

CRESCENT GOLD LIMITED

ABN 49 087 360 996

Rights Issue Prospectus

For a non-renounceable pro rata rights issue to Shareholders of approximately 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 at an issue price of \$0.135 per Share to raise approximately A\$2,969,000 before costs.

IMPORTANT NOTICE

This is an important document. It should be read carefully and in its entirety. If you do not understand its content or are unsure whether to invest in the securities offered by this Prospectus, you should seek advice from your accountant, stockbroker or other professional adviser.

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Key dates for Investors

Prospectus lodged with ASIC:	1 February 2005
Record Date:	10 February 2005
Prospectus despatched:	14 February 2005
Closing Date:	1 March 2005
Holding statements despatched:	9 March 2005

All dates are indicative only. The Directors reserve the right to vary these dates in accordance with the Listing Rules. Investors are encouraged to submit their Entitlement and Acceptance Forms as soon as possible.

Offer Statistics

Currently on issue

Shares:	109,970,485
2005 Options:	42,654,596
2006 Options:	17,416,667
Other unlisted options:	13,857,750

Convertible Notes:	7,500,000
Subordinated Convertible Notes:	2,500,000

To be issued under Offer

Shares:	21,994,097
2005 Options:	21,994,097
Issue price per Share:	\$0.135

Important Notice

This Prospectus is dated 1 February 2005 and was lodged with ASIC on that date. Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus. No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Offer does not constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

No person named in this Prospectus, nor any other person, guarantees the performance of the Company or the payment of a return on the Shares. Please read this document carefully before you make a decision to accept the Offer. An investment in the Company has specific risks which you should consider before making a decision to invest.

Certain terms and abbreviations used in this Prospectus have defined meanings which are set out in the Glossary in Section 8.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In preparing this Prospectus, regard is made to the Company's status as a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers.

CHAIRMAN'S LETTER

1 February 2005

Dear Shareholder,

On behalf of the Board of the Company, I am pleased to offer you an opportunity to participate in a non-renounceable, pro rata rights issue at \$0.135 per Share.

For every 5 Shares held by an Eligible Shareholders in the Company at the Record Date, that Shareholder will be entitled to subscribe for 1 Share at an issue price of \$0.135. Each Share subscribed for will have attached 1 free 2005 Option.

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 of 7,000,000 Shares at an issue price of \$0.135, with each Share having attached 1 free 2005 Option. The placement was made to overseas investors and did not require a disclosure document.

The Company completed a bankable feasibility study in November 2004 on its Laverton Gold Project (**BFS**). The outcome of this study, which was released to ASX on 22 November 2004, was that the restarting of the Laverton Gold Project was economically viable. The Company believes that the reserves at the Laverton Gold Project, as detailed in the BFS, and the project's associated infrastructure underpin the value of the Company. The focus of the Company over the last two years has been to drill and develop the project's resources to JORC standard and complete the BFS to identify mineral reserves. During this period, there has been minimal exploration for new deposits or exploration to identify extensions to existing deposits.

The BFS highlighted the importance of increasing mill throughput from 1 million tonnes per annum to up to 2 million tonnes per annum so as to reduce operating costs and maximise resource to reserve conversion. Increasing the resource/reserve base through further drilling will add value by extending mine life and ensuring the increased mill feed rate can be achieved.

Drilling at the Sickle deposit, within the Laverton Gold Project, has demonstrated that not only is that deposit the most significant ore source for the project but also that the resource is open in most directions and that there is clear potential to significantly increase the resource. Three lodes have been identified to date, namely, the Sickle Lode, West Lode and East Lode. Of these, only the oxide portion of the Sickle Lode has been drilled out. The West Lode and East Lode remain open to the north, south and down dip and represent high priority drill targets likely to yield additional reserves. Although the area surrounding the Sickle deposit has had surface geochemical exploration and RAB drilling, the Directors consider that it still represents significant exploration upside. This has been evidenced by RAB drilling of anomalies generated by the Company's recent geophysical surveys.

It is proposed to use the proceeds of the prior placement and rights issue to fund an aggressive drilling program at the Sickle deposit, to expand the current pit and to identify new targets around the Sickle deposit as well as existing brown field targets at the other projects within the Laverton Gold Project.

The Company has also been involved since January 2004 in expanding its activities into China and has made significant progress in gaining the necessary business licenses required to commence active exploration activities. A preliminary budget has been made for exploration activities in the Company's China projects over the next 12 months.

On a personal note, I will be stepping down from the Board on completion of this Offer to focus on my private business interests. I would like to thank the continuing Board members, staff and shareholders for making my time with the Company a satisfying and enjoyable experience.

I encourage you to read this Prospectus in its entirety together with all publicly available information relating to the Company. If you have any questions in relation to the rights issue, please contact the Company or your accountant, stockbroker or other professional adviser.

Yours faithfully

Alan S Phillips
Chairman

1. DETAILS OF THE RIGHTS ISSUE

1.1 The Rights Issue

This Prospectus invites Eligible Shareholders to participate in a non-renounceable, pro rata 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 the Record Date at an issue price per Share of \$0.135.

The Rights Issue will raise approximately \$2,969,000, less expenses of the issue.

The Company currently has on issue 42,654,596 2005 Options, 17,416,667 2006 Options and 13,857,750 other unlisted options. The terms of these options do not allow the option holders to participate in the Rights Issue. The option holders will however be entitled to exercise their options prior to the Record Date in accordance with the terms of issue of those options if they wish to participate in the Rights Issue.

The Company also currently has on issue 7,500,000 Convertible Notes and 2,500,000 Subordinated Convertible Notes. The terms of these notes provide that if there is a pro rata issue of Shares, the conversion price of the notes will be recalculated in accordance with the Listing Rules. The note holders are also entitled to participate in the Rights Issue if they have converted the notes prior to the Record Date in accordance with the terms of issue.

1.2 Minimum subscription

There is no minimum subscription level for the Rights Issue.

1.3 Opening and Closing Dates

The Rights Issue will open for receipt of acceptances on 14 February 2005 and will close at 5.00pm (WST) on 1 March 2005, or such later date as the Directors in their discretion may determine, subject to compliance with the Listing Rules.

1.4 Entitlements and Acceptance

The number of Shares to which you are entitled is shown in the accompanying Entitlement and Acceptance Form. In determining Entitlements, fractions will be rounded down to the nearest whole number.

Acceptance of your Entitlement must be made on the accompanying Entitlement and Acceptance Form. Receipt by the Company of your completed Entitlement and Acceptance Form will be treated as acceptance of the Offer on the terms and conditions set out in this prospectus. Instructions for completion of the acceptance of your Entitlement are set out in the accompanying Entitlement and Acceptance Form.

Entitlements may be accepted in whole or in part.

1.5 Action required by Shareholders

(a) *Acceptance of your Entitlement in full*

If you wish to accept all your Entitlement, please complete the Entitlement and Acceptance Form which accompanies this Prospectus in accordance with the instructions set out on the Form. Please then forward the completed Entitlement and Acceptance Form, together with your cheque for the amount shown on the Form, to the Company's Share Registry at:

Computershare Investor Services Pty Limited
Level 2, 45 St Georges Terrace
PERTH WA 6000

or

Computershare Investor Services Pty Limited
GPO Box D182
PERTH WA 6840

so that it is received by them by no later than 5.00pm (WST) on 1 March 2005, or such later date as the Directors advise.

