

Drilling Update - 41m @ 3.3g/t

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

10 July 2006

By Electronic Lodgement

SHARE INFORMATION

ASX Share Price: *A\$0.33*
Issued Shares: *218.0m*
Market Cap: *A\$71.9m*
Options unlisted: *30.1m*

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

FULLY DILUTED BASIS

Shares: *248.1m*
Cash on dilution: *A\$5.6m*
Current Cash **: *A\$6.0m*

ENTERPRISE VALUE

EV: *A\$65.9m*
EV / oz reserve: *A\$226/oz*
EV / oz resource: *A\$50/oz*

RESOURCES

Measured: *0.07m ozs*
0.9mt
2.5g/t
Indicated: *0.63m ozs*
13.4mt
1.4g/t
Inferred: *0.69m ozs*
15.2mt
1.4g/t
Market Cap/oz: *A\$52/oz*

RESERVES

Probable: *0.29m ozs*
Market Cap/oz: *A\$246/oz*

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

Two diamond drill holes were drilled at Lord Byron for metallurgical testwork. Results were significantly better than previous drilling indicated (1.8g/t), including;

41m at 3.3 g/t from 44m
(incl 3m at 17.4 g/t from 59m)

Further intersections have also been received at shallow depths at the northern end of Castaway.

5m at 3.1 g/t from 35m
5m at 2.6 g/t from 26m
3m at 5.2 g/t from 0m

A full listing of results is detailed in Table 1 and 2 (downhole lengths reported - true widths will be determined). The results for Lord Byron were from a 2 hole HQ3 Diamond drilling programme for 157 metres. The RC results from Castaway were from a follow-up 26 hole RC drilling programme for 2,790 metres.

The previous RC programme at Castaway included;

27m at 5.4 g/t from 30m
(incl 9m at 7.8 g/t from 37m)
2m at 26.5 g/t from 53m
7m at 5.9 g/t from 54m
12m at 4.1 g/t from 34m

This drilling has identified continuous mineralisation over a 300m strike length. The northern area is a priority exploration target given that a significant strike length remains untested.

New Resource - update

Results will be incorporated into the updated resource estimate for both Castaway and Lord Byron, due within the next 8 weeks.

For diagrams and full details please refer to the company website www.crescentgold.com and www.sedar.com.

As at 31 March 2006, the Indicated Mineral Resource for the Company totalled 14.3 million tonnes at 1.5 g/t Au (697,000 ozs of gold) and the Inferred Mineral Resource 15.2 million tonnes at 1.4 g/t Au (687,000 ozs), detailed in March 2006 quarterly report.

