

## Drilling to start on IOCGU targets near Carrapateena, Sth Australia.

6 June 2007

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\$0.39*  
Issued Shares: *259.2m*  
Market Cap: *A\$101.1m*  
Options unlisted: *50.9m*

### FULLY DILUTED BASIS

Shares: *310.1m*  
Cash on dilution: *A\$12.7m*

### RESOURCES

Indicated: *0.95m ozs*  
*20.1mt*  
*1.5g/t*  
Inferred: *0.48m ozs*  
*10.4mt*  
*1.4g/t*

### RESERVES

Probable: *0.40m ozs*  
*7.6mt*  
*1.7g/t*

### RESOURCE

Market Cap/oz: *A\$71/oz*

### RESERVE

Market Cap/oz: *A\$253/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

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Crescent Gold Ltd (ASX CRE, TSX CRA) and Southern Gold Ltd (ASX: SAU) are planning to drill at least 5 high priority IOCGU targets on the Torrens South Joint Venture near Carrapateena in South Australia. The gravity anomalies are interpreted as dense hematite alteration systems.

An additional 8 IOCGU targets have been identified from the recent detailed gravity surveys completed by Southern Gold. Over 3,900 gravity stations at 250m spacing were completed in early 2007. Nine target areas in total were geophysical modelled - highlighting anomalous dense volumes below surface (Figure 1).

The initial drilling program comprises at least 5 holes with a maximum depth 1000m. The drilling results recently reported by Teck Comico (including 905m @ 2.1%Cu, 1g/t Au) from nearby Carrapateena highlight the magnitude of targets in this environment. Some of the new gravity targets on the Torrens South JV are 10km SE along strike from the Punt Hill discoveries being drilled on the adjacent tenement.

The Torrens South JV consists of two tenements (EL 3513 and EL 3515) encompassing approximately 1,500 square kilometres located on the eastern margin of the Gawler Craton within the Olympic IOCGU Province, host to the world-class Olympic Dam deposit, Prominent Hill and recently discovered Carrapateena prospect and Punt Hill. This further highlights the prospectivity of the Torrens South JV.

Further regional and detailed gravity surveys to verify gravity anomalies are planned. Further drilling at Tycoon, Mogul and Tsar Targets Areas is anticipated once this extra gravity is acquired later this month (Figure 2).

Crescent Gold is fully funding this program by spending \$4,000,000 by 31/12/2008 to earn 50% in the Torrens Project.

Discussions are currently underway with drilling contractors to enable this deep drilling program to start within 8 weeks.

For Further information please contact:

Mr Stephen Biggins  
Southern Gold  
Managing Director  
Phone: +61 (0) 8 8132 0044  
Fax: +61 (0) 8 8132 0199

Ms Renee Brickner  
Crescent Gold Ltd  
Investor Relations  
Phone: +1 604 687 0072

Please visit our website at [www.southerngold.com.au](http://www.southerngold.com.au) or [www.crescentgold.com.au](http://www.crescentgold.com.au)

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. Residual Gravity Image and Drillhole locations, Torrens South Project, South Australia.