Cheques should be in Australian currency and made payable to "**Crescent Gold Limited –Subscription Account**" and crossed "Not negotiable".

(b) *Acceptance of your Entitlement in full and application for additional Shares*

Shareholders who have accepted their Entitlement in full may apply for additional Shares in the Shortfall. If you wish to apply for additional Shares, please insert in box C of the Entitlement and Acceptance Form which accompanies this Prospectus the additional number of Shares for which you wish to apply and then complete the Entitlement and Acceptance Form in accordance with the instructions set out on the Form. Please then forward the completed Form, together with your cheque for the total amount payable in respect of your full Entitlement together with the additional Shares applied for in the Shortfall, to the Company's Share Registry at:

Computershare Investor Services Pty Limited
Level 2, 45 St Georges Terrace
PERTH WA 6000
or
Computershare Investor Services Pty Limited
GPO Box D182
PERTH WA 6840

so that it is received by them by no later than 5.00pm (WST) on 1 March 2005, or such later date as the Directors advise.

Cheques should be in Australian currency and made payable to "**Crescent Gold Limited –Subscription Account**" and crossed "Not negotiable".

If Shareholders do not take up their Entitlement in full, the resulting Shortfall will be allocated at the discretion of the Directors. In the event that the aggregate of applications for additional Shares exceeds the amount of the Shortfall, application monies (without interest) for applications, or part of applications, that are not recouped will be refunded by the Company in accordance with the provisions of the Corporations Act. The Company does not guarantee that you will receive any Shares applied for in the Shortfall.

(c) *Partial acceptance of your Entitlement*

If you wish to accept part of your Entitlement, please complete the Entitlement and Acceptance Form which accompanies this Prospectus by inserting the number of Shares for which you wish to accept (being less than the number specified on the Form). Please then forward the completed Entitlement and Acceptance Form, together with your cheque for the total amount payable in respect of the Shares accepted, to the Company's share registry at:

Computershare Investor Services Pty Limited
Level 2, 45 St Georges Terrace
PERTH WA 6000
or
Computershare Investor Services Pty Limited
GPO Box D182
PERTH WA 6840

so that it is received by them by no later than 5.00pm (WST) on 1 March 2005, or such later date as the Directors advise.

Cheques should be in Australian currency and made payable to "**Crescent Gold Limited – Subscription Account**" and crossed "Not negotiable".

(d) *No acceptance of Entitlement*

If you decide not to accept any of your Entitlement, you are not required to take any action. Your Entitlement will lapse and the Company will deal with the Shares represented by your Entitlement in the manner described in Section 1.7 below.

(e) *No brokerage or stamp duty*

No brokerage or stamp duty is payable in respect of Shares subscribed for under this Prospectus.

(f) *Enquiries*

If you have any enquiries concerning your Entitlement, please contact the Company's share registry, Computershare Investor Services Pty Limited, at the address shown above or by telephone on 1300 557 010 or contact the Company, your accountant, stockbroker or other professional adviser.

1.6 Allotment

The Shares and 2005 Options to be issued under this Prospectus are expected to be issued and allotted by 9 March 2005.

Pending the issue of the Shares and 2005 Options under this Prospectus, all acceptance monies will be held in trust in a separate bank account as required by the Corporations Act. Any interest earned on these monies will be retained by the Company.

1.7 Shortfall

If you decide not to accept all or part of your Entitlement under the Rights Issue, the Shares with attached 2005 Options representing those Entitlements will form the Shortfall. The Directors reserve the right to issue the Shares with attached 2005 Options comprising the Shortfall at their absolute discretion within 3 months from the Closing Date.

As described in Section 1.5(b) above, Shareholders who accept their Entitlement in full may apply for additional Shares in the Shortfall.

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 any Shortfall as the Directors may decide at their absolute discretion, in each case, up to a certain maximum percentage of the Shortfall, subject to the requirements of the Listing Rules. Those investors comprise sophisticated, professional and overseas investors together with nominee controlled companies of three of the Directors. Shareholder approval is required to allow those Directors to participate in the placement of the Shortfall and a notice of meeting which includes a resolution seeking that approval will be sent to Shareholders on or about the date of despatch of this Prospectus. The issue price of the Shares comprising the Shortfall which are placed by the Directors to these investors will be the same issue price as under the Rights Issue, with each such Share having attached 1 free 2005 Option. Further details concerning the terms of the placement agreements for the Shortfall, including names of investors, are out in Section 6.9 below. The Directors will issue Shares comprising the Shortfall to investors under the placement agreements after satisfaction of applications from Shareholders for additional Shares.

1.8 Quotation of Shares and 2005 Options on ASX

Application for admission to Official Quotation on ASX of the Shares and attached 2005 Options offered by this Prospectus will be made by the Company within 7 days of the date of this Prospectus. If Official Quotation is not granted by ASX within 3 months after the date of issue of the Prospectus, or such later date as allowed by ASX, the Company will not allot or issue any securities pursuant to this Prospectus and will repay all application monies as soon as practicable, without interest.

The fact that the ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares now offered under this Prospectus.

1.9 Market prices of Shares and 2005 Options on ASX

The last price of Shares and 2005 Options on ASX prior to the date of this Prospectus and the highest and lowest prices of Shares on ASX in the 12 month period before the date of this Prospectus, and the respective dates of each of those sales were:

	Shares	2005 Options
Last:	\$0.125 on 31 January 2005	\$0.025 on 31 January 2005
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 2004

1.10 Overseas Shareholders

The Offer is only being made to Shareholders with a registered address in Australia or New Zealand. The Company is of the view that it is unreasonable to extend the Offer to Shareholders outside of Australia and New Zealand having regard to the number of Shareholders concerned, the number and value of the securities which would be offered to them and the cost of complying with the requirements of regulatory authorities in the overseas jurisdictions.

The Offer does not constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

1.11 Electronic Prospectus

An electronic version of this Prospectus is available online at www.crescentgold.com.

The Entitlement and Acceptance Form may only be distributed attached to a complete and unaltered copy of the Prospectus. The Company will not accept a completed Entitlement and Acceptance Form if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the Prospectus or if it has reason to believe that the Entitlement and Acceptance Form or electronic copy of the Prospectus has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that the electronic version of the Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Prospectus ought immediately to request a paper copy of the Prospectus directly from the Company or a financial adviser.

1.12 Prior Placement

On 18 January 2005, the Company announced to ASX completion of the Prior Placement to overseas investors. The issue of this Prospectus will enable those investors to qualify for relief under the Corporations Act for the on-sale of Shares and 2005 Options allotted to them under the Prior Placement.

The Shares and 2005 Options the subject of the Prior Placement are not available for subscription pursuant to this Prospectus.

1.13 Dividends

The Company does not intend to pay dividends for the year ending 30 June 2005. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings, operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

1.14 Taxation implications

The Company does not propose to give any taxation advice and neither the Company, nor its Directors, officers or advisers accept any responsibility or liability for any taxation consequence that may arise by persons participating in the Offer under this Prospectus.

Investors should consult their own professional adviser in regard to the taxation implications of participating in the Offer under this Prospectus.

