

SICKLE OXIDE RESOURCE UPGRADE - 58%

4th October 2005

By Electronic Lodgment

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

ASX Code: CRE

Share Price: A\$0.205

Issued Shares: 137.1m

Market Cap: A\$28.1m

Options 20c CREO : 66.9m

Options 15c/18c unlisted: 17.4m

Resources : 1.3m ozs

Reserves : 0.24m ozs

Market Cap/oz Resource : A\$22 /oz

Market Cap/oz Reserve: A\$117 /oz

Fully Diluted Basis:

Shares : 231.4m

Cash upon dilution : A\$16.5m

Current Cash : A\$3.9m**

Current Cash/Share : A\$0.071

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Sickle — Better grade, more ozs

- A 58% increase on previous shallow oxide ounces.
- Oxide JORC resource has risen from 133,000 oz at 1.8g/t to 210,000 oz at 2.1g/t (3.1 Mt).
- Total Sickle JORC resources now 9.70 Mt at 1.7 g/t Au for 520,000 oz.
- A new ore reserve estimation for Sickle is now underway.
- Total Laverton resource has risen to 1.3 Moz.
- Infill RC drilling at Fish has commenced (previous inferred resource 0.62 Mt at 4.1 g/t for 81,000 oz).
- Further drilling planned to grow Sickle.
- Further resource increases expected.

Table 1— Mineral Resource estimate for Sickle (at 0.8 g/t Cut-off).

	Tonnes (mt)	Grade (g/t)	Ounces (oz)
Oxide	3.11	2.1	210,000
Fresh	6.59	1.4	310,000
TOTAL	9.70	1.7	520,000

This is a significant increase in both tonnes and grade, and reflects the following work completed over the last nine months:

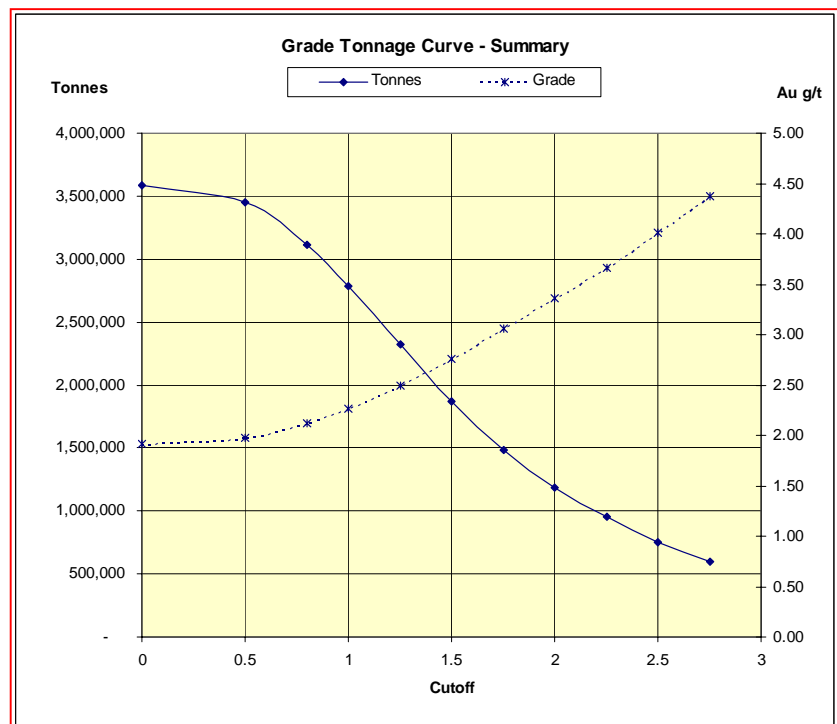
- Infill RC drilling of the newly discovered East Lode.
- RC drilling extending the high-grade Sickle North Lode.
- Improved geological and structural interpretations.

Table 2 and Figure 1 displays the grade tonnage curve for the oxide resource for Sickle:

Table 2 — Oxide Resource (Grade-Tonnage).

