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8 February 2005

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

By Electronic Lodgment

Dear Sir/Madam

Notice of General Meeting & Proxy Form – 21 March 2005

We wish to advise that the following documents are being forwarded to shareholders today.

Yours faithfully
Crescent Gold Limited

Carol New
Company Secretary



CRESCENT GOLD LIMITED

ABN 49 087 360 996

NOTICE OF GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date of Meeting: Monday, 21 March 2005
Time of Meeting: 11 am (WST)
Place of Meeting: The Penthouse Suite, Level 10, Parmelia Hilton, Mill
Street, Perth, Western Australia

This is an important document. It should be read carefully and in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

CRESCENT GOLD LIMITED

ABN 49 087 360 996

NOTICE OF GENERAL MEETING

Notice is given that a general meeting of shareholders of Crescent Gold Limited (*Company*) will be held at the Penthouse Suite, Level 10, Parmelia Hilton, Mill Street, Perth, Western Australia on Monday, 21 March 2005 at 11am (WST).

The Explanatory Memorandum which accompanies and forms part of this Notice of Meeting describes the various matters to be considered at the meeting and includes a glossary of defined terms.

AGENDA

To consider and if thought fit to pass, with or without amendment, the following resolutions:

Resolutions

1. Ratification of Prior Placement

To consider and if thought fit to pass, with or without amendment, the following as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 7.4, and for all other purposes, the members of the Company ratify the issue on or about 18 January 2005 of 7,000,000 Shares at an issue price of \$0.135 per Share and, each Share having attached one free 2005 Option, 7,000,000 2005 Options each exercisable at \$0.20 on or before 30 November 2005, under the Prior Placement which is described in the Explanatory Memorandum".

The Company will disregard any votes cast on this resolution by a person who participated in the Prior Placement, a person who might obtain a benefit if the resolution is passed (except a benefit solely in the capacity of a holder of ordinary shares) and an associate of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

2. Approval of participation of Director, Mr Dean Gallegos, in Rights Issue Shortfall Placement

To consider and if thought fit to pass, with or without amendment, the following as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, the members of the Company authorise and approve the issue by the Company to Mr Dean Gallegos, or his nominee controlled company, of up to 1,466,274 Shares at an issue price of \$0.135 per Share and, each Share having attached one free 2005 Option, up to 1,466,274 2005 Options each exercisable at \$0.20 on or before 30 November 2005, under the Rights Issue Shortfall Placement which is described in the Explanatory Memorandum."

The Company will disregard any votes cast on this resolution by Mr Gallegos and an associate of him. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3. Approval of participation of Director, Mr Andrew Haythorpe, in Rights Issue Shortfall Placement

To consider and if thought fit to pass, with or without amendment, the following as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, the members of the Company authorise and approve the issue by the Company to Mr Andrew Haythorpe, or his nominee controlled company, of up to 1,466,274 Shares at an issue price of \$0.135 per Share and, each Share having attached one free 2005 Option, up to 1,466,274 2005 Options each exercisable at \$0.20 on or before 30 November 2005, under the Rights Issue Shortfall Placement which is described in the Explanatory Memorandum.”

The Company will disregard any votes cast on this resolution by Mr Haythorpe and an associate of him. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

4. Approval of participation of Director, Mr Neil O’Loughlin, in Rights Issue Shortfall Placement

To consider and if thought fit to pass, with or without amendment, the following as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, the members of the Company authorise and approve the issue by the Company to Mr Neil O’Loughlin, or his nominee controlled company, of up to 1,466,274 Shares at an issue price of \$0.135 per Share and, each Share having attached one free 2005 Option, up to 1,466,274 2005 Options each exercisable at \$0.20 on or before 30 November 2005, under the Rights Issue Shortfall Placement which is described in the Explanatory Memorandum.”

The Company will disregard any votes cast on this resolution by the Mr O’Loughlin and an associate of him. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

PROXY INSTRUCTIONS

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, then, in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

The member may specify the manner in which the proxy is to vote on each resolution or may allow the proxy to vote at his discretion.

