

Crescent Gold Limited Mine Preparation Commences

18th 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 is pleased to announce that Mining preparations have commenced at its Laverton Gold Project.



(Site clearance at Sickle Deposit underway 13th December 2006)

Construction at the Laverton Gold Project, Phase 1 Refurbishment is nearing completion. Recent milestones include:

- Minepower Mining contractor on site with pre-production fleet for site preparation.
- Mining fleet ready for site delivery mid January.
- Site offices refurbished and upgraded for operations. Completed November.
- Mining workshops and office facilities repaired and renewed. Completion anticipated late December.
- Sickle Deposit and Laverton plant - approval imminent
- Construction permit undergoing conversion to Operating license as conditions (e.g. construction items such as bunding, drainage, pipeline installations etc) are completed.
- Concrete foundation work for the crusher underway. Completion estimated late December.
- Site preparation for new 3 Stage crusher in progress.
- New crushing circuit in transit for delivery to site by late December.

- Second ball mill foundation poured and curing.
- Cyclone Tower steel work being delivered and assembly well advanced. (Completion estimated January 2007).
- Sickle Grade control drilling to 20m depth commencing on schedule December 18th.
- Technical staff for operations hired and located onsite, including;
 - Manager Mining
 - Chief geologist
 - Chief Surveyor
 - Senior Geologists (2)
 - Senior Surveyor
 - Site Administrator
 - OHS and E co-ordinator
 - Mine Accountants (Perth based)
 - Purchasing and logistics Manager (Perth based)
 - Mining Engineer (to be hired Jan 07)
- All support equipment (computers, instrumentation etc) purchased and in use.
- Communications link established. Upgrade completion expected January 2007.
- Power Station delivered on site in November and installation due for completion mid January. Power agreements completed.
- Contract Mining (August), Catering (August), Fuel (November) and other support contracts negotiated, awarded and implemented (finalised as of November 2006).
- New Operations camp installed (in October) and occupied (December).
- Temporary accommodation at Laverton secured for excess personnel requirements.
- Existing camp overhauled and completed (September '06)
- Kitchen and dining room extended October, and upgrade completed in November.
- Catering established for in excess of 100 people.
- The payment of A\$4.15m was made on time to AngloGold Ashanti Australia Limited pursuant to the Jasper Hills and Sickle royalty purchase agreement.

Ms Renee Brickner has joined the company to support the Company's TSX listing and oversee Investor Relations. Ms Brickner holds a Bachelor of Science in Geology from the University of Saskatchewan and is a member of the Association of Professional Engineers and Geoscientists, G.I.T.

Ms Brickner has 7 years of experience which includes exploration geologist, technical review for acquisitions, corporate development and compliance, as well as investor relations.

Mr Grant Walsh has resigned from the Company in order to pursue other interests. The Board thanks Mr Walsh for his contribution.

Crescent acknowledges the support and contribution of staff, contractors and suppliers on site who have advanced the construction phase of the Laverton Gold Plant refurbishment to near completion.

Crescent looks forward to moving ahead in 2007 with a supportive, collaborative team united in the goal of developing a successful West Australian gold producer in a challenging business environment.

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

Andrew Haythorpe
Crescent Gold Limited
Managing Director