fish	500	4.2	68,000	160	3.7	19,000
West Laverton	2,111	1.8	124,000	1,351	2.4	105,000
Others	10,938	1.1	399,000	6,512	1.2	251,000
TOTAL RESOURCES	20,092	1.5	953,000	10,444	1.4	479,000
Low Grade Stockpiles	1,217	0.7	28,000			

Conversion of Inferred Mineral Resource to Indicated Mineral Resources has resulted in 75koz being reclassified since the last Mineral Resource Statement.

Notes for Table:

Figures contained within Table 1 have been rounded. Gold grades are rounded to 1 decimal figure; both estimated tonnes and contained ounces are rounded to nearest 1000.

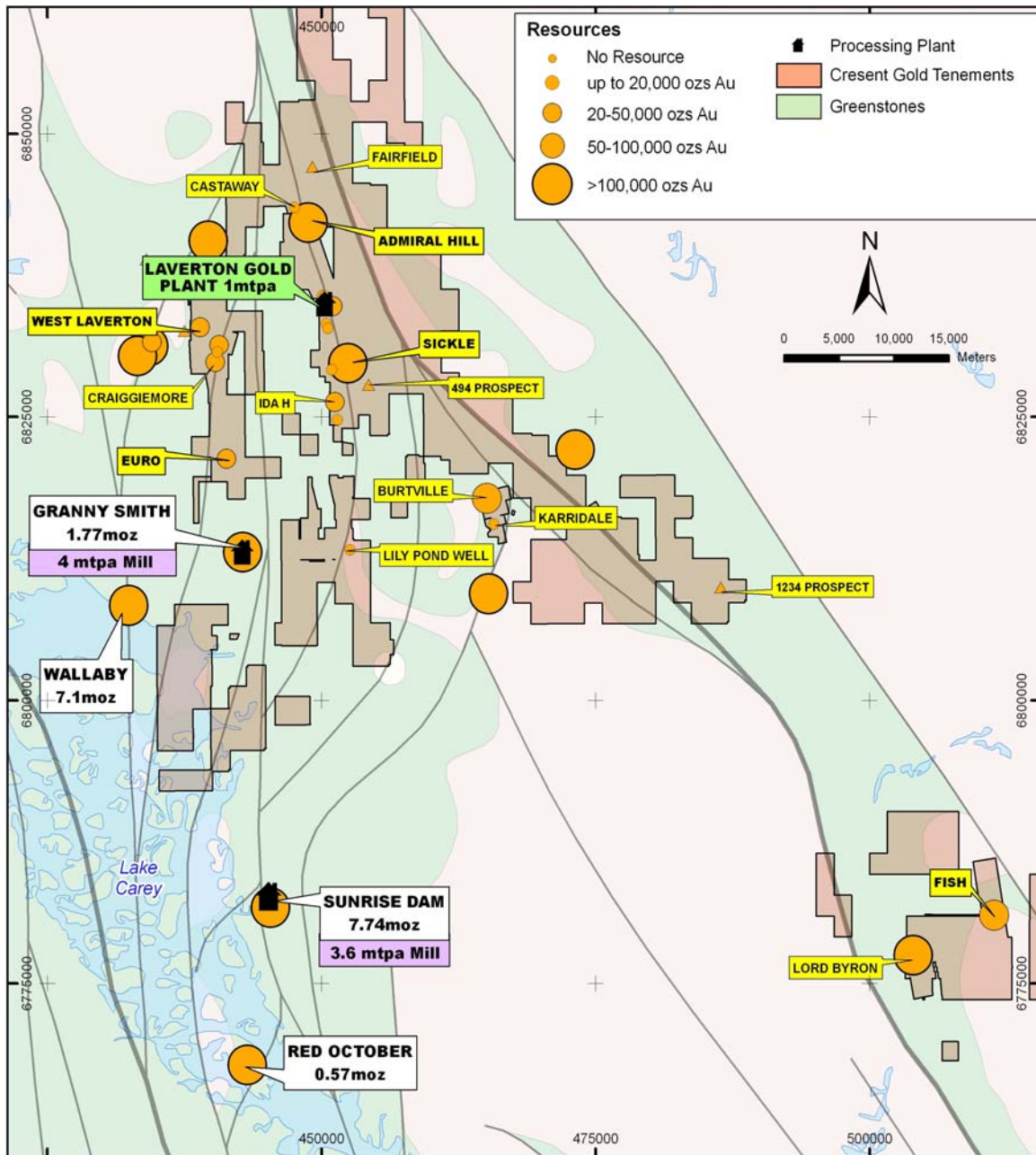
Abbreviations used : Kt = 1000 tonnes, g/t = grams per tonne.

