

\$3.9m FUNDING PACKAGE COMPLETED OFFSHORE

18th January 2005

By Electronic Lodgment

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

ASX Code: CRE

Share Price: A\$0.13

Issued Shares: 132.0m

Market Cap: A\$16.5m

Options 20c CREO : 64.6m

Options 15c/18c unlisted: 17.4m

Resources : 1.0m ozs

Reserves : 0.24m ozs

Market Cap/oz Resource : A\$16

Market Cap/oz Reserve: A\$67

Fully Diluted Basis:

Shares : 237.9m

Cash upon dilution : A\$15.5m

Current Cash : A\$6.6m**

Current Cash/Share : A\$0.05

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HIGHLIGHTS

- Crescent is pleased to announce it has arranged a two stage funding package totaling approximately \$3.9 million.
- First phase is a Private Placement to raise A\$945,000 which has been completed with North American institutions and investors at an issue price of \$0.135 with attaching options.
- Second phase is a Rights Offer to existing shareholders on a 1:5 basis at an issue price of \$0.135 with attaching options.
- Placement Agreements have been executed with investors and institutions in North America to take up 80% of any shortfall from the rights offer.
- Directors have executed Placement Agreements for remaining 20% of shortfall, subject to shareholder approval.
- This funding package finances the Company's 2005 programs in Laverton and China.

Financing Paves the Way Forward

Crescent Gold is pleased to announce it has arranged a \$3.9 million financing package, this package funds the Company's 2005 exploration program in Laverton and China (subject to the granting of business licenses in China).

This financing will also allow the company to progress the recommendations from the recently completed Bankable Feasibility study, namely;

- Completion of risk assessment;
- Complete Project Finance Facility of up to between A\$5 - 10m;
- Detailed scheduling of plant refurbishment to 1mtpa (est. A\$5m capex);
- Detailed scheduling of plant expansion to 2mtpa (est. A\$5m capex);

Financing Paves the Way Forward Cont.

Whilst this work is being undertaken, Crescent has identified numerous targets which should significantly expand the current reserve base of 239,000 ozs (at 2mtpa throughput rate). These targets include a variety of anomalies and significant, isolated drill results.

Two significant RC holes were drilled in November 2004 outside of the current Sickle pit design; 24m at 4.9 g/t from 24m depth (SKRC135) and 15m at 4.7 g/t from 68m depth (SKRC150). These clearly demonstrate that the deposit is open to the North.

The RAB drilling program completed in December 2004 tested only 5 of the 17 identified geophysical anomalies within tenement E38/915, which hosts the Sickle project and has an area of over 100 square km.

The most significant drilling result in this RAB program, situated at Anomaly S3, returned a intersection of 11m at 2.2 g/t hole from 67 metres (SKRB024). The hole terminated at 78 metres, the depth of the RAB rig penetration, in mineralisation (3.2 g/t) and lies adjacent to a large geophysical anomaly north of the Sickle deposit.

Anomaly S2 also returned significant mineralisation and will also be tested with RC drilling. Further RAB drilling is planned to test the remaining geophysical targets.

Details of the Capital raising

A total of 7,000,000 Shares will be issued in the Private Placement at an issue price of \$0.135 to raise \$945,000 each Share will have a free attaching November 2005 option exercisable at \$0.20. There are 6 participants in this issue, all being investors and institutions based in North America.

The Rights Offer to all shareholders on a 1:5 basis, including the participants in the Private Placement, will result in the issue of 21,994,000 Shares to raise approximately \$2.95 million (before costs) each Share will have a free attaching November 2005 option exercisable at \$0.20.

Institutions in North America and sophisticated investors have executed Placement Agreements with the Company to take up 80% of the shortfall from this Rights Offer. Directors of the Company have also executed Placement Agreements with the Company to take up a further 20% of the shortfall from the Rights Offer, the Directors Placement Agreements will be subject to shareholder approval at a meeting to be held in mid March 2005.

Details of the Capital Raising Cont.

A prospectus for the Rights Offer will be lodged with ASIC shortly.

The capital structure of the Company will be as follows at the completion of the two stage financing:

Current Shares	102,970,000
Private Placement	7,000,000
Rights Offer	21,994,000
Total	131,964,000

Regards

Crescent Gold Limited



Andrew Haythorpe

Executive Director

The information on mineralisation contained within this report is based on, and accurately reflect, information compiled by Mr Andrew Spinks, Manager – Geology, who is a competent person (as defined by the 1999 Australasian Code for Reporting of Mineral Resources And Ore Reserves), a corporate member of the Australasian Institute of Mining and Metallurgy and has the necessary experience which is relevant to the style of mineralisation under consideration."