1.15 Enquiries

If you have any questions concerning the Rights Issue, please contact the Company Secretary, Ms Carol New, on 08 9322 5833, or your accountant, stockbroker or other professional adviser.

2. THE COMPANY AND ITS OPERATIONS

2.1 Recent operations of the Company

The Company recently announced the successful completion of the BFS, which has been the main focus for the Laverton Gold Project in Western Australia over the last two years.

The key outcome of the study is that the refurbishment and possible expansion of the Laverton Gold Project treatment plant to 2 million tonnes per annum is economically viable. The study focused on 4 of the Company's 10 known deposits, being Sickie, Sterling, West Laverton and Armstrong. All resource and reserve estimates are JORC compliant and have been estimated by independent resource consultants.

The key parameters of the study are summarised below:

Production Scenarios		A\$75/oz (Spot)		A\$625/oz	
		1mtpa	2mtpa	1mtpa	2mtpa
Proven/Probable Ore	mt	2.4	3.8	2.7	4.7
	g/t	1.8	1.5	1.7	1.5
Inferred Resource	mt	0.3	0.5	0.5	0.5
	g/t	2.1	1.8	2.0	1.8
Waste	mt	18.9	25.0	20.9	33.1
Strip ratio	W:O	7.0	5.8	6.5	6.4
Gold - Contained	000 ozs	156.6	212.8	178.1	251.2
Mine Life	Years	2.7	2.1	3.2	2.6
Work Index		9.2	9.1	9.4	9.2
Gold Recovery		94.8%	95.1%	94.6%	95.1%
Gold - Recovered	000 ozs	148	202	168	239
Cutoff Grades	Au g/t	0.8 - 1.0	0.6 - 0.9	0.8 - 1.0	0.6 - 0.8
Inferred Resources within Pit Designs have been included in economic analysis					
Ore tonnes includes proven, probable and inferred ore					

The most significant ore source at the Laverton Gold Project is the Sickie deposit which is located approximately 5 kilometres south east of the Company's Laverton Gold Project treatment plant. Drilling during the BFS resulted in a significant (77%) increase in gold resources. The results of the study clearly identify the Sickie deposit as the principal deposit where mining will initially commence. Recent drilling on the western and eastern lodes demonstrates that the deposit remains open along strike and down dip. The deposit contains a total resource estimated at 346,000 ounces.

The Company believes that the Sickie deposit has the potential to significantly grow with further drilling. The project area remains highly prospective as evidenced by the Company's first reconnaissance RAB drilling which has intersected significant mineralisation within a 2 kilometre radius of the Sickie deposit.

The second deposit is Sterling which is located within the Euro Project area approximately 18 kilometres southwest of the Company's treatment plant. Drilling has confirmed the continuity of the deposit over a strike length of 900 metres. The northern end of the deposit may be structurally contiguous with the Euro mine, which historically produced in excess of 100,000 tonnes at a head grade of 11.4 g/t.

The third deposit is West Laverton which is located 15 kilometres west of the Company's Laverton Gold Project treatment plant and lies between the existing Riga and West Laverton.

The fourth deposit is Armstrong which is located within the Admiral Hill project area approximately 9 kilometres north of the Company's treatment plant. The Armstrong deposit contains approximately 143,000 ounces and is continuous over a 1,100 metre strike length. There are two other resources, Pieces of Eight and Castaway, which also exist within the Admiral Hill project area, but were not included in the BFS. These will be subject to further review in the future.

The Company's total resource base has increased to over 1 million ounces of gold, largely as a result of the work carried out during the BFS.

On 18 February 2004, the Company announced its expansion into China via a memorandum of understanding with RAB Projects Pty Ltd, a China focused resource company, and on 19 February 2004 the Company announced the establishment of a strategic alliance with Marc Rich & Co Investment AG, a commodity and metals concentrate trading company with many years operating experience in China.

The Company has built on these arrangements through geological assessment of several opportunities and final selection of two projects which are believed to have the potential of hosting a world class discovery. The Company has completed the formalities required for making application for the necessary business licences, which are a pre-requisite to commencing active exploration in China, and is now waiting for those licences to be approved. It is anticipated that an active field season will commence once the winter snows recede in 2005, subject to the necessary business licences being approved and issued.

These two arrangements mark the first steps of a new strategy to gain further exposure to discovery success and significant acquisitions, aside from the Company's Laverton Gold Project. The Directors consider that China's gold sector offers such opportunities, particularly as Australian expertise in mining and development is now being specifically sought by the national government.

2.2 TSX listing

The Company has been evaluating the possibility of listing on the Toronto Stock Exchange (**TSX**) in Canada, in order to take advantage of interest that exists in this market for companies that have proven reserves, existing infrastructure and significant exploration upside. The Directors consider that the Company's Laverton Gold Project, together with its exposure to the opening of the Chinese mining industry, places the Company in this category.

The Directors anticipate that in the medium term there will be a material re-rating of the Company's shares, based on the Company's current Laverton Gold Project assets alone, if the Company commits to a concerted marketing effort and a permanent presence in Canada. This re-rating would be magnified if the Company achieves further exploration success at the Laverton Gold Project or in China.

Although a final decision has not yet been made, the Company has budgeted an amount of \$650,000 from the proceeds of the Rights Issue to fund this initiative. It is proposed that one Director will be based in Canada to facilitate and manage the process. The Directors believe that this cost is justified by a re-rating of the Company's shares with a subsequent reduction in the cost of capital in the short term for any future debt and/or equity raisings. If the listing does not occur, the funds allocated to this move will be re-allocated in accordance with Section 2.3 below, primarily to exploration at the Company's Laverton Gold Project.

2.3 Purpose of the Rights Issue and use of proceeds

The Directors intend to apply the proceeds from the Prior Placement and Rights Issue to an aggressive drilling program at the existing Sickle deposit, to expand the current pit, identify new targets around the Sickle deposit and existing brown field targets at the other projects within the Laverton Gold Project, to exploration activities in respect the Company's expansion into China, to the TSX listing of the Company and for general working capital purposes.

Assuming that the maximum amount is raised under the Rights Issue, it is proposed that the funds raised by the Prior Placement and Rights Issue will be allocated in the following manner:

- (a) a budget of \$2,000,000 for a drilling program at the Sickle deposit, to expand the current pit and identify new targets around the Sickle deposit and existing brown field targets at the other projects within the Laverton Gold Project;

- (b) a preliminary budget of \$700,000 for exploration activities in China over the next 12 months when the required business licences are approved;
- (c) a budget of \$650,000 to fund the TSX listing of the Company as described in Section 2.2 above; and
- (d) costs of the issues of approximately \$250,000 and general working capital of \$314,000.

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

If less than the maximum amount is raised under the Rights Issue, including placement of the Shortfall as described in Section 1.7 above, the Company proposes to allocate funds up to \$2,700,000 raised by the Prior Placement and Rights Issue, after meeting the expenses of the issues, to the activities described in paragraphs (a) and (b) above. Those activities will be funded from the available proceeds, if less than \$2,700,000, in the same proportions as set out in the table above. Once the expenses of the issues are met and the first \$2,700,000 expended, any remaining amount will be allocated towards the TSX listing of the Company and/or general working capital. If less than the maximum amount is raised, however, the TSX listing may be postponed until adequate funding is in place.