Oxide Mineral Resource			
Cut - off Grade	Tonnes (Mt)	Grade (g/t)	Ounces (oz)
2.00	1.18	3.4	128,000
1.50	1.87	2.8	166,000
1.25	2.32	2.5	185,000
1.00	2.79	2.3	200,000
0.80	3.11	2.1	210,000
0.50	3.45	2.0	220,000

Figure 1— Grade Tonnage Curve.

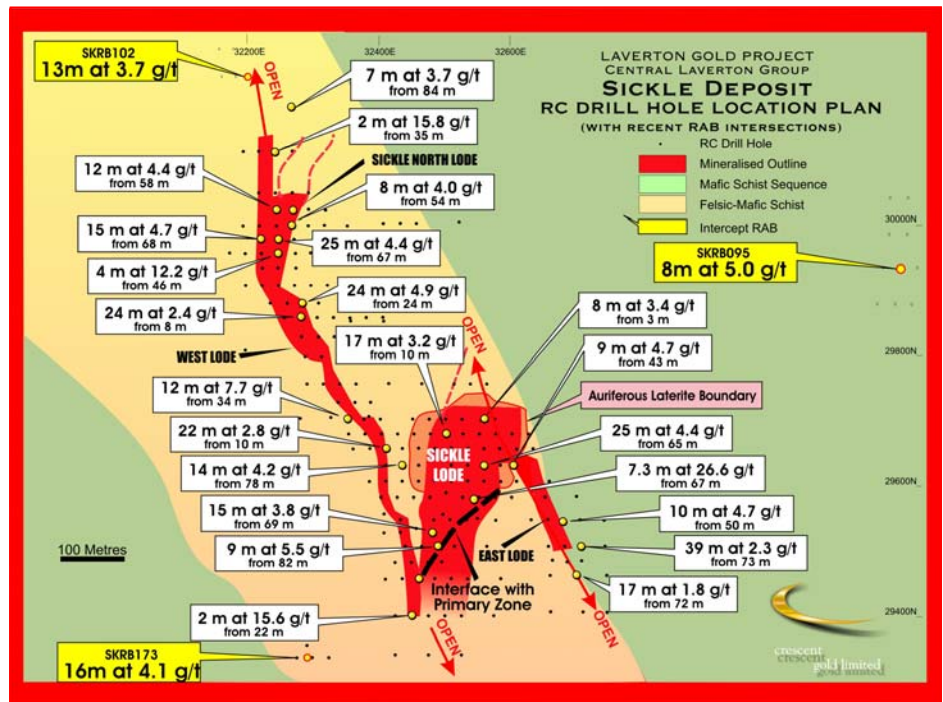


A large proportion of the oxide resource is expected to be converted to reserves due to better grades in the past 8 months of drilling. The 2004 BFS study ore reserve estimation converted over 85% of the oxide resource at that time.

Mineralisation in the oxide zone occurs within either quartz veining within saprolitic clays or within massive gossanous hematitic zones. Four mineralised zones have been identified thus far; Sickie Lode, West Lode, East Lode and Sickie North Lode (refer figure 2).

RC drilling is underway to evaluate strike extensions for both the East and Sickie North Lodes.

Figure 2— Sickie Deposit Plan



Sickie Mineral Resource Estimate

The Sickie resource has been classified in accordance with the Joint Ore Resource Code (“JORC”). The Inferred and Indicated resource estimate at 0.8 g/t cut-off follows.

Table 3 – Sickie Resource Estimate Classification.

Gold Resources (> 0.8 g/t)	Measured		Indicated		Inferred		Total		Ounces
	Tonnes (kt)	Grade (g/t)	Tonnes (kt)	Grade (g/t)	Tonnes (kt)	Grade (g/t)	Tonnes (kt)	Grade (g/t)	
Oxide Zone			3,000	2.1	110	2.8	3,110	2.1	210,000
Primary Zone			4,150	1.5	2,440	1.4	6,590	1.5	310,000
TOTAL			7,150	1.7	2,550	1.5	9,700	1.7	520,000

ADDITIONAL NOTES FOR TABLE 3

- Figures contained within Table 3 have been rounded. Gold grades are rounded to 1 decimal figure; both estimated tonnes and contained ounces are rounded to nearest 1000.
- Abbreviations used : kt = 1000 tonnes, g/t = grams per tonne,
- A summary of the Mineral Resource assessment criteria is detailed in Table 6.

