

Crescent Gold - Laverton gold reserves up 22% to 358,000 oz

6 September 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\$0.34*
Issued Shares: *218.0m*
Market Cap: *A\$74.1m*
Options unlisted: *30.1m*

FULLY DILUTED BASIS

Shares: *248.1m*
Cash on dilution: *A\$5.6m*
Current Cash **: *A\$5.0m*

ENTERPRISE VALUE

EV: *A\$69.1m*
EV / oz reserve: *A\$193/oz*
EV / oz resource: *A\$48/oz*

RESOURCES

Measured: *0.07m ozs*
0.9mt
2.5g/t
Indicated: *0.90m ozs*
18.7mt
1.5g/t
Inferred: *0.55m ozs*
11.4mt
1.5g/t
Market Cap/oz: *A\$49/oz*

RESERVES

Probable: *0.36m ozs*
6.2mt
1.8g/t
Market Cap/oz: *A\$207/oz*

CONTACT DETAILS

L5 89 St Georges Terrace
Perth WA 6000
Phone: +61 8 9322 5833
Fax: +61 8 9322 5866
info@crescentgold.com
www.crescentgold.com
ABN 49 087 360 996

A 22% increase in gold reserves (to 358,000 ounces) at its Laverton project in Western Australia has been announced by emerging ASX-listed producer, Crescent Gold Limited.

The Company today released its first reserve upgrade for Laverton since December last year, reporting:

- Probable Ore Reserve estimates have increased to 6.2mt at 1.8 g/t for a new total of 358,000 ounces, a 22% increase on contained ounces previously estimated (December 2005 4.4mt at 2.1 g/t for 292,000 oz).
- The Indicated Mineral Resource estimate of 18.7mt at 1.5 g/t for 877,000 ounces is 47% higher than the contained ounces previously estimated (December 2005 13.4mt at 1.4 g/t for 603,000 oz). Inferred Resources now stand at 550,000 ozs.

“As significant as the improvement is, we are confident that when recent drilling results are accounted for, reserves will be pushed even higher by year’s end – coinciding with our production start-up,” Crescent Gold’s Managing Director, Mr Andrew Haythorpe, said today.

“This completes the key mine start milestones for Crescent. Namely another reserve upgrade, project financing, mine and major contractor appointments,” Mr Haythorpe said.

“The Company is now poised to join the ranks of Australian gold producers at significant output levels and a targeted profit margin of A\$250/oz.”

Crescent expects to commence overburden removal and ore stockpiling in early December, with the ore processing at its 100% owned Laverton gold mill to follow shortly.

Nine deposits have been identified for mining at Laverton, located 360 km north of Kalgoorlie – the flagship Sickie project accounts for about 143,000 reserve ounces in the recent upgrade.

Ongoing work by Crescent aims to extend the Laverton mine life beyond 5 years.

ORE RESERVES

The following table details the Company's Ore Reserves as defined by NI 43-101 as at 6 September 2006.

DEPOSIT	Probable Ore Reserve		
	Tonnes (kt)	Grade (g/t)	Ounces
Sickle	2,213	2.0	143,000
Fish	385	4.1	51,000
Euro	431	1.6	23,000
Admiral Hill	1,963	1.1	71,000
Mary Mac South	138	1.7	8,000
Grouse	107	1.7	6,000
Castaway	148	2.3	11,000
Lord Byron	293	1.8	17,000
West Laverton	515	1.7	28,000
TOTAL	6,193	1.8	358,000

The company has also estimated a probable reserve of 1.16mt at 0.7 g/t for 26,000 oz for its Low Grade Stockpiles.

Gold grades are rounded to 1 decimal figure. Abbreviations used: Kt = 1,000 tonnes, g/t = grams per tonne

Definitions;

Ore reserves - Reserves are classified as Probable.

Reserve ounces - Net of mine dilution and ore loss

Assumptions:

A\$850/oz spot price,

State Royalty applied at 2.5% and Native Title Royalty of A\$1.60/oz.

1.5mtpa mill capacity.

MINERAL RESOURCE STATEMENT

As at 6 September 2006, the Indicated Mineral Resource at Laverton totalled 18.7 million tonnes at 1.5 g/t Au containing 0.88m ozs of gold and an Inferred Mineral Resource of 11.4 million tonnes at 1.5 g/t Au containing 0.54m 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	4.1	67,000	160	3.7	19,000
West Laverton	1,010	1.9	62,000	450	1.9	27,000
Euro	646	1.7	35,000	53	1.5	3,000
Mary Mac South	455	1.9	28,000	136	2.1	9,000
Armstrong	4,831	0.8	124,000	1,638	1.4	74,000
Castaway	340	2.1	23,000	45	1.7	2,000
Grouse	523	1.7	29,000	27	1.3	1,000
West Laverton Group				712	2.9	66,000
Central Laverton Group	444	2.0	28,000	2,720	1.4	119,000
Burtville Group	210	2.1	14,000	1,060	1.7	58,000
Jasper Hill Group	3,190	1.0	105,000	1,980	0.9	57,000
TOTAL RESOURCES	18,692	1.5	877,000	11,402	1.5	539,000
Low Grade Stockpiles	1,217	0.7	28,000			

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.

