

Crescent Gold JV's Gawler Craton IOCGU and Uranium in the Northern Territory

22 December 2006

By Electronic Lodgement

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

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

SHARE INFORMATION

ASX Share Price: *A\$0.31*
Issued Shares: *247.2m*
Market Cap: *A\$76.6m*
Options unlisted: *26.8m*

FULLY DILUTED BASIS

Shares: *273.9m*
Cash on dilution: *A\$5.4m*
Current Cash ** : *A\$7.0m*

ENTERPRISE VALUE

EV: *A\$69.6m*
EV / oz reserve: *A\$194/oz*
EV / oz resource: *A\$49/oz*

RESOURCES

Measured: *0.07m ozs*
0.9mt
2.5g/t
Indicated: *0.88m ozs*
18.7mt
1.5g/t
Inferred: *0.54m ozs*
11.4mt
1.5g/t
Market Cap/oz: *A\$51/oz*

RESERVES

Probable: *0.36m ozs*
6.2mt
1.8g/t
Market Cap/oz: *A\$214/oz*

CONTACT DETAILS

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** Inc. A\$2.4m Enviro' Bonds

Crescent Gold Limited (ASX:CRE, TSX:CRA, FFT:CRE5) has entered into a series of Joint Ventures (JV) with Southern Gold Limited (ASX:SAU) ("Southern") in the Gawler Craton in South Australia and in the Northern Territory. This includes a farm-in agreement by Crescent into Southern Gold's IOCGU (Iron Oxide-Copper-Gold-Uranium) projects in the attractive Prominent Hill-Olympic Dam-Carrapateena zone. Southern Gold, through a heads of agreement with Crescent, has the right to joint venture 2 uranium exploration projects in the Rum Jungle and Westmoreland regions of the Northern Territory.

Gawler Craton Joint Venture, South Australia.

The JV agreement covers 4 tenements covering some 2,500km² on the Stuart Shelf province of the Gawler Craton in South Australia. These tenements are within the mineralised corridor which hosts the world's largest copper, gold and uranium deposit (IOCGU) at Olympic Dam and close to the recent copper gold discoveries at Prominent Hill and Carrapateena (Figure 1).

The Torrens South project is positioned immediately east of the new Punt Hill discoveries in South Australia's Gawler Craton (Figure 2). The Company has identified high-priority targets with IOCGU style potential along the gravity trend extending southeast from Punt Hill. Some of the new targets identified on Southern Gold's Torrens South project are within 15km SW along strike from the Punt Hill discoveries and on the same gravity structures currently being drilled by Monax on its adjacent tenement

Terms of the Gawler Craton Joint Venture

Under the Terms of the JV, Crescent can earn 25% of the project by spending A\$1m by 31/12/2007 and 50% total by spending a further A\$3m by 31/12/2008. If Crescent does not spend A\$4m total by 31/12/2008 then it drops all interest in the tenements and they are returned to 100% Southern.

Southern has the right to maintain its interest at 50% or choose to dilute. At that Stage Crescent may earn another 25% by spending an additional A\$3m.

Southern has the right to maintain its interest at 25% or choose to be diluted to a 10% free carried interest. Crescent has the right to purchase the Free carried interest for A\$35m.

Uranium Projects Heads of Agreement, Northern Territory

Rum Jungle Project - (EL 24867)

The Rum Jungle Project is located near the historical Rum Jungle Uranium - Copper mines. Rum Jungle was the Northern Territory's first uranium discovery and Australia's first large scale Uranium mine (1950-1971) and produced 3,530t of U₃O₈ at head grades ranging between 0.28-0.41% in the different ore bodies.

Calvert Hills Project - (EL 24837)

The Calvert Hills Project is located 100km west of the Northern Territory-Queensland border in northern Australia and is focused on the outcropping Westmoreland Conglomerate. Uranium occurrences in the Westmoreland Uranium Field have a spatial association with the unconformity between the Westmoreland Conglomerate and the underlying Clifdale Volcanics. Proterozoic unconformity related deposit includes some of the highest grade and largest deposits in the world, principally within two areas, the Alligator River region in the Northern Territory (eg: Ranger) and the Athabasca Basin in Canada (eg: Cigar Lake)

Terms of the Heads of Agreement (HOA)

Under the Terms of the HOA, Southern Gold can earn 50% of the project by spending \$600,000 by 30/6/2008. If Southern Gold does not spend \$600,000 total by 30/06/2008 then it drops all interest in the tenements and they are returned to 100% Crescent.