3. EFFECT OF RIGHTS ISSUE ON THE COMPANY

3.1 Principal effects

The principal effects of the Rights Issue will be:

- (a) to increase the number of Shares on issue from 109,970,485 (including the Prior Placement Shares) to 131,964,582, assuming the maximum number of Shares offered under this Prospectus is issued;
- (b) to increase the number of 2005 Options on issue from 42,654,596 (including the Prior Placement 2005 Options) to 64,648,693, assuming the maximum number of Shares offered under this Prospectus is issued; and
- (c) to increase the cash reserves of the Company by approximately \$2,969,000, before deduction of expenses of the Rights Issue, assuming the maximum number of Shares offered under this Prospectus is issued.

3.2 Capital Structure

The capital structure of the Company immediately following completion of the Rights Issue, assuming the maximum number of Shares offered under this Prospectus is issued and no options are exercised, is set out below:

Shares	
Shares on issue at the date of this Prospectus (including Shares issued under the Prior Placement)	109,970,485
Maximum number of Shares proposed to be issued under this Prospectus	21,994,097
Total:	131,964,582

Options	
2005 Options on issue at the date of this Prospectus	42,654,596
2006 Options on issue at the date of this Prospectus	17,416,667
Other unlisted options, with various exercise prices and expiry dates, on issue at the date of this Prospectus	13,857,750
Maximum number of 2005 Options proposed to be issued under this Prospectus	21,994,097

3.3 Pro-forma statement of financial position

To illustrate the effect of the Prior Placement and Rights Issue on the Company, a pro-forma consolidated statement of financial position has been prepared based on the audited financial statements of the Company for the year ended 30 June 2004 adjusted for the following items/assumptions:

- (a) management accounts as at 30 November 2004;
- (b) the proceeds of the Prior Placement;
- (c) the adjusted net proceeds of the Rights Issue (assuming costs of the issues of \$250,000);
- (d) the issue of the maximum number of Shares offered under this Prospectus; and
- (e) that no current option holders exercise their options prior to the Record Date.

	Audited 30 June 2004	Unaudited 30 November 2004	Prior Placement	Rights Issue	Pro forma Consolidated
CURRENT ASSETS					
Cash	\$1,868,173	\$403,104	\$945,000	\$2,969,000	\$4,317,104
Receivables	\$302,308	\$158,133			\$158,133
TOTAL CURRENT ASSETS	\$2,170,481	\$561,237			\$4,475,237
NON-CURRENT ASSETS					
Property, Plant & Equipment	\$937,082	\$847,240			\$847,240
Receivables	\$41,000	\$41,000			\$41,000
Exploration Tenements	\$7,122,145	\$8,659,171			\$8,659,171
Other financial assets	\$2,589,126	\$2,910,439			\$2,910,439
TOTAL NON-CURRENT ASSETS	\$10,689,353	\$12,457,850			\$12,457,850
TOTAL ASSETS	\$12,859,834	\$13,019,087			\$16,933,087
CURRENT LIABILITIES					
Interest Bearing Liabilities	\$100,000	-			-
Payables	\$1,179,446	\$438,043		\$250,000	\$688,043
Other	\$22,216	\$22,216			\$22,216
TOTAL CURRENT LIABILITIES	\$1,301,662	\$460,259			\$710,259
NON-CURRENT LIABILITIES					
Loan – Convertible Notes	-	\$1,500,000			\$1,500,000
Loan – Subordinated Notes	-	\$500,000			\$500,000
Provisions	\$2,587,000	\$2,344,000			\$2,344,000
TOTAL NON-CURRENT LIABILITIES	\$2,587,000	\$4,344,000			\$4,344,000
TOTAL LIABILITIES	\$3,888,662	\$4,804,259			\$5,054,259
NET ASSETS	\$8,971,172	\$8,214,828	\$945,000	\$2,719,000	\$11,878,828
Equity					
Contributing Equity	\$28,506,590	\$28,430,670	\$945,000	\$2,719,000	\$32,094,670
Accumulated Losses	(\$19,535,418)	(\$20,215,842)			(\$20,215,842)
TOTAL EQUITY	\$8,971,172	\$8,214,828	\$945,000	\$2,719,000	\$11,878,828

The accounting policies adopted in preparation of the above pro-forma consolidated statement of financial position are consistent with the policies adopted and as described in the Company's audited financial statements for the year ended 30 June 2004. Financial information for the year ended 30 June 2004 has been prepared in accordance with the requirements of Australian Standards, Urgent Issues Consensus Views and the Corporations Act. It is based on Australian Standards effective as at the date of those financial statements and does not reflect the effect of the transition to Australian Equivalents to International Financial Reporting Standards (**A-IFRS**) in 2006.

The Company will be required to comply with A-IFRS for the financial reporting period beginning 1 July 2005. Although Australia has been undertaking a harmonisation process for several years, there are still significant differences between Australian Generally Accepted Accounting Principles (**GAAP**) and A-IFRS and conversion to A-IFRS will result in

many changes to accounting policies and therefore a consequential impact on financial performance and position. The Directors are monitoring the developments in A-IFRS and the potential impact that it will have on the Company but at this stage have not quantified this potential impact. The Directors' understanding of key potential implications of conversion to A-IFRS on the Company are set out in the notes to the 2004 annual financial statements of the Company.

4. RISK FACTORS

4.1 Introduction

There are risks associated with an investment in the Company, some of which are general risks and some of which are specific to the Company, its business and the industry in which it operates. Before subscribing for Shares offered by this Prospectus, investors should carefully consider and evaluate the Company and the associated risks. Some of the major risk factors which investors need to be aware of are summarized below. Any of these factors or a combination of all or some of them in the future could materially affect the performance of the Company and the market price of the Shares. The risk factors set out below are not exhaustive.

The Shares offered under this Prospectus are considered speculative. Neither the Company nor the Directors guarantee any investment made pursuant to this Prospectus or the performance of the Company, including with respect to the payment of dividends, return of capital or the price at which the Shares will trade. Any person who applies for Shares pursuant to this Prospectus does so in recognition of those factors.

The Directors recommend that investors examine the full contents of this Prospectus and all previous ASX disclosures and other public information on the Company and consult their professional advisers before deciding whether or not to apply for Shares pursuant to this Prospectus.

4.2 General risks

General risk factors which may affect the Company and its businesses include:

- (a) **General investment risks:** There are general risks associated with any investment and the share market generally. The value of Shares may rise or fall depending upon a range of factors beyond the Company's control and which are unrelated to the Company's future financial performance. Movements on international stock markets, interest rates and exchange rates, together with domestic and international economic conditions and government taxation and other policy changes may affect the stock market generally and the market for the Company's shares.
- (b) **Possible volatility of share price:** The price of Shares listed on ASX may also be affected by a range of factors including the Company's financial performance and by changes in the business environment in which the Company operates. The value of Shares can increase or decrease. Economic factors such as changes in interest rates, exchange rates, tax rates and governmental regulation; industry factors such as the development of new and competing resources and products by the Company's competitors; and commercial factors such as the loss of key staff, can also affect the value of the Shares.
- (c) **Exploration, Development, Mining and Processing Risks:** The business of mineral exploration, project development and mining by its nature contains elements of inherent risk. Ultimate success of these activities is dependant on many factors such as:
 - (i) the discovery and/or acquisition of economically recoverable ore reserves;
 - (ii) the efficacy of exploration techniques;
 - (iii) access to adequate capital for project development;
 - (iv) securing and maintaining title to tenements;
 - (v) obtaining consents and approvals necessary for the conduct of exploration and mining;
 - (vi) the design and construction of efficient mining facilities;
 - (vii) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants;
 - (viii) impact of adverse weather conditions over prolonged periods might adversely affect exploration and mining operations and the timing of revenues.

