

Working Capital Facility/AZC/Crescent Gold Negotiations

ASX Code: CRE
TSX Code: CRA
FFT Code: CRE5

SHARE INFORMATION

ASX Share Price: A\$0.10
Issued Shares: 590.7m
Market Cap: A\$59.1m
Options unlisted: 36.8m

CONTACT DETAILS

Level 2, 40 Subiaco Square
Subiaco WA 6008
Phone: +61 8 6380 7100
Fax: +61 8 6380 7199
info@crescentgold.com
www.crescentgold.com
ABN 49 087 360 996

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

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Working Capital Facility/AZC/Crescent Gold Negotiations

Crescent Gold Limited is pleased to announce that today it has agreed to provide a \$4 million working capital finance facility to Australian Zircon NL. As part of that facility, Crescent Gold is granted the right at any time during the 3 year term of the facility:

- (a) to convert up to 50% of the amount of the loan plus accrued interest thereon less 50% of any cash repayments made to AZC shares (subject to any necessary shareholder approval) at a conversion price equal to a 15% discount to VWAP in the 14 days prior to the date of first drawdown under the facility;
- (b) to elect to convert \$2 million of the balance outstanding under the facility to a 2% gross smelter royalty interest (capped at \$20 million) in AZC's interest in the WIM150 project;

The facility must be redeemed in full in the event of a "change of control" of AZC occurring (a person acquiring 40% or more voting power in AZC).

Crescent Gold will also be granted, on first drawdown under the facility, 39 million AZC options exercisable at a 15% discount to VWAP in the 14 days prior to the date of first drawdown under the facility, expiring 5 years after the date of grant. If a "change of control" of AZC occurs Crescent may require that these options be redeemed for a cash consideration as determined by an independent expert.

Further, Crescent Gold is pleased to advise that the two Companies (AZC and Crescent Gold) have also agreed to enter into negotiations and due diligence processes regarding possible corporate opportunities involving the two Companies, including a potential merger.

Further details of progress with these negotiations will be provided as and when appropriate.

Crescent looks forward to these negotiations as it considers the strategic assets of the two entities could provide a unique opportunity to create long term benefits for both shareholder groups.

Yours faithfully,



Roland Hill
Chairman