



(a development stage company)

Second Quarter Report

for the six months ended June 30, 2009

Crescent Resources Corp.
Six months ended June 30, 2009
Management's Discussion and Analysis

Form 51-102F1

Date

The following discussion is management's assessment and analysis of the results of operations and financial conditions ("MD&A") of Crescent Resources Corp. (the "Company" or "Crescent") and should be read in conjunction with the accompanying unaudited interim consolidated financial statements and related notes thereto for the six months ended June 30, 2009 and the most recent audited consolidated annual financial statements for the year ended December 31, 2008 which are also available at the SEDAR website at www.sedar.com.

The financial information in this MD&A is derived from the Company's consolidated financial statements prepared in accordance with Canadian generally accepted accounting principles and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The MD&A contains information August 24, 2009.

Overview

Crescent is mineral exploration company. The Company's stock trades on Tier 2 of the TSX Venture Exchange under the trading symbol "CRC".

Rattlesnake Hills area properties

On July 21, 2009 Crescent announced that it has signed a letter agreement ("LOA") to acquire up to a 100% interest in certain mineral claims covering approximately 4,000 acres located in the Rattlesnake Hills area, Natrona County, Wyoming, USA (the "Properties"). The Properties are adjacent to and within approximately 5 kilometres of Evolving Gold's Rattlesnake Hills property where recent drilling results suggest the possibility of a new large gold deposit. There appear to be many similar geological features between the Properties and Evolving Gold's Rattlesnake Hills property.

Crescent can acquire an initial 80% interest in the Properties by completing the following:

- Crescent will pay the owners US\$85,000 on signing the agreement as reimbursement of previously paid property payments;
- Crescent will issue to the owners a total of 5,000,000 Crescent shares; half of which to be issued on signing of a definitive acquisition agreement and the remaining 2,500,000 shares on the 18 month anniversary of the agreement;
- Crescent can purchase the remaining 20% of the Properties from the owners at a price based on the value established by a bankable feasibility study completed by a third-party engineering company;
- The owners will retain a 2% net smelter royalty on the Properties. This royalty can be reduced to 1% by Crescent paying the owners US\$1,000,000;
- On signing of the agreement John Glasscock, one of the owners of the Properties and a geologist with over 25 years mineral exploration experience in the western United States, will be hired as Vice President Exploration US Operations for Crescent. In addition, Crescent will pay Mr. Glasscock's geological services

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company consulting fees of US\$15,000 per month for an 18 month period to manage planned exploration work on the Rattlesnake Hills project;

The transaction remains subject to a definitive agreement, legal due diligence and regulatory approval. The Company will pay a finder's fee as allowed under the TSX Venture Exchange policies.

Part and parcel equity financing

Crescent also announced that in connection with this acquisition it proposes to raise up to \$500,000 by way of a non-brokered private placement through the issuance of up to 5,000,000 units at a price of \$0.10 per unit (the "Unit"). Each Unit will consist of one common share and one common share purchase warrant, with each warrant entitling the subscriber to purchase one additional common share in the capital of the Company at a price of \$0.20 for two years from closing of the private placement. The private placement is subject to compliance with applicable securities laws and to receipt of regulatory approval.

Proceeds of this private placement will be used for acquisition costs and exploration work on the Rattlesnake Hills Properties, as well as general corporate purposes.

Qualified Person

The Qualified Person responsible for the technical content in this MD&A is Michael Hopley, President and Chief Executive Officer of Crescent Resources Corp.

Results of Operations

Results of Operations for the six months ended June 30, 2009 and 2008

The Company incurred a loss for the six months ended June 30, 2009 of \$137,600 (2008: \$5,062,289) after reflecting interest income in both periods. Total expenses for the six months ended June 30, 2009 amounted to \$137,899 (2008: \$5,069,629).

As expected all categories of general expenses were reduced to the comparative period as the Company has had no mineral property interests for the six months ended June 30, 2009. The more significant differences in comparing the two periods include:

Consulting fees: \$90,206 (2008: \$195,002) decrease of \$104,796
 Consulting fees for the six month period ending June 30, 2009 are lower as a result of decreased fees paid to the Company's executives.

