

DRILLING UPDATE

20th 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 : 1.00m 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



Drilling Sickle Area has Re-Commenced

RC drilling has re-commenced at Sickle with the objective of extending the resource. Specific targets include:

West Lode

SKRC135 intersected **24m at 4.9g/t** from 24m and SKRC150 intersected **15m at 4.7g/t** from 68m in the November 2004 RC drilling program. Both of these holes lie to the North of the current Sickle pit design and have not yet been included in the reserve estimate. RC drilling will aim to further extend mineralization in this area.

East Lode

RC drilling will target the Eastern Lode of Sickle deposit. This remains open to the south and north.

RAB Anomaly S3

RC Drilling will test the mineralization encountered by SKRB024 (**11m @2.2g/t**) some 300 metres north of Sickle. SKRB024 ended in mineralization at drill refusal.

RAB Anomaly S7

RAB Anomaly S7 (**4m at 4.6 g/t from 15m SKRB046**), situated 4km north of Sickle, will also be drilled.

Further Results - Dec 2004 RAB Program

All RAB results for the December drilling program have been received.

Significant results include **4m at 4.6 g/t from 15m** in SKRB046, located 2 km north of Sickle deposit.

3 of 5 geophysical anomalies tested in the December program returned significant results. Another 12 anomalies remain untested.

The RAB results highlight the significant potential the area has to host further economic mineralisation. These zones, together with several others, will be tested in the current RC drilling program.

Additional RAB drilling is planned to commence in March.

Regards
Crescent Gold Limited



Andrew Haythorpe
Executive Director



Previous drilling
at Sickle

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."