Figure 1 – Cross Section - Lord Byron

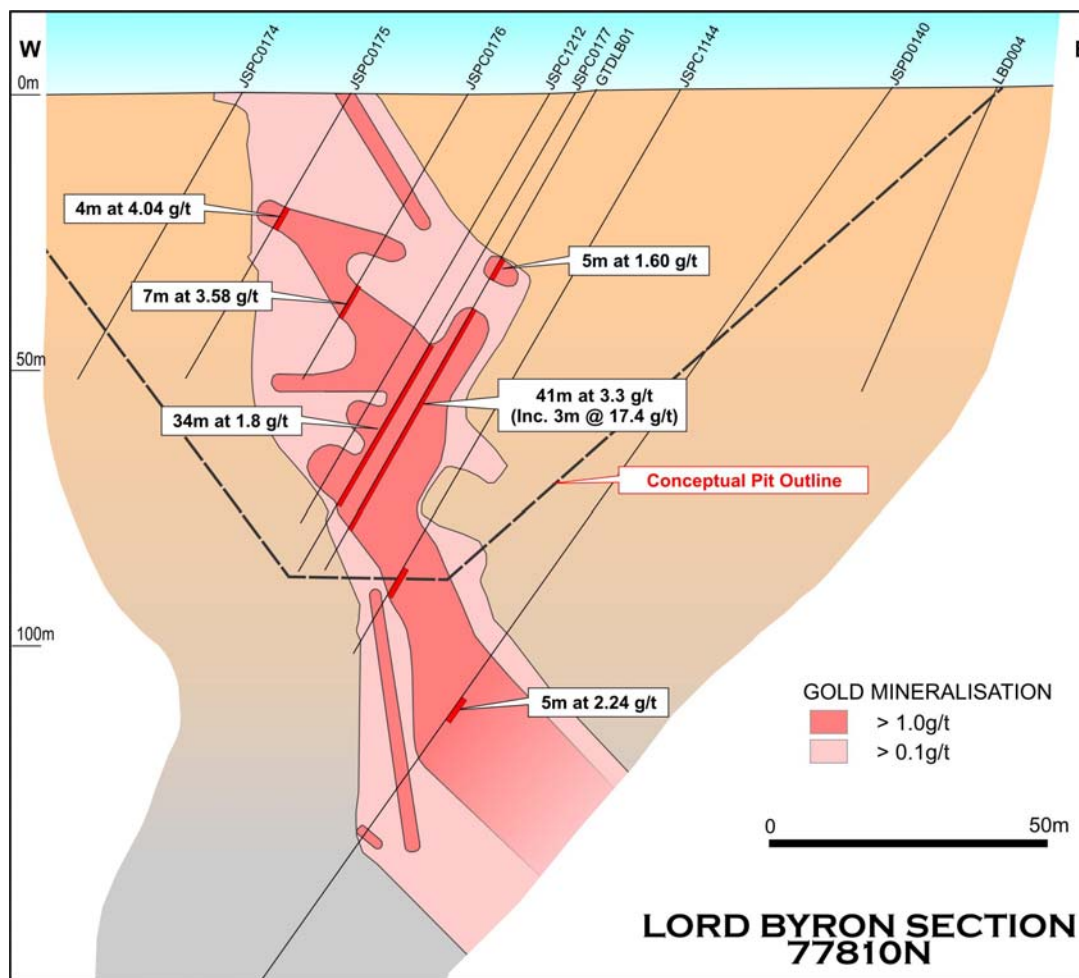


Table 1 – Diamond Drill Results for Lord Byron

MINERALISED INTERCEPT				AZIMUTH	DIP	NORTH	EAST	HOLE ID
INTERVAL (M)	GRADE AU (G/T)	DEPTH FROM (M)	DEPTH TO (M)					
5	1.6	33	38	270	-60	6777801	504002	GTLB01
41	3.3	44	85					
3	17.4	59	62	<i>Including</i>				
1	40.4	61	61	<i>Includes</i>				
4	1.3	0	4	270	-60	6777439	504253	GTLB02
4	1.5	8	12					
11	1.0	18	29					
9	0.9	39	48					