In accordance with section 250BA of the Corporations Act, the Company specifies that the proxy form (and

the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be:

- delivered to the Company's Share Registry, Computershare Investor Services Pty Limited, Level 2, Reserve Bank Building, 45 St Georges Terrace, Perth, Western Australia; or
- posted to the Company's Share Registry, Computershare Investor Services Pty Limited, GPO Box D182, Perth, Western Australia 6840; or
- delivered or posted to the registered office of the Company at Level 5, 89 St Georges Terrace, Perth, Western Australia 6000; or
- sent by facsimile to the Company's Share Registry, Computershare Investor Services Pty Limited, on +61 8 9323 2033.

Those documents must be received by the Company at least 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a body corporate, in a manner permitted by the Corporations Act. In the case of shares jointly held by two or more persons, all joint holders must sign the proxy form.

A proxy form is attached to this Notice.

VOTING ENTITLEMENT

For the purposes of determining voting entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at 11am (WST) on 19 March 2005. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

By order of the Board

Alan S Phillips
Chairman
1 February 2005

EXPLANATORY MEMORANDUM

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting which sets out the Resolutions to be considered at the Meeting. The purpose of this Explanatory Memorandum is to provide information that the Board believes to be material to Shareholders in deciding whether or not to pass those Resolutions.

1. Resolution 1 – Ratification of Prior Placement

1.1 Background

On 18 January 2005, the Company completed a placement of 7,000,000 Shares at an issue price of \$0.135 per Share and, each Share having attached one free 2005 Option, 7,000,000 2005 Options to raise \$945,000 (the *Prior Placement*). The offers of securities under the Prior Placement were made to overseas investors and, by application of section 700 of the Corporations Act, did not require the issue of a prospectus.

The issue of securities under the Prior Placement was made within the 15% annual limit prescribed by Listing Rule 7.1 (see Section 1.2 below).

The funds raised by the Prior Placement, together with the funds raised from the Rights Issue which is described in Section 2.1 below, are intended to be applied to an aggressive drilling program at the Company's existing Sickle deposit within the Laverton Gold project, expansion of the current pit, identification of new targets around the Sickle deposit and existing brown field targets at the other projects within the Laverton Gold Project, exploration activities in respect the Company's expansion into China, the evaluation and implementation of a listing on the Toronto Stock Exchange in Canada and for general working capital purposes.

The Directors consider that the capital raisings represented by the Prior Placement and the Rights Issue are required to enable the Company to continue with its planned business activities and to enhance its long term viability and prospects.

1.2 Listing Rule 7.4

Subject to certain exemptions (none of which are relevant here), Listing Rule 7.1 restricts a company from issuing or agreeing to issue equity securities (which include the Shares and 2005 Options) in any 12 month period which amount to more than 15% of the Company's ordinary securities on issue, without shareholder approval. Listing Rule 7.4 enables a company to restore its ability to issue securities within the 15% annual limit prescribed by Listing Rule 7.1 by obtaining shareholder ratification of an issue previously made within that limit. The Shares and 2005 Options issued under the Prior Placement were made within the limit and accordingly issued without shareholder approval. The subsequent approval by shareholders is being sought under Listing Rule 7.4 to restore the Company's ability to issue equity securities within that limit to the extent to the number of Shares and 2005 Options issued under the Prior Placement.

As required by Listing Rule 7.5, the following information is provided to Shareholders to allow them to assess the Prior Placement:

- (a) A total of 7,000,000 Shares and 7,000,000 2005 Options were issued under the Prior Placement.
- (b) The Shares were issued at a price of \$0.135 per Share. Each Share subscribed for had attached one free 2005 Option.

- (c) The Shares issued in the Prior Placement rank pari passu in all respects from date of issue with the existing fully paid ordinary Shares of the Company. The terms of the 2005 Options are set out in the Annexure to this Explanatory Memorandum. The Company has applied for official quotation on ASX of all Shares and 2005 Options issued under the Prior Placement.
- (d) The Shares and 2005 Options issued in the Prior Placement were allotted to overseas investors under a private placement in the following names:
- Mr Brian Vyner
Westpac Custodian Nominees Limited (as custodian for Canada Dominion Resource Fund)
National Nominees Limited (as custodian for Geological Resource Fund, Ltd)
National Nominees Limited (as custodian for Geological Resource Fund LP)
South Quad Partners
Walnut Street Partners
- (e) The funds raised pursuant to the Prior Placement are intended to be used for the purposes set out in Section 1.1 above.