Stock-based compensation: \$nil (2008: \$9,774) decrease of \$9,774
 No stock options were granted in the six months ended June 30, 2009.

Summary of Quarterly Results

	June 30 2009	Mar 31 2009	Dec 31 2008	Sept 30 2008	June 30 2008	Mar 31 2008	Dec 31 2007	Sept 30 2007
	\$	\$	\$	\$	\$	\$	\$	\$
Total revenues	-	-	-	-	-	-	-	-
Loss for period	(76,162)	(61,438)	(94,728)	(1,802,454)	(4,937,999)	(124,290)	(697,211)	(249,293)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.06)	(0.16)	(0.00)	(0.03)	(0.01)

The Company is an exploration company. At this time any issues of seasonality or market fluctuations have no impact. The Company currently defers its mineral interest acquisition and exploration costs. The Company expenses its project investigation and general and administration costs and these amounts are included in the loss for each quarter. Crescent is currently investigating mineral properties for potential acquisition and subsequent exploration and development.

Liquidity

Historically the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. There can be no assurance of continued access to any equity funding.

The Company began the 2009 year with cash of \$270,008. Cash expended on operations in the period, net of working capital changes was \$116,542. The Company ended at June 30, 2009 with cash of \$153,466.

See earlier discussion regarding the part and parcel equity financing and mineral property acquisition.

There can be no assurance, however, that such financing will be available to the Company or, if it is, that it will be available on terms acceptable to the Company and will be sufficient to fund cash needs until the Company acquires an operating business or achieves positive cash flow. If the Company is unable to obtain the financing necessary to support its operations, it may be unable to continue as a going concern. The Company currently has no commitments for any credit facilities such as revolving credit agreements or lines of credit that could provide additional working capital. The Company has no long term debt, capital lease obligations, operating leases or any other long term obligations.

Capital Resources

The Company has outstanding share purchase warrants and stock options that if exercised will provide additional cash. None of the share purchase warrants or stock options are "in-the-money" at the date of this MD&A.

As at the date of this MD&A, other than as described herein and in the Financial Statements the Company has no other arrangement for sources of financing.

Transactions with Related Parties

	For the six months ended	
	June 30, 2009	June 30, 2008
	\$	\$
i) consulting fees to an officer and director	15,000	48,000
ii) consulting fees for public relations to an officer and director	15,000	48,000
iii) consulting fees for corporate and financial compliance services to a company controlled by an officer	33,000	31,500
iv) shared salary and office costs to a company managed by common directors and officers	31,529	29,973

Included in accounts payable and accrued liabilities are amounts owed to related parties at June 30, 2009 of \$47,968 (June 30, 2008: \$80) that have not been settled.

All of the above noted transactions have been in the normal course of operations and, in management's opinion, undertaken with the same terms and conditions as transactions with unrelated parties.

Financial Instruments

All financial instruments are recorded initially at estimated fair value on the balance sheet and classified into one of five categories: held for trading, held to maturity, available for sale, loans and receivables and other liabilities

Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, amounts receivable, and accounts payable.

The Company has classified cash as held-for-trading. Amounts receivable are classified as loans and receivables, and accounts payable as other liabilities, all of which are measured at amortized cost.

The fair values of cash, amounts receivable and accounts payable approximate their book values because of the short-term nature of these instruments.

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit Risk

The Company's only exposure to credit risk is on its bank accounts. Bank accounts are with high credit quality financial institutions. The Company holds no investments and has no risk exposure to asset backed commercial paper or auction rate securities.

Liquidity Risk

The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in business accounts which are available on demand. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure maintenance of liquidity.

Market Risk

The only significant market risk exposure to which the Company is exposed is interest rate risk. The Company's bank account earns interest income at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to short-term rates.