- West Laverton includes resources for Mary Mac, West Laverton, Euro, Mary Mac South and Craiggimore
- Others includes resources for Admiral Hill, Castaway, Grouse, Scotland Yet, Pieces of Eight, She's Right West, She's Right East, Scotland Yet, Jacks, Bogle, Bogle South, Bells, Ida H, Black Label, Lily Pond Well, Lord Byron, Burtville and Karridale

The following mineral resource locations are contiguous with existing open cuts West Laverton, Craiggimore, She's Right West, She's Right East, Scotland Yet and Ida H.

The Karridale deposit is hosted within tenements that are subject to the Merolia Joint Venture Agreement ("MJV"), in which the company holds 75.5% interest in the MJV.

Figure 2 – Laverton Tenements



Quality Assurance and Quality Control (QAQC):

Gold intersections reported have been verified by the company's QAQC protocols, which include routinely inserted standards and replicate field splits. All samples from drill holes are prepared by Genalysis and pulverised to 90% passing 75 microns then analysed for gold using Fire Assay methods.

Caution Regarding Forward Looking Statements

Some of the statements in this news release contain forward-looking information, which involves inherent risk and uncertainty affecting the business of Crescent. Actual events may differ materially from those currently anticipated in such statements. The TSE does not accept responsibility for the adequacy or accuracy of this release.

CONVERTIBLE NOTES

The Company has successfully negotiated terms for \$5M in Convertible Notes. Key terms include 9% pa interest with a maturity date of 1st March 2010 (three years), conversion price of \$0.40 and 1 free attaching option for two shares in the company issued on conversion of the notes prior to June 30 2007. The following parties subscribed:

	Amount	Notes
New City Investment Managers	\$2,000,000	5,000,000
Linq Resources Fund	\$2,000,000	5,000,000
Nefco Nominees Pty Ltd	\$ 500,000	1,250,000
Nortrust Nominees Ltd	\$ 500,000	1,250,000

The funds raised will be used to carry out exploration activities on the Company's tenements in South Australia, Northern Territory, Laverton Gold Project completion and working capital.

Key Terms of the Notes

- (a) **(Interest Rate)** The Interest Rate of the Notes is either 9% per annum or 9% per annum with the payment being shares in the Company at an issue price of A\$0.40 each.
- (b) **(Conditions Precedent)** Issue of the Notes is subject to the written consent of:
- Dundee Precious Metals Inc.; and
 - Investec Bank (Australia) Limited
 - ASX, TSX, OSC and ASIC approvals as required
 - Signing of final agreements and clearing of funds.
- (c) **(Conversion)** The Notes are convertible at any time before maturity, in multiples of not less than A\$500,000 (1,250,000 Crescent shares). The balance of the Notes not converted or redeemed by the maturity date will automatically be converted on the maturity date.
- (d) **(Redemption)** The Notes are redeemable anytime at the Company's election until the Maturity Date. In addition a 5% early redemption fee is payable by Crescent.
- (e) **(Free Attaching Options)** The Company will grant one option for every two shares in the Company issued on conversion of Notes before 30 June 2007.

NOTICE UNDER SECTION 708A (5) (c) of the Australian Corporations Act 2001

Crescent Gold Limited ACN 087 360 996 (the "**Company**") gives this notice pursuant to Section 708A(5)(e) of the Corporations Act.

That the shares were issued without disclosure to investors under Part 6D.2 of the Corporations Act in reliance on S708A(5)(c) of the Corporations Act 2001.

The Company, as at the date of this notice, has complied with:

- (a) the provisions of Chapter 2M of the Corporations Act as they apply to the company and
- (b) Section 674 of the Corporations Act 2001.

There is no excluded information for the purposes of Sections 708A(7) and (8) of the Corporations Act 2001.

Regards

CRESCENT GOLD LIMITED

Andrew Haythorpe
Managing Director

Julian Tambyrajah
CFO & Company Secretary

"The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Andrew Spinks, who is a Member of The Australasian Institute of Mining and Metallurgy included in a list promulgated by the ASX from time to time. Andrew Spinks is employed by 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. Andrew Spinks 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 Mineral Asset of Laverton Gold Project" which is available on SEDAR (www.sedar.com) or the company's website www.crescentgold.com. Further information on Crescent Gold Limited and technical reports on the Laverton Gold Project and all aspects of the Company's activities can be found on the company's website www.crescentgold.com.

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