Figure 2 – Geological Location Plan – Lord Byron

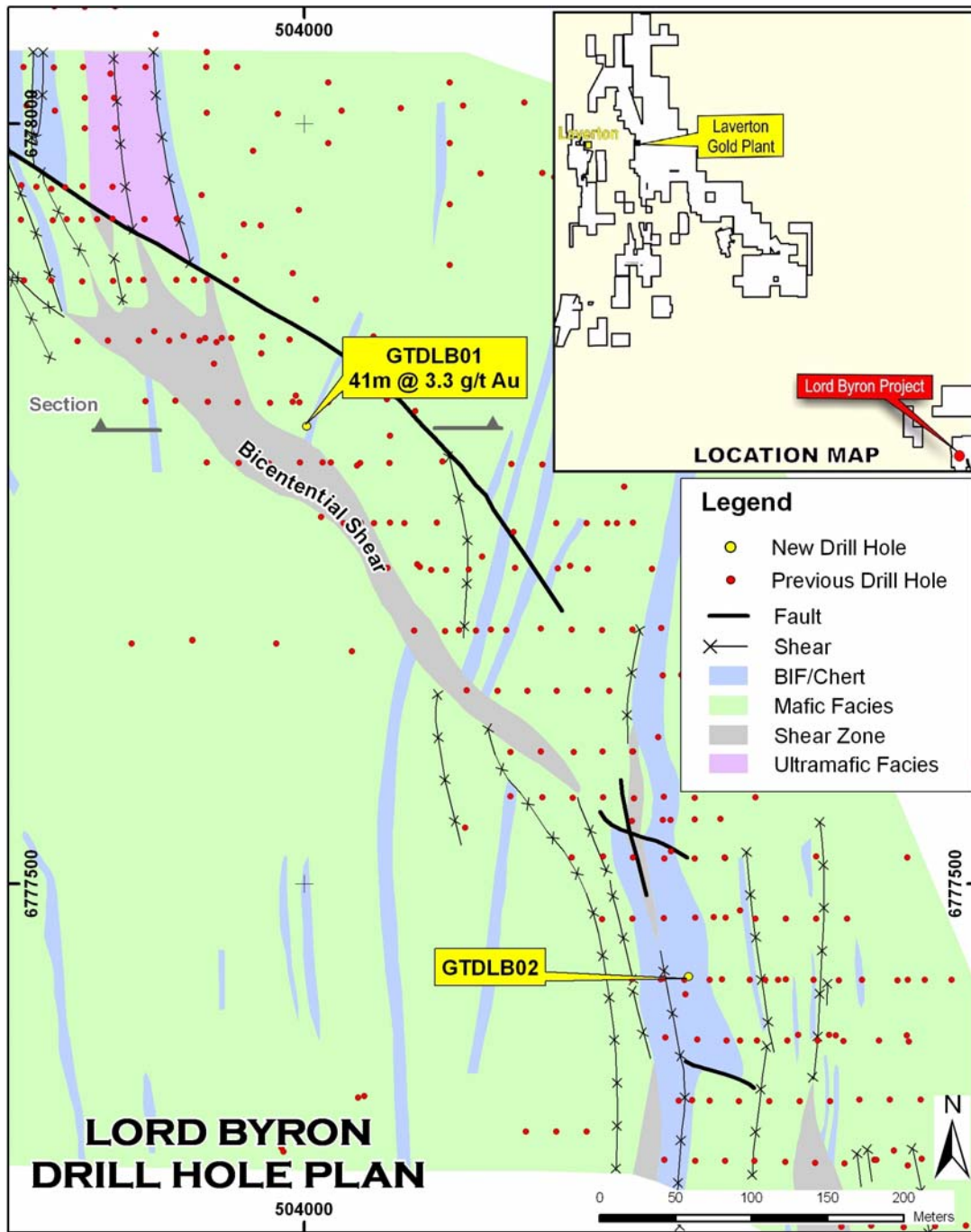


Figure 3 – Geological Location Plan - Castaway

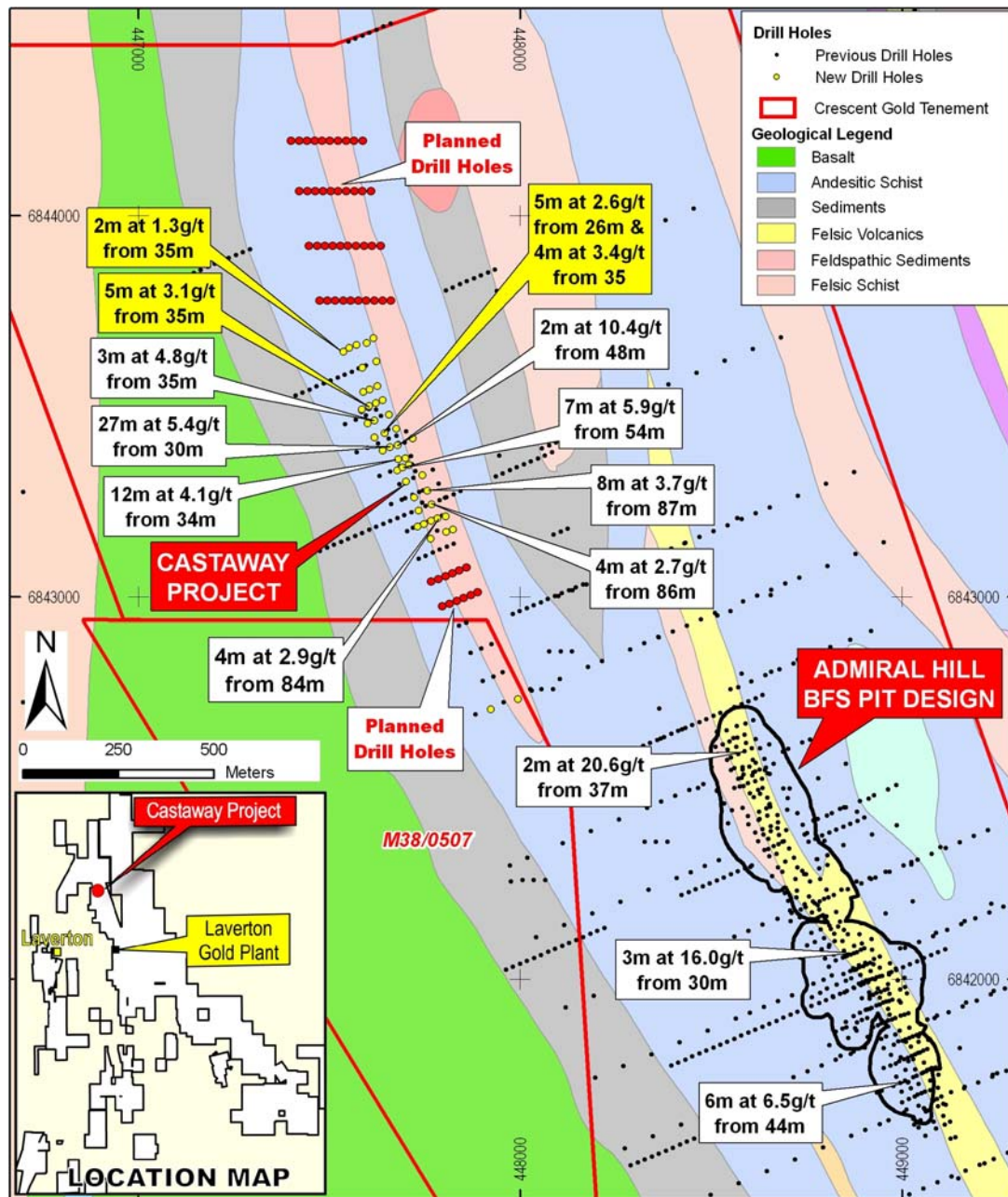


Table 2 – RC Drill Results for Castaway

MINERALISED INTERCEPT				AZIMUTH	DIP	NORTH	EAST	HOLE ID
INTERVAL (M)	GRADE AU (G/T)	DEPTH FROM (M)	DEPTH TO (M)					
1	1.9	52	53	246	-60	6843177	447825	CARC018
2	2	53	55	246	-60	6843170	447807	CARC019
4	1.1	82	86					
1	2.5	40	41	246	-60	6843152	447766	CARC020
NO SIGNIFICANT INTERSECTION				246	-60	6843211	447805	CARC021
2	1.3	35	37	246	-60	6843643	447537	CARC022
1	1.4	50	51	246	-60	6843653	447553	CARC023
2	1.3	43	45	246	-60	6843664	447572	CARC024
1	1.2	97	98	246	-60	6843665	447598	CARC025
NO SIGNIFICANT INTERSECTION				246	-60	6843678	447616	CARC026
1	2.6	66	67	246	-60	6843601	447587	CARC027
1	1.0	44	45	246	-60	6843617	447624	CARC028
2	1.3	97	99					
1	1.8	41	42	246	-60	6843537	447589	CARC029
1	4.1	45	46					
1	5.1	88	89					
1	4.4	61	62	246	-60	6843544	447606	CARC030
1	3.7	93	94	246	-60	6843552	447626	CARC031
1	1.6	48	48	246	-60	6843508	447623	CARC032
1	1.0	43	44	246	-60	6843516	447641	CARC033
1	1.6	12	13	246	-60	6843455	447601	CARC034
3	4.8	34	37	246	-60	6843462	447619	CARC035
1	8.5	41	42					
1	1.5	1	2	246	-60	6843478	447657	CARC036
1	2.0	90	91					
2	1.7	0	2	246	-60	6843418	447619	CARC037
1	2.6	15	16					
2	2.8	35	37					
1	2.0	90	91	246	-60	6843415	447719	CARC038
2	2.4	120	122					
1	4.7	89	90	246	-60	6843441	447676	CARC039