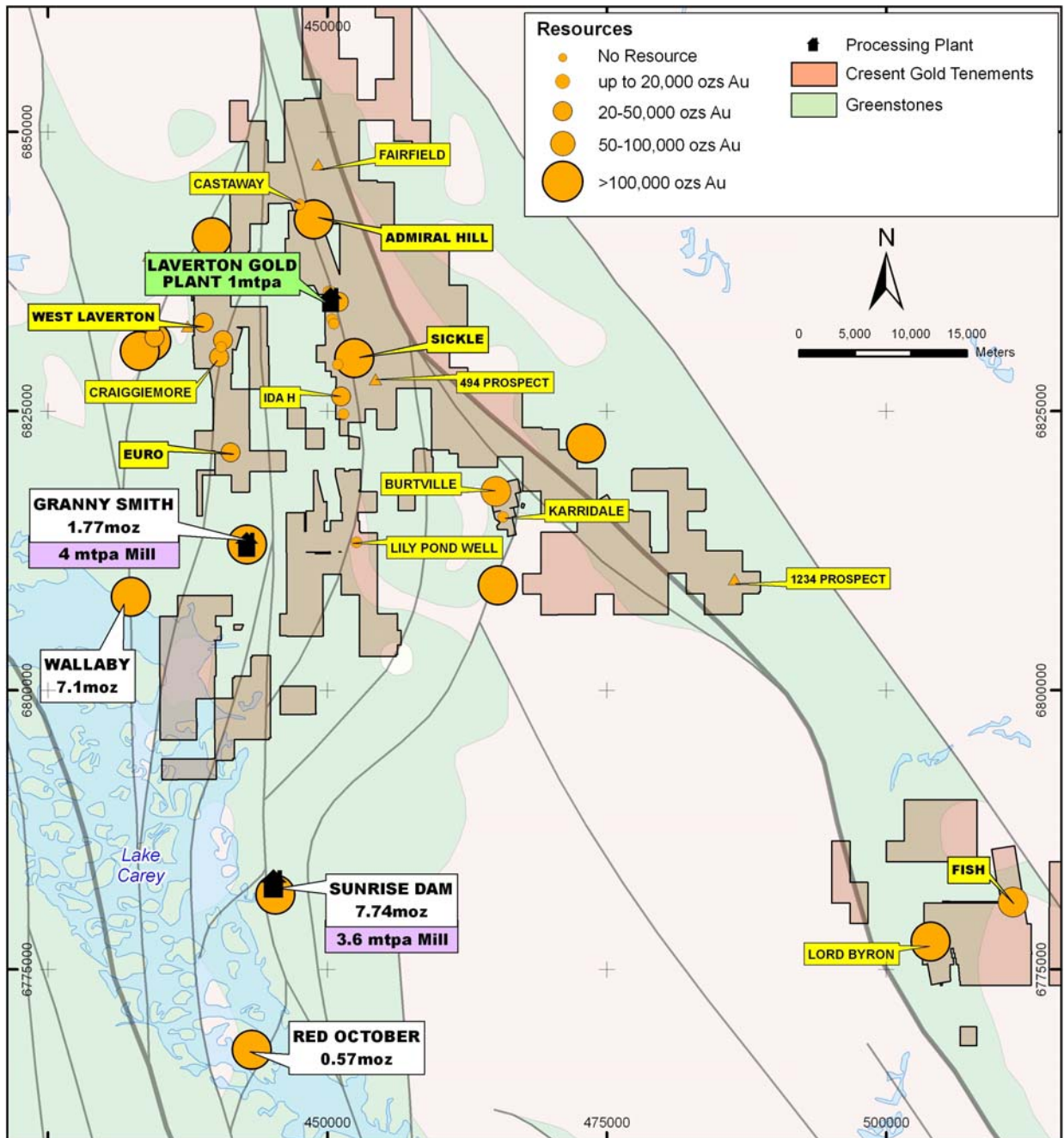
Abbreviations used : Kt = 1000 tonnes, g/t = grams per tonne.

- West Laverton Group includes resources for Mary Mac South and Craiggie more.
- Central Laverton Group includes resources for Pieces of Eight, She's Right West, She's Right East, Scotland Yet, Jacks, Bogle, Bogle South, Bells and Ida H.
- South Laverton Group includes resources for Black Label and Lily Pond Well.
- Jasper Hill Group includes resources for Lord Byron.
- Burtville Group includes resources for Burtville and Karridale deposits.

The following mineral resource locations are contiguous with existing open cuts West Laverton, Craiggie more, 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 1 – Laverton Tenements



“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 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.

For further information please contact:
Sheralee Allen or Hayley Patton
+61 8 9322 5833

Regards
Crescent Gold Limited

Andrew Haythorpe
Managing Director