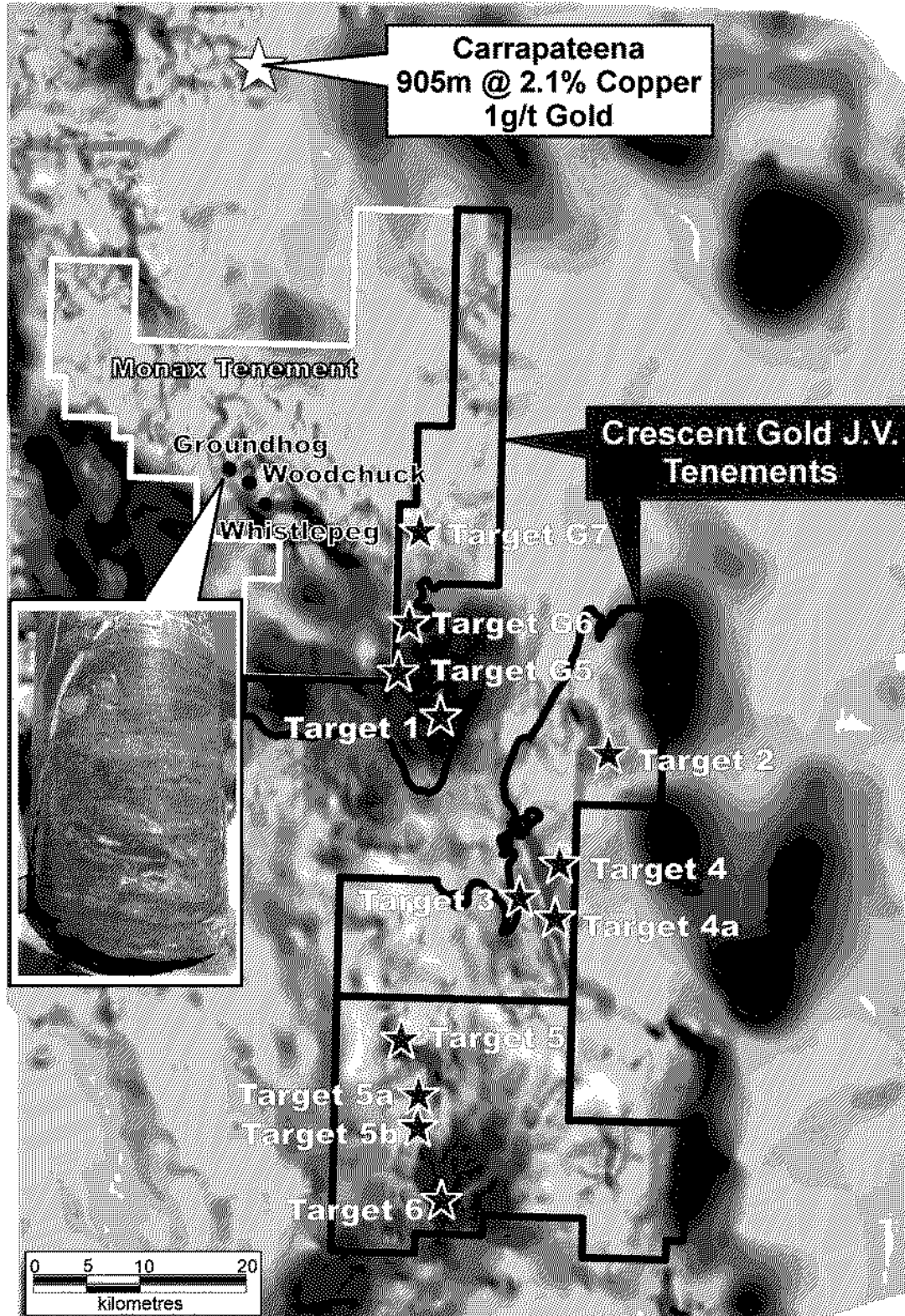


Figure 2. Additional Gravity Survey areas (red outline) overlain on residual gravity image and showing current gravity station locations.