1.3 Recommendation

For the reason referred to in Section 1.1 above, all the Directors recommend that Shareholders vote in favour of Resolution 1.

2. Resolutions 2, 3 and 4 – Approval of participation of Directors in Rights Issue Shortfall Placement

2.1 Background

On 18 January 2005, the Company announced a proposed non-renounceable pro rata Rights Issue of up to 21,994,097 Shares and, each Share having attached one free 2,005 Option, up to 21,994,097 2005 Options, on the basis of 1 Share for every 5 Shares held on the Record Date, at an issue price of \$0.135 per Share. If fully subscribed, the Rights Issue will raise approximately \$2,969,000, less expenses of the issue.

The Rights Issue is being made pursuant to a prospectus which was lodged with ASIC on 1 February 2005 and which will be sent to Shareholders on or about the date of despatch of this Notice.

In the event that the Rights Issue is not fully subscribed, the prospectus states that the Directors reserve their right to place the Shortfall (if any) at their absolute discretion within 3 months of the Closing Date specified in the prospectus (the *Rights Issue Shortfall Placement*). Shareholders who accept their entitlements in full under the Rights Issue may apply for additional Shares up to the number, in aggregate, of the Shares comprising the Shortfall. As described in the prospectus, the Company has also entered into placement agreements with several investors to issue to those investors within 3 months of the Closing Date such amount of the Shortfall as the Directors may decide at their absolute discretion, in each case up to a certain maximum percentage of the Shortfall. The Directors intend to allot the Shortfall in their discretion to the investors under the placement agreements after the allotment to Shareholders who apply for additional Shares in the manner prescribed in the prospectus.

The investors under the placement agreements comprise sophisticated, professional and overseas investors together with nominee controlled companies of three of the four Directors, being Messrs Dean Gallegos, Andrew Haythorpe and Neil O'Loughlin

(Participating Directors). Pursuant to sections 700 and 708 of the Corporations Act, the offer of the Shortfall to these investors does not require the issue of a further prospectus. Mr Alan Phillips, the fourth Director, has indicated his intention to resign as a Director following the Meeting and completion of the Rights Issue and will not be participating in the placement of the Shortfall.

Subject to Shareholders approving Resolutions 2, 3 and 4, as applicable, each Participating Director has agreed to take such amount of the Shortfall as the Directors may decide at their absolute discretion, but so that not more than 6.67% of the Shortfall is placed with each Participating Director. If the Rights Issue is wholly unsubscribed, this will result in a maximum of 1,466,274 Shares and 1,466,274 2005 Options being placed with each Participating Director under the Rights Issue Shortfall Placement. It is not anticipated however that the Rights Issue will be wholly unsubscribed in which case a lesser number of securities will be placed with each Participating Director. The placement agreements provide that each investor under the Rights Issue Shortfall Placement will receive a placement fee, being 6% (in the case of the Participating Directors) and 8% (in the case of the other investors) of the amount calculated by multiplying the issue price of the Shares (\$0.135) by the number of Shares allotted to that investor by the Directors in their discretion.

Separate approval for the purpose of Listing Rule 7.1 is not required for the issue of securities to the Participating Directors under the Rights Issue Shortfall Placement as Listing Rule 7.2 Exception 3 provides that if the Shortfall is placed within 3 months of the Closing Date, the issue of the securities under the Rights Issue Shortfall Placement will qualify as an exception to Listing Rule 7.1. Listing Rule 7.2 Exception 14 also provides that approval is not required under Listing Rule 7.1 if the issue is made with the approval of Shareholders under Listing Rule 10.11 and the notice of meeting states that if approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

2.2 Listing Rule 10.11

Listing Rule 10.11 generally provides that a listed company may not, without the approval of ordinary shareholders, issue equity securities to a related party. The Company proposes to issue to the Participating Directors, or their respective nominee controlled companies, such amount of the Shortfall as the Directors may decide in their absolute discretion up to a maximum of 6.67% of the Shortfall to each Participating Director. For the purpose of Listing Rule 10.11, the Participating Directors, Messrs Dean Gallegos, Andrew Haythorpe and Neil O'Loughlin, and their respective nominee controlled companies, are considered to be related parties of the Company.