Exchange Risk

As at June 30, 2009 the majority of the Company's cash was held in Canada in Canadian dollars and has minimal exposure to foreign exchange currency risk.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

Disclosure of Outstanding Share Data

The Company's has unlimited authorized common shares and issued and outstanding share capital at the date of this MD&A is:

	Common Shares Issued and Outstanding	Common Share Purchase Warrants	Common Share Purchase Options
Balance June 30, 2009 August 24, 2009	30,666,097	1,905,250	2,595,000

Changes in Accounting Policy and Presentation

Effective January 1, 2009, the Company adopted the following accounting standards issued by the CICA:

In February 2008, the CICA issued Section 3064, *Goodwill and Intangible Assets*, which replaces Section 3062, *Goodwill and Other Intangible Assets*. This new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the adoption of this standard, EIC 27, *Revenue and Expenditures in the Pre-operating Period*, will be withdrawn. The adoption of this standard did not have any impact in our financial statements.

On January 1, 2009, the Company adopted EIC-173, *Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*, which provides guidance on how to take into account an entity's own credit risk and the credit risk of the counter party in determining the fair value of financial assets and financial liabilities, including derivative instruments, for presentation and disclosure purposes. The application of this EIC did not have a material impact on the Company's financial statements.

On January 1, 2009, the Company adopted EIC-174, *Mining Exploration Costs*, which provides guidance on the accounting and the impairment review of exploration costs. The application of this EIC did not have an effect on the Company's financial statements.

Future accounting pronouncements

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

The CICA has issued the following standards which may affect the financial disclosures and results of operations of the Company for interim and annual periods beginning on or after January 1, 2011:

In January 2009, the CICA adopted sections 1582, *Business Combinations*, 1601, *Consolidated Financial Statements*, and 1602, *Non-Controlling Interests*, which superseded current sections 1581, *Business Combinations* and 1600, *Consolidated Financial Statements*. These sections will be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Earlier adoption is permitted. If an entity applies

these sections before January 1, 2011, it is required to disclose that fact and apply each of the new sections concurrently. These new sections were created to converge Canadian GAAP to IFRS.

In May 2009, the CICA amended Section 3862, *Financial Instruments – Disclosures*, to include additional disclosure requirements about fair value measurement for financial instruments and liquidity risk disclosures. These amendments require a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement. The amendments to Section 3862 apply for annual financial statements relating to fiscal years ending after September 30, 2009. The Company is assessing the impact of these amendments on its consolidated financial statements.

Forward-Looking Statements

This discussion includes certain statements that may be deemed “forward-looking statements”. All statements in this discussion, other than statements of historical facts, that address future exploration activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploration successes, and continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual result or developments may differ materially from those projected in the forward-looking statements.

Risks

Mineral exploration is subject to a high degree of risk, which a combination of experience, knowledge, and careful evaluation may fail to overcome. Exploration activities seldom result in the discovery of a commercially viable mineral resource. Exploration activities are also expensive. The Company will therefore require additional financing to carry on its business and such financing may not be available when it is needed.

Other Information

Additional information relating to the Company is available for viewing on SEDAR at www.sedar.com and at the Company's web site www.crescentresourcescorp.com.



Interim Consolidated Financial Statements
(Unaudited and prepared by Management)

June 30, 2009

Notice to Reader

These interim financial statements of Crescent Resources Corp. have been prepared by management and approved by the Audit Committee on behalf of the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these interim financial statements, notes to financial statements and the related quarterly Management Discussion and Analysis.

CRESCENT RESOURCES CORP.
Interim Consolidated Balance Sheets

	June 30, 2009	December 31, 2008
	(unaudited)	
ASSETS		
Current assets		
Cash	\$ 153,466	\$ 270,008
Amounts receivable	3,206	23,943
Prepaid expenses	2,500	-
	<u>159,172</u>	293,951
Equipment (note 4)	4,745	6,270
	<u>\$ 163,917</u>	<u>\$ 300,221</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 68,889	\$ 67,593
SHAREHOLDERS' EQUITY		
Share capital (note 5)	17,290,600	17,290,600
Contributed surplus (note 5)	806,705	806,705
Deficit	(18,002,277)	(17,864,677)
	<u>95,028</u>	232,628
	<u>\$ 163,917</u>	<u>\$ 300,221</u>

Nature and Continuance of Operations (note 1)
 Commitment (note 8)
 Contingency (note 9)
 Subsequent event (Note 10)

Approved by the Board of Directors:

“Michael Hopley”

“Ross McDonald”