If Crescent chooses not to maintain its interest at 50%, Southern Gold can then earn 75% in the project by spending a further \$400,000 by 31/12/2008.

Crescent has the right to maintain its interest at 25% or choose to be diluted to a 10% free carried interest. Southern Gold has the right to purchase the Free Carried Interest for \$35m.

Crescent will retain 100% interest in its Calvert Hills South tenements which overly two notable bulls-eye type magnetic anomalies with the potential to host IOCGU targets. Coincident surficial radioactivity surveys note the presence of radioactive material which further supports the potential for IOCGU type targets.

Crescent sees the opportunity to JV a portion of its Uranium Properties as a step towards focusing on those projects which best fit Crescent's exploration model outside of Laverton.

With the recent addition of the Torrens South project within the Gawler Craton, Crescent has shifted its focus in exploration to include those areas with strong IOCGU type mineralization potential.

The JV will provide Crescent with the ability to focus on reaching production at its Laverton Gold Project and will allow the company to focus on exploration targets fitting the company's objective: large scale mineral deposits. Crescent plans to begin focusing on IOCGU drill target generation shortly. In the meantime, Crescent remains focused on commencing commercial production at its Laverton Gold Mine targeting January 2007 to kick off processing.

Laverton Gold Project Update

Crescent Gold is in the final stages of commissioning its 100% owned Laverton Gold Project, which will be one of Australia's more significant gold producers with an estimated output rising above 90,000 ozs pa progressively over the next 12 months. Crescent has more than doubled its resource at Laverton since 2003 and established a bankable reserve of 358,000ozs. A recent update on the progress at the Laverton Gold Project was announced on December 18, 2006.

Information on Crescent Gold Limited and technical reports on the Laverton Gold Project can be found on the company's website www.crescentgold.com. For further information please contact Hayley Patton on +61 8 9322 5833 in Australia or Renee Brickner in Canada +1.604.687.0072, 1166 Alberni St., Vancouver, B.C. V6E 3Z3, suite 1201, fax +1.604.687.4770.

Regards

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The information in this report has been compiled by Stephen Biggins (BSc(Hons)Geol, MBA) as a full-time employee of Southern Gold and who is a member of the Australasian Institute of Mining and Metallurgy and is bound by and follows the Institute's codes and recommended practices. As a Competent Person, he has a minimum of 5 years relevant experience in the style of mineralisation and types of activities being reported and has given written consent to the above report in the form and context in which it appears.