Metallurgical Model and Mining Study

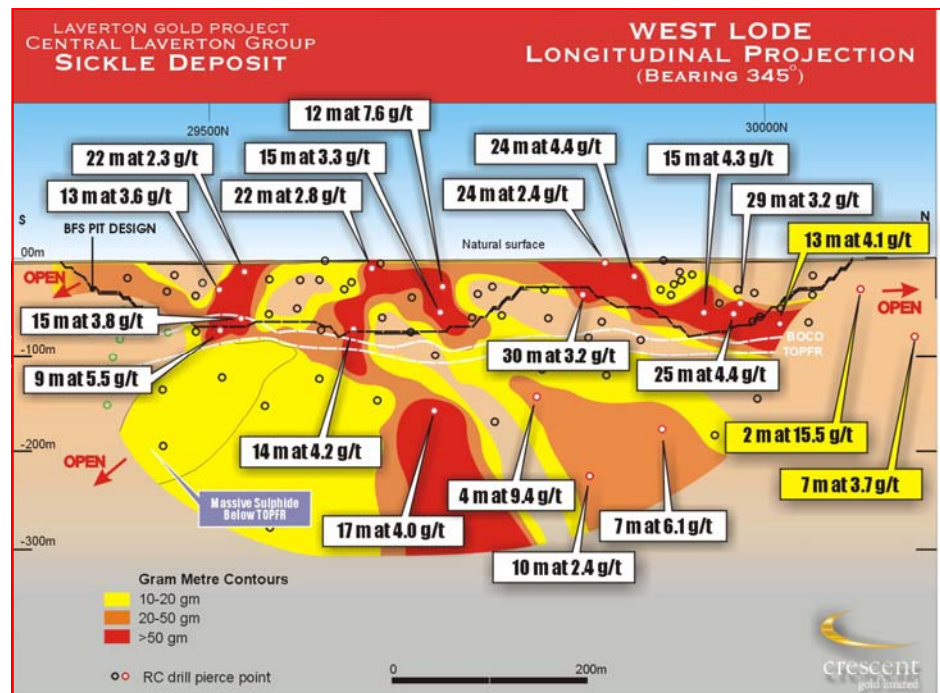
Metallurgical testwork recently carried out, has resulted in a new metallurgical model that will be applied to the optimization study planned to commence. The following table summarises the new cyanide recovery model.

Table 4 — Metallurgical Factors

Lode	Oxide	Transition	Fresh
Sickle_Lode	92.7%	68.0%	29.6%
Sickle_North_Lode	92.7%	90.0%	87.1%
West_Lode <29675N	92.7%	68.0%	29.6%
West_Lode >29675N	92.7%	90.0%	87.1%
Sickle_No.2_Lode	92.7%	90.0%	87.1%

Previous optimization studies have been terminated at the bottom of oxide. It is expected that the application of the above metallurgical factors will have a positive impact and will also contribute to an increased ore reserve estimate.

Figure 3—West Lode Long Section



Resource Potential

Significant resource upside near the known lode positions and along the Sickle corridor remains (refer figure 3 and 4).

Over 50 RC drill holes to evaluate further resource extensions at Sickle will commence shortly .