In accordance with the requirements of Listing Rule 10.13, the following information is provided to Shareholders to allow them to assess the proposed issue under each of Resolutions 2, 3 and 4:

- (a) The maximum number of securities to be issued by the Company pursuant to each of Resolutions 2, 3 and 4 is 1,466,274 Shares 1,466,274 2005 Options. The allottees under each of those Resolutions respectively will be the nominee controlled companies of the Directors as listed below:

Dean Gallegos	Roscious Pty Ltd ACN 066 794 956
Andrew Haythorpe	Ouro Pty Ltd ACN 108 924 527
Neil O'Loughlin	Indi Holdings Pty Ltd ACN 076 605 939 <Portfolio Account>

- (b) The issue of the securities to each Participating Director, or their respective nominee controlled companies as listed above, will occur no later than 1 month

after the date of the Meeting, or such longer period as ASX may approve in the event that the Company applies for a waiver of the relevant Listing Rule.

- (c) The Shares issued under each of Resolutions 2, 3 and 4 will be issued at a price of \$0.135 per Share, being the issue price of Shares under the Rights Issue, and each Share subscribed for will have attached one free 2005 Option. The Shares will rank pari passu in all respects from date of issue with the existing fully paid ordinary Shares of the Company. The terms of the 2005 Options are set out in the Annexure to this Explanatory Memorandum. The Company will apply for official quotation on ASX of all Shares and 2005 Options issued pursuant to Resolutions 2, 3 and 4.
- (d) It is intended that the funds raised pursuant to the issue of securities to the Participating Directors under the Rights Issue Shortfall Placement will be used for the purposes set out in Section 1.1 above.

2.3 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the relevant provisions of the Corporations Act (none of which are relevant here); or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

The participation of the Participating Directors in the Rights Issue Shortfall Placement and their entitlement to a placement fee for that participation may constitute the giving of a financial benefit to a related party under section 229(3)(e) of the Corporations Act.

For the purpose of obtaining shareholder approval, and in accordance with the requirements of Chapter 2E of the Corporations Act, and in particular section 219, the following information is provided to Shareholders to allow them to assess the proposed issue under each of Resolutions 2, 3 and 4:

- (i) The related parties of the Company to which a financial benefit may be given under each of Resolutions 2, 3 and 4 are the Participating Directors, Messrs Dean Gallegos, Andrew Haythorpe and Neil O'Loughlin respectively, through their nominee controlled companies as listed in Section 2.2(a) above. The Participating Directors are related parties of the Company by virtue of section 228(2) of the Corporations Act and their controlled companies are related parties by virtue of section 228(4).
- (ii) The nature of the financial benefit to be given to each Participating Director is the issue to that Director, through his nominee controlled company, of the Shares and attached 2005 Options under the Rights Issue Shortfall Placement as referred to in Resolutions 2, 3 and 4 and the payment of the placement fee as described in Section 2.1 above. The reason for proposing that the Participating Directors be allowed to participate in the Rights Issue Shortfall Placement is to provide greater certainty that the funds sought to be raised by the Rights Issue will be raised in their entirety and that the Company's proposed activities as set out in Section 1.1 above may be fully funded. It is reasonable commercial practice for subscribers to receive a placement fee in these circumstances however the Participating Directors have agreed to a placement fee of 6% instead of the 8% fee required by other participants in the Rights Issue Shortfall

Placement.

- (iii) Mr Gallegos does not wish to make a recommendation to Shareholders about Resolution 2 in view of his personal interest in the outcome of that resolution. Each of the other Participating Directors recommends that Shareholders vote in favour of Resolution 2 for the reasons given above.

Mr Haythorpe does not wish to make a recommendation to Shareholders about Resolution 3 in view of his personal interest in the outcome of that resolution. Each of the other Participating Directors recommends that Shareholders vote in favour of Resolution 3 for the reasons given above.

Mr O'Loughlin does not wish to make a recommendation to Shareholders about Resolution 4 in view of his personal interest in the outcome of that resolution. Each of the other Participating Directors recommends that Shareholders vote in favour of Resolution 4 for the reasons given above.