Figure 1. Torrens Project

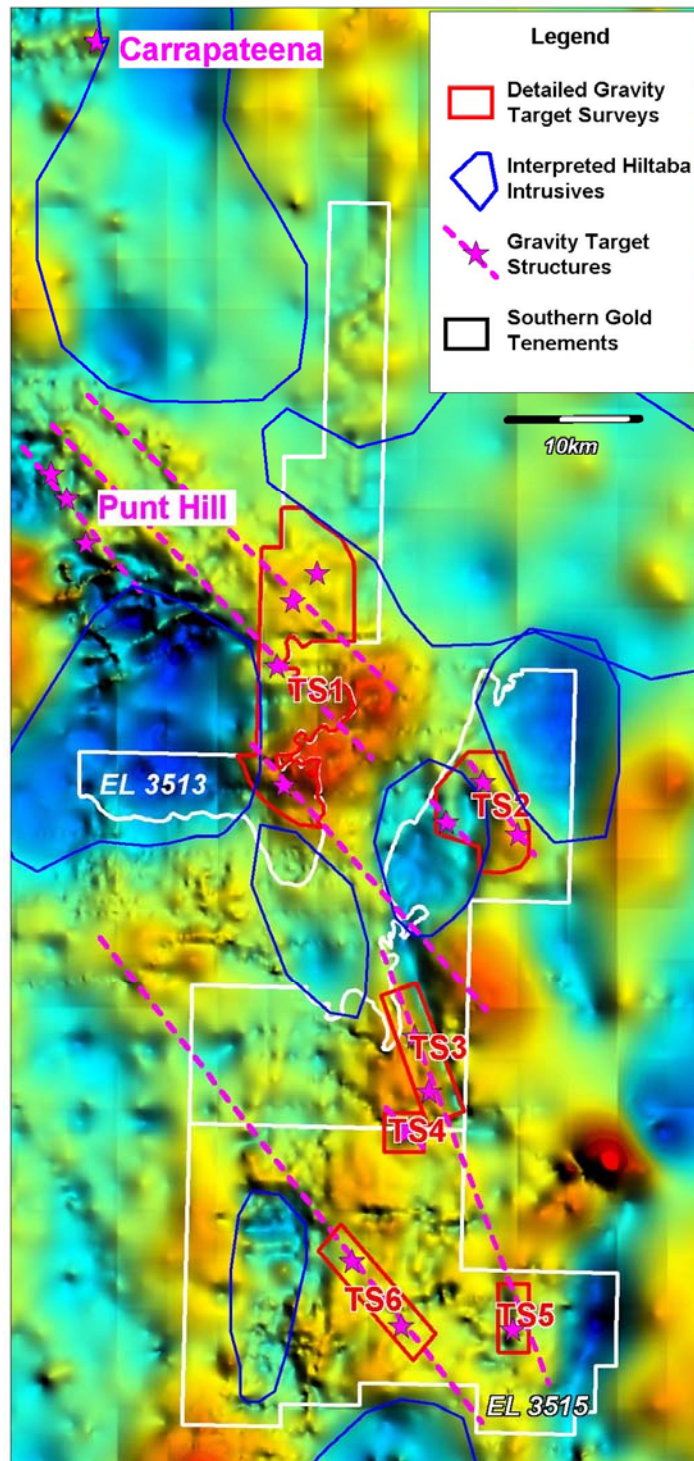
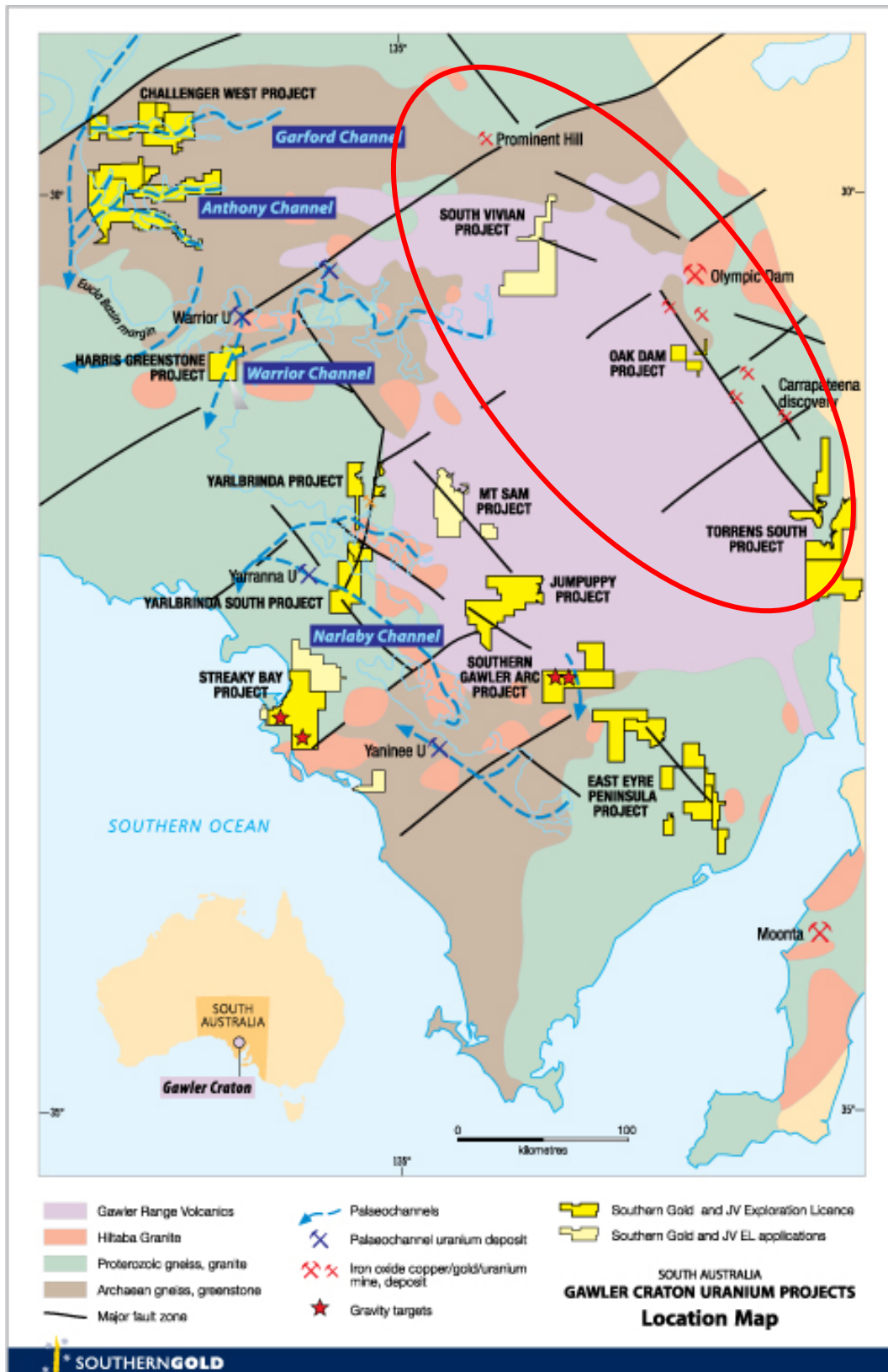