- (d) **Country Risk:** In Australia, environmental considerations and native title claims could, under certain circumstances, adversely affect proposed development of mineral resources. The Company's ability to successfully pursue its exploration and mining activities may also be affected by changes in governmental policy which may be beyond the Company's control. In China, legislation governing the mining industry is still in its formative stages and the current legislation, under certain circumstances, could adversely impact upon a foreign company's ability to fully develop a mining operation in that country. This legislation is currently under review, with input from foreign companies, with a target of improving the legislative framework within the next two years.
- (e) **General Economic Risks and Business Climate:** Share market conditions could affect the price of the Company's listed securities regardless of operating performance. Share market conditions are affected by many factors such as:
- (i) general economic outlook
 - (ii) movements in or outlook for interest rates and inflation rates;
 - (iii) currency fluctuations;
 - (iv) gold and other commodity prices;
 - (v) changes in investor sentiment towards particular market sectors;
 - (vi) the demand and supply for capital, and
 - (vii) tax legislation.

Commodity prices are influenced by physical, speculative and investment demand for the given commodity. Fluctuations in commodity prices may influence individual projects in which the Company has an interest.

- (f) **Environmental Considerations:** Exploration and mining activities may have an impact on the environment. The Company's operations are subject to State and Commonwealth laws and regulations which govern environmental matters including the discharge of hazardous waste and materials. Although the Company intends to conduct its operations in accordance with applicable environmental laws and regulations, it is possible that environmental claims could arise in the future. Environmental difficulties may also adversely impact on the Company's exploration costs and/or the cost of mining any identified resources. However, the Company is not currently aware of any particular environmental difficulties in relation to its planned exploration activities
- (g) **Native Title:** The Company's ability to obtain the grant of mining tenement applications and access to prospective exploration areas may be affected by Commonwealth and State laws and regulations governing native title, aboriginal land rights and aboriginal heritage matters. This could preclude or delay the grant of exploration and mining tenements and considerable expenses together with compensation could be incurred negotiating and resolving issues. The discovery of Aboriginal sacred sites or artefacts on tenements held by the Company could limit or preclude exploration or mining activities within spheres of influence of those sites and result in delay and expenses in obtaining the necessary clearances. The Company has been actively pursuing an equitable resolution of these issues in respect of its tenements with the relevant native title claimants.
- (h) **Occupational Health and Safety Risk:** Mining activities have inherent risks and hazards. The Company is committed to providing a healthy and safe environment for its employees, contractors and visitors.

4.3 Specific risks associated with the Company

There are also a number of specific risks associated with the Company which may adversely affect the Company's financial position, prospects and the price of its listed securities. In particular, the Company is subject to risks relating to the development and mining of mineral properties. Some of these specific risks are as follows:

- (a) The Company believes that its current cash and receivables and the net proceeds of the Rights Issue and Prior Placement will be sufficient to carry out its objectives as set out in this Prospectus. Upon completion of those proposed exploration programs and other objectives, the Company may require additional capital to further exploration of the Company's existing or new projects, develop mining operations or acquire new

projects. The Company's ability to raise further capital (equity or debt) within an acceptable time, of sufficient quantum, and on terms acceptable to the Company will vary according to a number of factors, including:

- (i) prospectivity of existing and new projects;
- (ii) the results of exploration and subsequent feasibility studies;
- (iii) stock market and industry conditions; and
- (iv) the price of the relevant commodities.

There can be no assurance however that if further capital is required, it will be available on acceptable terms or at all. If the Company is unable to obtain additional capital, it may be required to modify its objectives and this could have a material adverse effect on its business.

- (b) The Company cannot guarantee that those Laverton Tenements that are applications for tenements will ultimately be granted in whole or in part pursuant to the Mining Act.
- (c) Where Ministerial consent is required in relation to any agreements or to the transfer of any granted Laverton Tenements or Laverton Tenements granted as a result of the applications for tenements, the Company expresses no opinion as to whether such consent will be granted, or the consequences of consent being refused.
- (d) The Department from time to time reviews the environmental bonds that are placed on tenements. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.
- (e) The Company cannot guarantee that during any future mining operations it may not be faced with engineering, technical and/or geotechnical problems that may adversely affect its ability to profitably mine those deposits.
- (f) Where compliance is required with the terms and conditions of any Laverton Tenement and the provisions of the Mining Act and Mining Regulations, including requirements necessary to maintain the Laverton Tenements in good standing, or in relation to a possible claim in relation to the Laverton Tenements by third parties, the Company expresses no opinion as to such compliance or claim.
- (g) Where approval is required in relation to any application for exemption from expenditure conditions, the Company expresses no opinion as to whether such application for exemption will be granted, or the consequences of that application for exemption being refused.
- (h) Renewal of the Laverton Tenements by the Department may not occur if the Department forms the view that the Company has not met minimum expenditure commitments or has failed to comply with other conditions and/or regulations of the Department, the Mining Act or the Mining Regulations.
- (i) Exploration of the Laverton Tenements may be unsuccessful, resulting in a reduction in the value of those Laverton Tenements, diminution in the cash reserves of the Company and possible dilution of the Company's interests in or relinquishment of the Laverton Tenements.
- (j) The contractors and consultants engaged by the Company may experience insolvency or other managerial failure leading to further cost and delay as the Company appoints alternative contractors.
- (k) The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability. Resource estimates may need to be adjusted in a manner adverse to the Company if mineralisations of formations different from those predicted are encountered.
- (l) Any resource and/or reserve figures stated in the Prospectus represent, in the Company's view, a soundly based and technically supported estimate completed by a

competent person as defined by the 1999 Australasian Code for Reporting Mineral Resources and Ore Reserves. Investors should not assume as a matter of certainty that additional ore reserves, additional to those already defined, will be defined or that those ore reserves can be economically extracted in the future.

- (m) Any discovery of a mineral deposit does not guarantee that the mining of that deposit will be commercially viable. The size of the deposit, extraction costs and recovery rates are key factors in determining commercial viability.
- (n) The future success of the Company depends on its ability to attract and retain highly qualified technical and managerial personnel. Competition for such personnel can be intense. The inability to attract and retain the necessary technical and managerial personnel could have a material and adverse effect upon the Company's business.
- (o) The current and future operations of the Company (including drilling, exploration and possible production activities) may be affected by a range of factors including mechanical failure of operating plant and equipment, industrial disputes, industrial and environmental accidents, unavailability of aircraft or drilling equipment to undertake airborne surveys and other geological and geophysical investigations and other unanticipated operational and technical difficulties encountered in seismic survey, drilling and production activities.