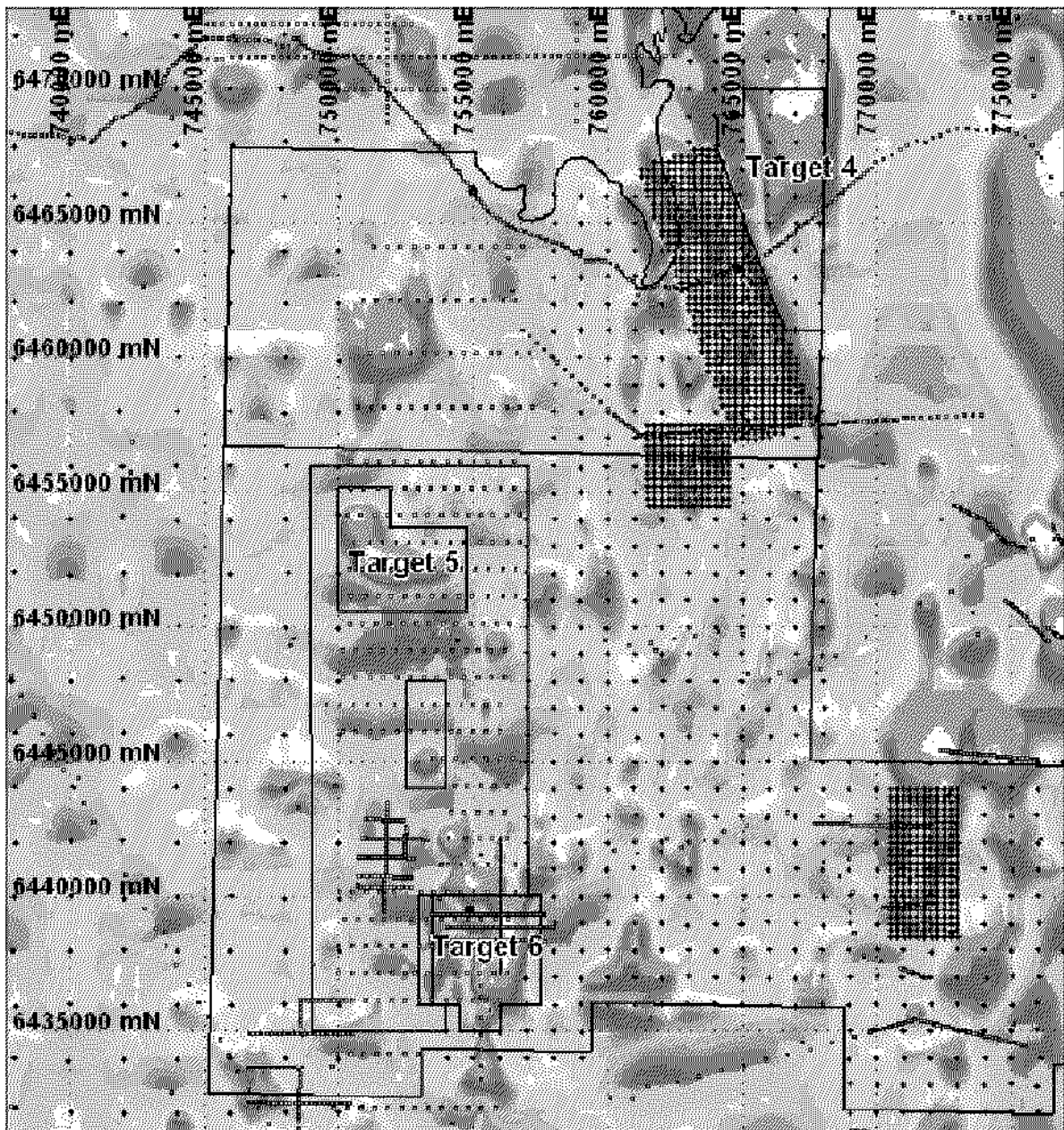


Figure 3 – Close up of Gravity Target 3 and 4

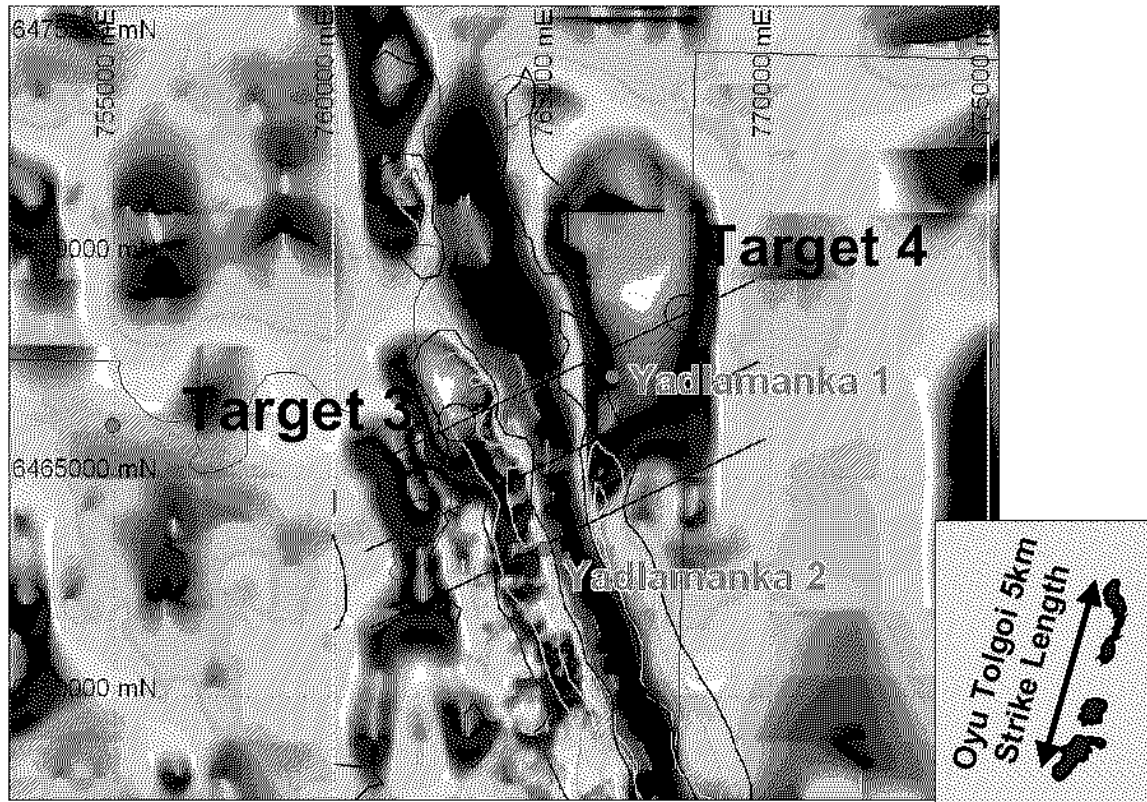


Figure 4 – Close up of Gravity Target 5