Identified Gold Resources

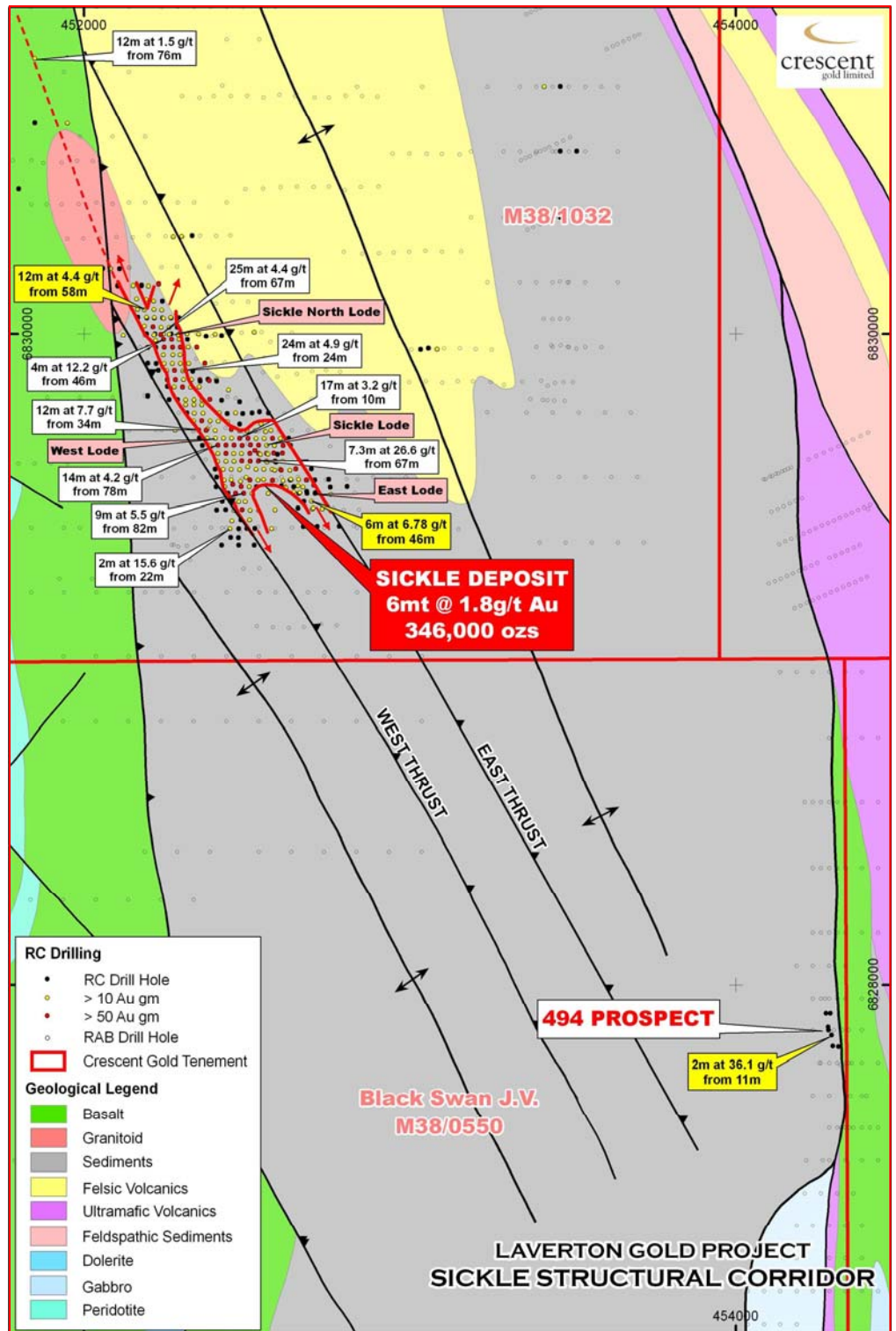
As at 29 September 2005 the Measured, Indicated and Inferred resource at the Laverton Project amount to a total of 29.5 million tonnes at 1.5 g/t Au containing 1,378,000 ounces of gold. The Mineral Resource Statement is detailed in Table 5.

Table 5—Identified Gold Resources

GOLD RESOURCES									
Gold Resources	Measured		Indicated		Inferred		Total		Ounces
	Tonnes (kt)	Grade (g/t)	Tonnes (kt)	Grade (g/t)	Tonnes (kt)	Grade (g/t)	Tonnes (kt)	Grade (g/t)	
Sickle			7,150	1.7	2,550	1.5	9,700	1.7	520,000
Euro	570	1.7	76	1.5	53	1.5	699	1.7	38,000
Armstrong			4,831	0.8	1,638	1.4	6,469	0.9	197,000
West Laverton			392	1.9	321	2.1	713	2.0	45,000
Fish					621	4.1	621	4.1	81,000
West Laverton Group			48	1.9	829	2.8	877	2.7	77,000
Central Laverton Group			544	1.7	3,532	1.3	4,076	1.4	183,000
South Laverton Group					948	1.1	948	1.1	35,000
Jasper Hills Group					4,125	1.0	4,125	1.0	130,000
Burtville Group			210	2.1	1,060	1.7	1,270	1.8	72,000
TOTAL RESOURCES	570	1.7	13,251	1.4	15,677	1.5	29,498	1.5	1,378,000