5. RIGHTS ATTACHING TO SHARES AND 2005 OPTIONS

5.1 Rights and liabilities attaching to Shares issued under Rights Issue and Shares issued upon exercise of 2005 Options

The rights and liabilities attaching to ownership of Shares arise from a combination of the Company's Constitution, statute and general law.

The Shares offered under this Prospectus will rank equally with the Shares currently on issue.

The following is a summary of the more important of the rights and liabilities attaching to Shares as contained in the Company's Constitution. Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) **Voting at a general meeting**

Subject to any Shares which may in the future be issued with special or preferential rights, every member present in person at a general meeting of the Company or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each fully paid Share held. On a poll, partly paid Shares confer a fraction of a vote in proportion to the amount paid up on the Share.

(b) **Meetings of members**

Each Shareholder is entitled to receive notice of, attend and vote at meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Company's Constitution, the Corporations Act and the Listing Rules.

(c) **Dividends**

The Directors may from time to time determine dividends to be distributed to Shareholders according to their rights and interests. The Directors may fix the time for distribution and the methods of distribution. Subject to any rights or restrictions attaching to a class of Shares (such as preference shares) dividends are to be paid proportionately on all Shares.

(d) **Transfer of Shares**

Shares may be transferred by a proper transfer effected in accordance with the ACH Clearing Rules and/or ASTC Settlement Rules, by any other method of transferring or dealing in Shares introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by either the Directors or ASX that is otherwise permitted by the Corporations Act. The Directors may decline to register a transfer of Shares (other than a proper transfer in accordance with the ACH Clearing Rules and/or ASTC Settlement Rules) where permitted to do so under the Listing Rules. If the Directors decline to register a transfer, the Company must, within 5 business days after the transfer is lodged with a Company, give the party lodging the transfer written notice of the refusal and the reason for refusal. The Directors must decline to register a transfer of Shares when required by law, by the Listing Rules or by the ACH Clearing Rules and/or ASTC Settlement Rules.

(e) **Issue of further Shares**

The Directors may allot, issue, grant options in respect of, or otherwise dispose of, further Shares on such terms and conditions as they see fit. However, the Directors must act in accordance with the restrictions imposed by the Company's constitution, the Listing Rules, the Corporations Act and any rights for the time being attached to Shares in any special class of those Shares.

(f) **Winding up**

If the Company is wound up, then subject to any special or preferential rights attaching to any class of Shares, Shareholders will be entitled in a winding up to a share in any surplus assets of the Company in proportion to the amounts paid (or credited as paid up) on the Shares held by them.

5.2 Rights and liabilities attaching to 2005 Options

The 2005 Options attaching to Shares issued under this Prospectus will be issued on the following terms and conditions:

- (a) The 2005 Options will expire on 30 November 2005 (**Expiry Date**).
- (b) The exercise price of each 2005 Option is \$0.20 (**Exercise Price**).
- (c) The exercise of each 2005 Option will entitle the holder to one fully paid ordinary Share in the capital of the Company.
- (d) 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.
- (e) 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.
- (f) 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.
- (g) 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.
- (h) Shares allotted and issued pursuant to the exercise of a 2005 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.
- (i) 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.
- (j) Application will be made for official quotation of the 2005 Options on ASX.
- (g) 2005 Options are transferable.

6. ADDITIONAL INFORMATION

6.1 Transaction Specific Prospectus

The Company is a “disclosing entity” under the Corporations Act and is therefore subject to regular reporting and disclosure obligations. As a listed company, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

This Prospectus is issued by the Company pursuant to section 713 of the Corporations Act as a transaction specific prospectus. That section sets out specific content rules applying to a prospectus for an offer of continuously quoted securities of a “disclosing entity”. In accordance with section 713, this Prospectus must contain information relating to the terms and conditions of the Offer, the effect of the Offer on the Company, the rights and liabilities attaching to the Shares and 2005 Options and the underlying securities issued as a consequence of their exercise.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that its Shares qualify as continuously quoted securities for the purpose of section 713 and that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months preceding the date of issue of this Prospectus. Under those requirements, the Company must notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by the ASX.

Information which is in the public domain has not been reported in this Prospectus, other than that which is considered necessary to make this Prospectus complete. The Directors consider that this Prospectus contains all the information that investors or their professional advisers would reasonably require for the purpose of making an informed assessment of:

- (a) the effect of the Offer on the Company; and
- (b) the rights and liabilities attaching to the Shares and 2005 Options,

and which they would reasonably expect to find in this Prospectus.

6.2 Information available to Shareholders

The Company will provide a copy of any of the following documents, free of charge, to any person who asks for a copy of the document during the application period under this Prospectus:

- audited financial statements for the Company for the year ended 30 June 2004;
- reviewed half-yearly financial statements for the Company for the period ended 31 December 2003;
- any other financial statements lodged in relation to the Company with ASIC and any continuous disclosure notices given by the Company to ASX, in the period starting immediately after lodgement of the 30 June 2004 financial statements of the Company and ending on the date of lodgement of this Prospectus with ASIC, being the following announcements:

31/01/05	Appendix 3B: Share placement
28/01/05	Second Quarter Activities and Cashflow Reports
25/01/05	Appendix 3B: Placement
20/01/04	Drilling Update
18/01/04	News Release - US Investors back Crescent Gold
18/01/04	\$3.9m funding package completed offshore
15/12/04	Sickles' Gold Horizons Continue to Expand
15/12/04	New Mineralised Zone - Sickle
07/12/04	Expiry of Employee Options
01/12/04	Appendix 3B

30/11/04	Results of Annual General Meeting
29/11/04	Alternate Directors - AGM
25/11/04	Sickle – New drill results/better grades
24/11/04	Panel publishes reasons
22/11/04	Study gives green light to re-opening of Laverton Gold Plant
22/11/04	Laverton Project Bankable Feasibility Study Findings
10/11/04	Appendix 3B - Issue of 500000 Unlisted Employee Options
10/11/04	New Gold Zones growing at Sickle
02/11/04	Panel decides not to commence proceedings
29/10/04	First Quarter Cashflow Report
29/10/04	First Quarter Activities Report
28/10/04	Takeovers Panel Announcement
27/10/04	Annual Report 2004/Notice of AGM
25/10/04	Amended Upgraded Gold Oxide at Sickle /Upgraded gold oxide resource at Sickle Deposit
29/09/04	Annual Financial Report 2004

ASX maintains files containing publicly available information with respect to the Company. The Company's file is available for inspection at ASX during normal business hours. In addition, copies of the documents lodged by the Company with ASIC may be obtained from or inspected at an office of ASIC.

6.3 Directors' interests

Other than as set out below or elsewhere in this Prospectus, no Director of the Company holds, or at any time during the last 2 years held, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or to be acquired by the Company in connection with its formation or promotion or in connection with the Offer; or
- (c) the Offer.

Other than as set out below or in Sections 6.4 or 6.5 or elsewhere in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit to any Director or proposed Director:

- (i) to induce them to become, or to qualify as, a Director of the Company; or
- (ii) for services provided by a Director in connection with the formation or promotion of the Company or in connection with the Offer.

The table below sets out details of the relevant interests of the Directors in the securities of the Company immediately prior to lodgement of the Prospectus with ASIC. This includes securities held directly and indirectly.