Figure 2.

Map of Southern Gold’s Gawler Craton Projects Highlighting (red circle) the projects subject to Joint Venture with Crescent.



NEWS

• RELEASE •

Friday 22 December 2006

CRESCENT'S FIRST FORAY INTO SA UNDER EXPANDED

SA-NT URANIUM EXPLORATION DRIVE

Imminent gold producer, Crescent Gold Limited (ASX code: "CRE") has expanded for the first time into South Australia's heated minerals exploration sector and also announced an accelerated program for its Northern Territory uranium projects.

Crescent – nearing completion on its plant refurbishment with mine preparation already underway at the Company's Laverton project in Western Australia - will use a combination of new joint ventures to fuel the expansion and enhanced exploration programs.

It has joint ventured into key acreage in South Australia along the Gawler Craton - Olympic Dam trend.

"These tenements are within the mineralised corridor which hosts the world's largest IOCGU deposit at Olympic Dam and close to the recent copper gold discoveries at Prominent Hill and Carrapateena. High priority IOCGU style targets in the Torrens South project just east of the new Punt Hill discoveries, will also be a focus."

Crescent Gold began its search for large Copper, Gold, deposits three years ago with its entry into northern China.

The Joint Venture terms also allow Southern Gold access rights to two of Crescent's Northern Territory uranium projects.

Crescent has exercised its option to acquire uranium leases around the Rum Jungle and Tennant Creek areas and agreed joint venture terms allowing Rum Jungle Uranium, a wholly owned subsidiary of Wasabi Energy PL, to farm in to the ground under new exploration funding commitments.

Stuart Shelf JV: Gawler Craton, South Australia.

"We have been keeping an eye on developments in South Australia for over 2 years now. New targeting techniques, mainly using gravity, have demonstrated the ability for juniors to successfully discover Roxby Downs style systems. Minotaur and Monax are good examples of this. We believe that South Australia might provides

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substantial opportunity for growth as Crescent moves from a proven explorer into a producer,” Crescent’s Managing Director, Mr Andrew Haythorpe, said today.

“The new agreements crystallise our interests in SA and NT in uranium – which we identified some 18 months ago as a growth opportunity and which underpinned our acquisition of a suite of uranium assets in September last year,” Mr Haythorpe said.

“The new Stuart Shelf JV agreement gives Crescent Gold a 25% interest (Southern Gold 75%) in four tenements totalling 2,500km² within the Gawler Craton.

Enhanced NT uranium exploration

As part of its entry into South Australia, Crescent has granted Southern Gold rights to earn an interest in the uranium exploration in the NT.

These were among a package of uranium assets acquired 15 months ago and which include three prospective uranium tenements near Rum Jungle, north of Tennant Creek and at Calvert Hills, northeast of Tennant Creek just inside the NT border.

Mr Haythorpe said Rum Jungle Uranium had been granted the rights to earn a 25% interest in two of Crescent’s Rum Jungle projects and one of its Tennant Creek leases and could move that to a 50% interest with a total spend on the acreage of \$600,000 by the end of 2008. Rum Jungle Uranium has retained a right to spend a further \$500,000 to increase its stake to 75% by mid 2009 at which point, Crescent can elect to contribute to the exploration program or reduce to a 10% free carried interest.

Laverton gold start-up

Mr Haythorpe said was pleased with progress on its Laverton gold project, now in its final stages of construction, with commissioning to get underway in January.

“Crescent will progressively build up its gold production in 2007 to become one of Australia’s more significant gold producers with an estimated output rising above 90,000 ounces per annum,” Mr Haythorpe said.

“We have more than doubled our resource at Laverton since 2003, and established a bankable reserve of 358,000ozs and are now mining.”

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