The fourth Director, Mr Alan Phillips, recommends that Shareholders vote in favour of each of Resolutions 2, 3 and 4 for the reasons given in paragraph (ii) above.

- (iv) Apart from Mr Gallegos, none of the Directors has a personal interest in the outcome of Resolution 2. Apart from Mr Haythorpe, none of the Directors has a personal interest in the outcome of Resolution 3. Apart from Mr O'Loughlin, none of the Directors has a personal interest in the outcome of Resolution 4.

- (v) The Shares issued to the Participating Directors under the Rights Issue Shortfall Placement will rank equally with and enjoy the same rights as all other Shares on issue. Each Share will have attached one free 2005 Option. The terms of the 2005 Options are set out in the Annexure to this Notice.

- (vi) The highest and lowest recorded sale price and last recorded closing price of Shares and 2005 Options in SEATS trading in the 12 months prior to the date of this Notice has been as follows:

	Shares	2005 Options
Highest	\$0.245 on 19 February 2004	\$0.10 on 19 February 2004
Lowest	\$0.105 on 23 July 2004	\$0.025 on 17 January 2005
Last recorded	\$0.125 on 31 January 2005	\$0.025 on 31 January 2005

- (vii) Based on the Black & Scholes option valuation methodology, the Company estimates that each 2005 Option has a value of approximately \$0.02. The following assumptions have been used in arriving at this value:

Current Share price	\$0.125
Conversion price	\$0.20
Period for conversion	Up to 30 November 2005
Volatility of Share price	30%
Risk free rate of return	5.5% per annum

- (viii) The Shares to be issued pursuant to each of Resolutions 2, 3 and 4 will be issued at the same issue price as under the Rights Issue. Based on the value of the 2005 Options referred to in paragraph (vii) above, and the 6% placement fee referred

to in paragraph (ii) above, the maximum amount of the financial benefit to be given to each of Messrs Gallegos, Haythorpe and O'Loughlin under Resolutions 2, 3 and 4 respectively (assuming the Rights Issue is wholly unsubscribed) is \$42,390 (including GST). As mentioned above, however, it is not anticipated that the Rights Issue will be wholly unsubscribed in which case the financial benefit to be given to each of the Participating Directors will be a lesser amount. Additionally, at the date of issue of the Shares and 2005 Options under Resolutions 2, 3 and 4 and the date of issue of the Shares issued on conversion of those 2005 Options, the trading price of Shares and may have gone up or down which would increase or reduce the amount of the financial benefit respectively.

- (ix) The securities in the Company in which each Participating Director currently holds an interest, including in each case the interests held by that Participating Director through his controlled company listed in Section 2.2(a) above, and the current Voting Power of each Participating Director, are set out in Table 1 below:

Table 1 - Relevant interests prior to allotment under Resolutions 2, 3 and 4

Participating Director	Existing Shares	Existing Options	Subordinated Convertible Notes	Voting Power
Dean Gallegos	10,300,000	1,735,333 - 2005 Options	250,000	9.37%
Andrew Haythorpe	7,354,625	5,857,500 - 2005 Options	250,000	6.69%
Neil O'Loughlin	5,181,272	1,000,000 - 2005 Options 4,666,667 - 2006 Options	1,750,000	4.71%

In addition, if Resolutions 2, 3 and 4 are passed, a maximum of 1,466,274 Shares and 1,466,274 2005 Options will be placed with each Participating Director under the Rights Issue Shortfall Placement. It is not anticipated however that the Rights Issue will be wholly unsubscribed in which case a lesser number of securities will be placed with each Participating Director. None of the Participating Directors presently intends to take up his Entitlement in the Rights Issue. Table 2 below sets out the securities in the Company in which each Participating Director will hold an interest, and the resulting Voting Power of each Participating Director, if the maximum number of securities are allotted to the Participating Directors under Resolutions 2, 3 and 4 (assuming full subscription of the Rights Issue Shortfall Placement and no options are exercised).