Director	Shares	2005 Options	2006 Options	Subordinated Convertible Notes
Alan Phillips	885,513	885,513	Nil	250,000
Andrew Haythorpe	7,357,500	5,857,500	Nil	250,000
Dean Gallegos	10,300,000	1,735,333	Nil	250,000
Neil O'Loughlin	5,181,272	1,000,000	4,666,667	1,750,000

In addition, and as described in Section 6.9 below, three of the Directors, Messrs Gallegos, Haythorpe and O'Loughlin, have offered to participate in the placement of the Shortfall (if any) resulting from the Rights Issue, subject to Shareholder approval being obtained, but so that not more than 6.67% of the Shortfall is placed with each of those Directors. This means that a maximum of 1,466,274 additional Shares and 1,466,274 additional 2005 Options may

be placed with each of them. It is not anticipated however that the Rights Issue will be wholly unsubscribed in which case a lesser number of additional securities would be placed with each of those Directors. As Shareholders, the Directors are entitled to participate in the Rights Issue but each of them has indicated that he does not intend to accept his Entitlement.

6.4 Remuneration of Directors

The Constitution of the Company provides as follows in relation to remuneration of Directors:

- (a) The Company may pay non-executive Directors a maximum total amount of directors fees determined by a general meeting or, until so determined such sum as the Directors determine. Remuneration payable by the Company to non-executive Directors must not be a commission on, or percentage of, profits or operating revenue.
- (b) The remuneration of executive Directors must, subject to the provisions of any contract between each of them and the Company, be fixed by the Directors, and must not be calculated as a commission on, or percentage of, operating revenue.
- (c) The Company must pay all reasonable travelling, accommodation and other expenses incurred by a Director in connection with the execution of their duties as Directors. If a Director performs extra or special services, the Company may pay additional remuneration or provide benefits to that Director as the Directors resolve.
- (d) Subject to the Corporations Act and the Listing Rules, the Company may give or agree to give a benefit to a person in connection with the retirement of that person or someone else from a board or managerial office of the Company or a related body corporate of the Company.

The Directors are entitled to receive a director's fee for their services as Directors. In addition, Directors who provide consulting services to the Company receive a consultancy fee, calculated at commercial rates. The table below sets out the remuneration provided to the Directors of the Company and their associated companies during the last 2 years prior to the date of the Prospectus, inclusive of directors' fees and consultancy fees but exclusive of GST.

Director	Director's Fees	Consultancy Fees	Total
Alan Phillips	\$83,000	\$141,154	\$224,154
Andrew Haythorpe	\$25,800	\$142,200	\$168,300
Dean Gallegos	\$42,000	\$232,112	\$274,112
Neil O'Loughlin	\$40,500	\$115,000	\$155,500

Of the above amounts, the following amounts were paid to the Directors in Shares (issued at \$0.30) and 2005 Options as follows:

Mr Phillips	\$116,653
Mr Haythorpe	\$28,500
Mr Gallegos	\$160,600
Mr O'Loughlin	\$36,000

The issue of these Shares and 2005 Options to Messrs Phillips, Haythorpe and Gallegos in lieu of fees was approved at a meeting of Shareholders held on 28 November 2003. The approval in respect of Mr Phillips was for an amount of \$199,654 which included director's fees owing to him in respect of an earlier period. The issue to Mr O'Loughlin was approved at a meeting of Shareholders held on 2 June 2004.

A company associated with Mr Phillips advanced the sum of \$100,000 to the Company on or about 30 June 2003 as an unsecured loan repayable in full by 31 July 2004 or such other date agreed upon by the parties, bearing interest at 14.5%pa or, if interest is paid on the due date, 10%pa. This loan has now been repaid.

Under the terms of Mr Gallegos' remuneration package, a further 4,800,000 Shares may be issued to him if certain performance hurdles are met

6.5 Interests of experts and advisers

This section applies to persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (collectively **Prescribed Persons**).

Other than as set out below or elsewhere in this Prospectus, no Prescribed Person has, or has had in the last 2 years, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Offer; or
- (c) the Offer of securities under this Prospectus.

Other than that as set out below or elsewhere in this Prospectus, no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with:

- (i) the formation or promotion of the Company; or
- (ii) the Offer of securities under this Prospectus.

Deloitte Touche Tohmatsu have acted as auditors to the Company. Deloitte Touche Tohmatsu have provided audit, tax, corporate and other professional services to the Company during the last two years amounting to approximately \$59,500 (excluding GST).

Margaret McGuinn has acted as solicitor to the Company in relation to the Offer. The Company estimates that it will pay her approximately \$15,000 (excluding disbursements and GST) in respect of this work. Further amounts may be paid to her in accordance with her normal time based charges. Margaret McGuinn has provided other professional services to the Company during the last two years amounting to approximately \$95,000 (excluding GST).

6.6 Consents and disclaimers

Written consents to the issue of this Prospectus in both paper and electronic form have been given and at the time of this Prospectus have not been withdrawn by the following parties:

Computershare Investor Services Pty Limited has given and has not withdrawn its written consent to be named in this Prospectus as the share registry of the Company in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Prospectus other than being named as share registry to the Company. It has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

Deloitte Touche Tohmatsu has given and has not withdrawn its consent to be named in this Prospectus as the auditor of the Company in the form and context in which it is named together with all other references to it in the Prospectus and to the inclusion in this Prospectus of information from the audited financial statements of the Company for the year ended 30 June 2004 in the form and context in which they are included. Other than in respect of those parts of the Prospectus referred to in this paragraph, it has not authorised or caused the issue of this Prospectus and takes no responsibility for any matter included in or omitted from any other part of the Prospectus and makes no representations or warranties either expressed or implied with respect to the completeness, accuracy or otherwise of the information contained in the Prospectus, other than those references.

Margaret McGuinn has given and has not withdrawn her consent to be named in this Prospectus as the solicitor to the Offer. Other than consenting to be named in the Prospectus as set out above, Margaret McGuinn does not make or purport to make any statement in the Prospectus or any statement on which a statement made in the Prospectus is based and, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of the Prospectus other than a reference to her name and has not authorised or caused the issue of the Prospectus.

6.7 Litigation

The Company is currently engaged in a dispute in respect to an amount claimed by Australian Posters Pty Ltd which is the subject of current litigation in the Supreme Court of Queensland. The claim amounts to \$328,200 plus interest and costs. This dispute dates back to 1999.

A defence has been filed by the Company and mediation was undertaken in June 2004. Subsequently, the Company has made a statutory offer of \$100,000 plus party to party costs and the plaintiff has made a counter offer of \$210,000 in full and final settlement. This compares to an estimate by Directors in the 30 June 2003 accounts of a potential maximum liability of \$450,000. Unless the claim is settled, the Directors expect that the action will go to trial within the next 12 months. Based on recent filings, the directors estimate that the maximum liability that could arise under this matter is approximately \$210,000 inclusive of interest and costs.

6.8 Subsequent events

There has not arisen at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus, including the disclosures to ASX listed in Section 6.2 above, which is likely, in the opinion of the Directors of the Company to affect substantially:

- (a) the operations of the Company,
- (b) the results of those operations; or
- (c) the state of affairs of the Company.