 Michael Hopley, Director

 Ross McDonald, Director

The accompanying notes form an integral part of these interim consolidated financial statements

CRESCENT RESOURCES CORP.
Interim Consolidated Statements of Operations, Comprehensive Loss and Deficit
(unaudited)

	Three months ended June 30		Six months ended June 30	
	2009	2008	2009	2008
General expenses				
Amortization	\$ 763	\$ 763	\$ 1,525	\$ 1,525
Consulting fees	48,251	99,085	90,206	195,002
Director fees	2,250	3,000	4,500	5,250
Exploration expense	-	87,052	-	87,052
Foreign exchange (gain) loss	223	1,953	611	(5,682)
Legal and audit fees	3,541	34,268	3,541	44,753
Office and general	2,382	1,600	4,927	7,405
Regulatory and filing fees	5,247	7,424	7,268	10,218
Rent	11,718	10,829	23,354	21,657
Shareholder relations	1,787	6,511	1,967	9,287
Stock-based compensation	-	4,887	-	9,774
Travel	-	1,195	-	1,195
Write-down of mineral interests	-	4,682,193	-	4,682,193
Loss before other items	76,162	4,940,760	137,899	5,069,629
Other items				
Interest income	-	2,761	299	7,340
Loss and comprehensive loss for the period	(76,162)	(4,937,999)	(137,600)	(5,062,289)
Deficit, beginning of period	(17,926,115)	(11,029,496)	(17,864,677)	(10,905,206)
Deficit, end of period	\$ (18,002,277)	\$ (15,967,495)	\$ (18,002,277)	\$ (15,967,495)
Basic and diluted loss per share	\$ (0.00)	\$ (0.16)	\$ (0.00)	\$ (0.17)
Weighted average number of shares outstanding	30,666,097	30,666,097	30,666,097	30,017,056

The accompanying notes form an integral part of these interim consolidated financial statements

CRESCENT RESOURCES CORP.
Interim Consolidated Statements of Cash Flows
(unaudited)

	<u>Three months ended June 30</u>		<u>Six months ended June 30</u>	
	2009	2008	2009	2008
Cash provided by (used for)				
Operating activities				
Loss for the period	\$ (76,162)	\$ (4,937,999)	\$ (137,600)	\$ (5,062,289)
Items not involving cash:	-			
Amortization	763	763	1,525	1,525
Stock-based compensation	-	4,887	-	9,774
Write-down of mineral interests	-	4,682,193	-	4,682,193
	<u>(75,399)</u>	<u>(250,156)</u>	<u>(136,075)</u>	<u>(368,797)</u>
Changes in non-cash working capital balances:				
Amounts receivable	(1,273)	18,584	20,737	13,352
Prepaid expenses	1,250	3,134	(2,500)	8,477
Accounts payable and accrued liabilities	(19,930)	(101,252)	1,296	(72,840)
	<u>(95,352)</u>	<u>(329,690)</u>	<u>(116,542)</u>	<u>(419,808)</u>
Investing activities				
Advances to contractors	-	162,745	-	302,346
Mineral interests	-	(26,700)	-	(418,281)
	<u>-</u>	<u>136,045</u>	<u>-</u>	<u>(115,935)</u>
Financing activity				
Shares issued	-	-	-	262,500
Share issue costs	-	-	-	(29,835)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>232,665</u>
Decrease in cash	(95,352)	(193,645)	(116,542)	(303,078)
Cash, beginning of period	248,818	768,557	270,008	877,990
Cash, end of period	\$ 153,466	\$ 574,912	\$ 153,466	\$ 574,912
Supplementary cash flow:				
Accounts payable and accrued liabilities included in mineral interests	\$ -	\$ (2,683)	\$ -	\$ 23,221
Amortization included in mineral interests	-	89	-	178
Stock-based compensation included in mineral interests	-	-	-	19,547
Fair value of warrants issued for finders' fee	-	-	-	13,125

The accompanying notes form an integral part of these interim consolidated financial statements

CRESCENT RESOURCES CORP.
Notes to the Interim Consolidated Financial Statements
For the six months ended June 30, 2009
(unaudited)

1. Nature and Continuance of Operations

Crescent Resources Corp. (the “Company”) is in the business of acquiring and exploring mineral properties.