Additional Notes for Table 5

- Figures contained within Table 5 have been rounded. Gold grades are rounded to 1 decimal figure; both estimated tonnes and contained ounces are rounded to nearest 1000.
- Abbreviations used : kt = 1000 tonnes, g/t = grams per tonne,
- West Laverton Group includes resources for West Laverton, Mary Mac, Mary Mac South and Craiggimore.
- Central Laverton Group includes resources for Castaway, Pieces of Eight, She's Right West, She's Right East, Scotland Yet, Grouse, Jacks, Bogle, Bogle South, Bells, Ida H and Low Grade Stockpiles.
- South Laverton Group includes resources for Black Label and Lily Pond Well.
- Jasper Hill Group includes resources for Lord Byron.
- Burtville Group includes resources for Burtville and Karridale deposits.
- The Karridale deposit is hosted within tenements that are subject to the Merolia Joint Venture Agreement ("MJV"), in which the company holds 75.5% interest in the MJV.
- The following mineral resource locations are contiguous with existing open cut pits West Laverton, Mary Mac, Mary Mac South, Craiggimore, She's Right West, She's Right East, Scotland Yet and Ida H.



Regards
Crescent Gold Limited

Andrew Haythorpe
Executive Director

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Andrew Spinks, who is a Member of The Australasian Institute of Mining and Metallurgy included in a list promulgated by the ASX from time to time.

Andrew Spinks is employed by Crescent Gold Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Andrew Spinks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Table 6 – Sickle Resource : Mineral Resource Assessment Criteria**Geological Interpretations**

Geological interpretations have been derived from both drill hole and geophysical data. These interpretations have been the basis of the resource estimation:

Weathering profiles: Laterite, Base of Oxidation and Top of Fresh surfaces.

Geological domains: West Lode, Sickle North Lode, Sickle Lode, East Lode and Laterite Zone.

Data Density

A total of 299 Reverse Circulation ("RC") holes for 33,145 metres and 6 diamond holes for 1292 metres has been the basis of the resource estimation. The drill pattern is primarily on a 25m x 25m within the oxide zone and 50m x 50m within the fresh zone.

Accuracy of Sample Points

All drill hole collar positions have been surveyed by a licensed surveyor. Down-hole surveys carried out by either a single or multishot camera. Sample points are referenced to the Map Grid Australia datum 1994, Zone 51. Photogrammetry has been used to create a digital terrain model for the surface.

Drilling Technique

Only Reverse Circulation ("RC") and Diamond Drilling ("DD") have been used for resource estimation work, Rotary Air Blast ("RAB") data has been omitted from the resource data-set.

Sampling Techniques

All drilling carried-out has used best industry practices. All drilling programmes have used 'face sampling' hammers and 3-tier riffle splitter for sample collection.

Tonnage Factor

Dry bulk densities factors ("DBD") have been obtained via several methods, however values assigned are primarily based on Diamond core billets using the water displacement methods. All values are supported by alternative methods and the DBD's assigned to each geological domain is summarized below.

Lode	Oxide	Transitional	Fresh
West	2.1	2.4	2.8
Sickle	2.4	3.1	3.6
East Lode	2.4	2.7	2.8
Sickle North	2.4	2.7	2.8
Sulphide Zone	2.4	3.1	3.6

Table 6 Cont.

In the circumstance where the massive sulphide material (primary sickle lode) is coincident with gold mineralisation the 'sulphide zone' density factors were applied.

Quality of Assay Data

Analysis of all quality control measures; Standards, Duplicates and Check assay show the data collected is within acceptable variation and as such conforms to required standard for reporting resources to their relative confidence levels.

Estimation Techniques

Grade interpolation for material above 'Top of Fresh' (oxide) used Ordinary Kriging and material below 'Top of Fresh' (fresh) used Inverse Distance Squared. All modelling was undertaken using Datamine Studio software. Statistical analysis of data used GeoAccess Professional.

Further information regarding the description of the geology, geometry and significant intersections for the Sickle Deposit can be found on the company's website www.crescentgold.com