6.9 Material agreements

(a) Placement Agreements

As referred to in Section 1.7 above, the Company has entered into placement agreements (**Placement Agreements**) with each of the following investors to issue to those investors within 3 months of the Closing Date such amount of any Shortfall as the Directors may decide at their absolute discretion, in each case, up to a certain maximum percentage of the Shortfall:

Canada Dominion Resource Fund
Geologic Resource Fund, Ltd
Geologic Resource Fund, LP
Mr Ed L Mercaldo
Exploration Capital Partners Limited Partnership
Verus Investments Limited
Hayward Securities Inc
Roscius Pty Ltd (nominee controlled company of Mr Gallegos)
Ouro Pty Ltd (nominee controlled company of Mr Haythorpe)
Indi Holdings Pty Ltd (nominee controlled company of Mr O'Loughlin)

Those investors comprise sophisticated, professional and overseas investors together with nominee controlled companies of three of the Directors. The issue price of the Shares under the Placement Agreements will be \$0.135, being the same price as Shares are offered under the Rights Issue, with each such share having attached 1 free 2005 Option. The issue of securities under the Placement Agreements is conditional upon there being a Shortfall in the number of Shares applied for by Eligible Shareholders under the Rights Issue and on all approvals required by the Listing Rules or any governmental agency for the issue of the securities under the Placement Agreements being obtained. In the case of the Directors, it is also conditional upon Shareholder approval being given and a notice of meeting which includes a resolution seeking that approval will be sent to Shareholders on or about the date of despatch of this Prospectus. If these conditions are not satisfied in time to allow the securities to be issued to these investors within 3 months of the Closing Date for the Rights Issue, the Placement Agreements will lapse. In consideration for participating in the placement of the Shortfall, the investors under the Placement Agreements will be entitled to receive an arrangement fee. Each investor will receive a fee equal to 8% of the amount calculated by multiplying the issue price of the Shares (\$0.135) by the

number of Shares allotted to that investor under the Placement Agreement by the Directors in their discretion, or 6% in the case of the Directors.

(b) **Convertible Note Agreements**

As disclosed in the audited financial statements for the Company for the year ended 30 June 2004, under the heading "Subsequent Events", on 9 September 2004 the Company issued 7,500,000 Convertible Notes and 2,500,000 unsecured Subordinated Convertible Notes redeemable at \$0.20 on or before 1 October 2006. The names of the allottees and details of the terms of the agreements for the issue of the Convertible Notes and Subordinated Convertible Notes were set out in the notice and explanatory materials for the 2004 annual general meeting of the Company which was sent to Shareholders in October 2004. The allottees of the Subordinated Convertible Notes were nominee controlled companies of each of the Directors.

6.10 Expenses of the Rights Issue

All expenses connected with the Rights Issue are being borne by the Company. Total expenses of the Rights Issue, assuming full subscription, and the Prior Placement are estimated to be \$250,000 comprising corporate, legal and due diligence and issue management costs, ASIC and ASX fees, printing and other administrative costs.

7. DIRECTORS' AUTHORISATION

This Prospectus is issued by Crescent Gold Limited. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of the Prospectus with ASIC.

Signed in accordance with section 351 of the Corporations Act on the date of this Prospectus on behalf of Crescent Gold Limited by



Andrew Haythorpe
Director
1 February 2005

8. GLOSSARY

Terms and abbreviations used in this Prospectus have the following meanings:

ACH Clearing Rules and/or ASTC Settlement Rules	Has the same meaning as in the Corporations Act.
ASIC	Australian Securities and Investments Commission.
ASX	Australian Stock Exchange Limited ACN 008 624 691.
BFS	The bankable feasibility study completed on the Laverton Gold Project in November 2004 the outcome of which was released to ASX on 22 November 2004.
Board	The board of Directors of the Company.
Business Day	Has the meaning given to it in the Listing Rules.
Closing Date	The date by which valid acceptances must be received by the Company for the Rights Issue being 1 March 2005 or such other date determined by the Board.
Company	Crescent Gold Limited ABN 49 087 360 996
Constitution	The Constitution of the Company
Convertible Notes	The convertible notes with a face value of \$0.20 issued by the Company to the allottees named in the notice of meeting for the 2004 Annual General Meeting of the Company, each convertible into 1 Share on the terms set out in that notice.
Corporations Act	The <i>Corporations Act 2001 (Cth)</i>
Department	The Department of Industry and Resources.
Director	A director of the Company at the date of this Prospectus
Dollars or \$	Australian dollars unless otherwise stated
Eligible Shareholder	A shareholder of the Company who was registered as the holder Shares in the Company as at the Record Date.
Entitlement and Acceptance Form or Form	The entitlement and acceptance form accompanying this Prospectus.
Entitlement	The entitlement of a Shareholder to apply for Shares under the Rights Issue.
Laverton Gold Project	The Company's gold project located approximately 250kms northeast of Kalgoorlie.
Laverton Tenements	The tenements granted pursuant to the Mining Act and applications for tenements made pursuant to the Mining Act, which are the subject of the Laverton Gold Project.

Listing Rules	The official listing rules of ASX
Mining Act	The <i>Mining Act 1978 (WA)</i>
Offer	The offer of Shares pursuant to this Prospectus
Official Quotation	Quotation on the official list of entities that ASX has admitted and not removed
2005 Option	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 Section 5.2 of this Prospectus.
2006 Option	An option to acquire a Share in the Company exercisable 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.
Prior Placement	A placement of 7,000,000 Shares and, each share having attached 1 free 2005 Option, 7,000,000 2005 Options, to raise an amount of \$945,000.
Prospectus	This prospectus of the Company as modified or varied by any supplementary prospectus made by the Company and lodged with the ASIC from time to time and any electronic copy of this prospectus and supplementary prospectus
Record Date	Close of business on 10 February 2004.
Rights Issue	The pro rata non renounceable issue pursuant to this Prospectus 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 Existing Shares held on the Record Date at an issue price of \$0.135 per Share.
Share Registry	Computershare Investor Services Pty Limited ABN 48 078 279 277
Shares	The ordinary shares on issue in the Company from time to time
Shortfall	Those Shares and, each such Share having attached 1 free 2005 Option, those 2005 Options, representing Entitlements, or parts of Entitlements, which are not accepted by those Eligible Shareholders.
Subordinated Convertible Notes	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.
TSX	The Toronto Stock Exchange
WST	Western Standard Time

9. CORPORATE DIRECTORY

Directors	Company Secretary	Solicitor to the Offer
<p>Alan S Phillips Andrew Haythorpe Dean L Gallegos Neil O'Loughlin</p>	<p>Carol New</p>	<p>Margaret McGuinn Lawyer 1/103 Colin Street WEST PERTH WA 6005</p>
Registered office and postal address	Auditor	Share Registry
<p>Registered office Level 5 89 St Georges Terrace PERTH WA 6000</p> <p>Postal address PO Box Z5292 PERTH WA 6831</p> <p>Ph: (08) 9322 5833 Fax: (08) 9322 5866</p>	<p>Deloitte Touche Tohmatsu Woodside Plaza Level 14 240 St Georges Terrace PERTH WA 6000</p>	<p>Computershare Investor Services Pty Limited Level 2 45 St Georges Terrace PERTH WA 6000</p> <p>Ph: 1300 557 010 Fax: (08) 9323 2066</p>