Table 2 - Relevant interests after maximum allotment under Resolutions 2, 3 and 4

Participating Director	Existing Shares	Existing Options	Subordinated Convertible Notes	Voting Power
Dean Gallegos	11,766,274	3,201,607 - 2005 Options	250,000	8.92%
Andrew Haythorpe	8,820,899	7,323,774 - 2005 Options	250,000	6.68%
Neil O'Loughlin	6,647,546	2,466,274 - 2005 Options 4,666,667 - 2006 Options	1,750,000	5.04%

- (x) The issue of Shares and attached 2005 Options granted pursuant to Resolutions 2, 3 and 4 (if approved) will result in a dilution of all other Shareholders' holdings in the Company. The maximum number of Shares that may be issued

to each Participating Director under Resolutions 2, 3 and 4 is 6.67% of the Shortfall or a maximum of 1,466,274 Shares (assuming the Rights Issue is wholly unsubscribed). If all of these Shares are issued, with attached 2005 Options, and those attached 2005 Options were to be exercised, existing Shareholders' interests in the Company would be diluted by approximately 2.2% under each Resolution (assuming full subscription of the Rights Issue Shortfall Placement, no other Shares are issued prior to the conversion of those 2005 Options and no other options are exercised).

- (xi) Other than the information set out in this Explanatory Memorandum, there is no other information known to the Company or any of its Directors that is reasonably required by Shareholders in order to decide whether or not it is in the interests of the Company to pass each of Resolutions 2, 3 and 4.

2.4 Recommendation

All the Directors (excluding Mr Gallegos in relation to Resolution 2, Mr Haythorpe in relation to Resolution 3 and Mr O'Loughlin in relation to Resolution 4) recommend that Shareholders vote in favour of Resolutions 2, 3 and 4. The Director who has not made a recommendation in relation to Resolution 2, 3 or 4 has an interest in the outcome of that particular Resolution being the Director to whom Shares and 2005 Options will be issued if that particular Resolution is passed.

3. Glossary of Terms

In this Notice and Explanatory Memorandum the following words and expressions have the following meanings:

ASIC means Australian Securities and Investments Commission.

ASX means Australian Stock Exchange Limited ABN 98 008 624 691.

Closing Date means the date specified as the closing date for the Rights Issue in the prospectus for that issue.

Company means Crescent Gold Limited ABN 49 087 360 996.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company from time to time.

Dollars or \$ means Australian dollars unless otherwise stated.

Explanatory Memorandum means this explanatory memorandum.

Listing Rules means the official listing rules of ASX.

Meeting and *General Meeting* means the general meeting of shareholders of the Company, or any adjournment thereof, convened by the Notice.

Notice and *Notice of General Meeting* means the notice of general meeting which accompanies this Explanatory Memorandum.

Participating Directors means Messrs Dean Gallegos, Andrew Haythorpe and Neil O'Loughlin.

Prior Placement means a placement of 7,000,000 Shares at \$0.135 per Share and, each Share having attached one free 2005 Option, 7,000,000 2005 Options to overseas investors to raise \$945,000.

Resolution means a resolution referred to in the Notice of General Meeting.

Rights Issue means the pro rata, non renounceable rights issue pursuant to a prospectus of up to 21,994,097 Shares and, each Share having attached one free 2005 Option, 21,994,097 2005 Options, on the basis of 1 Share for every 5 existing Shares held on the record date specified in the prospectus, at an issue price of \$0.135 per Share.

Rights Issue Shortfall Placement means the placement of the Shortfall.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of Shares.

Shortfall means those Shares representing entitlements of eligible Shareholders to participate in the Rights Issue which are not accepted by those eligible Shareholders, with each such Share having attached one free 2005 Option.

Subordinated Convertible Notes means the subordinated convertible notes with a face value of \$0.20 issued by the Company to the Directors with approval of Shareholders given at the 2004 Annual General Meeting of the Company, each convertible into 1 Share on the terms set out in the notice for that meeting.

Voting Power is defined in section 610 of the Corporations Act and means the total number of votes attached to all the voting shares of a person and their associates as a percentage of the total voting shares in the Company.

2005 Option means an option to acquire a Share in the Company exercisable on or before 30 November 2005 at an exercise price of \$0.20 on the terms set out in the Annexure to this Explanatory Memorandum.

2006 Option means an unquoted option to acquire a Share in the Company on or before the date which is 2 years after the date of issue at an exercise price of \$0.15 if exercised in the first year and \$0.18 if exercised in the second year.