Going concern uncertainty

These consolidated financial statements have been prepared on the basis that the Company is a going concern, which contemplates the realization of its assets and the settlement of its liabilities in the normal course of operations. The ability of the Company to continue as a going concern is uncertain and dependent upon obtaining the financing necessary to meet its financial commitments and to acquire and explore mineral property interests. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders and the ability of the Company to obtain necessary equity financing to continue operations. As at June 30, 2009, the Company had cash of \$153,466, working capital of \$90,283 and has accumulated losses of \$18,002,277 since inception.

Management anticipates that the minimum cash requirements to fund property investigation, acquisition and subsequent exploration programs and to fund continued corporate operations will exceed the amount of cash on hand at June 30, 2009. Accordingly, the Company does not have sufficient funds to meet planned expenditures over the next twelve months, and will need to seek additional equity financing to meet its planned expenditures. There is no assurance that the Company will be able to raise sufficient cash to fund its future exploration programs and operational expenditures. Management has curtailed expenditures and management has reduced and deferred payment of salaries and consulting fees so that the Company can fund its minimum corporate obligations. However, these factors raise substantial doubt regarding the Company’s ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

See subsequent event note 10 for an announced acquisition and private placement.

2. Significant Accounting Policies

These interim consolidated financial statements for the Company have been prepared in accordance with generally accepted accounting principles in Canada. They do not include all of the information and disclosures required by Canadian GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. The interim consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements including the notes thereto for the year ended December 31, 2008 which may be found on www.sedar.com.

Recent Accounting Pronouncements

In February 2008, the CICA issued Section 3064, *Goodwill and Intangible Assets*, which replaces Section 3062, *Goodwill and Other Intangible Assets*. This new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the adoption of this standard, EIC 27, *Revenue and Expenditures in the Pre-operating Period*, will be withdrawn. The adoption of this standard did not have any impact in our financial statements.

On January 1, 2009, the Company adopted EIC-173, *Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*, which provides guidance on how to take into account an entity’s own credit risk and the credit risk of the counter party in determining the fair value of financial assets and financial liabilities, including derivative instruments, for presentation and disclosure purposes. The application of this EIC did not have a material impact on the Company’s financial statements.

CRESCENT RESOURCES CORP.
Notes to the Interim Consolidated Financial Statements
For the six months ended June 30, 2009
(unaudited)

2. Significant Accounting Policies (continued)

On January 1, 2009, the Company adopted EIC-174, *Mining Exploration Costs*, which provides guidance on the accounting and the impairment review of exploration costs. The application of this EIC did not have an effect on the Company's financial statements.

Future accounting pronouncements

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

The CICA has issued the following standards which may affect the financial disclosures and results of operations of the Company for interim and annual periods beginning on or after January 1, 2011:

In January 2009, the CICA adopted sections 1582, *Business Combinations*, 1601, *Consolidated Financial Statements*, and 1602, *Non-Controlling Interests*, which superseded current sections 1581, *Business Combinations* and 1600, *Consolidated Financial Statements*. These sections will be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Earlier adoption is permitted. If an entity applies these sections before January 1, 2011, it is required to disclose that fact and apply each of the new sections concurrently. These new sections were created to converge Canadian GAAP to IFRS.

In May 2009, the CICA amended Section 3862, *Financial Instruments – Disclosures*, to include additional disclosure requirements about fair value measurement for financial instruments and liquidity risk disclosures. These amendments require a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement. The amendments to Section 3862 apply for annual financial statements relating to fiscal years ending after September 30, 2009. The Company is assessing the impact of these amendments on its consolidated financial statements.

3. Financial Instruments

All financial instruments are recorded initially at estimated fair value on the balance sheet and classified into one of five categories: held for trading, held to maturity, available for sale, loans and receivables and other liabilities

Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, amounts receivable, and accounts payable.

The Company has classified cash as held-for-trading. Amounts receivable are classified as loans and receivables, and accounts payable as other liabilities, all of which are measured at amortized cost.

