

Correspondence to Crescent Gold Limited's Security Holders

1 February 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 : 1.00m 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

Address:

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

**Includes A\$2.6m Rehab. Bonds

In respect to the Rights Issue Prospectus lodged today, we wish to advise that the following correspondence is being forwarded to Crescent Gold Limited's security holders today.

Yours faithfully

Crescent Gold Limited



Carol New

Company Secretary



ASX Code: CRE

Share Price: A\$0.12

Issued Shares*: 132.0m

Market Cap: A\$16m

Options 20c CREO : 64.6m

Options 15c/18c unlisted: 17.4m

Resources : 1.00m ozs

Reserves : 0.23m ozs

Market Cap/oz Resource : A\$16

Market Cap/oz Reserve: A\$68

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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1st February 2005

Dear Shareholder

Non Renounceable Rights Issue

On 1 February 2005, the Company announced to ASX details of a pro rata, non renounceable rights issue (**Rights Issue**) of up to 21,994,097 Shares and, each Share having attached 1 free 2005 Option, 21,994,097 2005 Options, on the basis of 1 Share for every 5 Shares held on 10 February 2005 (**Record Date**) at an issue price of \$0.135 per Share.

The Prospectus for the Rights Issue has been lodged with ASX and is available for inspection on the ASX website at www.asx.com.au.

The Shares issued in the Rights Issue rank pari passu in all respects from date of issue with the existing fully paid ordinary Shares of the Company. Each 2005 Option may be exercised at \$0.20 on or before 30 November 2005 into one fully paid ordinary Share in the Company. The Shares issued on exercise of those 2005 Options will rank pari passu in all respects from date of issue with the existing fully paid ordinary Shares of the Company. The Company will apply for official quotation on ASX of all Shares and 2005 Options issued under the Rights Issue.

The Rights Issue is part of a funding package which includes a placement of securities announced on 18 January 2005. This placement raised \$945,000 by the issue to overseas investors of 7,000,000 Shares at an issue price of \$0.135, with each Share having attached one free 2005 Option.

The purpose of the Rights Issue and Prior Placement is to progress the Laverton Gold Project in accordance with the findings of the Bankable Feasibility Study, to fund exploration activities in China over the next 12 months and to fund the costs of the issues and general working capital.

The funds raised from the Rights Issue and Prior Placement are intended to be applied as follows:

Proposed use of funds	\$
Laverton Gold Project - Drilling	\$2,000,000
Exploration activities in China	\$700,000
TSX Listing	\$650,000
Expenses of the Prior Placement and Rights Issue	\$250,000
Working capital	\$314,000
Total	\$3,914,000

The key dates for the Rights Issue are as follows:

Event	Date
"Ex" date	4 February 2005
Record Date	10 February 2005
Prospectus despatched	14 February 2005
Closing date	1 March 2005
Securities quoted on deferred settlement basis	2 March 2005
Notification to ASX of Shortfall	4 March 2005
Despatch of holding statements	9 March 2005

In determining entitlements under the Rights Issue, fractions will be rounded down to the nearest whole number.

The Rights Issue is not underwritten and there are no brokers to the issue. The Prospectus contains details of how the shortfall (if any) resulting from the Rights Issue will be dealt with.

Yours faithfully



Andrew Haythorpe
Executive Director

ASX Code: CRE

Share Price: A\$0.12

Issued Shares*: 132.0m

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1 February 2005

Dear Convertible Note Holder

Non-renounceable Pro Rata Rights Issue – Convertible Note Holders

Crescent Gold Limited (**Company**) has today announced to ASX details of a pro rata, non renounceable rights issue (**Rights Issue**) of up to 21,994,097 Shares and, each Share having attached 1 free 2005 Option, 21,994,097 2005 Options, on the basis of 1 Share for every 5 Shares held by shareholders on the record date set for the issue and at an issue price of \$0.135 per Share.

Under the terms of issue of the convertible notes which you hold in the Company, if there is a pro rata issue of Shares, the conversion price of your convertible notes will be recalculated in accordance with Listing Rule 6.22.2. You are also entitled to participate in the Rights Issue if you have converted your convertible notes prior to the record date for the Rights Issue. We advise you that the record date for the Rights Issue will be Thursday, 10 February 2005 (**Record Date**).

If you wish to convert your convertible notes prior to the Record Date, or if you have any queries in regard to the terms of issue of your convertible notes, please contact me before that date.

Yours faithfully



Carol New
Company Secretary

ASX Code: CRE
Share Price: A\$0.12
Issued Shares*: 132.0m
Market Cap: A\$16m
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Options 15c/18c unlisted: 17.4m
Resources : 1.00m ozs
Reserves : 0.23m ozs
Market Cap/oz Resource : A\$16
Market Cap/oz Reserve: A\$68

Fully Diluted Basis:
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Cash upon dilution : A\$15.5m
Current Cash : A\$6.6m**
Current Cash/Share : A\$0.05

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1 February 2005

Dear Option Holder

Non-renounceable Rights Issue – Option Holders

Crescent Gold Limited (**Company**) has today announced to ASX details of a pro rata, non renounceable rights issue (**Rights Issue**) of up to 21,994,097 Shares and, each Share having attached 1 free 2005 Option, 21,994,097 2005 Options, on the basis of 1 Share for every 5 Shares held by shareholders on the record date set for the issue and at an issue price of \$0.135 per Share.

In accordance with the terms of the options which you hold in the Company, we advise you that the record date for the Rights Issue will be Thursday, 10 February 2005 (**Record Date**). If you wish to participate in the Rights Issue, you will be required to exercise your options prior to the Record Date.

If you wish to exercise your options, please lodge your notice of exercise of options, together with a cheque for payment of the exercise price in respect of the number of options to be exercised, with the Company's share registry in accordance with the terms and instructions set out on the notice so that it reaches the registry prior to the Record Date.

If you have any queries in regard to the exercise of your options, please contact me before the Record Date.

Yours faithfully



Carol New
Company Secretary