ANNEXURE

Terms and conditions of the 2005 Options

The terms and conditions of the 2005 Options are as follows:

1. The 2005 Options will expire on 30 November 2005 (*Expiry Date*).
2. The exercise price of each 2005 Option is \$0.20 (*Exercise Price*).
3. The exercise of each 2005 Option will entitle the holder to one fully paid ordinary Share in the capital of the Company.
4. The 2005 Options may be exercised at any time on or before the Expiry Date, in whole or in part, upon payment of the Exercise Price per option.
5. Exercise of the 2005 Options is effected by completing the notice of exercise of options on the reverse side of the holding statement, or otherwise provided to the option holder by the Company for this purpose, and forwarding it to the Company, together with payment of the relevant Exercise Price.
6. An option holder is required to exercise the 2005 Option in order to participate in a bonus or entitlement issue of shares made by the Company. Option holders will be provided with written notice of the terms of the issue to Shareholders and afforded that period as determined by the Listing Rules before the record closing date to determine entitlements to the issue, to exercise their 2005 Options.
7. In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the 2005 Options will be reorganised in accordance with the Listing Rules.
8. Shares allotted and issued pursuant to the exercise of an option will be allotted and issued not more than 14 days after the receipt of a properly executed notice of exercise of option and the application monies. The Company will apply for official quotation of Shares issued pursuant to the exercise of 2005 Options, in accordance with the Listing Rules.
9. A holding statement will be issued for 2005 Options. If there is more than one option on a holding statement and prior to the Expiry Date those 2005 Options are exercised in part, the Company will issue another holding statement for the balance of the 2005 Options held and not yet exercised.
10. Application will be made for official quotation of the 2005 Options on ASX.
11. 2005 Options are transferable.

Crescent Gold Limited

ABN 49 087 360 996

Proxy Form

All correspondence to:

Computershare Investor Services Pty Limited
GPO Box D182 Perth
Western Australia 6840 Australia
Enquiries (within Australia) 1300 557 010
(outside Australia) 61 3 9415 4000
Facsimile 61 8 9323 2033
www.computershare.com

Mark this box with an 'X' if you have made any changes to your address details (see reverse)



000001
CRE



MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



I 1234567890

I ND

Appointment of Proxy

I/We being a member/s of Crescent Gold Limited and entitled to attend and vote hereby appoint



the Chairman
of the Meeting
(mark with an 'X')

OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Crescent Gold Limited to be held at Level 10, Penthouse Suite, Parmelia Hilton, Mill Street Perth, Western Australia on Monday, 21 March 2005 at 11 am (WST) and at any adjournment of that meeting.

Voting directions to your proxy - please mark



to indicate your directions

- 1 Ratification of Prior Placement
- 2 Approval of participation of Director, Mr Dean Gallegos, in Rights Issue Shortfall Placement
- 3 Approval of participation of Director, Mr Andrew Haythorpe, in Rights Issue Shortfall Placement
- 4 Approval of participation of Director, Mr Neil O'Loughlin, in Rights Issue Shortfall Placement

	For	Against	Abstain*
1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Appointing a second Proxy

I/We wish to appoint a second proxy



Mark with an 'X' if you wish to appoint a second proxy.

AND

 %

OR

State the percentage of your voting rights or the number of securities for this Proxy Form.

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Individual/Sole Director and
Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

/ /

CRE

1 P R



How to complete the Proxy Form

1 Your Address

This is your address as it appears on the company's share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) indicate that you wish to appoint a second proxy by marking the box.
- (b) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (c) return both forms together in the same envelope.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the securityholders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the meeting at 11 am (WST) on Monday, 21 March 2005. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged using the reply paid envelope or:

- IN PERSON Registered Office - Level 5, 89 St Georges Terrace, PERTH WA 6000
Share Registry - Computershare Investor Services Pty Limited, Level 2, 45 St Georges Terrace, Perth WA 6000
Australia
- BY MAIL Registered Office - Level 5, 89 St Georges Terrace, PERTH WA 6000
Share Registry - Computershare Investor Services Pty Limited, GPO Box D182, Perth WA 6840 Australia
- BY FAX 61 8 9323 2033