CRESCENT RESOURCES CORP.
Notes to the Interim Consolidated Financial Statements
For the six months ended June 30, 2009
(unaudited)

3. Financial Instruments (continued)

The fair values of cash, amounts receivable and accounts payable approximate their book values because of the short-term nature of these instruments.

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit Risk

The Company's only exposure to credit risk is on its bank accounts. Bank accounts are with high credit quality financial institutions. The Company holds no investments and has no risk exposure to asset backed commercial paper or auction rate securities.

Liquidity Risk

The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in business accounts which are available on demand. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure maintenance of liquidity.

Market Risk

The only significant market risk exposure to which the Company is exposed is interest rate risk. The Company's bank account earns interest income at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to short-term rates.

Exchange Risk

As at June 30, 2009 the majority of the Company's cash was held in Canada in Canadian dollars and has minimal exposure to foreign exchange currency risk.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

4. Equipment

	June 30, 2009			Net book value December 31, 2008
	Cost	Accumulated amortization	Net book value	
Furniture and equipment	\$ 4,846	\$ 2,181	\$ 2,665	\$ 3,150
Field equipment	10,400	8,320	2,080	3,120
	<u>\$ 15,246</u>	<u>\$ 10,501</u>	<u>\$ 4,745</u>	<u>\$ 6,270</u>

CRESCENT RESOURCES CORP.
Notes to the Interim Consolidated Financial Statements
For the six months ended June 30, 2009
(unaudited)

5. Share Capital

Authorized: An unlimited number of common shares without par value

a) Issued and outstanding:

	Number of shares	Share capital	Contributed Surplus
Balance, December 31, 2008 and June 30, 2009	30,666,097	\$ 17,290,600	\$ 806,705

b) Share purchase warrants:

The continuity for share purchase warrants is as follows:

Expiry date	Exercise price	Balance, December 31, 2008	Issued	Exercised	Expired	Balance, June 30, 2009
January 13, 2010	\$ 0.35	1,905,250	-	-	-	1,905,250
		1,905,250	-	-	-	1,905,250
Weighted average exercise price		\$ 0.35	\$ -	\$ -	\$ -	\$ 0.35

c) Stock options

The Company has a shareholder approved “rolling” stock option plan (the “Plan”) in compliance with the TSX Venture Exchange’s policies. Under the Plan the maximum number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding common shares at the time of granting. The exercise price of each stock option shall not be less than the market price of the Company’s stock at the date of grant. Vesting terms are at the discretion of the directors.

The continuity for stock options, all of which were immediately exercisable on being granted, is as follows:

Expiry date	Exercise price	Balance, December 31, 2008	Granted	Exercised	Expired or Cancelled	Balance, June 30, 2009
August 9, 2010	\$ 0.39	805,000	-	-	-	805,000
September 28, 2010	\$ 0.55	650,000	-	-	-	650,000
May 23, 2011	\$ 0.55	15,000	-	-	-	15,000
February 21, 2012	\$ 0.55	825,000	-	-	-	825,000
September 12, 2012	\$ 0.42	200,000	-	-	-	200,000
January 2, 2013	\$ 0.28	100,000	-	-	-	100,000
		2,595,000	-	-	-	2,595,000
Weighted average exercise price		\$ 0.48	\$ -	\$ -	\$ -	\$ 0.48

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5. Share Capital (continued)

d) Stock based compensation

The Company did not grant any stock options during the six months ended June 30, 2009 or record any stock based compensation.

During the six month period ended June 30, 2008, the Company granted 200,000 stock options and based on the estimated fair value at the grant dates, recorded stock-based compensation for the vesting portion of the stock options of \$29,321 of which \$9,774 was recognized in the statement of operations and \$19,547 was capitalized to mineral interests with the offsetting credit to contributed surplus.

The \$0.20 fair value of each option grant was calculated using the Black-Scholes option pricing model with the following assumptions: expected life of 5 years, annualized volatility of 87%, expected dividend yield and a risk free interest rate of 3.52%.