3	5.2	0	3	246	-60	6843384	447640	CARC040
3	1.1	20	23					
1	4.4	36	37					
1	1.7	22	23	246	-60	6843429	447646	CARC041
5	2.6	26	31					
4	3.4	35	39					
2	2.2	47	49					
4	1.8	59	63					
1	1.3	33	34	246	-60	6843492	447586	CARC042
5	3.1	35	40	246	-60	6843500	447605	CARC043

1. All gold analysis undertaken by 40 gram Fire Assay at independent commercial laboratory Ultra Trace Pty Ltd located in Perth, Australia.
2. RC Samples collected over 1 metre intervals using a industry standard 3 tier riffle splitter. Diamond core was sampled over 1m by collecting whole core, sample was crushed then rotary split at Ammtec Pty Ltd.
3. Minimum intersection width 2 metres with internal waste of no more than 2 metres
4. Downhole lengths reported as true width is unknown.
5. Azimuths are referenced to local grid.
6. No top cut has been applied.
7. Intersection grade rounded to 1 decimal figure.

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 Ultra Trace Pty Ltd and pulverised to 90% passing 75 microns then analysed for gold using Fire Assay methods.

"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 promulgates 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 can be found on the company's website www.crescentgold.com.

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.

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Regards

Crescent Gold Limited



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