6. Related Parties

Unless disclosed elsewhere, related party transactions are as follows:

	For the six months ended	
	June 30, 2009	June 30, 2008
	\$	\$
i) consulting fees to an officer and director	15,000	48,000
ii) consulting fees for public relations to an officer and director	15,000	48,000
iii) consulting fees for corporate and financial compliance services to a company controlled by an officer	33,000	31,500
iv) shared salary and office costs to a company managed by common directors and officers	31,529	29,973

Included in accounts payable and accrued liabilities are amounts owed to related parties at June 30, 2009 of \$47,968 (June 30, 2008: \$80) that have not been settled.

All of the above noted transactions have been in the normal course of operations and, in management's opinion, undertaken with the same terms and conditions as transactions with unrelated parties.

7. Management of Capital

The Company manages its common shares, stock options and warrants as capital (see Note 5). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company does not have any externally imposed capital requirements to which it is subject.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

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7. Management of Capital (continued)

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account.

The Company does not expect its current capital resources will be sufficient to carry out its acquisition and exploration plans and operations through the 2009 operating period and will be attempting to raise additional capital through an equity transaction when market conditions permit and when the Company has identified a new project for acquisition.

8. Commitment

During 2004, for consideration of US\$5,000, the Company entered into a finder's fee agreement with an individual to assist the Company in acquiring certain mineral claims in Utah, USA. If successful, the Company will issue 250,000 common shares over a period of 3 years from the date of acquisition.

9. Contingency

As described in note 5 to the annual consolidated financial statements for the year ended December 31, 2008, the Company is party to the Option Agreement Coronel which sets out the terms of an agreement whereby the Company has an option to earn up to a 70% interest in the Oviedo Property in Paraguay.

The Company and Coronel are in a dispute as to whether the Option Agreement has been terminated and whether the Company has outstanding liabilities under the agreement. Coronel's position is that the Option Agreement was terminated in May 2008, but that it was not terminated with the appropriate notice period and therefore the Company is obligated to pay the US\$250,000 cash payment and issue the 1.2 million common shares of the Company that were due on May 16, 2008 and furthermore is obligated to fund a concession payment for the Property due to the Government of Paraguay in the amount of US\$504,000. The Company's position is that the Option Agreement has not been terminated in accordance with its terms and that the US\$504,000 concession payment was not the company's responsibility under the Option Agreement and furthermore that Coronel's only remedy for non-payment of cash and share payments under the Option Agreement is termination of the agreement. It is not determinable whether legal proceedings will commence. In the year ended December 31, 2008 the Company took an impairment on the Property to reduce its value to nil.

10. Subsequent event

On July 21, 2009 the Company announced a part and parcel equity financing and the execution of a Letter Agreement ("LOA") to acquire up to a 100% interest in certain mineral claims covering approximately 4,000 acres located in the Rattlesnake Hills area, Natrona County, Wyoming, USA (the "Properties").

Pursuant to the LOA the Company can acquire an initial 80% interest in the Properties by completing the following:

- Paying the owners US\$85,000 on signing the agreement as reimbursement of previously paid property payments;

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10. Subsequent event (continued)

- Issuing to the owners a total of 5,000,000 Crescent shares; half of which to be issued on signing of a definitive acquisition agreement and the remaining 2,500,000 shares on the 18 month anniversary of the agreement;
- The Company having the right to purchase the remaining 20% of the Properties from the owners at a price based on the value established by a bankable feasibility study completed by a third-party engineering company;
- The owners will retain a 2% net smelter royalty on the Properties. This royalty can be reduced to 1% by the Company paying the owners US\$1,000,000;
- The transaction remains subject to a definitive agreement, legal due diligence and regulatory approval. The Company will pay a finder's fee as allowed under the TSX Venture Exchange policies.

In connection with this acquisition the Company proposes to raise up to \$500,000 by way of a non-brokered private placement through the issuance of up to 5,000,000 units at a price of \$0.10 per unit (the "Unit"). Each Unit will consist of one common share and one common share purchase warrant, with each warrant entitling the subscriber to purchase one additional common share in the capital of the Company at a price of \$0.20 for two years from closing of the private placement. The private placement is subject to compliance with applicable securities laws and to receipt of regulatory approval and concurrent closing of the acquisition transaction.

Proceeds of this private placement will be used for acquisition costs and exploration work on the Rattlesnake Hills Properties, as well as general corporate purposes.